

A young boy and girl are playing under a water fountain. The boy, wearing a blue shirt and orange shorts, is reaching out to touch the water. The girl, wearing a yellow shirt, is smiling and looking at the water. The background is a blurred outdoor setting with greenery and a building.

# Game changers: The future of corporate foundations

April 2018

# Presenters



**Amanda Jordan**

CO-FOUNDING DIRECTOR  
Corporate Citizenship  
London



**Cathy Pharoah**

VISITING PROFESSOR, Cass  
Business School

DIRECTOR, Third Sector  
Prospect



**Nana Guar**

SENIOR CONSULTANT  
Corporate Citizenship  
London



**Cathy Moscardini**

CONSULTANT  
Corporate Citizenship  
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# About Corporate Citizenship

- Global management consultancy specialising in sustainability and corporate responsibility.
- Established in 1997.
- Teams based in London, Melbourne, New York, San Francisco, Santiago and Singapore.
- We help companies to achieve their commitments to responsible business.
- Worked in more than 45 countries.
- Published more than 40 [thought leadership papers](#).
- Host regular sustainability and CR events, webinars and seminars.
- We're on twitter @CCitizenship



Understand the landscape



Create a resilient strategy



Measure impacts & improve performance



Build partnerships & engage stakeholders



*"Corporate Citizenship helped us to understand the issues, anticipate what's next and realize the opportunities for growth."*

- Global VP, Sustainable Business

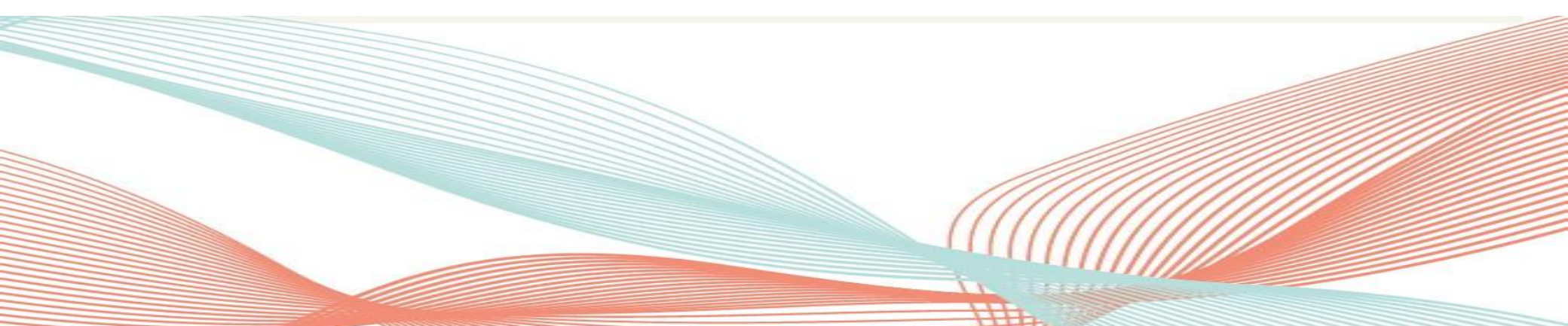


#FGT2017  
@ACFoundations

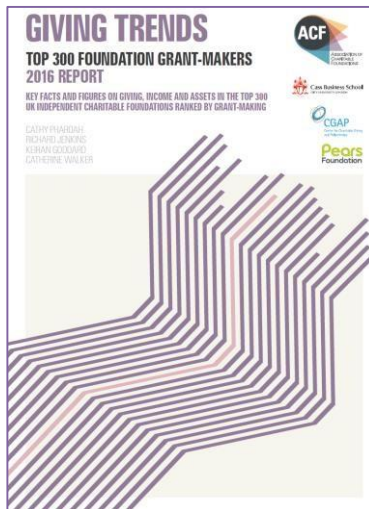
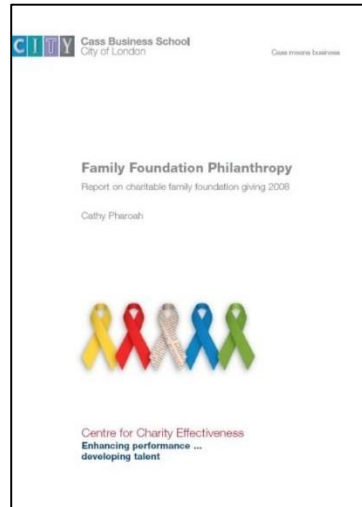


# Giving Trends - Corporate Foundations

Cathy Pharoah  
Visiting Professor, Cass Business School  
Director, Third Sector Prospect

