

# React-adapt-rebuild: Tiered corporate social investment responses to Covid-19

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Corporate South Africa's response to the social impact of the pandemic has been varied, with some companies stepping up to the plate early with vigour and leadership, and others - unsure about the long-term impact of the crisis on their bottom lines, as well as on society at large - responding with measure. Responsible business consultancy, Trialogue, advocates for companies to respond to the crisis by applying their core business competencies as well as their social investments to emergency and long-term social support. A Trialogue, corporate social investment (CSI) forum, hosted online on 21 April 2020, profiled corporate response options and case studies on the impact that Covid-19 has on social investments.



The extent of this pandemic caught the world off guard and, as we continue to reel from its far-reaching effects, many organisations are only now beginning to think about their strategic responses. There are, however, immediate actions that companies can and should take to ensure a semblance of stability within their ambits of influence. Companies can demonstrate their commitment to the communities that they serve, as well as to their stakeholders, by, for example, honouring payment for contract workers, service providers and suppliers; protecting employees and customers; leveraging core competencies, assets and products; repurposing impacted assets and skills; participating in multi-stakeholder responses, and making philanthropic contributions.

## Protecting employees and communities

Sanah Machaba, acting head of social performance at Anglo American Platinum, shared how the company is ensuring that its employees and the communities in which the business operates – mainly Limpopo and the North West – are protected.

The company received an exemption to operate at below 50% during the national lockdown, with underground operations downscaled to care and maintenance. This means that about half of its workforce is still commuting during the lockdown – many by public transport – necessitating prevention programming.

The company has ensured that employees with compromised immune systems, including those living with HIV/Aids, TB and those above 50 years old are not required to report for duty. Thorough sanitation practices have been instated, personal protective equipment (PPE) provided, and hygiene training implemented at all sites to ensure the protection of workers on site. The company has also continued to pay its employees, including those not reporting for duty, with special bonuses issued to those who are required to work during the lockdown.

Anglo American Platinum understands that, to protect their workers is to also protect the communities in which they live. The company is supporting government interventions by educating these communities on prevention, providing local clinics with PPE, distributing food parcels and working closely with municipalities to ensure the provision of water.

### **Consulting with social partners**

While it is a time of great uncertainty across the board, the already vulnerable – including the non-profit sector – are arguably being hit the hardest. Trialogue has long underscored the need for the traditional donor-recipient relationship to transition into more supportive partnerships built on trust and collaboration and, now more than ever, companies should be nurturing their relationships with existing non-profit partners by checking in with them regularly to understand the challenges that they are confronting as an organisation as well as in their communities.

This was the immediate response taken by the Momentum Metropolitan Foundation, as shared by group CSI manager, Charlene Lackay. “This crisis underscored for us the urgent need to rethink how we exist in this world as investors,” said Lackay. The company is not unfamiliar with risk management and disaster response and understands the need to respond to the emergency at hand while also ensuring that their interventions endure beyond the immediate crisis.

The foundation focuses on youth employment, high school and TVET college financial literacy and volunteer work that includes knowledge transfer to NPOs, which the foundation believes well outlasts pure financial support. Rather than taking the cautionary ‘wait-and-see’ approach, following the announcement of school closures on 15 March – which would directly impact their core programming – the foundation did an immediate assessment of how their NPO partners would be affected. Consultations with NPO partners proved strange since many of the organisations had not yet considered how they needed to navigate the crisis. These consultations did, however, underscore the need for the foundation to focus their efforts on ensuring the provision and accessibility of credible, scientific information to the communities in which their existing programmes were being run.

### **Adapting support for social partners**

Corporate and private donors should consider making their funding more flexible and unrestricted and, as far as possible, try to avoid cancelling grants or deferring payments to non-profit organisations (NPOs). Now is also not the time for donors to expect delivery against pre-Covid-19 agreed timelines, and reporting requirements should be relaxed to allow NPOs greater flexibility to adapt their work during this time.

Beyond funding, companies can also support NPOs’ advocacy efforts, provide pro bono services such as legal support to assist with the renegotiation of contracts, offer virtual mentorship to NPOs, and could even consider including NPO staff in their corporate wellness programming during these immensely stressful times.

### **Collective and targeted responses**

Investments into national funds such as the Solidarity Response Fund and engagement with multi-stakeholder and industry-specific bodies can help to ensure coordinated and targeted social responses.

According to CEO, Gail Campbell, this is the collaborative approach being taken by the Zenex Foundation – an independent trust that works to advance mathematics, science and language education in South Africa. The foundation is consulting with the National Association of Social Change Entities in Education (NASCEE) to understand and prioritise – in close consultation with the Department of Basic Education – the most pressing needs in the education sector during this period, and also consults with fellow funders, both internationally and locally, to coordinate humanitarian, health and education interventions.

### **Rebuilding beyond the emergency**

It is unclear how CSI strategies will be impacted in the medium and long term, but what has become abundantly clear is the need for these strategies to be flexible, nimble and responsive to unexpected needs and emergencies – because this will not be the last of its kind. Companies should collect lessons from this crisis as they go and begin to integrate them into their strategies going forward.

Before responding with philanthropic initiatives, it is important that companies undertake assessments and proper due diligence. Understand what your company is responding to and make sure that you are able to sustain your efforts by aligning your response to your business, in terms of geography, focus area, and core competence. Companies must consider how to respond to the crisis strategically, particularly as short-term challenges will soon give way to longer-term ones – the second wave of infections after lockdown, further job losses, and a weakened economy.

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