IMAGINE CANADA

CORPORATE GIVING IN A CHANGING CANADA

December 2018

Community Investment Report

CORPORATE GIVING IN A CHANGING CANADA

COMMUNITY INVESTMENT REPORT

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METHODOLOGY NOTES

Corporate Giving in a Changing Canada is the result of a collaborative research initiative, in partnership with other leading organizations in this space, and leverages three primary data sources. Findings examine: the results of a survey completed in 2018 by 54 companies, many of them Imagine Canada Caring Companies; a literature review on the topic of CSR and community investment; and anecdotal examples from leading companies. See page 42 for full details on report methodology and survey respondents.

ACKNOWLEDGEMENTS

We would like to thank all respondents for their leadership in community investment and their contributions to our survey. This publication would not have been possible without the efforts of many people and organizations.

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INTRODUCTION

Ten years ago, Imagine Canada released *Business Contributions to Community (BCTC)*. A ground-breaking study, BCTC provided the first-ever comprehensive portrait of business' charitable contributions in Canada. The survey was the largest of its kind to represent the broad philanthropic behaviour of the business community in Canada.

The field of community investment has evolved in the years since, thanks to technology-driven shifts in consumer demands, the workplace, and the global environment. A call for evidence-based decision making is changing the nature of giving, replacing impassioned choices with strategic partnerships that also support business goals. Paradoxically, radical shifts in how we connect have increased the need to do more and do it now. Canadians feel compelled to help their neighbour and are mobilized to act in swarms of generosity. The social phenomenon that emerged with the *Kony 2012* movement has become business as usual.

Many companies have kept pace, investing in their communities as a means of developing resiliency in this new state of change. They have supported the development of the Canadian workforce, fostered authentic ties with nonprofit partners, and are rethinking the delivery of their value chain.

This wide-ranging report aims to explain how these changes may have affected the state of community investment, and to identify lessons for aspiring companies in the field. We aim to provide policymakers, corporate leaders, and nonprofits with a new understanding of the opportunities for partnership and the characteristics of successful community investment.

HIGHLIGHTS

RESPONDENTS ACCOUNT FOR OVER 10% OF ESTIMATED CORPORATE GIVING IN CANADA

The companies featured in this study gave more than $443 million to nonprofit organizations in the last year, which is more than 10% of the estimated total of Canadian corporate giving. Over 550,000 employees work for these companies, representing about 3% of the Canadian workforce. Collectively, they reported making more than 16,800 contributions to nonprofit organizations.

COMPANIES THAT INTEGRATE THEIR COMMUNITY INVESTMENT WITHIN THEIR OVERALL BUSINESS STRATEGY REPORTED HIGHER SOCIAL AND BUSINESS IMPACT

Nearly all companies that believed their community investments were also substantially improving their business felt that their community strategy is strongly aligned with their overall business strategy. With this came a clear focus on measurement and key performance indicators, integration of community investment with other departments, and a focus on community consultations to improve impact results.

AS FOREST FIRES, FLOODING, AND OTHER TRAGEDIES STRIKE CANADIAN COMMUNITIES, COMPANIES PLAYED A UBIQUITOUS ROLE IN HELPING RECOVERY

The research shows the vital role that companies play in assisting these communities' crises responses with a full 84% of the companies surveyed donating cash in response to natural disasters, accidents, and crises, while many also raised money from employees (58%), donated goods or products (30%), or raised money from customers or suppliers (24%). Crises commonly supported included the Fort McMurray Wildfires (65%), the Humboldt community (50%), and the Quebec and Eastern Ontario Floods (33%).

STRATEGIC PARTNERSHIPS WITH SELECT NONPROFITS ARE COMMON, LEADING TO FEWER FUNDS FOR THE REST

78% of respondents had at least one nonprofit they considered to be a strategic partner, and most indicated this was a growing priority. Of those with partnerships, 42% indicated they were funding fewer nonprofits to focus more resources on their signature partners.

OVER THE LAST DECADE, THE COMMUNITY INVESTMENT FIELD HAS BECOME FAR MORE SOPHISTICATED

Ten years ago, when Imagine Canada surveyed companies as part of a previous large-scale study of corporate philanthropy, (Hall, Ayer, Zarinpoush, & Lasby, 2008), only 34% of companies with at least 500 employees had written policies to guide their giving, compared to 95% of similarly sized respondents today. Similarly, 46% more businesses measure the business benefits of their donations now versus then. Companies have become more strategically focused and sophisticated, and this is driving a wide range of changes in community investment practice.

THE MULTITUDE OF WAYS COMPANIES SUPPORT NONPROFITS

Survey results indicated that every respondent made direct cash contributions to nonprofits in their last fiscal year. In total, these companies gave $443 million in direct cash contributions to nonprofit organizations. Our respondents accounted for more than 10% of the $4 billion plus in estimated Canadian corporate giving (Lasby & Barr, 2018).

The average company in our sample gave an average of $9,697 to 382 nonprofit organizations; the 54 companies gave a total of 16,800 gifts to nonprofits. A further 92% sponsored nonprofit organizations and a substantial majority donated goods (81%) and services (83%).

KEY COMMUNITY INVESTMENT BENCHMARKS

Total number of gifts to nonprofits represented: **16,800**
The total value of giving from the survey: **$443 million**
382 – Average number of nonprofits supported
$9,697 – Average amount of funds donated per nonprofit
$1,141 – average gift per employee

NEARLY EVERY COMPANY LEVERAGED ITS EMPLOYEES TO SUPPORT NONPROFITS

Corporate support for nonprofits extended far beyond just direct cash contributions, with 100% of reporting companies supporting or encouraging employee volunteering and 90% raising donations from employees. Survey respondents leveraged their employees in a variety of ways, which is discussed in further detail in the following report section.

"The more resources we can wrap around our community partners the more it enables us to deepen the relationships, which equals better results."

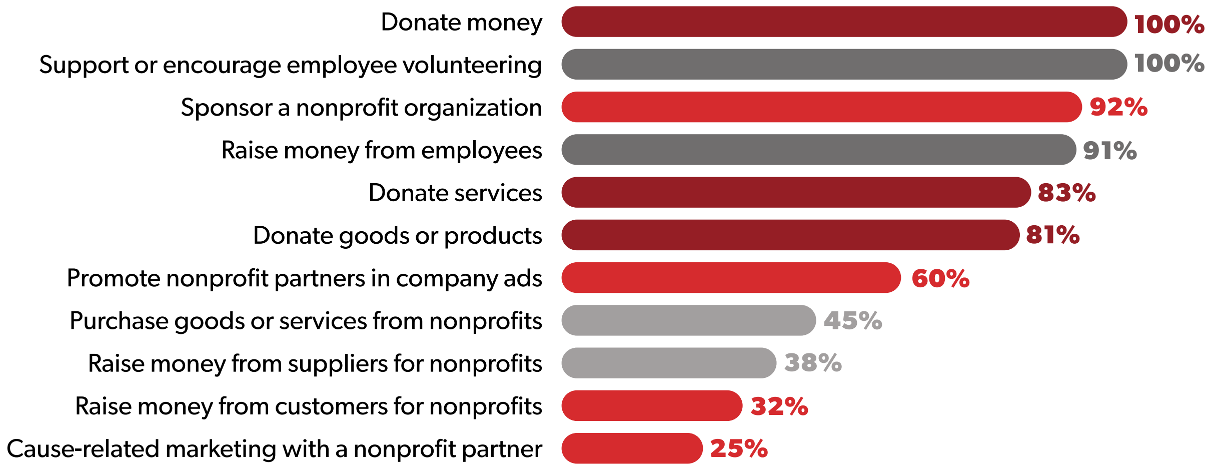
- Susan Byrom, Senior Manager, Community Investment, First West Credit Union

TYPES OF SUPPORT FOR NONPROFIT ORGANIZATIONS

Direct contributions | Leveraging employees | Leveraging marketing or custormers | Leveraging supply chain

Calgary, Alberta

TYPES OF SUPPORT FOR NONPROFIT ORGANIZATIONS



MORE THAN HALF OF SURVEYED COMPANIES ALSO LEVERAGED THEIR MARKETING CHANNELS OR CUSTOMERS TO RAISE MORE FUNDS FOR NONPROFITS

A majority of companies promoted nonprofit partners in company advertisements (60%), a powerful marketing technique that can increase brand awareness of partners beyond what their advertising dollars could accomplish on their own. Nearly one-third of these companies also fundraised on behalf of their nonprofit partners through requests at the point of purchase or cash donation boxes at checkouts, and almost one quarter managed cause-related marketing initiatives, with a specific amount donated with every purchase.

MANY COMPANIES LEVERAGED THEIR SUPPLY CHAIN AND PURCHASED GOODS OR SERVICES FROM NONPROFITS (43%), INTEGRATING THEIR COMMUNITY SUPPORT ACROSS THEIR VALUE CHAIN

Examples of this practice range from using courier services from nonprofits, to career counseling, to paying nonprofits to advertise companies directly. Purchasing from nonprofits is a growing area of interest for companies as they look to incorporate sustainability and socially conscious practices across their purchasing activities.

THE NEW IMPERATIVE FOR LARGE COMPANIES MAY BE TO LEVERAGE AS MANY ASSETS AND RESOURCES AS THEY CAN TO DRIVE IMPACT AND EMBED SOCIAL VALUES THROUGHOUT THEIR ORGANIZATION

> "The value we bring is often what "money can't buy": our employees' energy and skills, our capabilities as one of the country's largest employers, our research depth, our marketing and communications teams' creative capabilities, the reach of our branches and regional teams, and the technical capabilities of our digital, technology and innovation teams."
>
> – Valerie Chort, Vice President of Corporate Citizenship at RBC and Hamoon Ekhtiari on *RBC's New Model for CSR*, from the *Stanford Social Innovation Review* (Chort & Ekhtiari, 2018)

The sentiment reflected in the quote above is a growing trend among companies who believe that, in addition to their cash support (which is vital to the health of nonprofits), they need to be working with nonprofits across their entire scope of operations and value chain to maximize the benefits of their contributions.

THE CARING COMPANY STANDARD

Corporate community investments are an integral part of Imagine Canada's vision for a strong and vibrant charitable sector. Imagine Canada's Caring Company designation encourages companies to adopt a leadership role as investors of at least 1% of pre-tax profit into stronger communities.

The percentage of pre-tax profit invested in the community is a common metric used by companies to determine annual budgets. Companies recognized by the Imagine Canada Caring Company designation contribute at least 1% of their pre-tax profits to the communities where their employees live and work; many have been doing so since the inception of the Caring Company program in 1988.

Unlike the full 1% calculation, the ratio calculated below only considers direct cash investment and not in-kind contributions, employee contributions, or management costs for the program. These additional investments are included in assessing Caring Companies' achievement of the 1% benchmark.

DIRECT CASH GIVING AS % OF PRE-TAX PROFITS: CARING COMPANIES VS. OTHER RESPONDENTS

On average Caring Companies gave a much higher percentage of their pre-tax profit to community organizations than other respondents (1.9% vs. 0.4%).

MEDIAN DIRECT CASH CONTRIBUTION AS PERCENTAGE OF PRE-TAX PROFIT

DIRECT CASH GIVING AS % OF PRE-TAX PROFITS: CARING COMPANIES BENCHMARKS BY REVENUE

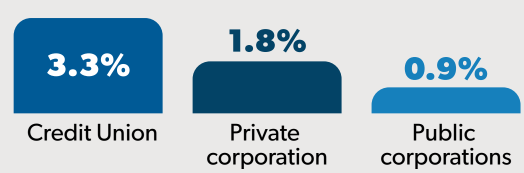
Larger Caring Companies with more than $1 billion plus in revenue gave a lower percentage of their pre-tax profits' vs. those with less than $1 billion in revenue (1.1% vs. 3.3%).

MEDIAN DIRECT CASH CONTRIBUTION AS A PERCENTAGE OF PRE-TAX PROFIT, BY REVENUE, CARING COMPANIES ONLY

DIRECT GIVING AS % OF PRE-TAX PROFITS: CARING COMPANY BENCHMARKS BY ORGANIZATIONAL STATUS

Credit unions give the most direct contributions, followed by private corporations, and then public corporations.

MEDIAN DIRECT CASH CONTRIBUTION AS A PERCENTAGE OF PRE-TAX PROFIT, BY LEGAL STATUS, CARING COMPANIES ONLY



SUPPORT FOR EMPLOYEE VOLUNTEERING AND DONATIONS WAS ALSO WIDESPREAD

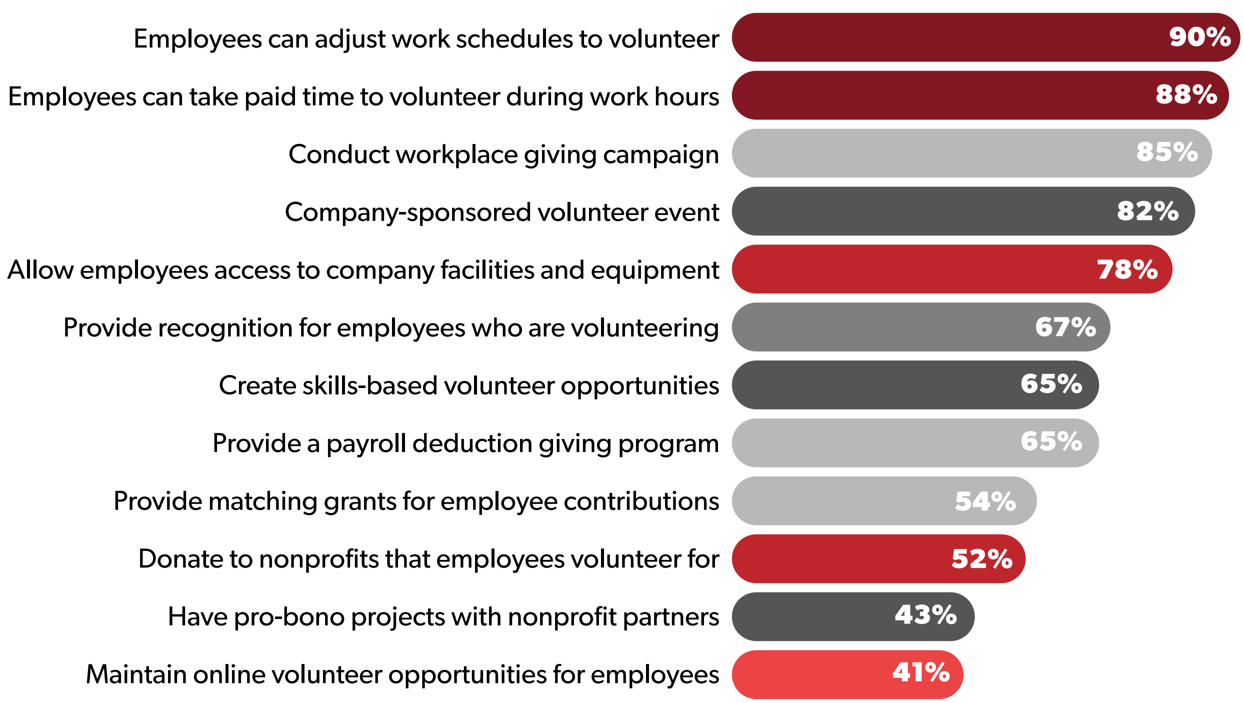
All respondents had at least one initiative to support employee volunteerism, and 91% had at least one effort to raise funds from their employees. While this sample was of leading Canadian companies, the results echo a recent Volunteer Canada study which concluded that that employer-supported volunteering has become mainstream (Volunteering Canada, 2016) and expected of leading Canadian companies.

