JBWere

The Corporate Support Report

The evolution of corporate giving and community investment in New Zealand

By John McLeod and John Morrow, July 2022

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About JBWere Philanthropic Services

The mission of the JBWere Philanthropic Services team is 'inspire and support our clients to create lasting positive impact.' JBWere is the leading provider of investment and philanthropic services to the for-purpose sector in New Zealand and Australia, currently entrusted with funds under management of $12b by purpose-led clients. We partner with a broad range of purpose-driven organisations including charities, membership organisations, educational institutions, religious entities, iwi / Māori organisations, health and medical research institutes, community service organisations, corporate and family foundations.

JBWere Philanthropic Services partner with our for-purpose clients to understand and evolve their vision, mission, strategy and capability through:

- Best practice for-purpose governance;
- Research, education and insight;
- Tailored strategic advice; and
- Convening and facilitating connections.

To discuss how we might be able to work with you, please contact John Morrow on +64 21 441-087 or John.Morrow@jbwere.co.nz.

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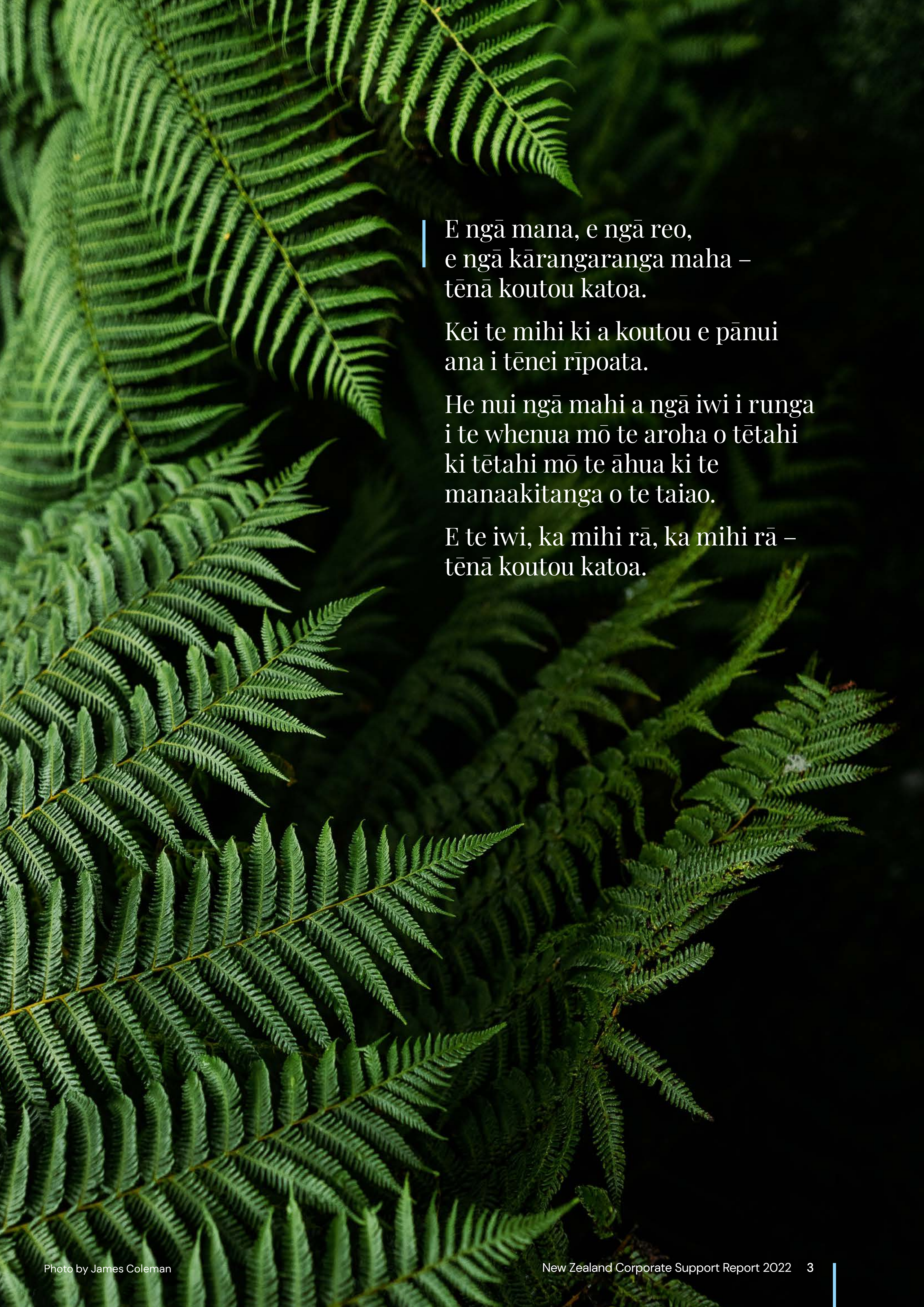


E ngā mana, e ngā reo,
e ngā kārangaranga maha –
tēnā koutou katoa.

Kei te mihi ki a koutou e pānui ana i tēnei rīpoata.

He nui ngā mahi a ngā iwi i runga i te whenua mō te aroha o tētahi ki tētahi mō te āhua ki te manaakitanga o te taiao.

E te iwi, ka mihi rā, ka mihi rā –
tēnā koutou katoa.

Photo by James Coleman

Foreword

Tēnā koutou

Recent history has shown us what is truly essential for our society, to survive, and in due course, thrive. Crises have a way of revealing strengths and weaknesses; and the things that matter most. One revelation was the depth and complexity of the interconnection between the sectors that make up our society: Community, Business, For-Purpose and Government. The crisis requires that each further rethinks and reimagines its role in creating Aotearoa New Zealand, and indeed the world, in which we can all prosper. This increasing interconnection is something that we first explored in 2017's *The Cause Report* – an in-depth analysis into the evolution of the for-purpose (historically referred to as the "not-for-profit") sector in Aotearoa New Zealand. One of the key issues identified in that report was the lack of quality information relating to the role of philanthropic support in the context of the sustainability challenges faced by the sector. This led to the detailed analysis presented in 2020's *The Support Report*, an in-depth analysis of the changing face of giving in New Zealand. One of the key findings was the dramatic difference in who, why, where and the way support is provided across donor segments. In the many conversations that followed, it became clear that one of the segments that was least understood was corporate giving and partnerships. Considering this, and high net worth giving were the fastest growing part of the non-government, non-service revenue funding pie, it became clear that more research was required.

And so, after two years of research we are proud to present '*The Corporate Support Report: The evolution of corporate giving and community investment in New Zealand*'. We trust you find this initial account of corporate giving and community investment in New Zealand helpful.

Our hope is that by increasing clarity and understanding we enable a larger number of quality partnerships between companies and for-purpose organisations, leveraging the strengths and capabilities of each to create real, lasting positive change.

In Aotearoa New Zealand there are other dimensions to corporate community investment found in many of the commercial entities that participate in the Māori economy. In these entities the community investment activities are more diffused because of the Māori world view (te ao Māori) that acknowledges the interconnectedness and interrelationship of all things.

In future we will separately explore and offer case studies of different dimensions of corporate community investment from within the Māori economy, that reflects the application of a sense of kaitiakitanga that goes beyond guardianship toward bestowing a positive duty to act in the interests of community and environment.

This report is part of our commitment at JBWere to fulfil our unique role in the ecosystem: to provide trusted advice, support, and access to insight, so our clients have the confidence to do what matters.

The opportunity to assist our clients in achieving their ambitions, and the ability to contribute to the broader social impact ecosystem, is what inspires and motivates the experienced specialists in our Philanthropic Services team. Personally, I acknowledge the contribution of John McLeod and John Morrow, the authors of this report.

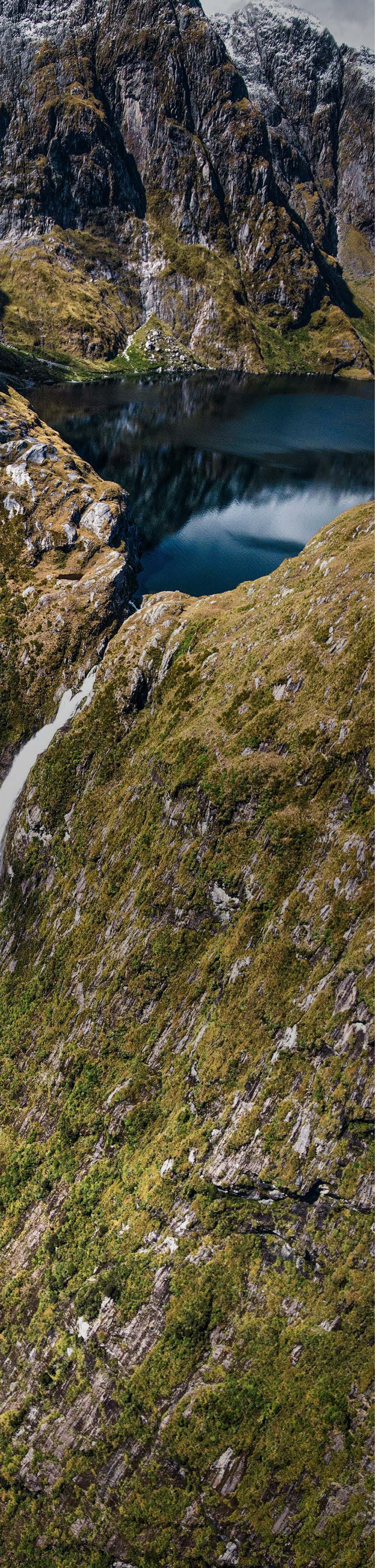
I also extend my thanks to our clients, charities, and companies who have collaborated with us and refer specifically to those mentioned in the 'Voices in the Field' section of the report.

We look forward to engaging with our clients and broader network to explore how these insights can be turned into strategic initiatives and partnerships that deliver urgently needed outcomes. Please contact your JBWere adviser or John Morrow as our Head of Philanthropy to discover how we can work together. Enjoy the report.

With kind regards | Ngā manaakitanga

Craig Patrick
Head of JBWere New Zealand

> "Corporate giving and community investment, alongside high net worth giving, is the fastest growing and least understood segment of social impact funding. By increasing knowledge and improving understanding, our hope is that this report will inspire quality partnerships between companies and for-purpose organisations to create real, lasting positive change."



Contents

Photo by Josh Griggs

“The past year has been all about demonstrating our care for communities, the environment and people – including our employees, farmers and wider New Zealand. Our size and significance means we have a responsibility towards New Zealand and that’s something we’re very aware of.” - Fonterra[1]

1. Colmar Bruton Corporate Reputation Index 2021

Executive Summary

This report examines the growing relationship between the corporate sector and community in New Zealand and internationally. While not all this support appears as cash donations to charities, the current scale and even greater potential is not well recognised. There are new models emerging and innovations starting to occur from both corporate and for-purpose partners.

We firstly look at the long evolution of corporates from largely profit seeking towards purpose driven organisations. This is enhanced by an examination of the shape of corporate New Zealand in terms of industry, size of company and profitability, recognising that each has different stakeholder groups that influence where support might be provided. We then study what the sector has to offer the community and look at what some of New Zealand's corporate community investors are doing in this field, 16 in all. A list of Australia's top 20 corporate givers is also provided to place the research in a wider context and give an example of what this report is working towards. Finally, we look at the relationship from the perspective of both the corporate and the community organisation and highlight the issues each should take into account when considering a partnership. This analysis is supplemented by a collection of first-hand reporting and insights from some of New Zealand's leading corporates and organisations.

We also include in the report overviews from Philanthropy New Zealand and Volunteering New Zealand; and insights from charities who are actively partnering with companies - Breast Cancer Foundation NZ, KidsCan, Keystone Trust, Fred Hollows Foundation, and Hui E! In addition, Bank of New Zealand (BNZ) and Medical Assurance Society (MAS) provide insight on their current social impact strategies.

We make the following observations:

- The timeline showing the issues and events that have helped shape the changing corporate community relationship includes an eclectic mix of academic, accounting, consumer, employee, industry, government, investor, media and public led initiatives.
- The emergence of purpose as an overarching guide for corporate actions, while still in its early stages for most, offers a great opportunity for engagement by for-purpose groups who have always been driven by it.
- Corporate community investment is a part of overall corporate social responsibility and is becoming more integrated into all areas of company operations.
- There is a rising trend in all forms of company giving in New Zealand, Australia and internationally - although available data has been rare until recently and there is still work to do in reporting under a common reporting framework.
- The interconnection between business, households, government and the for-purpose sectors is very strong with many under estimating the level of cross reliance each has on the others.
- Understanding the shape of New Zealand business by industry type, size and profitability and therefore different stakeholder mix, is an important part of the research needed by the community and for-purpose sector when considering engaging with a potential commercial partner.
- The scale and type of corporate expenditure and their asset base, whether physical or other, is significant and dwarfs the for-purpose sector, which has potential for selective community use.
- The breakdown in giving between, cash (from either the company or their foundation), volunteering, goods, services, or other in-kind support such as voice varies by industry, country and size of business.
- Analysis of a selection of New Zealand corporates and businesses offers a view of the link between that company and the causes supported and of the growing diversity of models providing significant support.
- There needs to be a clear understanding by corporates as to why they are engaging with community, what might be unique in their support, and what causes make sense for their situation and skill set.
- Considerations for the corporate around issues such as internal structure, reporting lines, corpus, measurement, and spending levels are important to achieve and track high levels of community investing. In addition, the inclusion of volunteering or workplace giving options and the choice of for-purpose partners to add skills needed in certain cause areas can add significantly to overall success.
- For community and for-purpose groups, the reasons to engage include the large scale and existing connections to the corporates and the complementary skills between the two sectors. The need to understand this sector to increase chances to successfully partner is very important, research is key.
- Finally, understanding the potential demands on your organisation from the relationship and having a clear ethical policy for partnerships is vital.

Introduction

In our studies of various elements of the for-purpose sector and how impact is generated, one of the areas of great interest has been the converging of the two ends of profit versus purpose spectrum. We have seen for-purpose organisations attempting to become more financially sustainable, sometimes through the generation of impact investments, to be rewarded, not just re-imbursed for their efforts. Equally, we have seen the growth in defining purpose, interest, and measurement of environmental, social and governance (ESG) factors as well as broader stakeholder recognition from the corporate sector leading, in part, to greater levels of community investment.

While these ends of that spectrum are converging, there has been less progress in bringing the two sectors together to benefit from the substantial and complementary physical and knowledge assets each group possesses. It is also significant because of the large scale contribution of these two parts of society in Aotearoa New Zealand.

In many ways, this report is continuing to follow and perhaps complete the circle from our co-authored impact investing report in 2017 *Growing Impact in New Zealand*, *The Cause Reports* of 2017 and 2021, and *The Support Report* in 2020. *Growing Impact*, with Ākina Foundation, looked at the emergence of the concept of investing for both profit and purpose in New Zealand while *The Cause Reports* analysed the scale, shape, problems and opportunities for the for-purpose sector; and *The Support Report* dived deeper into giving trends including our initial reference to corporate community investment.

This new report, takes its lead from our recent equivalent Australian Corporate Support Report and looks at the evolution of the relationship between the corporate sector and community with a focus on New Zealand.

There are growing forces that are bringing these two sectors closer, some by desire and some through need, but either way, the recognition that each can be better working together is growing quickly.

We also examine the scale of corporate New Zealand by various measures including industry, employment, and profitability plus look at some of the different cause areas supported by different industries. We look at what corporates have to offer community from direct funding, goods, services, knowledge, influence and employee engagement.

Finally, we examine the relationship from the point of view of the corporate and then from the for-purpose organisation and what issues or considerations they should each include both internally and in the potential relationship.

The scale and growth in corporate community investment is gradually being recognised and even more slowly, understood by the for-purpose sector. Significant opportunities for what this relationship could bring to both groups will develop as their knowledge and skills grow.

Photo by Abel Mitja Varela

“[We have]… moved from the traditional concept of corporate philanthropy to the more advanced concept of corporate community investment. This latter emphasises the strategic value of corporate giving, which should be managed according to specific guidelines approved by the company’s board of directors with the purpose of constantly improving the relationship with civil society.” – Luisa Bosetti[2]

2. Bosetti, L. (2019). Corporate Community Investment: A Strategic Approach. Symphonya. Emerging Issues in Management.

The evolution of the corporate community relationship

The tension between profit and a broader purpose is not new to the corporate sector with many commentators in the past and still currently wanting to shift focus further one way or the other. What is new in more recent years has been the growing evidence that these two forces might be positively correlated and not in competition.

Timeline

The following timeline of various studies and events related to corporate community investment (more on terminology later) shows the multiple forces that have moved corporates towards purpose and their growing relationship and investment in and with community. It is now over fifty years since Milton Friedman's often quoted work about the social responsibility of business being to increase profits. We suspect today he would recognise that one way of increasing profits (or not lowering them), is to have other social responsibilities that are in line with investors, employees, customers and public opinion.

The place of the corporate today is vastly different to that in the 1950's when our timeline commenced. Their share of economic output in industrialised countries has risen from around 1/4 to almost 3/4. The centre of many people's social interactions is now largely with their work colleagues rather than in the broader community. Ownership of public companies is much wider spread now with the growth in superannuation and other broader investment options. In New Zealand the annual business spending pre-COVID (2018) was more than 7 times that of government spending and more than 37 times the for-purpose sector.[3] With that has come a growing interest in how companies are operating and what effect that is having on society. Employees care who they work for and consumers who they buy from - 86% of Kiwis recently surveyed stated that it was important for them to work for a company that is socially and environmentally responsible; and, 90% would stop buying a company's products or services if they heard about them being irresponsible or unethical (Colmar Brunton Better Futures, 2019).

As COVID-19 continues to disrupt, people are seeking leadership from businesses to protect the vulnerable, connect the isolated, and augment public services. In following international trends Kiwis increasingly want to better understand what corporates are doing beyond profits. Brands that are more trusted by New Zealanders are known to improves the lives of everyday Kiwis, are a part of the broader community, and are leading change in a world that is demanding greater responsibility (Colmar Brunton NZ Corporate Reputation Index 2021).[4]

As more people are making more conscious choices about which corporates to engage with, the relationship between the corporate and for-purpose organisations themselves has changed in recognition that the benefits conferred at both ends have evolved and increased.

In addition to increased consumer awareness there is noticeably more investor pressure on corporates as non-financial environmental, social and governance (ESG) risks to long-term value protection and creation become more widely appreciated. The voices of major investors such as Blackrock's Larry Fink are advising CEOs to show their positive contribution to society and more recently around climate. Thanks to academic research conducted over recent years, there is a better understanding of other factors that affect corporate performance and ultimately profitability and market valuations.

Without detailing each of the events in the timeline, it does paint a picture of the, often unrelated, forces that have all pushed, encouraged or led corporates to a place or greater connection to broader society. The range of groups from academic to accounting to financial markets to governments - and collections of them under the UN or other world forums - to philanthropy and purely impact driven players have, often unknowingly, combined over a long period to get us to this point.

3. Similarly in both Australia and the USA, annual corporate spending is around 7-8 times that of government spending, and 20-25 times the for-purpose sector.

4. Internationally, 74% of people warn that companies placing profits before people will lose their trust forever (Edelman Trust Barometer, 2020). Locally, the Kantar Better Futures Report 2022 highlighted 8 in 10 New Zealanders show belief in the need to live more sustainably, and that they expect business and brands to lead on sustainability.

