



MEASURING
COMMUNITY
INVESTMENT

LBG Annual Review 2015

Community investment for a changing world



www.lbg-online.net

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A global network

A simple vision

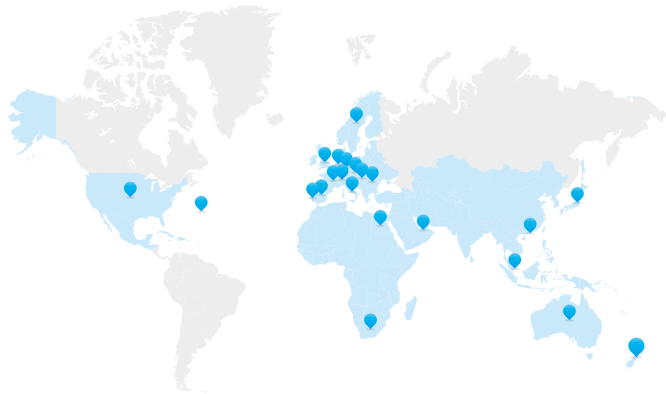
We believe that effective measurement aids more effective community investment. So our vision is simple; we look to a world where every business measures its community investment and shares this in an open, transparent and consistent way.

More than 220 companies around the world share this vision and make up LBG’s network, which provides a platform for companies to work with each other, and with their partners in the community, to improve measurement and make a greater difference.

Practitioner-led, and steered by representative companies from the network, LBG has pioneered measurement so enabling companies to move forward from asking *How much do I give?* to *What difference do I make?*

LBG’s geographic spread

Companies in the network are headquartered across more than 20 countries. They operate in, and apply LBG assessment across, more than 100.



What do we mean by community investment?

LBG measures companies’ voluntary contributions to community organizations or activities. Different terms are often used to refer to such activity: Social investment, corporate citizenship, philanthropy, company giving, social programs, and strategic philanthropy are just a few. For LBG’s purposes *community investment* is the term that is used to cover all such activity.

Our framework

Simplifying impact measurement

LBG’s measurement framework is the global standard for measuring the totality of corporate community investment. The model enables companies to consistently manage, measure and benchmark their contributions, helping them to strategically progress their community programs.

LBG’s wide use is rooted in its simplicity, inclusivity and flexibility: any company at any point of the measurement journey can apply the model, whether at the beginning of recording contributions or in the advanced stage of assessing impacts.

The framework is integrated into investor ratings like DJSI and supports reporting standards like GRI.



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

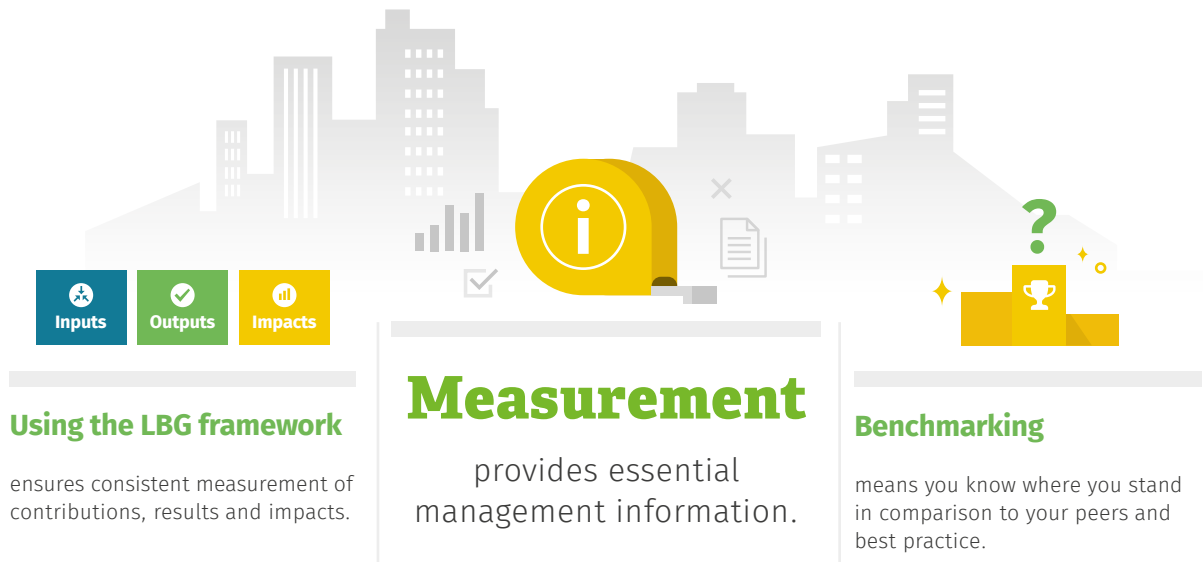
What changes; The changes that happen to individuals, organisations and the company, in the short or longer-term, as a result of the activity.

