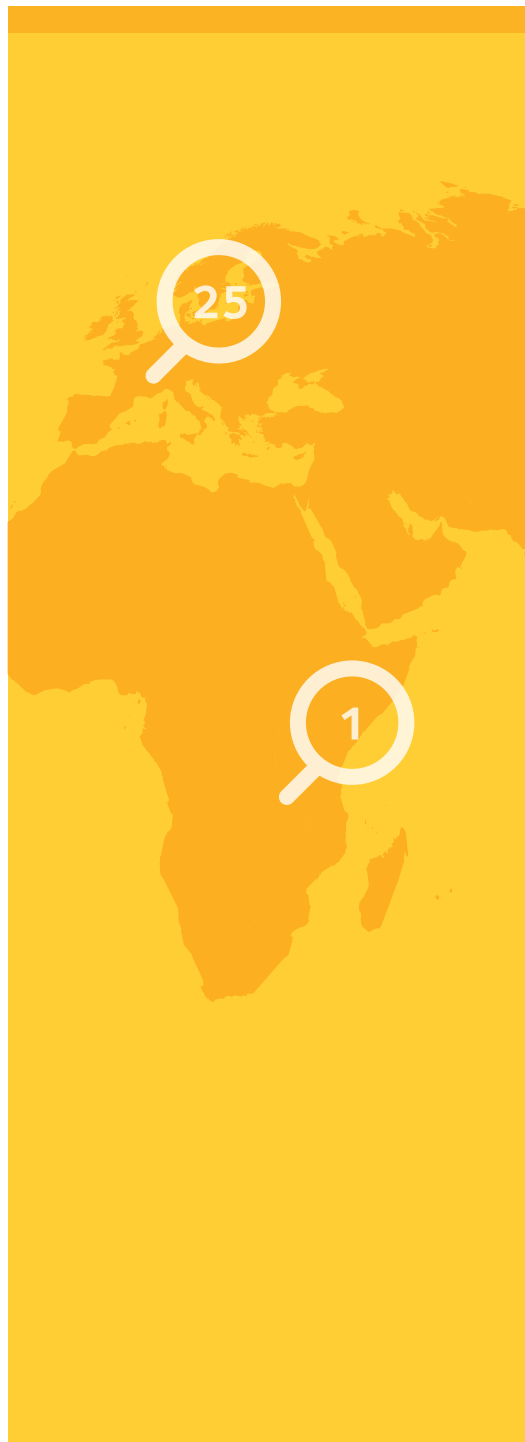


Giving Around the Globe

2014 EDITION



Guidance for corporate community engagement professionals to steer their international strategies and navigate differences across regions.



ABOUT CECP:

THE CEO FORCE FOR GOOD

CECP is a coalition of CEOs united in the belief that societal improvement is an essential measure of business performance. Founded in 1999 by Paul Newman and other business leaders, CECP has grown to a movement of 150 CEOs of the world's largest companies across all industries. Revenues of engaged companies sum to USD 7 trillion annually. A nonprofit organization, CECP offers participating companies one-on-one consultation, networking events, exclusive data, media support, and case studies on corporate engagement. For more information, visit cecp.co.

Download additional copies of this report at cecp.co/global.

When referencing findings from this report, please list the source as: CECP, *Giving Around the Globe: 2014 Edition*.

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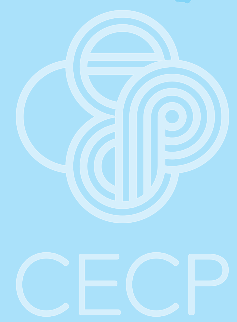
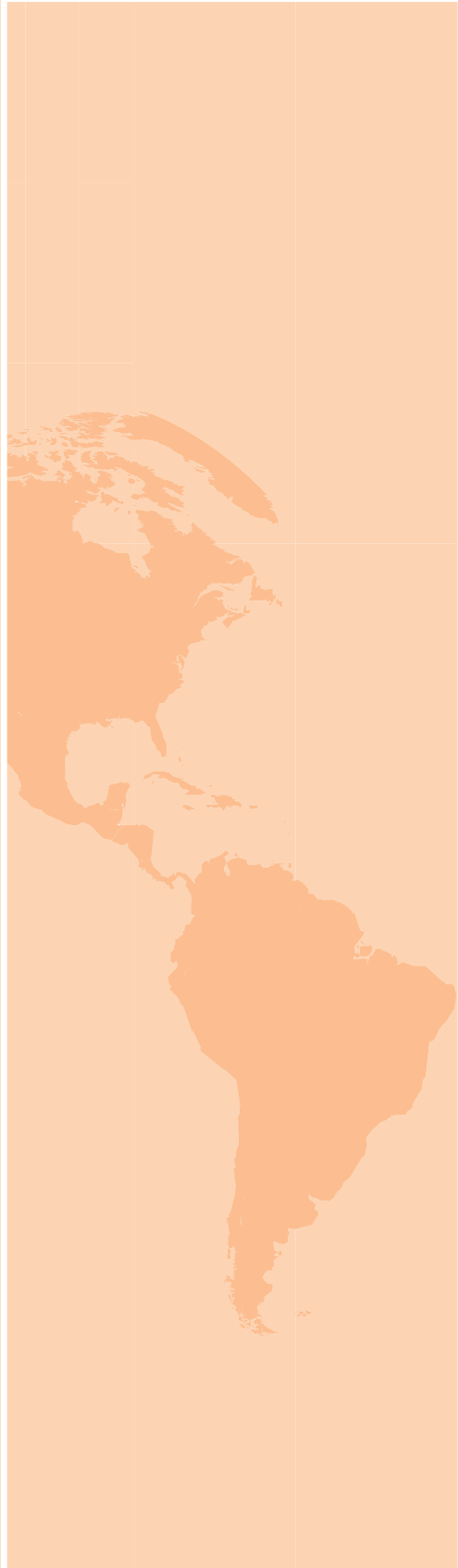
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Giving Around the Globe complements *Giving in Numbers*, CECP's seminal report on corporate societal engagement. *Giving in Numbers* has always reported on international giving, however nearly all of the companies it examines (92%) are based in the U.S. This second annual edition of *Giving Around the Globe* expands CECP's research to include large companies headquartered around the world and to provide rich regional analysis of foreign markets. This expansion parallels the expansion of our companies' global growth and yields new understanding of trends unfolding worldwide.

Both *Giving in Numbers* and *Giving Around the Globe* are available at cecp.co.

Giving Around the Globe

2014 EDITION



Preface

While I was writing *Giving Around the Globe*, I pictured a Foundation President reading it on the subway, circling sections she wanted to share with her co-workers. I imagined a Director of Corporate Responsibility noting trends specific to Asia, in order to improve his company’s roll-out of a Day of Service in China. I thought about how the report might cause a Vice President of Community Relations to have a “light-bulb moment” that would help her explain to her colleagues why finding the right partners in South Africa can sometimes be challenging. In other words, what’s most exciting for us here at CECP is analyzing data and formulating insights that readers can really use to inform their work.

This report is not designed to identify a region as having the “best” method of corporate community engagement. Rather, it is designed to present, explore, and help you and your philanthropy team navigate the regional differences that define our increasingly interconnected world. Companies continually seek what’s new or what’s next, and learning from businesses far from home is a great way to do just that.

Our research is not only for the multinational companies we serve, but also for people who are passionate about the role of corporations to create and contribute positive societal value. I join the many people who believe that corporate contributions are an essential activity that can increase brand equity and build relationships with local stakeholders. Employees from all departments can do well by doing good and by learning from the “on-the-ground” experience of corporate community engagement professionals based not only in America but also beyond.

Yours In Service,



Carmen Perez
Report Author
Manager, Measurement and Standards
CECP



Key Takeaways Unlock Strategy

Giving Around the Globe presents regional profiles of giving by large companies based in Africa, Asia, Europe, and Latin America. It then shows where North American companies are engaging internationally, country by country.

