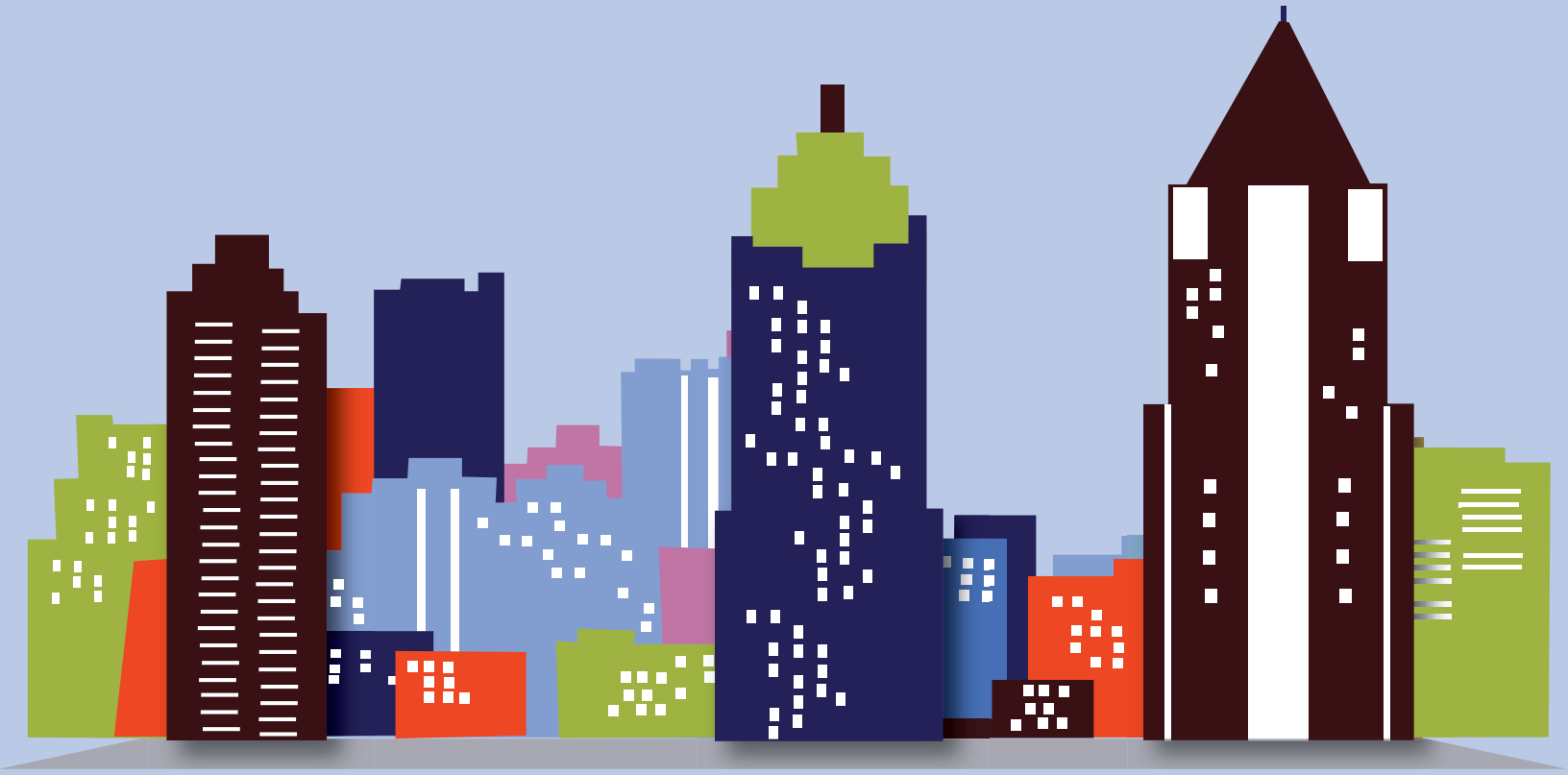
THE CIVIC 50



The 2016 Civic 50: Turning Good Intentions into Sound Business Practices

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About Points of Light

Points of Light, the world's largest organization dedicated to volunteer service, mobilizes millions of people to take action that is changing the world. Through affiliates in 250 cities and partnerships with thousands of nonprofits and corporations, Points of Light engages four million volunteers in 30 million hours of service each year. We bring the power of people where it's needed most. For more information, visit www.pointsoflight.org.

About the Corporate Institute

The Points of Light Corporate Institute is the go-to resource for community-minded companies looking to build and expand effective employee volunteer programs. With our global network of 250 affiliates and a team of experts, we can help you create a customized volunteer program, engage your employees, learn best practices, network with other leading companies, and gain visibility for leadership and excellence. Learn more at: www.pointsoflight.org/corporate-institute.

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Table of Contents

Foreword....4
Overview: The Civic 50 Lights a Path Forward....5
History....5
The 2016 Civic 50....6
Methodology....6
Highlights from the 2016 Civic 50....7
1. Creating a Culture of Community Involvement....7
2. Using Time and Talent to Accelerate Impact....9
3. Strategically Connecting Purpose with Profit....11
4. Creating Systemic Change through Collaboration....12
5. Measuring What Matters: Impact....13
Featured Essay: Civic 50 Companies Take a Leadership Stand in an Age-old Debate....15
A Roadmap: Translating Good Intentions into Sound Business Practies....18
Investment....18
Integration....20
Institutionalization....22
Impact....25
Featured Essay: Company as Community....28
Featured Essay: What Does the End of "Business as Usual" Look Like?....32
Winning Perspectives: Best Practices from Sector Leaders....36
Most Community-Minded....
Communications Company: AT&T....37
Consumer Discretionary Company: Hasbro, Inc....38
Consumer Staples Company: Altria....39
Energy Company: Valero Energy Corporation....40
Financial Company: Toyota Financial Services....41
Health Care Company: UnitedHealth Group....42
Company in the Industrials Sector: KPMG LLP....43
Materials Company: Freeport-McMoRan....44
Technology Company: Hewlett Packard....45
Utility: Pacific Gas and Electric Company....46
Conclusion....47

Foreword

Congratulations to the fifty dynamic companies on this year's Civic 50 list of the most community-minded companies! If the survey were a student, the 2016 results would mark our senior year – matured, better informed and eager to influence the world. For both the survey and the winning companies that are leading next generation enterprises, we are delighted to celebrate this achievement and the future created by putting "doing well by doing good" at the center of business.

The 2016 Civic 50 results and learning continue to reinforce the new role of social engagement and purpose alignment inside of companies. No longer is "social focus" a nicety; this year's results tell us that corporate social responsibility is at the center of multi-stakeholder engagement helping to build stronger, more authentic brands and communities. Social engagement strategies are measured, managed, integrated and well-supported. They are strategies that connect employees and customers, reflect brand values and serve the needs of communities where employees live and work.

Points of Light is pleased that the Civic 50 survey is emerging as a respected resource and a roadmap for businesses to maximize and sustain the value of their social programs for communities, for employees and for the business bottom line. The Civic 50 uniquely measures the progress of businesses doing the hard work of building and sustaining a more community-minded culture.

Many thanks to Jean Oelwang, President and Trustee of Virgin Unite, Martin Whittaker, CEO of Just Capital, and Bea Boccalandro, President of VeraWorks for contributing thought-provoking essays on the changing role of business in society and the future of business. We offer these essays as a new addition to our Civic 50 reporting to push the conversation forward as we consider the future of business leadership in this dynamic field. We welcome your comments and reflections at Civic50@pointsoflight.org or on Twitter @TheCivic50.

Finally, Points of Light continues to be committed to partnering with our corporate community as we seek to inspire, equip and mobilize the power in each of us to be changemakers in the world.

Yours in service,

Executive Director
Corporate Institute
Points of Light

Overview: The Civic 50 Lights a Path Forward

The Civic 50, an initiative of Points of Light, recognizes the 50 most community-minded companies in the nation each year. Now in its fourth year, we are seeing that Civic 50 companies are increasingly shaping their strategies and crafting their policies to prioritize meaningful engagement with communities. Not satisfied with simply writing a check, they are focusing on creating value for communities over the long term by creating a culture of community engagement, by building the capacity of communities by giving their time and their talent, by elevating critical stakeholder voices from employees, customers and communities, and by measuring their impact. In short, Civic 50 companies are putting their communities at the center of change to create more enduring and sustainable business models.

This report presents the highlights, trends, benchmarking data and best practices from the 2016 Civic 50 winners. By identifying and celebrating the practices of the most community-minded companies in the nation, we are lighting a path for business managers and corporate responsibility practitioners who want to help their organizations translate good intentions into sound business practices.

The Civic 50 winners were selected based on four dimensions of their U.S. community engagement programs:

Investment: How extensively and strategically the company applies its resources to community engagement, including employee time and skills, cash, in-kind giving and leadership.

Integration: How a company's community engagement program supports business interests and integrates into business functions, or how it "does well by doing good."

Institutionalization: How the company supports community engagement through its institutional policies, systems and incentives.

