

What Is The CommunityMark?

The CommunityMark is the UK's only national standard that publicly recognises excellence in community investment. The CommunityMark is an independent, 360°, rigorous evaluating process that recognises a business' holistic approach to investing long term in the community, assessing their entire portfolio of community activity against a comprehensive framework.

CommunityMark companies have proved, their vision and commitment to embedding community investment into the core values of their business. The CommunityMark principles are:

- ▶ Identifying the key social issues, most relevant to their business and their local community
- ▶ Working in partnership with local communities, leveraging their combined expertise for mutual benefit
- ▶ Planning and managing community investment using the most appropriate resources to deliver against their targets
- ▶ Inspiring and engaging employees, customers and suppliers to support their community programmes
- ▶ Measuring and evaluating the difference that their investment has made in the community and on their business, and striving for continual improvement

Why is the CommunityMark important?

Companies achieving the CommunityMark recognise that good corporate social investments bring long-term sustainable returns to their enterprise and to communities. Research by IPSOS MORI shows that responsible businesses bounce back quicker from economic downturns:

"Based on evidence from 33 FTSE companies, research found that the more a company measured its environmental and social impacts, the less volatile its stock price. In fact, these companies outperformed their FTSE 350 peers on total shareholder return by between 3.3 and 7.7 per cent throughout the period 2002-2007" FT 10/05/09

"The CommunityMark is only achieved by those companies, large and small, that are able to demonstrate leadership and impact through their community investment programmes. The rigour and depth of the assessment that underpins this deserved recognition has been welcomed by companies and their key stakeholders"

Phil Hodkinson*

*Phil Hodkinson, Non-Executive Director, HM Revenue & Customs, BT PLC, Travelex Holdings and Resolution Ltd and Chair of the CommunityMark Independent Approvals Panel

Continuing the Journey...

Given that businesses, by nature, are constantly looking to grow and adapt to new situations, the CommunityMark encourages companies to take this innovative and flexible approach to their programmes of community investment. Being a CommunityMark company means committing to continual investment and engagement in the community. This commitment is evaluated as part of the mid-tenure monitoring process. The assessment process to achieve a CommunityMark is robust and rigorous and based on the latest research relating to corporate community investment programmes.

The pioneering 20 companies, which achieved the CommunityMark in 2008 have successfully completed the monitoring process

The mid-tenure business review of CommunityMark companies show how businesses are increasingly making their programmes relevant to their area of expertise and their local communities.

The monitoring process serves to review CommunityMark companies' community investment activity in relation to their agreed three year commitments. The monitoring framework is designed as a tool for companies to keep account of their community investment journey. It is a means of quantifying the business and community impact of their investment and a way of highlighting areas for further development.

The monitoring process provides companies with the following benefits:

- ▶ An independent evaluation of the strategy behind their community investment and an examination of the tangible value it adds to the business
- ▶ Constructive feedback on a company's achievements in light of their three year commitments
- ▶ The engagement of senior representatives across the organisation in a meaningful internal dialogue around community investment
- ▶ Renewed opportunity for publicly showcasing their leadership and excellence in investment and involvement in local communities

The Big Picture

Investment has shifted over the past years from cash to a greater proportion of employee time and gifts in kind.

How do CommunityMark companies invest? The financial value that the pioneer companies have invested in communities continues to grow. Last reporting period, CommunityMark companies invested

£555,635,949 in total
an INCREASE of **19%**

£33,779,532 in employees' time
an INCREASE of **82%**

£316,589,766 in gifts in kind
an INCREASE of **24%**

Increased efficiency: Many CommunityMark companies have reviewed their investment recently to ensure that they are investing in the most efficient manner. Rather than reducing contributions, the value of companies' investment has increased. CommunityMark companies increasingly encourage their employees to volunteer during the working week, thereby sharing their time and skills with charity partners. This approach has the added advantages of raising staff morale and developing employees' skills.

