

# **CORPORATE PHILANTHROPY: THE ROUTE TO CORPORATE SOCIAL RESPONSIBILITY (CSR)**

FRENCH CASE STUDIES  
December 2015

# ABOUT FIDAL

## FOUNDED IN 1922

## THE LARGEST FRENCH

## AND EUROPEAN

## BUSINESS LAW FIRM

*At FIDAL, 1,400 lawyers and legal experts work closely with our clients to assist them in finding the specialist legal advice and protection they need to promote their business interests in the long term. Thanks to our wide range of expertise, we can provide corporate strategic counsel as well as tax optimization solutions.*

### FIDAL AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible company FIDAL has willingly embraced the challenge of sustainability by acting directly on waste, water and energy management and by looking for the best environmental performance in our office buildings.

As an example of our commitment to the environment, we moved our Parisian teams to a "Green Ready" building, meaning its energy performance is in compliance with the 2020 target of the Grenelle II de l'Environnement.

As part of the social responsibility of our company, FIDAL is also committed to improving quality of life in the work environment. In that respect, our employees have been invited to several awareness raising and training sessions on psychosocial risks and stress prevention.

On another side of FIDAL's CSR, we encourage and support meaningful projects brought to us by our employees, such as solidarity actions and in some cases we offer pro bono services.

Reaching out and helping those in need naturally led us to create our own Foundation.

At FIDAL, we are currently collecting all our CSR practices in order to publish our first CSR report that should help us identify our strengths and weaknesses, and define a structured CSR strategy.

### FIDAL "FOUNDATIONS & PHILANTHROPY" DEPARTMENT

Some of our clients (companies, entrepreneurs and high net worth individuals) support existing charitable entities. Others have chosen to create their own personal or corporate "foundation" to further their philanthropic aim. Some, that we call "phil-entrepreneurs", wish to play an active role, remaining closely involved in decision-making and measuring the social impact of their gifts.

Whatever the profile of our clients and the specificity of their projects, FIDAL "Foundations & Philanthropy" team, headed by Stéphane Couchoux, brings its leading expertise on this field to provide them with advice on the structuring, strategy and tax-efficient funding of their commitments.

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# PREFACE

We strongly believe that our law and tax expertise on corporate philanthropy and foundations should serve the interests and expectations of our clients, but also society at large. In a complex world, companies feel compelled to adapt their business activities in order to deal with more than just their positive financial results but to address environmental and social issues as well.

FIDAL has created a highly specialized department to guide our clients and partners in responsible business practices that are necessary to build long-lasting economic models. Companies are increasingly developing CSR strategies in order to redefine their operations aiming to preserve natural resources, to create healthy relationships with their employees and customers, to respect human rights, etc., meaning: ethical operations. However, nowadays companies are expected to go beyond these obligations and also engage with the external stakeholders, such as local communities, NGOs, NPOs, etc. These commitments are thus often addressed through corporate philanthropy.

This tendency to practice corporate giving as part of the company's CSR approach exists not only due to the company's wish "to do good" but it also serves as an investment that can lead



to tangible business results. Through our "Corporate Philanthropy & Foundation" department, our team's goal is to develop philanthropic strategies that can improve our clients' performance and contribute to building a more cohesive society.

This study is designed to highlight the complementarity between corporate philanthropy and CSR strategies through several business cases, explaining how companies can greatly benefit from their philanthropic programs, beyond the public purpose that they support. **This study demonstrates that CSR is essential to companies and that corporate philanthropy is an indispensable tool to improve their CSR strategy.**

Stéphane Couchoux  
FIDAL Partner and Head of "Foundations  
& Philanthropy"

## ***"Making law serve society"***

By Stéphane Couchoux,  
Partner Head of "Foundations  
& Philanthropy"

# INTRODUCTION

## A NEW ERA OF BUSINESS IS ARISING

The beginning of the 21st century represents a turning point in the way companies conduct business.

In a complex and ever-changing world, society as a whole has to face economic, social and environmental challenges, and it all comes down to: **"Being responsible" is no longer an option, it has become a necessity.**

In that perspective, companies have started to grasp the importance of engaging in ethical practices and as a result, new business conduct is arising.

Milton Friedman's doctrine that "'there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits [...]" (in Capitalism and Freedom, 1962), now seems outdated since most companies commonly admit that they have a greater responsibility than merely to generate profits for their stakeholders. Companies have now come to understand that while meeting the stakeholders' expectations, **protecting the welfare of society and the environment contributes to protect its own business.**

## BEING RESPONSIBLE PAYS OFF

Sustainable development is not a passing fad. On the contrary, the sooner **companies adopt responsible business practices, the more competitive advantage they will gain over "traditional business"**.

In order to operate such a change, Corporate Social Responsibility has to become part of a company's very core business strategy. That crucial step is the only condition that will open the way to new business models, innovative products and services. **Companies will thus develop citizens' trust and improve their image.**

Companies are expected to take responsibility for their actions, not only internally but also towards people and the environment that are directly affected by their activities. In that context, Corporate Philanthropy arises as a means of communication between organizations and society.