Impact: How a company measures the social and business impact of its community engagement program.

History

The Civic 50 was founded as a partnership between the National Conference on Citizenship, Points of Light and Bloomberg LP in 2012, and developed with a high-profile working group of lead researchers and industry thought leaders. Dozens of corporate advisors also provided strategic guidance on the program's objectives, including defining indicators, developing methodology, and identifying partners and participants. In the first two years, The Civic 50 evaluated and recognized only S&P 500 companies. The survey was expanded in 2014 to include participation by all companies with revenue of $1 billion and over.

Congratulations to the most community-minded companies in the nation!

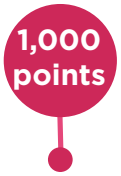
The 2016 Civic 50 are:

AbbVie
Adobe Systems Incorporated
Aetna Inc.
Alcoa
Altria*
Consumer Staples Sector Leader
Apollo Education Group
AT&T*
Communications Sector Leader
Baxter International Inc.
Caesars Entertainment
Capital One
Citi
Comcast NBCUniversal
Comerica Incorporated
CSAA Insurance Group, a AAA Insurer
Deloitte
Dr Pepper Snapple Group
Eli Lilly and Company
Entergy
FedEx Corporation
Ford Motor Company
Freeport-McMoRan*
Materials Sector Leader
General Mills
Hasbro, Inc.*
Consumer Discretionary Sector Leader
Health Care Service Corporation
Hewlett Packard*
Technology Sector Leader
IHS
Intel Corporation
KeyBank
KPMG LLP*
Industrials Sector Leader
MGM Resorts International
Motorola Solutions, Inc.
Pacific Gas and Electric Company*
Utilities Sector Leader
PIMCO
Prudential Financial, Inc.
PwC
Raytheon Company
S&P Global
SAP
State Street Corporation
Steelcase
Symantec Corporation
The Hershey Company
Time Warner Cable
Toyota Financial Services*
Financial Sector Leader
TSYS
UnitedHealth Group*
Health Care Sector Leader
UPS
Valero Energy Corporation*
Energy Sector Leader
Verizon
Wells Fargo

Civic 50 companies are recognized in alphabetical order. Sector leaders are also honored, and are recognized with an asterisk above. Only the list of the top 50 companies and sector leaders are shared publicly with attribution.

Methodology

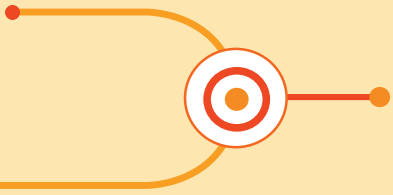
The 2016 survey instrument consists of quantitative and multiple-choice questions that inform the Civic 50 scoring process, and optional unscored narrative questions to capture potential case study material for highlighting best practices. To calculate a corporation's score, points are accrued in the following dimensions: Investment (1,000 points), Integration (1,000 points), Institutionalization (1,000 points) and Impact (1,000 points). For the purposes of this report, all quantitative data refer to companies' community engagement in the United States, during their most recent reporting year.



Highlights from The 2016 Civic 50

This year's Civic 50 data tells us that community involvement is no longer merely about writing a check, doing a one-day park cleanup or donating goods. Rather, Civic 50 companies are creating organizational cultures and shaping business practices to meaningfully engage with their communities, and are adopting a long-term perspective to solving social problems. Five highlights from the Civic 50 are explored below, suggesting that they are shifting from being transactional "donors to charity" to being transformational "partners in a solution." The 2016 Civic 50 highlights are:

1. Creating a culture of community involvement
2. Using time and talent to accelerate impact
3. Strategically connecting purpose with profit
4. Creating systemic change through collective impact
5. Measuring what matters: impact



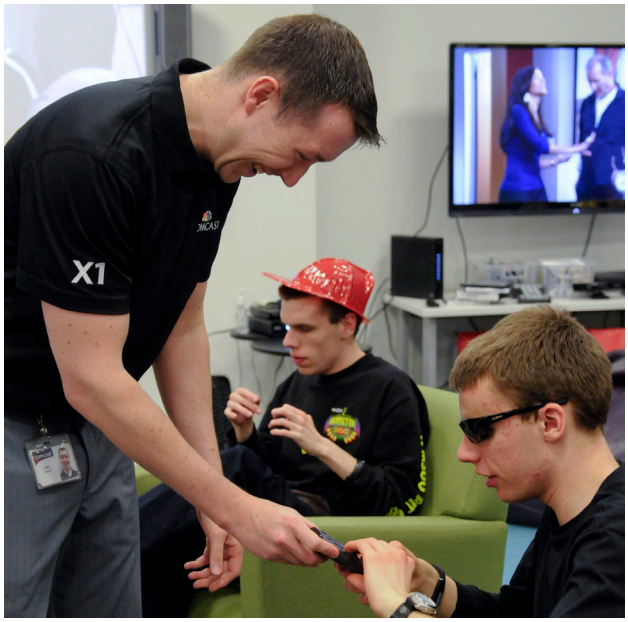
1. Creating a Culture of Community Involvement

Community involvement has evolved beyond being an episodic break from the everyday workplace experience to becoming part of the workplace experience itself. For example, in 2013 Entergy adopted a new mission statement that elevated commitment to community as a shared value equal in importance to its commitment to shareholders, customers and employees. From the CEO to each of the operating companies and individual departments, a focus on community engagement has become a key performance indicator across the company—not just for the department in charge of community involvement. The company regularly reports on community engagement in CEO town hall meetings, board of director meetings, earnings calls, senior leadership meetings and department goal meetings.

This shift away from traditional stand-alone charity to community involvement that is interwoven into the culture likely explains, at least in part, why scores on the Integration and Institutionalization dimensions have increased. These dimensions track how a company's community engagement supports business interests and also how a company supports community engagement through policies, systems and incentives.

In some cases, the culture of service is so ingrained into the work that the community involvement is indistinguishable from the functioning of the business. For example, an hour of employee time dedicated to a social cause might no longer consist of a traditional volunteer hour spent, say, serving a meal at the homeless shelter. Instead, such service might simply look like housekeeping, product development, wellness activities or recruitment, as demonstrated by the examples below from

Caesars Entertainment, Comcast, CSAA Insurance Group, a AAA Insurer and Valero. At Caesars Entertainment, housekeepers collect partially used soap that is then sterilized, recycled and donated to families at risk of preventable diseases. These and other efforts of the company's CodeGreen environmental program, most of which are done as part of the job, have yielded impressive results. The company diverts 44 percent of its solid waste from landfill.



Students from Perkins School for the Blind in Watertown, Mass. demo the XFINITY remote with voice control, which helps visually impaired customers discover programming.

Comcast NBCUniversal, on the other hand, melds community involvement into its product development. It invites community organizations to partner in the development of products and services. Easter Seals, for example, serves as a testing group for Comcast's products, in this case supporting the needs of individuals with disabilities.

Through these efforts, Comcast launched the industry's first voice-enabled television user interface, enabling blind and visually impaired customers to search for and discover programming. The "talking guide" reads aloud channel names, networks, program titles, time slots and other information. In 2015, Comcast NBCUniversal partnered with nonprofits serving people with disabilities in cities across its footprint to install the technology in community centers.

CSAA Insurance Group, a AAA Insurer, integrates its community involvement into its corporate wellness program. Aware of research from UnitedHealth Group showing that volunteering has health and workplace productivity benefits, CSAA Insurance Group now awards wellness benefit points, called "Vitality Points," for volunteering. Employee volunteers can earn Vitality Points for participating in walkathon fundraisers or walking the rim of the Grand Canyon picking up debris through a company event. Vitality Points, in turn, reduce employee health insurance premiums.

At Valero, community engagement is integrated into employee recruitment and selection. Interns being vetted for full-time employment, for example, regularly take part in volunteer activities and this, in turn, helps managers assess their cultural fit and decide if they will be offered permanent employment.

2. Using Time and Talent to Accelerate Impact

Data from the Independent Sector and the Committee Encouraging Corporate Philanthropy find that an hour of volunteering is estimated to contribute $24 to the community, yet an hour of skills-based volunteering or pro bono can be valued at $150 per hour[1]. Repurposing the skills of its workforce, therefore, helps a company maximize the social impact of its community involvement. Many Civic 50 companies seem to have taken note of this. Although designing skills-based opportunities requires greater care and investment than extra-hands opportunities, on average, a healthy 22 percent of Civic 50 volunteer hours are skills-based, a slight increase over the 2014 figure of 20 percent. Another reason Civic 50 companies focus on skills-based volunteering is they are realizing it is a strategic tool for talent development. Nearly 50 percent of Civic 50 companies have a formal enterprise-wide program to develop skills using the community involvement program, up from 46 percent in 2014.

UPS has deployed company assets such as airplanes, trucks, warehouses and skilled volunteers to deliver urgent humanitarian relief to all corners of the world.

UPS leverages its transportation assets, logistics expertise and philanthropic dollars to help communities prepare for, respond to and recover from humanitarian crises. It has deployed company assets such as airplanes, trucks, warehouses and skilled volunteers to deliver urgent humanitarian relief to all corners of the world including support for the Ebola and refugee crises as well as recent earthquakes in Nepal, Ecuador and Japan and flooding across the U.S.

