Global Impact at Scale

2021 EDITION

Corporate Action on ESG Issues and Social Investments

CECP

Collaborative Research with CECP's Global Exchange Partners

About Chief Executives for Corporate Purpose®

Chief Executives for Corporate Purpose® (CECP) is a trusted advisor to companies on their corporate purpose journeys to build long-term sustainable value and tell their impact stories. Working with CEOs and leaders in corporate responsibility, sustainability, foundations, investor relations, finance, legal, and communications, CECP shares actionable insights with its CEO-led coalition to address stakeholder needs.

Founded in 1999 by actor and philanthropist Paul Newman and other business leaders, CECP is a movement of more than 200 of the world's largest companies that represent $11.2 trillion in revenues, $23 billion in total community investment, 14 million employees, 30 million hours of employee engagement, and $21 trillion in assets under management. CECP helps companies transform their strategy by providing benchmarking and analysis, convenings, and strategy and communications in the areas of societal/community investment, employee engagement, environmental social governance/sustainable business, diversity equity inclusion, and telling the story.

About The Global Exchange

The CECP Global Exchange (GX) unites mission-driven corporate societal engagement organizations to advance the corporate sector as a force for good around the world. With partners in 18 countries/regions, the GX serves companies by building a body of knowledge on locally relevant corporate citizenship best practices through information sharing and collaborative research. The GX acts as a catalyst to enhance and advance corporate social investment strategies.

The 18 GX Partners encompass more than 800 companies and countries that represent more than 60% of the world's GDP as well as more than 50% of its population. The partners include: Business in the Community in the U.K., CECP in the U.S., Cemefi in Mexico, Comunitas in Brazil, The Conference Board of Canada in Canada, CSRone Reporting in Chinese Taipei, CSR Turkey in Turkey, Dynamo Academy in Italy, Fundación SERES in Spain, Gestión Social in Chile, Kansai Economic Federation in Japan, Korea Productivity Center in the Republic of Korea, Maala in Israel, Russian Donors Forum in the Russian Federation, Samhita in India, SynTao in Mainland China and Hong Kong, Trialogue in South Africa, and Wider Sense in Germany.

The GX provides an invaluable forum for GX Partners' affiliated companies to advance their work and tap into a thriving and collaborative network by:

- Leveraging regional resources, local insights, and global trends to support companies' strategy decisions.
- Accessing the GX network's research and standardization efforts related to corporate social engagement around the world.
- Forging peer connections with GX Partners and the companies within their own corporate networks.
- Receiving global strategic counsel on specific questions or topics.

GX-affiliated companies also benefit from the network's insights, trends, research, event information, conference invitations, and a shared public voice on how companies and CEOs can be a force for good in society globally.

Contents

HOW TO USE THIS REPORT: Leaders working inside a corporation can benchmark their company's progress and performance against the data-driven insights throughout the report. Benchmarking is one important input to strategy setting and decision making. Media can draw proof points into their articles on how capitalism is changing around the globe. NGO leaders can find opportunities to deepen or initiate partnerships with companies. Consumers can supplement the specific details they know about brands they love with how companies are changing at a sector-wide level.

Respondents Information

- Companies' revenue ranged from **US$0.5 billion to US$275 billion**
- Aggregate revenues across companies: **US$2.72 trillion**
- Number of companies: **165**
- Median revenue: **US$5.7 billion**
- Headquartered countries/ regions: **18**
- Headquartered cities: **81**

Reporting Lines

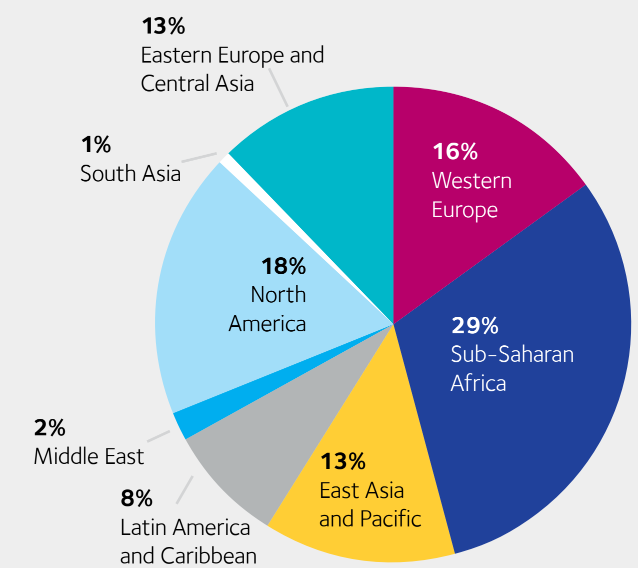
The most common reporting line departments:

- Sustainability (13% of respondents)
- Communications (12% of respondents)
- Corporate Affairs (12% of respondents)
- Human Resources (8% of respondents)
- ESG (7% of respondents)
- Public Affairs (7% of respondents)
- Executive Office (6% of respondents)
- Community Affairs (5% of respondents)

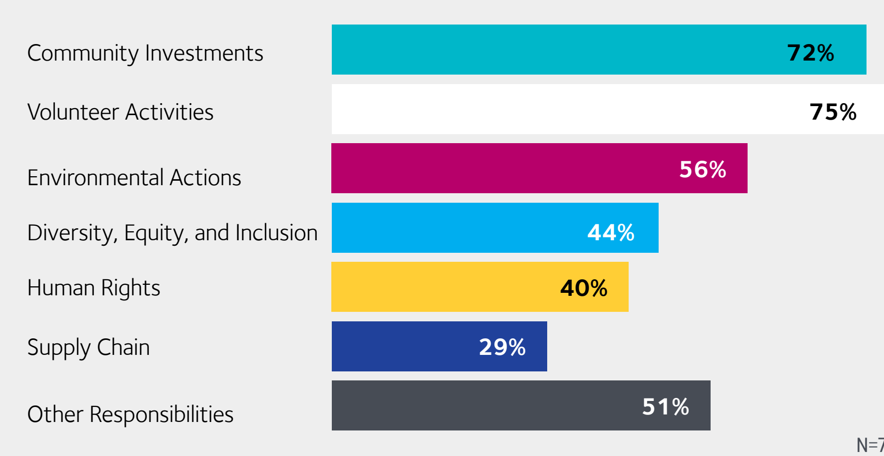
Employees:

- Median number of Full-Time Equivalents is 6
- Top quartile of Full-Time Equivalents is 10

Region Distribution



Respondent Departmental Responsibilities



Revenue

REVENUE TIER (IN US$)	NUMBER OF COMPANIES	PERCENTAGE OF COMPANIES
Over $100 billion	6	4%
$50+ to $100 billion	6	4%
$25+ to $50 billion	15	9%
$15+ to $25 billion	12	7%
$10+ to $15 billion	14	8%
$5 to $10 billion	28	17%
Under $5 billion	77	47%
NA	7	4%
TOTAL	**165**	**100%**

Revenue: 2020 revenues for survey participants ranged from US$0.5 billion to US$275 billion. Privately held companies were not required to submit revenue data. The median revenue among participants was US$5.7 billion.

Industry

INDUSTRY	NUMBER OF COMPANIES	PERCENTAGE OF COMPANIES
Communications	11	7%
Consumer Discretionary	6	4%
Consumer Staples	19	11%
Energy	10	6%
Financials	37	22%
Health Care	10	6%
Industrials	16	10%
Information Technology	16	10%
Materials	29	17%
Real Estate	3	2%
Utilities	8	5%
TOTAL	**165**	**100%**

The Global Exchange Survey used eleven sectors ("industries") from the Bloomberg Industry Classification Standard (BICS) to classify companies into distinct industry groups. To be included in an industry-specific figure, an industry must be represented by at least five company responses.

Preface

The publication of this second edition of *Global Impact at Scale* comes on the heels of a tumultuous year for our global communities. The research that contributed to this report suggests that the triple crises of the COVID-19 pandemic, the ensuing economic downturn, and the global reckoning with racial injustice made 2020 a landmark year for external pressures on a company's performance, bringing the management of ESG issues and community response even closer to the fore among companies of all sizes and sectors.

The COVID-19 virus killed millions of people, sickened hundreds of millions more, and had an outsized impact on our most vulnerable communities. The pandemic shone a spotlight on the grace and selfless spirit of so many frontline health workers, whose courage and determination in the face of unrelenting adversity showed us the very best of humanity. The economic impacts of the pandemic were sudden, unpredictable, and uneven. While office workers could work from home, industrial, retail, and service workers could not. Many fields of employment experienced extreme demand, leading to increased workloads and burnout. 2020 set the stage for The Great Resignation of 2021, initially spurred by overburdened frontline employees but quickly spreading to other sectors of the economy. Retaining quality employees has always been a priority for companies; that priority became infinitely more difficult to manage due to the lingering effects of the combined crises.

The pandemic posed great challenges for corporate social investment programs, too. Community lockdowns caused high and sudden unemployment, heightened food insecurity, isolated senior citizens, spurred mental health challenges, created supply-chain bottlenecks, stretched the capabilities of NGO partners, and created administrative delays in making the social investments necessary to mitigate the pandemic's effects. After the murder of George Floyd in Minneapolis in May of 2020, the world experienced a racial awakening. In the weeks that followed, there were demonstrations demanding a more equitable society in more than 70 countries, on every continent, even in Antarctica. The push for equity, already a growing global trend, redoubled and accelerated.

The impacts of COVID-19 provoked a debate about what we really value as a society. The pandemic exposed the extent of how truly interconnected we are globally and that we can no longer ignore developments that do not seem of immediate concern. We have been made evermore aware of "The Tragedy of the Horizon," our collective failure to plan effectively for the future and to address threats only when they are upon us. The climate emergency continued to grow as wildfires, floods, storms, and droughts intensified. Nature continued to send us many reminders of our future collective fate if action is not taken to mitigate our impacts on the planet.

Against this backdrop of tragedy and uncertainty, we saw global corporations increase their focus on environmental and social paradigms, bolster community investments, deepen partnerships with their local communities, courageously shoulder new responsibilities, and deploy teams of volunteers to help build back better. The events of 2020 underlined the necessity of expanding opportunities and creating more resilient communities. Our responses to those events will define us for decades to come.

We are deeply grateful to our Global Exchange Partners, whose efforts to distribute the survey and collect responses following the especially challenging year of 2020 drove the research that made this second edition of *Global Impact at Scale* possible. We are proud to present you with this unique resource for sharing and appraising ESG strategies around the globe and in turn for advancing the corporate sector as a force for societal good.

The data presented here creates an opportunity to compare how global companies are measuring and reporting on their ESG endeavors and investments. The data reported for this second edition is from calendar year 2020, and although the challenges of the year had a profound effect on many companies' operational profitability, as well as on their license to operate, this report underscores the incredible adaptability of the private sector to weather even the most unexpected and widespread upheaval, and to respond to new and formidable challenges effectively, strategically, and with deeply felt purpose.

Beth Gallagher
DIRECTOR, CORPORATE INSIGHTS

Top 10 Highlights in ESG 2020

61%
of companies indicated that their volume of publicly released ESG data increased in 2020

61%
of companies reported that staff worked on environmental and social issues (E&S) jointly or somewhat jointly

75%
of companies reported that ESG data was helping operational efficiency

74%
of companies considered the investors' perspective when reporting on the social aspects of ESG data in their disclosures

74%
of companies reported using an outside firm to audit their material ESG disclosures

69%
of companies indicated that overall business strategy integrates and responds to critical, material ESG issues

75%
of companies predicted full company-wide integration of ESG within five years

69%
of companies said ESG data was helping them attract a new generation of empowered employees

54%
of companies expected ESG reporting to expand even more based on new reporting requirements

54%
of companies expected non-financial reporting to continue to expand in coming years

Top 10 Highlights in Social Investment and Volunteerism 2020

51% of companies reported that their COVID-19 response led to a new specific community intervention

65% of companies' new community interventions were focused on health care

70% of companies reported that resources for Diversity, Equity, and Inclusion are on the rise

40% of companies increased their resources dedicated to Human Rights

36% of companies predicted a significant increase in budget and resources for social investment over the next two years

36% of companies said they spent more than 1% of profit on social investments in 2020

41% of companies increased their social investments to respond to COVID-19

Average employee matching-gifts participation rose from **26% to 31%**

22% of companies repurposed their budgets to address the impact of COVID-19

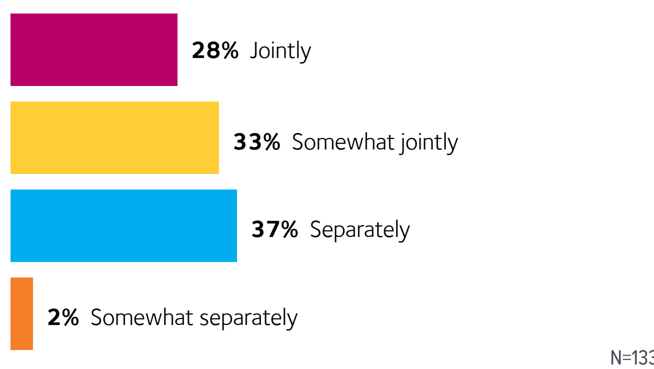
36% of companies created a virtual volunteer program from scratch

ESG Moves to the Fore

In December 2004, the United Nations Global Compact released the report *Who Cares Wins*[1] and introduced the concept that environmental, social, and governance issues (ESG) were increasingly important for companies to address and set targets towards. The report called for a closer connection between financial markets and a rapidly changing world. Since then, ESG has become an increasingly important concept for global corporations to manage and report on. Managing ESG issues holistically is now seen as a business imperative for every company: an essential instrument with which to engage investors, customers, suppliers, and employees, as well as a tool for improving collaboration and innovation within a company.

The research that contributed to this report underlines the growing importance for companies of all sizes to address ESG issues holistically. In 2020, 61% of companies described staff as working jointly or somewhat jointly on environmental and social (E&S) issues. (*Figure 1*). However, 37% of companies still manage E&S issues separately.

Figure 1. Staff Approach to Working on Environmental and Social Issues

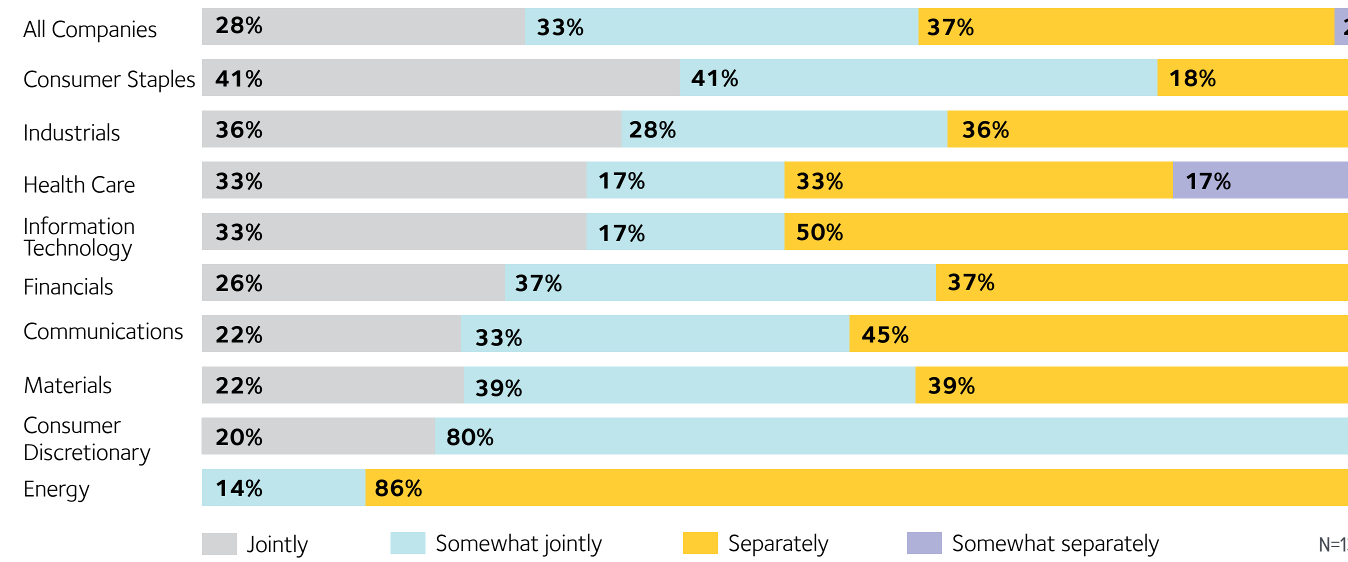


Every Consumer Discretionary company that responded to this research reported that E&S issue management is approached either jointly or somewhat jointly (*Figure 2*). At least a quarter of Consumer Staples, Industrials, Health Care, Information Technology, and Financials companies reported approaching E&S management jointly. Energy companies were the least likely to have an integrated approach to E&S management, with 14% reporting that staff approach E&S work somewhat jointly and 86% reporting that work occurs altogether separately.

Until recently, it was not unusual for ESG to be a siloed function, insulated from the core work of the business. That is no longer the case. This research shows that many departments across a typical company now incorporate ESG into their business purpose and are engaged in both developing and executing ESG strategies.

1 https://www.scribd.com/fullscreen/16876740?access_key=key-16pe23pd759qalbnx2pv

Figure 2. Company Integration of Environmental and Social Issues Management by Industry



Some industries excluded due to small sample size.

