Hard outcomes or hollow promises?

Realising the true impact of corporate community investment

CORPORATE CITIZENSHIP
Sustainability, simplified

The impact challenge

When it comes to companies' contributions to communities, it's no longer enough to throw shareholder cash at random causes and simply tally the cost. Companies that are serious about the contribution they make need to focus on results: the impact achieved, for both society and the business.

As managers of LBG, the global standard for measuring corporate community investment, we know about the €4 billion of resources that companies in the LBG network commit each year and the difference this makes. But what about the contributions other companies make around the world that aren't tracked and assessed? These could value tens of billions of dollars, yet they know little about the difference that makes. This represents a massive lost opportunity as well as a potential waste of resources.

Here at Corporate Citizenship, we have a vision for a better future - where companies deploy their resources in a way in which they can genuinely make a difference, aligned with the capacity and sustainability of the business. It's a future where impact isn't just a buzzword, but a tangible, evidence base for scaling community investment.

For many companies, this means doing things differently. It requires asking searching questions about the best approach and realistic achievements. This focus on hard outcomes, rather than making hollow promises, is all part of an exciting new area in responsible business that we call 'impact for change'.

This paper, based on new research into practitioner views, presents best practice examples and our leading edge approach to understanding impact (I.M.P.A.C.T). It will help companies better understand how they can deliver impact for change.

Contents

DEFINITIONS

When explaining their contributions to communities, companies around the world use different terminology. At Corporate Citizenship, we use the following terms:

Corporate responsibility (CR): The broad programme of work on responsible business practices that companies undertake to manage their social and environmental impact.

Corporate community investment (CCI): A subset of corporate responsibility; focussed on the voluntary contributions that companies make to community-based organisations or activities (e.g. charities, non-profits, NGOs, schools, hospitals, etc.) that extends beyond their core business activities. Sometimes alternatively referred to as social investment, corporate citizenship, philanthropy, company giving or grants, social programmes or strategic philanthropy.

Community activity: An action that a company takes to support the community, such as a grant to a community organisation or a volunteering project.

Community programme: The collection of activities and projects in the community that, together, make up a company's CCI.

Community partner: The organisation (e.g. charity, non-profit, NGO, school, hospital, etc.) that the company contributes to or works with to deliver a community activity.

Beneficiary: An individual that has been engaged in, or otherwise benefited from, a company's community investment.

Input: The resources that a company contributes through its CCI. This may be cash donations; employee time (i.e. volunteering hours); or in-kind support (such as the use of facilities).

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

Impact: The changes that result for individuals, organisations and the company, in the short or longer term, as a result of a company's community investment.

Introduction: the changing face of corporate community investment

What role should companies play in the communities in which they operate? This is one of the big questions facing businesses in the early 21st Century.

Successful, sustainable businesses require successful, sustainable communities to whom they can sell their products and services and from which they can source the skilled staff and the quality supplies that they need. So it's in the interest of companies to look beyond their own operations and play an active part in the community.

This means going beyond fundamental responsibilities like paying taxes, protecting employee health or managing the business' environmental footprint. It means actively engaging with the community to deliver public benefit. One of the most prominent ways for companies to do this is to contribute to community-based activities, either directly or through non-profit organisations, to address key social issues. We refer to this as corporate community investment (CCI) and it is the focus of this report.

When we began working on corporate community issues in the 1990s, it was sufficient for companies to simply talk about what they contributed - the inputs. While this is important as a starting point, and is what many companies still report, there has recently been a dramatic shift in focus towards what those contributions achieve. As a result, one word, more than any other, has been on the lips of people responsible for managing CCI over recent years - **impact**.

What has driven this shift? Externally, there is increased scrutiny of what companies actually achieve. This interest may be critical in nature, perhaps from the media or pressure groups. Or it might stem from regulatory requirements in some sectors and markets or pressures from investors via corporate sustainability indices. There is also increased internal interest, with senior managers asking what return is realised for both the community and the company as a result of the investments. In response, community investment managers are bringing a more strategic focus to the function, looking to ensure that it is recognised for its contribution to the company's overall business objectives.