Key Takeaway

Strategy Connection

■ COMPANIES HEADQUARTERED IN ASIA

In Asia, corporate programs that match employee giving are more common than volunteering programs. Cultural norms predict low participation rates in volunteering efforts.

Total Giving Per Employee (USD 680) is higher than in all other regions in this report.

■ COMPANIES HEADQUARTERED IN EUROPE

European companies are the most likely in the world to give internationally.

Pro bono programs are not commonly offered by European companies.

■ COMPANIES HEADQUARTERED IN LATIN AMERICA

Reports suggest that non-cash giving is not a typical component of Latin America's corporate community-investment strategies.

Contributions' team size is the largest compared to all other regions.

■ COMPANIES HEADQUARTERED IN AFRICA

The priority is balancing urban and rural giving within the country, as opposed to giving internationally.

Companies often cultivate community-development strategies to be inclusive of government and for-profit partners.

■ NORTH AMERICAN GIVING PORTFOLIOS

The median number of countries included in a company's portfolio is seven.

The top countries where most companies give are the United Kingdom, India, China, and Mexico.

Prioritize offering employee programs that do not take away from productivity (e.g., matching gifts) and also take advantage of employees' skills on the job (e.g., pro bono). Bear this finding in mind when setting participation-level goals.

Use this statistic to make the case for a budget that at least meets this minimum benchmark.

Maybe your company currently concentrates its giving on one country that is the hub of your operations in Europe. If so, assess whether any other European countries are influenced by your footprint and consider including them in your giving strategy.

Meet with local staff (*a common international giving best practice*) to learn more about the current mentality toward skills-based volunteering or pro bono. Emphasize the value that has been created by similar programs already underway at other offices or branches.

Invest extra time learning about select local partnerships where you think non-cash could enhance the program. Find out why product and service giving or pro bono hours were built into the strategy (or not).

Local teams are accustomed to having plenty of support and a "hands-on" approach. Bear this in mind when determining how to staff community engagement activities in the region.

Local, local, local. Make sure your giving has impact as close as possible to where your company operates.

Determine which of your focus areas may benefit from a role for the public and/or private sectors.

If your corporate footprint covers multiple countries and you are not yet giving internationally, use this median figure to make the case for expanding your company's international giving geographically.

These four countries present the most likely opportunities to collaborate with North American companies in international giving strategies.



Regional Profile: Asia

DOLLARS OVER HOURS

A majority of companies headquartered in Asia (94%) prioritize offering a corporate match to employees over offering volunteer programs (67%). In 2013, CECP presented in Seoul at the Corporate Social Responsibility symposium. Meeting with our host organization in Korea and interviewing corporate giving professionals enriched our understanding of local CSR dynamics. Despite volunteer program offerings, many companies shared that they experience low employee-participation rates. Most, if not all, corporate cultures favor productivity over participation in programs that take employees away from their work. This mentality may also help to explain why Asian companies are more likely than companies based in other parts of the world to offer pro bono programs. Employers and employees alike value engagement opportunities that align closely with the employee's own professional function.

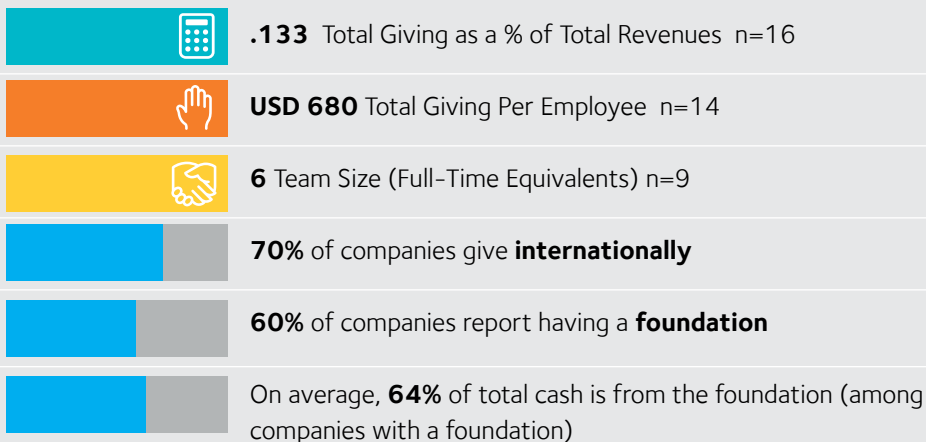
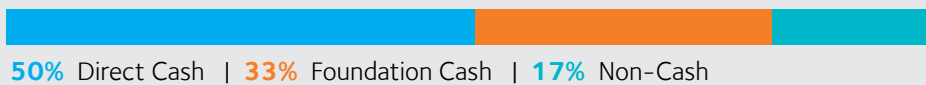
STRONG INTERNATIONAL GIVING

International giving is driven by international business. Business abroad may be assessed based on the proportional amount of employee presence or the proportional amount of revenue produced. The strength and scale of the national economies examined by this study (for example, China, Korea, and Australia) predict the presence and magnitude of business abroad. It is therefore not surprising that Asia has a strong showing of giving internationally: 70% of Asian companies give to other countries. India, by contrast, focuses its giving domestically. While in Mumbai to present on Corporate Social Responsibility day during Indian Philanthropy Week, CECP learned directly from Indian corporate giving professionals that standard practice in India is to engage domestically, where the intensity of social need and the effectiveness of assistance are most palpable for employees.

GIVING BENCHMARKS ARE HIGH

While Asian companies and individuals are historically consistent givers, this is generally considered private information and therefore is often not discussed in speeches and reports. The cultural emphasis on modesty in Asia extends to the corporate sector. This is beginning to change, with greater global demands for transparency. Companies are also beginning to acknowledge that public perception of their brands improves when they become known for their community engagement initiatives. These business benefits begin to uproot entrenched cultural norms. Transparency enables the public to reward strong community support with their purchases and loyalty. Two industries in Asia are predominately responsible for the high per-employee giving rate. Median per-employee giving among Industrials and Financials companies is USD 775 and USD 740, respectively—well above the median for all companies of USD 680.

TOTAL GIVING BREAKDOWN: Asian Companies, 2013, n=20



EMPLOYEE ENGAGEMENT



Regional Profile: Asia continued

Market to Watch: INDONESIA



Indonesia is the fifth-most populous country in the world, with 254 million inhabitants, and the largest with a Muslim majority. The economy is ninth-largest in terms of GDP balanced for purchasing power parity. Indonesia is headquarters to nine *Forbes* Global 2000 companies. There are more than 100,000 registered civil society organizations (CSOs), i.e., charities or nonprofits, in Indonesia. The CSO sector faced significant restrictions to its activities and growth during Indonesia's authoritarian years of 1966-1998. Giving professionals can use the following government-facing and community engagement practice trends to develop giving strategies in Indonesia.

GOVERNMENT-FACING

■ **Regulated CSR:** Regulation No. 47 of the 2007 Company Law obliges certain companies connected to natural resources to have a CSR program in their annual plan. The CSR program:

- must be approved by the companies' shareholders; also,
- it must be included in the company's annual report.

■ **Education:** One of the campaign promises made by Indonesia's new President, Joko Widodo (popularly known as Jokowi), was to raise the threshold for compulsory education from age 13 to age 17. This extension could present an opportunity for partnerships thinking of investing in education assistance and reform.

■ **Corruption:** Conversations about public-private partnerships in Indonesia quickly give rise to comments about corruption, a complex issue experienced by every country in some form or another. Indonesia ranks 114 of 177 on Transparency International's Corruption Perception Index, which lists countries from most to least transparent. One anti-corruption initiative that companies can learn from is the Indonesia Threshold Program, which is run by the U.S. government's Millennium Challenge Corporation.

COMMUNITY ENGAGEMENT PRACTICES

■ **Traditional Practices:** Many Indonesian companies have foundations and are well-versed in traditional methods of donating funds to charity. There are a handful of leading companies seeking to shed old practices and striving to innovate, align contribution programs with business priorities, and implement standards like those advised by the International Organization for Standardization (ISO 260000).