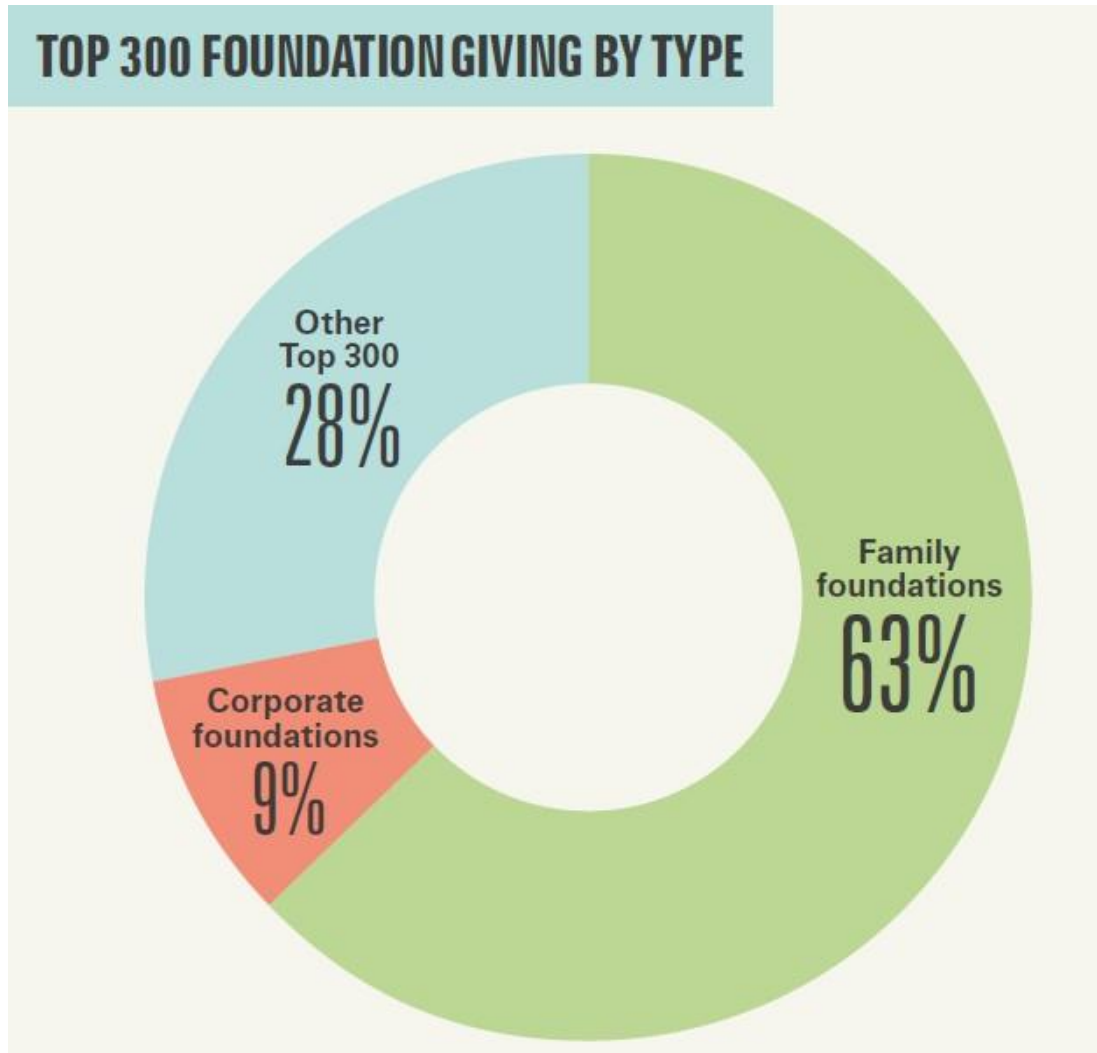


# History of giving trend data 2009-2018

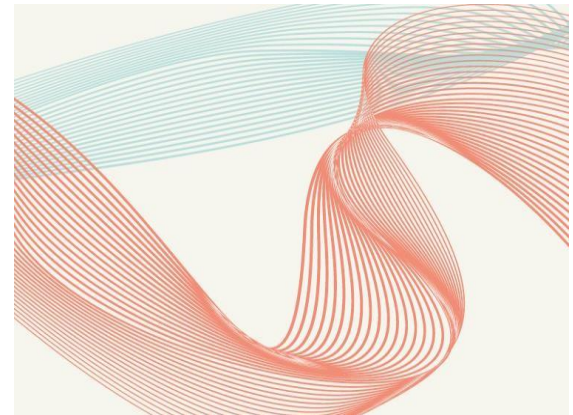


**2018 11<sup>th</sup> Edition on its way.....**

# Top 300 Foundation Giving by Type



What is a corporate foundation?



