

ANNEX: Proposed Sustainable Philanthropy Framework

Overview

With social needs becoming increasingly complex, there is a need for the public, private and people sectors to come together to strengthen our ecosystem of support for individuals and families. There has also been a growing interest for businesses to take a strategic approach in their corporate social responsibility efforts, shifting from ad-hoc giving towards achieving sustained impact and tangible outcomes.

To that end, the **Sustainable Philanthropy Framework** was developed to articulate the “S” in ESG (Environment, Social and Governance) goals for businesses. Initiated by the National Council of Social Service, and in partnership with the National Volunteer and Philanthropy Centre (NVPC), the Framework was developed in collaboration with partners like the Singapore Centre for Social Enterprise (raiSE), Ministry of Social and Family Development (MSF) and the SG Cares Office, to better articulate and strengthen the Society impact area of NVPC’s Corporate Purpose Framework.

Primary and secondary research have been undertaken in the development of a beta version of the Framework and Metrics. These include identifying critical and emerging needs vis-a-vis existing resources and efforts resulting in five areas being identified as opportunities where businesses can make most impact. Reference to ESG disclosure standards was made to identify common principles in designing the Framework. In addition, impact databases were screened to identify locally relevant metrics.

There were also extensive engagements of various stakeholders, including local corporates, foundations, family offices, social service agencies, small and medium enterprises, multi-national corporations, social enterprises and public agencies, to better understand businesses’ aspirations towards corporate philanthropy, how they could contribute, challenges they faced and their best practices, etc. These insights were incorporated and further validated through focus group discussions.

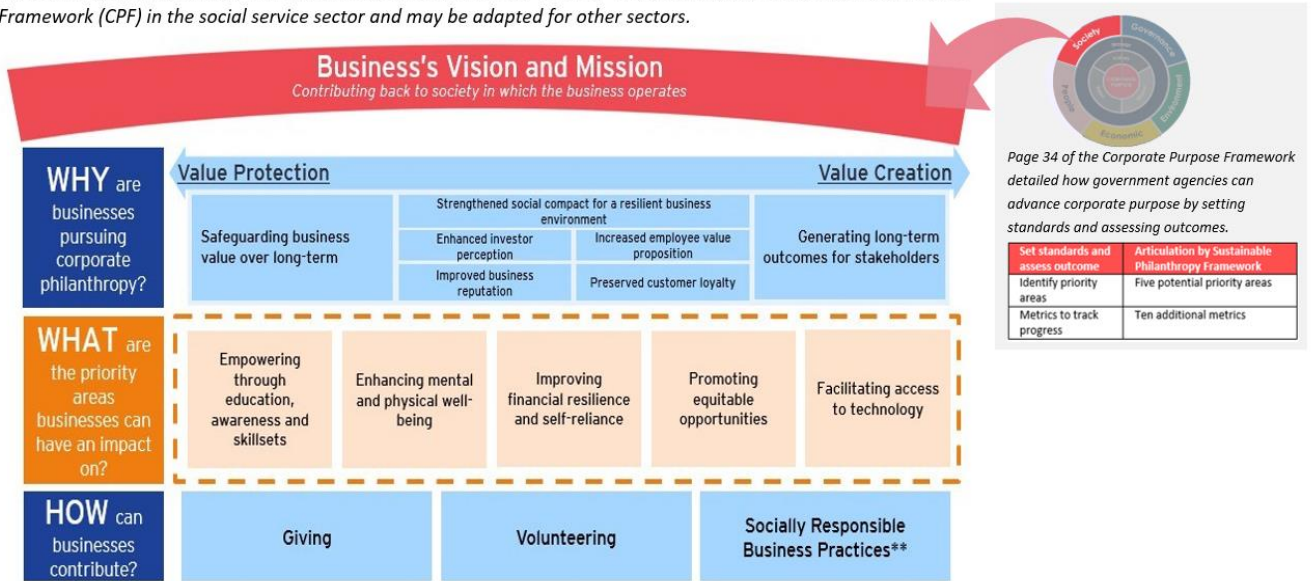
The Framework details three ways on how businesses can contribute, i) **giving**, to ascertain businesses’ financial commitment and impact towards philanthropic efforts, ii) **volunteering**, to help businesses measure overall engagement of employee volunteerism with the aim of deepening their commitment and contribution to the community, and iii) **socially responsible business practices**, to encourage businesses to go beyond profit maximisation and play a larger role in the society to drive positive impact on the ecosystem.

