

Special Webcast

CSR Impact Measurement: What to Measure, How to Get Started, and How to Celebrate Your Results

October 4, 2022

THE CONFERENCE BOARD



Our agenda for today

- A Brief History of CSR Impact Measurement
- Four CSR Metrics You Should Be Measuring Now
- How to Communicate Your Impact, Internally and Externally
- How the CSR team at PepsiCo Applies These Principles and Communicates Impact with Internal and External Audiences.

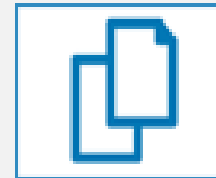


Making the most of the webcast

Ask Questions
(via the Q&A box)



Download
Resources



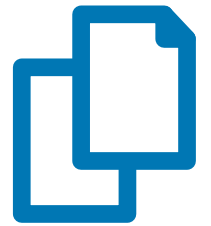
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Today's Speakers



Sadie Miller

Director, Client Success

True Impact



Meredith Shull

Impact Measurement and
Evaluation Manager

The PepsiCo Foundation

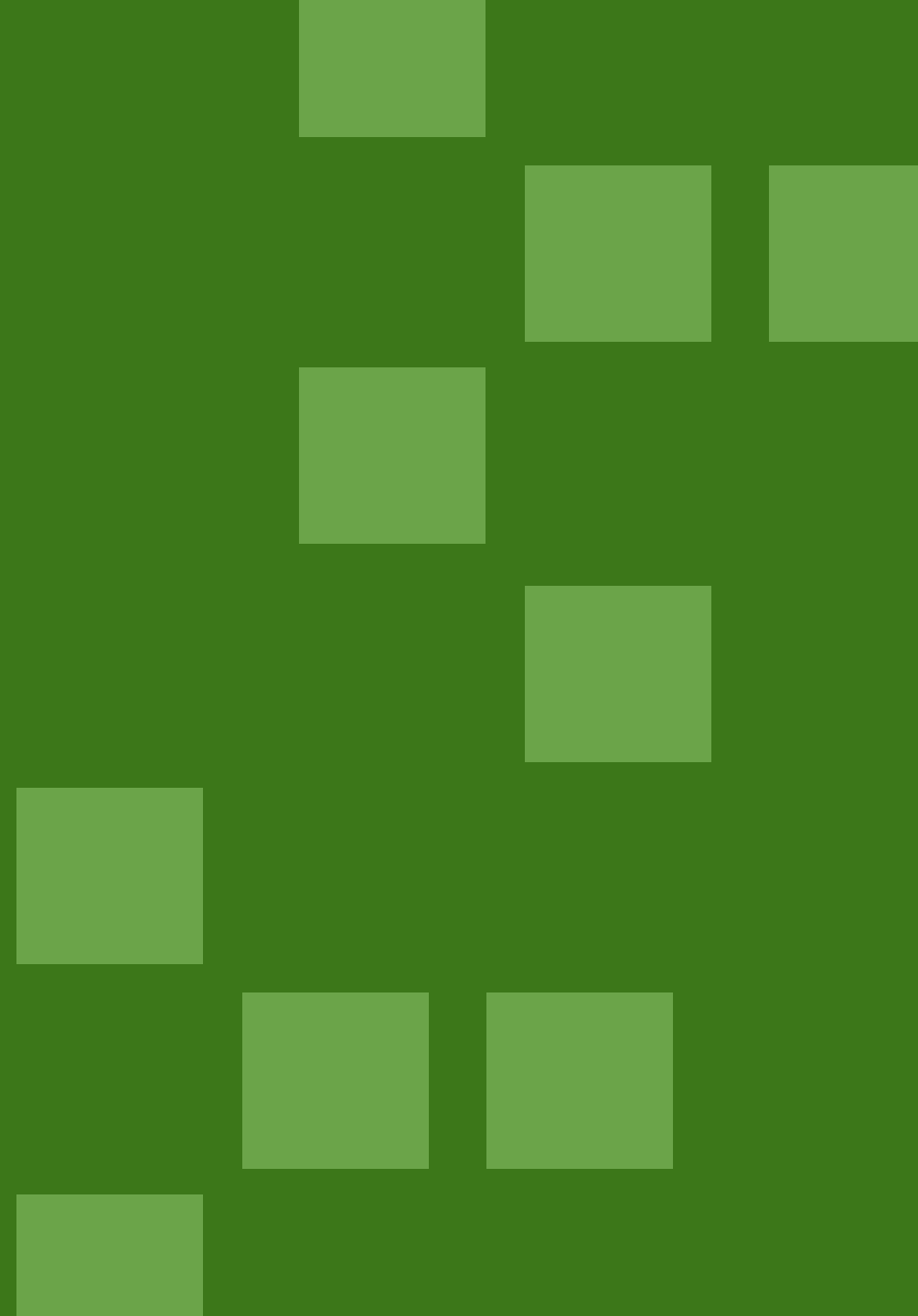


Jeff Hoffman
(Moderator)

Institute Leader, Corporate
Citizenship & Philanthropy,
ESG Center

The Conference Board

A Brief History of CSR Impact Measurement





“Equity, diversity and inclusion are part of [company’s] core values.

Since 2020, we’ve committed more than \$30 million to address racial equity and social justice in the United States.”





The problem is...

"Equity, diversity and inclusion are part of [company's] core values.

Since 2020, we've committed more than \$30 million to address racial equity and social justice in the United States."



...this is intent, not impact.



Not knowing your impact leaves you vulnerable.



From: Foundation President

Which intervention strategies will **best deliver on our goals?**



From: @SkepticalPerson291

You say that you support DEI but how are **you actually supporting local BIPOC communities?**



From: Board Chair

We've spent millions on different charitable initiatives. **How are we catalyzing beyond our own funding?**



From: CEO

Can we trust that our **impact data will stand up to public scrutiny?**



From: Yourself

Are we really **moving the needle** on these causes we care so much about?



Knowing your impact is no longer a nice to have.

1990s

"We have a mission statement."



2000s

"We donated \$1 million dollars."



2010s

"We reached 2,000 people."



Now

"We helped 1,352 people find permanent housing."



Why Traditional Impact Measurement Fails



Wrong Data

Only measuring what's easy—inputs and outputs—not what's actionable—outcomes.



Wrong Format

Leading to data that isn't easily usable.



Wrong Process

Expensive, complex, and time-consuming: a burden on nonprofit partners.



Imagine a world where you can easily...

**Prove and improve
the impact of your
CSR programs**

&

**Identify and amplify
high-performing
nonprofits**



The Impact of Impact Measurement, When Done Right



Purpose

Stay focused on what matters most to you.



Credibility

Putting real numbers behind your efforts increases trust with all stakeholders.



Proof of Value

Amplify your nonprofit partners' work by giving them numbers to pair with their stories.