In 2016, UPS will bring over 100 years of logistics expertise in building global distribution networks to transform the delivery of humanitarian aid and life-saving vaccines with drones. Through a new partnership with GAVI, the Vaccine Alliance, and Zipline, a California robotics company, UPS will be able to deliver blood and life-saving vaccines flown via drones to remote clinics throughout Rwanda by the end of the year. The inability to deliver life-saving medicines to the people who need them the most causes millions of preventable deaths each year. This partnership will help solve that problem once and for all.

Through the Safe Kids Walk This Way program, FedEx combines its expertise in road safety with its global reach to help protect children from road-related injuries.

Another example of skills-based volunteering is Intel's Mentoring & Planning Services (MAPS) pro bono program, which helps employees develop their skills and careers through consultancies to local community organizations. MAPS project leaders recruit volunteers using Intel's standard development tool and interview interested employees to match their skills to specific needs presented by partner schools, nonprofits and government agencies. MAPS volunteers report that the community consultancies build and strengthen their workplace skills, expand their business acumen, broaden their network and brighten their professional horizons.

FedEx, on the other hand, is combining its expertise in road safety with its global reach to protect pedestrians and make roads safer. In 1999, FedEx and Safe Kids created the Safe Kids Walk This Way program to bring international, national and local attention to pedestrian safety issues. As part of this program, FedEx employees help teach safe motorist behaviors to create safer, more walkable communities. Today, this program spans 250 cities in the U.S. and 10 countries around the world, helping to protect children from road-related injuries.

Similarly, PIMCO has a global pro bono volunteer program called the Emerging Enterprise Program (EEP). Through EEP, employees lend their skills and expertise to TechnoServe, a global NGO dedicated to bringing about business solutions to fight poverty. In the process, employees experience powerful stretch leadership development. EEP participants work hand-in-hand with local entrepreneurs on an international community service assignment that might consist of, for example, helping Peruvian farmers bolster their production to generate more wealth for their families and the community. To date, PIMCO has committed $3.5 million and deployed 17 employees to help hard-working men and women in some of the poorest places on earth generate income, jobs and wealth for their families and communities.

3. Strategically Connecting Purpose with Profit

Many Civic 50 companies identify the community needs that are authentically and strategically connected to their business, and direct their community involvement towards those issues. This practice, called materiality analysis, automatically makes their community involvement a win-win. Because it links community involvement to business return, it also allows the company to invest more heavily in social issues.

An example of a company that conducts materiality analysis is Aetna. It knows that an unhealthy general population translates into higher health care costs. By dedicating millions in grants through the Aetna Foundation to support healthy eating and exercise programs in local communities, Aetna is likely improving its own long-term performance.

AT&T faces the challenge of helping its current and future employees adapt to the ever-changing world of technology. Through AT&T Aspire, the company's signature philanthropic program, AT&T contributed $2 million to support a collaboration with Georgia Tech and Udacity to create an open online master's degree program in computer science at a deeply discounted price for students. Since the program's launch in January 2014, enrollment has increased seven-fold and continues to grow. In the Spring 2016 semester, more than 3,000 students were enrolled, including about 400 AT&T employees. This program is an example of AT&T's overall commitment to student success. In fact, the company has since committed an additional $1.9 million to support its growth.

On "Shred Day," Comerica's signature community involvement event, the firm raises awareness about the dangers of identity theft while promoting recycling and supporting its long-term business performance.

With more than 13 million victims annually, identity theft is a big threat to U.S. consumers and business owners, and a key educational issue for financial services companies like Comerica Bank, the commercial banking subsidiary of Comerica Incorporated. To address this, the firm created its signature community involvement event—"Shred Day"—to help raise awareness, educate the community and provide a free public service.

During these days, community members across multiple markets are invited to bring their sensitive documents to access free, secure shredding services, and are encouraged to make a donation to the local food bank. Comerica also offers identity theft protection tips through educational campaigns including public service announcements, news interviews and social media. Notably, Comerica's "Shred Day DFW" event in North Texas has received three Guinness World Record® honors for "The Most Paper Collected in a 24-Hour Period," and has supported its long-term business performance while raising awareness for its sustainability initiatives.

The utility PG&E, on the other hand, is expecting that up to 50 percent of its workforce will retire in the next few years while the country has a shortage of skilled workers. To help address this challenge, it partnered with the California Foundation for Community Colleges, one of its unions and local workforce investment boards, to create a four-week paid work-based learning opportunity. This educational program prepares students for construction, maintenance and utility work careers, and exposes them to a real-world job environment at PG&E. In other words, the company cleverly selected a winning community involvement strategy that helps address an internal human resources challenge.

4. Creating Systemic Change through Collaboration

Many Civic 50 companies are partnering with other organizations in structured, long-term ways to jointly solve complex, large-scale social issues, demonstrating how they are tackling systemic change through collaboration.

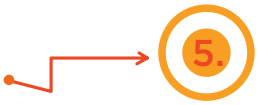
Deloitte[2], for example, joined the White House's Joining Forces Initiative, which calls on the entire business community to provide armed forces members, veterans and their families with the opportunities and support they have earned. Answering this call to service, Deloitte has, since 2013, furthered its commitment by launching the Career Opportunity Redefinition & Exploration (CORE) Leadership Program, based on Deloitte's own award-winning leadership curriculum.

Deloitte's Career Opportunity Redefinition & Exploration (CORE) Leadership Program helps armed forces members and veterans transition into business careers. Here, Deloitte employee and veteran Scott Ballina leads a CORE classroom discussion with participating veterans.

CORE helps transitioning armed forces members and veterans translate their skills, knowledge and experiences into a business environment. The program provides an opportunity for participants to develop personal branding, test their networking skills, and learn from veterans who have successfully made the transition to the civilian professional environment. It appears to be working. To date, 95 percent of CORE alumni who indicated they were actively seeking employment have found a job.

KeyBank also stepped up to philanthropy collaboration with a $25 million commitment to the Strong Families Fund for Housing. The Fund is a 10-year joint initiative between the Kresge Foundation, Robert Wood Johnson Foundation, Cinnaire, Community Development Trust, and Corporation for Supportive Housing, among others, to fund social services at affordable housing communities across the United States and to study the impact of those services on the residents.

Eli Lilly and Company, furthermore, is leading the Marion County STEM Action Coalition collective impact project that aims to get STEM education in every school, every day, for every child in its hometown of Indianapolis. Lilly has dedicated one full-time employee to this massive effort, along with four additional individuals dedicating 30 percent of their time to strategy implementation.



5. Measuring What Matters: Impact

The on-going shift in the relationship between business and community from "donor to a charity" toward "partner in solution" is also shifting the focus of evaluation to more sophisticated outcome measurements. Seventy-eight percent of Civic 50 companies formally measure the social impact of at least one aspect of their community involvement. Similarly, the growing integration of community involvement into business functions elevates the importance of business impact measurement. Indeed, we see that 78 percent of Civic 50 companies also formally measure at least one business impact.

The following are examples of how Civic 50 companies are using metrics to measure what matters.

Social Impact

- Caesars Entertainment has collected data indicating that its robust wellness program has contributed to employee health improvements over a three-year period, including an 11 percent total cholesterol health risk reduction, 7 percent blood pressure risk reduction and 12 percent glucose risk reduction. This investment in health and wellness also made a business impact through reductions in medical claims and operating costs.

- Hewlett Packard has data suggesting that 90 percent of its key nonprofit partners have increased capacity to achieve their mission because of their partnership with the company.

- The UnitedHealth Foundation Training Institute at the Washburn Center for Children has moved the needle on children's mental health care. Specifically, it has developed an innovative, replicable national model for integrating children's evidence-based mental health practices with training, practice and evaluation. According to preliminary findings from the University of Minnesota's Center for Advanced Studies in Child Welfare, children and families show significant symptom reduction at the end of treatment as compared to the beginning.

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11%

7%

12%

Deloitte's data suggest that 67 percent of pro bono project participants gained new subject matter knowledge and 55 percent indicated they gained new client service skills.

67%

Business impact

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- Through data analysis, Health Care Service Corporation can see that employees who volunteer generally have higher performance review scores, rate the company more favorably on satisfaction surveys, and are 3.3 times less likely to leave the company when compared to non-volunteering peers.

- PG&E research has shown that customers who are familiar with PG&E's community engagement efforts have overall favorability scores for the company that are twice as high as those customers who are unfamiliar.

Featured Essay: Civic 50 Companies Take a Leadership Stand in an Age-old Debate

This essay is by Bea Boccalandro, president of VeraWorks, a firm that helps companies "job purpose," or integrate societal impact into every job. In this essay, Bea discusses why The Civic 50 deserve to be recognized and why they are at the forefront of the purpose movement.

Civic 50 winners are taking a stand in a debate that has divided the boardrooms of capitalism for generations.

