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Corporate – Non-Profit Partnerships Barometer 2024

15 years

Plus, Learnings & Best Practices from 15 years of the Barometer

New EU Corporate Sustainability Reporting Directive poised to impact cross-sector partnering – divergent expectations between corporate and non-profits

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Evolution, not revolution, in use of AI in partnerships

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Multilateral partnership between Tesco, Cancer Research UK, British Heart Foundation, Diabetes UK is the most admired

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Introduction

Welcome to the 2024 edition of the C&E Corporate – Non- Profit Partnerships Barometer; the 15th in our unique annual series of practitioner-led studies.

The 2024 Barometer edition draws on the experience of 122 leading companies and non-profits who completed our confidential annual survey during July. The survey was supplemented by discussions and interviews with corporate and non-profit practitioners to provide qualitative insights.

The Barometer series offers continuing insight into the ways in which the corporate-non- profit partnering landscape is evolving. Each year's findings build on previous years' data to deepen understanding of drivers, changing practices and likely future developments in cross-sector partnering and its growing impact on society.

We know that cross-sector partnerships are influenced by the prevailing external context. Macro issues over the last year have included the continuing cost-of-living pressures; wars in Ukraine, Israel-Gaza, and elsewhere; a record number of national elections in many countries, with associated uncertainties; changes in relevant regulation; rapid changes in technology, and the continuing rise of artificial intelligence (AI). In this edition we look at the implications of the EU Corporate Sustainability Reporting Directive (CSRD) and AI on cross-sector the cross-sector partnering agenda.

And in a first for the Barometer series, we've gone all-in on generative AI. This edition of the Barometer report has been co-written by AI (specifically, in collaboration with ChatGPT4o). We highlight the pros and cons of this fascinating and valuable experience in section 4 of this report. In addition to co-writing the main body of this report, we set AI the task of analysing all previous 14 editions of the Barometer report to highlight learnings, trends, and identify likely future trends. We'll leave you to judge how successfully AI completed the brief…But our view is that some powerful insights emerge!

As ever, we are grateful to all our respondents and contributors for sharing their unique and valuable perspectives and experiences. We hope this 2024 edition of the C&E Corporate-Non-Profit Partnerships Barometer helps to inform and enhance their and your understanding, investment decisions and practice.

As usual, we welcome your comments and suggestions via:
www.candeadvisory.com/barometer or admin@candeadvisory.com

Manny Amadi, MVO

CEO, C&E Advisory

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Headline findings

Why Partner?

Enhancing reputation and credibility remains the leading reason for corporates engaging in partnerships with non-profit organisations [NPOs] with a steady 89% citing it as their top motivator. This year, innovation (69%) has overtaken long-term stability and impact (67%), highlighting a shift in priorities. Interestingly, access to knowledge has seen a notable rise in importance, now cited by 67% of corporates - a significant 30% increase from the previous year.

For non-profits, access to funds continues to be the primary driver, with 93% identifying it as crucial, a slight increase from last year. Long-term stability (69%) and innovation (59%) also remain key motivators, though the importance of innovation has declined by 11%. Additionally, access to people and contacts (63%) and new markets (39%) are increasingly important considerations for non-profits.

Partnering Practice and Effectiveness

The trend towards deeper, problem-solving partnerships continues, with 57% of corporates and 45% of non-profits affirming their engagement in such collaborations. These partnerships are designed to address core mission-relevant issues in ways that create value for society. Encouragingly, an additional 35% of corporates and 32% of non-profits aspire to this level of engagement, though this marks a decrease of over 10% in efforts for both parties compared to last year. The need for a sufficiently enabling environment to support these partnerships has risen to 22% among NPOs.

Non-Profits: Holistic Environmental, Social, and Governance (ESG) Frameworks and Plans

This year's findings show significant improvement in the perception of non-profits' holistic ESG practices. Now, 61% of corporates and 66% of NPOs believe non-profits have comprehensive ESG frameworks in place. This represents a 19% increase among corporates from last year, with only 3% of corporates and 7% of non-profits disagreeing - a notable decline in dissent.

The Stars:

The Most Admired Corporate-Non-Profit Partnerships and Partners This year, the multilateral partnership between Tesco, Cancer Research UK, British Heart Foundation, and Diabetes UK emerged as the Most Admired, garnering 12.6% of votes. The partnership, initiated in 2018, has delivered health insights and interventions, raising over £25 million to improve the nation's health. The runner-up is the long-standing Boots UK–Macmillan Cancer Support partnership, highly regarded by 9.5% of respondents. Greene King–Macmillan Cancer Support and Network Rail–Samaritans follow closely, each with 7.4%.

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Headline findings

Special Topics:

The EU Corporate Sustainability Reporting Directive is set to enforce new due diligence requirements, seeking to enhance transparency and accountability on social and environmental issues. Both corporate and non-profit respondents agree on its likely impact, with 88% of non-profits and 85% of corporates anticipating significant changes in their strategic partnerships .

Whilst headline numbers suggest alignment between corporates and non-profits regarding expected changes, there is a notable difference in expectations between corporate partners and NPOs regarding impact assessment requirements under the new CSRD DD obligation, with 92% of non-profits expecting to have to provide specific metrics on sustainability and social outcomes, whereas corporate responses vary, with nearly 15% finding it unlikely, slightly over half considering it likely, and over 30% deeming it highly likely.

Companies are also generally hesitant to provide non-earmarked funding, with 48% finding it unlikely, while over 50% of non-profits expect it, indicating a significant disparity in expectations that needs addressing for better alignment.

Artificial Intelligence (AI) continues to dominate headlines, and this year's Barometer again explores its expected role in partnerships. Despite increases in likely future use of AI, on the whole, practitioners remain relatively sanguine about the importance of AI in cross-sector partnering. Just one third (33%) of practitioners expect to apply AI in their partnership activities in the coming year. For a clear majority (67%) use of AI appears not to be on the horizon in the next twelve months.

In terms of likely areas of application, AI is seen as playing an important role in partnership impact and reporting, (60%) and research (56%), although its overall impact remains limited.

Mid-Term Trends, Prospects, and Anticipated Developments in Partnerships

Cross-sector partnerships are predicted to grow in importance, with 84% of corporates and 85% of non-profits believing they will become more important over the next three years. Investment in these partnerships is also expected to rise, with 73% of corporates and 75% of non-profits planning to increase their commitment. Interestingly, while 33% of corporates foresee a significant increase in their investment, only 12% of non-profits share this view.

A Retrospective: Learnings from the Past 15 Years of the Barometer

Reflecting on 15 years of the Barometer, the landscape of corporate-non-profit partnerships has evolved significantly. An AI-led analysis of the previous 14 editions of the Barometer identified several important themes. These include shifts in the motivation and drivers for cross-sector partnering, as well as evolutions in the models for collaboration. Initially focused on reputation management and community investment, modern partnerships now emphasize strategic alignment and long-term impact. The integration of Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) criteria into business strategies has driven joint problem-solving partnerships that enhance both societal impact and corporate performance.

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Headline findings

A Retrospective

Looking Forward, Several trends are likely to shape the future of corporate-non-profit partnerships:

1. **Deeper ESG Integration:** Partnerships will increasingly embed social and environmental considerations into business strategies.

2. **Focus on Resilience and Sustainability:** Projects contributing to societal well-being and business sustainability will be prioritized.

3. **Multi-Stakeholder Collaborations:** Collaborations involving governments, businesses, and non-profits will grow, addressing complex global challenges.

4. **Increased Use of Technology:** AI and data analytics will play a more significant role in partnerships, improving impact measurement and transparency.

5. **Transparency and Accountability:** Open communication and regular updates will be essential for building trust and credibility in partnerships.

In Conclusion,

the 2024 edition of the **C&E Corporate – Non-Profit Partnerships Barometer** highlights the evolving motivations, practices, and future directions of these crucial collaborations, underscoring their growing importance in addressing societal challenges.

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Part 1:

Why companies and non-profits partner – and evolutions in partnering practice

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Why companies and non-profits partner – and evolutions in partnering practice

1.1 Why partner?

For corporates, reputation and credibility are the main motivators, whilst for non-profits access to funds, long-term stability and innovation are at the fore

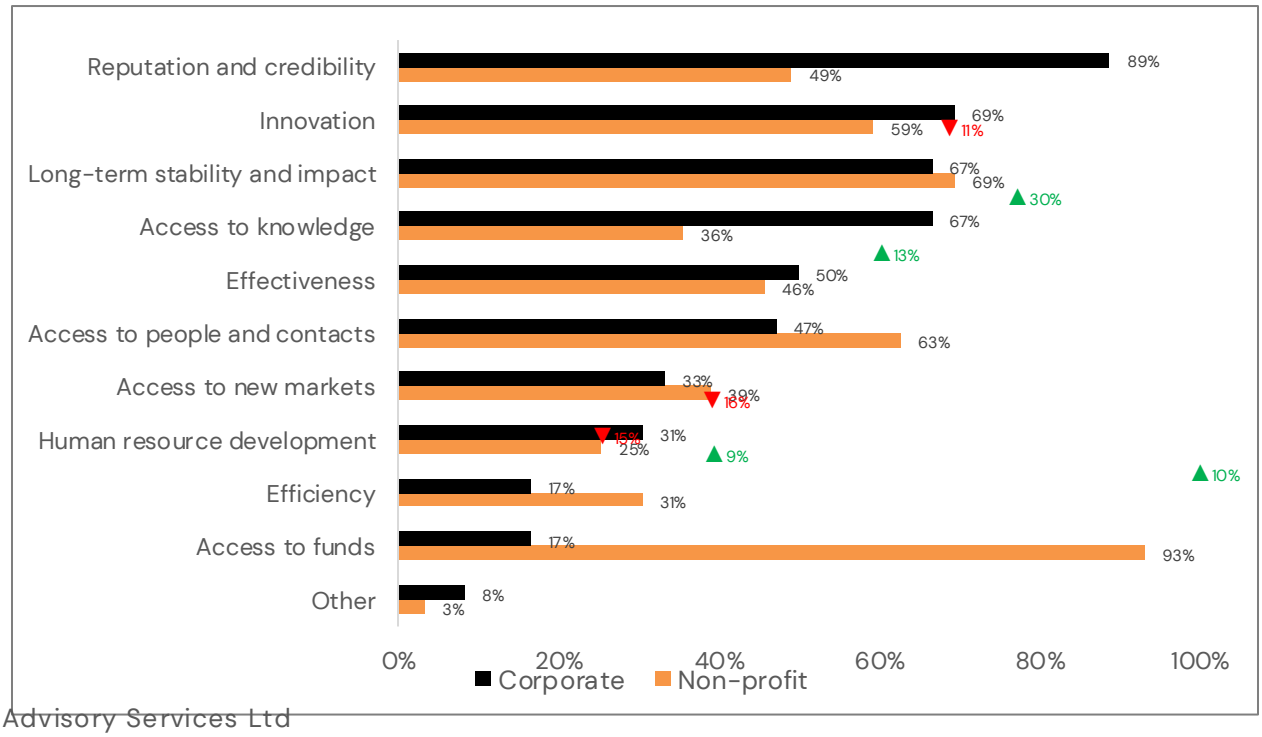
For corporates, enhancing reputation and credibility remains the foremost motivator for entering partnerships with NPOs, with 89% indicating its importance. Innovation, long-term stability and impact also continue to be significant, with figures at 69% and 67% respectively, with innovation overtaking 'long-term stability and impact' as the second most important motivation for partnerships. Access to knowledge has notably increased in importance, now valued by 67% of corporates, marking a substantial 30% rise.

On the other hand, non-profits prioritize access to funds as their primary motivator, with 93% considering it crucial, showing a 10% increase from last year (and within long-term norms in the ninety percentile). Long-term stability and innovation follow closely at 69% and 59% respectively, although innovation has declined in importance by 11% compared to previous year. Interestingly, access to people and contacts and access to new markets are also key factors for non-profits, with 63% and 39% respectively.

Overall, while the core motivations for partnerships remain consistent, shifts in specific areas highlight evolving priorities and the dynamic nature of corporate-non-profit collaborations.

Figure 1: Why companies and non-profits engage in partnerships with each other

"Why does your organisation engage in corporate-non-profit partnerships?"



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1.2 Partnering practice and effectiveness: depth and role

Over half all corporates and nearly half of non-profits engaged in deeper partnerships – whilst all others aspire to this position

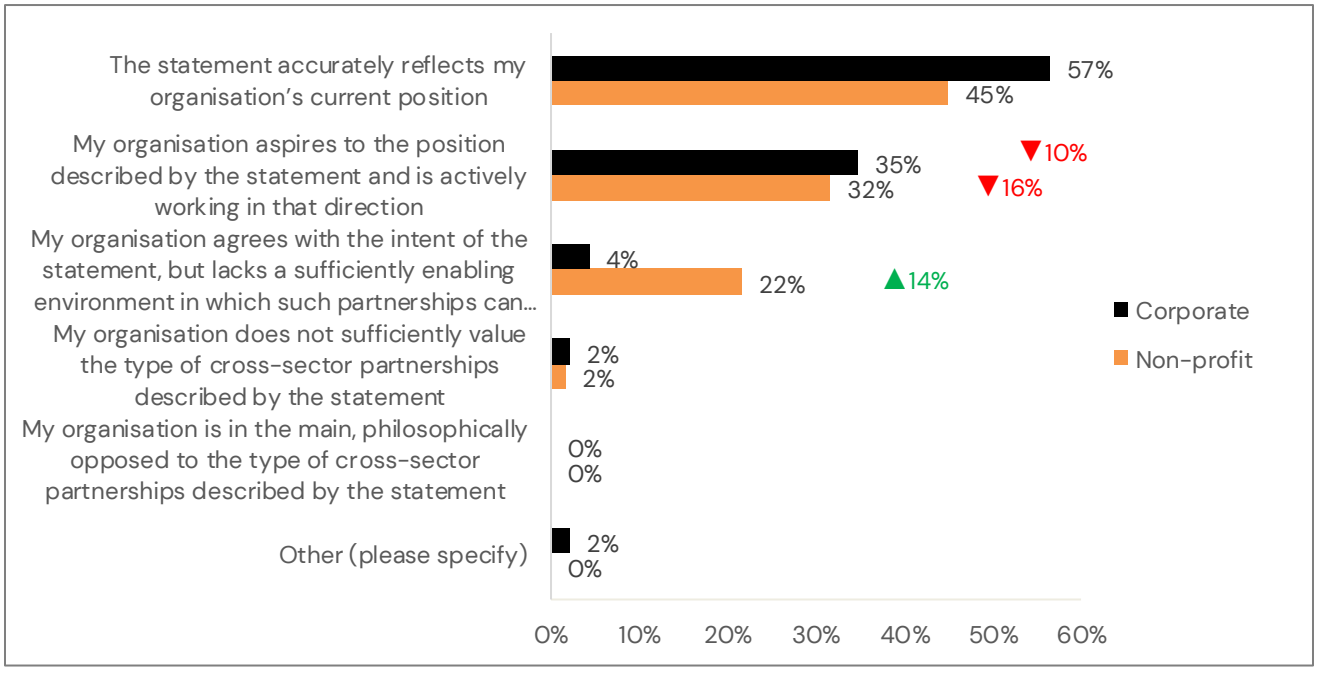
Previous Barometer reports have shown corporates and their non-profit partners increasingly engaged in deeper, problem-solving partnerships addressing core, mission-relevant issues. The 2024 data reflects this trend, with 57% of corporates and 45% of non-profits affirming that their current partnerships align with this deeper engagement, a slight increase from previous year.