1990s	2000s	2010s
How much? What's the contribution?	**How many?** Who benefitted?	**So what?** What will change?
"We will give 1% of pre-tax profit"	**"We will help 1 million people"**	**"We will get 1k unemployed people into work"**
INPUTS	**OUTPUTS**	**IMPACTS**

This new imperative for impact brings with it a new set of challenges. If it is to be more than just a buzzword, companies need to consider questions such as:

- Why are we doing this? What impact do we aspire to achieve?
- What's practical given our programme and resources?
- What do we need to do better, or differently, to achieve our goals?
- What real difference do we make to our communities and our business?
- What will we do with all this information once we have it?

In our experience, some companies rise to answer these questions whilst others barely consider them. This research comes out of the lessons learnt from helping hundreds of companies to better understand their achievements. Before we delve into the detail on the hallmarks of success, we need to be clear at the start: what exactly do we mean by impact?

What is impact?

Impacts are the short- and long-term changes that a business generates for individuals, communities and wider society. In the context of CCI, it is the positive change that has been brought about for beneficiaries and the business. These changes might be short term and light touch, such as:

- A schoolchild being better informed about an issue as a result of a company's programme
- A community organisation being able to tell more people about the services they offer, or
- An employee feeling more positive about the company as a result of volunteering activity

Or the changes might be longer term and transformative:

- A young person getting a decent job as a result of a company's support
- An employee gaining promotion as a result of skills developed through volunteering activity, or
- A reduction in the prevalence of a particular disease within a defined community

The degree of change that a company can generate through its CCI will be dependent on the nature of the activity that it supports and the level of resource it commits. While, ostensibly, there is no 'right' or 'wrong' level of impact, the changing shape of CCI means that simply giving away resources in the hope that they make a difference is no longer sufficient.

Companies need to be clear about what they can expect to, and do, achieve with the resources they contribute and leading companies are, increasingly, setting themselves challenging objectives in that regard. In order to do that, however, companies need to understand the current landscape and what they can do about it.

LBG AND I.M.P.A.C.T

Corporate Citizenship manages LBG; the global standard for measuring corporate community investment.

Through the development and application of its measurement framework the LBG network has lead the way in the measurement of CCI for more than 20 years. Now used by hundreds of companies around the world, the framework is a practical tool that enables a company to consider any activity it supports in the community in terms of:

Inputs: What's contributed? The resources a company provides to support a community activity.

Outputs: What happens? The activities delivered, numbers reached, funds raised and business-related activity resulting from the contributions made.

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.

In the last reporting year companies in the LBG network made a combined contribution of **$3.6 billion**, benefitting more than **93 million** people around the world, helping them to develop skills, make positive changes in behaviour and improve their well-being.

The framework is continually evolving to better reflect developments in measurement. Most recently it has been improved to bring a greater focus to the 'depth' of the impact achieved by companies' community investment activity. Enabling users to better understand the degree to which their activity achieves change.

LBG focusses on the heart of the impact process: the measurement and analysis. This report extends beyond that; considering when impact becomes a focus, what questions companies need to ask of their approach when planning activities and how they can use and communicate the information afterwards.

www.lbg-online.net

Impact behaviours

To understand how companies approach impact, and how trends are changing in this fast-moving area, we surveyed more than 130 corporate community and corporate responsibility professionals around the world. Results reveal that despite good intentions there is some confusion, particularly around what corporations mean by impact and how they measure it. Crucially, there is a significant gap between the aspirations that community managers have for their programmes and how companies actually deliver them.

The impact aspiration gap

The vast majority (75%) of practitioners told us that companies should focus their community activity around specific goals [Chart 1, page 6]. This is encouraging. It shows how practitioners are looking forward and thinking about what they want to achieve through the investment they make.

However, there is a wide gap between what people believe their companies should do and what businesses are actually doing. While most respondents believe companies should set long-term goals for their community activity, less than a quarter felt that that their organisation currently does this [Chart 2, page 6]. This impact–aspiration gap presents a big challenge for companies. It reflects a gulf between what companies aspire to achieve and what they actually deliver.

One reason for the gap lies in how companies approach their community investment. For some, it is still a case of responding reactively to incoming requests for support. For others, some overarching topics – like education or health – provide a framework for the desired direction of the contributions the company makes. Very few firms begin with the desired results [Chart 2, page 6].

