



The Social
Engagement of
DAX Companies
in Review

Corporate Citizenship

Transforming from an outsider
to a centre of competence in
sustainable companies

WIDER
SENSE

Preface

What constitutes a good corporate citizen? For a long time, the idea was that "the business of business is business". Community engagement was left to the niche of corporate citizenship departments. But is that still true? Wider Sense has taken the pulse of the corporate citizenship (CC) landscape of DAX 40 companies for the third time since 2017 and 2021. And something has changed. Corporate citizenship is evolving from a friendly non-profit outsider to a centre of competence for social and sustainable issues.

Corporate citizenship departments support HR departments in developing their employer branding initiatives. Together with marketing, they design impactful social projects that authentically enhance the company's reputation. They advise research and development departments on the social dimension of new products. Corporate citizenship increases its impact by fostering sustainability in the core business in addition to pursuing specific social commitments.

There is also greater transparency regarding the dual goals of corporate citizenship: external goals for the good of society and internal goals such as employee retention or image enhancement. However, this only works if the social benefit is given priority. Were this is not the case, trust is lost easily, and reputation damage is hard to repair.

This study shows how much companies are already doing. Join us behind the scenes as we undercover their strategies and see for yourself which companies are leveraging the great win-win potential for society and companies and where more work is needed.

We would like to take this opportunity to thank all the participating companies and CSR managers who gave us important insights in numerous interviews. Without them, the study would not have been possible.

We would also like to express our thanks to the experts we interviewed from business and civil society.¹

Best regards,



Michael Seberich
Managing Director
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Executive Summary



Every two or three years, we hold the thermometer up to the corporate citizenship landscape of the DAX 40 companies. In 2024, it is once again time to assess the contribution that companies make to addressing the major challenges of our time by means of their social commitment. To what extent is their contribution strategic and credible? What volume of resources are companies investing and how confident can we be about accurately measuring their impact on society and the environment?

To find out, we analysed all DAX 40 sustainability reports and CC websites. We interviewed 26 CSR managers in person and ran the results past experts from the fields of Human Resources (HR), Environmental, Social and Governance (ESG) reporting, Non-Governmental Organisations (NGOs) and providers of digital CC tools. This study provides evidence-based insights into the latest developments in the corporate citizenship programmes of DAX 40 companies.

First, the good news: the level of social commitment among the DAX 40 companies remains high. The anticipated post-pandemic decline in resource allocation did not occur. Moreover, corporate citizenship has become more professionalised. It is focusing on fewer but more strategically relevant issues and displays more efficient management and reporting structures. However, the differences between individual companies are huge, and only a few have clearly moved from the midfield to become top performers.

Remarkably, the indicators for this commitment have shifted significantly since our last study (2021). Today, the business case for corporate citizenship is no longer focused solely on image enhancement, but primarily on motivating and attracting good employees.

This study provides numerous practical examples of how companies are trying to achieve these goals in different ways and which among them are taking a particularly smart approach to create a win-win situation for the company and for society.

The following findings are particularly pertinent:

- 1. The transformation to sustainability within the core business is rapidly gathering momentum.** The development of corporate citizenship is proceeding at a slower pace.
- 2. Companies are formulating more clearly the *internal* goals that they are pursuing with corporate citizenship.** Employee motivation is in first place, followed by image enhancement and support for the sustainability strategy.
- 3. Corporate citizenship is becoming more closely enmeshed with some of the functional business areas, including the HR, Marketing and Sustainability departments.**
- 4. Many companies are taking a more strategic approach.** They are focusing their corporate citizenship efforts on fewer fields of action and make direct reference to the company's materiality analysis.
- 5. Companies in the vanguard are creating real win-win situations. They are clearly identifying those areas where they generate added value for society and the company, systematically utilising their assets and entering into long-term partnerships with non-profits.**
- 6. The front-runners are succeeding in positioning corporate citizenship in the 'sustainability jungle' of hundreds of ratings and reporting obligations as a distinguishing feature in competitive markets.**
- 7. Corporate volunteering is on the rise.** However, the quality varies greatly. When done well, the benefits for society and the company are clearly discernible.
- 8. Social purpose marketing has increased.** But only a few companies approach it in an evidence-based way, with genuine knowledge of the issue and its impact on the various target groups.
- 9. Impact measurement is complex but is becoming more important.** It is the litmus test of what companies really achieve for the benefit of society. Only impact measurement creates the credibility without which none of the above-mentioned goals can be achieved.

Corporate citizenship as a compass in the sustainability jungle

Companies are increasingly expected to act sustainably. However, it is difficult to make a judgement about which of them are conforming well to this expectation and which are not. A flood of regulations, ratings and rankings creates abundant transparency, but at the same time little clarity. Consequently, some DAX companies are increasingly focusing on corporate citizenship as a distinguishing feature of their social footprint.^{II} As a result, social commitment is moving closer to the core business and its sustainability strategy. Done well, corporate citizenship leads to a win-win situation for society and for the company.

Many studies confirm the increased demands made by customers, employees, politicians and investors for sustainable corporate behaviour.^{1,2,3} Even if counter-movements are forming in the USA under the battle cry of ‘woke capitalism’⁴, they remain in the minority. **‘The business of business is business’ no longer holds true.**

However, it remains a challenging task to assess how well companies are already fulfilling ESG requirements.⁵ Dozens of ratings and rankings according to hundreds of different criteria can produce contradictory results. Furthermore, greenwashing and whitewashing scandals are undermining confidence. The ***Economist* magazine recently declared the current ESG concept a failure.**⁶ The cost-benefit ratio is not good. “Our sustainability and compliance colleagues are drowning in regulation and reporting obligations,” one CSR manager told us. “But the level of success is mixed at best.”

So why are companies still voluntarily investing in social commitment? We asked the DAX 40 companies, and their answer was explicit: Unlike mandatory

II In this study, the terms corporate citizenship and social engagement/commitment are used synonymously.

regulation, corporate citizenship is voluntary and therefore a **distinguishing feature in competitive markets**. It can also help companies to **attract employees, boost the brand and accelerate their own sustainability transformation**. However, the prerequisite is that corporate citizenship primarily benefits society. This is the only way to earn the necessary credibility.

Corporate citizenship is moving closer to the core business. Social commitment is increasingly becoming part of the official sustainability strategy. Consequently, corporate citizenship targets for the company are being formulated more clearly and success is being measured more precisely. This trend can also be observed internationally, as *Chief Executives for Corporate Purpose* state in their latest report.⁷ As a result, there is new **collaboration between the Corporate Citizenship and the HR, Marketing, Sustainability and Research departments**. Our desktop research supplemented by interviews with 26 of the 40 CSR managers in DAX companies and with other experts shows where the opportunities and challenges of these developments lie and how they can be skilfully managed to create a real **win-win situation for society and the company**.^{III}



- III This study is based on the analysis of open access company publications, of interviews with CSR company representatives and external corporate citizenship experts, and of publications from research institutions and the media. The data from the interviews with CSR company representatives was clustered for the analysis, though it should be noted that multiple categorisations of the individual interview statements are possible (see figures of this study).

What is corporate citizenship?

Corporate citizenship refers to a company's **commitment to the primary benefit of the environment and of society**. Good corporate citizenship is pursued with the same degree of vigour and seriousness as the core business. It is **strategically focused**, employs a smart **mix of resources**, is professionally managed and is **measured by the resulting benefit for society**.

A distinction is usually made between four types of corporate citizenship:

Corporate Giving

Financial donations or donations in kind to non-profit organisations, such as charities or foundations

Corporate Volunteering

Involving employees to achieve a social impact while at the same time communicating corporate values internally

Corporate Impact Investing

Investing in business models that solve market-based social problems

Corporate Activism

Influencing the public and decision-makers to bring about positive regulatory changes

The **methodology developed by Wider Sense and goetzpartners** for the assessment of corporate citizenship analyses the performance of the companies surveyed across four dimensions: (1) **strategy**, (2) **resources**, (3) **implementation** and (4) **outcome** (see chapter on Study Design). From this analysis, the following five types of corporate citizenship were derived:

Typology of Corporate Citizenship

Spontaneous	Reactive	Engaged	Strategic	Integrated
 <p>Social engagement of the financial kind, with no strategic intent (e.g. spontaneous donations to local charities and NGOs)</p>	 <p>Makes regular financial donations, but without any specific intended impact (e.g. mainly localised giving is combined with early-stage long-term projects)</p>	 <p>Long-term involvement in selected areas, partly linked to core business; activities are partly impact oriented, but assessment of outcomes is not systematic</p>	 <p>Pursues a focused strategy with synergies between social engagement and core business; orientates activities by results and impact</p>	 <p>Strives to maximise impact for society through integrated use of corporate assets while effectively working to integrate sustainability in the core business</p>

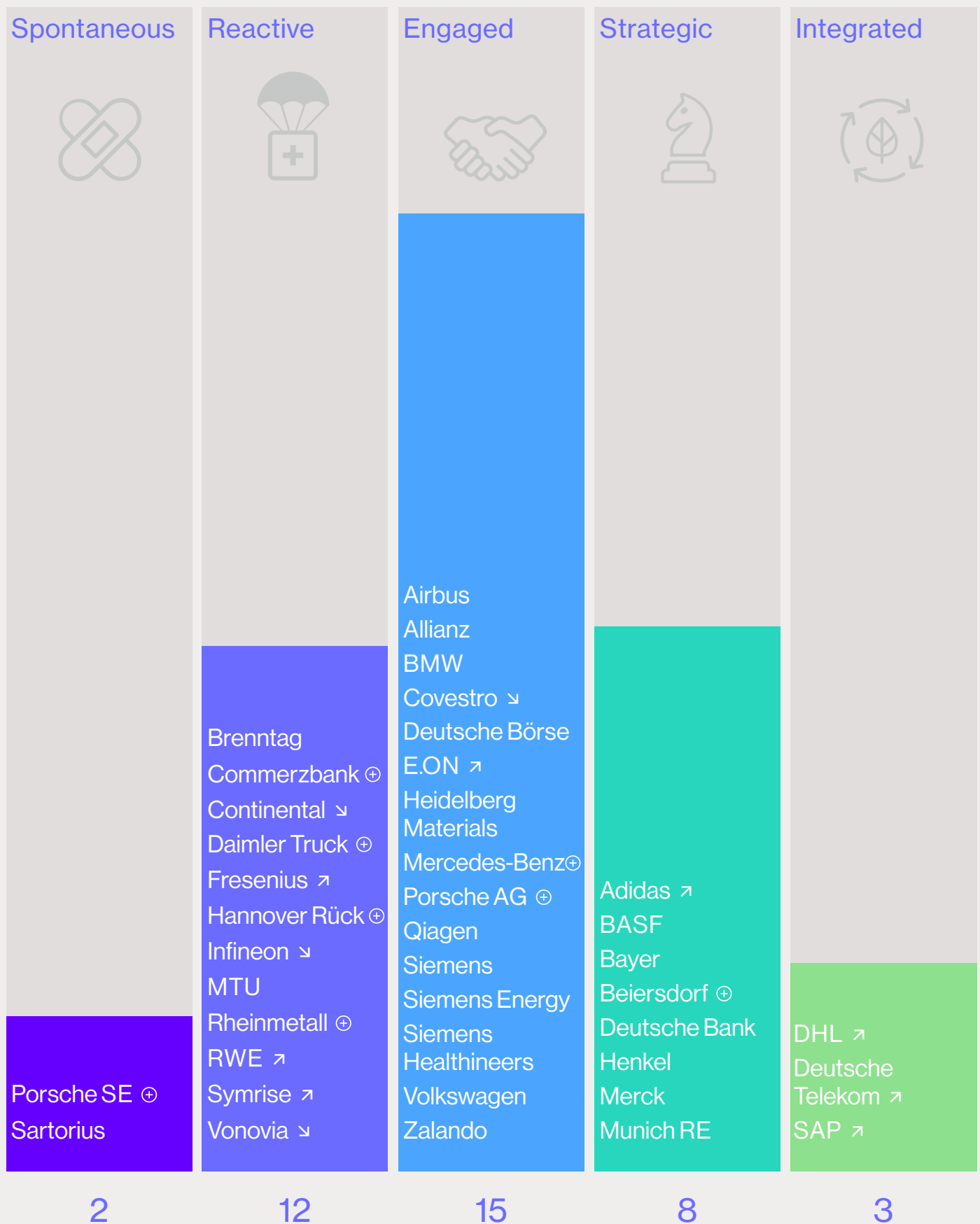
A detailed description of our approach can be found in the Study Design chapter.