Consequently, understanding the importance of corporate giving and of promoting equality, innovation and societal progress, has become the new credo for successful and cutting-edge companies.

***"Be part of the solution or part of the problem"***

# STUDY OVERVIEW

## PURPOSE

*This study has two main objectives:*

- Underline the importance of Corporate philanthropy in a CSR strategy and study the complementary relationship between these two concepts.
- Illustrate how corporate giving can bring actual benefits to the company, beyond the positive impacts on society and the environment.

## STRUCTURE

*Part 1 :* Definitions of CSR and Corporate Philanthropy - **unique role of philanthropy in the business strategy towards CSR.**

*Part 2: French business cases* - positive contributions of corporate philanthropy to create shared values.

## METHODOLOGY (Part 2 – French business cases)

*How were the cases chosen?*

Based on the French companies' structured CSR strategy and their practice of corporate giving. These companies are part of FIDAL "Foundations & Philanthropy" "ecosystem".

*How was the study conducted?*

First contact by email, followed by telephone interviews and online questionnaires. Interviewees were representatives of their company's foundation or directors of their engagements and communications.

*How was the study carried out?*

All the collected data and results (questionnaire answers, telephone interviews, information available on the company's website) were interpreted and the publication was analyzed by all the companies mentioned in this study.

# SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY (CSR)

## WHAT IS SUSTAINABLE DEVELOPMENT?

The United Nations World Commission on Environment and Development defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (in Brundtland Report, 1987).

Sustainable development is not only environmental sustainability, as it is commonly understood, but it combines economic development, social equity and environmental protection. In other words, considering the present worrisome ecological and social damage resulting from the “traditional” mode of development, all around the world, there is a need for a new model that will prove long-lasting.

## CSR: A BUSINESS CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

In order to implement sustainable economic models, governments, companies and the tertiary sector, as well as civil society, need to assume a shared commitment. In this context, **CSR specifically refers to the business contribution towards sustainable development, which means that every company is responsible for its impact on society.** The European Commission strongly encourages the companies and their stakeholders to integrate CSR in their operational and core strategy in order to **maximize the creation of shared value**, both for internal and external stakeholders (employees, customers, shareholders, suppliers, local communities, government, NGOs, etc.).

***The three  
pillars of  
sustainability:  
Profit, people  
and planet***

## FOUR GOOD REASONS TO ENGAGE IN CSR

An article by Nicholas Eberstadt in the 70's traced the history of CSR back to ancient Greece when governing bodies set out rules for businessmen and merchants (Managing Corporate Social Responsibility, Little, Brown and Co., 1977)<sup>1</sup>, but until recently, companies were not convinced that they could actually benefit from sustainable practices. However nowadays, CSR has become essential in long-term business strategies and the reasons why companies embrace Corporate Social Responsibility are as follows:

### **1) The company's image and credibility**

CSR policies **increase citizens' trust in the company's activities, thus granting a social license to operate**. Implemented CSR practices are now considered as a competitive advantage, consequently companies are eager to develop sustainable strategies to stay in the game.

### **2) Innovation**

In their efforts to produce more efficient and eco-friendly technologies, **companies further improve their innovation capacity**. By creating innovative products or services and rethinking the operations to **develop a sustainable business model**, companies contribute to their growth and their corporate longevity.

### **3) The human factor**

If CSR practices are effective in the work environment and contribute to the well-being of employees, **the company greatly benefits from a positive employer's image**, thus attracting and retaining talents.

The CSR clearly appears as a key factor in improving employees' well-being and it will also help reduce occupational hazard. Through CSR the company is able to **enhance its business performance**.

### **4) Business performance**

Both in B2B and B2C transactions, **CSR engagements strengthen relationships with customers**. According to the Cone Communications/Eco 2013 Global CSR Study, among the interviewed customers, 96% answered that they had a more positive image of a company when it engaged in CSR, 94% were more likely to trust that company and 93% would be more loyal to that company.

## FROM SOFT LAW TO HARD LAW

In some countries, including France, CSR reporting has become mandatory for many companies. This regulation is rapidly evolving, **shifting from a voluntary to a mandatory basis** that is the reason why some cutting-edge companies have already adopted sustainable business models.

<sup>1</sup> In Ivey Business Journal March/April 2003, Article by Mel Wilson, Corporate Sustainability: What is it and where does it come from?

# "CSR AND ENVIRONMENT: BEYOND REGULATORY COMPLIANCE, BURDEN OR OPPORTUNITY?"

**By Anne-Laure Saint Girons,**  
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"Environmental law" Department  
Dedicated to "Foundations & Philanthropy"



Since 2012, the new CSR reporting obligations applicable to large companies require a high degree of transparency in the field of environment. **Pursuant to those obligations, companies are compelled to publish exhaustive environmental information that are both general:**

- Organization of the company to handle environmental issues.
- Training and education measures towards employees in the field of environmental protection.
- Environmental certification and evaluation approach.

