



Community investment

“When communities prosper, business prospers. The members of SBC are united by a vision of a New Zealand where business, people, and nature thrive together.” *Strengthening the ‘S’ in ESG for Aotearoa Businesses - a report from SBC and Deloitte, October 2023*

This guidance document introduces the concepts of community investment, community impact and social impact. It is meant for people within organisations involved with sustainability and community relationships. It is also a starting point for Sustainable Business Council (SBC) members who are either beginning, redefining or progressing their engagement with iwi Māori, communities and non-profit organisations.

This document aims to provide practical steps for designing and delivering a community investment programme, to create a comprehensive and impactful approach for activating the ‘S’ in ESG. It does so in a systematic and integrated way to strengthen its connection to and augmentation of each element, leveraging both global standards and unique cultural perspectives to deliver meaningful positive social impact and business value.

What is community investment (CI)?

As with any investment, companies engaged in CI are looking for a yield or return on their investment. The use of the word ‘investment’ implies a long-term rather than a short-term focus, which also reflects the commitment often required to affect sustainable change in the community. It is worth noting that a community can be defined by a number of factors including geographic, around activities or areas of interest, spiritual, LGBTQIA+, cultural, online, age, iwi affiliation(s) or a combination thereof.

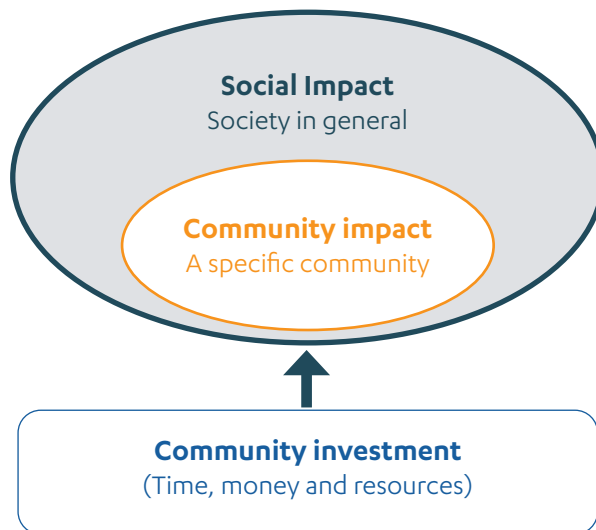
CI yields the greatest benefits when it is designed based on enhancing or contributing to achieving the priorities of both the chosen community and the company. As a result, the overall benefits of CI include improvements to the development of the company, a specific community, community agency or social cause and society in general. Therefore, CI is much more than just charitable donations or sponsorship; it is an active contribution to, and participation in, the socioeconomic development of our communities.



CI has three defining factors:

- CI is a **considered deployment of time, money and resource** across a spectrum where motivations for engagement range from purely altruistic to a deliberate ‘enlightened’ self-interest.
- CI incorporates a variety of **tactics and tools** encompassing pure philanthropy and core business to achieve participants’ desired outcomes, individually and collectively.
- CI usually seeks to **pool and leverage existing resource** for mutual benefit.

As illustrated above, CI is a means to activate and augment relationships and engagement to achieve impact with a specific community (community impact) and/or at a macro level (social impact).



Authentic engagement with iwi Māori

In Aotearoa, integrating a te ao Māori worldview provides a unique approach to ESG. This perspective emphasises interconnectedness and long-term wellbeing, often prioritising cultural, social and environmental obligations. Such an approach offers valuable insights for creating sustainable and culturally informed community investment models.

