

Investing for Shared Value

A framework to assess results for
business and society

About Corporate Citizenship

We are a global management consultancy, specialising in corporate responsibility and sustainability

Established in 1997

Based in London, New York, San Francisco, Santiago and Singapore

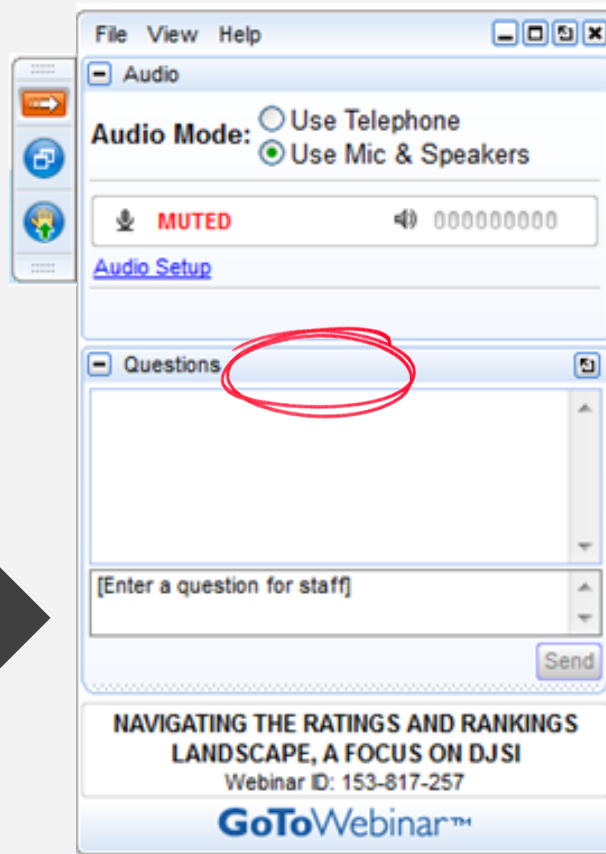
Projects completed in more than 45 countries



"Corporate Citizenship helped us to understand the issues, anticipated what's next and realise the opportunities for growth."

Unilever Global VP, Sustainable Business

Asking questions



Please note:
The presentation slides will be
available tomorrow via the
Corporate Citizenship website

Speakers



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What we will cover today

1. What is 'shared value'?
2. What are Investments for Shared Value?
3. Examples of shared value investments
4. Framework for Investing for Shared Value
5. Resources available
6. Q&A session

Our study

- Working group of eight companies
- Extensive desk research
- Engagement and consultation
- Pilot testing
- And now dissemination



What is 'shared value'?