Additionally, 35% of corporates and 32% of non-profits aspire to achieve this position, indicating ongoing efforts to enhance the depth and impact of their collaborations, although this marks an over 10% decrease in efforts for both partners.

The percentage of non-profits citing the need for a sufficiently enabling environment to support these partnerships has risen to 22 (a 14% increase on 2023). In discussion, non-profit partnering professionals point to a knowledge – action gap within their organisations. Executive leaders profess an understanding of the growing role that problem-solving partnerships with the corporate sector can play in addressing strategic challenges faced by non-profits but fail to drive through the changes (in e.g., culture, internal collaboration, processes, incentives, etc.) required to ensure success. There is clear frustration on this issue.

Figure 2: The extent of deeper, problem-solving partnerships addressing core, mission-relevant or purpose-led issues in ways that create value for society

"We are increasingly engaged in deeper, problem-solving partnerships designed to address core, mission-relevant or purpose-led issues in ways that create value for society, for ourselves and for our (corporate or non-profit) partners.' In light of the preceding statement, which of the following choices most accurately reflects your organisation's current position?"



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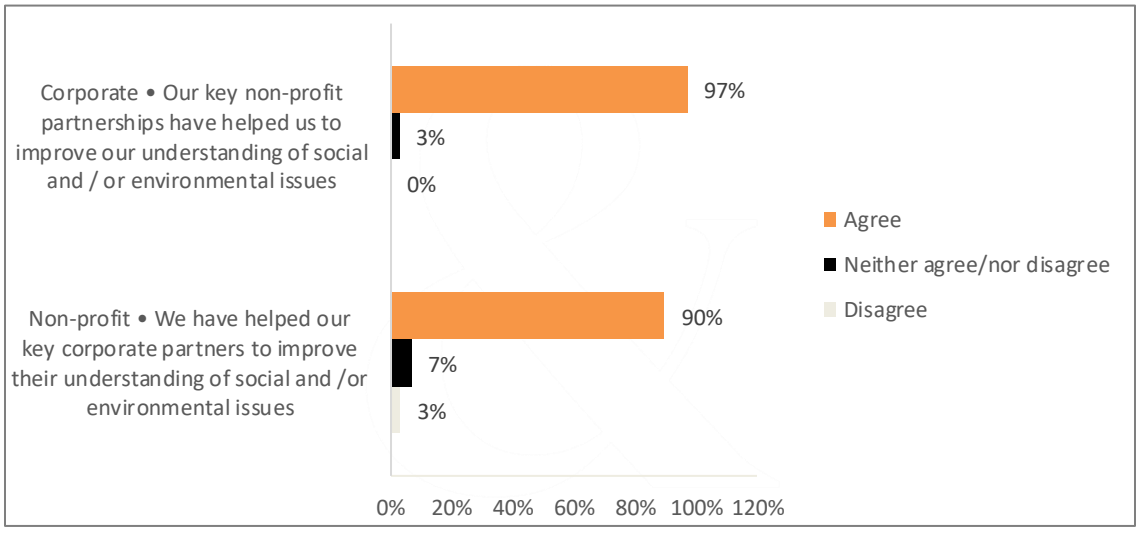
1.3 Enhancing business understanding of social and environmental issues – and changing business practices for the better

Partners are completely confident that they have helped improve business understanding of the issues

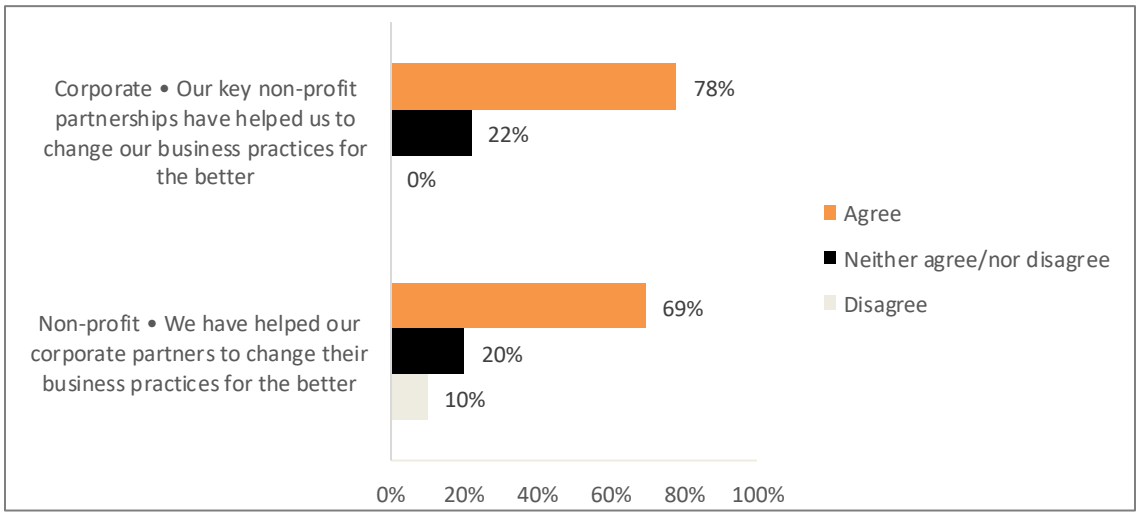
Practitioners remain nearly unanimous (97% of corporates and 90% of non-profits) in their belief that partnerships have helped deepen their understanding of societal and environmental issues.

Figure 3: Extent to which partners have helped each other understand the issues they're facing



Similarly, 78% of corporate respondents believe business practices have improved due to their engagement in cross-sector partnerships, compared with 69% of non-profits. This finding is a powerful indicator of the role that cross-sector partnerships can play.

Figure 4: Extent to which partnerships help change business practices for the better



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1.4 Non-profits: holistic Environmental, Social and Governance (ESG) frameworks and plans

Big improvements in non-profits' approach to holistic ESG engagement

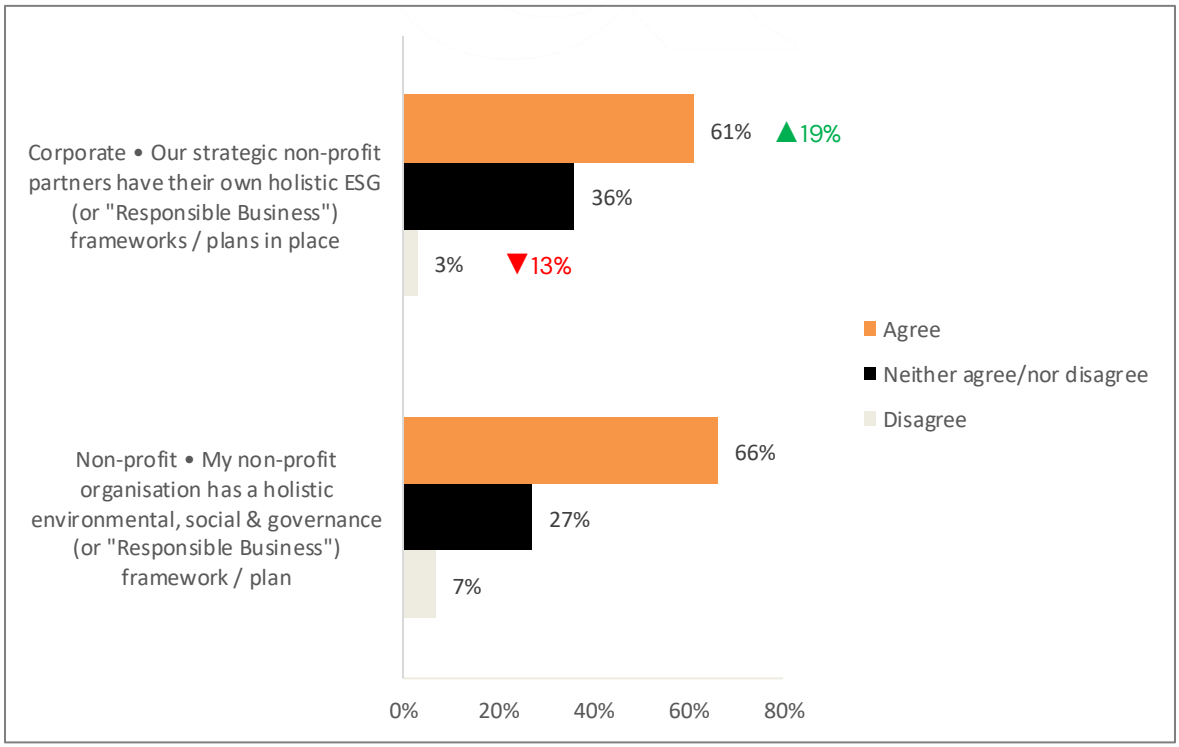
This year's Barometer aimed to establish whether non-profits have a holistic approach to their ESG practices and the extent to which their corporate partners perceive this to be the case.

Happily, this year's findings show marked improvement for the corporate partners. Now, 61% of corporates and 66% of non-profits believe non-profits have holistic ESG frameworks in place. This represents a significant increase, with 19% more corporates agreeing compared to last year. Only 3% of corporates and 7% of non-profits disagree, showing a notable 13% decline in dissent for corporate partners.

This improvement reflects a growing understanding that non-profits need to think and respond holistically in their responses to evolutions in the ESG agenda.

Figure 5: The extent to which non-profits have holistic ESG frameworks in place

"Does your non-profit organisation (or your non-profit partner organisation) have a holistic environmental, social & governance framework / plan in place?"



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1.5 The Stars: the most admired corporate-non-profit partnerships and partners

The multilateral Tesco, British Heart Foundation, Cancer Research UK, Diabetes UK partnership wins the "Most Admired" accolade; followed by Boots-Macmillan

Once again, in an entirely unprompted, confidential exercise, Barometer survey respondents drawn from UK and internationally leading companies and non-profits were asked which other partnerships they particularly admire and why that is.

For the second consecutive year, the Tesco, Diabetes UK, Cancer Research UK, and British Heart Foundation partnership takes the top spot securing 12.6% of the vote (versus a winning vote score of 7.2% last year). The runner-up is the highly regarded Boots UK–Macmillan Cancer Support partnership. The Greene King–Macmillan Cancer Support and Network Rail–Samaritans follow closely in joint third place.

Further explanation of the nature and scale of these popular partnerships is included below, along with comments from respondents which typify exactly why these partnerships and organisations are most admired by their peers.

Figure 6: The most admired corporate-non-profit partnerships

"Which other corporate-non-profit partnerships do you admire and why?"
[Respondents could list up to three, starting with their most admired partnership]

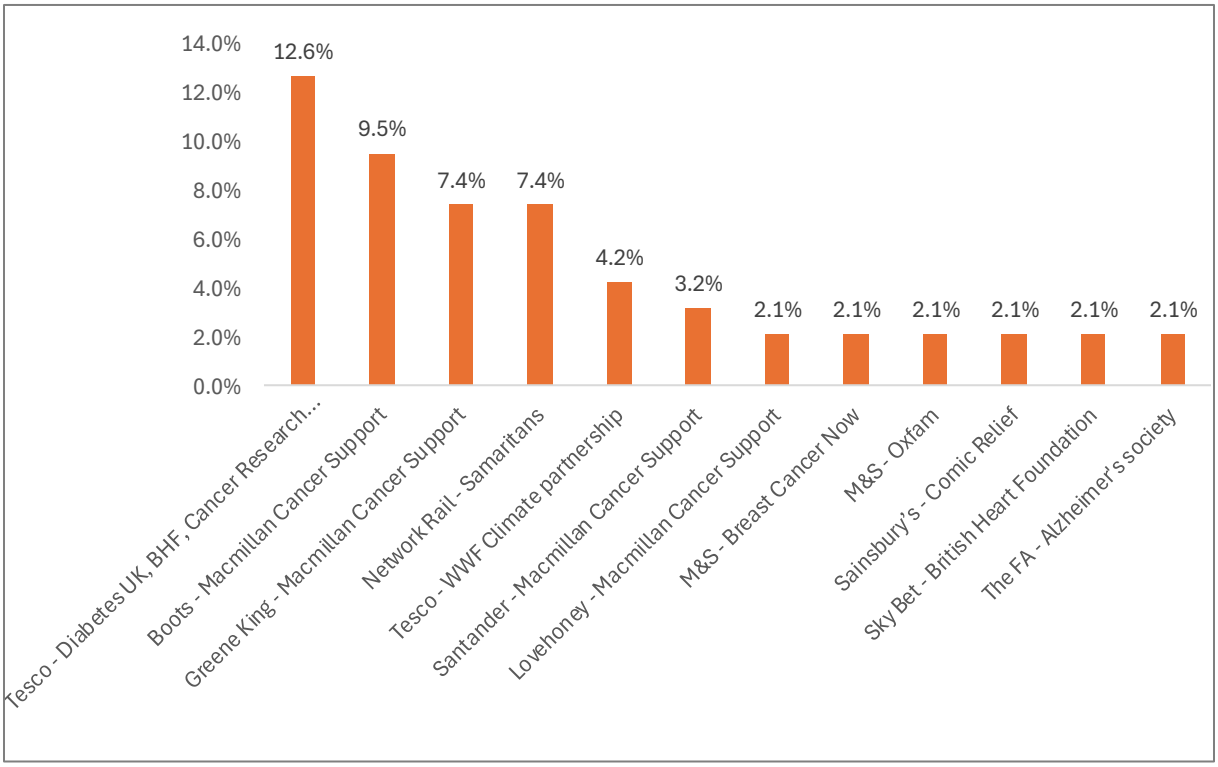

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Figure 7: Most Admired Partners, Corporates