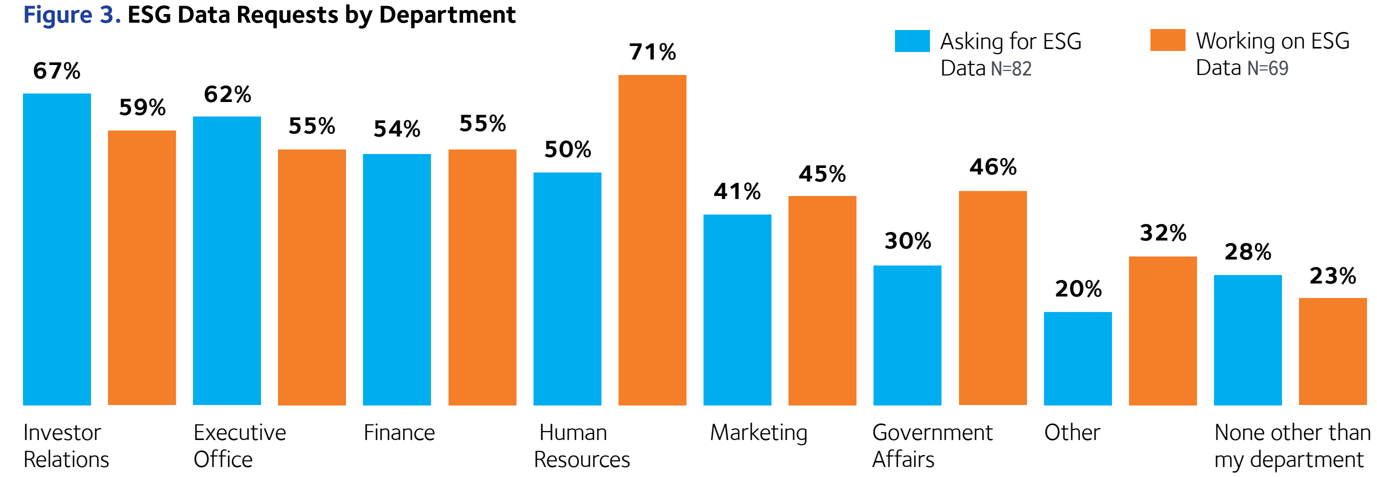
This research asked companies to report on which departments worked on ESG issues over the course of 2020. Among the responses, six departments stood out (*Figure 3*). A strong majority of companies (71%) reported that their Human Resources department worked on ESG. Since younger employees prefer to work for responsible companies,[2] and because the retention and development of talent has become a priority globally,[3] the relationship between HR and ESG is likely to continue to strengthen.

In addition, 59% of companies reported Investor Relations and 55% Finance as departments working on ESG, driven by the increasing demand from investors for ESG data and reporting.[4] The Executive Office was reported by 55% of companies, underlining the importance of ESG issues for executive teams.[5] Government Affairs was reported by 46% of respondents, and Marketing by 45%, underlining how ESG issues have become a mainstay in reputation management and stakeholder engagement.[6] Only 23% of companies reported a fully siloed ESG department.

Companies reported similar representation in departments other than the core ESG management group requesting ESG data: Investor Relations (67%) and Finance (54%) again figured prominently, along with the Executive Office (62%), Human Resources (50%), and Marketing (41%) (*Figure 3*).

This research also points to an acceleration in the alignment of ESG with a company's core strategy. When asked "Does your company's overall business strategy align with and respond to your company's critical/material ESG issues?," 3% of respondents said that it did not (*Figure 4*), 69% said it aligned very much, and 28% responded that it is somewhat aligned.

Figure 3. ESG Data Requests by Department



2 https://www.conecomm.com/research-blog/2016-millennial-employee-engagement-study

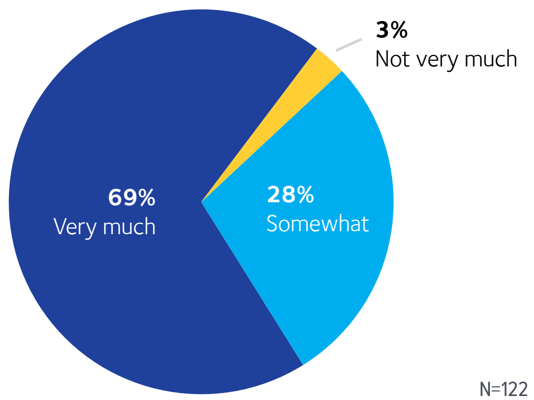
3 https://www.conference-board.org/publications/publicationdetail.cfm?publicationid=6071

4 https://www.gartner.com/smarterwithgartner/the-esg-imperative-7-factors-for-finance-leaders-to-consider

5 https://www.mckinsey.com/~/media/McKinsey/Business%20Functions/Strategy%20and%20Corporate%20Finance/Our%20Insights/Five%20ways%20that%20ESG%20creates%20value/Five-ways-that-ESG-creates-value.ashx

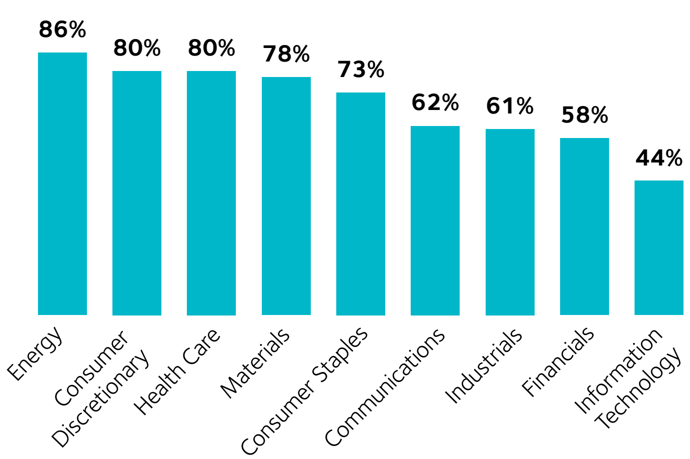
6 https://corpgov.law.harvard.edu/2020/09/14/the-stakeholder-model-and-esg/

Figure 4. How Much Company Business Strategy and ESG Issues Align



More than 75% of Energy, Consumer Discretionary, Health Care, and Materials companies reported strongly aligned business and ESG strategies. Information Technology companies reported the lowest strategic alignment, at 44% (*Figure 5*).

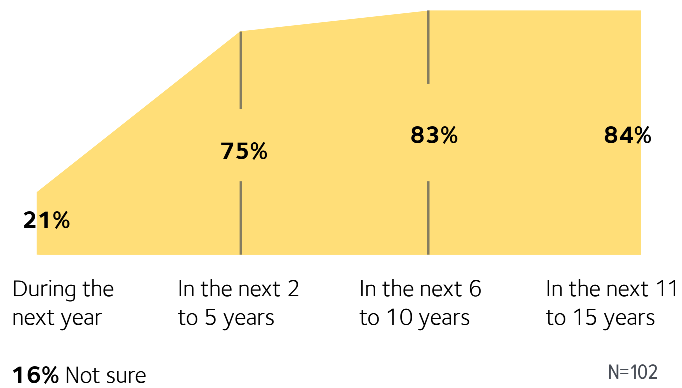
Figure 5. Percentage of Companies Strongly Aligning Business Strategy and ESG



Some industries excluded due to small sample size. N=122

The data from this research reflects acceleration in recent years toward the full alignment of ESG with a company's overall business strategy. When companies were asked when they thought that ESG would be truly integrated across every department (not only on a strategic level, but also in daily decision making), 21% predicted it would happen within the next year and a total of 75% predicted integration would occur within the next five years. (*Figure 6*). Only 1% thought it would take 10 years or more, while 16% were still unsure. Since full-scale ESG integration takes many years to plan and implement, the fact that so many companies believe that full integration will be achieved in the near term suggests that much of the work required to achieve this milestone is well underway.

Figure 6. ESG Integration Timeline



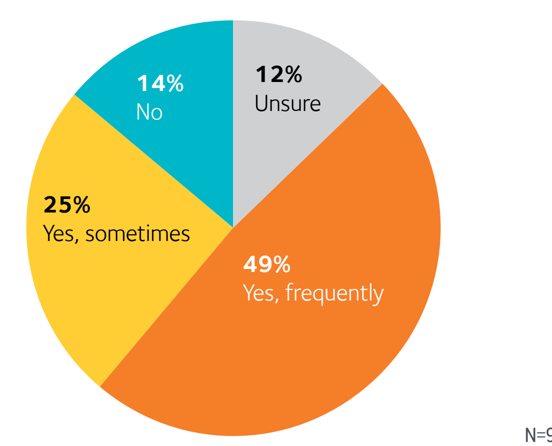
With increasing emphasis placed on ESG integration, data collection, and reporting, this research aimed to capture insight into how these efforts create specific forms of value. 24% of companies reported that ESG data was helping them decrease resource dependency, which reduces both their expense profile and supply chain risks. 75% reported that ESG data was helping increase operational efficiency. 69% said it was helping them attract new generations of empowered employees, which is especially important during the currently tight labor market.[7] 58% of companies reported it was helping to attract ESG investors. Investor interest in a company's ESG metrics is steadily increasing as the management of societal and planetary pressures increasingly impacts productivity and profitability.[8] Only 1% of companies reported that ESG data was not helping them at all (*Figure 7*).

Figure 7. How ESG Data is Impacting Companies

Considering the Investor Perspective

Investors need material ESG disclosures to evaluate the enterprise value of companies. Between 1995 and 2015, the share of total market value attributed to intangible assets increased from 68% to 84%. Since the onset of the COVID-19 pandemic, the trend accelerated with intangible assets commanding 90% of the S&P500 market value in 2020.[9] While the demand for financial data to evaluate a company's performance and potential has always been high, the appetite for material ESG disclosures is now approaching the same levels. Net flows to ESG funds in 2020 were more than double those in 2019, and nearly ten times more than in 2018.[10] Investor interest in sustainability data is being driven not only by external factors such as a global social awakening or environmental risk and internal factors such as corporate governance, but also by the rising demand for emerging financial instruments such as green bonds, which grew from almost zero in 2012 to US$280 billion in 2020.[11] Standard & Poor Global Ratings predict that global sustainable debt issuance will surpass US$700 billion in 2021.

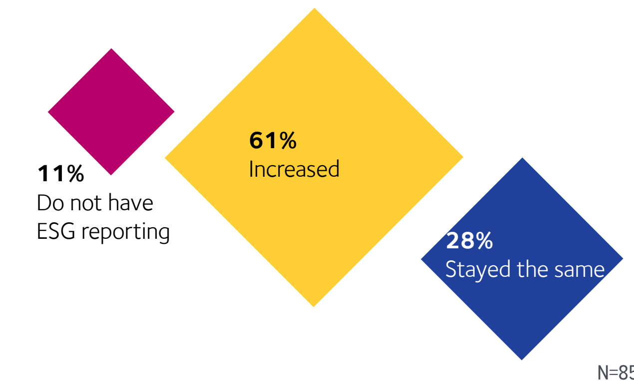
Figure 8. Percentage of Companies Considering the Investor Perspective When Reporting on Social KPIs in Sustainability Reports



This research shows that 74% of companies consider the investor's perspective when reporting on the social aspects of ESG data in their disclosures, with 49% of responding companies reporting that they did so frequently, 25% sometimes, and 14% never. 12% are still unsure (*Figure 8*).

The majority of responding companies indicated that the amount of publicly released ESG reporting has increased over the last year, with 61% of companies reporting an increase in

Figure 9. Prevalence of Publicly Released ESG Data



2020 over 2019 (*Figure 9*). 28% of companies stated that ESG reporting stayed at about the same levels in 2020, while 11% of companies still did not engage in ESG reporting at all.

Due to the resources required to collect and collate data for non-financial reporting, the increased demand for ESG disclosure can put a strain on a company's internal resources. Both companies and investors have long bemoaned the inconsistency of reporting standards that encourage a company to disclose similar information in multiple formats. There has been a sigh of relief with the announcement of the formation of a new International Sustainability Standards Board (ISSB),[12] which will develop a comprehensive global baseline of high-quality sustainability disclosure standards to meet investors' information needs. The ISSB will use the existing, complimentary standards, set by the Carbon Disclosure Project and the Value Reporting Foundation (which encompasses the Sustainability Accounting Standards Board (SASB) and the Integrated Reporting Framework) to create a single, global reporting system, by June 2022.

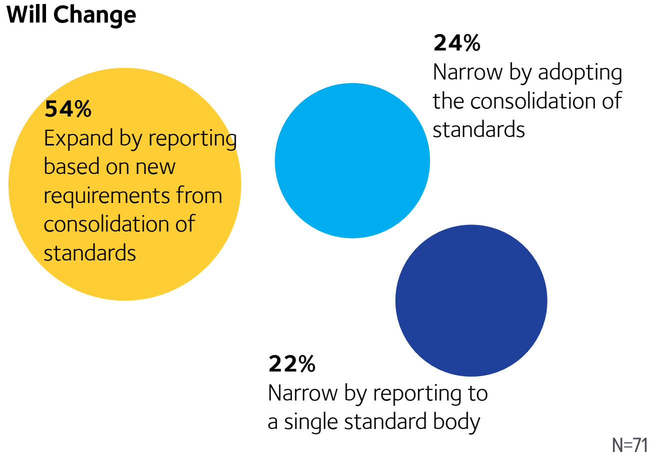
Despite this exciting development, governmental bodies continue to be the main driver of reporting standards. The fifth edition of *Carrots and Sticks*,[13] a report compiled by the Global Reporting Initiative (GRI) and the University of Stellenbosch Business School, documented 614 reporting requirements across over 80 countries in 2020, an increase from the 383 documented in the previous report in 2016. Governments accounted for almost 400 of these requirements, an increase of 76% in four years. Investors are continuing to call on companies to report on climate-related risks as part of their financial disclosures. In September 2020, global investor groups representing more than US$103 trillion in assets penned an open letter requesting that both companies and their auditors include climate-related risks in financial reporting.[14]

7 https://www.conference-board.org/topics/global-labor-market-outlook/Global-Labor-Outlook-2021
8 https://www.issgovernance.com/library/esg-matters/

9 https://www.oceantomo.com/intangible-asset-market-value-study
10 https://www.morningstar.com/articles/1019195/a-broken-record-flows-for-us-sustainable-funds-again-reach-new-heights
11 https://www.spglobal.com/en/research-insights/featured/understanding-voluntary-carbon-markets
12 https://www.ifrs.org/news-and-events/news/2021/11/ifrs-foundation-announces-issb-consolidation-with-cdsb-vrf-publication-of-prototypes/
13 https://www.carrotsandsticks.net
14 https://www.unpri.org/accounting-for-climate-change/investor-groups-call-on-companies-to-reflect-climate-related-risks-in-financial-reporting/6432.article

Given that the number of potential reporting requirements, both regulatory and voluntary, continues to grow in scope and complexity, this research asked companies if they intended to consolidate their reporting paradigm over the next two years (*Figure 10*). 54% of companies expected their ESG reporting to expand even further based on new reporting requirements. Another 24% expected to narrow their reporting by adopting the consolidation of standards, while 22% planned to narrow their disclosures by reporting to a single non-governmental standard. There were some regional differences of note in the responses. All responding companies in South Korea and Israel expect to expand their ESG reporting, while all responding companies in Chinese Taipei, China, and Saudi Arabia expect to narrow their reporting by adopting the consolidation of standards or by reporting to a single standard body.

Figure 10. How Non-Financial Reporting at Companies Will Change

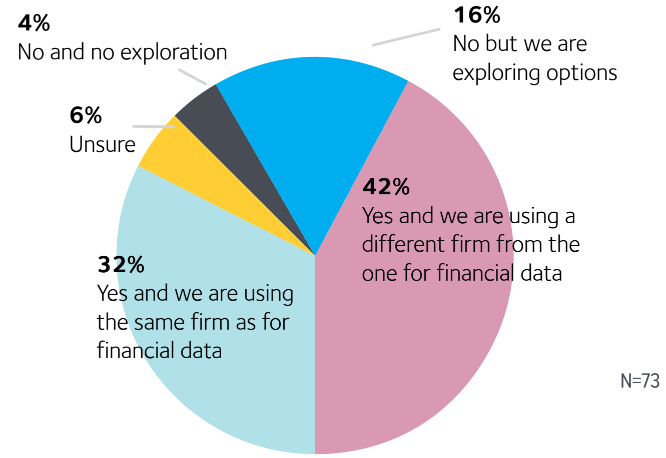


The *2020 KPMG Survey of Sustainability Reporting*[15] found that 73% of the world's largest 250 companies (the G250) use GRI to report on their sustainability performance, while 67% of the N100 (5,200 companies comprising the largest 100 firms in 52 countries) also use GRI. SASB reporting also continues to grow.[16] SASB tracks unique reporters over a two-year period because many companies prepare sustainability reports every other year. There have been 1,428 unique SASB reporters since 2019 including over half of the 644 S&P Global 1200. 51% of these SASB reporting companies are headquartered outside of the U.S.

Given the scope and complexity of ESG reporting, this research captured data on whether companies used an outside firm to audit and assure their non-financial data in 2020. It was reported that outside firms were used by 74% of companies, with 32% using the same firm as for their financial data and 42% using a different firm (*Figure 11*). 16% of companies reported that they were not auditing their ESG data but were exploring options to start doing so. Only 4% were not using an auditor and had no plans to engage one. Of note, 93% of Materials companies, and 77% of Financials companies, reported that they use an outside firm to audit their non-financial data.

15 https://home.kpmg/xx/en/home/insights/2020/11/the-time-has-come-survey-of-sustainability-reporting.html
16 https://www.sasb.org/about/global-use/

Figure 11. Percentage of Companies Using Firms to Audit and/or Assure Non-Financial Data



Sustainable Development Goals

A CECP analysis of Bloomberg terminal data of an unmatched set of the top 3,000 global companies by revenue shows that, in 2020, 26% of companies (N=2,084) have set a quantitative target for achieving at least one of the 17 United Nations (U.N.) Sustainable Development Goals (SDGs) (*Figure 12*), up from 19% in 2019 (N=2,358) and 14% in 2018 (N=2,343). Evidently the SDG framework has resonated throughout all business sectors and the investor community since the goals' launch in 2015.

When looking at companies by industry, Consumer Staples (41%), Utilities (39%), and Materials companies (38%) are clear leaders in adapting to the SDGs. The Financials and Communications sectors, both at 20%, are the least likely to have set a quantitative SDG, yet even these industries are showing swift adaptation to the SDGs. The number of Financials companies that have set an SDG has increased from 47 in 2018 to 81 in 2020.

FIGURE 12. Percentage of Companies that have Set a Target for At Least One SDG

INDUSTRY	%
Communications	20%
Consumer Discretionary	24%
Consumer Staples	41%
Energy	28%
Financials	20%
Health Care	24%
Industrials	21%
Information Technology	25%
Materials	38%
Utilities	39%
ALL COMPANIES	26%

N=2,084

Source: Bloomberg ESG database, 2020 data, CECP analysis.