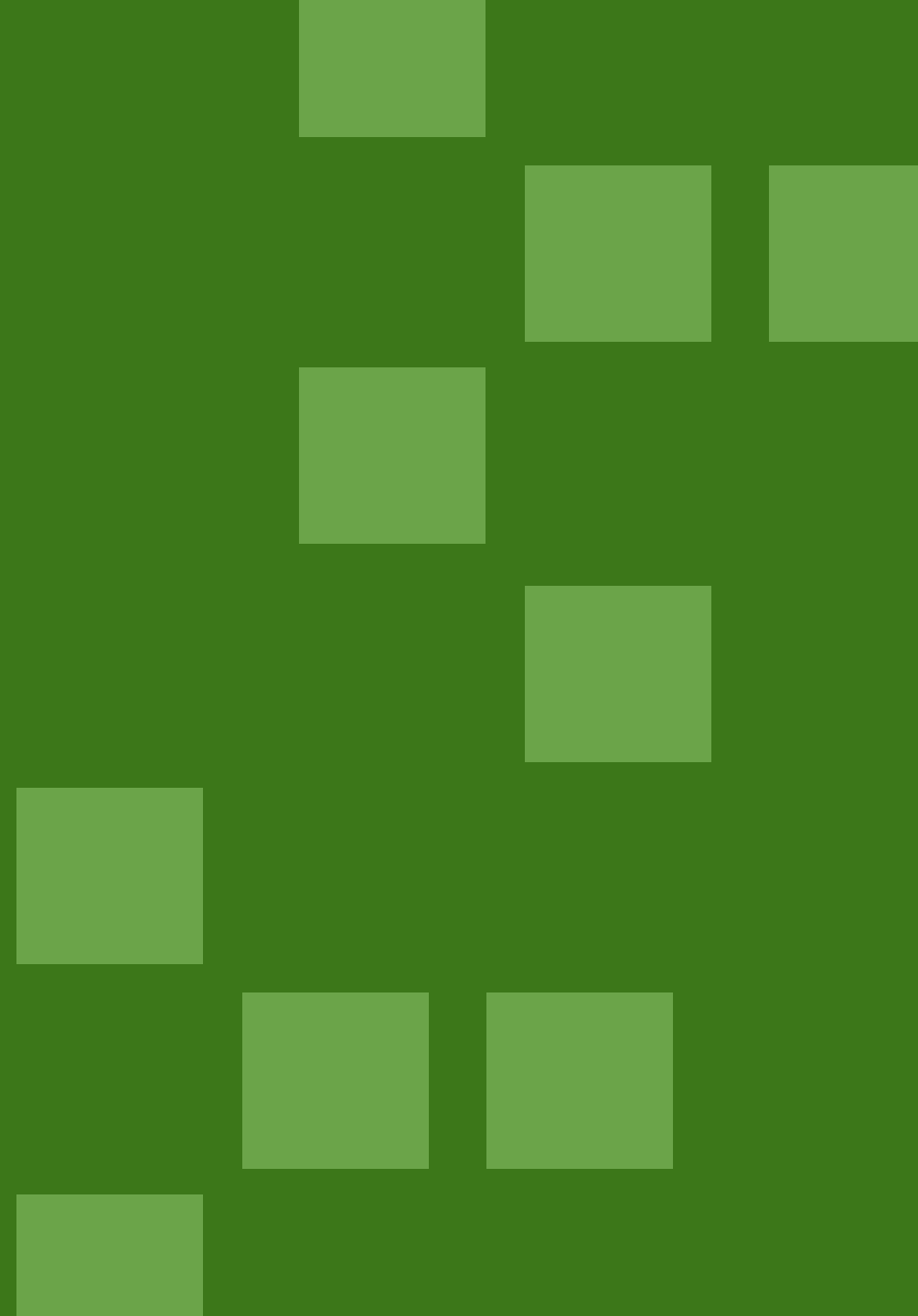


Improvement

Don't just measure to measure—measure to improve.



Four KPIs to Guide Strategic Management and Reporting



Four KPIs to Guide Strategic Management and Reporting



1. Impact

How much value are you creating?



2. Alignment

Does it match your goals?



3. SROI

Are you doing it well?



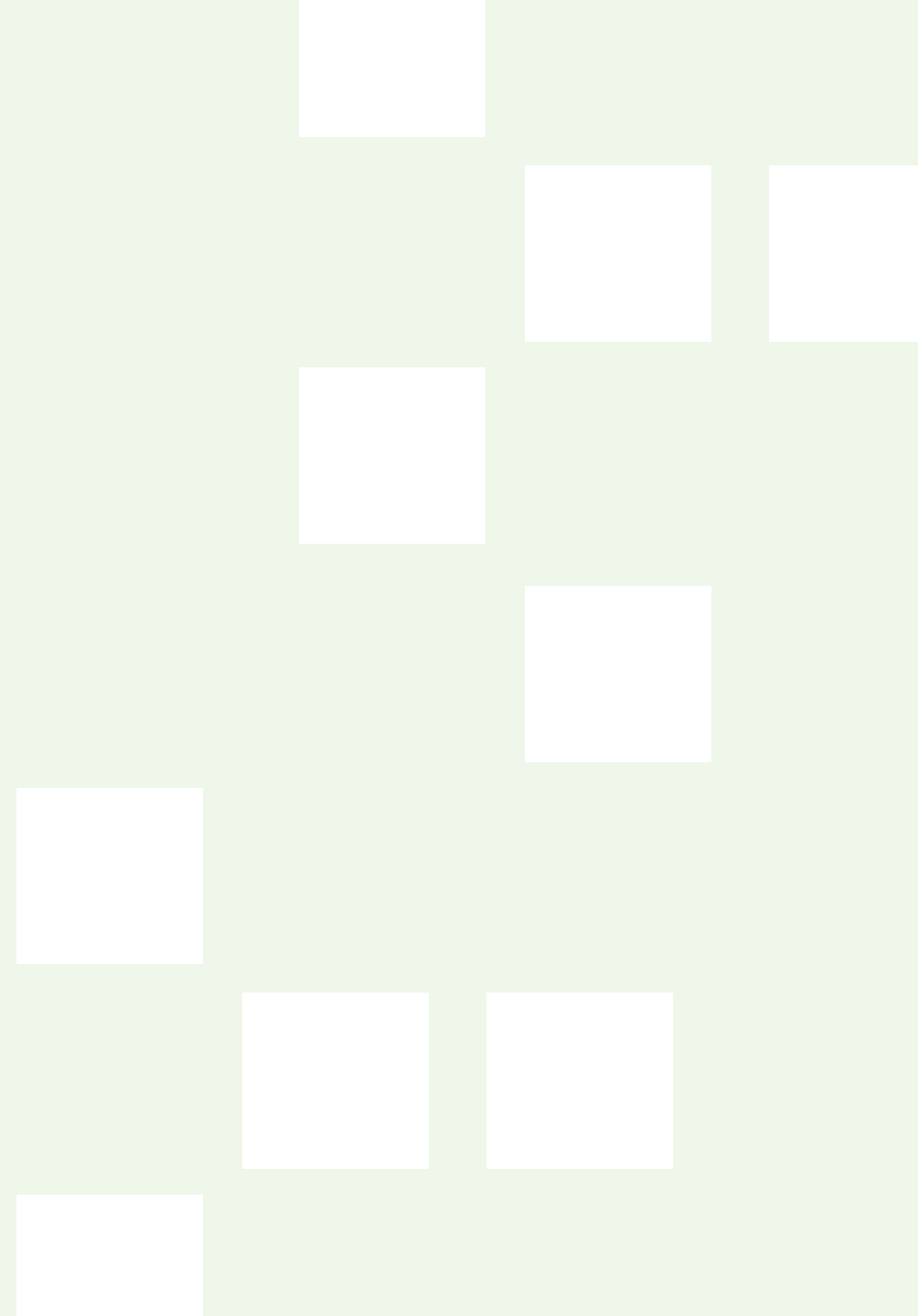
4. Data Quality

Can you trust the data?



KPI 1

Impact



Inputs → Outputs → Outcomes

1

Inputs

The resources used to run a program.

Examples:

- *Cash*
- *Staff*
- *Equipment*
- *Office space*

2

Outputs

The goods or services delivered.

Examples:

- *Meals delivered*
- *Training provided*

3

Outcomes

How people's lives improved as a result.

How many people improved their health, education, or income, and by how much?

Impact!

Pop Quiz:

Inputs, Outputs, & Outcomes

Question 1

Is the following metrics an input, output, or outcome?

“\$35,000 donated in emergency Covid relief.”

1. Input
2. Output
3. Outcome

Question 1

Is the following metrics an input, output, or outcome?

“\$35,000 donated in emergency Covid relief.”

1. Input
2. Output
3. Outcome

Question 2

Is the following metrics an input, output, or outcome?

“5,000 smallholder farms improve agricultural techniques.”

1. Input
2. Output
3. Outcome

Question 2

Is the following metrics an input, output, or outcome?

“5,000 smallholder farms improve agricultural techniques.”

1. Input
2. Output
3. Outcome

Question 3

Is the following metrics an input, output, or outcome? “A new endowed scholarship funded.”