Timeline of the growth in corporate community investment	
1953	Howard Bowen's *Social responsibilities of the businessman* published
1970	Milton Friedman's *The social responsibility of business is to increase its profits* published
1971	Klaus Schwab founds the World Economic Forum and the Davos annual meeting
1973	US corporate giving passes US$1 billion
1973	Davos releases *Manifesto – The purpose of management is to serve clients, shareholders, employees as well as societies*
1982	Business in the Community (BITC) founded in UK, with HRH The Prince of Wales
1986	US corporate giving passes US$5 billion
1991	Archie B. Carroll's *The pyramid of corporate social responsibility* published
1991	New Zealand first country to enshrine a notion of sustainable development in its legislation as a national goal (The Resource Management Act 1991)
1994	London Benchmarking Group (LBG) established to develop a model for managing and communicating community investment by corporates (now Business for Societal Impact)
1994	John Elkington originates the Triple Bottom Line reporting concept
1995	World Business Council for Sustainable Development established
1997	Business Roundtable issues *Principles of corporate governance* endorsing shareholder primacy
1997	Global Reporting Initiative (GRI) founded as an international independent standards organisation to help businesses communicate their impacts.
1999	US corporate giving passes US$10 billion
1999	Dow Jones Sustainability Indicies (DJSI) launched
1999	Chief Executives for Corporate Purpose (CECP) established
1999	New Zealand Business Council for Sustainable Development (NZBCSD) formed, now Sustainable Business Council
2000	GRI guidelines launched
2000	Responsible Investment Association Australasia (RIAA) established
2000	Sustainable Business Network established in NZ
2000	Jed Emerson creates the Centre for Blended Value
2000	UN establishes the 8 Millenium Development Goals
2001	FTSE4Good Index launched to incentive companies sustainability practices
2001	Workplace Giving launched in Australia
2002	Michael Porter and Mark Kramer's *The competitive advantage of corporate philanthropy* published
2003	Australian Centre for Corporate Social Responsibility established
2004	UN Global Compact formed
2005	ESG term coined in *Who cares wins* published by the Global Compact
2006	United Nations Principles of Responsible Investing (UNPRI) launched
2006	Net Balance established
2007	First certified B Corporations
2009	Monitor Institute's *Investing for social & environmental impact* published coining the term "impact investing"
2009	The Global Impact Investing Network (GIIN) established
2010	US corporate giving passes US$15 billion
2010	Payroll (workplace) Giving launched in New Zealand
2010	Embedding Project founded by Stephanie Bertels (SFU, Canada) – to help companies embed social and environmental factors in operations and decision-making
2010	NZBCSD published *Business guide: Engaging in Corporate Social Responsibility*
2011	UN endorsed the Guiding Principles on Business & Human Rights to prevent and address human rights abuses committed in business operations
2011	Michael Porter and Mark Kramer's *Creating Shared Value* published
2013	International Integrated Reporting Council published *International Integrated Reporting Framework*

Timeline of the growth in corporate community investment	
2013	India's Companies Act mandated larger companies spending levels for CSR at 2% of net profits averaged over 3 years
2013	Richard Branson and Jochen Zeitz co-founded The B Team for Sustainable Business
2014	Pledge 1% founded (global)
2014	Te Urewera, the ancestral home of the Tuhoe people, became the first natural feature in New Zealand to be recognised as a legal person
2014	Ākina Foundation extended its mission to support the impact economy in New Zealand
2015	New Zealand signs up to the UN Sustainable Development Goals (SDGs)
2015	UN establishes the 17 Sustainable Development Goals (SDGs)
2015	Philip Kotler published *Confronting capitalism: real solutions for a troubled economic system*
2016	New Zealand signs the Paris Agreement on climate change, committing to reduce greenhouse gas emissions by 30% below 2005 levels by 2030
2017	Environmental, Social and Governance Reporting included in NZX Corporate Governance Code
2017	The British Academy launched Future of the Corporation project
2017	Deliotte Monitor published *Social purpose and value creation: The business returns of social impact*
2017	First rights for nature legislation passed that recognises the Whanganui River catchment as a legal person
2018	Blackrock advises major corporate CEOs to show their positive contribution to society
2018	Aotearoa Circle formed with a commitment to the pursuit of sustainable prosperity
2019	Business Roundtable (US) redefines the purpose of a corporation to include all stakeholders
2019	First edition of the AFR Boss's top 50 for Australian corporate community investment published
2019	Tourism Holdings (an NZX company) was the first listed company to release a Future-Fit Integrated Report, and commit to the Future-Fit Business Benchmark
2020	Davos updates *Manifesto* – The purpose of a company is to engage all its stakeholders in shared and sustained value creation
2020	Alex Edmans *Grow the pie – How great companies deliver both purpose and profit* published
2020	University of Cambridge Institute for Sustainable Leadership issued *Business briefing: Leading with sustainable purpose*
2020	Virginia Munro's *CSR for purpose, share value and deep transformation* published
2020	Mark Kramer et al *Hybrid metrics – Connecting Shared Value to Shareholder Value* published
2021	WBCSD released *Social & Human Capital Protocol* (framework) for business to help organisations understand their impacts and dependencies on people and society
2021	Paul Polman and Andrew Winston's *Net Positive – How courageous companies thrive by giving more than they take* published
2022	Third edition of the AFR Boss's top 50 for Australian corporate community investment published
2022	To date, legislation in NZ has been passed for 78 Treaty of Waitangi claims, with 41 claims remaining outstanding.

Source: JBWere Philanthropic Services

Purpose and employees, customers and investors as stakeholders

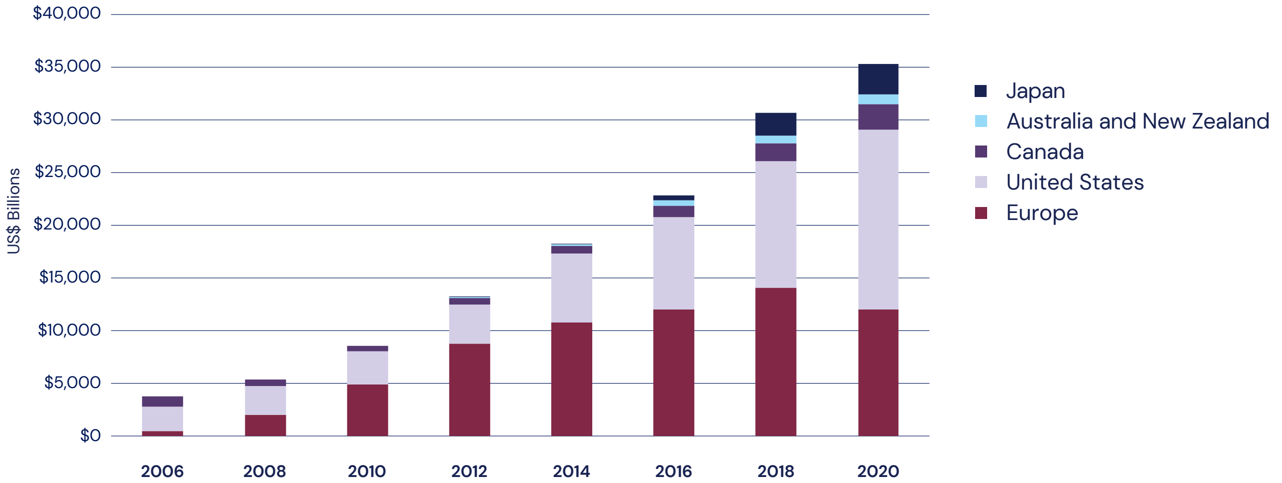
There has now been wide acceptance that companies are an increasing part of a broader ecosystem and cannot thrive in the longer term unless that ecosystem is also thriving. To borrow the line from an old environmental campaign poster, "no jobs on a dead planet", and similarly from Björn Stigson, former President of World Business Council for Sustainable Development "businesses cannot succeed in societies that fail." Issues such as nature loss, poverty, inequality, suicide are not just public issues, they are business issues.

One of the more obvious examples of the corporate sectors increased understanding of their place in broader society has been the growth in those defining their "purpose"– an expression of which we have sought to capture in our corporate profiles. Put simply, purpose is describing how the world is better for having our company existing. To do this a company should describe its important stakeholders (who it exists for) and what its advantage or solution is (why it exists). The NZBCSD / SBC asserts that the strongest and most rewarding relationship between a corporate and a for-purpose organisation relies on the corporate having strong core values that guide their choices of social issues and in turn who they partner with to help contribute to community goals. As Alex Edmans says in *Grow the pie*, the ultimate objective for an enterprise should be to create value for society – meaning that profits become an outcome rather than a goal. If it is just profits, then simply redistributing the same sized pie becomes the aim, whereas having a purpose of improving society in some way allows a much more ambitious agenda to be set, which will also resonate with employees, customers and the broader public. The for-purpose world understands purpose and therefore is in a wonderful position to guide and partner this growing corporate interest.

Later in the report we refer to academic studies that highlight the positive relationship between companies acting with purpose and their employees, customers and investors. Terms like "conscious consumers" who are looking beyond labels to the practices of the company producing the product, the increasing competition for talent in employee recruitment and retention and what drives their choices are all examples of the importance of the emergence of purpose driven businesses.

The growth in interest for sustainable investing is one of the more obvious signs of this change with 36% of all professionally managed funds now using some sustainability strategy in their asset selection process, up from 28% in 2016. Australia and New Zealand are slightly higher at 38%.

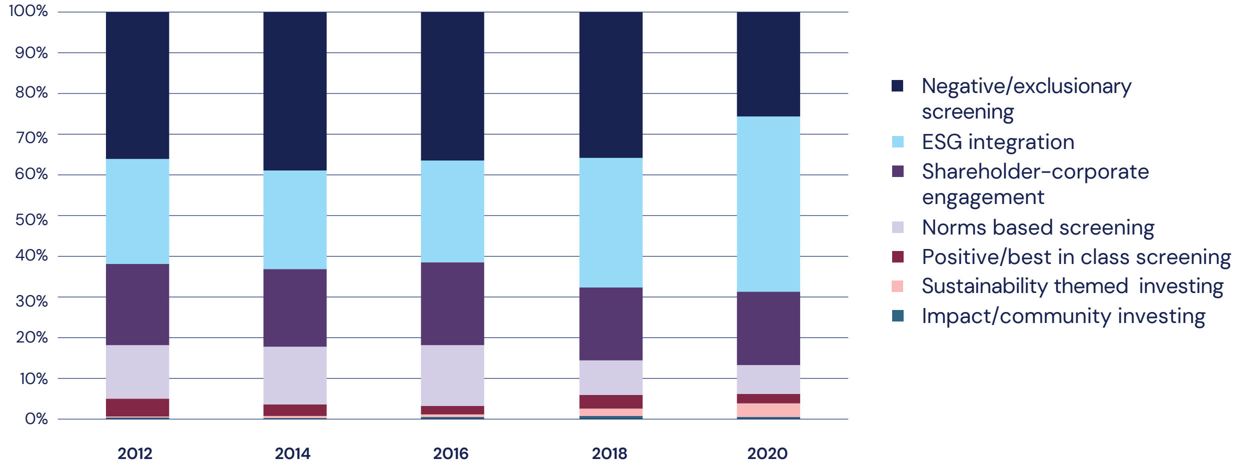
Sustainable investment assets



Source: Global Sustainable Investment Review, JBWere Philanthropic Services

In addition, the sustainability strategies used have changed with the broader measures of ESG now replacing negative or more ethically based screening as the most common. This has meant a much greater focus is being placed on companies to measure and publish details of an increasing range of non-financial data on their performance and be judged on those measures, alongside more traditional investment parameters.

Investment strategy



Source: Global Sustainable Investment Review, JBWere Philanthropic Services

Where do corporate social responsibility and community investment fit?

Where does corporate social responsibility (CSR) or corporate community investment (CCI) fit into this evolving corporate movement? While purpose provides the big picture answers of why and for whom a company exists, CSR is more the "how". While there are many definitions and there are country differences in its breadth and trends, the organisation Business for Social Responsibility summarised CSR as meaning "to operate a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has for business." Additionally, the voluntary nature of these actions are an important factor of CSR.

In more detail, Carroll in 1991 in *The pyramid of Corporate Social Responsibility*, discussed the four levels of CSR from bottom to top as:

Source: The pyramid of Corporate Social Responsibility: Toward the moral management of organisational stakeholders

More recently Professor Kash Rangan from the Harvard Business School and JBWere's visiting Professor for our Social Leadership Programme, identified his three theatres for CSR as:

Theatre 1: Philanthropy	Theatre 2: Value Chain	Theatre 3: Business Model
Donations/grants Matching gifts Community support Sponsorship Strategic philanthropy	Sustainable operations Responsible supply chain Clean manufacturing Employee welfare Post-sale stewardship Customer cause marketing	Sourcing Producing Distributing/selling and sustaining

Source: Professor Kash Rangan, Corporate Responsibility Auditing and Building a Strategy

While almost two decades apart, the two descriptions share philanthropic activity as part of their CSR model, Carroll has it at the top of his pyramid and Rangan as Theatre 1. Virginia Munro in *CSR for Purpose, Shared Value and Deep Transformation*, states that the term corporate philanthropy has evolved into Corporate Community Investment, which is also the term we have used in this report as it better describes the wide range of activities included, compared to just traditional donation models. It also better describes the more engaged community related social initiatives bringing more corporate assets to the table than just the cheque book as elaborated on below. Munro's book provides an excellent history of CSR and includes descriptions of the numerous terms attaching and related to this activity, many of which we have included in our timeline.

Our focus in this report is particularly on corporate community investment rather than the other elements of CSR activity.

What is corporate community investment?

Corporate community investment (CCI) refers to a specific kind of engagement by companies with and through organisations and the community that is designed to address specific social issues or confer a benefit on the community. It is specific voluntary engagements with charitable organisations and or community that extend beyond core business activities.

There are two main questions to ask when assessing whether a contribution or activity is CCI; 'Is it voluntary?' and 'Is it charitable/community benefit based?'.

CCI is a combination of both the voluntary action (input) of the company and whether a positive benefit to the community (output) flows from this. Inputs from the company look like cash, time and in-kind contributions of product, property or services (including pro bono), and CCI programme management costs. The input must come from the company's resources - as for example, the financial match amount that a company contributes alongside employee donations, not the total donated workplace giving amount.

The output refers to the benefit conferred and requires identification of the beneficiary with a clear charitable/ community purpose - noting that this can include but not exclusively be of benefit to the company also. This output can be the value of a donation by the company to a for-purpose organisation but not the amount a corporate donates to their own foundation, as this amount may be absorbed in an outgoing amount from that closely held charity into the community or retained for future use.

The for-purpose organisations, the beneficiary, may not always be legally defined or registered charities but to be formally recognised as a CCI the organisation must have a purpose, or be delivering an activity, that is broadly recognised as charitable (education, for example, is widely regarded as charitable around the world) and being managed in a way so as to deliver public rather than a private benefit.

It is also helpful in framing the definition of CCI to be aware of what does not count, this includes things like, creating jobs, workplace health and safety, energy conservation etc.

For further guidance on what amounts to a CCI we refer you to the Business for Societal Impact (B4SI) Framework, managed by Corporate Citizenship, which is the international standard in measuring and managing a company's investment for social impact.[5]

5. Business for Societal Impact Guidance Manual (Corporate Citizenship) https://corporate-citizenship.com/wp-content/uploads/B4SI-CCI-Guidance-Manual-2021-Public.pdf

We have included a description of the common terms used in this broad corporate discussion, recognising the often strong overlap between some terms sometimes derived by their academic origin.

Glossary of terms

Term	Description
B Corp certification	B Corp certification requires a business to demonstrate high social and environmental performance by achieving a minimum B Impact Assessment score and be accountable to all stakeholders, not just shareholders. There are currently over 4,000 certified B Corporations in more than 70 countries and over 150 industries.
Benefit corporation	A benefit corporation is a traditional corporation with a legal structure of modified obligations committing it to higher standards of purpose, accountability and transparency.
Blended value	The idea that the value created by an organisation is fundamentally indivisible between "economic value", "social value" or "environmental value". These quantities are simply parts of one essential value.
Cause related marketing	Used when a company aligns itself with a specific cause, and contributes money, time, or expertise to an organisation or event in return for the right to make publicity or commercial value from that involvement. The corporate benefit is generally less overt than in a sponsorship arrangement.
Conscious capitalism	Conscious capitalism refers to businesses that operate with a purpose beyond just maximising profit, is managed for all their stakeholders and has embedded this way of operation across their leadership and organisational culture.
Conscious consumers	Refers to consumers who "look beyond the label" to the company behind it and how they operate. They are interested and guided in their choices by the wider social and environmental impacts of their purchases.
Corporate citizenship	Corporate citizenship is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. The aim of this social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation.
Corporate community investment (CCI)	Provision of cash, goods and services by a company voluntarily to parts of their or their stakeholders community. It is measurable and has globally accepted rules about what can and can't be included.
Corporate foundation	A separate legal structure, usually a charitable trust, established by a company to support some or all of its social or environmental activities. It may have aims that differ from the company and separate directors but will generally be funded either annually or up front by the company. Some companies term their activities as a Foundation without forming a separate foundation.
Corporate partnership	A relationship between a corporate and a for-purpose organisation. While part of the activity will consist of the corporate providing cash, goods and/or services there will also be a deeper understanding of each others needs and result in actions/exchanges that benefit both partners.
Corporate philanthropy	Support through cash gifts, equipment, supplies, or other contributions by business firms to for-purpose institutions, sometimes through organised programmes that may include corporate foundations.
Corporate social responsibility (CSR)	The idea that corporations – large or small – have a responsibility to the local community, broader society, and/or the environment.
Corporate sponsorship	As distinct to a corporate partnership, this is closer to marketing or advertising for the company and will usually come out of a separate budget with success measured against other forms of company promotion.
Environmental, social and governance (ESG)	A term applied to the measurement of non financial factors in a company for each of the environment (eg carbon intensity or waste), social (eg health & safety, slavery) and governance (eg compensation, diversity). Increasingly used as part of the investment analysis process.
For-profit	The part of the economy concerned with organisations and businesses (private and public) that provide services and products based on market demands for a fee, with the intention of producing a profit for owners and shareholders.
For-purpose	An organisation that is designed to achieve impact. Profits can only be reinvested in the organisation. Mostly they are registered charities but can also be other not-for-profit organisations such as sporting or community organisations. They are generally tax exempt.
Future-fit business benchmark	An ambitious science-based systems approach that shifts focus from today's best practice towards required practice. It includes 23 goals that together define the social and environmental break-even point that any company must reach to build a sustainable world. These goals align with the United Nations 17 Sustainable Development Goals.

Term	Description
Global reporting initiative (GRI)	A globally accepted group of standards for organisations to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development.
Hybrid metrics	A new approach that combines companies' social and environmental impact with standard measures of financial performance, making the connection between the two explicit and providing a combined measure of performance.
Impact investment	Impact investing refers to investments made into companies, organisations, and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return.
Pledge 1%	Companies can pledge any combination of product, equity, profit, or time to whatever charity of their choice. Pledge 1% partners are leading organisations committed to encouraging the early stage companies they work with to make giving back a priority.
Pro bono	"For the public good". The provision of services at no or substantially reduced (low bono) cost with no expectation of a commercial return. Most commonly seen in legal and accounting firms.
Purpose driven business	A business that is guided by the knowledge of why and for whom it exists, what its advantage or solution is for society or its particular stakeholders. Profitability is a result of its purpose, not the driver itself.
Responsible investment	Socially responsible investment combines investors' financial objectives with their commitment to social concerns such as social justice, economic development, peace or a healthy environment. It describes investment that takes account of the investors' ethics, values and objectives, whether social or environmental, whilst also delivering a financial return.
Shared value	(Creating) shared value is creating profitable business solutions for social and environmental problems.
Social enterprise	A Social Enterprise is an organisation that uses business solutions to accomplish social goals. In a Social Enterprise, the social objective is the primary driver. It is estimated there are 3500 social enterprises operating in New Zealand.
Stakeholders	A stakeholder is an individual or group who could be affected either positively or negatively by a companies actions. It goes beyond just owners or shareholders and includes employees, customers, suppliers, community and government.
Sustainable development goals (SDGs)	Established in 2015 by the United Nations, they are 17 goals across social and environmental factors which provide a blueprint to achieve a better and more sustainable future for all people and the world by 2030.
Sustainable investment	Investments which are based on both financial and social/environmental returns. They include a wide spectrum from impact investment, which places emphasis on impact to those doing less harm than others in a particular industry. Similar to responsible investments with less emphasis on ethical or values compared to social or environmental sustainability.
Triple bottom line	The triple bottom line (TBL) focusses companies not just on the economic value they add, but also on the environmental and social value they add – and destroy. At its narrowest, the term "triple bottom line" is used as a framework for measuring and reporting corporate performance against economic, social and environmental parameters.
Payroll (workplace) giving	Introduced in 2010, it offers a mechanism for employees to have regular donations to charities deducted from salary and tax credit automatically applied.
Workplace volunteering	Similar to pro bono but including unskilled volunteering, often in corporate teams assisting for-purpose organisations for specific tasks. The company pays the employee for a specified number of days per year to volunteer in an organisation of either the employee or the company's choice.

Source: JBWere Philanthropic Services

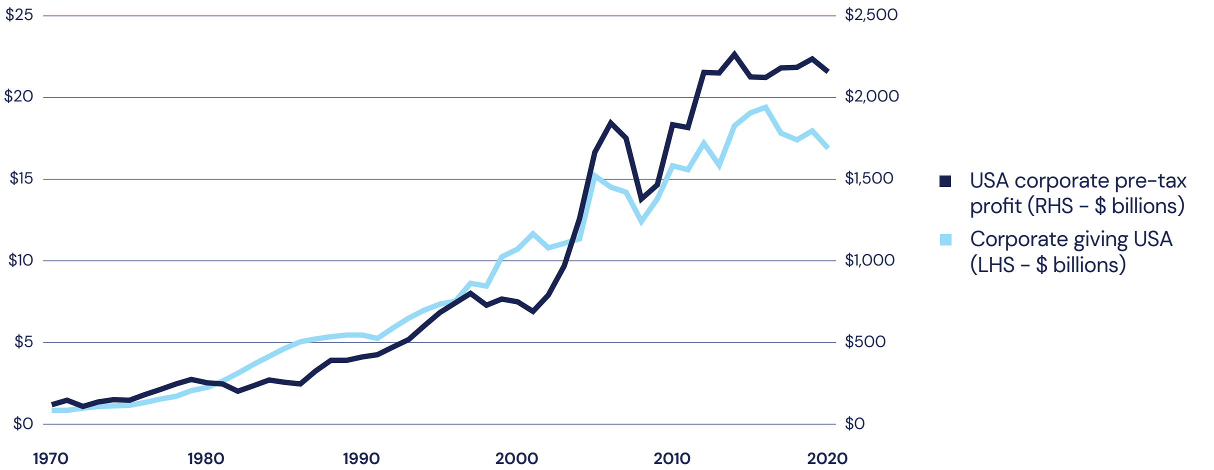
Growth in corporate community investment

One of the measures now commonly seen in many corporate sustainability reports are summaries of their corporate community investment initiatives detailing the breakup of the type of support provided by value and cause area.

The US context

In the USA, data over the last 50 years shows the growth in community investment and not surprisingly, the strong correlation to company pre-tax profits.

