SILICON VALLEY community foundation®

STARTING WITH PURPOSE

HOW STARTUPS CAN USE SOCIAL RESPONSIBILITY TO DELIVER PURPOSE AND PROFIT

STARTING WITH PURPOSE

Startups are continually changing what is possible. They disrupt norms, create new ways of solving problems and help us be more productive and connected to each other. The startups that inspire us the most also have a special energy and vision that transcends a quest for profit: They have purpose.

Purpose is incredibly powerful. Purpose-oriented workers are more likely to be leaders, to stay at their companies and to find meaning in their work.[1] Eighty-seven percent of millennials say they believe their company's success should be measured on more than financial performance.[2] In 2015, companies spent $1.9 billion on cause-related sponsorship[3] in competition for the attentions of the 90 percent of consumers who say their purchasing decisions are influenced by a brand's connection to purpose.[4]

Through our work supporting companies and foundations to drive social impact locally and globally, we at Silicon Valley Community Foundation (SVCF) are often approached by startups asking an important question: How can we harness the sense of purpose that drives us, our business and our workforce, and translate it into social good?

1. 2015 Purpose Workforce Index. Retrieved from https://www.imperative.com/index
2. Deloitte Millennial Survey 2016. http://www2.deloitte.com/global/en/pages/about-deloitte/articles/gx-millennials-shifting-business-purpose.html#report
3. IEG Sponsorship Report 2015. http://www.sponsorship.com/iegsr/2016/01/05/New-Year-To-Be-One-Of-Growth.aspx
4. Cone Communications/Ebiquity 2015 Global CSR Study. http://www.conecomm.com/research-blog/2015-cone-communications-ebiquity-global-csr-study

Using this guide

We created this guide to give startups (which we define as recently established businesses that are privately held and in a stage of growth) direction and inspiration from companies that look like them. We interviewed 27 startups and individuals, and combined their insight with SVCF's expertise in crafting social responsibility strategies.

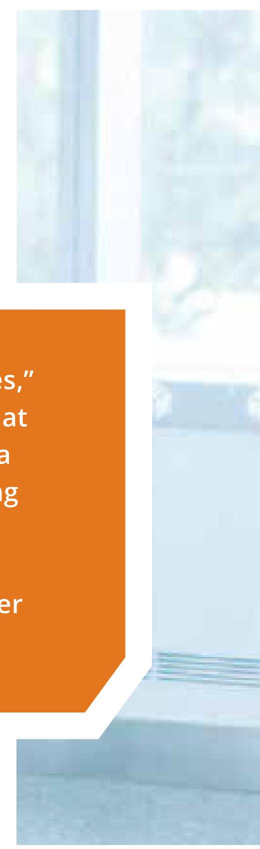
We talked to startups that are building meaningful social responsibility programs, despite limited resources, staffing and more. The lessons they learned have been incorporated into this guide so that startups can explore how to build successful social responsibility strategies.

Please note: The concept of responsible business is extremely broad, and different companies prioritize different dimensions based on their risks, potential opportunities and the company's own competencies. In this guide we refer to responsible business practices – also called corporate social responsibility, social impact, corporate impact and sustainability – under the umbrella term of "social responsibility."

INVESTORS WHO SHARE A STARTUP'S SOCIAL RESPONSIBILITY VISION

While most venture capital firms have a laser-focus on profit and growth, firms that value or specialize in social responsibility, impact investing and social enterprise are on the rise. These venture capital firms see social responsibility as a competitive differentiator and/or profit driver, and signal new opportunities for startups that choose to make social responsibility a core business strategy.

"Companies need to find investors that match their values and share their priorities," said Lindsay Siegel, pictured at right, executive director of Zahn Innovation Center at The City College of New York. While the venture capitalists we spoke to agree that a social mission cannot outweigh the financial viability of a company, there is growing evidence that suggests purpose-driven companies outperform others. Raj Sisodia, professor at Babson College and co-founder of Conscious Capitalism Inc., recently reported that purpose-driven companies outperformed the market by five-fold over the past 10 years.



