

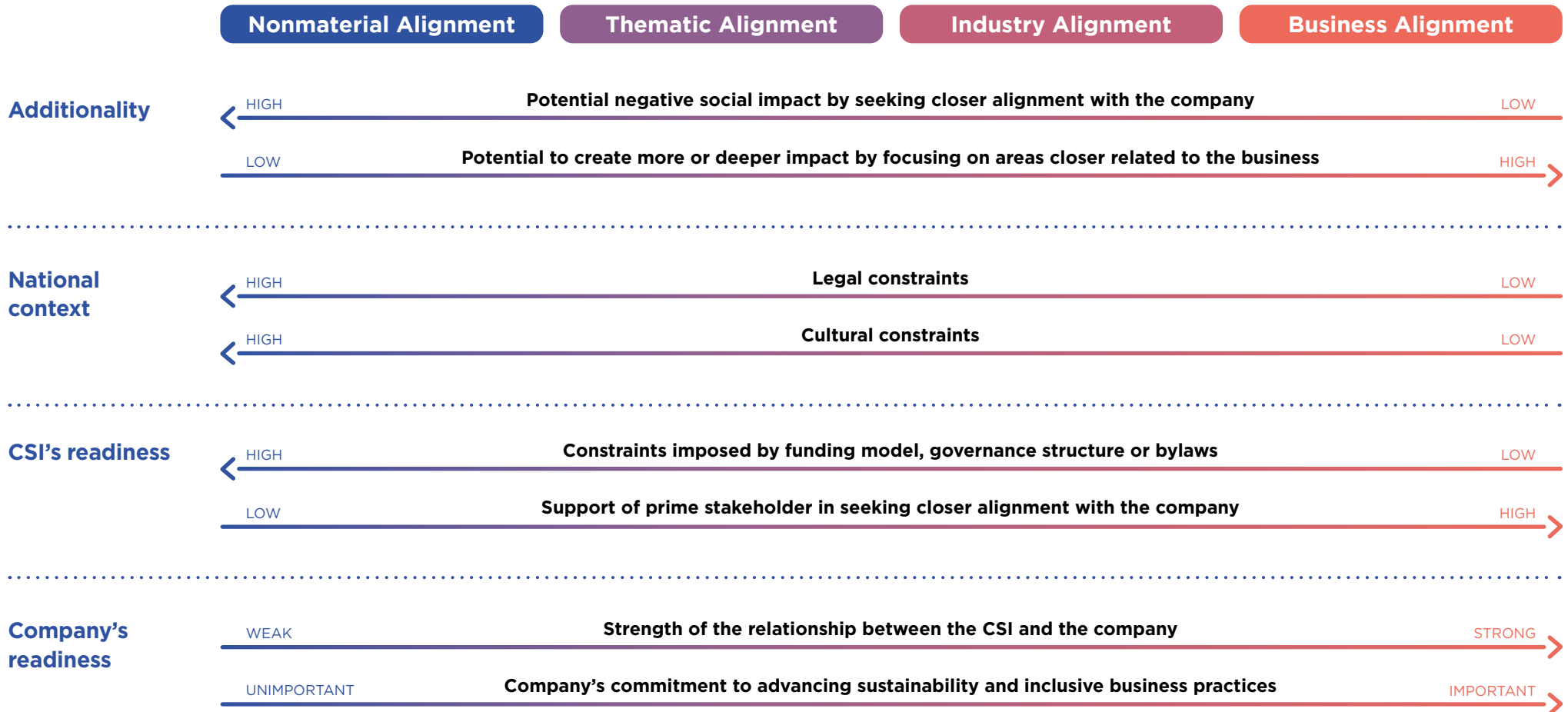
## Characteristics of the different alignment types: An overview for Corporate Social Investors (CSI)\*