## **And technical :**

- Measures taken in the field of pollution and waste treatment.
- Measures regarding the sustainable use of resources.
- Information regarding climate change and the emissions of greenhouse gases.
- Measures taken to protect and develop biodiversity.

These CSR requirements add a layer of risk in an already very complex regulatory environmental law framework that almost amounts to a new "ecological public order". Indeed, CSR obligations tier up to the already existing environmental regulations ranging from waste and water regulations, "ICPE" requirements to energy legislations, REACH, biodiversity...

Although there are no real sanctions for the lack of environmental reporting, incompliance can have direct repercussions on the conduct of business in so far as it can lead to rejection of certain public tenders and more indirectly to the loss of market shares. Furthermore, even SMEs can be impacted through their sub-contracting activities and thus companies of all sizes will eventually be concerned by CSR.

On the other hand, this new burden can also turn out to be a leverage for companies to gain attractiveness and competitiveness and shift from representing a risk to becoming an opportunity to rethink the companies' activities and products in light of the CSR.

## CSR GUIDELINES: PUTTING IDEAS INTO PRACTICE

Since companies have their own ways of conducting business, especially in terms of sustainability businesses, there is no unique path towards sustainability and that is the reason why adopting socially responsible practices and reducing or compensating their ecological footprint is such a challenge. However, a few international standards have been developed:

- The United Nations Guiding Principles of Business and Human rights.
- The ISO 26000 standard on social responsibility.
- The 10 principles of the United Nations Global Compact.

Among these standards, for example, the United Nations Global Compact principles ensure that companies adopt, promote and are respectful of human rights, labor standards, the environment and that they fight against corruption.

## COMMUNITY INVOLVEMENT: A LINK BETWEEN CSR AND PHILANTHROPY

The ISO 26000 standard includes 7 core issues related to CSR, as shown in Fig. 1 (p.10) below. One of them is Community involvement, which means relationships between companies and the communities in which they operate. Involvement within the local community may include creating wealth and employment, developing innovative technologies to improve people's lives, working with local associations or representative groups, investing in social projects, etc. In a context of social and environmental investments, **corporate philanthropy consists in giving the community resources to stimulate its long-term development:**

- Providing grants to promote cultural and sport activities.
- Supporting education.
- Caring for the vulnerable.
- Supporting professional integration.

Corporate giving is part of the challenge of the CSR and leads to corporate philanthropy.



Figure 1: The 7 core issues of CSR defined by ISO 26000 standard

# CORPORATE PHILANTHROPY

## CHARITY IS GIVING, PHILANTHROPY IS DOING

While charity addresses immediate needs (for rescue or relief) through sympathy and generosity, **philanthropy is about finding solutions** to problems, improving human welfare and addressing society's problems in the long term.

Philanthropy is the best tool for companies which want to make a difference, both for their businesses and for society.

## PRIVATE INITIATIVES FOR PUBLIC PURPOSE PROGRAMS

Corporate philanthropy consists of **voluntary donations granted either directly by corporations/ companies to non-profit organizations or through their own company foundation to promote the common good.**

There are various types of donations by companies:

- Cash (fund raising).
- In-kind gifts.
- Employee volunteering.
- Products donations.
- Pro bono expertise and technology support.

At the early stages of philanthropy, donations could be considered as an illegitimate business practice, contrary to profit maximization. **Nowadays, philanthropy is not only legitimate but it is highly recommended.**

So, what motivates corporate philanthropy? Mere altruism or can companies benefit from their investments in community development?

## THE EVOLUTION OF CORPORATE PHILANTHROPY

Corporate philanthropy went through a lot of change in the past century and it can thus be used as a tool to accelerate the company's processes towards CSR. Fig. 2 (p. 12) below represents a brief review of its evolution and its contribution to building new business models.



Figure 2: FIDAL © Philanthropy as a route to build new business models

### **STEP 1: ALTRUISTIC CORPORATE PHILANTHROPY**

In the early 1900s, until the middle of the twentieth century, especially in the USA, companies launched corporate philanthropic programs because it was considered as “the right thing to do” at the time, and they were motivated by the idea of “giving back” to the community. **The problem was that there was absolutely no connection between the giving programs and the business structure.** Consequently, this altruistic approach consumed company resources without bringing any benefit in return.

### **STEP 3: CORPORATE SOCIAL RESPONSIBILITY**

Although corporate philanthropy represents just one aspect of CSR, it is an extremely important one in order to meet external stakeholders’ expectations.

When a company elaborates a CSR strategy, all business activities should converge towards sustainability. In that respect, when it comes to corporate philanthropy, **it is all the more necessary to ensure that the giving program is consistent with the company’s global strategy and culture.**

### **STEP 2: STRATEGIC CORPORATE PHILANTHROPY**

Strategic Corporate Philanthropy is when **corporate giving is integrated in a company’s business strategy**, donations are no longer considered as extra costs but as investments both in the community development and in the company’s long-term viability. The results of these investments are often difficult to measure, such as the company’s image, employee pride, innovation, customer loyalty, etc. Strategic Corporate Philanthropy programs are community-oriented and represent a key factor for competitiveness while improving the company’s business environment.