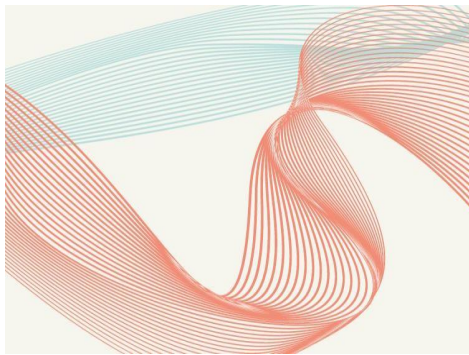
## CORPORATE FOUNDATION GRANT-MAKING FIVE-YEAR GROWTH TRENDS (£ MILLION)

Over the last five years, grant funding by the Top 50 corporate foundations has increased by 35%, from £199 million to £268.7 million in real terms.



Corporate Foundations' five-year growth

# Total corporate foundation giving



**THE TOP 50 CORPORATE FOUNDATIONS GAVE GRANTS TOTALLING  
£269 MILLION, AN ANNUAL GROWTH OF 9% IN REAL TERMS**

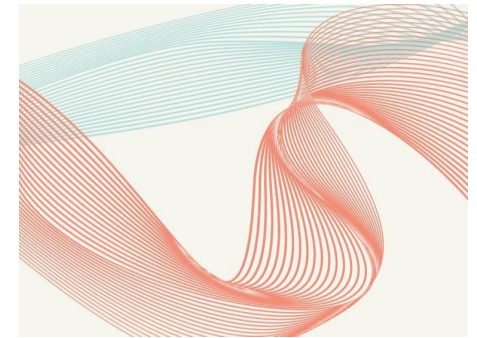
## Distinct profile

- Plus direct company giving of +£420 million
- Foundations largely funded by annual giving
- Hold just 2.8% of assets
- How does this affect decision-making?



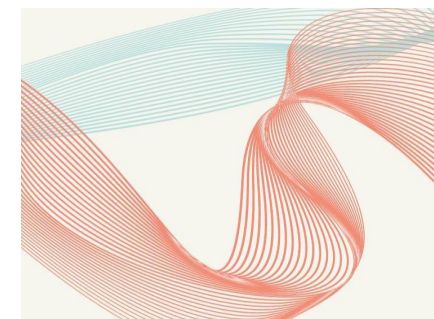
# Top Corporate Foundations by giving 1-25

Company	Top300			£ m	
				Giving	Assets
1	10	Lloyd's Register Foundation	Jun-16	31.9	247.1
2	14	British GasEnergyTrust	Mar-16	28.6	2.5
3	19	Goldman SachsGives (UK)	Jun-15	22.8	83.3
4	20	BHP Billiton	Jun-15	22.5	61.4
5	21	Lloyds Foundation for England andWales	Dec-15	21.9	26.4
6	23	Vodafone Foundation	Mar-16	18.6	7.1
7	38	Northern RockFoundation	Apr-16	13.9	0.1
8	57	Shell Foundation	Dec-15	9.4	316.4
9	82	The Asda Foundation	Dec-15	6.7	8.1
10	88	Fidelity UKFoundation	Dec-15	6.3	194.5
11	99	Santander UKFoundationLtd	Dec-15	5.7	13.4
12	106	United Utilities TrustFund	Mar-16	5.5	0.7
13	111	Virgin Unite	Dec-15	5.3	21.9
14	113	Veolia Environmental Trust	Mar-16	5.0	2.7
15	115	Responsible Gambling Trust	Mar-16	4.9	5.6
16	121	St James's Place Foundation	Dec-15	4.6	3.2
17	137	Swire Charitable Trust	Dec-15	3.8	11.2
18	159	EDFEnergyTrust	Dec-15	3.0	5.0
19	162	Severn Trent Water Charitable TrustFund	Mar-16	3.0	1.9
20	175	Nominet Charitable Trust	Apr-16	2.7	6.5
21	177	Lloyds TSBFoundation for Scotland	Dec-15	2.7	5.2
22	190	Morgan Foundation	Apr-16	2.3	13.0
23	204	Bank of Scotland Foundation	Dec-15	2.2	0.7
24	226	Support Adoption forPets	Mar-16	2.0	1.1
25	235	Accenture Foundation	Aug-15	1.8	2.8



