



SAB FOUNDATION

IMPACT REPORT

Compiled for the period **January 2015** to **March 2022**



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1. ABOUT THIS REPORT

This report seeks to track and illustrate the impact of the SAB Foundation's programmes from 2015 until March 2022. This forms part of the foundation's commitment to annual impact assessment and transparent reporting.

Drawing on information gathered from participants of our key programmes, this report outlines progress in terms of income generation, job creation, business skills development and in some cases, social and environmental impact.

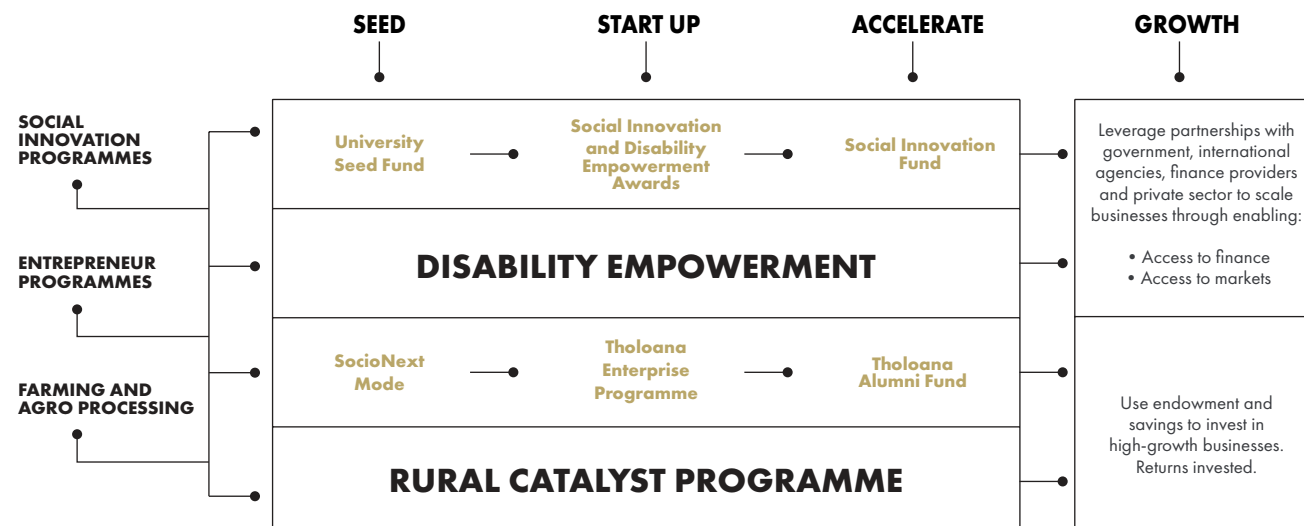
This report summarises the impact of all programmes that the SAB Foundation undertakes in order to achieve its strategic objectives. We also publish in-depth impact studies on the Tholoana Enterprise and Social Innovation Programmes.

To access these studies, please go to our website: www.sabfoundation.co.za

SAB FOUNDATION'S STRATEGY IS GRAPHICALLY REPRESENTED AS FOLLOWS FROM 2020 - 2023

Goals: Increase turnover, jobs, social impact, thought leadership.

Key beneficiary groups: Women, youth, people in rural areas, persons with disabilities.





2. A NOTE FROM BRIDGIT EVANS, SAB FOUNDATION DIRECTOR

THE ANALOGY THAT BEST DESCRIBES MY EXPERIENCE OF THE PANDEMIC IS FIRE. LIVING IN CAPE TOWN, WE ARE USED TO FIRES. AFTER A BLAZE, THE LANDSCAPE ALWAYS LOOKS SO BROKEN, BLEAK AND HOPELESS.

However, it only takes a bit of rain and the black stumps are transformed into beautiful green shoots and flowers. In 2020, the COVID-19 pandemic wreaked havoc on world economies, and small businesses were mostly very negatively affected.

Even though 2021 was still a tough year for South Africa with many COVID-19 restrictions still in place and a floundering economy, small indications of recovery began to pop up like tiny plants in the desert. We have seen this clearly in our statistics.

We compared turnover across three years to see if there has been any recovery amongst our alumni and noticed that combined overall turnover was at R627 million in 2019.

It contracted to R565 million in 2020 and is then back up to R691 million in 2021. We are really encouraged by this. I am pleased with the results this year and am excited to see what 2022 brings, because I know that entrepreneurs will continue to amaze me. I expect to see another upswing in both jobs and turnover.

I am always especially proud to be able to share these results with the public. I continue to encourage all entrepreneurship development programmes to measure results, because only through the analysis and comparison of individual results, can we all ensure that we can all improve.

Thank you for taking the time to read this report.

Bridgit Evans, SAB Foundation Director

3. INTRODUCING THE SAB FOUNDATION

The SAB Foundation was founded in 2010 as a beneficiary of South African Breweries' (SAB) broad based black economic empowerment deal, called the SAB Zenzele Scheme. It is an independent trust overseen by a board of trustees, which include respected South African businesspeople and executives from SAB. The foundation's mandate is:

The provision of funding for small, medium and micro-sized enterprises, in order to contribute to the economic and social empowerment of historically disadvantaged persons. This is done primarily (but not necessarily exclusively) by means of entrepreneurship development and with a priority focus on providing opportunities within small, medium and micro-sized enterprises for women, the youth, people in rural areas, as well as persons with disabilities.

South Africa has a rate of dependency where every working person supports themselves and at least three other people. Dependency is not limited to family members only. The latest dependency ratio value in South Africa from 2020 is 52.23%¹.

Responses from our annual surveys show that each entrepreneur lives with between one and eight people who are financially dependent on the income that their businesses bring in every month. In other words, income and employment generated by the active businesses not only support the entrepreneurs themselves, but also their immediate dependents and their communities at large. Thus, we find deep ripple effects of impact² that emerge from all of our programmes.

As such, we conservatively estimate that, if each of the 10 871 people employed by SAB Foundation entrepreneurs supports four people, then the SAB Foundation has **indirectly impacted 43 484 livelihoods**.

¹ https://www.theglobaleconomy.com/South-Africa/Age_dependency_ratio/ The Global Economy.com

² Given the diverse interventions of our programmes, we haven't been able to quantify the ripple effects of programmes' impact beyond jobs, turnover and outputs and/or outcomes.



3.1 THE SAB FOUNDATION'S OVERALL IMPACT FROM ALL PROGRAMMES

AS AT MARCH 2022



The **SAB Foundation** has deployed over **R534 million** in grant funding, business development support and interest-free loans to **5 229 entities**.

OF THE ENTITIES SUPPORTED:



2 668
fall under rural
micro-enterprises



244
fall under social
innovation programmes



2 317
fall under entrepre-
neurship programmes



90%
businesses
are operational³

OF THE R534 MILLION INVESTED:



R321 million
grant funding



R179 million
business support



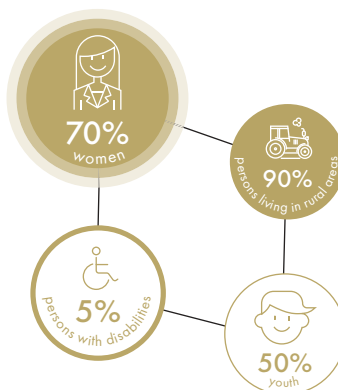
R34 million
interest free loans

BUSINESS SECTORS SUPPORTED:

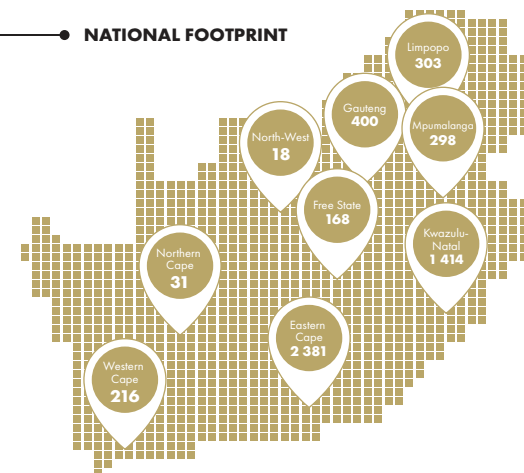
 Transportation	 Haulage and logistics	 Housing	 Fast moving consumer goods
 Financial services	 Human rights	 Hotels and accommodation	 Environment
 Community	 Education and training	 Healthcare	 Sustainable agriculture
 Education	 Restaurants and training	 Information technology	 Professional services

³ Of 5 229 entities that we have supported, we have been able to track 4 800 entities – of those that responded to our annual surveys, 90% reported that they were still operational.

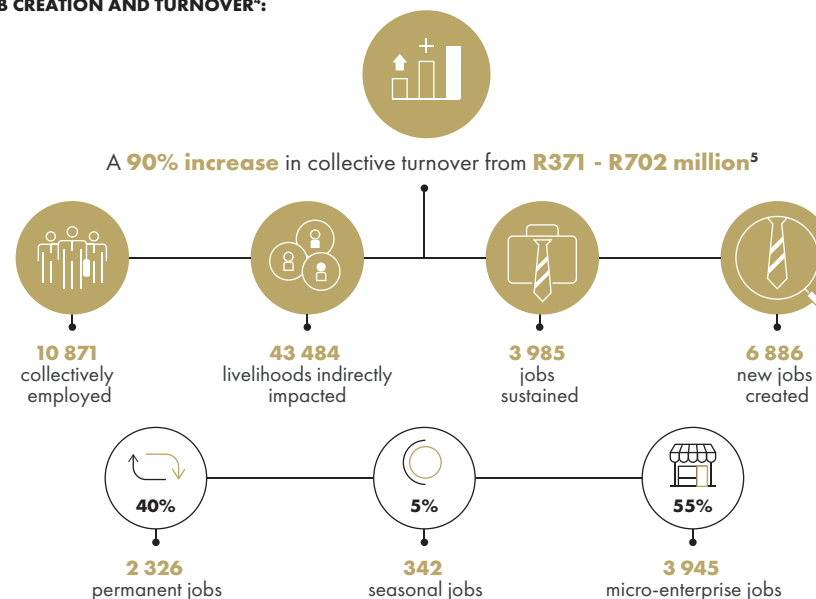
ENTREPRENEUR DEMOGRAPHICS:



NATIONAL FOOTPRINT



JOB CREATION AND TURNOVER⁴:



⁴ Our impact data is collected for five consecutive years. Therefore the SAB Foundation notes that some of the entrepreneurs received support from other donors and/or stakeholders during the five-year period and would like to acknowledge their contribution to this overall impact.

