

Giving Around the Globe

2015 EDITION

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



CECP

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ABOUT CECP:

THE CEO FORCE FOR GOOD

CECP is a coalition of CEOs united in the belief that societal improvement is an essential measure of business performance. Founded in 1999, CECP has grown to a movement of 150 CEOs of the world's largest companies across all industries. Revenues of engaged companies sum to USD 7 trillion annually. A nonprofit organization, CECP works to support companies' individual societal investment priorities through hundreds of interactions a quarter, while also advancing the field as a whole. For more information, visit cecp.co.

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

When referencing findings from this report, please list the source as: CECP, *Giving Around the Globe: 2015 Edition*.

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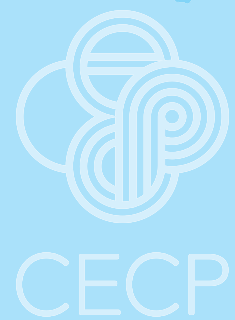
Giving Around the Globe complements *Giving in Numbers*, CECP's, in association with The Conference Board, seminal report on corporate societal engagement. *Giving in Numbers* has always reported on international giving, however nearly all of the companies it examines (90%) are based in the U.S. This third annual edition of *Giving Around the Globe* expands CECP's research to include large companies headquartered around the world and to provide rich regional analysis of foreign markets. This expansion parallels the expansion of our companies' global growth and yields new understanding of trends unfolding worldwide.

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

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Preface

Corporations have an important role to play in nurturing more just and equitable societies. WINGS – a global network of philanthropy infrastructure organizations, of which CECP is a member – has for the past 12 years highlighted the contributions of corporations and corporate giving programmes to social investment.

In this year's edition of *Giving Around the Globe*, it is notable to celebrate the shift in conversation regarding reporting and benchmarking company performance. Until recently, the idea of transparency was challenging to many businesses. However, we are witnessing a change in thinking, with top international organizations taking the lead and voluntarily reporting their social responsibility information to the public. To CECP and WINGS, this shift is an important win. It communicates the dedication and responsibility businesses have grown to embody in order to further both profit and societal well-being.

We have seen a great increase in companies reporting corporate responsibility information, now averaging over half of organizations across all industries. Transparency is a major step in developing a truly sustainable economy. Not only does it hold companies accountable to society, but it also pushes the benchmark of success further, truly igniting change.

We must however, keep in mind that this data and information can only accomplish its goal if put to good use. This edition of *Giving around the Globe* publicly shares the result of companies using a global reporting standard. Using insights to drive decisions and inform strategy is where action can be taken so companies can increasingly be a force for good.

Sincerely,



Helena Monteiro

Executive Director
WINGS
São Paulo, Brazil



Key Takeaways Unlock Strategy

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

Key Takeaway

Strategy Connection

■ COMPANIES HEADQUARTERED IN AFRICA

Only 38% of corporations in Africa had foundations, which is lower than other regions.

African companies do not commonly offer volunteer or pro bono programs.

Consider using other corporate budgets for your first community engagement programs in African countries before rolling out a strategy that involves establishing or using a corporate foundation.

Explore how to incorporate, in Africa, volunteer programs that have been successful in other regions, so that employees in Africa, too, can leverage skills and corporate assets while also developing leadership skills.

■ COMPANIES HEADQUARTERED IN ASIA

China's proposed Overseas NGO Law could have wide-sweeping implications for current programs underway in that market.

Total giving as a percentage of revenue is lower in Asia than in all other surveyed regions.

If you are engaged with non-Chinese NGOs in China, meet with them to strategize and discuss anticipated changes in how you partner.

When setting the regional budget, use this benchmark among the contextual factors you use to plan your investments.

■ COMPANIES HEADQUARTERED IN EUROPE

European companies show the highest level of international orientation.

A large majority (88%) of companies offer an employer match for charitable donations.

When rolling out new operations or facilities, be prepared to strategize and implement programs beyond their immediate, local market.

Consider increasing the match percentage (i.e., from 1:1 to 2:1) to incentivize employee giving further.

■ COMPANIES HEADQUARTERED IN LATIN AMERICA

There are lots of CSR support organizations across the region.

Median contributions team size is larger in Latin America than in all other regions.

Invest in relationship building. Meet with or join these organizations and take advantage of training, learning, and networking opportunities to enhance the local relevance of your CSR practices.

Local teams are accustomed to having high levels of staff support. Bear this in mind when determining how to staff community engagement activities in the region.

■ NORTH AMERICAN GIVING PORTFOLIOS

The median number of countries included in a North America-based company's portfolio is ten.

The countries that are new to this year's list of top corporate-giving recipients include Singapore, Poland, and Ethiopia.

If you are active in less than ten, use this median figure to make the case for expanding your international giving geographically.

These countries represent increasing opportunities to serve as regional hubs for multinational corporations, thus corporate giving to them is increasing.



Regional Profile: Africa

GROWING INSTITUTIONAL GIVING

Africa has long had traditions of charity and philanthropy, and the concept of giving is well understood by individuals there. Formal charitable foundations and corporations, however, are still in development. The overall percentage of corporations with foundations in Africa is, at 38%, lowest among the four regions assessed by this report. There is lower trust in Africa in its organizations, as well as a lack of good models for what institutional philanthropy can look like. According to a survey by Nett Trust, only 49% of South Africans trust businesses, and 52% trust their government. To counteract this, Tony Eulemelu, one of Africa's leading philanthropists and entrepreneurs, developed Nigeria's first corporate philanthropy program at the United Bank for Africa. By capitalizing on the strong corporate image of the bank, he was able to utilize its corporate foundation to help create long-term value for both the company and society.

EDUCATION THE TOP PRIORITY

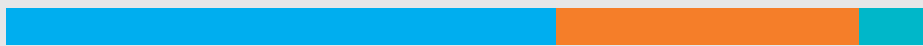
Of the sixteen African companies surveyed, twelve, or 75%, listed education as their top priority when it comes to societal investments. Education in this case includes development of basic abilities to read and write, K-12 education, and professional and technical training. The literacy rate in South Africa was 93% in 2011, ranking it 120th in the world. While this suggests there is still room for improvement, it is a marked improvement from 1995, when 82% of the population was literate. About 42% have completed a high school education. These statistics clearly demonstrate a need for continuous improvement in education that in turn will become an educated workforce for companies operating there. Another resource supporting education, the Dakar Summit on Higher Education, which took place in June 2015, outlined priority areas including research, science, technology, and innovation.