When a company works for the common good, in its efforts to promote social cohesion it also expands its territory of operations, thus **maximizing the beneficial impact of its activities on all its ecosystem**: support to local communities and associations, development of local employment and economy, minorities’ integration, etc.

Through community involvement, **corporate philanthropy serves as a field for social experimentation where cooperation and dialogue can lead to innovation and progress.** That is the reason why **integrating social issues in the company’s strategy is the best way to turn challenges into opportunities.**

# CASE STUDIES

## BUSINESS CASES: FROM THEORY TO PRACTICE

An efficient implementation is the key to ensure that corporate philanthropy will produce the expected results for both society and the company.

This study was designed to better understand how companies address social issues through their philanthropic programs, by presenting successful business cases that will inspire other companies to follow the same path.

## QUESTIONNAIRE

- What motivates your company to engage in corporate philanthropy?
- What are the benefits of corporate philanthropy for your company?
- Is there a strong link between your company's CSR strategy and its philanthropy actions, in practice?
- How does corporate giving contribute to developing new business models and enhancing innovation capacity?

**The following case studies demonstrate the role of philanthropy from a business perspective and highlight its positive contribution to sustainable development.**



## When Corporate Philanthropy is aligned with the company's activities

MAIF is a French mutual insurance company which was founded in 1934. The firm has a broad CSR strategy that has been constantly improving over the recent years.

In 2006, the company joined the United Nations Global Compact to apply its ten ethical principles and integrate them in its business strategy.

MAIF's three evaluation criteria for its social responsibility engagement are: offer, operations and social commitments.

Moreover, the Coordination and CSR department reports directly to the company's board, which illustrates the importance that MAIF gives to sustainable development and shows its influence on the corporate governance.

"Responsibility and solidarity of its members" in one of the three founding principles at MAIF. It is clear that philanthropy represents an important part of the company's CSR approach. MAIF has created a foundation (MAIF Foundation), an endowment fund (MAIF Education Fund) and an association (MAIF Prevention Association), and has participated in independent initiatives in partnership with other institutions.

MAIF Foundation is an independent structure which was founded in 1989 and it has been officially recognized as a public utility body by the French government. Its primary purpose is to finance innovative research projects to prevent risks that could affect people and their assets.

The philanthropic activities conducted by MAIF Foundation are deeply related to the core business of the company: risk prevention, therefore MAIF is well-qualified to guide and evaluate the projects.

While the Foundation supports public purpose programs, the company indirectly benefits from the social innovation fostered by philanthropic projects. Therefore, corporate philanthropy allows innovation to cross over to MAIF's operating practices.

MAIF's Foundation allows the company to establish strategic relationships with partners, to increase control over the philanthropic actions. All the Foundation's work has clearly a positive impact on the company's image, which consequently improves the customer relationships and the company's recognition.

The three ongoing challenges for corporate philanthropy at MAIF are:

- Sharing the results with the stakeholders;
- Measuring social impacts;
- Continuously developing new programs.

MAIF has been familiar with corporate philanthropy for a long time now and it has been playing an important role in accelerating the company's processes towards responsible business practices.

**For further information, please visit:  
[www.maif.fr](http://www.maif.fr)  
or [www.fondation-maif.fr](http://www.fondation-maif.fr)**



## **Supporting volunteering among employees to contribute to social inclusion**

EIFFAGE was created in 1993, from the merger of two centenary French construction companies. The company is considered as one of the greatest partners for European concession contracts and public works sector.

EIFFAGE is aware of the impact of its operating activities on the environment and on people's lives. Consequently, CSR commitments has become part of its business strategy. In that respect, in 2005 EIFFAGE joined the United Nations Global Compact and set up a sustainable development action plan based on reducing its ecological footprint and anticipating trends in the innovation field.

As part of its CSR engagement, EIFFAGE created its own Foundation in 2008 and its main focuses are:

- Solidarity actions: encouraging volunteer work and supporting projects brought to the Foundation by any EIFFAGE employee (active or retired) volunteering for a cause.
- Vocational training: apprenticeship, professional training for unexperienced people.
- Social housing for people from modest backgrounds and physical handicaps: special partnership with SNL association (Solidarités Nouvelles pour le Logement – New Solidarity for Housing).

However, as in many philanthropic endeavors, there is still room for improvement:

- Measuring the social impact of the Foundation's.
- Encouraging more employees to engage in philanthropy.
- Creating long-term relationships between the company and the communities.

By embracing a strong CSR strategy and investing in sustainable business practices, and through its Foundation actions, EIFFAGE GROUP has gained attractiveness, recognition and has enlarged citizen trust towards the company's activities.

