

The LBG framework

- Inputs
- Outputs
- Impacts

Cash continues to make up the majority of members' contributions, accounting for **56%**. The different types of in-kind contribution, including pro-bono, amount to **over a quarter** of contributions, compared to **8%** time and **7%** management costs



93
MILLION
Total beneficiaries

£352
Average contribution per employee



130+
No. of countries covered by contributions

62%
Matching employee fundraising



£2.5M
Average additional funds leveraged per company

TOTAL CONTRIBUTION

\$2.5
BILLION

(£1.6 / €1.9 BILLION)

Average contribution **£14.4 MILLION**



Education and health are the two most popular focus areas for corporate community investment programmes. More than half of all investment goes towards these two focus areas.

59% of members' contributions go towards strategic community investment projects

640,000
Employees participating in paid company time

Companies in LBG continue to show strong commitment to community programmes, with a headline figure of **£1.6bn** contributed by LBG members in 2014

186,000
Supported organisations

4.8 MILLION
Working hours contributed



The global standard for measuring corporate community investment

Maximum Impact:

The LBG
Annual Review 2014

www.lbg-online.net

What is LBG?

LBG is the global standard for measuring Corporate Community Investment (CCI). The LBG framework ensures a consistent approach to the measurement and benchmarking of CCI. The network of companies using LBG provides a platform to share experience, best practice and new ideas.

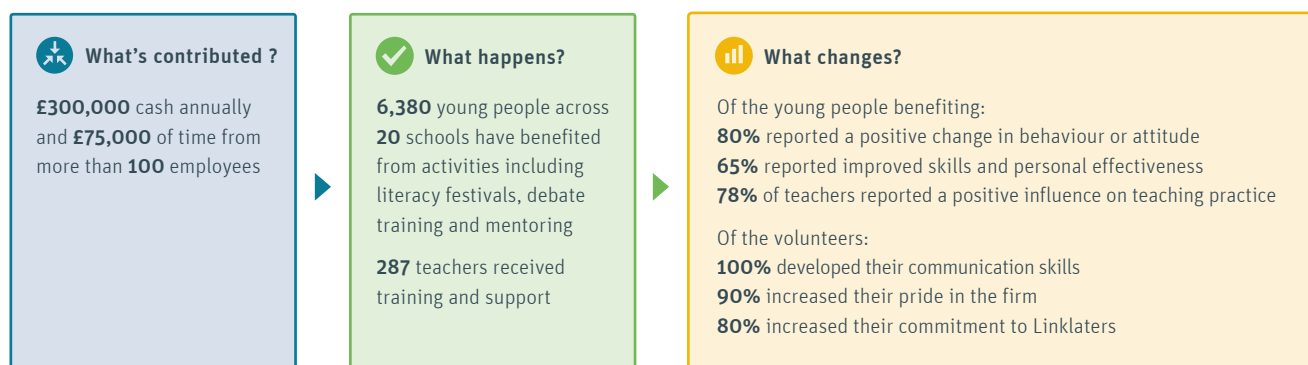
The LBG framework



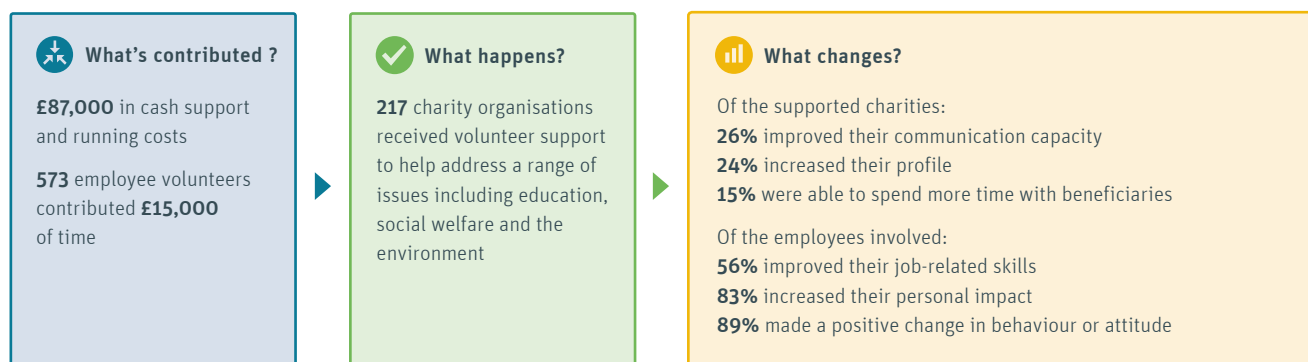
Delivering impact

The following examples show how companies use the LBG framework to deliver maximum impact.