	Nonmaterial Alignment	Thematic Alignment	Industry Alignment	Business Alignment
<b>Definition</b>	The CSI aligns its operations with <b>nonmaterial areas of the business</b> (e.g., geographical presence), with the aim of <b>enhancing its ability to create social change</b> . The CSI's mission and core focus areas are thereby unrelated to the company or industry	The CSI aligns its mission and/or core focus areas with <b>social issues</b> (e.g., SDGs or core values) that are <b>materially important to the company</b> , with the aim of <b>creating stronger coherence between the CSI's social impact and the company's</b>	The CSI aligns its mission and/or core focus areas with <b>social issues related to the corporate industry</b> , with the aim of <b>advancing best practices or setting new industry-wide standards</b>	The CSI aligns its mission with the company's purpose or long-term <b>(inclusive) business strategy</b> , with the aim of <b>investing in social innovations that can potentially be scaled</b> through the company's value chain
<b>Social issues tackled by the CSI</b>	<b>Unrelated</b> to the company	Related to the company's <b>thematic interest</b> , yet the CSI addresses beneficiary groups, scope of issues, or geographical areas that transcend the direct interest of the company	Related to the company's <b>industry</b> , yet the CSI has a specific social focus on those issues that have not been (sufficiently) addressed by industry actors	Related to the company's <b>value chain</b> , yet the CSI focuses on beneficiary groups, scope of issues or geographical areas that are not (sufficiently) addressed by the company
<b>Solutions supported by the CSI</b>	The CSI supports solutions co-created with final beneficiaries. <b>The relationship with the company plays no role</b>	The CSI supports solutions co-created with final beneficiaries. <b>Knowledge exchange between the CSI and the affiliated company</b> helps to develop better solutions	The CSI supports solutions co-created with final beneficiaries and other industry actors that can <b>change industry-wide standards and practices</b>	The CSI supports solutions co-created with final beneficiaries, which <b>can potentially be scaled through the company's value chain</b>
<b>Synergies between business and social interest</b>	<b>No synergies</b> . The CSI sees a clear distinction between business and social interest	<b>Some synergies</b> . The CSI sees a clear distinction between business and social interest, but recognises mutual responsibilities around common themes	<b>Some synergies</b> . The CSI sees a clear distinction between business and social interest, but recognises that they must go hand in hand to transform the industry	<b>Many synergies</b> . The CSI sees business and social interest as interlinked
<b>Impact benefits</b>	<ul style="list-style-type: none"> <li>➤ <b>Pursue unrestrictedly the socially relevant issues</b> without considering the business relevance</li> <li>➤ Use <b>corporate assets</b> (e.g. employees or company networks) whenever it has an <b>immediate benefit</b> for the social impact</li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Increase the scope of the impact</b> by serving neglected beneficiary groups, issues or geographies</li> <li>➤ Shape corporate employees' <b>moral compass</b></li> <li>➤ <b>Tap into the knowledge and expertise</b> of the company on the shared themes</li> </ul>	<ul style="list-style-type: none"> <li>➤ Use the affiliation with the company's name to <b>mobilise relevant stakeholders</b> for an industry-wide transformation</li> <li>➤ Leverage the company's <b>industry specific know-how</b> to advance the CSI's or its investee's impact</li> <li>➤ Develop best practices and <b>influence the industry's inclusive business journey</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Scale impact innovations</b> through the company's value chain</li> <li>➤ <b>Utilise every aspect of the company's value chain</b> for the CSI's or its investee's impact</li> <li>➤ Use the CSI's expertise to <b>prompt the company on its inclusive business journey</b></li> </ul>
<b>Business relevance</b>	<ul style="list-style-type: none"> <li>➤ A <b>strong signal to corporate employees</b> and external stakeholders that the company supports philanthropic causes</li> <li>➤ The <b>company learns about socially relevant issues</b> that may affect the communities in which the company operates</li> </ul>	<ul style="list-style-type: none"> <li>➤ Provide <b>deeper knowledge and expertise</b> on the shared theme</li> <li>➤ <b>Complement the company's strategy</b> by supporting additional beneficiaries, geographies and issues</li> <li>➤ Stimulate <b>employee engagement</b></li> </ul>	<ul style="list-style-type: none"> <li>➤ <b>Challenge the company to aspire to higher impact goals</b> and contribute to a healthy industry ecosystem</li> <li>➤ Keep the company informed about <b>industry-relevant innovations</b></li> <li>➤ <b>Provide information</b> on non- or pre-commercial market segments, customers or innovations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Provide <b>lessons about transformative social innovations</b> and their potential business relevance</li> <li>➤ <b>Stimulate the adoption of novel social innovations</b> and business practices, setting the company apart from its competitors</li> <li>➤ Contribute to a <b>strong narrative</b> around the company's commitment to inclusive and sustainable growth</li> </ul>
<b>Role of the CSI towards the company</b>	<b>Moral agent</b> . The CSI realises the company's moral responsibility towards the community in which it operates	<b>Societal advocate</b> . The CSI inspires the company and its employees on social issues and encourages them to reflect on the company's broader societal responsibility	<b>Ecosystem builder</b> . The CSI plays an important role in building a sustainable ecosystem for the industry and in challenging the corporate actors to live up to their societal responsibility	<b>Incubator</b> . The CSI identifies and develops social innovations with business relevance before the company recognises their potential
<b>Role of the company towards the CSI</b>	<b>Supporter</b> . The company enables and facilitates the CSI when appropriate	<b>Compass</b> . The company provides a broad thematic direction for the CSI to focus on	<b>Stakeholder</b> . The company is affected by the social issue that the CSI addresses	<b>Impact accelerator</b> . The company can scale the impact of the CSI's activities

\* Corporate Social Investors (CSI) support social purpose organisations (e.g. social enterprises, charities) with financial and non-financial support. CSIs are investors *for* impact related to a company: a corporate foundation, corporate impact fund, corporate impact incubator, accelerator, a social business.

## Managerial reflections when seeking alignment

Before seeking alignment, managers of CSIs should carefully consider which type of alignment might be most suitable given their organisational context. CSIs can start to assess this by reflecting on the following few areas and how they might favour a certain type of alignment.



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