The impact–aspiration gap is also reflected in the way companies communicate their impact. A cross-section of corporate websites or corporate sustainability reports will show companies confusing the contributions made with the change achieved, blurring the boundaries between the inputs, outputs and impacts. Many talk about how they are 'transforming communities', 'raising aspirations' or 'improving lives', without the credible data to back up such claims. In a world where more and more businesses are making such boasts, having tangible data on impact has never been more important.

Measurement practice

In our research, the gap between aspiration and action is most startlingly illustrated by responses to questions around measurement.

Firstly, there is some confusion about what constitutes an impact. Most practitioners reflect our definition (page 4), that impact means understanding change. However, a sizeable minority identified the resources contributed (inputs), 20%, and/or the numbers reached (outputs), 39%, as measures of impact [Chart 3, page 6]. This is not the case, they are essential measures to track but do not signify impact.

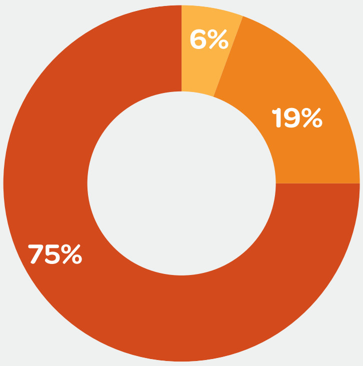
When it comes to the actual practice of measurement, again, results are mixed. While a good proportion of respondents say they measure the results of their activity, the majority actually focus on the inputs (56%) and outputs (52%) of their activity. Overall, only a minority of practitioners measure the impact of their activity with the largest proportion of these (44%) assessing short-term benefits only. Only about a quarter are looking to understand their longer-term impacts on the community (24%) or any benefits to the business (28%) [Chart 4, page 6].

RESEARCH RESULTS DIGEST

We conducted research into current attitudes and practice regarding the impact of CCI. The study was aimed at people who work in companies that are actively involved in supporting the community. Here we present the headline results, representing the views of more than 130 corporate responsibility professionals around the world.

Chart 1: Impact aspiration

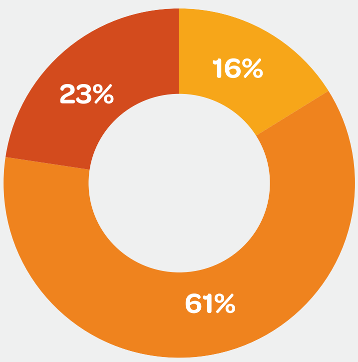
When approaching their community investment, companies should…



- Flexibly respond to requests for support as they see fit (6%)
- Choose one or more broad issues and support community organisations in those areas (19%)
- Set long-term goals and work with specific partner organisations to achieve them (75%)

Chart 2: Impact reality

Which of the following best describes your company's current approach?



- We flexibly respond to requests for support (16%)
- We have chosen one or more broad issues and support work in those areas (61%)
- We have set long-term goals and work with specific partner organisations to achieve them (23%)

Chart 3: How is impact being defined?

Which of the following describes an impact?

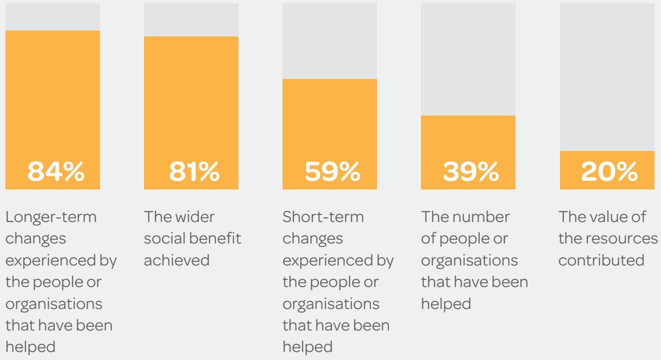


Chart 4: What is being measured?

When measuring the results of your activity, what do you routinely measure?

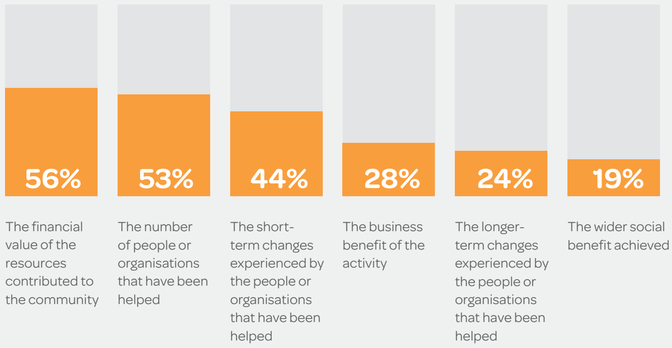


Chart 5: What are the barriers to impact?