The shared value debate



**Harvard
Business
Review**



**Business
Ethics
Journal
Review**
SCHOLARLY COMMENTS ON
ACADEMIC BUSINESS ETHICS
businessethicsjournalreview.com



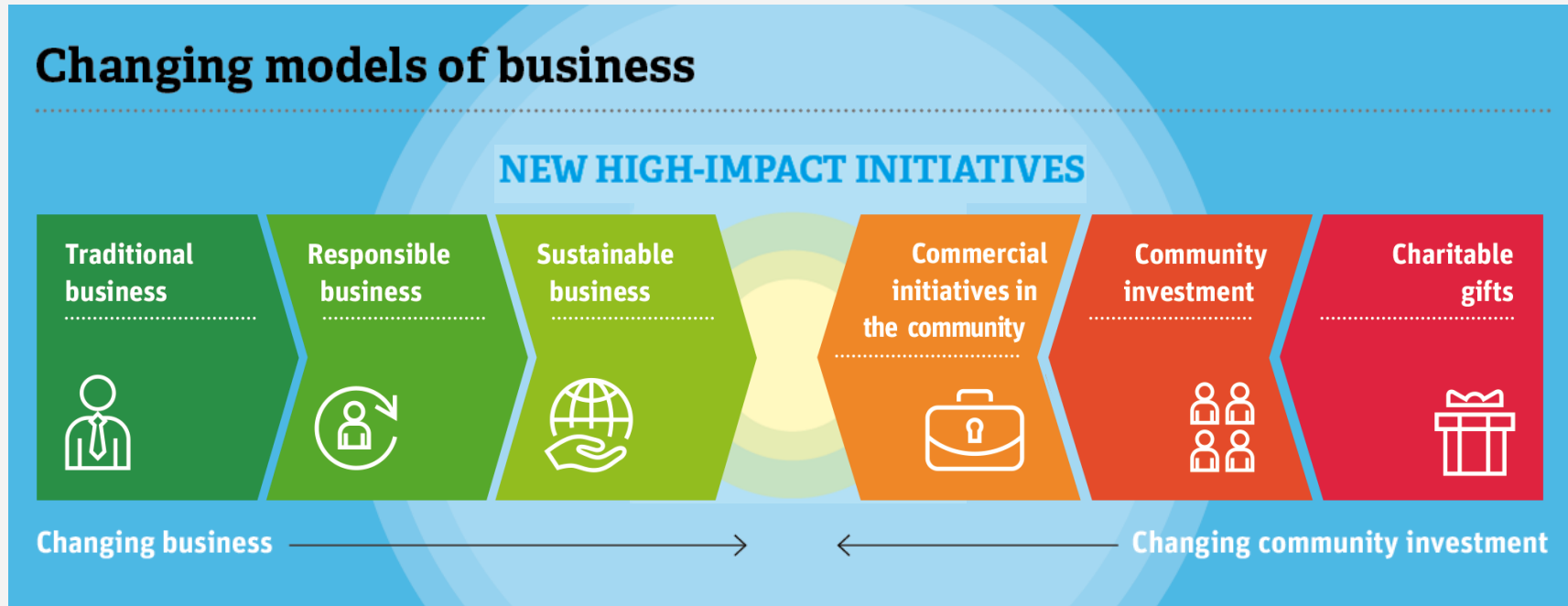
A question for you...

In your opinion what do you think “shared value” is all about?

- (a) A new way to do business, more aligned with social outcomes
- (b) A better way to do corporate philanthropy and community investment, more aligned with business goals
- (c) Another expression for CSR, corporate citizenship and social responsibility
- (d) None of the above
- (e) Don't know

What are “Investments for Shared Value”?

How business is changing



How Shared Value Investments are different

Shared Value Investments in comparison to **conventional business** management

More innovative and developmental

Longer timeframes

Higher risk of failure

Reduced profit margins

'Added' social value

Shared Value Investments in comparison to **traditional community investments**

Directly led by the business

Improved sales and profits are explicit eventual goal

Durable e.g. self-funded

Long lasting contribution to social change

Community partner not essential

LBG measurement framework

Inputs: What's contributed

The resources a company provides to support a community activity.

How:

Cash, time, in-kind, management cost

Why:

Charitable gift, community investment, commercial initiative in the community

What:

Issue addressed (education, health etc.)

Where: Location of activity

Outputs: What happens

The activities delivered, numbers reached, funds raised and business-related activity resulting from the contributions made.

Community outputs:

Numbers helped, activities held etc.

Leverage:

Additional funds raised

Business outputs:

Media coverage, awareness among customers, employees etc.

Impacts: What changes

The changes that happen to individuals, organisations and the company, in the short or longer-term, as a result of the activity.