Linklaters – Learn for Work is the law firm's global programme, raising the aspirations of young people in communities around its offices. Data on the UK programme shows:



Dentsu Aegis Network – GlobalGivingTIME is the communications firm's global volunteering project running across 61 countries.



Welcome

Twenty years ago, six pioneer companies identified the need for a consistent and robust framework to enable companies to measure and benchmark their community contributions. Over 200 companies are now part of LBG's worldwide network. We should all be proud, as members of LBG, of the collective contribution we have made in developing this framework to be the leading global standard it is today.

At a time when it has been reported that corporate giving is declining* it's great to see that LBG member companies are sustaining their levels of giving and indeed reporting a 4% increase in the number of employees engaged in volunteering in business time. It's also encouraging to see that the continuing trend towards more strategic long term community investment is also 4% up on last year.

Also, when there have been calls for more consistency in the way that companies measure and report their Corporate Community

Investment**, LBG has done more than ever to demonstrate itself as the global leading standard, helping companies to measure and report their community contributions and the impact they are making in a concise and transparent way supported by robust principles.

As a member-led network, LBG is founded on, and develops through, the practical experience of community investment professionals around the world.

This year we have used this experience to:

- Refresh the LBG impact framework to enable a deeper assessment and understanding of the degree of change programmes are achieving.
- Produce integrated guidance to better support the practical application of the LBG model.
- Develop a leading edge, on-line data collection, analysis and benchmarking tool that puts

each member in control of their data throughout its lifecycle from individual project contribution and impact data to company-wide results.

- Provide cross-company benchmarking analysis at the tips of member's fingers.

So our 20th year has probably been our busiest yet and 2015 promises to be our most exciting. As these developments are rolled out, LBG will be better placed than ever to meet the needs of current and future company members, wherever they are in the world, that want to make the maximum impact through the contributions they make.



Pam Webb

Chair of the LBG Steering Group

* Directory of Social Change, Company Giving Almanac 2013

** Corporate Giving by the FTSE100, Charities Aid Foundation, 2014

How companies use LBG

Rolls-Royce

"We are serious about delivering shared value to both the communities in which we operate and our business (including our customers & supply chain). LBG asks the questions and provides the answers to help us determine if we do deliver.

LBG provides a framework against which we can critically assess what we are doing around the world, its impact and strategic relevance to our business and how it compares to others within our sector and outside. It ensures that we are able to state, with some confidence, how we are performing against key targets, such as reaching 6 million people through STEM education initiatives.

The data collected through application of LBG supports our

annual report, our sustainability report, Better Future, and our completion of indices such as DJSI. We also use the data collected to report back into the business about activity in a particular business unit or geography.

As we continue our journey in measuring the impact on the communities we reach, and on our existing and future employees, LBG will help us to review the questions we are asking and validate the data our process produces. It also enables us to share best practice with, and learn from, other companies who have tackled, or are tackling, these challenges."

Paul Broadhead,
Head of Community Investment
and Education Outreach

First Group

"Through our targeted support for long term charitable partnerships, and by mobilising our 117,000 employees, we're using our global scale and expertise to deliver shared value for our business and for our local communities.

Our charitable programmes focus on those areas where we believe we can deploy our scale and expertise to achieve the greatest impact. LBG helps us to understand the business and community benefits of our partnerships which in turn informs our strategy for the future.

Our programmes all link back to our vision – to provide solutions for an increasingly congested world, keeping people moving and communities prospering, so we also use LBG to assess our

progress through benchmarking; comparing companies against each other and using this knowledge to share expertise and best practice.