The Framework will also comprise a set of ‘core’ and ‘expanded’ metrics, designed to drive adoption across different stages of philanthropic expression, guide businesses towards sustained philanthropic practices, while considering ease of implementation and meaningful measurable impact.

Page 2 details the key building blocks of the Sustainable Philanthropy Framework, while pages 3 and 4 list the metrics businesses can use to measure and monitor their philanthropic efforts. Glossary of the terms used in the Framework can be found on page 5.

The Sustainable Philanthropy Framework

The Sustainable Philanthropy Framework helps to articulate the “Society” Impact Area of NVPC’s Corporate Purpose Framework (CPF) in the social service sector and may be adapted for other sectors.



**Definition of Socially Responsible Business Practices: Strategies, decision and actions taken by businesses to manage their operations in a way that contributes positively to society, contextualised to Singapore, e.g., inclusive hiring of persons with disabilities, social procurement and inclusive practices

Businesses can begin their sustainable philanthropy journey by adopting the Framework and aligning their philanthropic efforts to their core business **vision and mission**. Being able to quantify and report social impact in turn will spur value creation, reinforcing the fact that businesses can do good and well at the same time. Besides driving social impact, they will yield **positive business outcomes**, such as enhanced investor perception, increased employee value proposition, improved business reputation and preserved customer loyalty.

To illustrate how to apply the WHAT and HOW in the Framework, let us consider as an example a business keen to support the first impact area of **Empowering through education, awareness and skillsets**. There are many ways this business can contribute to the impact area: it can donate (**Giving**) towards social service agencies who help at-risk youths or ex-offenders to develop their skillsets; it can rally its employees and tap on their expertise to mentor these youths or share skills with them through workshops (**Volunteering**). The business can also choose to engage the services of these youths or employ the ex-offenders with the relevant skills (**Socially responsible business practices**). Through these actions, the business has contributed towards the empowerment of and uplifting the skills of vulnerable communities and enhanced their social mobility.

Metrics

A list of metrics has been designed to help businesses measure and report their contributions to the social service sector and promote a mindset shift towards a sustained philanthropic culture. There are **two main types of metrics: (1) Core Metrics and (2) Expanded Metrics.**

1. **Core Metrics:** These three core metrics are broadly applicable to all businesses, regardless of maturity in their philanthropic efforts, and adopting them will enable businesses to be more intentional and holistic in their philanthropic journey.

Topic	S/N	Core Metrics	Unit	Description
Giving	A	Total donation amount in dollar value (\$) / equivalent dollar value (\$)	Dollar (\$)	Total donation amount in dollar value (\$) / equivalent dollar value (\$) during the reporting period. Equivalent dollar value (\$) refers to in-kind donations, which refer to giving through goods, services and assets.
Volunteering	B	Number of volunteer hours in the year	Hours (h)	Total number of volunteer hours as at end of the reporting period.
Socially Responsible Business Practices	C	List down the socially responsible business-related practices and commitments your business has implemented (e.g., inclusive hiring of persons with disabilities) <ul style="list-style-type: none"> • ADDITIONAL COMMENTS: <If inclusive hiring of persons with disabilities is listed> Number of persons with disabilities hired 	List Number (#)	List of practices ¹ and/or commitments ² regarding socially responsible business practices as at end of the reporting period. ¹ Socially Responsible Business Practices may include initiatives or interventions that contribute positively to society, such as inclusive hiring of persons with disabilities, social procurement and diversity (e.g., initiatives around social inclusion, equity, inclusivity (DEI) practices. This could also include value chain stakeholders (e.g., customers, suppliers). ² Commitments may refer to statements, approaches, frameworks, policies and/or others. Definition of disability for businesses: https://www.sgenable.sg/about-us/our-impact/disability-in-singapore

2. **Expanded Metrics:** These seven expanded metrics encourage businesses to shift towards adopting a more sustained and longer-term approach in corporate philanthropy, which will in turn, establish shared value and give businesses the confidence to do more or differently as leaders in the space over time.