“In many ways, it seems the Pākehā world is catching up with te ao Māori, and this is a trend I expect to continue. We only need to look to our rangatahi (youth), and the fierce enthusiasm with which they approach kaupapa like climate change, racial inequality, and social justice, to see that Māori values are shaping our future. ...Our mokopuna (grandchildren) will know and accept te tirohanga Māori ki te ao (the Māori worldview) as an integral part of life in Aotearoa. And to them I say kia kaha (keep it up). The future of the New Zealand economy is Māori, and it’s bright.” *from ‘The Future is Māori’ remarks to the Inst of Directors NZ Leadership Conference 2021 by Christian Hawkesby, Assistant Governor and General Manager, Economics, Financial Markets and Banking Group*

The business case

SBC’s [Flagship report](#) outlines key areas in which activating the ‘S’ in ESG can deliver value to business and which are pertinent to CI:

- **Supporting its social license to operate** - Building lasting relationships with local communities is essential in developing trust, good communications and openness. This will help your organisation and community partners to understand each other’s priorities, needs and expectations of activities and practices, providing a robust platform to work together on the issues that matter most to deliver greater positive impact.
- **Mitigating risk** - Expand and improve the organisation’s risk management practices by taking into account the local impacts of broader societal challenges. This could include literacy and skills development, access to affordable health, and income inequality.
- **Building resilient, diverse and inclusive supply chains** – international legislation, such as the Modern Slavery Act 2018 in Australia and the new EU Sustainability Due Diligence Directive, places responsibilities on companies in global supply chains. Due diligence is essential for building transparent, ethical sourcing and procurement practices to gain market access. Diversifying and developing suppliers, including social enterprises and Māori and Pasifika-owned businesses, enables organisations to leverage their buying power to create positive social and environmental impact (alongside a financial return).
- **Attracting and retaining talent** - Research shows that companies who have aligned their social impact with their employee values have reported higher worker engagement rates and lower turnover. CI programmes are an effective and impactful way to provide opportunities for employees to engage and contribute to the local communities.



- **Innovation and access to new markets** - There is innovation to be found in underserved communities and social needs, enabling companies to explore new products that generate market opportunities.
- **Brand and reputation** - Research shows that a company’s positive social impact can drive consumer purchasing habits and allow companies to charge a premium for their products and services.
- **Access to capital** - Global rating agencies are now routinely incorporating ‘S’ considerations, such as human rights performance, into their sustainability ratings of companies. These ratings help financial institutions to determine the risks faced by the company and the resulting premium to be charged on loans and bonds. Therefore, companies that perform strongly on the ‘S’ will find themselves with greater access to and reduced cost of capital compared to companies that do not.
- **Opportunities for collective impact** - Nationwide change in the ‘S’ cannot be driven by a small number of large organisations, but instead needs to be driven by the collective impact of all businesses (in conjunction with NGO’s, philanthropists, councils and government) across Aotearoa, catalysed by large organisations.

To quote Paul Polman (former WBCSD Chair and Unilever CEO), “Business cannot succeed in societies that fail”, and the same could be said for the places people live, work, learn and play – communities cannot succeed when business fails. Accordingly, CI relationships that are based on mutual benefit and reciprocity are an essential element to sustainable socioeconomic wellbeing and development.

Business already plays a significant part in building a country’s wealth across all four capitals: physical, financial, natural and social. CI is one of the most effective ways a business can demonstrate its social impact across the capitals and activate their ‘S’.

Community investment: success factors

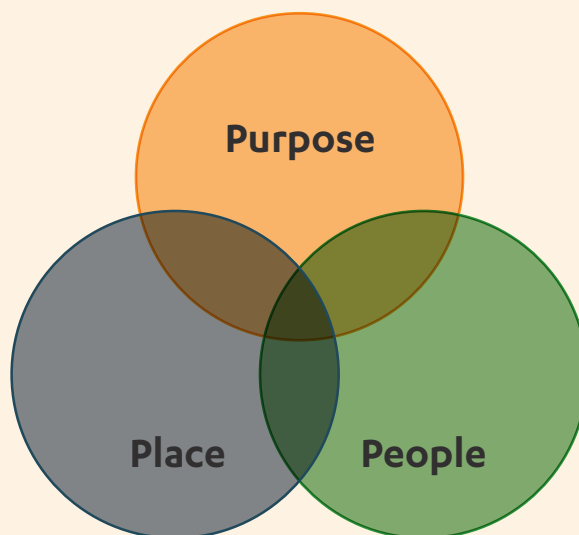
“The data and technology revolution saw the elevation of IT managers to the role of Chief Technology Officer (CTO), and the war for talent and shift to a knowledge economy ushered in the age of the Chief Human Resources Officer (CHRO) and Chief People Officer (CPO). Equally, the strategic elevation of community investment must be accompanied by strategic business leadership – in a role that is both treated, and recognised, as senior.” *Towards a Model for Community Investment 2.0 EY, 2024*

