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Corporate Social Value

Corporate Social Responsibility

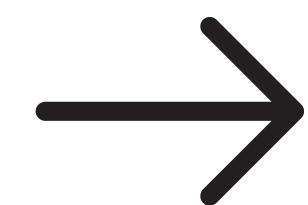


- Group Requirement
- Statutory Requirement

Corporate Social Value (CSV)

From Charity

- One-Off donations to different location
- CSR build on “Charity” and “Compliance”
- Lack of Employee Engagement
- Ad-Hoc approach
- Dependent on multiple NGO’s expertise areas



To Impact and Innovation

- Impact and Innovation /Shared Value Creation
- CSV built on “Strategy” and “Value”
- Integrated Employee Engagement
- Strategic / Well-Planned Approach
- Stakeholders delivering Corporate Focus Areas

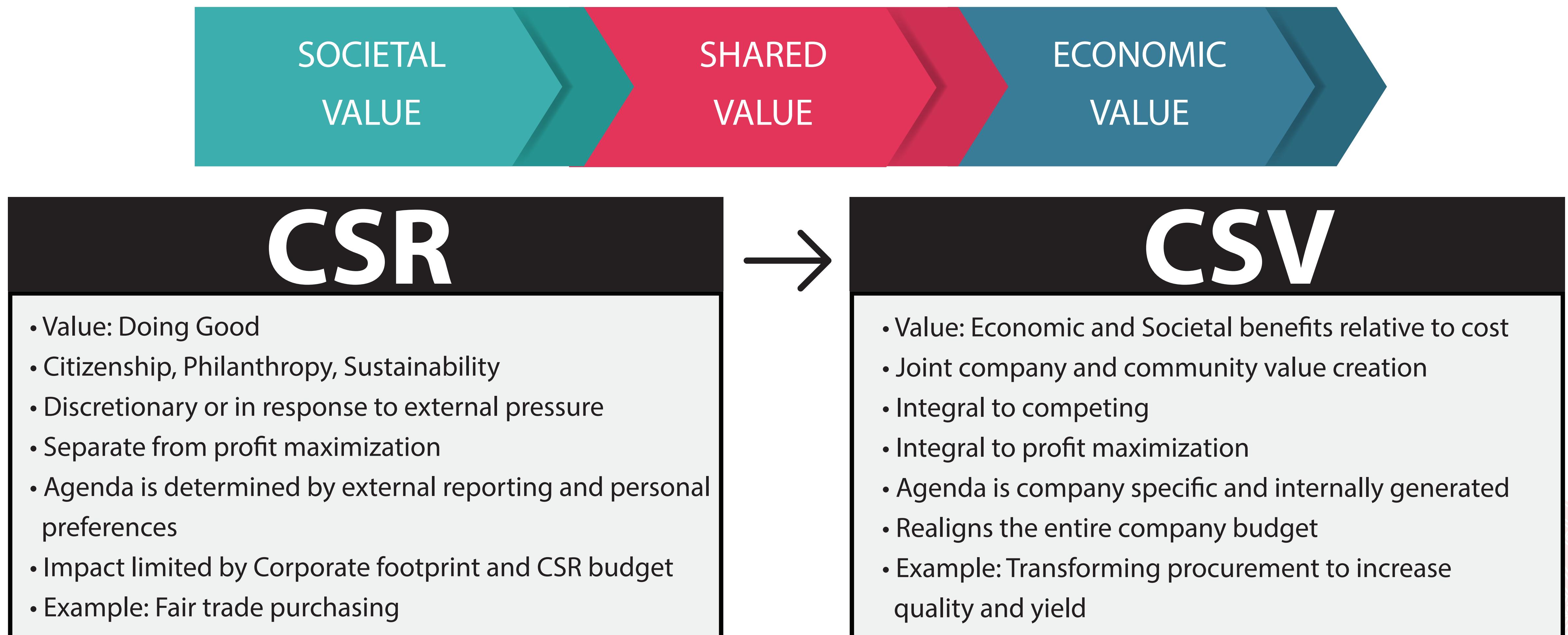
Integrated Plan of Action to create sustainable IMPACT