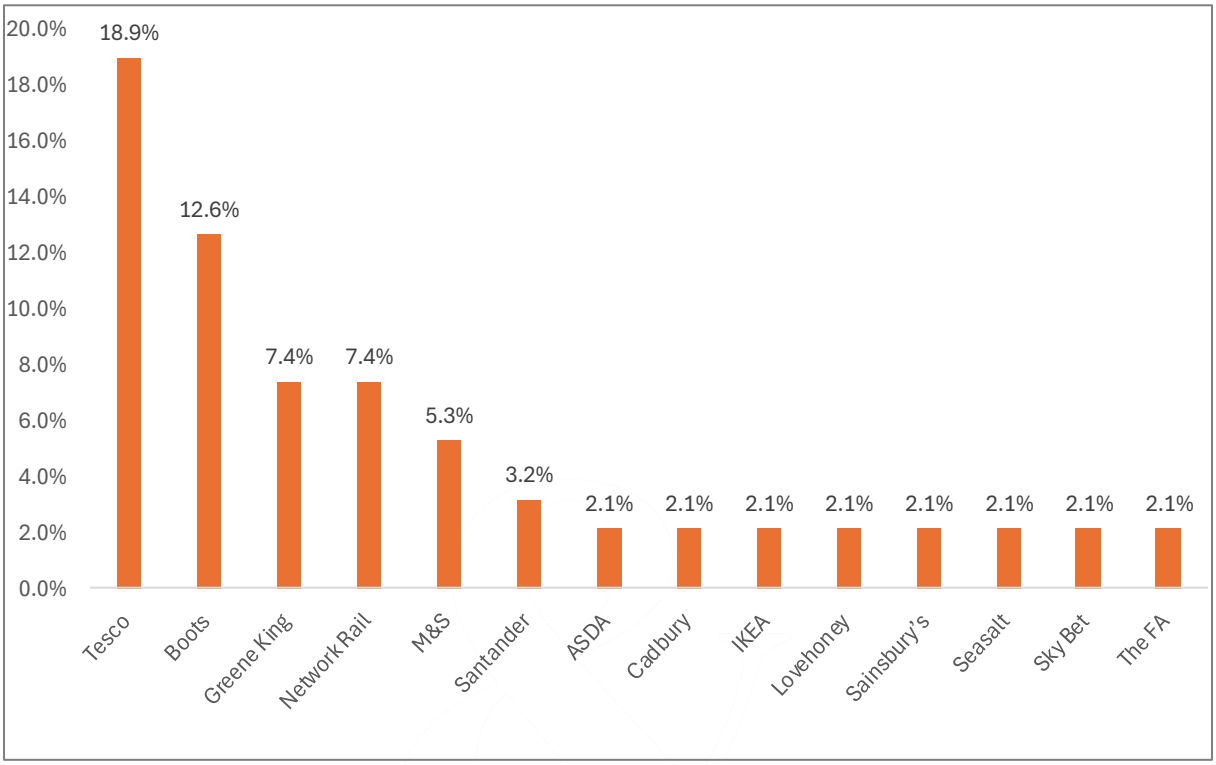
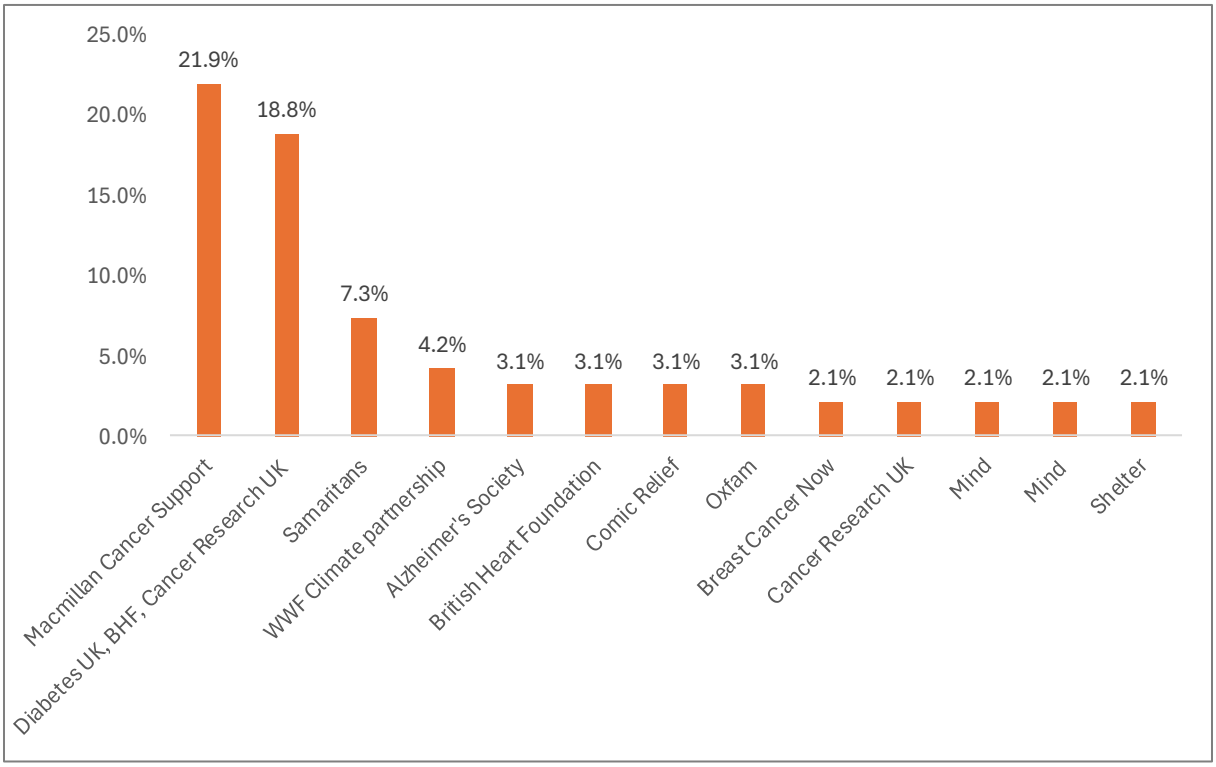


Figure 8: Most Admired Partners, Non-profits



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1 The Tesco – Cancer Research UK, British Heart Foundation, Diabetes UK Partnership

In 2018, Cancer Research UK, British Heart Foundation and Diabetes UK joined forces with Tesco in what they describe as a "one of a kind" health partnership called 'Helping you to live healthier'. Since then, it has delivered health insights and interventions and raised over £25m for the charities, all with the vision of improving the nation's health.

The partnership has engaged millions of customers and Tesco staff through various health initiatives and fundraising. Through its influence and reach, over the course of the partnership Tesco has been able to build health insight and trial and evaluate behaviour change activities, giving the partners a strong basis to drive forward their joint work together into the future.

In July 2022, the partnership launched the 'Let's Talk' pharmacy e-learning programme which delivers specialist training to Tesco pharmacists and pharmacy colleagues to support their conversations with the public on cancer, heart and circulatory diseases and diabetes. After completing the training, colleagues can wear a 'Let's Talk' badge which signals to the public that they can provide support for people to help lower their risk of these serious conditions through small changes to their day-to-day routine.

Over 300 Tesco pharmacies have completed the training to date, and the partnership hopes the easily accessible and convenient in-store locations will help more shoppers to have conversations about their health and receive support to make positive changes.

Comments made by practitioners about the Tesco, Cancer Research UK, British Heart Foundation, and Diabetes UK partnership included:

"The partnership strives to highlight three of the biggest killers in the UK and provides services to support Tesco customers and colleagues in preventing and managing their risks against heart and circulatory disease, cancer and type 2 diabetes.''

"This partnership has helped to deliver key health messages and actions to thousands of people across the UK"

"I think it's brilliant that such a large retailer has joined forces with three of the leading health charities to encourage people to make healthy choices - and that the three charities are all working towards different goals but are united in this partnership."

"It has a clear message about the role diets play in long term health.."

"Improving the health of the nation "

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2 The Boots UK – Macmillan Cancer Support Partnership

Boots and Macmillan first joined forces in 2009 to provide cancer support in communities. In the UK, approximately 3 million people are living with cancer, with someone receiving a diagnosis every 90 seconds. Together, Boots and Macmillan want to give everyone the cancer information and support they need. From diagnosis, through to treatment and beyond, the partners aim to offer advice and support.

Boots Macmillan Information Pharmacists and No7 Boots Macmillan Beauty Advisors are specially trained to support people living with or affected by cancer. From answering questions about medication, to providing support with managing visible effects of cancer & its treatment, their additional training means they can better understand people's needs.

In addition, Boots has worked with Macmillan and the NHS to launch a palliative care service, designed to provide ease of access to vital medicines, as well as specialist pharmacist advice and support.

Comments made by practitioners about the Boots-Macmillan partnership included:

"The partnership has been going for 15 years and has raised over £20m since then. As well as the financial aspects of the partnership it is creating huge impact for people living with cancer through their in-store roles.''

"A true partnership to impact lives. Far beyond money with in store advice and guidance, connection with specific boots products (like sun screen), and I am sure a lot more I don't know about.''

"The two feel ingrained in each other's DNA and purpose. They both have a similar missions and innovate what can be achieved when two companies join forces.

"Shared vision for health with different things to offer.''

3 The Network Rail – Samaritans Partnership

In 2010, Samaritans began working with Network Rail with the aim of preventing rail suicides and supporting those affected by them.

Since its inception, the partnership has trained over 32,000 rail staff in Samaritans' suicide prevention and trauma awareness courses, empowered course delegates to make potentially life-saving interventions and won more than 50 awards won in recognition of outstanding partnership and training work.

The Network rail – Samaritans teams also delivered the multi-award-winning campaign 'Small Talk Saves Lives' and increased engagement from train operating companies across England, Scotland and Wales year-on-year.

Comments made by practitioners about the Network Rail–Samaritans partnership included:

"Great fit and mission-focused partnership"

"Long-term partnership (2010) - charity closely linked to the issue, training rail staff on suicide prevention etc.'

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3 The Greene King– Macmillan Cancer Support Partnership

In 2023, In 2023 Greene King supported Macmillan with a new initiative with the aim of reaching people across diverse communities with poorer cancer outcomes, bringing the total raised since the partnership began to £14 million. In the first 4 months of 2023, the partnership raised £1 million to support Macmillan's Emergency Grants Appeal and bringing the fundraising total to an outstanding £15 million.

The money raised currently funds Macmillan professionals and nurses, supporting people with emotional, medical and practical support to people living with cancer in the UK.

Team members in its 1,600 pubs across the country host a wide range of fundraising events such as quiz nights, brave the shaves, coffee mornings and collections, as well as menu donations, which have all been generously supported by its customers.

Comments made by practitioners about the Greene King–Macmillan Cancer Support partnership included:

"It is a long-standing partnership, with Greene King truly taking the charity to the heart of everything they do."

"Clearly planned campaign calendar which helps colleagues and customers get involved. Strong brand alignment and awareness.

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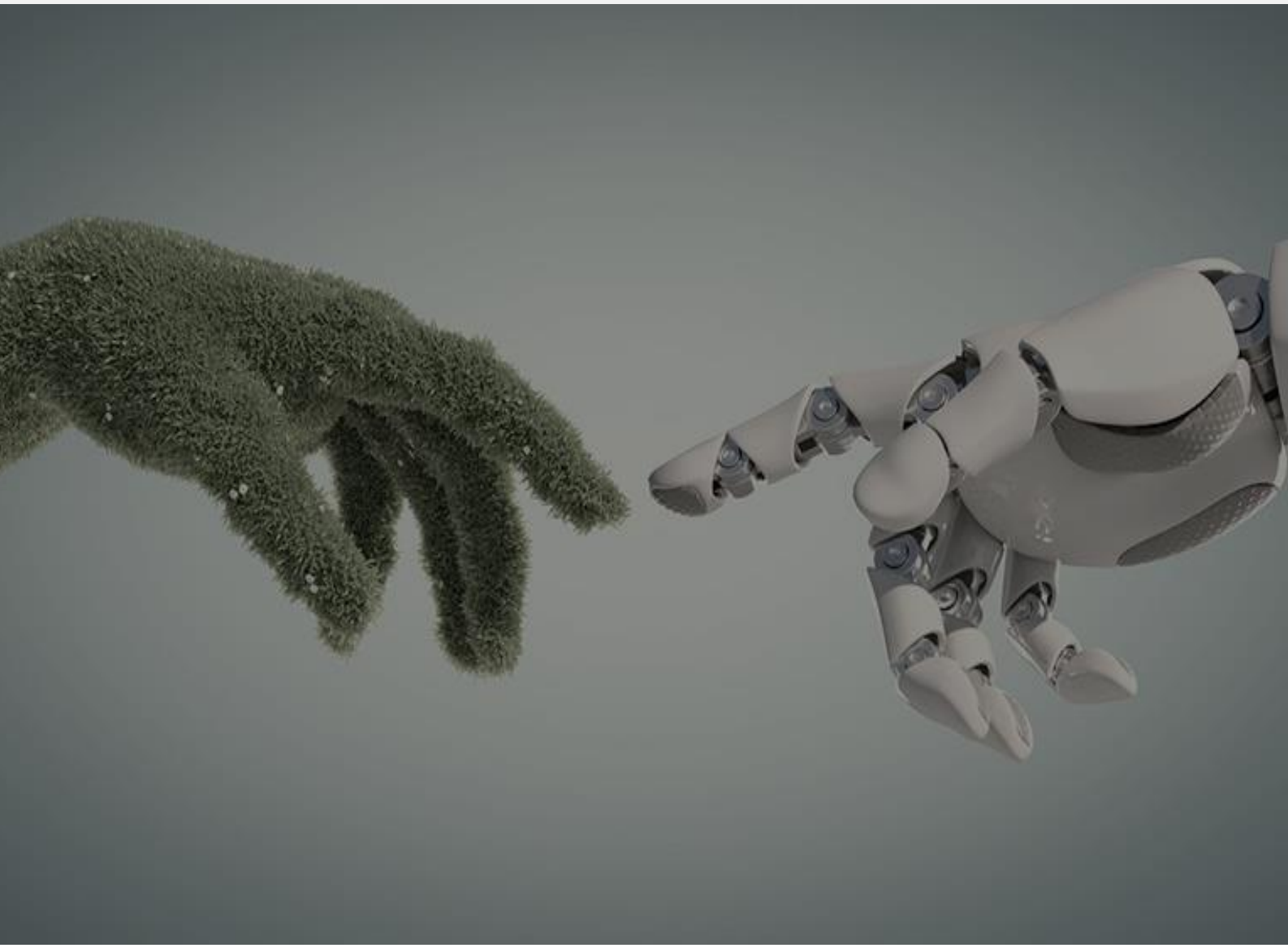
Part 2:

Special Topics



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Special Topics

2.1 The EU Corporate Sustainability Reporting Directive enters into force

The new EU Directive is poised to reinforce reporting requirements on social and environmental issues

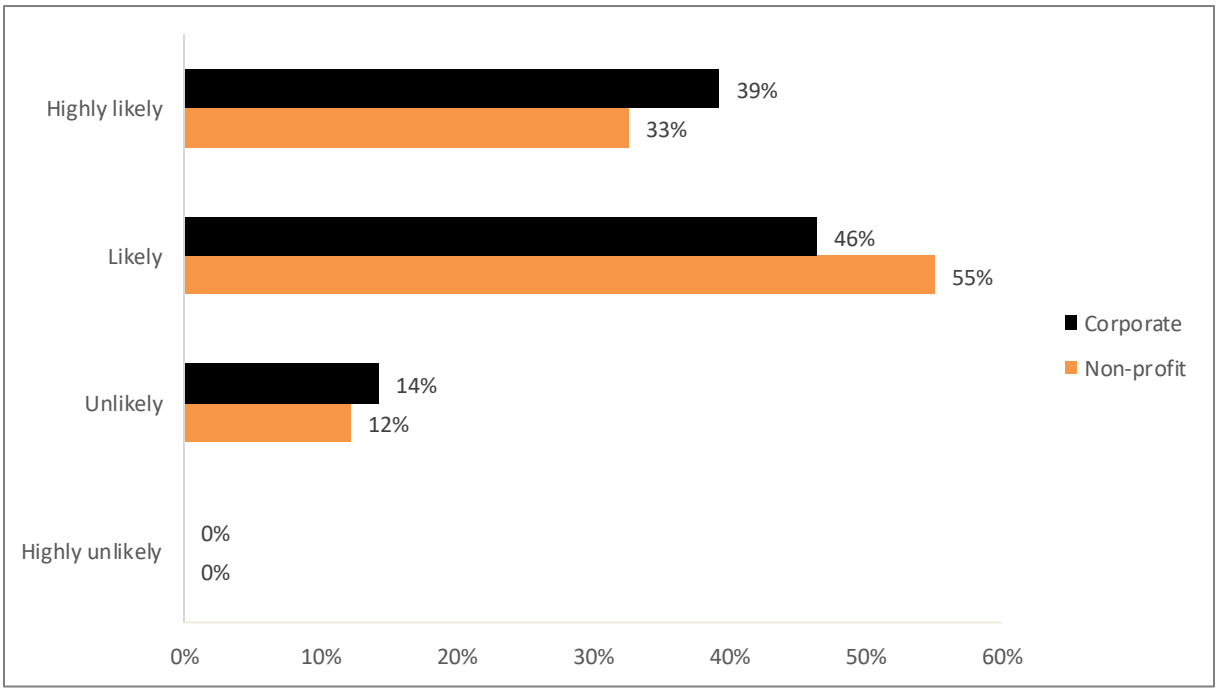
The new EU Corporate Sustainability Reporting Directive (CSRD) requires all large companies and listed companies (except listed micro-enterprises) to disclose information on risks and opportunities arising from social and environmental issues, and on the impact of their activities on people and the environment.

Introduction of the CSRD brings substantial changes to how large companies and listed companies must disclose their impacts on social and environmental issues. These new due diligence (DD) requirements aim to enhance transparency and accountability on ESG-related matters. We therefore wanted to explore whether and to what extent the new regulation and related DD standards might impact corporate expectations and requirements of their strategic non-profit partners.

The data shows that both corporate and non-profit respondents generally agree on the likelihood of CSRD DD obligations affecting non-profit partners. And at a consolidated level, a slightly higher percentage of non-profits (88%) view it as likely or highly likely compared to corporate partners (85%).

Figure 9: The impact of CSRD DD obligations on strategic non-profit partners

"How might CSRD DD obligations affect the requirements that companies place on their strategic non-profit partners?"



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The CSRD DD is introducing several key due diligence (DD) requirements for companies with the intent of ensuring greater transparency and accountability.

Figures 9 & 10 provide insights into these impacts, highlighting key areas where NPOs might need to adapt to meet corporate expectations under the new regulatory framework.

A significant majority of respondents (87%) believe that it is either highly likely or likely that companies will require NPOs and charities to provide detailed information about their sustainability practices.

Similarly, 83% of respondents believe that companies will need to ensure their NPO and charity partners conduct thorough due diligence to identify, assess, and manage ESG risks.

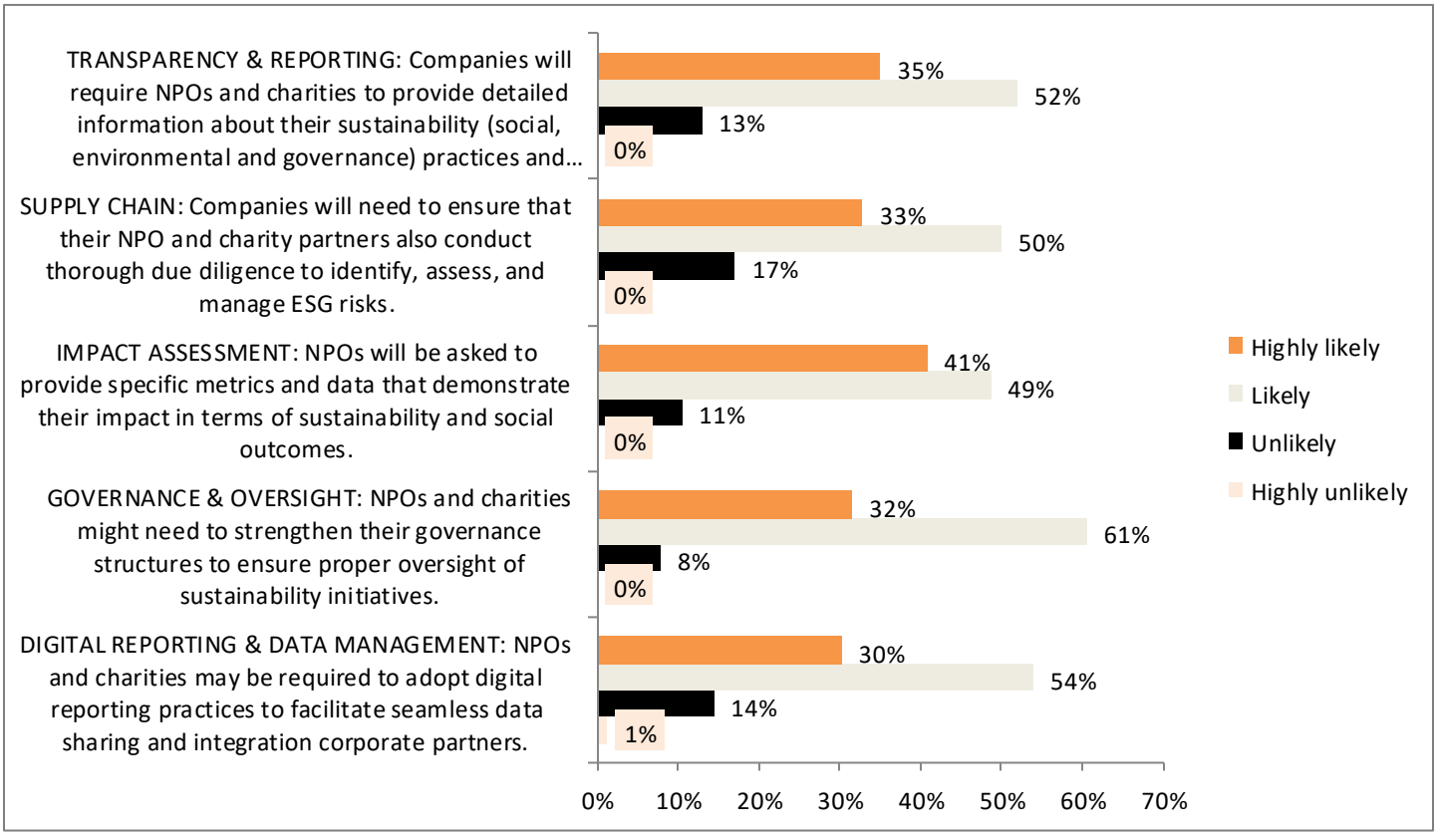
The need for specific metrics and data demonstrating NPOs' impact in terms of sustainability and social outcomes is considered highly likely or likely by 90% of respondents, reflecting a strong demand for measurable outcomes.

Strengthening governance structures to ensure proper oversight of sustainability initiatives is seen as likely by 93% of respondents, indicating a broad consensus on the need for robust governance mechanisms.

Adopting digital reporting practices to facilitate seamless data sharing is considered likely or highly likely by 84% of respondents, pointing to a trend towards increased digitisation in reporting processes.

Figure 10: Understanding key areas of impact introduced by the CSRD

"How might CSRD DD obligations affect the requirements that companies place on their strategic non-profit partners?"



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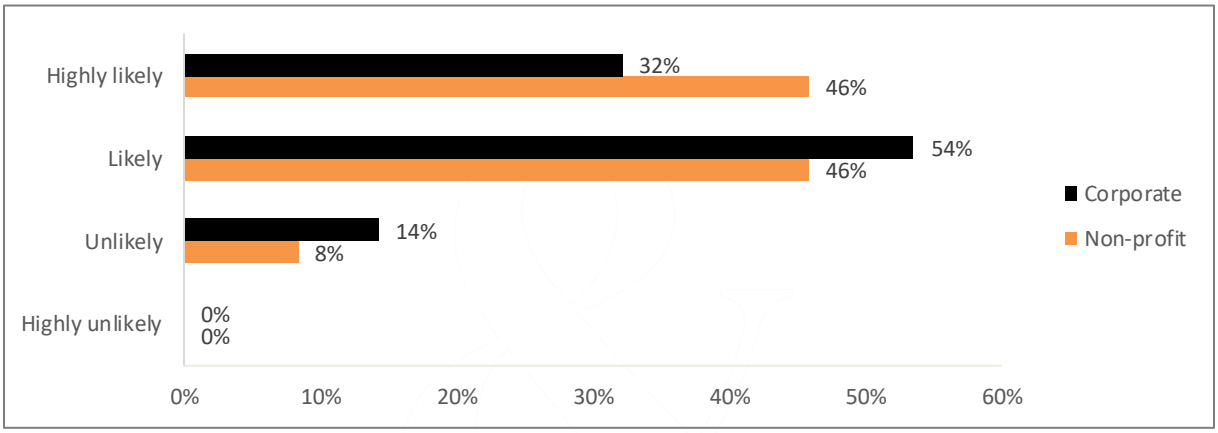
However, it is interesting to observe the perceived difference in expectations between corporate partners and non-profits regarding impact assessment requirements under the new CSRD DD obligation.

92% of non-profit respondents expect to be asked to provide specific metrics and data demonstrating their impact in terms of sustainability and social outcomes. In contrast, nearly 15% of corporate respondents believe this requirement is unlikely, while slightly over half consider it likely, and over 30% consider it highly likely. (See figure 11)

Figure 11: The impact of CSRD DD obligations on impact assessment requirements

"Will NPOs be asked to provide specific metrics and data that demonstrate their impact in terms of sustainability and social outcomes.?"

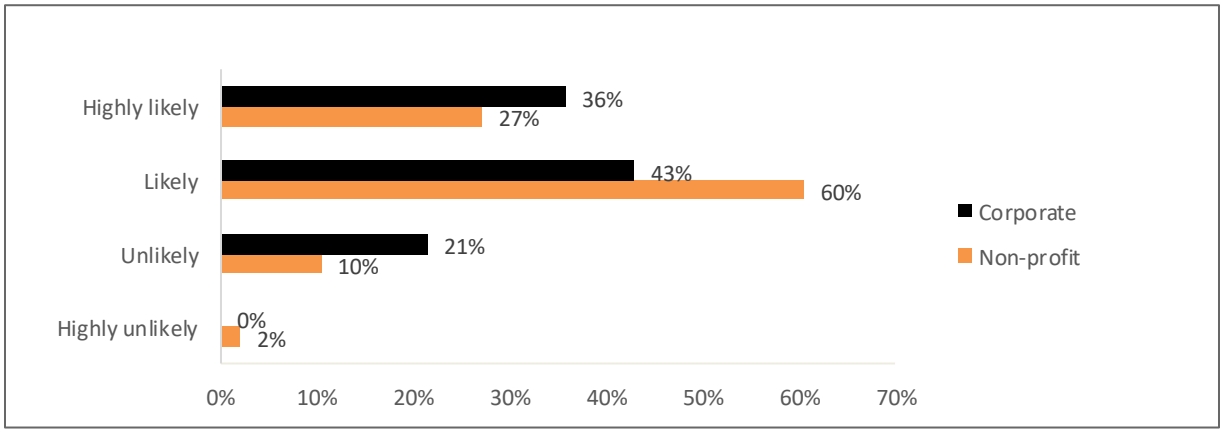


When it comes to potential digital reporting and data management requirements under the CSRD DD obligations, the expectations are similarly mismatched.

