Global Impact at Scale

2022 EDITION

Corporate Action on ESG Issues and Social Investments

CECP

Collaborative Research with CECP's Global Exchange Partners

About Chief Executives for Corporate Purpose

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

Founded in 1999 by actor and philanthropist Paul Newman and other business leaders, CECP is a movement of more than 200 of the world's largest companies that represent US$7.7 trillion in revenues, US$37.4 billion in total community investment, 14 million employees, 22.5 million hours of employee engagement, and US$21 trillion in assets under management. CECP helps companies transform their strategy by providing benchmarking and analysis, convenings, and strategy and communications in the areas of societal/community investment, employee engagement, environmental social governance/sustainable business, diversity equity inclusion, and telling the story.

About the CECP Global Exchange

The CECP Global Exchange (GX) unites mission-driven corporate societal engagement organizations to advance the corporate sector as a force for good around the world. With partners in 16 countries/regions, the GX serves companies by building a body of knowledge on locally relevant corporate citizenship best practices through information sharing and collaborative research, such as this *Global Impact at Scale* report. The GX acts as a catalyst to enhance and advance corporate social investment strategies.

The 16 GX Partners represent more than 800 companies and countries that account for more than 60% of the world's GDP as well as more than 50% of its population. The partners include: Business in the Community in the U.K., CECP in the U.S., Comunitas in Brazil, The Conference Board of Canada in Canada, CSRone in Chinese Taipei, Corporate Responsibility Türkiye in Türkiye, Dynamo Academy in Italy, Fundación SERES in Spain, Kansai Economic Federation in Japan, Korea Productivity Center in the Republic of Korea, Maala in Israel, Russian Donors Forum in the Russian Federation, Samhita in India, SynTao in Mainland China and Hong Kong, Trialogue in South Africa, and Wider Sense in Germany.

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

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

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

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About *Global Impact at Scale*

Developed through the collaboration and support of the CECP Global Exchange, *Global Impact at Scale* is a one-of-a-kind international research project that captures insights into global company actions related to their ESG issues, community investments, and how certain factors influence and inform the social strategies companies put forward. The 2022 edition includes survey insights from 2021.

Preface

Dear Colleagues:

We present the third edition of *Global Impact at Scale* on the heels of another tumultuous year marked by war, social and political unrest, economic uncertainty, and enduring global health and climate crises. But against this backdrop we are reminded of the vital role the corporate sector continues to play in driving innovation, rallying resources, lending influence, and addressing systemic challenges.

We are incredibly grateful to members of the CECP Global Exchange for their partnership this past year and for their contributions to this unique resource of data-driven insights and thought leadership. With their help, we were able to conduct a robust survey of global companies that captures broad trends as well as specific details on progress in the realms of ESG, social investment, employee engagement, and the global workforce. Global Exchange Survey findings were supplemented by analysis of publicly available data on the world's largest companies as drawn from the Bloomberg ESG terminal—another resource to which we are very much indebted.

With its analysis of both quantitative and qualitative data, this report illuminates the many ways companies continue to make progress in critical areas. It also lays bare areas where greater intention and focus are needed. In addition, the report provides a roundup of highlights in recent ESG policy and progress from countries around the world, showcases examples of high-impact initiatives from major companies, and recommends guidance, publications, and additional resources available from CECP's Global Exchange Partners.

Now more than ever, stakeholders including employees, investors, and consumers have high expectations that companies will demonstrate their corporate purpose through authentic commitments and transparent progress. It's up to the business community to embrace its role in addressing issues material not only to corporate sustainability but also to the very health and vitality of our communities.

As we enter a new year amid predictions of a recession, the call to action remains the same: corporate leaders are urged to maintain momentum in their ESG, social impact, and employee engagement efforts. Progress isn't achieved overnight. Training our sights on the future and investing in long-term commitments are essential to facing our myriad challenges with resolve, endurance, and success.

Here at CECP we know the power and potential of the corporate sector to serve as a force for good in society. We hope you'll join us by rolling up your sleeves and engaging in the invaluable work of advancing CECP's mission to create a better world through business.

In partnership,

Beth Gallagher

Beth Gallagher

Highlights in ESG 2021

CECP guidance for companies to advance their impact

83%

83% of companies reported that staff work jointly or somewhat jointly on Environmental and Social (E&S) issues and 72% indicated that business strategies are very much aligned with ESG issues

Continue to align ESG resources across functions and around strategic goals. Note which environmental matters have implications for achieving social impact goals. Consider the degree to which current societal and community investment initiatives address climate-related concerns.

98%

98% of companies have some form of ESG board oversight but few link executive bonus to ESG performance

Leverage incentives to drive action. Set clear metrics and relevant performance goals for ESG and keep boards apprised of critical issues in order to enable effective governance. Include progress toward ESG goals in executive compensation plans to ensure that these efforts are prioritized and receive necessary resources and focus.

98%

98% of companies use some form of voluntary standards for ESG reporting

Don't wait for ESG reporting to be mandated. Stay apprised of emerging regulations and put processes in place to capture necessary and credible data.

54%

54% of companies find measuring the social areas of ESG more challenging than others

Focus on what matters most. Prioritize the social issues that are most material and present the greatest long-term risks, then establish goals, measurement, and management systems that generate value and drive impact.

44%

44% of companies have set net-zero targets

Develop a roadmap with near- and long-term science-based targets. Build a detailed carbon footprint picture. Conduct a Scope 1, 2, and 3 emissions inventory and analysis to inform realistic targets.

Highlights in Social Investment and Volunteerism 2021

CECP guidance for companies to advance their impact

13%

13% growth in median total community spend from 2019 to 2021; giving as a percentage of pre-tax profit dropped by 23%

Conduct a year-over-year review of giving levels. Use internal and external benchmarking and financial forecast for the year ahead to ensure community investments stay apace with revenue and profit growth.

32%

32% decline in employee volunteer participation rate; 57% of companies offer paid volunteer time

Continue to develop employee volunteer offerings and build policies that support engagement. Ensure that volunteer programs are grounded in community needs and that policies are inclusive and support the flexibility needed in today's hybrid work environment. Build strong recognition programs to highlight compelling stories and inspire engagement.

67%

67% of companies are increasing their investment in healthy lifestyles and wellbeing as turnover increases and employee engagement drops

Get back to the basics of employee engagement. Focus on worker safety, role clarity, effective communication, and ensuring employees have the resources they need to perform their duties. Support employees' wellbeing and connection with internal and external communities to mitigate burnout and drive their sense of individual and collective purpose.

67%

67% of companies are seeing DEI resources on the rise while representation of women, minorities, and people with disabilities in the workforce and leadership continues to lag

Take stock of DEI commitments and progress toward goals. Note what's working and what isn't. Evaluate where resources need to be focused to drive desired change. Gain buy-in from middle managers. Disaggregate data to inform targeted and relevant solutions.

31%

31% drop in employee matching-gift program participation rate from 2019-2021

Revisit matching-gift policies and disaggregate participation data for greater insight. Ensure matching-gift programs and policies are inclusive and support not only corporate initiatives but also employees' personal causes. Review which employees are using matching-gift programs and which are not in order to inform strategies that encourage participation across the enterprise.

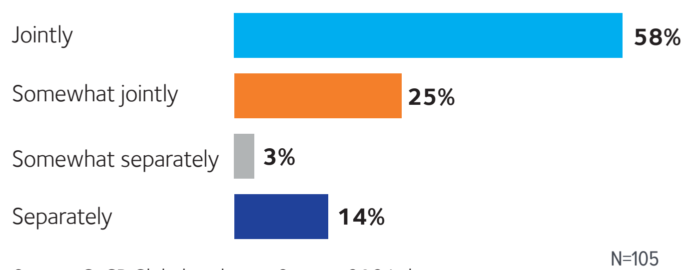
Across the backdrop of the global pandemic, war for talent, supply chain disruptions, and increasing urgency to address the climate crisis, 2021 saw new ESG reporting requirements emerge for companies, record-setting investments in ESG funds,[1] and greater focus on ESG governance in both the C-suite and boardroom. The research that contributed to this report underscores the continued rise of ESG around the world and illuminates areas where gains are being made and those where continued effort is needed.

Operations and Management

As companies respond to stakeholder expectations and ESG programs continue to evolve, organizational structures and operations are adapting accordingly. Corporations continue to organize ESG management and operations with greater integration, including environmental and social functions that historically have operated alongside but typically separately from one other. When asked whether staff members working on "S" (Social) and "E" (Environmental) issues within ESG worked jointly or separately in 2021, 83% of companies responding to the Global Exchange (GX) Survey indicated that they worked jointly or somewhat jointly, up from 61% in 2020. Just 17% of companies reported operating separately or somewhat separately. (See Figure 1.)

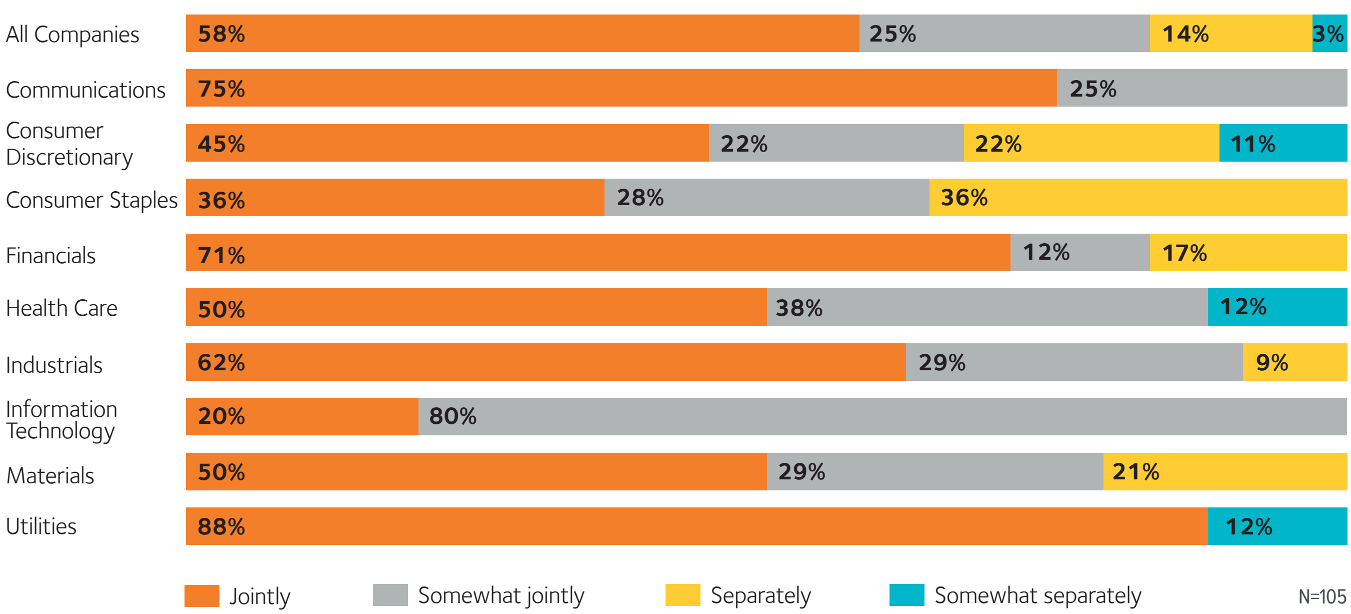
Every Communications and Information Technology company that contributed to the GX Survey reported that E&S issue management is approached either jointly or somewhat jointly (Figure 2), while at least half of Financials, Health Care, Industrials, Materials, and Utilities companies reported approaching E&S management jointly. Consumer Staples were the least likely to have integrated E&S management, with 36% reporting those efforts are managed separately.

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



Source: CECP Global Exchange Survey, 2021 data.

FIGURE 2. Staff Approach to Working on Environmental and Social Issues by Industry

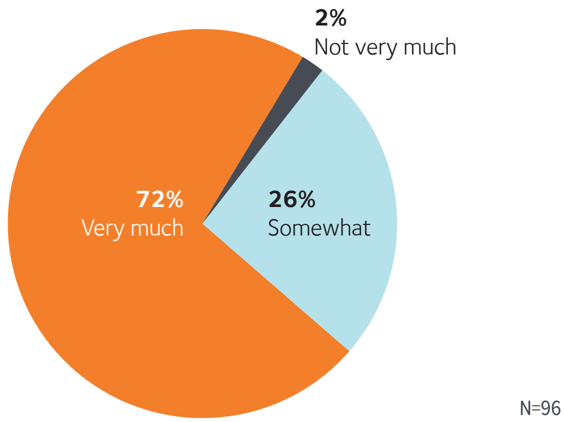


Source: CECP Global Exchange Survey, 2021 data.

1 https://www.bloomberg.com/news/articles/2022-02-03/esg-by-the-numbers-sustainable-investing-set-records-in-2021

The GX Survey findings also point to an acceleration in the alignment of ESG with a company's core strategy. When asked to describe the degree to which "your company's overall business strategy integrates and responds to your company's critical/material ESG issues," just 2% of respondents said that it did not very much (Figure 3), whereas 72% said it integrates and responds very much, and 26% indicated somewhat.

FIGURE 3. Degree to Which Business Strategy Integrates and Responds to ESG Issues



Source: CECP Global Exchange Survey, 2021 data.

At least 75% of Communications, Financials, Health Care, Materials, and Utilities companies reported strongly aligned business and ESG strategies. Industrials companies reported the lowest strategic alignment, at 55% (Figure 4).

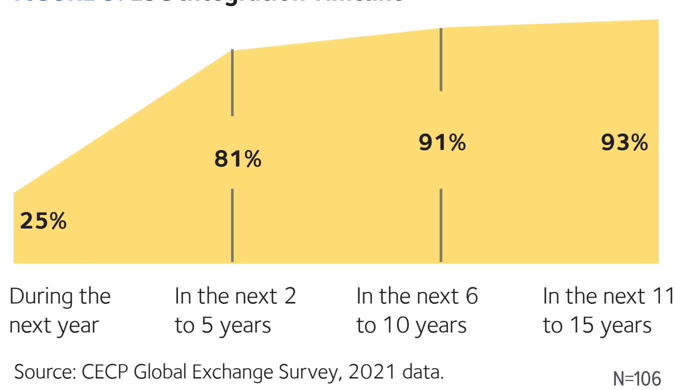
The data from this research reflect acceleration in recent years towards the full alignment of ESG with a company's overall business strategy. When companies were asked when they thought ESG would be truly integrated across every department (not only on a strategic level, but also in daily decision making), 81% predicted integration would occur within the next five years and 25% predicted it would happen within the next year (Figure 5).

UNITED KINGDOM Salesforce: V2MOM

Salesforce has embedded corporate purpose throughout their organization and works to ensure that employees across the organization understand where the organization is going and how to get there. Salesforce uses a tool called V2MOM, standing for vision, values, methods, obstacles, and measures. Use of the V2MOM starts at the highest level with the CEO, who sets annual targets according to the company's core strategy. This cascades down to all the employees, embedding the company vision throughout the organization. Employees can read each other's V2MOMs, a practice that generates a sense of trust and collaboration through transparency. Employee performance is based on achieving all objectives on the V2MOM, including ESG goals.[2]

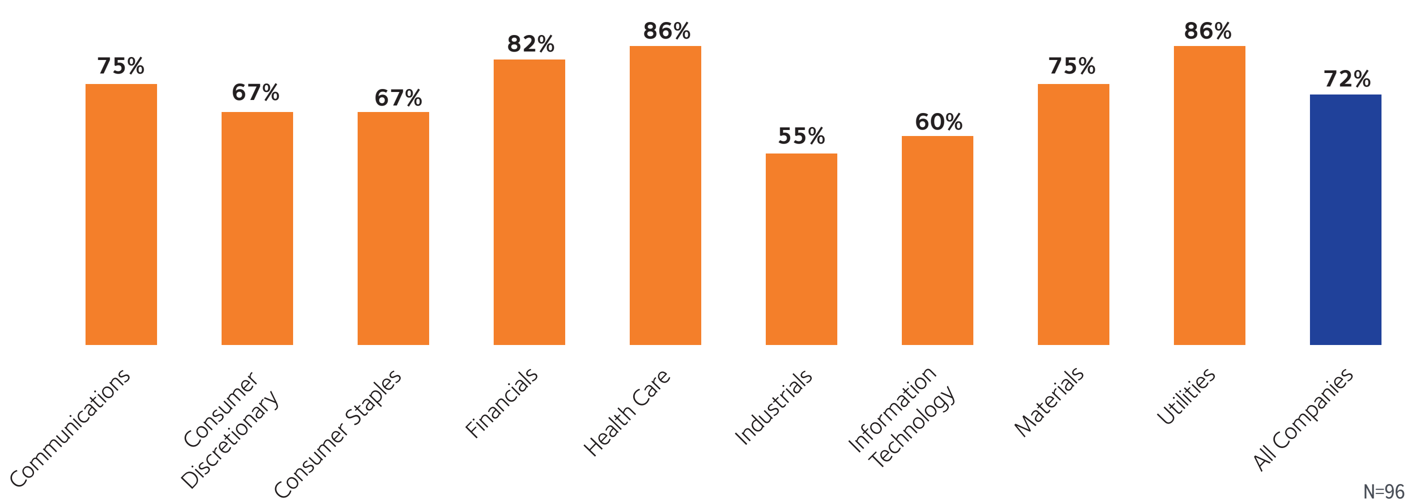
Only 2% thought it would take 10 years or more, while 7% were still unsure. Since full-scale ESG integration takes many years to plan and implement, the fact that so many companies believe that full integration will be achieved in the near term suggests that much of the work required to reach this milestone is well underway.