1. Input
2. Output
3. Outcome

Question 3

Is the following metrics an input, output, or outcome? “A new endowed scholarship funded.”

1. Input
2. Output
3. Outcome

Question 4

Is the following metrics an input, output, or outcome? “72 students receive healthy snacks and learn better eating habits.”

1. Input
2. Output
3. Outcome

Question 4

Is the following metrics an input, output, or outcome? “72 students receive healthy snacks and learn better eating habits.”

1. Input
2. Output
3. Outcome

Examples: Inputs → Outputs → Outcomes

1

2

3

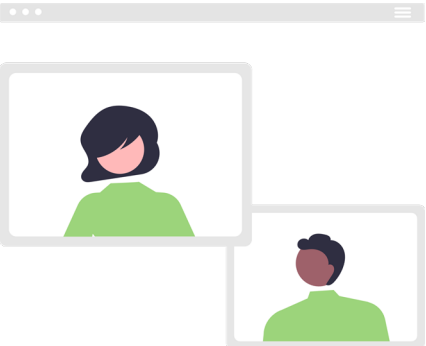
Input

Output

Outcome

\$35,000 donated in emergency Covid relief	10,000 PPE distributed	150 people protect/improve their health
Smallholder farmers are trained in sustainable planting	5,000 smallholder farms improve agricultural techniques	3,425 female farmers improve their livelihood
A new endowed scholarship funded	15 first generation students receive scholarships	12 students graduate from post-secondary school
Teachers are trained in nutrition	72 students receive healthy snacks and learn better eating habits	38 students improve their health and food security

Mapping Inputs to Outcomes



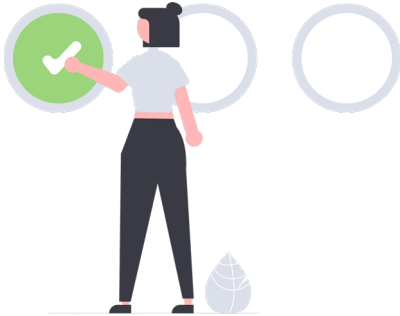
Reach

Receive services



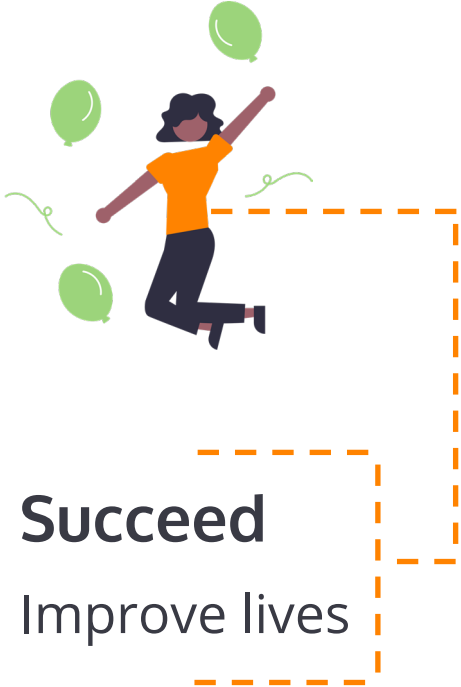
Learn

Gain skills,
motivation



Act

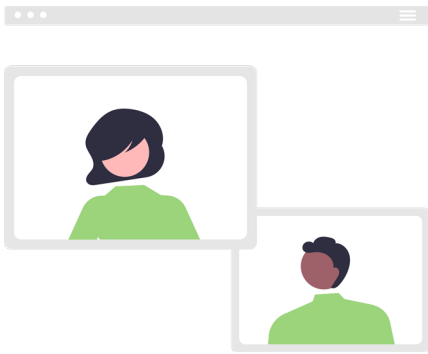
Take action or
change behavior



Succeed

Improve lives

Mapping Inputs to Outcomes



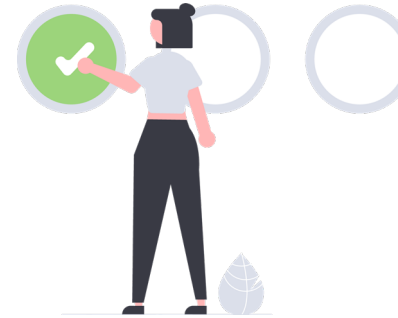
Reach

PepsiCo Uplift Scholars enrolled in Community College Program



Learn

Scholars gain skills and motivation through counseling and career resources



Act

Scholars complete program of study



Succeed

Scholars gain middle-wage job in high-demand career

Claim and Amplify Your Impact

Program's Impact

How many people's lives were improved?



Contribution Claim

% funded = % claim (most common)



Catalytic Claim

Only relevant in certain cases, if:

- You activated additional donors
- Sustained capacity gains are attributable to you
- Programs or models you established are replicated



Year 1

Year 2+

Example Impact Overview

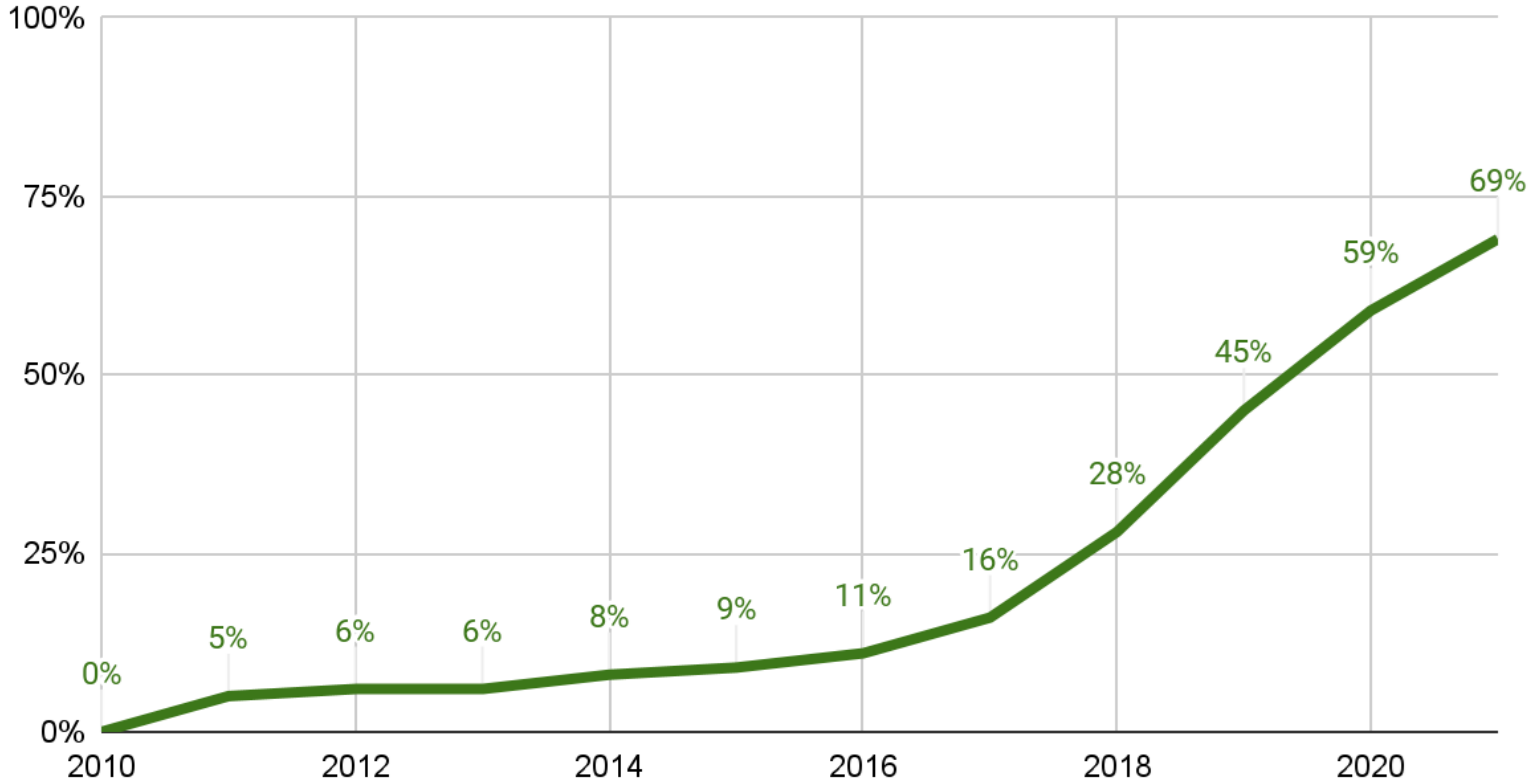


Case Study: PepsiCo Foundation Safe Water Access



We Feed Potential

Progress to Goal: People Gain Safe Water Access



← Tweet

PepsiCo
@PepsiCo

Since we announced our goal to become Net Water Positive by 2030 last August, we've created more than a dozen new programs to advance our water-use efficiency, replenishment, and safe water access efforts. pepsi.co/3wpq8eo #WorldWaterDay