Companies Advancing the SDGs

GERMANY | Vonovia
One of the core values of Vonovia, a German real estate and DAX 40 listed company, is to promote social cohesion and offer solutions for particularly vulnerable people such as refugees and the homeless (SDG 1 and SDG 11). In this context, Vonovia cooperates with state governments, cities, and municipalities as well as other residential real estate companies. One example of this commitment is the Housing First initiative, a partnership with the social welfare office of Dresden, created to provide homeless people with apartments from its own real estate portfolio as a basis for a new start in life.[17]

GERMANY | Post DHL Group
With the GoTrade Program, Germany's largest logistics company, Deutsche Post DHL Group, provides access to global markets for small and medium-sized enterprises in developing countries. The program is designed to expand the reach and benefits of globalization by working with governments and international organizations and drawing on the company's expertise in logistics, customs, and trade. It teaches small and medium-sized companies about the value of cross-border trade and gives them the tools to access the global marketplace.

In 2020, Deutsche Post DHL Group initiated cooperation with the German Federal Ministry for Economic Cooperation and Development (BMZ) to promote digital customs, trade processes, and e-commerce in Africa. Initiatives include a new digital system to allow African companies to complete customs procedures online and new e-commerce platforms to create new sales markets. GoTrade (SDG 8, SDG 17) is one of the four Go Programs Deutsche Post DHL Group has designed and implemented to support achieving the SDGs.[18]

GREAT BRITAIN | BNP Paribas
As an investment bank and international financial services provider for corporate and institutional clients, BNP Paribas has a mission to contribute to a responsible and sustainable economy by financing and advising clients according to the highest ethical standards. The bank is fully committed to the SDGs, using them as a guiding framework to transform their activities. To help this succeed, BNP Paribas wants its staff to understand the goals and why they are important to the future of our planet. Therefore, the organization ran a 17-month campaign in the U.K. revolutionizing the way their staff saw and engaged with the 2030 Decade of Action Agenda, helping them to understand the role they play in making a difference.[19]

GREAT BRITAIN | Tideway
Tideway (Bazalgette Tunnel Limited) is the company financing, building, maintaining, and operating the Thames Tideway Tunnel, a 25-kilometer tunnel that intercepts millions of tons of sewage that spill into the River Thames each year. The company is also tracking delivery of 54 wider environmental, social, and economic commitments to benefit London. Tideway mapped all 54 commitments against the SDGs through a research project with University College London and South Bank University's Nathu Puri Institute for Engineering and Enterprise.

Tideway used its mapping first to describe its wider benefits, and then to frame its progress, highlighting how one of the largest infrastructure projects in the U.K. is supporting global sustainability efforts. The mapping was extended to an SDG target level, to show in more detail where the project expects to make a significant contribution. For example, Tideway supports the charitable organization Women Into Construction, mentors individual women, and funds a self-assessment tool to further gender diversity in smaller organizations. These measures are bringing more women into construction and engineering in support of SDG 5: Gender Equality, specifically targets 5.1 (Discrimination against women) and 5.5 (Equal opportunities for leadership).[20]

17 https://reports.vonovia.de/2020/sustainability-report/_assets/downloads/entire-vonovia-sr20.pdf
18 https://www.dhl.com/global-en/spotlight/sustainability/gotrade-program.html
19 https://www.bitc.org.uk/case-study/bnp-paribas-getting-to-know-the-global-goals/
20 https://bitc.org.uk/case-study/tideway-londons-super-sewer-using-the-global-goals/

CASE STUDY: CHINESE TAIPEI

Sinyi Realty: The Integration of ESG Management into Daily Operations

From its headquarters in Taipei, Sinyi Realty provides innovative and comprehensive real estate services that build on its mission of upholding and promoting the security of real estate transactions across China, Japan, and Southeast Asia. To promote the value of ethics throughout the company, Sinyi established a Corporate Ethics Office, led by a Chief Ethics Officer. It established a Total Ethical Management committee as the highest decision-making unit to coordinate ESG strategy and to ensure that ESG principles are incorporated across the core company strategy and operations.

Environment (E)

Sinyi has actively implemented organizational carbon emissions management, introduced ISO 14064-1 and ISO 50001, and updated operationally to eco-friendly equipment to reduce carbon emissions and improve energy efficiency. Sinyi participated in the Science Based Targets initiative (SBTi) and set a GHG emission reduction target of 90% over 2017 levels (Scope 1&2) by 2030, while moving towards carbon neutrality and net zero emissions. By 2020, Sinyi had reduced carbon emissions from electricity consumption by 34% over 2010 levels, with a total reduction of 30,205 ton CO2e since 2010.

Social (S)

Employees

Sinyi considers employees as important partners, and implemented a 3H policy—high-paying jobs, a happy career path, and healthy support—to counter the high employee turnover rate common in the industry, achieving a decrease in turnover rate for three consecutive years, from 2018 through 2020.

Customers

In line with its brand promise—"Sinyi begins with trust and ends with perfection"—Sinyi committed to protect the rights and privacy of clients and provide superior customer service. In 2020, Sinyi assisted 16,923 customers in accomplishing their transactions.

Communities

Sinyi uses its core competencies to expand the common good from the home to the community. One of Sinyi's most remarkable initiatives has been the We are ONE project, fostering community prosperity and harmony. Since 2004, the company has invested more than NT$400 million to assist over 2,608 communities in realizing their dreams of community renovation. By 2020, the project has achieved a 99.46% coverage rate, meaning that out of 368 townships in Chinese Taipei 366 have applied to participate in the project.

Governance (G)

For seven consecutive years, Sinyi has been ranked in the top 5% of listed companies in corporate governance evaluations conducted by the Taiwan Stock Exchange. The company's commitment to transparent governance has positively impacted their bottom line. Despite the pandemic, Sinyi achieved a 30% increase in net operating profit in 2020.

Supply Chain

To build an ethical culture in its supply chain, Sinyi has worked with its suppliers to secure their commitment to their Sustainability Terms and Procurement Ethics Standards. The company has performed over 1,000 on-site inspections and plans to introduce ISO 20400 in 2021. By upholding ethics as a core strategic principle, Sinyi strives to protect stakeholder interests and aims to redefine innovative residential services. For the long term, it will continue to work towards a win-win growth paradigm and an ethical contract with society and humanity.

CASE STUDY: SOUTH KOREA

Hyundai Steel: Creating a Resource Circulation System: A Coffee Grounds Recycling Project

Coffee grounds are the by-products of brewing coffee, and for this Coffee Grounds Recycling Project Hyundai Steel applied the same concepts used in its circular-economy initiative for reusing discarded steel scrap. Since 2018, in cooperation with the central and local governments and NGOs in Korea, Hyundai Steel collected coffee grounds produced in the city of Incheon and up-cycled them into eco-friendly products such as flowerpots, bricks, and road-paving material. This not only reduced waste in local communities but also helped create jobs for the underprivileged.

In 2020, with the participation of coffee shops in Incheon and specifically the city districts of Jung-gu and Michuhol-gu, Hyundai Steel collected a monthly average of 15 tons of coffee grounds, enabling support for four social ventures that took part in the second edition of their open competition. In recognition of these achievements, the Coffee Grounds Recycling Project was honored by Incheon in November 2020 as part of the city's Eco-Friendly Resource Circulation Policy. In March 2021, Hyundai Steel's MOU with the city was extended and expanded to include the districts of Bupyeong-gu, Namdong-gu, and Seo-gu. Going forward, Hyundai Steel will continue its commitments to enhancing local resource circulation and raising public awareness of recycling.

The Coffee Grounds Recycling Project was awarded the 7th Porter Prize for Excellence in Creating Shared Value (CSV) in the category of Effectiveness in 2020. The Porter Prize was created in partnership with Harvard Professor Michael Porter to recognize companies and institutions that have shown leadership in CSV. Hyundai Steel was recognized for its contribution to addressing social issues through this innovative project.

ESG Highlights

CANADA: The Government of Canada ramped up its emissions reduction targets in 2020 under the Paris Agreement. Canada now aims to reduce emissions by 40-45% from 2005 levels and achieve net zero emissions by 2050. In 2020, 71% of companies listed on the S&P/TSX Composite Index released an ESG report, up from 58% in 2019.[21]

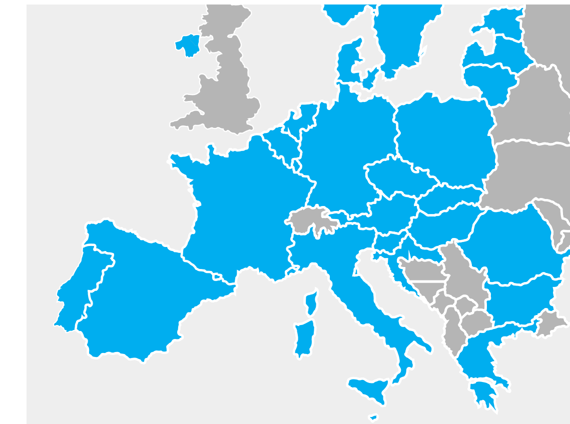
U.S.: In 2021, the U.S. announced that the Environmental Protection Agency intends to limit the methane coming from about one million existing oil and gas rigs across America. Soon after, the U.S. delegation to the COP26 Climate Summit in Glasgow led 105 countries, including half the world's top 30 methane emitters, in signing the Global Methane Pledge, committing to reducing methane gas emissions by 30% by 2030.[22]

BRAZIL: While from a legal point of view Brazil does not have disclosure requirements with an ESG focus, Brazil does have a regulatory framework with multiple guidelines that impact the ESG agenda. Guidelines come from the Central Bank, SUSEP (Superintendência de Seguros Privados), and the Securities and Exchange Commission. The Securities and Exchange Commission requires that companies issuing shares or securities must report their degree of exposure to socio-environmental risk, requires mandatory reporting of information on impacts on the environment and corporate governance, and requests that listed companies publish information on corporate governance practices according to the Brazilian Code of Corporate Governance.[23]

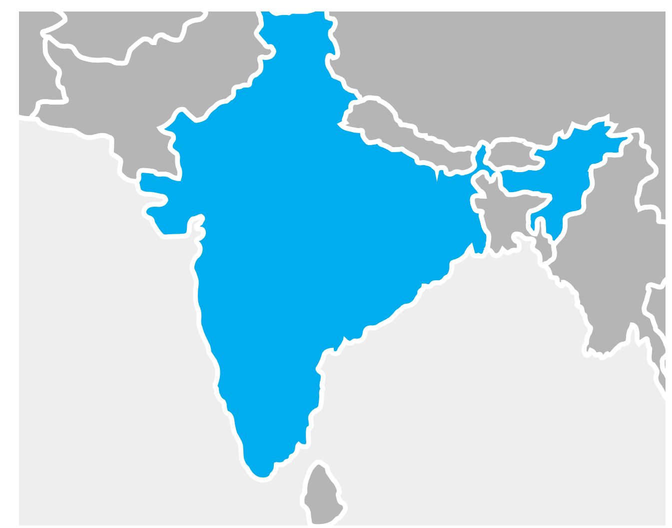
ISRAEL: Israel is experiencing a significant increase in the number of companies engaging with ESG issues. Israeli companies are seeking to expand their commitment most notably in the spheres of the environment and climate change. Maala has seen a record number of new corporate members joining the network (20% increase to their corporate membership), as well as a 10% increase in the number of companies entering the Israeli ESG Index traded on the Tel Aviv Stock Exchange. Currently 17% of Israeli companies publish sustainability reports and the Israeli Government would like that number to double next year. To this aim, the government has extended funding to 22 public companies towards the publication of their first ESG reports.[24]

21 https://www.tsx.com/resource/en/2722
22 https://www.globalmethanepledge.org
23 https://www.ibgc.org.br
24 https://info.tase.co.il/Eng/about_tase/news/2021/Pages/PR_20211011.aspx

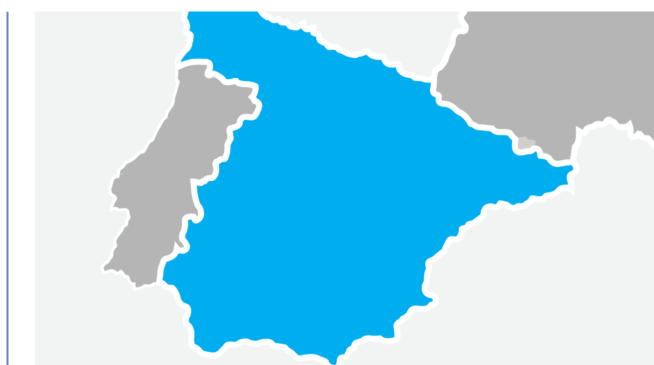
THE EUROPEAN UNION: In March 2018, the European Commission published an action plan to finance sustainable growth. This plan called for the establishment of an E.U. taxonomy for sustainable activities. In October 2020, the Commission established the Platform for Sustainable Finance and created five working groups, including the Subgroup on Social Taxonomy, which was tasked with exploring the extension of the taxonomy regulation to social topics. In July 2021, the Platform published its first draft report on a proposal for a social taxonomy, as well as approaches for defining Substantial Contribution and Do No Significant Harm criteria.[25]



The Sustainable Finance Disclosure Regulation (SFDR) was introduced in 2019 and came into effect in March 2021, to support the European Green Deal, which reimagines a European economy that is climate neutral by 2050. It modifies the core approach to investing by increasing sustainability related disclosure, creating more clarity in relation to what's material, and increasing transparency. Investment fund managers will have to disclose ESG risks in their portfolios. The SFDR aims to counter greenwashing and improve disclosures so that investors can understand and compare financial products and a company's sustainability practices while creating a level playing field within the E.U. so that European companies will not be exposed to unfair competition from companies outside the E.U.[26]



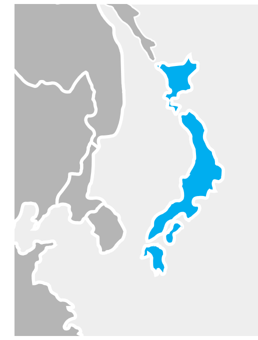
INDIA: in Glasgow, at the United Nations Climate Summit (COP26) in 2021, India committed to its first ever carbon reduction goals, with targets set for 2030 and 2070. Prime Minister Modi promised that by 2030 India would expand its renewable, hydro, and nuclear power capacity to 500 gigawatts; that 50% of electrical generating capacity would be based on renewable energy; and that India would reduce its projected carbon emissions by one billion metric tons.[27]



SPAIN: Fundación SERES is developing an impact framework called Huella Social, which aims to measure the social impact of corporate social investment projects. The methodology considers international standards (such as GRI and SASB), the European Union's recuperation plan Next Generation, and the España Puede strategy developed to orientate its implementation in Spain.[28]

25 https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en
26 https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance_en
27 https://www.nature.com/articles/d41586-021-03044-x
28 https://www.fundacionseres.org/Lists/Prensa/Attachments/1627/NdP_Indice%20SERES%20_Huella%20social.pdf

JAPAN: The Corporate Governance Code was revised in June 2021 to include sustainability issues. Companies will be required to enhance the quality and quantity of climate-change related disclosures based on Task Force on Climate-Related Financial Disclosures (TCFD) or other equivalent international frameworks if they wish to be listed in the Prime Market when the new Tokyo Stock Exchange market segments take effect in April 2022.[29]



The Kansai Economic Federation Kankeiren requested its member companies to register their corporate facilities that could contribute to strengthening the regional medical care system and provided the collected information to local governments. Kankeiren also set up a fund for corporate donations amounting to approximately 1 billion yen (US$8.8M) to assist local governments dealing with the pandemic and to support research projects related to COVID-19.[30]

CHINA: In 2020, at the 75th U.N. General Assembly, President Xi proposed that China would strive to reach peak carbon emissions before 2030 and achieve carbon neutrality before 2060. The China Banking Association sent a clear policy signal to all companies, by establishing a working group of experts to support carbon neutral goals.[31]

In November 2021, The People's Bank of China (PBC) officially launched a carbon emission reduction support tool. The PBC provides financial support for eligible carbon emission reduction loans, issued by financial institutions to enterprises in key carbon emission reduction areas, at 60% of the loan principal with an interest rate of 1.75%. In addition, PBC plans to guide financial institutions in carrying out stress tests and gradually to incorporate climate change-related considerations into the macro policy framework.[32]

In August 2021, the number of green bonds issued reached 350 billion yuan, surpassing the 2020 total. More than half of the bonds were carbon neutral in nature. The PBC also issued the Green Finance Evaluation for Banking Financial Institutions, which effectively guides banks to invest and hold green bonds.[33]

The National Development and Reform Commission, the PBC, and the China Securities Regulatory Commission (CSRC) will issue an ESG disclosure plan for companies in 2022. A mandatory ESG disclosure system will be implemented by 2025.[34]

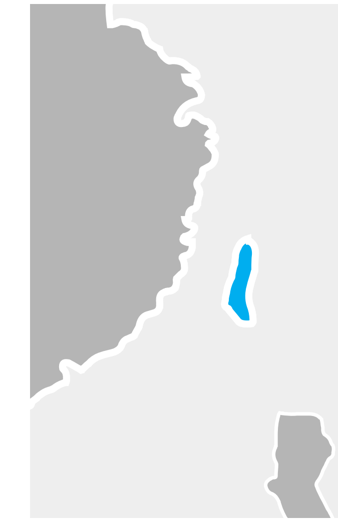
In 2021, the CSRC announced it will be cooperating with the establishment of international standards for non-financial reporting and issued guidelines on the format and content of annual reports for listed companies, requiring them to set up a separate section for ESG reporting and encouraging the disclosure of carbon emission reduction measures and results.[35]

The Common Ground Taxonomy-Climate Change Mitigation (CGT) study, by the PBC and the European Commission, was officially released. The CGT includes a list of economic activities that are recognized both by China's and the E.U.'s green taxonomies. Because of this standard, the green financial products of China and Europe will be more easily made compatible and mutually trusted.[36]

In July 2021, the national carbon market officially launched. The market now includes 2,162 power plants, covering approximately 4.5 billion tons of carbon emissions, the largest coverage in the world.[37]

29 https://www.jpx.co.jp/english/equities/market-restructure/market-segments/index.html
30 https://www.kankeiren.or.jp/English/index.html
31 https://www4.unfccc.int/sites/NDCStaging/Pages/Party.aspx?party=CHN
32 https://english.www.gov.cn/statecouncil/ministries/202111/08/content_WS61892c79c6d0df57f98e4ace.html
33 https://www.climatebonds.net/2021/11/2021-already-record-year-green-finance-over-350bn-issued
34 https://www.responsible-investor.com/articles/annual-reports-in-china-will-now-include-environmental-and-social-information
35 http://www.csrc.gov.cn/csrc_en/index.shtml
36 https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/211104-ipsf-common-ground-taxonomy-instruction-report-2021_en.pdf
37 http://www.news.cn/english/2021-10/28/c_1310275267.htm

CHINESE TAIPEI: Under the Corporate Governance 3.0 - Sustainable Development Roadmap released in August 2020, over 250 companies are expected to be included within the mandatory reporting scope of ESG metrics. Starting in 2023, GRI disclosures as well as SASB and TCFD recommendations will be required as part of companies' reporting cycles.[38]

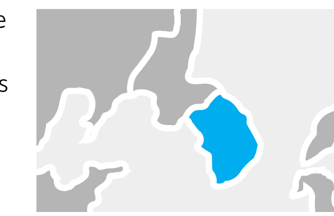


The total number of sustainability reports published in Chinese Taipei surpassed the 600 mark for the first time in 2020. Out of these, 48% are voluntarily aligning with common market practices and preparing for future regulations. 63% of companies have established a committee dedicated to integrating ESG into their business.[39]

In the 2021 edition of the Dow Jones Sustainability Index, a combined total of 26 companies in Chinese Taipei were listed, with three companies positioning themselves as global industry leaders.[40]

As part of the new Climate Change Act of September 2021, the Environmental Protection Agency announced its intention to design a carbon levy mechanism that would take effect in 2023 to charge large carbon emitters for their emissions. A national net zero target for 2050 is also included.[41]

KOREA: The Serious Accident Punishment Act (SAPA) was passed in January 2021 to ensure safe and healthy workplace environments. It stipulates that business owners and managerial personnel will be held criminally liable for serious industrial and public accidents, with penalties including fines and imprisonment. For workplaces with over 50 personnel, the legislation is scheduled to come into effect on 27 January 2022.[42]



RUSSIA: In October 2020, Russian President Vladimir Putin declared that Russia plans to become carbon neutral no later than 2060. Later in the month, the Cabinet of Ministers approved a strategy of socio-economic development of Russia with a low level of greenhouse gas emissions until 2050.[43]

In July 2021, Bank of Russia released a statement to encourage Russian public companies to disclose information about ESG factors and to build ESG into their business models and annual reporting. These recommendations are currently voluntary.[44]
In September 2021, VEB.RF launched the national green taxonomy and verification criteria for sustainable financing.[45] The social taxonomy is also under development at the moment, and is expected to be one of the most comprehensive taxonomies of its kind worldwide.

