

## The future of corporate foundations

#### Are they still relevant?

November 2017



## The big question

- Companies continue to be challenged to define their role in society and contribution to tackling global challenges
- The Sustainable Development Goals set out a global framework that calls for corporate leadership in addressing these challenges
- As companies are challenged to rethink their business models and adopt sustainable strategies with social and environmental impacts in mind...

#### Is the corporate foundation model still relevant?



### Alternative models – threats or opportunities?

Corporate models for delivering social good:

**Social enterprises** 

- JAMIE OLIVER'S -FIFTEEN ESTP CORNWALL 2006



Public-benefit company (US)





**Community Interest Company (UK)** 



**Integrated in-house CR programmes** 

DIAGEO Deutsche Bank Born to Be Plan W

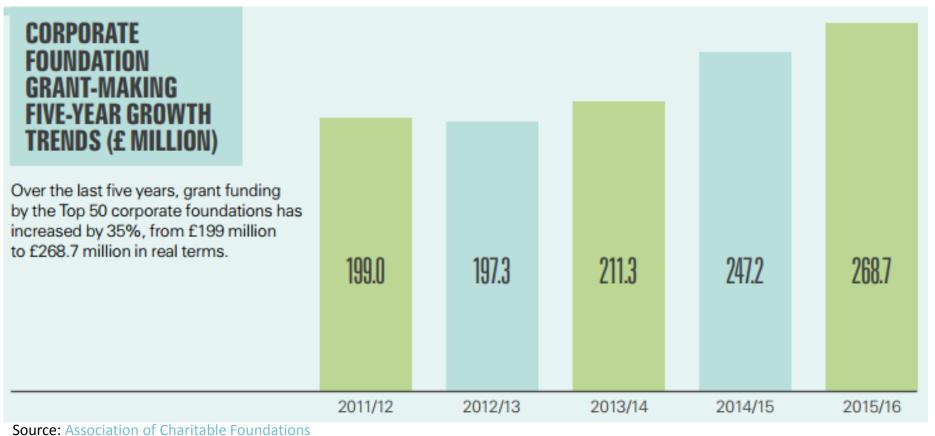




## What is happening now?

#### Foundation Giving Trends: 2017

Top 50 corporate foundations gave grants totalling  $\pounds$ 269 million, an annual growth of 9% in real terms



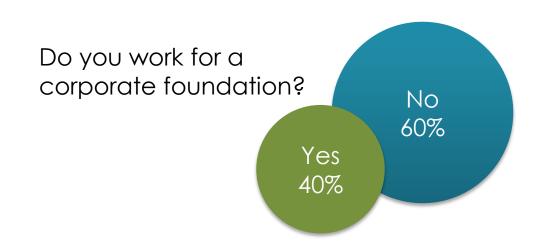


### About our survey

#### Respondents profile: Total no. 45

#### Where are the headquarters of your organisation located?

| United Kingdom           | 25% |
|--------------------------|-----|
| United States of America | 33% |
| Australia                | 13% |
| Belgium                  | 4%  |
| Germany                  | 4%  |
| Italy                    | 8%  |
| Switzerland              | 13% |

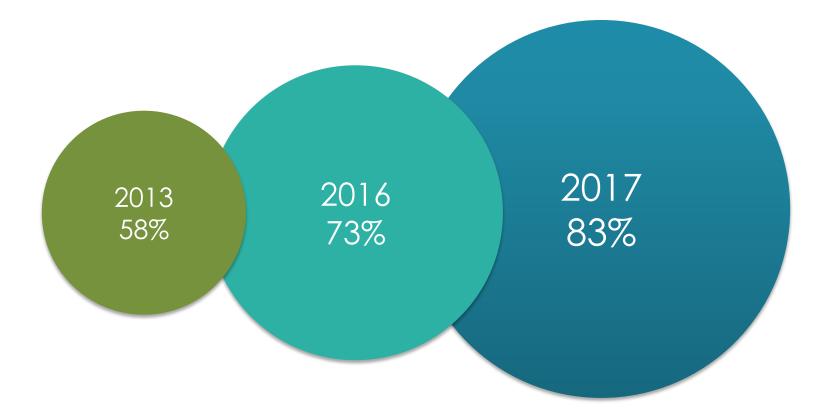


| Industry   |     |  |  |  |
|--|-----|--|--|--|
| Financial Services   |     |  |  |  |
| Engineering & Manufacturing<br>Property, Construction, Housing & | 6%  |  |  |  |
| Facilities   | 11% |  |  |  |
| Consumer Goods   |     |  |  |  |
| Pharmaceuticals  |     |  |  |  |
| Retail   | 6%  |  |  |  |
| Legal  | 6%  |  |  |  |
| Professional Services  | 6%  |  |  |  |
| Technology & Telecoms  | 6%  |  |  |  |
| Other (please specify)   | 6%  |  |  |  |



#### Increasing alignment with parent company

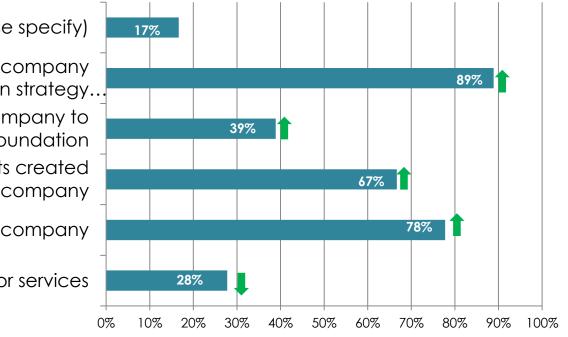
Current giving strategy is linked to the parent company's business focus





## Foundations are leveraging corporate support

Does your corporate foundation do any of the following to enable its activity?