# Top Corporate Foundations by giving 26-50+

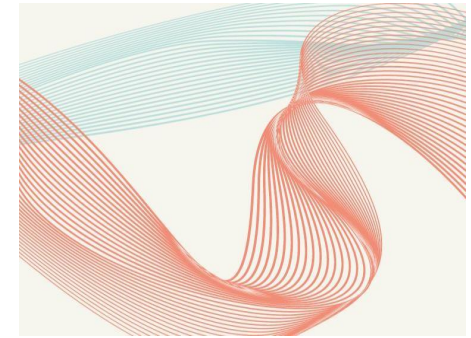
Company	Top300			Giving	Assets
26	238	Morgan Stanley International Foundation	Dec-15	1.8	1.4
27	240	The Goldman Sachs Charitable Gift Fund (UK)	Jun-15	1.8	8.6
28	248	Zurich Community Trust (UK) Ltd	Dec-15	1.7	4.9
29	250	Anglo American Group Foundation	Dec-15	1.7	-1.6
30	264	The Lancashire Foundation	Dec-15	1.5	3.7
31	266	Bestway Foundation, The	Jun-15	1.5	6.4
32	270	The Burberry Foundation	Mar-16	1.5	6.5
33	281	Credit Suisse EMEA Foundation	Dec-15	1.5	1.1
34	294	Greggs Foundation	Dec-15	1.4	17.7
35		John Laing Charitable Trust	Dec-15	1.3	56.3
36		The DHL UK Foundation	Mar-16	1.3	28.4
37		Friends Provident Charitable Foundation	Sep-15	1.3	30.0
38		Lloyds Bank Foundation for Northern Ireland	Dec-15	1.3	1.0
39		Global Charities	Mar-16	1.2	1.1
40		The Steel Charitable Trust	Jan-16	1.1	27.1
41		Baring Foundation	Dec-15	1.1	69.1
42		Great Britain Sasakawa Foundation	Dec-15	1.1	25.5
43		British Record Industry Trust	Dec-15	1.0	9.5
44		IBM United Kingdom Trust	Dec-15	1.0	4.6
45		The Apax Foundation	Mar-16	1.0	21.6
46		KPMG Foundation	Sep-15	1.0	7.0
47		The Barbour Foundation	Apr-16	0.9	12.2
48		The Body Shop Foundation	Feb-15	0.8	0.6
49		Cadbury Foundation, The	Dec-15	0.7	0.1
50		Lloyds Bank Foundation for the Channel Islands	Dec-14	0.6	1.1
*	75	Rank Foundation Ltd	Dec-15	7.2	214.4
*	186	The James Dyson Foundation	Dec-15	2.5	-7.5
*	188	Joseph Rank Trust	Dec-15	2.4	86.5
*	259	Golden Bottle Trust	Sep-15	1.6	9.8
*		DM Thomas Foundation for Young People	Dec-15	1.2	1.6



\*This is a family business foundation, ranked in the family foundation table

## TOP 10 CORPORATE FOUNDATIONS (BY GIVING) £ MILLION

(x) = Previous year's ranking



# Top 10 Corporate Foundations

# Ways of giving by corporates

Several companies provide their foundations with grant-making capacity but also resources like company staff time, expertise, administrative and other facilities as part of their philanthropy, as well as supporting large programmes.

Practice varies around how corporate foundation giving is accounted for, and it may be spread across ‘grants’, ‘charitable expenditure’ and ‘support costs’, which can make comparison between organisations difficult.

In 2014/15, charitable expenditure in the Top 50 was worth £13 million, and support costs worth £18 million. If these costs were added to grants, some foundations would appear higher in our tables, as some examples from the 2016 Edition show.<sup>3</sup>

Adjusted Rank	Grants Rank		A/c year	Grants £m	Charitable Spend £m	Support Costs £m
11	15	Responsible Gambling Trust	Mar-15	4.68	1.1	0.3
12	27	Virgin Unite	Dec-14	1.83	1.6	1.2
14	24	Nominet Charitable Trust	Apr-15	2.48	0.6	1.1
15	25	Zurich Community Trust (UK) Limited	Dec-14	2.04		1.1
16	45	Global Charities	Mar-15	1.00	1.9	1.1

# Social Investment by foundations

- 10% of Top 300 make social investments
- Statutory power
- 28% growth in 2015/16
- Shell Foundation – PRI doubled to £14 million
- Other corporate foundation SI -
  - Friends Provident Charitable Foundation
  - Apax Foundation
  - Baring Foundation
  - Golden Bottle Trust

INVESTMENTS	2014/15 (£ MILLION)	2015/16 (£ MILLION)	ANNUAL ADJUSTED CHANGE (%)
Total investments	55,040.7	60,669.7	10.2
Programme related and social investment	61.5	78.4	27.6
NET ASSETS	54,475.4	59,728.4	9.6