COMPANY PROFILE: VODACOM

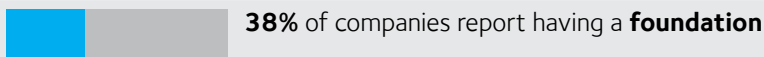
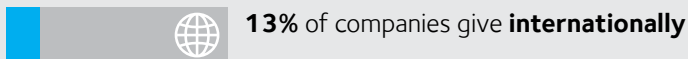
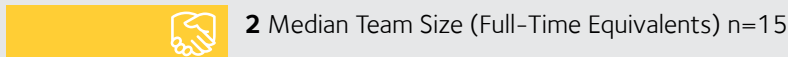
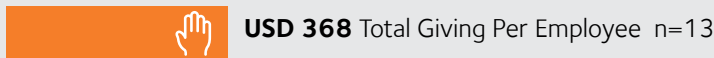
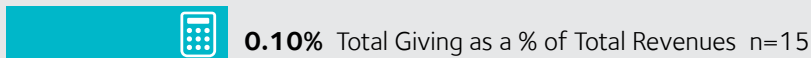
Vodacom is a South Africa-based mobile communications company with operations in Tanzania, the Democratic Republic of Congo, Lesotho, and Mozambique, and with services in forty countries across the continent. The Vodacom Foundation partners with NGOs and the government and is focused on three key areas: education, health, and combating gender-based violence. At the heart of Vodacom is the belief that mobile communication technologies can address some of the country's most pressing humanitarian challenges. The Foundation helps build schools, creates computer learning centers, improves access to health centers by providing computers, and funds a 24-hour call center to support and counsel victims of gender-based violence.

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

TOTAL GIVING BREAKDOWN: African Companies, 2014, n=16



64% Direct Cash | 25% Foundation Cash | 11% Non-Cash



EMPLOYEE ENGAGEMENT

25% of companies offer a corporate match to employees' personal donations

33% of companies offer company time to volunteer (Paid-Release Time) domestically; 0% offer it internationally

7% of companies offer a pro bono program domestically; 0% offer it internationally

Expanding Partnerships and Regional Profile: Africa continued

Spotlight On: Financing for Development in Africa

At the 2015 United Nations Conference on Financing for Development, held in Addis Ababa, Ethiopia, countries this summer agreed on a series of bold measures to overhaul global finance practices and generate public and private investments for tackling a range of economic, social and environmental challenges. The Addis Ababa Action Agenda, a groundbreaking achievement, provides a foundation for implementing the global sustainable development agenda that world leaders are expected to adopt this fall. It includes important policy commitments and key financing agreements in critical areas for sustainable development, including infrastructure for energy, transport, water and sanitation, social protection and technology. As Arancha González, Executive Director of the International Trade Centre, has said, “The development financing challenge has been described as the need to go from billions in traditional donor assistance to the trillions needed to end poverty and tackle climate change. This can’t happen without the private sector.”

Recently, the UN reaffirmed its commitment to address development needs in Africa, including building infrastructure, ensuring regional integration, and creating a conducive business environment. Executive Secretary of the UN’s Economic Commission for Africa, Carlos Lopes has said that Africa “prioritized inclusive sustainable industrialization as the primary path to structural transformation and...we will make no apologies for promoting industrial policies... Africa has the fastest growth as a continent, but we are not happy as this is growth without quality.” There are still risks,

and perceptions of risk that spread to higher levels of private investment. Nevertheless, companies already operating in Africa should consider taking on greater risk that also has high potential for increases in impact.

Market to Watch: KENYA



A regional trade and finance hub for East Africa, Kenya is the fifth largest economy in Sub-Saharan Africa. Kenya’s advances in the areas of tech-

nology and finance, as well as its capital Nairobi’s reputation as a hub for NGOs, have sparked new interest and an increase in corporate societal engagement.

Kenya has long had a tradition of informal philanthropy, including the spirit of “Harambee,” which originated in Kenya following its independence in 1963. *Harambee* is a Kenyan custom of community self-help events, such as fundraising or development activities. In Swahili, *Harambee* means “all pull together,” and the word is the official motto of Kenya.

Organized philanthropy and CSR in Africa is still very much evolving. Kenya Electricity Generating Company, National Bank of Kenya, and Kenya Airways are just a few examples of corporations that have well-established CSR programs. Surveys of business figures in Africa have found that the most common approach to CSR issues in Kenya is through philanthropic support, particularly around health, education, and the environment.

The Kenyan government has also publicly encouraged corporations to

take up greater CSR efforts and invest in understanding the International Organization for Standardization (ISO) 26000, an international standard giving guidance on social responsibility. The government has stated that “incorporating the ISO 26000 in their operating frameworks will not only increase [companies’] trust among the key stakeholders, but also grow their businesses...In the current times organizations are not only operating for the sake of making profits, but also operating sustainably within their ecosystems. The public demands to know what they are doing in assisting communities.”

The influence of international NGOs and the activities of multilateral institutions on the growth of CSR in Kenya is also undeniable. Earlier this year, Kenya hosted one of the first meetings for the Post-2015 Partnership Platform for Philanthropy. The meeting encouraged partnership among governments, corporations, and foundations, and explored how corporations can relate their work to each of the (currently 17) sustainable development goals (SDGs). These SDGs systematically link economic, social, and environmental objectives. With the increased collaboration envisioned by the founders of the Partnership Platform, more progress can be made.



Regional Profile: Asia

GIVING STRAIGHT FROM THE COMPANY

The need to build greater levels of trust in institutional giving continues to be reflected in that in Asia, 66% of corporate giving is in the form of direct cash, versus only 20% from foundations. Charitable giving in Asia, both from personal and corporate sources, still very much comes directly from the donor. A factor in the high percentage of direct-cash giving is that many Asian companies are still controlled by families, who significantly influence the company's community-building strategies. As family control wanes, the family and the company may then establish foundations. A second factor may be that local policies and regulations concerning corporate foundations often do not offer sufficient incentive to establish a foundation, so it is easier simply to give directly from the company. For example, in the Philippines, there are no foundations as defined by law; instead there are many accredited Non-Governmental Organizations (NGOs) and non-stock corporations, perhaps because their legal status is more advantageous than that of a foundation.

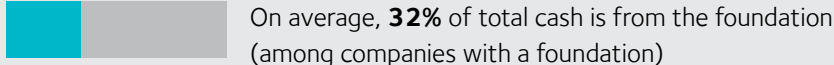
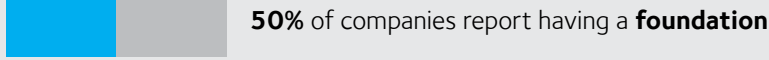
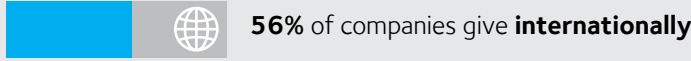
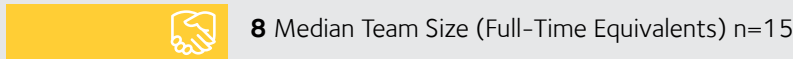
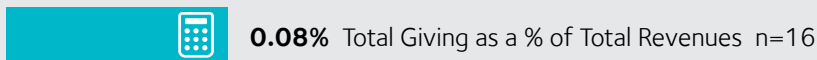
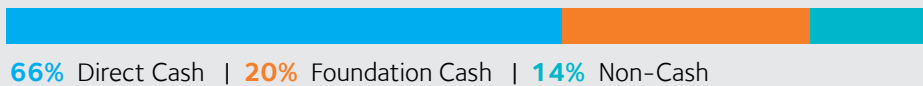
EMPLOYEE VOLUNTEER ENGAGEMENT

A majority of companies based in Asia continue to provide opportunities for their employees to volunteer. Seventy-three percent offer company time to volunteer domestically, while 67% also offer a pro bono program domestically. However, offering programs and actually getting employees to participate are not necessarily correlated. Asian corporate culture tends to favor productivity over programs that take employees away from work, yet it is important to acknowledge that volunteer programs, when done well, can strengthen employee pride and morale, as well as provide new opportunities for leadership and teamwork. They can also increase employees' sensitivity to social needs and build relationships with local NGOs. By securing management buy-in, appointing local volunteer coordinators in each group or office, and emphasizing a fun and recreational environment, a well-run volunteer program can have tremendous value for a company's image and its employees.

