

Corporate
Citizenship

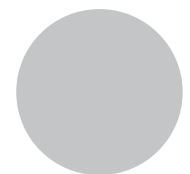
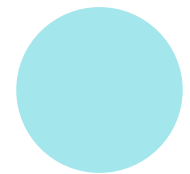
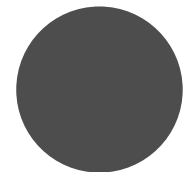
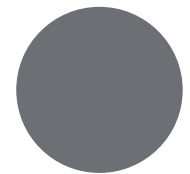


Sustainability, simplified

The bigger picture: how economic impact assessments can help you understand your company's socio-economic footprint

Corporate Citizenship

June 14, 2012



Corporate
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Sustainability, simplified

Corporate Citizenship

Webinar



Sustainability, simplified



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Agenda

- Introduction
- What is socio-economic impact
- Why companies are assessing their socio-economic impact
- Considerations for an impact assessment
- Examples
- Questions and answers

Presenters



Megan DeYoung – Director, United States

Megan manages Corporate Citizenship’s US practice and works with clients to develop and implement citizenship strategies that are closely tied with the business and to communicate clients’ initiatives to internal and external stakeholders. She has worked with many global companies including Abbott, Hershey’s, Aramark, and Unilever.



Mitun Majumdar – Associate Director

Mitun is an Associate Director and leads Corporate Citizenship’s impact assessment work. She has helped clients such as G4S, Go-Ahead Group and Imperial Tobacco to identify, quantify and communicate the socio-economic impacts of their operations. Mitun is an economist by training as well as a qualified chartered accountant. Prior to Corporate Citizenship she worked in-house as a CR advisor for a financial services company.

Corporate Citizenship's work is global

- Corporate Citizenship is a corporate responsibility management consulting company with offices in the US and UK
- Since 1997, we have advised leading, global corporations on how to enhance and align their citizenship and traditional business activities to create strategic business value
- We have a team of 30 and experience in 40 countries



“They have a real understanding of the issues in diverse countries around the world”

- Unilever



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Sustainability, simplified

We work in all areas of corporate responsibility

- Advised on what it means to be a good corporate citizen, including addressing contentious business impacts, in different parts of the globe
- Develop best practice and strategy for some of the largest and most influential corporations
- Advised numerous companies on how to measure and report on their broader social and economic impacts
- Devised and implemented environment data management systems in over 100 countries
- Advised or wrote more than 125 reports
- Global market leaders for assurance (135 reports verified)
- Help businesses invest £1.4bn in local communities annually

“They understood what was important to the way we operate, and where we could make the greatest difference” - Abbott