**EXAMPLES OF PARTNERSHIP IN EACH 10% BAND OF FOUNDATIONS FROM HIGHEST TO LOWEST BY GRANT-MAKING (£ MILLION)**

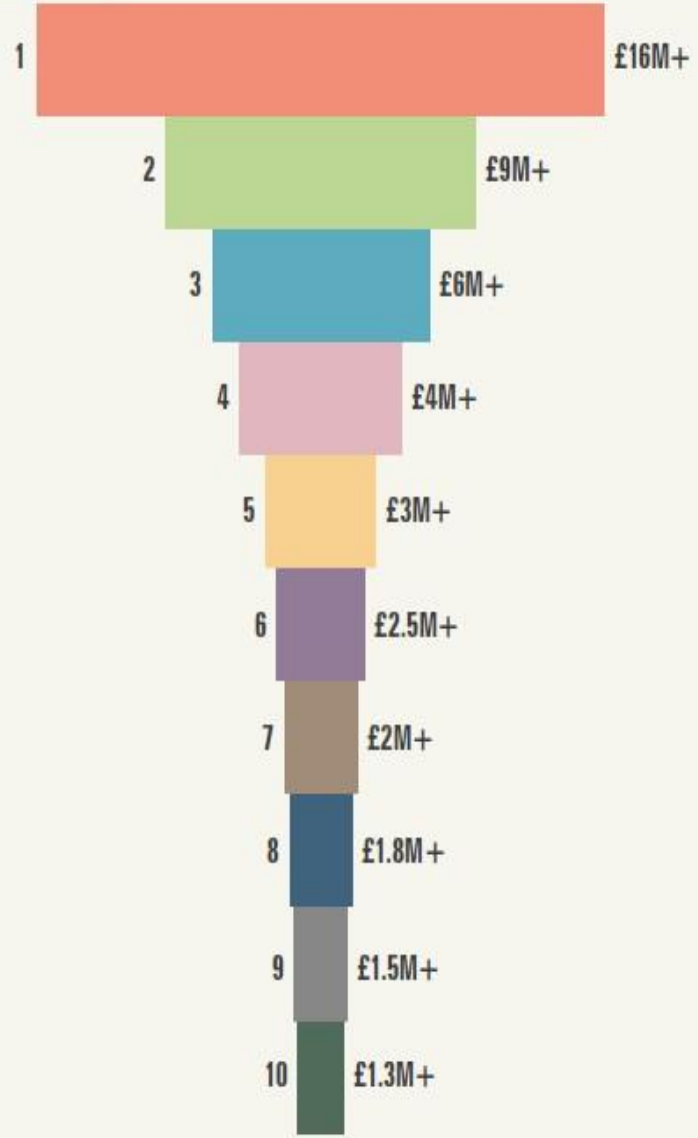
**ARTS AND THE ENVIRONMENT**  
**Esmée Fairbairn Foundation**, Arts Council England, Bank of America Merrill Lynch, Nesta and Calouste Gulbenkian Foundation created the new £7 million Arts Impact Fund to demonstrate the potential for social investment in the arts. The fund gave a £350,000 bridging loan to Brighton's South East Dance for its new hub, The Dance Space, which will provide rental income and support local artists and community development.

**EQUALITY AND INCLUSION**  
 Addressing the refugee crisis in Europe, BBC Children in Need, **Barrow Cadbury Trust**, City of London Corporation's charitable funder City Bridge Trust, Comic Relief, Lloyds Bank Foundation for England & Wales, Oak Foundation, Paul Hamlyn Foundation, Pears Foundation and the Rayne Foundation have come together to support both migrants and established communities in the UK who receive them. This involved establishing a pooled 'welcome' fund, New Beginnings, managed by UK Community Foundations, to harness the unprecedented level of offers of migrant support across the nation.

**EQUALITY AND INCLUSION**  
**Johnson & Johnson Corporate Citizenship Trust** empowers health systems in under-served regions through donor advised funding. With the Infectious Diseases Institute, the Ugandan Ministry of Health, and Janssen Pharmaceutical (a J&J company), the trust launched the Ugandan Academy for Health Innovation and Impact to improve health outcomes through innovations in clinical care, capacity building and research, and using mobile and digital technology.

**STRONGER COMMUNITIES**  
 The **J Paul Getty Jr General Charitable Trust** contributed £125,000 in 2015 towards strengthening the voluntary sector leadership development programme (legal advice sector) led by the Baring Foundation and delivered by Cass Business School.

**MENTAL HEALTH**  
 In 2016 **LankellyChase Foundation** put out a £1.25 million tender for a 'knowledge hub' to communicate data on ethnic inequality in mental health and interrelated areas, following research that revealed lower referral of Black and Minority Ethnic (BAME) people with mental health problems for talking therapies.



**TECHNOLOGY**  
**Nominet Trust** invests in innovative technology to transform how we address social challenges. With Nesta, Lloyds Banking Group, Big Lottery Fund and others,<sup>10</sup> Nominet harnessed £12.5 million for start-up projects like TapSOS, a prototype smartphone app enabling deaf and hard of hearing people to make emergency 999 calls and get a life-saving response.

**TECHNOLOGY**  
 The **James Dyson Foundation** worked with the Department for Education in 2015 to improve UK engineering skills through a new Design and Technology (D&T) GCSE and improved A Level curriculum.