⁵ This year's collective annual turnover includes that of our farming and agro processing rural micro enterprises which have been excluded in previous reports.



3.2 OUR RESPONSE TO COVID-19

The SAB Foundation established a COVID-19 Relief Fund for our entrepreneurs in 2019. The purpose of the fund was to provide assistance to small business owners during the pandemic.

We conducted a survey in 2021 in order to understand what impact the fund had made on entrepreneurs' businesses. Entrepreneurs were asked to report on how the COVID-19 pandemic affected their businesses (be it negative or positive), particularly during the Level 5 national lockdown. The survey also asked how the SAB Foundation COVID-19 Relief fund assisted these businesses.

From the results of this survey, it is quite evident that the SAB Foundation COVID-19 Relief Fund assisted entrepreneurs to weather the pandemic's storm, as well as putting the businesses on a road to recovery.

4. SAB FOUNDATION ENTREPRENEURSHIP PROGRAMMES

The SAB Foundation believes that to ultimately grow value adding, growing and sustainable businesses that create jobs, one needs to create a critical mass of entrepreneurial activity.

The most dedicated entrepreneurs are then selected, and we work closely with them over an extended period of time to bring about scale and, ultimately, job creation. The SAB Foundation executes this strategy through rapid start-up courses targeting the unemployed in partnership with SocioNext, Mode and through our flagship Tholoana Enterprise Programme and the Tholoana Alumni Fund.

While we select businesses from urban centres, we focus much of our efforts in working with businesses outside the major metropolitan areas. The major reasons for this are to support rural entrepreneurs in line with the foundation's mandate and to take advantage of the gap in support that exists for businesses outside the major cities. Thus, 85% of our entrepreneurship programmes are rural.

4.1 THE THOLOANA ENTERPRISE PROGRAMME

One of our flagship programmes, the Tholoana Enterprise Programme, is one of the very few supporters of rural businesses and businesses that are outside of major supply chains. Although one of the goals is to assist these businesses in accessing corporate supply chains, often they also provide goods and services to geographic areas in which they were previously unavailable. It has been encouraging to see how many of these businesses thrive, while also creating a significant social impact.

From 2011 to 2015, the SAB Foundation had a Tholoana Enterprise Fund, which provided once-off funding to 197 entrepreneurs. The SAB Foundation only began measuring its impact in 2015, so little is known about the impact of this fund. However, as part of her masters' research dissertation, University of Johannesburg student, D.B. Tlou, reported on the fund, as at the end of 2015.

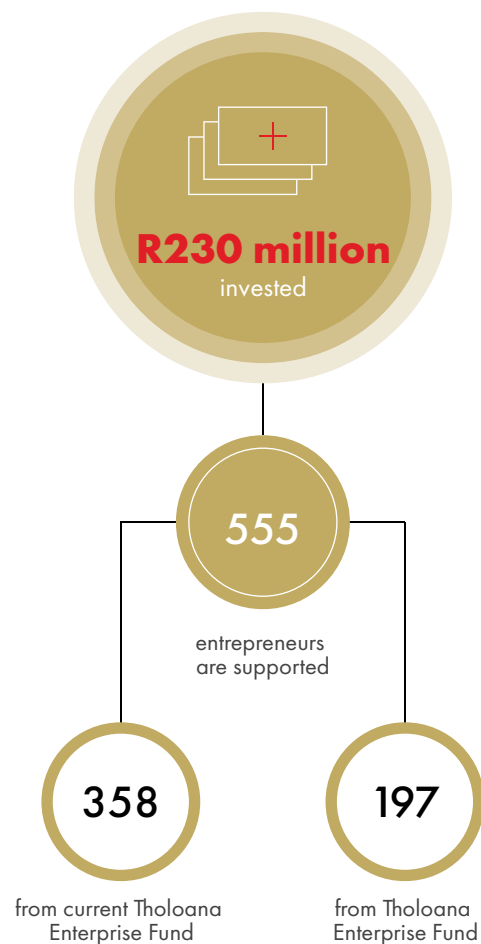
Some key findings from this research were that:

- 98% had a moderate to major effect on the continued existence of their business.
- 84% indicated that the fund had a moderate to major effect on increasing employee numbers.
- 89% indicated that the fund had a moderate to major effect on increased profits.
- 87% indicated that the fund had a moderate to major effect on increased revenue.



4.1.1 THOLOANA ENTERPRISE PROGRAMME IMPACT

As at December 2021:

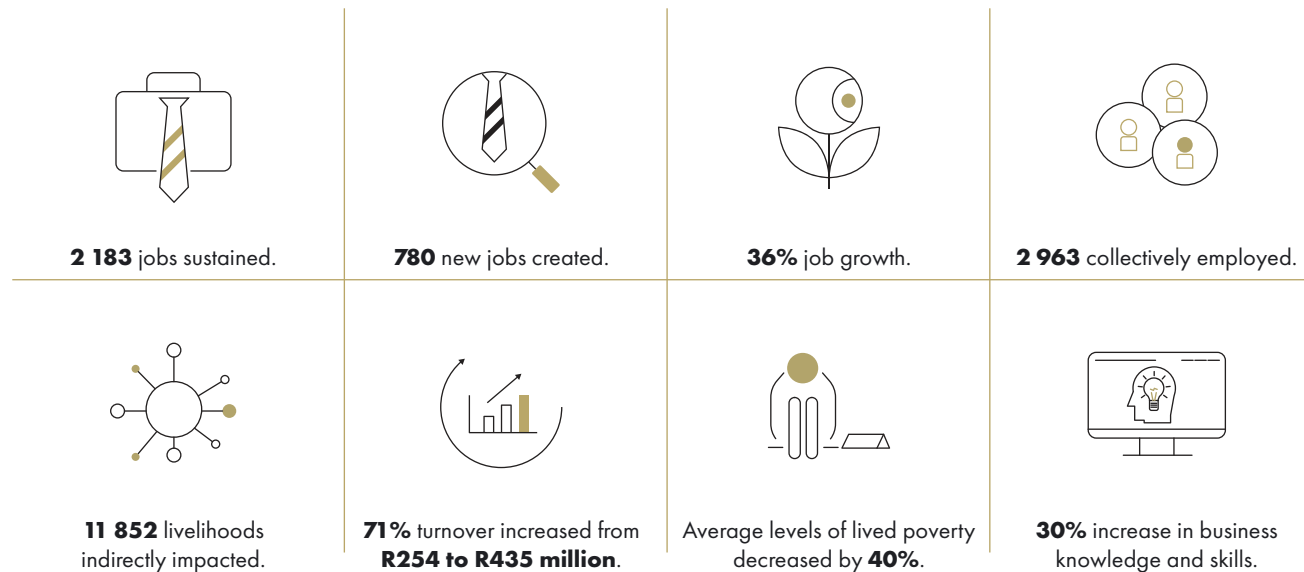


DEMOGRAPHICS:



JOB CREATION AND TURNOVER:

Of the 555 entrepreneurs supported, we have tracked 351 from eight cohorts between 2015 and 2021. The following shows their impact as at December 2021:



⁶ The Lived Poverty Index measures several different indicators, including shelter, clean water, nutrition, electricity, cash income, medical treatment, fuel to cook and money to send children to school.

4.2 THOLOANA ENTERPRISE PROGRAMME ALUMNI FUND

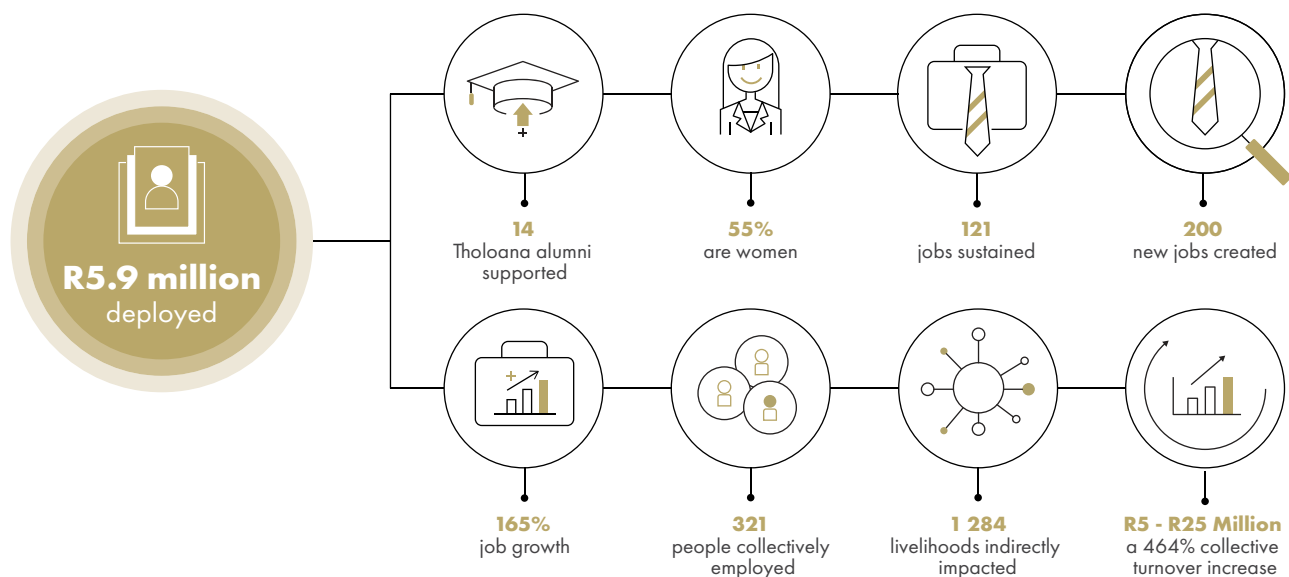
Responses from our annual surveys identified access to further funding as a challenge. To address this, the Tholoana Enterprise Programme Alumni Fund was launched in 2019. It is a fund that allows selected alumni to access further support in the form of grants and interest-free loans provided that they meet certain criteria. The aim of this growth fund is to further increase participants' turnover and create as many new jobs as possible.