What are the biggest barriers to measuring the impact of community investment?

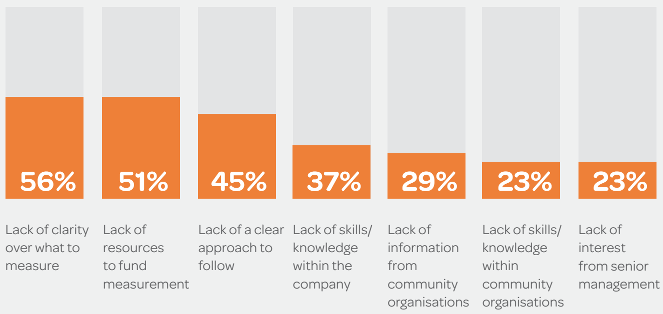
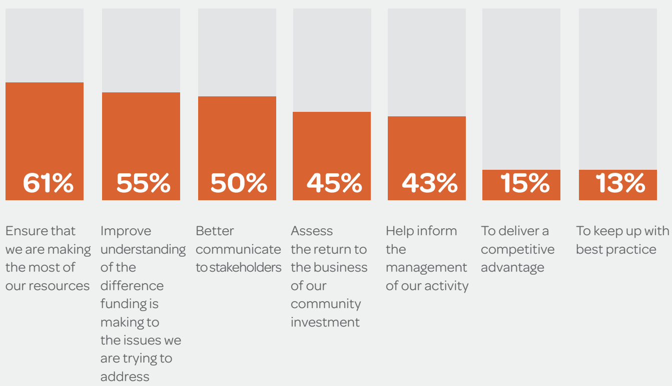


Chart 6: Why measure?

What are the most important reasons for measuring the results of your community investment activity?



The demographics of companies highlight stark differences in measurement practice. This might be in terms of:

- **Geography:** In Europe just over half (52%) of practitioners are measuring some sort of impact. In North America this drops to nearer a third (38%).
- **Company size:** In companies with over 2,000 employees 55% are measuring some sort of impact. In smaller companies only 33% are doing so.
- **Community investment budget:** 59% of companies that invest $1 million or more in the community each year are measuring some sort of impact, while only 36% of companies making a smaller contribution are doing so.

So, while we know through our work with LBG and other research, that the level of activity around impact measurement is increasing, this data shows that there is still a long way to go before it becomes more standard practice. Also, clearly, there is further to go in particular geographies or types of company than others. If there is general agreement on the need to focus on the impact of community investment, how do we explain the gap between aspiration and action? What barriers are stopping companies moving forward?

Closing the impact – aspiration gap

Our research shows that a major barrier is a lack of resources to measure impact [Chart 5, page 6]. This is a potential contradiction between companies' ambitions and their willingness to fund the required work. If a company wants to understand its impact, sufficient resources need to be available. It also suggests a perception that measuring impact is resource intensive – it doesn't have to be. Yes, it needs to be resourced, but taking a systematic approach to embed impact into the management of community activities can help ensure that the call on resources is both minimal and effective.

THE BENEFICIARY INFLATION GAME

Someone glancing through the reports or websites of some major companies might be forgiven for thinking that, shortly, there won't be a person in the world who hasn't had their lives improved through corporate largesse. Companies are increasingly falling over themselves to tell us that they are going to change a lot of people's lives. In fact, the business community is engaging in a strange game of beneficiary inflation - setting out increasingly fantastical targets of just how many people they're going to help in the years ahead.

From relatively modest claims of helping hundreds or maybe thousands of people, the numbers we are tracking are going up and up. A million is a popular figure to aim for, but that is being outstripped by more ambitious companies where one or even ten million people isn't enough and hundreds of millions are being targeted.

How credible these numbers are, and to what extent these programmes actually change people's lives as a result, will be a key point of contention in the years ahead. The end date for some corporate mega goals of 2020 is now just a few years away.

