



Lessons from Covid-19: Creating real change

A route map for business to
create lasting social impact



Introduction

Over the last few months our hearts have been warmed by stories of communities pulling together to tackle the pandemic, epitomising the desire in all of us to help in some way.

The corporate sector played a significant part in the immediate response, and in some cases reacted faster than governments to fill the gaps that appeared overnight. Businesses have demonstrated leadership through support for employees, their supply chains, and their local and wider global communities¹. Those who have stepped up are more positive about the role their business can play in creating a more inclusive and robust society.

This paper follows engagement with over 200 companies and outlines the real change that our clients, in the **LBG** Network (the global standard for measuring companies' social impact) and beyond, have embarked upon. As the world emerges from lockdown, while simultaneously entering a period of unprecedented economic and social uncertainty, we believe that it sets a new direction for social impact. It reflects on what activity during lockdown means for businesses in future and **outlines a roadmap of three key actions** that businesses need to take to ensure that their contribution creates a recovery that breeds trust and loyalty in an authentic way, where all stakeholders benefit:

¹Our paper, [Impact of Covid-19: A Story of Resilience and Renewed Commitment](#) details how businesses have stepped up during lockdown.

Review and revise: Examine the company's current approach to social impact, to ensure it reflects what stakeholders expect and where the business can add the greatest value.

Mobilise resources for maximum impact: Understand what internal and external resources, capabilities, skills and assets can be mobilised to maximise impact.

Measure results and engage authentically: Plan how to understand, measure, verify and substantiate contributions as well as outcomes, outputs and impacts.



Changing towards the new normal

Despite much talk about emerging to a 'new normal', we are very far from yet knowing what normal is going to be, still less how we would get there. With many uncertainties remaining, all that is clear, is that there isn't going to be a return to business as usual.

Through working with our clients during the crisis and helping them to refine their approaches, we can already see behaviours that we believe will characterise the new normal:

- CEOs leading from the front, articulating how their businesses are there to meet the present and future needs of society.
- Heightened scrutiny of corporate behaviour in the media, with less room to hide when a business is falling short.

- Dramatic drops in share price and billions destroyed in shareholder value when management's toleration of bad practice is revealed, even when far down the extended supply chain.
- Rising company valuations when their business models successfully pivot to the new reality.
- A new understanding that staff in outward-facing community engagement roles are not mere 'nice to have' functions but now essential workers, able to bring insights into decision-making, to find allies, to navigate the new uncertainties.

As a result of our work with clients, wider engagement and analysis by our teams across our international offices, we have identified five main aspects of businesses that have changed in response to Covid-19 and have the potential to further the transformation of business models towards delivering greater social impact.

BUSINESS INNOVATION: Changing business products, services or practices for greater social impact.

PEOPLE: Supporting employees to adapt safely – in workplaces, at home or on furlough.

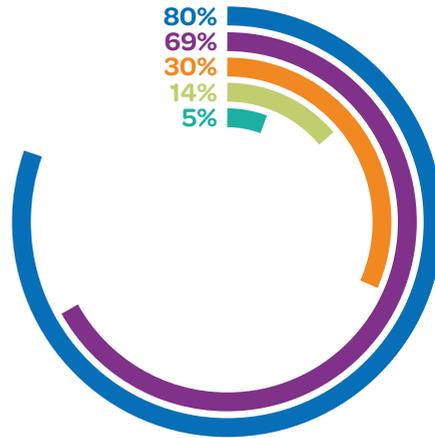
PROCUREMENT: Re-engineering the supply chain for social impact and/or considering the human challenges inherent in large global supply chains.

COMMUNITY SUPPORT: Refocusing NGO partnerships, donations and volunteering programmes to meet new needs.

PUBLIC HEALTH RESPONSIBILITY: Flexible responses to address changing priorities and ensure essential services are delivered safely.

During our most recent webinar, Learning from Lockdown: A 'New Normal' for Social Impact, we asked close to 200 attendees

to consider their company's response to Covid-19 and indicate which two of the following areas their company has focused on most to date.



PEOPLE: Supporting employees to adapt safely

BUSINESS INNOVATION: Changing products, services, practices

PROCUREMENT: Re-engineering the supply chain

COMMUNITY SUPPORT: Refocusing investment and volunteering

PUBLIC HEALTH RESPONSIBILITY: Flexible responses

N=98



BUSINESS INNOVATION

WHAT HAPPENED: The Covid-19 crisis saw many businesses, both large and small, make innovative adaptations in their production lines, or other aspects of their operations, to deliver the products or supplies that society urgently needed. Often this meant working collaboratively with competitors or other stakeholders in ways not before seen. Some also linked consumer purchases to NHS donations or other charitable causes.