The PepsiCo Foundation partners that helped extend safe water access to 8 million people in 2021

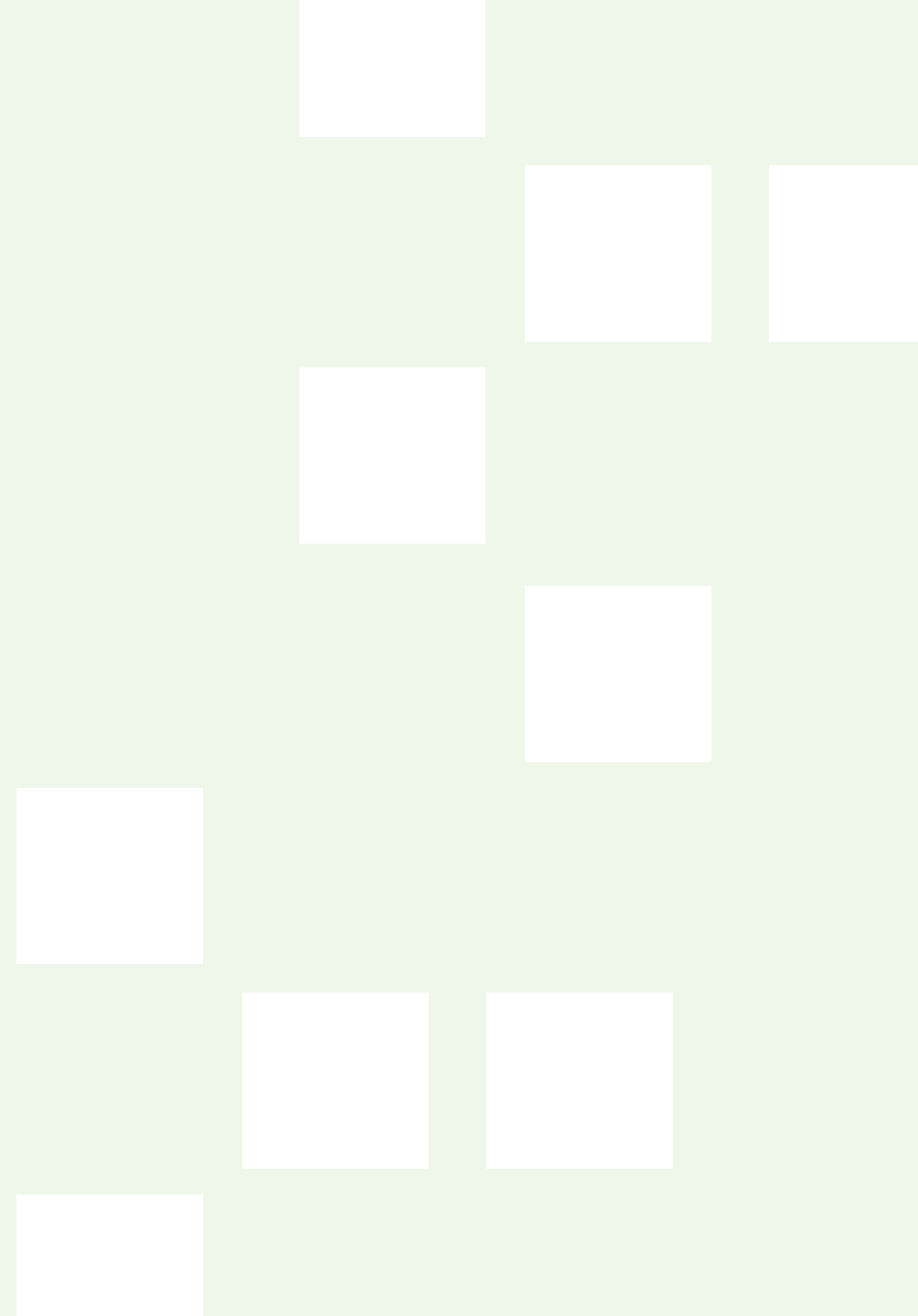
pep+
pepsico foundation
planet + people

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9 Retweets 1 Quote Tweet 25 Likes

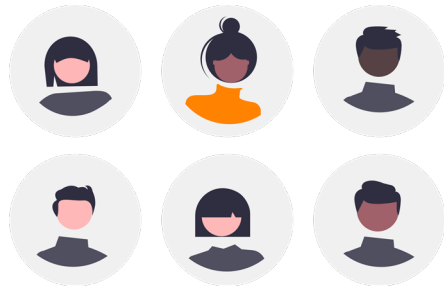


KPI 2 Alignment

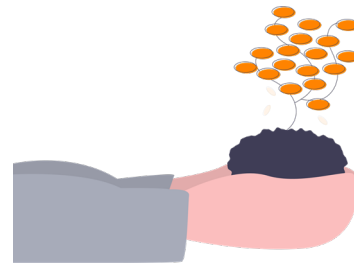


Alignment with Your Goals

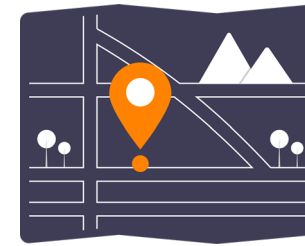
What are the communities and causes closest to your mission?



Who?



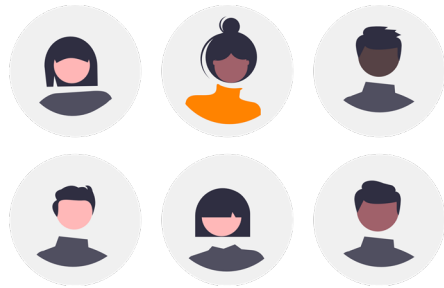
What?



Where?

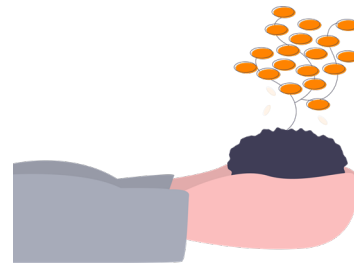
Alignment with Your Goals

Define how close you are to focusing on the right things (your goals).



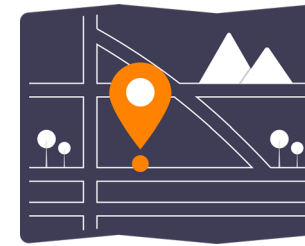
Cohort

- Ethnic/racial groups
- Age group
- Gender
- Socioeconomic status
- Occupation



Cause

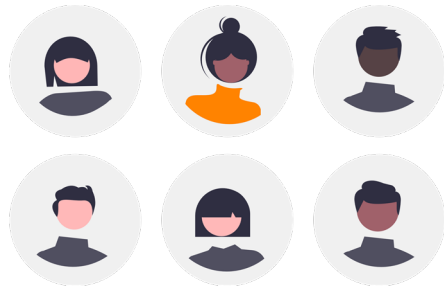
- Issues
- UN SDGs
- Specific outcomes



Geography

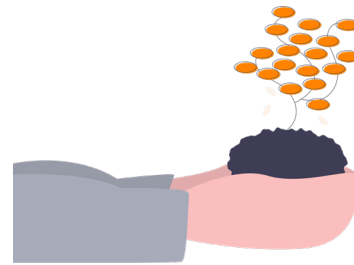
- Market
- Continent
- Country
- Operating region
- Site/facility

Alignment for PepsiCo Foundation



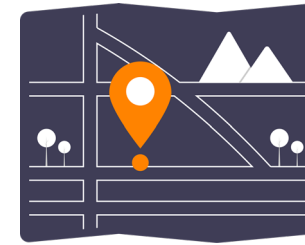
Cohort

- Female Farmers
- Black & Hispanic Small Business Owners
- School-aged Children



Cause

- Safe Water Access
- Food Security
- Economic Opportunity












Geography

- Latin America
- Europe
- North America
- AMESA
- APAC

How to Use Alignment

Define how close you are to focusing on the right things (your goals).