For instance, one-fifth of corporates consider the additional digital reporting and data management requirements unlikely, two-fifths consider them likely, and around one-third consider them highly likely. In contrast, nearly 90% of NPOs expect to be required to adopt digital reporting practices to facilitate seamless data sharing and integration, with only 10% of NPO respondents considering those requirements unlikely.

Figure 12: The impact of CSRD DD obligations on digital reporting and data management requirements

"Will NPOs be asked be required to adopt digital reporting practices to facilitate seamless data sharing and integration.?"



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CSRD DD's Impact on Funding Modalities

In discussion groups, several NPOs expressed anxiety about whether the modalities applied by companies in funding their strategic partnerships might be impacted by the CSRD DD obligations. We therefore sought to explore these issues in the following questions.

The introduction of the CSRD DD obligations necessitates a variety of funding approaches to ensure transparency and accountability in corporate-NPO partnerships. The following summarises these funding requirements:

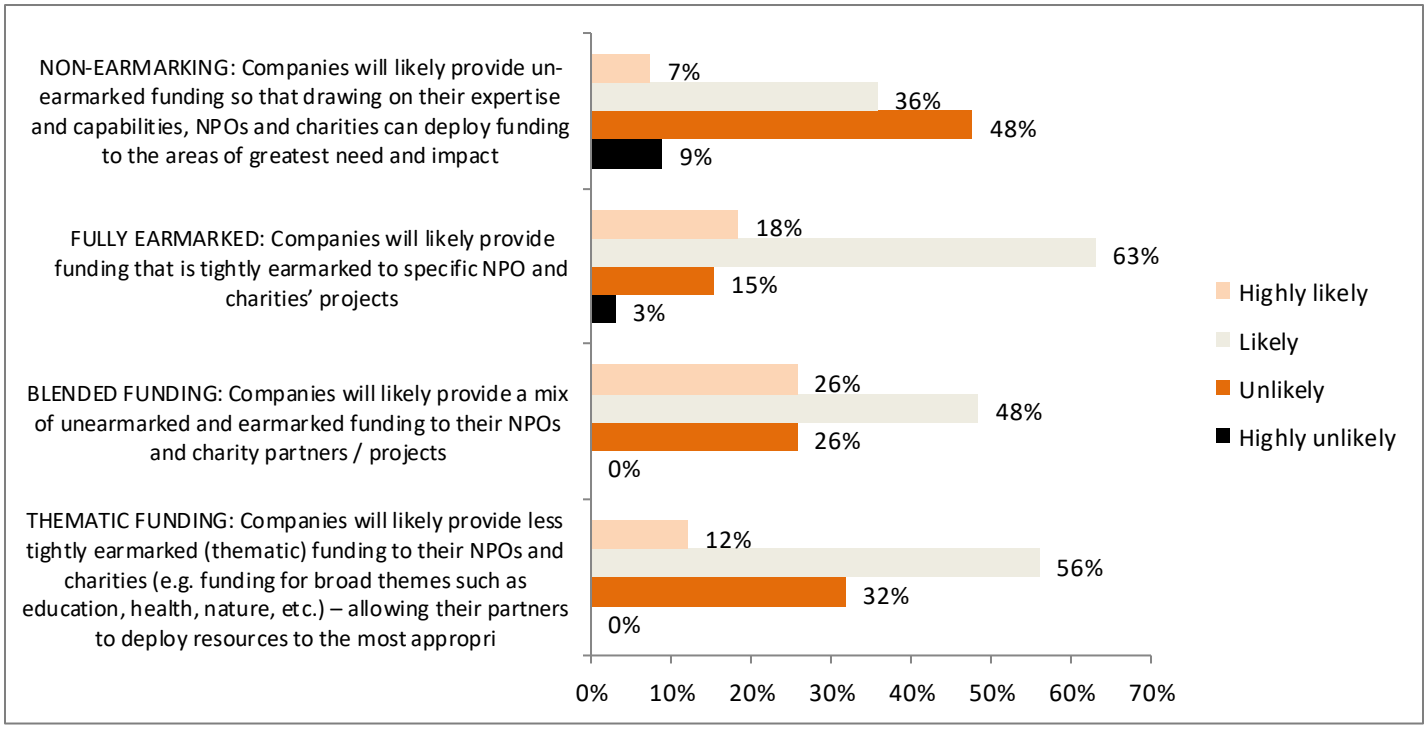
There is a strong expectation that companies will likely provide tightly earmarked funding for specific NPO and charity projects, as figure 13 indicates, with a combined 81% of corporate and non-profits respondents indicating that this type of funding is likely or highly likely. This approach ensures that funds are directed towards specific projects, allowing for precise monitoring and evaluation of impact and aligning closely with corporate sustainability goals

A mix of non-earmarked and earmarked funding is estimated by 74% of both corporate and non-profit respondents, who consider it likely or highly likely. This approach balances flexibility and control, enabling companies to address immediate needs while supporting broader organisational goals of their non-profit partners.

While expectations around fully earmarked and blended funding from the corporate and non-profit respondents are mainly aligned, notable divergence of views occurs when it comes to non-earmarked and thematic funding.

Figure 13: The impact of CSRD DD obligations on funding

"How might CSRD DD obligations affect the terms of funding that your company (or corporate partner) places on strategic non-profit partners?'



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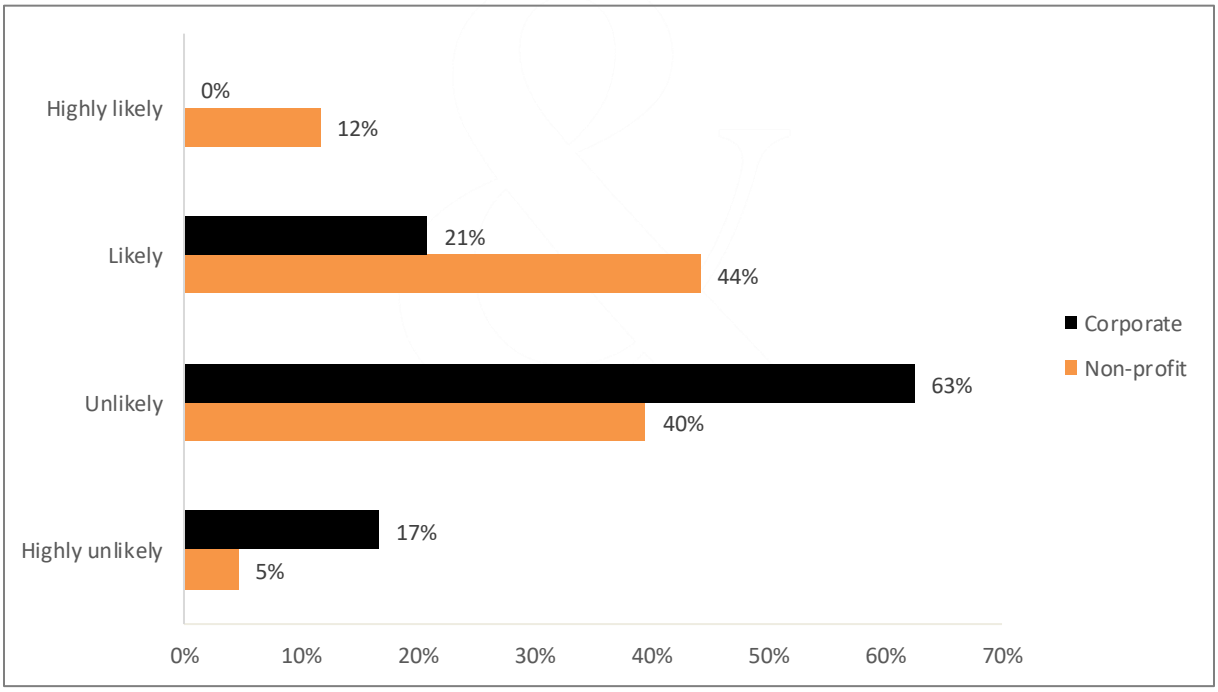
When it comes to non-earmarked funding, as figure 14 indicates, companies are generally hesitant to provide it, with 48% of respondents considering it unlikely, with only a fifth suggesting this approach is highly likely. This reflects a preference for retaining control over fund allocation to ensure alignment with corporate strategic objectives and compliance with CSRD DD requirements.

However, over 50% of non-profits believe that non-earmarked funding is likely or highly likely to be received.(Please see figure 14.)

These figures highlight a significant dissonance in expectations between the two groups. Non-profits may need to either encourage their corporate partners to approach this issue differently or adjust their own expectations accordingly

Figure 14: The impact of CSRD DD obligations on non-earmarked funding

"Companies will likely provide un-earmarked funding so that drawing on their expertise and capabilities, NPOs and charities can deploy funding to the areas of greatest need and impact"



Thematic funding, which is less tightly earmarked and focused on broad themes such as education, health, or nature, is considered likely or highly likely by 68% of respondents. This approach allows NPOs to manage resources within defined thematic areas, providing flexibility while ensuring alignment with corporate priorities.

Again, when it comes to thematic funding, there is a dissonance in expectations between the corporate and NPO respondents. Two-fifths of companies consider it unlikely, while slightly over half consider it likely or highly likely. However, three-quarters of non-profits consider thematic funding likely or highly likely.

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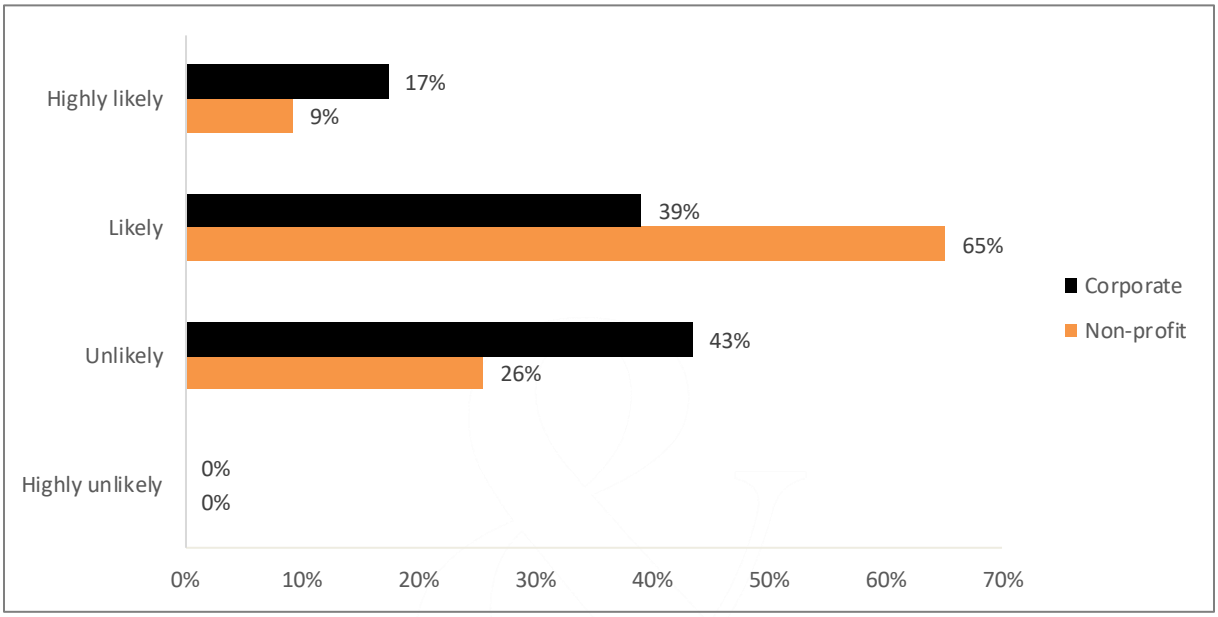
Figure 15: The impact of CSRD DD obligations on thematic funding

"Companies will likely provide less tightly earmarked (thematic) funding to their NPOs and charities (e.g. funding for broad themes such as education, health, nature, etc.) – allowing their partners to deploy resources to the most appropriate projects"



In summary, whilst the headline numbers seem to indicate alignment between corporates and non-profits in terms of expected changes, closer analysis reveals notable areas of dissonance between the two groups.

It may be an uphill struggle for non-profits to secure non-earmarked funding from their corporate partners.

Non-profits should therefore either focus on making the business case and providing evidence as to why the provision of non-earmarked funding can yield greater social and environmental impacts, or alternatively, better manage their own expectations.

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2.2 Artificial Intelligence (AI)

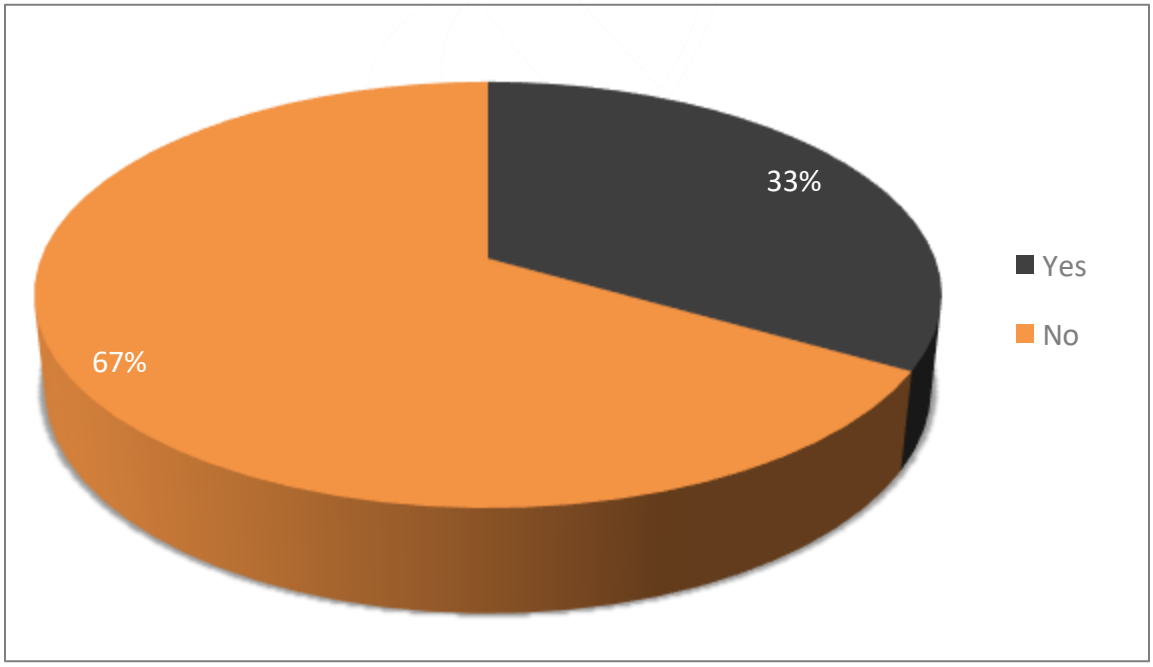
The use of AI in partnerships is growing, however, AI is yet to feature significantly in cross-sector partnering

A year on from our first focus on the topic in the 2023 Barometer report, AI, and specifically generative AI, has remained in the headlines and seems set to impact almost all walks of life. Therefore, the 2024 Barometer again sought to better understand practitioners' perceptions of the future role of AI across several partnership areas.