Employer-supported volunteering has been shown to benefit businesses in ways that can directly improve business results. For example, findings have demonstrated that employer-supported volunteering is associated with skill development (Burbano, Mamer, & Snyder, n.d.; Caudron, 1994), higher employee retention (Bode, Singh, & Rogan, 2015), higher job performance (Rodell, 2013), and higher job satisfaction (Rodell, 2013).

Just as importantly, the time, motivation, and opportunity provided by employer-supported volunteering significantly increases the overall level of volunteering by Canadian workers. A recent study from Statistics Canada found that 55% of Canadians who received support from their employer volunteered in the previous year compared to only 37% of those with no support, an increase of 49% (Fournier-Savard, 2016).

TYPES OF SUPPORT FOR EMPLOYEE VOLUNTEERING AND DONATIONS[1]

RATES OF SUPPORT FOR EMPLOYEE VOLUNTEERING



[1]Adapted from a comprehensive review of employee volunteering (Rodell, Breitsohl, Schröder, & Keating, 2016)

COMPANIES ENCOURAGED THEIR EMPLOYEES TO VOLUNTEER VIA TIME-BASED SUPPORT

90% of surveyed companies allowed their employees to adjust their schedules to volunteer and 88% permitted employees to take time off with pay to volunteer during working hours. Currently, for a major Canadian company, the expectation is to allow employees the flexibility to volunteer during the workday.

However, many leading companies went beyond providing time off for volunteer activities by rewarding employees who completed a significant amount of volunteering outside of working hours, thereby recognizing the importance of volunteering for the company.

COMPANIES ALSO CREATED VOLUNTEER OPPORTUNITIES FOR THEIR EMPLOYEES

The vast majority of these leading companies (82%) had a specific company-wide volunteer event for their employees with the causes often selected by the company. Many employers felt that these sorts of events are particularly effective at improving morale and building bonds among team members.

Skills-based volunteerism is also a growing trend in companies. Many companies are working to incorporate pro-bono projects (43%) and skill-based volunteer opportunities (65%) for employees. The growing emphasis on skills-based volunteering is consistent with research which has shown that meaningful volunteer experiences have an even larger impact on job performance, particularly for those who do not find their day-to-day jobs meaningful or interesting (Rodell, 2013).

Pro bono and skills-based volunteer engagements can also be mutually beneficial to businesses and nonprofits, as they are an effective way for employees to develop new skills. Many firms use these as a stretch opportunity for employees to take on more senior roles under the supervision of senior staff (Burbano et al., n.d.).

COMPANIES ALSO USED FINANCIAL OR LOGISTICAL SUPPORTS TO PROMOTE VOLUNTEERING

Many companies also enabled employee volunteering by providing access to facilities and equipment (78%). More than half of surveyed companies also donated to organizations that employees volunteered for, based on the number of hours volunteered (53%). These programs are also known as “Dollars for Doers” or “Volunteer Grants.”

> “We focus all of our employee volunteer programs and grants around the interest of the employee, and we reward the organizations that they volunteer with by providing grants, matching or otherwise.”
>
> – Janine Davies, Executive Director, Raymond James Canada Foundation

TOOLS THAT COMPANIES USED TO INCREASE EMPLOYEE PARTICIPATION IN VOLUNTEERING[2]

Time-based support for volunteering

- **Lafarge** offers an extra vacation day a year for employees who participate in their volunteer programs
- **Servus Credit Union** gives employees one extra day off if they volunteer 40 hours or more outside of the workplace
- **The Co-Operators Group Limited** has been focused on increasing the number of staff who took at least one paid volunteer day to support their community, increasing from 32% in 2014 to 55% in 2017

Creating volunteer opportunities

- **Manulife's** Signature Skills Program had a Flash Consulting event for nonprofits in which skilled staff consulted with nonprofits for half a day on technology and data issues
- **PwC Canada** increased employee participation on nonprofit boards by 20% in 2017 through active promotion and by providing ongoing board basics training sessions

Financial or logistical support for volunteers

- **Capital Power** encourages employees to refer first-time users of their Dollars for Doers program in order to get funding for a nonprofit organization of their choice

Recognition for volunteers

- **Manitoba Liquor & Lotteries** arranges personal letters from the CEO with a token thank you gift to volunteers, as well as personalized thank you notes from the Volunteer Coordinators after volunteer events.
- **IGM Financial** has 7 different award programs within the companies they own to recognize employee volunteers

Promoting volunteer opportunities

- **TELUS** has a community newsletter for staff with updates about their community programs, including promoting their volunteer opportunities
- **Meridian Credit Union** has an online portal that allows employees to post volunteer opportunities that all other employees can see

[2]All examples were from public documents or companies gave us explicit permission to use their example.

RECOGNITION FOR VOLUNTEERS CAN BE AN EFFECTIVE TACTIC TO ENSURE EMPLOYEES FEEL COMFORTABLE TO PARTICIPATE IN VOLUNTEERING BUT NOT ALL RECOGNITION IS EFFECTIVE

Many responding companies provided recognition for employee volunteers. Research on this topic, however, has found mixed results as to whether employee recognition increases volunteer involvement (Grant 2012), with the critical characteristic being management. Recognition for volunteering was only effective at driving increased volunteering when employees reported that they perceived management and their supervisors as genuinely supportive of the volunteer program (Peloza and Hassay, 2006). One of our respondents echoed this and felt that "executive support directly drove an increase in volunteer engagement numbers."

COMPANIES PROMOTE VOLUNTEER OPPORTUNITIES VIA ONLINE LISTINGS AND USE MANY OTHER AVENUES TO ENCOURAGE VOLUNTEERING BEYOND WHAT WE ASKED ABOUT IN OUR STUDY

40% of surveyed companies indicated that they had an online portal where volunteer opportunities are posted. Many were using platforms like Benevity and Do Some Good that allow companies to post volunteer opportunities, track participation in programs, and facilitate employee donations. Based on comments from respondents, this appears to be a rapidly growing area over the last few years. Many companies identified this as a recent catalyst for increasing volunteer participation rates and tracking employee participation data. Companies that used these tools felt that they were more effective at driving staff retention than those that did not.

Companies also identified other ways they promoted their volunteerism beyond what we asked about in our survey. Some of the ways companies told us they promoted volunteering were through speaking at staff meetings, featuring volunteer profiles on their intranet, staff newsletters, and all-staff emails with opportunities to get involved.

SUPPORTING EMPLOYEE DONATIONS AT WORK IS ANOTHER SUBSTANTIVE WAY THAT COMPANIES CONTRIBUTE TO NONPROFITS

In Canada, more than $558 million was raised for nonprofits at work in 2013 (Turcotte, 2015) and recent research has suggested that most workplace donations are made in addition to what employees would have donated outside of work (Shaker & Christensen, 2018).

In this study, respondents were asked about three different ways companies can encourage employees to donate. Of respondents, 85% had a workplace employee giving campaign, 65% provided a payroll deduction giving program, and 54% offered matching funds for employee donations.

BMO Financial Group ran one of the most successful employee donation campaigns in the country for their Employee Giving Campaign. In 2017, more than 92% of their employees participated, donating $22 million to local United Ways and other nonprofit organizations.

One study found that 40% of those that donate through workplace payroll deduction do not give in any other way (Potter & Scales, 2008), emphasizing how this can be a critical tool to get people involved with donations that may not participate if the payroll donation option didn't exist. Recognizing the importance of payroll giving, **Bayshore Healthcare** recently started an incentive match program for gifts to charities through payroll giving.

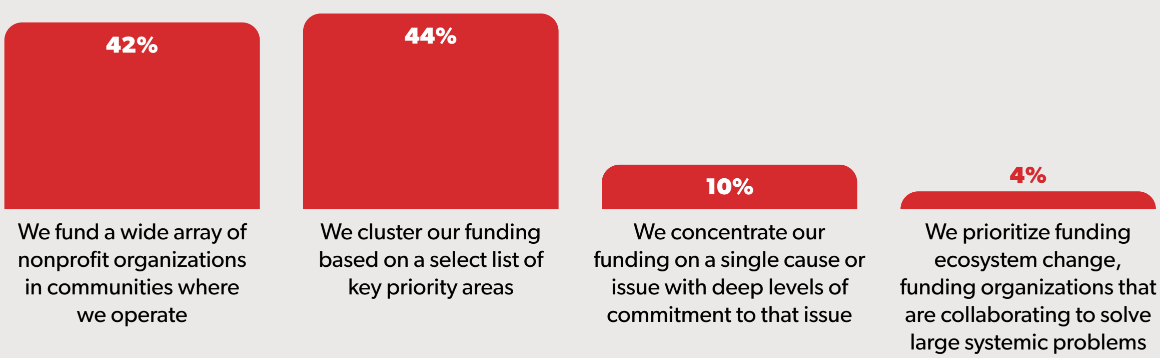
Benevity has published some findings that may help companies determine their strategy for matching funds. For example, they have found that, on their platform, a $1 increase in the cap for the maximum amount of matching contributions results in a $0.25 increase in donations. Also, allowing employees to choose their charity versus a company-selected charity is associated with five times higher participation rates (*Making the Case for a New Approach to Employee Giving and Volunteering*, n.d.).

In our sample, a greater variety of supported employee donations methods correlated with higher perceived social impact on a scale of 1 to 10. Benevity also reported that employees who donated had substantially higher employee retention rates than those that did not (*Making the Case for a New Approach to Employee Giving and Volunteering*, n.d.)

IMPACT MODELS THAT COMPANIES USE FOR THEIR COMMUNITY INVESTMENT PROGRAMS[3]

Imagine Canada asked all companies to indicate which of the four following impact models best described their giving program. Most companies indicated they cluster their funding based on a select list of key priority areas (44%) or funded a wide array of nonprofit organizations in the communities where they operate (42%). It seems that while some companies are exploring very concentrated funding or ecosystem change, this remains the minority. Many companies have elements of each of these funding strategies in place at their organizations for different programs.

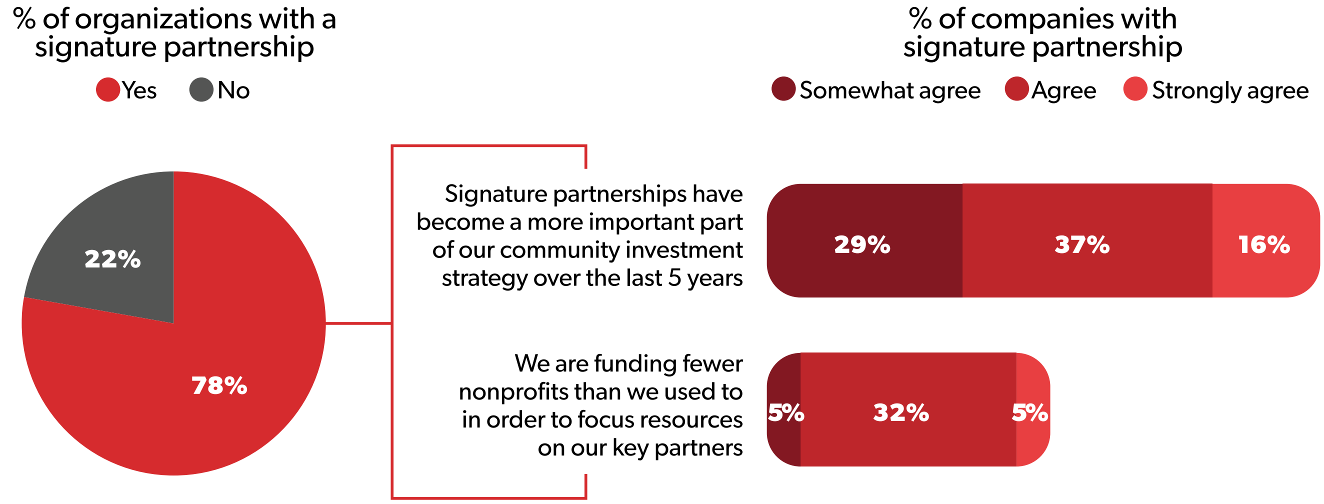
HOW COMPANIES ORGANIZED THEIR COMMUNITY INVESTMENT PROGRAMS



[3]Adapted from *Simplifying Strategy: a practical toolkit for corporate societal engagement* (Hills & Bockstette, 2015)

THE RISE OF PARTNERSHIPS

COMPANIES' RATES OF PARTNERSHIP AND HOW THEIR EMPHASIS ON PARTNERSHIP HAS CHANGED OVER TIME



"Vermilion focuses our strategic approach on long-term investments that make a measurable and significant difference for our communities. Wherever possible, our partnerships go beyond funding to include staff time and other support for the organizations."

– Vermilion 2017 Sustainability Report, 2018

For many respondents, forming close partnerships with nonprofit organizations has never been more critical. 78% of respondents indicated they had at least one company they considered to be a strategic partnership and 74% of respondents agreed that signature partnerships had become more important to them in the last five years.