Targeted and responsive investment: Several CommunityMark companies have helped their charity partners adapt to the changing economic climate. In some cases CommunityMark companies used their strategic expertise to help partners identify which areas of their operations needed additional funding in order to deliver services that were experiencing increased demand because of the recession. Similarly, other companies approached non partner charities whose services were being overstretched from increased demand with offers of expertise and financial support.



Community Investment: The Business Case

The commercial benefits of a strategic programme of community investment are becoming increasingly clear.

CommunityMark companies acknowledge that in order to understand their markets, they must first understand their communities. They have **expanded their markets** and **benefited commercially**:

- ▶ With greater customer insight, they were able to improve their products and meet changing customer expectations
- ▶ Through developing commercially viable products and services that address community needs, many businesses were able to enter a previously untapped market
- ▶ By involving themselves in local communities, companies were able to develop:
 1. Better relationships with business partners and suppliers
 2. Improved stakeholder relations
 3. Enhanced reputation with recruiters and potential candidates
- ▶ Some companies adopted procedures developed by their charity partners that lead to operational savings

CommunityMark companies have strengthened their credentials through community investment, thereby:

- ▶ Gaining competitive advantage - they are able to differentiate themselves in increasingly competitive markets
- ▶ Gaining derived values such as greater ease of recruitment and improved retention of staff
- ▶ Benefiting from positive stakeholder engagement; being a good neighbour, being viewed positively by local government and other relevant groups
- ▶ Improving credentials in the tendering process; benefiting by being viewed positively by potential clients and suppliers

“CommunityMark companies listen and respond to the needs of their community. By fostering strong, reciprocal partnerships CommunityMark companies gain valuable customer insight which they are increasingly using to develop innovative products and services which respond to community needs and lead to commercial gain.”

Ben Kernighan member of the CommunityMark Independent Approvals Panel and Deputy Chief Executive of National Council for Voluntary Organisations (NCVO)

CommunityMark: A Local Focus

CommunityMark is helping companies understand local communities and the importance of being a good neighbour.

100% of CommunityMark companies consult with local experts including community partners to ensure they are addressing the most pressing community issues in their local areas.

Global/National strategies interpreted locally

Increasingly, large companies have global or national strategies that have flexibility built into them so that local business units have the freedom to interpret them locally. This demonstrates that companies are recognising the role that they play in local communities and the diversity of needs within the communities where they operate. Supporting the causes that matter most in local markets is one of the best ways they can meet the specific needs of their customers, staff and the communities where they are located.

Giving employees a voice

Many companies also have structures in place to recognise and support the social issues that employees feel most passionate about, consulting their employees to identify local community partners.

A number of companies support their staff and some retailers support their customers to nominate and vote for a local charity that then benefits from a wide range of support from that local business unit over a period of time. Other companies encourage employees to put forward details of relationships they have with local charities so that they can be considered for future support.

This approach delivers returns both in terms of increased employee engagement, but also in capitalising on the local knowledge of employees to identify pressing local social needs.