**For further information, please visit:  
[www.eiffage.com](http://www.eiffage.com)**

## "SET UP A SPONSORSHIP STRATEGY IN LINE WITH THE COMPANY'S CSR"

**By Stéphane Godlewski**

Consultant at FIDAL Law Firm

Dedicated to "Foundations & Philanthropy"



A structured, innovative and safe sponsorship strategy is the result of a successful CSR policy.

**A five-step program to achieve a sponsorship strategy in line with the company's CSR policy:**

- 1)** Define one or several themes of action consistent with the company's values and objectives.
- 2)** Set up and update a medium-term program and its axes.
- 3)** Organize the governance of a potential corporate foundation.
- 4)** Launch the operational implementation of an action plan with selected partners.
- 5)** Enroll and involve the employees within the scheme.

Developing a structured sponsorship strategy leads the company to build the capacity to serve the common good in accordance with its CSR objectives.



## Community involvement as a differentiated brand in the tourism industry

VOYAGEURS DU MONDE is a travel agency Group which was founded in 1979 and consists of different brands.

The company is aware of the impact of tourism activities on the local environment and has designed a business model to mitigate this impact.

The Group's CSR policy is implemented with respect for the people, the culture and the environment.

Three main pillars guide the company in its CSR strategy:

- Promoting peace among countries.
- Respect for and observance of Human Rights.
- Systematic carbon offset regarding air transport.

VOYAGEURS DU MONDE is also among the first French tour operators to be certified by the association "Agir pour un tourisme plus responsable" (Action for more responsible tourism).

Philanthropy is a significant aspect of the company's CSR commitment that is the reason why the Group created its Foundation in 2009: "Insolites Bâisseurs" (Unusual Builders) to support aid programs in countries where the company operates.

The Group also fights against global warming and poverty through an association called "Insolites Bâisseurs" as well.

Foundation activities:

- Financial support to various local and international partner organizations to carry out educational, cultural, health, economic and environmental projects.
- Financial aid to support southern countries economic development – employees can get involved by submitting projects related to this kind of projects.

VOYAGEURS DU MONDE provides customized tours that specialists prepare for each destination, and brings together different cultures encouraging exchange of experiences based on respect. The company's activities are thus directly linked to its CSR strategy.

If corporate philanthropy has not originally a business purpose, the company benefits from its social engagement by differentiating the brand in the industry.

Customers will more likely trust a travel agency providing them with a safe and rewarding travel experience, all the more if this agency is committed and well integrated in the local communities while investing in self-sustaining development.

Before the creation of the Foundation, the Group already used to make donations but on a non-regular basis. Setting up a formal structure to control the philanthropic activities facilitated employee involvement and helped establish strategic relationships with partners to support their humanitarian projects.

The Group's remaining challenges regarding corporate philanthropy are: measuring social and financial impacts and creating a long-lasting link between the company and the local communities.

**For further information, please visit:  
[www.voyageursdumonde.fr](http://www.voyageursdumonde.fr)**

## **Corporate philanthropy and its positive impact on the company's Human Resources department**

SOCIETE GENERALE is a French multinational banking and financial services Group. Société Générale was one of the oldest banks in France and was founded in 1864.

The Group is aware of its responsibility as an essential actor of wealth creation in society. The company integrates sustainable development both in a long-term strategy as well as in day-to-day operations.

The CSR and Sustainable Development Division works under the supervision of the General Management. Its primary task is to define and promote CSR policies throughout the Group, which illustrates the importance of CSR for the corporate governance.

The CSR policy is to implement the Group's commitments in the following priority areas:

- Responsible finance
- Solidarity-based banking offer
- Responsible employer conduct
- Internal environmental impact
- Civil society commitments

The Group's corporate philanthropic activities are clearly part of the CSR strategy concerning the civil society commitments.

The Group joined recognized international standards organizations, including the United Nations Global Compact in 2003.

The Group's SOCIETE GENERALE Corporate Foundation for Solidarity was created in 2006. The Foundation manages the company's main corporate giving projects.

Among the Foundation activities:

- Financial support for professional integration of young people risking exclusion from the labor market, thus creating pathways to employment.
- Paid-release time: the company pays time off for employees who want to get involved in volunteer work and community services.

Volunteering is a different experience than work and it is generally rewarding because people feel happy and proud to help others.

Positive impacts: improved productivity, team spirit, and leadership.

This philanthropic approach is all the more profitable for the company because it has a positive impact on employees' morale, the employee retention rate, and on the employer's image.

SOCIETE GENERALE and its Foundation have helped improve the company's recognition, facilitated the employee involvement in philanthropic activities. These philanthropic initiatives have also increased financial control and brought transparency in the giving process.

The remaining challenges on corporate philanthropy are:

- Measuring social impact of philanthropic initiatives.
- Building strong links between the company and the local communities.

**For further information, please visit:  
[www.citizen-commitment.com/en/fondation](http://www.citizen-commitment.com/en/fondation)  
or [www.societegenerale.com](http://www.societegenerale.com)**

## "BETWEEN RISK PREVENTION AND COMPETITIVE ADVANTAGE"

**By Nicolas François,**  
Lawyer at FIDAL Law Firm  
Labor & Employment Department  
Dedicated to "Foundations & Philanthropy"



Since its conceptualization, Corporate Social Responsibility is rooted in pro-active and non-binding beliefs and has been a matter for constant debate regarding its evaluation and its consequences for the company: what benefit for the business, what "goodwill management", etc.?