Despite the growing attention on AI in the media and elsewhere, in a finding that is consistent with 2023 data, only a third of respondents (Figure 16) plan to apply AI in any aspect of their partnership delivery in the next 12 months. Whilst this indicates a likely higher take-up than was predicted for the previous 12-month period (a prediction of 20%), these figures indicate more an incremental rather than radical transition to the use of AI in the delivery of corporate – non-profit partnership objectives

Figure 16: Plans to apply AI in any aspect of partnership delivery in the next 12 months

"Do you plan to apply AI in any aspect of partnership delivery in the next 12 months?"



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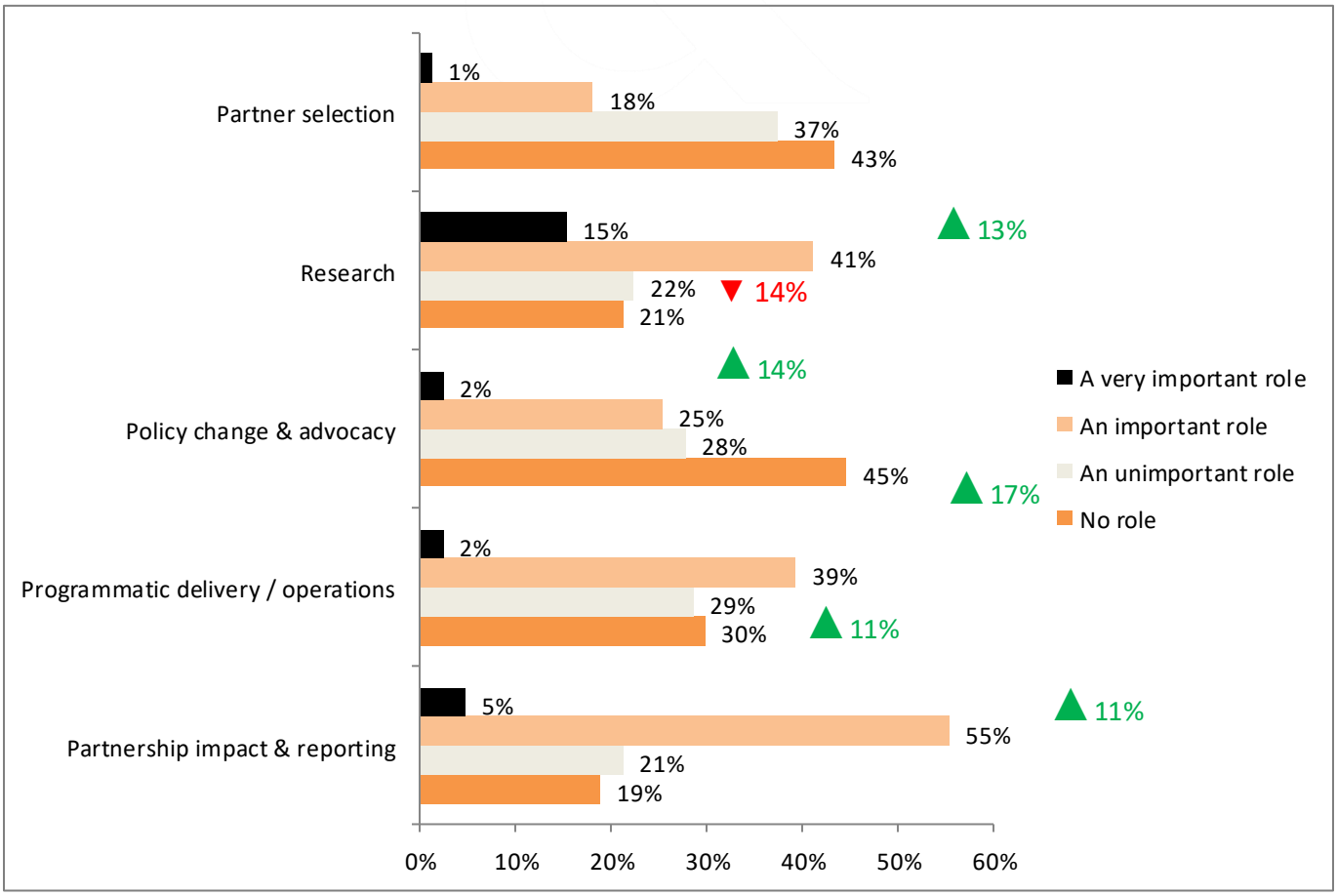
Looking at the areas of the partnering process where AI is most likely to have a role to play, the following picture emerges:

- Respondents anticipate that AI is most likely to play a role in partnership impact and reporting, with 60% (55% and 5%, respectively) anticipating the role of AI to be important or very important.
- Research follows, with 56% believing AI will play a role in research, and 33% seeing AI as unimportant or playing no role.
- In programmatic delivery and operations, 39% see AI as important, though 30% see no role for AI.
- In policy change and advocacy, 25% of respondents see AI as important, and 28% see it as unimportant. Lastly, for partner selection, 18% see AI as important, while 43% believe it will play no role.

Overall, there has been a noticeable decrease in the perceived role of AI across these areas compared to last year, indicating a more cautious outlook on the impact of AI on partnerships in the coming years.

Figure 17: Expectations of the role that Artificial Intelligence (AI) will play in cross-sector partnerships over the next three years

"Thinking about the following considerations, what is your expectation of the role that Artificial Intelligence (AI) will play in your organisation's most significant cross-sector partnerships in the next three years? AI will play…"



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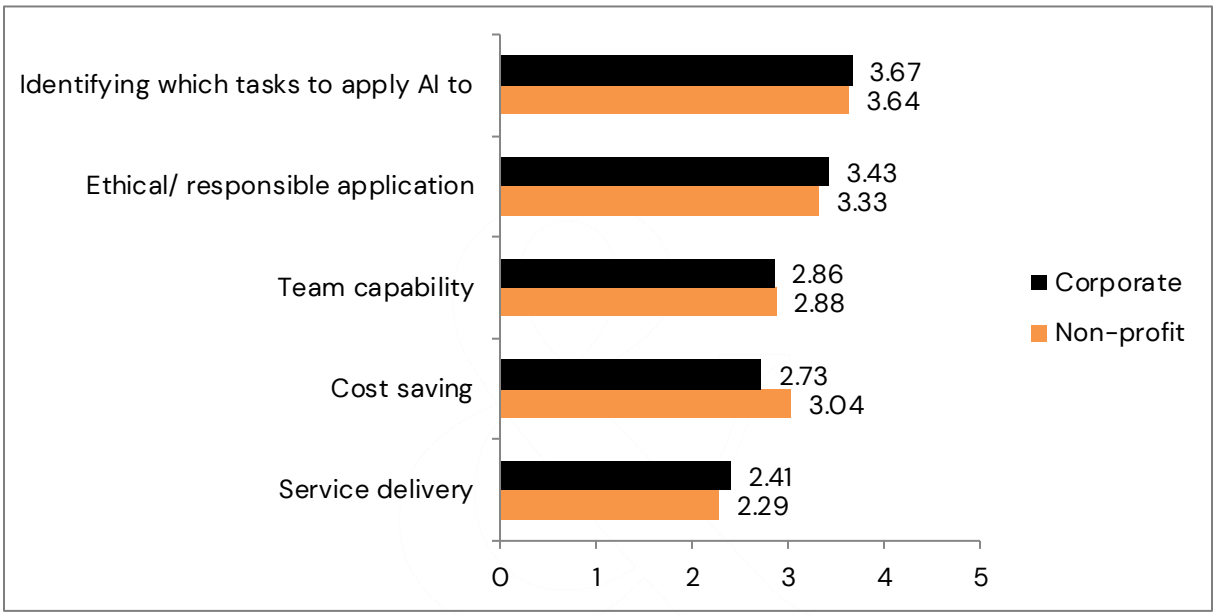
When asked to consider and prioritise key considerations in the implementation of AI, there was again broad consensus from non-profits and corporates – with most believing AI use in case identification, ethical considerations, team capabilities, and cost savings to be the most important considerations (with both non-profits as well as corporate partners sharing similar concerns).

Figure 18: Key considerations in the implementation of AI

"Which of the following will be key considerations in the implementation of AI (place in order of importance on a scale of 1 to 5)"



Although clearly growing in importance, use of AI is yet to feature significantly in cross-sector partnering, as illustrated in figure 13. However, over a quarter (28%) of non-profits and over a third (39%) of corporates expect AI to apply to aspects of their cross-sector partnerships over the year ahead. For both groups, this marks nearly or over a 10% increase in likelihood compared to the previous year.

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Part 3:

Mid-term trends, prospects & anticipated developments in partnerships

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Mid-term trends, prospects & anticipated developments in partnerships

3.1 Likely importance of partnerships in the mid-term

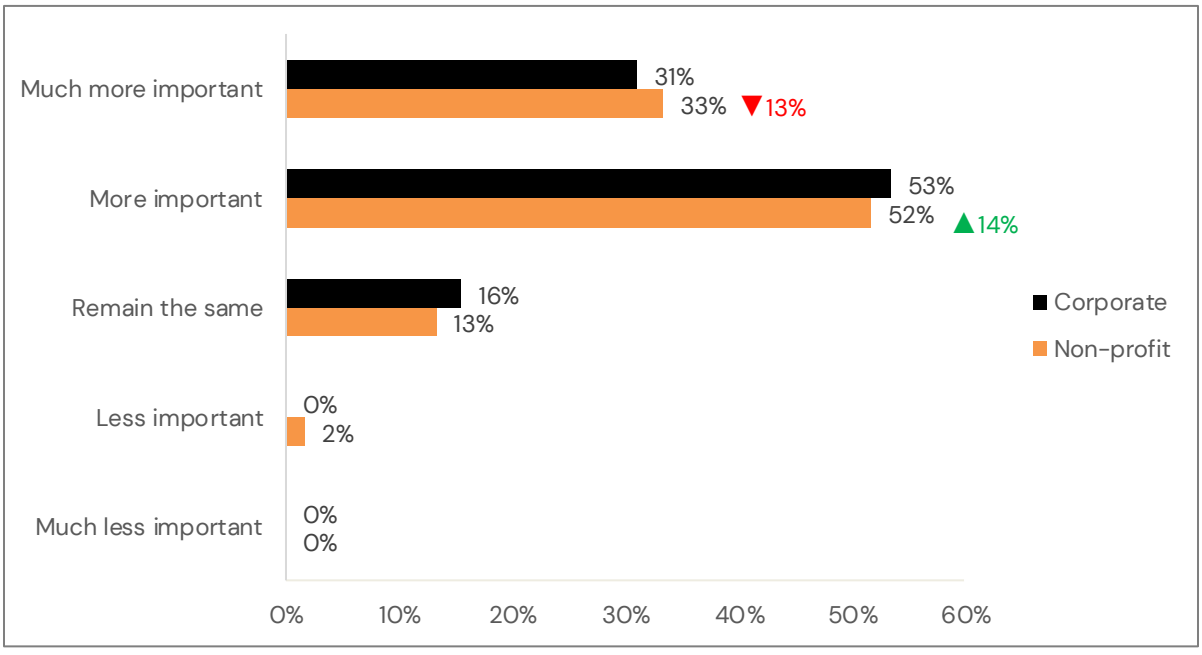
Cross-sector partnerships continue to grow in importance for companies and non-profits

Over all previous editions of the Barometer, corporate and non-profit professionals have consistently predicted that partnering across their sectors will grow in the years following each edition of the report. Predictions have been consistent regardless of the prevailing social or economic conditions.

This year is no exception, with 84% of corporates and 85% of non-profits believing that partnerships will become more, or much more, important over the next three years. Only 2%of non-profit respondents anticipate any decline in this regard (figure 15).

Figure 19: The future importance of corporate-non-profit partnerships:

"What is your expectation of the role that partnerships will play in the corporate or non-profit agenda over the next three years? Would you say they are likely to become…?"



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3.2 Drivers of change

An imperative to demonstrate societal consideration and to enhance reputation for companies – and the for funds for non-profits remain the main drivers of change

When invited to identify factors that will drive the growing importance of cross-sector partnerships over the medium term, 80% of corporates cited the pressure on companies to demonstrate societal consideration in their business practices, while 79% of non-profits agreed with them on this point.