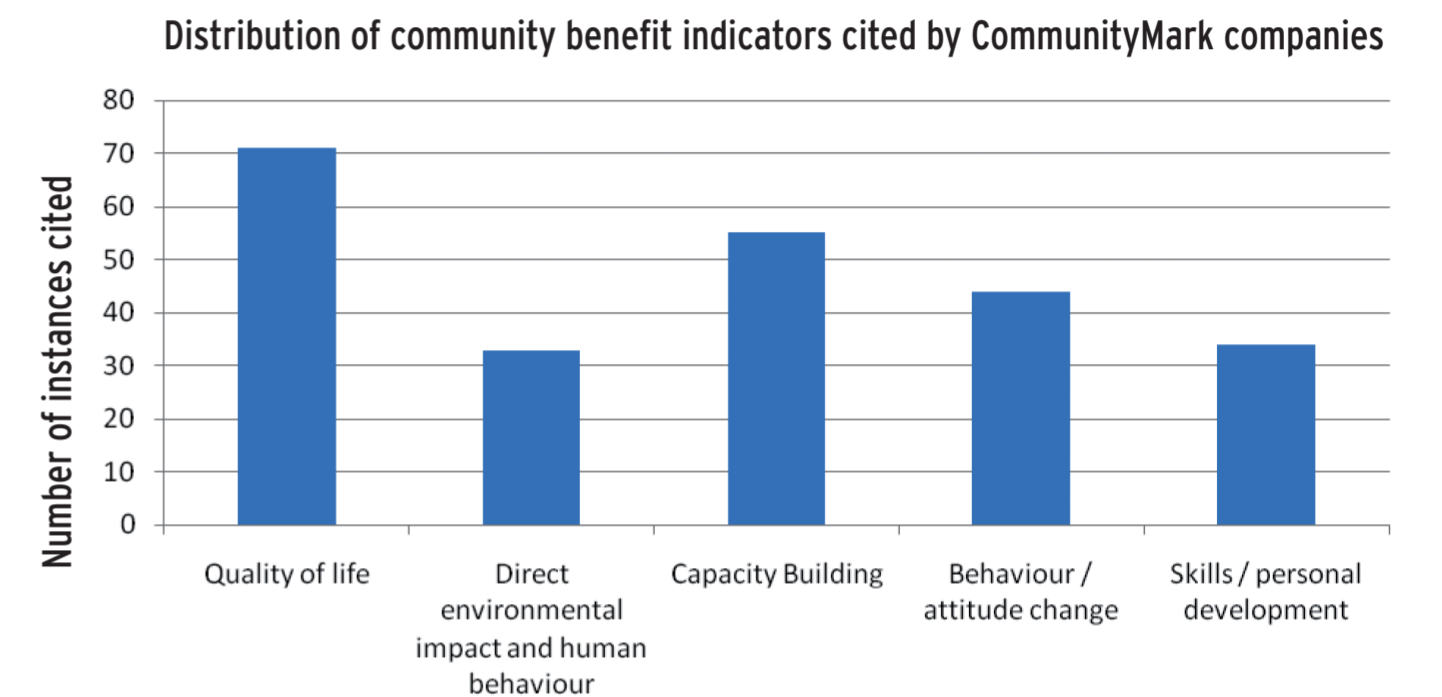
Measuring the Impact of Community Investment

The CommunityMark assists companies in the identification and measurement of the tangible impact of community investment on their business and within the community.