By virtue of their actions, Civic 50 winners are taking a stand in a debate that has divided the boardrooms of capitalism for generations: Should business pursue societal purpose or pursue only profit?

Convention suggests that Civic 50 companies and others that pursue societal purpose are eschewing the profit laws of capitalism and undermining their own performance. That is, that being "community-minded," the title bestowed on Civic 50 winners, is counter-productive. Both theory and empirical evidence, however, show that conventional wisdom is wrong. In fact, what's aberrant and unproductive turns out to be the exclusive pursuit of profit.

Despite what we've been taught, top economic thinkers have long warned that business does not run well on profit-seeking alone. Instead, for-profit enterprises hum along most effectively when they pursue broader societal contributions.

For-profit enterprises hum along most effectively when they pursue broader societal contributions.

Let's start with the father of economics, Adam Smith. It's true that his second book, *The Wealth of Nations*, focuses on the role of self-interest in driving markets. Yet Smith's first book, *The Theory of Moral Sentiments*, starts by stating that we are naturally interested in "the fortunes of others and render their happiness necessary" despite deriving no reward except "pleasure." That's right. It seems that the man to whom we ascribe our modern belief that the singular purpose of business is profit didn't say this, and would consider it overly simplistic. Smith recognized that people and, thus, markets, are driven by both a rational calculation of self-interest and an instinctive desire to serve society.

Other luminaries reiterate Smith's view that business is driven by both self-interest and societal purpose. The father of management, Peter Drucker, certainly considered profit a necessity—as we all should. He also said, however, that it's a "mistaken belief that the … profit motive of the businessman … is an explanation of his behavior" and concluded that "whether there is such a thing as a profit motive at all is highly doubtful." [3] Similarly, in their 1994 management best seller, *Built to Last*, Jerry Porras and Jim Collins urged us to unlearn the prevalent belief that enduring companies made profit their dominant goal. To their own surprise, their research showed this was not the case. Furthermore, Harvard Business School's Michael Porter, the world's most cited business strategist, advises companies to create economic value in a way that also creates societal value.

Today, empirical evidence corroborates the views of the above pantheon of economic thinkers. Harvard Business School research found that companies that have more societal-purpose practices significantly outperform their counterparts over the long-term, both in terms of stock market and accounting performance. Babson College research found that over a 17-year period (1993-2010) an investment of $1 in firms with many societal purpose practices grew to $22.60 and the same $1 invested in firms with few societal purpose practices grew to only $15.40 in the same period. [4] [5]

> The point is simply that pursuing societal purpose in a strategic manner, as Civic 50 companies do, is on the positive side of the corporate ledger.

Of course, some companies that pursue only profit do thrive and some that are community-minded don't. Markets don't punish out of existence

all companies that disregard societal purpose and elevate to top performance all companies that pursue societal purpose. Even the best community involvement won't make up for an ill-conceived business strategy, ineffective leadership, inferior products or poor service. A myriad of factors affect the success of a business. The point is simply that pursuing societal purpose in a strategic manner, as Civic 50 companies do, is on the positive side of the corporate ledger.

Managing a company as if profit were its exclusive purpose is akin to Christopher Columbus having told his crew their purpose was to stay afloat. Profit generation in business, like staying afloat in sailing, is necessary but not sufficient for success. It is something to keep our sights on, but not as a galvanizing vision. Ironically, a rallying cry of "We will be afloat every day!" would have been so uninspiring that it's likely Columbus' crew would have failed even at that. Instead, Columbus' societal purpose of completing an adventure that would, he thought, give Spain a better trade route likely drove his enterprise to perform so well that staying afloat was practically guaranteed.

Civic 50 winners deserve recognition not only for being community-minded, but also for leading a long overdue correction that puts societal purpose at the heart of enduring businesses.

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A Roadmap: Translating Good Intentions into Sound Business Practices

As the rising tide of stakeholder opinion from employees, customers and communities increasingly calls for socially-responsible behavior by companies, where can companies find a practical roadmap to help them turn their good intentions into sound business practices? The Civic 50 evaluates companies according to four dimensions, which we consider to be a key framework for how companies can use their time, skills and other resources to improve the quality of life in their communities.

In fact, Civic 50 winners, including Entergy, Wells Fargo and the companies mentioned in the examples below, have embraced these dimensions to lead change in their own companies by using them as a framework and guide to structure their community engagement programs. We hope these examples and the Civic 50's four dimensions may inspire other companies—even those who haven't made the Civic 50 list yet—to use them as a strategic tool for accelerating good corporate citizenship at their organizations.

Benchmarking data and examples of what these dimensions look like in practice are discussed below.

Investment [6]

This dimension evaluates how extensively and strategically the company applies its resources to community engagement in the U.S., including employee time and skills, cash, in-kind giving and leadership.

Employee Time and Talent

- Civic 50 companies mobilized **10.3 million** volunteer hours, compared to 12.7 million hours in 2014
- Average percentage of U.S. employees at Civic 50 companies that participated in some type of company-sponsored volunteerism is **35 percent,** the same percentage as in 2014
- On average, U.S. employees at Civic 50 companies volunteered a total of **3.8** hours annually, compared to 5.8 in 2014
- The average percentage of U.S. volunteer time at Civic 50 companies categorized as skills-based volunteering: **22 percent**, compared to 20 percent in 2014.

Cash and In-Kind Giving

- The Civic 50 contributed a total of **$1.8 billion** in cash to communities, compared to $1.9 billion in 2014.
- Average Civic 50 company cash contributions, including matching funds for company-sponsored giving of U.S. employees (as a percentage of revenue), provided to U.S. social causes is **0.25** percent, compared to 0.37 percent in 2014.
- Total value of Civic 50 company cash donations given for U.S. employee matches and Dollars-for-Doers grants annually is **$135 million**, compared to $197 million in 2014.
- Average number of individual U.S. grants per Civic 50 company, excluding matching-gift and volunteerism matching is **1,347**, compared to 977 in 2014.
- On average, percentage of Civic 50 company U.S. grants providing additional support such as company volunteers, in-kind goods or services, and/or a multi-year pledge: **38 percent**, compared to 43 percent in 2014.
- Average cost of U.S. in-kind contributions as percentage of revenue is **0.15**, compared to 0.17 in 2014.

Public Leadership

- Sixty-two percent of Civic 50 companies took a leadership position on four or more public education and/or policy advocacy efforts (meaning they received media coverage) at a national scale, compared to 67 percent in 2014.

Investment: What Does It Look Like in Practice?

Employee time and talent:
Ninety-eight percent of employees at CSAA Insurance Group, a AAA Insurer volunteered in a company-supported team volunteer event.

Cash donations and multi-faceted investment:
Wells Fargo provides a powerful example of multi-faceted investment and the strategic impact it can have on communities. By combining a broad variety of its resources, Wells Fargo helps military members and veterans succeed financially by supporting home ownership, career transition and financial education. It has donated more than 300 properties valued at more than $49 million to wounded veterans, contributed nearly $17 million to military and veteran-related nonprofits, hired nearly 5,000 veterans, and has launched Hands on Banking for Military®, a financial education program that has been used by more than 100,000 people.

In-kind contributions:
As a furniture manufacturer, Steelcase has the ability and assets to improve the working environments of its community partners, from classrooms to boardrooms. Aware of the research showing that the quality of space affects decision-making, innovation, employee engagement and client behavior, Steelcase contributed over $1,000,000 worth of furniture and strategic facility planning services to community partners, in addition to cash grants and gifts.

Public leadership:
Prudential Financial, Inc. supports the Aspen Institute's work on increasing retirement coverage for all Americans. Company executives and others provide thought leadership, contribute to the conversation to influence public policy and help shape proposed solutions.

Integration

The Integration dimension measures how a company's U.S. community engagement program supports business interests and integrates into business functions, or how the company "does well by doing good."

The top business functions that Civic 50 community engagement programs support are: diversity and inclusion, marketing/PR, skills-development, recruiting and employee engagement. Seventy-four percent of Civic 50 companies have a formal strategy that uses community engagement to support diversity and inclusion goals, and 64 percent have a formal strategy that uses community engagement to support marketing/PR.

Percentage of Civic 50 companies applying the practice in the U.S.

Top business functions Civic 50 community engagement programs support:	Formal written strategy – broadly and consistently implemented	
	2014	2015
Diversity and Inclusion	62%	74%
Marketing/PR	64%	64%
Skills Development	46%	50%
Stakeholder Relations	54%	50%
Employee Engagement	N/A	48%
Recruiting	36%	42%

Integration: What Does It Look Like in Practice?

Marketing integration:
To increase brand awareness and support literacy, KPMG created the "Blue for Books" campaign and linked it to the firm's sponsorships of golf champions Phil Mickelson and Stacy Lewis. These golf champions wear and promote the sale of blue KPMG hats, which fund the purchase of three children's books per hat for distribution to low-income communities through KPMG's Family for Literacy program.

Institutionalization

This dimension evaluates how a company supports community engagement in the U.S. through its institutional policies, systems and incentives.