There are no standard requirements to disclose information on ESG yet. However, Russian public and private companies, which operate and/or seek investments in the U.S. and Europe, are highly motivated to report on their ESG activities. Major regulators and development institutions such as the Central Bank of Russia, the Ministry of Economic Development, the State Development Corporation (VEB.RF), and the Moscow Stock Exchange have been actively engaged in the development, adoption, and implementation of voluntary regulation.

38 https://www.sfb.gov.tw/en/home.jsp?id=271&parentpath=0,117,118,120
39 https://csrone.com/topics/6778
40 https://csrone.com/topics/6546
41 https://www.epa.gov.tw/ENG/F7AB26007B8FE8DF/74023638-a2ee-4d1f-ad5a-8941a2415ba2
42 https://www.shinkim.com/eng/media/newsletter/1453
43 http://en.kremlin.ru/events/president/news/66916
44 https://www.cbr.ru/eng/press/event/?id=11067
45 https://xn--90ab5f.xn--p1ai/en/sustainable-development/green-finance/?tabs=methodology

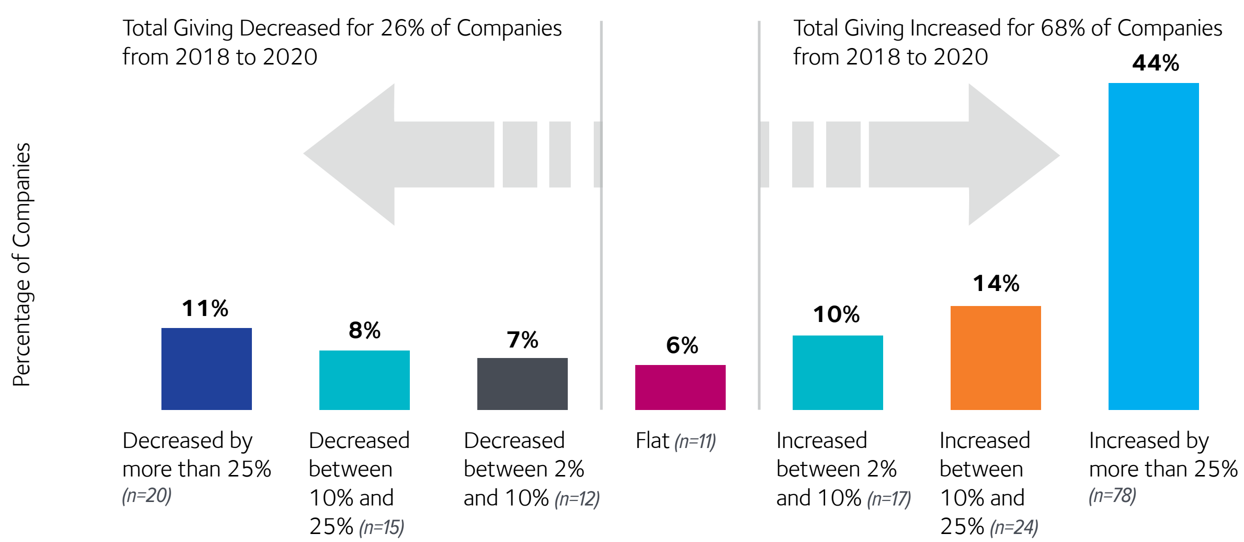
Social Investment During the COVID-19 Pandemic

Corporate Community Investment has always been responsive to changes in the economic environment, especially company profits and national GDP. The COVID-19 pandemic impacted every company in the world and disrupted global supply chains beyond recognition. The only thing more remarkable than the pandemic was the myriad of impactful corporate responses. As detailed in the case studies in this report, steel producers built COVID-19 wards in city hospitals, mining companies developed clinics in rural underserved communities, industrial giants adapted STEM curricula to virtual learning environments, and investment companies advised municipalities on how to manage their community-level pandemic response.

The impact of COVID-19 on social investment was uneven across countries, sectors, and companies. CECP's *Giving in Numbers: 2021 Edition* reported a substantial increase in median total community investments in 2020, which led to a 68% increase in total giving in a three-year matched set of 177 companies between 2018 and 2020 *(Figure 13)*. This increase was due to in-kind donations in the form of product donations, despite the economic downturn that led to a decrease in median revenue and pre-tax profit of -12% and -24%, respectively, over the same period.[46]

Although most companies increased community investments between 2018 and 2020, there was a small group of Consumer Staples companies (29%) that decreased community investments accounting for the largest share (39%) of the aggregate decrease in community investments across 26% of all companies. Such reduction includes wholesale retailers that may have made other types of social investments that cannot be accounted for as part of total community investments.[47]

Figure 13. Distribution of Companies by Changes in Total Community Investments Between 2018 and 2020, Inflation-Adjusted, Matched-Set Data



N=177

46 https://cecp.co/home/resources/giving-in-numbers/
47 https://cecp.co/home/resources/giving-in-numbers/

Bloomberg defines corporate cash giving as the amount of corporate cash donations for community-building activities. A CECP analysis of Bloomberg terminal data reported median cash giving of US$5 million in 2020 (N=219), among an unmatched set of 3,000 global companies with the highest revenue, up from US$4.45 million in 2019 (N=234) and US$4.2 million in 2018 (N=215).[48]

According to Bloomberg, community spend is the amount of money spent by a company on community-building activities in millions, including both cash and in-kind donations and excluding employee contributions and money raised through events. A CECP analysis of Bloomberg ESG data for the top 3,000 global companies by revenue, shows that the median total community spend across all companies in 2020 was US$4.95 million (N=1,149) (*Figure 14*), rebounding from US$2.8 million in 2019 (N=995), and up from US$3.57 million in 2018 (N=1,234). Companies in the Health Care sector were the most generous with a median spend of US$9.59 million, more than three times the US$3.09 million they spent in 2019, largely driven by their response to the COVID-19 pandemic. The Financials sector also boasted a large increase in median community spend year over year, from US$5.81 million in 2019 to US$8.77 million in 2020, and Consumer Staples companies almost doubled their total community spend from US$4.92 million in 2019 to US$8.76 million in 2020.

Figure 14. Median Community Spend by Companies

INDUSTRY	US$M
Communications	$8.57
Consumer Discretionary	$2.50
Consumer Staples	$8.76
Energy	$6.74
Financials	$8.77
Health Care	$9.59
Industrials	$2.27
Information Technology	$3.82
Materials	$3.36
Utilities	$4.93
ALL COMPANIES	$4.95

N=1,149

Source: Bloomberg ESG database, 2020 data, CECP analysis.

A CECP analysis of 2020 Bloomberg ESG data shows that the median community spend by the 3,000 largest global companies by revenue, expressed as a percentage of pre-tax profit, was 0.59% (N=1,149) (*Figure 15*), up from 0.48% in 2019 (N=1,189) and 0.42% in 2018 (N=1,156). Companies in the Consumer Staples sector have the highest levels of social investment, with an average of 1.46% of profit in 2020, followed by Communications companies at 1.1% and Energy companies at 0.87%. Consumer Discretionary companies had the lowest median percentage of social investment at 0.38%. Although 2020 was a unique year, with various sectors of the global economy reacting in different ways to the challenges of the pandemic, companies on average increased their community investments, some substantially, and most sectors worked to deepen their community impact.

48 Bloomberg ESG database, 2018, 2019, 2020 data, CECP analysis.

Figure 15. Median Community Spend as a % of Pre-Tax Profit

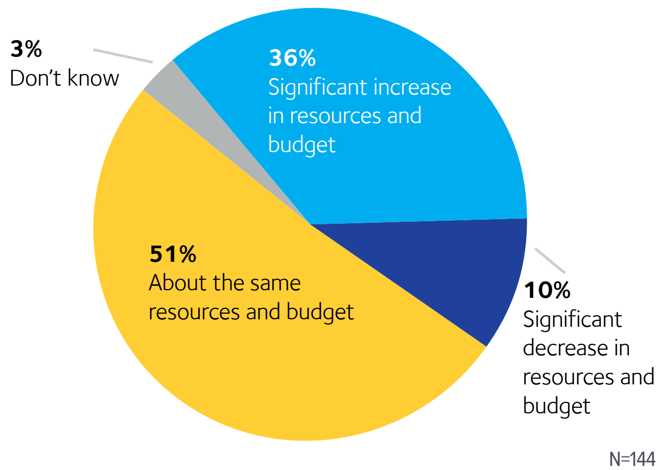
INDUSTRY	%
Communications	1.10%
Consumer Discretionary	0.38%
Consumer Staples	1.46%
Energy	0.87%
Financials	0.54%
Health Care	0.62%
Industrials	0.44%
Information Technology	0.46%
Materials	0.67%
Utilities	0.51%
ALL COMPANIES	0.59%

N=1,149

Source: Bloomberg ESG database, 2020 data, CECP analysis.

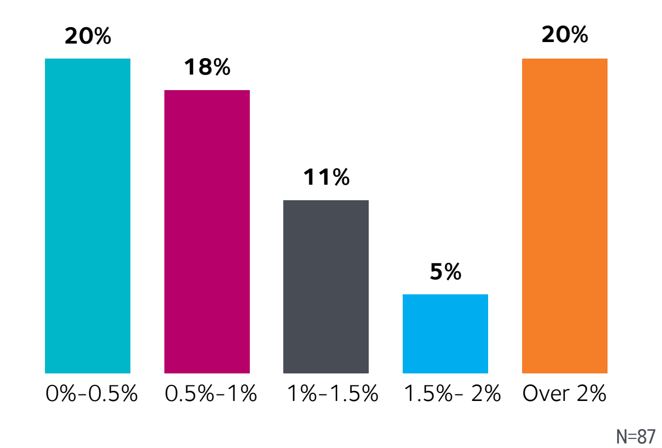
Just as the impact of the global pandemic has been uneven across industries, recovery may also be uneven. When this research asked companies to predict how their social investment budget would change over the next two years, 36% of companies predicted a significant increase in budget and resources, 51% predicted budgets to be about the same, and 10% predicted a significant decrease (*Figure 16*). Financials (23%) and Materials companies (19%) are more likely to expect a significant increase in funding over the next two years. 42% of those who predicted an increase over the next two years also had an increased budget for social investment in 2020 due to COVID-19. So, it appears from this research that, for many companies, their increased community investment, driven by the pandemic, will continue to grow. Companies with revenues under US$5 billion make up almost half (48%) of those expecting to increase investment, while only 6% of companies with revenues of US$50+ billion predicted a significant increase.

Figure 16. Predicted Budget Changes Over the Next Two Years



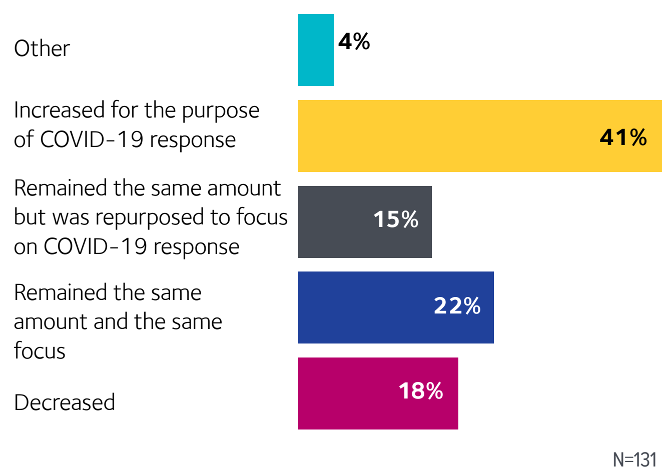
Companies were asked to disclose what percentage of profit they spent on social investments in 2020. 36% of companies said they spent over 1% of profit, with 20% spending over 2% of profit. 38% of respondents spent less than 1% of profit (*Figure 17*). 26% of companies were unsure what percentage of profit they spent on community investment.

Figure 17. Social Investments as a Percentage of Profit



The data demonstrates how social investments changed in 2020 due to the impact of the COVID-19 pandemic. 41% of companies reported an increase in budget for the purpose of COVID-19 response (*Figure 18*). Half of these companies had revenues under US$5 billion. 22% of companies reported that their budgets had remained the same, but some had been repurposed to address the impact of COVID-19 on the communities they serve. Financials (28%) and Materials (17%) companies were more likely to have increased their budgets to address the pandemic. Energy (17%), Industrials (13%), and Information Technology companies (17%) were more likely to have experienced a decrease in budget due to the pandemic. Companies with fewer than 10,000 employees made up 37% of the companies whose social investment budget increased due to COVID-19. Responding companies in the Russian Federation (n=21) reported that 71% increased their budgets to address the pandemic. 80% of responding companies in Spain (n=10) also increased their budgets.

Figure 18. How Social Investment Budgets Changed in 2020



The COVID-19 pandemic brought new challenges to social investment professionals. Not only were there new and unexpected social issues to mitigate, the administrative conduits through which investments are made were sometimes severely disrupted by the pandemic. Partnering NGOs not only faced increased demand for their services; they also had to adapt their delivery models to accord with social-distancing rules and the mechanics of lockdowns.

To uncover how the pandemic had changed investment priorities, companies were asked if their COVID-19 response led to specific new interventions in the community. Just over half (51%) of companies reported that their COVID-19 response led to a new specific community intervention, while 49% did not (*Figure 19*). When those companies that had made a specific new intervention due to the COVID-19 pandemic were asked where they had concentrated their new investments (*Figure 20*), 65% said their new interventions were focused on health care. Water, sanitation, and hygiene (10%) and food security (7%) were the next two most popular new interventions.

Figure 19. Companies with New Interventions as Part of COVID-19 Response

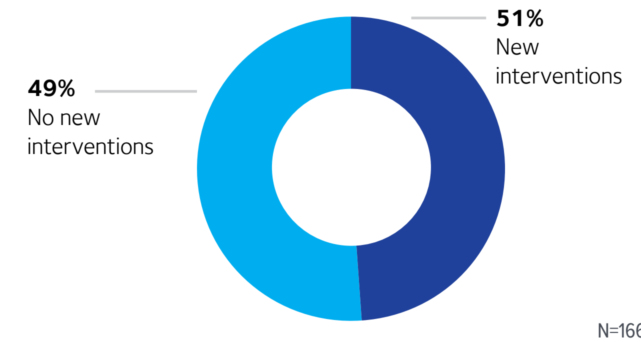
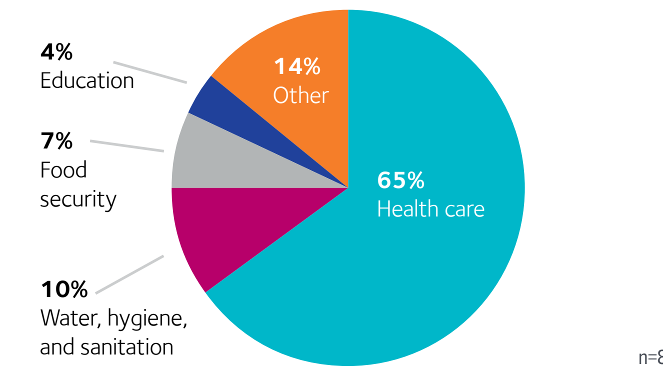


Figure 20. Types of New Interventions Developed as COVID-19 Response



STEM

Science, Technology, Engineering, and Math (STEM) is an important concentration area for social investment, especially for companies already focused on education and youth development, as the workforce of the future will be highly dependent on these crucial skills. This research data shows that in 2020 the median investment allocated to STEM as a percentage of a company's total community investment was 30% (n=89). The Information Technology sector averaged the largest investment of 40% of available budget in STEM (n=10); Consumer Staples companies were close behind at 38% (n=14), followed by the Communications sector at 33% (n=9). Health Care companies (n=10) and the Materials sector (n=19) on average invested the lowest percentage of their available budgets in STEM, both at 13%.