Community impacts: Change in beneficiaries, organisations and/or society

Business impacts: Change in business performance

Measurement is about more than numbers

Companies in the LBG network recognize that measurement supports the management and effectiveness of the community program; it is not something to be done for its own sake but is a valuable business tool that can drive strategy, improve program delivery and strengthen communications. Like other areas of business performance, you can better manage what you measure.

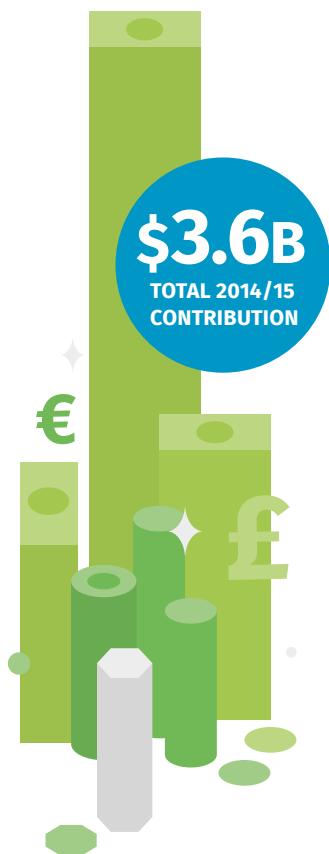


Embedding LBG significantly improves impact measurement and therefore helps businesses move from the “how much” to the “so what”.

— Pam Webb, Head of Zurich Community Trust and LBG Chair

The power of benchmarking

Our annual benchmarking exercise is core to LBG. It enables companies to compare their top-line achievements with their peers as well as within and across sectors. The insight they obtain puts them in a stronger position to make strategic decisions about their community programs. Some highlights from the 2014-15 benchmark are shared here.



The benchmark

This year's data combines information across LBG's international network and so provides the deepest set of benchmark data yet. This depth of coverage helps us to better identify trends in community investment and see how the companies that lead the field are taking on new approaches and measurement processes.



173

Companies actively participated in the benchmark



\$2.3t

Combined revenue of companies in the benchmark



130+

Countries where companies in the network are making contributions

A global contribution

Measurement begins by assessing what's contributed to the community. Collectively, the LBG network contributed more than **\$3.6 billion** (£2.2 billion, €2.7 billion) to community projects around the world in 2014/15. This substantial sum equates, on average, to more than **\$21 million** for each reporting company.

However, LBG isn't just for companies with big budgets. With total contributions across companies ranging from **\$90,000** to over **\$350 million**, any company with any size community budget can use the LBG framework to assess the contribution it makes.

Using key comparators to 'normalize' data, such as contribution as a percent of pre-tax profit (1.1%), or contribution per employee (**\$639**, £387, €479), means that, whatever their size, companies can make sensible comparisons.

Companies in the LBG network, listed by sector on the back of this document, have the added advantage of being able to drill down to sector and company-specific data to make more direct comparisons.

1.1%

Average percent of pre-tax profit contributed by companies to community activity

\$639

Contributions equate to an average of \$639/£387/€479 per employee

\$90k to \$350m

Companies' total contributions range from less than \$100,000 to hundreds of millions

Note: Not every company in the LBG network reports data against every indicator. Therefore the results presented here are based on those companies that report against a particular indicator. Financial data is presented primarily in US\$. For the period covered by this report \$1.00 is equivalent to approximately £0.60 and €0.75 respectively



Spanning different countries and sectors; LBG enables businesses to compare like for like, gauge 'what good looks like' and set meaningful and measurable goals for the future.

— Chloe Keen, Senior Citizenship Manager, Nationwide

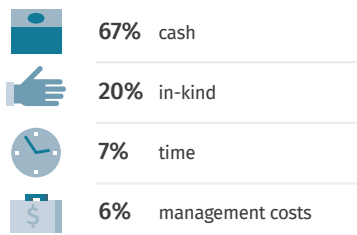


About the inputs:

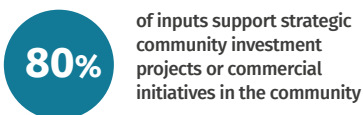
How we invest in communities

Companies are getting smarter about the management of their community programs. LBG's rich input dataset shows how, and to what extent, things are changing. From the basics of how companies contribute through the drivers for community activity and on to new ways of delivering benefit; the data highlights where LBG members are pushing the dial forward.