Community Benefits

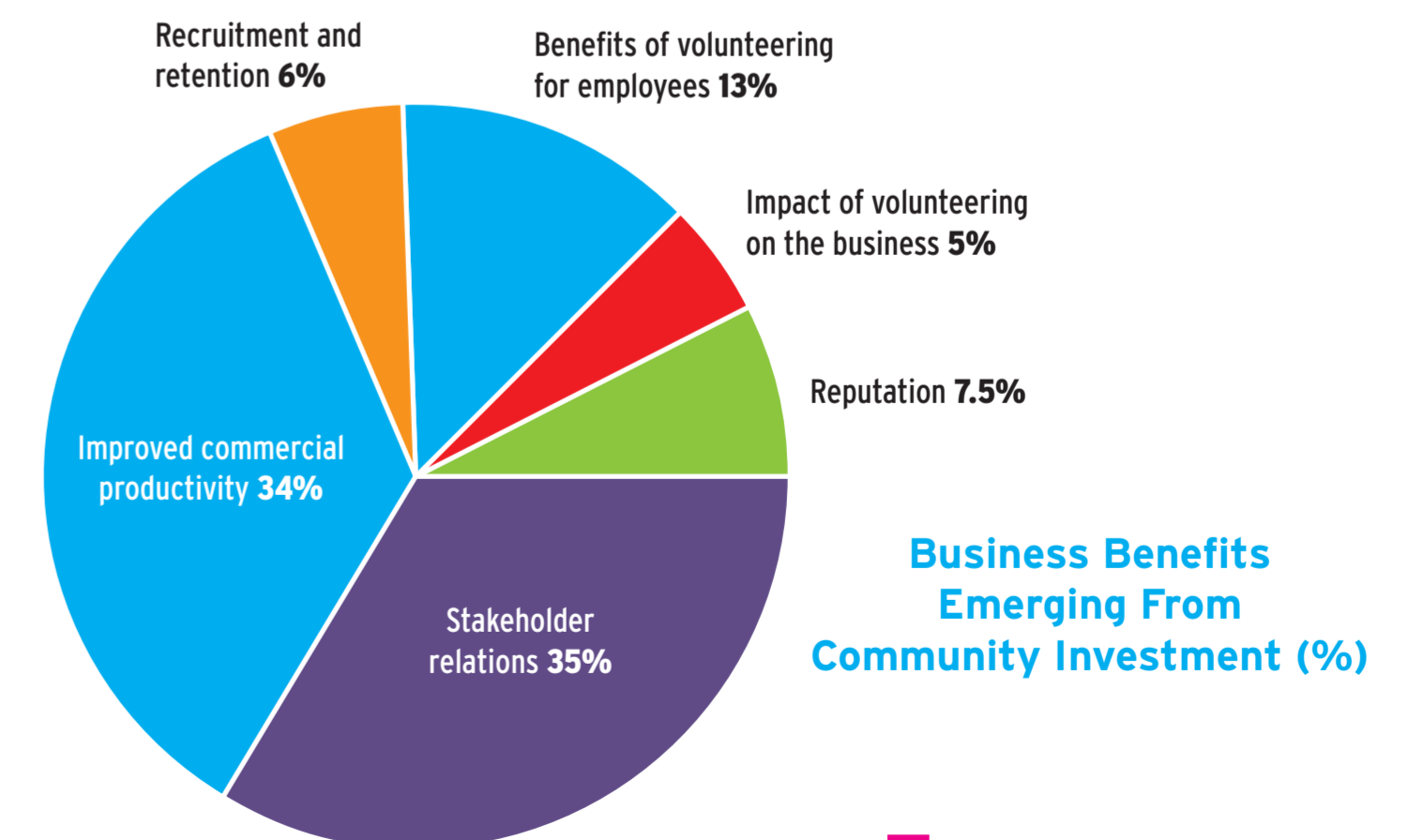
Following collaboration with businesses and the London Benchmarking Group, the CommunityMark is using a series of impact indicators which standardize and capture the key benefits that community investment can yield. The impact indicators form a core part of the CommunityMark mid-tenure review. The most frequently occurring areas of social impact fell within the category of 'Quality of Life', and the three main impacts within this category focused on:

- Increased confidence and self esteem of young people, the long term unemployed, and other vulnerable groups
- Reduced isolation of vulnerable people
- Increased access to positive role models for young people



Business Benefits

When asked to outline the perceived business benefits of community investment, 69% of the indicators that CommunityMark companies used related to improved commercial productivity and enhanced stakeholder relations.



What mark is the CommunityMark making?

The CommunityMark is an agent of change. By undergoing the process of applying for the CommunityMark companies have analysed their internal processes and the relationships that they have with their stakeholders and work to make them ever more efficient and effective.

CommunityMark companies confirm that the CommunityMark is benefiting their businesses in the following ways:

- ▶ Improved recruitment and staff retention
- ▶ Enhanced commercial activity
- ▶ Increased ability of reputation management
- ▶ Improved stakeholder relations
- ▶ Increased efficiency
- ▶ Improvements to structure/governance
- ▶ Better employee integration/engagement across business
- ▶ Greater presence/position on notable platforms
- ▶ Showcased excellence/leadership
- ▶ Developed counter response to criticism that companies do not have a role to play in communities