What we fund:

- **Deal financing** – funding to help entrepreneurs access cash-flow to fulfil a new contract deal that will help accelerate their growth.
- **Growth financing** – funding to help entrepreneurs with expansion and scaling plans.
- **Equipment financing for growth** – helping entrepreneurs to access capital to purchase equipment that will help them accelerate their growth.

4.2.1 THOLOANA ENTERPRISE PROGRAMME ALUMNI FUND IMPACT:

As at December 2021:





4.3 SOCIONEXT

In conjunction with SocioNext, the SAB Foundation runs five-day acceleration workshops in peri-urban and rural areas targeting the unemployed. These give people the confidence and early-stage skills to start a business in their area.

Over the course of one week, participants form groups, come up with business ideas, conduct market research, sell to customers and pitch to investors. Members of the SAB Foundation team have attended three different workshops in different provinces and have been so inspired by the business ideas and the personal transformation achieved in such a short time.

SocioNext stays in touch with previous participants and has established that only 16% remain unemployed after completing the workshop. In contrast, 37% keep working on the business that

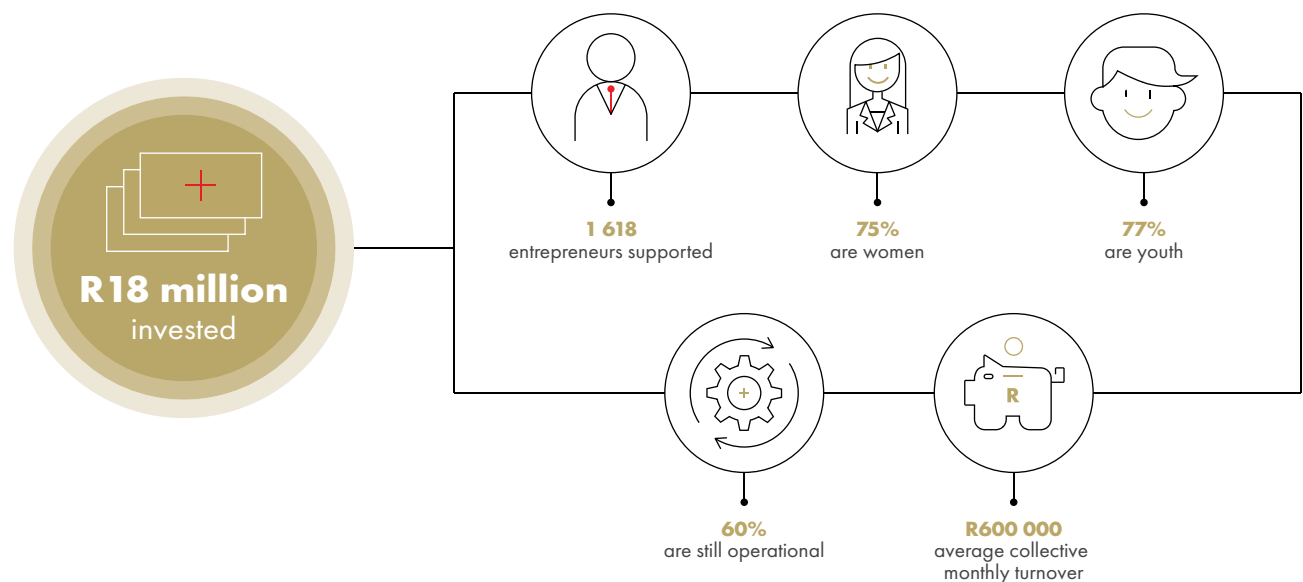
they started during the workshop, while 29% started their own businesses and the balance are either employed or studying. The SAB Foundation's overall intention is to use this group to create a pipeline for the Tholoana Enterprise Programme. To date, five people have graduated onto the next phase.

4.3.1 SOCIONEXT IMPACT

We are fundamentally working with grassroots enterprises. These businesses have generated an average monthly turnover of R3 738. The average number of employees of 1.7 (including owner) speak to small single-person enterprises that are servicing grassroots community needs.

The entrepreneurs we have supported have collectively generated a monthly turnover of R600 000.

As at March 2022:



FEEDBACK FROM ENTREPRENEURS IN THE SAB FOUNDATION ECOSYSTEM



We have upgraded our product to its scalable version in 2020 since receiving the award.

We were featured in the Ellen Macarthur Upstream Innovation Guide and won first place in the SA Plastics Pact Reuse Innovation Challenge in March 2021."

- Social Innovation Awards Participant.



So far we believe that the SAB Foundation is on the right track. The ongoing assistance from mentors to having to continuously train us on various topics and being part of a platform that continues to engage and advise is just the best. We can't thank the SAB Foundation enough for the opportunity.

- Disability Empowerment Awards Participant.



We have taken 20 female students through university and received letters of gratitude from parents, students and that has kept us going.

This has given us the ability to making a lasting change in young girls' lives. Our target is to support over 100 female students every year.

- Social Innovation Awards Participant.



We are grateful to be a recipient of the SAB Foundation Disability Empowerment Awards. We believe that the approach it has taken aligns well with the disability call for inclusive development and growth. We can only encourage the SAB Foundation to continue to empower other potential and deserving entrepreneurs.

- Disability Empowerment Awards Participant.



Having established a good customer base in my community has been a great achievement for my business. Although my market is informal, the level of consistency of orders is quite helpful in guiding my growth direction. This puts me in a position where I can now successfully map my sales plan, marketing plan and business model."

- Tholoana Enterprise Programme Participant.



In the past 12 months our achievements have been: **1)** Having our own premises **2)** Buying a new machinery and taking the tally to 2 machines **3)** Registering the business and complying with the law (BEE Certificate, Tax clearance, Bank Account) **4)** Increasing our sales margins **5)** Having a brand identity including have email accounts as well banners **6)** Being able to negotiate with my suppliers.

- Tholoana Enterprise Programme Participant.



5. SAB FOUNDATION SOCIAL INNOVATION PROGRAMMES

The SAB Foundation defines social innovation simply as business solutions to social problems. We support social innovation because we believe that innovation is critical in solving our many social challenges at scale and in a cost-effective way.

As with entrepreneurship, we aim to build a critical mass of social innovation through its work at universities. The most dedicated social entrepreneurs or innovators are selected, and we work with them over an extended period. Our flagship Social Innovation and Disability Empowerment Awards and Social Innovation Fund programmes bring about scale, job creation and real sustainable social change.

The SAB Foundation looks for innovative products, services, business models and processes that directly address the challenges faced by low-income women, youth, people living in rural areas and persons with disabilities.

5.1 SOCIAL INNOVATION AWARDS

This programme is focused on the prototype and start-up phase. Awards range from R200 000 to R1.3 million, alongside business development support and tailored mentoring to assist with venture growth.

Judging criteria:

ORIGINALITY

How innovative is the solution, and is it a significantly new business model, technology, product, service or production method?

SOCIAL IMPACT

Can the innovation solve a serious social problem that affects the SAB Foundation target groups?

VIABILITY

To what extent is the innovation or solution commercially viable, to ensure its sustainability?

JOB CREATION

Is there potential for the creation of direct and indirect sustainable jobs currently or in the future?

5.1.1 SOCIAL INNOVATION AWARDS IMPACT

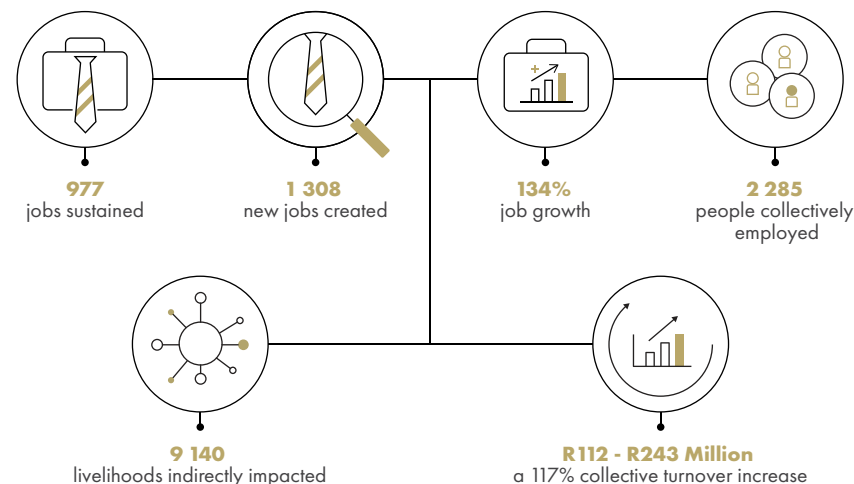
Over R73 million has been deployed in grant funding and business support to date, to support **143 social innovators**. Each innovator focuses on solving a social problem in the sectors such as **housing, healthcare, education, social services, disability, energy, water and sanitation, community safety and security, agriculture, recycling, and financial inclusion**.