COMPANY PROFILE: AXIS BANK (INDIA)

Axis Bank, headquartered in Mumbai, India, has over USD 52 billion in assets. Its corporate social responsibility (CSR) program and corporate foundation reach many cause areas, including: education, vocational education, rural development, medical relief, environmental sustainability, sanitation, humanitarian relief, armed forces veterans, and the capacity-building of personnel and NGO partners. These programs are aligned with the Companies Act of 2013. The majority of funds (85%) channeled from the Axis Bank Foundation go toward educational causes; the Bank supports over 80 NGOs and partners with 22 educational organizations. One aspect of Axis Bank's education funding focuses on disabled and handicapped children and young adults across India by providing basic education and life skills, while also making the government and community more aware of the lack of services and their recipients' disabilities.

TOTAL GIVING BREAKDOWN: Asian Companies, 2014, n=16



EMPLOYEE ENGAGEMENT

94% of companies offer a corporate match to employees' personal donations

73% of companies offer company time to volunteer (Paid-Release Time) domestically; **40%** also offer it internationally

67% of companies offer a pro bono program domestically; **20%** also offer it internationally

Regional Profile: Asia continued

Spotlight on: China's Proposed Overseas NGO Management Law



Beginning in 2015, multinational companies have followed closely the proposed changes to China's draft Overseas NGO Management Law, which seeks to tighten control over foreign NGOs. Businesses in China work increasingly with foreign (non-Chinese) NGOs, including industry associations, universities, environmental organizations, science and technology institutes, and other groups that could come under the scope of the law. The draft law requires foreign nonprofits to find an official sponsor, typically a government-backed agency, and gives broad latitude to the local police to regulate NGOs' activities and funding. As the law is still in draft form, it is not yet clear how it will define "overseas organization," "activity," and "political activities," as well as other key terms. Failure to comply with the law's new rules could subject foreign NGOs and their domestic partners to closure, fines, and even staff detention.

This law may make it more difficult for companies seeking to engage in CSR activities with Chinese NGOs to do so; it also demonstrates China's will to assert authoritarian governance over its own political space. In a statement of assurance reported by *The New York Times*, China's Minister of Public Security stated that "China welcomes and supports foreign NGOs carrying out friendly exchanges and cooperation,

and hopes that foreign NGOs will continue to be concerned about and interested in China's development and have an in-depth understanding of China's national conditions, conscientiously abide by Chinese laws and fully show their advantages in terms of ideas, talent, management, and funding." For clarification of this statement, one must wait until the law is finalized, which is scheduled to happen by the end of 2015. Companies currently engaged or seeking to engage philanthropically in China should continue to follow the progress of this law and assess their CSR activity to ensure compliance.

Market to Watch: THAILAND



Thailand is a developing country with vital economic and cultural strength in Southeast Asia. It has a population of 66 million, an economy that is the second largest in Southeast Asia (after Indonesia), and it ranks

fourth in the region on a GDP per capita basis. Thai exports—mostly machinery, electronic components, agricultural commodities, and jewelry—continue to drive the economy, accounting for more than half of its GDP, whereas in Indonesia exports account for approximately a quarter of the national GDP.

Thailand is home to more than 30,000 NGOs, compared to nearly 120,000 in neighboring Malaysia. Corporate social responsibility to local communities and philanthropy are deeply ingrained in Thai culture—in Thai, the literal meaning of the term for CSR is "a return to society"—although formal CSR programs there are only recently taking hold.

CSR in Thailand builds strongly on a "Sufficiency Economy Philosophy," which was initiated by King Bhumibol Adulyadej, the country's constitutional monarch. The Sufficiency Economy Philosophy is focused on building a strong local economic foundation and self-reliance through community-based development, local networking, stakeholder participation, partnership and collaboration. Another strong influence on CSR in Thailand is Buddhism: more than 95% of the population is pragmatic Buddhist. The Buddhist belief in the law of Karma is a deeply rooted part of people's logic and motivation in giving back.

In recent years, major Thai institutions have established CSR programs and training centers including the Stock Exchange of Thailand (SET), The Royal Foundations, Thai Bank Association (TBA), the Thai Industrial Standards Institute (TISI), and others, making CSR more mainstream than ever. Thailand's great floods of 2011 prompted many companies to participate in relief efforts through donations; the purchase of emergency food, water, and other supplies; and leveraging business networks to contribute core goods and services, including infrastructure planning and technical expertise.

Corporate philanthropy, employee volunteerism, and community service programs are the most prevalent forms of CSR in Thailand. Multinational companies operating there generally have much higher expectations of CSR than domestic companies do. These expectations include a certain emphasis on education and training opportunities for employees.



Regional Profile: Europe

INTERNATIONAL ORIENTATION

As shown in the figure below, the majority of European companies—a percentage higher than that in any other region—give internationally. (For reference: *domestic* refers to the corporate headquarters country while *international* refers to all other countries.) Europe is also ahead of other regions in offering volunteer programs to employees outside their headquarters country. This is in line with data from the 2015 edition of *Giving in Numbers*, which reports that the number of international volunteer program offerings have expanded.

The European Union’s promotion of regional economic integration has spilled over into corporate societal engagement as well. International roots are deep in Europe, but the recent theme of the European Foundation Centre’s international conference reinforces a transnational orientation. The conference’s focus areas included the planet, energy, and climate change—issues that of course transcend national borders.

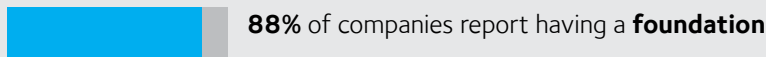
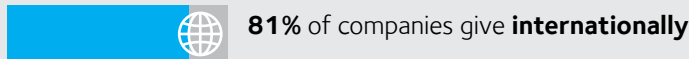
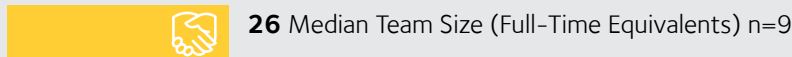
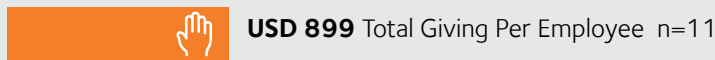
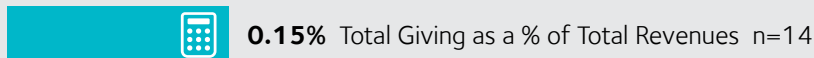
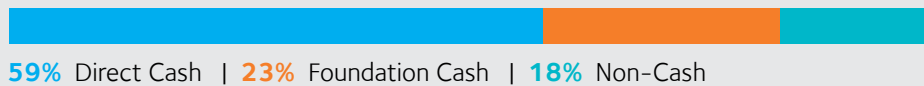
VOLUNTEERING: OPPORTUNITY TO ACTION

European-based corporations are generous when it comes to encouraging employee engagement, particularly through volunteering. Eighty-seven percent of surveyed companies offer company time to volunteer domestically (67% internationally), and 53% of companies offer a pro bono program domestically (33% internationally); these rates are among the highest of those in the four regions surveyed. However, providing opportunities to volunteer does not necessarily prompt employees to do so. Companies reported that only 21% of their employees participated in some form of volunteering during the year. This disconnect between opportunity and action may be due to a lag in corporate best practices and advancement of CSR, also perhaps to a perception that employee volunteering is not “real” volunteering, because it is company-organized and done during working hours. Research also shows that NGOs may distrust companies, because they view them as competitors, and therefore undervalue the skills that corporate employees can bring through volunteer assignments.