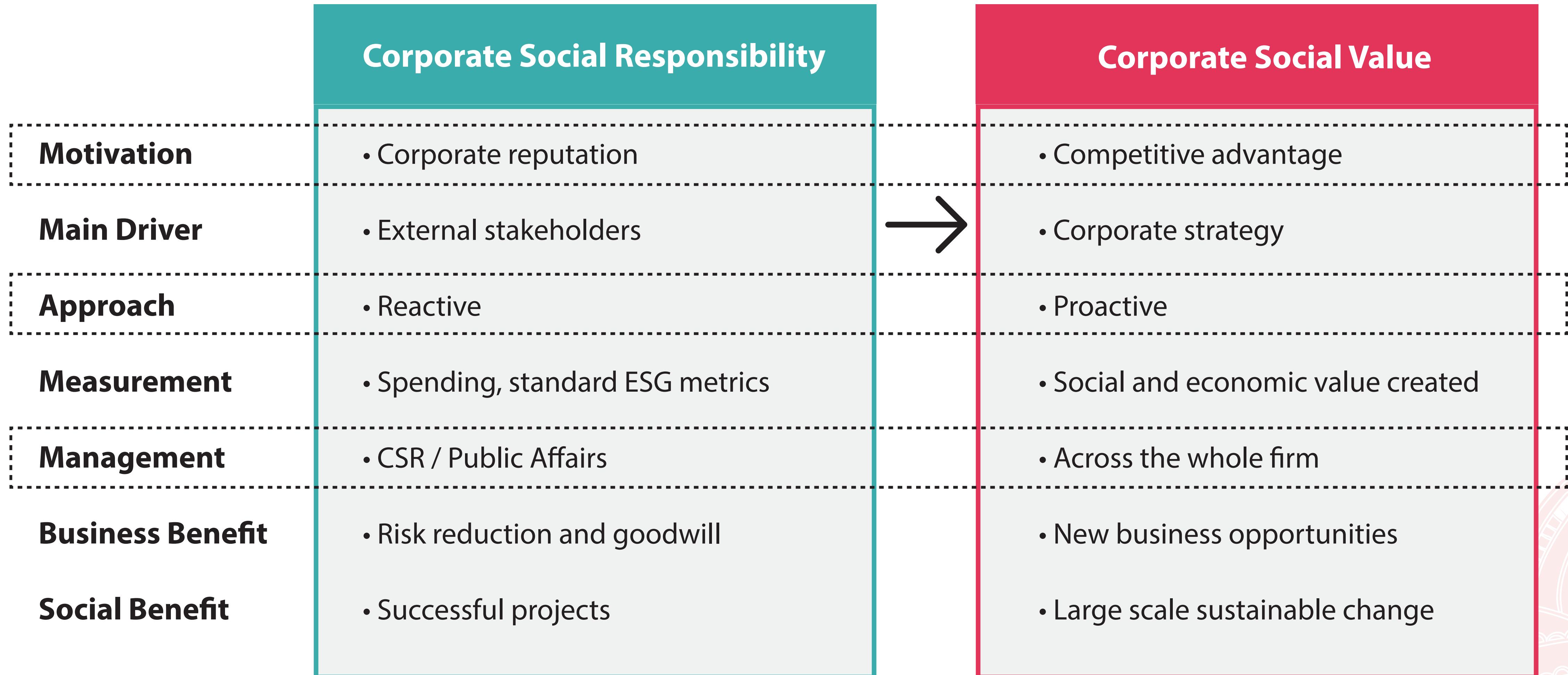
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CSR TO CSV