Assets startups can leverage for social good

Many startups have more assets at their fingertips and are better able to embark on social responsibility strategies than they may initially realize. As a startup, a company is still relatively small and nimble. As companies grow and cultures and operations become more rigid, it becomes more difficult to add programs that do not directly contribute to the bottom line. By starting early, startups have the unique opportunity to "bake in" social responsibility and reap the long-term dividends that social responsibility practices can bring to a brand. Here are three key assets that startups can take advantage of right now to begin building a meaningful social responsibility strategy:

VISION: Startup founders and CEOs have the power to inspire and mobilize the entire workforce in relatively short order. If a leader is committed to social responsibility, the company should take full advantage of this to shepherd its program from concept to execution.

PASSIONATE WORKFORCE: Startup employees tend to be enthusiastic, passionate and ready to roll up their sleeves. Companies can harness this energy to engage employees in volunteering, environmental practices in the workplace or in providing feedback on program concepts.

EMERGING BRAND: Consumers are incredibly savvy and can spot (and attack) inauthentic claims of social responsibility a mile away. As a startup's brand identity becomes more familiar to customers, the company has the opportunity to communicate an authentic commitment. This is a huge opportunity, because the research is clear: Consumers expect companies to contribute to society and will reward those that do with their business and loyalty, and they will punish brands they feel negatively impact society.[5]

5. Cone Communications/Ebiquity 2015 Global CSR Study. http://www.conecomm.com/research-blog/2015-cone-communications-ebiquity-global-csr-study

GETTING STARTED

Even with the assets startups have, it can be challenging to prioritize social responsibility.

To help bring their social responsibility priorities into focus, startups should begin with a discovery process to identify how their business directly impacts communities and people around them, and the ways their assets can be reimagined to drive social change.

Startups can convene a cross-functional team of diverse (in terms of level/experience and background) employees to explore the following questions:

1. In what ways does the business impact – both positive and negative – its key stakeholder groups (e.g., employees, the environment, local communities, civil society, customers and suppliers)? What programs or practices could help to enhance or mitigate those impacts?
2. What are the business' core strengths, from products to people to unique expertise?
3. What are the pressing needs in the major communities where the business operates? How do they intersect with the business strengths identified?
4. Are competitors practicing responsible business? How might the company differentiate itself?
5. What resources are available to execute social responsibility strategies, from manpower, to product to funding?

Answering these questions will give startups a sense of the social issue(s) they want to invest in and the unique contributions they can make. Companies should prioritize areas where they might be at risk of negatively impacting stakeholders, and then

SOCIAL RESPONSIBILITY IS GOOD FOR BUSINESS

While data on the impacts of social responsibility for startups is limited, there is an extensive case for how it boosts the bottom line of publicly traded companies. For companies with dreams of an IPO, these statistics are worth noting. Social responsibility has the potential to[6]:

- **Increase market value by 4-6 percent**
- **Increase shareholder value by $1.28 billion over 15 years**
- **Increase price premium by up to 20 percent**
- **Reduce staff turnover by 50 percent**
- **Increase employee productivity up to 13 percent**

6. Rochlin, Steve, Richard Bliss, Stephen Jordan and Cheryl Yaffe Kiser. Project ROI: Defining the Competitive and Financial Advantages of Corporate Responsibility and Sustainability. IO Sustainability, 2015.

determine how they can go beyond risk mitigation to create positive social change. They should look for alignment between social challenges and their products and services, their mission and/or their employees' passions. Businesses, priorities and brands will evolve, so startups' social responsibility commitment should leave room for continued innovation.

Building Momentum

As companies get started, a grassroots or informal structure can enable them to be responsive to employee interests and get a program off the ground quickly. Many companies we spoke with described their social responsibility as "loosely structured" or "growing organically." For example, Glassdoor surveys employees on causes they care about to identify social responsibility projects, and DoorDash makes a monthly donation to an employee-nominated charity as part of its "We Dash" program.

However, when employee numbers and office locations multiply, programs once considered grassroots can quickly become unwieldy and lack a strategic connection to the brand. Starting off with a grassroots approach is great and may even spark widespread interest in social responsibility work. But startups should not wait too long to create a more strategic approach aligned with business assets and priorities.