■ **Incubators:** One increasingly popular activity is holding an incubator competition in the micro-enterprise field. Many Indonesian companies are creating initiatives that seek to foster economic development and social enterprise by staging a contest and a celebratory event to reward the winning innovation.

■ **Volunteering Not Prevalent:** Employee engagement programs are not common among Indonesian companies that have only a local presence, although the employees of such companies are becoming more aware that multinationals offer them, and this may cause the trend to shift. Companies can draw on the local value of "gotong-royong," which means "working together," as they roll out volunteer programs.

The Latest from India: 2% CSR Law

Brief Background: The Indian Parliament passed wide-reaching updates to the country's Companies Act in late 2013. The Act now includes a mandate that companies of a certain size allocate 2% of profits annually to Corporate Social Responsibility (CSR). The related requirements include a board-approved CSR policy and public reporting on CSR implementation.

What's New: In early 2014, the Indian government released the Act's "Official Rules" in order to clarify several points of the CSR mandate. Important clarifications include details on the exact composition of a board's CSR committee (foreign companies' CSR committees are required to have a minimum of only two members), as well as what information the CSR policy and annual report should include with respect to each project or program.

India's general election in the summer of 2014 raised questions as to how the CSR requirements may change. Many questions were answered shortly thereafter, when the government released a "General Circular" that stated:

■ The Act's list of approved CSR focus areas, such as poverty or gender equality (listed in the Act's Schedule VII), can be "interpreted liberally." Therefore, companies are allowed to include cause areas in their CSR policy that are not explicitly listed in Schedule VII, such as disaster response.

■ Contributions to a "corpus of a trust/society/section 8 company" will qualify as CSR. It would be appropriate to interpret this to mean that transfers to a corporate foundation are included.



Regional Profile: Europe

INTERNATIONAL GIVING

Europe has the highest percentage of companies (91%) that give internationally. International giving is any contribution that benefits recipients outside the giver's corporate headquarters country. Europe also has the highest level of economic integration, formalized in part in 1993, when the European Union (EU) was formed. EU agreements allow members domestic tax benefits for contributions made to equivalent charitable organizations; this is undoubtedly another driver of international giving. The agreements decrease barriers to cross-border giving by ensuring that donors are eligible to receive tax incentives within the EU.

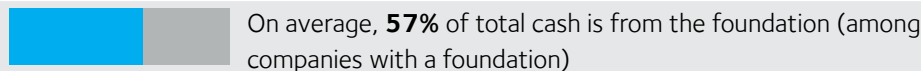
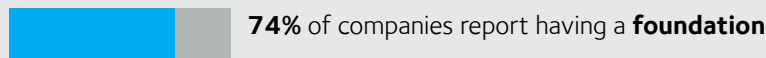
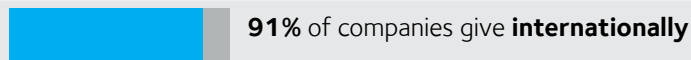
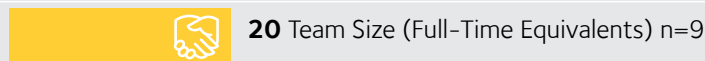
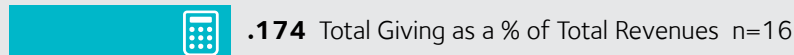
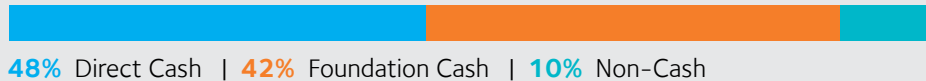
THE WORKFORCE OPPORTUNITY

Europe has a highly skilled workforce, as it has the second-highest university-enrollment rates in the world, after North America. Nevertheless, pro bono programs are offered by only 27% of European companies. As strategies become evermore closely tied to business assets, companies will seek to draw on their human capital. Employees, often from younger generations, will also drive change by seeking more opportunities to contribute to social good through their work. In the 2014 Edition of *Giving in Numbers*, CECP reports that pro bono programs have significantly expanded beyond the industries most commonly associated with pro bono work (e.g., the legal field) such that every industry now offers pro bono programs.

THE ROLE OF FOUNDATIONS

The presence of foundations (reported by 74% of companies) and the percentage of total giving that comes from foundations (42%) are both relatively high in Europe. However, of the companies that deal in both foundation and corporate giving, only 36% of their cash giving comes from foundations. Foundations are less favored than corporate giving because they entail a greater administrative burden. For example, foundation-giving often encumbers international giving because there is more regulation related to money crossing borders. This makes foundation giving more problematic in Europe because European companies tend to give internationally.

TOTAL GIVING BREAKDOWN: European Companies, 2013, n=19



EMPLOYEE ENGAGEMENT

72% of companies offer a corporate match to employees' personal donations

86% of companies offer company time to volunteer (Paid-Release Time) domestically; **71%** also offer it internationally

27% of companies offer a pro bono program domestically; **20%** also offer it internationally

Regional Profile: Europe continued

Non-Financial Disclosure Requirements in Europe

Required non-financial reporting in Europe attracted new attention in 2014. “Non-financial” refers to environmental, social, and governance activities. Companies use existing reporting standards such as the ISO 26000, the United Nations Global Compact, and the Global Reporting Initiative to comply. Community engagement governance professionals around the world noted the passage in April of Directive 2013/34/EU. On initial reading, this appears to be a new requirement for non-financial disclosure by certain large companies. Examined more carefully, however, the directive would seem to represent progress on a multi-year effort that has not yet reached the finish line. The directive clarifies requirements previously passed in related legislation and its timeline allows national governments two years in which to pass and implement it. The European Commission offers a frequently asked questions section on its website for those wishing to learn more.

Community Engagement in GRI

The Global Reporting Initiative (GRI) established its European headquarters in Amsterdam in 2002. GRI reports have the greatest traction in Europe, as demonstrated by Figure 1. As of September 2014, 40% of registered GRI reports issued by large organizations and multinational enterprises (MNEs) were from European companies.

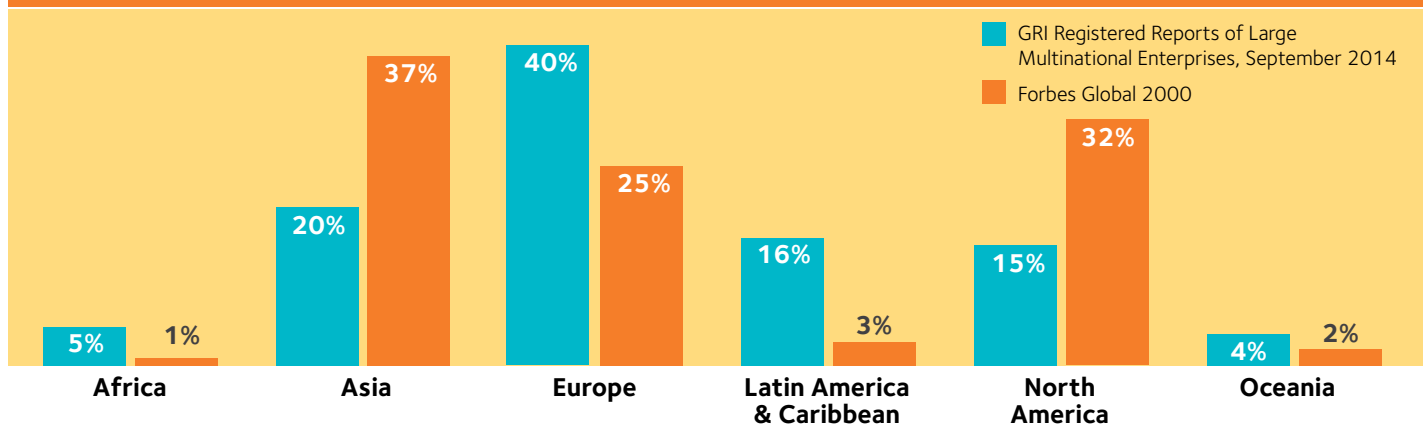
GRI reports are extensive and focus on sustainability reporting and disclosure. The GRI standards are produced and managed by its Secretariat, but they are also highly responsive to feedback and user input. Development of the current “G4” guidelines demonstrated this dialogue. Community engagement, the focus of *Giving Around the Globe*, features twice in GRI’s all-encompassing guidelines. Corporate giving professionals should familiarize themselves with these guidelines in order to become aware of which community investments are included and ensure that their company’s GRI report accurately reflects their work.