Shared Value is different from traditional CSR



Corporate Social Value

Social Value

Corporate Social Value

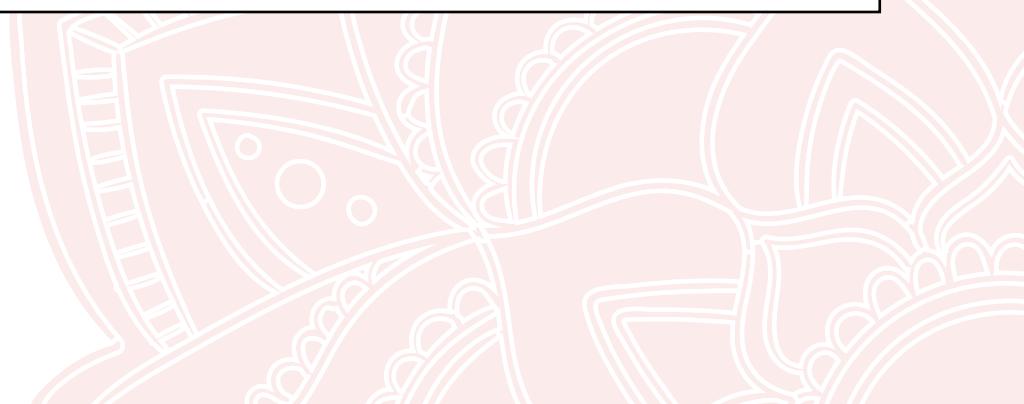
Profit

	Philanthropy	Strategic CSR	Shared Value
Reasoning	Should do	Must do	Strategic competitive advantage
Drivers	External needs driven	External pressures driven	Internally & strategically driven

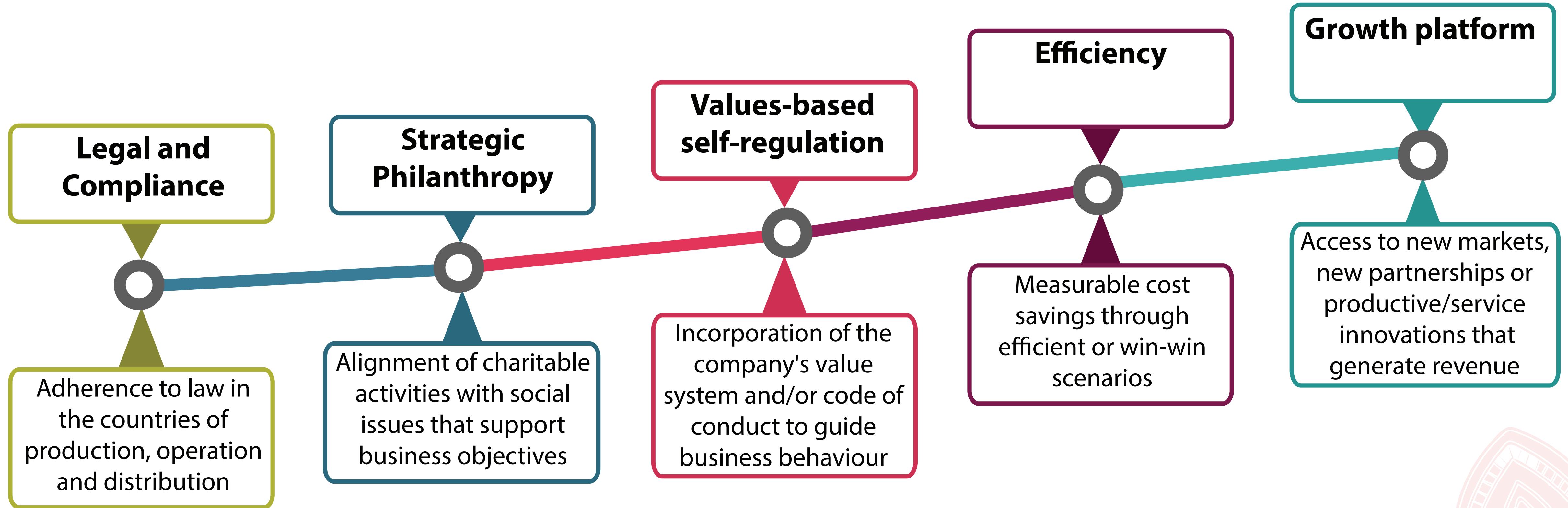
	Philanthropy	Strategic CSR	Shared Value
Motivation	Be generous	Be responsible	Be more competitive
Issue Selection	Address community needs	Advance stakeholder wants	Deliver strategic positioning
Social Value	More resources	Better resources	Long-term measurable solution
Business Value	Goodwill	Reputation	Long-term measurable profitability



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CSV - Value Curve



Greater returns can be realized as companies move from left to right up the value curve, integrating corporate social responsibility into core business strategies.