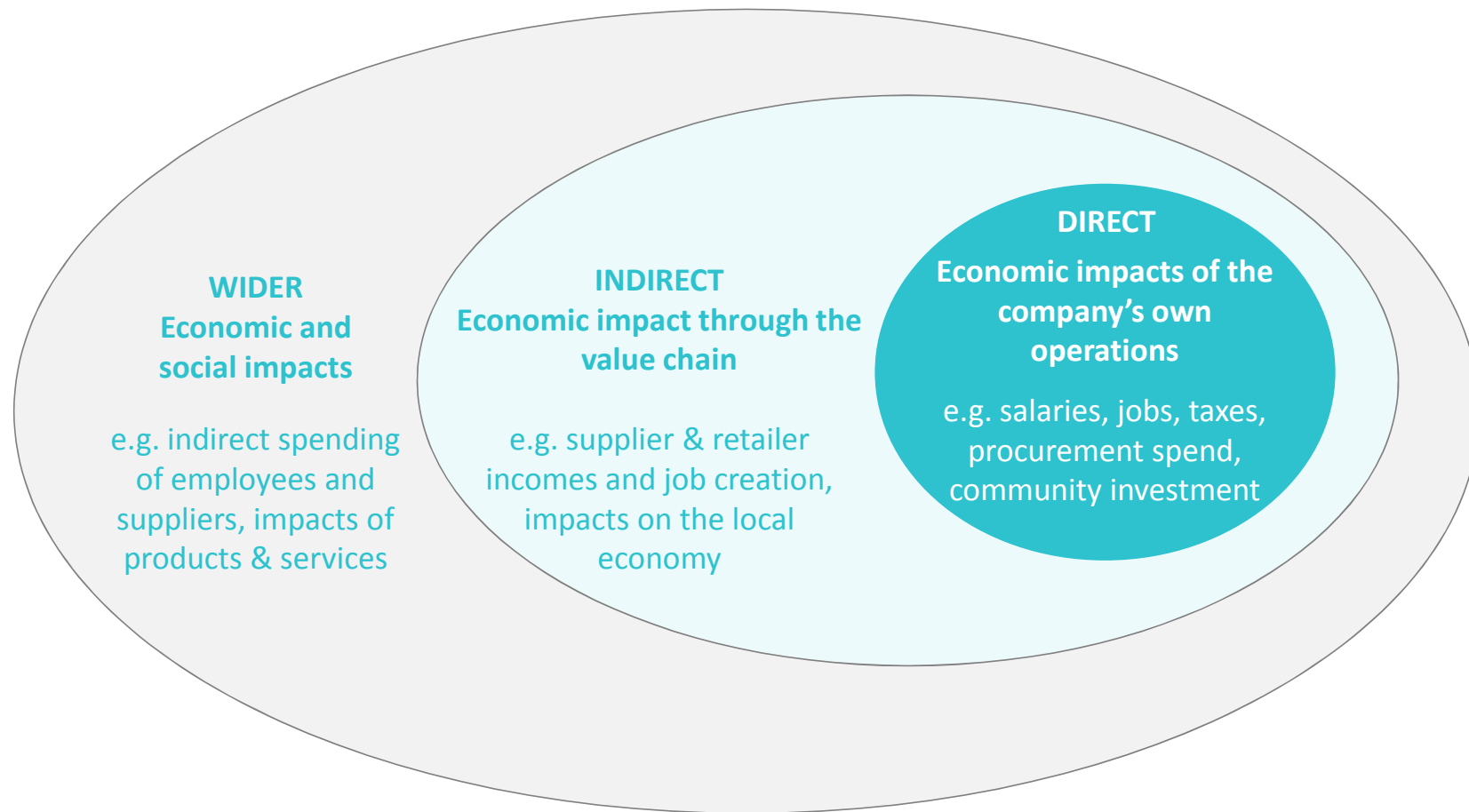
Our partners