Partner	Demographic Alignment	Cause Alignment	Market Alignment	Invest?
Program A				
Program B				
Program C				
Program D				

Case Study: Economic Empowerment

The PepsiCo Foundation centers women across global commitments in Food Security, Safe Water Access, Economic Empowerment.





KPI 3

Social Return on Investment

Social Return on Investment (SROI)

Define how efficiently you are generating the social outcomes.



Donations

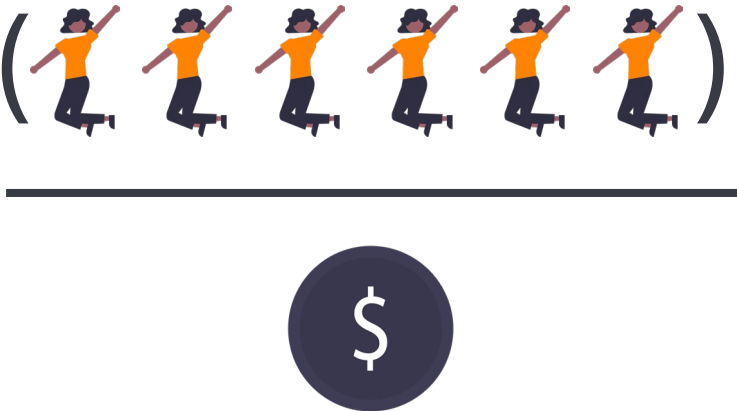


Social
Impact

Goal
Achieve the greatest social impact for your investment.

How to Calculate SROI

Here's how to figure out how many successes are achieved per dollar (or \$10,000) invested.



Three Steps to SROI

1. Take the total successes and divide them by the total program cost.
2. This number will be a tiny fraction.
3. Times it by \$10,000 to get a more usable cost / outcome.

Example

250 people housed
\$1M in program costs

**0.00025 people housed
per dollar invested**

**2.5 people housed
per \$10K invested**

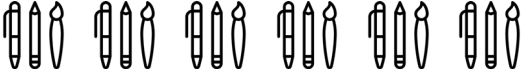





How to Use SROI

Higher SROI programs are more efficient.

Education Programs	Impacts: SROI/\$10K	Invest
Supplies	✓ ✓ ✓ ✓ ✓ ✓	⓪
Afterschool Enrichment	✓ ✓ ✓	
Skill Development	✓ ✓ ✓ ✓ ✓	
Graduation	✓ ✓ ✓ ✓ ✓	
Career Development	✓ ✓ ✓	

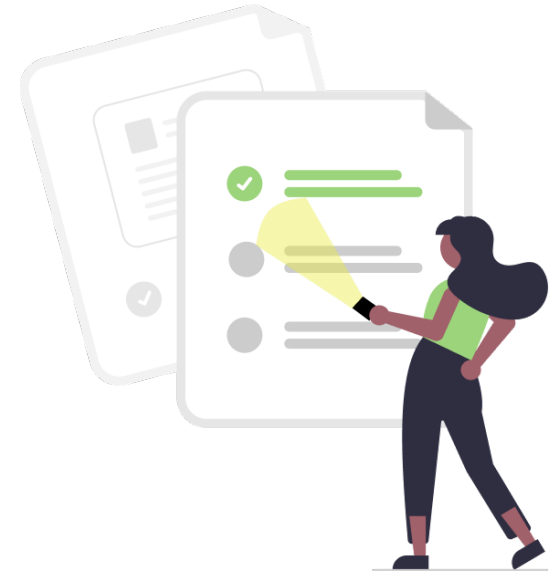
How to Use SROI

Higher SROI programs are more efficient...assuming comparability.

Education Programs	Impacts: SROI/\$10K	Impact Level	Invest?
Supplies		Low	
Afterschool Enrichment		Moderate	
Skill Development		Moderate	
Graduation		High	
Career Development		High	

Use SROI for Good, Not Evil

- Use a flashlight, not a hammer.
- Don't look at SROI without context.
- Identify outliers (high and low) and learn from them.
- Keep data quality in mind.
- Remember, you aren't buying a TV.





KPI 4

Data Quality

Data Quality

Define whether data are sufficiently rigorous for reporting or decision making.



No Evidence

Speculation (Guess)

- Logical assumptions based on experience

Data Quality

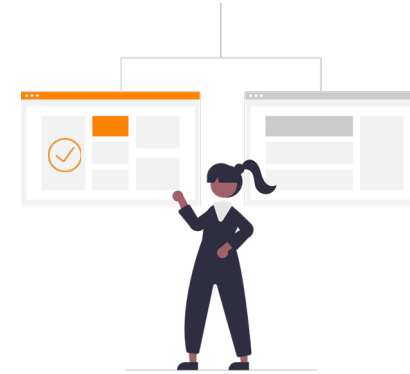
Define whether data are sufficiently rigorous for reporting or decision making.



No Evidence

Speculation (Guess)

- Logical assumptions based on experience



Evidence-based

Estimation








- Sampling, piloting
- Previous results
- External studies

Direct Measurement

- Randomized controlled trial (scientific confirmation)
- Compare participants to similar population not receiving services
- Systematic outcome tracking

How to Calculate Data Quality

Define whether data are sufficiently rigorous for reporting or decision making.

Program	Impacts: SROI/\$10K	High Quality Data?	Invest?
Program A			
Program B			
Program C			
Program D			

Putting the Pieces Together






Putting the Pieces Together

Key Performance Indicators (KPIs)

Program	Impacts: SROI/\$10K
Program A	
Program B	
Program C	
Program D	









Putting the Pieces Together

Key Performance Indicators (KPIs)

Program	Impacts: SROI/\$10K	High Impact?
Program A		
Program B		
Program C		
Program D		











Putting the Pieces Together

Key Performance Indicators (KPIs)

Program	Impacts: SROI/\$10K	High Impact?	Align-ment?
Program A			
Program B			
Program C			
Program D			











Putting the Pieces Together

Key Performance Indicators (KPIs)






Program	Impacts: SROI/\$10K	High Impact?	Align-ment?	High Quality Data?
Program A				
Program B				
Program C				
Program D				