Corporate Social Value Operates at Three Levels

1

Reconceiving Products and Markets

- Meeting societal needs through products
- Addressing underserved customers

2

Redefining Productivity in the Value Chain

- Changing practices in the value chain to drive productivity

3

Enabling Local Cluster Development

- Improving the communities where a company operates to boost productivity, innovation, and growth

These levels can be overlapping and mutually reinforcing



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Where should big corporations be spending their CSR resources?

Value	Purpose	Impact	Benefits
CSR as Value Creation	Innovative and promotes sustainable business model	Fundamental strategic and operational impact	<ul style="list-style-type: none">• Shared value (business — institutions and communities)• Promote competitiveness and innovation• Promotes a sustainable business model• Integrates business into the community• Develops Human Capital (key in developing countries)• Incorporated into the Business Strategy
CSR as Risk Management	Compliance	Medium to high strategic and operational impact	<ul style="list-style-type: none">• Mitigates operational impact• Mitigates operational risks• Supports external relationships
CSR as Corporate Philanthropy	Providing funding and skills	Little strategic and operational impact	<ul style="list-style-type: none">• Corporate Philanthropy and sponsorships• Short-term benefits / not always sustainable• Limited funds available• Impact diluted because limited budget is allocated to many charities• Corporate competencies and other business assets not fully utilized.• Misalignment between business and social responsibility strategies and functions.• Result in minimal social and business impact of social programmes.

Employee Engagement and CSV

Managers who want to be strategic about CSR's leverage have to understand how their CSR "Inputs" translate into employee "Outputs" that benefit the company. This framework helps managers see the connections between Inputs - specific CSR initiatives - and Outputs in terms of employees' thoughts and behaviors

CSR Management Factor	Traditional Approach	Optimal Engagement
Measurement and control	Not clearly defined	Contingent Input-Output approach
Internal marketing objective	Change employee attitudes	Fulfil employee needs
Implementation	Uniform across company	Tailored to employee segments
Key indicator	Job satisfaction	Identification
Value creation	Top-down	Co-created
Employee role	Enabler	Enactor
Company role	Enactor	Enabler