WHERE TO FIND COMMUNITY INVESTMENTS IN THE GRI “G4” GUIDELINES

G4-EC1: Direct economic value generated and distributed is the main guidance section on community contributions. One type of economic value is “community investments.” The GRI Guidance Manual defines community investments to include voluntary donations to nonprofits and NGOs. Various sectors—including the Financial sector—have elaborated on the community-investment definition in their GRI Sector Guidance.

G4-S01: Percentage of operations with implemented local community engagement, impact assessments, and development programs is the second and last section where corporate contributions are addressed. G4-S01 asks companies to include community-development programs, defined as: *Plan that details actions to minimize, mitigate, and compensate for adverse social and economic impacts, and to identify opportunities and actions to enhance positive impacts of the project on the community.* Companies use the G4-S01 section to combine all their methods of community engagement. Corporate cash and non-cash contributions, employee programs, and shared-value strategies are all crucial components.

Figure 1: Comparing Regional Breakdown of GRI Reports and Large Companies, 2014



SOURCES: www.globalreporting.org and www.forbes.com/global2000



Regional Profile: Latin America

LARGE TEAM SIZES

Latin American companies show the highest median team size (32 Full-Time Equivalents). This high number of staff is likely connected to the prevalence of foundations that operate programs as well as make grants. Many Brazilian companies have reported that they use foundations to make grants as well as to carry out their own programs. Foundations are often the hub of a company's community engagement strategy and build their societal expertise by delivering community services themselves. Some argue this practice takes away from the development of civil society in Brazil because it reduces funds contributed to nonprofit organizations (locally known as *Organização da Sociedade Civil de Interesse Público* or OSCIPs).

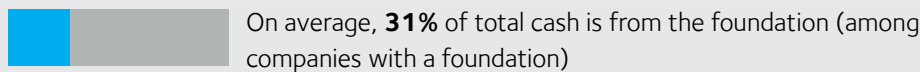
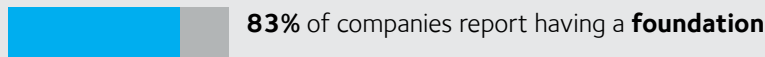
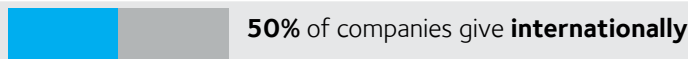
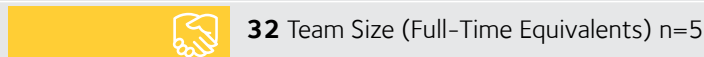
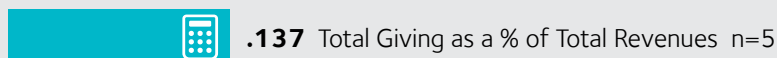
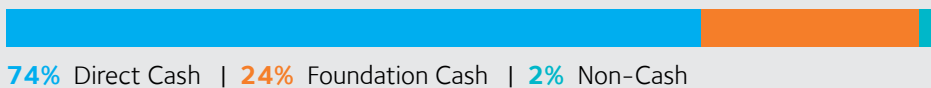
LOWER INTERNATIONAL GIVING

Half of Latin American companies report their giving as having an exclusive domestic focus. In Brazil, there are tax incentives for contributions that benefit Brazil's development. There is also strong local pressure to respond to palpable societal issues that are important to stakeholders before spending additional resources on programs abroad. Nonetheless, international giving correlates to international revenue. Corporate giving professionals who are responsible for Latin American strategy that anticipate corporate geographic expansion should plan ahead with special care. They might prepare to make the case that giving budgets should be increased in order to impact more countries, as opposed to re-allocating funding to new destinations while also reducing local investments.

DEVELOPING EMPLOYEE PROGRAMS

Compared to other parts of the world, Latin America has the lowest levels of employee engagement program offerings, including matching gifts and on-company-time volunteering. One reason for this may be that companies achieve their current business goals through social investment funding and thus don't feel a need for employee programs. An alternative explanation may be that volunteering efforts have occurred informally through local offices for many years, even as headquarters has not formalized a company-wide offering. Culturally, volunteering is seen as a personal activity, for free time, not something done while you are "at work." When CECP attended the *VII Encuentro Latinoamericano de Empresas Socialmente Responsables* conference in Mexico City in spring 2014 to present our research, we learned first-hand about locally inspired initiatives wherein employees planted trees and cleaned up local neighborhoods, to name only two ways in which they gave back to their communities.

TOTAL GIVING BREAKDOWN: Latin American Companies, 2013, n=6



EMPLOYEE ENGAGEMENT

17% of companies offer a corporate match to employees' personal donations

17% of companies offer company time to volunteer (Paid-Release Time) domestically; **17%** also offer it internationally

33% of companies offer a pro bono program domestically; **33%** also offer it internationally

Regional Profile: Latin America continued

Market to Watch: COLOMBIA



Colombia is the third-largest Latin American economy after Mexico and Brazil. It is also home to six companies on the *Forbes* Global 2000.

Giving professionals will find many strong and developed Colombian Civil Society Organizations (CSOs) that are independent of the government. However, the Colombian CSO sector does face challenges to expansion. The government bodies with which CSOs are supposed to register struggle to implement the contradictory and often confusing regulation that define how informal groups can become legal entities. As a result, the exact number of official CSOs is unknown.

Corporate giving professionals seeking to adjust their strategies for the Colombian market should bear in mind that although the country has been in armed conflict for decades, there has also been significant economic growth and the development of established public institutions. In order to contribute to development and stability, Colombian companies often integrate with national programs driven by the democratic government. To achieve an impact, companies are advised to focus on the root causes of social issues, which may require adapting the company's strategic focus areas. For example, a focus area like developing the next generation of engineers through STEM Education may have to be broadened to focus on improving access to quality primary and secondary education, through the training of teachers and the sourcing of supplies. Colombia has high levels of poverty and inequality, social dynamics that must be taken into consideration when adjusting program strategies to meet local needs and achieve business goals.

Instances of Mandatory Giving in Brazil

Brazil has a vibrant corporate social responsibility community with organizations like Comunitas, GIFE, Ethos, and others. Comunitas in particular has worked with CECP to develop its giving-reporting method, now an annual report called *Benchmarking do Investimento Social Corporativo* (BISC). In recent years, BISC has sought boldly to explore a common practice that strongly influences corporate community activities in Brazil: giving that is mandated by the national government in connection with certain licenses, permits, or other government approvals.

The ratio of mandatory to voluntary giving is very high. Although many companies are not able to categorize their giving as one or the other, initial research suggests that mandatory contributions make up approximately 47% of the total social investment. The figure could be even higher but is not yet fully known as not all companies track their data in this way. The sectors most commonly required to make mandatory gifts are Industrials and Materials. The vast majority of mandatory funds—80%—are allocated to domestic environmental projects.

Social investment professionals are less involved in the allocation of these mandatory contributions than one might expect because they tend to be handled instead by the department (e.g., Government Affairs) that incurred the requirement. However, the trend is promising. More and more companies (the number increased from a third to a half from 2011 to 2012) are allowing those with the highest expertise in community engagement to take an ever greater role in how mandatory contributions are allocated.