DEMOGRAPHICS:



JOB CREATION AND TURNOVER:

As at December 2021:



5.2 SOCIAL INNOVATION FUND AND ACCELERATOR

In 2017, the SAB Foundation created a new fund and accelerator. The Social Innovation Fund is open to all previous winners of the Social Innovation and Disability Empowerment Awards.

It allows social innovators to access a business accelerator and further funding to enable them to grow. The fund was established in response to there being a national 'missing middle' of growth phase funders for social innovation in South Africa.

It aims to address key challenges experienced by social entrepreneurs including, amongst others, identification of and securing access to target markets; a clear revenue generation model, a financial plan and strategic direction; and difficulty in securing access to capital to fund growth in either capacity or different geographies.

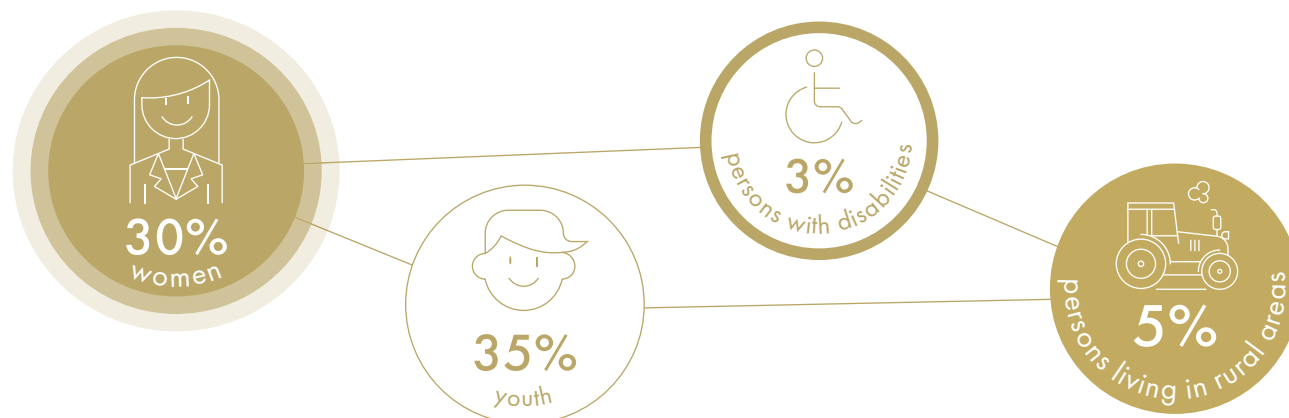
We hope that the impact achieved through this fund will encourage other organisations to provide growth phase funding for this important work.

The aim is to ensure that once this intervention is completed, social innovators will be ready to attract other more commercial investors. Encouragingly, feedback from the South African Venture Capital Association and other early-stage finance providers indicate that this strategy is working.

5.2.1 SOCIAL INNOVATION FUND AND ACCELERATOR IMPACT

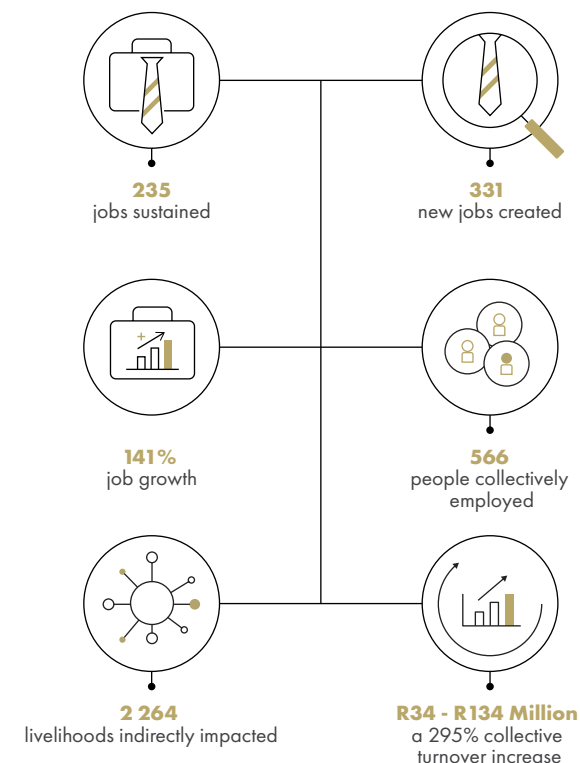
Over **R34 million** has been deployed to support **39 social innovation and disability empowerment alumni** from the following sectors, amongst others: **health and medical, recycling, manufacturing, education**, and the **environment**.

DEMOGRAPHICS:



JOB CREATION AND TURNOVER:

As at December 2021:



5.3 FESTIVAL OF IDEAS

Since 2015, the SAB Foundation has partnered with the Gordon Institute of Business Science in hosting an annual competition, coaching, and training event for social entrepreneurs called the Festival of Ideas.

The festival provides a platform to showcase sound businesses and business ideas that drive a social or environmental mission to achieve social change.

Aspirant social entrepreneurs have the opportunity to pitch their unique businesses or business ideas to a panel of experts for a chance to win mentorship and start-up funding.

At the recent festival three businesses were awarded as follows:

FIRST PLACE:

Gamers Territory is a digital gaming facility in Tembisa which aims to bridge the digital divide by teaching youngsters in townships computer literacy, coding, and robotics.

SECOND PLACE:

StorytellAZ converts audio and text communication to animated video to ensure 20% of deaf South Africans are not left behind.

THIRD PLACE:

LMP Stove is a flameless paraffin stove aimed at alleviating the problem of informal settlement fires, bringing peace of mind to the 17% of South Africans who make up these communities.

5.4 UNIVERSITIES

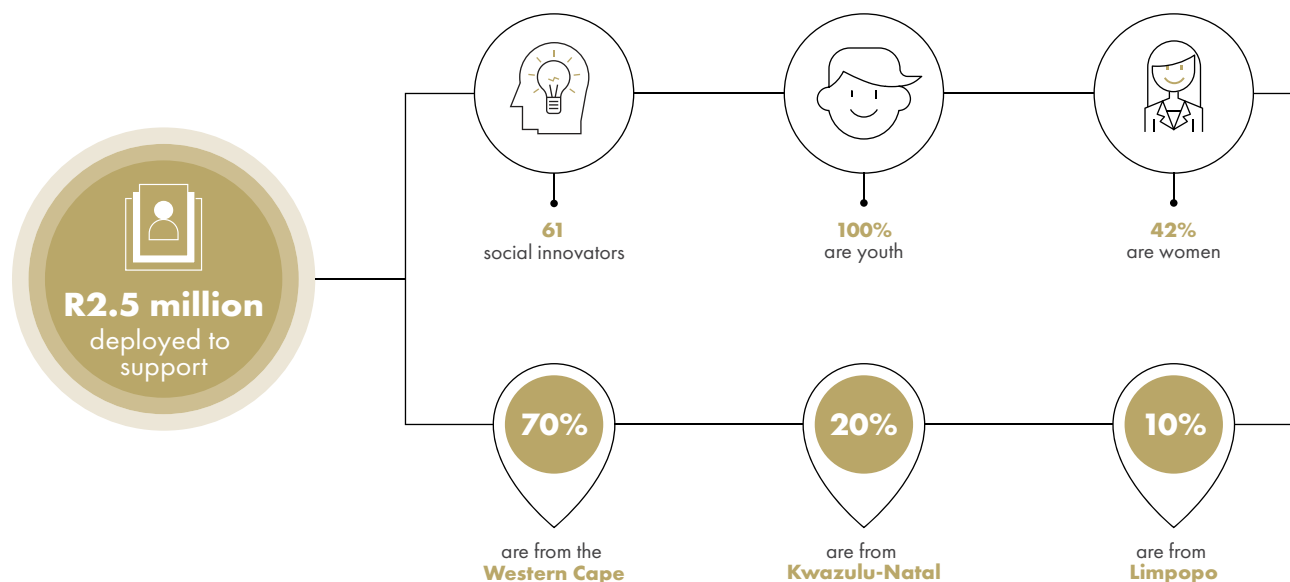
Since 2015, the University of Cape Town Graduate School of Business' Bertha Centre for Social Innovation and Entrepreneurship has successfully collaborated with the SAB Foundation in designing and implementing a social enterprise seed fund, which is open to both current students and recent University of Cape Town's alumni. As at 2021, 47 projects to the value of R2.5 million have been funded.

Thanks to the impact achieved through this fund, in 2019 the SAB Foundation expanded this programme to University of Limpopo, University of Zululand and University of Venda.

However, lessons learnt from expanding this programme were that underserved universities do not have dedicated entrepreneurship units and while multiple meetings with all stakeholders were met with much enthusiasm, already strained staff members found it difficult to deliver these programmes on the ground.

The SAB Foundation is now working more with national programmes such as the Entrepreneurship Development in Higher Education that have reach into all universities and universities of technology to ensure that there are equal opportunities for every student to participate across the country.

It is important to note that the seed fund is an excellent pipeline for the Social Innovation Awards programme. To date, four students from the University of Cape Town have since joined the Social Innovation Awards programme.



5.5 ENTREPRENEURSHIP DEVELOPMENT IN HIGHER EDUCATION PROGRAMME

The purpose of the Entrepreneurship Development in Higher Education programme is to identify and support top student entrepreneurs at South African public universities. The intervarsity competition provides opportunity for aspiring entrepreneurs in the ideation phase to pitch their innovative business ideas. In the process, universities have an opportunity to showcase their entrepreneurial talent and demonstrate the ways in which they support and grow the next generation of businesses leaders.