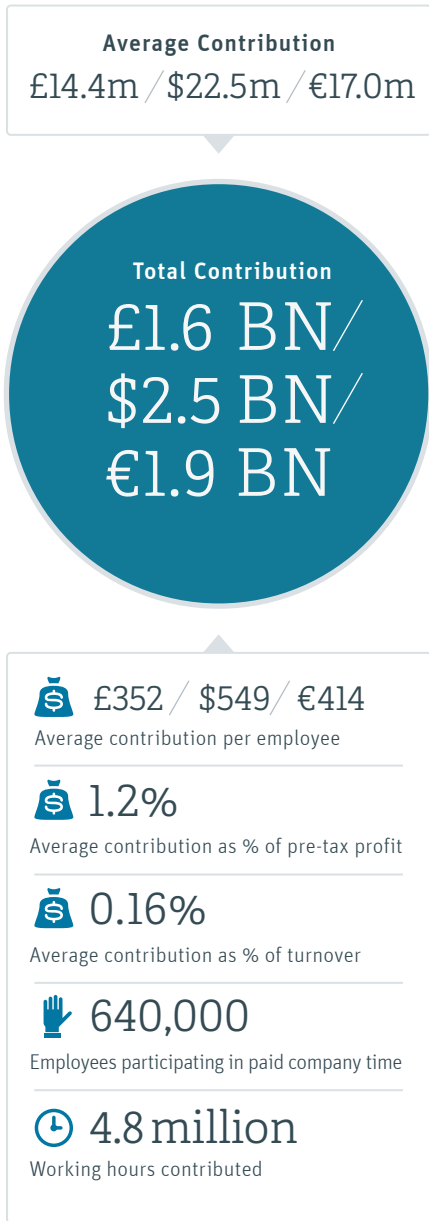
Ultimately, LBG provides a consistent framework for collection and measurement that allows us to direct our support to the most impactful areas."

Katie Smart,
CR and Community Manager

LBG's vital statistics 2014: Contributions

1 Total contributions

111 companies participated in LBG's annual benchmarking exercise making a total contribution of £1.6 billion, equivalent to an average contribution of £352 for each employee.



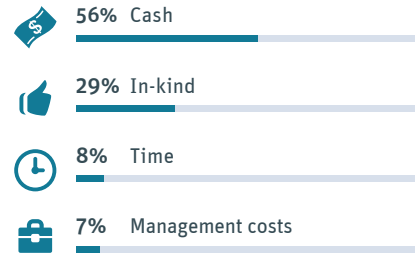
2 Why members contribute

Motivation matters. A company's CCI is driven by different factors. Contributions can be reactive one-off payments, proactive and strategic community investments or business-related activities that deliver community benefits.



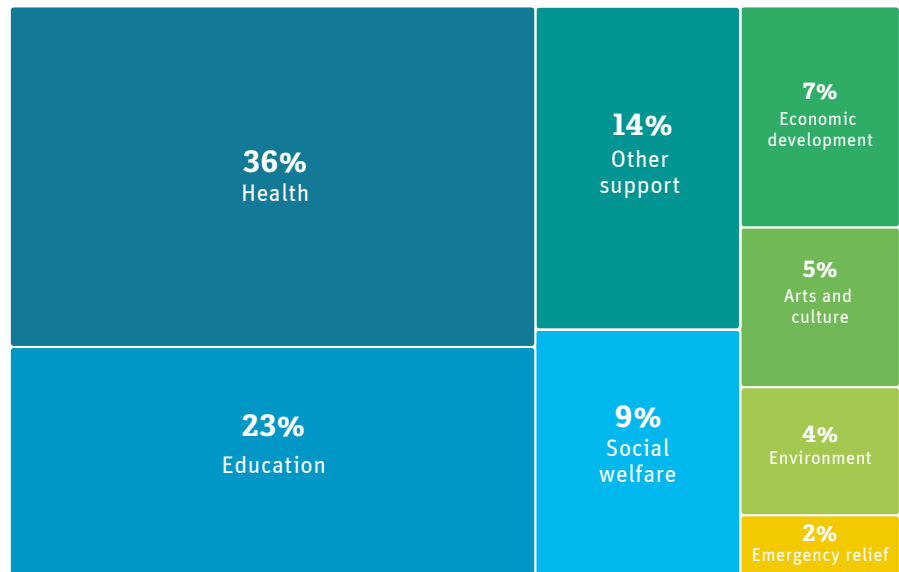
3 How members contribute

A company's community investment includes different types of contributions. The LBG framework outlines four different types of contribution that companies can make: cash contributions, employee time, any donations of in-kind (products, services and pro bono) and the management costs taken to run the corporate community investment programme.