SIEMENS

As part of its response to Covid-19, Siemens adapted its core production capabilities in order to respond to the UK's growing demand for ventilators. As part of a consortium of UK manufacturers, Siemens UK combined its expertise in manufacturing to contribute to the UK Ventilator Challenge. This innovation allowed 3,000 ventilators to be manufactured a week, meeting the levels required during and beyond the crisis.

WHAT NOW? While some sectors may start to see some semblance of normality return, it is clear that some aspects (such as consumer purchase behaviour) have changed for good. Grocery retailers, for example, have been forced to accelerate the move to online shopping and rapidly ramp up capacity.

The wider impact of Covid-19, across sectors, has been very varied. Some, such as hospitality, tourism and entertainment, are facing major upheaval, others are enjoying new opportunities and faster growth.

Whatever the sector, businesses recognise the need for a step-change in approach. The implications of Covid-19 go well beyond short-term operational changes, however effective they have been. Leading businesses are now looking to identify opportunities for longer-term, sustained innovations in the way that they deliver their products or services that don't just address an immediate need but deliver longer-term benefits for society while also offering a competitive advantage.

A key factor for many, will be consumers' new emphasis on health and well-being, on authenticity in the offer and on real value for money in what will be tough economic times.

PEOPLE

WHAT HAPPENED: Lockdowns around the world saw many businesses rapidly enable the switch to home-working for office-based colleagues. For key workers and essential services, employers took on the responsibility for protecting their staff from infection, by providing PPE and putting in place social distancing measures. As the crisis lengthened, a focus on supporting employee mental health and wellbeing emerged. Additionally, employers sought to support working parents with flexible working arrangements, as the demands of home schooling clashed with career responsibilities.



Understanding the impact that homeworking and isolation have on wellbeing, Experian intensified employee support, including providing emergency paid leave, flexible working hours, virtual doctor services, and free counselling help to manage anxiety and worry during Covid-19. Throughout Experian's wellbeing programmes and

mental health support, it increased focus on managing stress, mindfulness and meditation. Alongside this, Experian also checked in through regular employee pulse surveys, and kept its people informed throughout the lockdown with regular updates from the CEO and other leaders.

WHAT NOW? We emerge from the crisis into a period of significant economic uncertainty, with an anticipated surge in unemployment, so the oft-cited claim that 'our people are our greatest asset' will be sorely tested.

Maintaining a focus on employee wellbeing, especially mental health, will require continued efforts by employers, if the progress made is not to be put into reverse when economic pressures set in.

Companies that have resisted the move towards flexible working, will likely be forced to embrace it in the longer term. While many will return to offices, questions over the future of the workplace will put individual employee choices and wellbeing first. Many employers have seen employee productivity increase due to increased flexibility and, if done correctly

by companies, this has the potential to have a significant impact on diversity and inclusion, especially gender equality due to providing greater support for working parents.

Where it is not possible to maintain employee numbers and hard decisions about redundancy have to be made, we believe companies and brands that genuinely support their people through what is a painful transition, whether financially or by helping them find other opportunities, will be rewarded with greater loyalty and enhanced reputation.

PROCUREMENT

WHAT HAPPENED: Lockdown saw the continuation of the trend for delivering impact through diversification in the supply chain, specifically through diverting procurement spend to suppliers that trade to tackle social problems OR that are owned or operated by a group that is recognised as facing disadvantage in its local context (eg refugees, indigenous people or people with disabilities).

However, lockdown has also exposed the human rights risks inherent in large global

supply chains. In the fashion industry, for example, lockdown caused a rapid decline in fast fashion sales, which had a knock-on impact on supply-chain workers who lost their incomes overnight. This was swiftly followed by scandals that emerged after spikes in coronavirus were traced back to garment factories that had forced workers to work throughout lockdown, despite unsafe working conditions.



The Australian property group has ongoing partnerships with Social Traders (an organisation that links businesses with social enterprises) and Supply Nation (Australia's largest national directory of verified Aboriginal and Torres Strait Islander businesses). Throughout Covid-19, Mirvac has continued to work closely with these groups to redirect procurement funds to assist social enterprises and Indigenous businesses.

WHAT NOW? As businesses continue to look to align their social impact activity with the wider goals of the business, there is a significant opportunity for more

businesses to explore the benefits (both social and commercial) of a diversified supply chain that includes social enterprises and other relevant businesses. There are great examples of activity in this area, however, they tend to be the exception rather than the rule. The growth of mission-driven businesses offers a significant opportunity to increase the level of activity in this area.