So while setting ambitious goals can bring advantages in galvanising activity, companies are learning that big targets need to be backed up by credible plans to assess and demonstrate progress.

Two more significant, and closely related, challenges are a lack of clarity over what to measure and a lack of a clear approach to measurement [Chart 5, page 6]. This confirms that, as the focus turns towards the results that can be achieved, for both the community and the company, there is uncertainty about how to go about this. Companies are aware that achieving real impact requires both thinking and doing things differently, but how do they start? So, being clear about the approach to impact is crucial.

The elements of I.M.P.A.C.T.

The I.M.P.A.C.T. approach is informed by our vision for a better future; one where companies deploy their resources where they can genuinely make a difference, and align that with the capacity and sustainability of the business. Each of the six steps within the approach is detailed over the following pages, along with examples of how different elements are reflected in the measurement approaches of companies we have worked with.

We have worked with some of the world's leading companies in community investment to address these challenges, to embed measurement and so better understand and demonstrate their impact. As a result, we've identified some hallmarks of success. These have been distilled into six key steps that any company should embed when attempting to both deliver and to understand impact.

WHY BOTHER? MEASUREMENT FOR PURPOSE

It's a reasonable question. Understanding impact can take time, cost money and be tricky. With companies under greater pressure to justify budgets, what's the value in impact?

In our experience, companies that assess their impact are better able to align community investment with corporate strategy. They realise that measurement supports the management and effectiveness of the community programme; it's a valuable business tool that can drive strategy, improve programme delivery and strengthen communications. Like other areas of business, you can better manage what you measure. Key benefits include:

Informing strategy and objectives: Measurement provides the context for setting strategic objectives and associated targets and KPIs. It can inform a new strategy or assess progress in an existing one.

Improving management and delivery: Measurement identifies the results achieved for the community and the returns to the business. This can inform and improve project delivery, energise employees and make the case for greater investment.

Strengthening communication and engagement: Data builds credibility. It strengthens reporting, improves performance in external indices, demonstrates commitment to external stakeholders and can enhance the employee proposition

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I

INTENT

What do you want to achieve?

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M

MAP

How will your activity achieve your goals?

3

P

PLAN

What is your strategy for measurement?

4

A

ASSESS

How will you gather and interpret the information you need?

5

C

CHANGE

What will you do differently as a result?

6

T

TELL

How, or where, will you communicate your results?

I.M.P.A.C.T. in depth

INTENT

WHAT DO YOU WANT TO ACHIEVE?

What is it?
INTENT means setting clear goals for what a company hopes to achieve and how it will go about delivering it. Fundamentally it means answering one simple question: **What will success look like?**

Why does it matter?
Changing a life for the better can be difficult, time-consuming and expensive. So a company needs to make an honest assessment of how and to what degree it thinks its investment is going to deliver change for those involved. Similarly, when looking for a business return on its investment a company needs to identify which areas of the business it can benefit through its community programme.

What do you need to do?
Determining what success will look like involves setting clear objectives. These need to go beyond simple numbers and be explicit about how the community and the business itself will be better off as a result of the company's investment. It also means deciding what standards the company will assess itself against and what can realistically be achieved with the resources that the company is able to invest.

So, it means asking some hard questions of the company's activity and its commitment:

- What difference do we want to make?
- How will it benefit the community and company longer term?
- How can we achieve, and assess, that difference?
- Who can we work with?
- Against which standards will we hold ourselves?
- How does the community programme contribute to our wider sustainability goals?

Answering these questions means being smarter about what the company intends to achieve. It can move on from the old way of making broad claims about 'transforming communities' or 'improving lives' and get down to the specifics of what it actually expects to do.

MAP

HOW WILL YOUR ACTIVITY ACHIEVE YOUR GOALS?

What is it?
Companies' community activities need to be MAPPED against the objectives to establish how, and in what way, they will help the company progress towards its goals.

Why does it matter?
Our research shows that one of the biggest barriers to assessing impact is companies not being clear about what to measure. Mapping activity adds the necessary clarity that the company needs to be confident in going ahead with measurement.

What do you need to do?
The map will enable the company to be clear about what an activity is setting out to achieve and how it intends to get there, and so better ensure that it can deliver against its objectives.