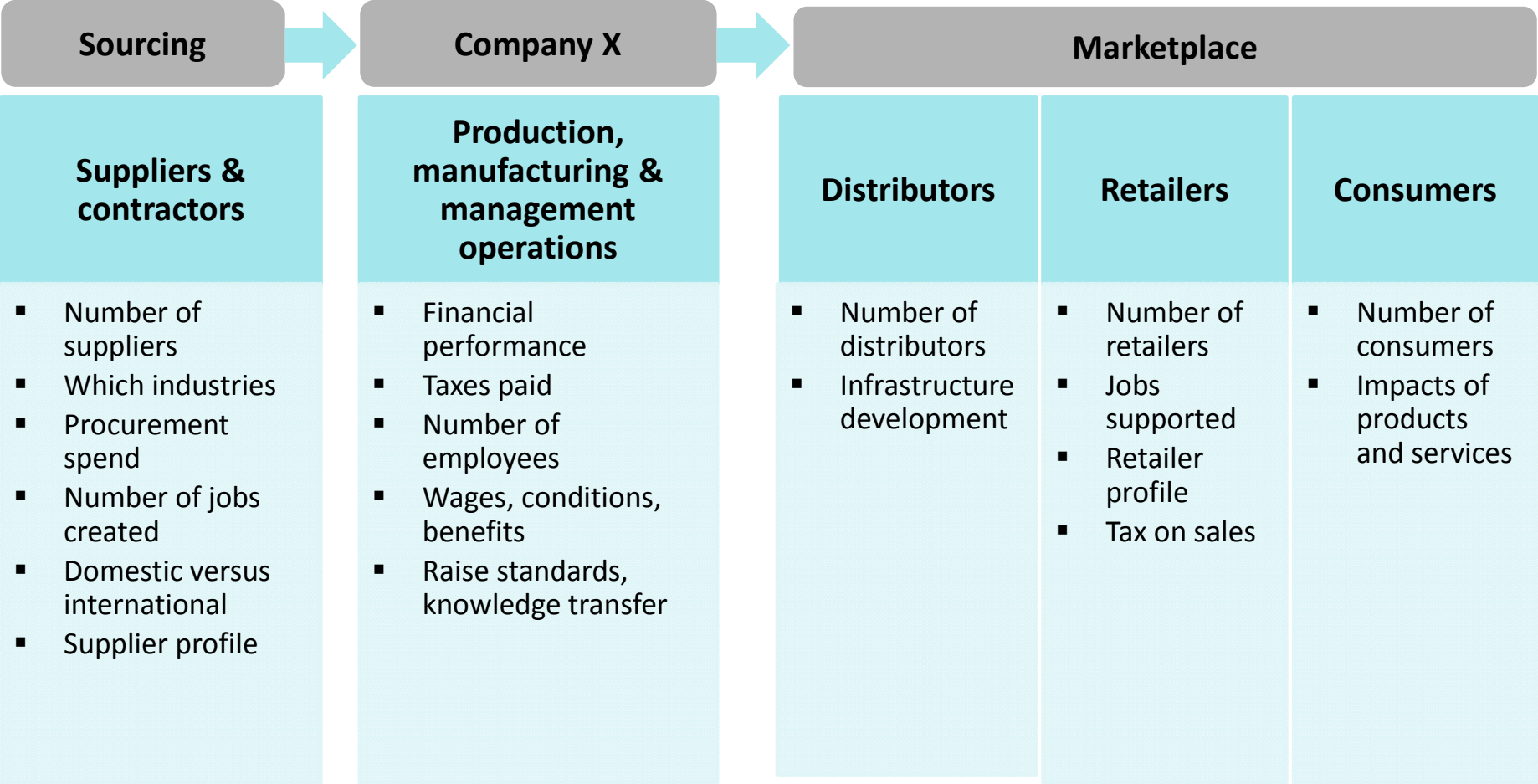
Companies operate in a tougher economic climate