FIGURE 5. ESG Integration Timeline



Source: CECP Global Exchange Survey, 2021 data.

FIGURE 4. Percentage of Companies With Business Strategies "Very Much" Aligned with ESG Issues



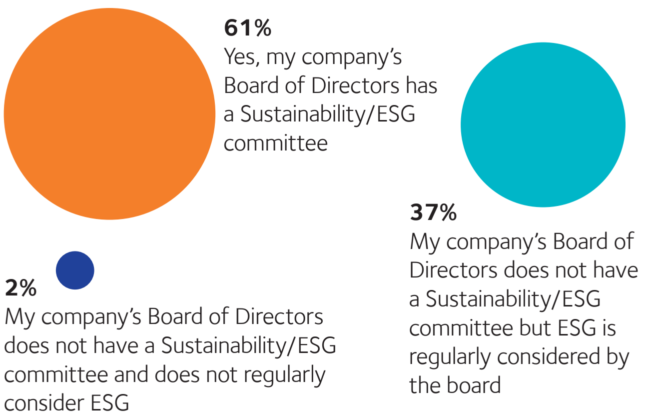
Source: CECP Global Exchange Survey, 2021 data.

2 https://www.bitc.org.uk/report/embedding-purpose-lessons-from-business/

ESG Oversight

In recent years, corporate leaders have increasingly come to understand the importance of effective ESG management to key stakeholders. In response, companies are setting governance structures that support active oversight and incentives that reward positive ESG performance. When asked "Does your company's Board of Directors have a Sustainability/ESG committee?," 61% of respondents indicated yes, while another 37% responded that their boards do not have a committee but nonetheless regularly consider ESG issues. Just 2% reported that their boards neither have a committee nor regularly consider ESG issues (Figure 6).

FIGURE 6. Prevalence of Board Sustainability/ESG Committees



Source: CECP Global Exchange Survey, 2021 data. N=86

A CECP analysis of Bloomberg data from top global companies shows that, in 2021, 47% of companies (N=2,364) had a CSR/Sustainability committee reporting to the board. Energy and Utilities companies led other industries in having this governance structure, which is likely due to greater risks related to sustainability issues that are especially prevalent in these industries and to regulatory expectations (Figure 7).

FIGURE 7. Percentage of Companies that have a CSR/Sustainability Committee Reporting to the Board

INDUSTRY	PERCENTAGE
Communications	44%
Consumer Discretionary	45%
Consumer Staples	49%
Energy	67%
Financials	46%
Health Care	53%
Industrials	40%
Information Technology	47%
Materials	44%
Real Estate	31%
Utilities	59%
ALL COMPANIES	47%

N=2,364

Source: Bloomberg ESG database, 2021 data, CECP analysis.

In an unmatched set of companies over the three-year period of 2019-2021, there was a 14-percentage-point increase in companies with CSR/Sustainability committees, suggesting a global growth trend toward more formal governance structures for CSR and sustainability. Although more formal ESG management and governance structures are increasing and will likely soon reach a majority if the pace continues, in 2021 fewer than a quarter of global companies linked executive bonuses to ESG performance. Analysis of Bloomberg terminal data shows that just 22% (N=2,365) of global companies include ESG in the performance metrics that inform executive bonuses. Once again, Energy and Utilities companies led other industries, with 49% and 41% respectively using ESG metrics to inform executive bonuses (Figure 8). Consumer Discretionary (12%) and Real Estate (7%) companies had notably lower rates of this practice in 2021. In an unmatched set of companies over the three-year period of 2019-2021, there was a 5-percentage-point increase in companies linking ESG performance to executive bonuses, suggesting incremental growth in leveraging financial incentives to improve ESG performance.

FIGURE 8. Percentage of Companies that Link Executive Bonus to ESG Performance

INDUSTRY	PERCENTAGE
Communications	18%
Consumer Discretionary	12%
Consumer Staples	19%
Energy	49%
Financials	22%
Health Care	19%
Industrials	22%
Information Technology	21%
Materials	25%
Real Estate	7%
Utilities	41%
ALL COMPANIES	22%

N=2,365

Source: Bloomberg ESG database, 2021 data, CECP analysis.

Notably, a recent study of large U.S. companies shows that the number of S&P 500 companies that tie executive compensation to some form of ESG performance rose from 66% in 2020 to 73% in 2021.[3]

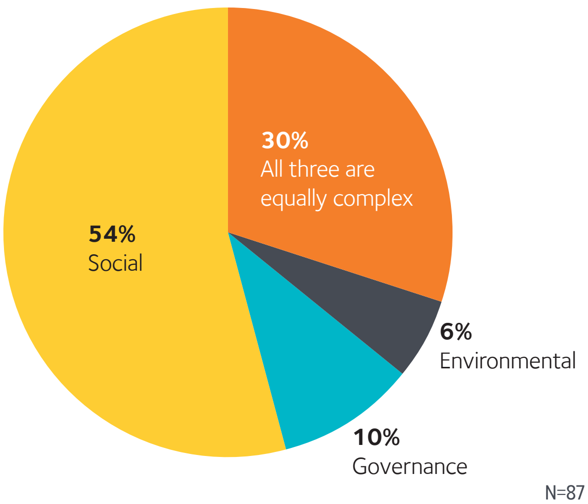
Measurement and Reporting

Effective ESG management and oversight require strong measurement practices. In addition, external reporting requirements and eagerness for ESG data from regulators, investors, and other stakeholders are increasing at an accelerating rate.

3 https://corpgov.law.harvard.edu/2022/11/27/linking-executive-compensation-to-esg-performance/

Environmental and Governance measurement and reporting tend to be more established practices, whereas effectively capturing Social efforts continues to present a challenge for many companies. When asked which core areas of ESG are the most complex to measure accurately, a majority of GX Survey respondents (54%) identified Social as the most complex, with another 30% suggesting that all three are equally complex (Figure 9). Just 10% cited Governance as the most complex and even fewer (6%) cited Environmental as the most complex.

FIGURE 9. Complexity of Measuring Core Areas of ESG



Source: CECP Global Exchange Survey, 2021 data.

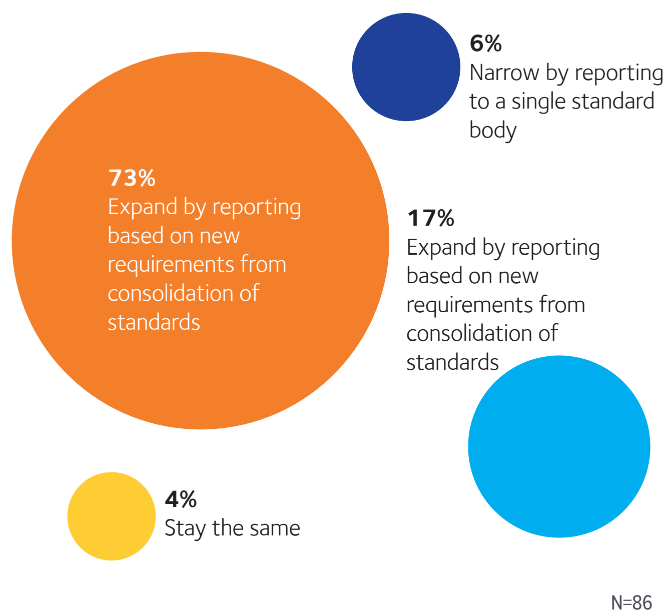
To satisfy stakeholder expectations for transparency and disclosure and to meet mandated reporting requirements, the amount of ESG data and nonfinancial information companies report publicly continues to grow. Findings from the GX Survey confirm that a strong majority of companies (76%) increased the amount of publicly reported ESG data in 2021 from the prior year (Figure 10). When compared to the previous GX Survey on 2020 data, where 61% of respondents reported an increase, this reflects continued growth in the amount of reporting year over year. Twenty percent of respondents indicated that the amount of data publicly reported stayed the same.

FIGURE 10. Amount of Publicly Reported ESG Data: Change from Last Year

Source: CECP Global Exchange Survey, 2021 data.

Even as the amount of ESG data being reported continues to grow, efforts are underway globally to consolidate reporting standards. However, a strong majority of companies believe that new requirements stemming from the consolidation will lead to further growth, rather than to a reduction. When the GX Survey asked how consolidation of reporting standards is likely to affect nonfinancial reporting over the next two years, 73% of companies responded that they anticipate reporting will expand, based on new requirements coming from the consolidation efforts (Figure 11). Just 17% of companies predicted that adopting new, consolidated standards would narrow nonfinancial reporting in the coming years. Even fewer companies (6%) anticipated that reporting to a single standard body would narrow reporting and 4% anticipated that the new standards would not create changes at all.

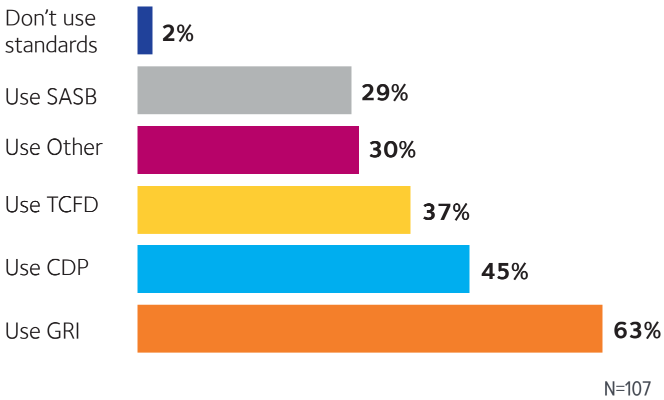
FIGURE 11. Anticipated Changes in Nonfinancial Reporting



Source: CECP Global Exchange Survey, 2021 data.

The GX Survey asked companies which voluntary standards they currently use for reporting. A strong majority of companies (98%) use some form of voluntary standards for ESG reporting, with just 2% of respondents noting that their company does not use standards for ESG reporting (N=107). The most commonly used standards are the Global Reporting Initiative (GRI), used by 63% of responding companies (Figure 12). Communications, Consumer Discretionary, and Health Care companies were even more likely to use GRI, with 75% or more of companies in these sectors indicating that they use it. The second most widely used standards were the Carbon Disclosure Project (CDP), at 45%, with more than half of Information Technology and Utilities companies indicating that they use CDP. Thirty-seven percent of companies cited using the Task Force on Climate-Related Financial Disclosures (TCFD) standards, while 29% indicated using Sustainability Accounting Standards Board (SASB) standards and 30% indicated using something other than these four.

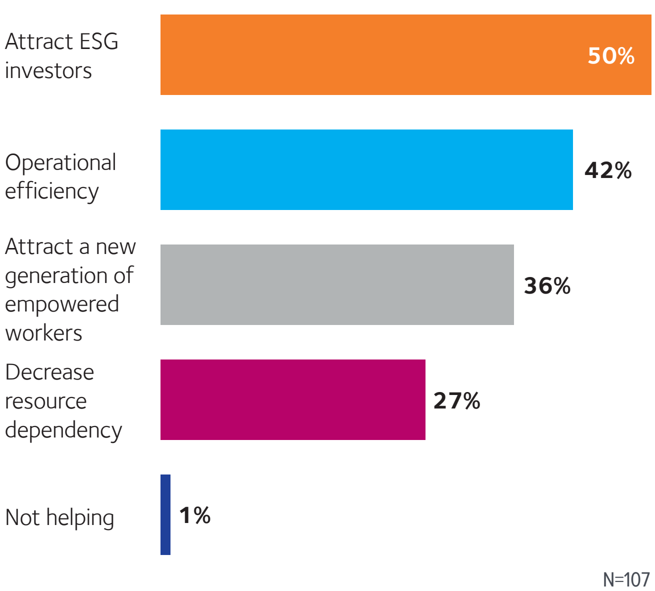
FIGURE 12. **Use of Voluntary ESG Reporting Standards**



Source: CECP Global Exchange Survey, 2021 data.

The GX Survey further sought to capture companies' impressions of how their data collection and reporting efforts are serving them. Almost all respondents (99%) indicated that ESG data are helping them in some way. Half of companies indicated that ESG data are helping attract ESG investors (Figure 13), while 36% suggested this data help attract talent, a top consideration for many companies right now. ESG data also help companies better manage operations and monitor resources and consumption. Forty-two percent of companies indicated that ESG data support operational efficiency, while fewer than a third (27%) indicated that the data are currently helping them to reduce resource dependency.

FIGURE 13. **How ESG Data are Helping Companies**



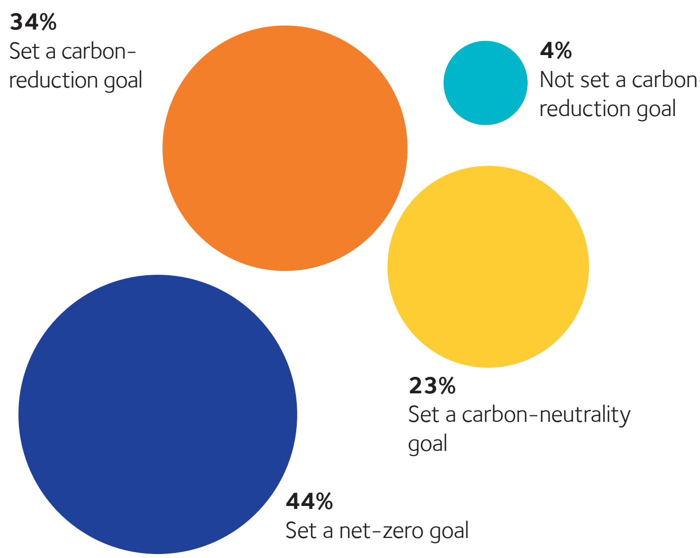
Source: CECP Global Exchange Survey, 2021 data.

Carbon and GHG Emissions Goals

Under the 2015 Paris Agreement, 192 countries adopted an ambitious goal to reduce greenhouse gas (GHG) emissions: limit global temperature rise to well below 2°C above preindustrial levels before the end of the 21st century while working to limit global warming to 1.5°C. According to the Intergovernmental Panel on Climate Change (IPCC) 2018 report,[4] the world needs to attain net-zero emissions by 2050 to stick to this pathway and avert some of the worst impacts of climate change.

The GX Survey asked companies to disclose which carbon-reduction goals or commitments they have made. Thirty-four percent of companies have set goals to reduce their carbon emissions (Figure 14). Fewer (23%) have set carbon-neutrality goals, i.e., goals to balance their carbon emissions with the amount they absorb or remove from the atmosphere. An impressive 44% have set net-zero goals, which aim to reduce all greenhouse gas emissions and ensure removal of any residual emissions. Just 4% of responding companies indicated that they have not set any carbon-reduction goal.

FIGURE 14. **Types of Carbon-Reduction Goals**



Source: CECP Global Exchange Survey, 2021 data. N=79

A review of Bloomberg data indicates a very similar level of net-zero commitments across a larger number of global companies. In 2021, 43% of the top 3,000 global companies publicly reported net-zero emissions targets (Figure 15). This level of commitment follows a remarkable level of growth over the past several years, from just 9% in 2019 to 24% in 2020 to more than 40% of global companies having set net-zero targets by 2021 (analysis was conducted across an unmatched set of companies). Communications, Energy, and Utilities companies led other industries, with more than half of companies in these sectors having set net-zero targets in 2021. The Health Care (35%) and Real Estate (26%) sectors lagged behind their peers.