Putting the Pieces Together

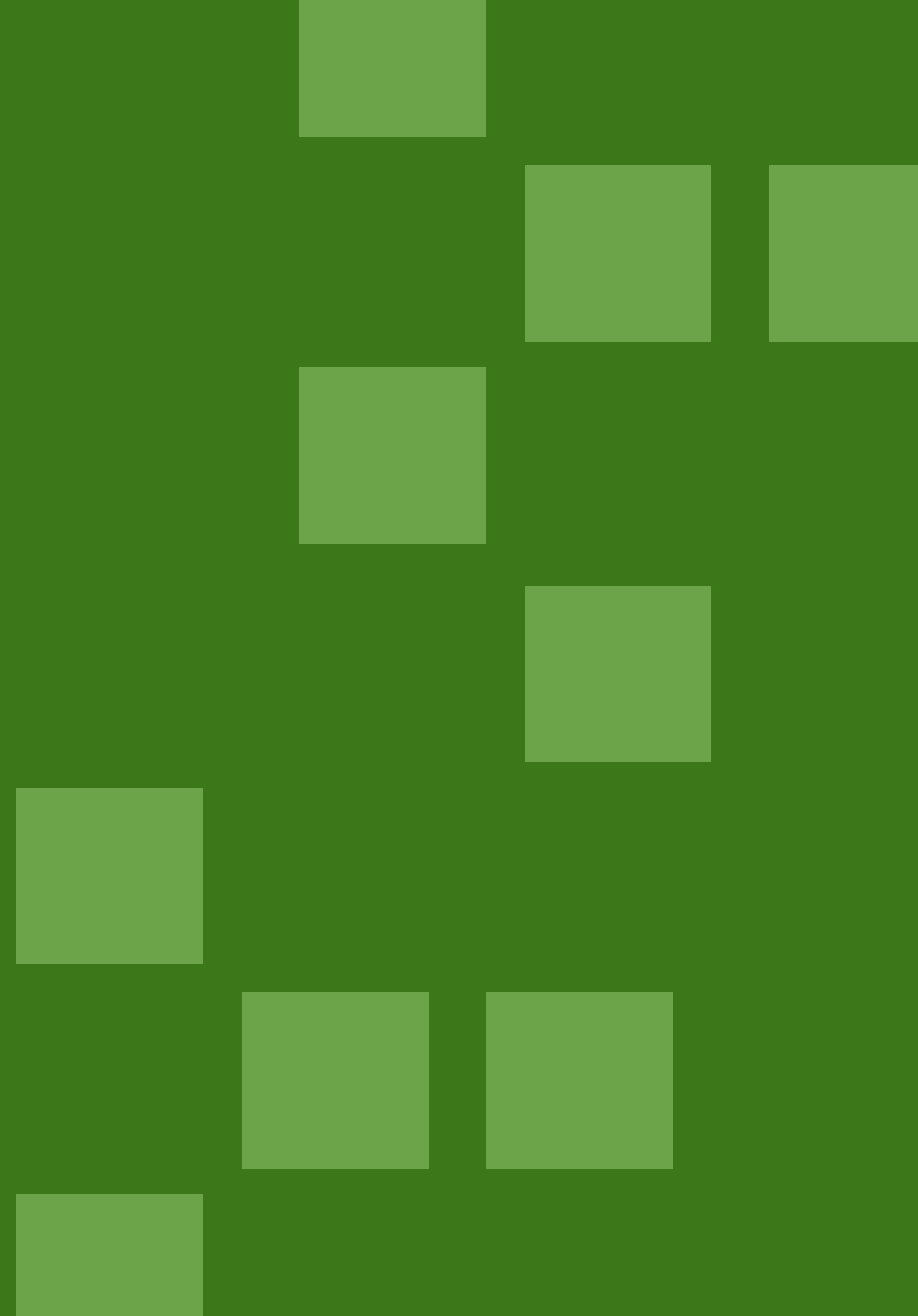
Key Performance Indicators (KPIs)

Program	Impacts: SROI/\$10K	High Impact?	Align-ment?	High Quality Data?
Program A				
Program B				
Program C				
Program D				

Decisions

Invest	Intervene	Promote
		
		
		
		

How to Communicate your Impact, Internally and Externally



**No stories without
numbers, and no
numbers without stories.**

How to Track and Communicate Your Impact

Start with a proactive process to communicate your impact at the highest level.

1

Establish goals and metrics.

2

Measure your impact—working with nonprofit partners—and centralize results.

3

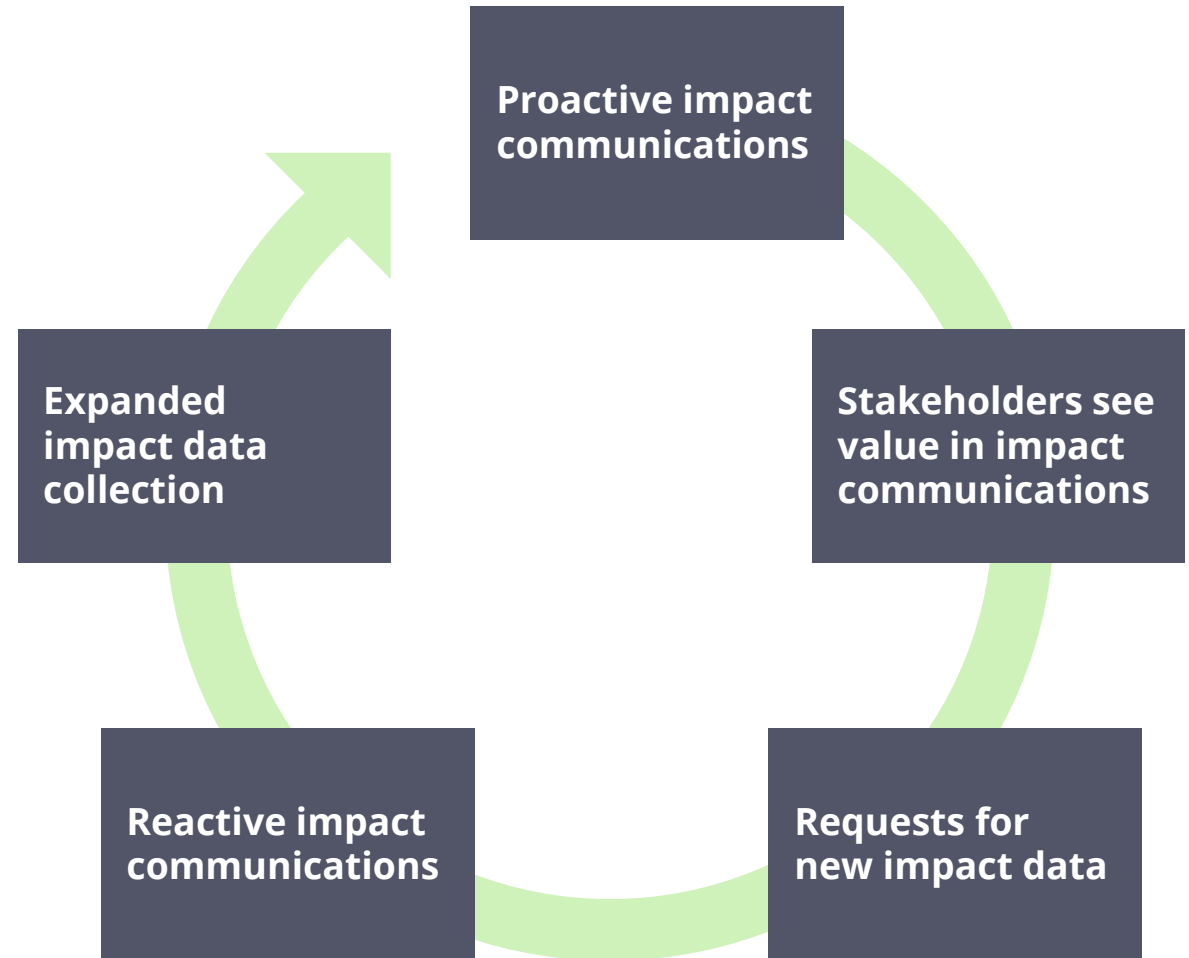
Determine audience and appropriate context, ensuring alignment across teams (CSR, legal, comms, leadership).

4

Distribute impact data (and stories!) internally and externally.

A Good Problem to Have

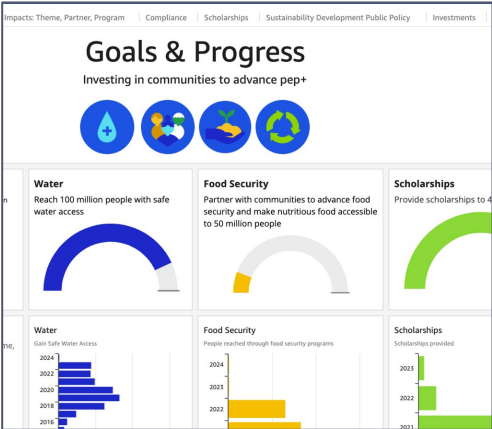
Once you share this new asset, more people will want to use it!