DAX 40 Corporate Citizenship Benchmark 2024

Compared to the previous study, only 32 of the companies in the 2021 DAX 40 are still present in the index. Eight companies have entered since then: Beiersdorf, Commerzbank, Daimler Truck, Hannover Re, Mercedes-Benz, Porsche AG, Porsche SE and Rheinmetall.

As in our previous studies from 2017 and 2021, the vast majority of companies occupy positions in the midfield as regards their social commitment. Nevertheless, our research revealed that many companies are professionalising their corporate citizenship activities. In the case of eight companies, this has propelled them into the next category up: Fresenius, RWE and Symrise graduated from 'spontaneous' to 'reactive', E.ON from 'reactive' to 'engaged' and Adidas from 'engaged' to 'strategic'. DHL, Deutsche Telekom and SAP are the first three companies to be categorised as 'integrated'. The success of these companies in utilising the potential of corporate citizenship is impressive. They continue to integrate corporate citizenship into their core business and thus generate demonstrable win-win situations for society and for the company. These front-runners demonstrate clearly that strategic corporate citizenship is rarely implemented overnight. All three companies had already qualified for the 'strategic' rating in 2017 and 2021.

List of DAX 40 companies according to type of corporate citizenship



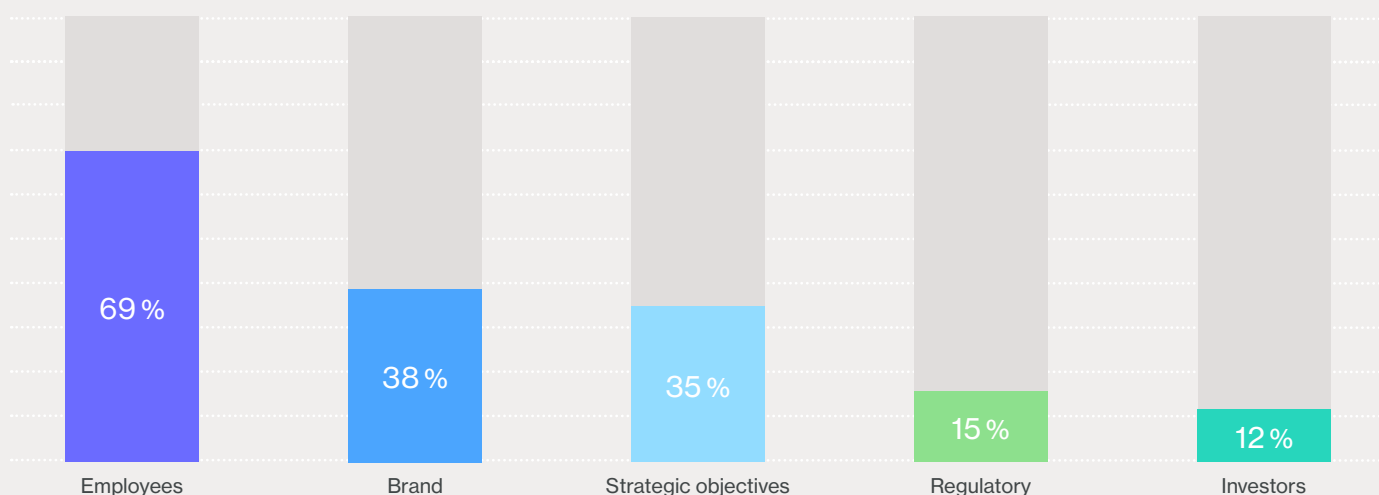


The business case for corporate citizenship

By definition, corporate citizenship is voluntary and for the primary benefit of the environment and society. Why do profit-oriented DAX companies engage in such activities at all? Our previous studies from 2017 and 2021 showed that, in addition to added value for society, the focus was primarily on image enhancement. This current report reveals new trends: our 26 interviews with the CSR managers of DAX companies show that attracting and motivating employees is now at the top of the list; this is followed by reputation building and (also a new consideration) the achievement of strategic sustainability goals for the group as a whole.

DAX companies are increasingly seeking to clearly define the **added value of corporate citizenship for society AND their own business**. The aim is to create a win-win situation with clear objectives and validated results for both sides of the equation. However, our research shows that this only works if the **social benefit is credibly placed at the forefront** and has a solid basis in the company's practice.

DAX 40 companies see corporate citizenship as a way to attract employees and enhance their own reputation



Social engagement supports the recruitment and retention of employees

The *‘war for talent’* is nothing new. It has intensified since the onset of the coronavirus pandemic. Companies are struggling to find, motivate and retain good employees. Our interviews with CSR managers from the DAX 40 give a clear picture: **69 percent stated that recruitment and motivation of employees are the two most important internal drivers** for good corporate citizenship.

Are the companies right? **Is this what employees want?** Different studies come to very different conclusions. Attractive salaries and flexible working conditions are still at the top of the list when it comes to an employer’s attractiveness to new recruits. Increasingly, however, employees are looking for more meaning in their work. Studies show that **credible corporate citizenship is perceived positively by employees and increases their loyalty to the company.**^{8,9} Data from a *talent retention study* even shows that involving employees in social engagement activities can reduce staff turnover among new employees by up to 52 percent.¹⁰

It therefore comes as no surprise that CSR departments are increasingly working in closer collaboration with their HR colleagues on **employer branding**. Another phenomenon is the significant increase in official **corporate volunteering** programmes in place of the previous support given to private social commitments by employees. This indicates that companies are increasingly recognising the internal added value of corporate volunteering and are more enthusiastic about promoting CV.

SAP has had an excellent corporate volunteering scheme for many years in the shape of its **Social Sabbatical** programme. SAP employees use their specific digital expertise to support social enterprises. In 2022, SAP measured the precise **impact this has on society and employees** for the first time. 74 percent of employees stated that participation in the Social Sabbatical programme had a positive long-term impact on their career, and 79 percent of employees said that it increased their sense of purpose.¹¹ Alexandra van der Ploeg (Global Head of Corporate Social Responsibility, SAP) sums it up as follows:

“The specific metrics of the added value of corporate citizenship for SAP have led to a whole new level of attention and appreciation from the Executive Board. This in turn helps to consolidate and further expand our social commitment.”



Alexandra van der Ploeg
Global Head of Corporate Social
Responsibility, SAP

Interview with Dr. Bettina Volkens, great2know, formerly with Deutsche Bahn und Lufthansa



Dr. Bettina Volkens
has many years of experience in
management and board functions
at Deutsche Bahn AG, Deutsche
Lufthansa AG and other companies.
She is the co-founder and CEO of
great2know GmbH.

“The most important thing is to deliver experiences that repeatedly reinforce the credibility of the commitment. Glossy brochures are not enough.”

What does a long-standing manager and former HR director think about the potential of corporate citizenship for motivating employees?

Wider Sense: Is it true that employees want their employer to have a high level of social commitment?

B. Volkens: The evidence of employees' desire for meaning and purpose is sufficiently great for companies to make the necessary changes.

WS: When did this desire for more meaning and purpose arise?

B. Volkens: It has always existed and across all milieus. But only now is it encountering a labour market that has to adapt accordingly.

WS: What does it take to fulfil these expectations?

B. Volkens: The expectations that have been raised must be met in the company's day-to-day activities. This is often not the case, and then it is counterproductive.

WS: Is there anything else that companies should bear in mind?

B. Volkens: The most important thing is to deliver experiences that repeatedly reinforce the credibility of the commitment. Glossy brochures are not enough. Commitment must be a lived experience.

WS: What role should the Board play?

B. Volkens: For corporate citizenship to be truly credible, it must be fully supported by the Executive Board, conceived on a grand scale and implemented professionally. Only then will corporate citizenship develop sufficient persuasive power and appeal to inspire employees.

Social engagement strengthens the brand

38 percent of the CSR managers interviewed stated that image enhancement was a key internal driver for good social engagement. This motivation is distributed somewhat differently between B2C companies (46 percent) and B2B companies (31 percent). In any case, recent studies indicate that **image enhancement by means of well-implemented corporate citizenship** has great potential.^{12, 13}

Deutsche Telekom's 'Gegen Hass im Netz' (Combating Online Hate) campaign is a good example of how corporate social responsibility initiatives can have an impact on the core business. Marike Mehlmann-Tripp, Cluster Lead Social Engagement:

"We are committed to combating hate and disinformation online because we don't want to allow our network to become a conduit for wrongdoing. However, the initiative's reach has also had a positive impact on our brand image, which has risen by 17 percent since its launch."