4 What members support

Through the LBG framework companies can map their contributions across eight broad focus areas:

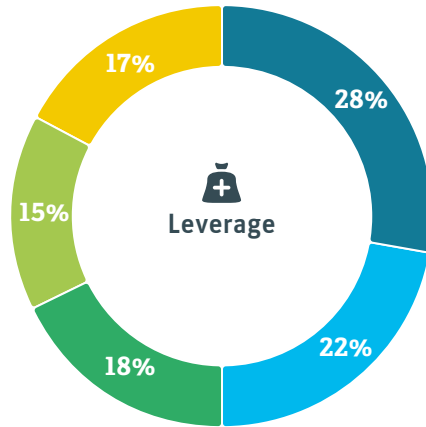


LBG's vital statistics 2014: Achievements

1 Sources of additional funding (leverage)

Members continue to be a catalyst for driving funding from other sources, and so boosting the contribution from their own resources. This additional funding is called 'leverage'.

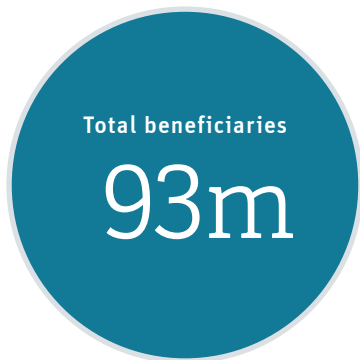
Average leverage per member
£2.5m / \$4.0m / €3.0m



- Other organisations e.g. government
- Customers
- Employees through payroll
- Other employee donations
- Other sources e.g. general public

2 How do people benefit?*

Using the LBG impact map of three broad categories of change, members can identify the impact on beneficiaries as a result of their programme.



Total where impact measured
8 million

66% Positive change in behaviour/attitude

43% Improved quality of life

22% Developed new skills or increased personal effectiveness

3 How do organisations benefit?*

Support provided by companies can benefit charitable organisations in a number of different ways – from long term capacity building to ad hoc financial support. The range of impacts is shown below.



Total where impact measured
6,000

43% Improved existing/delivered new services

31% Increased their profile

25% Reached more people or spent more time with clients

14% Took on more staff or volunteers

7% Improved management systems

4 How do employee volunteers benefit?*

Companies increasingly strive to measure the value of CCI to the business and its employees. The LBG model measures the impact on employees across three key areas of benefit.



Total where impact measured
61,000

62% Changed behaviour/attitude

35% Improved job-related skills

32% Improved life skills

* The impact data on this page represents achievements by those companies capturing LBG impact data on their programmes, currently 60% of members. Percentages for impact categories do not amount to 100% as beneficiaries often experience a number of benefits as a result of an activity and therefore could be included in more than one category – although are not double counted in the overall total beneficiaries

Like-for-like trends 2012-2014

Comparing consistent data across years is one of the key benefits of using LBG. The data here is calculated on a like-for-like basis, using information from the 75 companies who have reported data for the past 3 years.

Total contributions as a percentage of pre-tax profit

2014	1.4%
2013	1.4%
2012	1.1%

Contributions per employee

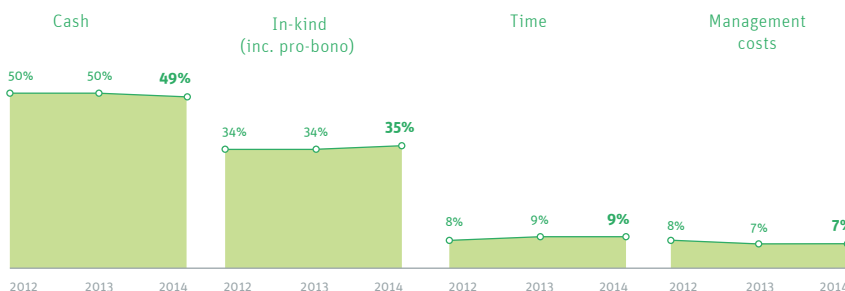
2014	£440 / \$688 / €519
2013	£438 / \$693 / €540
2012	£415 / \$666 / €478

Since 2012, total contributions from these companies have remained steady at around £1.1 billion. The contribution as percentage of pre-tax profit in 2014 has remained the same over the last two years.