4 https://www.ipcc.ch/sr15/

FIGURE 15. Percentage of Companies with Net-Zero Emissions Targets

INDUSTRY	PERCENTAGE
Communications	56%
Consumer Discretionary	40%
Consumer Staples	38%
Energy	53%
Financials	46%
Health Care	35%
Industrials	41%
Information Technology	42%
Materials	40%
Real Estate	26%
Utilities	55%
ALL COMPANIES	43%

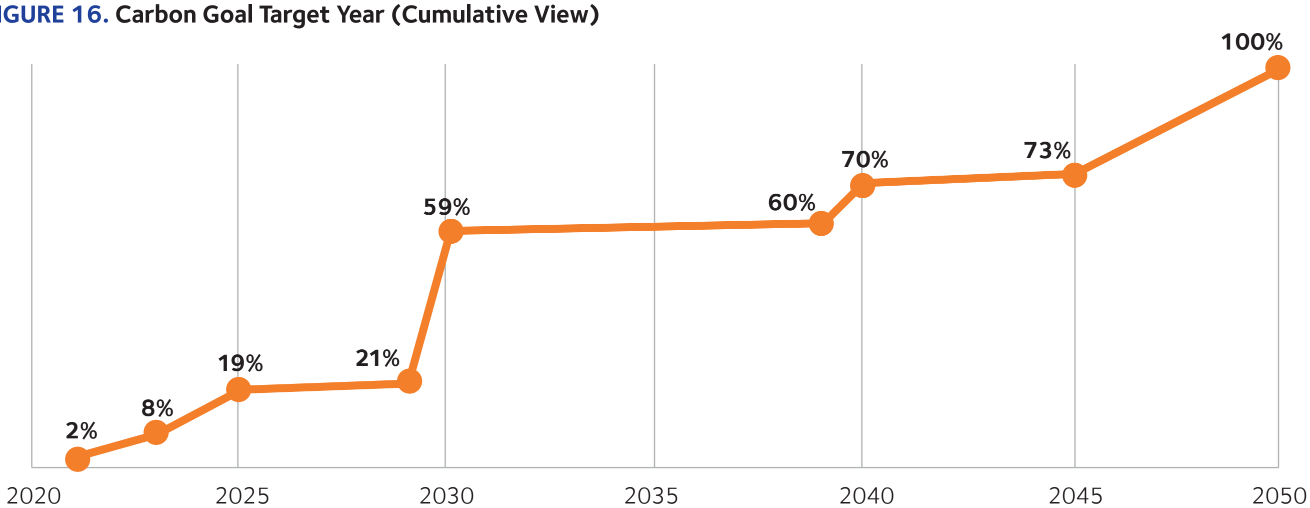
N=1,921

Source: Bloomberg ESG database, 2021 data, CECP analysis.

While the growth in the number of commitments is heartening news, GX Survey data illustrate that there is variance among the timelines companies have set for themselves. When asked whether their company's carbon goal has a target year, just 4% of respondents indicated that they had no formal goal in place in 2021. Fifty-nine percent of companies that did have goals pointed to near-term target years between 2021-2030 (Figure 16). The other 41% pointed to longer-term goals, with target years spanning from 2031-2050. For companies setting their goals within the current decade, 2030 was the most common target year, cited by 38% of companies who reported a goal. The second most prevalent target year was 2050, cited by 27% of companies who reported goals.

Bloomberg data indicate more ambitious timelines for global companies who disclosed a target year for their net-zero emissions in 2021 (N=623). A vast majority of companies (87%) set near-term target years for their net-zero emissions between 2020-2030 (Figure 17). The remaining 13% of companies pointed to target years spanning from 2031-2050.

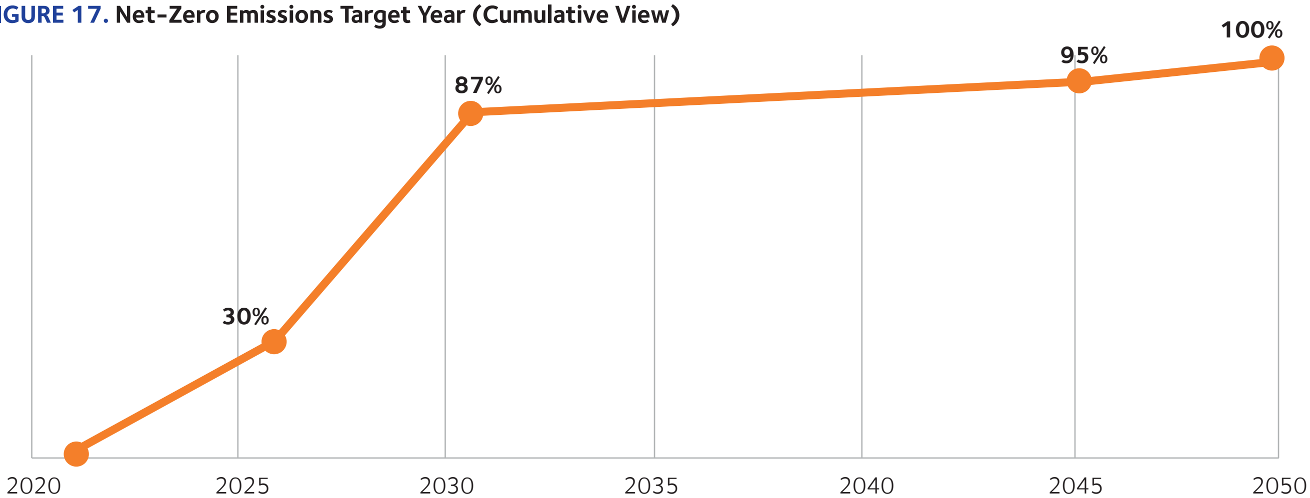
FIGURE 16. Carbon Goal Target Year (Cumulative View)



Source: CECP Global Exchange Survey, 2021 data.

N=63

FIGURE 17. Net-Zero Emissions Target Year (Cumulative View)



Source: Bloomberg ESG database, 2021 data, CECP analysis.

N=623

Sustainable Development Goals (SDGs)

When the United Nations Sustainable Development Goals (SDGs) were adopted in 2015, corporations were encouraged to contribute through the UN Global Compact. Since then, many companies have not only used the SDGs as a framework for their corporate responsibility strategies but have also leveraged ESG initiatives to deliver on the goals.

CECP analysis of Bloomberg data for an unmatched set of global companies shows that, in 2021, 31% of companies (N=1,947) had set a quantitative target for achieving at least one of the 17 SDGs (Figure 18), up from 25% in 2020 (N=2,408) and 18% in 2019 (N=2,374). Clearly companies continue to adopt the SDGs framework as a means to organize and formalize their social impact commitments, with 3 out of 10 global companies having made such a commitment as of 2021.

Regarding how these commitments look across industries, Consumer Staples (38%), Energy (38%), and Utilities (43%) are clear leaders in adopting the SDGs. At 18%, Real Estate is the industry least likely to have set a quantitative SDG. All other industries have seen double-digit growth in the percentage of companies with at least one SDG from 2019-2021.

FIGURE 18. Percentage of Companies with at Least One SDG

INDUSTRY	PERCENTAGE
Communications	28%
Consumer Discretionary	29%
Consumer Staples	38%
Energy	38%
Financials	25%
Health Care	31%
Industrials	30%
Information Technology	30%
Materials	34%
Real Estate	18%
Utilities	43%
ALL COMPANIES	31%

N=1,947

Source: Bloomberg ESG database, 2021 data, CECP analysis.

BRAZIL Vale: PrevisIA Tool

The PrevisIA tool aims to help protect the Amazon rainforest, especially during the dry season, using artificial intelligence to provide data on the risk of deforestation and fires. The tool collates publicly available information such as topography, land cover, urban infrastructure, official and unofficial roads, and socioeconomic data to identify possible trends in forest conversion. This allows local agencies to plan and execute preventive measures to combat and control deforestation. The PrevisIA tool is funded by Fundo Vale, Microsoft, and the Instituto do Homem e Meio Ambiente da Amazônia (Imazon). The tool has already identified that 15,391 km² of the Amazon were at high risk of deforestation in 2022.[5]

UNITED KINGDOM Anglian Water: Tomato Greenhouse

Anglian Water has embedded a legal requirement in its articles of association: for the Board of Directors to consider the impact of the company's decisions on the environment. One example of this is a partnership with Oasthouse Ventures on low-carbon farming through the development of greenhouses that grow tomatoes in a hydroponic system using waste heat from Anglian Water treatment facilities. This development aims to create jobs, increase local food production, and cut carbon emissions in the food supply chain by reducing the number of miles food must travel from farm to market.[6]

5 https://imazon.org.br/imprensa/previsia-imazon-microsoft-e-fundo-vale-lancam-ferramenta-de-inteligencia-artificial-que-ajudara-na-prevencao-do-desmatamento-da-amazonia/

6 https://www.anglianwater.co.uk/environment/addressing-climate-change/carbon-management/

SPAIN Amadeus: Travel4Impact

Travel4Impact is a collaborative project funded by Amadeus and IE University to improve the competitiveness and positive social and environmental impact of travel and tourism small- and medium-sized enterprises (SMEs). This is achieved through the management of a network of small companies that see digitalization and sustainability as key elements of their value proposition. The project is 100% subsidized for participating SMEs.[7]

GERMANY SAP SE: SAP Social Sabbatical

The SAP Social Sabbatical is a portfolio of global pro-bono consulting programs in which SAP employees are placed in highly diverse teams with the opportunity to dedicate their professional skills and expertise to social businesses and nonprofit organizations. In these short-term assignments, they work on critical business challenges and help organizations to maximize their social impact and accelerate growth. By doing so, SAP employees strengthen their leadership competencies and cultural awareness and gain a stronger understanding of emerging markets and the social sector. For SAP, the program increases employee engagement and retention, develops new insights into emerging markets, and improves brand reputation.[8]

SOUTH AFRICA Momentum Metropolitan Foundation: Youth Empowerment Projects

Since 2017, Momentum Metropolitan Foundation (MMF) has been focused on one of South Africa's biggest challenges: youth unemployment. MMF's strategic focus on programs that provide young people with the skills and capabilities they need to find employment are intended to foster financial wellbeing and financially secure households. Young people emerging from these programs have successfully gained employment at Momentum Metropolitan Holdings (MMH) itself, in the financial services sector, as well as other sectors. MMF invested around R12 million (US$710,600) in youth employment programs in 2021, with the following results[9]:

- 1,057 young people were recruited into Youth Empowerment Projects by implementing partners.
- 283 young people completed technical skills training in IT, learned to become call center agents, and were trained in fashion design.
- 155 young people gained physical workplace experience, with a small number doing so virtually.
- 74 young people who graduated from these programs were placed in jobs.

7 https://corporate.amadeus.com/en/sustainability/social-responsibility/travel4impact-network

8 https://www.sap.com/dmc/exp/2017_03_46558/enUS/

9 https://trialogueknowledgehub.co.za/index.php/casestudies-socialcommunity/2370-momentum-metropolitan-foundation-youth-unemployment-a-complex-phenomenon-requiring-a-holistic-solution

ESG Around the World

UNITED KINGDOM: The Better Business Act campaign, a growing coalition of leaders from across all sectors and all regions of the United Kingdom, continues to gain momentum. The campaign is calling on the government to amend Section 172 of the Companies Act to ensure businesses are legally responsible for benefiting workers, customers, communities, and the environment while also delivering profit.[10]

SPAIN: A new consumer law came into effect in February 2022 that protects consumers who are socially or economically vulnerable. The law details what services must be offered to the disabled and elderly, how complaints and enquiries should be handled, what customer services must be available, and a company's duties to collaborate with customer associations.[11]

ITALY: In 2020, Italy became the first country in the world to make education on climate change compulsory in public schools. However, the implementation has been patchy, partly due to the impact of the COVID-19 pandemic on in-person learning in schools.[12] According to a survey carried out by Censis-Assogestioni, 91.7% of Italian citizens consider global warming a concrete and dangerous phenomenon which is caused by people. 57.4% would invest in sustainable products, even if 90% of them point out that they would need third-party certification to mitigate greenwashing.[13]

GERMANY: In 2021, the German government initiated the German Supply Chain Due Diligence Act to ensure good working conditions in corporate supply chains. The act creates mandatory reporting requirements and a grievance mechanism to increase transparency for corporate actions and those of their direct and indirect suppliers. The new regulation will apply to companies with more than 3,000 employees in 2023 followed by smaller companies with at least 1,000 employees in 2024.[14]

TÜRKİYE: : In 2021, Türkiye ratified the Paris Climate Agreement and committed to net zero by 2053[15]. Türkiye is in the process of preparing a Climate Law, long-term climate change strategy and action plan. In 2020, the Capital Markets Board[16] announced that companies whose shares are traded in the Borsa Istanbul are required to use the Sustainability Report template for reporting and disclosures in relation to compliance with sustainability principles.

EUROPEAN UNION: The European Union Corporate Sustainability Reporting Directive (2021) expands the ESG reporting standards for European companies. By implementing a double materiality concept, all large companies are obliged to report not only on the material environmental and social impact of their business activities, but also on the financial materiality of the effects of sustainability factors on the companies themselves. With this regulation the number of reporting companies in Europe increases from 11,700 to over 50,000.[17]

10 https://betterbusinessact.org/
11 https://www.globalcompliancenews.com/2022/01/28/spain-the-government-intends-to-introduce-new-rules-on-customer-support-services10012022/
12 https://www.reuters.com/business/environment/pressure-builds-schools-put-climate-change-study-curriculum-2021-05-26/
13 https://www.assogestioni.it/articolo/rapporto-assogestioni-censis-investire-green-adesso-piace-agli-italiani
14 https://www.bundesregierung.de/breg-en/service/archive/supply-chain-act-1872076
15 https://www.worldbank.org/en/country/turkey/brief/towards-a-greener-and-more-resilient-turkiye
16 https://www.borsaistanbul.com/en/duyuru/3177/cmb-has-announced-the-sustainability-principles-compliance-framework
17 https://www.consilium.europa.eu/en/press/press-releases/2022/06/21/new-rules-on-sustainability-disclosure-provisional-agreement-between-council-and-european-parliament/

RUSSIA: Research from Leaders of Corporate Philanthropy shows that Russian companies' philanthropic and social investment activity reached almost 105 billion rubles in 2020 (N=39) and grew to about 153 billion rubles in 2021 (N=38). The survey also indicated that the number of companies implementing projects in the field of inclusion increased from 60% in 2018, the first time this question was included in the research, up to 77% of companies in 2021.[18]

KOREA: The Financial Services Commission announced plans to improve rules on corporate disclosure, particularly those related to ESG factors and responsible investing, in order to help investors more easily understand disclosure information and reduce filing burdens for companies.[23]

JAPAN: In June 2022, the Japanese government released its Grand Design and Action Plan for a New Form of Capitalism. One of the key elements of the plan is the requirement for companies to disclose nonfinancial information on human capital. Specifically, the report will require the disclosure of numerical data on the ratio of female managers to male, the percentage of male employees taking child-care leave, and the wage gap between men and women.[24]

INDIA: India became the first country in the world to mandate CSR investment through the Companies Act of 2013. Samhita reports that by 2020 7,054 companies were investing over or at the prescribed minimum of 2% of average profits, 3,940 companies were spending less than the mandated target, and 10,355 were not investing in mandated CSR activities at all. 30% of investments were in education, 18% in health care, 11% in rural development, and 7% in environmental sustainability. In 2021, the Security and Exchange Board of India mandated that the top 1,000 listed companies by market capitalization file business responsibility and sustainability reports based on ESG parameters.[19]

CHINESE TAIPEI: The Financial Supervisory Commission released the Corporate Governance 3.0-Sustainable Development Blueprint, comprehensively expanding the listed companies that need to disclose ESG information and strengthening the functions of board directors.[25]

MAINLAND CHINA AND HONG KONG: The state-owned Assets Supervision and Administration Commission issued a guidance for enterprise-level ESG Disclosure in May 2022, requiring all state-owned enterprises to disclose ESG reports by 2023. The Securities Regulatory Commission is prioritizing voluntary disclosure over a regulatory approach, but a revision of the China's Company Act will encourage companies to publish social responsibility reports.[20] The ruling party (CPC) laid out its long-term green development goals, including plans for a zero-carbon economy, during the 20th National Congress in October 2022.[21]