The involvement of customers in social commitment to strengthen the brand is comparatively new. Some companies give their customers a say in which worthy causes should receive donations. Others organise corporate volunteering activities in partnership with their customers. One example is SAP, which, together with its customer Unilever, has launched the *Transform Support Hub* to offer social enterprises pro bono consulting services and other benefits. Meanwhile, online mail order company Zalando is offering customers the opportunity to buy second-hand clothing in a joint effort to reduce waste.¹⁴

Even though there is a lot of evidence showing the positive effects of social engagement (with and without input from customers) on the brand, the **risks are often underestimated**.¹⁵ For example, when the beer brand Bud Light underestimated the politicisation of gender issues in the USA. Its campaign featuring a transgender influencer enraged significant parts of its customer base, led to a slump in sales and ultimately to Marketing being put on leave.¹⁶ The commitment of sportswear and sporting goods manufacturer Nike to *girls' empowerment* came under fire when female athletes revealed that sponsorship contracts continued to require high sporting performance, even during pregnancy.¹⁷



Marike Mehlmann-Tripp
Cluster Lead Social Engagement,
Deutsche Telekom

Successfully setting up social purpose marketing

Wider Sense worked with a group of Master's students from the ESCP Business School Berlin to answer the following question: What are the most important **success factors for social purpose marketing to produce a win-win situation** for the company and society?

The following six points for successful social purpose marketing emerged from our research:

1. Ensure credibility

The social cause you are committed to must be credibly reflected in your own corporate practice.

2. Break down silos

Marketing needs to work closely with the CSR department, which has specific expertise in this area.

3. Conduct research

Clean, data-based research is required on the social challenges that you want to address.

4. Anticipate pitfalls

The attitude and potential reaction of the target groups (especially customers and employees) should be tested in advance so that appropriate adjustments can be made.

5. Select suitable partners

Not every NGO is a good partner. You need to understand who can speak on behalf of whom on these issues and carry out solid due diligence in partner identification.

6. Measure impact

In order to be able to speak credibly of a win-win situation for company and society, measurement of the social impact of a social purpose marketing campaign should be accorded the same degree of seriousness with which large marketing campaigns are monitored.

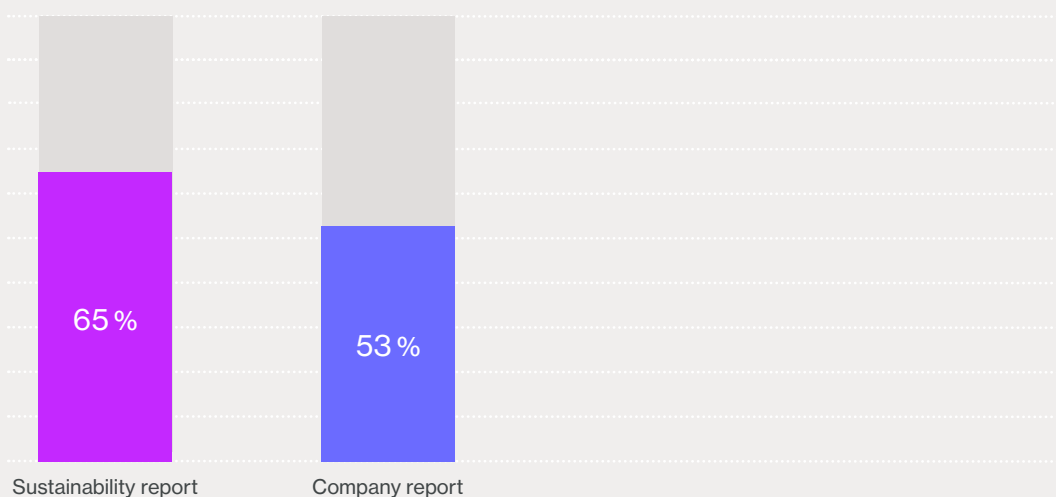
We will be happy to provide you with the full results of the joint study by the Master's students and Wider Sense on request.

Social engagement serves as a catalyst for achieving sustainable corporate goals

The **third-most important driver for good corporate citizenship** is the achievement of **strategic corporate goals**. As one CSR manager emphasised in our interview: *“Corporate citizenship is now an official part of our sustainability strategy. Since it was introduced, all business units have set about implementing corporate citizenship for themselves. Many are now approaching us and asking whether we can support them with our expertise in this field.”*

How is this support for sustainability goals to be understood? In some cases, **corporate citizenship projects** (e.g. in the areas of plastic recycling and climate protection) contribute directly to the corresponding **CO₂ or plastic reduction targets**

More than half of corporate and sustainability reports contain clear references to corporate citizenship



of the companies. In other cases, the benefit accruing to the core business through corporate citizenship activities is more indirect, e.g. fragrance and flavour manufacturer Symrise setting up **social projects along the supply chain**. Such activities are primarily aimed at achieving social goals while at the same time helping to better assess and fulfil the company's due diligence obligations. At MTU Aero Engines in Munich, support for basic research into carbon-neutral flying is helping to develop a **sustainable business model** for the engine manufacturer. And companies such as Henkel and BMW use corporate volunteering to **boost the sustainability agenda across the company** and thereby support the development of their core business.



Regulation and investors play a subordinate role

According to our interview study, only 15 percent of the DAX companies interviewed consider regulation to be a key motivation for social engagement. This is due to the fact that there are **hardly any regulatory requirements or bonus points** in sustainability rankings. Although the Global Reporting Initiative (GRI) and the Institutional Shareholder Services (ISS) Standard mention the related issue of *community engagement*, it does not play a major role. And in the **highly detailed reporting requirements of the Corporate Sustainability Reporting Directive (CSRD)**, there are **no guidelines** as to what is considered a good standard for social engagement.

And yet the majority of companies include information on their **corporate citizenship activities** in their annual and sustainability reports (see chart p. 13). Such activities often even **feature quite prominently**. For example, the CEO of Beiersdorf explicitly mentions the good partnership with various NGOs in the foreword to the company's Sustainability Highlight Report 2022.¹⁸ The high credibility and motivating narrative of such commitments are used as a distinguishing feature and to reinforce intentions regarding sustainability (see the following interview with Hendrik Leue of sustainability consultancy fors.earth).

Only 12 percent of interviewees identified investors as a driver for social engagement. Nevertheless, we know from investors that they do look at social engagement in order to obtain a holistic assessment of the sustainability credentials of companies. The representative of a private wealth management firm emphasises this point: “A look at a company’s social engagement simply rounds off the picture nicely in terms of its social footprint.”

Interview with Hendrik Leue, fors.earth



Hendrik Leue
Senior Consultant, sustainability
consultancy fors.earth

“In the early days of sustainability reporting, CSR often took on a disproportionate importance.”

How do sustainability consultants define the new role of corporate citizenship?

Wider Sense: Are there requirements for corporate citizenship within the current regulatory framework, ratings or rankings?

H. Leue: There is nothing specific on this in the CSRD. Ultimately, corporate citizenship does not feature prominently enough in the materiality analysis. But in the ISS, for example, one of the two leading ESG ratings, there is a section on ‘Community Involvement’. It evaluates the following sub-items: strategic focus, long-term nature of the programmes, monitoring of progress and transparency concerning the resources used.

WS: How is the ESG reporting landscape changing right now?

H. Leue: In the early days of sustainability reporting, CSR often took on a disproportionate importance. Ever since it was decreed that the

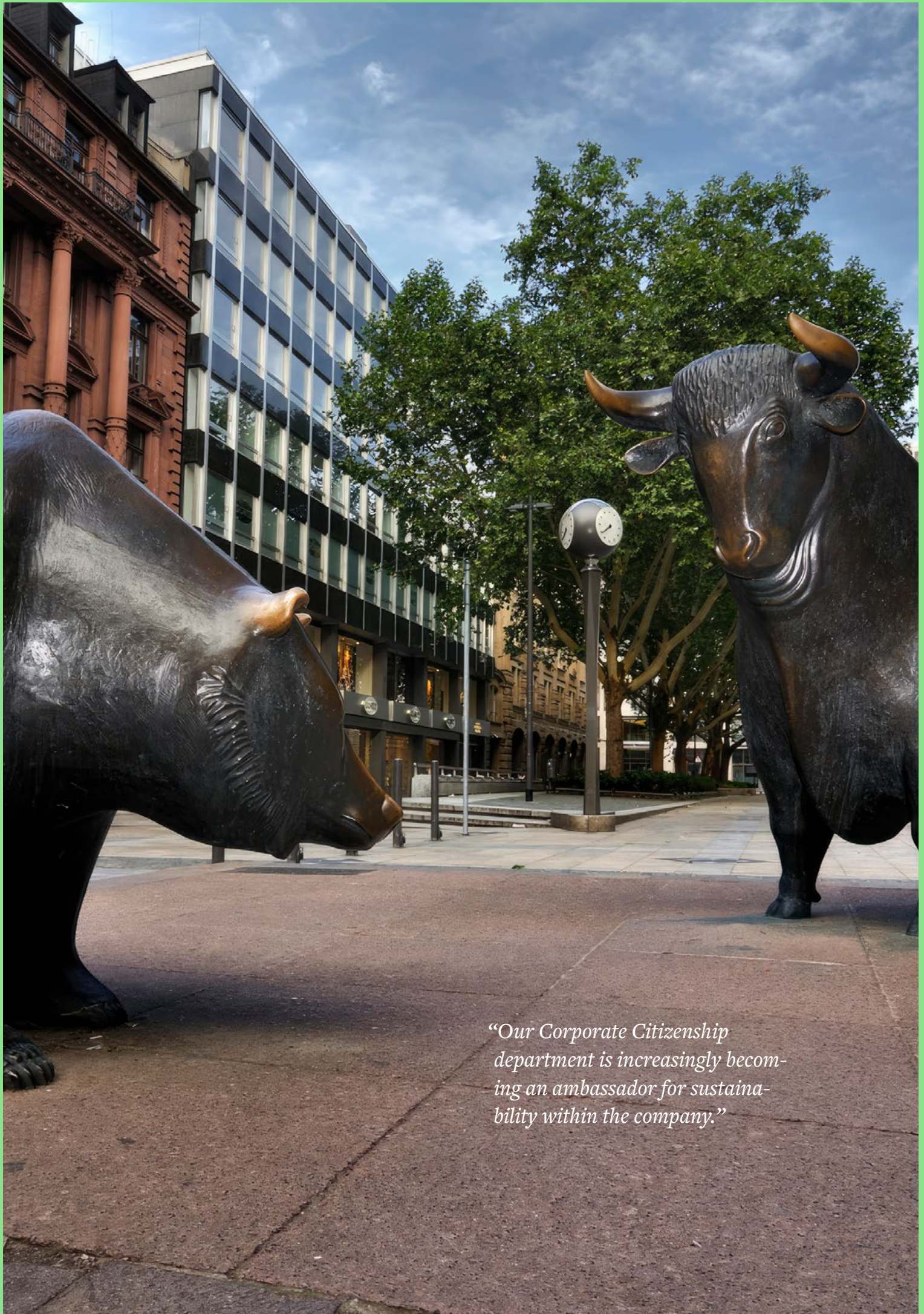
really ‘material’ issues have to be determined in a materiality analysis, it has become clear that the major drivers for positive and negative impacts on the world lie within the core business. And it is these drivers in particular that must now be disclosed very transparently in accordance with precise and uniform standards.