Different organizations around the world have different stances on whether or not mandatory contributions should be included in total giving. CECP's standard gives guidance pertaining to the recipient type and other factors, but does not disqualify mandatory contributions. If they meet CECP's other criteria for qualifying recipients and contributions, the funds are categorized as contributing to societal value and therefore "count." Furthermore, "mandatory" as opposed to "voluntary" giving would seem to be a distinction of motivation. In order to enter the Dow Jones Sustainability Index, companies must answer questions about their giving motivations, suggesting that there is an open-mindedness with respect to the variety of motivations. Corporate giving officers who are active in Brazil should consider how mandatory contributions might be managed for greater and greater impact, perhaps by becoming more involved in their disbursement.



Regional Profile: Africa

COMMUNITY DEVELOPMENT DRIVES PARTNERSHIPS

For many South African companies, Corporate Social Investment (CSI) is synonymous with community development. Based on this study's definitions and benchmark calculations, African companies' total giving is lower than that of other regions. It's important, though, to consider "lower" in the appropriate context. This study's baseline definition of recipients excludes contributions to the government (except government-affiliated schools) and for-profit entities. As shown on page 11, government and for-profit partners are not common around the world, but they *are* used frequently by this sample's African companies to enact their community development strategies. These discrepancies in definitions suggest a lower total giving in our study. Read more about South Africa's community-development partnerships with government and for-profit entities on page 11.

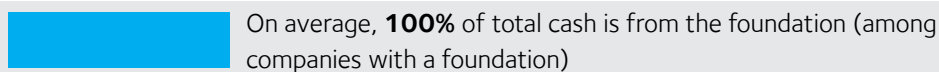
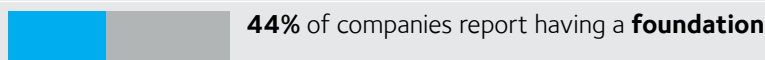
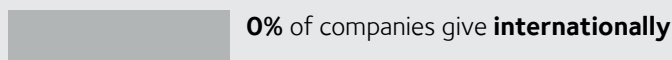
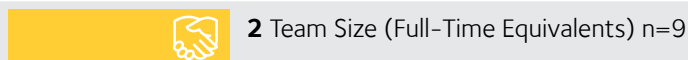
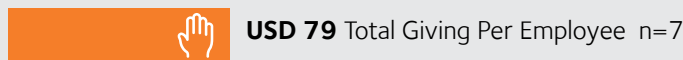
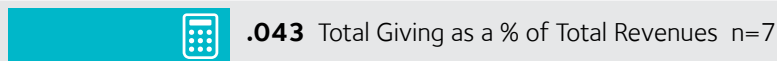
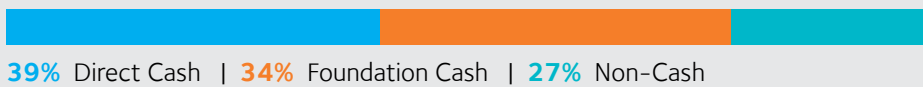
FORMAL EMPLOYEE ENGAGEMENT

Employee engagement offerings in Africa are lower than those in other regions, although similar to those in Latin America. The *CSI Handbook* published by Trialogue, a private consultancy in South Africa, reports that formal employee programs are on the rise, offered by more than two-thirds of companies in 2013. This study enquired only about specific programs (Paid-Release-Time policies and Pro Bono Service) and did not ask generally whether a company offered any volunteering program at all. This yielded results showing lower overall employee engagement program offerings. Trialogue reports that, when launching employee engagement efforts, companies are more likely to offer programs that the staff can execute in a limited time-frame, like company-wide events, than programs that require extensive oversight throughout the year.

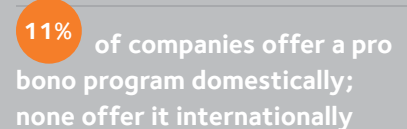
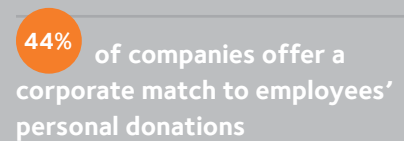
DOMESTIC FOCUS

None of the African companies in this sample makes international contributions. They also did not report international volunteer programs—even if many large companies in Africa do have significant international revenue. This is not to discount the African companies that do give internationally, but rather to suggest that this sample is indicative of a trend. African companies face significant pressure from stakeholders and public sector regulation to invest locally (see page 11 for details on the BBBEE). Corporations' first geographic giving priority has been to balance urban and rural investments. Although in time additional companies may expand to give more abroad, they are now busy addressing the most pressing needs at home.

TOTAL GIVING BREAKDOWN: African Companies, 2013, n=9



EMPLOYEE ENGAGEMENT



All respondents for this profile are from South Africa, where a majority of the largest African companies are headquartered. As this study grows, we hope to include more countries in this profile.

Expanding Partnerships and Regional Profile: Africa continued

Expanding Partnerships: “Giving” to Government and For-Profits

CECP’s pivotal *Global Guide* standard, first released in 2012, sparked our exploration of companies partnering with governments and for-profit entities (“alternative recipients”). We examine how such alternative recipients are integrated into budgets previously perceived as for nonprofit organizations only. As shown in Figure 2, companies contributing to alternative recipients around the world are not in the majority. Most, but not all, companies who do partner with alternative recipients are headquartered in Asia and Africa.

Government contributions are brought to the fore in markets where civil society may not present the right partners because the sector is still developing. For example, common programs with government recipients include providing disaster relief to China or contributing to health outcomes in hospital systems in Kenya. Many other companies elect not to partner with government entities because of corruption-related concerns.

Community engagement partnerships with for-profit entities are not common. For the companies that do embark on them, they are markers of innovation. In some cases, such partnerships signal investments in social enterprises. A company’s corporate giving department may be leading or partnering with other departments to produce an impact

investment strategy for the company. In other cases, a partnership signals a corporate strategy tied to shared-value creation that is more “sector agnostic” than traditional contributions. Finally, some for-profit partnerships arise out of necessity. In some countries, the right nonprofit partners that meet corporate vetting requirements simply don’t exist. The International Center of Not-for-Profit Law’s *NGO Law Monitor* is an excellent public resource detailing the current status of the civil sector in approximately fifty countries.

Spotlight On: Alternative Partnerships in South Africa

GOVERNMENT BODIES

In South Africa, corporate programs are often plugged into national efforts to provide services and drive national growth. Government partnerships (beyond those with schools) often arise because they are an effective strategy for deploying programs aligned with a company’s own focus area. The government may have already designed a program that provides meals to youths or educates pregnant women; companies can then apply their own resources to expand these programs into new areas or link new services to them. There is pressure from governments on companies to provide this type of support, but companies also use this partnership model in order to achieve sustained benefits after corporate funding comes to an end.

FOR-PROFIT ENTITIES

Partnerships with for-profit businesses in South Africa often provide basic needs. Infrastructure is one example. The funding for for-profit entities comes from a company’s community engagement budget, which is allocated primarily to nonprofit organizations. The company might have a comprehensive strategy to improve education, for example, and for one segment of its program will hire a company to construct new bathroom facilities for schools.

In other cases, for-profit partners accomplish goals connected to micro-entrepreneurship, an attractive focus area that contributes to national goals with respect to economic growth and employment. Nonprofits play an important role in the overall strategy, but there are some things they don’t provide. One example is the provision of training for certain skills, such as vehicular mechanics or appliance repair. Another example is the purchase of equipment, such as sewing machines, for entrepreneurs who would like to start a tailoring business.

REGULATION

Regulatory forces also influence alternative partnerships. The Broad-Based Black Economic Empowerment (BBBEE) law of 2007 established complex requirements not addressed in this report. In briefest terms, striking up alternative partnerships managed by CSI professionals can be one way that companies meet these requirements. In order to comply with the BBBEE law, companies may ensure that at least 75% of those benefiting from their CSI expenditure are black or come from previously disadvantaged racial groups. Corporate giving officers expanding their strategy in South Africa should learn more about the BBBEE, in particular how it may influence their programs and how their programs can in turn contribute to the law’s fulfillment.