More generally, attention continues to be focused on human rights abuses or risks within global supply chains. As awareness grows, and further scandals inevitably emerge across sectors, consumers will demand further transparency and commitment from brands.

COMMUNITY SUPPORT

WHAT HAPPENED: As the crisis hit, many companies directed their annual emergency funds, or made additional, exceptional, contributions towards the crisis. Some also re-evaluated their community programmes and partnerships – many chose to continue supporting the charities that they had already committed to, but lifted restrictions on funds so that charities could use them to keep their

own operations afloat. Other planned community activities and volunteering schemes were shifted online where possible, and staff were given additional leave to contribute to government or local volunteering initiatives.



RB has mobilised over £32 million as part of its Fight for Access Fund, to address the collective fight against the spread of Covid-19. The immediate focus was to address the stress faced by communities, including the most vulnerable, and to break the chain of infection. Among the actions were partnering with UNAIDS to provide hygiene packs to 220,000 people living with HIV across 22 countries in Africa; a commitment of £1 million to the International Rescue Committee (IRC) to support refugee and vulnerable communities in Lebanon, Jordan and Syria; a donation of 150,000 Dettol product care packages to NHS workers all over the UK.

WHAT NOW? Community engagement programmes have often been overlooked, seen as either ‘just philanthropy’ or a fillip for staff with a social conscience. We’ve noticed a re-evaluation, where the modest 1% contribution has paid rich dividends in the contacts and insights brought into the business. We’re now seeing a re-evaluation and recommitment to genuine community investment. Its role is now as much about bringing intelligence into key business functions, as it is about a contribution to causes outside that are mission-critical.

The crisis has also caused an unprecedented rise in social inequality, which will require action from all parts of society, including corporations, in order to tackle. There will be specific areas of social inequity where particular companies or sectors will be best positioned to make a difference. Companies that show how their community programmes are linked to their corporate ‘purpose’, their products or services, and the talents of their employees, while answering real societal needs, will have the greatest impact and secure the greatest reputational rewards.

PUBLIC HEALTH RESPONSIBILITY

WHAT HAPPENED: The crisis heightened the awareness of businesses about their role in protecting public health and the needs of the most vulnerable. Grocery retailers in particular became critical in delivering a public service, to ensure that everyone had equal, safe access to essential products. In the UK, lockdown resulted in panic buying, and supermarkets responded by introducing shopping times exclusively for vulnerable and elderly people, limiting the purchase of popular products and prioritising delivery slots for those most in need. Retailers also introduced more regular cleaning, one-way systems, screens at counters, and provided PPE to protect both customers and staff. Following new evidence and Government guidance on face coverings, many retailers have played their part in encouraging consumers to adhere to guidelines.

ASDA

By adapting its standard business operations in key ways, Asda was able to better serve its wider community during Covid-19, especially those most vulnerable. Responding to an increase in demand for food, Asda employed 22,000 temporary workers and doubled the capacity of home delivery in the first few weeks of the crisis. It worked with the Government to build in the ability to identify and prioritise vulnerable customers, and introduced priority shopping hours. Alongside this, Asda also brought in a voluntary shopping card, to allow a contactless, safer way to shop.

WHAT NOW? Lockdown has defined the parts of the private sector that deliver essential services and play a critical role in protecting public health. It is likely that these expectations will continue in the longer term. Retailers may have had the highest profile initially, but restaurants, hotels, gyms and the wider leisure industry,

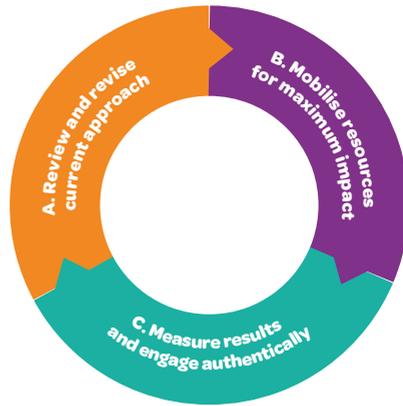
will also continue to have an ongoing responsibility for their customers’ health, for as long as the virus or other health risks persist.

Overall, the renewed focus on health and wellbeing will power the shift from pure profit maximisation for shareholders, to long-term value creation for diverse stakeholders. How that will play out is far from certain, but it seems likely that the enhanced sense of what really matters will have a lasting impact on small operational factors, as well as large strategic choices.