COMPANY PROFILE: SCHNEIDER ELECTRIC

Schneider Electric, a multinational corporation headquartered in France with 170,000 employees, develops technologies and solutions to make energy safe, reliable, efficient, productive, and green. One focus of the company’s CSR program is access to energy. Over 1.3 billion people have no access to energy. The BipBop program (Business, Innovation, & People at the Base of the Pyramid) provides training, investment, and business solutions to providing energy in the poorest of countries, through developing energy-management skills and the donation of products such as portable lighting systems, micro off-grid power facilities, solar home lighting, and solar water pumping systems. The Schneider Electric Energy Access Capital Fund also provides funding for development of businesses working to provide access to safe and green electricity, as well as technical and marketing assistance to optimize the chances for business success.

TOTAL GIVING BREAKDOWN: European Companies, 2014, n=19



EMPLOYEE ENGAGEMENT

88% of companies offer a corporate match to employees’ personal donations

87% of companies offer company time to volunteer (Paid-Release Time) domestically; **67%** also offer it internationally

53% of companies offer a pro bono program domestically; **33%** also offer it internationally

Regional Profile: Europe continued

Spotlight On: Pathways to Entrepreneurship

One of the issues multinational corporations operating in Europe are working to solve through CSR efforts is how to encourage more entrepreneurs and entrepreneurship in Europe. According to the Global Entrepreneurship Monitor, which compiles comparable data across countries, in 2010 “early-stage” entrepreneurs made up just 2.3% of Italy’s adult population, 4.2% of Germany’s, and 5.8% of France’s. In other words, European countries have fewer—in some cases far fewer—“early stage” entrepreneurs than America’s 7.6%, let alone China’s 14% and Brazil’s 17%. Challenges to increasing entrepreneurship include harsh bankruptcy laws, insufficient venture capital financing, and inflexible labor laws.

One example of how companies are working to overcome these challenges is sponsorship of the EU’s Entrepreneurship Skills Pass (ESP), an international qualification that certifies that EU students (15–19 years old) have had a real entrepreneurship experience and hold the necessary knowledge, competences, and skills to start a venture of their own or be successfully employed. The EU’s related goals over the next three years include having 80,000+ students achieve this certification, 250 businesses guarantee youth opportunities, and 7,800 schools engage in the program across 26 countries. Companies including Intel, Microsoft, SAP, UBS, and Barclays are involved.

The ESP is part of a broader EU movement called Entrepreneurship 2020, which seeks to increase entrepreneurial education and training, creating an environment where entrepreneurs can flourish and grow. The movement also aims to develop

role models and reach out to specific groups whose entrepreneurial potential is not being tapped to its fullest extent or who are beyond the scope of traditional outreach for business support.

Companies looking to encourage entrepreneurship and new ideas can be part of the ESP. For more information go to: entrepreneurialskillspass.eu

Market to Watch: POLAND



A country of 38 million, Poland is lauded as one of Europe’s top economies to

have had a successful post-socialist transition. Its GDP per capita has more than doubled over the past twenty years and exceeds USD 24,000 (based on purchasing power). Poland built this economic success on attaining higher levels of education and adopting rules and social norms that are at the very foundation of economic development elsewhere on the continent: the rule of law, independent monetary policy, robust competition, free press, and democracy. Poland’s economy is expected to continue growing in 2015 at a rate of 3.6%.

Poland’s economic growth has attracted more foreign investors and multinational companies to establish a presence in the country, in turn spurring greater CSR and philanthropy efforts. Nonprofit groups such as the Responsible Business Forum (RBF, established in 2000) and Polish Donors Forum (PDF, established in 2004) provide networking and training opportunities for organizations engaged in philanthropy and social responsibility. Various surveys show that community involvement and development was the most popular CSR activity among

Poland-based companies (over 100 of which are part of the RBF), followed by family-friendly labor practices.

According to the PDF, Poland had 117 registered corporate foundations in 2012, with the two oldest having been established in 1990. (By contrast, there are 1,120 corporate foundations registered in Germany, according to the Association of German Foundations.) Thirty-six percent of Poland’s registered corporate foundations are in the finance and banking sector, followed by 15% in the media and publishing sector. Fields of interest include education and health care support for the disabled. Data from PDF show that 85% of Polish corporate foundations gave grants, 81% of Polish companies formally encourage employees to become involved with CSR efforts, and 72% provided in-kind support of products and/or services.

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Regional Profile: Latin America

STRONG FOUNDATION CULTURE

One hundred percent of the Latin American companies surveyed reported having a foundation. Many corporate and private foundations in Latin America are often influenced by their business owners' personal values, as several companies are family-owned and not publicly traded. Colombia and Brazil are leaders in utilizing separate legal entities for corporate philanthropy, consistent with a tradition of the private sector providing social services to employees and communities. Most foundations are a pass-through, operating, or hybrid type—almost none are exclusively grantmaking. Argentina, at the other extreme, has very few corporate foundations. While the number of foundations in Latin America has increased with overall wealth levels, income inequality continues to persist across the region. Companies can play a vital role in providing services to those in extreme poverty.

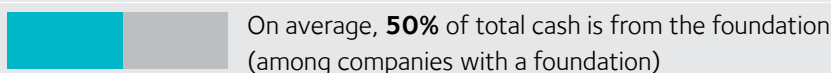
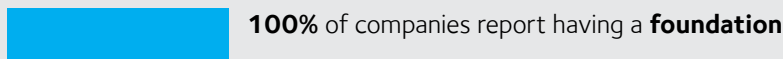
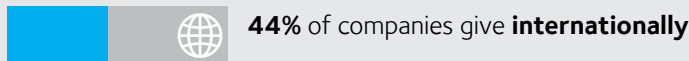
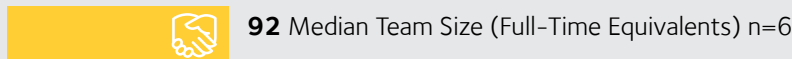
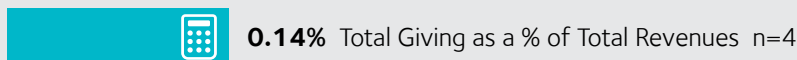
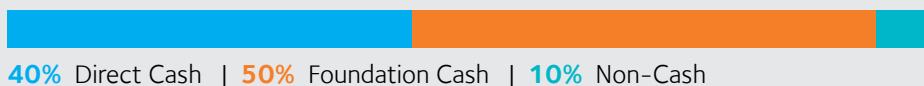
INCREASING EMPLOYEE ENGAGEMENT

While Latin American companies invest heavily in staff resources dedicated to CSR teams (they have the highest median FTE count of all surveyed regions), they rank slightly lower in terms of volunteer offerings: 71% of Latin American companies surveyed offer volunteer time domestically. However, more and more organizations in Latin America are providing companies with the resources, networks, and opportunities to enhance the breadth of their CSR programs. Instituto Ethos and Comunitas in Brazil, Instituto Argentino de Responsabilidad Social Empresaria (IARSE) in Argentina, Centro Mexicano para la Filantropía (CEMEFI) in Mexico, and Asociación de Fundaciones Empresariales (AFE) in Colombia are just a few that are active in strengthening CSR efforts at companies through programs, conferences, and shared knowledge.

