Big Data Makes A Difference:
Data supporting the community investment function

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The LBG Canada Program

TELL A BETTER STORY.


MEASURE
Measurement informs decision making and increases effectiveness.

COMMUNITY
Strengthen community through strategic investment into social programming.

IMPACT

73% of companies use their LBG Canada data to report externally to the DISL, GRL, and IMAGINE Canada.

SPOTLIGHT - LOYALTYONE - THINKING "IMPACT" ENABLED FOCUS ON MARGINALIZED YOUTH AND DEEPER RELATIONSHIPS WITH COMMUNITY PARTNERS.
Companies in the LBG network recognize that measurement supports the management and effectiveness of the community program.

More than 1000 companies use the LBG Model to report on their community activities worldwide.

The LBG Model is specifically referenced as a resource to companies seeking recognition of their community efforts within the Dow Jones Sustainability Index.
2016 Community Investment Results
LBG Canada companies have contributed over **$3 Billion** to community since 2006.
50% of companies who invest globally.

30% of companies projected a budget decrease for FY 2017

44% of companies projected budget stability for FY 2017
Insights & Opportunities Report

2016 Benchmarking Summary

Company Investment

- 2013: $0.0
- 2014: $0.5
- 2015: $1.0
- 2016: $1.5

Stakeholder Contributions

- 2013: $0.0
- 2014: $0.5
- 2015: $1.0
- 2016: $1.5

Perceived Priority of Community Investment

- 2013: 5%
- 2014: 50%
- 2015: 60%
- 2016: 60%

% of Budget Allocated to Multi-Year Projects

- 2013: 0%
- 2014: 10%
- 2015: 20%
- 2016: 30%

Insights & Opportunities Report

Stakeholder
Contribution

- Tier $0.13
- Sector $0.16

Company Investment

- $1.00

Millions

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<th>Year</th>
<th>Company Investment</th>
<th>Stakeholder Contributions</th>
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<td>2013</td>
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LBG CANADA
Investment Categories 2012-2016

Companies seem to be achieving an increased amount of their impact through In-Kind and Volunteering, both of which take increased staffing resources and effort.
How Sectors Invested

- Telecommunications: 51% Cash, 14% In-Kind, 2% Time, 35% PMC
- Retail: 59% Cash, 2% Time, 23% In-Kind, 17% PMC
- Pipelines: 92% Cash, 2% Time, 1% In-Kind, 6% PMC
- Oil & Gas: 80% Cash, 5% Time, 9% In-Kind, 5% PMC
- Credit Unions: 81% Cash, 1% Time, 17% In-Kind, 2% PMC
- Power Generation: 79% Cash, 3% Time, 8% In-Kind, 10% PMC
- Financial Services: 92% Cash, 1% Time, 3% In-Kind, 4% PMC
The general trend for In-Kind contributions has been positive since 2013, with a very large jump in 2016. Some of this can be attributed to a large increase from a small number of LBG Canada companies, but even removing them the trend remains similar.
Companies have been making decisions about how to reorganize their spending, and increases in either employee time volunteered or in-kind contributions are very apparent year over year.

Both are labour intensive activities that can

a) enhance corporate reputation (meeting community need, employer of choice)

b) contribute to employee engagement
Expected Budget Changes (Year-on-Year)

This was a projected figure, actual was 64%.
Reasons for Increased Budgets

Budgets increasing due to a greater internal appreciation of the value of community investment was strongly correlated with impact measurement as an organizational priority.
Focus Area Refinement – LoyaltyOne Example

Previous Approach, LoyaltyOne Focus Areas

New Charitable Theme: Marginalized and Disadvantaged Youth (2016)
Community Investment Across the Company

- Sponsorship: 50%
- Marketing: 50%
- Regional Offices: 45%
- Community Relations: 30%
- Sales: 30%
- Executive Office: 25%
- Aboriginal Relations: 25%
- Operations: 20%
- Human Resources: 20%
- Health/Safety/Environment/Sustainability: 10%
Evidence of shift to either enhanced corporate spending on regionally identified priorities, or to greater regionally directed spend.
Between fiscals 2015-2016, 65% of LBG Canada companies demonstrated a decline in community investment expenditure, by an average of 17%. And yet, 30% of those companies increased the value of their community footprint, despite a decline in corporate budget.

How? Increased stakeholder contributions. Of the companies that managed to increase their stakeholder involvement, stakeholder involvement reversed a decline of community footprint by 7% (as a result of budget decline) to an increase in community footprint of 9% (on average).
Companies that increased employee giving, did so with an average increase of 25% in the contributions made to community by their employees.

Those that created an increase through their external stakeholders, whether through direct funds or the contribution of in-kind goods, had an average of 60%!
Contribution by Stakeholder

93% reported some form of leverage.

- **Supplier Funds**: 37% (2013), 43% (2014), 21% (2015), 7% (2016)
- **Government Funds**: 51% (2013), 51% (2014), 39% (2015), 10% (2016)
- **Employee Giving**: 43% (2013), 70% (2014), 57% (2015), 86% (2016)
- **Employee NwH Volunteering**: 69% (2013), 76% (2014), 50% (2015), 82% (2016)
As shown in the chart below, from 2006 through 2016 majority of companies relied on either internal or external stakeholders for over 90% of their stakeholder contributions. In essence, it seems as though companies excel in either leveraging from internal or external stakeholders.
Employee Giving – An (often) Overlooked Resource

While leveraging external stakeholders (like the government, customers, or suppliers) can add to the impact generated in the community, the contributions of employees are quite significant as well. Since 2006, employees have contributed over $334 million to communities, with over $1 billion leveraged from stakeholders in total.
By any measure, LoyaltyOne’s participation rates in during work hours and non-working hours volunteering represent a corporate culture that genuinely encourages employee engagement in community. Among companies of a similar size, maximum participation is 45%.
The graph below shows the return on investment for the amount spent on management costs measured by the total stakeholder contributions leveraged. For example from 2006-2016 for every $1.00 spent on management costs the average community investment team leveraged $1.50 in stakeholder contributions, or an ROI of 50%.
There is a strong relationship between the amount that a company commits to multi year projects, and the value of the funds they are able to leverage from external sources.
For More Information

For more information about LBG Canada, visit: www.lbg-canada.ca

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