WS: What does this mean for corporate citizenship?

H. Leue: It also requires those responsible for corporate citizenship to adapt to the precision and seriousness of reporting in the core business in order to avoid the company being accused of greenwashing or whitewashing. For example, we can now clearly measure how the gender pay gap in the company has developed in comparison to others. This sets high standards, and readers are becoming much more discerning in their assessment of the reports.

WS: Why does corporate citizenship matter to companies in the first place?

H. Leue: Today, it’s all about retaining or attracting good employees. Companies that make a credible and effective contribution to society are particularly attractive to potential recruits. In terms of corporate volunteering, however, this also means that, rather than planting trees, for example, bankers should be helping to stabilise volatile food prices for farmers in the Global South. Of course, this only works if the bank does not negate their efforts by making profits from fluctuating prices.



“Our Corporate Citizenship department is increasingly becoming an ambassador for sustainability within the company.”

Corporate citizenship moves closer to the core business

Originally, a company's core business and its social engagement were two separate worlds. Recently, the core business has come under pressure to become more social. At the same time, social engagement is expected to be more strategic and data driven. As a result of both the above developments, corporate citizenship and the core business have become much closer – strategically, operationally and culturally.

“The issue of sustainability is becoming more firmly embedded in the company’s DNA. In HR, research, production, communication, finance—sustainability now plays an important role everywhere.”

Strategic: Corporate citizenship becomes part of the sustainability strategy

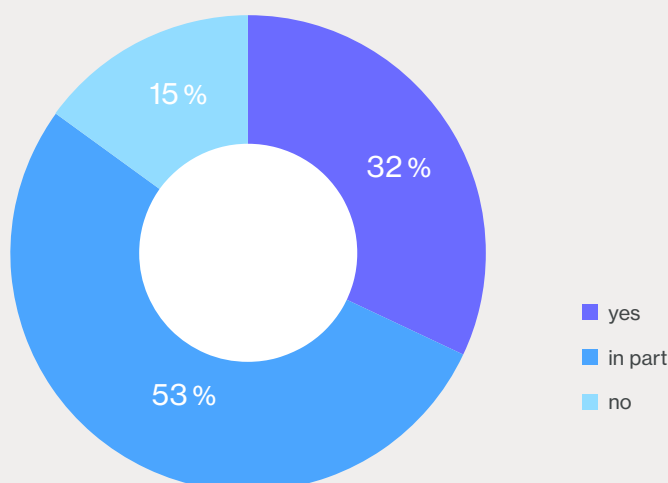


Milena Pighi
Head of CSR, BMW

85 percent of the DAX 40 base their social engagement on the results of their **materiality analysis**. In a materiality analysis, the company works with its most important stakeholders to identify which sustainability issues it should prioritise in its core business. The **corporate citizenship activities are thus derived directly from** the most important **sustainability issues** in the core business. Milena Pighi (Head of CSR, BMW):

“Within the BWM Group, interest in corporate citizenship has recently increased significantly. We have therefore derived clear CC guidance from the corporate strategy and set up a Centre of Competence for Corporate Citizenship.”

The majority of DAX 40 companies refer to their materiality analysis in deciding their social engagement





At companies such as DHL, Merck, SAP and Siemens, corporate citizenship has already become an **integral part of the official sustainability or corporate strategy**. Social engagement thus contributes directly to the achievement of strategic corporate goals. The pharmaceutical and chemical giant Bayer goes one step further and combines its **corporate citizenship with the purpose of the entire Group**: “Health for All. Hunger for None.” These goals are fulfilled primarily through business activities. However, in circumstances where medical care and food security can no longer be achieved by economic means, corporate citizenship comes into play. Hila Hossain (Manager Group Corporate Sustainability at the chemical and pharmaceutical company Merck) explains:



Hila Hossain
Manager Group Corporate
Sustainability, Merck

“We see corporate citizenship as an important part of our sustainability strategy and support employees from a wide range of departments in their social engagement.”

Operational: Corporate Citizenship works more closely with other departments



Oliver Frischemeier
Head of Corporate Communications
& Engagement, Deutsche Börse

It emerged from almost all interviews with CSR managers that **operational cooperation with other departments within their particular company has increased.**

Almost 50 percent stated that they regularly work together with at least two other departments. Oliver Frischemeier, Head of Corporate Communications & Engagement at Deutsche Börse:

“Our skills and expertise as a Corporate Citizenship department are respected and in high demand. This facilitates uniform standards and continuous further development.”

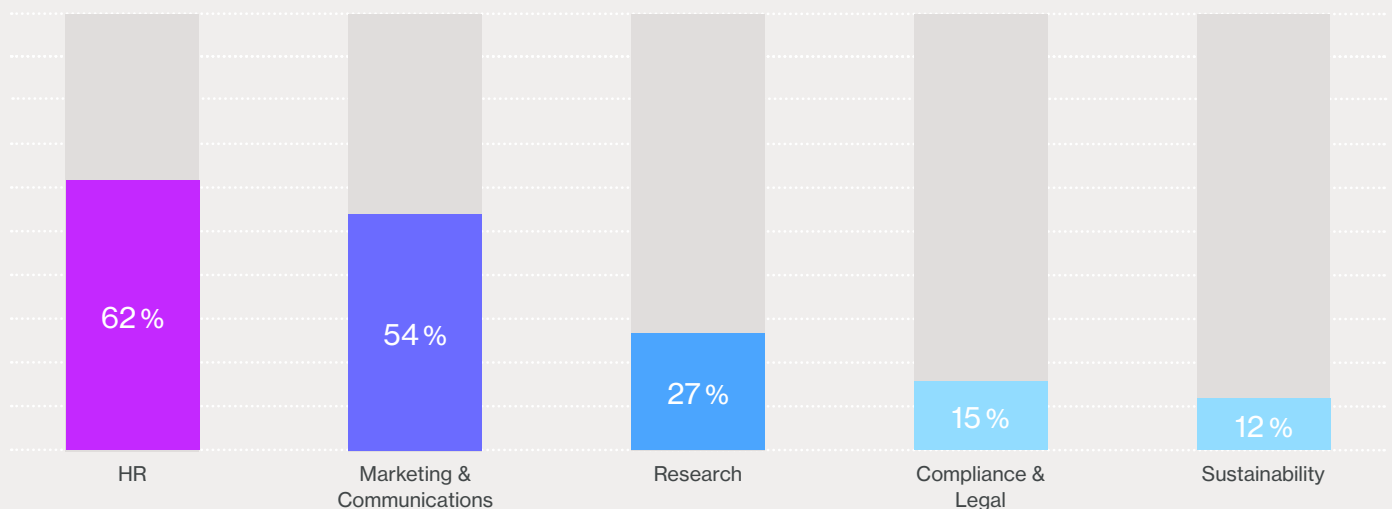
Some CSR teams even have **regular *jours fixes* or check-ins** with the Marketing, Communications and/or Sustainability departments. However, other Corporate Citizenship departments can feel overwhelmed by the new onslaught, especially if they are understaffed.

At 62 percent, HR departments are the most frequently named CSR partners in the company. For example, corporate citizenship representatives from BMW, Heidelberg Materials and Henkel work together with their respective HR teams on **employer branding, attractive corporate volunteering** programmes and the development of a positive leadership culture. However, it is reported that some HR departments initially react sceptically to new partners from the field of corporate citizenship. In such cases, surveys among employees that show that social engage-

ment can expand competences and increase motivation are extremely helpful (see the successes at SAP).

At 54 percent, **Marketing and Communications** departments are the **second-most frequently mentioned partners** of CSR departments in the company. At Adidas, DHL and Deutsche Bank, they work together on issues such as **NGO partner identification, external communication in times of crisis and the development of a vision and purpose** for the company. While Marketing and Corporate Citizenship have different goals, incentives and expertise, a real win-win situation can be created. Christiane Hölscher (Head of Social Impact Strategy and Partnerships, Beiersdorf) explains in an interview what it takes.

Corporate Citizenship departments work primarily with HR and Marketing



Interview with Christiane Hölscher, Beiersdorf



Christiane Hölscher
Head of Social Impact Strategy and
Partnerships, Beiersdorf

“Successful social engagement requires very good communication as well as long-term projects with selected non-profit organisations and an evidence-based approach.”

What does an experienced Social Impact Strategy and Partnership Manager think about cooperation with the marketing department and strategic NGO partners?

Wider Sense: How does Corporate Citizenship at Beiersdorf work together with Marketing?

Christiane Hölscher: The task of our Social Commitments department is to align the social engagement of the company and our brands with social developments and the corporate strategy in a long-term, impact-orientated manner. To this end, we work closely with the global and local marketing departments of our various brands.

WS: What expertise does Marketing bring to the table, and what can Corporate Citizenship contribute?

CH: Many of our brands have global social engagement. We develop this together with our colleagues from Marketing. Our contribution is to identify global social needs, develop KPIs for project progress and evaluate them, taking local realities into account. The Marketing department examines the relevance

of the theme for the respective consumer and customer group and defines KPIs for the brand. Measuring qualitative goals in the area of social engagement is particularly challenging. However, it is essential for the strategic alignment and management of projects, and it enhances credibility, both internally and externally.

WS: Do you ever encounter difficulties when working together?

CH: It helps a lot if the responsibilities and tasks are very clearly distributed. The people from Marketing tend to think in terms of campaigns and narratives. We want to achieve a long-term social impact and back this up with solid data. Over time, however, we have come closer to each other in our way of thinking: successful social engagement requires both very good communication and long-term projects with selected non-profit organisations as well as an evidence-based approach, because consumers are also becoming better informed and their critical faculties

are becoming more heightened. We realise time and again that we can learn a lot from each other as a team and benefit from each other's strengths.

WS: How important is it to take a global view?

CH: Take NIVEA, for example. The brand and the products are present in almost every country in the world. Local social needs often vary widely. This is why it is so important to work closely with marketing colleagues in all subsidiaries. In many countries, the social pressure is palpable. The willingness to work systematically with us to achieve a positive social impact is correspondingly high.

Communicative: The cultural and communication gap between corporate citizenship and core business is narrowing

An increasing number of companies see corporate citizenship as an integral part of their core business. As a result, the added value of corporate citizenship is measured just as stringently as the contribution of other departments. For instance, measuring employee motivation (as demonstrated by SAP) and brand awareness (as seen at Deutsche Telekom) are notable examples (see p. 11f.). Taking a more comprehensive approach, DHL, the parcel service provider, not only incorporates corporate citizenship as an official component of its sustainability strategy but also seamlessly integrates it into its routine financial processes. Rania Al-Khatib (Senior Expert Corporate Citizenship, DHL) explains:

“Since we became an official part of the sustainability strategy, awareness among colleagues has grown considerably. We no longer need to justify our existence. Instead, colleagues are now approaching us, seeking our help in fulfilling their sustainability goals.”