The map should outline:

- The **objectives** against which the activity is expected to deliver
- The **resource**s committed by the company to support the activity (the input)
- The **activities** that will take place and the numbers of people, organisations etc. likely to be helped (the output)
- The **short-term** and, if relevant, **long-term changes** that the community and/or the company are likely to realise (the impact)
- The associated performance measures or indicators at each of the stages of **input, output** and **impact**

By mapping these elements the companywill have a clear understanding, at the outset, of what it can hope to achieve and the indicators against which progress can be assessed.

A map should not be set in stone, but be used as an active resource that can be updated and developed through the life of the activity.

At its heart, LBG's measurement framework is a map that has helped hundreds of companies to identify the inputs, outputs and impacts of their activity and so get started on the journey to impact assessment.

PLAN

WHAT IS YOUR STRATEGY FOR MEASUREMENT?

What is it?
The PLAN involves developing the framework against which the inputs, outputs and impacts of individual activities can be logged in order to assess progress.

Why does it matter?
An effective framework will help ensure that all parties have bought into the process, understand their roles and are clear about the way forward.

What do you need to do?
This framework needs to outline the what, who, when and how of the assessment process, i.e.:

- **What** will be, or is already being measured (the indicators identified through the mapping exercise)?
- **Who** will be responsible for gathering the information?
- **When** will information will be gathered?
- **How** will information be gathered?

While all elements are important, the **HOW** is often the most challenging. The measurement tools and the questions asked have to be appropriate to the nature of the activity and the level of engagement with the people involved.

Assessment, particularly of light touch activities with limited engagement often starts by asking some simple questions about the perceptions of the individuals involved. These can look to understand changes in their behaviour or attitude or if they have realised any particular benefits related to the activity. For example:

- Are you taking more exercise?
- Has your reading improved?
- Have you found more job opportunities?

For activities where the engagement is more involved, deeper assessment is more appropriate and may involve monitoring of things like changes in school grades, employment outcomes or improvements in health among a defined population.

The LBG network provides its member companies with a range of tools and templates that they can use and adapt in developing their own frameworks.

ASSESS

HOW WILL YOU GATHER AND INTERPRET THE INFORMATION YOU NEED?

What is it?
ASSESS means putting the PLAN into action; gathering, and making sense of, the data.

Why does it matter?
It's the heart of the impact process. Without obtaining the information it needs, the company can't understand the difference that it's making.

What do you need to do?
Firstly, the information needs to be gathered. The PLAN will lay out the process and responsibilities for doing this. While it would be nice to think that things will go smoothly, there are likely to be bumps in the road. So it's important to be prepared to adjust and improve the process as it is applied.

Common things to look out for include:

- Accessing beneficiaries: can enough people be accessed over the time of the assessment? If not what can be done to encourage sufficient participation?
- Can people access the tools that are being used to gather information? If online surveys are being used, do people have access to the systems required to respond?
- Comprehension of questions: do the people you need information from understand what is being asked of them? If not how should you adjust the questions?

Secondly, the data, often from a variety of sources, needs to be compiled in order to assess overall results. This needs to happen both at the activity level, to consider individual activity results and at the programme level, to understand progress towards the company's overall objectives. Therefore the systems to draw information across the programme's KPIs need to be in place to do this.

The resources available through the LBG network (including project assessment templates and an online portal to compile programme wide results) provide LBG member companies with an 'off-the-shelf' solution to impact assessment

I.M.P.A.C.T. in depth

CHANGE

WHAT WILL YOU DO DIFFERENTLY AS A RESULT?

What is it?
CHANGE means using the information gathered to drive effectiveness and greater impact.

Why do it?
It's a crucial consideration. All too often a huge amount of effort is put into measuring CCI only for the findings to sit on a shelf gathering dust. So, although it might sound like a bit of a stupid question to ask, having gone to the trouble of assessing impact, then wouldn't it be a good idea to use that information?

What needs to happen?
Use the information to drive more efficient investment for the community and for the business in key areas, including:

Project management – Set the information gathered against the objectives for the community activity to consider:
- Is the activity on track to deliver its objectives?
- If not, where is performance below expectations and what needs to change?
- How can I use the data to inform discussions with my partner organisations?