Of those that had partnerships, almost half (42%) of companies indicated they were funding fewer organizations than in previous years to focus more resources on their signature partnerships. As one respondent told us: "As funders become more strategically aligned to their business or a social cause, many nonprofit organizations will be left without a funding source."

St. John's, Newfoundland

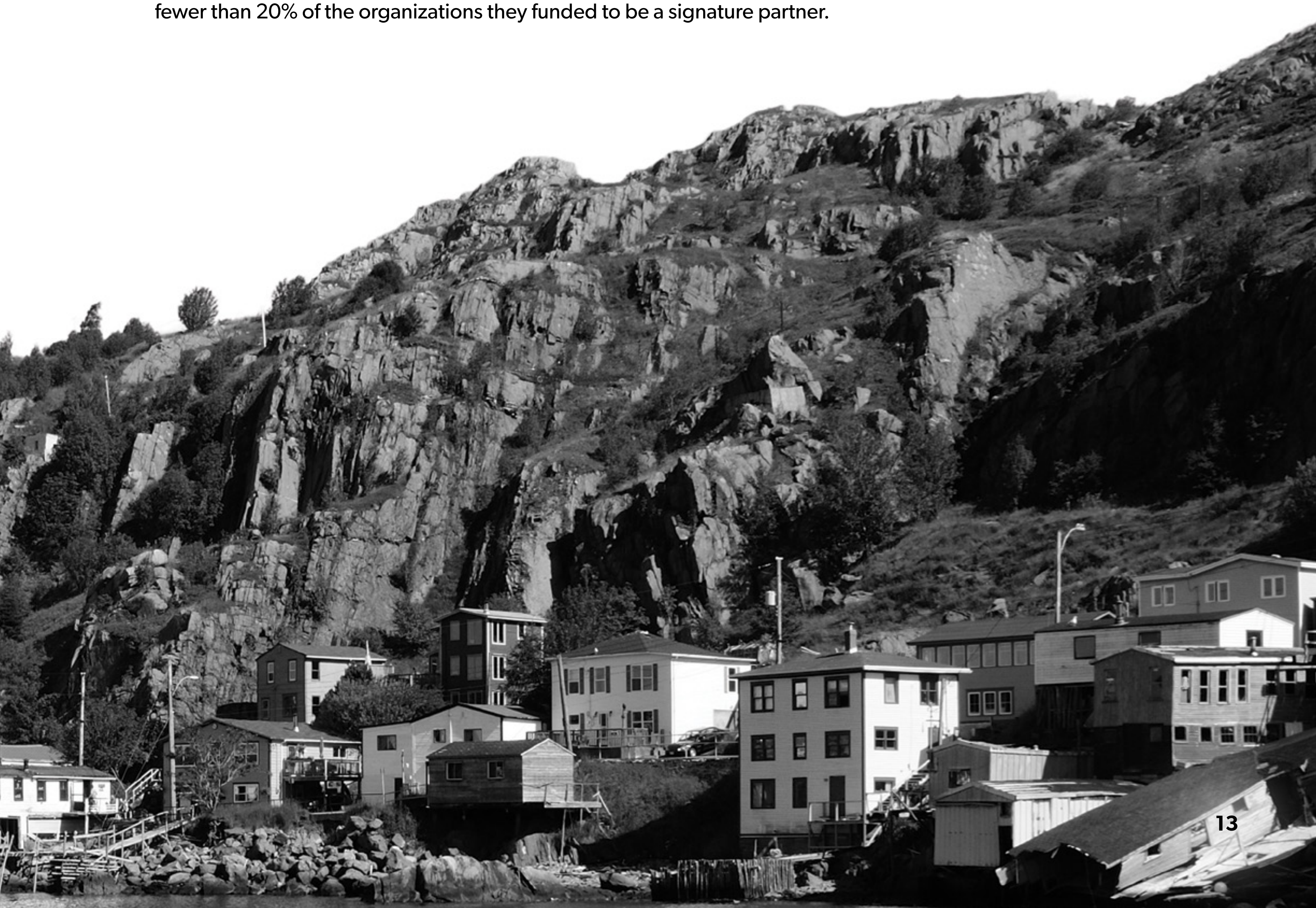
As another respondent shared, after their business developed a strategic framework five years ago, they are now funding fewer than 20% of the organizations that they used to, with a similarly sized budget. The remaining partners are more aligned with the company's strategic and social priorities.

As Caring Company **Sun Life Financial** noted in its CSR report, "we have concentrated our corporate donations so that we can have a greater, positive impact on the organizations that we choose to support." (Sun Life Financial, 2018). With that, came a focus on the prevention and treatment of diabetes.

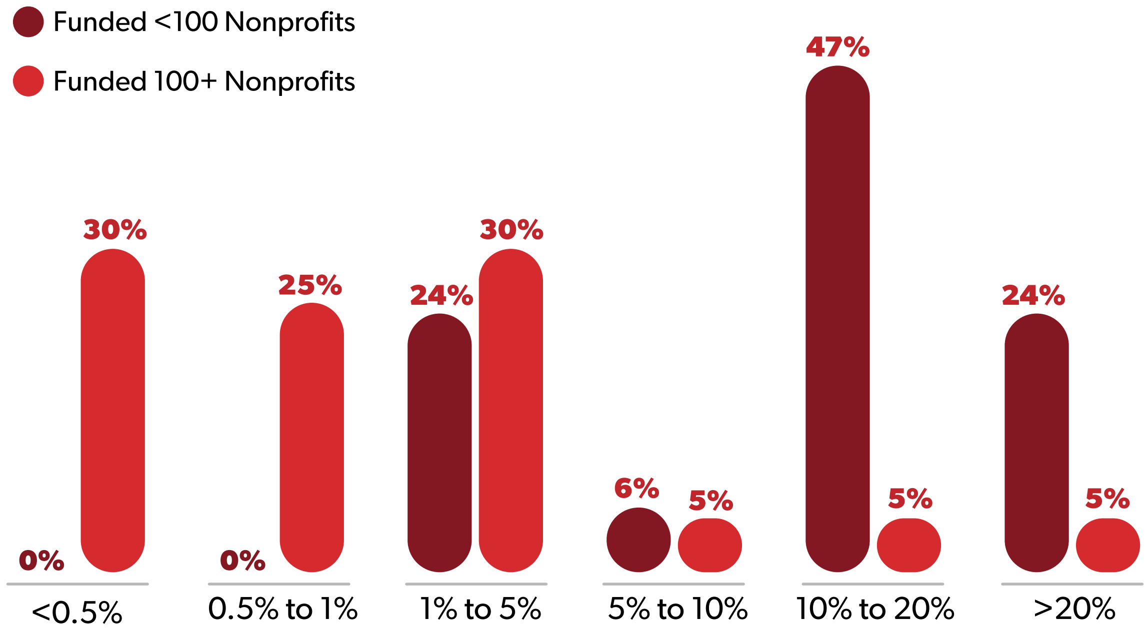
Companies focused on partnerships looked at their formation through the dual lenses of improving social impact and improving business benefits. Laurie Healey at Enmax Corporation noted that a key to their success was "collaborating with partners to find meaningful opportunities that support both partner goals and business goals and moving beyond cheque-writing to developing true partnership."

MANY NONPROFITS ARE FUNDED, BUT FEW ARE CONSIDERED STRATEGIC PARTNERS

From the perspective of a nonprofit organization, becoming a signature partner of a leading company is a challenge but a lucrative opportunity. Of our sample, the average company with partners funded 479 organizations but considered only 1% of funded organizations to be strategic partners. Of those companies that funded at least 100 nonprofits, 55% considered fewer than 1% of funded organizations to be strategic partners. Even of the companies in the sample that funded fewer than 100 organizations, 76% considered fewer than 20% of the organizations they funded to be a signature partner.



PERCENT OF FUNDED NONPROFITS CONSIDERED SIGNATURE PARTNERS, ORGANIZATIONS WITH PARTNERS



For nonprofits that can successfully partner with funders, the stakes can be substantial. For example, more than 200 organizations applied for **TD Bank Group's** recently announced signature initiative, The TD Ready Challenge. Through this initiative, ten organizations that can make a substantial contribution to financial security will receive grants of up to $1 million each *(The TD Ready Challenge,* n.d.*).*

The cash investments in partners are often substantial, but this is only one reason why these relationships are attractive for nonprofits. Respondent companies indicated that they were trying to focus more of their resources on their key partners, finding opportunities for employees to volunteer, donating services in addition to their cash contributions, and many also leveraging advertising to help promote signature partners.

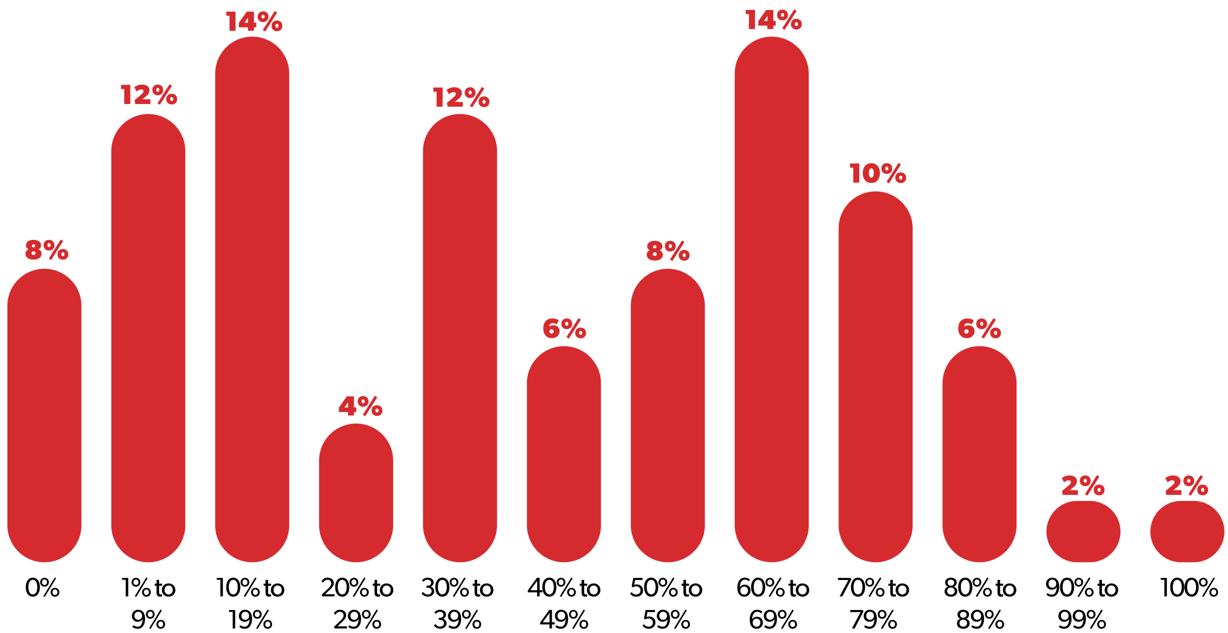
"This is the way the world is heading. Smaller organizations are not as sophisticated, and we need to build charities' capacity to build their ability to do partnership. We need to think about how to use our resources differently to achieve what we need."

– Jocelyne Daw, Associate and Partnership Practitioner Trainer, Partnership Brokers Association and Principal, JS Daw & Associates

MULTI-YEAR FUNDING ARRANGEMENTS MAKE UP NEARLY 40% OF ALL FUNDING

Multi-year commitments made-up an average of 39% of total giving for surveyed companies. 43% of surveyed companies reported at least half of their investments were in multi-year funding arrangements. Multi-year funding arrangements are critical for communities, as they represent a predictable source of revenue allowing for better planning and longer-term projects.

PERCENTAGE OF FUNDING IN MULTI-YEAR FUNDING ARRANGEMENTS



MULTI-YEAR FUNDING ARRANGEMENT BEST PRACTICES

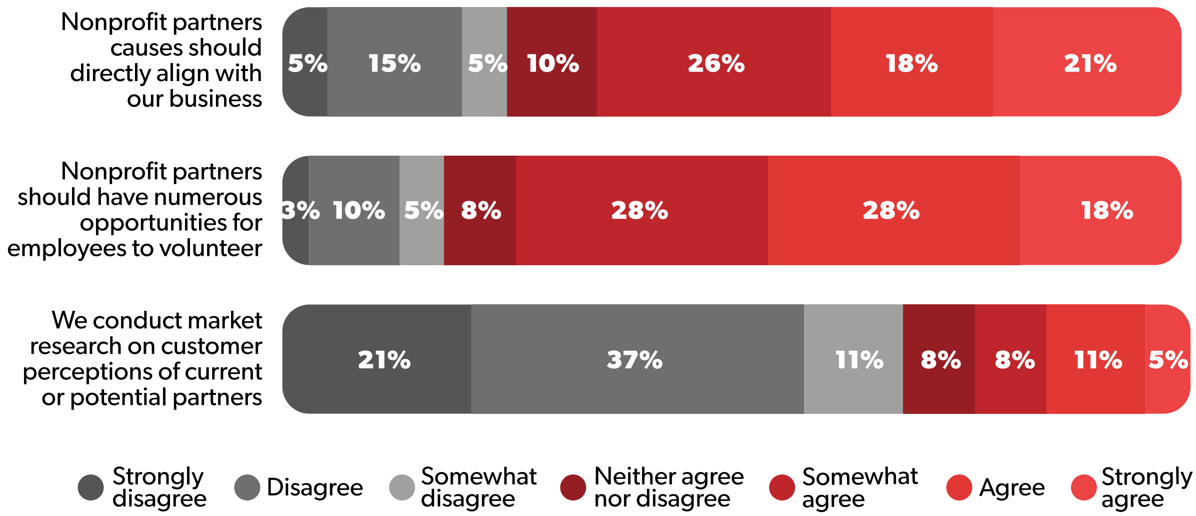
Companies that had a higher portion of their funding in multi-year funding arrangements had substantially higher perceived long-term social impact. Since these sorts of initiatives also lower their administrative costs, companies should consider making multi-year funding a higher percentage of their total giving.