At the core of successful CI is commitment from a company’s senior leadership. Without this commitment, community investment will always be an add-on to business and not an integral part of business operations. As an add-on, or ‘nice to have’ philanthropic gesture, the ‘returns’ on the investment of time, money or resource to both company and community can fail to deliver the impact and benefits available to both. Accordingly, and as with technology and human resource management, an integrated CI strategy and action plan is a catalyst for amplifying and augmenting core business whilst generating value for our communities and economy.

Working through the following exercises will help any organisation, irrespective of whether they are for profit, charitable or something in-between, to define and develop a CI Strategy and Action Plan.

Community investment, beyond philanthropy

Think of our communities as a jigsaw where businesses, iwi, community organisations, government and philanthropists are all pieces of the wider picture. The better each piece understands their purpose, goals and objectives, and fit within the picture, the better they understand who can assist to achieve their goals and objectives and vice versa. In the context of business, CI provides a suite of tactics to support and deliver mutually beneficial connections between the pieces.





Defining purpose, people and place

Purpose

Having a clear understanding of your company’s ‘why, what and how’ sets a baseline and framework for CI priorities and partners. A clear purpose smooths relationship development, improves transparency and helps identify opportunities for CI and collaboration. It is worth considering how you can validate the purpose.

Purpose includes:

- The story of why the company exists
- The company history
- Company values
- Brand promises
- Materiality reports
- Business plans
- Products and services

People

It is vital to identify the people who matter most to the success of your business or enterprise and develop a clear understanding of their priorities, concerns and aspirations. This helps to identify overlaps with business priorities and objectives and, subsequently, opportunities for establishing CI programmes and initiatives.

The people category includes both internal and external stakeholders. Engagement with iwi Māori could be a priority, as well as (in no particular order) customers, suppliers, investors, regulators, community leaders, local residents and the general public.

In the context of CI, key people to identify amongst the above stakeholders are social intrapreneurs and social entrepreneurs. SustainAbility’s second Skoll Programme report, “The Social Intrapreneur: A Field Guide for Corporate Changemakers” highlights the heightened impact that can be delivered for both business and community when these two archetypes meet and work together. Also consider internal groups like employee network groups or communities of interest.

Social intrapreneur “...entrepreneurial employee[s] who develops a profitable new product, service, or business model that creates value for society and [their] company. Social intrapreneurs help their employers meet sustainability commitments and create value for customers and communities in ways that are built to last.” *Cultivating the Social Intrapreneur by Beth Jenkins, SSIR, January 2018*

Social entrepreneurs “...are people who see a problem in their society, develop a solution and take action. These ideas look beyond the horizon of the current way of doing things and point to a brighter future. Social entrepreneurs typically have a unique insight into the problem. They can see things that nobody else sees, and they are willing / able to do things that nobody else can / will do. Social entrepreneurs are people with courage, insight and ambition to put forward a solution to a social problem, and act on it.” *Social Entrepreneurs Ireland*

Place

Place refers to the company’s geographical touchpoints. This includes the location of the company’s buildings and facilities, as well as locations, buildings and facilities that are relevant to staff, customers, suppliers and other key stakeholders. Place also refers to the location of new markets and recruitment opportunities.

Although place tends to indicate an environmental focus, in the context of CI it is also important to understand the history, traditions, heritage and culture of a location as well as its current socioeconomic ambitions and circumstances. As with People, this will help to identify opportunities for the company’s engagement and investment into the wellbeing and aspirations of the places that underpin all communities.