COMPANY PROFILE: BRASIL FOODS (BRF)

Brasil Foods (BRF) is a Brazilian food company created by the 2009 merger of Perdigão and Sadia. BRF is the world's tenth-largest food company and Brazil's second-largest in terms of annual revenue, which is USD 9 billion. BRF's extensive CSR program focuses on communities, environment, and healthy living. Its healthy living initiative supports research and innovation to create healthier products through the elimination of trans fats and the reduction of sodium and sugar in dairy products. Through its employees and stakeholders, BRF also supports maintaining an active lifestyle through sponsorships and its funding of a school for rhythmic gymnastics in Toledo, Brazil. Under its healthy living initiative, BRF also partners with the state government of São Paulo to develop healthy products for school lunches. Collaborating with external stakeholders on an issue that affects the entire community in this way is an especially fitting example of strong corporate societal engagement.

TOTAL GIVING BREAKDOWN: Latin American Companies, 2014, n=9



EMPLOYEE ENGAGEMENT

33% of companies offer a corporate match to employees' personal donations

71% of companies offer company time to volunteer (Paid-Release Time) domestically; **43%** also offer it internationally

57% of companies offer a pro bono program domestically; **29%** also offer it internationally

Regional Profile: Latin America continued

Market to Watch: ARGENTINA

Argentina is a high-income economy that is also among the top four largest economies in Latin America, with a 2013 GDP per capita of about USD 14,715. While the country has strong private manufacturing and agriculture sectors, only one Argentinian company is listed among the FORTUNE Global 2000.



Corporate social responsibility in Argentina has its roots in the country's economic depression of 1998-2002, which led to high levels of unemployment, 50+% of the population living in poverty, and a shift in attitudes toward the private sector; the social contract between companies and the public was broken. Gradually, however, multinational companies operating in Argentina expanded their global CSR efforts, in part to restore a legitimate corporate image and reverse the loss of confidence caused by the economic crisis.

Since 2002, there has been significant CSR progress in Argentina. As of early 2015, 305 Argentinian companies had signed the UN Global Compact to encourage Argentina's commitment to "comply with ten principles to protect human rights, better labor standards, the environment and the fight against corruption." The government has also been active in promoting greater CSR efforts in Argentina. In 2014, Argentina became the tenth country to sign on to the Group of Friends of Paragraph 47, a coalition of countries affirming their commitment to "the advancement of an international culture of corporate transparency and accountability."

Moreover, several regional and national CSR-promoting entities currently operate in Argentina, including the aforementioned Instituto Argentino de Responsabilidad Social Empresaria (IARSE), a membership organization of 125 Argentinian and multinational companies engaged in CSR in Argentina, The Argentine Business Council for Sustainable Development (CEADS), as well as one of the first university training programs in CSR at the Universidad Torcuato Di Tella in Buenos Aires.

Mexico Recognizes Corporations with CSR Best Practices

Centro Mexicano para la Filantropía (CEMEFI) is the largest association of foundations and corporate giving programs in Mexico. For corporations, CEMEFI offers the Distintivo program in partnership with the Alliance for Corporate Social Responsibility (AliaRSE). The Distintivo represents an opportunity for companies to commit publicly and voluntarily to implementing and improving CSR efforts as a vital part of their organizational culture and strategy. Private and public companies of all sizes and industries are eligible to participate. The Distintivo program offers an objective and impartial tool with which to measure performance against all monitored companies across five core areas of CSR practices:

1. Quality of life in the company
2. Business ethics
3. Linking the company with the community
4. Care and preservation of the environment
5. Quality of management of CSR programs

Measurement is conducted by reviewing documents such as policies, codes and regulations, evidence of certified action, third-party acknowledgements, and audited public reports. The program was launched in 2000 and since then hundreds of companies have taken part and renewed their participation each year. Companies are publicly acknowledged for the number of years they have participated in the Distintivo, and nine have participated in all fifteen years since the program's inception: BBVA, Coca-Cola of Mexico, Deloitte, Grupo Bimbo, Hewlett-Packard Mexico, S.C. Johnson, Shell, Walmart of Mexico and Central America, and Zimat Consultants. Committed participation in the program has a number of benefits, including:

- Increased sales as a result of having differentiated your company's products and services from the competition as sustainable;
- Facilitation in recruitment and retention of top-level talent;
- Improved understanding of legal requirements;
- Increased confidence among shareholders and an enhanced perception of risks; and
- An improved public image, leading to increased customer loyalty.



North American International Engagement, Region-By-Region

North American companies determine where to give internationally based on various internal and external factors, including corporate image, employee engagement and satisfaction, competitive business advantage, and where lucrative growth opportunities are located. Companies look at where social needs are greatest and consider this, too, in determining how they can make a significant social impact with their giving. Other considerations in establishing a giving strategy include the recipient country's national stability, the government's role in providing social services, and whether a company's core capabilities match up with a giving opportunity. Figures 2-5 show the top five (or six, in case of a tie) countries to which the highest number of companies gave any amount. The charts also indicate the amounts of aggregate giving to recipients in each country, and are not adjusted for purchasing power parity (PPP).