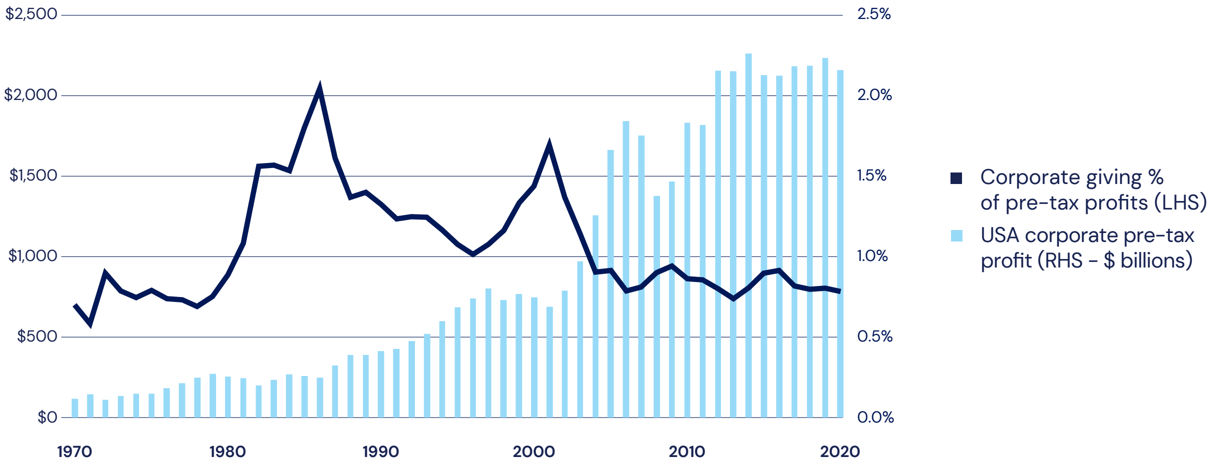
USA corporate giving 1970 - 2020



Source: Giving USA, JBWere Philanthropic Services

Over the last two decades, at a time of generally strong profits, the proportion given as community investment has levelled out at around 0.9% of pre-tax profit. At the same time strategies about where that investment is best placed has become more sophisticated, taking into account stakeholder analysis and looking at the comparative advantages a corporate has in certain cause areas and perhaps where a for-purpose partner might be better placed to provide. Also, more advanced is their ability to multiply the returns from their spending and a slowly growing an internal skill base in measuring those often non-financial returns. It is no longer just the Chair's favourite charity that benefits from corporate community investment.

USA corporate profits and % given 1970 - 2020



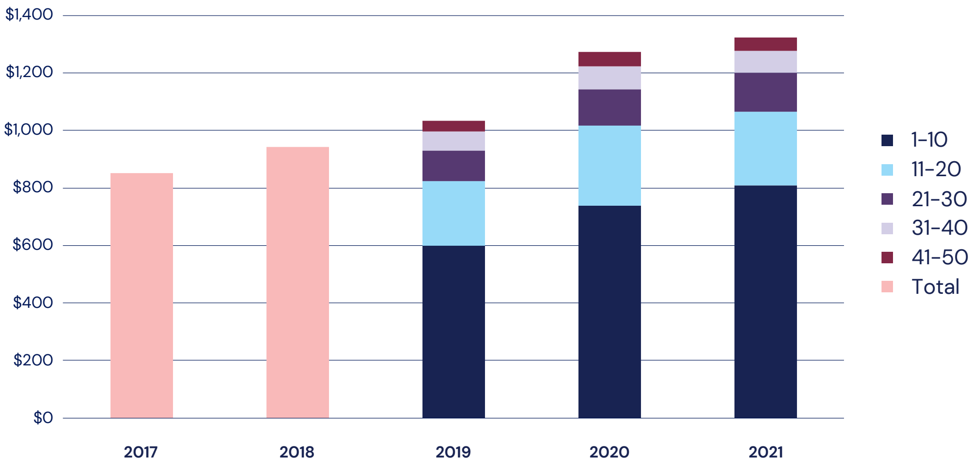
Source: Giving USA, JBWere Philanthropic Services

The Australia context

Australian data is less comprehensive than what is available in the US. However, work by Jarrod Miles of Strive Philanthropy, partnered with JBWere Philanthropic Services, led to the creation of a list of the top 50 companies for their levels of community investment. The annual list published in the Australian Financial Review's (AFR) Boss publication has helped raise awareness and has seemingly added to competition in this important space. The Australian data shows impressive growth over the past three years, with CCI increasing in response to and despite the 2019/20 bush fires and the COVID pandemic.

With pretax profit around $500 billion, at the average percentage provided for community over the past two years from the top 50 corporates and in keeping with the global benchmark of 1%, this equates to around $5 billion per annum provided in support.

Top 50 corporates for community investment 2017-2021 ($m)



Source: Jarrod Miles, Strive Philanthropy/Giving Large and John McLeod, JBWere Philanthropic Services

The top 20 of the latest 2021 Australian rankings with values and cause areas supported is included in a later section.

The New Zealand context

We have previously estimated that due to COVID disruptions total giving in 2020 was the same as 2019 at $3.8 billion (where there would normally be a 4.5% growth) and that total giving would fall in 2021.

Until further sector wide research is undertaken it is hard to be definitive, but our recent follow-up analysis suggests that the overall loss in giving over the last 2-3 years, compared to where it would have been, has not been as marked.

Relatively steady levels of grants from Lottery Grants Board, community trusts and private philanthropy have helped to cushion the fall in donations and grants fall from the public and community gaming trusts.

As for business giving, in 2018 it equalled $569m and represented 15% of total giving ($3.8b). There are indications from IRD data that business giving from pure cash donations has not kept at this level, but it is possible that other charity community support has offset that. All to say that will unlikely be a complete assesment of the recent generosity of New Zealand business.

In New Zealand corporate community investment includes cash donations, but a larger part of the investment is through volunteering and pro bono activities, in-kind support, including in-kind goods and services and facilities at a cost to the company.

The total donation deductions claimed by New Zealand companies for the 2019/20 year was $28m, down from the high of $47m for the 2017/18 year.[6] This is a smaller component of their total support but has often been focussed on as the only contribution made by the sector giving a false view as to their generosity. Notably, many companies work with charities under non-commercial 'sponsorship' arrangements, which results in a marketing deduction rather than a donation deduction. It is hoped that in the future this perspective can be corrected by New Zealand companies reporting their total community investment under the methodology prescribed by the Business for Societal Impact (B4SI) Framework, which captures all in-kind contributions.

Meanwhile, earlier business giving estimates while only quoting the IRD business giving values, suggested that business giving was estimated at 4.7 times donation deductions claimed. In following our New Zealand Support Report 2020 analysis we have used a multiple of 3-5x times to the IRD updated values for the five-year period 2016-2020 until further research is conducted, and we expect that this is still conservative.

6. NZ Treasury 2021 Tax Expenditure Statement (the figures quoted here are estimated finals as at April 2021) - https://www.treasury.govt.nz/publications/tax-expenditure/2021-tax-expenditure-statement

Workplace or payroll giving, where employees are offered the opportunity to have donations directly deducted from payroll and effectively receive their tax adjustment upfront, has not grown significantly. The concept is common in supporting a corporate social responsibility (CSR) strategy, but employee giving behaviour, and the level of this kind of giving, is influenced by their peers, and companies matching donations.

Unless companies more actively promote the concept and senior management lead discussions, the amounts given will not reach the potential possible through this platform, admirable that it is. Good case studies of workplace giving in this region are being profiled in the long-standing campaign to get one million Australians donating through the workplace (currently 210,00).[7]

Business giving and workplace giving in New Zealand

	2016	2017	2018	2019	2020
Business giving donation claimed ($m)	$78	$90	$143	$99	$84
Business giving through CSR programmes ($m)	$318	$321	$429	$396e	$340e
Total ($m)	**$396**	**$411**	**$572**	**$495e**	**$424e**
Employees using workplace giving	9,050	11,500	13,060	15,120	15,100
Av. donation through workplace giving ($)	$652	$557	$475	$450	$457
Donations ($m)	**$5.9**	**$6.4**	**$6.2**	**$6.8**	**$6.9**

Source: New Zealand Treasury 2021 Tax Expenditure Statement, IRD, JBWere Philanthropic Services (updated from NZ Support Report 2020)

As is evidenced in this overview here in New Zealand there is significantly less data available than in both the US and Australia. This report marks a significant step towards the collection and collation of comparable data in New Zealand with the hope that this will lead to being able to produce a list of our top corporate givers. For now given the current constraints of available data, we have opted to provide in a section following a snapshot of CCI in NZ through case study style profiles, covering a variety of giving in form and size.

7. One Million Donors https://www.1mdonors.org.au/

Photo by Josh Griggs

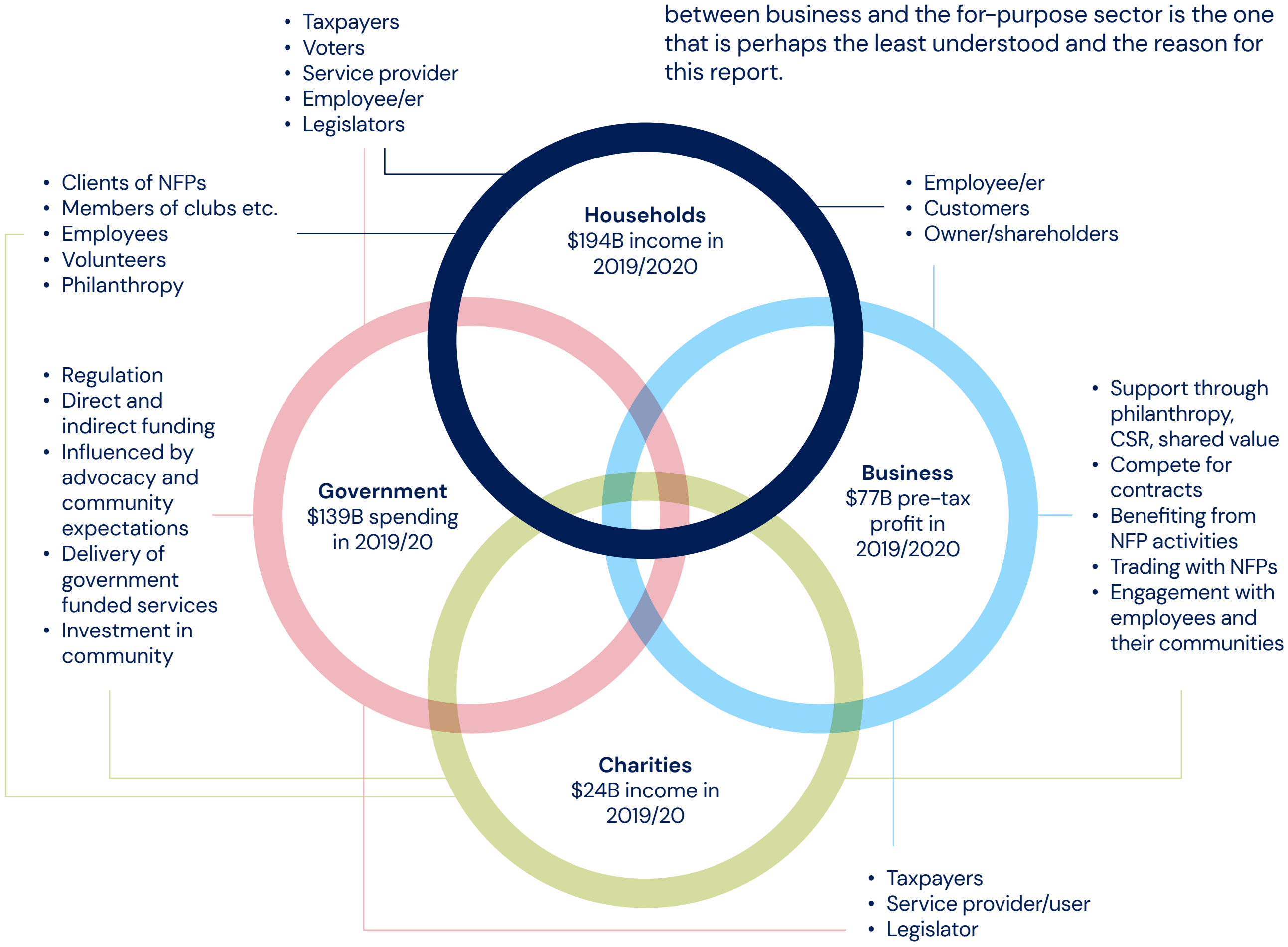
The shape of corporate New Zealand

When for-purpose organisations are considering partnering with corporates, it is important to understand what may influence the corporates and who are in their circle of stakeholders.

This will vary greatly depending on factors such as industry, competition, size, number and type of employee, location, customers, suppliers, owners, funders and relationship to government. While there is no simple or exact formula for each situation, an understanding of these issues will greatly assist in being able to target the most likely partners for each discrete situation.

Where business fits into broader society

A good starting point for understanding the scale of corporate New Zealand is by seeing where it fits with the other three broad sectors of society, government, households and for-purpose organisations. Although the dollar values for each of the sectors are significant in the tens and hundreds of billions, it is the strong connections between each sector that is important. None operates without support from the others. The link between business and the for-purpose sector is the one that is perhaps the least understood and the reason for this report.



Source: Statistics NZ, NZ Treasury, JBWere Philanthropic Services

The link between business and the for-purpose sector is the one that is perhaps the least understood and the reason for this report.

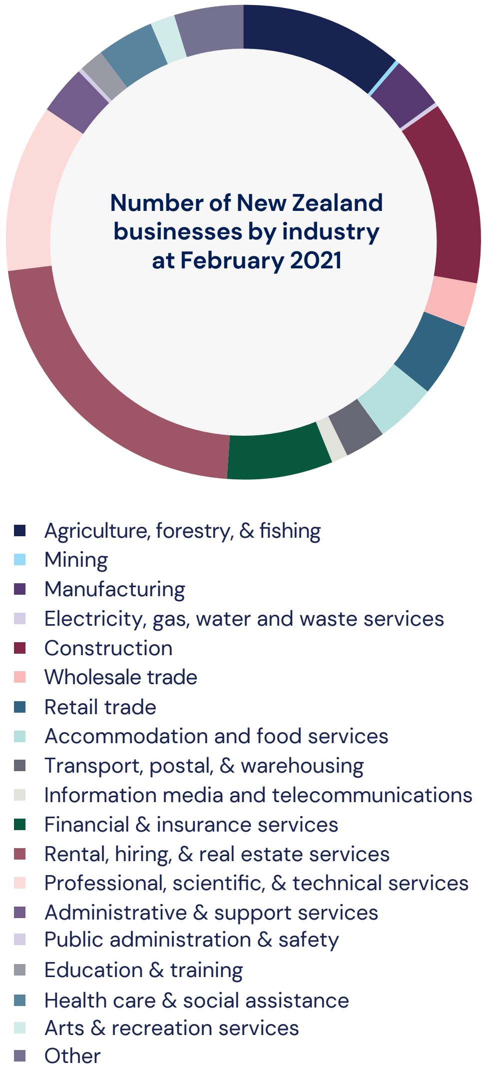
Business by industry type

The next level of understanding required is the type of industry that each corporate represents. This will determine much about their distinct stakeholder groups and allow analysis to begin on the potential reasons for partnerships. As shown, the range of industries by number of businesses is very diverse with a good spread across a wide range of activities. There are many other factors, particularly size, location and profitability that will also need to be included, but industry type is perhaps the most important. The link between industry and causes will be demonstrated in the final section of the report, showing Australian trends as well as the connections observed from our New Zealand profiles.

Business by profitability

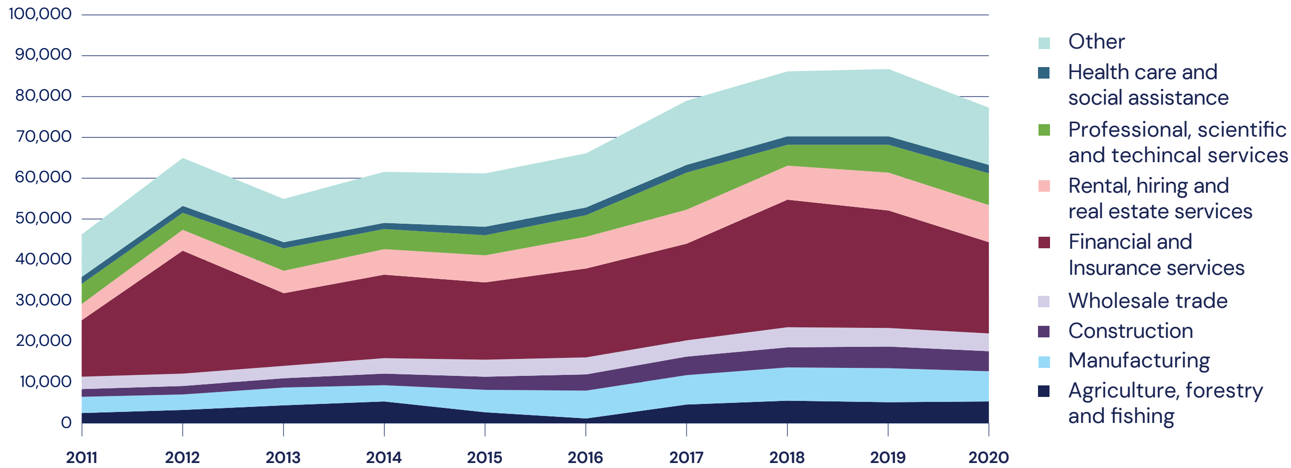
Almost as important as industry type is profitability. Corporates or industries with historically low profits are less likely to use discretionary funds, particularly over longer time frames, to support the community. Although we might argue that this is a good way to potentially improve their financial performance, management and board pressure to survive is likely to win out. The following analysis derived from Statistics NZ data looks at business and corporate pre-tax profits. Most global comparisons of community investment compare it to pre-tax profit, hence that measure being used here. The pre-tax profit for New Zealand enterprises for the year 2019/20 was $77.4 billion.[8] At the global standard of 1% of pre-tax profits now targeted by many companies, this represents $774 million in community investment, around 9 times that given to charities from business giving claimed donations ($84 million).

Understanding the scale of industry profitability and its volatility in particular sectors is an important part of the analysis required. In addition, when looking at a particular individual corporate, their own position in their industry is significant for understanding what they may be trying to achieve versus their peers. Are they newly established or fighting off newcomers? What is their own profitability trajectory and history of community investment?



Source: Statistics NZ, JBWere Philanthropic Services

Corporate pre-tax profit by industry 2011-2020 $m



Source: Stats NZ, JBWere Philanthropic Services

8. Statistics NZ – Annual enterprise survey: 2020 financial year (provisional)

Business by employee numbers

The next area to consider is what scale of company is the right partner for a for-purpose organisation and vice versa. This doesn't mean that all ideal partners are large. For example, many larger, national corporates and smaller regional charities will each likely struggle to create a workable partnership.

If one of the potential benefits for a corporate in a partnership is staff engagement, then obviously having staff is an important part of that equation.

The Māori economy and corporate community investing

In Aotearoa New Zealand there are other dimensions to corporate community investment found in many of the commercial entities that participate in the Māori economy. In these entities the community investment activities are more diffused because of the Māori world view (te ao Māori) that acknowledges the interconnectedness and interrelationship of all things. For many of these organisations it is a way of being, rather than one, two or three programme lines under a corporate social responsibility (CSR) strategy.

Whilst commercial operations like Kaikoura Whalewatch could readily and impressively report under the B4SI methodology, this international CCI reporting framework is arguably too narrow to recognise the breadth of the community investments that many tribal entities are making in supporting the flourishing of Aoteaora New Zealand. That is, including for example in (1) supporting many within their tribes that are over-represented amongst those most at risk across a region, and (2) in preserving and providing public access to special areas of a tribe's rohe.

In future reports we will separately explore and offer case studies of different dimensions of corporate community investment from within the Māori economy. For now we simply note that a Māori worldview, moves the focus away from the individual and toward the community and reflects the application of a sense of kaitiakitanga that goes beyond guardianship toward bestowing a positive duty to act in the interests of community and environment.

Source: Statistics NZ, JBWere Philanthropic Services

Source: Statistics NZ, JBWere Philanthropic Services

Photo by Tobias Alexander Kraus

"Through practicing kaitiakitanga, organisations can build businesses where wisdom is consciously created through reciprocal relationships. In this worldview, humans are stewards endowed with a mandate to use the agency of their mana (spiritual power, authority, and sovereignty) to create mauri ora (conscious wellbeing) for humans and ecosystems – and this commitment extends to organisations." – Catherine Pierce[6]

9. C. Pierce (2019), *What drives corporate social responsibility in New Zealand?*

What do corporates have to offer the community

We previously examined the shape of the corporate sector in terms of scale, industry, employee numbers and profitability. However, the full set of assets that corporates control that can benefit community is much larger than these simple measures might suggest.

These include direct funding, goods, services, knowledge, influence/advocacy and employee engagement, including low or pro-bono support/volunteering plus a strong and diverse asset base.

The corporate and charity sector income statements

Comparing the business / corporate and charity income statements provides some guidance on available support areas. We've used 2019 / 2020 data to avoid COVID payment distortions for both sectors. While wages and salaries make up only 18% of business / corporate costs, they are still over 80 times the value of wages and salaries overhead (excluding programme related) of the full charity sector, highlighting the potential for skilled and unskilled volunteering and pro bono assistance, particularly in areas where the corporate has complementary skills to that residing in the for-purpose sector. Obviously, this works both ways with most for-purpose groups possessing greater skills, knowledge and trust in many field areas compared to the corporate who also wants to support that cause.

