



PRESS RELEASE

23 September 2016

DB Schenker SA's BEE deal unlocks huge economic, social benefits

CAPE TOWN – A Broad-Based Black Economic Empowerment (BEE) transaction recently launched between LIV Equity and logistics giant DB Schenker South Africa not only contributes to economic transformation, but will also benefit orphaned and vulnerable children in South Africa.

LIV Equity, a joint venture between the public benefit organisations Lungisisa Indlela Village (LIV Village) and the Tree of Life BEE Foundation, recently acquired a majority share in logistics training entity DB Schenker Logistics Campus NMEA (Pty) Ltd. The Campus, a new facility that focuses on strengthening the skills and competence of resources in the logistics industry in Africa and the Middle East, in turn acquired a substantial shareholding in DB Schenker South Africa.

LIV Equity, which functions as a philanthropic private equity fund, is a 100% black-owned investment vehicle. Managed by SAAD Investment Management, the fund invests in socially responsible investments that also meet other criteria. The returns are channelled into an endowment to fund LIV Village and similar charities on a sustainable basis.

“An equity investment in a highly respected world leader such as DB Schenker South Africa, via a game changing initiative for orphaned and vulnerable children led by LIV Village, is the ultimate definition of impact investment,” said Johan du Preez, CEO of SAAD. “The full shareholding in LIV Equity benefits LIV Village, as well as other public benefit organisations that serve orphaned, abused, abandoned and neglected children from previously disadvantaged communities.”

Prior to the transaction, DB Schenker South Africa already supported LIV Village through LIV Clean (Pty) Ltd, a contract cleaning company of which LIV owns 20%. The transaction provided a way to formalise the business's involvement with LIV Village in a sustainable manner and make a difference to many lives.

Tich Smith, director at LIV Village said: “Transactions like this one makes the possibility of building villages all over this country a viable proposition. Corporate business can now contribute via these partnerships which will benefit the villages and surrounding communities by helping to fund the villages and by creating jobs for the previously unemployed.”

Abonga Nkwelo, Marketing Manager at LIV Village, hopes that the transaction will set a precedent for future BEE transactions. According to Nkwelo, “This transaction is broad-based empowerment in the truest sense. BEE transactions should seek not only to transform the economy by enabling equitable participation by all

South Africans, but also focus on transforming society through sustainable social investment. BEE transactions can benefit communities at a grass roots level and it is pleasing to see that business is embracing this wider scope. It gives us confidence that we can launch similar villages elsewhere in South Africa in the future.”

He added: “LIV Village is a certified Broad-based Ownership Scheme which lays the foundation to truly form sustainable relationships with investors who are given full confidence that their benefaction is positively impacting the people it’s meant to be impacting”.

Du Preez said that SAAD’s work in the empowerment field has given the organisation an in-depth understanding of the process, effects and implications of empowerment transactions. SAAD’s unique model ensures BEE transactions are launched in a significant, sustainable and meaningful way. “We find it extremely rewarding to put together turnkey transactions that are both commercially attractive to corporates and make a lasting difference in the country. We are at a point in time in South Africa where we all realise businesses needs to contribute more than to just make money if we want to continue our leadership position on the continent. It’s ROI, seen differently.”

Established in 2006 SAAD also manages funds for Lokuvuna Investment Trust and partners with other financial services providers to ultimately benefit some of the millions of orphaned and vulnerable children in South Africa.

“By helping to equip these children with essential moral values and life skills, they can grow up to be a generation that will influence positive change within South Africa, Africa and the world,” said Smith. “We can do this by partnering with businesses such as DB Schenker South Africa that desire to play a tangible role in making a difference.”

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FOR FURTHER INFORMATION:

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About SAAD

SAAD is an Afrikaans word that translates to 'seed'. As the epitome of life, growth and new beginnings, a seed perfectly illustrates SAAD's commitment to growing businesses in key industries. Social responsibility is not just a key component of what the organization does; it is the ultimate beneficiary of its success. The shares in SAAD are held by the Tree of Life Foundation, a registered public benefit organisation.

www.saad.co.za

About DB Schenker South Africa

DB Schenker South Africa was established in 1962 as a subsidiary of German transportation and logistics business Schenker AG and Deutsche Bahn. As part of the global DB Schenker group, one of the top three global logistics companies, the business ranks among the leading transport and logistics suppliers in South Africa. DB Schenker South Africa has a reputation for service excellence and is a level 3 BBBEE accredited company.

About LIV Village

LIV Village was formed in 2009 when founders Tich and Joan Smith bought an 83-acre farm in KwaZulu-Natal with the vision to provide holistic residential care for orphaned and vulnerable children (to *Rescue* a child, *Restore* a life, *Raise* a leader and *Release* a star). It is a registered public benefit organisation that receives support from individuals, business and the government. It also qualifies as a broad-based ownership scheme in terms of the BEE Codes.

www.liv-village.com

About Tree of Life BEE Foundation (TOLBEE)

The Tree of Life BEE Foundation forms part of the Tree of Life Group and was formed in 2012 as a public benefit organisation that benefits orphaned, abused, abandoned, neglected, disabled, chronically ill, vulnerable or at risk children. It too qualifies as a Broad-Based Ownership Scheme in terms of the BEE Codes.

www.tol.org.za