How the contribution breaks down



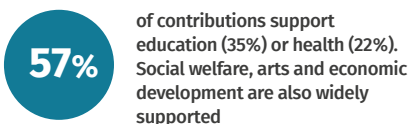
Making strategic contributions



Mobilizing the workforce



Tackling crucial issues



About the outputs:

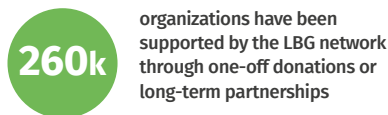
What happens with our investment

Measuring outputs means determining what happens as a result of community contributions. It's an opportunity to take the temperature of engagement and see some results. The numbers of people reached, the organizations supported or the additional funds brought to community programs from sources such as employees or customers are all markers by which companies in LBG can assess their progress.

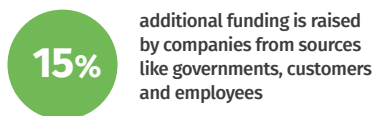
Reaching the people that need support



Supporting the non-profit community



The company is a catalyst

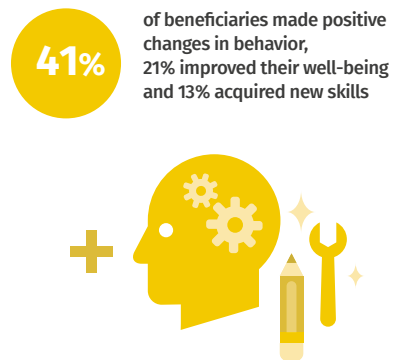


About the impact:

The changes our investments make

Measuring impact is about understanding change. LBG enables, and challenges, companies to establish how they effect change in the people and the organizations that they help, as well as the employees that support their programs. As a result, the culture is changing, with more companies assessing their programs to establish where and how they are having a genuine impact.

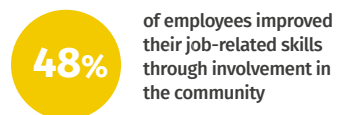
Changing lives for the better



Building the capacity of community organizations



Making companies great places to work



LBG in action



Using the LBG framework enables companies to assess individual projects in a consistent fashion and so draw together program-wide results. Here are some examples of the overall results that members have been able to achieve along with examples of the specific projects that contribute to them.

Deutsche Bank Youth development



Deutsche Bank helps communities and economies to prosper and build social capital wherever the Bank operates around the world. It invested more than \$100m (€80m) in community projects in 2014, helping **5.8 million** beneficiaries through **3,000** supported organizations.

A core element of its community activity is *Born to Be*, a global youth engagement program, which tackles barriers to employment through projects aimed at encouraging young people to pursue their aspirations, develop the skills they need and prepare themselves for the world of work. In 2014, the Bank invested \$16.4m (€12.3m) and 32,500 hours of employee time in *Born to Be*. More than **1.2 million** young people were reached as a result. Of these, more than **150,000** developed new skills, **300,000** raised their aspirations through increased confidence and motivation and **600,000** accessed new opportunities (routes to learning, higher education etc.).



LBG is a practical, useful tool that not only drives discipline and transparent reporting, but also helps build a stronger case for corporate community investment.

— Stefan Rissi, Director Community Investment, JTI



General Mills Education



Global food company, General Mills aims to advance community nutrition and food security, improve education outcomes and strengthen communities through its activity. In 2014 it contributed \$150m to community projects, benefitting more than **1.7 million** people.

In one project it partners with *BestPrep*, an educational non-profit, in an e-mentoring partnership. General Mills employees share their business, career and financial skills with middle and high school students by email and through hands-on experiences. In 2014 the company contributed \$55,000 of cash and employee time to support the program. **193** employees got involved and helped more than **300** children, **90%** of whom have been assessed to have improved their skills, or developed new ones, as a result.

Ferrovia Water & sanitation



Infrastructure company Ferrovia combines its corporate responsibility and business strategies to achieve its financial, social and environmental objectives. In 2014 it contributed \$9m (€6.9m) in resources reaching more than **400,000** people and supporting more than **650** organizations.