Community impacts:

Change in beneficiaries, organisations and/or society

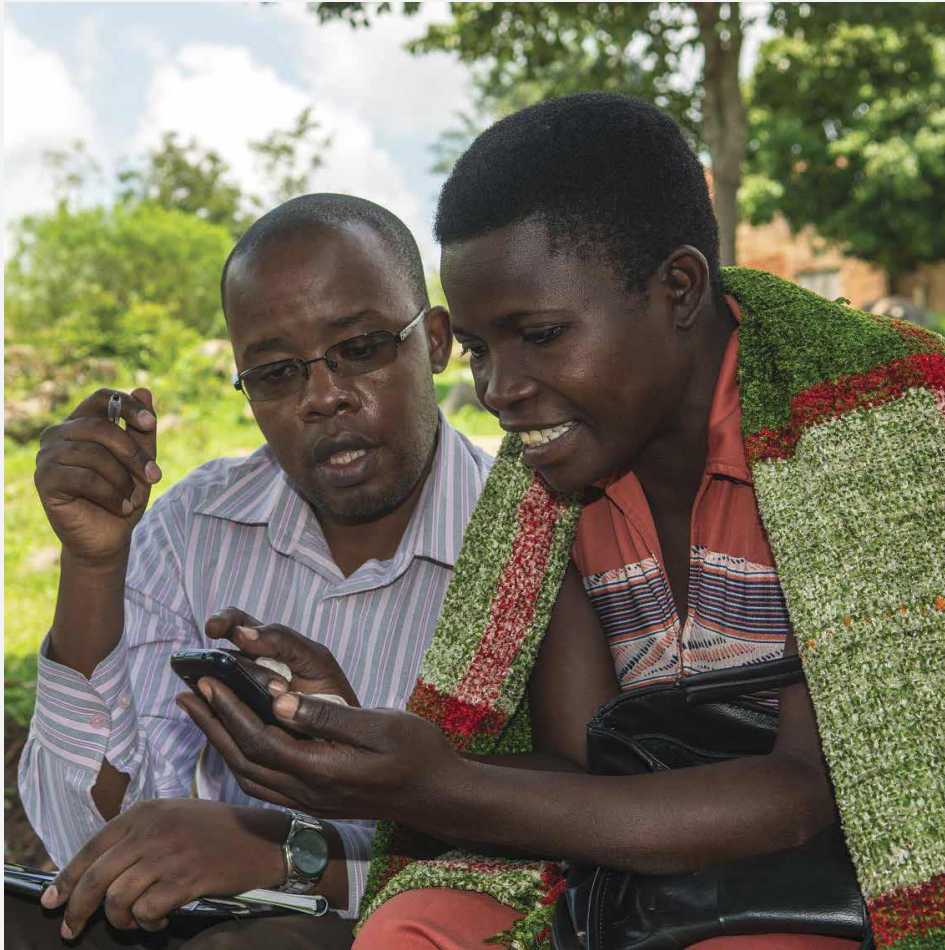
Business impacts:

Change in business performance

Find out more about LBG - <http://www.lbg-online.net/>

Examples of Shared Value Investments

Case study: Barclays - Social Innovation Facility



A 'village savings and loans association' delivered through Barclays Social Innovation Facility

Find out more:

<http://www.resources.barclays.com/citizenshipreport/articles/social-innovation-facility.html>

Case Study: Unilever - Pureit



Unilever

A water purifier developed by Unilever as a part of its target to provide 150 billion litres of low-cost safe water by 2020.

Find out more:
<https://www.unilever.com/sustainable-living/the-sustainable-living-plan/improving-health-and-well-being/health-and-hygiene/providing-safe-drinking-water/>

Case Study: BT – Purposeful Business



BT offers social housing tenants training, coaching and technical support as a part of its Purposeful Business programme.

Find out more:
<http://www.btplc.com/Betterfuture/ConnectedSociety/Creatingpossibilities/>

Case Study: GSK – Africa and Developing Country Unit



GSK's Africa and Developing Country business unit makes low-priced high-quality medicines and vaccines available to people in sub-Saharan Africa and LCD populations, capped at 25% with 20% profits reinvested.

Find out more:
<http://www.gsk.com/en-gb/responsibility/health-for-all/access-to-healthcare/>

Framework for Investing in Shared Value

Framework for investing in shared value



Framework for investing in shared value



Criteria for shared value investments

The framework uses **six criteria** to determine if an activity is classified as 'shared value'.