CASE STUDY: BRAZIL

Votorantim S.A.: Empowering Communities in the Fight Against COVID-19

As the pandemic deepened already existing community needs, several projects that were already in development were adapted and deployed at a national scale to meet the demands of the COVID-19 health crisis. As an extension of existing programs that engage companies in providing support to the public sector, the Todos Contra o Coronavírus initiative brought stakeholders in Brazil together to fight the spread of COVID-19 and drive social transformation among the most vulnerable and under-resourced communities.

The main project implemented was Municípios Contra o Coronavírus. Votorantim Institute and the Brazilian National Development Bank (BNDES)-invested companies and partners helped Brazilian municipalities cope more effectively with the COVID-19 crisis by providing mentoring, technical support, and health expertise to local public managers. In 2020, the project supported 151 municipalities across the country, leading to a significant reduction in the number of COVID-19 cases and deaths, compared to municipalities with similar characteristics that did not take part in the program. In recognition of this life-saving impact, the project was one of four winners of the Latin American Sustainable Communities Award (Premio Transformadores, presented by RedEAmérica). These efforts to support communities in the fight against COVID-19 and build long-term health-management capabilities across Brazil have continued into 2021.

In addition, through Votorantim Institute, Votorantim launched the Municipal Vulnerability Index (MVI) in May 2020. This tool assesses the degree to which each municipality in Brazil is vulnerable to the impacts of COVID-19. The study was presented to the Temporary Commission of COVID-19 in the Brazilian Senate and is being updated annually for continued public use in identifying needs and prioritizing destinations for resource allocation.

CASE STUDY: BRAZIL

Gerdau: Expansion of a Municipal Hospital in Response to the COVID-19 Pandemic

Implementing large-scale solutions to mitigate the devastating effects of the COVID-19 pandemic required the public, private, and philanthropic sectors to mobilize resources and work collaboratively. In anticipation of increased demand for care, Brazil's largest steel producer, Gerdau, helped provide the resources needed to build an expansion to the public Hospital Municipal M'Boi Mirim, in collaboration with Ambev, Hospital Israelita Albert Einstein, Brasil ao Cubo, and the Municipal Government of São Paulo. The hospital serves one of the most vulnerable populations in the city of São Paulo.

Construction was completed in just 33 days, and on April 27, 2020, the new treatment center for COVID-19 opened with 100 beds (with an expansion capacity of up to 200 beds), ready to care for patients diagnosed or suspected of being infected with the disease, with care provided by the Sistema Único de Saúde (SUS), Brazil's public health system. The medical team from the private health care institution Hospital Albert Einstein led the technical coordination. Each partner brought the necessary forms of business expertise to the project, with a total of more than 300 full-time professionals from partner organizations dedicated to making the project a reality.

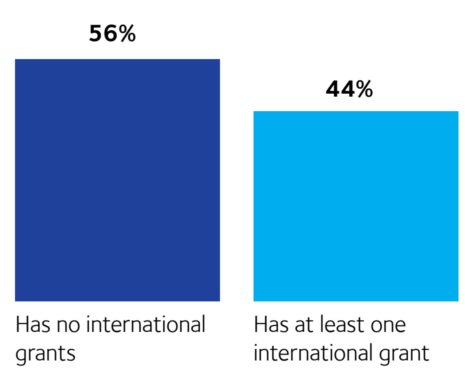
Ambev provided project management, given its experience applying agile processes in the construction of their warehouses, which are built in just 20 days. In addition, Ambev helped offset construction costs. Gerdau, in turn, invested R$4.2 million (US$750,000), supplied 100 tons of steel, and coordinated with Brasil ao Cubo to leverage their modular construction system and technology for greater efficiency. The use of modular construction reduces construction time, produces less waste compared to traditional construction, and optimizes costs through greater control of materials and processes, all keys to sustainable success.

During the negotiation process with the city hall of São Paulo, partners agreed that SUS would continue to operate the new treatment center after the coronavirus pandemic, resulting in an expanded health care capacity that will benefit the region for years to come. In November 2020, as part of its ongoing innovation and sustainability strategy, Gerdau announced the investment of R$60 million (US$10.7M) in a one-third stake in the Constructech Brasil ao Cubo. Gerdau also launched several acceleration and incubation programs for startups in the construction ecosystem, with the support of other institutions.

International Impact

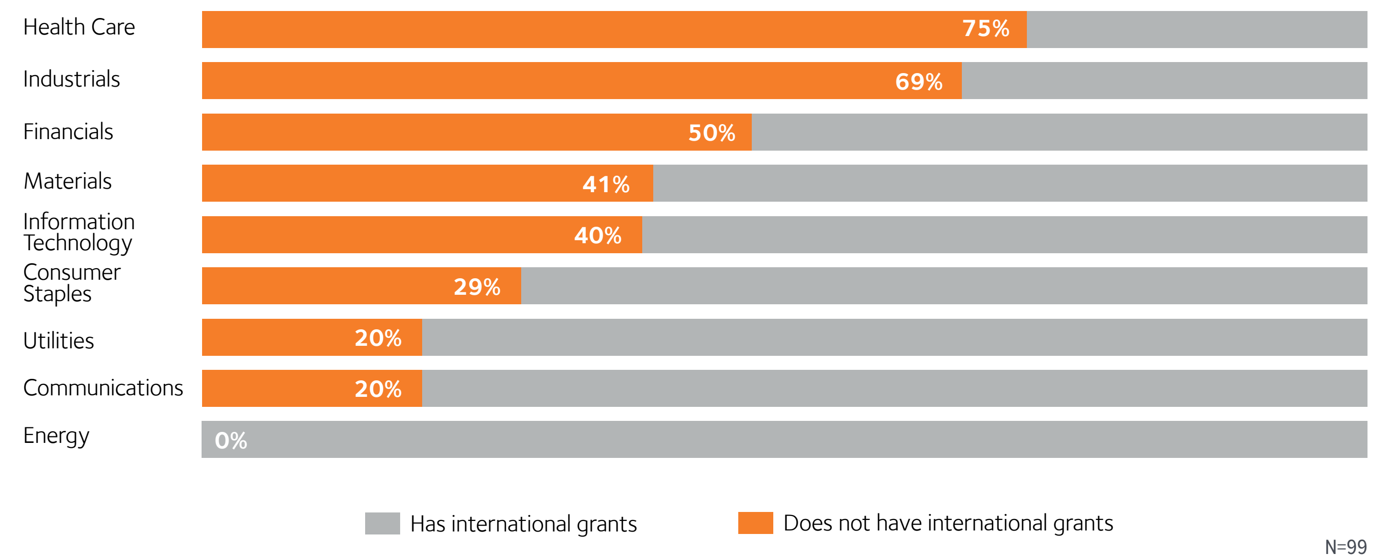
International community investment became more challenging in 2020, as the COVID-19 pandemic impacted business operations for both companies making investments and the organizations receiving them, complicating administrative tasks such as due diligence. 44% of companies that responded to this research made social investments with an international aspect in 2020 (*Figure 21*). Almost half (46%) of all companies that made international community investments had revenues under US$5 billion. These smaller companies were less likely to have a network of locally administered foundations that could create local partnerships on the company's behalf without cross-border due diligence.

Figure 21. Companies with Grants with International Impact



N=104

Figure 22. International Social Investments by Industry



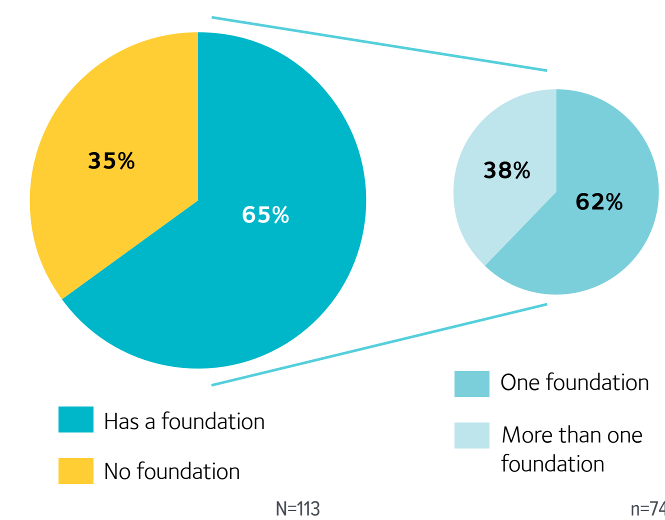
Some industries excluded due to small sample size.

75% of Health Care companies made international investments in 2020, along with 69% of Industrials and 50% of Financials companies. Energy was the least likely sector to make international investments (*Figure 22*). 65% of surveyed companies had a foundation or trust in 2020 (*Figure 23*), showing that foundations are seen as an active community investment model globally. Some countries have laws that favor a foundation structure to conduct social investment locally. Corporate foundations are highly dependent on the country where each is set up, given that every country has highly individualized legal and tax requirements. Companies invest the time and effort to establish a foundation because they can be strategic tools for acting on social issues within a country's boundaries. 38% of companies with a foundation (n=74) have more than one foundation with the average number being 5 and the median 3. This is an increase over what was reported in the 2019 CECP Global Exchange research (unmatched set), when the average was 3.3 and the median 2.

Companies with more than one foundation tend to be larger companies. 89% of those with more than one foundation have revenues of at least US$15 billion, and 66% of those with more than one foundation have at least 30,000 employees. Financials (45%) and Materials companies (27%) account for 74% of companies that had more than one foundation. Some companies may prefer to have more than one, or a network of corporate foundations in different countries, to carry out programs more efficiently and to be closer to local beneficiaries and stakeholders. Companies that decide to open foundations outside the company's headquarters country might also be benefiting from a national legal or fiscal framework that allows the company to expand its level of service to local stakeholders while also obtaining a tax advantage.

Operating multiple foundations requires an elevated level of administrative commitment to philanthropy. Not surprisingly, more than half of companies with more than one foundation offered matching-gift programs, and nearly 90% of companies with more than one foundation predicted an increase or a steady flow in social investment resources and budget over the next two years. Nearly 70% of companies with more than one foundation delivered an international impact grant.

Figure 23. Prevalence of Foundations



CASE STUDY: RUSSIA

X5Group: Hunger Relief During the COVID-19 Pandemic

X5Group, the leading Russian food retailer, and Foodbank Rus launched the Basket of Kindness social project in 2015. X5 pioneered food drives among Russian retailers, creating and promoting local food aid infrastructure. The project allows customers to buy and donate food in stores to feed people in local communities. The project also operates a complementary online donation initiative. Last year, the program played a critical role in collecting food donations during the COVID-19 pandemic. In 2020, charity events in X5 stores and online fundraising at Basket of Kindness raised more than 267 tons of food, almost 100 tons more than in 2019. More than 200,000 families have benefited from the project since its inception with customers having donated over 900 tons of food.

Basket of Kindness currently includes basic items with a long shelf life that make up part of a daily staple diet: cereals, pasta, canned goods, tea, sugar, sunflower oil, etc. In accordance with recommendations from Rospotrebnadzor, the Russian federal agency on consumer rights and human wellbeing, the food baskets also include nuts, sugar-free powdered and canned milk, and other healthy products. The Basket of Kindness project directly responds to SDG 2: Zero Hunger. It brings together the efforts of businesses, NGOs, and local communities to create an effective tool for providing food assistance to those in need. The project involves the creation of a charitable infrastructure based on the food-drive model. The project is a multi-layered partnership through which the company donates its own products and creates volunteer opportunities for its employees while partner NGOs effectively distribute the donations to recipients.

The pandemic lockdowns in Russian cities demanded that the project adapt and respond to increasing needs. In the spring of 2020, an ad hoc campaign was launched on the initiative's website to buy food for people over 60 and who, having been advised to self-isolate, were especially vulnerable to the social and health impacts of the pandemic. In addition, X5 Group delivered food to hospitals for medical personnel working on the frontlines with COVID-19 patients. 79 hospitals in 17 regions and more than 70,000 doctors received 75.9 tons of food. In 2020, the Basket of Kindness project also helped support animal shelters. 21 tons of pet food were sent to 3,500 dogs and cats, in ten shelters in the Moscow Region, Rostov-on-Don, Kazan, Samara, and other areas.

CASE STUDY: BRAZIL

Coca-Cola Brazil: Virtual Job Readiness Programs for Young People During the Pandemic

Coca-Cola Brazil Foundation launched Coletivo Youth Platform in 2009, with the aim of providing training and helping underserved youth access the labor market by providing job-readiness training and connection with a network of more than 400 partner employers. Over the past twelve years, the program has had a positive impact on the lives of more than 300,000 young people.

Even before the pandemic, the Foundation had set a goal of scaling the reach and impact of this program, from thousands to millions of young people, by leveraging technology to increase access and participation. The restrictions imposed by the pandemic accelerated the development and launch of Coletivo Online, a digital version of the platform. With social-distancing rules in place, virtual access to services became not only the safest but also the most efficient delivery method of impact.

The classes the project offers cover topics such as careers and workforce readiness, building a personal life plan, financial planning, resumé building, guidance on how to prepare for interviews, and the associated selection process. Coletivo Online content is delivered through WhatsApp, one of Brazil's most widely used communications apps, which helps to ensure that even youth with low Internet connectivity can access the programs and participate.

The course is offered free to young people between 16 and 25 and who have completed or initiated secondary school. Those who watch the video classes and complete the program's activities receive a certificate of completion. At the end of the course, youth who registered in Coletivo's community are able to access job opportunities and apply for vacancies available through a network of employer partners. Since its launch, more than 50,000 youth have participated in Coletivo Online.

CASE STUDY: SPAIN

Vodafone Spain Foundation: DigiCraft – Developing Children's Digital Skills for the Future

Vodafone is a leading telecommunications company in Europe and Africa that has been operating in Spain for more than 20 years. An initiative of the Vodafone Spain Foundation, Digicraft is an educational program that trains educators and teaches girls and boys between the ages of 6-12 years the digital skills that will allow them to develop their full life potential. The program promotes inclusion by helping to reduce the digital literacy gap among minors and awakens an interest in technology.

Early access to technological devices is associated with better development of digital skills. However, what makes the most impactful difference is how children use these devices and how they interact with them. Taking this into account, Vodafone Spain Foundation developed DigiCraft training modules that provide educators with the tools to teach digital skills in the classroom using different emerging technologies as a learning vehicle. Augmented reality, artificial intelligence, video games, robotics, IoT and audiovisual technologies are all core elements of the program.

The DigiCraft methodology was born from the collaboration of experts in education and technology at the University of Salamanca. It is designed to impact the five competency areas defined in the DigComp framework, identifying what specific competencies children must develop and setting specific objectives for each age range.

The European DigComp framework defines the five areas that make up digital competence:

- Information and information literacy
- Communication and collaboration
- Creation of digital content
- Security
- Problem resolution

The DigiCraft methodology is based on collaborative learning techniques and seeks the active participation of students through games and experimentation in a context that stimulates their curiosity, creativity, and positive emotional development. The fundamental pillars of the DigiCraft methodology are:

- Using games as a motivator
- Experimentation to encourage creativity
- The combination of the physical and virtual world
- Adapting digital skills to each age group

Teachers who have received training in digital competencies and methodologies lead the on-site program offered in classrooms and other educational centers. Children, families, and teachers can also access the activities through an open online platform. During the 2020-21 school year, DigiCraft was implemented in 309 educational centers in Andalusia, Galicia, and Madrid, with 1,305 teachers helping to develop the skills of 26,439 school-aged children. In collaboration with the Red Cross and Save the Children, DigiCraft programs were brought to 95 school support centers, contributing to the training in digital competencies of 203 educators and 1,889 young people. These figures are projected to increase in the 2021-22 school year thanks to agreements with additional regions and plans to reach more than 600 centers. In addition, a total of 139,947 users have accessed DigiCraft training resources through the online platform.

CASE STUDY: CHINESE TAIPEI

Coretronic: Driving Digital Inclusion and Educational Equity in Rural Communities

Coretronic has focused on the education market for a long time. Utilizing their core competencies and products, Coretronic and the Firefly Volunteer Team have implemented the Light Pioneer project in Miaoli rural schools since 2016. The company aims to narrow the digital divide and provide equitable quality education for students. So far, they have invited 26 schools to join the project, and visit the Coretronic campus to learn about advanced technology and related products.

The company has built 27 digital interactive classrooms that include the ultra-short-throw laser projector, PWB film, and IR pens. The company has hosted ten Future Light Camps with a volunteer team from the National United University to teach rural students basic/advanced computer programming, film editing, Google VR cardboard assembly, drone training, and mBot courses. A total of 2,817 children and 33 rural schools have participated in Light Pioneer, which was recognized with the TCSA Social Inclusion Leadership Award in 2019 and 2021. Coretronic impacts the following SDGs through the project: 1-No Poverty, 2-Zero Hunger, 4-Quality Education, 8-Decent Work and Economic Growth, and 17-Partnerships for the Goals.

CASE STUDY: GERMANY

Siemens – Siemens Stiftung: COVID-19 Response and STEM Education for Innovation – An Education Initiative for Latin America

To confront the challenges of education in the COVID-19 pandemic, Siemens Stiftung created STEM Education for Innovation, a digital education initiative for Latin America. The initiative is supported by the nonprofit Siemens Caring Hands e.V.

From December 2020 to December 2021, Siemens Stiftung partnered with 14 key institutions in Chile, Colombia, Mexico, Argentina, Peru, Brazil, and Ecuador, with a specific focus on STEM in connection with the Latin American Ministries of Education. In a constructive, cross-institutional process considering the demands of teachers and learners in different contexts, Siemens Stiftung and their partners have developed and digitized teaching materials, formats, and methods for virtual implementation in teaching STEM, covering subjects such as science, technology, sustainability, climate change, biodiversity, health, and digitalization.

The partners created:

- 400 openly licensed (OER: Open Educational Resources) digital and analog teaching materials for teachers and students of all age groups, including digital STEM lessons, interactive climate change maps, and videos and podcasts about health and hygiene
- Five teacher-certificated learning programs with an initial reach of 1,200 teachers
- Regional workshops for improving instruction on STEM subjects, climate change, health, and sustainability
- Learning through scientific and technological experimentation
- A cooperative network for teachers, universities, and educational institutions
- Online seminars that will eventually reach up to 20,000 teachers, impacting 450,000 students in seven Latin American countries.

At the end of the pilot phase in December 2021, the project partners will continue working to implement the new materials in national curricula and in teacher certification and advanced training programs at universities in Latin America. The materials will also be available digitally and free of charge in Spanish on the Siemens Stiftung Latin American education portal CREA – Centro Recursos Educativos Abiertos, expanding the reach of these platforms to potentially millions of teachers and students.