Figure 2: Alternative Recipients



Percentage of Companies Contributing to Alternative Recipients, 2013, n=32



North American International Engagement, Region-By-Region

North American companies determine where to give internationally based primarily on where their business is most robust, not where social need is greatest. Secondary factors are the recipient country's national stability as well as the government's role in providing social services. The below bar charts for each region show the top five (or six, in the case of a tie) countries to which the highest number of companies gave any amount. The charts also indicate the amounts of aggregate giving to recipients in each country. The aggregate amounts are not adjusted for purchasing power parity.

Figure 3: Africa

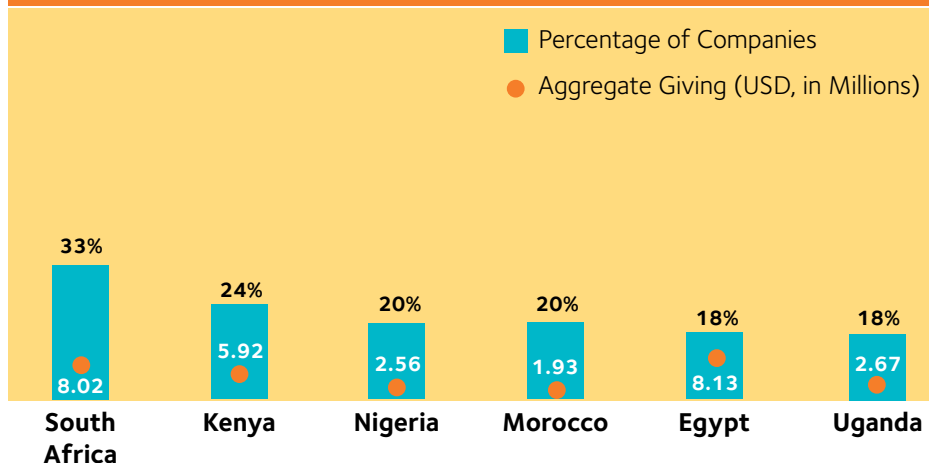


FIGURE 3: NORTH AMERICAN ENGAGEMENT IN AFRICAN COUNTRIES, 2013, N=51

In Figure 3, the two African countries to which the highest number of North American companies gave are known for their political stability as well as for their strong economies. South Africa and Kenya score higher than other African countries on external measures like Transparency International's Corruption Perception Index. Nigeria, on the other hand, has the largest economy in terms of GDP, ranks next-to-last of these six countries on the United Nations' Human Development Index (HDI) (an indicator of high need), and yet trails South Africa and Kenya in aggregate giving received.

Figure 4: Asia

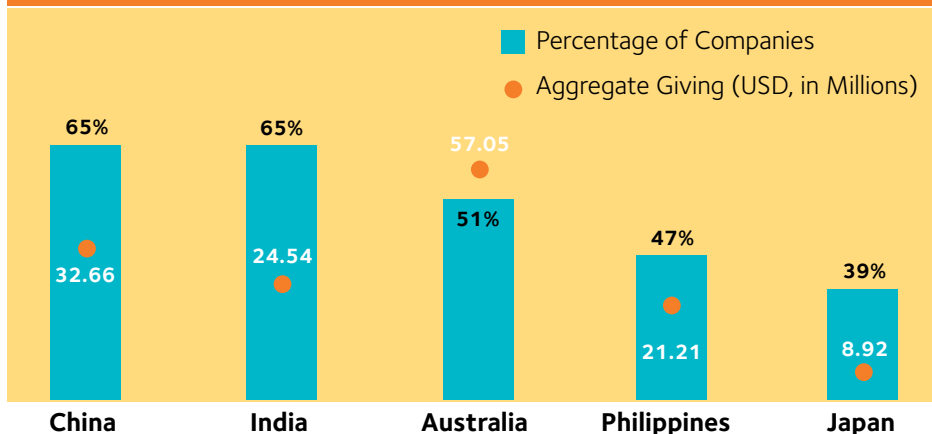


FIGURE 4: NORTH AMERICAN ENGAGEMENT IN ASIAN COUNTRIES, 2013, N=51

China and India, two massive global economies that are on the rise, top the list of Asian countries to which most North American companies give. Australia and Japan have had large and stable economies for a long time. The Philippines appears on the list probably because of disaster-relief giving in 2013 following Typhoon Haiyan. Disaster-relief giving is a common driver of international contributions to Asia; in fact, according to the 2013 Corporate Aid Trackers (operated by the U.S. Chamber of Commerce), the major occurrences of disaster-relief giving by North American companies over the last several years have been either domestic or sent to Asia, including to address flooding in India and the Sichuan Province earthquake in China.

North American International Engagement, Region-By-Region continued

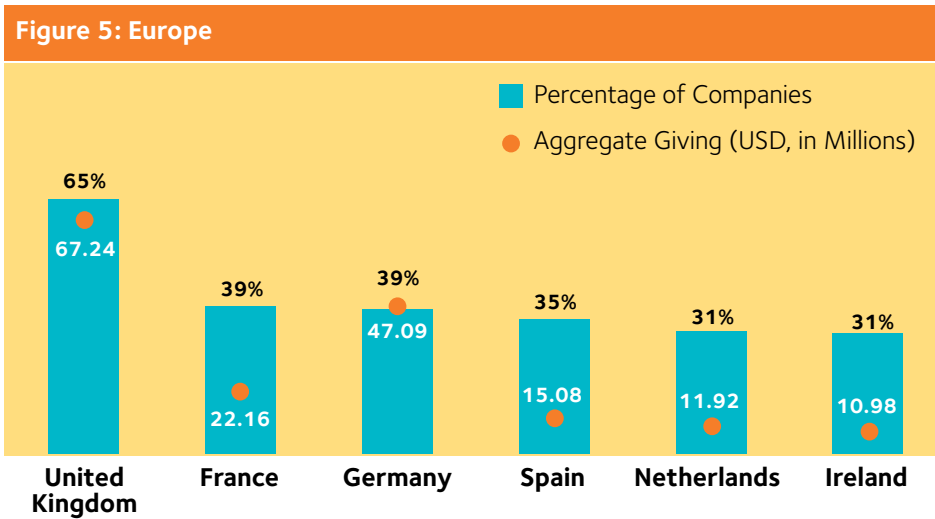


FIGURE 5: NORTH AMERICAN ENGAGEMENT IN EUROPEAN COUNTRIES, 2013, N=51

The countries in Europe where most North American companies gave include many of the largest economies in the European Union. Companies' investments in Europe, as everywhere, are driven by their business revenue, employee footprint, and growth potential. It is therefore no surprise that major European economies (e.g., the United Kingdom) rise to the top of the list in Europe. And yet: Although their economic stature is sizeable, no Nordic countries made the list. Despite being the largest European economy, Germany ranks third. These results suggest that in countries where the government's own provision of social services is strong, the business benefits of community engagement strategy go down.

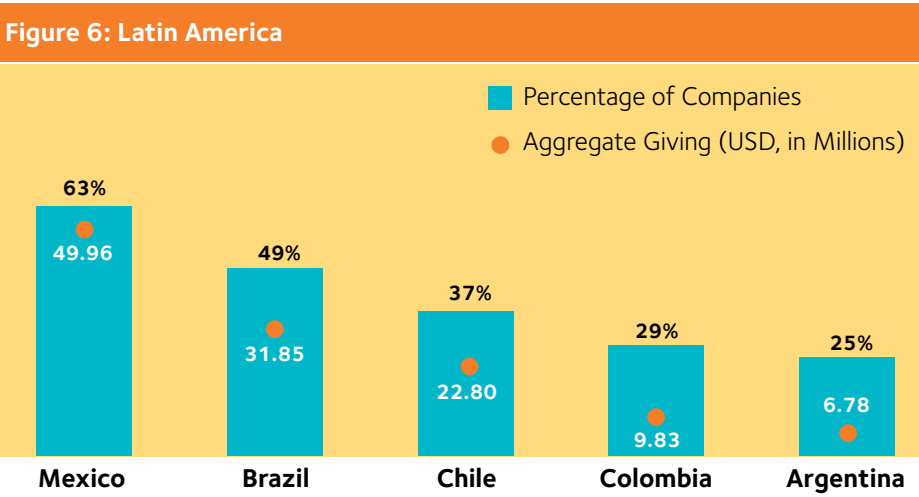


FIGURE 6: NORTH AMERICAN ENGAGEMENT IN LATIN AMERICAN COUNTRIES, 2013, N=51

North American companies commonly expand their business base within their continental neighbor to the south: Mexico. After Mexico, the countries follow in the same order as they would if they were ranked by the number of *Forbes* Global 2000 companies headquartered in each country. The number of companies investing in each country correlates with each country's aggregate giving (i.e., the aggregate giving it receives).