Of further contrast between the sectors is the non-wages spending. The corporate sector sees 81% of all expenses on buying goods and services, 26 times that of the charity sector. There are many examples where this can be a potential benefit for impact seeking roles. The significant food rescue support offered by various companies are an obvious example. The sheer scale of this part of corporate spending compared to the levels of pre-tax profit highlight why corporate community investment often comes from areas other than purely cash donation support. However, we still see for-purpose organisations focussed in on a straight donation and not fully appreciating the other larger types of support available.

Finally, although a topic for another report, we should all notice the pre-tax profit to income ratio for corporates is 11% compared to only 6% for charities. Another part of the evidence base that charities are only reimbursed for their impact, not rewarded for the true worth of the impact created. They are price takers, not price makers, even when compared to the often highly competitive corporate landscape.

We note the relative financial performance of New Zealand companies to New Zealand charities is similar to that of Australia other than in any comparison between wages and salaries, which is likely a function of a significant proportion of wages and salaries in New Zealand being included in programme expenses.

Income statement for the Business/Corporate and Charity sectors in New Zealand

	Business FYE 2020 ($ billions)	Charities FYE 2020 ($ billions)
Profit and Loss		
Sales and service income (incl. Gov't for charities)	$660	$11.5
Other income	$73	$12.2
Total income	**$733**	**$23.7**
Wages and salaries	$121	$1.5
Other operating expenses	$534	$20.7
Total expenses	**$655**	**$22.2**
Pre-tax profit	**$78**	**$1.5**

Source: Statistics NZ, DIA - Charities Services JBWere Philanthropic Services

Income statement for the Corporate and Charity sectors in Australia

	Corporates 2019 ($ billions) (excl. finance & insurance)	Charities 2019 ($ billions) (ACNC publicly reported)
Profit and Loss		
Sales and service income (incl. Gov't for charities)	$3,566	$134
Other income	$201	$30
Total income	**$3,767**	**$165**
Wages and salaries	$635	$86
Other operating expenses	$2,685	$72
Total expenses	**$3,320**	**$157**
Pre-tax profit	**$446**	**$10**

Source: Australian Bureau of Statistics, JBWere Philanthropic Services

Corporate sector assets

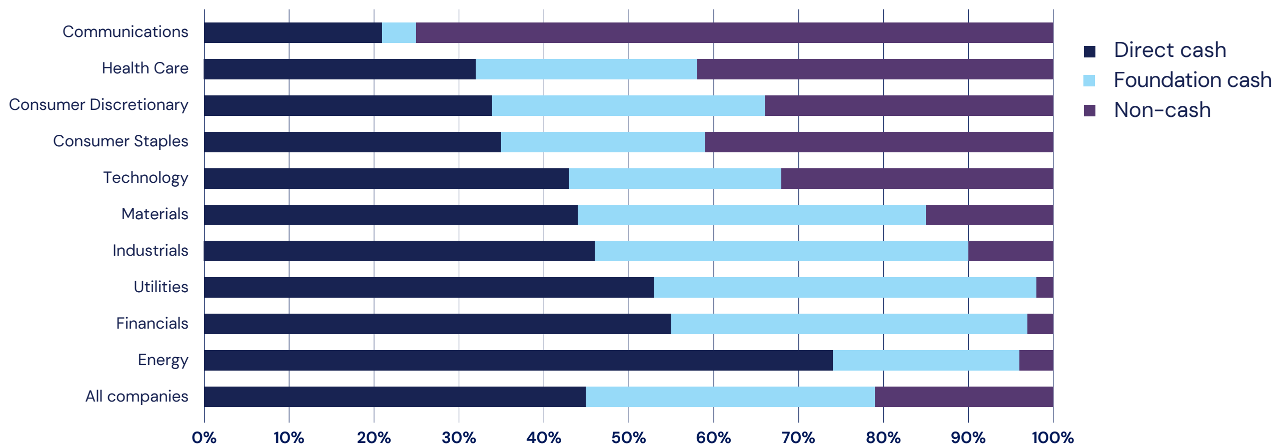
Another aspect of corporate activity is their annual spending on building their asset base. Obviously, the accumulated total asset value is much larger and so for-purpose organisations should consider their ability/desire to partner utilising available corporate assets. Consider the potential availability of assets, potentially from excess capacity, such as transport or material handling, manufacturing facilities, office space or still useful equipment being upgraded. Interestingly, the value of all charity assets in 2020 was $70 billion with their net assets sitting at $56 billion, which is only four times one year of business and corporate non-operating expenditure $16 billion).

Breakdown of corporate community investment by type

The breakdown for corporate community investment by industry and type of giving provided has been examined in detail by the Chief Executives for Corporate Purpose organisation (CECP) established in 1999. While there are many differences, including the prevalence of separate corporate foundations sitting beside, not in, the company, it is worth noting the large range of cash versus non cash giving depending on industry. Cash (direct and through their foundations) comprised between 25% and 96% of giving with an average of 79%, for the US$23 billion of total support accounted for in the survey of 230 companies.

Analysis of almost 150 larger global companies in 2019 using the B4SI Corporate Citizenship methodology found 69% of contributions were cash, 10% was time with the balance as in-kind and other such as management cost.

Global industry breakdown of community investment by funding type - 2020



Source: CECP Giving in Numbers 2021, JBWere Philanthropic Services

We have excluded sponsorships here, which were a form of support for both large and SME businesses due to their more promotion/advertising role. Our New Zealand analysis of 15 companies similarly separated giving into cash donations, in kind contributions, and volunteering. It showed cash comprising over 54% of total giving, lower than the 79% in the CECP global study, but similar to our Australia study (60%). Although below the proportion seen by the CECP, it is still a very significant part of the way corporate community investment is done in New Zealand. It should also be remembered that this is not all given to charities, but often either directly to community or to other non-profit organisations or even other for profits who conduct community projects/programmes for the corporate.

In terms of the non-cash dimensions of community investment in New Zealand, in our aggregate study of 15 organisations (ANZ Group omitted) we found only 7% was time and the balance was in-kind 39%. The latter highlighting there are significant levels of goods and services available to support charities.

Across the business sector as a whole we note, anecdotally, greater cash donations and philanthropic financial 'sponsorships' from SMEs where the ability to resource partnerships is lower.

One of the important issues this data highlights is the often (and inaccurate) claim that 'very little corporate support is cash that gets to or is relevant to us'. This is too narrow a view and risks ignoring a huge opportunity available through a broader lense of what assets can be used to produce impact.

Aggregate total of NZ companies profiled in this study*

Total cash donated (by company/associated foundation or charitable trust)**	*Cash donations*	17,220,751	54%
Monetary value of volunteering hours	*Volunteering*	2,270,600	7%
Monetary value of in-kind contributions	*In-kind*	12,229,109	39%
Total giving and community investment**		**31,720,460**	**100%**

* Excluding outlier ANZ Group who reported a total corporate community investment of $33.6m in Australia and New Zealand with no CCI category or country breakdown.

** includes IRD claimed donations

Smaller, private and family business

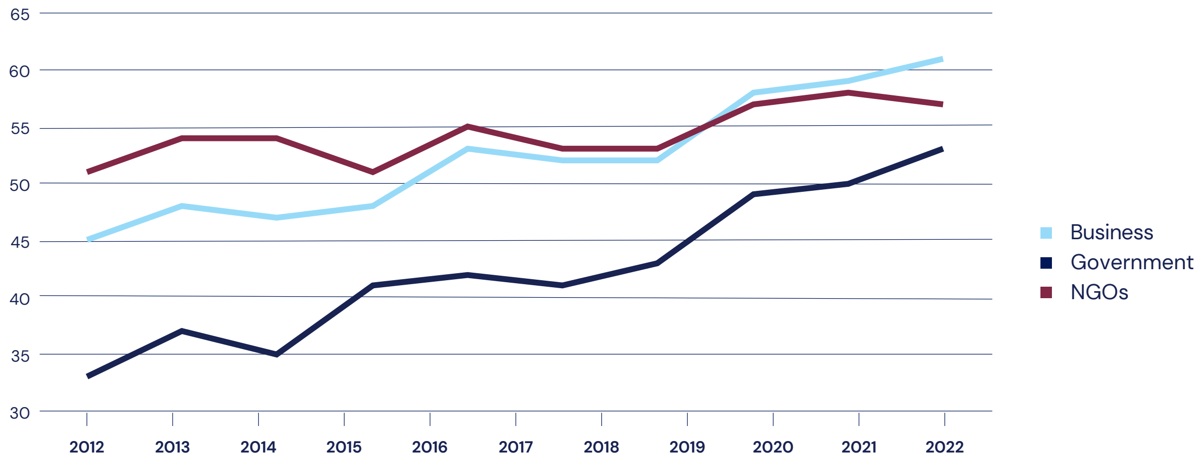
For family businesses, rather than publicly owned, the dynamics of giving often sits somewhere between private philanthropy and business related giving (for example concessional sponsorships). An EY report, *Family business philanthropy: creating lasting impact through values and legacy*, surveyed 525 family business owners and managers in 21 countries and found that 50% conducted their philanthropy directly through the business. However, 40% were through a family foundation or trust and the remainder through a family office 30% or individually by family members 21%. Respondents were able to choose more than one option. This means when dealing with smaller businesses, potential charity partners firstly need to understand how their community support is organised and whether the owners think of it as part of the business or part of the family, or more likely, a combination of the two. They also need to recognise that often the structure and resources to enter into deeper, more engaged relationships might not always be available in smaller enterprises.

Support other than cash, goods and services

In addition to these more easily analysed areas of cash, goods and services, further support for a cause might also be gained from a corporates own business actions. There has been a trend of increasing corporate voice on a number of social issues from climate change, affordable housing, supporting local communities and mental health. Part of their rationale and ability to promote certain causes is because of the growing levels of trust being placed in business, both globally and in New Zealand, by the general population as highlighted by the annual Edelman surveys. While there can be debate about whether a social voice leads to trust or vice versa, having corporate sector support for a social cause is likely to enhance broader community support, which can often lead to the level of advocacy needed to make the changes required for impact. We note that New Zealand was not included in the Edelman Trust survey but suggest that the global trends it highlights are still applicable for us in this emerging area.

Business is usually good at business. So, perhaps the ideal place to start social enterprises is either inside or at least in partnership with business. For-purpose groups will generally be strong on the "social" side, but not necessarily on the "enterprise" side of these endeavours.

Edelman Survey – Global trust in institutions 2012-2022 (general population)



Source: Edelman Trust Barometer, JBWere Philanthropic Services

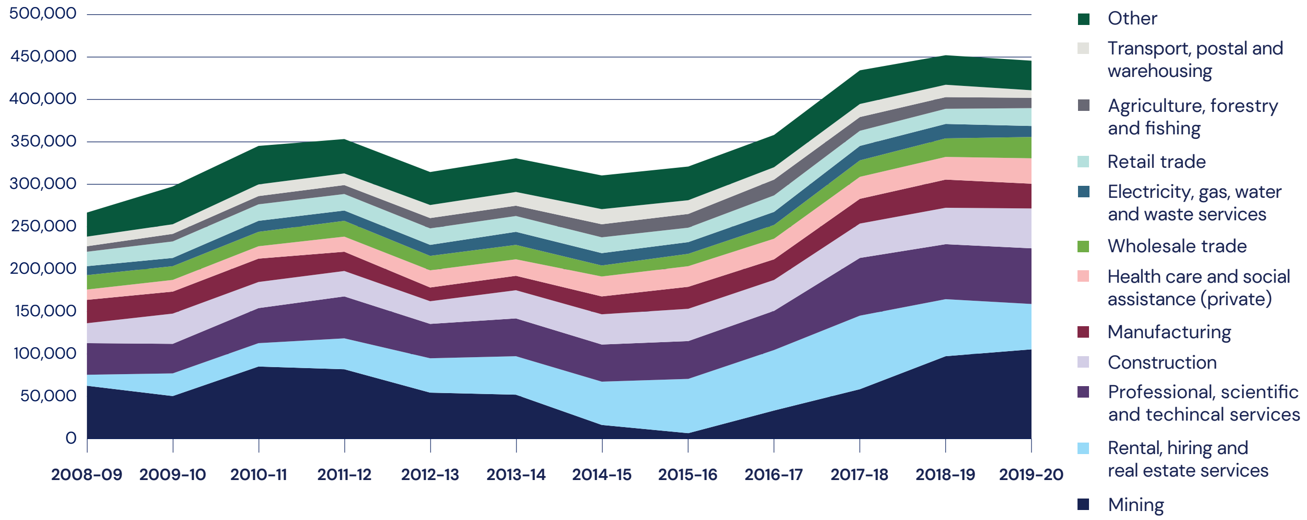
Corporate giving and community investment in Australia

Corporate giving and community investment is one of the fastest growing, but least understood philanthropic segments in Australia. After two years of research JBWere produced in March 2022 'The Corporate Support Report: The evolution of corporate giving and community investment in Australia'.

Business by profitability – a consideration in any partnership scan

This report sought to highlight the shape of Australian business by industry type and profitability and therefore different stakeholder mix, in recognition that this is an important when considering engaging with a potential corporate partner.

Corporate pre-tax profit by industry 2009-2020 $m (excludes financial and insurance services)



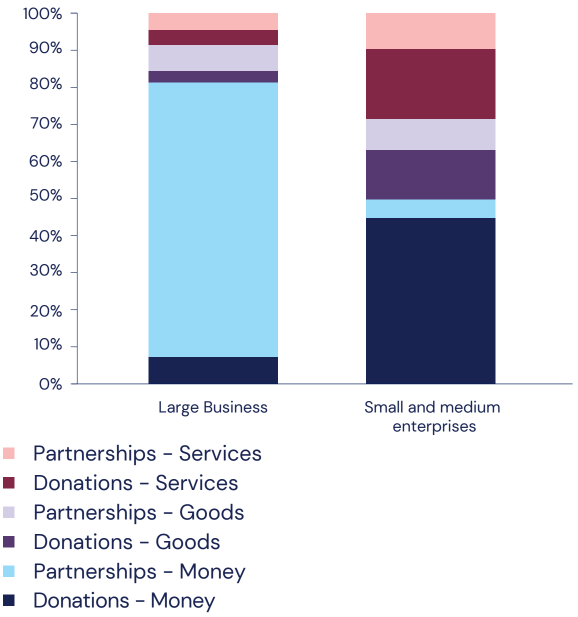
Source: ABS, JBWere Philanthropic Services

Community investing by type

Data for Australia is still emerging, however the Giving Australia survey in 2016 divided corporate support by business size (large being over 200 employees). Further analysis of this survey excluded sponsorships, which were around 20% of support for both large and SME businesses, due to their more business/promotion/advertising role. The analysis separated giving into donations and partnerships as well as cash, goods and services and overall, it showed cash comprising over 60% of total giving. When looking at just cash from purely donations it was around 20% of total giving, albeit weighted to SME's where the ability to resource partnerships is lower.

Apart from giving cash through either direct donations or under a partnership arrangement, there are significant levels of goods and services available. Data from Giving Australia 2016 suggested services (e.g. pro or low bono from law and accounting/advisory firms) provided 20% of corporate community investment and goods (e.g. food, pharmaceuticals etc.) a further 15%.

Australian corporate giving by type – Giving Australia 2016



Source: – Giving Australia 2016, JBWere Philanthropic Services

The corporate and charity sector income statements

Comparing the corporate and charity income statements provides some guidance on available support areas. While the size and scale is larger than New Zealand it is of interest to note the relative differences between corporate and charity incomes statements are similar in proportion to New Zealand (pre-COVID payments). The exception being in wages and salaries that are underreported in New Zealand (expended in part as programme costs), which distorts any meaningful comparison.

In Australia wages and salaries make up only 19% of corporate costs, yet they are still 7.4 times the value of the charity sector where wages make up 55% of costs. Of greater contrast between the sectors is the non-wages spending. In Australia the corporate sector sees 81% of all expenses on buying goods and services, 37 times that of the charity sector.

Australia's top 20 corporates 2021

We have included here 20 corporates from the latest list of the top 50 Australian corporates for their level of community investment in 2021. We are now in the third year of producing these rankings in the AFRs *Boss* publication and we look forward to being able to develop a similar list for New Zealand.

	Company	Community Investment ($m)	Proportion of pretax profit (%)	Date	Cause areas
1	BHP Group	$234.1	0.71%	Jun-21	Human capability & social inclusion, environment, education, indigenous communities
2	Coles Group	$124.0	8.58%	Jun-21	Food rescue, health, education, disaster relief, social welfare
3	CSL	$74.3	1.87%	Jun-21	Patient communities, biomedical research & education, emergency relief
4	Rio Tinto	$68.1	0.31%	Dec-20	Health, education, environmental protection, housing
5	Commonwealth Bank Group	$59.9	0.48%	Jun-21	Social & financial wellbeing, indigenous support, education, health, social inclusion
6	Westpac Group	$53.9	0.63%	Sep-21	Financial inclusion, climate change, equal rights, housing, social enterprise
7	National Australia Bank Group	$52.6	0.58%	Sep-21	Indigenous, natural disaster recovery, disadvantaged/ social welfare, community sport
8	Macquarie Group	$51.7	1.33%	Mar-21	Crisis relief, social justice & innovation, for purpose capacity build, community sport
9	Newcrest Mining	$49.5	2.22%	Jun-21	Community infrastructure, economic development, health, education
10	Fortescue Metals Group	$42.7	0.22%	Jun-21	Health, education & development, environment, arts & culture
11	Woolworths Group	$37.0	1.67%	Jun-21	Food rescue, health, economic development, emergency relief
12	ANZ Banking Group	$33.6	0.38%	Sep-21	Financial wellbeing, housing & environmental sustainability
13	South32	$29.8	53.00%	Jun-21	Education, economic opportunity, health & social wellbeing
14	Telstra Group	$28.7	1.18%	Jun-21	Digital inclusion, climate change, disadvantaged communities
15	Woodside Energy	$25.7	1.07%	Dec-20	Education, environment, social & public welfare, health
16	Wesfarmers	$24.7	0.73%	Jun-21	Medical research & social wellbeing, education, arts
17	Deloitte Australia	$20.9	na	May-21	Climate action, first nations people, resilient communities, diverse & inclusive culture
18	Oil Search	$20.8	68.02%	Dec-20	Gender equity, health, education, social & public welfare
19	Cotton On Foundation	$18.4	na	Dec-20	Health, education, social & public welfare, human rights
20	KPMG Australia	$17.5	na	Jun-21	Indigenous Australia, climate action, mental health, lifelong learning

Source: Jarrod Miles, Strive Philanthropy/Giving Large and John McLeod, JBWere Philanthropic Services

Photo by This is Engineering

“Kiwis increasingly want to better understand what corporates are doing beyond profits.” – Colmar Brunton[10]

10. Corporate Reputation Index 2021.

Corporate giving and community investment in New Zealand

Corporate profiles

In looking in more detail at what the corporate sector has to offer in New Zealand we have complied here examples of corporate community investment from 15 companies and firms.* Together they represent $32m of annual community investment.

We selected this range of companies intentionally from different sectors, with variaiton in size and structure, where we found interest and diversity in giving form, amount, with causes and where reporting on such was reasonably readily available. These profiles were created from mostly publicly available information. As with any reporting there will be giving and other community investment that is not captured here. This includes sometimes being unable to provide specific breakdowns of figures and where only group figures were available, these were used in lieu of New Zealand only figures.

These profiles aim to give an outsiders view of what some leading corporates are currently doing in the corporate commmunity investment space.

A good exercise is to understand the connection between the industry and particular assets each corporate brings to the causes supported and also consider which group of stakeholders might be more interested in the impacts created. Those factors will form a significant part of the "business case" both internally for the corporate and for any potential for-purpose partner to present as their argument for enhancing the chances of success. This latter element, the reason for partnering, should also identify what advantage is brought to the partnership, beyond just a mutual interest in the cause.

*Excluding ANZ Group which is an Australian public company

Photo by Andre Bernhardt

ANZ Group

A public company and a charity, FYE Sept-21

> **"We have a proud commitment to enhancing the well-being and prosperity of all New Zealanders. Our focus is on developing programmes to strengthen our connection with the communities in which our people work and live."**

Financials

The ANZ Bank is one of the largest companies in NZ, providing retail, commercial and private banking services. They have a strong community presence with initiatives such as their "MoneyMinded" programmme aiming to empower Kiwis through workshops that teach financial literacy and provide financial incentives for meeting savings targets. ANZ Bank and their employees provide grants to the New Zealand community through their staff foundation, established in 2000. In 2021 a total of $1.25m was granted to 103 successful applicants in New Zealand, covering a range of causes from gender equity, cultural and sporting endeavours to mental health and education. Their initiatives often pay particular attention to financially and otherwise disadvantaged communities.

Total giving and community investment*	**$33,600,000**
Proportion of pre-tax group profit	0.38%
Cause areas	Financial wellbeing, mental and physical health and safety, housing and accommodation, community development
Main sector	Community development
Volunteering	
Volunteer hours offered per eligible staff per year	8
Total volunteer hours used*	54,645
Monetary value of volunteering hours^	na
Other community related investments	
In-kind contributions reported	yes
Workplace giving	
Workplace giving programme	yes
Company match ratio	2:1

Auckland Airport Group

A public company and a charity, FYE Jun-21

> **"By respecting people, the community and the environment we are able to grow our business sustainably and create value for all of our stakeholders in the long term."**

Industrials

Auckland Airport Group owns New Zealand's largest and busiest airport, providing logistic and transport services, and offer retail and commercial space. Their giving focusses on education, employment and environment. Auckland Airport work with and sponsor a range of charities and initiatives in these areas including; providing education sponsorships, supporting the Counties Manakau Life Education Trust, ASB Polyfest and Second Nature Charitable Trust. The Auckland Airport Commnuity Trust was established in 2003 and has since distributed over $4m throughout South Auckland via grants.