Meets a defined business objective, explicitly linked to a stated corporate strategy.

Provides high levels of social value derived from a business solution.

Will yield demonstrable and measurable results, both for the business and for society.

Meets a defined social objective, clearly linked to a stated responsibility/sustainability purpose, mission or strategy.

Is different from standard business investment requirements.

Is intended to be scalable, replicable and durable, with a self-sustaining resource model.

A further five subsidiary criteria are included in the assessment tool (available separately) to help determine whether an activity can be included.

Quality management principles

Successful outcomes are more likely to be achieved by following these quality management principles:

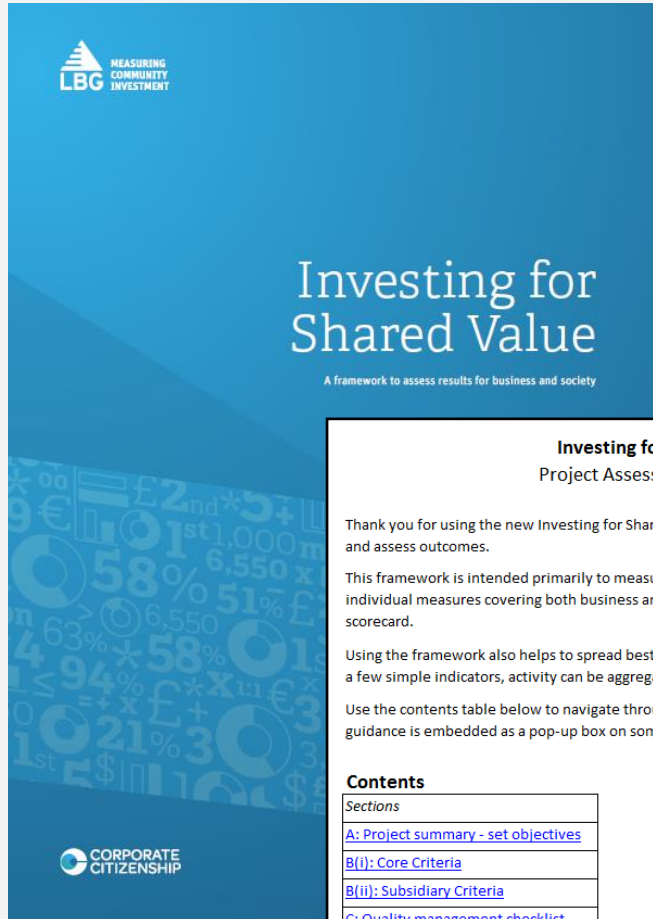
- Initial needs assessment
- Stakeholder consultation
- Baseline study
- Materiality assessment
- Devising solutions to identify need
- Risk assessment
- Outline terms of partnership
- Mid project review
- Capacity building

A question for you...

To get better results for business and society, is it helpful to build quality management principles into the investment framework?

- (a) Yes – this is an essential component
- (b) Probably – this is desirable
- (c) No – it makes little difference
- (d) Don't know

Resources available



Investing for shared value
Project Assessment Framework

Thank you for using the new Investing for Shared Value measurement framework to set goals and assess outcomes.

This framework is intended primarily to measure individual activities or projects and to provide individual measures covering both business and society outcomes, presented as a balanced scorecard.

Using the framework also helps to spread best practice across the whole company, and by using a few simple indicators, activity can be aggregated up to a company-wide picture.

Use the contents table below to navigate through the various sections. Note that further guidance is embedded as a pop-up box on some questions (where the box is **edged in red**).

Contents

Sections
A: Project summary - set objectives
B(i): Core Criteria
B(ii): Subsidiary Criteria
C: Quality management checklist
D: Resources: make the investment
E: Measure business results
F: Measure society results
G: Assess overall outcomes



The framework is available for free download. Please give us feedback on suggested improvements.

Discussion and Q&A

Thank you for joining us!

Contact us



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