In many cases, engaging in CSR processes is not a choice for companies. Legislation, in France and other European countries, has multiplied social measures as part of the CSR:

- Evaluation of occupational hazards (including psychosocial risks), implemented in the single risk assessment document (DUERP).
- Mandatory implementation of action plans and obligations related to employees' adjustment to their work.
- Obligation to inform and negotiate with the staff representatives on the jobs and skills management planning (GPEC).
- False subcontracting and social dumping prevention with the Act against Unfair Social Competition (July 10, 2014) that seeks to impose a social responsible subcontracting.

How can a corporate executive management transform these apparent constraints into a real opportunity?

It is important to know that these concerns go beyond risk prevention and constitute a real competitive advantage. For example, in the frame of their legal obligations, major public and private actors have CSR standards and charters that their partners and suppliers have to comply with in their tendering and listing procedures.

Therefore companies should not refrain from making such representations considering that they cannot afford them.



## **Small and medium-sized enterprises (SMEs) can also engage in corporate philanthropy**

ECO-MED is an engineering consulting firm which was founded in 2003. ECO-MED provides expertise and advice relating to land and natural environment development to both private and public sectors.

In all its activities, ECO-MED's primary goal is to promote development projects that contribute to the growth of local economies, with respect for the natural heritage and the ecological features of each territory to preserve the environment.

The company's core activity has thus a clear sustainable development approach. As a result, CSR represents an important part of ECO-MED's bottom line. Even as a SME of over 50 employees, ECO-MED is convinced of the importance of investing in sustainable practices to ensure its long-term success. In that respect, the company decided to improve its CSR strategy by establishing an endowment fund. ECO-MED Fund was thereby created in 2013 to broaden the scope of the company's existing philanthropic initiatives.

Before the creation of the Fund, the philanthropic practices only consisted of financial support to partner associations, investing mainly in environmental protection and cultural and humanitarian aid. In addition to social and ecological motivations, the Fund was created to encourage employees' engagement and increase control over the company's philanthropic activities.

The company not only wanted to keep the financial support to associations but it also wanted to stimulate paid-released time volunteering among employees.

On the one hand ECO-MED philanthropic activities were mainly focused on environment (ecology/biodiversity) due to the kind of projects the company supported, but on the other hand ECO-MED also wanted its actions to produce a positive impact on human resources.

It is difficult to measure the impact of ECO-MED Fund's activities because it was created not so long ago. Although corporate giving at ECO-MED is undoubtedly designed to promote sustainable growth, some indirect positive impacts on the business structure are expected. The Fund should contribute to improve the company's image, reduce staff turnover by motivating the employees and enhance the innovation capacity (as the supported projects are mostly linked to natural resources protection).

Corporate philanthropy is rapidly evolving at ECO-MED although it is small and quite "young". Thanks to those philanthropic activities, ECO-MED is clearly accelerating its processes towards CSR. In that respect, ECO-MED is a good example of how SMEs can also participate actively in building a more cohesive society through responsible business practices.

**For further information, please visit:  
[www.ecomed.fr](http://www.ecomed.fr)**



## Innovative services towards sustainable development

GENERALI France, subsidiary of the GENERALI Group, one of the largest insurance companies in Europe, was founded in 1831.

In the 2000s, the company started to remodel its processes to integrate social responsibility into its core business structure and in 2007, it reinforced its CSR commitments by joining the United Nations Global Compact.

GENERALI France has developed numerous initiatives concerning customers, employees and partners:

- Equal opportunities and diversity.
- Socially responsible asset management.
- Environmental internal policies.
- Partnerships with not-for-profit organizations and sports communities.

Among the various initiatives, the most relevant one is the Démarche Performance Globale (Overall Performance Audit) measuring and rewarding businesses' efforts in sustainability. Thanks to this initiative, GENERALI France guides its clients towards a better integration of social and environmental criteria in their strategic decisions and provides them with a specific assessment of their risks.

This highly innovative approach enables audited companies to identify their areas of vulnerability in order to counteract them. After the audit, the companies with a highly satisfactory rating will benefit from favorable conditions in terms of insurance, specific guarantees and complementary services. This "win-win" approach is clearly beneficial for the clients because they get various advantages by adopting responsible business practices.

At the same time, GENERALI will have less claims to pay because companies that place CSR in their core business structure have a third less accidents than others, according to GENERALI statistics.

The CSR commitments at GENERALI France also cover a very large range of philanthropic projects.

The company has several priority areas of influence:

- Fight against climate change and air pollution: GENERALI supports The Observatoire Atmosphérique Generali (Generali Atmospheric Observatory) which measures air quality in Paris to tackle climate-related risks and is one of the sponsors of the next international conference on Climate change, Paris Climat 2015 (COP21).
- Innovative projects based on efficiency and sustainability.
- Social responsibility: GENERALI supports Entrepreneurs d'Avenir (Entrepreneurs for a better future).