WHAT COMPANIES LOOK FOR IN PARTNERS VARIES, PRESENTING OPPORTUNITIES FOR NONPROFITS WITH DIFFERENT CAPABILITIES

What companies were looking for in their signature partners and their approaches to partnership were not all the same. 39% of respondents agreed or strongly agreed that nonprofit partners' causes should directly align with their business while 20% disagreed or strongly disagreed. One respondent put it this way: "we are a technology company and so seek to sponsor and donate work and money to issues or campaigns that affect our industry, such as women in tech, online accessibility, mental health issues related to stalking, and cyber-bullying (donating to the school board's new critical media literacy program). Helping these causes for us makes sense for media, or recruitment efforts."

Despite many leading theorists arguing that effective community investment should align with the core business (e.g., Porter & Kramer, 2006), we found no difference in perceived business or social effectiveness whether the sentiment was agreed with or not.

HOW COMPANIES EVALUATE THEIR NONPROFIT PARTNERS



Many companies stated that the selection of a robust nonprofit partner made a significant difference in the impact of their community investments.

> "By choosing to partner with a charity that resonates with our customers, residents, employees and vendor partners, we can have a much greater impact and make a true difference in the communities where we operate."
>
> – Susan Schutta, Vice President Corporate Affairs, Revera Inc.

Most companies were looking for partners with many volunteer opportunities for their employees, which may be concerning to many nonprofits. 46% of organizations agreed or strongly agreed that nonprofit partners should have numerous opportunities for employees to volunteer. Very few of the 86,000 charities in the country, however, are capable of handling large numbers of corporate volunteers due to budgetary and capacity constraints, so this can be a challenging element for them to manage.

For those that did require partners to provide volunteer opportunities, this correlated with only one significant measure of perceived business success: those that expected volunteering opportunities with their partners thought that they were more successful at using their community investment strategy to retain employees. With many companies reporting that getting their employees involved with their partners was a key driver of engagement, partnerships are seen as a vital avenue for companies to do so.

Finally, we asked companies whether they conducted market research on current or potential partners. Only

16% of companies agreed that they did. However, for this small segment, which were generally the larger companies in the survey, this was associated with higher perceived business benefits. For those that can afford it, this is an effective tactic to understand how to attain maximum benefit from the relationship.

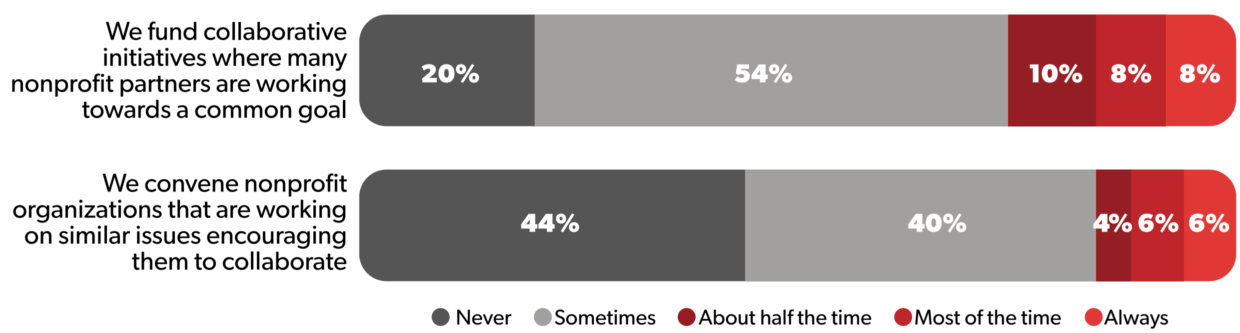
Regardless of what companies are trying to get out of their partnerships, some companies have found that having a consistent approach to selecting partners will have better results for their community investment. For example, **Vermilion Energy** uses a partnership matrix that assesses each potential partner on eight characteristics including "alignment with one or more of their key pillars, sound organizational governance, long-term impact, benefits to stakeholders, potential for multi-sector collaboration, volunteering opportunities, capacity building potential, and measurability" *(Key Community Partnerships—Vermilion Energy Sustainability Report,* n.d.*)*

MOST COMPANIES ARE FUNDING COLLABORATIVE INITIATIVES AND CONVENING NONPROFITS, BUT FEW ARE MAKING THIS A SIGNIFICANT PART OF THEIR WORK

80% of organizations indicated that they funded collaborative initiatives among nonprofits, but only 16% reported that this was a common tactic. With a growing interest in collective impact, this may become a more common occurrence, but for now few businesses are making this a top priority for their funding.

Many businesses also reported that they convened nonprofits working in similar fields, encouraging them to collaborate. 56% of respondents indicated they do this at least some of the time, though only 16% reported doing this very regularly. It is often the case that nonprofits don't have the resources to easily host meetings on their own, so many funders feel that this can be an effective way to create new collaborations and share best practices and learnings.

RATES OF FUNDING COLLABORATIVE INITIATIVES AND CONVENING ORGANIZATIONS WORKING IN SIMILAR FIELDS

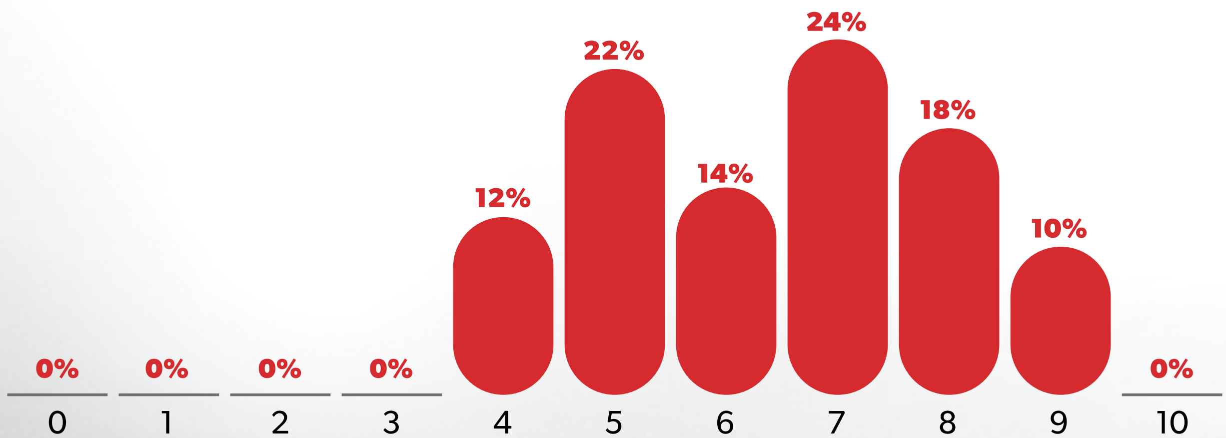


MAXIMIZING THE EFFECTIVENESS OF COMMUNITY INVESTMENT

COMPANIES FELT MIXED ABOUT THE EFFECTIVENESS OF COMMUNITY INVESTMENT AT ACHIEVING BUSINESS AND SOCIAL GOALS

When asked about the outcomes of their community investment, companies had a mixed, though generally positive, perception of how effective it was in helping them achieve their business goals. On a scale of 0 to 10, 28% of companies felt they were at least an 8 or 9, with not a single company rating itself as a 10. On the other end of the spectrum, 34% of companies felt they were at a 4 or 5 on a 10-point scale, though none rated their effectiveness at a 3 or less.

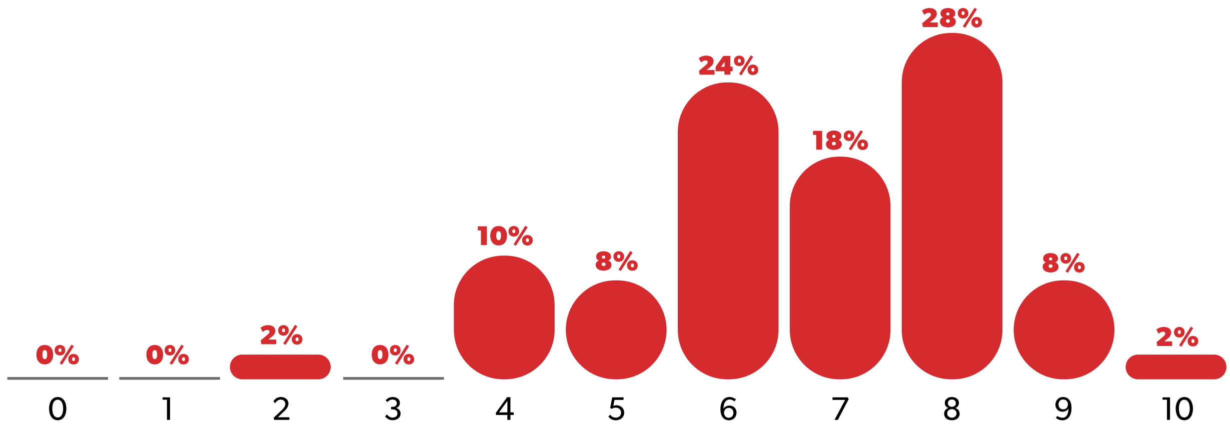
PERCEIVED EFFECTIVENESS AT ACHIEVING BUSINESS RESULTS



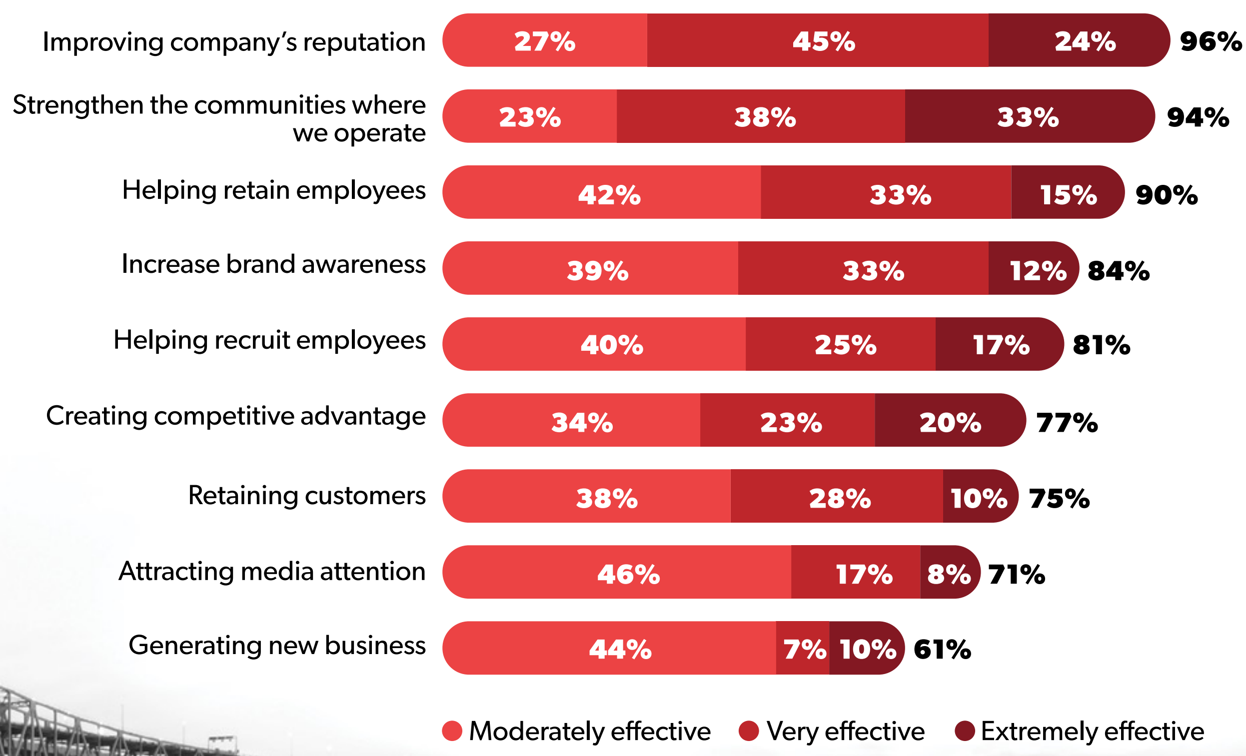
Sarnia, Ontario

Companies were slightly more likely to perceive their community investment activities as being extremely effective at achieving social impact, with 38% of respondents rating themselves at least an 8 out of 10. 20% of respondents rated themselves as a 5 or lower.

PERCEIVED EFFECTIVENESS AT ACHIEVING LASTING SOCIAL IMPACT



OVERALL PERCEIVED EFFECTIVENESS OF COMMUNITY INVESTMENT BY AREA



Companies in our survey were also asked about their perceived effectiveness at achieving nine different business goals. Companies were most likely to believe they were effective at using community investment to improve their reputation (96%), though only 24% thought they were extremely effective at it. 94% of companies thought they were effective at strengthening the communities where they operate.

Companies are generally convinced that they had at least some impact at recruiting (81%) and retaining employees (90%), but the more their tactics were directed at specific external parties like customers or media, the less convinced they were that their tactics were working.

The lowest three common responses were retaining customers (75%), attracting media attention (71%), and generating new business (61%).

EFFECTIVE COMMUNITY INVESTMENT IS DIFFERENTIATED BY THE HOW, NOT THE WHAT

Companies were asked to rate their perceived effectiveness at achieving business benefits and social impact from their community investments. All companies were divided into two groups: those companies that were **most effective**, with the remaining companies in a separate group. The most effective companies, representing about the top third of respondents (37%), were defined as those that averaged at least 7.5 out of 10 for social impact and business impact.

The most effective companies were almost identical to less effective companies in the types of activities they were using to support their communities (not shown); they were using the same kinds of donations, the same methods to encouraging employees to volunteer, and the same methods to promote their work. However, they had very different responses in describing how they organized their work.