Fifty-six percent of Civic 50 companies in 2015 included community engagement as a formal written component of employees' performance reviews. This is an increase from 50 percent in 2014. Additionally, 90 percent of Civic 50 companies have a formal, structured effort to actively solicit community feedback such as a survey, focus group or community meeting.

Percentage of Civic 50 companies applying the practice in the U.S.

	2014	2015
Recognition Offer award and recognition opportunities (internal and/or external)	100%	96%
Matching grants Offer grant-matching to eployees	84%	82%
Community input Has a formal, structured effort in the U.S. that actively solicits community feedback such as a survey, focus groups or community meeting.	78%	90%
Volunteer time off Allow employees paid time off to volunteer	82%	78%
Volunteer grants Offer volunteer/"Dollars for Doers" grants	76%	66%
Department goals Include community engagement on department scorecards	70%	78%
Performance reviews Include community engagement as a formal written component of employees' performance reviews	50%	50%

Percentage of Civic 50 companies applying the practice in the U.S.

	2014	2015
Resources		
Have online portals	100%	100%
Offer training	98%	98%
Send regular newsletters	94%	94%
Have affinity groups	94%	92%
Offer toolkits to support community engagement efforts	98%	92%
Have social media platforms	92%	94%
Leadership		
Leadership encourages employee participation in community engagement events/activities at least 12 times per year	66%	72%
Leadership participates in U.S. company community engagement events or activities at least 12 times per year	72%	68%
Leadership presents on community engagement to the company's board in at least 50% of board meetings.	N/A	38%

Institutionalization: What Does It Look Like in Practice?

Department goals:
Health Care Service Corporation has supported a company-wide performance goal tied to financial incentives that includes key components around knowing and supporting communities through a variety of activities including volunteerism and civic engagement.

Leadership encouragement:
In 2013, Entergy adopted a new mission statement that elevated commitment to community as a shared value equal in importance to its commitment to shareholders, customers and employees. From the CEO to each of the operating companies and individual departments, a focus on community engagement has become a key performance indicator across the company—not just for the department in charge of community involvement. The company regularly reports on community engagement in CEO town hall meetings, board of director meetings, earnings calls, senior leadership meetings and department goal meetings.

Impact

This dimension evaluates how a company measures the social and business value of its community engagement program, studying outcome and output measures specifically.

Civic 50 companies are increasingly measuring what matters. For example, 40 percent of Civic 50 companies measure the outcomes of their volunteer programs, representing an increase from 36 percent in 2014. In fact, 78 percent formally measure the social impact of at least one aspect of their community involvement work.

Company Use of Social Value Measurements

Community engagement function	Percentage of Civic 50 companies that use pre-defined, quantitative outcome measures as part of regularly implemented data collection process	
	2014	2015
Grants	64%	64%
Volunteerism	36%	40%
Social Cause Leadership/ Advocacy	40%	38%
In-Kind	22%	18%

Company Use of Business Value Measurements

42%

Half of Civic 50 companies measure the business impact of their community engagement programs on diversity and inclusion, and 42 percent measure business impact on employee engagement.

Percentage of Civic 50 companies applying the practice in the U.S.

Top business functions community engagement program supports	Percentage of Civic 50 companies that use pre-defined, quantitative outcome measures as part of regularly implemented data collection process	
	2014	2015
Diversity and Inclusion	46%	50%
Employee Engagement	N/A	42%
Marketing/PR	38%	36%
Stakeholder Relations	30%	32%
Recruitment	16%	12%

Impact: What Does It Look Like in Practice?

Social and business impact measurement:
Raytheon's Board of Directors includes a Public Affairs committee that reviews, identifies and brings to the attention of the Board political, social and environmental trends and issues that may have an impact on Raytheon's business, operations, financial performance or public image. The committee is dedicated to ensuring community involvement programs and initiatives are aligned with business goals and company values. The company's community involvement metrics are reported quarterly to the Board of Directors to ensure this alignment and to support future decision-making. Metrics regularly reported include the impact of social advocacy, charitable contributions, and employee giving and volunteerism.

Featured Essay: Company as Community

This essay is by Martin Whittaker, CEO of JUST Capital, and Gabi Blumberg, Managing Director at JUST Capital. JUST Capital is a nonprofit organization established by a group of distinguished investment and industry leaders to advance the global sustainability agenda and foster a more "just," values-led capital market. Their essay provides a powerful example of the rising tide of stakeholder opinion with which the Civic 50 must engage.

How can we use business as a force for good? If you go back to the origins of capitalist philosophy with Adam Smith, you'll find that a deep sense of justice is core to how the marketplace should function. Yet, as a society we have become so focused on the invisible hand of the market that we have neglected these moral sentiments. We now find ourselves operating within a false dichotomy: maximize profits, and then give back a share of those profits to tackle the social, economic and environmental problems that face our communities. The pursuit of profits has become untethered from probity.

> "If [justice] is removed, the great, the immense fabric of human society...must in a moment crumble into atoms."
>
> *- Adam Smith, The Theory of Moral Sentiments*

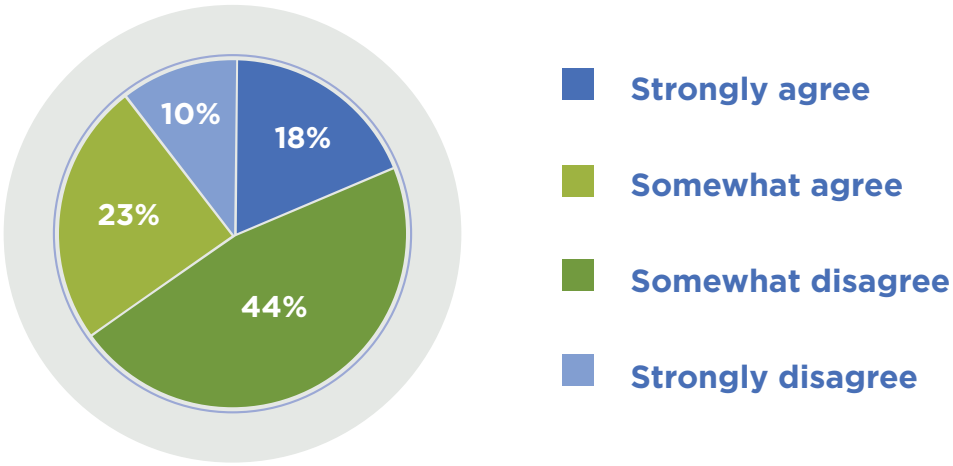
At JUST Capital, we believe there is another way. In order to tackle society's most systemic challenges, traditional philanthropy can be complemented by scalable market-oriented solutions. We exist to harness the immense power of the markets to channel resources, capital and talent to address the issues that matter most to our communities.

We do this by evaluating and ranking the largest publicly traded companies in the U.S. based on how JUST they are. We determine the definition of JUSTness by conducting extensive market research to uncover what consumers, employees, investors and communities value in corporate behavior. We have reached over 43,000 people to date in nationally representative surveys that are fully mapped and weighted to the U.S. census. We then make the results available on our web-based platform, which provides actionable insights and tools that corporate leaders, consumers, investors – all of us – can use to make more JUST decisions.

Engaging the largest publicly traded companies in this effort is crucial because of their sheer size, scale and influence. In the U.S. alone, they employ over 30 million people, generate $1.8 trillion of profit, provide nearly 50 percent of the nation's healthcare coverage, and represent nearly 90 percent of investable equities. By creating a platform that can align companies with the views and values of the public, we take the first step in breaking down the profit/philanthropy dichotomy and begin to solve society's most intractable problems.

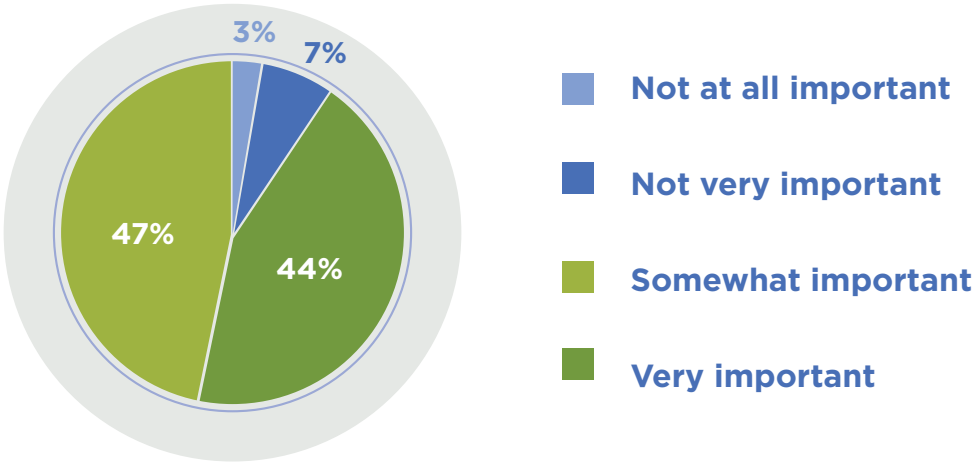
So, what do Americans think about companies today? Well, the majority of Americans believe in business. Sixty-seven percent of respondents agree that what is good for business is good for the country. However, 51 percent believe that corporate America is headed in the wrong direction and many (42 percent) say that corporations have become less JUST in the last decade.