Total giving and community investment	**$329,356**
Proportion of pre-tax NZ profit	0.07%
Cause areas	Education, employment, arts/culture, health, accomodation and housing, community development, local community
Main sector	Community development
Volunteering	
Volunteer hours offered per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

* Figure is an AU and NZ number, and no breakdown for New Zealand only is publicly available. The figure excludes forgone revenue of $106m, the cost of providing low or fee-free accounts to a range of customers such as government benefit recipients, not-for-profit organisations, students and the elderly. International transfer fees were waived for funds sent from Australia and New Zealand to the Pacific to support communities impacted by COVID-19.

^ note this is an Australian based company.

Bell Gully

A private company, FYE 21

> **“We consciously choose to support a range of charities supporting diverse communities with wide ranging challenges. The common aim of the entities that we support is to make a positive impact towards improving lives and circumstances.”**

Professional Services

Bell Gully is a leading New Zealand law firm with strong domestic roots. Their formal pro bono and community support programme is based on donating time, in the form of practical work and legal advice, fundraising and cash donations, and raising awareness. They have a dedicated role of pro bono and community programme manager who oversees the programme with a committee of four partners and two senior associates. Their pro bono services are predominantly free, with some heavily discounted, and include provision of lawyers to community law centres on a regular basis. Their annual target for pro bono work is $1 million fee equivalent.

Total giving and community investment	**$1,000,000** circa
Proportion of pre-tax NZ profit	na
Cause areas	Health and wellness, local community, community development, local and global aid organisations, arts and culture, education
Main sector	Community development
Volunteering	
Volunteer hours offerred per eligible staff per year	No limit on hours staff can spend on pro bono work
Total volunteer hours used	2,167 for pro bono work*
Monetary value of volunteering hours	1,000,000 – circa for pro bono work**
Other community related investments	
In-kind contributions reported	yes
Workplace giving	
Workplace giving programme	na
Company match ratio***	1:1

* They don’t formally quantify hours spent on volunteering and fundraising as part of their community support programme
** They don’t calculate the value of hours spent on volunteering and fundraising as part of their community support programme
*** Match donations, fundraising in some cases

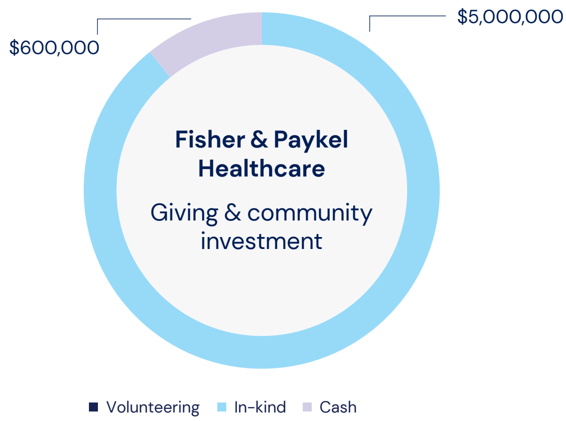
Fisher & Paykel Healthcare

A public company and a charity, FYE Mar-21

> **“We seek to build brighter and healthier communities through care and collaboration. We partner with like-minded organisations to identify and facilitate opportunities to create shared value.”**

Healthcare

Fisher & Paykel Healthcare designs, manufactures and markets healthcare products and systems. Its primary community focus is in supporting research and encouraging and enabling persons to pursue STEM-based careers. It achieves this through scholarships (with the First Foundation), sponsorships, donations and programmes. In response to the pandemic, Fisher & Paykel Healthcare purchased and donated $5m worth of ventilators to the New Zealand Ministry of Health. It established the Fisher & Paykel Healthcare Foundation in 2021, committing $20m towards it. Other initiatives it is involved with include Lungs4Life, Māori Child Health Research Collaborative and Kiwibots.



Total giving and community investment	**$5,600,000**
Proportion of pre-tax group profit	0.78%
Cause areas	Health, education, research and development
Main sector	Health
Volunteering	
Volunteer hours offerred per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	yes
Workplace giving	
Workplace giving programme	na
Company match ratio	na

Foodstuffs New Zealand
(North and South Islands)

A co-operative and a charity, FYE Feb/Mar-21

> **"We support every New Zealander to access healthy and affordable food. We create meaningful work for our people. We support our local economies to thrive. We are sustainability leaders in our operations and how we source our products."**

Consumer Discretionary

Foodstuffs is a 100% Kiwi owned grocery cooperative, whose origins date back to 1922. Stores are encouraged to give back to their local communities – over $7.3m was donated to organisations and causes in 2021. Foodstuffs COVID-19 relief fund, which has other corporate members, has contributed around $1.3m over the course of the pandemic. The Foodstuffs (South Island) Community Trust became a registered charity in 2008. Their giving in 2021 consisted of scholarship and educational grants, support of emergency responders, funding of food giving and distribution operations as well as food health research.

Total giving and community investment*	$8,513,230
Proportion of pre-tax NZ profit	na
Cause areas	Community development, education, public health ad wellness, disaster/ emergency relief, food distribution
Main sector	Community development
Volunteering	
Volunteer hours offerred per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

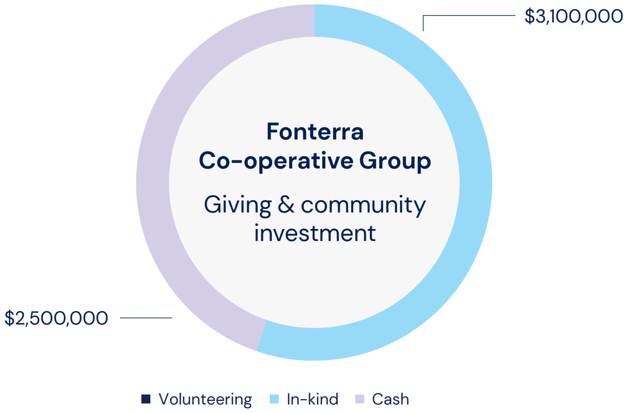
Fonterra Co-operative Group

A publicly traded co-operative, FYE July 21

> **"…it's through Hapori – meaning Community, Kinship and coming together for a common cause that we intend to continue to create meaningful impact in our communities."**

Consumer Staples

Fonterra is a New Zealand co-operative created and owned by New Zealand dairy farmers. Fonterra promotes the health of New Zealanders through projects like KickStart Breakfast, which provides Kiwi kids with 180,000 nutritious breakfasts at school per week. Through the NZ Food Network, which it helped found in 2020, Fonterra has donated over 290 tonnes of food. Fonterra take interest in education and development, partnering with the charity TupuToa to provide internships for Māori and Pasifika that help to bring them into the corporate world. To ensure impact at the local level, Fonterra has a community programme that is administered by regionally based committees.



Total giving and community investment	$5,600,000**
Proportion of pre-tax group profit	0.88%
Cause areas	Public health, wellbeing and nutrition, education, training, research, community development, emergency services support, sports, food rescue and distribution
Main sector	Community development
Volunteering	
Volunteer hours offerred per eligible staff per year	hours are offerred
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	yes
Workplace giving	
Workplace giving programme	yes
Company match ratio	matches donations for many

* Note, this excludes donations from store owners

** This figure is under-reported as whilst it includes the community investments in the breakfast schools programme, plus donations of product, equipment or finance (including to foodbanks), it excludes others such as the 'Living Water,' and 'Sustainable Catchments' programmes.

Freightways

A public company, FYE Jun-21

> **"Better outcomes won't just happen. It takes a conscious effort from our team to move things forward for our customers, our team and our shareholders and our communities. Our 'why' is to move everyone we work with to better place."**

Industrials

Freightways is a logistics based group of companies that provide a range of services from information management to courier and mail services within New Zealand and internationally. Their key community initiatives in New Zealand include working with Kidsline, The Hearing House, Beanies for Babies, Cancer Society, Child Cancer foundation, KidsCan, Duffy Books in Homes, St John and the New Zealand Breast Cancer Foundation. Freightways support is both financial and in-kind, providing both donations and or free or discounted shipping, distribution services and warehousing for its chosen charities.

Total giving and community investment	$252,000
Proportion of pre-tax group profit	0.33%
Cause areas	Health, education and training, community development
Main sector	Health
Volunteering	
Volunteer hours offerred per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	yes
Workplace giving	
Workplace giving programme	na
Company match ratio	na

IAG New Zealand

A public company, FYE Jun-21

> **"We also make the world safer by helping grow New Zealand's prosperity and wellbeing. To achieve this we are focused on three things: Meeting nature's challenge, Helping communities thrive, Supporting economic vitality."**

Financials

IAG is New Zealand's leading general insurance provider. It covers a wide range of personal and commercial assets through their brands like AMI, NZI, State and Lumley. Their community work is highly centered around involvement in Habitat for Humanity, who work to make homes healthier, safer and more liveable reaching around 75,000 people. IAG's trade scholarship programme has been running since 2002, financially supporting students to complete their respective NCEA L4 qualification. In 2021 IAG funded four First Foundation scholarships which provide financial and mental support to students to transition them into tertiary study.

Total giving and community investment	$408,000
Proportion of pre-tax NZ profit	0.14%
Cause areas	Affordable housing, education
Main sector	Accommodation and housing
Volunteering	
Volunteer hours offerred per eligible staff per year	8
Total volunteer hours used	1,122
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

Mainfreight

A public company, FYE Mar-21

> **"We remain concerned around the standards of education in New Zealand, particularly for those less privileged. Our commitment to [our]... organisations is an effort to make a difference to our nation's educational standards..."**

Industrials

Mainfreight is a global logistics provider operating across Australasia, the Americas, China, Europe and New Zealand. They have a strong focus on advancing education opportunities in the community, particularly in low socio-economic areas. Mainfreight has a well established relationship with Bairds Mainfreight Primary in Auckland through which they have donated learning tools, like computers, and offer students high school and tertiary scholarships. Mainfreight further supports The Duffy Books in Homes programme and the Life Education Trust, gifting over 45,000 books in 2021.

Total giving and community investment	**$1,253,000**
Proportion of pre-tax group profit	0.48%
Cause areas	Education, community development
Main sector	Education
Volunteering	
Volunteer hours offered per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

Meridian Energy

A public company, FYE Jun-21

> **"Our purpose: Clean energy for a fairer and healthier world We believe that by doing the right thing by people and the planet, we're working to build a better future for our customers, communities, and environment."**

Utilities

Meridian Energy is New Zealand's largest energy generator, accounting for 35% of the country's energy. All of Meridian's energy is produced from renewable sources. Meridian works closely with local communities and iwi through its 'Community Relationship Managers' that are based across the country to best identify and meet local needs and concerns. Meridian has been a principal partner of KidsCan since 2013 . In 2021 they donated over $1m towards providing children with living essentials.

Total giving and community investment	**$1,300,000**
Proportion of pre-tax group profit	0.22%
Cause areas	Community development, education, training and research, conservation support
Main sector	Environment and conservation
Volunteering	
Volunteer hours offered per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

PwC New Zealand

A private company and charity, FYE Jun-21

> **"PwC's mission statement is "focus gives impact". Our whakatauki (Maori proverb) is "Naku te rourou nau te rourou ka ora ai te iwi", "With your basket and my basket the people will thrive". Together, we can make a bigger and more positive impact."**

Professional Services

PricewaterhouseCoopers is one of the largest professional services and accounting firms in New Zealand. They established the PwC foundation in 2004 (registered in 2008) with the primary vision of facilitating the education of the next generation, particularly focussing their programmes and scholarships towards low decile areas. The firm itself has a smart volunteering programme, whereby skills are matched to needs. Its "on board" programme helps match their people to governance roles in the NFP sector. They double match by dollar the fundraising efforts of their employees.

Total giving and community investment	$2,066,920
Proportion of pre-tax NZ profit	na
Cause areas	Financial literacy, fundraising, education, community development, health, promotion of volunteering
Main sector	Education
Volunteering	
Volunteer hours offerred per eligible staff per year	No limit on hours staff can spend on pro bono work in its cause areas / On Board programme, otherwise 16+ hours
Total volunteer hours used	12,451
Monetary value of volunteering hours	1,090,000
Other community related investments	
In-kind contributions reported*	yes
Workplace giving	
Workplace giving programme**	yes
Company match ratio	2:1

* includes pro-bono work
** supporting employee peer-to-peer fundraising

Restaurant Brands New Zealand

A public company, FYE Dec-21

> **"Our purpose at Restaurant Brands is to be 'a thriving business built on brands that our employees and customers love and trust'. The pillars that underpin this – our people, our planet and our food – are of paramount importance to us and we are proud of the advances we continue to make in these areas."**

Consumer Discretionary

Restaurant Brands owns and manages a range of food industry franchises. They have a total of 139 stores across their brands in New Zealand. During 2021 they worked alongside KiwiHarvest, assisting with food recovery and redistributing 26.9 tonnes of its un-used food throughout the community. The Restaurant Brands Charitable Fund operates through the "Gift Trust" to make donations to a variety of causes with particular interest in youth and family support. In 2021 they donated to the Manaiakalani Education Trust, Birthright New Zealand Trust and First Foundation. Other giving went to Surf Living NZ and St John.

Total giving and community investment	$302,069
Proportion of pre-tax NZ profit	0.52%
Cause areas	Education and training, emergency support, community health, food recovery/distrbution, community development
Main sector	Community development
Volunteering	
Volunteer hours offerred per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

Spark New Zealand Group

A public company and a charity, FYE Jun-21

> **"We believe that digital technology can make a significant, positive impact on our nation's social and economic wellbeing."**

Communication Services

Spark is New Zealand's largest telecommunications and digital services company. Their charitable arm, Spark Foundation has a sole focus on digital equity across key pillars of access, skills and pathways, and wellbeing. Spark funds and runs not-for-profit wireless broadband product Skinny Jump which provides affordable internet access to households in need. Spark Foundation partners with organisations across Aotearoa that are already working within the community to bridge the digital divide, including providing funding and logistics support to Recycle A Device, initiatives which aim to increase participation from Māori and Pasifika into the technology industry, and digital wellbeing initiatives.

Total giving and community investment	$2,203,897
Proportion of pre-tax NZ profit	0.40%
Cause areas	Digital inclusion, digital wellbeing, education, community development
Main sector	Community Development
Volunteering	
Volunteer hours offerred per eligible staff per year	8
Total volunteer hours used	3,520
Monetary value of volunteering hours	180,600
Other community related investments	
In-kind contributions reported	yes
Workplace giving	
Workplace giving programme	yes
Company match ratio	1:1

Vista Group International

A public company and a charity, FYE Dec-21

> **"A well-supported local film industry will enable material that builds the cultural base of New Zealand film, in turn creating works of international appeal that showcase both New Zealand culture, and the film-making talent of New Zealanders."**

Technology

Vista Group was formed in New Zealand in 1996 and now operates globally supplying the film industry at all points of creation to distribution. The Vista Foundation was established in 2015 with the goal of fostering a "viable, successful, and inclusive local film industry in New Zealand." Their regular initiatives include opportunities like the 48 hour film festival and education programme like the vista film training programme. In 2021 the foundation notably donated $25,000 towards counselling sessions for industry workers to combat the effects of the pandemic on their work and mental health. Commitments to the value of $150,000 were made in 2021.

Total giving and community investment	$61,735
Proportion of pre-tax NZ profit	0.50%
Cause areas	Education, training, community development, culture, heritage, the arts
Main sector	Education, training, research
Volunteering	
Volunteer hours offerred per eligible staff per year	8
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

The Warehouse Group

A public company and a charity, FYE Aug-21

> **"Our purpose is to help Kiwis live better every day. Our vision is to build New Zealand's most sustainable, convenient and customer - first company."**

Consumer Discretionary

The Warehouse Group (TWG) is one of the country's largest retail groups and includes brands The Warehouse, Warehouse Stationery, Torpedo7, Noel Leeming and TheMarket.com. TWG works with a number of community partners, to help communities throughout New Zealand thrive. At a national level, they partner with 10 charity organisations including Variety – The Children's Charity, Life Education Trust, Women's Refuge, Parenting Place, Youthline, Plunket, The Salvation Army, Hillary Outdoors, The Period Place and Sustainable Coastlines.

Through their charity, The Warehouse Group Foundation (established 2011), they focus on relieving unexpected hardship, experienced by team members.

Total giving and community investment	$1,746,213*
Proportion of pre-tax NZ profit	1.11%
Cause areas	Gender equity, social and public welfare, education, health and wellbeing, disaster relief, community development
Main sector	Community development
Volunteering	
Volunteer hours offerred per eligible staff per year	na
Total volunteer hours used	na
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	na
Workplace giving	
Workplace giving programme	na
Company match ratio	na

Z Energy

A public company, FYE Mar-21

> **"From helping people get where they need to go, through to our care and passion for our neighbourhoods and our planet – we're here to make a positive difference."**

Energy

Z is a New Zealand energy company who have been fuelling the country through retail and commercial relationships since 2011 . They take a unique interactive approach to community investment predominantly through their flagship programme "Good in the Hood", which allows the local community to direct their funding. 2021 saw $700,000 donated through this programme according to local vote distributions to: Victim Support, St John, Look Good Feel Better, Life Education, Hospice NZ, Heart Kids NZ, Coastguard, Child Cancer Foundation, Bellyful NZ and the Graeme Dingle Foundation. During the Pandemic, Z donated fuel to essential services like St John and the Wellington Free Ambulance.

Total giving and community investment	$1,084,040
Proportion of pre-tax NZ profit	1.28%
Cause areas	Education, local community, public health, public safety, community development
Main sector	Community development
Volunteering	
Volunteer hours offerred per eligible staff per year	16
Total volunteer hours used	824**
Monetary value of volunteering hours	na
Other community related investments	
In-kind contributions reported	yes
Workplace giving	
Workplace giving programme	na
Company match ratio	na

* In addition, The Warehouse Group distributed $13.3m to the Tindall Foundation in the form of a dividend, which is a private foundation set up by founder Sir Stephen and Lady Margaret Tindall to build a stronger sustainable Aotearoa New Zealand.
** Despite the disruptions of Covid-19, 114 staff contributed 103 days to volunteering

Photo by Andre Bernhardt

"Corporate philanthropy can be more than the giving itself – it can enable innovation, better ways of working and a clearer commitment to purpose. But letting those lessons in and allowing them to shift our perspective requires a move away from the thoroughly imbedded paternalistic idea that business knows best.

Vodafone New Zealand has invested more than $43 million in our Foundation over the last 18 years and we've done it for all of the usual reasons – it's what our customers want and our employees expect. It's the right thing to do. But we've also invested because the Foundation gives us a competitive advantage, not through the giving itself, but through the learning the Foundation enables."
– Lani Evans, Head of Vodafone NZ Foundation 2020[11]

11. *Vodafone Foundation CCI now $47m (2022)*

Voices from the field

Philanthropy New Zealand

The team at Philanthropy New Zealand | Tōpūtanga Tuku Aroha o Aotearoa are massive fans of good business, and love cheerleading and supporting companies investing in community.

Corporates are part of the community – they don't sit outside of it. Corporates hire their staff and contract suppliers from communities; sell goods and services to them; and their investors and stakeholders live in them and are influenced by their chosen communities.

Strong communities are good for business. And weak communities negatively impact corporates. As the media are recently highlighting in the ongoing ramraids on businesses. Corporates with public-facing staff have long dealt with the health and safety risks those who have slipped through community safety nets can pose to employees. Corporates have as much of a responsibility - as well as vested interest - as other sectors to care about and act in the interests of community wellbeing. Corporates need to join Government, philanthropy and not for profits in the collective effort.

This JBWere Report sets out the attractive reasons corporates should give. Giving is important so that companies can recruit and retain top talent; due to the rising number of conscious consumers; and because of the growing pool of research showing it helps the bottom line. It's also the right thing to do and immensely personally rewarding. New Zealand and international research shows people who donate or give in other ways are happier than non-givers.

A corporate won't realise the benefits of community investment however if the giving is simply viewed as a marketing exercise. Philanthropy needs to be part of a wider approach to good business. A good business will look at what Te Tiriti o Waitangi and our country's history means for society today and their operations. It'll treat staff, suppliers, contractors and customers well. It'll look at sustainability in its supply chain and be reducing its carbon footprint.

Philanthropy again is only one part of a wider community investment strategy. Corporates offer valuable help when they donate product, volunteer the time and skills of their staff, promote payroll giving, or make office space available free to community organisations.

However, the importance of cash cannot be downplayed therefore philanthropy should be an integral part of a corporate's giving strategy. There is huge environmental and social need in our country, but we have amazing community organisations with passion, specialist knowledge and skills to help. Corporate philanthropy can enable them to have greater impact and make a real difference in people's lives.

As with the other areas of being a good business, philanthropy is a learning journey and you can't expect to nail it overnight. It's surprisingly hard to give money away well and in a way that will suit your corporate and its staff. This is where companies like JBWere come into their own to offer specialist help.

Philanthropy New Zealand | Tōpūtanga Tuku Aroha o Aotearoa is a membership organisation and we offer our corporate members advice; connections with other funders we know they'll enjoy engaging and sharing learnings with; information; research; events; and training to make their giving programme easier and more effective. People who run philanthropy programmes within corporates often benefit from having a support network like ours to tap into.

We're developing a new service which corporates have told us they're keen on. Match | Te Puna Taurite will connect those with funds to those that seek them.

Charities can post funding requests to get in front of multiple funders with one action – which is great for them, particularly the smaller ones without resource to identify funding sources and undertake the work to apply.