Once you know your impact, share your story.

Internal

Impact Dashboard



Board Presentation

2021 COMPANY WIDE IMPACTS
Impact measurement was applied to over \$7.2M of strategic community investments (Sem)

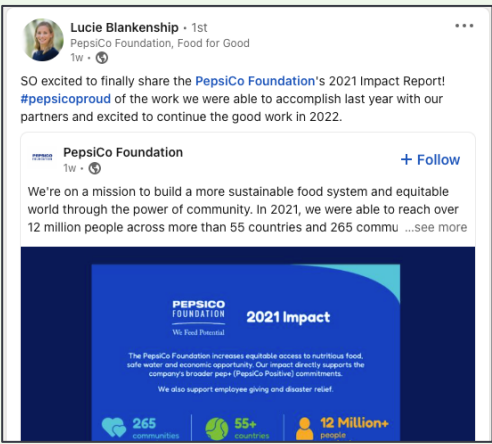
	GIVING PRIORITY	FOCUS AREAS	SELECT HIGHLIGHTS – 2021 EXPECTE
COMP ANY	CLIMATE ACTION	Clean air, climate resiliency and environmental education	<ul style="list-style-type: none"> -360,000 environmental successes reported Over 300,000 acres of land protected/restored Over 5,200 environmental leaders created 20,000+ plants and 1,200 trees planted Over 50,000 metric tons of CO2 reduced, e miles driven by an average passenger vehi
COMP ANY	DIVERSITY & INCLUSION	Equitable systems and opportunities for people of color and underserved communities	<ul style="list-style-type: none"> -50,000 DEI&I individual successes reported Nearly 35,000 underserved individuals with Over 6,000 diverse and underserved stude Over 4,000 low-income girls strengthening Over 600 BIPOC and underserved individ Over 3,000 underserved individuals earning
COMP ANY	ECONOMIC PROSPERITY	Careers, workforce development and business success	<ul style="list-style-type: none"> -5,600 individual economic prosperity succe Over 1,200 jobs created Nearly 140 businesses saved or created Nearly 3,500 individuals attaining or improv Over 500 people with improved financial we
FOUN DATIO N	ENERGY ACCESS	Access to clean fuels and technologies for those in need	<ul style="list-style-type: none"> -24 million environmental & financial succe 230,000 people assisted with food, water as -10,000 individuals with improved health as 5.5 million kilowatt hours of renewable electe emissions that would result from 9.8 million -2,500 metric tons of CO₂ emissions avoide passenger vehicle* -10M lbs. of pollutants or toxic compounds -\$1.1M in total savings for those who are u

Internal Newsletter



External

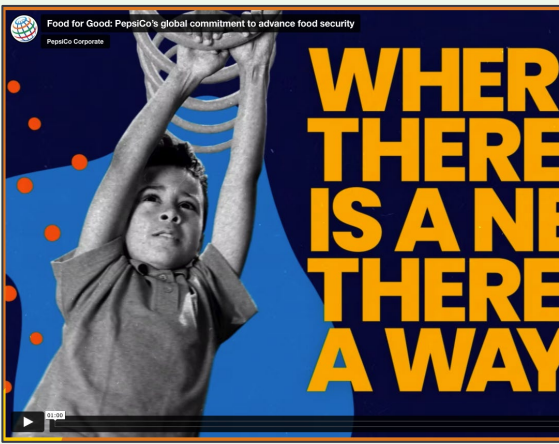
Social Media



Sustainability Report



PR/News



Goal: Get Ahead of These Questions



From: Foundation President

Which intervention strategies will **best deliver on our goals?**



From: @SkepticalPerson291

You say that you support DEI but how are **you actually supporting local BIPOC communities?**



From: Board Chair

We've spent millions on different charitable initiatives. **How are we catalyzing beyond our own funding?**



From: CEO

Can we trust that our **impact data will stand up to public scrutiny?**



From: Yourself

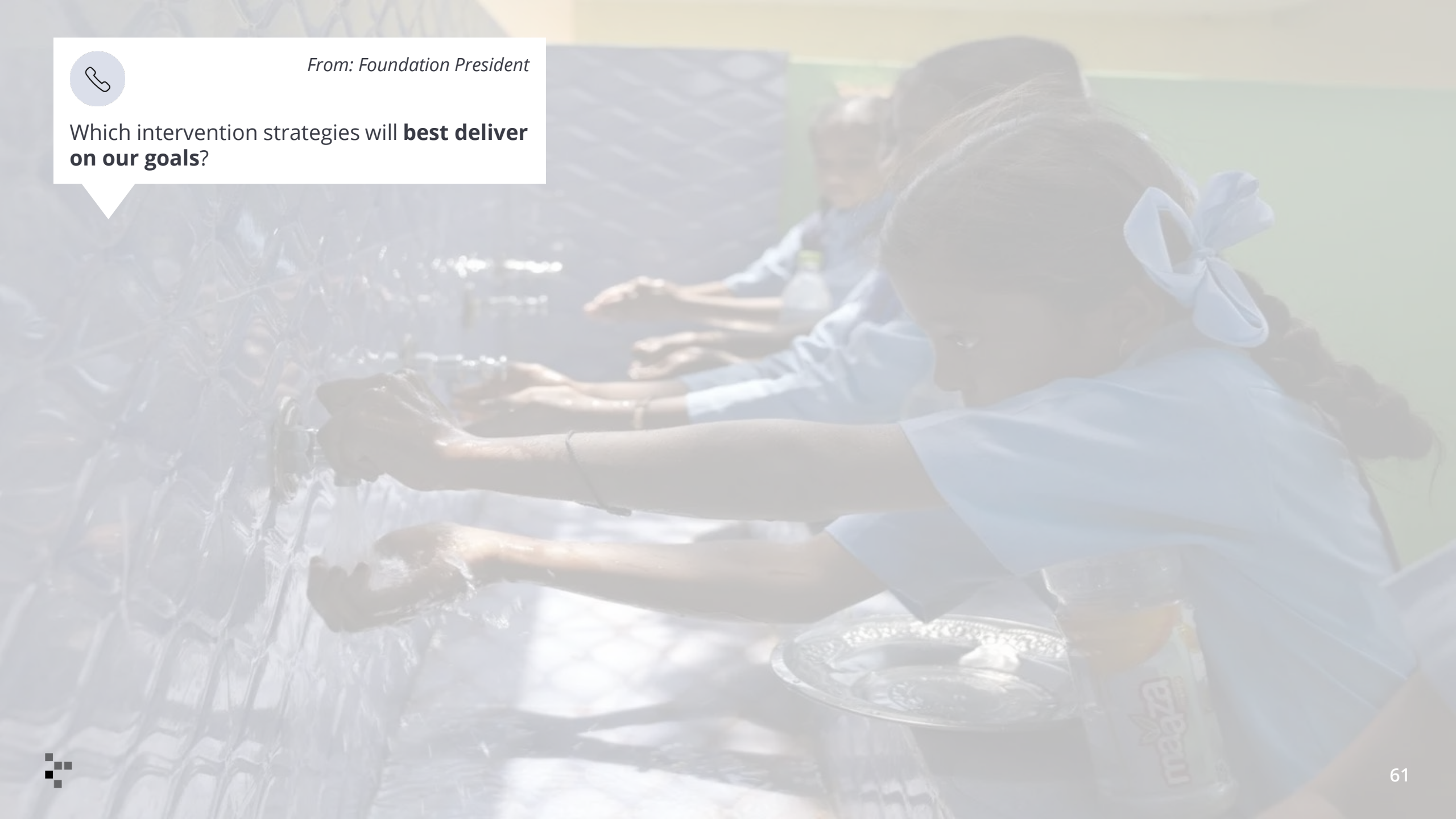
Are we really **moving the needle** on these causes we care so much about?