A core element of its activity is its social infrastructure program: Drinking Water & Sanitation in Development Cooperation. Since 2011 it has worked with 10 NGOs to fight against poverty and carry out development projects that provide drinking water and sanitation in Africa and Latin America.

So far Ferrovia has committed \$2.4m (€1.8m) to the program, for 10 projects across Colombia, Peru, Ethiopia, Mexico, and Tanzania, which has improved the quality of life for more than **110,000** people.



LBG changes the way corporations and organizations think about community investment. It ensures effective assessment and enables the definition of targets.

— Eduardo Moura, Principal Sustainability Consultant, EDP (Energias De Portugal)



Opposite left: Playing Shakespeare with Deutsche Bank is a *Born to Be* project, which has benefited 70% of state schools in London

Opposite right: General Mills employees have provided e-mentoring to more than 300 students

Above: Jaguar Land Rover Partners with the Red Cross in projects across several countries

Right: Pearson's *Read for My School* has reached more than 200,000 schoolchildren



Jaguar Land Rover

Humanitarian relief



Automotive company Jaguar Land Rover (JLR) aims to create opportunities for 12 million people by 2020 through its Global CSR Program; over **40** innovative projects that support education and talent, humanitarian and health issues or technological innovation for social good. In 2014, it contributed more than \$20m (£12m) of cash, time and in-kind support and reached more than **1.7 million** people through the program.

Red Cross, a Land Rover partner since the 1950s, delivers many of JLR's humanitarian and health projects. In 2014, JLR invested \$4.3m (£2.6m) in vehicles, cash and employee time to Red Cross projects in over 15 countries. These include disaster preparedness programs in Australia, mentoring in Portugal, road safety in Korea and water and sanitation in South Sudan, collectively they are assessed to have improved the lives of more than **145,000** people.

Pearson

Literacy



Education company Pearson, aims to improve literacy levels through its community activity. In 2014 it committed \$25m (£15m) of cash and other resources (including books and employee time) supporting **18,000** organizations and helping more than **2 million** people.

One way Pearson addresses literacy is through *Read for My School* (RFMS), an online reading competition open to primary and secondary schools in England. RFMS aims to help children to discover the pleasure of books by encouraging and rewarding regular reading. In the last three years, Pearson provided \$2.5m (£1.5m) of funding and an online library of books. In 2014, RFMS reached more than **200,000** schoolchildren and teachers. It is improving skills and changing behavior around reading with **86%** of teachers involved reporting that it had positively impacted their whole-school reading culture and **75%** reporting that pupils are more likely to read for pleasure having taken part.

ANZ

Financial capability/savings



In 2014 ANZ, the international bank, contributed over \$14m (AUD 17.6m) to the community, benefiting **300,000** people. Its strategy focusses on social and economic inclusion through financial literacy programs.

Saver Plus is a financial education and matched savings program, developed with the non-profit Brotherhood of St Laurence in Australia. It helps people on lower incomes to improve financial capability and increase savings. Participants set a savings goal and save towards it, and when the goal is reached, ANZ matches participants' savings dollar-for-dollar up to \$390 (AUD500). Since 2004 ANZ has invested over \$23m (AUD 30m) in *Saver Plus*, benefiting nearly **15,000** participants. Research shows that it is changing behavior with **87%** saving the same amount or more since completing *Saver Plus*, and building skills with **85%** reporting more control over their finances.

Why use LBG?

Businesses have found that being part of the LBG network and using a consistent international benchmarking framework brings many advantages.

Benefits of being in the LBG network include:

- Accessing the combined knowledge and experience of more than 220 companies
- Saving time collecting, analyzing and managing data by accessing leading-edge tools and expert support
- Increasing the efficiency and effectiveness of their reporting and communications
- Transforming and improving their activity with robust management information
- Better demonstrating their commitment to transparency and best practice

Who's using LBG?

Financial Services

- Allianz Group
- ANZ
- Arab African International Bank
- Australian Unity
- Aviva
- AXA
- Banco Santander
- Bank of America Merrill Lynch Asia Pacific
- Barclays
- Bankinter
- BBVA
- Bloomberg
- BRD Groupe Societe Generale
- Capital One
- Citi
- Credit Suisse AG
- Deutsche Bank
- Fundacja Bankowa im. L. Kronenberga
- GE Money Bank
- GMHBA
- HSBC
- ING
- International Personal Finance
- Intesa Sanpaolo
- Investec
- Macquarie
- Medibank
- National Australia Bank
- Nationwide
- Novo Banco
- Provident Financial
- Provident Polska
- Prudence Foundation
- Prudential
- Raiffeisen Bank
- RBS
- Rothschild
- Schroders
- St James's Place
- Standard Chartered
- Standard Life
- Suncorp
- Teachers Mutual Bank
- Toyota Finance
- UBS
- UniCredit
- Zurich