Route map to change

The insight provided so far has focused on the opportunities for achieving and sustaining impact through mobilising or adapting different elements, aspects or functions of the business. However, every business is different; what works for one won't necessarily work for another. So how can businesses navigate the way forward and identify the issues, priorities that are most relevant to them and their stakeholders, and about which they can achieve positive change for both society and the business?

Throughout lockdown, we have engaged with hundreds of businesses. We have heard first-hand what has worked well, what could have worked better and, crucially, how businesses are setting their priorities going forward. We have distilled this insight into a three-stage route map, to help businesses re-evaluate their approach to social impact and ensure that business and stakeholder needs, which have changed as a result of the crisis, are built into ongoing strategies.



A. Review and revise

Examine current approach to social impact, to ensure it reflects what stakeholders expect and where the business can add the greatest value.

B. Mobilise resources for maximum impact

Understand what internal and external resources, capabilities, skills and assets can be mobilised to maximise impact.

C. Measure results and engage authentically

Plan how to understand, measure, verify and substantiate contributions as well as outcomes, outputs and impacts.

A. REVIEW AND REVISE

The strategies and plans put in place before the pandemic – no matter how well thought through – now need to be revisited and reshaped, to ensure that they are fit for purpose for 2020 and beyond. As the dust gradually settles, businesses should take the opportunity to review the plans and strategies already in place. For those that don't have one, there has never been a better time to begin putting the building blocks in place, to shape activities in a way that will ensure making genuine difference and impact. In our experience, those companies that pivoted successfully during the pandemic, were those that understood the key issues facing their business and had an existing blueprint that they could reshape quickly. When developing new plans or reshaping existing ones, there are a number of key questions that every business needs to consider:

- *How do we know what has changed in our stakeholders' beliefs, behaviours and expectations?*
- *How can we identify the areas of societal needs where our business can add the greatest value?*
- *How can we ensure that our approach to social impact is authentic to who we are and want to be as a business?*

What steps are businesses taking?

STAKEHOLDER LISTENING: The pandemic has seen more and more companies and brands seeking to understand how they bring wider value to society and key groups within it, whether employees, customers or the wider community. Understanding stakeholder needs and expectations, and how the business can meet them, is crucial to planning the way forward. Businesses need to focus on where and how they can best add value and create positive change, while managing risk.

MATERIALITY ASSESSMENT REFRESH:

In light of Covid-19, we recommend revisiting existing assessments and/or supplementing them with additional external and internal stakeholder insight on current issues, as a great way to identify opportunities for impact. A well-designed and executed materiality process is the cornerstone of a sustainable business strategy. It helps focus attention on critical areas and deliver short-term wins, while building the foundation for long-term value. Additionally, it supports reporting and communication, by providing a clear basis from which to identify topics for disclosure, and why these are important.

SOCIAL IMPACT STRATEGIES: Until Covid-19, many businesses' approach to social impact was focused quite narrowly on charitable partnerships and community-based activity. While these continue to be important ways to benefit society and build trust, the pandemic has brought into sharp relief that a business's ability to impact society goes much wider and deeper – right into the core activities of the business itself. Now businesses are taking a more holistic approach, and extending strategies to consider impact along the entire value chain; from raw material sourcing through to how customers use and dispose of products.

B. MOBILISE RESOURCES FOR MAXIMUM IMPACT

Delivering authentic social impact, is now about finding opportunities to maximise the value of the contributions made, and amplifying impact through innovation and collaboration. It rarely happens in silos. It is difficult for companies to affect change alone. Working with other groups is central to success in furthering social impact. New ways of delivering social impact have emerged, enhancing the impact

achieved, and building trust among wider stakeholder groups. When it comes to delivering social impact, businesses now need to address three key questions:

- *How can we partner and bring others on board in our activities to achieve greater impact?*
- *How can we inspire and support colleagues who want to play their part in the response and recovery?*

What steps are businesses taking?

NEW COLLABORATIONS: Many began by collaborating with others, from Government agencies to other businesses or NGO partners, to tackle the Covid-19 pandemic. Retailers in the UK supported the NHS by sharing supplier lists and corporate buying expertise. Businesses are exploring how to make the most of a wider range of business resources than might traditionally be used to achieve social impact. Through mobilisation of global logistics networks, international supply chains or marketing and communications capacity, businesses have proved that they can get equipment, information and other key resources to those who need it, whether they be their customers or wider community members.