The competition consists of four categories:

1. Business ideas
2. Existing business - technology
3. Existing business - social impact
4. Existing business - general

The SAB Foundation has supported the EDHE programme social impact category since 2019, investing over **R150 000** in **five** studentpreneurs. Through the SAB Foundation's support, the programme has introduced a mentorship programme pilot consisting of a minimum of four one-on-one mentorship sessions and a monthly group session for the winners.

At the 2021 competition the below three businesses were awarded in the social impact category:

FIRST PLACE:

GoShare is a donation based crowdfunding platform that enables tertiary students to raise funds to cover their outstanding fee debt.

SECOND PLACE:

Izithwalandwe Farming offers livestock and crop farming trainings to farmers to ensure that they generate enough income.

THIRD PLACE:

Chewi is a pet telehealth platform that offers on-demand pet telemedicine.





6. SAB FOUNDATION DISABILITY EMPOWERMENT PROGRAMMES

Globally, persons with disabilities still face marginalisation and exclusion from the labour market. Although the unemployment rates are generally high in South Africa (35%), statistics are even higher for persons with disabilities.⁶ It is estimated that the unemployment rate of persons with disabilities in South Africa is in excess of 90%, approaching 100% in rural areas. This is despite policies and legislation aimed at promoting inclusion and participation of persons with disabilities in employment.

The SAB Foundation's focus on disability empowerment underpins all that we do. We create equal access on all training programmes to ensure that persons with disabilities can participate. Since we found that there was a shortage of entrepreneurs with disabilities that apply for our flagship entrepreneur programmes, we began funding a training programme called MODE, specifically targeting persons with disabilities to increase the pipeline.

Lastly, in order to increase accessibility for persons with disabilities, the SAB Foundation introduced the Disability Empowerment Awards in 2017. These award organisations that are innovating around assistive devices or who are creating jobs for persons with disabilities.

6.1 MEDUNSA ORGANISATION FOR DISABLED ENTREPRENEURS

The Medunsa Organisation for Disabled Entrepreneurs (MODE) was started in 1993 as a project of the Occupational Therapy Department of the Medunsa Medical University in Pretoria. MODE aims to develop an appropriate vocational rehabilitation model that ensured higher levels of psychosocial, medical, and economic levels of independence for persons with a disability.

The primary focus of MODE in the past 24 years has been the preparation of potential entrepreneurs for self-employment and to encourage independence. Its unique range of training and services deal with the complex nature of challenges experienced by persons with disabilities. The programme is a holistic programme consisting of a nine module business training course. Once passing an exam the entrepreneurs are given a start-up grant to start their income generating micro-venture.

To date, the SAB Foundation has invested over **R3.2 million** to assist MODE to train and established **110 persons with disabilities** in their own businesses. Of these, 70% are women and 50% are youth. The established micro-enterprises range from spaza shops, fast food, car wash, hairdressers, bakeries, selling chickens, clothing stores, beauty salons, décor and catering, internet-café, to selling fruit and vegetables, crèches, and dress making. These micro enterprises have to date created more than 138 jobs.

To date, MODE has initiated the submission of **12** entrants to the Tholoana Enterprise Programme.

⁶ https://www.researchgate.net/publication/331988471_Employment_and_Disability_in_South_Africa

6.2 DISABILITY EMPOWERMENT AWARDS

The SAB Foundation finds, supports and scales social innovations which provide solutions for persons with disabilities through the Disability Empowerment Awards, born out of our Social Innovation Awards. This category has equal prize money for winners and also includes intensive mentoring. In judging these awards, the innovation's business potential, life-change potential and scalability are reviewed.

Below are examples of some of the initiatives that the social innovators are focusing on:

A device that assists visually impaired individuals to navigate through their phones without the need of touching, holding, or tapping on the screen of their phones.

A wheelchair that helps people with reduced mobility to go up and down the stairs while seated, with an assistant who helps to maintain balance.

A sign language teachers' training programme for deaf teaching assistants.

An implantable device that prevents blindness in glaucoma patients by draining excess fluid out of the eye to equalise pressure between the eye and the optic nerve.

An application that is designed to connect persons with disabilities with trained transport drivers.

A voice-activated device for quadriplegic and paraplegic persons.

A cross innovation between a bathtub and a shower that eases the stress of bathing patients for caretakers by eliminating electro-mechanical hoists, which are expensive and prone to breakdowns.

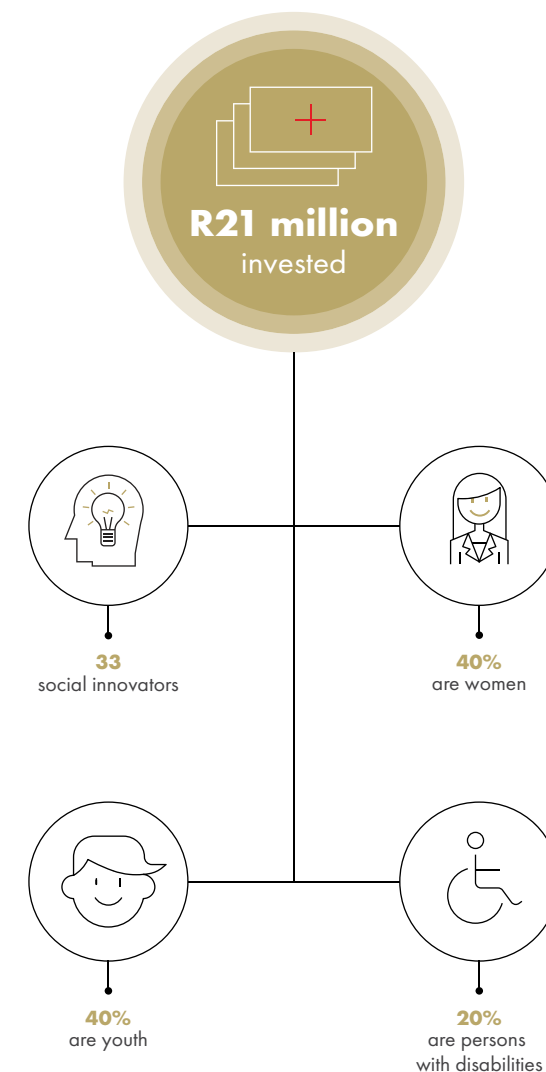
Specialised seating for children and adults with disabilities.

A retro fitted seating device that fits into any existing wheelchair and has a built-in toilet for wheelchair users.

An e-training portal for deaf children.

Washable and reusable sanitary wear manufactured using fibre taken from the pineapple leaf of the Cayenne pineapple.

As at December 2021:

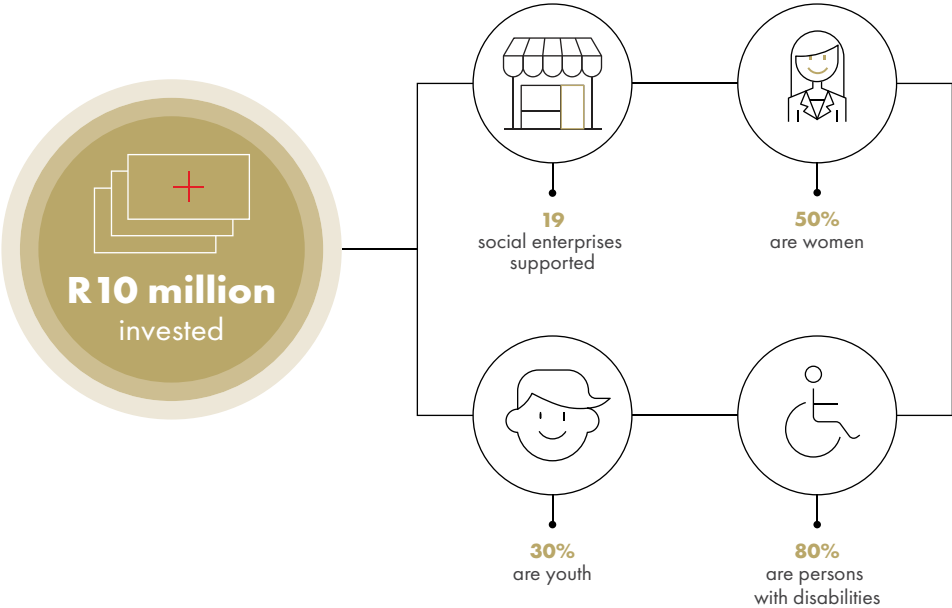


6.3 THOLOANA DISABILITY EMPOWERMENT

The SAB Foundation finds, supports, and scales social enterprises whose work focus on providing solutions for persons with disabilities and social enterprises which are run by persons with disabilities.

Below are examples of some of the initiatives that the social enterprises are focusing on:
A training centre for persons with intellectual disabilities to be employable in the hospitality, service, and retail sectors.
Recycling projects that benefit persons with disabilities.
Entrepreneur training for persons with disability.