Measuring economic and social impact



Economic impact through the value chain



How companies are using socio-economic assessments

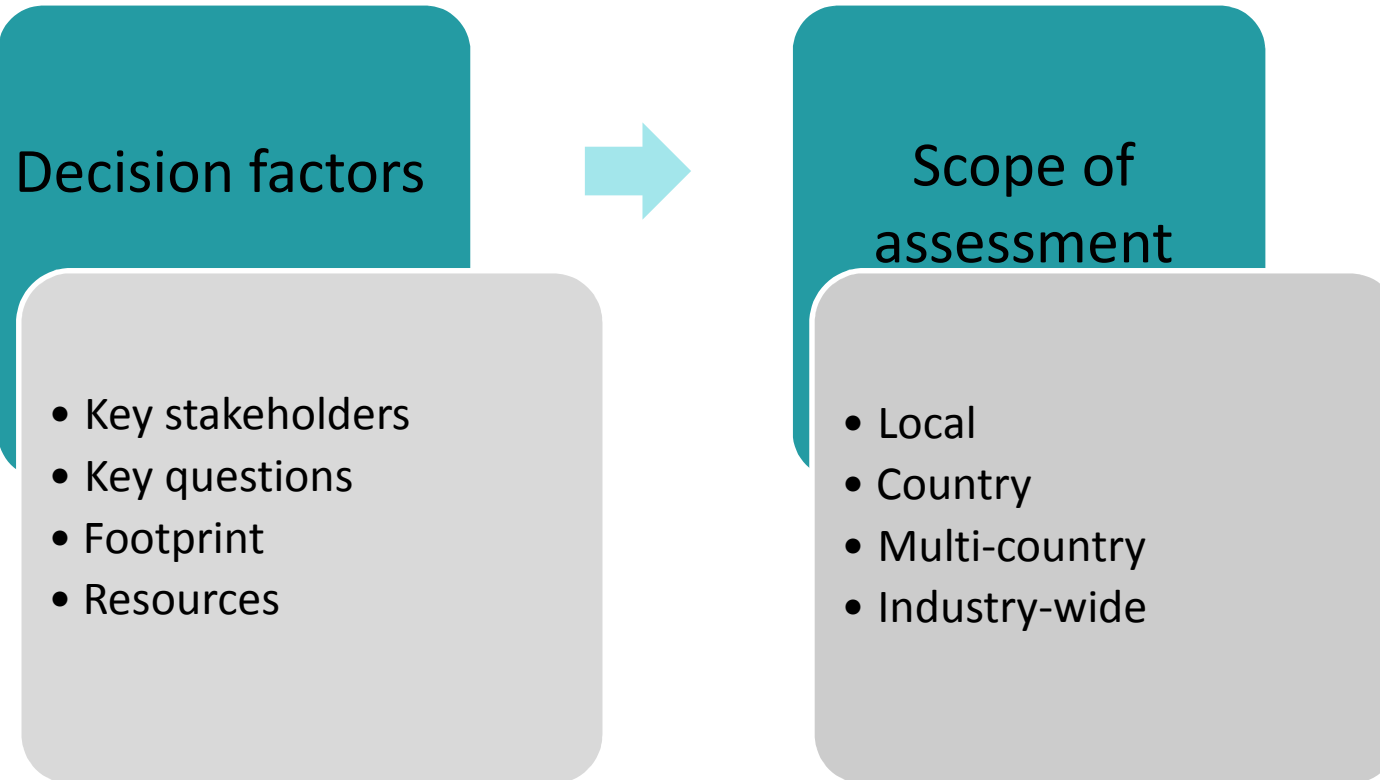
Internal benefits

- Understand social and economic impacts
- Do things differently

External benefits

- Engage with stakeholders
- Differentiate themselves
- Enhance corporate responsibility reporting

Considerations – what type of assessment



Considerations – what type of data

Data
source

Company data

- Annual report and accounts
- Management accounts
- Internal management reports
- CR reporting and community investment data
- Interviews with key employees

External sources and desk-based research

- National accounts, country or regional economic data
- Academic studies
- Government Statistics department
- Trade association and other bodies

Survey data

- Survey data from business partners (suppliers, distributors, retailers)
- Interviews with key business partners

What makes a successful impact study



- Understand your audiences and the key questions they would like answered
- Identify the type of report/communication to suit the needs of the company and different audiences
- Leverage existing resources and target areas for primary research
- Use data effectively to demonstrate the difference made
- Tell the story behind the data

Corporate Citizenship's successful approach

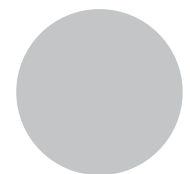
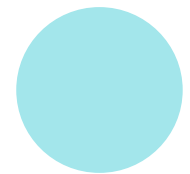
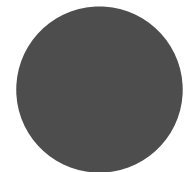
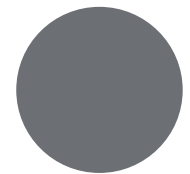


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Example socio-economic impact assessments



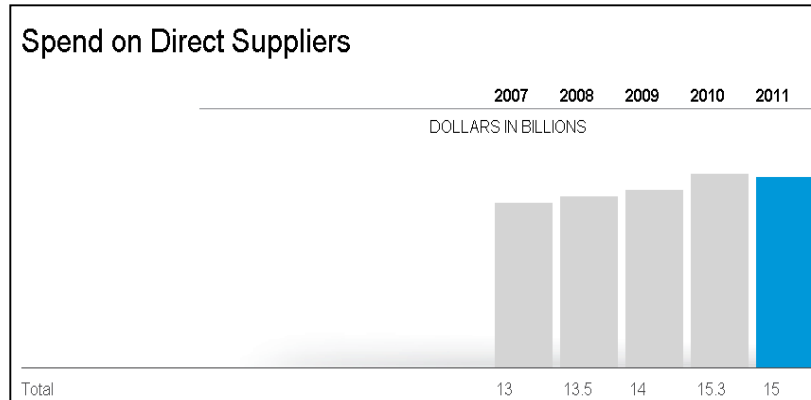
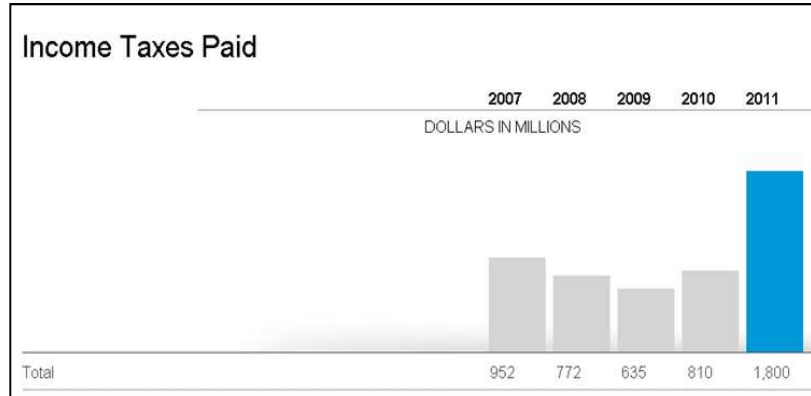
Abbott – key economic indicators in CR reporting