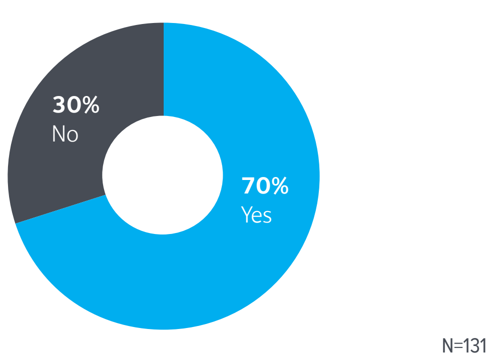
More information on the initiative can be found on this website.

The Impact of COVID-19 on Teams, People, and Service

Retaining quality employees has always been a priority for corporations, and that priority became infinitely more difficult due to the ongoing impacts of COVID-19 on the global workforce. Engaging employees in the community has long been a proven company practice for increasing engagement and morale, and therefore retention.[49] This was critical during the pandemic and will likely retain its importance, as younger generations become the staple of the global economy. Generation Z, the incoming cohort of global employees, is even more socially and environmentally conscious than previous generations. The 2019 Porter Novelli/ Cone Gen Z Study of U.S. members of Generation Z found that 77% would refuse to buy from a company that is doing harm and would research a company to find out if it is helping or hurting society or the environment.[50]

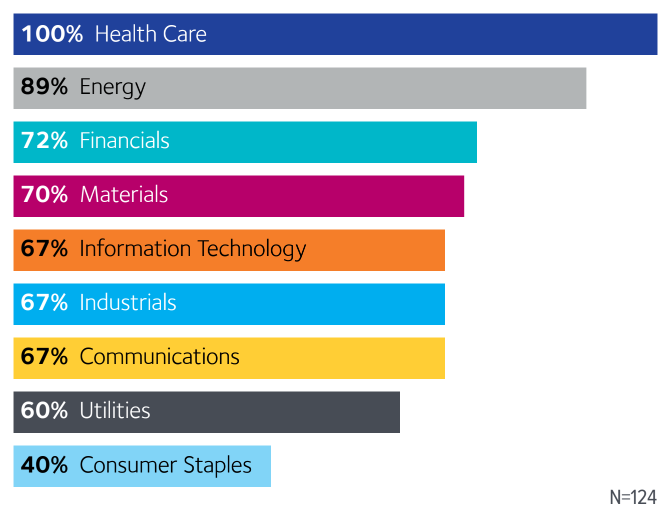
Company-sponsored volunteer opportunities and matching gifts for employee donations to nonprofit organizations are two of the most prevalent programs that power community engagement efforts. This research shows that 70% of companies offered at least one matching-gift program in 2020 (*Figure 24*). When comparing 2020 participation of total respondents (an unmatched data set) one sees a significant increase from 2019, when 52% of companies reported at least one matching-gift program.

Figure 24. Companies Offering Matching Gifts



Every Health Care company that responded to this research offered at least one matching-gift program in 2020, followed closely by Energy companies at 89%, Financials companies at 72%, and Materials companies at 70% *(Figure 25)*. Consumer Staples was the least likely sector to offer a matching-gift program at 40%.

Figure 25. Percentage of Companies Offering Matching-Gift Programs by Sector

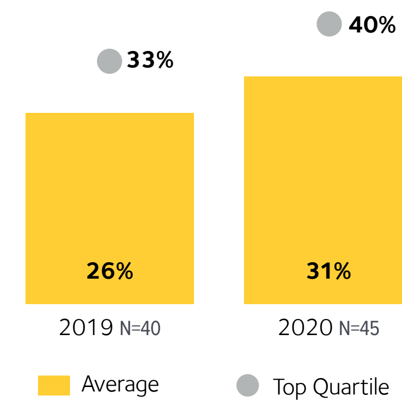


Some industries excluded due to small sample size.

Employee response to the overwhelming community need driven by the pandemic likely drove the higher participation rates in matching-gift programs in 2020. The average employee participation rate across all companies rose from 26% in 2019 to 31% in 2020 in an unmatched set of total respondents, while the top quartile rose from 33% to 40% *(Figure 26)*. These participation rates were noticeably higher than those reported in CECP's *Giving in Numbers: 2021 Edition*, where the average employee participation rate in matching-gift programs in 2020 was 22% (N=162).[51]

49 https://ccc.bc.edu/content/ccc/blog-home/2015/09/driving-engagement-and-business-performance-the-role-of-employee-volunteering-programs.html
50 https://www.conecomm.com/research-blog/cone-gen-z-purpose-study
51 https://cecp.co/home/resources/giving-in-numbers/

Figure 26. Employee Participation in Matching-Gift Programs, 2019-2020 (Unmatched Set)



Employee volunteering faced greater challenges in 2020 than any other form of corporate community engagement. Traditional forms of volunteering that typically occur in person were difficult to administer during the COVID-19 pandemic due to social-distancing requirements and health and safety protocols. However, companies showed incredible creativity in creating virtual volunteer programs to both engage employees and provide direct assistance to their communities.

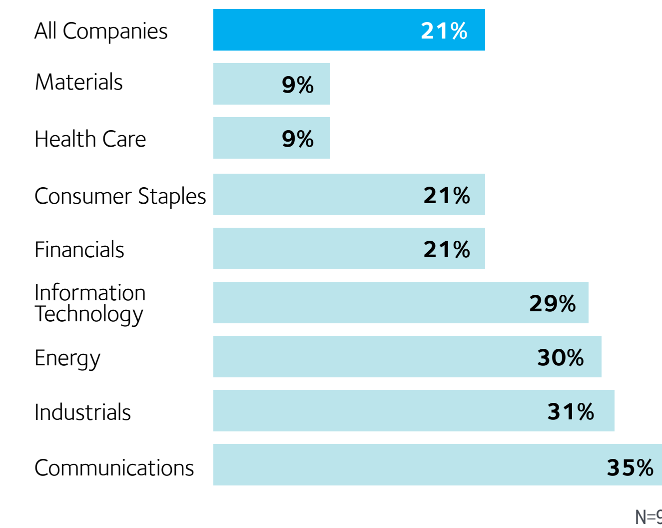
This research showed that in 2020 the median number of hours offered annually for volunteer service in an unmatched set of total respondents remained the same in 2019: 16. The most common annual number of hours offered also remained static at 8 (29% of companies). The survey data that informed CECP's *Giving in Numbers: 2021 Edition*[52] also indicated that the median number of annual volunteer hours offered to employees on company time was 16, and the most common number of hours was also 8, showing a strong level of consistency across geographies.

Across all sectors, this research showed that, in an unmatched data set of total company respondents, volunteer participation dropped slightly to 21% in 2020 *(Figure 27)*, from 22% in 2019. Three sectors experienced a significant increase in volunteer participation year over year. Communications companies saw the largest increase from 21% in 2019 to 35% in 2020. Industrial companies increased from 19% to 31%.Financials companies saw a decrease in volunteer participation from 30% in 2019 to 21% in 2020, Health Care companies saw a decrease from 18% to 9%, and volunteer participation rates fell from 19% to 9% among Utilities companies.

Smaller companies with less than US$15 billion in revenues enjoyed higher levels of volunteer participation than larger companies with greater than US$15 billion (*Figure 28*). Companies in the US$10+ billion to US$15 billion range had the highest volunteer participation rate: 40%.

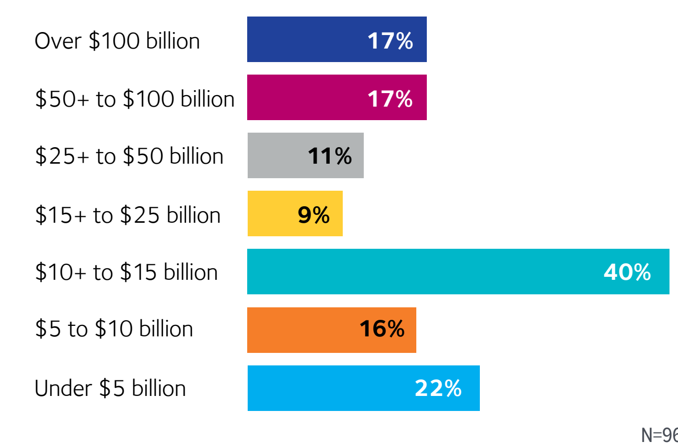
52 https://cecp.co/home/resources/giving-in-numbers/

Figure 27. Average Volunteer Participation Rate by Industry



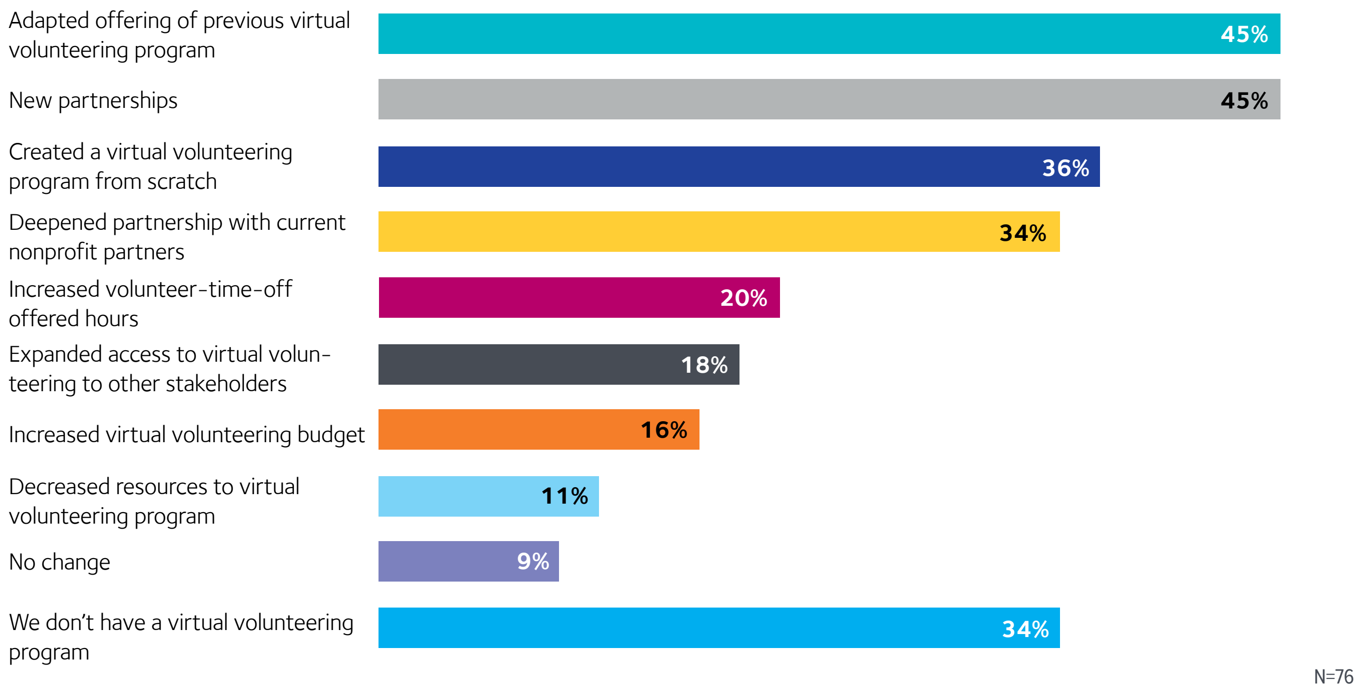
Some industries excluded due to small sample size.

Figure 28. Average Volunteer Participation Rate by Company Revenue



Given the complexities created by the COVID-19 pandemic in administering a volunteer program, the survey asked companies if they had made any changes to their programs to mitigate these challenges. 91% changed their approach to volunteering in some way with only 9% proceeding with business as usual and not making any changes (*Figure 29*). Companies were motivated to move quickly and find new ways to respond to urgent and emerging community needs. Many companies embraced virtual volunteering as an alternative to the more usual hands-on approach. 36% of companies created a virtual volunteer program from scratch, while 45% adapted an existing virtual volunteering program to the current pandemic situation and 34% deepened their partnership with nonprofit partners already offering virtual service options. 20% of companies increased volunteer-time-off hours offered to employees, while 11% decreased their volunteer resources due to of the challenges created by the pandemic.

Figure 29. Changes to Virtual Volunteering Programs



CASE STUDY: ITALY

PwC Italy: Skills-Based Volunteering in Response to the COVID-19 Pandemic

In a historic moment when third-sector NGOs and community-based organizations are playing a significant role in helping communities cope with social and economic consequences of the COVID-19 pandemic, PwC Italy, part of the PwC Global Network, offered structured, capacity-building support to 14 nonprofit organizations across Italy.

This program leverages the skills, knowledge, and talent of PwC Italy employees to strengthen business models and build the impact of NGOs throughout the country. The project includes workshops on topics such as the strategic use of social media, impact measurement, and learning PwC's War Room Approach, a tested methodology favoring the involvement of operational teams during an improvement project to break down functional silos and ensure greater efficiency.

CASE STUDY: ITALY

Reale Group: Vaccination Hub in Response to the COVID-19 Pandemic

Reale Group, an Italian multinational mutual insurance company, set up a fruitful, multi-stakeholder partnership with the COVID-19 Government Emergency Unit, the Piedmont region, and public and private health entities to open a Vaccination Hub: REALE HUB CV-19. The hub was coordinated by the local public health system of the city of Turin. It operates thanks to the engagement of more than 350 people, including doctors, nurses of the Cernaia Diagnostic Center (CDC), corporate volunteers directed by Reale Foundation, Reale Group's corporate foundation, and volunteers from Civil Protection and other voluntary associations in the area. Reale Group's involvement significantly accelerated the national vaccination plan. After 130 days of operation, 144,518 doses of COVID-19 vaccine had been administered.

Reframing Representation

With labor markets evolving quickly on a global scale, companies must consider very carefully how they invest their resources. When CECP presented our Global Exchange Partners with a list of focus areas that were gaining traction among companies as new frontiers in engagement, the partners identified Diversity and Inclusion, Healthy Lifestyles, Future of Work, Human Rights, and Arts and Culture as the most important cause areas at the global level to monitor over time. Each of these issue areas can have a different meaning and emphasis depending on the country and culture a company operates in. Although the definition of concepts such as Diversity and Inclusion may be unique to each culture, the management of Human Rights issues could refer to national or trans-national value chains, while the Future of Work could be heavily influenced by the labor pool a company draws from. It is clear that each of these issue areas is important for companies to consider when building a productive workforce and ensuring a company's social license to operate.

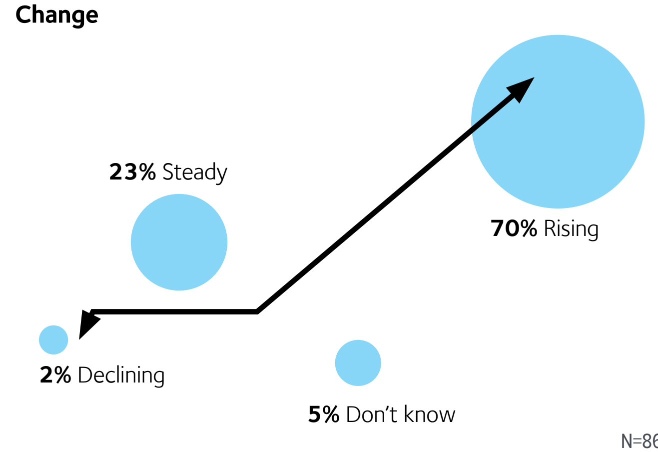
Diversity, Equity, and Inclusion

Global companies were already increasingly embracing purpose-driven leadership and placing emphasis on Diversity, Equity, and Inclusion (DEI) before COVID-19. When the pandemic had an outsized impact on the most vulnerable members of our communities, it was impossible for companies not to take notice and the trend accelerated. DEI has become a social imperative that consumers, employees, and society will judge a company's performance on. 75% of global CEOs say diversity is a stated value or priority area for their organization. 69% of companies globally have a formal diversity leader role.[53]

In December 2020, BlackRock announced in its *2021 Stewardship Expectations*[54] that it would vote against board directors who fail to act to improve board diversity and asked U.S. companies to disclose the racial, ethnic, and gender makeup of their employees. It also announced that it expects U.K. companies to increase female representation on boards.

This research shows that, in 2020, 70% of companies reported an increase in the resources allocated to DEI (*Figure 30*), 23% reported that resources were steady, and only 2% reported a decline. The celebration of our differences builds a more inclusive workforce that reflects and reacts to the diverse global customer base, and while this increased emphasis on DEI is encouraging, companies must still take further urgent action to embed DEI strategically in all business functions and levels.

Figure 30. Diversity, Equity and Inclusion Resource Change



A CECP analysis of Bloomberg ESG data for an unmatched set of the largest 3,000 companies in the world by revenue shows that 94% of companies (N=2,140) had an equal-opportunity policy in place in 2020, up from 91% in 2019 (N=2,364) and 89% in 2018 (N=2,346). The Health Care sector stands out with 98% of companies making a formal commitment to non-discrimination against any type of demographic group within the company. However, a policy is not enough to drive the systemic change needed to create a truly inclusive workforce. Across all companies in 2020, the percentage of women in the workforce was 35%, rising only 1% in the past three years *(Figure 31)*. Companies in the Health Care sector were out front with 51%, the only sector that employs more women than men. The Financials sector is also close to gender parity with 48% of women employed. Material companies at 21%, Utilities at 24%, and Energy companies at 25% remain the companies with the lowest number of women in the workforce.

53 https://www.pwc.com/gx/en/services/people-organisation/global-diversity-and-inclusion-survey.html
54 https://www.blackrock.com/corporate/literature/publication/our-2021-stewardship-expectations.pdf

Figure 31. **Percentage of Women in the Workforce**

INDUSTRY	%
Communications	37%
Consumer Discretionary	38%
Consumer Staples	39%
Energy	25%
Financials	48%
Health Care	51%
Industrials	27%
Information Technology	32%
Materials	21%
Utilities	24%
ALL COMPANIES	35%

N=1,691

Source: Bloomberg ESG database, 2020 data, CECP analysis.

S&P Global Market Intelligence's study, *When Women Lead, Firms Win*, [55] found that companies with female CFOs experience higher profitability, have a superior stock price performance than those that do not, and that companies with high gender diversity on their boards have higher profits than those with less gender diversity.