THE MOST EFFECTIVE COMPANIES WERE FAR MORE LIKELY TO BE ORGANIZING THEIR COMMUNITY INVESTMENT IN SPECIFIC WAYS

3.8 x as likely to **integrate** community investment strategy with their organizational strategy

3.0 x as likely to regularly **collaborate** with other businesses on their community investment priorities

2.7 x as likely to have **specific criteria** to measure the effectiveness of giving for the business

2.6 x as likely to conduct **market research** on their partners

2.6 x as likely to heavily **communicate** their community investment through more communication channels

2.4 x as likely to **consult** community stakeholders on their projects

2.3 x as likely to **measure** business or social benefits of their program

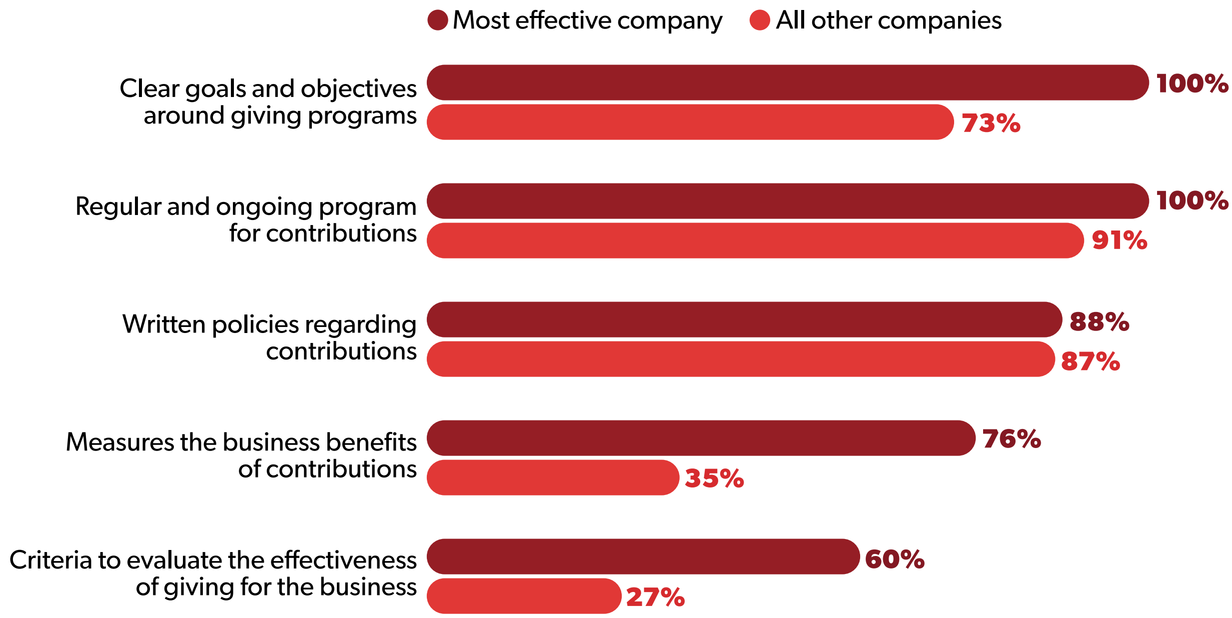
1.8 x as likely to have community investment **integrated** across departments

1.7 x as likely to provide at least half their funding through **multi-year funding** arrangements

INTEGRATION OF COMMUNITY INVESTMENT INTO ORGANIZATIONAL STRATEGY IS FUNDAMENTAL FOR EFFECTIVE COMMUNITY INVESTMENT

50% of the most effective companies strongly agreed that their community strategy is integrated with their overall company strategy, compared to 13% of others, a rate 3.8x higher. Rather than giving via different tactics, the most effective companies were most distinguished by a true integration of their community investment into their overall strategy. Our findings echo a wide array of past research that has concluded that strategic integration is essential to achieving strong results (Carroll & Shabana, 2010; Du, Bhattacharya, & Sen, 2007; Porter & Kramer, 2006).

COMPARISON OF COMMUNITY INVESTMENT PRACTICES, MOST EFFECTIVE COMPANIES VS. OTHERS



76% of the **most effective** companies (vs. 35% of the rest) actively measured the business benefits of their community investment, and 60% (vs. 27% of the rest) has specific criteria to evaluate the effectiveness of giving. Spanning several survey questions, companies that spent more time understanding their goals for community investment and finding ways to measure the benefits for the company and society had higher business and social results. Many companies are working on new ways to measure and improve their metrics, and many note that without concrete objectives and measurables, there's no way to know when you are improving. From this research, those spending the most effort measuring their impact and success are the most convinced of the business and social benefits to community investment.

> "The best corporate citizenship initiatives involve far more than writing a check: they specify clear, measurable goals and track results over time."
>
> (Porter & Kramer, 2006)

Royal Bank of Canada has publicly shared details of its social and business measurement and impact framework online for all stakeholders to view. **PwC Canada** has provided a detailed methodology for its Youth Employment Index that looks at how they will measure the impact of their funding on youth employment, with the intent to publish aggregate data on improvements in the future *(Youth employment index: Understanding how organizational impacts can drive systems change,* 2018*).*

Broadly, measurement and reporting of both business and social impact have taken a much higher priority in recent years. With this comes the burden of reporting, which should meet five key criteria to be effective "(1) communicates material information (2) to internal and external stakeholder groups (3) in a form that is useful to them, (4) informs their decisions, and (5) informs the firm's future strategy" (York, Dembek, Potter, & Gee, 2017).

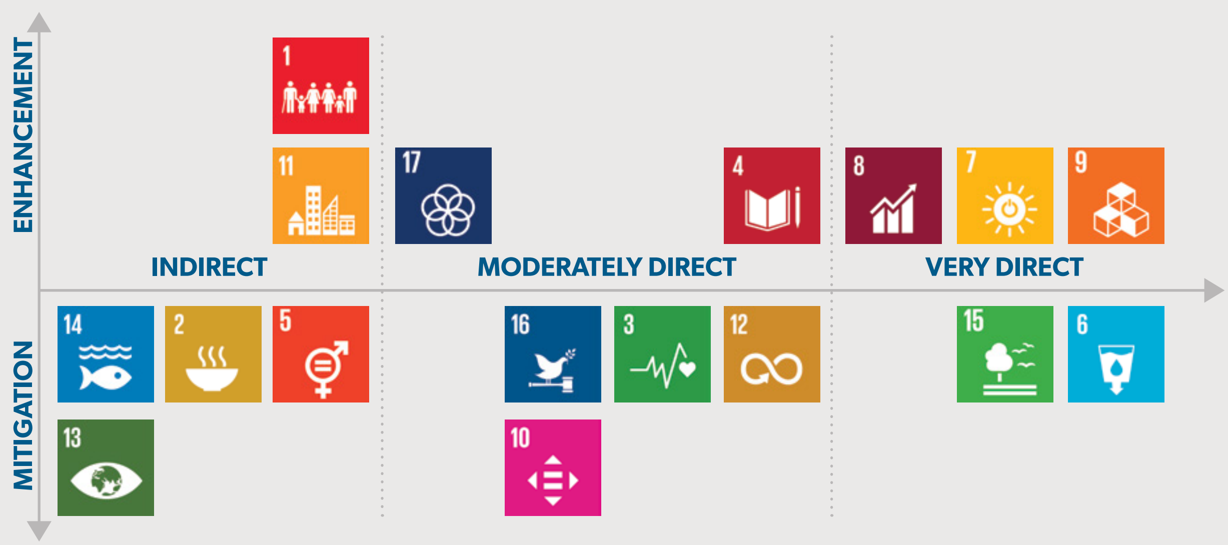
COMMUNITY INVESTMENT MEASUREMENT AND THE SDGS

> "The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests."
>
> (United Nations, n.d.)

The Canadian private sector is playing a vital role in the adoption of the UN's Sustainable Development Goals (SDGs), with many forward-looking companies measuring their community investment and evaluating their business priorities with the SDG agenda in mind.

MAPPING THE SDGS: INDICATIVE PRIORITIES IN THE MINING INDUSTRY[4]

Below is an example of how one industry can be mapped against the SDGs. The three horizontal categories represent the degree of impact the mining sector has on each goal: very direct, moderately direct, and indirect. Within each category, the farther right a goal is, the greater impact mining has on an accomplishment. The two vertical categories dictate whether the predominant focus should be on making a positive impact or on mitigating negative industry effects.



1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals

[4]Adapted from UNDP (United Nations Development Programme) *Mapping Mining to the Sustainable Development Goals: An Atlas* (2016)

EFFECTIVE COMPANIES WERE MORE LIKELY TO CONSULT THEIR COMMUNITIES ON COMMUNITY INVESTMENT STRATEGIES AND ACTIVITIES

COMMUNITY ENGAGEMENT CONTINUUM[5]

Monitor	Inform	Consult	Involve	Collaborate	Empower
One-way observation of what's going on with communities without providing any information back	**One-way communication** to inform communities about activities	**Two-way engagement** to gather information to inform decisions made internally	**Two or multi-way engagement** to involve stakeholders in decision making	**Two-way or multi-way engagement** for joint problem-solving or decision making	**Delegate decision making** on an issue to stakeholders; stakeholders involved in governance

Leading companies were also more likely to consult with their communities to help guide their funding priorities. Overall, 50% of companies that rated themselves as the most effective regularly consulted their communities about giving compared to 21% of those that didn't. Survey results indicated that leading companies that were moving along the Engagement continuum (above) were reporting more positive social and business benefits.

The following chart demonstrates four different examples of how companies used community input to drive their community investment decisions.

PROMISING PRACTICES ON COMMUNITY CONSULTATIONS[6]

Teck
launched an annual company-wide opinion survey for communities near their operations and will be using this data as an annual benchmark going forward

TELUS
has 13 community boards across the country to provide inputs into local giving with the objective to have 50% of each board's to be non-Telus representatives

RBC
conducted 15 cross-Canada youth Forums in developing its new community investment strategy

Suncor
hosts an annual two-and-a-half day Gathering with diverse community partners and thought leaders from the public, private and nonprofit sector

[5]Adapted from Canadian Business for Social Responsibility's (CBSR) *Transformational Qualities* (Strandberg, n.d.)
[6]All examples were from public documents or companies explicitly gave us permission to use their example.

COLLABORATION WITH OTHER BUSINESSES LED TO HIGHER PERCEIVED SOCIAL IMPACT

40% of the most effective companies indicated they collaborated with other businesses on their social priorities most of the time, compared to only 7% of the rest. A substantial driver of this practice is the belief that collaboration is an effective tool in enhancing their ability to improve the health of their communities: 67% of those that collaborated with other businesses perceived their ability to strengthen the communities where they operate as extremely effective compared to only 24% of those that didn't. As one community investment leader told us: "Funders need to be more open to pooling resources to have a greater impact rather than a title sponsorship headline."

Companies often described working with suppliers to leverage more resources for key nonprofit partners. This commonly involved working with consultants, marketing agencies, or IT vendors to ensure that charities and nonprofits could leverage their expertise. Others would ask for donations of goods to nonprofit partners from suppliers. Collaboration with other businesses that were direct competitors often came through a nonprofit intermediary, such as a United Way.

The Network for Business Sustainability guide on collaborating with competitors to advance sustainability identified the following major factors that drive these sorts of collaborations: 1) shared issues and reputational risks 2) significant investments with uncertain returns 3) need for sustainability standards and common measurement, and 4) need to communicate effectively with regulators on public policy (DiVito & Sharma, 2016).

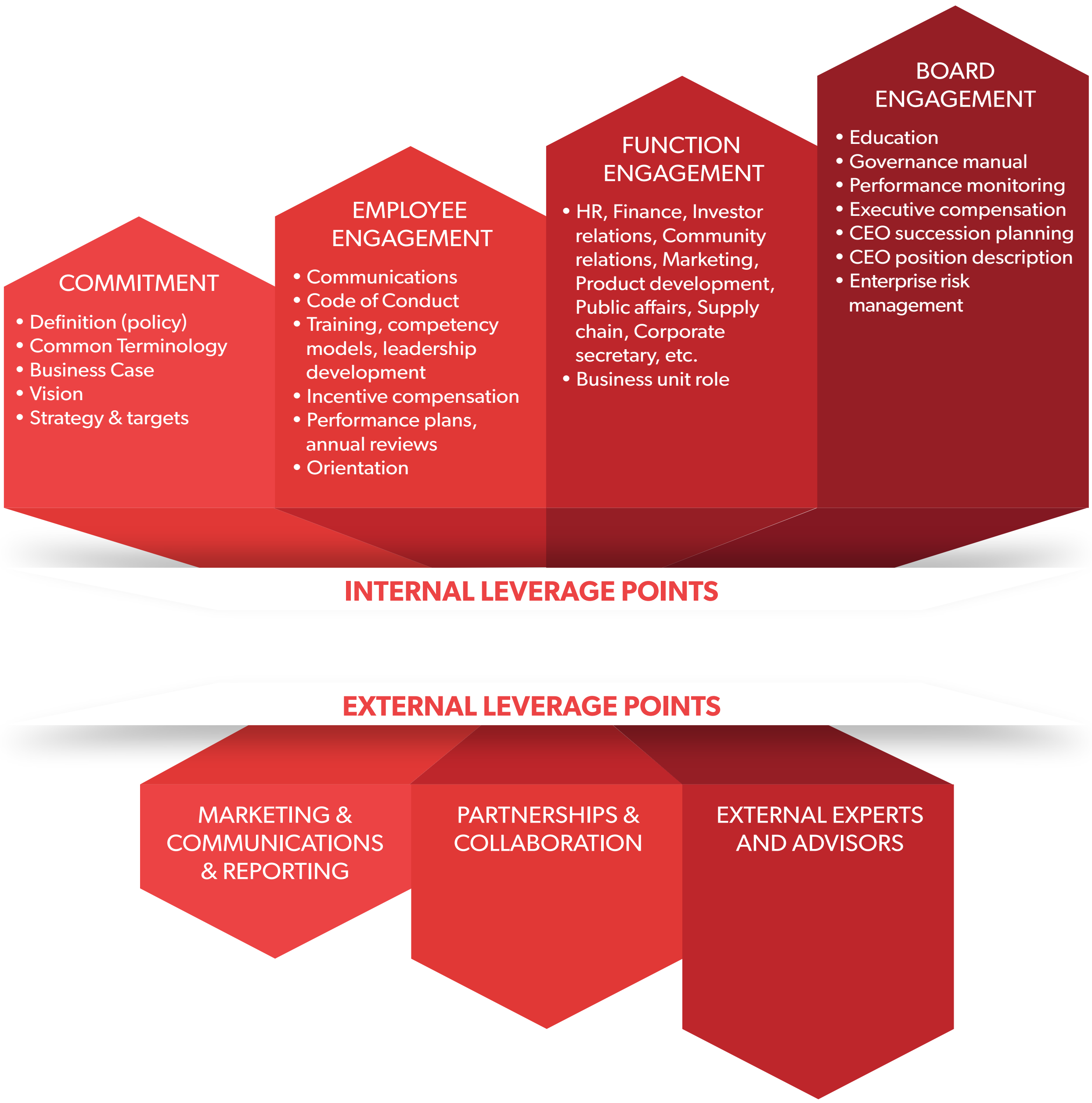
For many of the most significant social issues—climate change, poverty reduction, education – all four of these characteristics are common, and the need for leading companies to collaborate to solve these big-picture issues is clear.

