Sappi's forestry initiative scoops coveted CSI award

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The prestigious Trialogue Strategic CSI Award for 2023 was scooped by Sappi Khulisa, the company's flagship programme for emerging timber farmers. The award celebrates CSI projects that find the optimal balance between delivering social impact and corporate benefit.

Sappi Khulisa project

Khulisa, which means 'grow' in isiZulu, drives significant social change in regions of KwaZulu-Natal and the Eastern Cape. With roots in the company's CSI programme Project Grow, Khulisa initially focused on supporting subsistence growers. Now in its 40th year, the programme has evolved to include the entire forestry value chain, supporting more than 4,200 growers, community projects, and contractors.

Growing communities

Growers make their land available for planting eucalyptus trees, and Sappi provides growers with sponsored seedlings, technical advice and training, loans, and guaranteed access to market. At harvesting time, Sappi buys the timber from the growers, paying them a market-related price minus the advance payments received in preceding years.

Sappi Khulisa delivers significant impact in communities – as at the end of June 2023, it had supported 4,223 growers (4,151 individuals and 72 community-managed projects), with around 37,920 hectares under management. Since 2015 when the training centres were established, 5,857 individuals have been upskilled. This has meant that many people in predominantly rural areas have been able to support their families, build their own homes, and send their children to university.

Sappi Khulisa has also helped to turn small-scale growers into self-reliant, sustainable timber businesses, which has greatly improved the lives of people otherwise excluded from the industry because of the high cost of entry. It has provided numerous employment opportunities to women and youth, and the training and mentorship offered have grown small and medium enterprises (SMEs), allowing them to partner with Sappi, which procures from them at the company's mill and forestry operations.

The programme currently supports 871 SMEs, which offer services to growers, and 137 SMEs have been successfully integrated into the company's value chain. In 2022, Sappi spent more than R245 million with SMEs.

Sappi CSI award winner

Benefitting the business

By supporting rural growers to enter and participate in the forestry value chain, Sappi has effectively secured its own access to timber and wood fibre in years to come while building a thriving community. Around 4,908,850 tons of timber to the value of R3.3bn have been purchased from Khulisa growers since 1995.

In addition, Sappi has helped land reform beneficiaries manage timber on their properties, which has the advantage of ensuring a sustainable supply of quality timber, even though land redistribution has been known to retard the rate of timber production. These measures ensure continued profit for the company, which is investing in its own sustainability.

This shared value approach makes Sappi Khulisa a stand-out example of strategic CSI.

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Judging criteria

The award judges were Gugu McLaren-Ushewokunze, the head of economic inclusion at the National Business Initiative (NBI), and Bhekinkosi Moyo, adjunct professor at Wits Business School and director of the Centre on African Philanthropy and Social Investment (CAPSI).

Each entry was scored against the project's objectives, social benefits, and corporate benefits, with Sappi Khulisa emerging a clear winner.

“This is a strong entry that reflects thoughtful and clearly articulated objectives, theory of change, and impact,” the judges said. “There is a clear, strategic link to the business in terms of stakeholders, community, business operations and needs. What helps this entry is its history of intervention, the change in business approach, and Sappi’s understanding of how to involve communities.”

Speaking on behalf of the winner at the Trialogue Business in Society Handbook 2023 launch on 28 November, Sappi Southern Africa head of corporate affairs Mpho Lethoko said: “The Khulisa programme is one of our flagship shared value programmes at Sappi, and has evolved over time since its inception in the early '80s. Khulisa is a strategic part of our core business ensuring that Sappi is able to secure its fibre supply while benefiting the community and influencing gender transformation in the forestry industry at the same time.”

The judges named the Netcare Foundation’s Ncelisa Milk Banks programme a high-scoring commendable project for 2023. The programme provides donor breast milk to low-birth-weight babies who are at risk of acquiring necrotising enterocolitis.

Entries for the 2024 Trialogue Strategic CSI Award can be submitted from May 2024. For more information, email lerato@trialogue.co.za.

To read more: The *Trialogue Business in Society Handbook 2023* can be downloaded free at https://trialogue.co.za/businessinsocietyhandbook/trialogue-business-in-society-handbook-2023-free-online-version/.

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