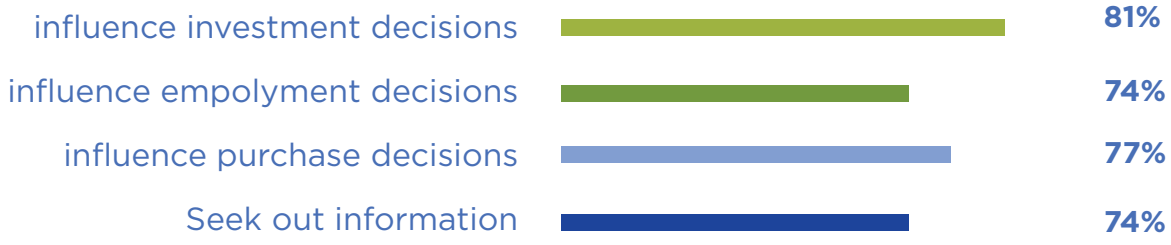
Do you agree or disagree: What's good for business is good for the country



The vast majority of respondents agree that JUSTness is important to measure and said that, if information on JUSTness were made available to them, it would affect their purchase, employment and investment decisions. .

How Important is measuring JUSTness





Perhaps most importantly, these responses are consistent across income levels, political affiliations, gender, and ethnicity. On the surface, this might be surprising given the discord in the current political and media environment. However, it should not be.

In many ways, the story of the American people is the story of American business. The success of our country has been built on a foundation of valuing and rewarding entrepreneurialism, innovation and risk-taking. Yet somehow, the majority of our citizens have become marginalized, excluded and, in many cases, left behind.

A dominating focus on maximizing short-term profits is at the root of this. At JUST Capital, we believe that companies can and should be measured by issues more durable than this–and we think they want this too. Americans we surveyed agree that shareholders' interests have been prioritized over the interests of other stakeholders. They believe that this balance should be rectified. In fact, our research shows that people earning above $75K per year and those earning less think that corporations should ideally prioritize customers, communities, employees and the environment more than they do now.

The central purpose of our market research, though, was to determine the attributes of corporate behavior that Americans consider most important in measuring JUSTness. These form the core of our benchmark and it is against these factors that we evaluate and rank companies:

THE FACTORS OF JUSTNESS

1. Employee Pay & Benefits
2. Employee Satisfaction & Fair Hiring
3. Product Impact
4. Customer Service
5. Board Governance
6. Shareholder Value
7. Environmental Impact
8. Community Relationship
9. Supplier Treatment
10. Leadership & Ethics

As you can see, a company's relationship with the community is one of the most important issues. However, it sits as one amongst many. In fact, the most important attributes relate to how a company treats those internally, its own employees. So, as we think about how our companies can have a positive impact on the community, perhaps we should think about the company as community. Every employee, customer, investor and local citizen is impacted by the way a company operates.

And if everyone in this community can act – by shifting priorities, buying, working and investing – in line with what our society values, we can all play a part in improving the quality of life in our communities. That is why The Civic 50, highlighted in this report, deserve recognition for demonstrating that building strong communities also means building strong, enduring businesses.

This one shift in how we think about corporate citizenship could have impact on a massive scale. What if we are able to shift not just corporate philanthropy, but resources of our entire marketplace toward more JUST means? Shifting just - of total personal consumption alone to companies that prioritize things we care about would amount to roughly $120 billion per year toward companies that provide greater employee benefits, pay a living wage and make products that are healthy and safe.

When we put JUSTness on par with profits, we get fair and balanced markets with the power to drive growth, innovation and progress for all. So let's listen to the American people when they tell us what is best for themselves, their families and their communities. And with every decision we make – as corporate leaders, consumers, investors and workers – we can build a marketplace that reflects our values and strengthens our communities.

Featured Essay: What Does the End of "Business as Usual" Look Like?

This essay is by Jean Oelwang, President and Trustee of Virgin Unite, the entrepreneurial foundation of the Virgin Group. Jean is also a Senior Partner at the B Team, a group of business leaders who have come together to work towards a better way of doing business. They believe that "Plan A," business as usual, is no longer working and that the time for a "Plan B" is now. Working with partners all over the world, they are creating a movement of business leaders who are changing the way they do business.

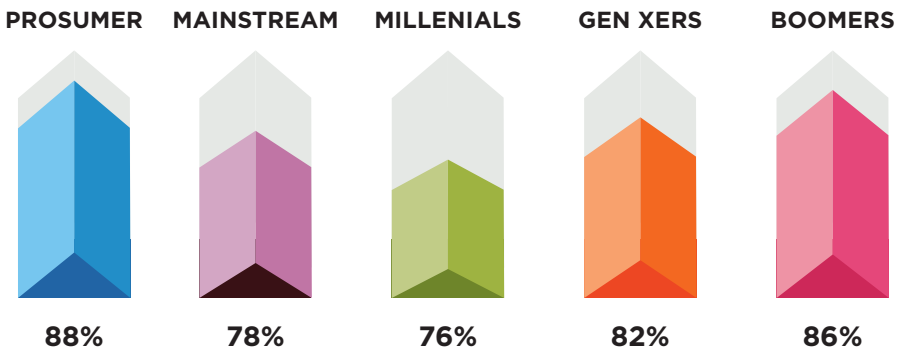
"Business as usual" is no longer working. People are becoming more and more disengaged at work. Warped incentives, like those that pay CEOs more than 250 times the average worker's salary, are driving inequality. Human rights are abused across the supply chain. Businesses continue to build their wealth off the back of Mother Nature with no accountability, destroying the very eco-systems that keep us alive.

As outdated global governance systems are failing, we need to step up and create a better way of doing business for the well-being of people and the planet. The great news is that this is no longer a "nice to have." According to a recent Edelman Trust survey[7] of 33,000 people in 27 countries, 80 percent of people agree "that a company can take specific actions that both increase profits and improve the economic and social conditions in the community where it operates." This is a 6 percent increase on the year before, and a sign that more sustainable approaches to business are no longer a lovely add-on, but a preferred model that people and markets increasingly expect from companies.

What does this brave new world look like?

1. **The transparency revolution.** When Mo Ibrahim helped launch The B Team, he opened with, "If we are going to be naked, we better look good." Technology is a bit like Toto in the Wizard of Oz, pulling back the curtain and exposing the good, bad and ugly in a business. New apps like GoodGuide and Labour Link are helping consumers and workers make smart, ethical decisions and call out bad practices. Wise companies will look at how they can repower their businesses with radical transparency as a competitive advantage.

It Is Very / Somewhat Important For A Company To Be Transparent?



2. **100% human at work.** We can build a more equitable, prosperous world through work as a source of dignity and purpose, for everyone, everywhere. The future of work needs to be based on human design delivering respect, equality, growth, purpose and belonging. The B Team is now working with over 140 companies to share experiments of better ways of working.

3. **Radical collaboration.** Solving complex global issues is no longer the responsibility of any one sector. Companies increasingly work in partnership with governments, NGOs and even their competitors to create lasting solutions to the toughest issues.

4. **Partnerships with Mother Nature.** In 2014, a study from World Wildlife Fund indicated a 50 percent decline in species populations. The Planetary Boundaries work[8] from Johan Rockström demonstrates that we are rapidly destroying our ecosystems. With this data, there is no longer any question that this is one of the greatest challenges facing humanity. We need a wiser approach where we partner with and value Mother Nature's life giving systems, rather than depleting the planet's natural resources at a rapid pace.

5. **Courageous leadership.** Today, there are a handful of brave business leaders standing up for people and the planet. In the future, those who are still trying to do "business as usual" will be extinct. Leaders and companies—like The Civic 50—that take a long-term view, never accept the unacceptable, and create businesses that thrive in partnership with people and nature will be there for the long run.

6. **New models.** The sharing economy (expected by PwC to be a $335 billion dollar industry by 2025), social enterprises, human services delivery partnerships with government and business, social impact bonds—all of these, and many more new business models, will eventually topple business as we know it. Businesses that put people and planet firmly alongside profit will be the norm rather than the exception

The good news is that all of this is good for business. Take M-PESA, a mobile-phone based money transfer service, which delivers a "bank in your pocket" to financially disadvantaged communities. It now has over 13 million customers, supports 42 percent of Kenya's GDP and represents 20 percent of Safaricom's $6 billion business. Or Leap Frog, an equity impact investor delivering insurance and other financial tools to the poor, which has now raised over $1 billion and reached 52 million people. This is no longer about charitable "hand-outs," but the power and incentives of business intersecting with the social and environmental missions of not-for-profits to scale sustainable change in the world.

It is also good to see that long-established companies such as Unilever are taking a lead. Through cost savings and eco-efficiency measures, they have saved over €400m in their operations since 2008. This year's Civic 50 companies are also strategically connecting purpose with profit to translate good intentions into sound business practices, as illustrated in this report.