EMPOWERING A TEAM OF CHANGEMAKERS

We observed that many startup employees are interested in getting involved in social responsibility programs by providing input to strategy, leading events and more. However, "volunteer" social responsibility staff is not a realistic long-term approach. A number of companies we spoke with created dedicated social responsibility staff positions – or have plans to do so.

A formalized role does not mean passionate employees are out of the equation; finding opportunities to include and empower staff are key to continued buy-in. But by institutionalizing a social responsibility role, startups are ensuring that social responsibility will remain a part of the company as it evolves, and it signals to employees, customers and investors that the company takes social responsibility seriously.

SOCIAL RESPONSIBILITY STRATEGIES

To translate a company's purpose into social responsibility practices, we've compiled six strategies startups can consider. These strategies are based on experiences and insights of startups and industry leaders.

It is important that startups consider both the positive and negative impacts of social responsibility efforts on the environment and key stakeholders. For each of the strategies below, we've indicated which of the following are typically affected: employees, customers, suppliers, local communities, nonprofit or service organizations, and the environment.

SIX SOCIAL RESPONSIBILITY STRATEGIES

Use this table to understand who or what is primarily affected by each social responsibility strategy:

	Employees	Customers	Suppliers	Local Communities	Nonprofit or Service Organizations	The Environment
Cultivate a Culture Committed to Social Change (page 10)	■				■	■
Connect with Local Communities (page 11)				■	■	■
Donate or Discount Products or Services to Drive Social Change (page 12)	■	■			■	
Lay the Groundwork for a Sustainable Supply Chain (page 13)		■	■			■
Translate Diversity Values into Practice (page 15)	■			■		
Make a Public and Formal Commitment to Social Change (page 16)	■	■	■	■	■	■

It is important that startups consider both the positive and negative impacts of social responsibility efforts on the environment and key stakeholders.

PHOTO COURTESY OF OPTIMIZELY

Cultivate a Culture Committed to Social Change

As startups have multiplied and flourished, so have stories of "startup culture," in which people have flexible hours, unlimited free snacks and catered lunches, permission to bring their dogs to work, and open-office seating side-by-side with their CEO. While this vision has become something of a stereotype, the effort many startups put into cultivating a strong culture is substantial – and when a culture includes empathy and awareness of social issues, it can be an extremely powerful tool for building a commitment to social responsibility.

Building a responsible business culture

For many startups we spoke with, building a social responsibility culture tapped into the founder's passion for social responsibility and their decision to make it a priority. This passion seemed to fuel efforts by employees to create inspired engagement programs, lead product donation or discount initiatives, implement office recycling drives and more, all while maintaining their "day jobs" of building a new company.

For those startups that may not have the passion of a founder to rely on, Harvard Business Review suggests several rules to build a corporate culture, three of which are particularly relevant to building a social responsibility culture.[7]

START WITH A PURPOSE: By starting with the purpose of being a responsible business, employees will associate with that purpose and accept it as the company culture

DEFINE COMMON VALUES AND STANDARDS: If employees are aware – and witness – that responsible practices are valued, employees may be motivated to incorporate these practices in their roles and the culture can take hold

EMBRACE COLLEAGUES WHO BEST EXEMPLIFY THE COMPANY CULTURE: When colleagues who regularly demonstrate social responsibility practices are visibly commended, other employees are more likely to want to share in that recognition and participate in those activities

7. Tjan, Anthony K. Six Rules for Building and Scaling Company Culture. Harvard Business Review, 2015. https://hbr.org/2015/03/6-rules-for-building-and-scaling-company-culture

Social responsibility can mean rallying employees to support local businesses or opening a company's doors to the community.

Connect with Local Communities

An initial step in creating a social responsibility strategy can be as simple as being a good neighbor. Social responsibility does not have to mean attempting to solve national challenges or donating millions of dollars. It can mean rallying employees to support local businesses or opening a company's doors to the community.

We spoke to Alexandria Sica, executive director of the DUMBO Improvement District in Brooklyn. Dumbo is part of the Brooklyn Tech Triangle, a burgeoning startup ecosystem home to the likes of Etsy and Mouth. When asked if she thought the community expected startups to give back, Sica said, "Yes, but not necessarily through philanthropy. It can be about patronizing local businesses or promoting local events and being an active part of the community."