SOUTH AFRICA: In June 2022, the Johannesburg Stock Exchange released its Sustainability and Climate Disclosure Guidance that aims to promote transparency and good governance and guide listed companies on best practices in ESG disclosure.[22]

18 https://www.donorsforum.ru/reports/obyavleny-lidery-korporativnoj-blagotvoritelnosti-2022-goda/
19 https://samhita.org/wp-content/uploads/2021/10/1.pdf
20 https://esgclarity.com/chinas-soes-set-for-esg-transparency-boost/
21 http://my.china-embassy.gov.cn/eng/zgxw/202210/t20221026_10792358.htm
22 https://www.jse.co.za/our-business/sustainability/jses-sustainability-and-climate-disclosure-guidance
23 https://www.fsc.go.kr/eng/pr010101/75177
24 https://www.cas.go.jp/jp/seisaku/atarashii_sihonsyugi/pdf/ap2022en.pdf
25 https://www.sfb.gov.tw/en/home.jsp?id=271&parentpath=0,117,118,120

CANADA: Nature-based climate solutions can help Canada achieve its net-zero goals. The country's wealth of natural assets means that the conservation, restoration, and sustainable use of land have the potential to deliver up to one-third of Canada's global GHG reduction targets by 2030. The Government of Canada has pledged nearly CA$5 billion over the next ten years to support nature-based solutions, but the public sector cannot do it alone and scaling up will require massive private sector investment.[28]

UNITED STATES: The Inflation Reduction Act of 2022 aims to lower energy costs, increase clean production in American factories, and reduce carbon emissions by 40% by 2030. The act will help clean up heavy industry, encourage the domestic manufacture of clean-energy technologies and components, award renewable-energy tax credits, provide consumer rebates for the installation of efficient appliances, encourage clean transit, build worker-training programs, and address environmental justice inequities.[26]

BRAZIL: In December 2021, the Brazilian Securities Commission (CVM) released CVM Resolution No. 59, which establishes criteria for the non-mandatory disclosure of ESG information. All publicly listed companies in Brazil must now disclose on their company reference form whether they disclose ESG data, what methodology and format they use for disclosure, whether the disclosure is externally audited and assured, where the data are publicly available, if the report contains a materiality assessment, how the report addresses the SDGs, and details on the company's GHG emissions.[27]

26 https://www.congress.gov/bill/117th-congress/house-bill/5376/text
27 https://conteudo.cvm.gov.br/legislacao/resolucoes/resol059.html
28 https://www.conferenceboard.ca/e-library/abstract.aspx?did=11394

Community investments through cash contributions, grantmaking, and donations of goods and services have long been a means for corporations worldwide to demonstrate their commitment to improving the regions where they operate and to addressing the social issues most critical to key stakeholders. Increasingly, these investments support corporations in strategic social impact initiatives, aligning needed resources with causes and partnerships that drive value both inside and outside companies.

Community Investment Trends

CECP's *Giving in Numbers: 2021 Edition* showcased the highest increase in total community investments[29] on record in 2020 as companies rallied resources to respond to the pandemic and related socioeconomic crises with incredible levels of generosity. *Giving in Numbers: 2022 Edition*, which reported on 2021 data, indicates that as the immediate needs of the pandemic subsided, companies elected to scale back giving budgets rather than sustain them. Among a matched set of companies (N=173), total community investments rose from US$29.4 million in 2019 to US$39.3 million in 2020 before settling back to US$31.5 million in 2021.[30]

A CECP analysis of Bloomberg terminal data tells a similar story. Community spend[31] data from an unmatched set of top global companies, shows a median of US$4 million in 2021 (N=1,131), retracting slightly from US$4.39 million in 2020 (N=1,398), yet remaining above the pre-pandemic median of US$3.55 million in 2019 (N=1,324). This reflects 13% growth in median total community spend from 2019 to 2021. In 2021, companies in the Communications and Health Care sectors were once again the most generous, with median spends of US$11.77 million and US$9.41 million, respectively (Figure 19).

FIGURE 19. Median Community Spend by Companies in US$ Millions

INDUSTRY	MEDIAN IN MILLIONS (US$)
Communications	$11.77
Consumer Discretionary	$2.60
Consumer Staples	$7.28
Energy	$3.84
Financials	$7.75
Health Care	$9.41
Industrials	$1.94
Materials	$2.25
Information Technology	$3.00
Real Estate	$2.32
Utilities	$6.35
ALL COMPANIES	$4.00

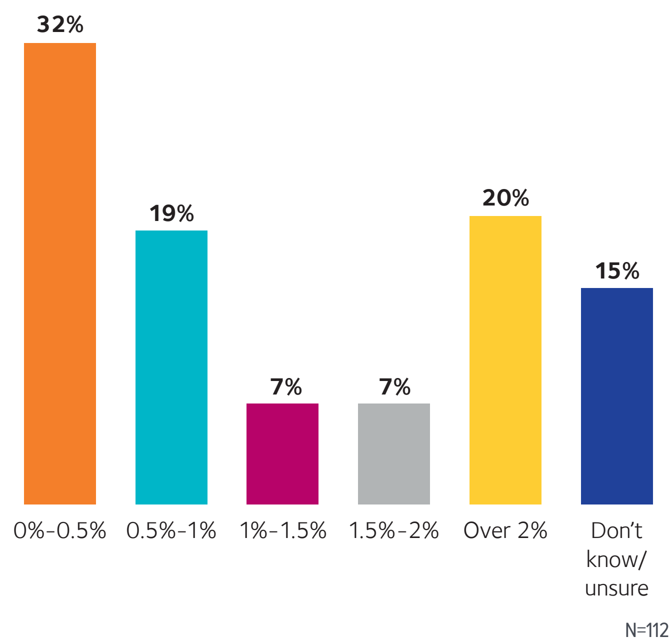
N=1,131

Source: Bloomberg ESG database, 2021 data, CECP analysis.

The Financials sector demonstrated steady, incremental growth from US$7.05 million in 2019 to US$7.75 million in 2021, while the Utilities sector showed continued increases in median community spend year over year, from a median spend of US$3.44 million in 2019 to US$5.9 million in 2020 and US$6.35 million in 2021.

Companies participating in the GX Survey were asked to disclose what percentage of profit they spent on social investments in 2021. Thirty-four percent of companies said they spent more than 1% of profit, with 20% spending over 2% of profit. While 51% of respondents spent less than 1% of profit (Figure 20), 15% of companies were unsure what percentage of profit they spent on social investments.

FIGURE 20. Spending on Social Investments as a Percentage of Profit



Source: CECP Global Exchange Survey, 2021 data.

CECP's *Giving in Numbers: 2022 Edition* reveals an interesting trend related to total community investment as a percentage of pre-tax profit. Among a matched set of companies (N=108), median total community investment as a percentage of pre-tax profit showed an overall decrease of 8% between 2019 and 2021 (from 0.82% to 0.76%) and a 40% drop from 2020 to

29 The *Giving in Numbers* Survey defines total community investment as the sum of three types of giving: Direct Cash, Foundation Cash, and Non-Cash.

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

31 Bloomberg defines community spend as the amount of money spent by a company on community-building activities in millions, including both cash and in-kind donations (and excluding employee contributions and money raised through events).

2021 (from 1.26% to 0.76%).[32] With median dollars remaining higher than pre-pandemic levels, but giving as a percentage of profit dropping below 2019 rates, it seems clear that as profits grew for many sectors in 2021, levels of spending on community investments did not keep pace.

Analysis of community spend as a percentage of pre-tax profit drawn from Bloomberg terminal data of an unmatched set of the top 3,000 global companies by revenue demonstrates a median percentage across all companies of 0.36% in 2021 (N=1,040), retracting from 0.56% in 2020 (N=1,194), and falling below the pre-pandemic median of 0.47% in 2019 (N=1,324). Communications led other industries in their commitment with a median of 0.93% (Figure 21). Perhaps most notably, Consumer Staples was the only industry whose median percentage in 2021 (0.89%) eclipsed its median giving level in 2019 (0.73%); all other sectors experienced reductions.

FIGURE 21. Community Spend as a Percentage of Pre-Tax Profit, Industry Medians

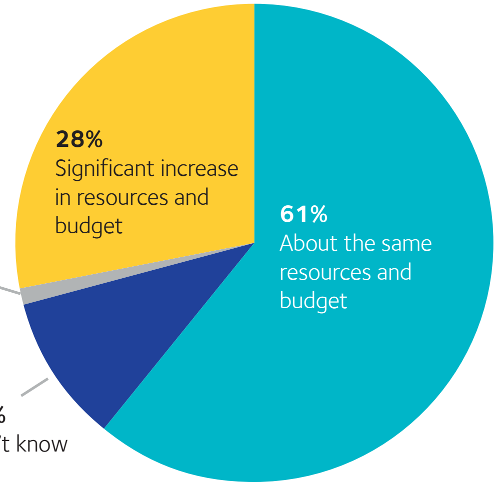
INDUSTRY	MEDIAN
Communications	0.93%
Consumer Discretionary	0.32%
Consumer Staples	0.89%
Energy	0.37%
Financials	0.34%
Health Care	0.35%
Industrials	0.31%
Information Technology	0.31%
Materials	0.28%
Real Estate	0.13%
Utilities	0.47%
ALL COMPANIES	0.36%

N=1,040

Source: Bloomberg ESG database, 2021 data, CECP analysis.

As noted above, companies responded to the demands of the pandemic with increased levels of generosity in 2020 that for the most part were not sustained in 2021. When the GX Survey asked companies to predict how their social investment budget would change over the next two years, 28% predicted a significant increase in budget and resources, 61% predicted budgets to be about the same, and just 1% predicted a significant decrease (Figure 22). Financials (50%) and Consumer Staples companies (43%) were more likely to expect a significant increase in funding over the next two years. Smaller companies (with revenues of US$5 billion and under) made up half (50%) of those expecting to increase investments, while among large companies (with revenues of more than US$50 billion) only 14% predicted a significant increase.

FIGURE 22. Predicted Change to Social Investments Over the Next Two Years



Source: CECP Global Exchange Survey, 2021 data.

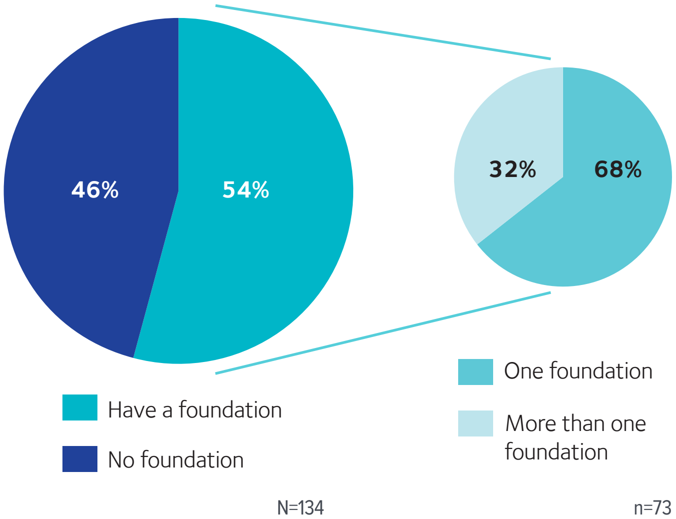
To understand the extent to which global companies leverage foundations as vehicles for their community investments, the GX Survey asked companies to report on whether they maintain one or more foundation. More than half of surveyed companies (54%) had a foundation or trust in 2021 (Figure 23), suggesting foundations are seen as a beneficial community investment model globally. Some countries have laws that favor a foundation structure to conduct social investment locally. Corporate foundations are highly dependent on the countries in which they are set up, given that every country has highly individualized legal and tax requirements. Companies invest the time and effort to establish a foundation because foundations are strategic tools for acting on social issues within a country's boundaries. Thirty-two percent of companies had more than one foundation: the average number was 3.5 and the median was 3. This is similar to the 2021 GX Survey results based on 2020 data, in which the average was 4 and the median was also 3.

Companies with more than one foundation tend to be larger companies. Forty-nine percent of those with more than one foundation have revenues of at least US$15 billion, and 47% of those with more than one foundation have at least 30,000 employees. Not surprisingly, more than half of companies with more than one foundation offered matching-gift programs. Additionally,70% of companies with more than one foundation delivered an international impact grant.

CECP's *Corporate Foundations: Designing for Impact* report:
For more on the role corporate foundations play in advancing corporate strategies and driving social value, refer to CECP's *Corporate Foundations: Designing for Impact* report.[33]

32 https://cecp.co/home/resources/giving-in-numbers/
33 https://cecp.co/download-pdfform/?pdflink=wp-content/uploads/2023/01/CECP-Corporate-Foundations_FINAL_1.4.23.pdf

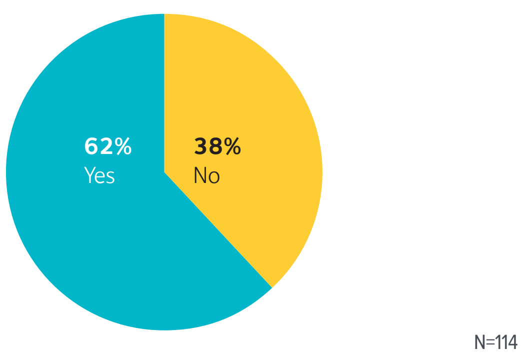
FIGURE 23. **Prevalence of Foundations**



Source: CECP Global Exchange Survey, 2021 data.

Sixty-two percent of all companies that responded to the GX Survey directed at least one grant to international end-recipients in 2021 (Figure 24). Sixty-two percent of those companies who made international community investments had revenues above US$5 billion. These larger companies were more likely to have a network of locally administered foundations that could create local partnerships on the company's behalf.

FIGURE 24. **Companies Making International Grants**



Source: CECP Global Exchange Survey, 2021 data.

Ninety-two percent of Information Technology companies made international grants in 2021, along with 73% of Consumer Discretionary companies and 71% of Financials companies. Utilities were the least likely sector to make international grants (Figure 25).