Bringing it all together

Clearly understanding each of the P’s mentioned above will highlight their intersections and overlaps, the exploration of which will help to identify potential partners, shared priorities and CI opportunities for generating mutual benefit.

Below is a case study outlining a best practice example of a CI programme, followed by a section outlining seven steps to help structure and deliver a CI project, programme or strategy.

CASE STUDY



POU Limited team: Scaffolding Apprentice Kauri Papanui-Enoka (centre), pictured with his mentors, Kereama Taaka-Te Kaute (left) and Tassie Maxwell (right).

POU Limited & Genesis Energy

A pou is a physical and metaphorical stake in the ground, a symbol of support, especially for an important cause or place such as Raahui Pookeka Huntly. It’s the inspiration behind POU Limited and the kaupapa of increasing local employment opportunities. The story of POU Limited is one of collaboration, community, and commitment to social impact.

The establishment of POU Limited recognises the enduring relationship between Genesis and six of the marae around Raahui Pookeka Huntly – Waahi Pa, Te Oohaakii Marae, Kaitumutumu Marae, Taupiri Marae, Matahuru Marae, Te Kauri Marae and the Waahi Whaanui Trust. This collaboration was born out of a relationship agreement between the marae and Genesis regarding the operation of Huntly Power Station, aiming to create employment opportunities and invest in the growth and prosperity of the Raahui Pookeka community. POU Limited now plays an instrumental role in the operation of Huntly Power Station through providing quality facilities management services. Importantly, this is achieved through the employment of local people, activating social benefits in a meaningful way for the Raahui Pookeka community.

Established in 2019, the first year of POU Limited saw 40 local people employed in facilities management services at the power station. By 2024, the number of workers had grown to 52, and the company had expanded its services to include cleaning at Genesis’ Hamilton office.

POU Limited and Genesis have also regularly collaborated through Genesis’ Ngā Ara Creating Pathways community investment programme. This includes opportunities for apprentices, interns and work experience students to become part of the team on-site. It has provided broader opportunities to recruit, train and retain young local people in skilled and in-demand work.

In 2023, a scaffolding training pathway was piloted by Genesis, POU Limited and local youth development charity Oho Mauri. The 16-week programme employed six rangatahi (young people) who had not previously been in education, employment or training and supported them to gain a Level 4 Scaffolding qualification and transition into an apprenticeship or future work opportunities.

In 2024 we celebrated graduate apprentices in mechanical engineering (trade) fitting and machining. They have secured permanent positions at Huntly Power Station.

This commitment to training and development ensures POU Limited not only provides jobs but also helps build a skilled workforce for the future. The programme’s success is testament to the power of collaboration and the positive impact that can be achieved when a business invests in its community.

[Learn more here.](#)



Making it happen

Step 1. WHY do you want a community investment programme?

There are a number of possible responses to this question and it's important to find the real reason. Some potential answers could be:

- We want to create a positive impact and deliver better outcomes in critical issue areas while creating business value.
- We are seeing growing inequality and demographic shifts impacting our communities and want to understand them better and the role business has to play with those affected.
- We are concerned about the negative trends in society and their impact on our organisation.
- It is an activation of our values and brand principles.
- We want to strengthen alignment between business goals and community benefits.
- We would like to maintain and enhance our social licence to operate.
- We want stimulate innovation and skills development by building relationships and adapting to social and environmental shifts.
- We want to find practical ways to support our local communities to transition to Net Zero, leaving no one behind.
- We want to support local economies and resilient communities that provide a stable workforce, customer base, and operating environment.
- I don't know – which is actually a great place to start.

Step 2. WHAT does your community investment programme need to achieve?

For CI to be of value to all parties, a set of agreed outcomes need to be developed. The table below can guide your thinking on this. Please note, if your CI Partner is a charity or community organisation, the terminology listed below may need to be adapted to suit. For instance, 'customers' and 'markets' may need to refer to 'clients' or 'donors'.