Across all sectors, and this despite research showing that female leadership is associated with superior company performance, there has been little change in the past three years in the number of women in management. A CECP analysis of Bloomberg data shows that, in 2020, across an unmatched set of the top 3,000 companies in the world by revenue, the percentage of women in management was 26% (N=775), inching up from 25% in 2019 (N=833) and 24% in 2018 (N=763) *(Figure 32)*.

Companies in the Health Care sector led with 35% of management positions held by women. The Financials sector was close behind at 31% and Consumer Staples companies followed at 30%. Information Technology companies had the lowest number of women in management positions, at 19%; women have held fewer than one-fifth of management positions in the industry with minimal improvement in the past three years. Bloomberg data supports the idea that large global companies urgently need to embrace systemic changes if they are to move more women into management positions.

Figure 32. **Percentage of Women in Management Positions**

INDUSTRY	%
Communications	25%
Consumer Discretionary	26%
Consumer Staples	30%
Energy	23%
Financials	31%
Health Care	35%
Industrials	22%
Information Technology	19%
Materials	21%
Utilities	23%
ALL COMPANIES	26%

N=775

Source: Bloomberg ESG database, 2020 data, CECP analysis.

In 2020, the percentage of people with disabilities in the workforce was 2.2% (N=434). This number has remained relatively stable across all industries in an unmatched set over the past three years, with the number of employed disabled people remaining in a tight range between 1.7% and 2.3%.

A CECP analysis of Bloomberg ESG data shows that, across all companies, minorities made up 26% of the workforce in 2020 *(Figure 33)*. Responding companies provide their own definition as to what constitutes a minority in the geographical locations where they operate. Overall, the number of minorities employed has grown 5% in the past three years in an unmatched set of the top 3,000 global companies by revenue. However, out of these 3,000 companies, only 321 provided data in 2020, up from 278 in 2019, suggesting that not many companies are focused on collating these data. Minorities in the Consumer Staples sector are close to parity with non-minorities at 46%, while Information Technology companies continue to struggle with minority hiring: only 19% of their workforces identifies as a minority, indicating virtually no sector-wide improvement in the past three years.

55 https://www.spglobal.com/en/research-insights/featured/when-women-lead-firms-win

Figure 33. **Percentage of Minorities in the Workforce**

INDUSTRY	%
Communications	22%
Consumer Discretionary	37%
Consumer Staples	46%
Energy	22%
Financials	24%
Health Care	34%
Industrials	19%
Information Technology	19%
Materials	30%
Utilities	22%
ALL COMPANIES	26%

N=321

Source: Bloomberg ESG database, 2020 data, CECP analysis.

Bloomberg ESG data also shows that, in 2020, the percentage of minorities in management positions across all sectors was 26% (*Figure 34*), moving up one percentage point in the past three years in an unmatched set. However, only 102 companies out of the top 3,000 companies in the world responded to the question in 2020. The Communications sector, which has seen a 3% increase in the past three years, leads all others with 36%. The Energy sector is behind the curve, with only 15% of senior management positions held by minorities.

Figure 34. **Percentage of Minorities in Management Positions**

INDUSTRY	%
Communications	36%
Consumer Discretionary	32%
Consumer Staples	32%
Energy	15%
Financials	28%
Health Care	24%
Industrials	25%
Information Technology	29%
Materials	29%
Utilities	20%
ALL COMPANIES	26%

N=102

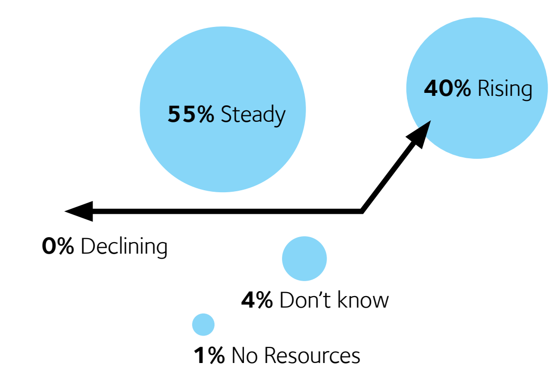
Source: Bloomberg ESG database, 2020 data, CECP analysis.

Across the board, progress is being made, but companies will have to accelerate the process to create a truly equitable workforce, with equal opportunities for all employees.

The concept of Human Rights is now perceived as an integral aspect of corporate social responsibility. The *United Nations' Guiding Principles on Business and Human Rights*[56] serves as a non-binding legal framework, encouraging businesses to understand how their operations and supply chains impact the Human Rights of people globally. The reporting rules introduced by the European Commission's proposed *Non-Financial Reporting Directive*[57] has established the concept of "double materiality," meaning that companies must report on the material ways sustainability issues affect their business and about how their business impacts people and the environment.

This research shows that, in 2020, 40% of responding companies increased their resources dedicated to Human Rights, while in 55% of companies the level of resource allocation remained steady (*Figure 35*). No companies reported a decline in the resources dedicated to Human Rights.

Figure 35. **Human Rights Resource Change**



N=96

A CECP analysis of Bloomberg ESG data shows that, among the top 3,000 global companies by revenue, 82% had a Human Rights policy in place in 2020 (*Figure 36*). In an unmatched data set, 10% of companies reported they had developed a Human Rights policy between 2018 and 2020, reflecting a growing trend among businesses in all regions toward making a public commitment to respect and support Human Rights. Companies in the Materials sector were leaders, with 90% having a Human Rights policy in place, closely followed by Energy and Utilities companies, both at 89%. Of note, Energy sector formal commitments to Human Rights rose 17% over the past three years. Communications sector companies were the least likely to have a Human Rights policy in place in 2020 (74%), but still rose 3% from 71% in the prior year.

56 https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf
57 https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en

Figure 36. Percentage of Companies with a Human Rights Policy

INDUSTRY	%
Communications	74%
Consumer Discretionary	75%
Consumer Staples	82%
Energy	89%
Financials	77%
Health Care	80%
Industrials	85%
Information Technology	84%
Materials	90%
Utilities	89%
ALL COMPANIES	82%

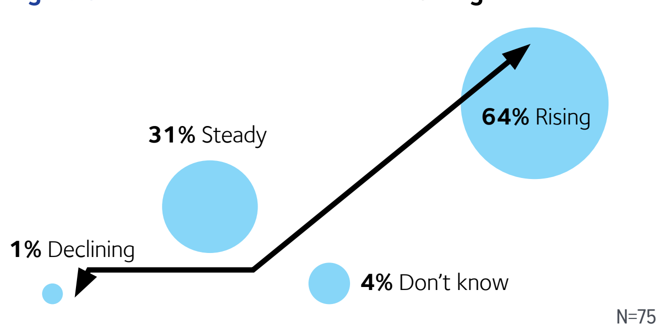
N=2,123

Source: Bloomberg ESG database, 2020 data, CECP analysis.

Future of Work, Healthy Lifestyles, Arts and Culture

Companies are intensifying their focus on maintaining and developing their future workforce. 89% of workers in a global *Harvard Business Review* study[58] in February 2021 said that their work life was getting worse, 85% said that their overall wellbeing had declined, and 56% said that the demands of their job had increased due to the pandemic. By 2025, the millennial generation is expected to make up 75% of the global workforce.[59] The dominance of younger, more socially conscious generations, of which a majority makes choices regarding the type of work they're prepared to do or organizations they'd work for based on personal ethics, means empty gestures no longer suffice.[60] Employees want to experience a meaningful investment in their future from their employer, and many prospective candidates for employment are likely to judge a company on how it has treated its employees during the global pandemic. In 2020, 64% of companies reported an increase in the resources allocated to the Future of Work (*Figure 37*). 31% reported that resources were steady and 1% reported a decline.

Figure 37. Future of Work Resource Change



According to a CECP analysis of Bloomberg ESG data of an unmatched set of the top 3,000 companies in the world by revenue, there has been a noticeable increase in the number of companies with a training policy over the past three years, from 85% in 2018 (N=2,346) to 92% in 2020 (N=2,119). While it's almost universal among Utilities and Materials companies to have a training policy, both at 97%, only 83% of Communications companies do. The number of companies with a training policy in the Consumer Discretionary, Information Technology, Financials, and Energy sectors have all increased by 10% since before the pandemic.

Bloomberg ESG data also shows an increase, although not as dramatic, in the number of training hours offered annually by the top 3,000 companies in the world by revenue. The average number across all companies in 2020 was 36.7 hours (N=947) (*Figure 38*). This is up from 34.4 hours in 2019 (N=963) in an unmatched set, pre-pandemic. This increase is largely driven by the Consumer Discretionary sector, which increased the number of training hours offered across the industry from 32.9 hours in 2018 to 57.4 in 2020. This increase was possibly driven by the necessity to train retail employees on how to remain safe while working with the public during the COVID-19 pandemic.

Figure 38. Number of Employee Training Hours

INDUSTRY	HOURS
Communications	28.7
Consumer Discretionary	44.9
Consumer Staples	57.4
Energy	32.9
Financials	39.6
Health Care	28.6
Industrials	26.8
Information Technology	36.1
Materials	38.0
Utilities	31.1
ALL COMPANIES	36.7

N=947

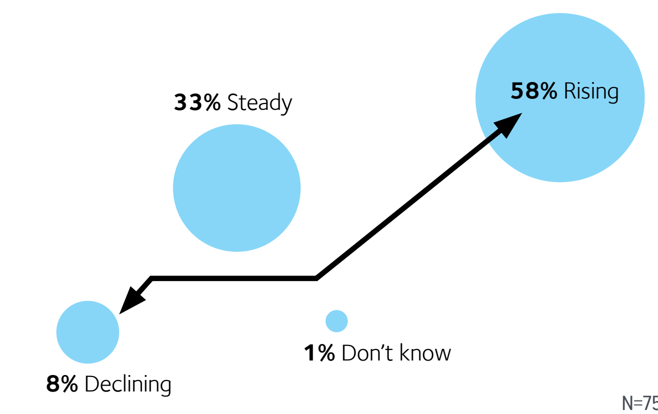
Source: Bloomberg ESG database, 2020 data, CECP analysis.

During the pandemic, promoting Healthy Lifestyles among employees increased in importance, as avoiding virus transmission became a priority and practicing social distancing both in the workplace and in the community was imperative. Procuring PPE equipment to keep frontline employees healthy was a constant challenge as demand far outstripped supply and global supply-chain bottlenecks prevented existing stocks from being distributed efficiently.

58 https://hbr.org/2021/02/beyond-burned-out
59 https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-dttl-2014-millennial-survey-report.pdf
60 https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html

This research shows that, in 2020, a majority of companies (58%) reported an increase in the resources allocated to Healthy Lifestyles (*Figure 39*), 33% reported that resources were steady, and a small minority of companies (8%) reported that the resources allocated were in decline.

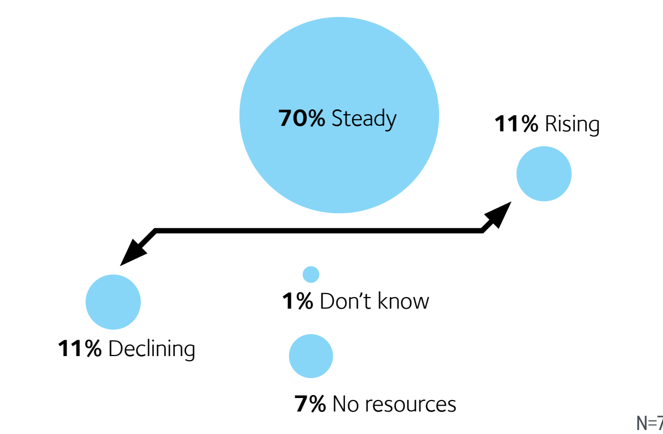
Figure 39. Healthy Lifestyles Resource Change



According to a CECP analysis of Bloomberg terminal ESG data of the top 3,000 companies in the world by revenue in 2020, 97% of companies across all sectors had a health and safety policy in place (N=2,141), including 99% of Utilities and Energy companies. Financials experienced the largest increase, with a six-point increase from 88% to 94%, in an unmatched data set over a three-year period from 2018 (N=2,346) to 2020 (N=2,141). In every sector of the global economy, at least 90% of companies had a health and safety policy in place in 2020.

The global pandemic impacted arts and cultural organizations severely. Theaters, music venues, galleries, and performance spaces were shuttered across the globe as community-level lockdowns kept patrons at home. With income streams depleted and their infrastructure vacated, artists struggled to survive economically.[61] The United Nations Educational, Scientific and Cultural Organization (UNESCO) reported that 95% of the world's 60,000 museums were closed due to the pandemic in 2020.[62] There were concerns that corporate supporters of the arts would divert resources elsewhere as so many new pressing social issues demanded investment. However, this research shows that 70% of companies continued to support Arts and Culture at pre-pandemic levels and kept funding steady *(Figure 40)*. 11% of companies increased funding to Arts and Culture, and the same number reduced their investments in Arts and Culture as other priorities took precedence.

Figure 40. Arts and Culture Resource Trend



61 https://en.unesco.org/news/covid-19-hits-culture-sector-even-harder-expected-warns-unesco
62 https://en.unesco.org/sites/default/files/issue_4_en_culture_covid-19_tracker-8.pdf

CASE STUDY: SPAIN

Mutua Madrileña Group: 360º Program – A Comprehensive Approach in the Fight Against Gender-Based Violence

With headquarters in Madrid and international operations in Latin America, Mutua Madrileña is a leading insurance company that provides life, automobile, health, and accident insurance, as well as a range of investment and saving solutions, including pension funds.

As part of a longstanding commitment to combat gender-based violence, Mutua Madrileña and their Foundation developed a cross-sector social action model that includes prevention, awareness, and support for women and children who have been impacted. Senior management has championed this program, and the entire organization from corporate functions such as communications, marketing, and CSR to the core operations of the company have been engaged in developing and delivering its specifics. The 360º Program takes a truly comprehensive approach. Community Investment supports social projects, prevention programs, and awareness campaigns that help reduce incidents of violence, while corporate volunteers provide job training and support to women impacted by violence, through employment opportunities at Mutua Madrileña. All these initiatives occur through collaboration with third-sector entities such as the Government Delegation Against Gender Violence and other local and regional institutions. Since inception, more than 22,000 women who have been impacted by violence and their children have benefited from the project.

360º Program: A Comprehensive Commitment

1- Employment
In 2018, the Mutua Madrileña School for victims of gender-based violence launched. Through this initiative, women receive training to become call-center operators and receive economic assistance while they are studying, with the goal of full-time employment at Mutua Madrileña.

2- Volunteering and training
Integra Foundation and Mutua Madrileña have created a corporate volunteering project called Together Against Gender-Based Violence. Its goal is to improve employability for victims through workshops taught by Mutua Madrileña volunteers.

3- Social awareness
As part of the program, Mutua Madrileña has developed different initiatives to raise awareness of gender-based violence. These include Zero Tolerance, a campaign against abuse, which promotes awareness of gender-based violence, with a focus on education, violence in rural communities, and psychological violence. They have also integrated gender-based violence awareness into events sponsored by Mutua Madrileña, such as the Mutua Madrid Tennis Open.

4- Prevention and awareness
Mutua Madrileña organizes a national contest to promote equality and fight gender-based violence in universities and other educational institutions.

5- Support and protection for victims and their children
The 360º Program has different initiatives to protect gender-based violence victims and their children. The company organizes an annual call for financial aid to help gender-based violence victims. Since inception, they have financed 37 projects with more than €1 million in donations. The company also launched Creating Illusions, a therapeutic program for the children of women who are victims of gender-based violence, developed in partnership with the Spanish Red Cross, and Compañer@s, a scholarship program with the Real Madrid Foundation, to support families that have suffered gender-based violence. Conectad@s, in conjunction with APRAMP NGO, also has programs specifically tailored to help victims of human trafficking.

CASE STUDY: INDIA

Vinati Organics Limited: Health, Education, REVIVE, Skilling (HERS) Initiative – Empowering Women in the Workforce During the COVID-19 Pandemic

Headquartered in India, Vinati Organics Limited is a women-led organization whose CSR initiatives support holistic development in the communities where the company operates. With a focus on the critical role women play in advancing socio-economic growth, their initiatives have helped disadvantaged women develop greater self-reliance through improved access to education, health care, sanitation, and employment opportunities.

According to World Bank estimates, India has one of the lowest female labor force participation rates in the world. Women's participation in the labor force had been in a steady decline for more than a decade. Because most employed women in India work in sectors that were especially hard hit by the pandemic, an additional 4 out of 10 working women were pushed out of the workforce, deepening economic uncertainty for women who were already earning less and saving less.

In response to this compounding job crisis, Vinati Organics partnered with Samhita-Collective Good Foundation (CGF) to develop Health, Education, REVIVE, Skilling (HERS), a flagship initiative designed to stimulate the agency and empowerment of women and girls by enabling access to opportunities that allow them to reach their maximum potential.

The HERS initiative seeks to impact 4,200 girls and women from rural communities of Maharashtra, including adolescent students, out-of-school young adults, and women entrepreneurs. The program provides:

- Scholarships for both high school and higher education
- Gender sensitization and essential life-skills training for students
- Capacity building of teachers
- Job skills and work-readiness training for those who are out of school
- Job placement support
- School sanitation; Water, Sanitation and Hygiene (WASH) infrastructure; menstrual hygiene; and a behavioral change campaign

For underprivileged women entrepreneurs, access to affordable financing is critical. However, women often experience barriers to access due to low levels of financial inclusion, lack of credit history, and lack of assets and collateral. Vinati Organics Limited, in alliance with Samhita-CGF's REVIVE Alliance, strives to address the need for affordable capital, financial literacy training, and comprehensive support to help women entrepreneurs develop their enterprises.

The REVIVE Alliance developed a program to support 1,500 women in Maharashtra with returnable grants. The returnable grant is an innovative social finance mechanism that provides zero-cost finance to vulnerable individuals, with a moral obligation to repay as opposed to a legal obligation. It uses a revolving-fund mechanism by which funds returned by a previous set of beneficiaries are then used to support a new set of beneficiaries, generating a significant multiplier effect in comparison to a one-time grant.