GENERALI France realized how sustainable development issues were related to its activities and thus could foresee all the benefits that investing in CSR could bring to the company.

The company invests in CSR and philanthropy for societal issues and business interests.

Preventing climate change and pollution means a better quality of life for people and less health claims in the long term. Similarly, promoting responsible business practices, as explained in the case of the Overall Performance Audit, is beneficial for parties: clients and insurance companies.

All these initiatives improve customer relationships and stimulate innovation to create a new way of conducting business.

**For further information, please visit:**  
<http://institutionnel.generali.fr/>

# CORPORATE PHILANTHROPY: A POWERFUL EXPRESSION OF A COMPANY'S SOCIAL RESPONSIBILITY

**By Seth Goldschlager**  
**Director, Publicis Consultants**



As you will read in this document, noted economist Milton Friedman famously stated in 1962 that the only social responsibility of a company was to make profits that benefit the corporation and its constituencies.

Today, it is safe to state the opposite: **that companies cannot make profits if they do not go beyond the sole quest to make profits.**

The reason is clear; society today expects that a company act an integral part of it, benefitting from it and thereby responsible to preserve and enhance it. It will not have the support of society for its basic business operations if those expectations are not met—expectations that are in fact increasing with growing social needs.

None of a company's constituencies will accept a company ignoring how its interactions affect society. The groups that make up an enterprise want to understand how the company's operations affect them and the social and ecological environment around them and their communities. These key stakeholders include customers, employees, suppliers, shareholders and the community in which the company operates.

Indeed, it is not only **no longer enough to avoid harm** to the 'publics' of an enterprise and its outside environment of all types; expectations today require companies to demonstrate their social responsibility by taking initiatives that **positively affect** their people and their communities.

There are two critical elements that need to work together and simultaneously for a company to succeed in meeting these heightened social expectations for corporate behaviour.

The first is that the company takes initiatives that demonstrate that it is positively giving back to a society whose resources allow it to operate and succeed.

The second is for a company to communicate precisely what it is doing to prove its commitment to positively impacting society through creative initiatives that go beyond its 'business as usual'.

The most successful forms of actions and communications are those that demonstrate the company's philanthropic activities of all sorts — whether in financial aid or company-financed initiatives — that link its basic business activities to a particular need of society.

The cases in this study illustrate how corporate philanthropy truly can be a real path to corporate social responsibility; it is up to creative communications to create platforms for information that will demonstrate that.

In that way, companies will be credited with the efforts that they make each day to go beyond financial profit to profit society as a whole.

## **Building competitive advantage through the CSR commitments**

AccorHotels is a French hotel company which was founded in 1967. The Group has an extensive brand portfolio and is currently the world's leading hotel operator.

AccorHotels already cared about sustainable development many years ago and the company finally joined the United Nations Global Compact in 2003.

As the Group is undergoing a new phase of expansion, it reaffirmed its CSR commitments with the creation of the PLANET 21 program in 2012, reinforcing the Group's strategy of responsible development.

The PLANET 21 program is based on 7 pillars (health, nature, carbon, innovation, local employment and dialogue) that are divided into 21 objectives among which :

- Reduce water use and expand waste recycling.
- Reduce energy use and the carbon dioxide emissions.
- Promote sustainable building.
- Support local and responsible purchasing practices.
- Share the company's commitments with suppliers, etc.

The Group strongly believes that implementing the PLANET 21 program represents a decisive competitive advantage for the company, its brands and its partners, thus creating shared value for all its stakeholders.

AccorHotels Foundation was created in 2008 in order to contribute actively to the development of local communities in which the hotels are located. In 2013 it became an endowment fund and its name was changed to "Solidarity Accor".

Solidarity Accor supports philanthropic projects initiated by the Group's employees and its partner associations, integrating and empowering disadvantaged and socially isolated people.

The Fund has three main fields of intervention : support local know-how, promote training and integration in the labor market, humanitarian aid.

In addition to cash contributions, the Fund encourages employee volunteering (at least one employee has to engage in each project) and also helps the associations with product donations and expertise support.

Through the Fund, AccorHotels can have a better control over the philanthropic activities, facilitating employee involvement and attracting more outside funding.

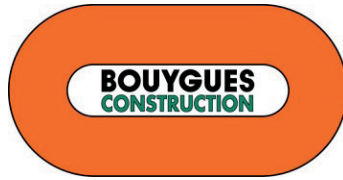
The reason why the Foundation was transformed into an endowment fund was mostly to attract more donations to promote philanthropy.

For the Group, the CSR commitments are not perceived as a voluntary engagement, but as an obligation towards the stakeholders' expectations.

Clients can also get involved through projects like "Plant for the Planet": hotel guests can choose to use their towels for more than one night and the savings are used to fund reforestation projects involving local communities.