BRAZIL Neoenergia: Educational Ideas and Practices Desk

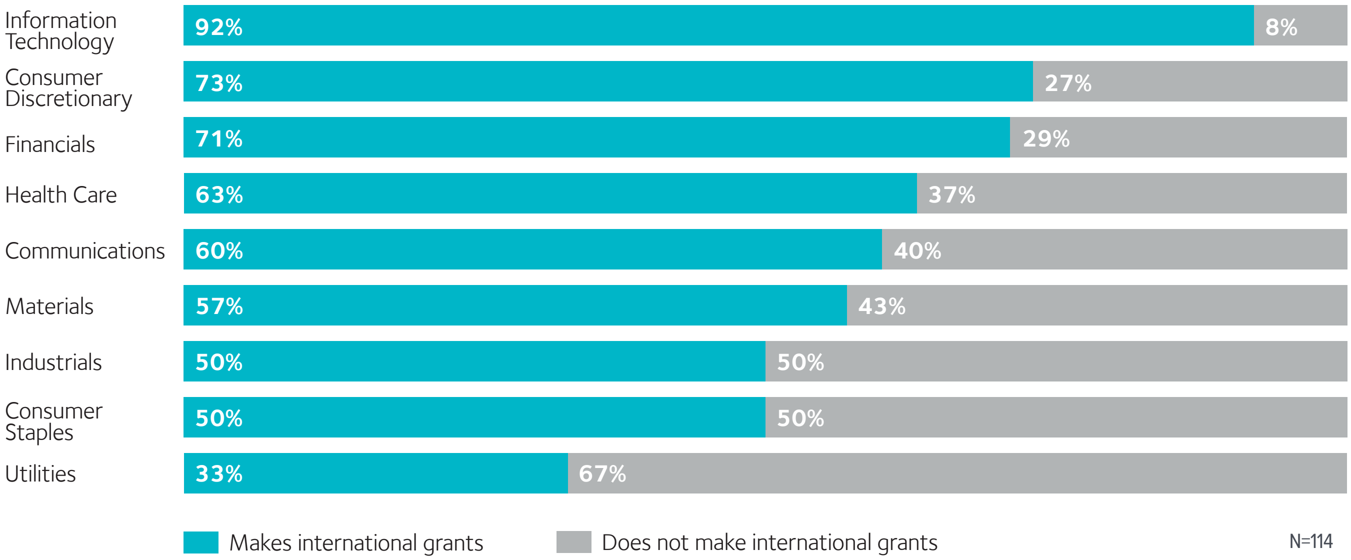
The Educational Ideas and Practices Desk is a partnership between Centro Integrado de Estudos e Programas de Desenvolvimento Sustentável (CIEDS)—a Brazilian NGO—and Instituto Neoenergia. In 2020, a platform was launched to share innovative ideas and best practices in education by advising educational administrators and facilitating the continuing education of teachers and school managers. The program is based on the ten competencies of the National Common Curricular Base. With the advent of COVID-19, the project pivoted to focus on best practices in online and hybrid learning. The project is centered on nine municipalities in four states, with more than 2,000 teachers and administrators participating. More than 52,000 students have been impacted by the program to date.[34]

GERMANY Siemens: Siemens Caring Hands

Through the Siemens Caring Hands Charity, the company fosters efforts to live up to the commitment of its founder Werner von Siemens, who said he would never sell the future for instant profit. With the combined generosity of employee donations and corporate matching gifts, the charity responds to major disasters and humanitarian crises around the world to help those in need. Using the power of a unique ecosystem that draws on the special expertise of regional organizations and local companies, more than €25 million (US$26.5M) was invested in response to major crises such as the war in Ukraine and the COVID-19 pandemic, bringing essentials to communities in need such as food, housing, educational technology to children in remote areas, protheses for war victims, and resources to build both mobile and permanent medical aid stations.[35]

34 https://balcaodeideias.ciedseduca.org.br
35 https://siemens-caring-hands.org/en/

FIGURE 25. **International Grants by Industry**



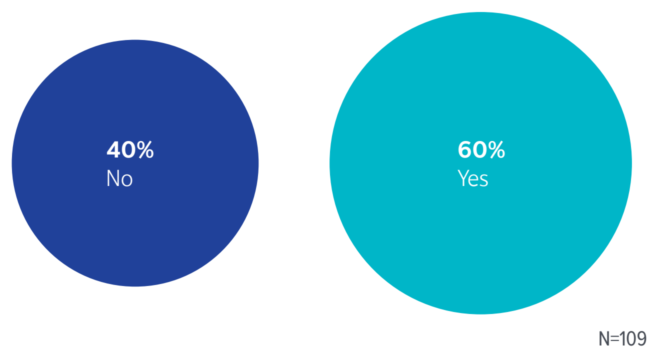
Source: CECP Global Exchange Survey, 2021 data.

Employee Giving, Matching, and Volunteering

In addition to investing financial and material resources in communities where companies operate, engaging employees in strategic social partnership initiatives drives multiple forms of business value while bringing needed resources into communities. GX Survey findings underscore that a majority of global companies manage programs that help connect employees with giving and volunteering opportunities. Increasingly, companies view these programs as tools for attracting talent and driving employee engagement, thereby supporting productivity and retention.

Matching-gift programs are a popular offering because they provide a way to incentivize employee participation in company giving campaigns and are also likely to support employee contributions to personal interests. GX Survey analysis shows that 60% of companies offered at least one matching-gift program in 2021 (Figure 26). This represents a decrease from the prior year's research, based on 2020 data, in which 70% of companies indicated that they offered matching-gift programs (N=131). This rate is also lower than that in CECP's *Giving in Numbers* Survey analysis, which showed that 92% of companies offered at least one matching-gift program in 2021 (N=173).[36] Nonetheless, the global survey research used for this report demonstrates that these programs remain prevalent among a strong majority of companies worldwide.

FIGURE 26. **Companies Offering Matching-Gift Programs**

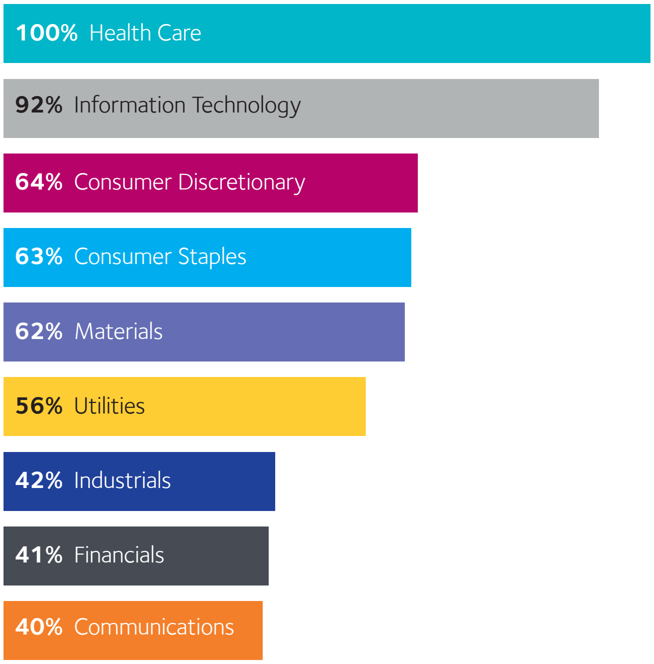


Source: CECP Global Exchange Survey, 2021 data.

With respect to which companies were more likely to offer matching-gift programs in 2021, the Health Care and Information Technology industries led the way with all or nearly all their companies offering matching-gift programs (Figure 27). More than half of Consumer Discretionary, Consumer Staples, Materials, and Utilities companies offered matching-gift programs, whereas fewer than half of Industrials, Financials, and Communications companies reported offering matching-gift programs in 2021. GX Survey analysis also indicated that larger companies were more likely to offer matching-gift programs than smaller companies were. Seventy percent of companies with revenue of US$10 billion or more offered matching-gift programs in 2021, whereas just 52% of companies with revenue under US$10 billion did (N=109).

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

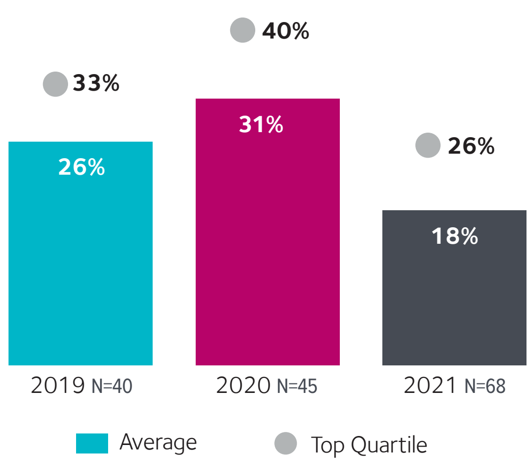
Figure 27. Companies Offering Matching-Gift Programs by Industry



Source: CECP Global Exchange Survey, 2021 data. N=109

Regarding participation rates in matching-gift programs in 2021: the average rate was 18% and the top quartile was 26% (Figure 28). This shows a retraction from higher 2020 engagement levels, when many employees stepped up to contribute to COVID-19 relief efforts and related causes. Engagement last year fell below pre-pandemic levels for companies responding to the most recent survey. Interestingly, the average 2021 participation rate from this global survey is consistent with the CECP *Giving in Numbers* Survey analysis, which showed that the average participation rate in matching-gift programs in 2021 was 20% (N=164).[37]

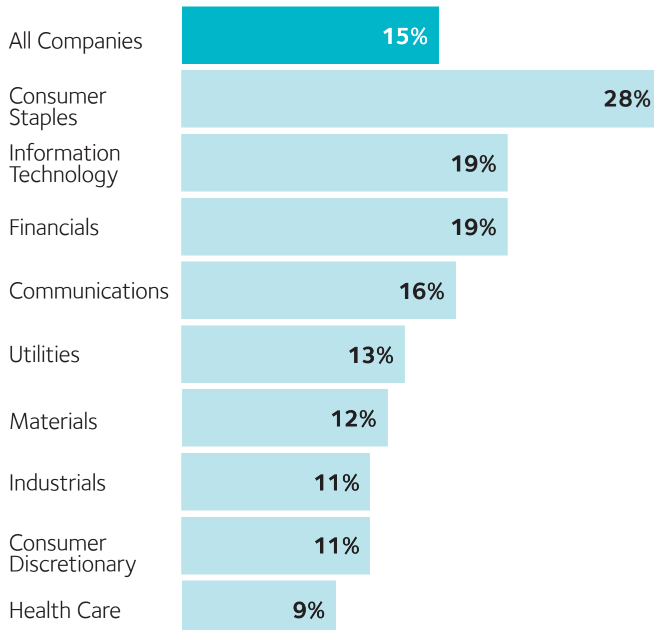
FIGURE 28. Employee Participation in Matching-Gift Programs, 2019-2021, Unmatched Set



Source: CECP Global Exchange Survey, 2021 data.

Companies continue to adapt their employee volunteer programs in the wake of challenges brought on by the pandemic, including in-person restrictions and many employees shifting to remote or hybrid roles. Similar to matching-gift program participation rates in the GX Survey, volunteer participation across an unmatched set of companies appear also to have fallen slightly, from 21% in 2020 (N=96) to 15% in 2021 (N=89). The industries with higher-than-average rates in 2021 were Consumer Staples (at 28%), followed by Information Technology, Financials, and Communications (Figure 29).

FIGURE 29. Average Volunteer Participation Rates by Industry



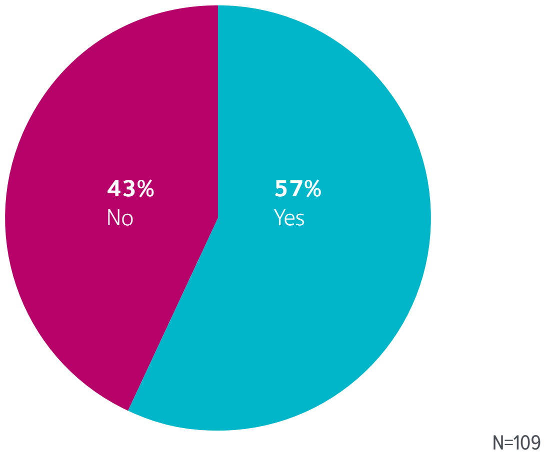
N=89

Source: CECP Global Exchange Survey, 2021 data.

To promote volunteer engagement in the current context, companies have had to adapt programs to offer greater flexibility in how and when employees volunteer. In addition to virtual volunteer programs, Volunteer Time-Off policies that allow employees to volunteer during business hours have become an important tool in supporting employee volunteerism. Fifty-seven percent of GX Survey respondents indicated that they have policies that support employee volunteer time (Figure 30). The median number of hours offered to colleagues annually in 2021 was 16 (equal to 2 workdays), which is consistent with survey results in both 2020 and 2019. The most common number of annual volunteer hours available was 8, with 24% of companies that have policies providing the equivalent of one workday to employees. Top quartile companies offer 40 hours (the equivalent of a full work week) or more.

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

FIGURE 30. **Companies Offering Volunteer Time Off**

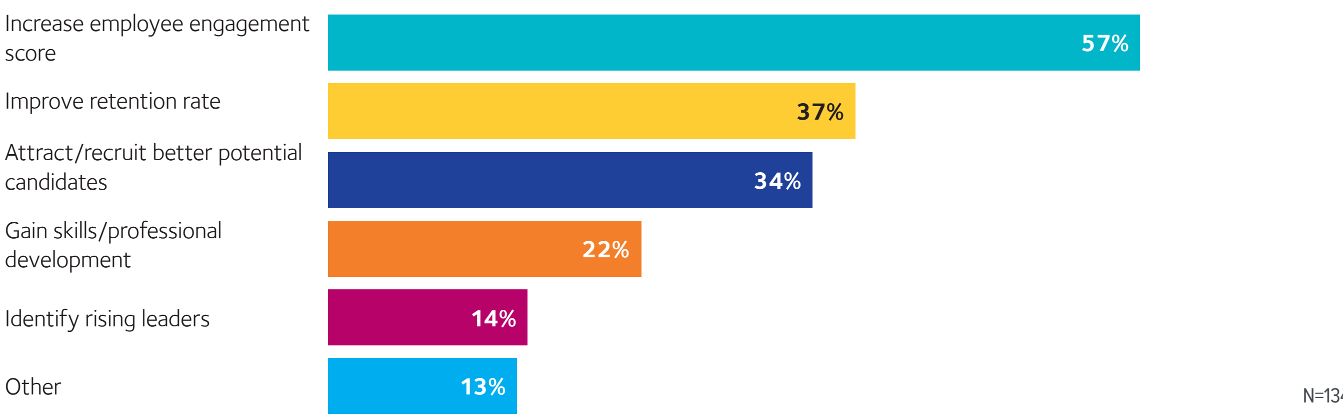


Source: CECP Global Exchange Survey, 2021 data.

Having strong community investment strategies, including offering programs like matching gifts and volunteer programs, supports business goals and drives multiple forms of value for companies. The GX Survey asked companies to identify what employee benefit of community investments they perceive as most important. Increasing employee engagement topped most companies' list at 57% (Figure 31). This reflects the commonly held view that helping employees connect with purpose at work and fostering a sense of community drive engagement. A smaller but significant number of companies indicated that improving retention rates (37%) and attracting better potential candidates (34%) are also very important.

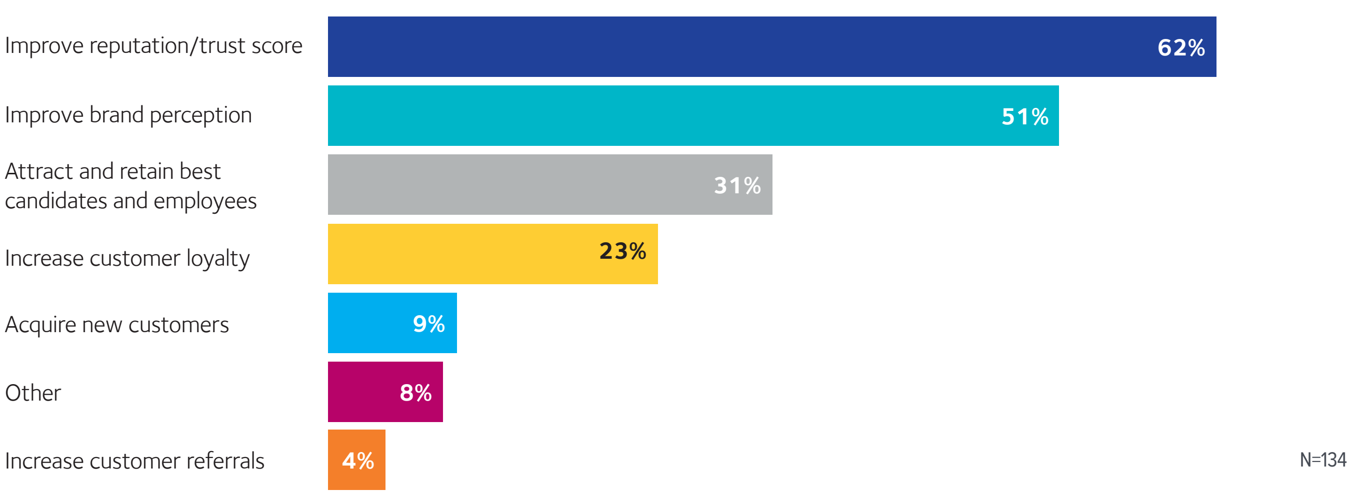
To understand how companies perceive the business value of their community investments, survey respondents were also asked to identify the customer or brand benefit of community investments that are most important. A majority of companies indicated that improved trust or reputational score (62%) and improved brand perception (51%) were the most important benefits, underscoring that companies primarily value the ways in which community investments contribute positively to their public image (Figure 32). Just under a third (31%) felt that attracting and retaining talent were most important. And customer benefits such as increased loyalty (23%), attracting new customers (9%), and increasing referrals (4%) ranked as the least important benefits.

FIGURE 31. **Most Important Employee Benefit of Community Investments**



Source: CECP Global Exchange Survey, 2021 data.

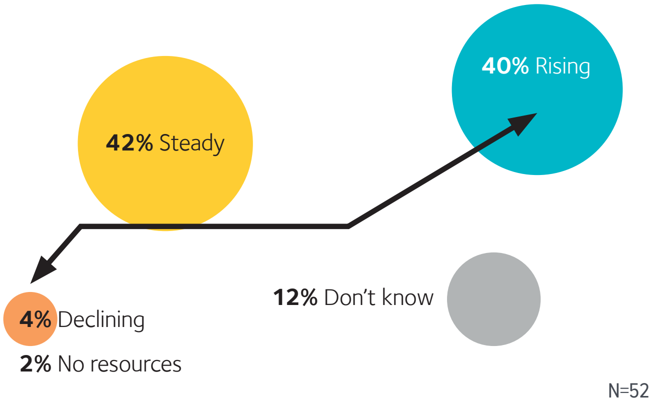
FIGURE 32. **Most Important Customer or Brand Benefit of Community Investments**



Source: CECP Global Exchange Survey, 2021 data.