Abbott Global Citizenship

Redefining Responsibility

2011 Abbott Global Citizenship Report
Last updated: May 22, 2012

Abbott
A Promise for Life



Go-Ahead Group – direct economic impact in one country



Go-Ahead in the UK

27,500+

The number of people we employ



£1,209.2m

Spent on UK goods and services

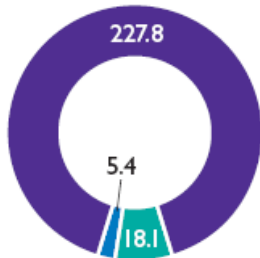
£2,199.1m

Generated in sales

£806.6m

Total gross salaries and benefits paid to employees

Taxes paid (£m)

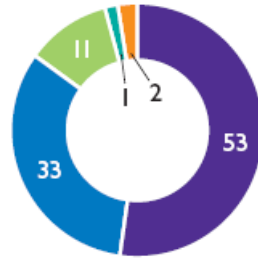


- Taxes on employee salaries & benefits*
- Corporation tax
- Fuel duty

*including income tax and national insurance

Direct economic impacts (%)

Total £2,274m



- Payments to suppliers & providers of equipment
- Payments to employees net of tax
- Taxes paid
- Interest payments
- Dividends



G4S - country assessments for South Africa, India & Chile



13,400 employees

50 offices

£70 million on goods & services


23,000 customers

£100 million in salaries

£24 million in taxes



Unilever – in depth assessment across the value chain



**Exploring the Links Between
International Business and Poverty Reduction:
A Case Study of Unilever
in Indonesia**

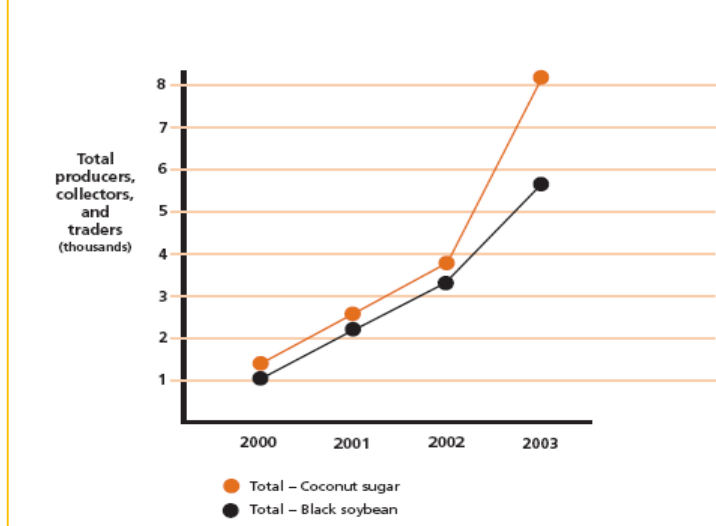
Principal Author: Jason Clay

An Oxfam GB, Novib, Unilever, and Unilever Indonesia joint research project

Table 7: UI average monthly earnings of entry-level permanent employees (Java), (2003)

Pay and benefits	UI payment (Rp)	Indonesian minimum wage (Rp)
Minimum salary	777,183	631,554
Annual allowance	93,441	-
Home allowance	185,000	-
Leave allowance	62,274	-
Product allowance	145,336	-
Meal allowance	275,000	-
TOTAL	1,538,234 (US\$179.50)	631,554 (US\$74)

Figure 5: Coconut-sugar and black-soybean producers, collectors, and traders involved in the Kecap Bango supply chain (2000–2003)



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