	For the business	For the CI partner(s)
Enhanced reputation and profile?		
Increased market share?		
Enhanced customer engagement and retention?		
Access to new markets?		
Staff recruitment and retention?		
External support for restructuring and redundancies?		
Product or service R&D?		
Risk mitigation? <ul style="list-style-type: none"> • Health, safety and wellbeing • Reputation • Regulatory and compliance • Other 		
Enhanced reporting data?		
Improved community wellbeing? <ul style="list-style-type: none"> • Education • Employment • Health • Financial security • Other 		
Something else?		



As outlined above, CI does not need to be a separate strategy or standalone programme for the company or CI partner(s) – it can be integrated into existing business plans and strategies which can achieve a far greater impact for all parties. Although maintaining company-wide oversight is essential, integrating CI into business-as-usual increases opportunities for innovation and increases engagement across the business. This approach also removes the requirement for a dedicated team or person to be exclusively responsible for planning, implementing and measuring CI activities and their results.

Step 3. HOW will community investment be delivered?

Every company has access to multiple assets for their CI activities that can be considered under three main categories:



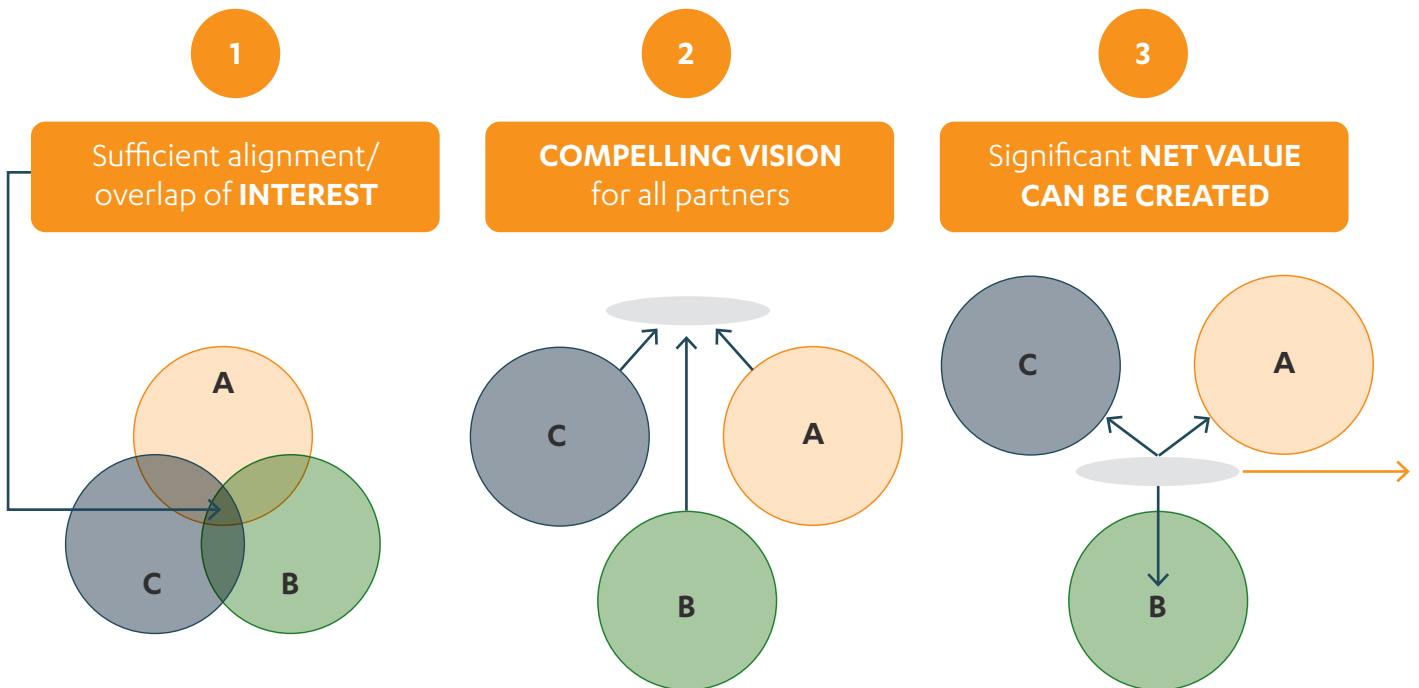
When conducting a ‘stock take’ of these assets it is important to remember that philanthropy and the more altruistic motivations for community engagement are only one aspect of CI. As such, consider how CI can augment business as usual and what assets are already available, committed or required to achieve the desired outcomes. It is also worth considering the assets your CI partner(s) may have available and exploring how these can be included in the initiatives or activities. Afterall, this needs to be a partnership built on reciprocity.