**STRONGER COMMUNITIES**  
 The **Vardy Foundation** founded Safe Families for Children in 2012 with £2 million, aiming to reduce the number of children taken into care, through working with local volunteers. In 2015 the project expanded through matched funding from a partnership with the Department for Education's Children's Social Care Innovation Fund.

**MENTAL HEALTH**  
 Heads Together is a multi-charity campaign part-funded by **The Royal Foundation of the Duke and Duchess of Cambridge and Prince Harry**. Partners are Best Beginnings, CALM – The Campaign Against Living Miserably, Contact (a military mental health coalition), Mind, Place2Be, The Mix, YoungMinds, and The Anna Freud Centre. Heads Together challenges the stigma surrounding mental health, enabling people to talk about issues affecting them.

**ARTS AND THE ENVIRONMENT**  
**The Roddick Foundation** has supported Navdanya, a women-centred movement based in India, for several years. Alongside The A Team Foundation, Comic Relief and others,<sup>11</sup> the Roddick Foundation supports Seeds of Freedom, a film trilogy produced by a collaboration of organisations including Navdanya which gives voice to small-scale farming communities in the South.

Innovative partnerships for change

# CORPORATE CITIZENSHIP'S LATEST RESEARCH

# The big question

- Companies continue to be challenged to define their role in society and contribution to tackling global challenges
- Economic and political pressures have led to volatility
- 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?**

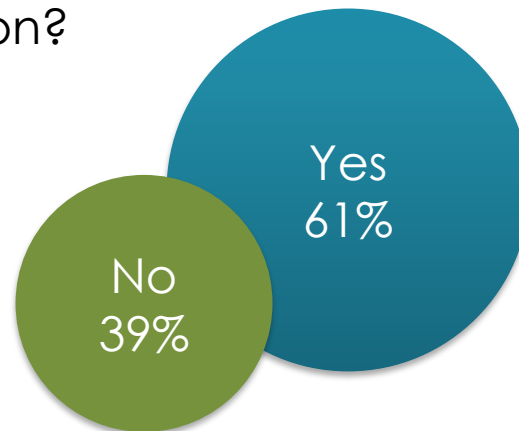


# About our survey

## Where are the headquarters of your foundation located?

Europe	71%
North America	18%
APAC	7%
South America	2%
Africa	2%

Do you work for a corporate foundation?