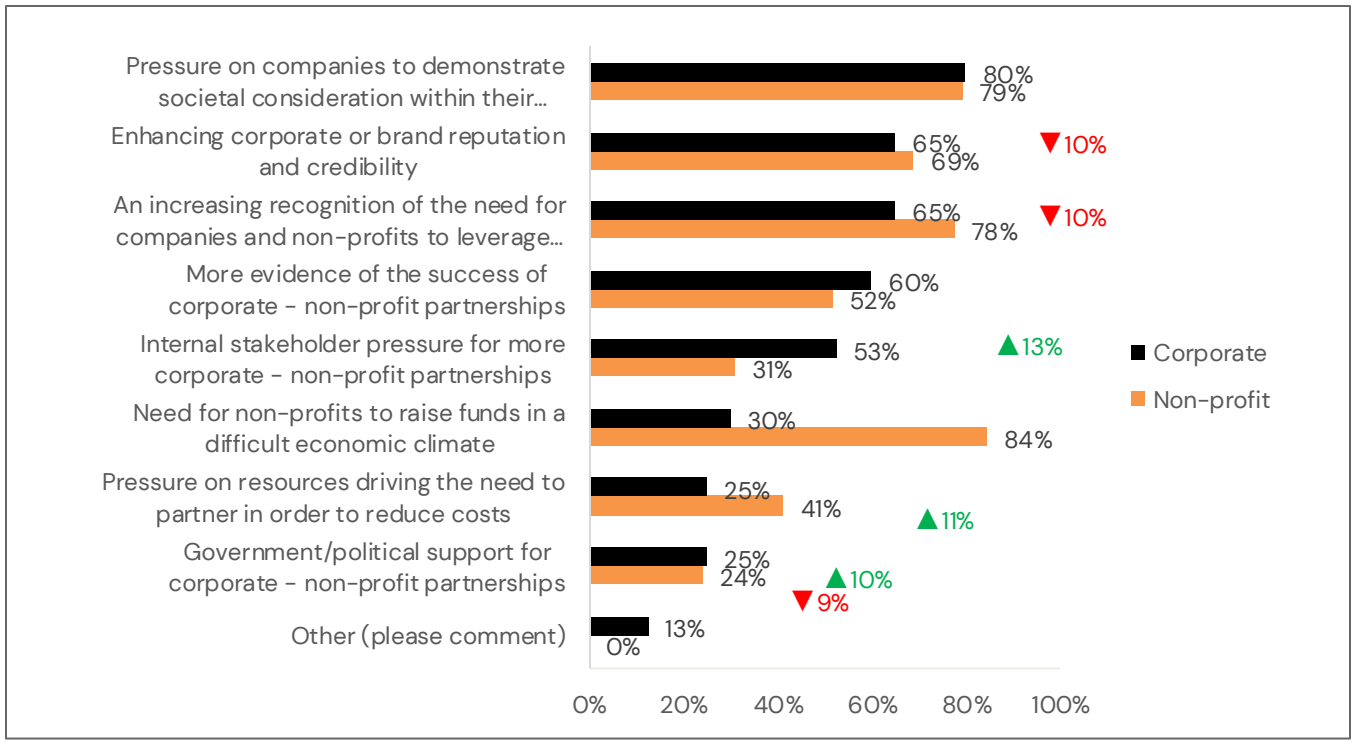
The need to raise funds in resource constrained circumstances remains critical for non-profits, with 84% highlighting it as a key driver, compared to 30% of corporates. And although ranked lower by corporates (down 10%), the need to leverage each sector's different assets remains an important driver overall, with 65% of corporates, and 78% of non-profits emphasizing this factor.

Meanwhile, enhancing corporate or brand reputation remains an important likely driver by 65% of corporates (10% lower than the 2023 score) and 69% of non-profits.

Additionally, 53% of corporates and 31% of non-profits recognize internal stakeholder pressure as a significant factor. For 13% of corporate partners, this statement is more relevant than it was a year ago.

Figure 20: The reasons why partnerships may become more important over the next three years

"In your view, what factors are likely to make corporate-non-profit partnerships more important in the next three years?"



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3.3 The outlook for investments in cross-sector partnerships over the mid-term

Unanimity that investment in partnerships is set to increase

Corporate and non-profit investment in partnerships is expected to rise over the next three years. 73% of corporates and 75% of non-profits believe that investment will increase or increase significantly. Notably, 33% of corporates foresee a significant increase, while only 12% of non-profits share this view.

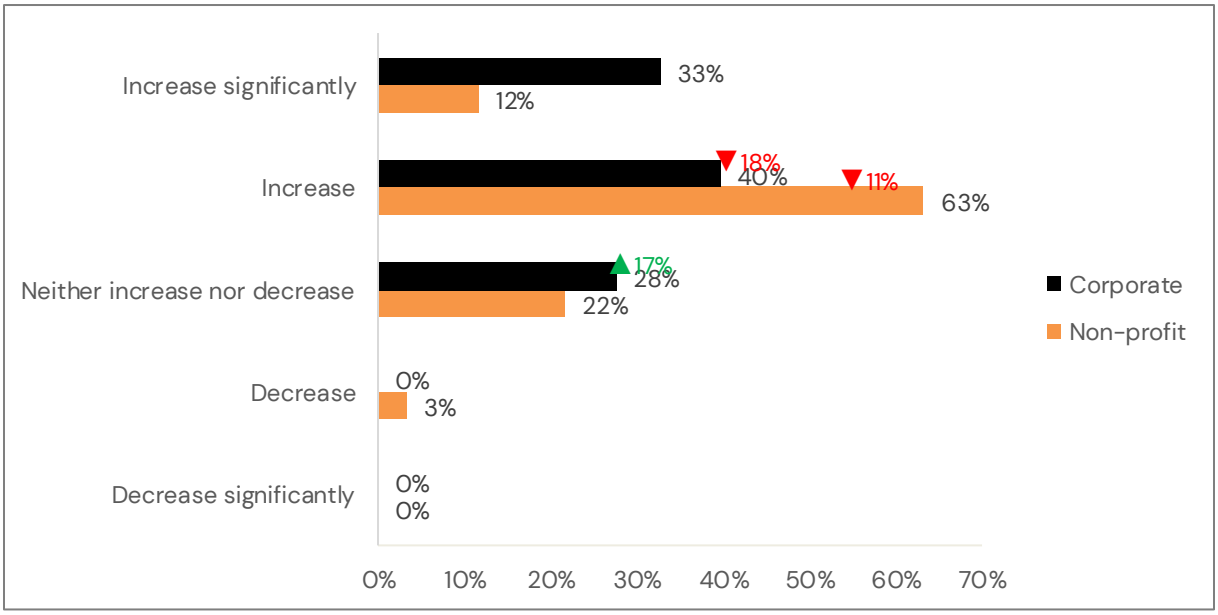
Conversely, 40% of corporates and 63% of non-profits anticipate a moderate increase, reflecting an 18% and 11% decrease, respectively, from last year.

Interestingly, 28% of corporates and 22% of non-profits foresee no change in their investment levels, with a notable 17% increase in this response category among corporates. A small percentage of non-profits (3%) expect a decrease in investment, while no corporates anticipate a decline.

Overall, though down on last year's projections, these figures reinforce the projected continued importance of on cross-sector partnerships. With above eighty percent positive scores regarding "increase" and "significant increase" sentiments for projected future investments, the future remains bright for cross-sector partnering.

Figure 21: Future investment in partnerships

"Is your investment [commitment, time, resources, etc] in corporate-non-profit partnerships likely to increase or decrease over the next 3 years?"



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Part 4:

A Retrospective:

Learnings from the past 15 Years of the Barometer

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A Retrospective: Learnings from the past 15 Years of the Barometer

4.1 Identifying Themes Over the Past 15 Years

Background

The C&E Corporate – Non-Profit Partnerships Barometer was conceived following an extensive international landscape research which revealed that there was a lack of corporate and non-profit-informed data allowing for the community of partnership practitioners, academic, students, the media, and other stakeholders to gain collective insight on this important agenda.

The inaugural Barometer report was released in autumn 2010 in the aftermath of the global financial crisis. Between then and this fifteenth edition, there have been many internationally significant events around which partnerships have had to navigate. These range from the aftereffects of the global financial crisis; launch of the UN Sustainable Development Goals in 2015; UK exit from the EU; the global pandemic; internationally destabilizing wars in Ukraine, and Israel-Gaza; cost-of-living crises linked to many of these events; and various regulatory changes. Over this period, the context within which these partnerships operate has evolved dramatically.

This retrospective aims to examine how these and other changes have shaped, or in some cases, not shaped, cross-sector partnering between companies and non-profits. We explore the key themes over the past 15 years, focusing on the motivations and models of collaboration that have emerged in response to these evolving challenges

Fifteen years ago, partnerships were more focused on reputation management and community investment, with much less emphasis on strategic and long-term impact.

Motivations for Partnerships

In the past fifteen years, the motivations for companies and non-profits to collaborate have shifted significantly. Previously focused on philanthropic efforts and reputation management, partnerships now emphasize strategic alignment and shared goals.

Key themes include:

- **Strategic Alignment:** Modern partnerships align with the core missions and strategic objectives of both corporations and non-profits, addressing societal challenges while benefiting business operations.
- **Sustainable Development Goals (SDGs):** A notable trend is the alignment of partnerships with the UN SDGs, especially Goal 17, promoting effective collaboration to tackle global challenges.
- **Environmental, Social, and Governance (ESG) Integration**: The past decade has seen a deeper integration of ESG criteria into business strategies, driving partnerships that enhance social impact and corporate performance.

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Models of Collaboration: the way companies and non-profits partners collaborate has also evolved:

Partnerships 15 years ago were often less formal and focused on short-term goals rather than strategic, long-term outcomes

- **Formalised Structures:** Partnerships are increasingly formalized, with clear governance structures to ensure accountability and transparency.
- **Multi-Stakeholder Collaborations:** Partnerships involving governments, businesses, and non-profits have become more common, more effectively addressing complex global issues.
- **Mid-Long-Term Focus:** Partnerships are continuing to evolve from short-term goals, to becoming more focused on strategic, long-term outcomes

4.2 Drivers of change

Drivers have evolved from the primary motivations of reputation enhancement and corporate social responsibility (CSR) commitments seen 15 years ago.

Several factors have driven these changes, namely:

- **Stakeholder Pressure**: Increased expectations from consumers, investors, and employees have compelled companies to engage in meaningful partnerships aligned with societal needs.
- **Economic Pressures**: Rising living costs and global economic challenges have necessitated more resilient and sustainable partnership models.
- **Positive Impact of Partnership**: Mission-led collaborations have shown significant positive impacts, fostering joint problem-solving approaches.

Barriers to Effective Partnerships

Despite advancements, partnerships face several barriers:

- **Resource Constraints**: Misaligned goals, limited resources, and regulatory challenges are significant obstacles.
- **Technological Disparities:** The shift to virtual collaboration has highlighted technological gaps and communication challenges.
- **Organisational Differences**: Differing cultures and priorities can hinder effective collaboration.

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4.3 Best Practices

Over the past 15 years, the approach to partnerships has undergone significant evolution. Fifteen years ago, best practices focused more on building trust and understanding between corporate and non-profit sectors, with less emphasis on strategic alignment and technology.

Best practices for partnerships have also evolved. Just five partnerships have earned the "Most Admired" accolade in the annual respondent-nominated and anonymous voting process. Looking through the winners it is clear to see how the evolutions in partnering practice referenced above, are also reflected. The long-term, but *cause-marketing* focused M&S-Oxfam partnership was the winner for a consecutive six years (2010-2015). It was then followed by consecutive three-time winner GSK-Save the Children (2016-2018) the focus of which was closer to aligning core company competency with societal need. The three winning partnerships since (Boots-Macmillan – three-time winner 2019-2021; Tesco-WWF – 2022; and Tesco-Health Partnership with Diabetes UK, Cancer Research UK, & British Heart Foundation – joint winner 2021, and winner 2023 and 2024) have each reinforced the growing move towards deeper ESG – partnership integration.

In Brief: Partnership descriptions:

Tesco – Cancer Research UK, British Heart Foundation, and Diabetes UK
This multilateral health-based partnership, known as 'Helping you to live healthier,' has delivered health insights and interventions and raised over £25m for the charities. It aims to improve the nation's health by engaging millions of customers and Tesco staff through various health initiatives and fundraising activities.

Boots UK – Macmillan Cancer Support
This partnership provides cancer support in communities across the UK. Boots Macmillan Information Pharmacists and Beauty Advisors are specially trained to support people living with or affected by cancer, offering advice and support from diagnosis through treatment and beyond.

Tesco – WWF
This partnership aims to halve the environmental impact of the average UK shopping basket by 2030. It focuses on sustainable food production, reducing waste, and helping customers eat more sustainably.

Unilever – Oxfam
This long-standing partnership focuses on improving the livelihoods of smallholder farmers and workers in developing countries. It combines Unilever's business expertise with Oxfam's social mission to drive sustainable development.

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These partnerships have served as models for others, highlighting the importance of strategic alignment. Learning from these successful examples, the corporate and non-profit sectors have responded by emphasizing the following best practices:

- **Sustainable Projects:** Emphasizing long-term, sustainable projects with clear goals and success metrics.
- **Inclusive Decision-Making:** Engaging multiple stakeholders and ensuring inclusive decision-making processes for broader impact.
- **Formalized Governance Structures:** Establishing clear governance structures to ensure accountability and transparency within partnerships. This involves defining roles, responsibilities, and decision-making processes to create a solid framework for collaboration
- **Strategic Alignment and Long-Term Focus**: Shifting from short-term goals to long-term strategic outcomes to ensure the sustainability and impact of partnerships. Partnerships should align with the core values and missions of both corporate and non-profit entities, focusing on mutual benefits and societal impact.
- **Transparency and Communication:** Maintaining open and transparent communication among all partners to build trust and facilitate effective collaboration. Regular updates, shared metrics, and transparent reporting mechanisms are essential to ensure all parties are aligned and informed - including strong and creative external communications.

4.4 Forward Predictions: How Might the Past Influence the Future?

By understanding the trends, drivers, and barriers of the past decade, companies and non-profits can forge stronger, more effective partnerships that meet future challenges.

As we reflect on the evolution of corporate-non-profit partnerships over the past years, it becomes evident that the motivations, drivers, and best practices that have defined successful collaborations will continue to play a pivotal role. These factors have not only shaped current practices but also provide a roadmap for future engagements.

Looking back in the rearview mirror, we see that the increased emphasis on transparency, long-term impact, and stakeholder engagement has laid a strong foundation for future collaborations. Looking forward, it is clear that some of these trends will intensify over time.

The drivers of change, including economic pressures and stakeholder expectations of businesses and non-profits, as well as technological advancements, will continue to influence the nature and scope of these partnerships.

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Looking ahead, several trends are likely to shape the future of corporate-NGO partnerships:

1. **Deeper ESG Integration**
The integration of ESG criteria into business strategies will deepen, with more companies embedding social and environmental considerations into their operations. This trend will likely drive partnerships that are not only strategic but also essential for business survival and competitiveness. Future collaborations will focus on achieving significant social and environmental outcomes aligned with business goals.