Recent recipients include:

- A group of 300 tribal women farmers who will use loans to invest in production inputs like seeds and fertilizer
- A network of 200 women artisans who create clay-based products who will receive working capital, as well as market linkages to sell their creations
- A group of 1,000 women micro-entrepreneurs engaged in a series of occupations ranging from tailoring to grocery stores to food enterprises, and who will receive capital to invest in their operations

CASE STUDY: GERMANY

BMW Group: Many Years of Promoting Intercultural Dialogue

As a global company with employees from many different nations, the BMW Group has been committed to intercultural understanding and open dialogue for many years.

Between 1997 and 2010, the BMW Group Award for Intercultural Learning was presented to 40 innovative projects that promote sustainable and open relationships between different cultures. In 2010, the BMW Group decided that the award should go beyond offering purely financial support. For the first time, the winners of the BMW Group Award for Intercultural Commitment received individual advice from the company's employees in addition to the prize money.

In 2011, the BMW Group launched a unique partnership with the United Nations Alliance of Civilizations (UNAOC) to create a new approach to collaboration between the private sector and the United Nations system. Together, they launched the Intercultural Innovation Award, which aims to select innovative grassroots projects that promote dialogue and intercultural understanding and make important contributions to prosperity and peace in societies worldwide.

This model of collaboration between the United Nations and the private sector is particularly effective because both partners contribute their respective expertise to ensure the sustainable growth of each project. For one year, the projects selected can benefit from the expertise and resources of the BMW Group and UNAOC. In addition to financial support, finalists will have the opportunity to participate in trainings and workshops on various topics such as strategy, planning, implementation analysis, and media fluency; they will also become part of the exclusive Intercultural Leaders network and receive project support tailored to their individual needs.

Since the founding of the Intercultural Innovation Award, the 61 award winners have been able to reach more than five million people in 116 countries with their projects.

CASE STUDY: GERMANY

Merck KGaA Darmstadt Germany: Unlocking Women's Economic Potential - Initiatives to Level the Playing Field

Gender equality is still a long way off. Not only do women earn significantly less than men on average, but they also sacrifice far more time to unpaid domestic activities, and caring for sick and elderly relatives, often at the expense of their own health and wellbeing. Merck KGaA, Darmstadt, Germany, is a science and technology company pursuing two initiatives to rectify this imbalance. The company creates products and solutions to address diseases that disproportionately impact women, including thyroid disorders, multiple sclerosis, and infertility. The organization is well positioned to help improve critical aspects of women's health, from awareness and education to access to health and government programs.

By the mid-2010s, the Executive Board of the company had moved to advance gender equality for women through its Healthy Women, Healthy Economies and Embracing Carers® initiatives. These two programs are pursuing complimentary goals: to reduce the health impacts on women caused by the dual responsibility of work and family, and to provide support to unpaid caregivers, whether women or men. These objectives closely align with U.N. Sustainable Development Goals 3 (Good Health and Wellbeing) and 5 (Gender Equality).

As a partnership that began between Merck KGaA, Darmstadt, Germany, and the governments of the United States and the Philippines through the Asian Pacific Economic Cooperation, the Healthy Women, Healthy Economies Initiative is underpinned by one fundamental concept: that unlocking women's potential will lead to more economic growth. With this in mind, the founding partners first focused on where women needed the most support: access to health services and workplace safety.

Healthy Women, Healthy Economies has programmatically collaborated with the U.S.-based think tank The Wilson Center. Recent focus includes the disproportionate economic impact of COVID-19 on women. Moreover, as part of the program, the company also collaborates with the U.S.-based nonprofit March of Dimes to support health benefits for mothers and to promote family-friendly work environments.

The Embracing Carers® initiative is a collaboration with nine global caregiving organizations that seeks to provide support to women and men in their role as unpaid caregivers. The initiative raises awareness of the public health challenges faced by family caregivers, establishes global best practices and advocacy resources, and advocates for improved systemic integration of caregiver support.

Filling in data gaps and advancing adequate research-based evidence is also a pillar of this global initiative. For instance, in 2020, Embracing Carers® launched the Carer Well-Being Index, a 9,000-person survey across 12 countries to determine the current and residual impacts of COVID-19 on unpaid caregivers' mental, physical, and financial wellbeing. One of the survey's findings shows that the global pandemic heightened pressures on caregivers, with caregivers averaging 24.2 hours per week spent aiding others. In conjunction with other secondary research, the results will inform calls to action for caregiver policy advancements. More information can be found at: https://www.emdgroup.com/en/sustainability/health-for-all/healthy-women-healthy-economy.html and www.embracingcarers.com.

DEI Highlights

GREAT BRITAIN: Over 800 companies have now signed Business in the Community's Race at Work Charter, which includes seven calls to action for organizations committed to improving equality of opportunity in the workplace. In 2021 the Charter has expanded to include allyship and inclusive supply-chain commitments.[63]

CHINA: In a State Council circular issued on July 21, China announced a plan to ensure equal rights for people with disabilities during the 14th Five-Year Plan (2021–25) period. The plan aims to boost employment services for the disabled, enhance occupational competence, and safeguard disabled people's rights and interests in the workplace by 2025. A barrier-free environment will also be created, offering easy access to physical facilities as well as to digital information and services.[64]

ITALY: A new draft law that would make discrimination based on sex, gender, sexual orientation, gender identity, and disability a punishable crime in Italy was approved in November 2020 by the lower house of the Italian Parliament, the Camera dei Deputati, but was later rejected by the upper house, the Senato della Repubblica, in October 2021.[66]

ISRAEL: Engagement in social issues is growing in Israel, where, in 2021, the President of Israel hosted the first-ever awards event held by the Advertising Agencies' Association of Israel to recognize diversity in marketing and advertising, celebrating the diversity of Israeli citizens and their right to be treated equally and without stereotypes.[65]

SOUTH AFRICA: The Refinitiv Satrix South Africa Inclusion & Diversity Index offers a benchmark for investors wishing to commit capital to companies that actively promote inclusion and diversity values and principles in their approach to business. The index tracks the total return of publicly traded stocks on the Johannesburg Stock Exchange with high diversity and inclusion scores. The index also benchmarks Broad-Based Black Economic Empowerment scores. In 2020, the Refinitiv Satrix I&D Index achieved a return of 3.46%, compared to -1.96% by the Refinitiv South Africa Total Return Index.[67]

63 https://www.bitc.org.uk/race/
64 https://govt.chinadaily.com.cn/s/202107/22/WS60f8de6b498e6a12c120374a/five-year-plan-unveiled-for-supporting-disabled.html
65 https://middleeast.in-24.com/News/456762.html
66 https://www.bloomberg.com/news/articles/2021-10-27/italy-strikes-down-bill-to-introduce-lgbtq-hate-crimes
67 https://www.refinitiv.com/en/media-center/press-releases/2021/august/refinitiv-and-satrix-launch-south-africa-inclusion-and-diversity-index

CANADA: New diversity rules under the Canadian Business Corporations Act (CBCA) are driving an increase in diversity disclosures beyond gender. The January 2020 regulation requires public companies to disclose the diversity of boards and senior management under the categories of visible minorities, persons with disabilities, Indigenous Peoples, and gender. While most ESG reports were already capturing gender diversity, the number of companies adhering to the CBCA's broader diversity requirements rose to 37% in 2020, up 106% from the previous year.[68] Canada passed the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) Act in June 2021. This legislation establishes a framework for the Government of Canada to develop an action plan for aligning federal laws with UNDRIP and meeting UNDRIP's objectives.[69] The Canadian Government's Pay Equity Act came into effect in August 2021. It requires federally regulated employers to develop and implement proactive pay equity plans.[70]

UNITED STATES: In the year after the murder of George Floyd in May 2020, and the ensuing Minneapolis uprising, America's 50 biggest public companies committed US$50 billion to address racial inequality. 90% of those dollars are allocated towards loans, investments, and mortgages, and 10% is dedicated to grants to community agencies working on economic equality, education, health, civil rights, culture, and criminal justice reform. As of August 2021, US$1.7 billion of the total number of dollars committed had been spent.[71]

JAPAN: The Kansai Economic Federation Kankeiren published the Kansai Diversity and Inclusion Vision in November 2021 to make the Kansai region an attractive D&I advanced area that attracts global talent. This vision includes setting standards for companies to pursue D&I initiatives and encouraging changes in corporate culture. The vision has created a model for advanced companies to follow, including specific numerical targets, such as the ratio of employed women (40% or more) and the ratio of management positions occupied by women (30–40%) as a region-wide initiative.[72]

BRAZIL: In Brazil, the Comunitas Corporate Social Investment Benchmarking (BISC) 2020 survey[73] showed a significant series of new social investments to target vulnerable populations. These efforts addressed systemic weaknesses and inequalities in Brazilian society that were intensified by the pandemic. In 2020, companies began to focus efforts more intentionally on supporting vulnerable groups, with new investments targeting Indigenous Peoples rising from 17% in 2019 to 31% in 2020, Human Rights efforts rising from 8% to 23%, Migrants and Refugees aid from zero to 15%, Black Women from zero to 46%, Cooperative Workers from zero to 46%, Informal Workers from zero to 31%, Homeless People from zero to 23%, and Victims of Violence from zero to 23%. This is a remarkable shift in focus to occur in just one year, showing how the global pandemic changed many Brazilian companies' perspectives on their social contract with society.

68 https://www.tsx.com/resource/en/2722
69 https://www.justice.gc.ca/eng/declaration/index.html
70 https://www.canada.ca/en/employment-social-development/news/2021/07/government-of-canada-announces-that-the-pay-equity-act-will-come-into-force-on-august-31-2021.html
71 https://www.washingtonpost.com/business/interactive/2021/george-floyd-corporate-america-racial-justice/
72 https://www.kankeiren.or.jp/English/vision2030/
73 https://bisc.org.br/

About the 2021 Global Impact at Scale Methodology

The insights presented in this document are the result of a collaborative effort with CECP's Global Exchange (GX) Partners. This document features:

- Data analysis from the 2021 GX questionnaire fielded from April through July 2021.
- Insights from GX Partners' market-specific research, secondary research, and case studies.
- Insights from Bloomberg's Environmental, Social, and Governance (ESG) data on the top 3,000 global companies by revenue size.

This year's report draws on survey data from 165 companies from 18 different countries/regions. To maintain the confidentiality of survey respondents, combined aggregate responses from all companies form the basis of this analysis. The survey results detailed in this report cover programs with a December 31, 2020 end date.

The data collected for the 2021 GX questionnaire focused on companies with over US$500 million in annual revenue to benchmark and compared large companies and not the entire corporate sector. Insights included in this document report corporate community investment numbers from the highest possible structural level; in the majority of cases, they are from the parent company.

The data analysis identifies shared characteristics and tests the scope of social investment and ESG issues. Insights from GX Partners' market-specific research and secondary research from other publicly available reports are used to develop additional understanding among respondent companies and their respective countries.

The analysis also examines Corporate Societal Investment (CSI) and ESG insights, while complementing companies' responses with results from Bloomberg's ESG data set, enabling companies to benchmark and gain insights regarding global corporate engagement and ESG.

GX questionnaire responses came from these 18 countries/regions:

Australia
Brazil
Canada
China
Chinese Taipei
France
Germany
Israel
Luxembourg
Russian Federation
Saint Vincent and the Grenadines
Saudi Arabia
South Africa
South Korea
Spain
Switzerland
Thailand
United States

Insights from Bloomberg's ESG data encompass information from more than 11,500+ global publicly traded companies across multiple industries. Only companies that publish financial data and report figures to a government agency are included. For this research, the sample was limited to the global top 3,000 companies ranked by revenue.

Note: Countries and regions are listed with the guidance of U.N. diplomatic recognition.

MEDIANS BY INDUSTRY	MEDIAN COMMUNITY SPEND (IN US$ MILLIONS)	MEDIAN COMMUNITY SPEND AS A % OF REVENUE	MEDIAN COMMUNITY SPEND AS A % OF PRE-TAX PROFIT
All Companies, N=1,149	4.95	0.05%	0.59%
Communications, n=49	8.57	0.10%	1.17%
Consumer Discretionary, n=131	2.50	0.03%	0.38%
Consumer Staples, n=101	8.76	0.10%	1.46%
Energy, n=68	6.74	0.05%	0.87%
Financials, n=249	8.77	0.07%	0.54%
Health Care, n=53	9.59	0.09%	0.62%
Industrials, n=230	2.27	0.03%	0.44%
Information Technology, n=82	3.82	0.04%	0.46%
Materials, n=123	3.36	0.05%	0.67%
Utilities, n=63	4.93	0.05%	0.51%

Note: Companies with incomplete data for pre-tax profit are included in the applicable calculations to determine the "All Companies" data, but not in the subsequent rows.

MEDIANS BY REVENUE SIZE	MEDIAN COMMUNITY SPEND (IN US$ MILLIONS)	MEDIAN COMMUNITY SPEND AS A % OF REVENUE	MEDIAN COMMUNITY SPEND AS A % OF PRE-TAX PROFIT
All Companies, N=1,149	4.95	0.05%	0.59%
Revenue > $50 bn, n=101	36.76	0.03%	0.53%
$30 bn < Revenue <= $50 bn, n=77	30.00	0.09%	0.96%
$15 bn < Revenue <= $30 bn, n=169	10.33	0.06%	0.60%
$10 bn < Revenue <= $15 bn, n=149	4.99	0.04%	0.54%
$5 bn < Revenue <= $10 bn, n=324	3.24	0.05%	0.53%
$2.5 bn < = Revenue <= $5 bn, n=269	2.53	0.07%	0.80%
Revenue < $2.5 bn, n=61	0.75	0.08%	0.27%

Note: Companies with incomplete data for pre-tax profit are included in the applicable calculations to determine the "All Companies" data, but not in the subsequent rows.

Respondent Listing by Industry

COMMUNICATIONS (N=11)
- AFK Sistema PAO
- Bell Canada
- Blue Label Telecoms
- Fundação Telefônica Vivo
- LG Uplus
- MTN
- PJSC VimpelCom
- Rostelecom
- Telkom SA
- ViacomCBS Inc.
- Vodafone España

CONSUMER DISCRETIONARY (N=6)
- Avis Budget Rental and Leasing
- BMW Group
- Mr Price Foundation NPC
- Volkswagen of South Africa
- Wynn Resorts, Ltd
- Yum Foods KFC Foundation

CONSUMER STAPLES (N=19)
- AVI
- Clicks
- Clover Mamma Afrika
- Coca-Cola Beverages SA PTY LTD
- Diageo
- Henkel AG & Co. KGaA
- Instituto Coca-Cola Brasil
- The Kroger Co.
- Leão Alimentos e Bebidas
- Magnit
- Maple Leaf Foods
- Mercadona
- Pick n Pay
- Shoprite Group
- Solar BR Coca-Cola
- Tiger Brands
- Tongaat
- Woolworths
- X5 Retail Group

ENERGY (N=10)
- Gazprom Neft PJSC
- Gibson Energy
- Instituto Neoenergia
- QEP Resources
- Sakhalin Energy Investment Company
- Shell
- Sibanthracite Group
- SIBUR
- SK Innovation
- Total SA

FINANCIALS (N=37)
- ABSA Bank Limited
- Allianz SE
- Banco Bradesco S.A
- BBVA
- Capitec Bank
- The Co-operators
- DB Insurance
- Deutsche Bank AG
- Discovery
- DWS Group
- The Empire Life Insurance Company
- Future Growth
- HCI Foundation
- HSBC Bank USA
- Industrial Development Corporation of South Africa Ltd (IDC)
- Investec
- Israel Discount Bank
- Itaú Unibanco Holding S.A.
- Liberty Group
- Macquarie Global Services
- Mapfre SA
- MMI
- MTS
- Mutua Madrileña
- Nedbank
- Old Mutual
- Royal Bank of Canada
- Santam
- Santander (Brasil) S.A.
- The Saudi Investment Bank
- Servus Credit Union
- Shanghai Commercial & Savings Bank
- Standard Bank
- TB Bank (PJSC)
- The Travelers Companies, Inc.
- Tinkoff
- UBS

HEALTH CARE (N=10)
- Abbott Laboratories
- Bayer España
- Eli Lilly
- Fresenius Medical Care
- Medtronic PLC
- Merck KGaA
- Netcare Foundation
- SANOFI
- Tamer Group
- UnitedHealth Group Brazil

INDUSTRIALS (N=16)
- Alfred Kärcher SE & Co. KG
- Altron Bytes
- Barloworld
- CSX Transportation, Inc.
- Deutsche Post DHL Group
- DKV Seguros
- Ferrovial
- Hyundai Glovis
- Itron
- Ryder System, Inc.
- SA Sugar
- Shanghai Shandao Enterprise Management Co., Ltd.
- Shihlin Electric Factory Co., Ltd
- Siemens AG
- The Toro Company
- Transnet SOC Ltd

INFORMATION TECHNOLOGY (N=16)
- Advantech Co., Ltd.
- AU Optronics Corporation
- Cognizant Technology Solutions Corporation
- Dell Technologies Inc.
- Dimension Data
- Globant SA (España)
- Moody's Corporation
- Pitney Bowes Inc.
- Shenji Technology Co., Ltd
- Shenzhen Tianyuan Technology Development Co., Ltd
- UNITY
- Wuhan Tuwei Technology Service Co., Ltd.
- Xinxing Electronics Co., Ltd
- Youxun Technology Co., Ltd
- Zhishen Technology Co., Ltd.
- Zhongqiang Optoelectronics Co., Ltd

MATERIALS (N=29)
- ADAMA LTD
- AECI
- AfriSam
- Anglo American
- Atlantic Copper SLU
- Ball Corporation
- Banpu Investment
- BASF SE
- Cascades
- De Beers Group
- En+ Group
- EVRAZ
- Exxaro
- Gerdau S.A.
- Goldfields
- Hyundai Steel
- Instituto Votorantim
- NLMK Group
- Norilsk Nickel
- PhosAgro
- Polymetal International plc
- Russian Copper Company
- SAPPI
- Sasol Limited
- Taiwan Hon Chuan Enterprise Co., Ltd
- United Company RUSAL
- United Metallurgical Company
- Vale S.A.
- Zhenglong Co., Ltd

REAL ESTATE (N=3)
- ACSA
- Vonovia SE
- Xinyi Housing Co., Ltd

UTILITIES (N=8)
- Ameren Corporation
- BRK Ambiental Participações S.A.
- Capital Power Corporation
- Dominion Energy
- Enagás
- Eskom
- Randwater Foundation
- TransAlta Corporation

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