This type of initiative integrates the CSR strategy, along with corporate giving, improves the company's image, increases stakeholders' satisfaction and contributes to increase customer loyalty, giving the company a competitive advantage.

**For further information, please visit:**  
<http://www.accorhotels-group.com/en/sustainable-development.html>  
[www.solidarity-accor.com](http://www.solidarity-accor.com)



## Corporate giving and its influence on the company's image and employee motivation

BOUYGUES CONSTRUCTION, a global player in construction and services, is a subsidiary of BOUYGUES Group which was founded in 1952.

The group joined the United Nations Global Compact in 2006 and is deeply committed to developing technical innovation to ensure responsible business development.

The company managed to integrate CSR issues into its core business structure and is constantly adapting its operations to contribute to sustainable development. As an example, 51% of its investments in R&D are devoted to sustainable construction.

BOUYGUES developed a CSR strategy based on four main pillars:

- Environment and sustainable construction.
- Commitment towards clients and partners.
- Local involvement and solidarity.
- Employee development.

These four strategic key areas include 12 commitments, among which:

- Building environmentally-friendly sites.
- Committing to ethics and compliance.
- Contributing to local development.
- Ensuring equal opportunities, etc.

In practice, all these policies are translated into actions carried out through all the company's activities. The objectives towards local involvement (mentioned in the four main pillars) focus on improving the living conditions of local communities. BOUYGUES applies its construction

expertise to rebuild homes in cases of disaster and promotes access to housing for the most underprivileged. The company also invests in professional insertion by training inexperienced people to trades in the construction industry.

In other words, BOUYGUES successfully uses its capabilities to promote social inclusion. The company reaffirmed its engagements to civil society in 2008 with the creation of its corporate foundation, Terre Plurielle. Through the financial support brought to partner associations sponsored by its employees, the Foundation supports projects in the fields of healthcare, education, employment and integration of people in difficulty.

Moreover, BOUYGUES enables employees to engage actively in a project through paid-release time volunteering. Although the philanthropic activities are not designed for business aims, the company agrees that its involvement with local communities improves the image of BOUYGUES as a socially responsible company. Thereby, clients and partners are more likely to trust a company which generates direct positive impacts on its performance and long term viability. Furthermore, employees are proud to participate, along with the company, in the improvement of people's lives. As a result, the employer brand is strengthened. Whether it involves reducing environmental impacts, promoting professional integration or developing the local economy, the company is building a coherent and efficient business model that generates shared value for BOUYGUES and for society.

**For any further information, please visit:  
[www. bouygues-construction.com](http://www.bouygues-construction.com)  
or [www. terreplurielle.com](http://www.terreplurielle.com)**



## When corporate philanthropy enhances the company's innovation capacity

VEOLIA Group was founded in 1853 under the name of Compagnie Générale des Eaux. The Group is a multinational corporation that offers a wide range of environmental solutions to contribute directly to the sustainability performance of its customers in the public and private sectors.

VEOLIA provides services on resource recovery, water and wastewater management and energy efficiency to contribute in building a circular economy.

Sustainable development is at the group's core business, which is focused on promoting a responsible management of natural resources.

CSR is thus a shared concept that encompasses all areas of the company. VEOLIA's CSR strategy is currently focused on four key issues:

- Social performance.
- Environmental protection.
- HR development.
- Sustainable purchasing.

Moreover, the Group is deeply engaged in performing in accordance with international standards and joined the United Nations Global Compact in 2002. VEOLIA Foundation was created in 2004 to deepen the company's engagements on social performance, and it gives financial support to partner associations that develop activities on three priority areas.

The first one refers to development and humanitarian aid. The Foundation offers access to water and energy services, for instance, in emergency situations and also to contribute to the economic development of some communities.

The second priority area is in the field of professional insertion. The Foundation helps people find a lasting job through projects that are often related to the company's core activities. Therefore, VEOLIA can later recruit some people who participated in their programs which contributes actively to their insertion in the labor market. In this case, the Foundation serves as a bridge between the HR department and the associations.

The last area of intervention is environmental conservation. VEOLIA Foundation supports international programs to rehabilitate and protect exceptional ecosystems, which is directly linked to its core business. The foundation also serves as a tool to enable employees to get involved in its philanthropic activities. They can opt to become sponsors of a project to advise a partner association. Another option is to become a volunteer in the Veoliaforce network to provide technical skills and expertise on a specific project. The employees do these activities during working hours and are paid by Veolia, which means that the company practices paid-release time volunteering.

The Foundation also serves as a "laboratory" to test new practices that can later be used to innovate their business model. Furthermore, it helps improve the company's image and the employee's motivation, resulting in a competitive advantage for VEOLIA.

The philanthropic actions are deeply related to the company's activities, what helps improve the quality of the services offered to the communities. VEOLIA managed thus to integrate its corporate giving into its global strategy.

**For any further information, please visit:**  
**<http://fondation.veolia.com/en>**  
**or <http://www.veolia.com/en/>**

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