As at December 2021:





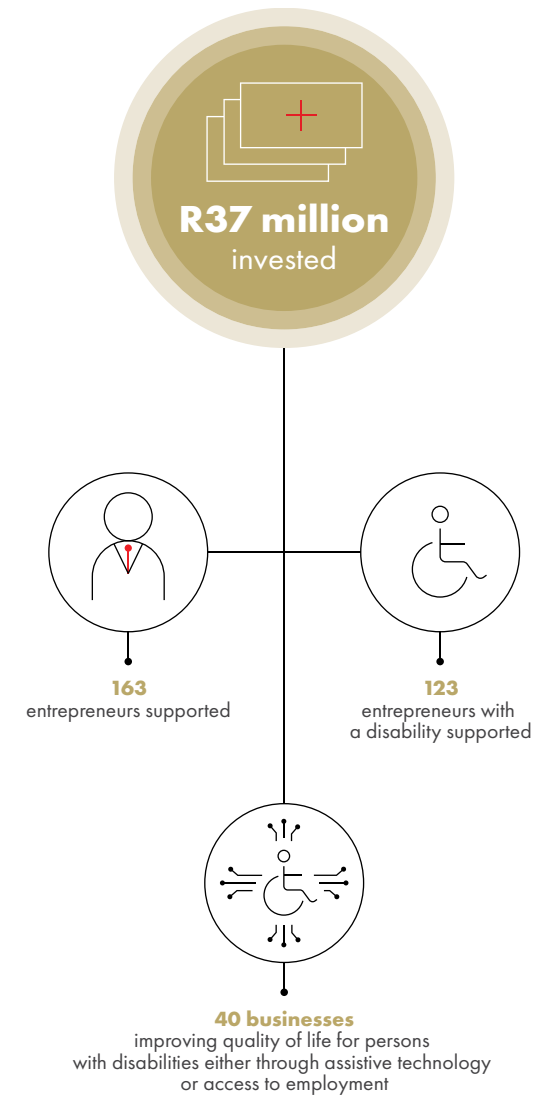
6.4 DISABILITY EMPOWERMENT IMPACT

The SAB Foundation finds, supports, and scales social enterprises whose work focus on providing solutions for persons with disabilities and social enterprises which are run by persons with disabilities.

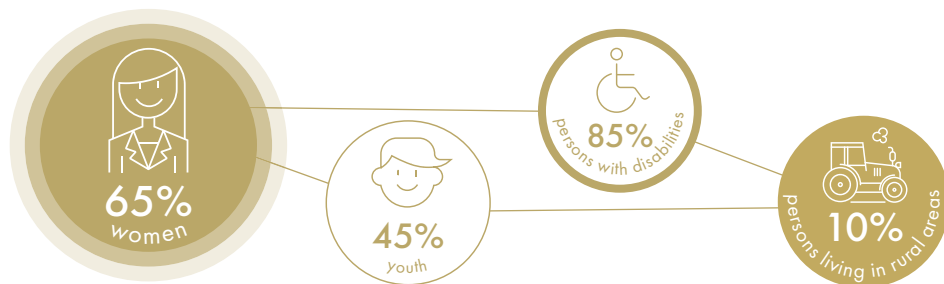
Businesses that are improving quality of life for persons with disabilities either through assistive technology or access to employment include:

- ShazaCin Mobile App and Business Model
- Sign Language Teacher's Training Programme
- Padperch
- Ka-Dah Device
- Mobile Wound Care Clinic
- Clothe to Good
- GreenABLE - turning waste into jobs
- Walking with Brandon Foundation
- Steps Clubfoot Care
- Mtofo Trading Enterprise
- FingerTalk - South African Sign Language app or WIGITAL
- Clothes to Good

As at December 2021:

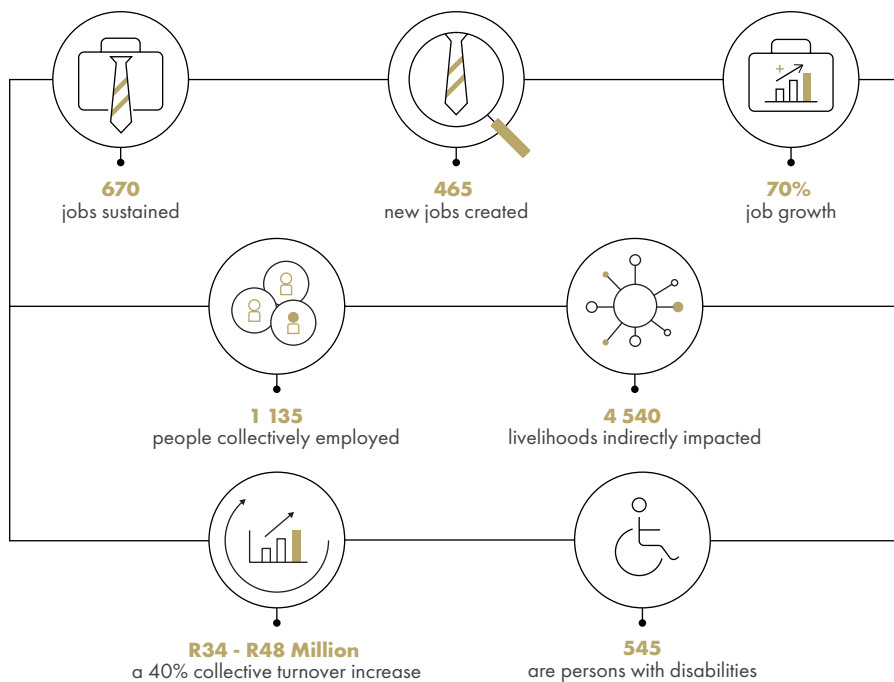


DEMOGRAPHICS:



JOB CREATION AND TURNOVER:

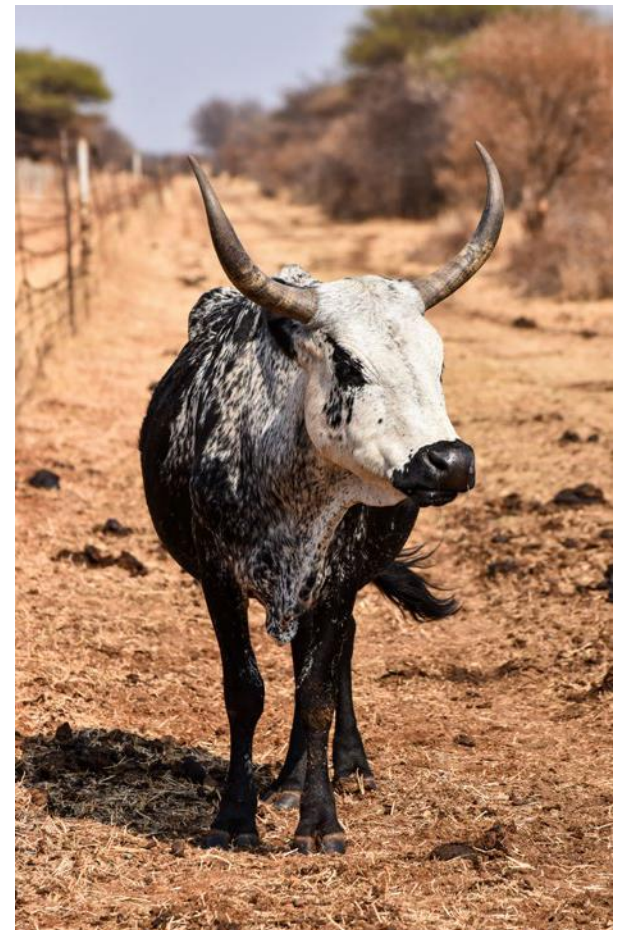
As at December 2021:





7. FARMING AND AGRO PROCESSING: RURAL CATALYST AND MICRO ENTERPRISES

The Rural Catalyst Programme was set up to look at innovative ways to create jobs through entrepreneurship in rural areas. The intention is to find business models which could successfully expand or be replicated into other areas.



7.1 QOBO QOBO ESSENTIAL OILS

In conjunction with Qobo Qobo Essential Oils, the SAB Foundation established independent farmer units to grow rose geranium and rosemary in Keiskammahoek, Eastern Cape. A model is being tested where growers produce one or two high value crops. A central hub is then used to provide mentoring and training, equipment and machinery, oil distillation, growing of cuttings and secure market access for the oils.

Higher volumes reach higher prices and input costs are reduced through bulk purchases. Through professional mentoring funded by the SAB Foundation, Qobo Qobo's leadership have made significant strides towards converting from an NGO to a sustainable business.

One of the key shifts in the business has been to transition from advance payments for farmers to paying farmers on consignment.

The table below shows biomass harvested and delivered from each farmer and the amounts that were paid to each farmer in 2021:

Farmers	Amount paid at R2 per kilogram
Farmer 1	R35 153
Farmer 2	R21 877
Farmer 3	R 25 741
Farmer 4	R34 279
Farmer 5	R23 408
Farmer 6	R40 454
Farmer 7	R25 741

JOB CREATION AND TURNOVER:

Over R23 million has been deployed to support Qobo Qobo and eight farmer units, of which 65% of the farmer units are women. As at March 2022, the organisation and the farmer units collectively employ 54 people with many more employed seasonally during harvesting.

Sales have been a challenge for Qobo Qobo due to the COVID-19 pandemic and changing demands in the essential oil industry. During 2021, SAB Foundation supported Qobo Qobo with strong sales, communication, marketing and financial mentors and the company began to see some traction again. It is expected that strong sales will be reflected during 2022.