Previous JBWere Research, The Support Report, estimated that that 91 per cent of the $3.8b given in the philanthropic dollar in 2018 in Aotearoa New Zealand went to just nine percent of charities. Those that are easy to find with high public profile get the vast majority of the cash.

Via Match | Te Puna Taurite, funders can get beyond the easiest charities to find to search for community groups working in particular areas they want to support, and view their funding requests. Corporate givers can connect with like-minded funders too, and choose to receive information on areas they're most interested in.

Match | Te Puna Taurite is another tool in the corporate giver's toolkit.

We want to shout out all the corporates investing in their communities. We love hearing stories of corporate generosity so get in touch with us to tell us about your activity or to ask for help. We firmly believe the more profile corporate philanthropy gets, the more it will be normalised as just what business does, and then the amount given will grow and grow. And Aotearoa New Zealand will become more awesome!

Sue McCabe,

Chief Executive of Philanthropy New Zealand | Tōpūtanga Tuku Aroha o Aotearoa.

For more information visit www.philanthropy.org.nz, or www.match.org.nz

The BNZ Foundation

Our story so far.

Throughout Bank of New Zealand's 160-year history, our people have been there proudly supporting the New Zealand communities we serve.

To date, that focus has been on using our banking expertise and resources to partner with community organisations to develop and scale solutions for New Zealanders in need.

We have provided no-and-low interest lending through "Good Loans," a partnership with Good Shepherd NZ and with Habitat for Humanity's Home Repairs Programme.

We also partner with PaySauce to deliver 'PayNow' to employers so they can provide earned wage access for the times when their people are stuck for funds and might otherwise be turning to high costs predatory lenders.

The deliberately measurable impact of these initiatives has been significant.

Over 3,900 families have been supported with $11 million through Good Loans. 219 families have received $2.1 million in no interest loans for home repairs through Habitat's Home Repair programme. And through PaySauce $1.7 million in advanced wage access has been provided helping workers avoid spiralling debt cycles.

With these successful and enduring programmes delivering such positive impacts for our communities – do we want to do more? The answer is yes.

Almost every day we hear from innovative, future focussed groups from right across Aotearoa New Zealand who are finding solutions to unique challenges their communities are facing into. We also know that there are often needs that are best met through a targeted and timely philanthropic approach.

Like many New Zealand businesses and organisations, we continually strive to seek out new opportunities to better serve our customers and our communities. We have a role to play making a positive and sustainable difference to New Zealanders' lives.

With that in mind, and the planned divestment of the BNZ Art collection, the decision was made to establish a philanthropic foundation. The BNZ Foundation is being designed with the express purpose of helping initiatives that are determined to help New Zealand communities thrive. The BNZ Foundation will deliver the boost they need to make a real difference in the lives of New Zealanders.

The BNZ Foundation is a deliberate and strategic extension of the great work our people and our partners are already delivering in our communities. Our intention is to start dispersing funds from the foundation as soon as we can, following establishment.

Our colleagues at BNZ and our loyal customers often share with us the pride they take in what BNZ already does for our communities. The response from both our people and our customers since we announced the intention to establish the foundation has reinforced both the need for and the value of these sorts of philanthropic endeavours.

Our teams involved in creating the BNZ Foundation have also reflected on the high levels of co-operation, and collegial support across both the business and philanthropic communities. Competitive tensions are being set aside and replaced by advice, support, and encouragement, as the BNZ Foundation lends its weight to New Zealand's corporate philanthropic community.

And in that spirit, I encourage any other business or organisation leaders who want to know more about the BNZ Foundation story to get in touch.

Dean Schmidt

Executive, Commercial Services and Responsible Business

Bank of New Zealand

For more information visit https://www.bnz.co.nz/about-us/supporting-communities

MAS Foundation – investing in a healthier Aotearoa New Zealand

How did MAS, a 100-year-old mutual providing insurance and investment services, make the transition to becoming a charity and establishing its own foundation? Member engagement and clarity of purpose were key factors in the journey to enable MAS to make a stronger contribution to the health of Aotearoa New Zealand.

MAS was started by a group of forward-thinking doctors, so it's only natural it would one day aspire to play a role to improve health in Aotearoa New Zealand. MAS Foundation (MASF) was started in December 2019 to improve health through research, promotion, and education. In time this evolved to a focus on health and wellbeing equity and to honour the principles of Te Tiriti o Waitangi. MASF does this by funding and supporting community-led initiatives that see children and families flourishing, providing local solutions to reduce health disparities in our most vulnerable communities.

But how did MAS go from insurer to philanthropic funder? "It's amazing what a small group of highly motivated and skilled people can achieve together," says Martin Stokes, MAS Chief Executive. "Harness their energy and see where they take you. Don't be inflexible, because the end result may be different than you first imagined, but very likely better." While the initial effort was undertaken by the legal team at MAS, MAS soon engaged a philanthropic consultant to recruit the Foundation trustees and kick-start its operational approach. This included careful selection of trustees with strong Māori and Pasifika representation. It also helped MAS cut through red tape and avoid potential missteps along the way.

"We knew early on, working with the team at JBWere, we'd be a giving charity, not a doing one," says Martin. "There was a gap in our country's charitable landscape from the corporate sector."

"On our journey we learnt that you shouldn't underestimate the engagement required with your key stakeholders," adds Martin. In MAS' case, their primary stakeholders were their Members, who were required to vote in support of the proposal. In 2018 at the MAS AGM, voting Members overwhelmingly supported the establishment of a charitable trust, which gave MAS a strong mandate to action its vision. Leading into this vote, MAS went through rounds of focus groups, email communication, and town hall meetings to ensure Members understood what MAS was trying to do. "I have no doubt that we would not have a Foundation were it not for the engagement with, and goodwill of, our Members."

MAS then successfully applied to Charities Services to secure charitable status. The exemption from paying income tax freed up funds to be allocated to the Foundation for its operation and grant-making.

MAS benefitted from establishing a relatively broad remit for its charitable purpose, with the Foundation trustees and Heads of Foundation developing their strategic direction to invest in health and wellbeing equity, particularly targeting initiatives to support Māori and Pasifika communities – a strategy that strongly resonates with MAS employees and Members alike.

Philanthropic organisations ordinarily take years to be established and become operational, however COVID-19 fast-tracked this process. Only three months after its formation, MASF was providing urgent support to communities, distributing grants for COVID-related programmes to address the impact of the virus and post-lockdown recovery. Following this inaugural grant round, the strategy evolved to funding broader health and wellbeing projects with more than $2.5 million of grants made in the 2021/2022 financial year.

MASF adopted a Te Tiriti position statement, which included appointing joint Heads of Foundation in its second year that could represent the communities the Foundation sought to work in partnership with – Dr Julie Wharewera-Mika (Ngāti Awa, Ngāi Tūhoe, Te Whānau-ā-Apanui and Dutch descent) and Mafi Funaki-Tahifote, who is Tongan.

Julie says that she and Mafi advocated for a broader health and wellbeing focus, with a values based, community-led approach. "We felt strongly about this, and it helped to develop the principles of the Foundation."

MASF Chair, Jenny Gill says: "I think the Foundation is reinventing philanthropy in Aotearoa New Zealand, with Te Tiriti principles leading the way we approach our grant-making and how we operate. This happened through the leadership of exceptional trustees and Heads of Foundation who wanted an innovative, unique, and inclusive model. And we couldn't have done this without the backing of the team at MAS."

For MAS, the value of setting up the Foundation has been attracting new Members who are drawn to the Foundation's work, says Martin. "At MAS, we believe that your purchasing choices can make a difference. The money you pay towards your insurance cover or retirement savings should help our communities. We think there are other Kiwis that think like us."

"And MAS is already experiencing healthy signs of growth, which we believe will help us increase our impact on Aotearoa New Zealand."

Offering a final word of advice, Martin says: "Don't rush the process, find your charitable or philanthropic niche, and trust the experienced people you put in place to see it happen."

"In terms of next steps, we will be measuring the impact of our grants. We are excited at how far we've come in just three years and to see the evolution of the Foundation's strategy. We're looking forward to growing the funding base for the Foundation through the growth of MAS."

Mike Davy

Chief Member Advocacy Officer

MAS

For more information visit https://www.mas.co.nz/about-mas/mas-foundation/

Volunteering New Zealand

Employee volunteering and corporates

What is it

Employee volunteering is defined as an employer's encouragement or promotion of volunteering activities done by their employees. Employee volunteering provides an opportunity for public good as well as advancing strategic objectives. Various advantages have been identified from employee volunteering and it has been shown to improve the well-being of employees.

The ongoing impact of the pandemic has seen a marked decrease in employee volunteering activities. A combination of a decrease in programmes and activities within the community as a result of operating restrictions, and the impact of business policies on external events both contributed to this.

On the positive side, we have seen a growth in mutual aid, connecting people and organisations to support one another.

With the loosening of restrictions and many people returning to work, organisations can think about reinvigorating their employee volunteering offerings.

International research and trends

Employee volunteering is relatively new to New Zealand, when compared to some overseas jurisdictions. Programmes and practice are also quite varied, at times ad hoc and often they are not paired with sufficient resources to ensure success.

Internationally there has been a shift in focus in some employee volunteering circles, towards maximising the benefits of employee volunteering for the volunteer and the communities they are supporting through their volunteering.

This is a shift from transactional volunteering to transformative volunteering, which is a change that occurs in the volunteers themselves. Well-designed volunteering programmes and activities can invite participants to critically reflect on their experiences and transform their perspective.

International research has explored the challenges experienced by community organisations when corporates set out to help, and the opportunites there are for really making an impactful difference.

Some key lessons from this help us better understand how we can all take steps towards transformative impact through employee volunteering.

1. Business offers vs. charity needs

   Get to know the community organisation's needs, how it operates and its pain points. Aim for a collaborative engagement model co-designing what support is given. There is a great opportunity to move away from community organisations hosting team away-days towards deeper more meaningful shared benefits.

2. Community organisations – there are 115,000 across Aotearoa

   There are a huge number of community organisations you could support. Opportunities abound for greater impact for the charity and greater meaning for you, your volunteers, and your business. Working collaboratively through a local volunteer centre is a great way for businesses to find a small community organisation aligned to your values and purpose.

3. Build strong partnerships for impact

   There is a real opportunity for businesses to make a difference. Partnerships can include collaboration, shared learning, and skill sharing. When matching a volunteer with an organisation, consider the technical, specialist skills of the volunteer and how that could benefit a relevant organisation. For example, matching a Climate Change Scientist with a sustainability-focused community organisation.

   This goes both ways. There's a lot of expertise and insight that lies within the community organisations at the forefront of social issues relevant to you and your business. Employee volunteers could glean social insights that directly support them in their roles, including customer experience, product innovation, and strategy.

How can we maximise employee volunteering in Aotearoa NZ?

There is room for both traditional employee volunteering and the opportunity to embrace steps towards transformational volunteering. Traditional tree planting events create an immediate environmental impact, e.g. planting 500 trees in three hours by 20 people. These types of events can lead to sustained and deeper relationships between a business, its employees and a community organisation.

To create an enduring, successful and embedded employee volunteering programme businesses need :

- Buy-in from executive leadership team, both organisationally, and through communications and leadership.
- Resourcing for internal staff who champion the programme across the business.
- Great communications support, sharing success internally and externally.
- To triangulate business needs, employee volunteers interests, and the needs of the community organisations you are working with.
- To consider the flexibility of the programme i.e. offering flexible working arrangements, or the ability for employees to stagger volunteering leave over a period of time, rather than a single day.

What's working well

There are many places to find support for employee volunteering. Volunteering New Zealand offers resources and advice, and can also provide consultancy services to corporates wishing to develop employee volunteering. For example, a Volunteering New Zealand advisor worked with a large national client with 5,000 staff. Over six months, they co-designed an Employee Volunteering Programme that resonated with their staff. As a result, the client increased their staff volunteer day entitlement from one to two days a year.

Volunteer Centres are able to provide a range of services for employee volunteering programmes. They can provide advice on facilitating and setting up a successful volunteering programme for staff, and help find a suitable community organisation aligned to the employer's values and purpose.

One case study involved four Volunteer Centres working together across four regions. A central government department in Auckland, Wellington, Christchurch and Dunedin approached Volunteer Wellington. They were keen to volunteer their 300 staff through a three-week campaign of activity. The four Volunteer Centres worked together to create a suite of activities, and all 300 staff engaged in their communities, many volunteering for the first time. This government department is keen to continue this initiative two to three times a year. They were also recognised for their work obtaining the Employee Volunteering Team 2021 award in Wellington.

Conclusion

Working together to solve wider societal challenges is needed more than ever. Employee volunteering is an incredible vehicle for businesses and their employees to contribute to compelling social impact. It offers a triple win scenario for community organisations, the employer and the employee to each benefit from the employee volunteer contribution.

Local volunteer centres work collaboratively to deliver employee volunteering programme support across New Zealand.

Connect with a volunteer centre, community or a cause through https://www.volunteeringnz.org.nz/finding-volunteer-roles/

Michelle Kitney

Kaihautū Chief Executive

Volunteering New Zealand

Hui E!

Skilled volunteers offering their professional experience and expertise on a pro-bono basis help community groups continue to build their resilience. It's a win-win situation for both sides.

Recently Hui E! Community Aotearoa and KPMG New Zealand celebrated one year of partnership together supporting small and medium community groups to access funding.

KPMG staff have volunteered their skills and time to write community groups' first grant funding applications, as part of the Hoa Pūtea Grant Writing Support Programme run by Hui E!

Rochelle Stewart-Allen, Kaiwhakahaere Matua | Chief Executive at Hui E!, says introducing this level of skill and support for community groups has been incredibly valuable for all involved. The community groups have received skilled volunteer support that their budgets likely wouldn't have stretched to while the professionals have had the opportunity to give back and share their speciality skills. Both groups have been able to expand their networks and understanding of each other's mahi.

KPMG's Senior Manager of Corporate Citizenship, Justine Todd, says "Being part of this programme has been a positive and affirming experience for our team, some of them were matched with groups they became really passionate about. It's also helped them gain hands-on community experience which has been great for their professional development and KPMG's purpose of fuelling New Zealand's prosperity for all New Zealanders."

Hui E! is a peak body for the tangata whenua, community and voluntary sector in Aotearoa New Zealand.

For more information visit https://www.huie.org.nz/

Breast Cancer Foundation NZ

Finding value in corporate partnerships beyond the financial gains

With breast cancer affecting one in nine New Zealand women, it's not difficult to find someone who's had a wife, daughter, mother or friend touched by the disease. Enormous strides have been made to improve survival rates, but breast cancer is still the most common cancer for Kiwi women and it's the leading cause of death for women under 65. By the end of this year, more than 3,500 women will have learnt they have breast cancer, and around 25 men too.

Since 1994, Breast Cancer Foundation NZ (BCFNZ) has been at the forefront of breast cancer awareness, research and treatment. Our ambitious vision is to see zero deaths from breast cancer.

Through our four key pillars of work, we make a difference by:

- Educating people on the importance of early detection;
- Funding ground-breaking research including clinical trials and new technologies;
- Providing free and tailored support to patients; and
- Advocating to improve access to diagnosis, treatment and care.

As a not-for-profit charitable trust, we receive no government funding. Our life-saving work is only made possible by the generosity of New Zealanders who back our cause.

Mutually rewarding relationships

We strive to create long-lasting and mutually rewarding relationships with all of our corporate partners. We offer a range of partnership options through a tiered structure ranging from always-on partners to cause-related campaigns. We also have in-kind partnerships and event-based sponsorships. We work with each partner to provide individually tailored, high-profile and tangible associations in support of their own goals.

One of the most powerful assets we offer for these relationships is our brand. The Pink Ribbon is a globally recognised symbol and we are the only charity in the world that has trademarked this logo in their country. This enables us to operate a licensing fee for use of the Pink Ribbon – a company can't just slap our logo on their product and say they're supporting us unless they're actually working with us. This smart foresight by our founders 28 years ago is still delivering incredible benefit for us today, where businesses gain from brand alignment with one of New Zealand's most trusted charities.

The feedback that we've received from partners tells a compelling story about what businesses get in return: lifts in sales, increased brand recall, improved customer perception of the brand, and new opportunities to stock their product with different retailers. All measurable benefits with social responsibility at their heart.

The power of purpose

As crucial as corporate partnerships are to funding our work, these relationships also play a key role in our education pillar by providing the opportunity to promote our health messages to new audiences. Two highly successful examples of this can be seen in our partnerships with Farmers and Skellerup.

Following intermittent support since 2000, Farmers launched a campaign in 2014 to sell our Boobead keyrings in-store during October, Breast Cancer Awareness Month.

A key driver for Farmers was to promote health in the community. As a confronting piece of merchandise which show three different sized breast lumps, Boobeads turn the concept of breast cancer into a very real issue women face by demonstrating how mammograms can detect breast cancer well before a lump can be felt.

Farmers also displayed decals in their lingerie changing rooms of breast cancer symptoms and how to do self-checks, and sent targeted emails to customer segments with breast health messaging. The campaign's success was recognised when it was declared winner of a TVNZ-NZ Marketing Award the following year.

Health promotion was also the key strategy for the launch of Skellerup's Pink Band gumboots in 2020. Since their beginnings in 1958, never had the iconic Kiwi Red Bands seen any significant change, until Skellerup chose to create the Pink Bands in support of BCFNZ.

Skellerup worked with us to develop marketing collateral for the Pink Bands launch which focussed on delivering breast health information to their dedicated fan base. This gave us a unique opportunity to amplify our messages to rural communities, who often face unique challenges that differ to urban women.

The financial gain from both campaigns was significant for us, though each partnership did differ in nature. Farmers fundraised via their customers, generating far more than the business could ever donate themselves. Meanwhile, Skellerup chose to donate to us directly.

However, both partnerships delivered far more value through the reach we were able to achieve with our educational programmes. Through both Famers and Skellerup giving us access to their customers through their communications channels, we were able to share vital health information beyond our existing audiences.

From our experience, the best advice we can give to both charities and businesses is to think about what partnerships can offer beyond monetary value. Corporate partnerships shouldn't just be about how much cash a business can give to a charity. For us, the partnerships that have been built on shared objectives and driven by the purpose of uniting against breast cancer have been utterly invaluable.

Ah-Leen Rayner

CEO

Breast Cancer Foundation NZ

For more information visit,
https://www.breastcancerfoundation.org.nz/

KidsCan

Two partners, one vision

Together, we have the power to make a difference. That's the tagline accompanying much of the joint messaging from KidsCan and its Principal Partner Meridian Energy. And it epitomises both the symbiotic nature of the partnership in particular and the evolution of corporate giving in general - from a traditional sponsorship model to an authentic partnership founded on a bedrock of shared values.

Meridian's approach to the partnership reflects a desire for involvement that is long-term and strategic. To accompany KidsCan on the journey, rather than simply handing over a cheque and wishing it bon voyage.

That's not to downplay the importance of the financial contribution. Since coming on board as a KidsCan partner in 2013, the electricity company has donated more than $3.5 million to support the charity's work providing the essentials to Kiwi children in need. But its support is multi-faceted - everything from supplying EVs and a charging station for the KidsCan fleet and promoting the charity's fundraising appeals on its own channels, to giving staff paid time off to volunteer at KidsCan's Auckland warehouse.

For Meridian, it's about living its purpose – clean energy for a fairer and healthier world. Fairness, sustainability, and supporting and empowering the communities it's a part of – these are the company's key values. For KidsCan, Meridian's commitment to sustainable growth dovetails nicely with its own. KidsCan supports on average 44,000 children daily – and if there's one thing they need, it's certainty. The knowledge that warm jackets, good food, shoes and health products will be there not just today, but for as long as they need them. Having a principal partner who understands and upholds that long-term vision is fundamental.

The Meridian-KidsCan relationship underlines the importance of partnerships that are mutually beneficial for both charity and partner, says KidsCan partnerships manager Shirley Everton. "The partner needs to be fully embedded in the partnership – the involvement has to be integrated across the organisation."

This integration is of benefit to Meridian's brand, especially in a climate where employees seek connection with something bigger, with purpose (evident in the comments from the Meridian volunteers packing pallets of food in the warehouse). But Everton emphasises that Meridian always puts KidsCan's needs front and centre. "They benefit from the association with us, but it's not primarily about commercial interest."

Meridian's 'behind-the-scenes' help comes in several guises and exemplifies the different ways partners can support not-for-profits. For example, with KidsCan aiming to target as much funding as possible directly to supporting children (at least 80 cents in the dollar), as well as supporting KidsCan's core programmes, Meridian assists with advertising and other costs so the charity can raise awareness without impacting its programmes.

In 2021 Meridian renewed its commitment to KidsCan for three years - increasing its contribution to $1 million a year. "The most exciting part of that is we have taken an innovative view of how we approach that funding for the next three years," said Meridian Chief Marketing Officer, Michael Healy at the time. As well as contributing to the charity's core programmes, Meridian opted to set aside a sum to support KidsCan through incremental fundraising.

The charity emphasises that no one partnership is the same – it's all about bespoke collaborations that align with the values and goals of both the corporate and KidsCan. "It's not a cookie-cutter approach," says Everton. "We're co-creators of the partnership model. Ultimately it's about imagination, innovation and a shared vision. And a way of working that will best serve the children we support."

Shirley Everton

Partnerships Manager

KidsCan Charitable Trust

To find out more about how your organisation can support KidsCan, visit www.kidscan.org.nz

Keystone NZ Property Education Trust

Creating a corporate legacy through shared values

When the for-purpose (charity) sector works with the for-profit sector, it is important for a charity to understand the key drivers of a corporate and where the value alignment is. It is also important a charity understands and holds to the bigger picture.

