

## **PRESS RELEASE**

### **DAX 30 companies and corporate citizenship: impact of over €500m investment unclear**

#### **Benchmarking study: German companies engaged in corporate citizenship activities – but often lack a clear direction**

**Berlin/Munich, May 2, 2017** – The companies listed in Germany’s DAX 30 index all engage in corporate citizenship activities – but less than one-quarter (23 percent) have a strategic approach. That’s a key takeaway of a new study entitled “From Good Intentions to Real Results – Corporate Citizenship of Germany’s DAX 30 Companies,” which was conducted jointly by German advisory firms goetzpartners and Beyond Philanthropy. As this comprehensive benchmarking study of the corporate citizenship initiatives of all DAX 30 companies reveals, the majority do not make full use of their core competencies when it comes to social commitment. What is more, their corporate citizenship activities often lack a clear focus. As a result, the companies are squandering valuable opportunities.

“Astonishingly, the enterprises do not take a strategic approach to corporate citizenship,” explains Armin Raffalski, a partner at goetzpartners. “No DAX 30 company has a truly integrated corporate citizenship program. If the companies applied the same rigor and standards to corporate citizenship as they do to their core business, they could have a much bigger impact on society for the same expenditure.”

#### **Corporate citizenship activities in Germany inconsistent and without clear direction**

As the analysis carried out by goetzpartners and Beyond Philanthropy shows, only 33 percent of DAX 30 companies link their social initiatives to their core business. Twenty-three percent of the companies are even involved in activities that are neither geographically nor thematically related to their core business. There is also a lack of substantive focus, with only 17 percent having set one or two clear points of focus for their corporate citizenship activities. The remaining 83 percent have no overarching direction in place. “When companies are active in a large number of unrelated social areas, they cannot amass the experience that would be of use to them or their projects,” says Michael Alberg-Seberich, Managing Director of Beyond Philanthropy.

In financial terms, DAX 30 companies make a substantial outlay on corporate citizenship activities, even though currently only around 60 percent report the amount of their societal contributions. The 60 percent who do report spend over €500 million on corporate citizenship initiatives, in the form of cash and in-kind donations. Although this figure appears large, the DAX 30 companies all donate less cash than the recommended level of one percent of EBIT.

#### **Unclear processes and results**

Many of the companies do not apply the same professional standards to the organizational structure surrounding their corporate citizenship activities as they do with their core business. The responsibility for corporate citizenship is often assigned to corporate functions such as communications, human resources or investor relations, with no clear definition of roles or processes.

In addition, many of the companies do not have a clear reporting system in place for donations and social commitment, although such a system is a key pillar of strategic corporate citizenship. Only 17 percent measure the results of their initiatives using predefined KPIs. Almost two-thirds (63 percent) report only sporadically on results, or measure solely on the basis of parameters such as the number of projects supported.

## **Lack of standards and guidance for good corporate citizenship**

One explanation for the findings is the lack of standards for good corporate citizenship in Germany. By way of contrast, many other countries have already introduced legal provisions for corporate citizenship. In India, for instance, the amount donated to charities is determined by a company's revenue: companies with annual sales of more than 10 billion rupees (about €142 million) are obliged to donate two percent of their profit to non-profit organizations.

Michael Alberg-Seberich sums up the findings: "Companies are more and more preoccupied with good corporate citizenship. But they often get bogged down in individual projects or pursue activities without clear goals, instead of directing their attention to, and making the most of, what is already there. With their abilities and financial strength, the DAX 30 companies could achieve much greater impact than they have to date. To do so, however, they need to develop a clear strategy, deploy their financial and non-financial resources in a targeted manner, put in place an effective corporate citizenship organization, and systematically measure the results, and social impact, of their activities."

## **About the study "Corporate Citizenship of Germany's DAX 30 Companies"**

goetzpartners and Beyond Philanthropy, the joint authors of the study, analyzed the corporate citizenship activities of Germany's DAX 30 companies, focusing on four dimensions: strategy, resource deployment, implementation and results. The analysis was based on surveys of the DAX 30 companies, comprehensive secondary research and discussions with experts.

You can download the complete study here:

<http://www.corporate-citizenship-benchmark.com>

Under the hashtag #CorpCit2017 you may follow the discussion on LinkedIn and Twitter.

## **About Beyond Philanthropy**

Beyond Philanthropy is a specialized consultancy which helps businesses, foundations and individuals to maximize the impact of their CSR, philanthropic and social investing activities. Beyond Philanthropy supports clients with tailored services spanning research and analysis, strategy consulting as well as implementation services. With its international reach and multidisciplinary team, Beyond Philanthropy has served clients in more than 30 countries, working on more than 80 projects with a direct impact on more than EUR 100 million of social change funds.

## **About goetzpartners**

goetzpartners is an independent advisory firm for all key issues of entrepreneurial activity: Strategy, M&A, Transformation. With more than 350 professionals operating out of 14 offices in 11 countries, we advise clients worldwide in all key industries. The company ranks among the 10 best-performing German advisory firms (Lünendonk®). goetzpartners has received awards three years in a row as part of the "Best of Consulting" contest by the renowned German magazine "WirtschaftsWoche", most recently in the "Project Excellence" category (2016).

## **About the partnership between the two companies**

In 2011, Beyond Philanthropy and goetzpartners established a strategic partnership that enables them to pool their social and strategic expertise. Together, they have organized numerous projects for companies and foundations. The partnership reflects good corporate citizenship as outlined above: the best-possible social impact can be achieved only by close cooperation between the business and non-profit worlds.



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