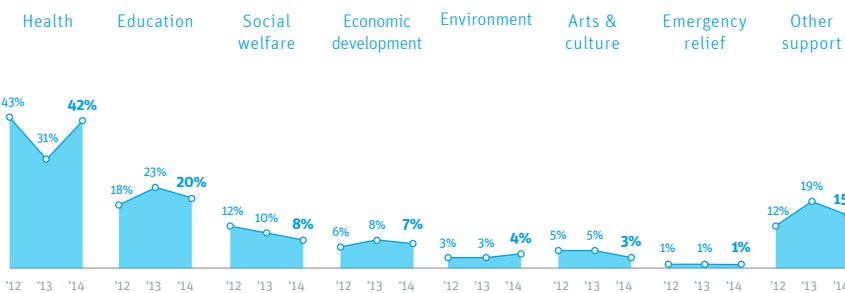
The trend towards more strategic, longer term community investment is maintained as companies seek to align community giving with corporate responsibility strategies reflected in 60% of contributions classified as community investment.

The data shows an overall increase in health-related contributions across these companies. This is largely due to greater health-related contributions by pharmaceutical companies. The trend across other sectors actually shows education programmes receiving the biggest proportion (26%) of contributions.

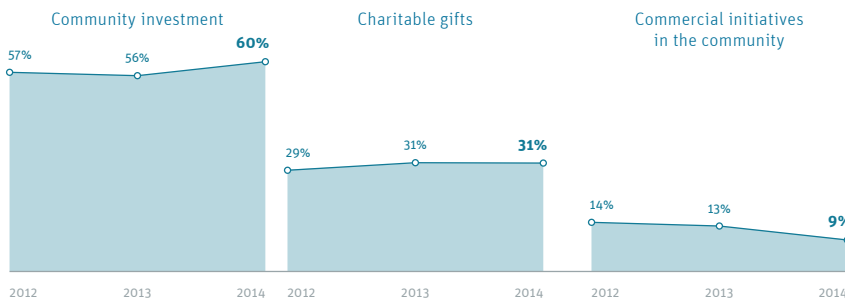
1 How members contribute 2011-2013



2 What members support 2011-2013



3 Why members contribute 2011-2013



Employee participation

Employees are getting more and more involved in the community activity of their company from offering their time to volunteer, to contributing financially to the company's community initiatives through payroll giving or fundraising activity. The like-for-like comparison over the last three years shows that the percentage of employees undertaking paid-time volunteering increased from 17% to 24% (this increase is due to a combination of higher volunteer numbers and lower employee numbers overall across these companies). Contributions

made by employees through payroll giving and other donations account for 32% of additional funds leveraged in 2014.

The increasing number of employees participating in community initiatives reflects the effort of companies to engage employees in activities in their local communities. This is also reflected in company policies such as paid time off to volunteer, with about two-thirds (63%) of members offering an annual allowance amounting to 23 hours per employee on average.

24%

Percentage of employees undertaking paid-time voluntary activity, compared on a like-for-like basis with 20% in 2013, and 17% in 2012

39%

Companies matching payroll giving

62%

Companies matching employee fundraising

24%

Companies matching employee volunteering

The global picture

LBG's membership base is global and so our data reflects community activity in Europe, the Americas, Middle East, Africa and Asia-Pacific (the map below shows how contributions are spread across these regions). Many members are multinational companies that use the LBG framework to measure and report on extensive global community investment programmes, sometimes across more than 100 countries.

In addition to the founding group, whose results are reported here, local LBG benchmarking groups also operate in Australia and New Zealand, Czech Republic, Poland, Romania, Spain and Asia-Pacific. The LBG International network brings these groups together to develop LBG as the international standard for measuring and managing corporate community investment. This means that over 200 companies around the world

use the LBG Framework through participation in LBG benchmarking groups to share and drive best practice in CCI.

In the US, our partnership with ACCP (Association of Corporate Contributions Professionals) in the Measurement Academy (www.accp.org/events/ma) has brought major US companies such as FedEx, Hasbro, ConAgra Foods and BD into the network.

130+

countries covered by LBG data

34%

North America

3%

South America

52%

Europe

60%

members reporting international contributions

7%

Asia & Pacific

4%

Middle East & Africa

What's next?