COMMUNITY INVESTMENT MUST BE INTEGRATED ACROSS THE COMPANY TO MAXIMIZE BENEFIT, AS SILOS PREVENT COMPANIES FROM EFFECTIVELY COMMUNICATING AND LEVERAGING INTERNAL AND EXTERNAL RESOURCES

The most effective companies were much more likely to say their community investment is integrated across the organization, with senior management, human resources, marketing, and other departments all contributing in some way to their programming.

The stronger the integration, the easier it is to find opportunities for gain, whether it comes from communicating about partnerships, to having nonprofit organizations provide expertise into environmental issues for the supply chain, to integration of community investment into recruitment and training, or working with government stakeholders to understand the company is a strong corporate citizen. The following chart shows some areas companies can investigate to integrate their social strategies across their organization.

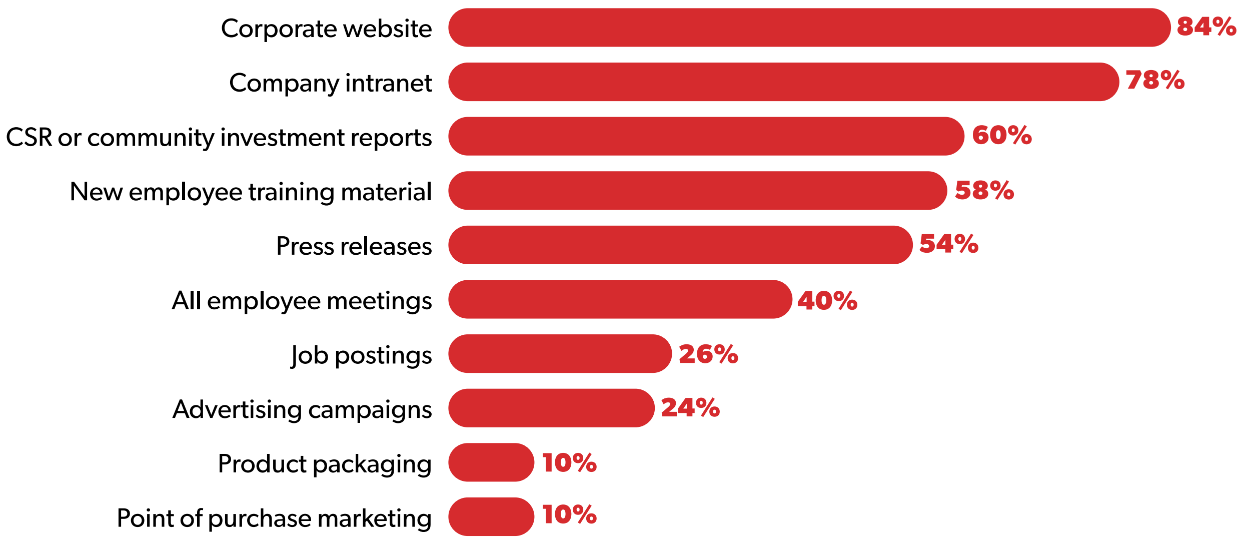
INTEGRATION OPPORTUNITIES ACROSS THE COMPANY[7]



[7]Source: Adapted from Canadian Business for Social Responsibility's (CBSR) *Transformational Qualities* (Strandberg, n.d.)

MORE COMMUNICATION CHANNELS LEAD TO MORE EFFECTIVE COMMUNITY INVESTMENT

COMMUNICATION CHANNELS COMPANIES USE TO PROMOTE THEIR SUPPORT FOR NONPROFITS AND COMMUNITIES



The most effective companies were 2.6 times as likely to be using at least six of the communication channels listed above to advertise their community investment.

Research in the CSR and community investment field has shown that stakeholder awareness is critical to reaping business benefits from socially responsible behaviour (e.g. (Lee & Shin, 2010; Sen, Bhattacharya, & Korschun, 2006). Findings show that socially responsible communication can drive purchase intent more than product communication (Uzunoğlu, Türkel, & Yaman Akyar, 2017) and that consumers often respond better to messages when there is a clear brand fit between the company and the cause (Abitbol & Lee, 2017).

Recently, growing evidence has pointed to a powerful connection between recruitment and communications about CSR and community investment (Ali, Rehman, Ali, Yousaf, & Zia, 2010; Rodell, 2013; Rodell, Breitsohl, Schröder, & Keating, 2016); so much so that in some cases, it can even drive employees to accept lower wages upon hiring (Burbano, 2016). Much of the positive reactions to marketing community investment results to the public come from how the message is communicated (Du et al., 2007) since trust and authenticity are so important in communicating about socially responsible behaviours. Our survey results also found, however, that employing a higher number of communication channels was associated with stronger perceived results.

Nearly all companies are promoting their community investment behaviours on their website (84%) and their company intranet (78%). More than half also promote them via CSR or community investment reports (60%), new employee training material (58%), or press releases (54%).

Interestingly, fewer companies reported their community investment activities using channels which have high visibility to external audiences like customers or potential employees, such as job postings (26%), advertising campaigns (24%), product packaging (10%), or point of purchase marketing (10%).

COMPANIES THAT ARE MULTI-CHANNEL COMMUNICATORS[8] FOCUSED MORE OF THEIR COMMUNICATION ON PARTNERS, EMPHASIZING STRONG BRAND-FIT AND LONG-TERM RELATIONSHIPS.

Multi-channel communicators also are much more focused on long-term partnerships and the strategic alignment of those partners with the business. For many of the most effective companies, particularly those in consumer-facing industries, their partnerships with nonprofits were important aspects of their marketing. They conducted extensive research on these partners to understand how consumers perceived them and used the information to help select partners. They also were far more likely to dedicate substantial multi-year support to their partners, and many leveraged numerous resources to support their partners.

EXTERNALLY FOCUSED CHANNELS WERE ASSOCIATED WITH HIGHER CUSTOMER ACQUISITION, WHILE INTERNAL CHANNELS ARE ASSOCIATED WITH HIGHER EMPLOYEE RETENTION.

Companies were prioritizing the communication channels that were important for them and in most cases, this produced positive results[9]. Companies that were focused on customer acquisition strategies used cause-related marketing campaigns and point of purchase marketing and felt that this improved sales. Companies that were interested in public relations would issue press releases and found they had better media coverage. Companies interested in staff retention would include material about their CSR in new staff training and believed this was causing a higher retention rate. Broadly, companies that integrate their community investment across their organization and leverage their community investment to meet more of their goals see improvement across multiple measures.

Other companies indicated that they promoted their community investment through recruitment strategies and felt that this helped them recruit top talent. As an easily adoptable tactic for companies of all sizes, the incorporation of social purpose messaging into job postings will likely be a growing area of interest for community investment in the coming years (see the following chart for how companies are using community investment in recruitment).

[8]Defined as using at least 6 of the 10 marketing channels.
[9]All results discussed in this paragraph had statistically significant differences ($p < 0.05$).

FIVE WAYS THAT COMPANIES WERE INCORPORATING THEIR COMMUNITY INVESTMENT STRATEGY INTO RECRUITMENT

Communicating commitment in job postings

PwC Canada emphasizes the importance of community investment in all job listings, highlighting the value of this work to the company

Highlighting paid time off to volunteer in job postings

The Co-Operators Group Limited highlights paid volunteer days to give back to your community in their "What we Offer" section on each job posting

Highlighting external recognition in job postings

Raymond James includes opportunities for community involvement in each job listing and features its status as an Imagine Canada Caring Company in every job listing

LinkedIn career pages

Meridian Credit Union promotes that they are an organization that values giving back to the community on their Career Page and links to Meridian's Commitment to Communities on their LinkedIn page

Website career pages

BCAA (The British Columbia Automobile Association) has their community involvement front-and-centre on their Career Page noting that potential employees can make a difference and discusses a few of their programs and charitable partners

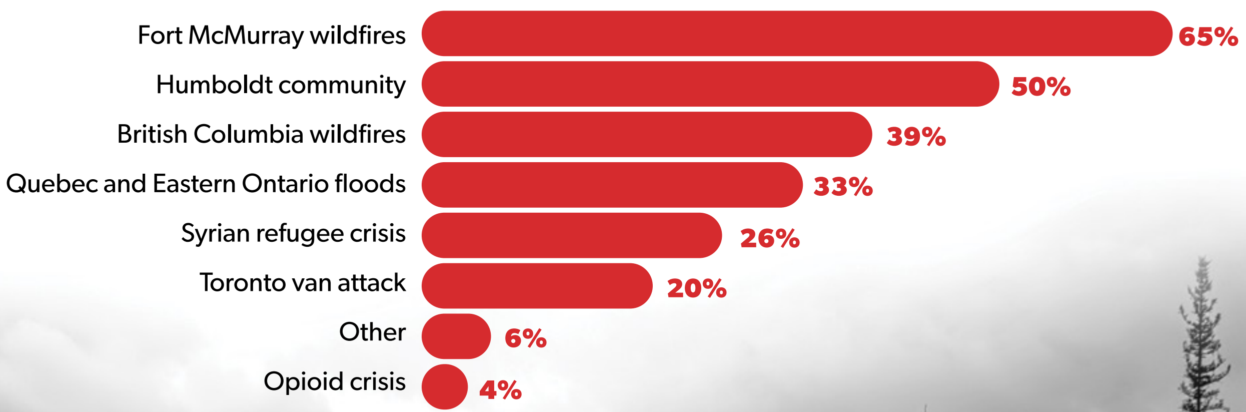
THE GROWING NEED FOR STRATEGIC DISASTER PHILANTHROPY: HOW COMPANIES RESPOND TO CRISES

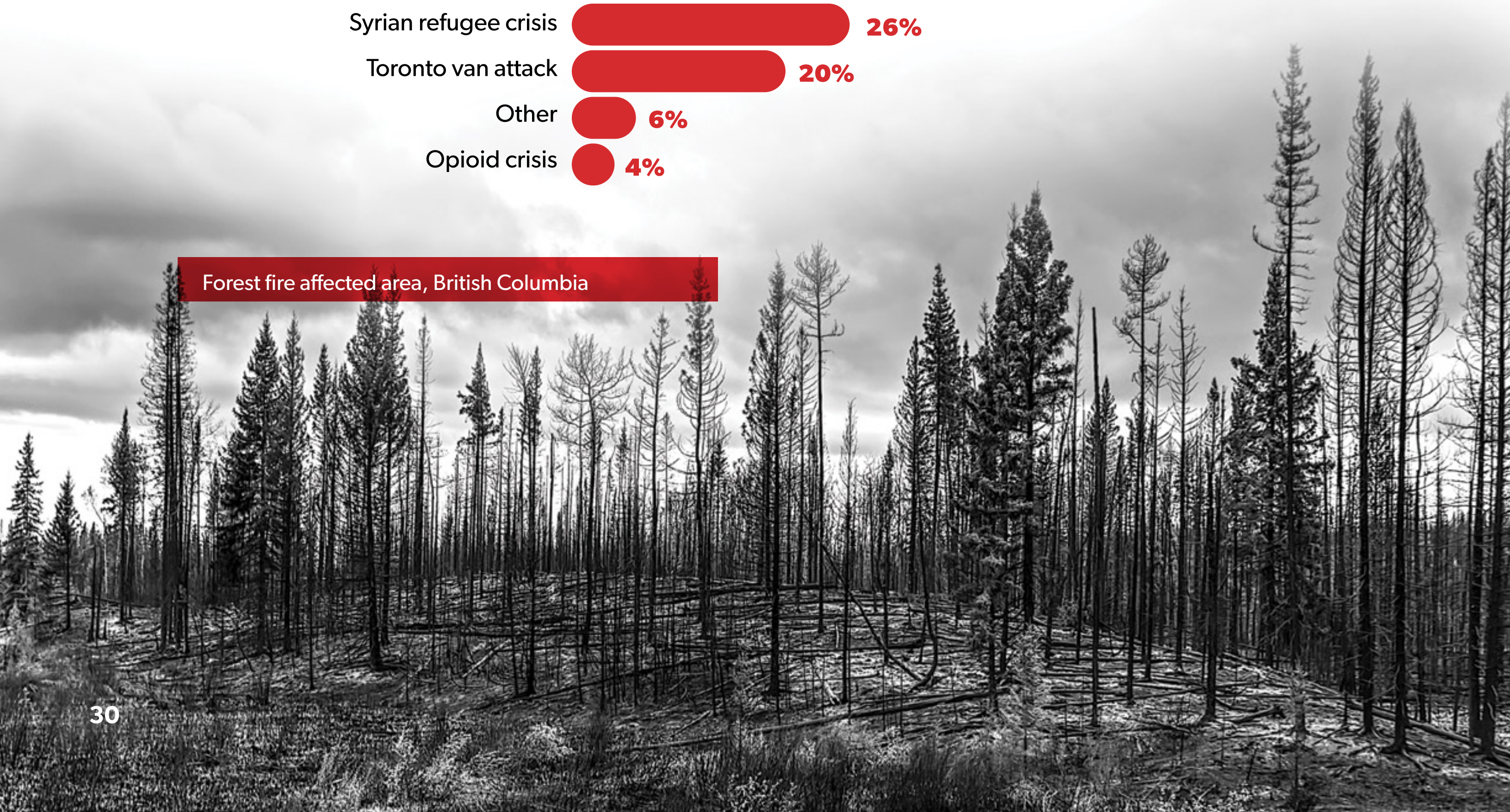
Recent years have brought the importance of how companies help communities respond to natural disasters and other crises to the forefront.