Keystone Trust reassessed it's 'why' in 2020, and also where it was positioned in the charity market. An area of focus was the key economic drivers in relation to its market, the property and construction sectors.

For example, the government's 2019 Wellbeing budget was heavily influenced by the country's commitment to the United Nations Sustainable Development Goals (UNSDGs) which were agreed in 2015. It is these same UNSDGs that are creating a focal point for those sectors, in terms of achieving broader outcomes and which underpin the Trust's kaupapa. It is through this lens the Trust views any new partnership.

Keystone Trust acts as a conduit between corporate aspiration and community reality. It enables industry supporters to create and deliver on the transformational change they want to see in their community which although not core business, makes good business sense. The corporate environment has changed, and companies cannot get away with vague, inspirational statements of a commitment to diversity, making promises about what they will do: they now must show they were already doing something which can be measured and tested. Keystone Trust has the knowledge, the skill sets, and the mandate to be a delivery mechanism in its sector. Some of the Trust's sponsors understand this and have been with the Trust since it began in 1994 and have 28 years of evidence to back up their social license.

What is Keystone Trust?

Keystone Trust is built on the legacy of Graeme Bringans, a Kiwi property developer who was a strong advocate of promoting opportunities and providing financial support for young people with financial and circumstantial need to undertake tertiary study towards a professional career in the property and construction industry.

Through its sponsors, the Trust supports students with scholarships and provides an integrated industry engagement programme. Keystone Trust and its sponsor whanau create shared value for each other, for the property, construction, and infrastructure ecosystems, by lifting the capability and capacity of its work force to create future leaders.

Having secure future income is essential for a charity; the sector needs to be resourced for long-term transformational change. Corporate philanthropy is a mechanism by which we can all work for a stronger and more equitable future for our country. Corporates who are seeking to align with the charitable sector need to appreciate we are looking for strategic long-term relationships which must fund both the administrative and programmatic costs and commits to broader social, economic, cultural and environmental outcomes.

Corporates can also provide significant additional support, and this is developed through dialogue identifying opportunities which make a practical difference. For example, Keystone Trust's sponsors also provide mentors, site visits, sometimes access for a student to a desk/photocopier/stationery, professional association memberships, repurposed IT equipment, donations from staff events, and providing paid work experience for students. One sponsor provides the Trust with office space reducing significant administrative costs. Overall, our sponsors are advocates, making introductions to other like-minded sponsors, encouraging staff to be involved and looking out for opportunities for the students.

Key tips for charities:

- Know your worth – a charity offers so much to a corporate and we often undersell ourselves. Have a list of sponsorship assets – tangible and non-tangible in your notebook.
- Understand the economic and industry milieu the potential sponsor works in and know what your stakeholder demographic is and where there are synergies.
- Be able to speak the language of business – outputs, outcomes, balance sheets etc.
- Be curious and be open. Don't turn up with a sponsorship proposal that is all about you and your needs.
- Remember your purpose and your stakeholder's needs – find the match.

Key tips for companies:

- This is a conversation between equals. Charity management are often closer and more informed about the needs than you are. That's why you are having this conversation.
- Charities don't rattle tin cups asking for pennies, we are professional, innovative organisations that want to truly create social and environmental change. Because of this, we tend to be passionate, want to work collaboratively and have a long-term view of success.
- Charities think about money a lot! We operate in a hyper-competitive funding environment, so we need to, but money is not at the centre of our strategies – purpose is.
- Don't wait to be asked - either by your client in an RFP or for the market to compel you. Those who are proactive and weave broader outcomes into their value proposition and overall branding will be at a significant advantage.
- But overall, it is a good thing to do!

Amanda Stanes

General Manager

Keystone Trust

For more information visit https://keystonetrust.org.nz/

The Fred Hollows Foundation NZ and Specsavers

The Fred Hollows Foundation NZ

Specsavers

A shared vision – high-quality and affordable eye care for all

The Fred Hollows Foundation NZ is fortunate to collaborate with companies through unique, strategic partnerships that raise significant funds, reach new audiences and provide in-kind support. Together with the staff, customers and clients of our corporate partners, we are restoring sight and changing lives in the Pacific.

Specsavers has been an official partner of The Foundation since 2011 - we share the vision that everyone deserves access to high quality and affordable eye care. Being an optical retailer, as well as the nation's leading eye health provider, this partnership is the perfect example of a business taking responsibility within its own community to give back.

The Specsavers Community Programme raises significant funds for The Foundation across a wide range of activities. Specsavers stores across New Zealand donate a portion of the sale of their glasses to support the work of The Fred Hollows Foundation NZ in the Pacific. In Australia, a similar programme supports Aboriginal and Torres Strait Islander Peoples.

Specsavers not only supports this work financially, but also through eye health equipment donations to assist our services in the Pacific. Specsavers' optometrists provide in-person and remote online training for our nursing students in Papua New Guinea and Fiji - a volunteering programme that gives them the opportunity to give back to the Pacific by passing on their experiences to help with the students' learning. Specsavers team members also take part in community engagement activities like running the Auckland Marathon to raise funds for The Foundation.

As a corporate partner it is also a supporter of the annual Fred Hollows Humanity Awards which recognise Year 6 students across the country who show compassion, integrity and kindness in their lives, just as Fred Hollows did.

Specsavers customers receive a Foundation-branded lens cloth and a glasses care card that includes information about the charity. Point of sale boards are also being rolled out in stores nationwide that celebrate the relationship between our two organisations. This helps us raise our profile and demonstrates Specsavers' support of The Foundation's important work.

What is working well

This relationship has grown from strength to strength by having a clearly defined shared vision, effective communication channels and successful campaigns and initiatives that benefit both organisations. Every year, key learnings create the building blocks for the next year's activities, which in turn delivers further successful outcomes.

The benefits for Specsavers

Specsavers genuinely care about changing lives through better sight and hearing. That's why they are committed to improving eye health outcomes for patients and extending this to our Pacific neighbours through the partnership with The Foundation.

The relationship allows Specsavers to show customers the difference they're making when they buy or donate a pair of glasses and can feel good about choosing Specsavers. Staff are proud of the impact they're making by working at Specsavers and they enjoy opportunities that help them accomplish our shared social goals. The partnership is critical to achieving this.

The benefits for The Foundation

This partnership provides necessary funds for the needlessly blind in the Pacific. It also builds positive brand awareness, introduces new audiences to The Foundation and offers opportunities for collaboration in the delivery of services by utilising Specsavers expertise and resources.

What should a charity starting a partnership journey consider?

- Look for a partner that shares your values for making a difference over the long-term.
- Define clear goals and objectives to establish a mutually beneficial partnership.
- Ensure there are adequate resources to manage the relationship.
- Collaboration is the key; understand what resources each has to bring to the partnership to create initiatives that will create impact.
- Know that you are providing an opportunity for people in these organisations to feel good about making a difference.

Jo Dowling

Fundraising, Communications & Marketing Director

The Fred Hollows Foundation NZ

For more information visit www.hollows.org.nz

Fred Hollows Foundation NZ

MAS Foundation

KidsCan

Keystone Trust

Shares For Good™

Shares For Good (SFG) is a free public service that gives purpose to proceeds from small-scale share related activities. SFG has a unique structure that confers benefits to both corporates and charities by: cleaning up portfolios, significantly reducing or erasing transaction, administration costs and burdens, providing tax benefits and generating a new pool of money to support New Zealand charities. The programme involves a pro-bono collaboration between JBWere, NZX, Computershare, Phosphor and Link Market Services.

Shares for Good facilitates the conversion and consolidation of small parcels of listed shares and donates 100% of the proceeds on an annual basis. The proceeds from the sale of the shares are distributed to one of SFG's annually selected New Zealand registered charities. In conjunction with the programme partners JBWere undertakes due diligence of the short-listed charity candidates and has a process that allows for independent input. The Shares For Good programme beneficiaries are charities that are delivering social services or community development in Aotearoa New Zealand amongst our most at risk and vulnerable groups - supporting immediate needs as well as providing longer term opportunities.

The Shares for Good programme offers partner services to listed companies that can cover share register management and corporate actions, including:

- dividend reinvestment plan residuals
- other residual cash balances
- share sale facilities (including unmarketable parcels)
- share issues
- fractional entitlements
- dividend giving
- investor awareness campaigns

A corporate's involvement in Shares For Good signals leadership in and commitment to corporate responsibility and strengthens a company's overall giving profile. The programme can advance shareholder or partnership interests by electing a favourable charity from SFG's selected charities – or encouraging a charity to make a submission at the selection stage.

For more information or to make contact visit sharesforgood.com and for partnered corporate services please contact John Morrow, Head of Philanthropic Services at JBWere NZ.

SHARES FOR GOOD

In partnership with

NZX Firm

Computershare

chapman tripp

LINK Market Services

Phosphor

JBWere

Photo by Samuel Ferrara

Considerations for corporate community investment initiatives

From the perspective of a corporate considering what, if any, community initiatives they might consider, there are several factors to analyse.

These factors range from understanding why they are doing it and what success looks like, how integrated it is with the business operations, what type of partners might be engaged, where it sits within the company or is it a separate structure, how funding is managed and what related elements might be included such as volunteering, workplace giving, asset/equity or other promotion of the cause being supported. This section of the report provides thoughts on each of these areas; although with the variety of corporate situations, much more detailed analysis is required for each unique circumstance and will likely even change over longer time horizons.

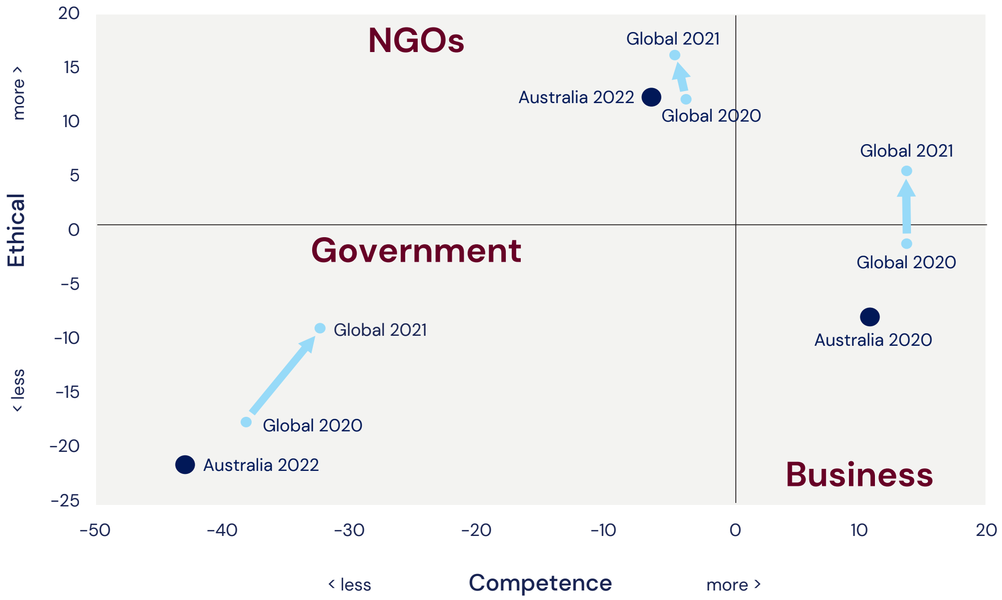
Why we are doing it?

The first section of this report looked at corporate evolution from a focus on profit alone to a broader understanding of the wider societal factors that influence their performance, particularly over the medium term and the emergence of corporate purpose as a central element of that understanding. This means that to succeed, among other things, a corporate must be highly competent in their operations, have a productive and engaged workforce and have consumers who align to their product/brand. Corporates are now seen as being the only sector globally rated as both competent and ethical in the 2021 Edelman surveys.

Adjacent to this global research is the New Zealand Colmar Brunton Reputation Index that in 2021 noted three areas for building reputational excellence: keeping trust in core propositions in times of uncertainty, improving the lives of everyday Kiwis, and legitimately being part of the community.

So partly, corporates need to engage with community because more of their competitors are doing it and they are being rewarded reputationally as well as in other ways. The competition for and retention of staff is highly linked to social perceptions of a company.

Edelman Survey – Institutions competency versus ethics



Source: Edelman Trust Barometer, JBWere Philanthropic Services

A review of various studies by Alex Edmans in *Grow the pie* found that the survey of the 100 Best Companies to Work for in America had their share price beating their peers by 2.3% to 3.8% per annum over a 28 year period. It also found 60% of customers are willing to pay a premium for socially responsibly products and pay 17% more for them.

Finally, several studies have looked at the relationship of corporate philanthropy and share returns. Patten in 2007, *Does the market value corporate philanthropy* found a found a statistically positive relationship following the Asian tsunami donations, Hogarth, Hutchinson and Scaife in 2018, *Corporate philanthropy, reputation risk management and shareholder value: A study of Australian corporate giving*, found a positive relationship to shareholder value when there was an interplay between corporate giving and reputation risk management and also Liang, and Vansteenkiste in 2020, *Disaster relief*, Inc. found corporate donations for larger disaster relief produced strategic benefits. They also found that either too small or excessively large support triggered negative market reactions, so doing it well was also important.

These studies point to both the numerous benefits of providing community support but also the need for it to be done well and aligned with each particular corporate circumstance bearing in mind their industry and position within it.

> In the US, data suggests giving from corporate foundations was around 1/3 of total corporate community investment and CECP surveyed companies found 79% had a corporate foundation as part of their corporate giving programme. We estimate that to be considerably lower in New Zealand, reflective of the more established concept of charitable foundations and structured giving in the US.

How wide reaching across the business, what structure to use, and what levels of funding?

There are two areas to consider, operational and structural. The aim should be to have these activities embedded and shared across the whole organisation. It is only then that the whole of a company's assets and stakeholders can be considered in the analysis of focus areas. This is more easily achieved when reporting is higher in the organisation and decisions can be made with the entire business activities and strategy understood, and the full group of stakeholders considered.

Analysis by George Serafeim, author of *Purpose and profit*, showed that having middle management buy in on purpose had an even stronger relationship to long term outperformance than just having company leaders as it was a better indication that it was more fully integrated across the organisation. A CSR or community investment team "bolted on" to public or human relations may be less effective in considering how all of a corporate's assets and influence can be integrated. Porter and Kramer, authors of *The competitive advantage of corporate philanthropy* and *Creating Shared Value*, have even suggested that it should be seen as a profit centre, rather than a cost centre.

Another factor to consider is the materiality of the corporate support to both the corporate and to the cause or social issue. The degree to which you make a difference is important both internally and externally. It is far better to focus on a small number of major issues where the corporate and their partners have some unique advantage rather than trying to cover too many cause areas too thinly.

A further issue is whether a separate legal structure or charitable foundation is desired and if so, whether it is funded by an annual donation from the corporate (a flow through type arrangement) or by a larger one-off endowment donation, or combination of the two.

There are many examples in New Zealand and internationally of corporations both using a foundation for part of most of their community investment and those doing it all under the company umbrella, most recently in New Zealand Fisher & Pykel Healthcare and its $20m endowment to stand up its foundation. In the US, data from Candid (formerly Foundation Centre) has suggested giving from corporate foundations was around 1/3 of total corporate community investment and CECP surveyed companies found 79% had a corporate foundation as part of their corporate giving programme.

We estimate that to be considerably lower in New Zealand, as there are a smaller albeit growing number of corporate foundations and moreover this is reflective of the more established concept of charitable foundations and structured giving in the US. However, it is likely that funding through corporate foundations will continue to grow in New Zealand, the Bank of New Zealand Foundation being the latest example.

What is the best structure will depend on a number of factors. The following presents some of the positives and negatives of establishing a separate corporate foundation with a fully or partly funded corpus.

Reasons for funding through a corporate foundation with corpus	Reasons against funding through a corporate foundation with corpus
It can demonstrate a greater commitment to charitable causes and can help remove a perception that the donations may be only for one year or for a short term.	There will be extra compliance/reporting requirements with a separate charitable vehicle.
There may be some charitable cause areas that a foundation can fund but the corporate itself may struggle to gain tax deductibility for that expenditure.	Some care needs to be taken with the type of benefit provided to the corporate and any perceived or actual "self-dealing" from the operation of the foundation. A corporate foundation needs to operate somewhat independently of the corporate itself but can use their relationship in many positive ways if the correct balance is found.
The funds will generally produce income and grow in a tax-free environment.	Once a gift is made to a corpus it cannot be recovered by the business even if business conditions deteriorate.
A corpus can be presented as having greater substance. A $100m foundation providing $5m per year dedicated to specific charities is more impressive than an intention to provide $5m from profits each year to those charities.	There may be more ability to 'turn on and off the tap' of funding if it was drawn from annual profits. This may provide greater financial flexibility, although a corpus once established would not necessarily need to draw on future profits, leaving these unencumbered.
The ability to smooth 'giving levels' from a corpus, compared to providing a percentage of a variable profit, increases the degree of "funding certainty" and should allow the programme to better commit to and support causes. This can be important in more volatile industries such as agriculture and durables.	An annual drawdown from profit may possibly provide a stronger lobbying tool than a corpus (e.g adverse regulation may result in community funding capacity being constrained).
Where some shareholders question the value of annual giving, the establishment of a foundation with corpus prevents this becoming an ongoing issue.	If a corpus is established, it must have an investment policy which usually must follow the 'prudent person' principles meaning that the assets should be diversified and avoid concentration in any one specific investment type or company.
The foundation can be protected to the extent that it has been funded. It is unlikely that the foundation can ensure a continuation of funding in the event of a takeover if a foundation with corpus has not been established.	The operation of the corpus may be determined partly by independent (not company employees) trustees. This does not imply that they will be able to direct funds entirely at their discretion as they will be bound by the scope of the trust deed.

In terms of funding levels, global comparisons suggest 1% of pre-tax profit is a goal for many. We don't have enough data to give a New Zealand average, the average of the profiles we collected that gave pre-tax profit was 0.54%, suggesting that New Zealand overall still has a way to go towards the 1% goal. Where earnings are volatile, this might be set as a rolling multi-year average. Although this is an excellent starting point, we would suggest a more sophisticated analysis of the marginal value produced for stakeholders for each extra dollar spent, would be a better measure. Of course, this approach requires much better measurement of outcomes and impact than most companies currently achieve. Recent work by Mark Kramer, *Hybrid metrics – Connecting Shared Value* to Shareholder Value, is part of the efforts underway on closing this measurement gap. Until then, 1% is a nice round number to aspire to!

What should we be measuring?

Measurement of social impact and the ability to record the company's community investments is important both inside the company and for external parties to understand the depth and breadth of activity. Efforts have been made in this area for many years with John Elkington's Triple Bottom Line reporting concept and the establishment of the London Benchmarking Group (now Business for Societal Impact or B4SI) and the Global Reporting Initiative (GRI) all commencing in the 1990s. More recently, efforts have been able to progress faster with the emergence of stronger and more detailed ESG metrics and the growing acceptance of the UNs Sustainable Development Goals (SDGs) as a common cause area or matrix framework. Recent analysis by Jarrod Miles in the Australian 2021 *Giving Large* report found 88% of larger Australian companies analysed had adopted either GRI or B4SI standards with GRI the most common, although 32% used both standards.

In New Zealand, the revised NZX Governance Code of 2017 and updates to the FMA's Corporate Governance Handbook have contributed to an increase in sustainability reporting by both NZX-listed and non-listed entities - 74% of NZ top 100 companies and other leading business organisations now report on sustainability performance. However, only 34% have adopted the GRI standards, and less than 10% have adopted the B4SI standard.[12]

12 Refer KPMG New Zealand's Survey of Sustainability Reporting 2020 https://assets.kpmg/content/dam/kpmg/nz/pdf/2020/12/the-time-has-come-nz.pdf , and B4SI Annual Report 2021 https://b4si.net/wp-content/uploads/2021/11/B4SI-Annual-Review-2021-1.pdf . Notable other references on sustainable reporting in New Zealand are: *Proxima, Towards Transparency: A New Zealand practitioner's guide to reporting sustainability-related information,* 2019 http://www.proxima.global/towards_transparency2020.pdf, and U.P. Chirapattanakorn, *The New Zealand Stock Exchange Governance Code: Investigating calls for improved sustainability reporting and management intentions*, 2018. https://ir.canterbury.ac.nz/handle/10092/16134

The measurement of the financial value of community investment requires a discussion of what can be included and what is not counted. While a breakup of the relative value of each area was included in the previous section, particular inclusions and exclusions are listed below.

Included in the value of corporate community investment	Not included in the value of corporate community investment
Amounts spent on donations including matching or other purchases related to the activity	Amounts provided to the activity by others but facilitated by the company, e.g. workplace giving or customer donations
The wages of staff participating in pro bono volunteering and other management costs associated with the activity	Revenue which would have been earned had the service or product been provided commercially, e.g. medicines made available are valued at cost, not market value or interest foregone by banks had loans been made at full market rate is not included
The value of product, services or assets made available for the activity	Political donations or commercial sponsorships
	Payments to community, which were not voluntary but part of a say a staff training or distribution of goods contract

Other important areas to measure, depending on the nature of company activities, include staff engagement, customer recognition and reaction and even market performance around significant announcements. Importantly, impact being achieved is the ultimate measure and, in most cases, might be better done though for-purpose partners, funded of course by the corporate.

There is still a gap and largely separate audiences for financial and non-financial (social and environmental) reporting despite the growth in interest in ESG, but attempts are currently being made to combine the fields. Mark Kramer's *Hybrid metrics – Connecting Shared Value to Shareholder Value*, while in its early stages, provides potential examples such as EBITDA/CO_2 intensity for energy companies or cost of goods sold/value of waste avoided for retail companies.