As companies consider what issues present the greatest reputational risks and therefore warrant management and oversight, Human Rights continues to be an area of increasing focus. When the GX Survey asked to describe how resource allocations for Human Rights are changing in the current environment, 40% of companies indicated that they are dedicating more of their resources to Human Rights (Figure 33).

FIGURE 33. Human Rights, Resource Change



Source: CECP Global Exchange Survey, 2021 data.

Most companies have policies in place to guide these efforts and protect the rights of everyone they work with. These policies typically include a commitment to adhering to the United Nations Guiding Principles on Business and Human Rights[38] and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.[39] In using Bloomberg data to review Human Rights policies within a three-year matched set of the top 3,000 global companies for the period of 2019-2021, the data show a 7-percentage-point growth in policy adoption, from 76% to 83%, among all companies that publicly reported on their Human Rights policies for all three of those years (Figure 34). In 2021, 92% of Energy, Information Technology, and Utilities companies had Human Rights policies in place. While Real Estate had the lowest percentage of companies with Human Rights policies in 2021 (73%), it was also the industry with the greatest growth (11 percentage points) from 2019 to 2021.

FIGURE 34. Percentage of Companies with a Human Rights Policy, Three-Year Matched Set, 2019-2021

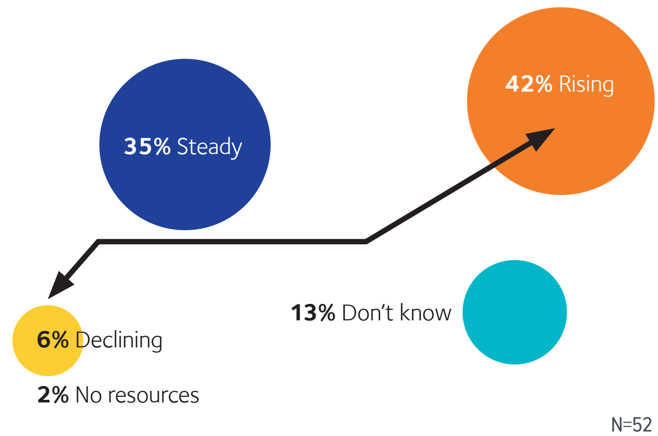
INDUSTRY	2021
Communications	83%
Consumer Discretionary	78%
Consumer Staples	84%
Energy	92%
Financials	80%
Health Care	85%
Industrials	84%
Information Technology	92%
Materials	79%
Real Estate	73%
Utilities	92%
ALL COMPANIES	83%

N=1,984

Source: Bloomberg ESG database, 2019, 2020, 2021 data, CECP analysis.

In addition to monitoring and managing the social impact of a company's own operations, companies are increasingly held accountable for identifying risks across the whole of their supply chain. Therefore it is not surprising that 42% of companies responding to the GX Survey indicated that the resources they allocate toward social strategies related to their supply chain are rising (Figure 35).

FIGURE 35. Social Strategies for Entities Within Supply Chain, Resource Change



Source: CECP Global Exchange Survey, 2021 data.

ITALY Intesa San Paolo Fondazione Ceur: Camplus Campuses

Fondazione Ceur is the largest housing provider for university students in Italy. Camplus campuses is their program that offers green housing to students and provides them with an opportunity to live comfortably, pursue their education, develop social relationships, and be introduced to employment opportunities, all in one network. The program covers 1,300 students (20% foreign), in 12 Italian cities and one in Spain. Entry is based on economic status and merit. The alumni network includes 4,000 former students and partner firms that now employ them.[40]

38 https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf
39 https://www.ilo.org/declaration/lang--en/index.htm
40 https://www.ceur.it/en/the-camplus-world/

In 2021, most global companies reported having initiatives in place to reduce the social risks in their supply chain, such as poor working conditions, the use of child or forced labor, or lack of a living, fair, or minimum wage. CECP analysis of Bloomberg data shows that, in 2021, 82% of global companies (N=1,980) undertook social supply chain management activities (Figure 36). Leading their peers, 90% of Information Technology and Utilities companies reported supply chain management, while Consumer Staples (85%), Health Care (87%), and Real Estate (86%) also reported management rates higher than the overall average. Financials companies reported the lowest rate of supply chain management: 74%.

FIGURE 36. Social Supply Chain Management

INDUSTRY	MEDIAN
Communications	81%
Consumer Discretionary	82%
Consumer Staples	85%
Energy	81%
Financials	74%
Health Care	87%
Industrials	82%
Information Technology	90%
Materials	82%
Real Estate	86%
Utilities	90%
ALL COMPANIES	82%

N=1,980

Source: Bloomberg ESG database, 2021 data, CECP analysis.

BRAZIL UnitedHealth Group: Afrobusinesses, Turning the Wave

The Afrobusinesses, Turning the Wave program is a collaboration between United Health Group and the Brazil Afro-Entrepreneur Network (REAFRO). It was inaugurated in 2020 to support and train Afro-entrepreneurs impacted economically by the COVID-19 pandemic. The program provides online classes on management, economics, and entrepreneurship while providing individual and collective mentoring. Both formal businesses and informal entrepreneurs have access to the program. In the first three cycles of the program, 550 entrepreneurs have been reached, with these small business owners receiving more than 100 hours of training in digital transformation, financial management, mentorships provided by MentPreta, and business management taught by REAFRO National Business School.[41]

RUSSIA MTS: Preparing for Future Careers

MTS provides career guidance and mentoring to school children using volunteers and digital platforms to support free in-person and online learning. Subjects include digital technologies, IT professions and human resources opportunities of the future. The interactive mechanics is used to keep lessons engaging. Children learn about the history of mobile communications and telecommunications, explore the possibilities of virtual reality technologies, expand their digital horizons, and participate in contests and quizzes on financial literacy and digital hygiene. The educational program of the project has also been adapted for children with special needs. MTS Fintech volunteers also regularly conduct tours in the company's headquarters, where students can learn about modern banking, popular professions in this field, and tips for building career.[42]

41 https://reafro.org/site/afronegocios-virando-a-onda/
42 https://www.akm.ru/press/mts_prizanana_liderom_premii_vremya_innovatsiy_2022/

With the stresses brought on by concurrent health, social, and political challenges worldwide, coupled with seemingly constant change in workplace management, resource constraints, and the effects of the Great Resignation, it is no surprise that employee engagement levels suffered globally in 2020 and 2021. According to Gallup's *State of the Global Workplace: 2022 Report*, 21% of the world's workers were engaged in 2021, which was a 1-percentage-point increase from 2020, but a drop from 2019's pre-pandemic level of 22%.[43] This drop follows what had been a steady period of growth over the past decade and has costly implications for companies. Gallup estimates lost productivity from poor engagement cost the world US$7.8 trillion, or the equivalent of 11% of global GDP.[44] It is incumbent on corporate leaders to ensure the basic drivers of employee engagement are in place and to invest in initiatives that support employee wellbeing and development.

Engagement, Wellbeing, and Development

CECP's review of Bloomberg data shows that for large global companies the median employee turnover rate of 10.6% in 2021 (N=948) was more than 1 percentage point higher than it was in 2020 (9.0%) (N=1,061). This data point captures the number of employees that left the company within the past year expressed as a percentage of the average total number of employees. Some sectors were more adversely impacted by pandemic-related closures, interruptions, and eventual employee burnout that led to resignations in 2021. The data show that Real Estate at 19%, Consumer Staples at 17%, and Health Care at 14% showed higher rates of turnover than other industries in 2021 (Figure 37). Utilities (8.90%), Energy (8.14%), and Materials (7.7%) companies were considerably more successful in retaining talent than their peers.

FIGURE 37. Employee Turnover, Median Percentage

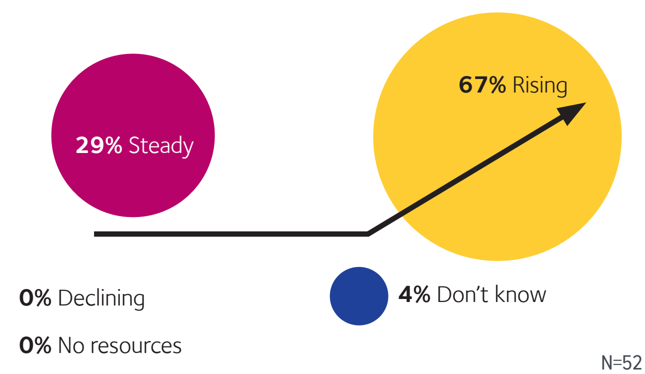
INDUSTRY	MEDIAN PERCENTAGE
Communications	11.21%
Consumer Discretionary	12.45%
Consumer Staples	17.00%
Energy	8.14%
Financials	10.32%
Health Care	14.00%
Industrials	9.70%
Information Technology	10.38%
Materials	7.70%
Real Estate	19.00%
Utilities	8.90%
ALL COMPANIES	10.60%

N=948

Source: Bloomberg ESG database, 2021 data, CECP analysis.

Companies responding to the GX Survey were asked to describe how resource allocations toward healthy lifestyles and wellbeing changed in 2021. A strong majority, 67% of companies, indicated that they are increasing their investments in initiatives to support health and wellbeing (Figure 38). Notably, there were no companies that indicated these resources were declining or that no resources were invested.

FIGURE 38. Healthy Lifestyles, Wellbeing, Resource Change



Source: CECP Global Exchange Survey, 2021 data.

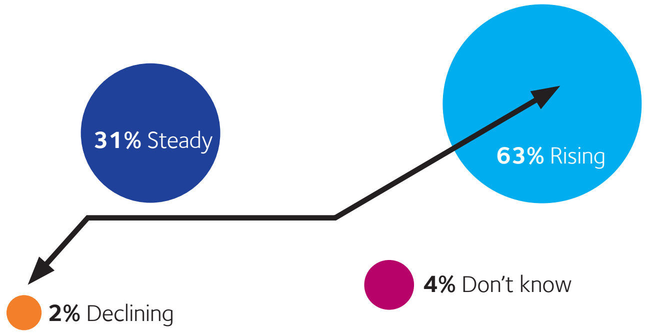
Most companies have formal policies in place to help ensure the health and safety of workers. CECP's review of Bloomberg ESG data shows that more than 97% of global companies (N=1,999) had health or safety policies in place in 2021. This indicates that companies largely recognize their health and safety risks and responsibilities and are making efforts to improve the management of employee health and safety.

In the *Frontline Worker Well-Being in a Time of Crisis* report, CECP, with the support of the Ford Foundation, explores how companies have supported their frontline workforce employed in the manufacturing, processing, and warehousing of consumer staples. The report illuminates how the pandemic and social justice movements spurred companies to continue responsive practices that inform their employee value proposition.[45]

43 https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx
44 https://www.gallup.com/workplace/393497/world-trillion-workplace-problem.aspx
45 https://cecp.co/download-pdfform/?pdflink=wp-content/uploads/2022/02/CECP-Frontline-Worker-Report_FINAL.pdf

Another area of focus for many companies is preparing both current and emerging talent for the future of work. Survey responses indicate that a strong majority of companies (63%) increased their level of investment in these initiatives in 2021, while another 31% maintained existing levels of investment (Figure 39).

FIGURE 39. Future of Work and Reskilling, Resource Change



0% No resources

N=52

Source: CECP Global Exchange Survey, 2021 data.

Many companies enact policies to support employee skill development. CECP's review of data available in the Bloomberg ESG database for the largest 3,000 global companies by revenue shows that more than 96% of global companies (N=1,990) had training policies in place in 2021. This underscores that a vast majority of global companies have implemented initiatives to train new and existing employees of all levels in career development, education, or skills. Regarding the average number of employee training hours completed in 2021, the median for all companies was 23 (Figure 40). Financials led other sectors with a median of 33 hours, with Utilities (29) and Information Technology (27) also averaging higher rates than their peers. A comparison of the 2021 median for all companies with those from prior years, across an unmatched set, showed surprisingly little variance in the median year over year: it fell from 24 hours in 2019 to 21 in 2020 and rose again slightly to 23 in 2021.

FIGURE 40. Average Employee Training Hours per Industry, Median

INDUSTRY	HOURS
Communications	19
Consumer Discretionary	16
Consumer Staples	17
Energy	24
Financials	33
Health Care	23
Industrials	20
Information Technology	27
Materials	24
Real Estate	23
Utilities	29
ALL COMPANIES	23

N=1,010

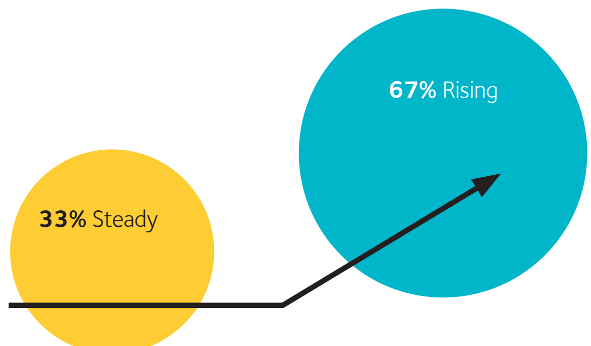
Source: Bloomberg ESG database, 2021 data, CECP analysis.

Diversity, Equity, and Inclusion (DEI)

The disparate impact of the pandemic and the racial justice movements around the world in 2020 inspired corporate leaders to consider at a profound level the state of their workforce and relationship with broader communities. The commitments corporations made in response to internal and external stakeholder pressures for companies to do more and to do better to advance diversity, equity, and inclusion (DEI) began to take shape in 2021.

The research from the GX Survey underscores this development. Companies were asked to describe how resources available to support DEI initiatives changed in 2021. Sixty-seven percent of companies indicated that resources were on the rise, while another 33% suggested that resources remained steady that year. Of note, there were no companies that indicated that resources were declining or that no resources were available for DEI initiatives (Figure 41).

FIGURE 41. Diversity, Equity, and Inclusion, Resource Change



0% Declining

0% No resources

0% Don't know

N=52

Source: CECP Global Exchange Survey, 2021 data.

To explore how diversity is trending at global companies, CECP conducted an analysis of workforce representation data from 2019, 2020, and 2021 using Bloomberg data for an unmatched set of the largest 3,000 companies in the world by revenue.

Across all companies in 2021, the percentage of women in the workforce was 35%, rising only 1% in the past three years (Figure 42). While this represents only incremental growth, it's nonetheless encouraging, given the disproportionate impact the COVID-19 pandemic had on working women. Once again, companies in the Health Care sector were out front, with a workforce that was 52% women; indeed, it's the only sector that employs more women than men. The Financials sector nearly reached gender parity in 2021: 49% of its employees in 2021 were women. Materials companies were at 19%, Utilities at 24%, Energy at 25%, and Industrials at 26%; these remain the industries that employ the fewest women.

Similarly, the percentage of women in management positions was nearly stagnant, with an increase of just 1 percentage point, from 25% in 2019 to 26% in 2021. Companies in the Health Care sector were at the fore with 35% of management positions held by women. The Financials sector was close behind at 32% and Consumer Staples companies followed at 30%. Notably, Information Technology companies increased women in management by 3 percentage points, from 20% in 2019 to 23% in 2021. Real Estate and Materials companies had the lowest percentages of women in management, with fewer than 20% of management positions in those industries held by women in 2021. The lower disclosure rate is also worth calling attention to: half as many companies (N=825) reported women in management as reported female employee percentages (N=1,636).

FIGURE 42. Women in the Workforce and in Management Roles

INDUSTRY	FEMALE EMPLOYEES (PERCENTAGE)	WOMEN IN MANAGEMENT (PERCENTAGE)
Communications	39%	28%
Consumer Discretionary	38%	27%
Consumer Staples	40%	30%
Energy	25%	22%
Financials	49%	32%
Health Care	52%	35%
Industrials	26%	21%
Information Technology	33%	23%
Materials	19%	19%
Real Estate	38%	18%
Utilities	24%	24%
ALL COMPANIES	35%	26%
	N=1,636	N=825

Source: Bloomberg ESG database, 2021 data, CECP analysis.