SUPPORTING COLLEAGUES: While working patterns have changed, businesses are adapting their engagement and volunteering programmes to enable impactful activity through remote, virtual and skills-based volunteering. One major global business rewrote its entire operational plan in response to the shift to homeworking, ensuring that colleagues could continue to support the causes they had become involved in, and in response to an increase in colleagues seeking to engage and support society through: **remote volunteering** (activities colleagues can do at home to support charitable causes, eg collecting cans of food for food banks); **virtual volunteering** (activities that utilise technology to volunteer with an NGO partner, eg online tutoring with students); and **skills-based volunteering** (activities using a specialist skill, either business or personal, and provided virtually or in person, eg medical personnel released to volunteer in person).

C. MEASURE RESULTS AND ENGAGE AUTHENTICALLY

Companies have been in fire-fighting mode, getting things done, rather than measuring the difference made. Now,

businesses must look back on the activities undertaken, to understand more about the difference they have made, or can make in the future. Companies are substantiating the evidence of their impact through robust measurement practices, and using established external standards. Businesses are looking to use measurement to answer key questions to streamline their approach and compile the management information they need:

- *How do we need to change our approach to impact measurement to collate the necessary evidence?*
- *How do we build trust through substantive storytelling?*

What steps are businesses taking?

ADAPTING IMPACT TOOLS: Measurement is central to the overall management and delivery of any social impact strategy, and the most recent Covid-19 related activities are no different. It enables a business to answer the fundamental question – what has changed? And we predict this question will be a critical and enduring one going forward. Measurement, internally and externally, needs to demonstrate how a company's social impact programme aligns with and supports a business's wider objectives and ambition. Measurement,



specifically the reliable data collated, is the evidence that underpins a company's unique story. It ensures a solid, truthful foundation for a compelling and motivating narrative, for both internal and external stakeholders. Those who do not have an authentic narrative rooted in credible measurement practices, may fall behind.

SUBSTANTIVE DIALOGUE AND

ENGAGEMENT: Companies are ensuring that they can measure their activities through inputs (what's invested), outputs (what happens) and impacts (what changes), across their total value chains, and feed the learning and results directly into business strategy. Firstly, this includes identifying the most useful measures that will provide the evidence required to underpin the updated social impact strategy and future objectives. Secondly, many businesses are able to leverage existing data to inform and set management and delivery improvement objectives. Finally, companies can use the data to improve performance on external indices and support the compelling narrative to be cascaded across internal and external stakeholders.

In conclusion

Covid-19 is transforming society and business, with the shift in priorities for the corporate sector happening at lightning speed. The leadership shown by many businesses in their responses to leaning in, with enhanced employee and customer support for innovative collaboration and helping the wider community, has set up an appetite by stakeholders from which there is no going back. As countries emerge from lockdown at different times, companies will be judged on the contribution they now make to the road to recovery.

Corporate Citizenship has been in a privileged position, working with hundreds of businesses, as well as supporting the sharing among companies on what has worked well, what could have worked better and the priorities going forward.

To help businesses accelerate and build back better, we have distilled the key priorities into three areas: review and revise to make a real change; mobilise resources for maximum impact; and measure results and engage authentically. Those businesses that are serious about delivering meaningful and measurable social impact that meets society's changing values and expectations, will need to consider each aspect in a systematic way.

At Corporate Citizenship, we continue to support our clients in answering these questions and in developing innovative strategies to social impact. We have no doubt that the skills, energy and will to build back better are there; now is the time to make the change real, and lasting.



Corporate Citizenship Covid-19 Resources

Available at www.corporate-citizenship.com

Publication: [Impact of Covid-19: A Story of Resilience and Renewed Commitment](#)

Event: [Learning from Lockdown: A 'New Normal' for Social Impact](#)
Webinar [Recording](#)
Webinar [Slides](#)

Corporate Citizenship Articles and Blogs:

[Coronavirus & Sustainability](#)
[Why Responsible Business will shape the "New Normal"](#)
[Covid-19 and ESG: How the economic crisis can give a new boost to sustainable investments](#)
[Covid-19: a crash course in Sustainability](#)
[Stewardship in business: Navigating the storm](#)



LBG Resources*

Available to LBG members at www.lbg-online.net

Measuring and Reporting Covid-19 Contributions
Member's Guidance Manual
Training Webinar

Measuring Business Investment for Social Impact
Innovation for Social Impact
Member's Guidance Manual
How-to Guide
Training Webinar

Procurement for Social Impact
Member's Guidance Manual
How-to Guide
Training Webinar

Impact of Community Investment
Member's Guidance Manual
Member's Guidance Notes
Internal Data Collection Tool
Impact Measurement Toolkit
Measurement Foundations Webinar
Impact Measurement Webinar

*If you would like to access this LBG client-only resource, please get in touch with the team at Corporate.Citizenship.LBG@corporate-citizenship.com

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