From: Foundation President

Which intervention strategies will **best deliver on our goals?**



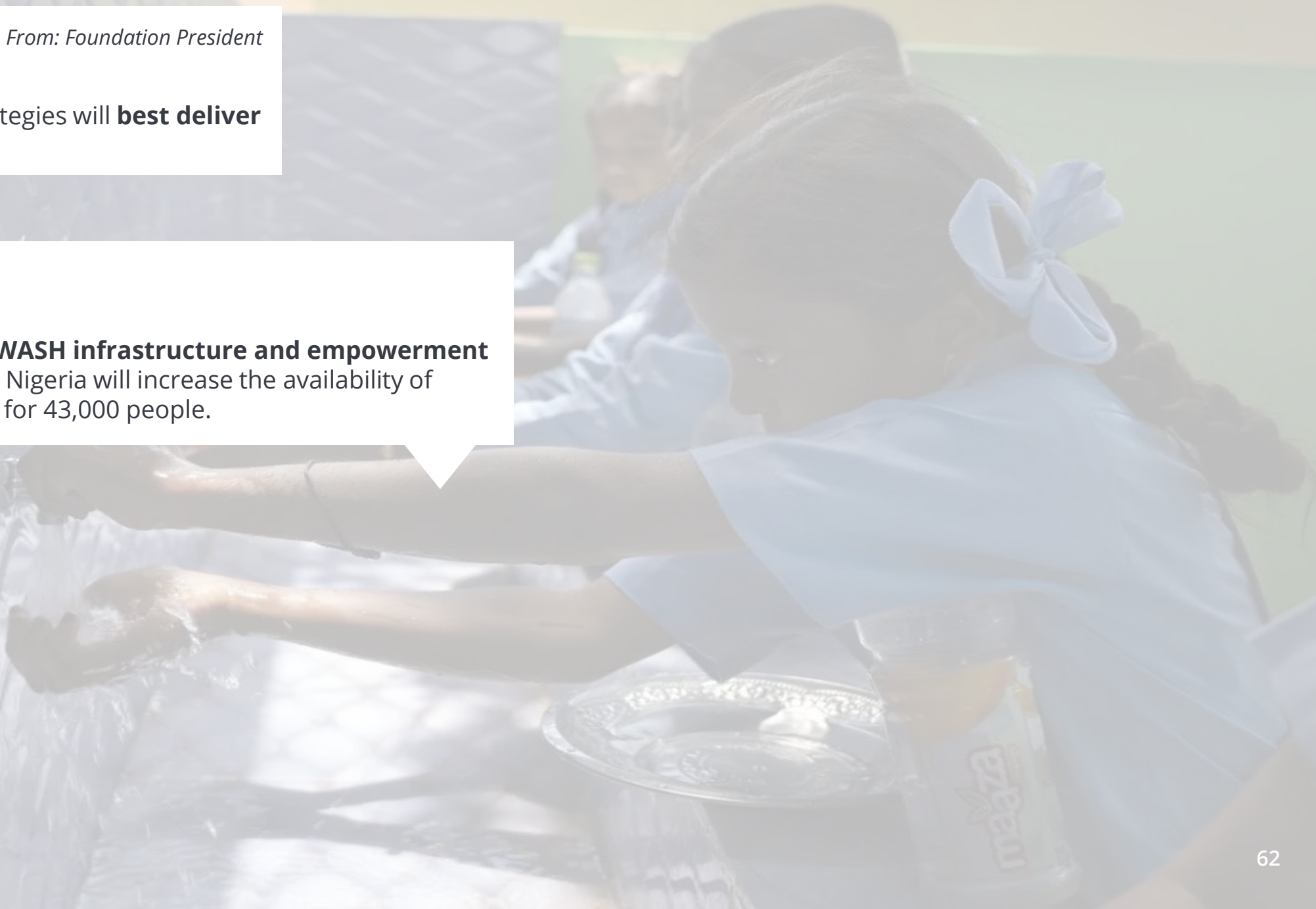


From: Foundation President

Which intervention strategies will **best deliver on our goals?**



WaterAid's **WASH infrastructure and empowerment program** in Nigeria will increase the availability of clean water for 43,000 people.





From: @SkepticalPerson291

You say that you support DEI but how are **you** actually supporting local BIPOC communities?





From: @SkepticalPerson291

You say that you support DEI but how are **you actually supporting local BIPOC communities?**



As part of PepsiCo's \$570+ million, 5-year commitment to uplift Black + Hispanic people, businesses + communities, we created the #PepsiCoFoundation Community College program to train **4,000 scholars.**

PEPSICO

Beyond financial aid, the program also provides:

- Professional Development
- Mentorship
- Wraparound Services

0:13 308 views

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From: Board Chair

We've spent millions on different charitable initiatives. **How are we catalyzing beyond our own funding?**





From: Board Chair

We've spent millions on different charitable initiatives. **How are we catalyzing beyond our own funding?**



Through our catalytic investment strategy, **for every \$1 we invested, \$2 was generated** from other funders.





From: CEO

Can we trust that our **impact data will stand up to public scrutiny?**





From: CEO

Can we trust that our **impact data will stand up to public scrutiny?**



Yes, we have high degree of confidence in our data because **all reports are reviewed by experts with transparent data sources.**

Data Governance Review Process





From: Yourself

Are we really **moving the needle** on these causes we care so much about?





From: Yourself

Are we really **moving the needle** on these causes we care so much about?



Yes we are!

We've helped more than 68 million people gain access to safe water through distribution, purification and conservation programs – putting PepsiCo and the PepsiCo Foundation two-thirds of the way to our goal of providing access to safe water for 100 million people by 2030.



Want to learn how impact measurement can prove and improve your results?

Join us for free, one-on-one impact measurement office hours.

www.trueimpact.com/officehours



Thank You!



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Sadie Miller

smiller@trueimpact.com

 trueimpact.com

Additional Resources

[The Governance and Management of Corporate Citizenship & Philanthropy](#)

A series of reports from The Conference Board addresses the evolving role, relationships, and governance of the corporate citizenship function. The Overview provides a top-line summary of key highlights. Part 1 addresses the role(s) of corporate citizenship functions, where corporate citizenship sits in organizations, and the relationship between corporate citizenship and other key functions. Part 2 addresses ways companies can enhance decision-making with respect to corporate citizenship strategy, including the roles of management-level steering committees, the CEO, and the board of directors. Part 3 provides a framework for addressing the persistent question of whether companies should maintain a foundation.

[Toward Stakeholder Capitalism: What the Shift Means for CEOs and the C-suite](#)

Nearly 90 percent of C-suite executives surveyed worldwide believe the shift from primarily serving stockholders to serving a broader group of stakeholders is underway, and almost 80 percent say the shift is occurring at their firm. This is according to a new report from The Conference Board that discusses what the shift to stakeholder capitalism means in practice, for CEOs and the C-suite, including Chief Financial Officers, Chief HR Officers, Chief Legal Officers, Chief Marketing Officers, Chief Government Relations Officers, and Chief Communications Officers.

[How Companies Can Make an Enduring Difference in American Cities](#)

The Conference Board ESG Center's Corporate Social Responsibility Council toured four US cities to listen to local corporate, university, nonprofit, government, law enforcement, faith-based, and community leaders' candid perspectives on social problems their communities are facing and suggestions for how to address them. Through recounting the Council's journey, this report relates a new approach to corporate citizenship and philanthropy, one that can help companies more effectively partner with community stakeholders to run programs that address social problems in cities that result in sustained positive outcomes in people's lives.





Corporate Citizenship & Philanthropy

A blog series & newsletter brought to you by The Conference Board Environmental, Social and Governance Center

The Conference Board Corporate Citizenship & Philanthropy blog & newsletter provides compelling insights and information in corporate citizenship, philanthropy, and social impact as well as a forum for an ongoing conversation with our members interested in making a difference in society.

Subscribe at

<https://www.conference-board.org/us/blog/corporate-citizenship-philanthropy>



CORPORATE CITIZENSHIP & PHILANTHROPY TOOLBOX

VIRTUAL EVENT
November 2 – 3, 2022

This event is Complimentary for The Conference Board members.
Register now at www.conference-board.org/philanthropy