Irrespective of how the company’s CI will be structured and delivered, it is highly recommended that new initiatives and relationships start small and build on their success over time. This reduces the risk of failure, increases the likelihood of sustained engagement and helps to maintain momentum if plans go off track.

To this end, be clear on what the boundaries of the partnership are and what triggers an exit for either party.

Step 4. WHO needs to be involved?

In the purpose, people, place model, the issues, aspirations and opportunities for CI are identified where each of the circles intersect and overlap. Although stakeholders from every sector can subsequently be identified as potential collaborators, The Partnering Initiative’s (TPI) three key elements for partnership helps refine who is most likely to engage, as illustrated below.



A key distinction for CI is that collaborations and activities go beyond the traditional parameters of corporate/community philanthropy. In addition to the usual NGO’s and charities, CI collaborations and initiatives can involve representation from every sector, including other businesses, central and local government, funding agencies and foundations, business associations, and local residents. For Aotearoa New Zealand, engaging with iwi Māori is essential, providing a unique range of perspectives and insights for the planning and delivery of any CI activity. This is especially so for the people and place elements of the model.



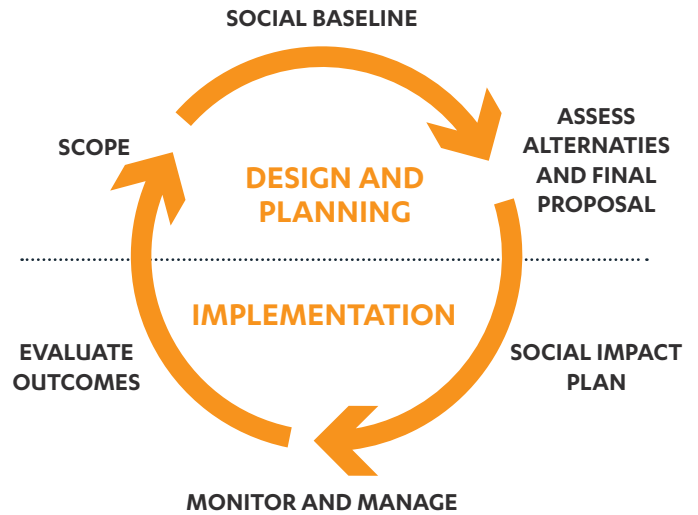
Step 5. WHEN will it happen (and for how long)?

Depending upon the desired outcomes and impact, CI initiatives can vary significantly in complexity and resourcing requirements. Establishing clear timeframes around the start, finish and key milestones of any CI initiative provides transparency, manages relationship expectations, keeps parties on task and creates a focal point for energy and resource. If the initiative or relationship is successful and needs to be extended, parties can always consider a right of renewal.

Step 6. SO WHAT? Evaluation

Whilst it's easy to count, weigh, measure and time tangible contributions and outputs, evaluating and reporting on the less tangible impacts of CI and social good is more complicated. For instance, how can the impact of a youth mentoring conversation held today be captured when the result is realised years later?

Although there are many ways to evaluate social impact, the New Zealand Association for Impact Assessment (NZAI) outlines the following process for designing and implementing a social impact assessment. See [Social Impact Assessment – NZAIA](#) for more information.



Step 7. CELEBRATE SUCCESS

Success breeds success. Make a point to meet with CI partners, review, notice and acknowledge your achievements together and enjoy all the wonderful unintended consequences that come to light as the relationship and initiatives come to life.