Social engagement is becoming more entrepreneurial and more data driven. Corporate citizenship increasingly adopts **entrepreneurial approaches**, and this raises the level of common understanding. “We are suddenly speaking the same language,” one CSR manager tells us. Bayer, for example, is specifically promoting social entrepreneurs in the Global South. BASF in Ludwigshafen is launching a ‘Social Impact Bond’. The Leverkusen-based plastics manufacturer Covestro is investing in the development and distribution of solar dryers in Asia and Africa. Also, SAP is focusing its pro bono consulting services on social enterprises.



Rania Al-Khatib
Senior Expert Corporate
Citizenship, DHL

In addition, some companies have worked hard **to measure the social impact of their commitment much more precisely**. Their reports are therefore more data-, fact- and numbers-based (see examples p. 34). A development, that: *“is well received by the workforce and increases pride in what has been achieved,”* says one CSR manager.

Board members play a prominent role in committing to social causes.

Credible support of corporate citizenship by the Management Board also **brings the for-profit world of the company closer** to the non-profit world. For example, wherever possible, DHL board members personally participate in at least one corporate volunteering activity per year, for example speed mentoring with young graduates in the Go-Teach programme. Many board members are enthusiastic and communicate this intensely within the company. SAP offered its 200 top executives worldwide the opportunity to take part in a three- to four-hour pro bono consultation for social enterprises.

“More than 90 managers, including five board members, took part, and the feedback was overwhelmingly positive,” reports Alexandra van der Ploeg (Global Head of Corporate Social Responsibility, SAP). Such active C-level support for corporate citizenship is clearly perceived as a sign of relevance for the company as a whole.



Opportunities and risks stemming from aligning corporate citizenship and core business

The biggest opportunity: More impact for society

A stronger link between corporate citizenship and core business can lead to greater social impact if, for example, companies utilise valuable technologies, networks and expertise that NGOs would otherwise not have access to. Examples include DHL's logistics expertise, SAP's digital competences, Merck's pharmaceutical products and Deutsche Telekom's communications infrastructure. Even greater impact is achieved when Corporate Citizenship acting as an ambassador for the company leads to more sustainability in the core business (see p. 29). Above all, the stronger integration of social commitment into the core business ensures that corporate citizenship is more securely resourced—even in bad times.

The biggest risk: Lack of credibility

Corporate citizenship thrives on trust—trust that the company is primarily concerned with creating added value for society at large. If the impression is given that it is more about boosting the brand, motivating employees, disposing of surplus goods or producing certain figures for ESG reports, that trust will be shaken and credibility will be lost, which is a harmful outcome for both society and the company. Credibility is not only created by the stated goals of social engagement itself, but also by them being manifested in corporate practice and culture. If a company promotes inclusion, for example, without reflecting this in its own corporate practice, such a commitment will quickly be exposed as dishonest (see p. 16).

Many DAX companies are aware of the potential danger and have taken appropriate measures. Some have decided to no longer use the company logo in connection with their social engagement undertakings. Others have set up a corporate foundation in order to more clearly differentiate their social engagement from their core business. Above all, we are increasingly observing measures taken by companies to **assess the credibility of their corporate citizenship activities**, particularly in the context of their own corporate practice and culture.





Win-win situations are possible

Genuine win-win situations for society and the company arise when corporate citizenship is given strategic status, provided with sufficient resources and managed effectively to achieve a high level of impact. Over the years, it has become apparent that a growing number of DAX companies have professionalised their corporate citizenship in this way. Currently, the DAX 40 field is becoming more spread out and a few companies are moving decisively from the upper midfield to join the group at the top of the chart.

Strategic Focus: Enhancing Impact and Credibility

The trend towards thematic focusing of corporate citizenship continues. In 2021, 17 companies reported that they were working on four or more areas. This number has now decreased to 12 while the number of companies working on a maximum of three or fewer areas has risen to 26 (from 18 in 2021).

An example of focusing of this kind can be found at Adidas, which is concentrating its commitment more strongly on sport. *“As a global sporting goods company, we are convinced that we can change lives through the medium of sport. Through our social commitment, we put this corporate purpose into practice.”*⁹ With the support of Wider Sense, Mercedes-Benz has developed four ‘action fields’ with a clear thematic focus, which are part of the new corporate citizenship strategy. Siemens intends to bundle its education projects more closely together, and Covestro wants to expand its focus areas. **For all companies, the provision of emergency aid is an exception to their sharper focus on a limited number of areas.** Companies usually reserve a certain percentage (10 - 15 percent) of their corporate citizenship budget for this.

Many companies are taking a more strategic approach. Some DAX companies are working in partnership with highly qualified partners from civil society to develop so-called ‘signature projects’, which are conceived on a large-scale, rolled out internationally and implemented over a longer period of time. Two examples are ‘beVioneers: The Mercedes-Benz Fellowship’, financed by Mercedes-Benz, the objectives of which were developed in collaboration with Wider Sense, and Zalando’s ‘Sustainability Academy’ for fashion designers. Other companies, such as DHL or

SAP, are trying to strategically increase their impact by recruiting other companies to participate in their social engagement programme. And still others, such as Bayer, are increasing their strategic focus and effectiveness by identifying more clearly where their support generates the most benefit (see Bayer).

“No one can do it alone”: **Choosing the right implementation partners is a key success factor.** Civil society organisations (CSOs) have experience and expertise in the field, access to key networks and the trust of local people. **Long-term and large-scale partnerships can achieve significantly more impact** than ad hoc and widely disbursed corporate donations. Accordingly, we are increasingly seeing more strategic partnerships. One example is Beiersdorf’s multi-year collaboration with the aid organisations CARE and Plan International Germany on the common goal of empowering girls and young women worldwide and ensuring their equal rights. DHL has established a long-standing partnership with the non-profit educational initiative Teach First to better prepare young people around the world for entry into the world of work. In collaboration with the American sports promotion programme Up2US, Adidas has launched the *She Breaks Barriers* initiative, which uses digital training to encourage coaches to promote girls and women in sport.

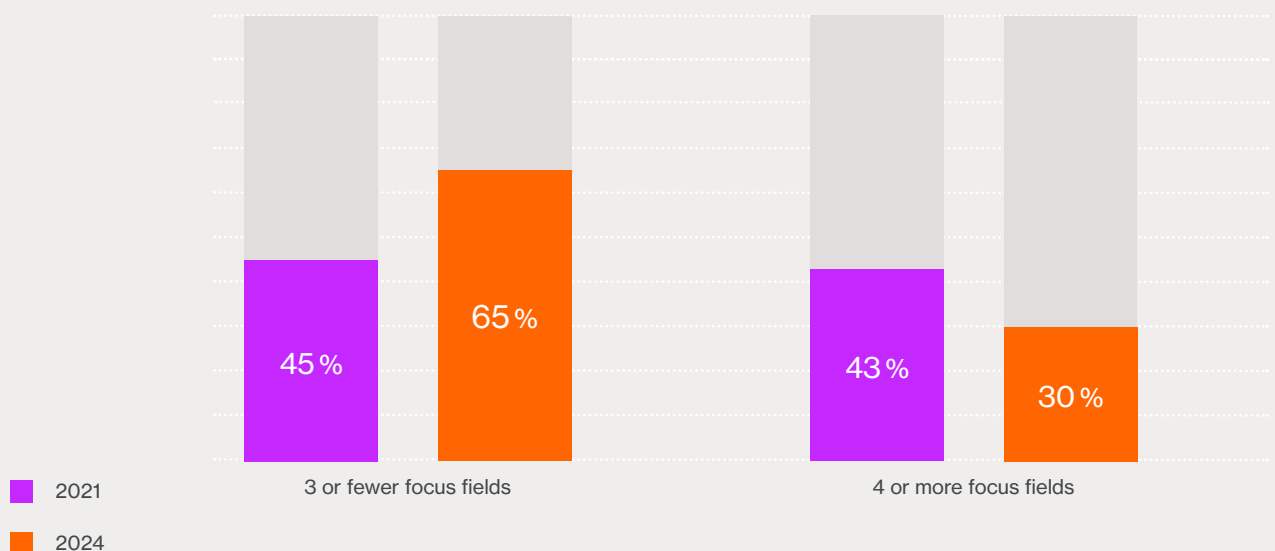


In the course of these partnerships, corporations become more knowledgeable and NGOs gain more reliable partner organisations. However, the overarching **goals, strategies and cultures of the two players remain different** and it is important to identify the sweet spot. Failure to do so can lead to disagreements and major **reputational damage**. From our many years of experience in dealing with civil society and the private sector, we have compiled a list of success factors for a fruitful partnership.^{IV}

The strategic decisions outlined here in favour of thematic focusing, of more effective levers and of more strategic partnerships with NGOs serve a dual purpose: the added value to society of corporate citizenship activities is thereby increased, while at the same time companies gain expertise, networks and credibility in certain social and environmental issues.

IV Further information can be obtained from info@widersense.org.

The trend towards focusing corporate citizenship on a small number of areas continues



Interview with Maike Röttger, Plan International



Maike Röttger
Global Director Membership
Services, Plan International

“Good projects clarify the extent to which a global corporation and an international NGO create added value for a worthy cause and at the same time strengthen local actors.”

Read about how cooperation between NGOs and companies has changed and what the latest developments are in an interview with Maike Röttger of Plan International.

Wider Sense: Has the nature of cooperation between NGOs and companies changed in recent years?

M. Röttger: Companies are becoming more strategic in the way they work with NGOs. They don't just want to do good; they want to be part of a change and see the impact.

WS: How do you achieve good strategic cooperation?

M. Röttger: Companies need to clearly define their goals. What does society need? What is a good fit for our brand? And then it takes time to clarify the common goals of companies and NGOs, their roles, deliverables and a shared understanding that they want to learn and grow together.

WS: What should companies know about NGOs?

M. Röttger: The larger NGOs are organised just as efficiently as companies. Integrating unskilled volunteers or collecting reporting figures that are irrelevant for the NGO is just inefficient—even if this may not seem immediately plausible from the outside. Win-win solutions need to be well defined.

WS: What does the future look like?

M. Röttger: There are conflicting priorities here. NGOs are increasingly pushing for localisation, while companies tend to focus on centralisation. Good projects clarify the extent to which a global corporation and an international NGO create added value for a worthy cause and at the same time strengthen local actors. At Plan, we define this strategic focus as ‘Locally led—globally connected’.

