

# SOCIAL IMPACT THROUGH STRATEGIC ALIGNMENT INTRODUCTION

This position paper is an introduction to the topic of strategic alignment and provides a roadmap for Corporate Social Investors.

# A changing landscape

An increasing number of **Corporate Social Investors** (CSIs), like corporate foundations, impact funds, shareholder foundations, impact accelerators and social businesses, are looking for opportunities to scale their social impact. They are moving from traditional philanthropy towards investing *for* impact by adopting the practices of Venture Philanthropy\*, a high-engagement and long-term approach to support social purpose organisations (SPOs).

Unlike other investors *for* impact, they can additionally take advantage of their **unique vantage point** between the non-profit and the business sector and **channel more of the vast financial and non-financial corporate resources**, such as funding, skills, knowledge, technology and networks, to support SPOs. To unlock the potential of their unique positioning, strategic alignment between a CSI and its affiliated company has become a commonly pursued strategy across Europe.

At the European Venture Philanthropy Association (EVPA), we feel that **alignment with the affiliated company can enable a CSI to enhance or even scale its impact**. It can not only unlock additional resources for the CSI to further its social mission, but the alignment also gives the CSI an **emerging importance as a potential catalyst for business reform**. Because of the stronger link, CSIs can utilise their expertise on socially relevant issues to help the affiliated company identify and set more ambitious social impact goals.

So far, there has been **no consensus around how companies and CSIs can align**. Alignment has oftentimes been regarded as a uniform and self-explanatory concept, failing to acknowledge the varieties of alignment strategies pursued and the consequences for the CSI's social impact. At the same time, there are also growing concerns related to alignment. As the boundaries between social impact and business benefits can become blurrier, CSIs and particularly corporate foundations might place their legal responsibility and ethical integrity at risk. If alignment is being sought by CSIs, the **purpose must remain to enhance social impact** and not business benefits.

In this changing landscape, we at EVPA asked ourselves: how can we provide clarity around the concept and support CSIs in pursuing the right type of alignment to enhance or scale their social impact?

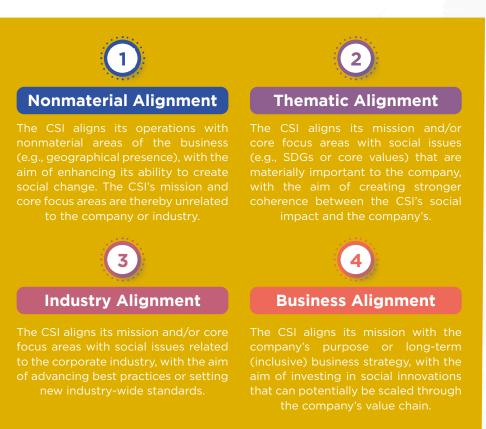
# An EVPA research agenda

As Europe's largest network of CSIs, EVPA engaged in a yearlong research on strategic alignment, involving 45 practitioners from CSIs, companies, and experts on corporate social investing and inclusive business strategies.

With this study, EVPA aims to provide members and the broader corporate social investing community an in-depth understanding of:



At EVPA, we define strategic alignment as a mutual arrangement between a Corporate Social Investor and its affiliated company with the goal of enhancing the CSI's social impact. We identify four ways in which a CSI and the affiliated company can align:



## Available strategic alignment resources

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Based on insights from the research, we developed a series of materials to provide practitioners with the necessary resources to make informed decisions about strategic alignment and find the most impactful strategies:

The strategic alignment infographic provides a brief overview of the strategic alignment strategies. It describes each of the four alignment types and visually illustrates how they relate to a CSI's underlying impact ambitions and whether they intend to generate social impact by primarily focusing on beneficiaries or by focusing both on beneficiaries and either company or industry. This infographic is ideal for anyone looking to quickly get acquainted with the topic or to have a baseline for discussions with peers or board members on current and aspired types of alignment.

The **article "The Rise of the Corporate Social Investor"**, written by EVPA and published by the Stanford Social Innovation Review discusses the topic of strategic alignment within the broader European context and introduces the full alignment typology. Each alignment type, their unique impact potentials and challenges are portrayed using illustrative examples from CSIs. This article is the right material for anyone who wants to have a deep understanding of why the topic is important, key insights from the strategic alignment typology, and the practical relevance for the corporate social investing space.

The **strategic alignment table** provides a detailed description of the strategic elements of each alignment type. This makes it the ideal resource for anyone looking to position their own organisation or their peers. The table can also be helpful to assess whether an alignment type might be more suitable for a CSI than another, and if so, what the consequences could be. The table covers the characteristics of the different alignment types (incl. definition, impact benefits and business relevance), the role of the CSI and the affiliated company, and some managerial reflections.

The **strategic alignment case studies** illustrate how various CSIs pursue these alignment types in reality. The case studies are useful resources for anyone looking for an in-depth understanding of the practical implications of alignment. Each case study contains a short overview of the organisation's profile, describes their specific alignment strategy, and demonstrates the implications along a concrete example.



# **Research Contributors**

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#### **Interviews CSIs**

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Centrica Innovations
Credit Suisse Foundation
Danone Ecosystem
ERSTE Stiftung
ERSTE Social Banking
JTI Foundation
Lloyds Bank Foundation for England & Wales
Rabo Foundation
Renault Mobilize
Fondazione Snam
Syngenta Foundation for Sustainable Agriculture
Trafigura Foundation
Vodafone Institue for Society and Communications and Vodafone Foundation

### **Interviews Companies**

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