Companies Are Moving to Purpose-Based Competitive Positioning

FOOD



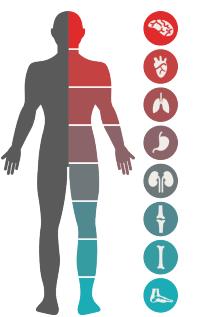
Nutrition



SHOES



Health



AUTOMOTIVE



Rolls-Royce®

Green Mobility



COMPUTER/IT



Smarter Cities

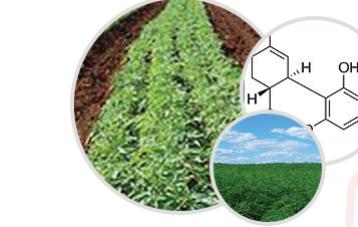


CHEMISTRY

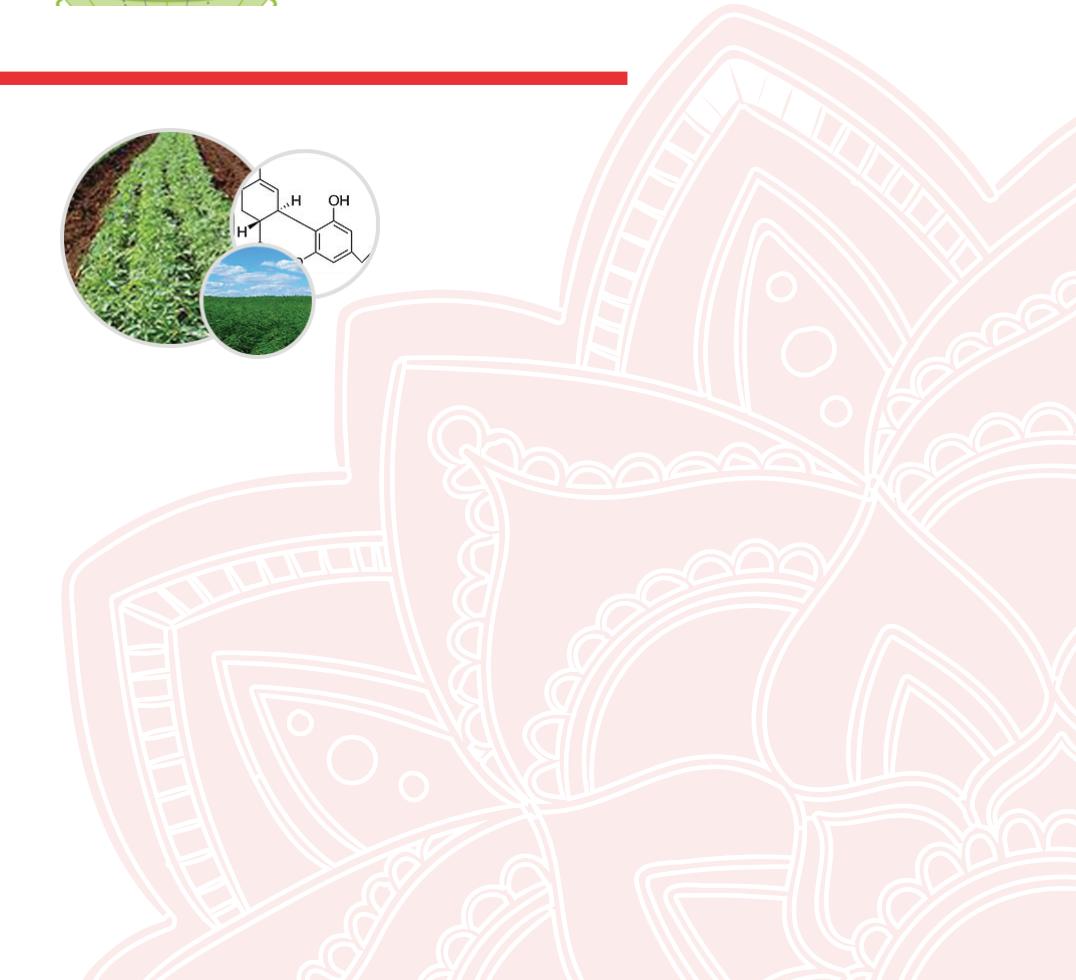


BASF
The Chemical Company

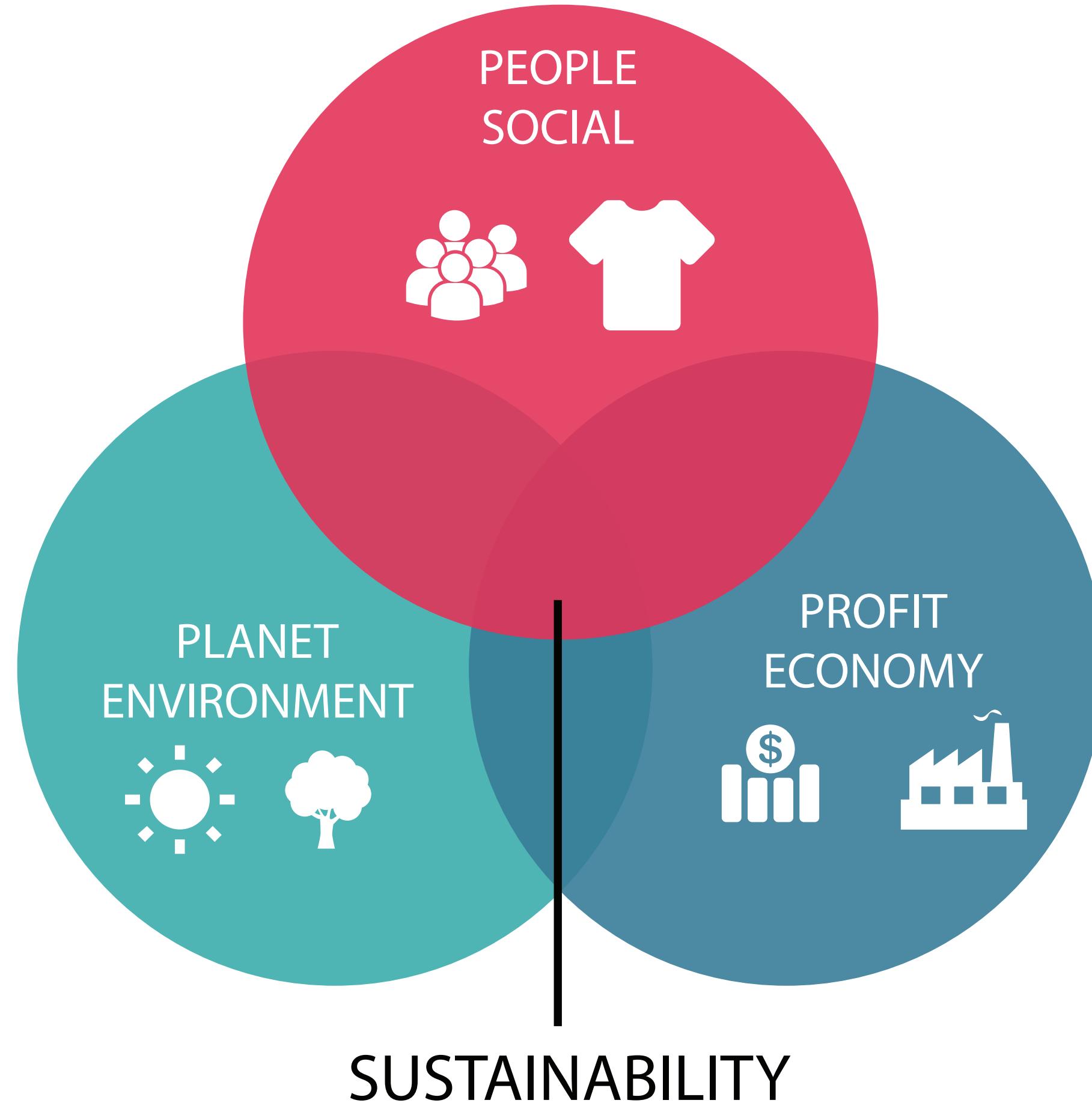
Enabling Life



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KarmaKonnect Consulting Approach



Phases	Result for Companies
1) Engagement	Engagement with Top-Management to create a focused purpose and strategy in alignment with deeper needs.
2) Alignment	Aligning second and third level management to purpose and strategy and ensure high engagement and accountability level.
3) Execution	Broaden purpose and strategy into organization. Engage employees and define process.
4) Quality Control	Integrate monitoring and iterative improvement process. Integration of feed-back loops.

Roadmap for Institutionalizing CSV Processes in your Organization

- Step 1 Build a Team: Build a cross-functional team; Engage top management
- Step 2 Identify Materiality: Earmark issues important to you and your stakeholders
- Step 3 Strategize Goals and Values: Outline goals with clear timelines, set deliverables, and assigned responsibilities
- Step 4 Stakeholder Engagement and Communication: Engage and incentivize internal and external stakeholders to brainstorm solutions
- Step 5 Prioritize and Implement: Pursue low-hanging fruits and identify implementation partners for strategic, long-term opportunities
- Step 6 Measure, report and communicate outcomes: Review and communicate results transparently on key metrics to measure progress

Shared Value Is Found at the Nexus of Business Opportunities, Corporate Assets and Social Needs



Shared Value Opportunity