Resources:

No resources – no success

Even the **best of strategies will have little social benefit if the appropriate resources are not invested**. A look at the figures shows that, overall, the anticipated post-pandemic decline has not materialised. At €860 million, the amount of corporate citizenship donations is almost exactly at the level quoted in the 2021 report. Upon closer inspection, however, the **significance** of the above figures should be **viewed with caution**. Firstly, there is an **outlier** among the companies: Deutsche Telekom accounts for more than one third of the total donations (€312 million^V). Also taking the **median** figure of €15.6 million into account makes it clear that the **distribution is broad and that the majority fall well short of the average figure** of €30 million annually. Secondly, **not all DAX companies publish their corporate citizenship budgets**; although the number doing so has risen slightly in this third round of our study, it is still only 70 percent of the companies.

Providing reliable statements on the corporate citizenship resources used is also made more difficult by the **inconsistent monetary valuation of corporate volunteering hours and of donations in kind and by the differing definition of boundaries between sponsorship expenditure and donations**. Mostly, social entrepreneurship is also not included because it follows a different reporting logic. In this context, DHL's commitment to invest 1 percent of net profit in corporate citizenship each year is interesting.²⁰ With this pledge, the company is following American examples such as the software company Salesforce.

^V The valuation of Deutsche Telekom's corporate corporate giving is based on the figures for 2021 (€312 million), as the company's calculation basis has changed. Deutsche Telekom reports €2.35 billion for "community contribution" in 2022.

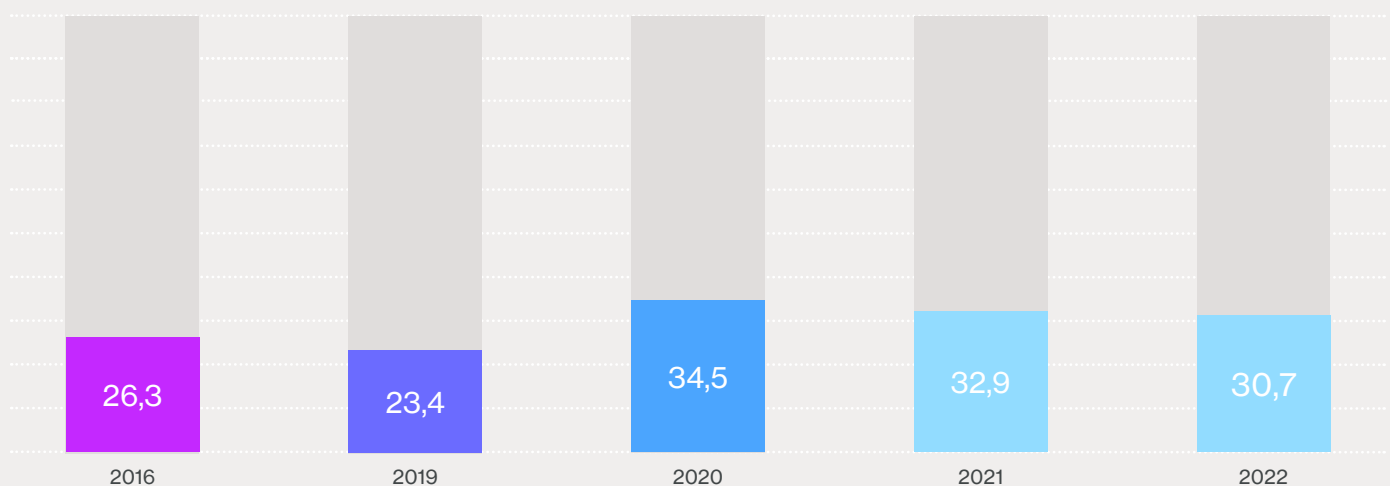
Corporate volunteering has increased considerably

In addition to financial resources, companies are also donating their employees' time to social causes. It is important **for a win-win situation that real added value is created**. For example, when employees of Merck, BMW or BASF are part of mentoring programmes in which their specific qualifications are in demand, when Deutsche Bank employees support social enterprises with business development or when Airbus trains humanitarian partners in satellite imaging technology. The number of paid working days made available for this varies greatly, sometimes even within the companies themselves—from zero to five days at Henkel, for example.

Donations in kind can be useful, but are not inevitably so

Emergency aid organisations regularly complain that, in times of crisis, they receive substantial donations in kind that nobody needs, because the donor companies just want **to make a good impression or to pass on surplus goods for PR purposes**. It is a different story when genuinely helpful goods are donated. Deutsche Telekom, for example, provided thousands of refugees from Ukraine with free telephone connections to their home country, while Siemens Healthineers donated X-ray equipment.

DAX companies spend an average of around
€30 million annually





Foundations complement corporate citizenship

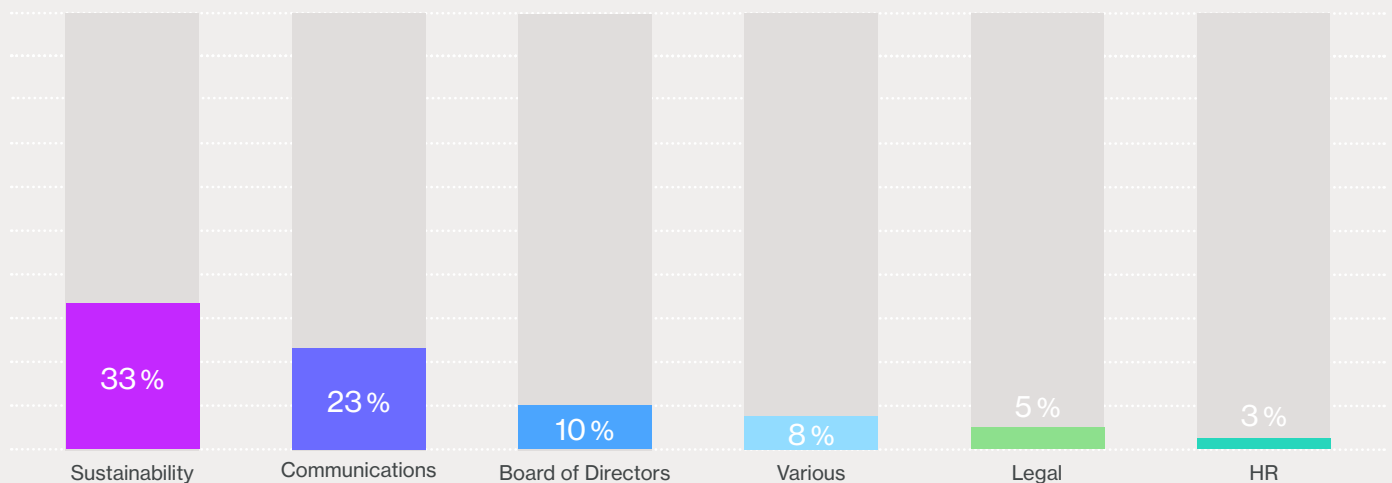
Of the 40 DAX companies, 21 not only involve themselves in corporate citizenship but also run their own foundation. In most cases, the foundation acts **clearly separate from the company and at best complements** the company's corporate citizenship activities. Only a quarter of the foundations publicly disclose their annual funding amount. However, at an average of €3.8 million per year, the amounts are comparatively low.

Management: Efficient governance makes the difference

Little has changed in the operational integration of corporate citizenship in companies compared to 2021. The most common structural set-up is that CC is part of the Sustainability department, followed by the Communications department. Regardless of departmental affiliation, almost all of our interviewees emphasised the importance of a **close connection** between corporate citizenship and C-level management. This raises **visibility** while shortening **decision-making paths**.

There are major differences in the staffing of the Corporate Citizenship teams, ranging from **a single person responsible for the group-wide management** of social engagement in part-time, whose duties merely entail drawing up a few rules

Corporate Citizenship is most often set up within the Sustainability or Communications departments



and operational guidelines for corporate citizenship, to a **department with 17 full-time employees**, including designated contact persons in the various countries and regions. The latter naturally have other opportunities to exert strategic influence and indeed do so.

Against the backdrop of different languages, widely varying social problems and regulatory requirements, it remains **a challenge for many companies to manage the competing demands of global and local corporate citizenship**. On the one hand, a focus on local needs and implementation makes it difficult to project a clear global profile and to scale impact. On the other hand, rigid guidelines from company headquarters can fail to satisfy the particular needs of the regions.

Some DAX 40 companies, such as the chemical group BASF and the engine manufacturer MTU Aero Engines, place a strong emphasis on making provision for local sensitivities and on allowing regional freedom of action. Others, such as the consumer goods manufacturer Henkel, focus on a limited number of global programmes with higher visibility and scaled impact in addition to local commitments determined by personal choice. The majority of companies tend towards **global strategies with centralised specifications for thematic areas and processes and regional scope for implementation**. Together with Wider Sense, Mercedes-Benz has defined a global strategic framework with four thematic ‘action fields’, which leaves sufficient room for adaptation at regional and local level. DHL proceeds on a similar basis, regularly working with its regional coordinators to determine the most effective local approach within its global programmes.

Global and (where applicable) regional guidelines contain specifications on reporting obligations, thematic focuses, paid working days for corporate volunteering, donation amounts, processes and responsibilities. Some companies have laid down these guidelines in the form of a compact and practice-orientated **corporate citizenship handbook**. Wider Sense has supported a number of companies in this endeavour, making the work of those responsible for corporate citizenship around the world easier by providing clear guidelines, explanations, templates and practical examples.

The use of digital corporate citizenship platforms is becoming increasingly common. Some companies develop their own software solutions, while others rely on providers such as Benevity, Optimy or Particulate Solutions. The interviews revealed that the initial set-up costs for digital platforms can be significant, but that the platforms also offer considerable added value. While guidelines and manuals are primarily aimed at those responsible for corporate citizenship, digital platforms often involve a broader spectrum of employees and even draw customers in on an ad hoc basis. The use of digital tools is particularly popular in the areas of donation processing and corporate volunteering.

Interview with Niklas Van Neyghem, Benevity



Niklas Van Neyghem
VP Product & Technology, Benevity
International

”The platform offers the opportunity to manage these topics across departments: CSR, HR, Marketing or Sustainability“

Digital platforms are changing the corporate citizenship activities of companies worldwide. Niklas Van Neyghem of Benevity International offers insights into the impact of digital platforms on the CC activities of companies

Wider Sense: In the USA, digital management platforms for corporate citizenship are widespread. Why is that not yet the case in Germany?

Niklas Van Neyghem: Americans are just further ahead when it comes to digital adoption and are less fearful when it comes to data security.

WS: What goals are companies pursuing with digital CSR management?

NVN: It varies slightly from country to country. But overall, employee motivation, brand affinity and social impact reporting are at the forefront. Above all, the platform offers the opportunity to manage these topics across departments: CSR, HR, Marketing or Sustainability. It all takes a little time at the beginning, but eventually provides great added value.