What external partners or skills might we need for success?

In whatever area of community investment being considered, one of the first questions should be – What expertise don't we have? What is our competitive advantage in this area and what might we outsource to potential partners? If a transport and distribution companies stakeholder analysis suggested providing meals would be their targeted activity, then perhaps a for-purpose organisation with knowledge of local need and skills in related need areas such as health, counselling or housing would be a great match for the company's distribution activities. In addition, another partner might have food preparation skills, perhaps training unemployed youth in yet another companies excess production facilities.

Larger companies may have the ability to bring together others and even governments, that smaller for-purpose groups often can not convene themselves but are needed alliances for wider social problems.

Do we provide a volunteering opportunity for employees?

While it does depend on the nature of the business including location, scheduling options, skills match and the need of the causes supported, it is becoming more common for corporates to offer an annual level of volunteering time (such as 1–2 days paid leave). Often this is highly organised, and teams and projects are coordinated and selected by the company, although there are a smaller but increasing number of examples where this is left to the discretion of the employee.

For some industries, this form of activity is a crucial part of their operations. Similarly, for the major accounting and law firms, their community investment is predominantly done through pro bono, skilled and other volunteering.

In too many cases, corporate volunteering doesn't reach the potential it could. Effort is needed by each partner to find opportunities that are both useful to the for-purpose organisation and fulfilling and impactful for the corporate volunteer and provide a benefit to the company paying the volunteers. More creative thinking around the type of volunteering offered rather than just accepting the hours available, can produce extraordinary results. An example is the annual hackathon, Vanhacks, started in Vancouver in 2016 to create tech solutions that solve challenging problems facing their community.

Do we provide a workplace giving programme?

In the US, 92% of companies surveyed by CECP provided matching programmes and 24% of employees participated. The more successful programmes involve not just having the mechanics in place but also its promotion among the workforce and leadership from senior management along with company matching of donations. Workplace giving has not yet reached its potential in New Zealand, but one of the leaders in workplace giving here is Spark NZ.

Do we go beyond cash, goods and services support?

There are a number of new approaches to community investment that are attempting to embed these principles in companies from the earliest stages. The pledge 1% movement is one of the better-known approaches, particularly for new start-up companies and the entrepreneur and IT industry. Since its genesis in 2014 by Salesforce Foundation, Atlassian and Entrepreneurs Foundation of Colorado, there are now over 10,000 companies from 100 countries, giving time, product and profit to community. Recent announcements from two of the founders of Canva of their intention to donate the majority of their 30% private holdings into the Canva Foundation, potentially sets a new benchmark for both private and corporate philanthropy with the company's latest raising valuing it at US$40 billion and their holding at A$16.5 billion. Recent research by fidelitycharitable.org showed entrepreneurs gave and volunteered at higher rates and found they believed there was a link between this and professional success.

Another support for causes available from corporates is their voice and actions around social issues. While this can be a differentiator within an industry, it is even more powerful when multiple participants of an industry join forces to promote or even force change. Climate action is currently the most widespread example across many industries with a 2021 report by the Energy and Climate Intelligence Unit and Oxford Net Zero, claiming 21% of the world's 2,000 largest public companies have net zero commitments. A 2021 study by the World Wildlife Federation, in their *Power Forward* report said 60% of the Fortune 500 companies had adopted emission targets and 76% of the top 100. New Zealand is ranked 9th globally for net zero readiness according to KPMG's *Net Zero Readiness Index* 2021.

While these actions may not directly support individual for-purpose environmental organisations, they certainly promote a common cause and over time there may opportunities to assist in either offset programmes or in consultant work to aid operational improvements within the corporate.

In whatever area of community investment being considered, one of the first questions should be - What expertise don't we have?

What is out competitive advantage in this area and what might we outsource to potential partners?

"One of the mechanisms through which companies may exert their social responsibility towards society consists in the voluntary donation of resources to charities, other nonprofits and governmental organisations (e.g. hospitals, schools and environmental, art and cultural associations), as well as to people in need.

Companies can support the local, national and international community in many ways. Alongside cash and in-kind contributions, they can provide expertise and know-how for societal initiatives and projects worth of attention; moreover, they can stimulate their employees to volunteer for such activities.

The company invests resources in the community's interest and, in doing so, it develops a network of external and internal relationships it may benefit from. Benefits for business not only refer to the enhanced reputation that could positively affect the sales and attract new investors and employees, but also relate to a stronger ethical culture shared at different organisational levels within the company." – Luisa Bosetti[13]

13. Bosetti, L. (2019). Corporate Community investment: A Strategic Approach. Symphonya. Emerging Issues in Management.

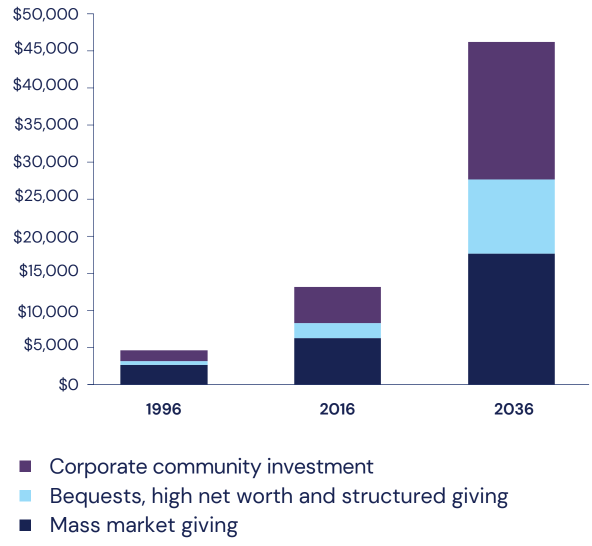
Considerations for community and the for-purpose sector

This report has highlighted the gradual widening of "who matters" for corporate success. The move from shareholder to stakeholder primacy means a broadening of the factors to be considered in setting business strategy with many now overlapping with the causes that for-purpose organisations were established to serve or solve.

This provides an increasing opportunity to engage with a huge but diverse sector that in the past has not been a focus for most community or for-purpose groups.

Simply and as highlighted in earlier sections, it is large and brings assets, skills and influence most for-purpose organisations lack. It is also growing at a faster rate than most other forms of giving in New Zealand as shown by our long term projections for each segment. The decline in mass market giving relative to other forms is a consistent issue across most countries, which we highlighted in *The Support Report 2020*. Michael Moody further observed in *It's getting harder and harder to distinguish philanthropy and business*, that potentially a younger generation see the best path to social change through the marketplace in what they buy, how they invest and who they work for. So, in a way perhaps the retraction of the past donors from the mass market is now starting to be seen through corporate community investment, again highlighting the growing and significant role of corporates in society today.

Projected change in giving to for-purpose causes ($m)



Source: ATO, ABS, ACNC, JBWere Philanthropic Services

Another important factor is the potential for longer term relationships with companies compared to many other supporters. While private foundations often have multi-year programmes potentially over three and possibly five years, many corporate relationships have run for much longer. Once a corporate and for-purpose organisation have formed a partnership and got over the "relationship hurdle", support can be embedded for many years – as in the case, for example, of Toyota New Zealand and the Parenting Place, and The Warehouse Group and Salvation Army.

Importantly, both corporates and the for-purpose sector are still learning about the value the other can bring to a relationship. As the position on the spectrum between for profit and for purpose moves closer, it provides an opportunity for both sides to gain from the others assets and skills.

What do we and our cause want from the relationship?

Most for-purpose groups quickly answer to, "a no strings attached cash donation". While understandable, this ignores that the likelihood of success in having a transaction only relationship is much lower; and that the potential of a full partnership type relationship to provide greater impact is higher.

Indeed, if support was only in the form of cash, what would you use it for, and might the corporate be better placed to provide the goods or services you would have purchased?

How might the corporate enhance your cause beyond just financial support?

- Does the potential support of their employee or customer base help your broader fundraising support or the cause you are engaged with?
- Does the potential for the corporate to be influenced in their own operations by your knowledge of the cause, enhance the overall impact achieved? As for example around areas such as gender balance, mental health, lending or insurance restrictions for certain groups or emission levels. A recent report from Australians Investing in Women (AIIW) with potential application here is *Sharpening our focus on corporate giving: Keeping gender equality in the frame*. This offered a number of examples of actions and support that could be used across a number of individual cause areas to support gender equality. A local initiative is the Women's Fund established by Auckland Foundation to improve the lives of women in Tāmaki Makaurau. Grants are made to support organisations and initiatives that amplify the voices of women, invest in women, and accelerate growth and development opportunities.
- Might their advocacy help change minds and sway regulations or other industry participants actions?

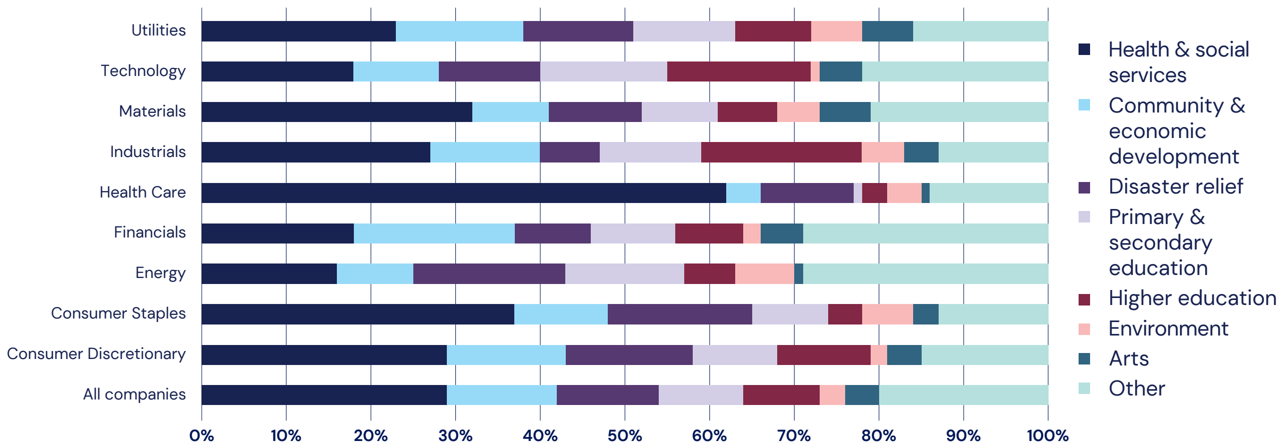
How to approach the potential partnership?

Research is the catchall answer for how to attract a corporate partner. Other areas of support can be more focussed on promotion of your organisation and the cause as well as looking for personal connections or "who you know". For corporates, it will be much more about "what you know". Thinking of how you would justify the partnership from inside the corporate and writing their business case can be a great start.

We detailed in an earlier section the breakup of corporate New Zealand by size, industry, employment and profitability. It showed the wide range of potential partners, so where to begin? For many reasons, it is unlikely that the biggest companies will be a good fit for most for-purpose organisations, partly due to regional versus national coverage issues. Finding overlaps of stakeholder groups between the corporate and for-purpose groups is key. What cause might their employees or customers care about that you assist? For example, is climate change or perhaps mental health a more significant issue for their particular stakeholders. Perhaps, your higher net wealth donors overwhelmingly drive their brand of car. Big data today allows that type of analysis to be done.

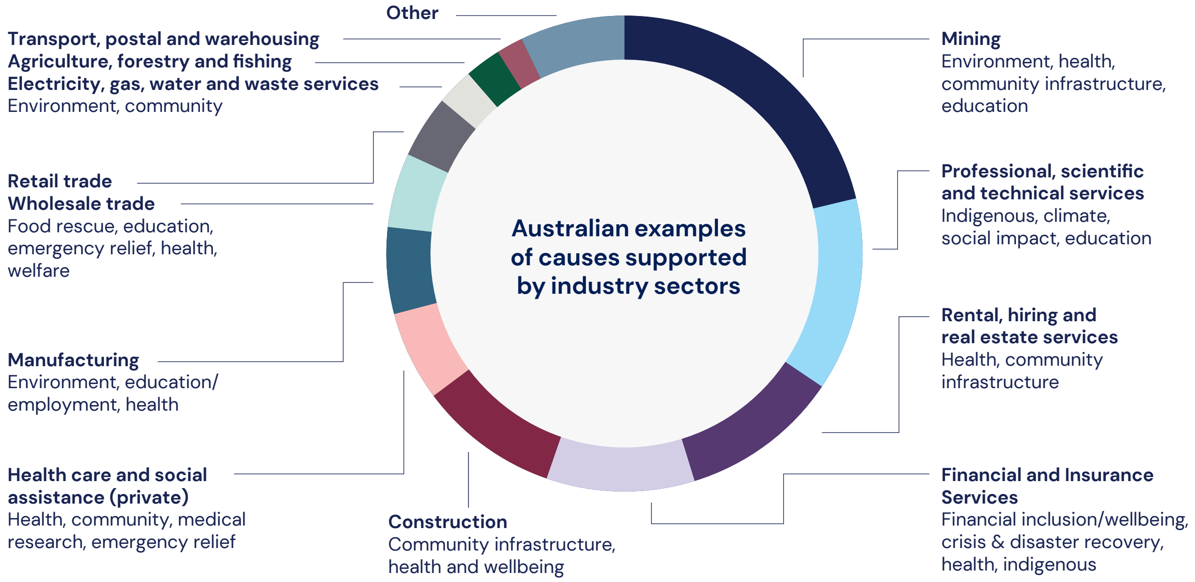
The following analysis of both large global corporates and Australia and New Zealand companies shows the breakup of causes most commonly supported by companies from various industries. The global study is weighted by the level of support for each cause.

Global industry breakdown of community investment by cause – 2020



Source: CECP Giving in Numbers 2021, JBWere Philanthropic Services

Our Australian study is weighted by industry pre-tax profitability. In both studies, health and education ranked highly while community development and environment were larger causes in Australia.



Source: John McLeod, JBWere Philanthropic Services

The New Zealand profile is restricted to the sample of companies included in this report, based on the activities that are reported by these companies. The sample is not conclusive but we make a couple of provisional observations: Utilities sector may have a predisposition to environment and conversations cause areas; professional services and technology towards education; healthcare towards health; consumer staples, consumer discretionary, and financial services towards community development and support.

New Zealand examples of causes supported by industry sectors

Industry	Cause Areas
Communication services	Digital inclusion, digital wellbeing, education, community development
Consumer discretionary	Community development, education, public health ad wellness, disaster/emergency relief, food distribution
Consumer discretionary	Education and training, emergency support, community health, food recovery/distrbution, community development
Consumer discretionary	Gender equity, social and public welfare, education, health and wellbeing, disaster relief, community development
Consumer staples	Public health, wellbeing and nutrition, education, training, research, community development, emergency services support, sports, food rescue and distribution
Energy	Education, local community, public health, public safety, community development
Financials	Financial wellbeing, mental and physical health and safety, housing and accommodation, community development
Financials	Affordable housing, education
Health care	Health, education, research and development
Industrials	Education, employment, arts/culture, health, accomodation and housing, community development, local community
Industrials	Health, education and training, community development
Industrials	Education, community development
Professional services	Health and wellness, local community, community development, arts and culture, sport, education
Professional services	Financial literacy, fundraising, education, community development, health, promotion of volunteering
Technology	Education, training, community development, culture, heritage, the arts
Utilities	Community development, education, training and research, conservation support

Source: JBWere Philanthropic Services

Another related issue to consider is highlighting and reinforcing what a for-purpose organisation brings to the issue that a corporate cares about. A for-purpose expertise will be higher in most areas. They want to have impact and for-purpose knowledge of the cause will greatly assist. Also consider that partnering with one group from an industry may well exclude a for-purpose organisation from others in that industry.

Can we manage the relationship?

Corporate partnerships are generally more demanding on the resources of a for-purpose organisation. There are likely to be power imbalances and it is possible that not all operations of the business or all their stakeholders will be fully aligned to the cause. The ability to handle requirements such as reporting, promotion and volunteering opportunities need to be considered from a resourcing and potentially "mission drift" angle.

The skills needed to source corporate partners are also very different to traditional fundraising activities and even to individual high net worth approaches and so extra resources are likely to be required. It is also important to understand the return on investment you are getting from the partnership. The time, cost and potentially loss of focus in organising a volunteering programme for a corporate may well outweigh the benefits it provides. Knowing the return you are getting as well trying to estimate the return the corporate is seeing will help you understand the overall value of the relationship and how that share is being split. Understanding your worth to them is important.

The target should be that a smaller number of much more significant partnerships is established compared to other fundraising activities where often volume rather than value is targeted.

What concerns should we have?

The reputation of a for-purpose organisation is vital. It will also be one of the factors which attracted the corporate in the first place. Any association or partnership that harms your mission costs more than any income or support it provides. Consider the reaction of beneficiaries, staff and other donors and funders. Might there be a perception of influence, control, or redirection on your activities? Are there issues of client data or donor contacts that could be a problem?

Having a partnership, gifts and sponsorship policy in place before the $1m cheque is handed over is important. A policy should talk to the types of gifts and the terms of the gifts, partnerships or sponsorship that are unacceptable. Would we be happy with our name inside all their stores or a logo on each bottle sold? Do their operational activities harm or discriminate against people we are trying to help? We strongly recommend and now see the vast majority of for-purpose organisations having an ethical overlay as part of a broader responsible investing framework. Guidelines for accepting donations in any form is no different.

About JBWere Philanthropic Services

About JBWere

JBWere strengthens the financial standing of individuals, families, for-purpose organisations and companies, through bespoke wealth and investment strategies. The company has been in existence since 1840 and employs 500 staff in New Zealand and Australia.

About JBWere Philanthropic Services

Working with charitable and other for-purpose clients has been a key cornerstone of the growth and history of JBWere over its 182 years of existence.

For decades, we have partnered with our for-purpose clients to support them in shaping a better society. The experts in our Philanthropic Services team are wholly focussed on leveraging the heritage, strength and scale of JBWere and our international network, so we can provide tailored advice and insight to our diverse range of clients.

As a trusted partner we will develop a deep understanding of our for-purpose client's mission, needs and circumstances. We then proactively leverage our experience, expertise and networks to provide tailored advice, build capacity and facilitate valuable connections to ensure our clients are positioned to fulfil their ambitions.

If you are a for-purpose organisation who would like to understand not only how to navigate corporate opportunities but also fulfil your organisations ambition, or a corporate organisation who would like to understand the advantage of investing in community and the strategies and structures to establish or enhance your programmes, please contact a JBWere adviser, or John Morrow at john.morrow@jbwere.co.nz or +64 21 441-087

In speaking to us this is how we can help:

- We can help for-purpose organisations navigate the corporate community investment opportunities
- We can help corporates understand the advantages of investing in community and the strategies and structures they might employ to establish or enhance their programmes

Mission: To inspire and support our clients to create lasting positive impact

- Leading provider of investment and philanthropic services to for-purpose in NZ and AUS
  - for-purpose individuals and families - in structured giving and family governance
  - for-purpose organisations - healthcare, age care, education, local government, mutuals
  - business - on a shared value journey, redesign, brokering partnerships
- Ensure latest insight and access to deliver on their mission
- Supports governance of impact in their impact investments - Investing for Good™

New Zealand - Australia

600+
for-purpose clients

$12b+
of assets under advice from for-purpose organisations

Further information about JBWere NZ Philanthropic Services can be found on www.jbwere.co.nz or by contacting John Morrow +64 21 441-087.
Please visit our website to download a soft copy of this report.

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John is the Head of Philanthropy for JBWere New Zealand and joined JBWere in January 2020 from a boutique strategy advisory business he co-founded in 2009.

John facilitates collaborations amongst funders and charities in providing leadership in tackling tough problems, and being a catalyst for change. A former banker and lawyer who has worked in the for-purpose sector, John has been working for the last thirteen years with various boards, organisations and individuals that are on a journey towards sustainability, with intent on creating positive social and environmental impact with their resources. In this work, he has advised on the design and establishment of large fundraising and granting foundations.

John serves on the board of Festival One, a charitable company that annually runs a large four-day festival in partnership with Ngāti Hauā, Waikato Tainui.

Since the outbreak of COVID-19 John has been supporting the leadership of for-purpose organisations JBWere works with in Aotearoa New Zealand to navigate the pandemic - through facilitating forums for shared learning, as well as offering thought leadership on early responses and organisational resilience, together with an outlook for giving for 2020-22. He co-authored the New Zealand Cause Report in 2021.

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John co-founded JBWere Philanthropic Services in 2001 after 15 years as a financial analyst within the firm's top-ranking strategy team. He produces widely read reports on philanthropy and the operation of the for-purpose sector. He co-authored the Impact – Australia report in 2013 highlighting the practice and growth potential for Impact Investing and more recently co-authored Growing Impact in New Zealand. He also authored The Cause Report examining the evolution of the NFP sector in Australia over the last 20 years and implications for its future direction. The New Zealand Cause Report was released in 2017, and in 2021. He compiles the list of Australia's major philanthropists for the Australian Financial Review's annual special, Philanthropy 50. In 2019 he co-authored and coordinated the inaugural list of community investment by Australia's 50 largest corporate donors. He also authored The Support Report focussing on the dramatic trends occurring in Australian giving, followed by the New Zealand Support Report in 2020, and then the inaugural Australian Corporate Support Report in early 2022. John sits on the Board of several charities including Philanthropy Australia.

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Discover the difference

To explore how JBWere can help your organisation invest for both performance and purpose, visit jbwere.co.nz, contact your JBWere Adviser or email philanthropic.services@jbwere.co.nz

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