Programme management – Use the information to look beyond the individual community activity and consider broader programme goals:
- Is the programme as a whole on track to deliver against its objectives?
- If not:
  - Are there particular activities that are performing below expectations?
  - Do the programme goals as a whole need to reviewed or adjusted in the light of actual results?

Communication – Use the information to TELL people about the programme's achievements, which leads on to...

TELL

HOW, OR WHERE, WILL YOU COMMUNICATE YOUR RESULTS?

What is it?
TELL means making sure that the audiences that matter know about the impact and get the information they need.

Why do it?
Information on IMPACT strengthens reporting, improves performance in external indices, demonstrates commitment to external stakeholders and can enhance the employee proposition. It's not boastful or arrogant to communicate what a company has achieved. Provided it's truthful and backed by credible evidence, demonstrating a structured and strategic approach signals to stakeholders the wider contribution the business is making to society, so they are more likely to trust and respect this approach as a result.

What needs to happen? Who should be told?

There are important audiences within the company. These include:
- **The Board:** Lack of interest from senior management can be a barrier to impact measurement; so use the data to educate the Board and senior managers about what CCI is, why the company does it and the benefits realised by the business as well as the community.
- **Employees:** Demonstrate the company's corporate responsibility credentials to current or potential employees, and recognise employees' contribution with information about what they have achieved.
- **Other business functions:** Use data to demonstrate how the CCI programme relates, and contributes, to achievement of the company's wider goals in corporate responsibility, business strategy, HR and elsewhere.

Outside the company there are more audiences with whom relations or performance will improve with impact information. These include:
- **Investors via indices and rating agencies:** Use the information to strengthen responses or applications to external rankings.
- **Government, media and other opinion-formers:** The company's license to operate can be strengthened by communicating its impact.
- **Customers, consumers:** Build trust with current, or future, customers by demonstrating the company's responsibility credentials.

I.M.P.A.C.T. in action – case studies

A CLEAR INTENT: EE

Telecommunications company, EE, set itself the target of improving the digital skills of a million people through a range of community activities and web and customer interactions. It understood the need to go beyond simple measures of people reached and understand the nature, and degree, of the benefits experienced by these people.

EE's first step was to define what it means by 'improving digital skills' and align this with external practice and standards. Using definitions developed by Dot Everyone, a cross sector digital skills charity and opinion leader, EE was able to set clear objectives for its programme centred on five key competences concerning the use of digital technology including managing information, communicating and transacting online.

EE was than able to use these competences to develop measurement frameworks to enable information on the achievements of each area to be gathered in-line with its objectives.

By integrating these competencies into its measurement approach EE could look across its portfolio of activity to assess the degree to which each was making a measurable, sustained improvement in people's ability, competence or confidence in using digital technology in those areas.

SEEING RESULTS THROUGH IMPACT: MONDELĒZ INTERNATIONAL

Global snacking company Mondelēz International has invested $50 million to promote healthy lifestyles through its Mondelēz International Foundation. Its three-pronged approach covers nutrition education, active play and access to fresh foods. In one UK activity it supports activities in Birmingham to help people develop sustainable, healthy lifestyles around healthy eating, cooking, growing food and physical activity.

Having mapped the activity and identified its measures of success, Mondelēz, with its delivery partners (Health Education Services and The Conservation Volunteers), put a measurement plan into action; asking simple questions of participants before and after their involvement concerning key markers of a healthy lifestyle. It used this data to gauge the extent to which it was generating positive changes in people's behaviour and/or improving their knowledge and skills. As a result, it has been able to report impacts including 55% of participating adults improving their diet, 65% of participating primary school children undertaking more physical activity and 76% of participating secondary school children developing cookery skills.

The information has been used to identify how to improve programme delivery as well as in supporting awards submissions. It has won a *Food and Drinks Federation Health and Well-being* award and Business in the Community's *Stronger Communities* award.

BUILDING AN ASSESSMENT FRAMEWORK: DIAGEO

Global drinks manufacturer Diageo aims to enable those who live and work in its communities, particularly women, to gain the skills and resources to build a better future through its community investment programme. It has three key areas of focus: safe drinking water and sanitation (Water of Life), skills development particularly in the retail hospitality sector (Learning for Life) and women's empowerment (Plan W). Projects run in close to 70 countries.