Engineering & Manufacturing

- BAE Systems
- CSL
- Gestamp
- Holden
- Jaguar Land Rover
- Johnson Matthey
- Michelin
- Rolls-Royce
- Siemens
- Toyota Australia
- Wesfarmers Chemicals, Energy & Fertilisers
- Wood Group

Natural Resources

- AngloGold Ashanti
- MOL Group
- MPRL E&P
- Mubadala Petroleum
- Repsol
- Wesfarmers Resources
- Woodside Energy

Property, Construction, Housing & Facilities

- Abengoa
- Abertis
- Acciona
- BAM Construct UK
- British Land
- Ferrovial
- Hammerson
- Intu Properties
- ISS UK
- JLL UK
- Lafarge Cement Magyarorszag
- Land Securities
- Lend Lease
- Mirvac
- OHL
- Quintain
- Sanctuary Housing Group
- Scentre Group
- Skanska
- Stockland
- The Crown Estate
- Vicinity Centres
- Willmott Dixon

Consumer Goods

- 3M
- Adidas Group Asia Pacific
- AkzoNobel
- Decorative Paints UK
- Bacardi
- Britvic
- Clarks
- Coca-Cola
- Asia Pacific Group
- Coca-Cola Enterprises
- Coca-Cola Hellenic
- Diageo
- Fuji Xerox
- General Mills
- Heineken España
- Japan Tobacco
- JT International SA
- JTI UK
- Kellogg's
- Kruszewica
- L'Occitane
- Mondeléz
- PepsiCo Asia, Middle East & Africa
- Philip Morris International Management S.A.
- Plzeňský Prazdroj
- Swisse
- Żywiec Zdrój

Pharmaceuticals

- Abbott
- AbbVie
- AstraZeneca
- GSK
- Polpharma

Retail

- Boots
- Castorama
- Coles
- David Jones
- Home Retail Group
- Inditex
- Jeronimo-Martins
- John Lewis Partnership
- Marks & Spencer
- Myer
- Southern Co-operatives
- Target
- Tesco Polska
- The Co-operative Group

Legal

- Freshfields
- Bruckhaus Deringer
- Linklaters
- Olswang
- Wragge Lawrence Graham & Co

Media

- Astro Malaysia
- BSkyB
- Dentsu Aegis Network
- Foxtel
- Liberty Global Europe
- Pearson
- REA Group
- Reed Elsevier
- Vocento

Utilities & Services

- Agbar
- Anglian Water
- Australia Post
- Centrica
- Deutsche Post DHL
- DP World
- Ecoembs
- EDP
- Endesa
- Ferrovial
- Galp Energia
- Gas Natural Fenosa
- Iberdrola
- Jemena
- Luxmed
- National Grid
- New Zealand Post Group
- Origin Energy
- Port of Tyne
- REE
- Royal Mail
- ScottishPower
- Severn Trent
- SGN
- Skupina ČEZ
- Terna
- Thames Water
- Transpacific Industries Group
- United Utilities

Professional Services

- Accenture
- Deloitte
- Experian
- KPMG
- PwC

Technology & Telecoms

- Alcatel-Lucent
- ARM
- BT
- Datacom
- Deutsche Telekom AG
- IBM Australia
- Intel
- Optus
- Orange Polska
- Ricoh UK
- Singtel
- ST Microelectronics
- Telefónica
- Vodafone Hungary
- Workday Foundation

Travel, Hospitality & Leisure

- Accor Asia Pacific
- Adelaide Football Club
- Budapest Airport
- Carlton Football Club
- Cricket Australia
- Essendon Football Club
- FirstGroup
- Go Ahead
- Hawthorn Football Club
- London City Airport
- Manchester Airport Group
- New Zealand Rugby
- North Melbourne Football Club
- Power Community
- Qantas
- Richmond Football Club
- Sydney Airport Corporation
- Tabcorp Holdings
- West Coast Eagles Football Club

Other Products & Services

- Challenger Institute of Technology
- Goodstart
- Wesfarmers Corporate

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MEASURING
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LBG was founded, and is managed, by Corporate Citizenship; a global business consultancy specializing in sustainability and corporate responsibility

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