COMPANIES RESPONDED TO A WIDE ARRAY OF DISASTER AND CRISES

Two-thirds (65%) of respondents that provided supports for crises gave to the Fort McMurray wildfires, one of the most devastating natural disasters Canada has experienced in recent years. Additionally, half (50%) gave to the Humboldt community, 39% gave to wildfires in British Columbia, or 33% to the Quebec and Eastern Ontario floods, 26% to the Syrian refugee crisis, and 20% to the Toronto Van attack. Others gave to the Quebec mosque shooting, the Las Vegas mass shooting, and flooding in Manitoba.

PERCENTAGE OF COMPANIES THAT DONATED TO EACH DISASTER

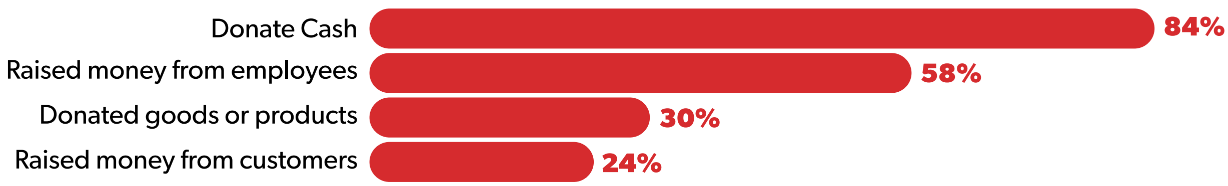




Forest fire affected area, British Columbia

Canadian companies have been stepping up to the challenge: 84% donated cash to at least one major crisis in the last three years, an additional 58% raised money from employees, while 30% donated goods, and 24% raised money from customers (see following chart).

HOW COMPANIES RESPONDED TO DISASTERS AND CRISES



Corporate giving and volunteer service provider Benevity likewise noted that the number of disaster relief postings on their platform to raise funds from employees increased by 90% from 2016 to 2017, ultimately comprising more than half of the volume of donations from their platform (Benevity, Inc., 2018). It is becoming increasingly clear that communities and employees want companies to respond during crises and as climate change causes climate-related disasters to increase in frequency, it is likely that expectations will only continue to grow.

While some businesses focused on making cash contributions, several businesses responded to disasters by leveraging capabilities across the organization. For example, **TELUS** has responded to disasters like the Fort McMurray wildfires by providing everything from corporate donations, fundraising from employees, providing Text2Donate campaigns to customers, deploying employee volunteers in disaster response teams, and providing phones, chargers and comfort kits for evacuees.

COMPANIES THAT GAVE IN RESPONSE TO CRISES REPORTED HIGHER EFFECTIVENESS AT ATTRACTING MEDIA ATTENTION

While media attention is rarely the primary motivator in driving disaster response, few factors in the survey had a stronger association with media coverage than this. 75% of companies that gave cash in response to emergencies believed they were at least moderately effective in attracting media attention while only 38% of companies that did not contribute to disasters felt the same. Larger companies were more likely to donate, but even controlling for this, companies that gave were more likely to attract more media attention.

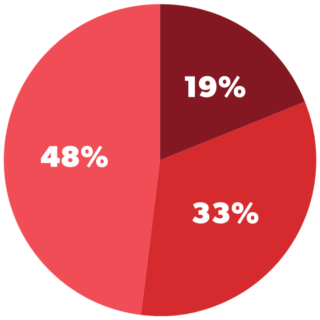
DESPITE THIS CONSIDERABLE SUPPORT FOR COMMUNITIES AS THEY RESPOND TO DISASTERS, MOST COMPANIES ARE NOT INCREASING THEIR BUDGET TO DO SO

Most companies choose to reallocate their existing community investment budget to respond to crises (33%) or proactively set aside money in their budget to be able to be able to do so (48%). Only 19% of respondents increased their budget to respond to disasters and crises.

"Our company allocates a portion of our budget in the beginning of the year for unforeseen tragedies or crisis. We immediately act and work with nonprofit organizations to donate funds."

- Sun Life Financial

HOW DISASTERS AND CRISES IMPACTED COMMUNITY INVESTMENT BUDGETS



"All donations were from our existing budget, with the exception of Humboldt, which was from an employee organized fundraiser."

- Survey Respondent

EXAMPLES OF HOW CANADIAN COMPANIES HELPED COMMUNITIES RESPOND TO DISASTERS

Donating cash

- **Great-West Life, London Life, and Canada Life** contributed $100,000 to the Canadian Red Cross Alberta Fires Appeal to aid in relief and support efforts associated with those impacted by the wildfires in northern Alberta in 2016 and **BCAA (The British Columbia Automobile Association)** gave $100,000 in response to the 2017 wildfires in British Columbia
- **Manulife** gave **Community Foundations of Canada** $500,000 to establish a Welcome Fund for Syrian Refugees, which was subsequently supported by $5 million from **CN** and $50,000 from **General Motors**

Raising money from employees

- **TELUS** matched up to $50,000 in employee and customer gifts to the Fort McMurray wildfires

Donating goods

- **Loblaw Companies Limited** leveraged their supply chain to help assemble and ship hygiene packages to help those affected by the British Columbia Wildfires in 2017

Raising money from customers

- **TELUS** provided Text2Donate campaigns for Fort McMurray that raised more than $850,000 from customers for the Red Cross
- **Tim Hortons** raised more than $800,000 after the Humboldt tragedy through donating the proceeds of a donut sold in stores around the country

WITH THE GROWING CHALLENGE IMPOSED BY NATURAL DISASTERS, MANY COMPANIES REPORTED LOOKING FOR BEST PRACTICES IN HOW TO RESPOND

One foundation with considerable expertise in this field summarized a list of best practices for Grantmaking, based on its experience in the area.

BEST PRACTICES FOR GRANTMAKING FOR DISASTERS[10]

- Listen to partners to understand their needs.
- Respect local cultural differences and diversity.
- Appreciate local organizations, knowledge, and capacities.
- Build disaster response on local capacities where possible.
- Recognize and support coordination rather than working alone.
- Ensure timely funding.
- Recognize that low profile crises may need funding just as much as high-profile ones.
- Plan for sustainability and commit for long enough to be effective.
- Build three stages into your disaster funding: relief, recovery, and disaster risk reduction.
- Disaster mitigation strategies can significantly reduce the impact of future disasters.

> "For national and international environmental catastrophes, we partner with the Canadian Red Cross. In the case of the Humboldt tragedy, there was no qualified donee set up, so we sponsored a hot meal program for emergency responders working at the crash site. We partnered with our local business offices in the Saskatchewan community and took direction from them on what was necessary and helpful. Local internal partners guided the corporate response so that it was relevant and, in our opinion, effective."
>
> – Janine Davies, Executive Director, Raymond James Canada Foundation

Research cited by the Centre for Disaster Philanthropy noted that funding disaster mitigation can be extremely effective. For every $1 invested in mitigation, $6 is saved in future disaster costs (Ottenhoff, 2018). Investing in preventing disaster can also have substantial impact. While many companies have responded within the direct aftermath of crises, there is also often continuing need over the long-term for rebuilding and recovery initiatives. When much of the funding is provided immediately, sometimes later recovery efforts are not able to raise as many funds as needed.

In the aftermath of many crises, focus needs to be directed to the immediate response. Beyond that, however, many companies are thinking through longer-term responses and helping with recovery and preventing future disasters. Some insurance companies have focused funding on reducing the impact of climate change and are looking at ways to prevent disasters from happening in the first place; a perfect example of how companies are focusing their community investment in issues directly related to their company's strategic priorities.

[10]Adapted from a comprehensive list available from a report on *Philanthropic Grantmaking for Disasters: Lessons Learned at the Conrad N. Hilton Foundation* (Paton, 2012)

Climate-related disasters also present a critical opportunity for partnerships between businesses. Recognizing the growing threat to their businesses, two of Canada's leading insurance companies recently co-hosted a global Forum on climate resilient critical infrastructure that included an emphasis on the importance of public-private partnerships ("CNW | Intact Financial Corporation, Sun Life Financial to host The Geneva Association's global forum on critical climate-resilient infrastructure," 2018).

EXAMPLES OF COMPANIES SUPPORTING DISASTER PREPAREDNESS, LONG-TERM RECOVERY, AND CLIMATE RESILIENCY AND DISASTER MITIGATION

Supporting disaster preparedness

- **Vermilion Energy** has launched a Global Funding Initiative to support nonprofit emergency response providers to ensure that communities are prepared for disasters
- **Scotiabank** donated $50,000 to STARS (the Shock Trauma Air Rescue Society) after the Humboldt tragedy to ensure that they have resources to respond to future crises

Funding long-term recovery from crises and disasters

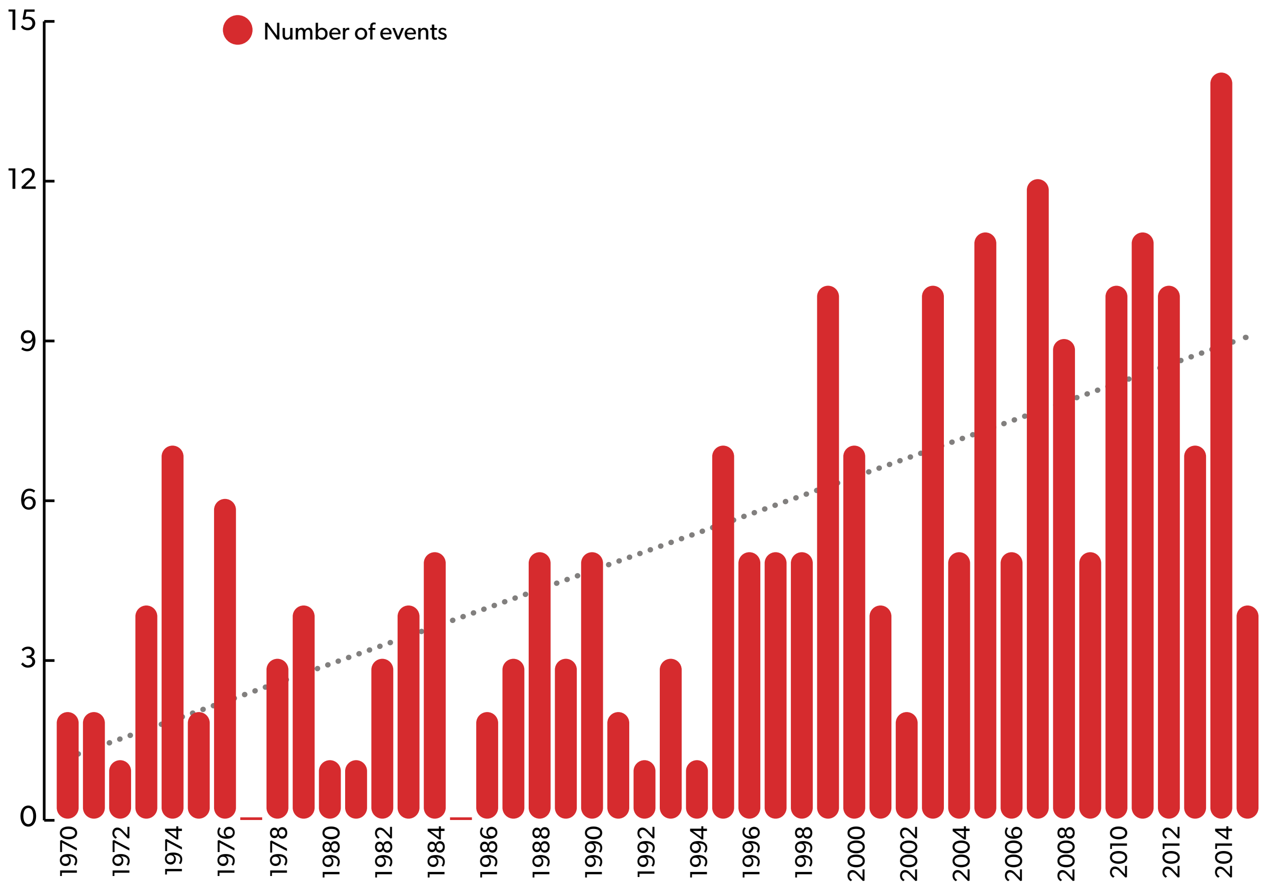
- **Federated Co-operatives Limited** has offered up to $500,000 to help support the Saskatchewan Junior Hockey League Assistance Program as players, volunteers, and their families deal with the outcomes of the Humboldt Broncos' tragedy
- A year after the Quebec City Mosque Attack, **Caisse de dépôt et placement du Québec,** partnering with 21 financial institutions, created a $3.5 million fund to support programs in local schools to prevent violence and teach respect and equality

Supporting climate resiliency and disaster mitigation

- **Intact Insurance** has committed $1.2 million to projects to reduce the impact of future climate-related crises through forest fire prevention and flood water management and has funded the Intact Centre for Climate Adaptation at the University of Waterloo
- **The Co-Operators Group Limited** has initiatives to conduct research on increased flooding and wildfire risk and presents findings to government and at major conferences

Natural disasters are becoming far more frequent and expensive. Insurance payouts for extreme weather events have been doubling every 5 to 10 years (Decent & Feltmate, 2018). The coming decade will challenge all companies to integrate disaster planning into their community investment strategy.