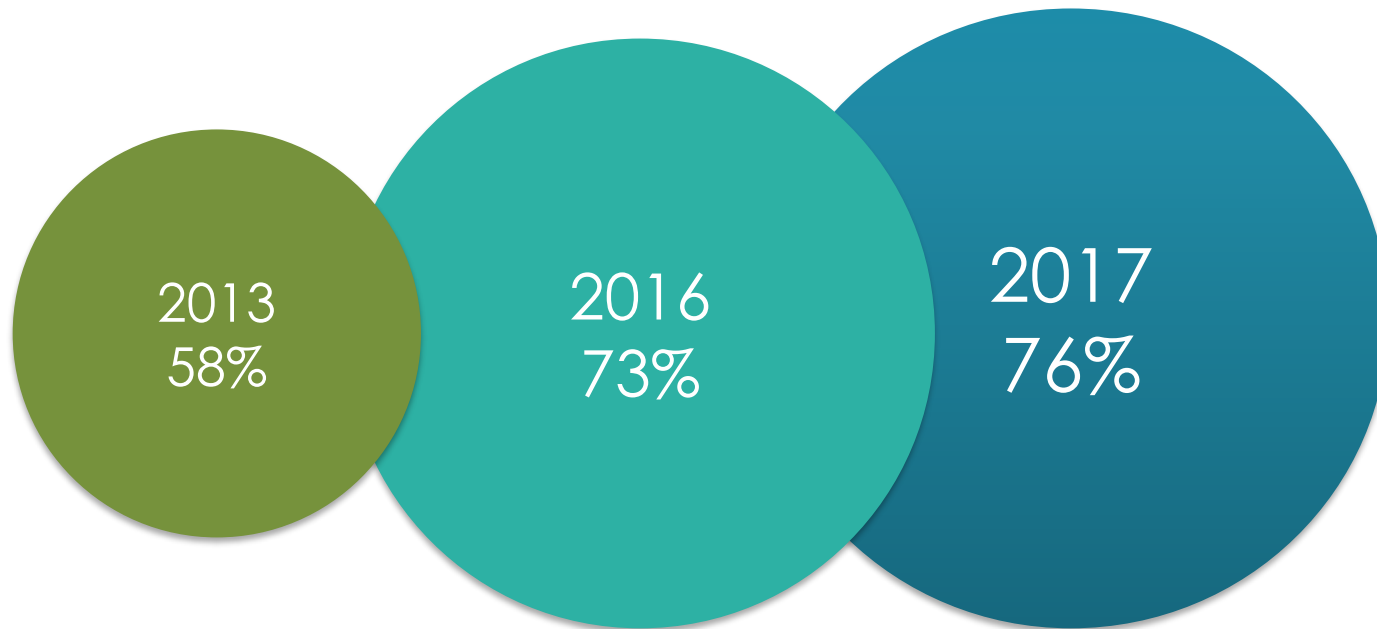


## Industry of parent company

Financial Services	24%
Pharmaceuticals	11%
Consumer Goods	9%
Professional Services	7%
Engineering & Manufacturing	7%
Retail	5%
Utilities services	5%
Travel, hospitality and leisure	5%
Property, Construction, Housing & Facilities	4%
Technology & Telecoms	4%
Legal	2%
Other	15%

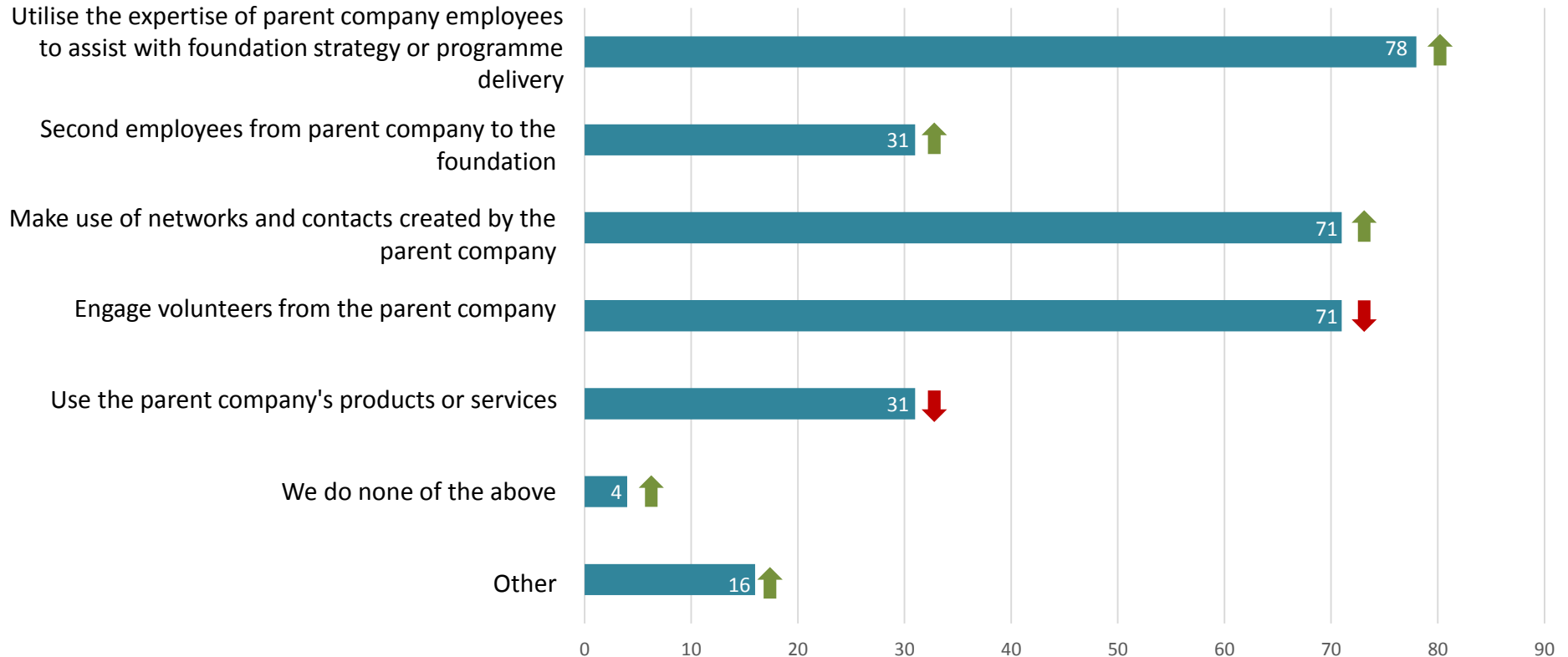
# Increasing alignment with parent company

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?