Other (please specify) Utilise the expertise of parent company employees to assist with foundation strategy...

Second employees from parent company to the foundation

Make use of the networks and contacts created by the parent company

Engage volunteers from the parent company

Use the parent company's products or services

"We test new approaches to improve working conditions in factories in the parent company's own supply chain"

--- Survey Respondent



## Approach to giving is increasingly focused

#### 2016



say they define a small 40% suy mey define a small number of focus areas and direct all efforts and direct all efforts into these areas



say they define a small number of focus areas and direct all efforts into these areas



work with fixed partner organisations to achieve long-term goals in a small number of focus areas

44%

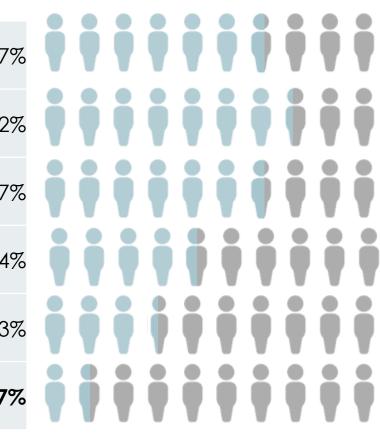
work with fixed partner organisations to achieve long-term goals in a small number of focus areas



#### **Measuring success**

## Which of the following are measured when assessing the results of your corporate foundation's activity?

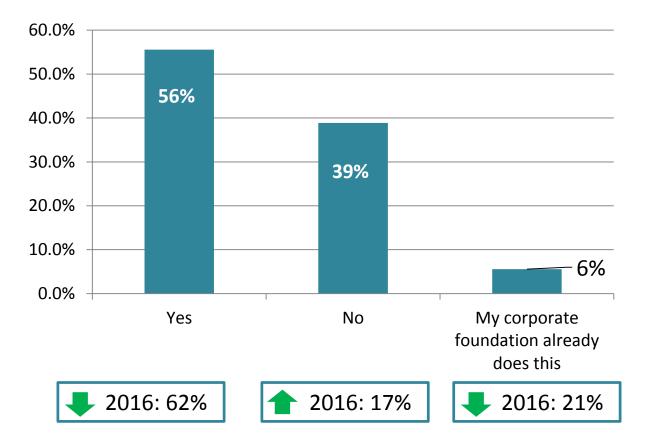
| The financial value of resources contributed to the activity                           | 67% |
|--|-----|
| The number of people or organisations that have been helped                            | 72% |
| The short-term changes experienced by people or or organisations that have been helped | 67% |
| The longer-term changes experienced by people or organisations that have been helped   | 44% |
| The wider social benefit achieved  | 33% |
| We do not assess the impact of our corporate foundation activity                       | 17% |





## Are foundations losing the drive for innovation?

"In the future, I can imagine my corporate foundation developing a new product or service that delivers a social benefit to society"





# How can corporate foundations differentiate their role?

- 1. **Partnerships** Leverage 'good guy' credentials'/credibility to initiate courageous collaboration. This is critical to delivering Global Goals.
- 2. Accelerate innovative thinking Think outside the box; engage with other parts of the business AND supply chain, offering a safe space to experiment and trial new approaches
- 3. Expertise on global challenges Leverage expertise on social and environmental issues
- 4. Demonstrate Impact Step up efforts on impact measurement to demonstrate longterm social value and performance



# THANK YOU





#### Amanda Jordan – Co-founder

E: <u>amanda.jordan@corporate-citizenship.com</u>

T: +44 (0) 207 861 1616

#### W: <u>www.corporate-citizenship.com</u>

E: mail@corporate-citizenship.com

Twitter: @CCitizenship

LinkedIn: <u>https://www.linkedin.com/company/corporate-citizenship</u>

| <b>London</b><br>Holborn Gate, 5th Floor<br>326-330 High Holborn,<br>London<br>WC1V 7PP<br>United Kingdom | <b>Melbourne</b><br>LBG Australia & New Zealand<br>Suite 5.04, Level 5,<br>20 – 22 Albert Road<br>South Melbourne, VIC 3205<br>Australia | <b>New York</b><br>241 Centre Street<br>4th Floor<br>New York,<br>NY 10013<br>United States | <b>San Francisco</b><br>1885 Mission Street<br>San Francisco,<br>CA 94103<br>United States | <b>Santiago</b><br>Av. Kennedy 5735<br>Oficina 1503<br>Santiago<br>Chile | <b>Singapore</b><br>2 Science Park Drive<br>Ascent Building, 02-06<br>Singapore<br>118222 |
|---|--|---|--|--|---|
| T: +44 (0)20 7861 1616  | T: + 61 (3) 9993 0452  | T: 1-212-226-3702   | T: 1-415-656-9383  | T: +56 (2) 3224 3569   | T: +65 6822 2203  |