Five percent of companies had a woman serving as CEO in 2021 (Figure 43). Consumer Discretionary, Financials, and Health Care industries led others with 7% of companies having a female CEO. Just 3% of Consumer Staples companies had female CEOs in 2021 and 4% of Energy, Industrials, and Materials companies did.

Regarding women serving on boards, the data point to a stronger growth trend. Between 2019 and 2021 the percentage of women serving on boards grew from 21% to 24%. Financials and Health Care once again led other industries with more than 25% of board positions held by women in 2021. Information Technology and Communications companies made the greatest gains in adding women to their boards with 4- and 5-percentage-point increases, respectively, from 2019 to 2021.

FIGURE 43. Women in CEO Roles and on Boards

INDUSTRY	COMPANIES WITH FEMALE CEO (PERCENTAGE)	WOMEN ON THE BOARD (PERCENTAGE)
Communications	5%	25%
Consumer Discretionary	7%	25%
Consumer Staples	3%	25%
Energy	4%	21%
Financials	7%	26%
Health Care	7%	28%
Industrials	4%	23%
Information Technology	5%	25%
Materials	4%	21%
Real Estate	5%	16%
Utilities	5%	24%
ALL COMPANIES	5%	24%
	N=2,334	N=2,363

Source: Bloomberg ESG database, 2021 data, CECP analysis.

SOUTH AFRICA MTN SA Foundation: Accelerated Business Development Programme

The MTN Group is a leading multinational telecommunications operator in South Africa. In 2001, MTN established the MTN SA Foundation, which partners with communities, civil society, and other corporations in supporting development interventions in disadvantaged communities across South Africa, including an entrepreneurship program that targets small- and medium-sized enterprises (SMEs), university students, and high-school learners nationally. The Accelerated Business Development Programme (ABDP) was established in 2014 through a partnership between MTN SA Foundation and Datacomb Development Hub with the aim of supporting historically disadvantaged individuals in growing their businesses. The program aims to analyze the business model of each SME and identify strategies, such as promoting access to funding, technology, markets, and skills that can help make the businesses relevant and sustainable.[46]

46 https://trialogueknowledgehub.co.za/index.php casestudies-socialcommunity/2365-empowering-youth-digital-world

In 2021, the percentage of people with disabilities in the workforce was 2.2% (Figure 44). With incremental attrition and gains across industries, this number has remained relatively stable over the past three years, increasing just half of 1 percentage point overall in an unmatched set. The percentage of disabled people employed remained within a tight range of 1%-2.7% in 2021, with only minor variance across sectors.

FIGURE 44. People with Disabilities in the Workforce

INDUSTRY	DISABLED EMPLOYEES (PERCENTAGE)
Communications	2.6%
Consumer Discretionary	2.2%
Consumer Staples	1.9%
Energy	1.5%
Financials	2.2%
Health Care	2.7%
Industrials	2.5%
Information Technology	1.9%
Materials	1.0%
Real Estate	2.1%
Utilities	2.2%
ALL COMPANIES	2.2%

N=478

Source: Bloomberg ESG database, 2021 data, CECP analysis.

CECP analysis of Bloomberg ESG data shows that, across all companies, minorities made up 24% of the workforce in 2021 (Figure 45). Responding companies provide their own definition as to what constitutes a minority in the geographical locations where they operate. Overall, the number of minorities employed has grown by 2% in the past three years in an unmatched set of the top 3,000 global companies by revenue. However, out of these 3,000 companies, only 385 provided data in 2021, up from 365 in 2019, suggesting that even companies that do have this data are not yet reporting it publicly. In the Consumer Discretionary, Consumer Staples, and Health Care industries, minorities comprise more than a third of the workforce, while Energy and Utilities companies continue to struggle with minority hiring and retention; they had fewer than 20% minority employees in 2021, which is even fewer than in 2019.

Data on minorities in management positions are even more scarce. Just 147 of the top 3,000 global companies reported this figure in 2021. In the companies that reported, 25% of senior management positions were held by minorities, which is less than 1 percentage point greater than in 2019.

FIGURE 45. Minorities in the Workforce and Senior Management Roles

INDUSTRY	MINORITY EMPLOYEES (PERCENTAGE)	MINORITIES IN MANAGEMENT (PERCENTAGE)
Communications	27%	36%
Consumer Discretionary	36%	28%
Consumer Staples	34%	26%
Energy	19%	18%
Financials	20%	22%
Health Care	36%	27%
Industrials	21%	21%
Information Technology	23%	22%
Materials	28%	34%
Real Estate	23%	*
Utilities	17%	15%
ALL COMPANIES	25%	25%
	N=385	N=147

Source: Bloomberg ESG database, 2021 data, CECP analysis.

* Omitted due to small sample size.

It is clear that while companies have made public commitments to advance DEI and seem to be investing greater resources in this area, progress regarding the representation of women, people with disabilities, and minorities has been merely incremental over the past few years. While companies are now prioritizing and funding DEI strategies, it will take time to develop results. Yet stakeholders want to see evidence of progress. Not disclosing DEI data is no longer accepted by stakeholders, and strategies cannot be measured if there are not transparent metrics to align with intended results. When companies assess why they are not achieving DEI strategies, that is when the need for even more DEI resources will become apparent.

SPAIN Técnicas Reunidas: The Women in Engineering Initiative in the Middle East

The Women in Engineering Initiative in the Middle East began in 2019 and provides training programs for women in the United Arab Emirates. The program promotes the employability of women and raises their profiles within the engineering sector. Técnicas Reunidas provides training in STEM including an introduction to ESG concepts, develops local talent, and breaks gender stereotypes by creating an inclusive and diverse workplace.[47]

47 https://www.tecnicasreunidas.es/wp-content/themes/tr/docs/informe-integrado-2022-EN.pdf

ESG Insights and Resources

CANADA: Conference Board of Canada's study *Inequality in Canada: Separating Fact from Fiction* illustrates that income inequality in Canada has improved in recent years and fell sharply during the pandemic. Accessible to health, education, and daycare contribute to reducing inequality and have helped Canada be a leader in intergenerational mobility. Wealth inequality has declined dramatically over the past two decades, but inequality still exists among women, people of color, immigrants, and Indigenous people.[48]

UNITED STATES: The U.S. Securities and Exchange Commission proposed new climate-related disclosure requirements. If adopted, the mandated disclosures would require publicly traded companies to release information to investors about their greenhouse gas emissions and how they are managing risks related to climate change and future climate regulations.[49] In March 2022, CECP convened 17 CEOs and key legal leaders to discuss newly proposed ESG disclosure requirements from the SEC.[50]

CECP's 10th CEO Investor Forum brought together medtech CEOs to present to ~230 investors on October 25th and 26th in Boston at AdvaMed's 2022 MedTech Conference. Companies representing over US$372 billion in market capitalization shared long-term plans (3 to 5 years out) regarding growth, strategy, and material ESG risks with institutional investors and companies.[51]

BRAZIL: The Comunitas Corporate Social Investment Benchmarking Survey 2021 showed a median pre-tax profit community investment of 0.69% among Brazilian companies and a total community investment of R$4.1 billion. Culture and arts, education, health and infrastructure were the focus areas that received the greatest level of investment.[52]

48 https://www.conferenceboard.ca/e-library/abstract.aspx?did=11874
49 https://www.sec.gov/news/public-statement/lee-climate-change-disclosures
50 https://cecp.co/what-sec-esg-disclosure-mandates-might-mean-for-your-business/
51 https://cecp.co/wp-content/uploads/2022/12/2022-CIF-Exec-Summary-FINAL.pdf
52 https://bisc.org.br

UNITED KINGDOM: Business in the Community's Responsible Business Map shows the five aspects to being a Healthy Business that businesses should work on to achieve positive Social and Environmental (S&E) outcomes. For each area of the map there is a desired outcome to strive for, based on the UN Sustainable Development Goals (SDGs), and actions business can take to achieve them.[53]

SPAIN: In 2022, Fundación SERES kicked off the Social Impact Lab, a space to reflect on how companies can optimize the impact they generate in society. In the lab, companies work to identify key social challenges, improve methodologies to frame and measure their programs, and learn how to maximize efficiency. The lab has six working groups to address the main social challenges in Spain: social impact, sustainable investing, Human Rights, DEI, demographics, and ethical artificial intelligence.[54]

Fundación SERES contributed to the multi-stakeholder consultation on Corporate Influence in the Political and Regulatory Sphere, organized by the UN working group on Human Rights. SERES shared best practices from their member companies, including aligning with the SDGs and moving companies beyond merely drafting Human Rights policies to taking authentic action.[55]

GERMANY: "The Corporate Social Mind" is a survey of German and American consumers' expectations of corporate social engagement and their positioning on social issues, conducted by Wider Sense and INFLUENCE|SG. In 2022, the survey revealed that almost 60% of consumers in each country have an expectation that companies will be socially engaged and that they are willing to pay a higher price for the products of engaged companies.[56]

Wider Sense's *Missed Opportunities* report suggests that too few DAX40 companies are leveraging corporate citizenship to become more sustainable. Informed by interviews with top German corporate executives, the study revealed that while philanthropic investments are increasing, there are many missed opportunities when companies don't link their multi-million-Euro investments to projects that sustainably improve the social and ecological footprint of their core businesses.[57]

ITALY: Dynamo Academy hosted their 7th annual Business for the Common Good conference in June 2022, enabling a full day of closed-door, CEO-to-CEO exchanges on long-term ESG strategies for Italian companies.[58]

TÜRKİYE: Türkiye's first Climate Council was organized by the Ministry of Environment, Urbanization and Climate Change in 2022.[59] The Climate Council consists of multi-stakeholders such as academics, private sector, public sector and civil society. Commission Meetings were held in 6 Main Topics: "Science and Technology", "Local Governments", "Adaptation to Climate Change", "Greenhouse Gas Reduction", "Green Financing and Carbon Pricing", and "Migration Fair Transition and Other Social Policies".

ISRAEL: The Maala ESG Index 2022 on the Tel Aviv stock exchange contains 88 large companies, 65 SMEs, and 11 growth companies, representing 40% of total market capitalization. The index rates Israeli companies on their ESG performance and reported that 33% of companies in the index disclose information to other ESG indices, 43% are aided by third-party ESG experts, 45% employ an ESG manager, and 26% of companies had set "sufficient" environmental goals.[60]

53 https://www.bitc.org.uk/the-responsible-business-map/
54 https://www.fundacionseres.org/Paginas/en/Mission-and-lines-of-action.aspx
55 https://www.fundacionseres.org/Paginas/Inicio.aspx
56 https://www.thecorporatesocialmind.com/researchreportenglish2022
57 https://widersense.org/content/uploads/2021/12/missed-opportunities_study-corporate-citizenship-dax40-companies.pdf?x47166
58 https://www.dynamoacademy.org/conference/business-for-the-common-good-2022/
59 https://ab.csb.gov.tr/en/turkeys-first-climate-council-convened-in-konya-news-267433
60 Mhttps://en1.maala.org.il/maala-index/maala-esg-index-2022/

RUSSIA: Route Number 17 is a project of the Russian Donors Forum aimed at developing partnerships between organizations in the public, private, and civil sectors. The project uses the Russian National Development Goals and the UN SDGs as tools to strengthen the culture of partnership in the philanthropic community. The project builds effective cooperation in the Russian philanthropy sector as well as providing businesses, charitable foundations, and NGOs with a common vision of results and a common language for communication.[61]

Leaders of Corporate Philanthropy details the results of a study on the activities of socially active companies and includes descriptions of corporate social programs that were among the winners of a competitive process. The publication is intended for business decision makers and those implementing projects in the field of corporate philanthropy and social investment, as well as employees of government agencies, nonprofit organizations, and academic researchers.[62]

JAPAN: Kansai Economic Federation (Kankeiren) is a comprehensive economic organization made up of individual economic organizations, businesses, and other entities. Among their major activities, the Kankeiren support companies in advancing diverse human resources through their D&I Guidelines and convenings. In November 2022, Kankeiren hosted their second D&I Forum for companies, which emphasized that the inclusion of women, immigrants, elderly, and people with disabilities in the workforce helps companies to advance innovation and helps drive sustainability in an uncertain environment and showcased practical insight using case studies from companies in their region.[63]

MAINLAND CHINA AND HONG KONG: A strong majority (95.2%) of companies in the Hong Kong Exchange disclosed ESG information in their 2021 annual reports, with 86% releasing a stand-alone ESG report. An even larger majority (95.7%) of companies with stock in the Hang Seng Index issued ESG reports, while 87.9% of listed companies reported active communications with stakeholders on the assessment of material issues. Regarding reporting guidelines: 93.9% of Hong Kong listed companies use the HKEX index ESG guidelines and 66.7% use Global Reporting Initiative (GRI) standards.[64]

SynTao announced in September 2022 that 29.6% of A-share listed companies disclosed ESG information in their 2021 annual reports, an increase of 337 companies compared with the previous year. One hundred and eighty-eight companies released stand-alone ESG reports, with 67.7% of the reports using the GRI framework.[65]

CHINESE TAIPEI: In April 2021, a national 2050 net-zero emissions target was announced and is expected to increase the proportion of renewable power generation in Chinese Taipei to more than 60% of the total grid. In March 2022, "Taiwan's Pathway to Net-Zero Emissions in 2050" was published, setting out a formal pathway to achieve carbon neutrality. This blueprint aims to promote technology R&D and innovation in key areas, guide the green transition of industry, and drive a new wave of economic growth.[66]

As part of the Climate Change Response Act, the Environmental Protection Administration will set carbon fees in 2023, charging high-polluting and energy-consuming industries for their emissions and requiring regulated companies to complete third-party verification of GHG inventory by 2025.[67]

61 https://www.donorsforum.ru/projects/project-route-17/
62 https://www.donorsforum.ru/materials/vsyo-o-liderakh-korporativnoj-blagotvoritelnosti-2022/
63 https://www.kankeiren.or.jp/diversity-inclusion/news/20221110_01/
64 https://h5.clewm.net/?url=qr71.cn%2FohTbAK%2FqLAZt0v&hasredirect=1
65 https://h5.clewm.net/?url=qr71.cn%2FohTbAK%2FqLAZt0v&hasredirect=1
66 https://www.ndc.gov.tw/en/Content_List.aspx?n=B927D0EDB57A7A3A
67 https://www.taipeitimes.com/News/taiwan/archives/2021/10/14/2003766097

SOUTH AFRICA: At the United Nations Climate Summit (COP26) in 2021, France, Germany, the United Kingdom, the United States, and the EU announced an US$8.5 billion package of grants and concessional finance over three to five years for South Africa to accelerate the retirement of coal plants and the deployment of renewable energy.[68] In February 2022, the South African Department of Forestry, Fisheries and the Environment introduced The Climate Change Bill to enable the development of an effective climate response and a long-term, just transition to a low-carbon and climate-resilient economy and society for South Africa.[69] In April 2022, the South African Treasury launched South Africa's first national Green Finance Taxonomy, an official classification that defines a minimum set of assets, projects, and sectors that are eligible to be defined as "green" or environmentally friendly.[70]

The 25th anniversary edition of Trialogue's *Business in Society Handbook* focuses on the evolution of business in society in South Africa over the past two decades, reflecting on trends, best practices, and a path forward in a post-pandemic world. The handbook considers how corporate responsibility, social expectations, and giving practices have changed over time, within the broader context of major socioeconomic shifts.[71]

INDIA: Published by Samhita, the report *Women at Work in India* revealed that the COVID-19 pandemic deepened preexisting gender inequality in India. Women experienced a general lack of family support and a deferment of their personal health and wellbeing to look after family members. Women also experienced an increased care burden, forced underpaid work, difficulties in adapting to digital platforms, and lack of awareness about welfare schemes and social security. The research called for action and commitments to support women in the workforce and in business value chains.[72]

Corporate Engagement in Women's Economic Empowerment, a report from Samhita and the United Nations Development Program, examined the support for women's economic empowerment in companies listed on India's BSE 100 index. The findings showed that while the overall level of interest in women's empowerment was high, actual funding was low and was not directed at regions with the highest level of need. For 68% of companies, vocational training was the most common type of intervention. The Companies Act of 2013 had mandated that every listed company employ at least one female board member. While the act has created opportunities for women leaders and women now make up 14% of Indian boards, India still lags behind other countries such as the U.S. (21%), the U.K (23%), and Sweden (35%) in female board membership.[73]

68 https://ukcop26.org/political-declaration-on-the-just-energy-transition-in-south-africa/
69 https://www.parliament.gov.za/storage/app/media/Bills/2022/B9_2022_Climate_Change_Bill/B9_2022_Climate_Change_Bill.pdf
70 https://sustainablefinanceinitiative.org.za/working-groups/taxonomy/
71 https://trialogue.co.za/businessinsocietyhandbook/
72 https://samhita.org/women-at-work-in-new-india/
73 https://www.samhita.org/wp-content/uploads/2020/12/Gender_Report.pdf

How to Use this Report

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

The following tables provide insight on two of the most sought-after benchmarking data points for corporate social investment: community spend, and community spend as a percentage of pre-tax profit. Bloomberg defines community spend as the amount of money spent by a company on community building activities in millions, including both cash and in-kind donations (and excluding employee contributions and money raised through events).