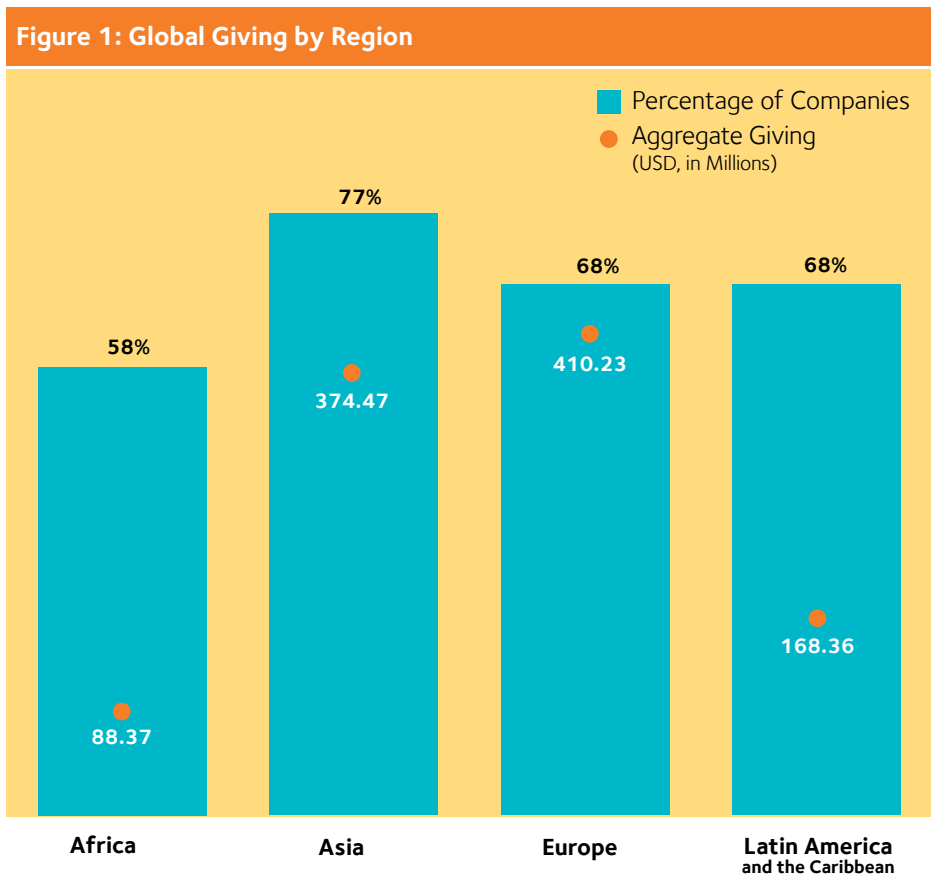


FIGURE 1: GLOBAL GIVING BY REGION, N=66

According to Figure 1, most corporate giving went to Europe, which received USD 410 million, followed by Asia, which received USD 374 million. Many African countries received giving, but the overall philanthropic investment in Africa was the lowest regional investment, at USD 88 million. Businesses working globally are more likely to be operating in Asia and Europe, due to greater economic opportunity and the presence of more stable governments there than in other regions. The lower levels of investment in Africa likely reflect a wariness of some of its countries' political instability and weaker infrastructure and investment capital. Latin America's position in third place is perhaps owed to its mix of developed and developing economies, new opportunities to support NGOs, and an increasing on-the-ground presence of North American companies in that region.

Note: All North American companies that provided country data to the *Giving in Numbers* Survey are included in the country analysis above, N=66. The *Giving in Numbers* participant list is available at cecp.co/measurement/cgs/who-participates.html.

<p>MEDIAN NUMBER OF COUNTRIES IN A NORTH AMERICAN COMPANY'S GEOGRAPHIC PORTFOLIO:</p> <p>10</p>	<p>TOTAL NUMBER OF RECIPIENT COUNTRIES GIVEN TO BY 66 COMPANIES:</p> <p>193</p>
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North American International Engagement, Region-By-Region continued

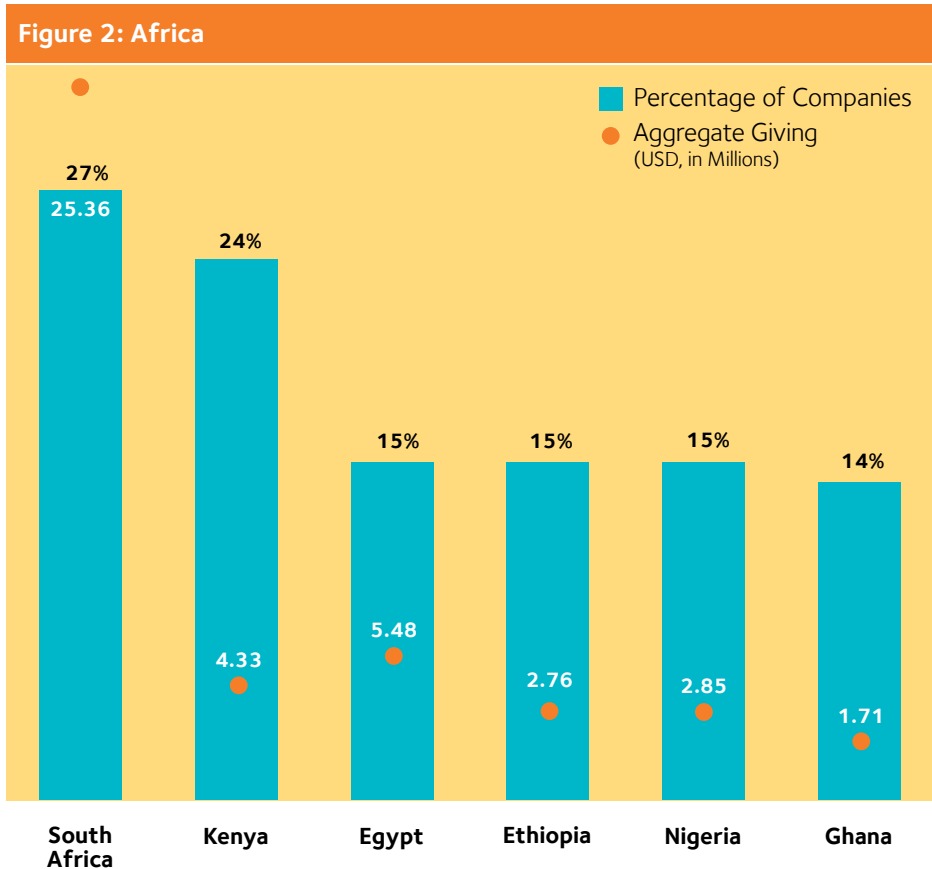


FIGURE 2: NORTH AMERICAN ENGAGEMENT IN AFRICAN COUNTRIES, 2014, N=66

In Figure 2, the two African countries to which the highest number of North American companies gave—South Africa and Kenya—are known for their political stability as well as for their strong economies. Among African countries, South Africa has the largest research and development (R&D) expenditures, the lowest business start-up costs, and a strong entrepreneurial environment. Kenya has a strong reputation for technology innovation, where in 2014 internet-facilitated businesses accounted for 2.9% of the country’s GDP. Kenya’s capital, Nairobi, has earned the name “Silicon Savannah” for its technology-related activities and is home to the first IBM Africa Research Centre.