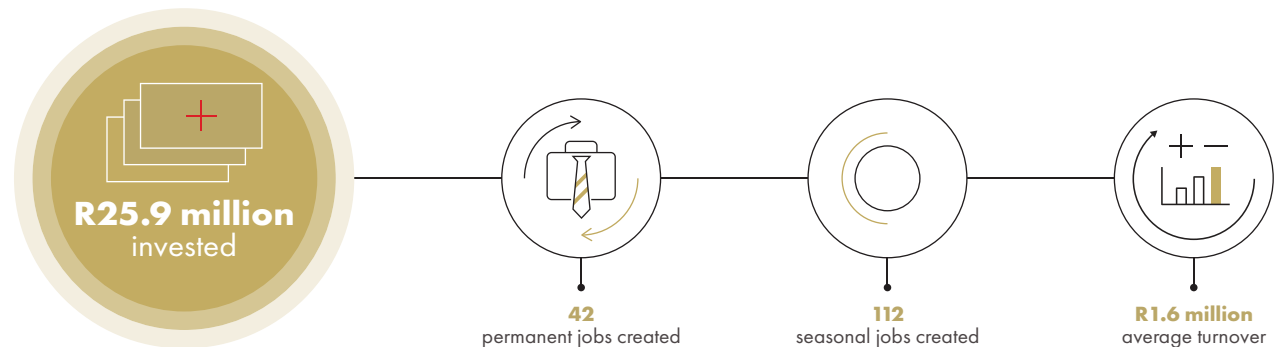
7.2 MADIMBO MACS AND MAC SWARM GROUP

Macadamia farming in conjunction with Madimbo Macs and Mac Swarm Group is an SAB Foundation investment that takes advantage of this rapidly growing industry in the old Venda region of the Limpopo Province. This initiative sees the backing of a successful macadamia farmer, who had a vision to create a learning and support system for many other small macadamia growers in the area. By increasing the Madimbo Macs farms by 30 hectares, the SAB Foundation has assisted the anchor farmer to solidify his standing as a leader in the area. He receives ongoing mentoring and, in turn, mentors 12 other small macadamia farmers through a co-operative he has set up.

The SAB Foundation has assisted all 12 farmers with land preparation, access to water, seedlings and everything else required to extend these farms to reach five hectares each. Since macadamia nuts have a six-year lag before they begin generating revenue, all farmers have been given the tools to plant vegetables and harvest honey to generate revenue in the interim. In addition, the anchor farmer was also assisted with equipment which he hires out for additional revenue.

JOB CREATION AND TURNOVER:

As at December 2021:



Highlights of the period

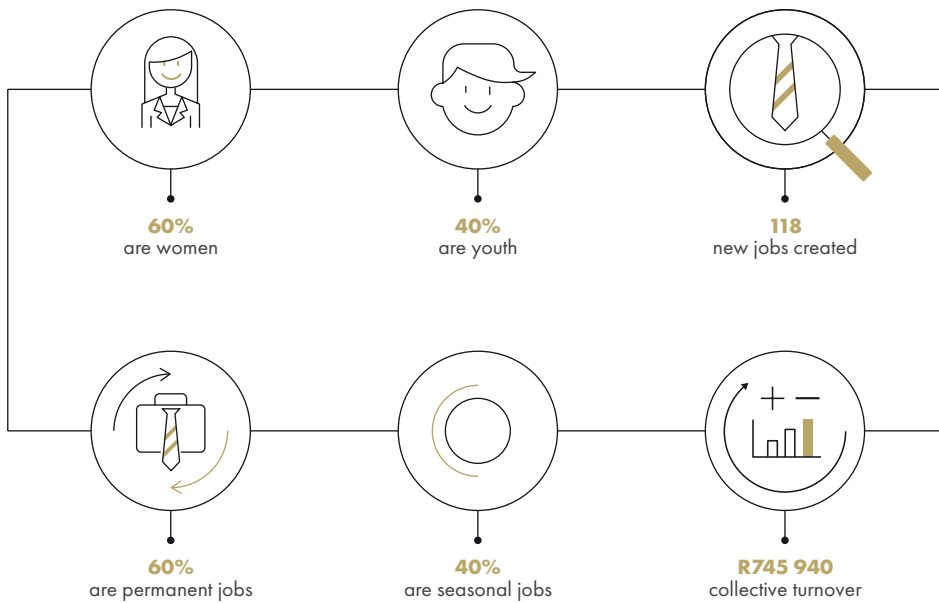
- The macadamia trees have been put on a Moringa nutrition programme that has given the trees extreme growth and acceleration.
- The appointment of an experienced macadamia crop consultant to help with the quality of produce.
- Young and enthusiastic managers have taken over primary functions of the farm and are doing well.
- Madimbo has bought its own lowbed truck to do machine deliveries for itself and customers.

7.3 PICK AND PAY DEVELOPMENT TRUST

The SAB Foundation has contributed R5 million to a project in partnership with Pick n Pay and the National Treasury Jobs Fund to support five emerging farmers to become Pick n Pay suppliers.

In addition, the SAB Foundation has assisted one of the farms with a grant of R256 987 and an interest free loan of R256 978 to assist with getting the farm operational. The farm has since started operating and has an average monthly turnover of R28 000 and it employs nine people.

As at December 2021:





7.4 UBONGWA COTTON DEVELOPMENT SERVICES

In late 2020, SAB Foundation was approached to look at cotton farming in the Jozini area in Kwa-Zulu Natal.

After multiple consultations with various stakeholder groups it was established, that this is an area where it is not possible to grow any other crop but cotton on dry land. Cotton had been grown in the area since the 1970s with up to 3 000 smallholder farmers.

Unfortunately, due to a recent drought and other issues very few farmers were farming in 2020. Post a feasibility study, it was established that all the right foundations were in place, including over 2 000 hectares available to plant and a secure market for all cotton produced.

The SAB Foundation intervened and, with assistance from local stakeholders and a consulting team, we took a holistic view and put all the building blocks in place to resurrect this industry. This included:

- Upgrading management and financial practices at the local ginnery.
- Repairing the ginnery so that it could process a large volume of cotton faster.
- Purchasing seeds to ensure that there would be a harvest in 2022 and putting controls in place to ensure that farmers are able to purchase their own seeds in the future.

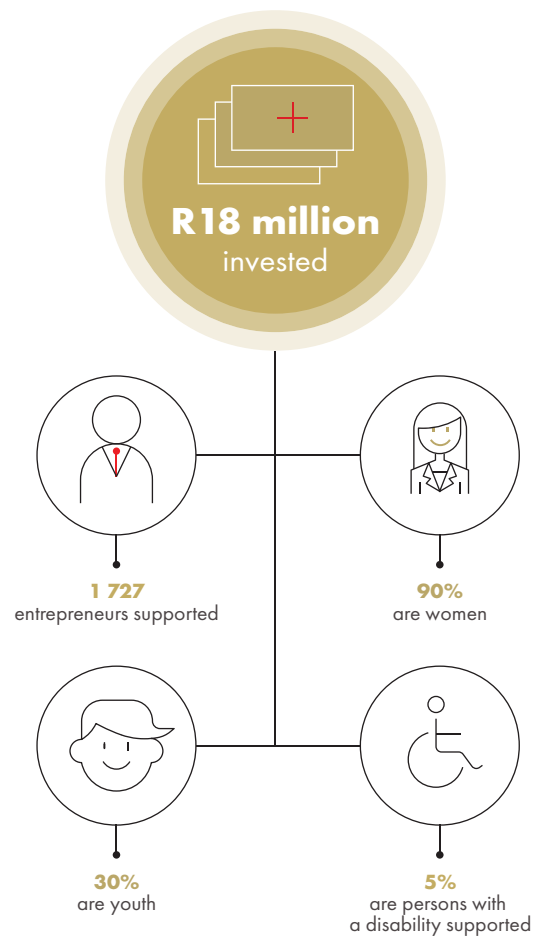
The SAB Foundation has invested over R6 million to date and the impact so far is as follows:

- Farmers planting cotton increased from 117 in 2020 to 606 in 2021.
- The ginnery was repaired. This has an enormous impact for this community. Not only did it save the 47 ginnery staff jobs, but it will also allow the cotton to be processed much faster and cheaper in 2022.
- Training of staff and management has occurred at the gin to ensure proper maintenance of the ginnery, faster processing time and stronger financial management.

7.5 SAVEACT

In conjunction with SaveAct, the SAB Foundation creates rural logistics channels for social innovation products through entrepreneurship and sets up small farming businesses in hard-to-reach rural areas.

As at March 2022:



FEEDBACK FROM ENTREPRENEURS IN THE SAB FOUNDATION ECOSYSTEM



We have been able to work with many schools across South Africa. Many learners are proud to have had access to an innovative science lab that has helped them acquire quality STEM education they would never have dreamt of. We are proud to have contributed to the success of many previously disadvantaged learners from low-income rural communities. This has allowed them to achieve their goals through the provision of our mobile science units and STEM learning resources.

- Social Innovation Awards Participant.



The main highlights so far have been expanding our marketing capacity by identifying and taking on a marketing agency, as well as growing the capacity of the internal marketing team. We have also initiated the IP application process for our product names (the brand was previously registered). Lastly, we have initiated a process of nutritional testing that will allow us to make specific health claims on the products themselves.

- Social Innovation Awards Participant.



The biggest achievement was entering a new industry and creating our own market. We also developed new product lines and value chains that were previously not explored. The work we have done has allowed us to become industry representative in terms of emerging farmers in aquaculture.

- Tholoana Enterprise Programme Participant.



Since 2017 I've entered the Social Innovation Awards, I was blown away by the professional manner each and every aspect was handled by professional staff who supported me in everything. The SAB Foundation has opened many success stories and for that we salute and thank you!

- Disability Empowerment Awards Participant.



Having established a good customer base in my community for my business. Although my market is informal, the level of consistency of orders is quite helpful in guiding my growth direction. This puts me in a position where I can now successfully map my sales plan, marketing plan and business model.

- Tholoana Enterprise Programme Participant.



Since 2017 I've entered the Social Innovation Awards, I was blown away by the professional manner each and every aspect was handled by professional staff who supported me in everything. The SAB Foundation has opened so many doors for new and upcoming entrepreneurs of whom had many success stories and for that we salute and thank you!

- Disability Empowerment Awards Participant.





8. CASE STUDIES

HEAD START EDUCATION – SHIVAD SINGH

INSPIRED BY HIS GRANDPARENTS AND HIS PASSION FOR EDUCATING OTHERS, DURBAN BORN FOUNDER AND CEO OF HEAD START EDUCATION, SHIVAD SINGH, DEVELOPED AN ONLINE PLATFORM PROVIDING DIGITAL EDUCATIONAL MATERIAL FOR TEACHERS AND LEARNERS.