“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

40%

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

38%

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

2017

49%

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

35%

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

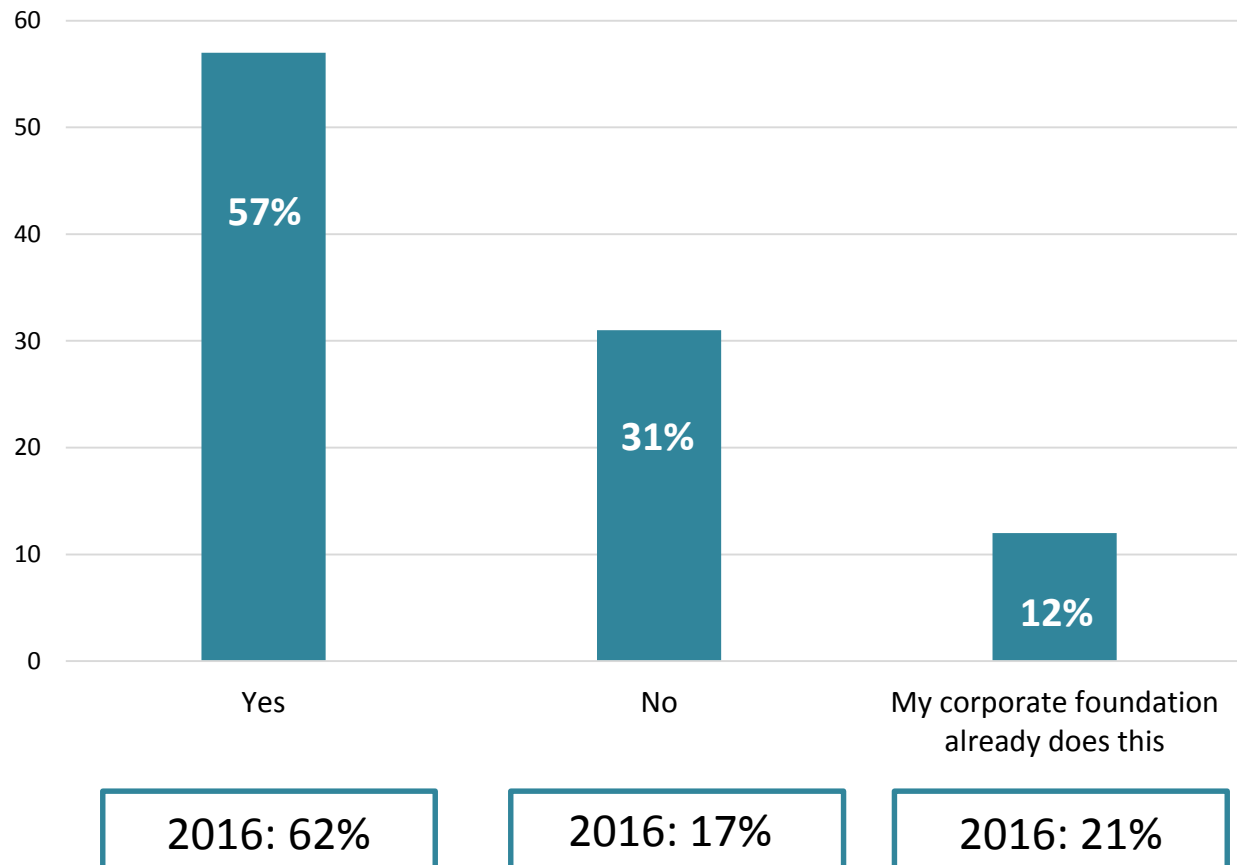
# Measuring success

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



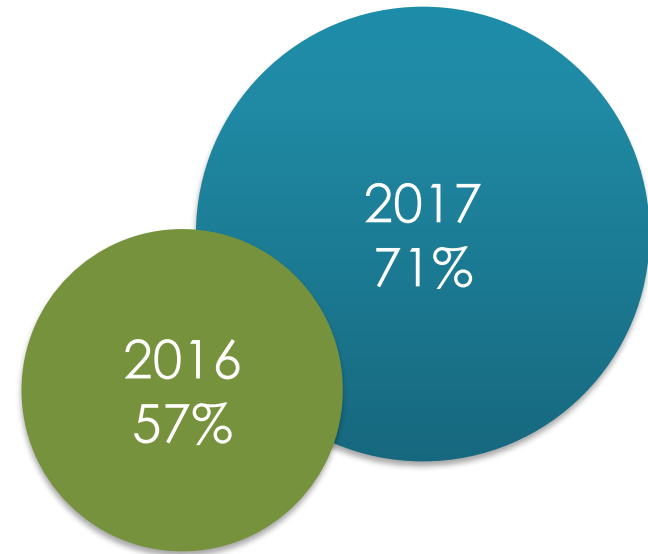
# Are foundations losing the drive for innovation?

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



# Innovative collaboration

**Foundations are leveraging the use of networks and contacts created by the parent company**



*“We leverage our global locations”*

*“Support from other functions such as marketing, IT and finance ”*

*“We make use of the business skills of volunteers”*

# PANEL DISCUSSION



# 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 long-term social value and performance



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