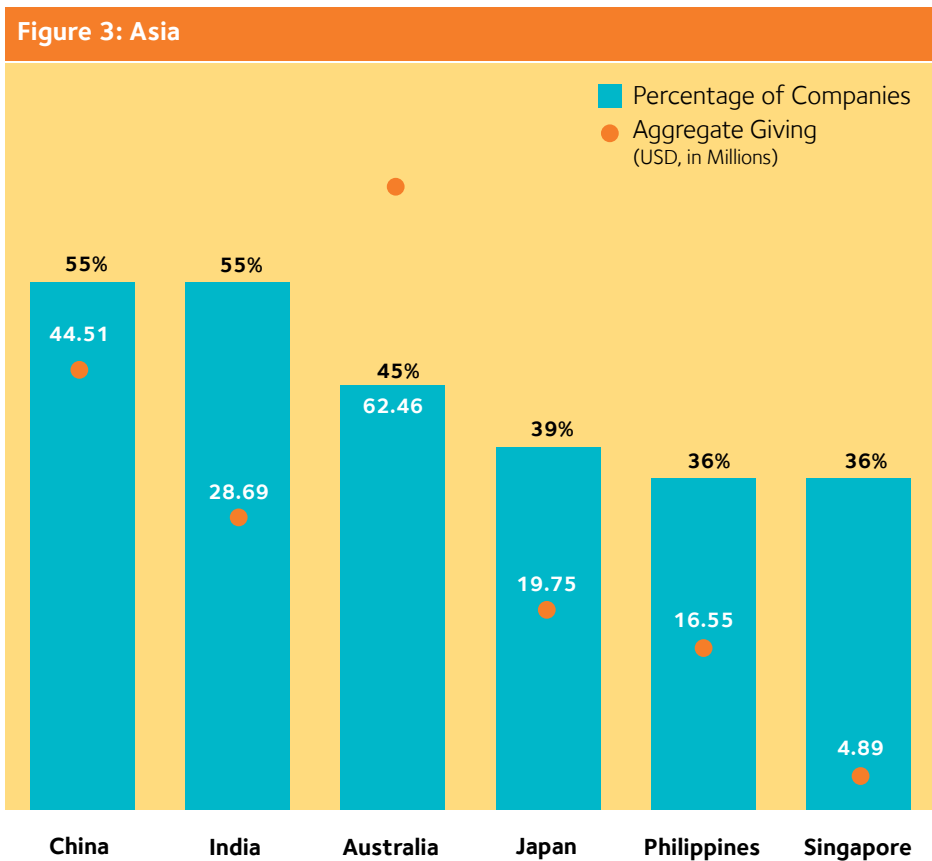


FIGURE 3: NORTH AMERICAN ENGAGEMENT IN ASIAN COUNTRIES, 2014, N=66

China and India again top the list of Asian countries to which a majority of North American countries give. With economic growth rates of 6.9% and 7.6% respectively forecasted for 2015, these countries may continue to receive robust corporate investments. Singapore, a small but prosperous country with a strong reputation for its pro-business environment, has over 7,000 multinational corporations and more than 100 local and international NGOs headquartered there. Australia, Japan, and the Philippines have also established stable businesses and nonprofit sectors to attract high levels of global giving activity.

North American International Engagement, Region-By-Region continued

Figure 4: Europe

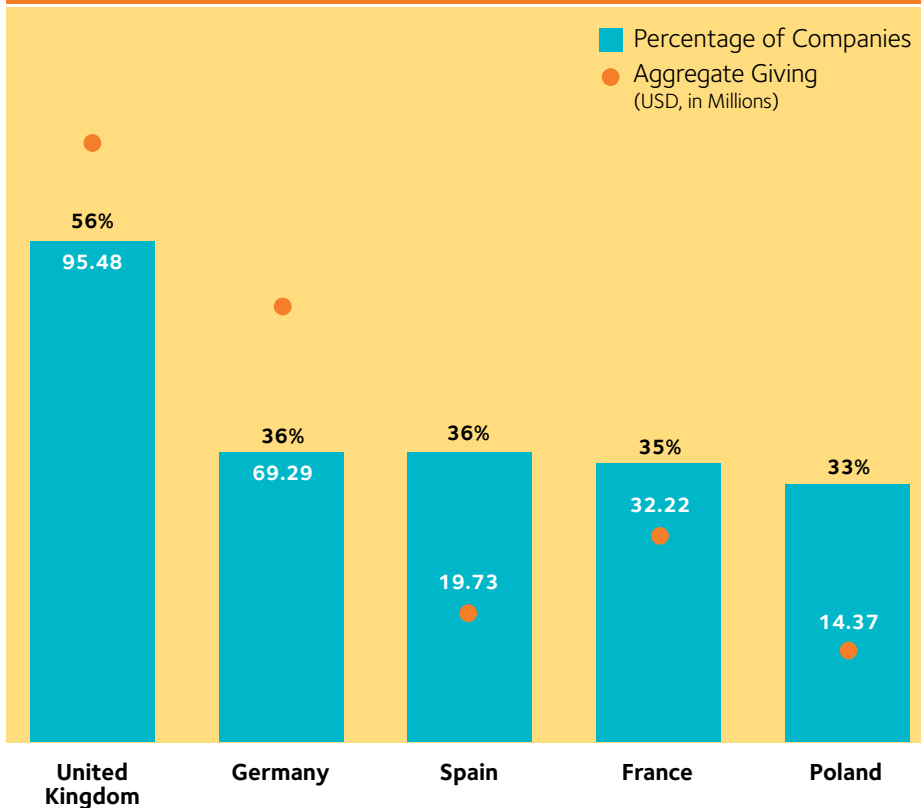


FIGURE 4: NORTH AMERICAN ENGAGEMENT IN EUROPEAN COUNTRIES, 2014, N=66

Many North American companies operating globally are engaged in the largest economies in Europe, so the rankings here of the UK, Germany, Spain, and France are no surprise. Poland has many long-term growth prospects that are attractive to companies: a young, well-educated, and inexpensive workforce; proximity to major markets; membership in the European Union; political stability; and a record of strong economic performance in turbulent times. Foreign companies invest largely, though not exclusively, to service Poland’s market which consists of over 38 million people. Poland ranked 55 in the World Bank’s “Doing Business 2013” report, a remarkable improvement from 74th place one year earlier.

Figure 5: Latin America

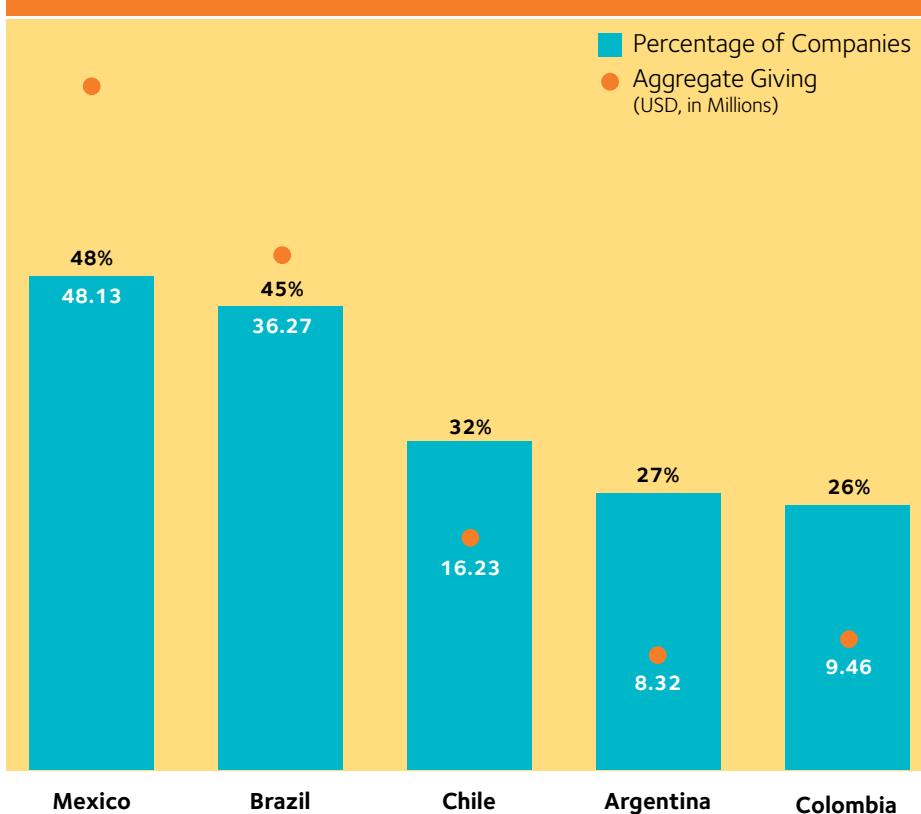


FIGURE 5: NORTH AMERICAN ENGAGEMENT IN LATIN AMERICAN COUNTRIES, 2014, N=66

The rankings here are most likely explained by the fact that Mexico, Brazil, Argentina, and Colombia are solidly the top four largest economies in Latin America, while Chile is the region’s most competitive economy, with a strong institutional basis, relatively low levels of corruption, and an efficient government. Chile also boasts solid macroeconomic stability: it has a small public deficit, low public debt, and the highest per capita GDP among countries in South America.