Note: Pages 12-13 reflect a different sample of companies than the 54 listed participant companies reflected on pages 4-11 in this report. The 54 participant companies headquartered in regions other than North America and discussed on pages 4-11 did not provide an adequate sample of country data and thus could not be appropriately analyzed. All North American companies that provided country data to the *Giving in Numbers* Survey are included in the country analysis above, N=51. The *Giving in Numbers* participant list is available at cecp.co/measurement/cgs/who-participates.html.

MEDIAN NUMBER OF COUNTRIES IN A NORTH AMERICAN COMPANY'S GEOGRAPHIC PORTFOLIO:

7

Comparing Regions Side-By-Side

While the following data is included on each regional profile page, a look at each region alongside others allows for a quick comparison of key practices.

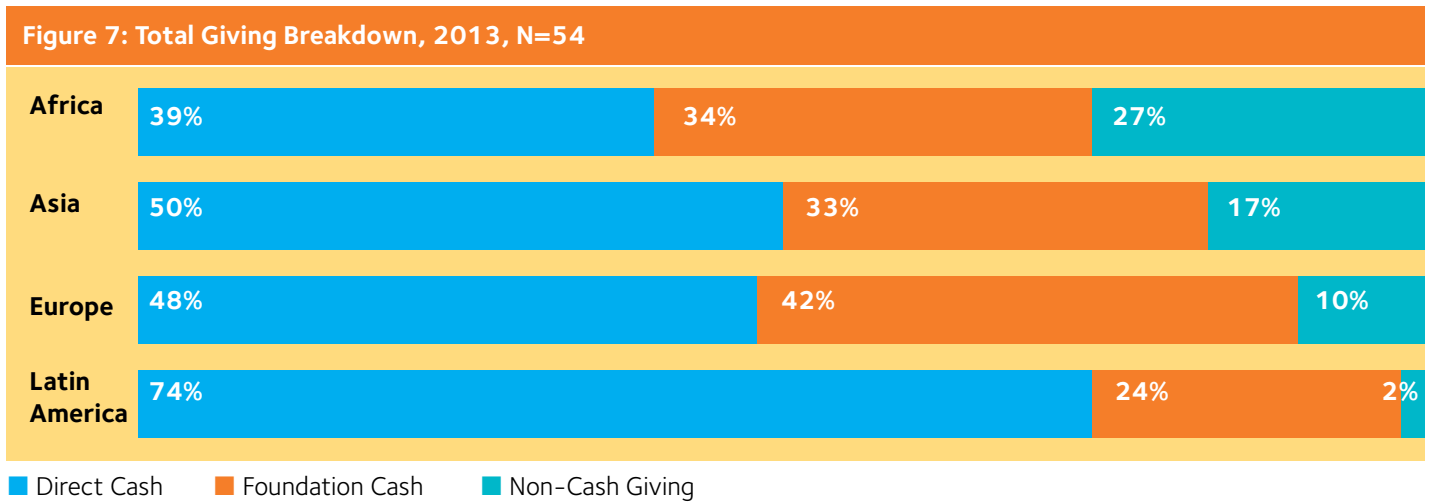
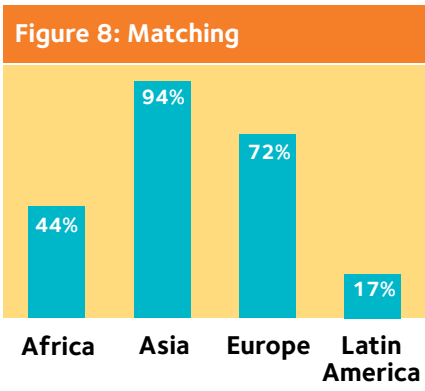


FIGURE 7: This total giving breakdown highlights, in particular, the different levels of non-cash giving reported by companies from each region.



Percentage of Companies Offering Corporate Matching to Employee Giving, 2013, N=54

FIGURE 8: Companies find many ways to engage employees with their community programs. Corporate matching programs reflect companies' commitment to support employee donations with their own funds and encourage employees to "bring their values to work." In other cases, matching programs are limited just to the company's own focus areas and in this way seek to build employee knowledge of the strategically selected causes the company supports.

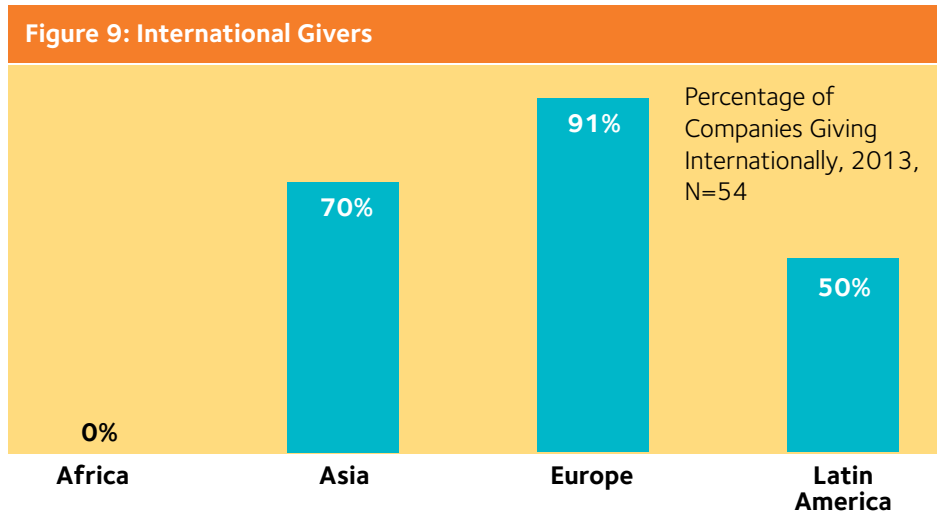


FIGURE 9: The number of companies giving internationally has the greatest range (0%-91%) of any measure shown in this report. Setting an international giving strategy is complex and influenced by unique factors at each company. Despite that, there are a couple of factors that seem to influence most companies. International giving data at the country level indicates that giving is concentrated on other countries within a company's region, likely the same places where the business has grown. It is rare that the ratio of giving to revenue or employees is exactly one to one in each country; rather, the amount of giving often lags behind the business presence. While business reasons are the primary factor when choosing where to give, the country data shows that places with strong government social services (such as Nordic countries or Germany) are less likely to be recipients of giving.

Calculations and Definitions

Calculations

Aggregate Value is the straight sum of all of the values in a calculation.

Average Percentage is used in place of an aggregate percentage to preserve the relative proportions of giving for each company. To calculate average percentage, each individual company's giving is first translated into percentages. Then, percentages across all companies are averaged.

Median Value is the number in the middle of the list sorted from highest to lowest. If the list has an even number of entries, the median is the average of the middle two figures. Medians are used because they are less sensitive to extreme values than averages, which can be skewed by very high or very low values.

Sample Size: Throughout the report, the convention "N=" or "n=" indicates the number of companies used in each calculation. "N" refers to the total sample size for that analysis, whereas "n" denotes a segment of the total sample size.

What's In, What's Out

1

THE RECIPIENT MUST BE FORMALLY ORGANIZED; AND

+

2

THE RECIPIENT MUST EXIST FOR A CHARITABLE PURPOSE; AND

+

3

THE RECIPIENT MUST NEVER DISTRIBUTE PROFITS.