Topic	S/N	Expanded Metrics	Unit	Description
Giving	A.1	% of dollar value (\$) as a component of total revenue / profit	Percentage (%)	Dollar value (i.e., numerator) refers to the total donation amount. The denominator may refer to the business' revenue or profit.
Volunteering	B.1	Total number / percentage (%) of employees that participated in volunteering / giving programmes	Number (#) / Percentage (%)	Employee participation in the volunteering / giving programmes by the business. This could also include programmes that are delivered and managed by third parties. An employee is an individual who is in an employment relationship with the business according to national law. Employees may refer to existing, full-time, part-time, or contract staff within the business.
	B.2	Breakdown of total volunteering hours by skills-based volunteering and service-based volunteering	Hours (h)	Service-based volunteering refers to volunteers who serve directly with beneficiaries in-programmes with professionals/practitioners for direct impact on a regular and timely basis (Source: NCCS). Skills-based volunteering refers to volunteers that use their specialised or professional skills to support a non-profit organisation, often to expand its organisational capability (Source: NCCS Skills-based Volunteerism Toolkit).
	B.3	Does your business have any sustained volunteering commitments or practices? <ul style="list-style-type: none">• ADDITIONAL COMMENTS: <If YES is selected> List down your sustained volunteering commitments or practices	Binary (Y/N) List	List of all sustained volunteering commitments or practices to social service partner with a description on the involvement of volunteers (e.g., frequency, activities).
Socially Responsible Business Practices	C.1	Number of diverse and inclusive suppliers incorporated as part of a business's procurement network	Number (#)	Diverse and inclusive suppliers may be categorised as social enterprises, charities, disability-owned businesses, and local small and medium enterprises.
General (across 3 modes of philanthropy)	D.1	Number of beneficiaries impacted as a result of a business's sustainable philanthropy	Number (#)	Impact may be understood as experiencing a positive change. Sustainable philanthropy refers to giving, volunteering and socially responsible business practices.
	D.2	% change in beneficiaries' condition	Percentage (%)	% change in beneficiaries' condition may include % improvement in beneficiaries' quality of life, % increase in capabilities, % improvement in digital literacy, etc.

Glossary

This glossary provides definitions for the terms used in the Framework.

Beneficiaries	Individuals, groups, or organisations that benefit directly or indirectly from interventions. (Source: OECD)
Diverse and inclusive suppliers	Diverse suppliers: businesses that are at least 51% owned and operated by individuals who are part of traditionally marginalised or underrepresented groups. This includes, but is not limited to: <ol style="list-style-type: none"> 1. Women-owned businesses 2. Minority-owned businesses 3. Disability-owned businesses 4. Businesses owned by the elderly Inclusive Suppliers: Businesses that demonstrate a commitment to fostering an inclusive society as outlined under the Singapore government's SG Enable initiative. These businesses employ and provide reasonable accommodation for individuals from diverse backgrounds, primarily focusing on persons with disabilities and the elderly. They also promote diversity in leadership and decision-making roles, create an inclusive workplace culture, and provide goods or services that cater to diverse communities.
Event-based Volunteering	Event-based volunteering has been beneficial to social service agencies as a way for the service users to interact with others and for ad hoc manpower needs. (Source: NCSS)
In-kind Donations	Giving through goods, services and assets.
Service-based Volunteering	Service-based volunteering refers to volunteers who serve directly with beneficiaries in-programmes with professionals/practitioners for direct impact on a regular and timely basis. (Source: NCSS)
Skills-based Volunteering	Skills-based volunteering refers to volunteers that use their specialised or professional skills to support a non-profit organisation, often to expand its organisational capability. (Source: NCSS Skills-based Volunteerism Toolkit)
Social Compact	An implicit agreement between the Government and the people on the roles and responsibilities each plays, so that together we can shape the growth of society in both the present and the future. (Source: Ministry of Social and Family Development)
Socially Responsible Business Practices	May include initiatives or interventions that contribute positively to society, e.g., inclusive hiring of persons with disabilities, social procurement and diversity (e.g., initiatives around social inclusion, such as encouraging multiracial / multiculturalism), equity, inclusivity (DEI) practices. This could also include value chain stakeholders (e.g., customers, suppliers).
Sustainable Philanthropy	Sustainable Philanthropy is a long-term journey that businesses embark on to drive impact and strengthen Singapore's social compact.
Value Creation	The process of generating tangible and intangible outcomes and impacts for stakeholders over the long term. Categories of value can include financial, human, consumer and societal values. (Source: EPIC report)
Value Protection	The physical and financial protection of tangible and intangible value by companies themselves, or by a third party in the long term. It can be helpful to also interpret from a risk lens on protecting the business from material risks that are critical for the longevity of the business model and for improving the quality of earnings. (Source: EPIC report)