New opportunities for data management

Collecting data is one of the biggest practical challenges in applying LBG. To better support members in addressing this challenge we are launching a new online data portal.

This facility puts community managers at the heart of their data, enabling them to record, measure and manage their community programmes in one place. They can view a live picture of their achievements and compare against previous years, sector trends and LBG averages.

The portal will be rolled out to members, according to their needs and interest, over coming months.



Who's using LBG?

Professional Services:

- Accenture
- Deloitte & Touche
- KPMG
- PwC

Travel & Hospitality:

- British Airways
- First Group
- Go Ahead
- Manchester Airport Group
- Thomas Cook

Retail:

- Asda
- Home Retail Group
- Jeronimo-Martins
- John Lewis Partnership
- Marks & Spencer
- Sainsbury's
- The Boots Group
- The Co-operative Group

Tech & Telecoms:

- Alcatel-Lucent
- ARM
- BT
- Deutsche Telekom AG
- Intel Corporation
- Portugal Telecom
- STMicroelectronics

Pharmaceuticals:

- Abbott
- AbbVie
- AstraZeneca
- GlaxoSmithKline

Industrial & Energy:

- BAE Systems
- Jaguar Land Rover
- Johnson Matthey
- Michelin
- Rolls-Royce
- Shell UK
- Siemens
- Wood Group

Property, Construction,

Housing & Facilities:

- BAM Construct UK
- British Land
- Carillion
- Hammerson
- Intu Properties plc
- ISS UK
- JLL UK
- Land Securities
- Lend Lease
- L&Q Housing Group
- Sanctuary Housing Group
- Shaftesbury
- The Crown Estate
- Willmott Dixon

Financial Services:

- Access Bank
- Allianz Group
- Arab African International Bank
- Aviva
- AXA UK
- Bank of America Merrill Lynch
- Barclays
- Capital One
- Citibank
- Deutsche Bank AG London
- Friends Life
- ING
- Intesa San Paolo
- Investec Plc
- IPF (International Personal Finance)
- Nationwide
- Novo Banco S.A.
- Old Mutual Group
- Provident Financial
- Prudential
- Rothschild
- RSA Group
- Santander UK
- Schroders
- Standard Chartered
- Standard Life

- The Royal Bank of Scotland Group
- UBS
- UniCredit
- Zurich

Consumer Goods:

- 3M
- AkzoNobel Decorative Paints UK
- Bacardi
- British American Tobacco
- Britvic
- Clarks
- Coca-Cola Enterprises
- Coca-Cola Hellenic
- Diageo
- Heineken International B.V
- JTI
- McDonalds
- Mondelez
- L'Occitane
- L'Oreal
- Philip Morris International Management
- Procter & Gamble UK
- Ricoh UK
- SABMiller
- Unilever

Utilities & Services:

- Centrica
- Deutsche Post DHL
- EDP
- Electricity North West
- Galp Energia
- National Grid
- npower
- Port of Tyne
- Royal Mail
- Scotia Gas Networks
- ScottishPower
- Severn Trent
- Terna
- Thames Water
- United Utilities

Media:

- BSkyB
- Dentsu Aegis Network
- Experian
- Hibu
- Liberty Global Europe
- Pearson
- Reed Elsevier

Legal:

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

Why join the network?

Being part of the LBG network brings a host of benefits and services to support companies

1 Global framework

Using a consistent international benchmarking framework for managing and measuring corporate community investment, which helps companies to assess consistently what resources they commit and the results achieved

2 Data for benchmarking, analysis and reporting

Use the information to benchmark your community investment performance against sector peers and use in major corporate responsibility indices (DJSI, GRI, CR Index), as well as for internal management decisions and external communications

3 Driving best practice in community investment

Participation in on-going improvement in community investment management and the opportunity to learn from and share international best practice

4 Personal support

Sustainability consultant from Corporate Citizenship as account manager with consultancy time to help apply the LBG model to your programmes

5 Tools and guidance

Access to members-only section of the LBG website with full guidance on implementing the model, case studies, all member data and examples of reporting

6 Events, news and networking

- Regular events for members, including introductory workshops, webinars and sector groups (over 30 this year)
- Members' newsletters, with news on measurement topics, company reports and forthcoming events
- Annual conference

7 LBG branding

Use of the LBG logo and the right to cite use of the model in external publications

Contact LBG

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