In addition to data for all companies, the industry and revenue tier insights support benchmarking with relevant peer comparisons and offer top quartile data points to indicate leading levels of investment.

Total Community Spend: 2021 Industry and Revenue Size Benchmarking Tables

MEDIANS, TOP QUARTILE BY INDUSTRY	MEDIAN COMMUNITY SPEND (IN US$ MILLIONS)	TOP QUARTILE COMMUNITY SPEND (IN US$ MILLIONS)	MEDIAN COMMUNITY SPEND AS A % OF PRE-TAX PROFIT	TOP QUARTILE COMMUNITY SPEND AS A % OF PRE-TAX PROFIT
All Companies, N=1,131	4.0	14.2	0.36%	0.98%
Communications, n=52	11.8	27.6	0.93%	2.83%
Consumer Discretionary, n=125	2.6	8.6	0.32%	0.90%
Consumer Staples, n=108	7.3	26.1	0.89%	2.34%
Energy, n=69	3.8	22.0	0.37%	0.80%
Financials, n=201	7.8	16.4	0.34%	0.73%
Health Care, n=51	9.4	46.0	0.35%	1.83%
Industrials, n=167	1.9	5.9	0.31%	0.65%
Information Technology, n=85	3.0	10.0	0.31%	0.88%
Materials, n=172	2.2	9.0	0.28%	0.64%
Real Estate, n=40	2.3	6.3	0.13%	0.55%
Utilities, n=61	6.3	14.5	0.47%	1.50%

MEDIANS, TOP QUARTILE BY REVENUE SIZE	MEDIAN COMMUNITY SPEND (IN US$ MILLIONS)	TOP QUARTILE COMMUNITY SPEND (IN US$ MILLIONS)	MEDIAN COMMUNITY SPEND AS A % OF PRE-TAX PROFIT	TOP QUARTILE COMMUNITY SPEND AS A % OF PRE-TAX PROFIT
All Companies, N=1,131	4.0	14.2	0.36%	0.98%
Over $50 billion, n=116	86.0	132.5	0.32%	0.75%
$30+ to $50 billion, n=80	36.3	42.2	0.36%	0.89%
$15+ to $30 billion, n=204	20.2	24.7	0.39%	1.15%
$10+ to $15 billion, n=144	12.0	13.2	0.36%	1.05%
$5+ to $10 billion, n=349	6.8	8.1	0.34%	0.73%
$2.5 to $5 billion, n=213	4.2	4.6	0.34%	1.02%
Under $2.5 billion, n=25	1.4	1.9	0.78%	2.52%

Source: Bloomberg ESG database, 2021 data, CECP analysis.

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

About the 2022 *Global Impact at Scale* Methodology

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

- Data analysis from the 2021 GX Survey fielded from April through July 2022.
- Insights from GX Partners' market-specific research, secondary research, and case studies.
- Insights from Bloomberg's Environmental, Social, and Governance (ESG) data on the top 3,000 global companies by revenue size.

This year's report draws on survey data from 134 companies from 15 different countries. To maintain the confidentiality of survey respondents, combined aggregate responses from all companies form the basis of this analysis. The survey results detailed in this report cover programs with a December 31, 2021 end date.

The data collected for the 2022 GX Survey focused on companies with over US$500 million in annual revenue to benchmark and compared large companies and not the entire corporate sector. Insights included in this document report corporate community investment numbers from the highest possible structural level: in a majority of cases, the parent company.

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

The report also examines corporate societal investment and ESG insights while complementing companies' responses to the GX Survey with results from Bloomberg's ESG data set, enabling companies to benchmark and gain insights regarding global corporate engagement and ESG.

GX Survey responses came from these 15 countries:

Australia
Brazil
Canada
France
Germany
Ireland
Italy
Japan
Russia
South Africa
Spain
Türkiye
United Kingdom
United States
Uruguay

Insights from Bloomberg's ESG data encompass information drawn from more than 11,500+ global publicly traded companies across multiple industries. Only companies that publish financial data and report figures to a government agency are included. For this research, the sample was limited to the global top 3,000 companies ranked by 2021 revenue, all of which have annual revenues in excess of US$3 billion.

In some figures certain industries with low disclosure rates were omitted from charts (e.g. Energy and/or Real Estate).

Profile of GX Survey Respondents

Companies' revenue ranged from **US$0.5 billion to US$288 billion**

Aggregate revenues across companies: **US$2.71 trillion**

Number of companies: **134**

Median revenue: **US$9.4 billion**

Headquartered countries: **15**

Headquartered cities: **87**

Reporting Lines

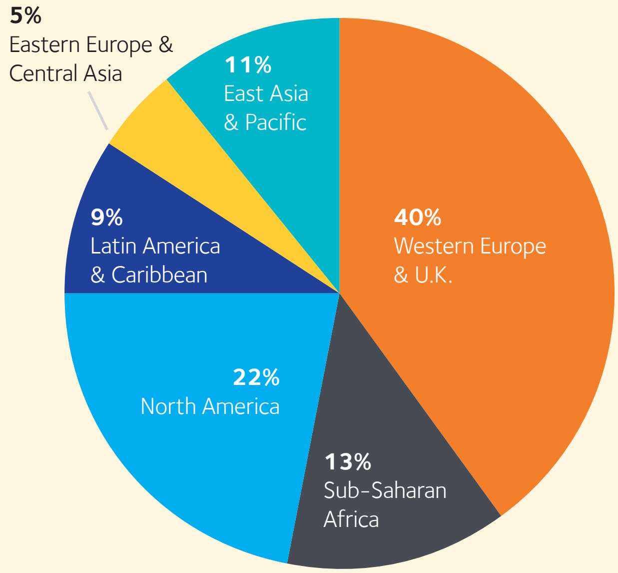
The most common reporting line departments:

- ESG, Sustainability (28% of respondents)
- Marketing, Communications (14% of respondents)
- External Affairs, Public Relations (9% of respondents)
- Corporate Affairs, Public Affairs, Government Affairs (8% of respondents)
- Community Affairs, Corporate Citizenship, Social Responsibility (6% of respondents)
- Human Resources (6% of respondents)
- Executive Office (5% of respondents)

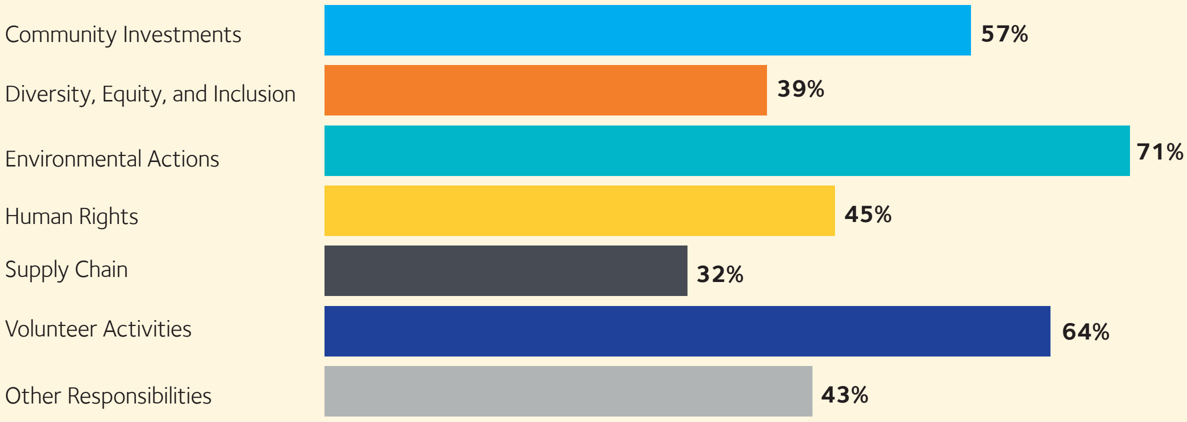
Department or Team Employees

- Median number of Full-Time Equivalents is 6
- Top quartile of Full-Time Equivalents is 20

Region Distribution Chart



Respondent Departmental Responsibilities



Profile of GX Survey Respondents, continued

Respondents by Revenue Tier

REVENUE TIER (IN US$)	NUMBER OF COMPANIES	PERCENTAGE OF COMPANIES
Over $50 billion	13	14%
$30+ to $50 billion	10	10%
$15+ to $30 billion	13	14%
$10+ to $15 billion	9	9%
$5+ to $10 billion	14	15%
$2.5 to $5 billion	15	16%
Under $2.5 billion	22	22%
TOTAL	**96**	**100%**

Revenue: 2021 revenues for survey participants ranged from US$0.5 billion to US$288 billion. Privately held companies were not required to submit revenue data. The median revenue among participants was US$9.4 billion.

Respondents by Industry

INDUSTRY	NUMBER OF COMPANIES	PERCENTAGE OF COMPANIES
Communications	5	4%
Consumer Discretionary	12	9%
Consumer Staples	14	10%
Energy	1	1%
Financials	29	22%
Health Care	11	8%
Industrials	22	16%
Information Technology	14	10%
Materials	16	12%
Utilities	10	7%
TOTAL	**134**	**100%**

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

GX Survey Respondent Listing by Industry

COMMUNICATIONS (N=5)

Axel Springer SE
Bell Canada
PJSC VimpelCom
Telefónica, S.A.
The Walt Disney Company

CONSUMER DISCRETIONARY (N=12)

Best Buy Co., Inc.
BMW Group
CIR S.p.A. Compagnie Industriali Riunite
Continental AG
Esprinet S.p.A.
HCI Foundation
Meliá Hotels International, S.A.
Mercedes-Benz AG
Salvatore Ferragamo S.p.A.
Sumitomo Electric Industries, Ltd.
Tapestry
Wynn Resorts Ltd

CONSUMER STAPLES (N=14)

AVI (National Brands)
Beiersdorf AG
Campbell Soup Company
Coca-Cola Beverages SA Pty Ltd
Instituto Coca-Cola Brasil
Esselunga S.p.A.
Kimberly Clark Corporation
Massmart Holdings Ltd
Mercadona, S.A.
RCL Foods Ltd
Saputo Inc.
Solar BR Participações S.A.
Target
X5 Group

ENERGY (N=1)

Total SA

FINANCIALS (N=29)

Alexander Forbes Group Holdings Ltd
Allianz SE
Banca Mediolanum S.p.A.
Banca Nazionale del Lavoro S.p.A.
Banco BPM S.p.A.
Bank of New York Mellon
BlackRock
Caixabank, S.A.
Citigroup, Inc.
Coronation Fund Managers Ltd
Deutsche Börse AG
Deutsche Kreditbank AG
EY Canada
Findomestic Banca S.p.A.
The Hartford
IGM Financial
Intesa Sanpaolo S.p.A.
Investec Ltd
Liberty Holdings Ltd
Macquarie Global Services (USA) LLC
Mapfre España, S.A.
Mutua Madrileña
Nippon Life Insurance Company
PwC Italia
Resona Bank, Limited
Santander Brasil S.A.
Società Reale Mutua di Assicurazioni
Standard Bank Group Ltd
Votorantim

HEALTH CARE (N=11)

Aspen Pharmacare Holdings Limited
Bayer Hispania, S.L.U.
Catalent
Chiesi Farmaceutici S.p.A.
Eli Lilly and Company
Medtronic Italia
Netcare Foundation
Sanofi S.A.
Shionogi & Co., Ltd.
Siemens Healthineers
UnitedHealth Group Brasil

INDUSTRIALS (N=22)

Axis Europe
Barloworld Ltd
CIRFOOD S.C.
Daikin Industries, Ltd.
DWF Law
Ferrovial, S.A.
Hankyu Corporation
Kawasaki Heavy Industries, Ltd.
Kintetsu Group Holdings Co., Ltd.
Kubota Corporation
Mills and Reeve
Nankai Electric Railway Co., Ltd.
Royal Mail
Serasa Experian
Siemens AG
Siemens plc
Sumitomo Corporation
Técnicas Reunidas, S.A.
Transnet SOC LTD
United Parcel Service, Inc.
West Japan Railway Company

INFORMATION TECHNOLOGY (N=14)

Accenture
Allied Electronics Corporation Limited
Amadeus IT Group, S.A.
Cellnex Telecom, S.A.
Cisco Systems
Dell Technologies
Globant, S.A.
IBM Corporation
Microsoft Corporation
Pitney Bowes
Qualcomm Incorporated
SAP Italia S.p.A.
SAP SE
ServiceNow
Visa Inc.

MATERIALS (N=16)

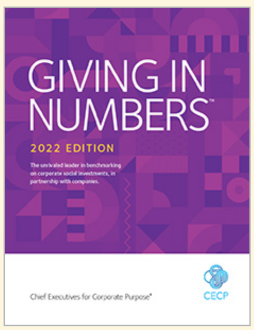
Acerinox, S.A.
Atlantic Copper, S.L.U.
BASF SE
Brenntag SE
Buzzi Unicem S.p.A.
Dow
En+ Group plc
Fundação Cargill
GCM Mining Corp
Gerdau S.A.
JSC PhosAgro
NLMK
Rengo Co., Ltd.
United Co RUSAL International PJSC
Sappi Ltd
Vale SA

UTILITIES (N=10)

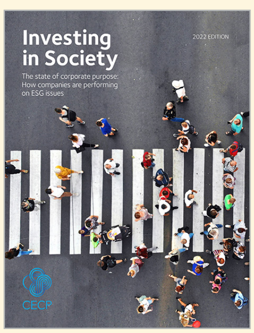
Acea S.p.A.
Atomic Energy of Canada Limited
BRK Ambiental Participações S.A.
Bruce Power
Enagás, S.A.
Iren S.p.A.
The Kansai Electric Power Co., Inc.
Neoenergia S.A. (Grupo Neoenergia)
Sempra Energy
Zorlu Enerji

CECP Thought Leadership

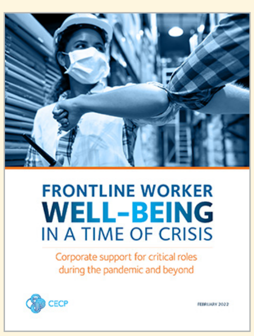
CORPORATE FOUNDATIONS: DESIGNING FOR IMPACT
This report provides a handbook for companies seeking to supercharge their foundation to be a social innovation incubator. From employee connector to change agent to relationship builder to global ambassador, corporate foundations create transformational value. Read the report today to learn how to start a foundation or be more strategic with your current design.



GIVING IN NUMBERS
Over 21 years, CECP has created the largest and most historical data set on trends in the industry, shared by more than 617 multi-billion-dollar companies and representing more than US$388 billion in corporate social investments over that time span. *Giving in Numbers*™ is embraced by professionals across all sectors globally to understand how corporations invest in society. The report addresses topics ranging from cash and in-kind/product, employee volunteerism and giving, and impact measurement.



INVESTING IN SOCIETY
Investing in Society is the must-read source for trends on the corporate sector's shift to be increasingly purpose-driven. Developed from CECP's premier research on, thought leadership for, and strategic engagements with more than 200 of the world's largest companies, this report brings to light the state of corporate purpose in an evidence-based way and assesses corporate purpose-driven actions around ESG and sustainable business.



FRONTLINE WORKER WELL-BEING IN A TIME OF CRISIS
In this report, CECP, with the support of the Ford Foundation, explored the recent challenges faced by frontline workers employed in the manufacturing, processing, and warehousing of consumer staples, as well as the private sector's response to those challenges.

Click here to access these reports and other CECP insights.

Acknowledgments

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Download additional copies of this report at:
https://cecp.co/home/resources/thought-and-leadership/

When referencing findings from this report, please list the source as:
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