WS: How does Benevity contribute to increased social impact?

NVN: On Giving Tuesday, for example, 159,000 platform users supported over 53,000 nonprofits across 118 countries and territories, donating \$150 million. This democratises philanthropy. With some strategic partnerships, we’re going to be able to demonstrate the tangible impact behind the numbers and show how small activities contribute to the big picture.

WS: What new opportunities does artificial intelligence (AI) open up?

NVN: We are currently using AI to make our processes more efficient and to speed up the design of multilingual campaigns in emergency situations. In the long term, we are also working on better synchronisation of the incredible amount of data to create aggregated and validated impact reports. It is also conceivable that we will develop significantly better algorithms to match NGO needs and employee interests.



Deep dive

Rapid response to crises

In crises such as the coronavirus pandemic, the war in Ukraine and earthquakes corporate citizenship has a special role to play. Time is of the essence. Aid must be mobilised quickly, be appropriate and get through to the recipients. Communications must be handled sensitively, and the concerns of employees and customers must be taken seriously. In the following CRISIS PREPAREDNESS CHECK, you can read about what needs to be clarified to ensure that things go quickly and smoothly in the event of a crisis.

▶ **Which networks help in an emergency?**

In times of crisis, a reliable network (e.g. of knowledgeable NGOs) is helpful in quickly understanding precisely what aid is needed and where. Robust *due diligence* processes help to facilitate fast transactions and to filter out the free riders who tend to latch onto any humanitarian crisis.

▶ **How can a high level of process reliability be established?**

Responsibilities (incl. which departments need to be involved), objectives, donation amounts, medium (e.g. direct or via donation platforms) and reporting requirements should be set out in a defined process so that things can move quickly in an emergency.

▶ **Involving employees and customers—but how?**

The will to help is usually strong. There should be a framework that clarifies the conditions for corporate volunteering. It can be useful to set up donation platforms and matching grants that can be activated in an emergency to leverage donations.beln.

▶ **Financial resources or donations in kind?**

As a general rule, financial support takes precedence over donations in kind because it allows professionals on the ground to provide rapid and expert assistance. If your company has relevant material goods (e.g. medical equipment), the conditions for a speedy transfer must be clarified.

▶ **What does it take to be able to react in time?**

A certain percentage of funds should be retained for the transition phase after the immediate crisis. The need is usually still great, but the willingness to donate will already have diminished.

Results:

Impact is the crucial litmus test

For corporate citizenship to be credible, it must have a demonstrable impact. Effective action begins with the decision as to *what* is deserving of support. For a long time, corporate donations were simply distributed among those in need in the form of charity. Considering the structural causes of need or weighing up solutions for their effect hardly played a role.

Today, however, as one CSR manager tells us: **“The white saviour syndrome has had its day.”** DAX companies that work in an impact-orientated way collaborate with local partners and experts from the field in order to understand what is really needed and what form their best possible contribution might take. One of our interviewees put it in a nutshell: *“We want to make an impact, but that means we have to work more like non-profit organisations.”*

A good example of this is the promotion of social enterprises by the chemical company Bayer in close cooperation with the Bayer Foundation. Andrea Acerbi, Global Head of Social Innovation & Corporate Giving at Bayer, explains:

“We are gradually phasing out the previous classical charity approach in favor of strategic support for social entrepreneurs in the global south.”

To this end, the Bayer Foundation worked with the World Economic Forum Global Alliance for Social Entrepreneurship on a meta-study to identify the main obstacles for social entrepreneurs in Africa, the Asia-Pacific region and Latin America. The focus was on access to healthcare and the fight against hunger. On the basis of this study, a new foundation strategy was developed that also attracts funding partners who are likewise working to achieve a sustainable social impact.

In terms of their impact orientation, the DAX companies can be roughly divided into three categories:

Among companies still at **‘base camp’**, corporate citizenship consists of a wide range of activities that are bundled into larger fields of action such as education or climate. This makes aggregated objectives or reporting difficult. As one CSR manager put it: *“We first have to sift through the information before we can report on our impact in an aggregated and better way.”* In most cases, these companies only report on input (i.e. resources used) and output (i.e. people reached or activities carried out). **Reporting on impact remains fragmented, largely qualitative and with a tendency towards the anecdotal.**

In the midfield of companies, we are able to discern efforts to focus more closely on impact, at least in the case of certain larger-scale initiatives. BASF, for example,



Andrea Acerbi
Global Head of Social Innovation &
Corporate Giving, Bayer

has developed a project planning tool with clear impact targets and reports for large projects. The *beVisioneers* programme financed by Mercedes-Benz and designed and implemented by the non-profit DO School Fellowships has a focused impact logic and reports on relevant progress. Deutsche Bank has developed its own tracking tool to measure the number of people reached and the short and long-term impact of the respective project on their lives. Henkel attaches great importance to the fact that their collaborative undertakings with NGOs depend on the latter being able to report on the concrete results and impact of their work. Companies such as Merck or Mercedes-Benz have corroborated their global commitments (e.g. in the area of education or the environment) with aggregated impact indicators and specifications for impact measurement. Khorshid Merz of Mercedes-Benz, explains the advantages of this approach:



Khorshid Merz
Corporate Citizenship –
Strategy & Impact Measurement,
Mercedes-Benz

“It enables us to have a consolidated strategy, management and reporting at a global level.”

The ‘advanced’ companies are decidedly tackling the complex question of how to measure and manage impact. In 1,000+ semi-automated telephone interviews, SAP found that 85 percent of NGOs in the SAP Social Sabbatical Programme were better able to support their target groups after the intervention.

The Bayer Foundation not only records how many smallholder farmers benefit from its programmes, but also the extent to which their yields and incomes have increased. These figures are collected through external evaluations or by the social entrepreneurs who are supported by the programme. In order to enhance the reliability of the impact data, the social entrepreneurs receive appropriate tools and training. The costs for such evaluations are limited to a maximum of 5% of total funding.

Beiersdorf’s approach is remarkable. Together with Wider Sense, the company evaluated its long-term programme for the empowerment and equal rights of girls and young women in collaboration with CARE and Plan International Germany. The result was an independent and evidence-based impact report that highlighted the considerable success of the programme and came up with proposals on how to achieve even greater impact in the post-pandemic future.

One challenge remains in that impact—especially social impact—can usually only be captured in complex data sets made up of qualitative and quantitative evidence. If these are then to appear in the company’s sustainability report, they must be professionally audited. This stage is so complicated that it rarely occurs in practice. As a result, **the impact reporting of greatest interest tends to be excluded from the published annual and sustainability reports.** Instead, it is sometimes included in separate corporate citizenship reports or on the company website and in special newsletters.

Overall, impact reporting is still at a comparatively low level. However, it is apparent that changes are taking place in the field, particularly among mid-tier and top-tier companies, where the quality is increasing significantly. This is urgently needed to ensure that corporate citizenship does not look unprofessional when presented alongside official ESG reporting which is subject to strict criteria, such as accounting for CO₂ emissions, gender pay gaps or living wages.

In conclusion

There is increased pressure on companies to anchor sustainability in their core business. This is changing the function and role of corporate citizenship. Such activities no longer serve as a fig leaf for a purely profit-orientated sector. It is rather more the case that corporate citizenship can make a valuable contribution to supporting the necessary transformation processes, motivating employees and improving the brand image. However, this can only be achieved if corporate citizenship is strategically and intelligently integrated into the entire company with a long-term focus. The following recommendations for action can help:

- 1. Reflect on your own assets**

The starting point for engagement should not be communication and marketing considerations, but rather the question: What does your company bring to the table to make society better? This could be new technologies, expertise, networks or locations.

- 2. Set a smart strategic focus for your company**

Take time for evidence-based research: What are the problems that can be solved well with the assets that your company has? What methodologies and players already exist in the field? What would be the most useful contribution your company could make?

- 3. Find your sweet spot for society and your company**

It is important to find the 'sweet spot' where corporate citizenship offers the optimum added value for society and your company. There should be clearly defined goals and measurable results to demonstrate progress for both sides. Only then can corporate citizenship fulfil its new role in companies that are becoming ever more sustainable.

- 4. Ensure your companies credibility**

Social benefit must be prioritised. If this is not the case, the credibility of the commitment is quickly called into question and goals such as employee motivation or brand building fail to materialise. Credibility also includes ensuring that the corporate citizenship claim is properly reflected in corporate practice.

- 5. Find the right partners for your company**

No matter how sustainable your company is, it should secure its expertise, networks and credibility with regard to social change through long-term, strategic partnerships with civil society. This collaborative effort lays the groundwork for a shared learning journey.

6. Become the centre of competence within your company

The corporate citizenship department should be the centre of competence for added social value within your company. What should you bear in mind when engaging in social purpose marketing? What can you do to be well prepared for future crises? What makes corporate volunteering programmes successful? Which NGOs can you work well with, and what are the necessary prerequisites? All of the above requires close cooperation with other departments, predominantly HR, Marketing and Communications.

7. Look far ahead

Such developments take time. Yes, it's challenging at the beginning, but over time, your own expertise, motivation within your company and the impact you can achieve for society and your company will grow. DAX companies that performed particularly well in our benchmark have often been active in this field for many years. And, it pays off.

We would be happy to support you in the development and implementation of your corporate citizenship strategy. You can find out more about our products and services in the 'Who we are' section. If you have any questions or suggestions, please contact us: Michael Seberich (seberich@widersense.org), Karenina Schröder (schroeder@widersense.org).

Study design

The approach developed by Wider Sense and goetzpartners to assess corporate citizenship analyses performance on the basis of twelve questions across four dimensions:

Strategy

- 1 Are activities clearly focused on a manageable number of issues?
- 2 Is corporate citizenship linked to the core business in terms of content?
- 3 Is corporate citizenship used to address problems within or throughout the value chain?

Implementation

- 7 Does corporate citizenship appear on agendas at the C-level and in the Sustainability department?
- 8 Are processes and responsibilities clearly defined?
- 9 Is there regular reporting against clearly defined KPIs?

Resources

- 4 Does the company make substantial financial resources available for corporate citizenship?
- 5 Are employees and their professional skills integrated into the activities?
- 6 Does the company provide substantial and impact-oriented donations in kind?

Outcome

- 10 Does the company take a public stance on its focus issues?
- 11 Does the company actively participate in relevant networks and collaborations?
- 12 Is demonstrable impact achieved?

In order to generate as complete a picture as possible, we utilised the following methods and data sources:

- ▶ **Analysis of publicly available information:** We first analysed the data that the DAX 40 companies publish in their annual financial and sustainability reports and on their websites.
- ▶ **Interviews with CSR officers:** For this study, we conducted confidential interviews with representatives from 26 of the 40 DAX companies.^{VI} All quotes attributed to individuals were subsequently authorised for publication by the interviewees themselves.
- ▶ **Interviews with experts:** Our network of experts on ESG regulation, digital CSR management, employer branding and global civil society contextualised the results.