Building on this momentum, the B Team is challenging businesses to:

- Drive full transparency
- Foster collaboration
- Scale true accounting
- Create thriving communities
- Reinvent market incentives
- Ensure dignity and fairness
- Re-define rewards systems
- Value diversity
- Lead for the long run

If we truly want to move from business as usual to a better way of doing business, we need collaboration at an unprecedented scale. Help us break down the borders between sectors, celebrate long-term thinking, end corruption, build 100 percent human companies, become net zero greenhouse gas emitters and reinvent business to make the world a better place. As Ralph Waldo Emerson once said, "Doing well is the result of doing good; that's what capitalism is all about."

Winning Perspectives: Best Practices from Sector Leaders

The Civic 50's sector leaders have the notable distinction of being the most community-minded companies in their industry. They have earned the top scores in their respective sectors across the Civic 50's four dimensions: how extensively and strategically companies invest in communities, how they are connecting their community engagement work to key business functions, how well they are institutionalizing their community engagement work, and how they are measuring impact. The ten Civic 50 sectors are: communications, consumer discretionary, consumer staples, energy, financials, health care, industrials, materials, technology and utilities.

The following pages highlight best practices from 2016 Civic 50 sector leaders.

Most Community-Minded Communications Company:

AT&T

Through the Aspire Mentoring Academy, AT&T employees connect with students to help them discover their passions and potential.

Through Aspire Mentoring Academy, AT&T employees connect with students to help them discover passions and potential. The company launched the Academy in 2012 as part of the company's signature philanthropic and volunteer initiative to promote student success in school and beyond. The curriculum focuses on critical 21st-century work skills, academic support, and connecting learning in the classroom with future success.

Mentoring events take place at AT&T work locations, online and in the community. As of January 2016, AT&T employees have provided more than 160,000 under-served students – many of whom might not have any mentors in their lives – with more than 1 million hours of mentoring.

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Read more about AT&T's community engagement work at: http://about.att.com/csr/reporting

Most Community-Minded Consumer Discretionary Company:

Hasbro, Inc

Hasbro CEO Brian Goldner with Bryony Bouyer, SVP for Global Promotions and Marketing Partnerships, and Year Up student Peter Khoy, who now works full-time for Hasbro.

Putting purpose at the center of change, Hasbro created an innovative community and employee engagement program with Year Up called Transforming Talent, which helps urban youth gain access to the corporate workforce. Combining college classes, corporate internships, educational stipends and mentoring, Hasbro trained 12 entry-level trainees, and upon program completion, hired 75 percent of them for full-time, permanent positions. More than 100 Hasbro employees volunteered as mentors, guest speakers and tutors, including all levels of Hasbro's leadership. Even the CEO, Brian Goldner, was deeply involved with the program. This pilot now serves as a replicable model that Year Up is using with other companies. This partnership smartly served young people who may otherwise have been left out of the economic mainstream. It also simultaneously served Hasbro's employee engagement as well as their talent acquisition goals to recruit, train and retain a diverse workforce.

> Hasbro created an innovative community and employee engagement program with Year Up called Transforming Talent, which helps urban youth gain access to the corporate workforce.

Read more about Hasbro's community engagement work at: http://corporate.hasbro.com/en-us/community-relations/our-philanthropy

Most Community-Minded Consumer Staples Company:

Altria

More than half of Altria's employees volunteer in their communities in addition to contributing through the Employee Community Fund. Here, a corporate department gives a make-over to part of the Forest Hill Park in Richmond, Va.

What makes employees most proud to work at Altria? It's the passion and commitment for giving back to the community. In fact, employees routinely rate employee involvement as one of the top reasons to work at Altria. Such enthusiasm for community engagement is not surprising, given that Altria employees don't merely participate in a charitable giving program—they take an active role in managing it. In 2000, employees interested in making a greater impact than they could on their own decided to found the Altria Companies Employee Community Fund (ACECF). Through this community fund, employees choose focus areas, lead fundraising, develop marketing and communications plans, and determine which nonprofits they will fund. ACECF uses external research and employee surveys to regularly assess and improve focus areas, grant and application processes, and reporting requirements. To assure that every dollar raised by employees goes to support their nonprofit partners, Altria makes an annual donation to cover administrative costs. The results are impressive. Altria's Employee Community Fund consistently sees 60 percent or higher employee participation and since 2001 has awarded 1,743 grants, totaling $46.3 million.

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Read more about Altria's community engagement work at: www.altria.com/Interactive/2014CRReport/index.html

Most Community-Minded Energy Company:

Valero Energy Corporation

Approximately 50 percent of Valero's employees participate in its community involvement program, logging more than 130,000 volunteer hours in the U.S. annually.

Valero extensively and strategically invests its employees' time and funds in community engagement. For National Volunteer Week, all Valero plants sponsored a concurrent food drive, collecting several thousand pounds of food. In fact, Valero has collected food and monetary donations representing nearly 1.4 million pounds of food for the San Antonio Food Bank, helping to address food security in the community where it is based. Many employees also serve in leadership roles on nonprofit boards. In San Antonio alone, about 125 employees serve on more than 150 boards.

Valero's community involvement is also institutionalized at the highest level of corporate governance, and is included in the organization's corporate Vision Statement and Guiding Principles. That, however, is just the beginning of how the company is creating a culture of community involvement in the organization. As a matter of policy, Valero's volunteer councils at each location meet regularly to review policies and bylaws for employee volunteerism and to promote events, and online systems make it easy for employees to sign up for events and track volunteer hours. Valero also integrates community engagement into all facets of employee recruitment, selection and retention. During the annual Summer Intern Symposium held at company headquarters, for example, interns take part in company volunteer activities. Year-round interns participate in volunteer activities during other times of the year as well. Valero's top-to-bottom efforts to engage employees in community involvement appear to work. Approximately 50 percent of Valero's employees participate in its community involvement program, logging more than 130,000 volunteer hours in the U.S. annually, and many cite their participation as one important way Valero makes them feel part of the team.

As a matter of policy, Valero's volunteer councils at each location meet regularly to review policies and bylaws for employee volunteerism and to promote events, and online systems make it easy for employees to sign up for events and track volunteer hours.

Read more about Valero's community engagement work at: www.valero.com/en-us/Documents/SRR/2015_Valero_SRR_Booklet_Web.pdf

Most Community-Minded Financial Company:

Toyota Financial Services

Toyota Financial Services team members "high-five" on their way to teach a financial empowerment activity to Girl Scouts.

Toyota Financial Services (TFS) builds its community involvement in the sweet spot where community needs intersect with business goals. Because its business success is dependent on a healthy economy and sound credit decisions by consumers, TFS has developed a Financial Empowerment Initiative that drives upward mobility by equipping under-represented youth and local community members with the tools they need to make informed financial decisions.

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Going beyond check-writing in its approach to community engagement, TFS also supports and develops employees with its community involvement program. Its Community Ambassador program, for example, empowers employees to build strategic partnerships with local nonprofits and engages team members to participate in community activities. Through the Community Ambassador program, employees receive a robust training and support network, enabling team members to increase their aptitude in the workplace through key skill development, including relationship building, project management and communication—a noteworthy example of how TFS is institutionalizing its community engagement. Forty-five Ambassadors, representing 100 percent of TFS offices across the country, craft strategic partnerships with Boys & Girls Clubs of America, Girls Scouts of the United States, Junior Achievement and other local organizations. TFS also offers paid time volunteering to all its employees and includes employee community involvement participation targets in the corporate scorecard. All this attention to designing the program around its employees pays off. Employee survey data find that those who participate in TFS volunteering have higher levels of engagement and pride than those who don't.

Read more about Toyota Financial Service's community engagement work at: http://tfsinthecommunity.com

Most Community-Minded Health Care Company:

UnitedHealth Group

United Health Foundation, UnitedHealth Group's philanthropic arm, publishes America's Health Rankings, which is an actionable, data-driven platform for improving the health of communities.

Few companies can claim to be a key source of information on a social issue. Yet, the United Health Foundation, UnitedHealth Group's philanthropic arm, can. It publishes America's Health Rankings, an actionable, data-driven platform for improving the health of communities and modernizing health care. America's Health Rankings Annual Report is the longest-running annual assessment of America's health on a state-by-state basis. The report's purpose is to stimulate action by individuals, elected officials, health care professionals, public health professionals, employers, educators and communities to improve the health of the U.S. population. A great example of public leadership, America's Health Rankings has been used to inform state health priorities, influence state policies and transform state health systems.

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Read more about UnitedHealth Group's community engagement work at: www.unitedhealthgroup.com/2014-sr

Most Community-Minded Company in the Industrials Sector:

KPMG LLP

KPMG's Family for Literacy program has provided children in need with over 2.6 million new books.