Calculations and Definitions

Calculations

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

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

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

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

What's In, What's Out

1

THE RECIPIENT MUST BE FORMALLY ORGANIZED; AND



2

THE RECIPIENT MUST EXIST FOR A CHARITABLE PURPOSE; AND



3

THE RECIPIENT MUST NEVER DISTRIBUTE PROFITS.

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

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

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

Definitions

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

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

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

other time off granted to employees during a normal paid work schedule.

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

USD: United States Dollars.

Data Collection

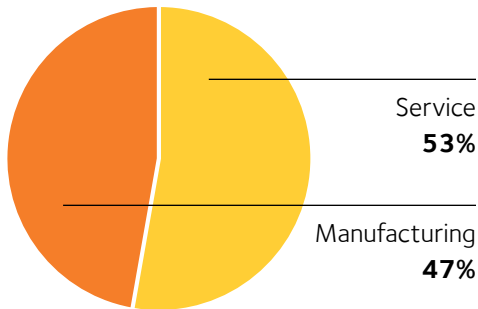
Companies report data on their giving programs annually to CECP. None of the giving figures in CECP's dataset is obtained from secondary sources. CECP provides question-by-question Valuation Guidance so that survey-completers have the definitions and details they need to answer the questions consistently.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

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

Companies are asked to report figures in United States Dollars (USD). Wherever this was not possible, CECP converted figures using oanda.com's "Historical Exchange Rates" for 2014.

Regional Profile Respondent Companies

Fifty-seven companies headquartered in Australia, Belgium, Brazil, France, Germany, India, Japan, Mexico, Russia, Singapore, South Africa, South Korea, Spain, Switzerland, and the United Kingdom provided data and information on their 2014 programs, using the *Global Guide* standard to determine qualified recipients.



Industry	Number of Companies
Communications	4
Consumer Discretionary	5
Consumer Staples	9
Energy	2
Financials	14
Health Care	5
Industrials	9
Materials	7
Technology	2

Total Revenue	Number of Companies
Over USD 30 Billion	17
USD 10 to 30 Billion	13
Less than USD 10 Billion	20
Not reported	7

Total Giving	Number of Companies
Over USD 50 Million	14
USD 15 to USD 50 Million	10
Less than USD 15 Million	33

Total Pre-Tax Profit	Number of Companies
Over USD 5 Billion	20
USD 1 to USD 5 Billion	18
Less than USD 1 Billion	13
Not reported	6

Total Employees	Number of Companies
Over 100,000	8
25,000 to 100,000	10
Less than 25,000	13
Not reported	26

Participants

AFRICA (N=16) (pages 4-5)

AECI, Aspen Pharmacare Holdings, AVI, Clientèle Limited Group, Clover Mama Afrika Trust, Distell Group, Eskom Holdings SOC Ltd., Hosken Cons Investments, Italtile, Liberty Holdings Limited, Murray and Roberts, Oceana Group, Peermont Global, Santam, Sibanye Gold Limited, and Vodacom Group.

ASIA (N=16) (pages 6-7)

Axis Bank, Doosan Corp, Godrej Industries, Hyosung, Hyundai Heavy Industries Co. Ltd, Hyundai Mobis, KT, KT&G Corp., LG Chem Ltd., Lotte Engineering & Construction, Macquarie Group Foundation, Samsung Engineering and Construction, Samsung Life Insurance Co. Ltd., StarHub Ltd., Toyota Motor Corporation, and Westpac Group.

EUROPE (N=16) (pages 8-9)

Alcatel-Lucent, Anheuser-Busch InBev, Barclays, Bayer AG, BBVA, Deutsche Bank, GlaxoSmithKline, HSBC Holdings plc, Pearson, Renova Group, Sanofi, SAP AG, Schneider Electric, Siemens AG, UBS, and Zurich Insurance Group.

LATIN AMERICA (N=9) (pages 10-11)

Banorte Foundation, Brasil Foods, Cinépolis, FEMSA, Gerdaul, InterCement, Sabin Laboratory, Vale, and Votorantim Group.

NORTH AMERICA (N=66) (pages 12-14)

(North American companies not included in the tables at left on this page.)

3M, Abbott, Alcoa Inc., Altria Group Inc., American International Group Inc., Applied Materials Inc., AT&T Inc., Bank of America Corporation, Baxter International Inc., Bristol-Myers Squibb Company, Capital One Financial Corporation, Carlson, Cisco Systems, Citigroup Inc., The Coca-Cola Company, ConocoPhillips, Corning Incorporated, CSX Transportation, DIRECTV, LLC, Ecolab Inc., EMC Corporation, Fluor Corporation, Ford Motor Company, Freeport-McMoRan, Hallmark Cards Inc., Hasbro Inc., Hess Corporation, Honeywell International Inc., International Paper Company, JPMorgan Chase & Co., Lockheed Martin Corporation, Marathon Oil Company, McDonald's Corporation, McKesson Corporation, MeadWestvaco Corporation, Medtronic Inc., MetLife Inc., Microsoft Corporation, The Mosaic Company, Motorola Solutions Inc., New York Life Insurance Company, Newman's Own, NRG Energy, Owens Corning, PepsiCo, Philip Morris International, Praxair Inc., PricewaterhouseCoopers LLP, Prudential Financial Inc., Qualcomm Incorporated, Rockwell Automation Inc., salesforce.com, SanDisk Corporation, Sempra Energy, Siemens Corporation, Spectra Energy, State Farm Mutual Automobile Insurance Company, Suncor Energy Inc., Synopsys Inc., Time Warner Inc., TransCanada Corporation, UPS, Verizon Communications Inc., Visa Inc., Voya Financial Inc., The Western Union Company.

Acknowledgments

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

CECP expresses deep appreciation to the following organizations for their collaboration during CECP's global research expansion: Admical, Beyond Philanthropy, Centre for Advancement of Philanthropy, Centro Mexicano para la Filantropía (CEMEFI), China Foundation Center, Comunitas, Dasra, European Foundation Centre, Korea Productivity Center, National Volunteer & Philanthropy Centre, United Nations Global Compact, and WINGS.

In particular, CECP acknowledges the exceptional collaboration of:



Many thanks to Andy Ho for his part in writing this year's edition of *Giving Around the Globe*, as well as to the whole CECP team for helping to bring this research to fruition—particularly Carmen Perez and Jinny Jeong. We would also like to thank Kate Thompson (designer) for her excellent work in helping us to complete this report.

CECP welcomes your feedback and comments on this report.

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

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

CECP companies seeking customized benchmarking based on these findings should reach out to our team. An exclusive, tailor-made analysis of the data herein is included in your annual services. Please contact us if you would like free hard copies of this report.

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