2. **Focus on Resilience and Sustainability**
The emphasis on resilience and sustainability will persist, driven by economic pressures and global challenges. Future partnerships will likely prioritize efforts that contribute to societal well-being and business sustainability, ensuring that both partners can thrive even in uncertain times. This focus will lead to more robust and scalable partnership models capable of withstanding economic and environmental uncertainties.

3. **Multi-Stakeholder Collaborations**
The trend towards multi-stakeholder collaborations, involving governments, businesses, and non-profits, is expected to grow. These collaborations will address complex global challenges more effectively, leveraging diverse expertise and resources. As seen in the 2019 and 2018 and 2024 reports, multi-stakeholder partnerships are essential for tackling issues like climate change and achieving the SDGs.

4. **Emphasis on Transparency and Accountability**
Transparency and accountability will remain critical in building trust and credibility. Open communication, regular updates, shared metrics, and transparent reporting mechanisms will be essential components of successful partnership

5. **Increased Use of Technology**
The trend of integrating technology into partnerships is expected to continue. Despite what seems a slow start, the use of AI and data analytics is likely to become more widespread, enabling or supporting more precise targeting of social issues, better measurement of impact, and enhanced transparency and accountability. As companies and non-profits become more adept at leveraging technology, partnerships will likely become more efficient and impactful.

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4.5. Reflections on the usage of AI as a Co-Author for the 2024 Barometer report

Keeping pace with current trends, this year we set out to test the potential and boundaries of generative AI in report writing. Our intent was to share the Barometer survey results, previous years' data sets, and written reports with the tool, in a bid to determine whether AI could automate or augment the 2024 Barometer report.

The role assigned to the generative AI tool was to:

- Upload relevant information
- Analyse the data
- Provide observations and novel insights
- Emulate the style and content of the previous reports in the drafting the 2024 Barometer
- Conduct a review of the previous 14 editions of the Barometer reports to identify key themes and ascertain evolutions in practice

The practical experience was varied, showcasing both strengths and challenges.

Strengths

- **Data Analysis:** It quickly analysed vast swathes of data sets and documents, accelerating the initial stages of report preparation.
- **Style Emulation:** The AI demonstrated a strong ability to emulate the style and tone of previous reports, ensuring consistency and coherence.
- **Collaborative Improvement:** The tool showed a collaborative nature, improving its outputs with further prompting and specific guidance .

Challenges

However, use of AI wasn't all smooth sailing. Several challenges emerged during the process:

- **Contextual Understanding:** The AI sometimes struggled to distinguish between important and less relevant information unless heavily prompted, highlighting a gap in deductive reasoning.
- **Fabrication of Information:** A significant risk was the potential for the AI to fabricate information (often stating these in authoritative terms!), necessitating rigorous fact-checking and validation.
- **Technological Emphasis:** There was a consistent tendency for the AI to overemphasise the role of technology without adequate supporting data or evidence, requiring careful oversight to maintain balance.

At this point, based on our experience, the description of AI as *'the world's smartest intern'* seems apt. It is more of a collaborative partner, less an autonomous writer. AI's ability to support and enhance the writing process is undeniable, yet it still requires strong human oversight and input to ensure accuracy and relevance.

Looking Forward: Reflecting on our use of AI in this year's Barometer report, we see its role evolving from a mere tool to becoming a true collaborator. Future iterations will likely see AI tools becoming more adept at understanding context and generating insights, but the human element will remain crucial. As we continue to integrate AI into our processes, we will focus on refining its capabilities and mitigating its limitations, ensuring that AI serves as an effective partner in our reporting endeavours.

This journey underscores the importance of continuous learning and adaptation, both for the technology and its human collaborators. By embracing the strengths and addressing the challenges of AI, we can enhance the quality and efficiency of our reports, paving the way for more sophisticated and insightful analyses in future editions of the Barometer.

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Concluding remarks

Publication of this 15th edition of the Barometer arrives amidst significant societal challenges across the globe. The cost-of-living crisis continues to impact daily life for many, exacerbating pressures on resource-constrained public, private, and non-profit organisations. The aftermath of the global pandemic, coupled with ongoing geopolitical tensions and the visible impacts of climate change, presents an enduring landscape of challenges for organizations striving to provide essential products and services to beneficiaries and customers.

Despite these obstacles, the findings of the 2024 Barometer reveal a resilient and optimistic outlook among partnership practitioners. Both the corporate and non-profit sectors demonstrate a strong commitment to tackling these challenges through strategic collaboration. Practitioners remain highly confident in the continued future importance of these partnerships, with projected growing levels of investment reinforcing belief in their potential to deliver substantial benefits and to expand the reach and effectiveness of cross-sector collaborations.

One significant development highlighted in this year's report is the introduction of the EU Corporate Sustainability Reporting Directive. This new directive mandates large companies to disclose their social and environmental impacts, fostering greater transparency and accountability. The directive is poised to significantly influence corporate strategies, practices, and expectations of their non-profit partners, further embedding sustainability into the core of cross-sector collaborations. There are clear opportunities in this for NPOs, but notable challenges too.

Reflecting on the past 15 years of the Barometer, it is evident that the landscape of corporate-non-profit partnerships has undergone significant transformation. Initially driven by reputation management and community investment, these partnerships have evolved to focus on strategic alignment and long-term impact. The integration of Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) criteria into business strategies has been a notable trend, driving partnerships that enhance both socio-environmental impact and corporate performance.

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The Most Admired partnership of the year, the multilateral collaboration between Tesco, Cancer Research UK, British Heart Foundation, and Diabetes UK, exemplifies the power of strategic alliances. This partnership has not only raised significant funds but also delivered crucial health interventions, highlighting the tangible benefits of large-scale, multilateral collaborations. It will be fascinating to observe whether such partnerships become more prevalent, setting new standards for future collaborations. It will also be interesting to see what role AI plays in such partnerships over the coming years.

In conclusion, the 2024 Barometer presents a hopeful narrative amidst a backdrop of global challenges. The unwavering commitment of corporates and non-profits to deepen their partnerships, integrate innovative practices, and strive for holistic ESG frameworks signifies a robust future for cross-sector collaborations.

Lessons learned over the past 15 years highlight the importance of strategic alignment, transparency, and a long-term focus - principles that will undoubtedly guide the evolution of corporate-non-profit partnerships in the years to come. And as we look ahead, the continued emphasis on transparency and accountability, bolstered by regulatory frameworks like the EU directive, will likely shape the next phase of impactful partnerships, influencing sustainable development and societal well-being.

Manny Amadi, MVO

CEO, C&E Advisory

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About the Barometer

Methodology

The C&E Corporate-Non-Profit Partnerships Barometer 2024 was compiled using responses to a confidential online survey of 122 leading UK-based companies and non-profits engaged in partnerships. The survey was supplemented by discussions and interviews with corporate and non-profit participants, providing qualitative insights.

Practitioners on both sides of corporate-non-profit partnerships clearly have a keen interest in the Barometer because it allows them to have a sector-wide perspective on the evolution of the cross-sector partnering landscape and to gain a deeper understanding of the views of their counterparts.

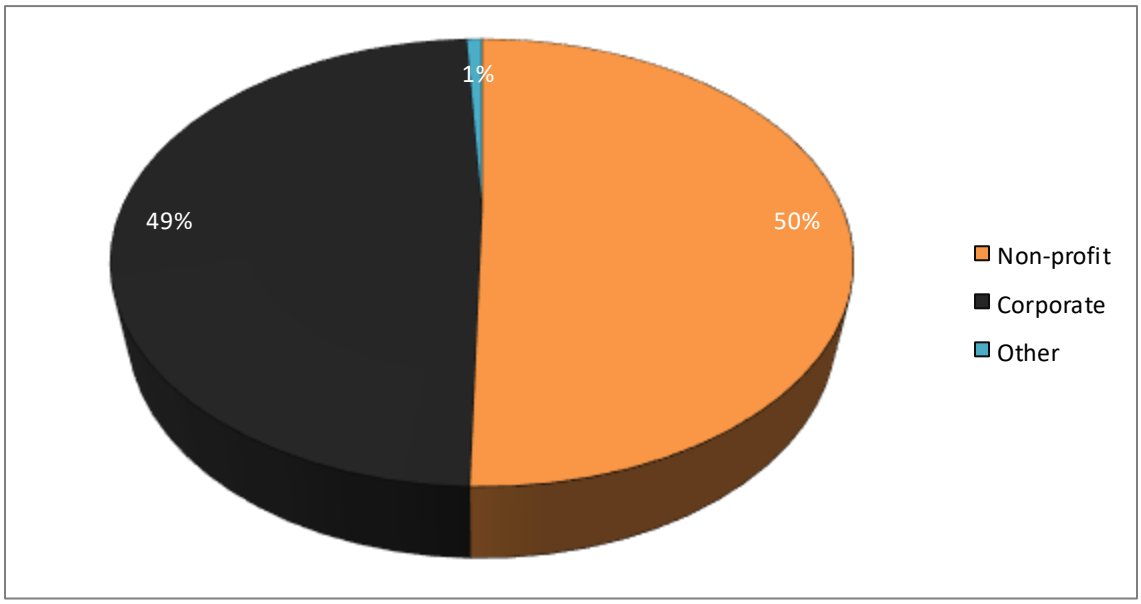
This year's survey included a mixture of new and previously asked questions. This has allowed us to identify new challenges and opportunities in partnering, whilst simultaneously enabling accurate and effective comparison of data against previous Barometer readings.

The online survey and qualitative work took place during July 2024.

For the first year, we are pleased to announce the addition of our AI Editor and Consultant, Diana Spehar. Her role was to leverage AI to automate specific manual tasks, thereby enhancing our analytical capabilities and strategic thinking. The outcomes of this experiment can be reviewed in a dedicated section titled 'Reflections on the usage of AI as a Co-Author for the 2024 Barometer report.'

Figure 22: Sector representation

"Are you completing this survey on behalf of a Non-profit organisation or a Corporate?"



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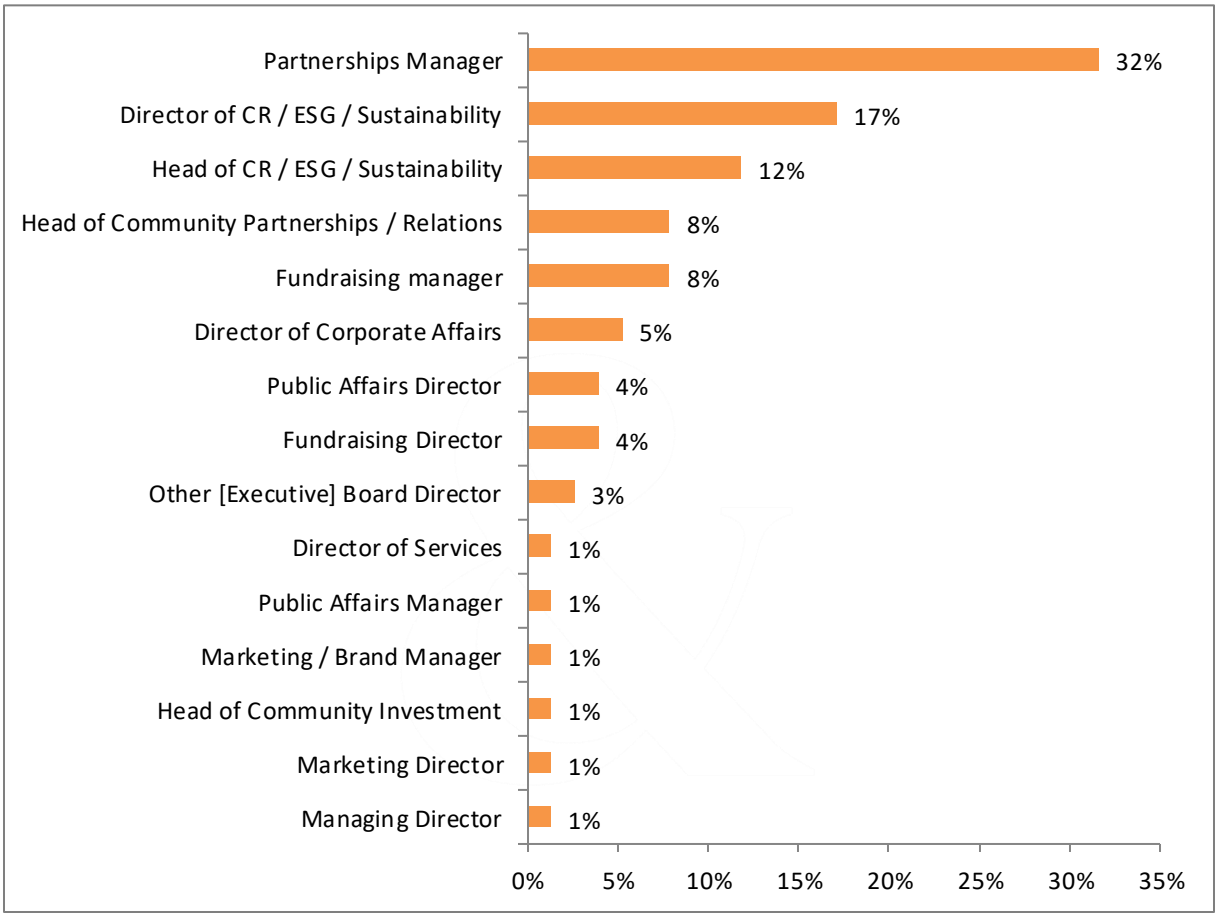
Respondents to the survey held a diverse range of professional roles - either directly engaged in, or responsible for overseeing, corporate-non-profit partnerships at a senior level.

Figure 23: Respondent's roles

"What is your role?"



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A leading specialist 'business and society' consultancy, C&E Advisory works across sectors, helping purposeful organisations to thrive – by making positive social and environmental change. We work with some of the world's foremost businesses, non-profit organisations, and philanthropists. Working upstream & downstream across the ESG and sustainability value chain, our practice areas cover strategy, programme design, oversight & reviews, performance measurement & reporting, high performance team development and leadership coaching.

And because today's challenges and opportunities require new ways of thinking, C&E is particularly adept at inspiring and enabling sometimes surprising cross-sector collaborations. We have advised – and continue to advise – on some of the world's leading and best-known corporate-non-profit partnerships.

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Appendix

Survey Respondents *(excluding organisations wishing to remain anonymous)*

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