Diageo has committed to evaluate and report on the tangible impacts that its programmes are achieving. To facilitate this it has developed a leading edge 'Social Impact Framework', enabling its community managers around the world to assess the impact they are having. The framework comprises a toolkit of measures, tools and supporting guidance that provides:

- A set of impact assessment principles that will help to drive consistent measurement globally.
- Practical guidance and tools on key areas such as identifying priority programmes for impact assessment, implementing impact measurement with new/existing partners, gathering data, and timeframes for measurement.
- An approach to measure both short- and long-term impact.
- Guidance on impact areas that are aligned to the Global Sustainable Development Goals, and a suite of indicators to be tailored according to the project being measured.

The Social Impact Framework can be implemented by community managers globally at the inception of a new programme and with key existing programmes. It enables Diageo to evaluate and communicate impact across its three core focus areas. Application of the framework will enable Diageo to show the impact it is generating in a powerful way across its projects and geographies, which will help to shape future investments, strengthen relationships among stakeholders, engage others in its work and build trust.

Conclusion: the impact of I.M.P.A.C.T

The shifting focus towards impact is generating change. Companies who are, sometimes without even realising it, following the I.M.P.A.C.T approach are naturally coming full circle and beginning to question their motives more closely. In trying to better understand their achievements they realise the need to re-focus their CCI programmes around a clear set of strategic objectives against which their progress can be assessed.

Companies are also finding that day-to-day challenges – from securing budgets to finding volunteers, juggling grant applications to responding to reporting demands – can all be made easier by getting to grips with impact. If a company isn't following a framework that links aspiration, action and impact – the community team will always struggle.

Ultimately, CCI without impact is like corporate finance without profit figures. It only tells part of the story. It tells us about promises and commitments but little about hard outcomes and results. Applying the I.M.P.A.C.T framework can help to change this. It can enable CCI to be recognised, both within companies and beyond, for the valuable contribution it makes to both business and society.

TRENDS FOR THE FUTURE

Looking ahead, the whole question of impact raises some bigger questions for business. How should companies manage impact in a world of short-term profit maximisation? How might a model of long-term impact optimisation change things? Some companies are already talking about these new approaches. Articulating a new 'social purpose' for business and introducing different types of non-financial reporting are just two of the innovations we are seeing.

Investors too are taking a growing interest in impact. Some vanguards are pioneering an entirely new asset class. Even venture philanthropy – marrying finance with bold philanthropic goals – will one day be looked back upon as only the start. To help define this rapidly evolving space, Corporate Citizenship's *Investing for Shared Value* paper (2015) examined 'shared value' activities by companies that combine a for-profit motivation with the desire for genuine and significant social impact.

At the same time, organisational structures are evolving. When is a business not a business? New hybrids that combine private commerce with public purpose and vocal activism are emerging day by day. Social enterprises and benefit corporations are bubbling up across the world.

All this means that business needs to stay alert to changing expectations and keep their community investment relevant. As CCI draws closer to the business, impact becomes more crucial than ever. The names may change, but what's important to measure doesn't. If business can rise to the challenge, we can look forward to a future of real change and lasting impact.

About Corporate Citizenship

Corporate Citizenship is a global business consultancy specialising in sustainability and corporate responsibility. The team uses expert insight and a simplified approach to sustainability to deliver growth and long-term value for business and society. With teams in London, Melbourne, New York, San Francisco, Santiago and Singapore we work with clients on both a local and global level to achieve their commitments to responsible business behaviours and sustainable practices. We advise on a number of areas including strategy, community, engagement, environment, supply chain, socio-economic impacts, reporting, and assurance – helping clients to make the smart choices that will enable them to survive and thrive in an increasingly challenging business environment.

For further information about the report and our services, please contact us at **mail@corporate-citizenship.com**

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Jon has more than fifteen years' experience in helping major companies to better measure and manage their involvement with the communities where they operate. He has worked with clients across a broad range of sectors including Financial Services, Consumer Goods, Hospitality and Telecoms. Clients have included BT, Barclays, Diageo, Mondelēz, Pearson and Unilever. Alongside his broader consultancy work Jon manages LBG; the global standard for measuring corporate community investment. He is responsible for developing LBG's impact measurement framework. He also developed Corporate Citizenship's community investment data assurance service. Jon was previously with the UK Office for National statistics and is a graduate of Cardiff University.

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