Total Giving is the sum of three types of giving: 1) Direct Cash: Corporate giving from either headquarters or regional offices. 2) Foundation Cash: Corporate foundation giving, which often includes the corporate side of employee matching-gift contributions. 3) Non-Cash: Product or Pro Bono Services assessed at Fair Market Value.

Total giving does not include contributions from employees, vendors, or customers. For multi-year grants, only the portion of the grant actually paid in the fiscal year examined in the survey is included—not its total, multi-year value. Total giving does not include any contributions made with expectation of full or partial repayment to the company.

The *Global Guide* standard defines total giving's included recipients using three criteria. The recipient must 1) be formally organized, 2) have a charitable purpose, and 3) never distribute profits. After extensive research and practitioner input, CECP released the standard in 2012. Since then, companies' support and use of the standard has encouraged us to transition in full to this standard for all of CECP's research. See the full list of criteria at cecp.co/global.

Definitions

Domestic: Taking place in or having to do with the corporate headquarters country.

International: Taking place in or having to do with any country outside of the headquarters country.

Paid-Release Time: Paid-Release Time volunteerism is also referred to as "on-company-time" or "volunteer-time-off" volunteerism. This includes time donated by employees during a normal paid work schedule to nonprofit organizations or the international equivalent, within corporate policies. With such a policy, the employee does not make up hours missed and, consequently, the company incurs salary costs for the missed hours. For example: a company-wide day of service is a subset of paid time off; paid time off, however, may also include other time off granted to employees during a normal paid work schedule.

Pro Bono Service is a type of employee engagement that falls within skills-based service. However, unlike any other type of employee engagement, Pro Bono Service is recorded as a non-cash or in-kind contribution. Pro bono is distinguished by three criteria. 1) Commitment: The company must make a formal commitment to the recipient nonprofit organization for the final work product. 2) Professional Services: Pro bono donations are professional services for which the recipient nonprofit would otherwise have to pay. Employees staffed on the project must use the same skills that constitute the core of their official job descriptions. 3) Pro Bono Services must be indirect, meaning that the corporation must provide the service through a *Global Guide* qualified recipient.

USD: United States Dollars.

Data Collection

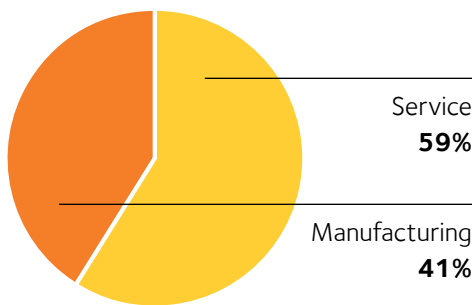
Companies report data on their giving programs annually to CECP. None of the giving figures in CECP's dataset are obtained from secondary sources. CECP provides question-by-question Valuation Guidance so that survey-completers have the definitions and details they need to answer the questions consistently. This guidance is available online: cecp.co/cgs/resources/surveyguide.pdf.

Financial data (on, e.g., revenues and pre-tax profit) are systematically pulled from the Bloomberg database.

Companies are asked to report figures in United States Dollars (USD). Wherever this was not possible, CECP converted figures using www.oanda.com's "Historical Exchange Rates" for 2013.

Respondent Companies

54 companies headquartered in Australia, Belgium, Brazil, China, France, Germany, India, Mexico, the Republic of Korea (South), Russia, Singapore, South Africa, Spain, Switzerland, and the United Kingdom provided data and information on their 2013 programs, using the *Global Guide* standard to determine qualified recipients.



Industry	Number of Companies
Communications	6
Consumer Discretionary	2
Consumer Staples	5
Energy	3
Financials	14
Health Care	1
Industrials	12
Materials	7
Technology	4

Total Revenue	Number of Companies
Over USD 30 Billion	14
USD 10 to 30 Billion	14
Less than USD 10 Billion	17
Not reported	9

Total Giving	Number of Companies
Over USD 50 Million	11
USD 15 to USD 50 Million	17
Less than USD 15 Million	26

Total Pre-Tax Profit	Number of Companies
Over USD 5 Billion	9
USD 1 to USD 5 Billion	13
Less than USD 1 Billion	22
Not reported	10

Total Employees	Number of Companies
Over 100,000	8
25,000 to 100,000	21
Less than 25,000	14
Not reported	11

Participants

AFRICA

African Bank Ltd., AngloGold Ashanti, De Beers Group of Companies, Hollard Insurance group, Massmart Holdings Ltd., Murray & Roberts Group, Sibanye Gold Ltd., Telkom Group Ltd., and Woolworths Holdings Ltd.

ASIA

Axis Bank Foundation, BS Financial Group, Doosan Corp., Doosan Heavy Industries & Construction Co. Ltd., Hana Financial Group, Hyosung, Hyundai Heavy Industries Co. Ltd., Hyundai Mobis, Lenovo, LG Chem Ltd., LG Electronics Inc., LG Uplus Corp., Lotte Engineering & Construction, Macquarie Group, Renova Group, Samsung Engineering Co. Ltd., Samsung Life Insurance Co Ltd., StarHub Ltd., Thermax Limited, and Westpac Foundation.

EUROPE

Anheuser-Busch InBev, Alcatel-Lucent, BBVA, Barclays, Deutsche Bank, GSK, HSBC Holdings Plc, Michelin, Pearson Plc, Fondation RTE, SAP AG, Schneider Electric SA, Fondation SNCF, Total S.A., UBS, Veolia Environment SA, Fondation VINCI pour la Cité, Vodafone Group Plc, and Zurich Insurance Group.

LATIN AMERICA

Brasil Foods, Grupo CCR, FEMSA, Gerdau, Vale, and Votorantim Group.

NORTH AMERICA (pages 12-13)

51 companies from the *Giving in Numbers* Survey provided data on the amounts given to specific countries. All are headquartered in the United States or Canada. *Giving in Numbers* participants are available here: cecp.co/measurement/cgs/who-participates.html.

Acknowledgments

CECP is extremely grateful to all staff members at respondent companies for their enthusiastic engagement with the *Global Guide*. It is their hard work and dedication that make research like *Giving Around the Globe* possible. The time and energy they dedicate to participating helps to advance the field through the use of the *Global Guide* standard and its public and transparent results. We also thank Deloitte for their assistance in producing the *Global Guide to What Counts* in 2012, which gave this report its foundation. CECP is continually thankful to work in association with The Conference Board on *Giving in Numbers*, which complements *Giving Around the Globe*.

CECP expresses deep appreciation to the following organizations for their collaboration during CECP's global research expansion: Admical, Business for Social Responsibility (BSR), Centro Mexicano para la Filantropía (CEMEFI), China Foundation Center, China Office of The Conference Board, Comunitas, Centre for the Advancement of Philanthropy, Centrum für Corporate Citizenship Deutschland (CCCD), the Conference Board: Canada, Dasra, European Foundation Center, GIFE, Give2Asia, Korea Productivity Center, National Volunteer & Philanthropy Centre, Polish Donors Forum, Russia Donors Forum, Service Grant, Trialogue, United Nations Global Compact, and WINGS.

The Markets to Watch sections could not have been written without the expertise of Margareth Flórez, Directora Ejecutiva of RedEAmérica, and Mohamad Fahmi, Program & Development Manager of the Business Ethics Program within Indonesia Business Links.

In particular, CECP acknowledges the exceptional collaboration of:



Thank you as well to the whole CECP team for helping to bring this research to fruition—particularly Margaret Coady, Michael Stroik, and Jinny Jeong. We would also like to thank the excellent work of Lisa Halliday (copy editor) and Kate Thompson (designer) to bring this report to its completion.

Corporate giving professionals who are interested in being in next year's report do not have to join CECP or pay a fee to participate in our research.

Large companies are welcome to inquire about joining CECP and learning about the value we provide. Your CEO does not have to join in order for your company to participate.

CECP companies seeking customized benchmarking based on these findings should reach out to our team. An exclusive, tailor-made analysis of the data herein is included in your annual services.

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