KPMG established its Family for Literacy signature community involvement program in 2007 to support and expand upon its philanthropic focus on youth and education. The program provides children from low-income families with new books—and, in many cases, their very first book. The program engages not only partners and employees, but also alumni, retirees and interns as well as their families. The firm finds clever ways to engage its many stakeholders to support its focus on youth and education—from engaging famous athletes to help raise public awareness and funds for new books to sending new hires a message letting them know that a new book has been donated in their name. These tactics to engage internal and external stakeholders have worked well. In fact, KPMG's diversity and inclusion networks, citing the lack of diversity in children's literature, convinced the firm to sponsor the publication of a children's book about a disabled man in Ghana. KPMG also supports overall community engagement by providing funds that are allocated (for each office) based on employees' interests and local community needs, and provides each employee with 12 hours of paid time off annually to volunteer during the business day with the organization of their choice.

The firm finds clever ways to engage its many stakeholders to support its focus on youth and education—from engaging famous athletes to help raise public awareness and funds for new books to sending new hires a message letting them know that a new book has been donated in their name.

Read more about KPMG's community engagement work at: www.kpmg.com/US/en/about/CSR

Most Community-Minded Materials Company:

Freeport-McMoRan

Freeport-McMoRan created University Teams (U-Teams) to build high-impact partnerships with universities to support school needs and the company's recruiting goals. Here, a U-Team member works with a student at the South Dakota School of Mines on a capstone project. .

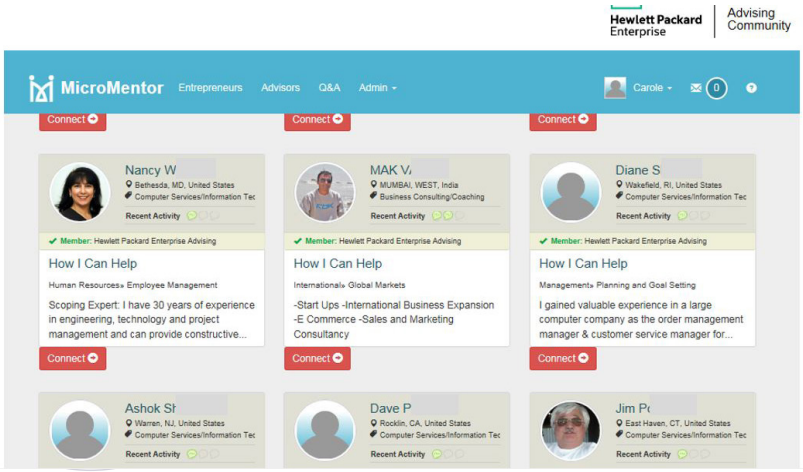
Exemplifying the Integration dimension of the Civic 50, Freeport-McMoRan saw its need to recruit skilled workers in mining engineering, metallurgy and geology as an opportunity to do good. It created University Teams (U-Teams) to build partnerships with universities to benefit both the company's recruiting goals as well as school needs. There is a U-Team for eight U.S. universities that currently have strong programs in mining engineering, metallurgy or geology. Each team is comprised of six to eight company representatives from key business areas, including senior operational and technical leadership, mid-level operational management, college recruiting, community relations, and in most cases, employees who are recent graduates from partner schools. U-Teams are charged with creating high-impact partnerships with each university, exploring mutual needs and interests, identifying the best university investments or grants to advance mining-related education, and maximizing interaction with students and faculty to position the company as an employer of choice. These efforts help improve and increase the company's pipeline of new hires, while also strengthening key degree programs at partner universities. In fact, recruitment of students in critical disciplines has increased by 5 percent.

Exemplifying the Integration dimension of the Civic 50, Freeport-McMoRan saw its need to recruit skilled workers in mining engineering, metallurgy and geology as an opportunity to do good.

Read more about Freeport-McMoRan's community engagement work at: www.FreeportInMyCommunity.com

Most Community-Minded Technology Company:

Hewlett Packard[9]



Hewlett Packard's commitment to skills-based volunteering is reflected in its Hewlett Packard Enterprise Advising program, a global, virtual mentoring program that connects professionals with nonprofits and entrepreneurs.

Hewlett Packard is committed to accelerating opportunity through skills-based volunteering. Employees worldwide are encouraged to use their 48 hours of paid volunteer time off every year to contribute their professional expertise and help build the organizational capacity of nonprofit partners. This commitment is reflected in its Hewlett Packard Enterprise Advising program, a global, virtual mentoring program with nonprofits and entrepreneurs. The commitment is also reflected in pro bono support and expertise provided by its global community of certified project managers to nonprofits.

Hewlett Packard finds that more than 90 percent of its nonprofit partners report "very significant" or "significant" capacity increases from partnering with Hewlett Packard.

Illustrating how Civic 50 companies measure impact, Hewlett Packard finds that more than 90 percent of its nonprofit partners report "very significant" or "significant" capacity increases from partnering with Hewlett Packard, and longitudinal data analysis suggests that skills-based volunteering increases employee engagement among participants by more than 10 percent.

Read more about Hewlett Packard's community engagement work at: www8.hp.com/h20195/v2/GetDocument.aspx?docname=c04152740

Most Community-Minded Utility:

Pacific Gas and Electric Company

Through its Solar Habitat Program, PG&E has covered the cost of solar installations for all Habitat for Humanity-built homes in its service territory since 2005.

Through PG&E's high-impact partnership with Habitat for Humanity, it has, through its Solar Habitat Program, covered the cost of solar installations for all Habitat-built homes in its service territory since 2005. It has paired this investment with nearly 30,000 PG&E volunteer hours toward the construction of more than 600 homes and in-kind board service from executives to support Habitat for Humanity affiliates. The solar panels installed through the Solar Habitat Program generate nearly 300 kilowatt-hours of clean, renewable energy each month, saving low-income families approximately $500 a year. This annual savings adds up to nearly $9 million for some of PG&E's most under-privileged customers, and supports Habitat's mission of enabling home ownership for underserved families, while also eliminating more than 132,000 pounds of carbon dioxide from the atmosphere over the life of each system.

The solar panels installed through the Solar Habitat Program generate nearly 300 kilowatt-hours of clean, renewable energy each month, saving low-income families approximately $500 a year.

Read more about PG&E's community engagement work at: www.pgecorp.com/corp_responsibility/reports/2015/PGE_CRSR_2015.pdf

Conclusion

Whether they are in San Francisco or San Antonio, or in the communications or consumer discretionary sectors, this year's Civic 50 honorees show that they are shaping their strategies to prioritize meaningful engagement with communities. Realizing that being "community-minded" means more than simply sponsoring an event or providing the occasional grant, Civic 50 companies are putting communities at the center of change to create more enduring and sustainable business models.

In fact, the most growth in this year's dimensions was not in community investment, but rather in those dimensions that emphasize connecting community engagement with core business functions (Integration), creating policies and systems to support community engagement (Institutionalization), and measuring impact (Impact). The 2016 Civic 50, therefore, are doing the hard work of building more community-minded companies that will fuel and accelerate their ability to do well and do good in the years to come.

From lending employee time and talent to community organizations and taking leadership positions on public education efforts, to elevating commitment to community as a shared value in mission statements, Civic 50 companies provide inspiration, guidance and effective practices to guide other business leaders who want to strategically engage in societal issues. With the launch of the 2016 Civic 50 and the publication of this report, we are kicking off a national conversation to raise awareness for a roadmap that companies can use to turn their good intentions into sound business practices. We invite you to join us throughout 2016 for a series of learning webinars and an ongoing conversation where we'll explore the best practices and inspiration behind the 2016 Civic 50. Learn more and join us at: www.civic50.org.

[1]Valuation Guide, 2016 Edition, Committee Encouraging Corporate Philanthropy, 2016

[2]As used in this document, "Deloitte" means Deloitte LLP and its subsidiaries. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting. Copyright © 2016 Deloitte Development LLC. All rights reserved.

[3]Drucker, Peter, *The Essential Drucker: The Best of Sixty Years of Peter Drucker's Essential Writings on Management, 2008*.

[4]Eccles, Robert G., Ioannis Ioannou and George Serafeim. "The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance." Harvard Business School Working Paper, 2011.

[5]Rochlin, Steve, Stephen Jordan, Richard Bliss and Cheryl Kiser. Project *ROI: Defining the Competitive and Financial Advantages of Corporate Responsibility and Sustainability,* 2015.

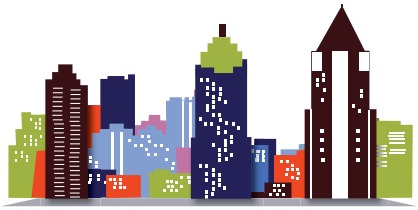
[6]To view the specific survey questions for each of The Civic 50's dimensions, refer to The Civic 50 Participant Packet at: http://civic50.org/2015_Participant_Packet_%28PDF%29.pdf

[7]2016 Edelman Trust Barometer, www.edelman.com/insights/intellectual-property/2016-edelman-trust-barometer/global-results

[8]Rockstrom, Johan, "Let the Environment Guide Our Development," TEDGlobal 2010, www.ted.com/talks/johan_rockstrom_let_the_environment_guide_our_development?language=en

[9]Since submitting its application, Hewlett Packard has split into Hewlett Packard Enterprise and HP Inc.

THE CIVIC 50



www.civic50.org