NUMBER OF NATURAL DISASTERS IN CANADA WITH FINANCIAL ASSISTANCE ARRANGEMENTS FOR PROVINCES AND TERRITORIES (1970 TO 2015)[11]

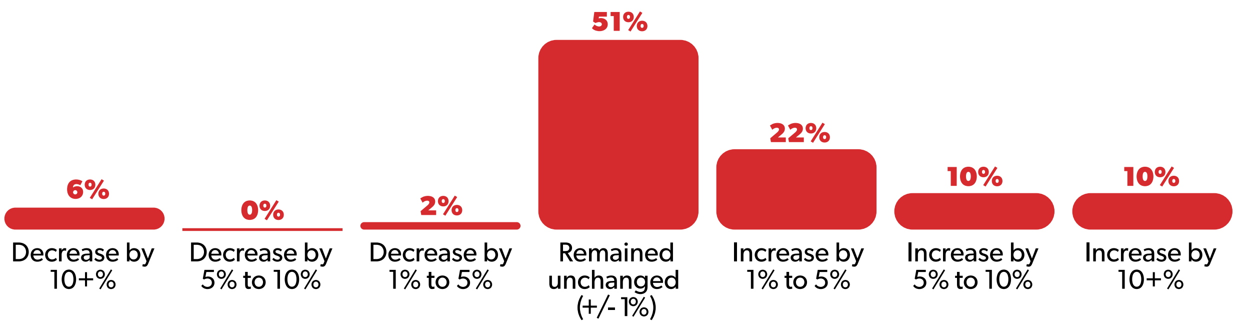


[11]Adapted from *Decent & Feltmate* (2018) using data from Public Safety Canada

THE EVOLUTION OF COMMUNITY INVESTMENT

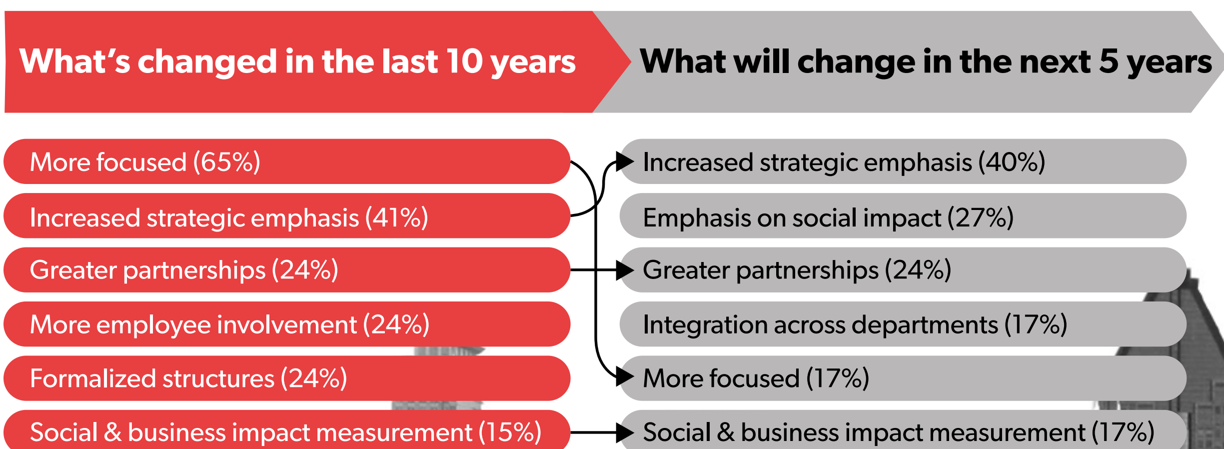
Companies were asked what they expected to happen to their community investment budgets in the coming year, relative to the current period. While half (51%) of all companies predict that their community investment budget will remain unchanged next year, 41% thought they would have some level of increase. Very few expected their budgets to decline.

PREDICTED CHANGE IN COMMUNITY INVESTMENT BUDGET NEXT YEAR



We also asked companies to tell us about how their community investment strategies had changed over the last decade and what will change next.

TOP OF MIND COMMUNITY INVESTMENT TRENDS[12]



[12]The survey asked respondents to elaborate on how their community investment had changed in the last decade, and how it will evolve going forward. The open-text responses were then coded.

STRATEGIC ALIGNMENT AND FOCUS WERE THE TOP ISSUES OF THE PAST AND WILL REMAIN TOP ISSUES IN THE FUTURE

Companies are fully aware that their overall business strategy, social responsibility strategy, and community investment strategy must be aligned to achieve the social and corporate results they are looking for. While this is by no means a new trend (e.g., Saiia, Carroll, & Buchholtz, 2003; Smith, 1994), the continual march towards more strategic integration is unlikely to stop or slow down.

INCREASED EMPHASIS ON SOCIAL IMPACT WAS THE SECOND MOST COMMONLY IDENTIFIED ISSUE THAT WILL SHAPE THE NEXT FIVE YEARS WHILE FEW MENTIONED IT AFFECTING THE LAST DECADE

With the increased emphasis on strategic alignment, we may have also seen a tipping point as 27% of companies reported that the future will have more emphasis on social impact which wasn't an issue identified in the top 6 for the last decade.

PARTNERSHIPS ARE NO LONGER VIEWED AS RELATIONSHIPS BETWEEN JUST TWO ORGANIZATIONS

Stakeholders across sectors are concerned about the growing demand for services, and about businesses' ability to meet society's most pressing issues. From the corporate side, survey results indicated a desire for recognition that the work they are doing will continue to evolve to meet growing needs: "as funders our budgets are, for the most part, not growing—we need to be willing to enter into multi-layered partnerships with other funders and encourage like-minded nonprofits to collaborate." (Susan Byrom, Senior Manager, Community Investment, First West Credit Union)

COMPANIES IDENTIFIED NEW MULTI-STAKEHOLDER APPROACHES AS AN EMERGING OPPORTUNITY

In addition to issues that were broadly identified as being top of mind, leading companies cited many additional trends, most notably new models of multi-stakeholder approaches—such as the UN Sustainable Development Goals and collective impact projects—as well as the need for more robust measurement and reporting. Some similar areas of emerging interest was found by the Conference Board of Canada in a recent study of the community investment profession (Crane, 2017) . Key top of mind issues are summarized in the following chart.

Montreal, Québec

EMERGING ISSUES IN THE COMMUNITY INVESTMENT FIELD

New methods of measuring social impact	Impact investing, SROI measurement, and measuring outcomes; companies reported different tactics, but the underlying goal is improving their ability to increase social impact
Implementing technology to improve efficiency and effectiveness	Streamlining application processes for grants Employee portals to engage employees in community investment (giving and volunteering)
Increased transparency and responsiveness around reporting	Ongoing versus static reporting (community measures reported continually instead of at a point in time)
Collaborative grants and collaborative projects	Multi-stakeholder partnerships, collective impact, and collaborations between funders will become more common
More long-term commitments to partners	More companies will make long-term commitments to specific initiatives its driving to change
Alignment with the UN Sustainable Development Goals	Many companies are working to align their community investment with the goals
Increased necessity to respond to natural disasters	More frequent disasters will cause more need for corporate support

THE 10-YEAR EVOLUTION OF CORPORATE GIVING: MORE FORMAL, WIDESPREAD, STRATEGIC, AND INTEGRATED COMMUNITY INVESTMENT

Ten years ago Imagine Canada conducted the most comprehensive survey of corporate community investment in Canada to date (Hall et al., 2008). While our methodology in the current study changed substantially, we asked many of the same questions as ten years ago. This data must be interpreted with great caution as the sampling strategies differed.

The most striking change is the increase in written policies (+158%), which reflects a broader trend toward a more strategic approach to community investment. While there are many ways to discuss the increasing emphasis on strategy and professionalization of the field, the fact is that more than 2.5x as many large companies have formal policies around giving now versus ten years ago.

As well, 46% more companies indicated they measured the business benefits of their community investment now vs. ten years ago, reflecting that many more companies are trying to objectively measure their business benefits from community investment.

Companies also showed an increased focus on sponsoring nonprofit organizations (+61%) and purchasing goods and services from nonprofits (+87%), a sign that more companies are leveraging both their marketing resources and their supply chain in supporting nonprofit partners. On the other hand, we saw fewer organizations raising money from customers (-10%), cause-related marketing initiatives (-13%) or donating to organizations employees volunteer for (-19%).

PERCENTAGE CHANGE IN FREQUENCY OF BEHAVIOURS, BUSINESSES WITH MORE THAN 500 STAFF, 2007 VS. 2018

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METHODOLOGY

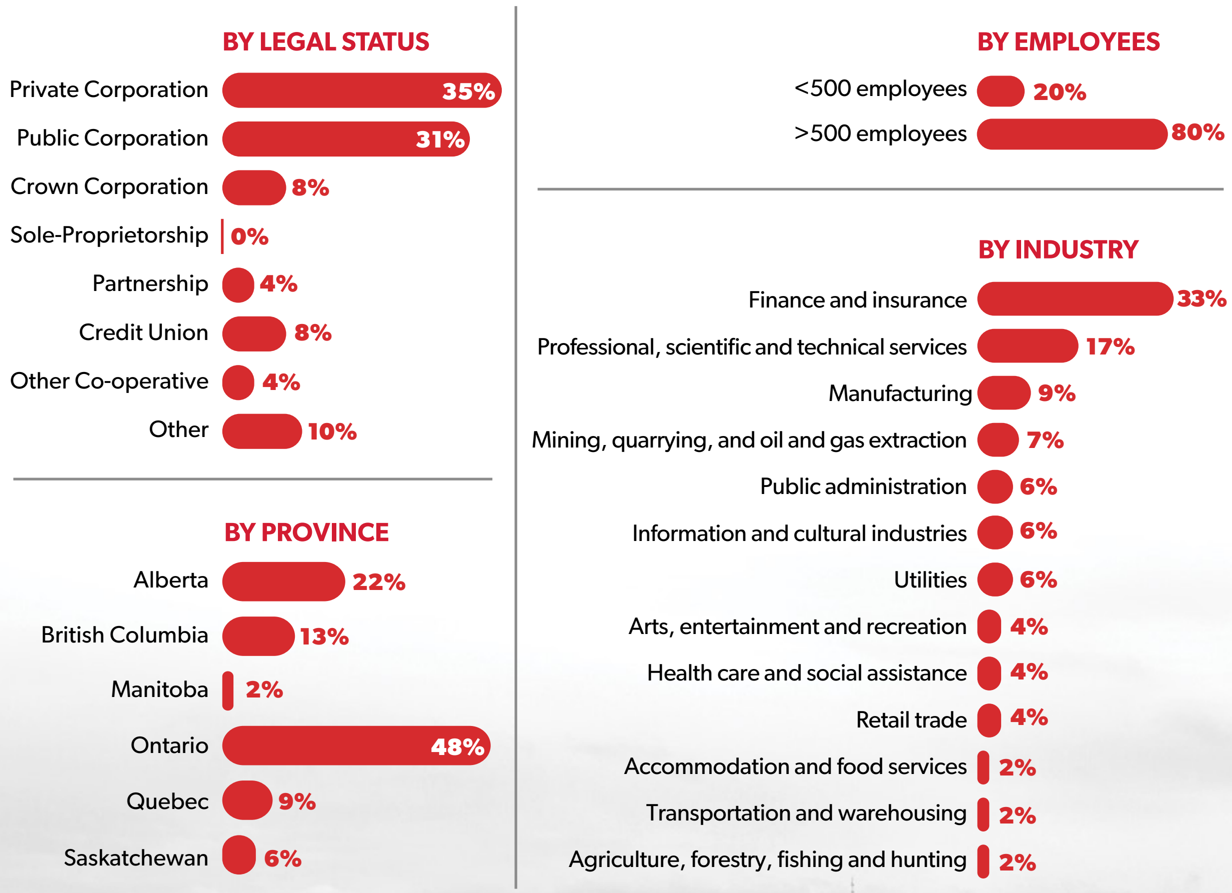
Survey data was collected via an online survey link and distributed to Imagine Canada Caring Companies, to LBG Canada companies, to Volunteer Canada participants, to the Conference Board of Canada's Community Investment Group, to the Canadian Business for Social Responsibility (CBSR) network, and to select Business Council of Canada members. Select community investment professionals were also invited to respond.

54 respondents completed the survey, though not every respondent answered every question. Respondents included many of the largest companies in the country and collectively gave more than $443 million in community investment (at least 10% of all giving in the country) and employed about 3% of the Canadian workforce. Survey completion time averaged 15 to 20 minutes. The survey was online from July until early September 2018.

All respondents were asked to identify the company they represent to ensure that contribution totals or employee counts were not doubled or otherwise erroneously reported. The clear majority of respondents represented different organizations, but we identified several duplicates and calculations were adjusted accordingly. Where possible, numbers were compared to publicly available documents to ensure the accuracy of information. All responses were confidential. All examples included in the report were sourced from publicly available information or directly from respondents after explicit permission was sought and granted.

Throughout this report, some differences were statistically significant, and some were not. Whenever direct comparisons between categories were made throughout the results were statistically significant.

FIRMOGRAPHICS



ABOUT IMAGINE CANADA

Imagine Canada is a national charitable organization whose cause is Canada's charities. Our three broad goals are to amplify the sector's collective voice, create opportunities to connect and learn from each other, and build the sector's capacity to succeed. Corporate community investments are an integral part of Imagine Canada's vision for a strong and vibrant charitable sector. Imagine Canada's Caring Company designation encourages companies to adopt a leadership role as investors of at least 1% of pre-tax profit into stronger communities and celebrates that leadership.

CARING COMPANIES

18 Asset Management

Access Communications Co-operative Limited

Alterna Savings

Bank of Montreal

Bayshore Healthcare

BCAA

Blackwood Family Enterprises

BlueShore Financial

Carters Professional Corporation

CIBC

Coast Capital Savings

Connect First Credit Union

Digital Echidna

ENMAX Corporation

Federated Co-operatives Limited

First West Credit Union

Great-West Life Assurance Company, London Life and Canada Life

Harvey McKinnon Associates

Highstreet Asset Management

Innovation Credit Union

Investors Group

James Richardson & Sons Limited

Johnston Group Inc.

KCI (Ketchum Canada Inc.)

Loblaw Companies Limited

Mackenzie Investments

Manitoba Liquor & Lotteries

Manulife Financial

Mawer Investment Management Ltd.

McLean Hallmark Insurance Group Ltd.

MD Financial Management, CMA Companies

Meridian Credit Union

Miller Thomson LLP

NAV CANADA

NEI Investments

Nestlé Waters Canada

Partnership Group - Sponsorship Specialists

Power Corporation of Canada

PricewaterhouseCoopers LLP, Canada

Prospera Credit Union

Raymond James Ltd.

Royal Bank of Canada

Sandstone Asset Management Inc.

Selectpath Benefits & Financial Inc.

Shaw Communications Inc.

Shoppers Drug Mart

SiMPACT Strategy Group

Smith's Funeral Homes (Burlington) Limited

Stratos Inc.

Sun Life Financial

Syngenta Canada Inc.

TD Bank Group

TELUS

Terrapure Environmental

The Co-Operators Group Limited

Trico Homes Inc.

Tundra Process Solutions

Wealth Creation Preservation & Donation Inc.

Westminster Savings Credit Union

WFCU Credit Union

Woodbine Entertainment Group

Vancouver, British Columbia

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