We have referred to the available annual and sustainability reports from the 2022 financial year and information from interviews we conducted between June and November 2023.

We are aware that our understanding of good corporate citizenship is not unanimously shared by companies or civil society. With this study, we therefore hope to make a practical contribution to a dynamic debate.

^{VI} The other DAX companies either did not respond to our request or were not available for an interview on their corporate citizenship strategy/activities.

Who we are

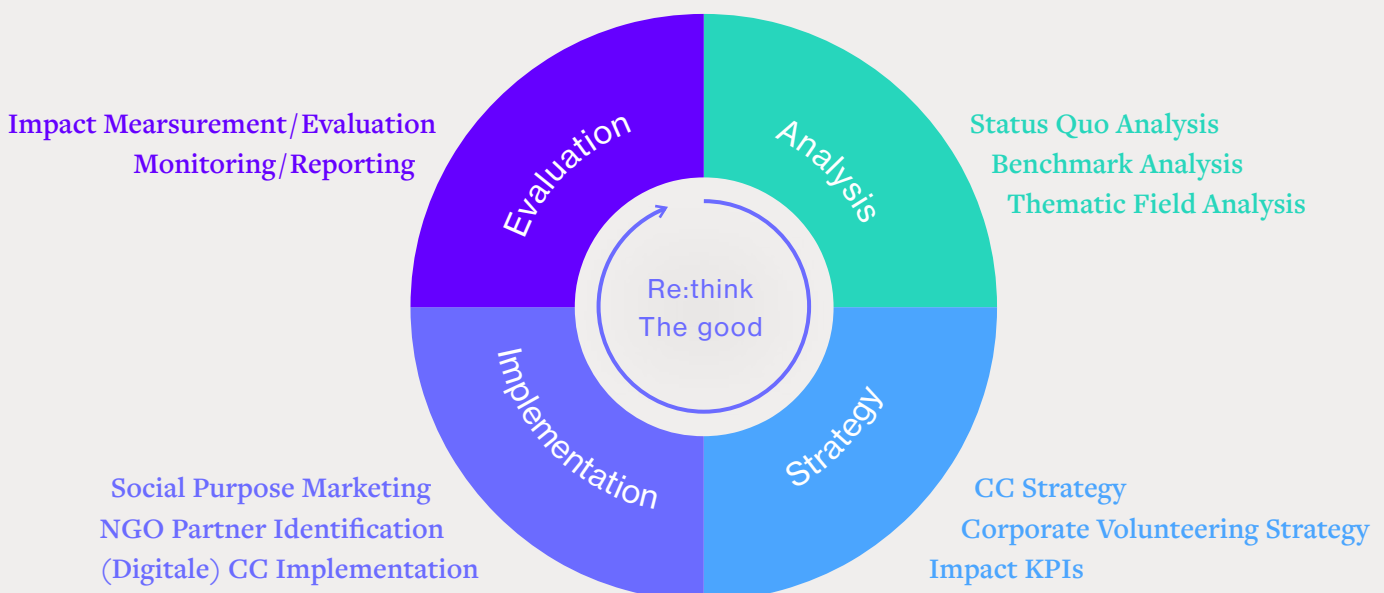
Wider Sense is a consultancy for social change. We advise companies, foundations, the public sector and civil society actors on contemporary understanding of corporate social responsibility (CSR), on strategic philanthropy and systemic concepts for education. To change the world for the better, it is necessary to rethink what is already good: we do this with our team of experts and our international network of partners, employing a wide-ranging set of methods. We translate good ideas for sustainable business, good education, a healthy environment and a just society into successful working concepts, thereby increasing the impact of social engagement.

In the following presentation you will find a selection of our products and services for companies.

Analysis

Status quo analysis: Wider Sense takes a close look at what you are already doing, what assets you have at your disposal and how these are made use of in your corporate citizenship programme.

Benchmark analysis: Wider Sense uses a defined set of questions to determine how you compare with other organisations. The results of the analysis also serve as inspiration for future action.



Thematic analysis: Wider Sense researches data, facts and relevant players on a social or environmental theme of your choice. The results serve as a basis for effective interventions.

Strategy

CSR strategy: On the basis of in-depth status quo analysis, Wider Sense looks at the current situation and evaluates where the focus of your CSR strategy lies, which vehicles you use for this purpose and with which (signature) projects and NGO partners you are able to implement your strategy. In doing so, we consider how well it is integrated with that of other departments and which digital management options are available.

Corporate volunteering strategy: Wider Sense designs corporate volunteering strategies that deliver added value for society and for the company. We incorporate digital platform solutions as well as other forms of employee engagement.

Impact KPIs: Wider Sense develops an impact framework for a company's social engagement. This is underpinned by lean and measurable KPIs which provide information on the impact achieved and facilitate better management of future commitments.

Implementation

Social purpose marketing: Wider Sense develops social purpose campaigns that have a real impact, usually in collaboration with advertising agencies. Our campaigns are based on a deep understanding of social challenges and how your organisation's assets can help.

NGO partner identification: Wider Sense identifies and initiates suitable NGO partnerships for your social engagement endeavours. We find out who is the best fit for your organisation and for the desired outcome, and we strategically develop long-term partnerships.

(Digital) CC implementation: Wider Sense brings strategies to life by thinking through implementation from the outset. This ranges from the identification and introduction of digital employee engagement platforms to the authoring of (global) corporate citizenship manuals.

Evaluation

Impact measurement/evaluation: Wider Sense uses quantitative and qualitative methods to measure the impact of your social engagement. Based on this, we derive recommendations for action.

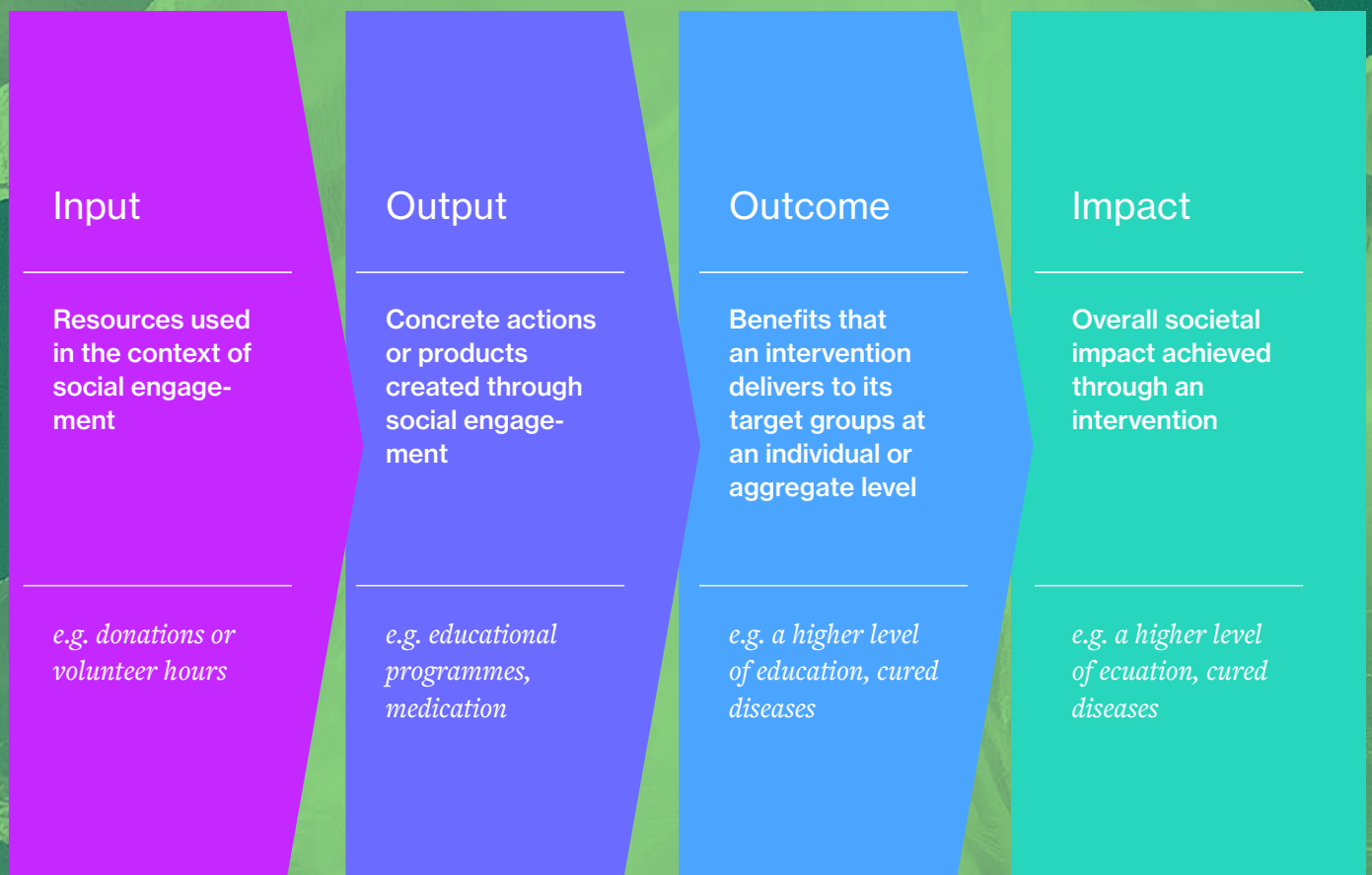
Monitoring/reporting: Wider Sense accompanies your social engagement at the interface between corporate citizenship and general ESG and sustainability reporting.

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Glossary

C-Level	The top management personnel of various company divisions. The 'C' stands for Chief, as in Chief Executive Officer, Chief Operating Officer or Chief Financial Officer.
Corporate Citizenship	The proactive, voluntary, social engagement of a company for the primary benefit of the environment and society.
Corporate Social Responsibility (CSR)	Refers to the economic, legal, ethical and self-assessed responsibility that a company has towards society.
Deutscher Aktienindex (DAX)	Measures the performance of the 40 largest companies on the German stock exchange in terms of annual turnover and free float market capitalisation.
ESG	Environmental, Social and Governance issues and metrics used by investors and other stakeholders to assess the sustainability credentials of a company.
Key Performance Indicators (KPIs)	Metrics that measure an organisation's performance or progress against set targets.
Materiality analysis	The identification of the societal issues that are particularly relevant to a company because they materially determine its future financial performance and/or its impact on society.
Sustainability	An overriding principle of action in the sense of a world and environment permanently worth living in.
Woke Capitalism	A term now used primarily by conservative groups to discredit sustainable, progressive and social corporate strategies.



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