Shivad founded his business when he was only nineteen. From a young age, he loved reading and as he moved into the beginning years of high school, he started reading many business and personal growth books.

Shivad launched his business, formerly known as Presto, after graduating with a Bachelor of Commerce degree at the University of Cape Town. His aim is to equip learners and teachers with essential digital skills that will lead to an improvement in their overall skills development and employability.

Head Start Education serves as a gateway to Africa for educators to promote the advancement of education across the continent. The company is a reputable ed-tech provider, holding exclusive licenses for over 20 educational products world-wide.

They supply these products to schools and large corporates that are then able to provide these services to their teachers, learners, or customers.

“We have been described as the ‘Netflix for Education’ with a catalogue that has over 50 000 activities, games, videos and PDF content,” says Shivad. “Our current offerings cater for early childhood development through to high school. Our content is award-winning, internationally recognised and research-tested, and priced more economically than the market rate.”

Shivad started his journey with the SAB Foundation when he was selected for the University Seed Fund at the University of Cape Town and received R50 000 in funding. In 2018 he was announced as a winner at the SAB Foundation Social Innovation Awards and awarded a further R200 000 in funding. He is now receiving support from the SAB Foundation Social Innovation Fund where he received an interest free loan of R498 000 and a grant of R498 000 in 2021.

Prior to joining the SAB Foundation’s Social Innovation Awards, his business was in the growth phase. He had just formed a partnership with MTN in collaboration with Netsport Mobile to provide an E-School to MTN customers.

The business initially employed two people and had an annual revenue of R1.2 million. Their income has increased by 70% in just three months after their 2022 financial year end. They employ six people and have recently contracted a company to develop education content that employs 34 people on a part time basis.

Since joining SAB Foundation, the business has concluded agreements with major school chains and has a large paid subscriber base from their partnership with MTN.

They have also expanded into Ghana and Nigeria and have launched with other large corporates in South Africa.

They have concluded licensing agreements with content partners in Nigeria and will launch three new products. The business will be using the interest free loan from the SAB Foundation Social Innovation Fund to pay platform licensing and customisation and to pay for hosting costs of their platforms.

Additionally, the support received from SAB Foundation has assisted the business to learn to place an emphasis on monitoring and evaluation to improve educational outcomes of learners. They have also been introduced to key contacts within ABInBev to assist with business development.

"The SAB Foundation supported me when the business wasn't generating any revenue.

This enabled me to be patient and take it to a level where it is now: self-sustaining and growing.

I would like to thank the SAB Foundation for the opportunity and for believing in me. When it comes to social entrepreneurship funding and support, I believe they are the leaders in this field."

– Shivad Singh, Founder and CEO of Head Start.

"My business coach from the SAB Foundation also introduced me to my first customer who gave us our first six figure contract," says Shivad.

One of the major challenges experienced by Shivad was rejection. "I have faced rejection more than 1 000 times, experienced low moods, felt like quitting, and had to get a job that I disliked in order to earn an income to support my business" shares Shivad. "I overcame these challenges by being persistent and by focusing on my vision and passion of helping learners."

According to Shivad, the biggest highlight on his journey has been launching his Mobi Class education platform with the cellular provider, MTN in partnership with Netsport Mobile.

With this support, he has provided educational content to over 300 000 learners.

His dream is for his business to become the leading and the biggest education companies in Africa and globally, that impacts tens of millions of learners.



I-DROP WATER

– JAMES AND
KATE STEERE

JAMES AND KATE STEERE, CO-FOUNDERS OF I-DROP WATER, STARTED THEIR BUSINESS IN 2015. THEIR AIM WAS TO BUILD A SUSTAINABLE, ENVIRONMENTALLY FRIENDLY SOLUTION TO THE LACK OF ACCESS TO SAFE, AFFORDABLE DRINKING WATER IN AFRICA AND AROUND THE WORLD.

I-Drop builds, installs, and operates water purification and dispensing systems in compact, efficient, miniaturised water kiosks that enable grocery stores anywhere to sell purified drinking water refills.

I-Drop's systems combine world-class filter technologies with integrated "internet of things" SIM cards and connected sensors and controls. These enable oversight and control of the fleet of installed dispensing machines remotely and in real time via online dashboards. This lowers cost and increases reach, while keeping the refill price as low as R1 per litre.

Their journey with SAB Foundation started in 2017 when they were announced as winners at the SAB Foundation Social Innovation Awards and were awarded grant funding. These funds were invested into enhancing and developing their dispenser product, electronics platform and expertise across South Africa.

Unfortunately their growth trajectory was heavily affected by the pandemic which impacted their customers through a sudden drop in demand and in some cases, a halt in operations as some stores closed their doors.





Their material supply was also negatively impacted as many fabricators and component suppliers shut down for an extended period. To assist with these challenges, I-Drop received funding through the SAB Foundation Covid Relief Fund. This support was invaluable in helping the business to retain a number of key technical team members. The business is now receiving support from the SAB Foundation's Social Innovation Fund to assist with the rebuild and accelerate its growth.

I-Drop's product is 100% locally designed, assembled and installed. Its supply chain and operating model is organised to coordinate a network of trusted fabricators and component suppliers as well as assembly, installation and service contractors in towns across South Africa, Swaziland and Namibia.

"Our experience with the SAB Foundation has been incredible. The toughest times in entrepreneurship reveal one's true, long-term friends and supporters."

The SAB Foundation team have supported our team through the good and bad times and we value this support enormously. We look forward to continuing to make good on our commitment to fix the drinking water industry in Africa."

– James Steere, Co-Founder of I-Drop Water.

To date, I-Drop Water has sold over six million litres of drinking water. By requiring multi-use "refill" containers and utilising highly efficient filtration technology, I-Drop has reduced over 12 million litres of waste water. Using alternative purification technologies the business has also eliminated tens of thousands of tonnes of carbon and plastic waste by reducing single use bottled water purchases.

Through its innovative "product as a service" revenue share commercial model, I-Drop has also helped grocery store owners in small towns and big cities generate many millions of rands in high-margin sales revenue within local economies.

Changing the behaviours of consumers towards more circular economy habits like "refill" is challenging for the business, particularly against the momentum and might of large corporations and brands. I-Drop has faced push-back from bottled water suppliers and industry groups and a particular challenge has been an unexpected reluctance from large retail chains who have enjoyed significant profitability from the growing demand for bottled water.

“We know that there is significant demand for refill water, particularly in lower-income and rural / remote communities and we are now exploring alternative routes to reach these markets,” says James.

Recent highlights for the business include their flagship system, the “Waterpod”, being recognised by the Solar Impulse Foundation as the most efficient system of its kind in the world. The Waterpod was also featured in the Ellen MacArthur Foundation’s Upstream Innovation Guide for the Circular Economy.

Additionally, I-Drop won the inaugural SA Plastics Pact Reuse Innovation Challenge held by Green Cape and the Mava Foundation and recently participated in the “Circulars Accelerator” held by Accenture, Anglo American and Ecolab in conjunction with the World Economic Forum.

“Through I-Drop’s dispensers around Southern Africa, we have sold millions of litres of safe drinking water at up to 80% less than bottled water prices. We are proud that some of our highest sales volumes comes from within townships like Mdantsane and cities like Gqeberha where day zero is critically close,” shares James.

James and Kate remain committed to improving people’s standards of living through their innovation. Their dream is to build a network of purification and refill dispensers that provide affordable, safe, great-tasting drinking water to everyone who needs it.



UCOCEKO WATER PROJECTS – ZINTLE APLENI

RAISED BY HER AUNT IN RURAL QUEENSTOWN, WHERE RURAL COMMUNITIES LACKED BULK INFRASTRUCTURE AND USED PIT LATRINES, ZINTLE APLENI FOUNDED UCOCEKO WATER PROJECTS.

Ucoceko is a water purification provider that services vulnerable communities living in rural and remote locations where there is limited to no infrastructure for clean water and adequate sanitation. Zintle's aim when starting the business in 2017 was to close the sanitation gap between urban and rural communities by offering rural communities a cost-effective solution to maintaining their septic tanks and pit latrines.

Her journey with the SAB Foundation started in 2019 when she graduated on the Tholoana Enterprise Programme and received R180 000 in funding for her business. The funding was used to acquire a much-needed piece of equipment, a honey sucker truck which was previously rented from a third party.





"The best part of the Tholoana Enterprise Programme was the mentorship that gave me knowledge and the foundation of growing my business to where it is today.

I am very grateful for the support that SAB Foundation has given my business. If it wasn't for them, we could have collapsed years ago. We were able to navigate the Covid crisis because of their support. I really appreciate what they have done for my business."

– Zintle Apleni, Founder of Ucoceko Water Projects.

Unfortunately, Ucoceko Water Projects was one of the many businesses that were negatively affected by the pandemic. To assist the business weather this storm, SAB Foundation granted them an interest free loan of R106 219. With this loan, the business was able to stay afloat and retain their employees.

Prior to participating in the SAB Foundation Tholoana Enterprise Programme, Zintle had one employee with an average turnover of less than R50 000. However, since joining the SAB Foundation, the business now employs ten permanent employees and has grown its annual turnover by 127%.

Additionally, since graduating from the Tholoana Enterprise Programme, Zintle has been able to make over R70 000 a month from the honey sucker truck.

The business also offers the additional service of automotive maintenance, and they are working with Chris Hani Municipality on two contracts to build a pump station and to service sewer pumps. The business also obtained a three-year contract to service Mercedes Benz.

Zintle's biggest highlight was securing three honey sucker trucks over the past two years, and she hopes to expand her business throughout Eastern Cape. She also hopes to acquire more trucks so that each community that she services has their own dedicated truck.



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