For companies just starting to explore social responsibility, being a good neighbor can be a great place to start. Ideas for startups to consider:

BREAK THROUGH THE BUBBLE: Some critics have accused startups of creating a "bubble" culture in which startups are insulated from the larger community. Companies can turn this on its head and determine ways to develop connections between their businesses and neighboring businesses and community members. They can encourage employees to shop locally, work with the local Business Improvement District to share community news and updates with employees, use area businesses as suppliers for catering or other services, or organize team gatherings at a local gallery or event space.

LEND LEADERSHIP: Startup founders and CEOs have influence and connections and are skilled leaders – all traits that are extremely valuable to nonprofits working to solve social issues. By connecting their leadership to a local nonprofit board, and/or encouraging their founder/CEO to speak publicly about local issues – like fighting for new parks or commenting on changes to education policy – startups can build their brand in the community and demonstrate a commitment to social purpose.

LEND THE TIME AND TALENT OF EMPLOYEES: Volunteering can help build momentum for a commitment to social responsibility among employees, provide leadership and skill-building opportunities, and help boost the capacity of local nonprofits, making a company's hometown a better place to live and work. Startups can connect with their local community foundation, United Way or with vendors like Startups Give Back to identify organizations in need of volunteers. Often with volunteering the tendency is to offer one-day opportunities that do double-duty as team-building events. While those events can be valuable, startups should consider the strategic value of longer-term, skills-based opportunities that can amplify their impact and demonstrate a consistent and ongoing commitment.

INCUBATE LOCAL TALENT: Startups can consider developing partnerships with a local community college or nonprofit focused on employment pathways, and offer internships or job shadowing for local students or job seekers. Not only can this approach create important inroads with the community, it can help build a more diverse talent pipeline.

RESPECT THE ENVIRONMENT: By nature of doing business, startups consume energy, create waste and bring new people into their office neighborhoods each day. To minimize the negative environmental impacts and make positive contributions, companies can encourage the use of public transportation, cycling to work, carpooling and of recycling in the office, for example. They can also ask local officials how employees can lend expertise to local environmental challenges.

Donate or Discount Products or Services to Drive Social Change

Many businesses have products and services that can help support their nonprofit partners just as effectively as cash donations can – and the products and services may even help them to do their work better. This is a growing trend, one that has been witnessed by Carmen Perez, director of evaluation and data insights at CECP. "Not only are the vast majority of companies including non-cash giving in how they engage with nonprofit partners, the value is on the rise – CECP sees that median non-cash giving has nearly doubled from 2013 to 2015," Perez said.

Product and service donations are a creative way to maximize social impact if dollars are limited, and they can have a clear business benefit: helping to increase the user base of a company's products, potentially opening new market segments and enhancing brand value.

In the startup community, there are a growing number of mission-driven companies that have built their business around a product or service designed to create positive social or environmental impact. For example, WaterSmart's software enables utility companies and their consumers to better manage water consumption and, in doing so, improve global water management.

There are also startups – many in the technology sector – that recognize the value their products can have in driving social change. The key consideration here is to be thoughtful and creative about what business assets can be leveraged to address a social challenge or support a community partner. Several startups we spoke with are donating, discounting or drawing on their products for social good:

Optimizely

As an experience optimization platform, Optimizely's business is centered on providing website and mobile A/B testing and personalization for the world's leading brands. Recognizing the value this solution could have in the nonprofit sector, John Leonard, program manager of Optimizely.org notes that the company "understood the huge social impact we could have by helping nonprofits use data-driven insights to optimize their online donations, petitions, membership and volunteer recruitment." Need a proof point? The nonprofit, charity:water, has used discounted Optimizely since 2011 to test more than 100 small changes to its website. Founder and CEO Scott Harrison says "insights from Optimizely have helped us radically raise more money — millions and millions more dollars online over the years." And that has enabled the charity to bring clean drinking water to hundreds of thousands more people around the world.

airbnb

"Think creatively about all business assets and how they can be leveraged to have more impact beyond dollars" encourages Airbnb's Global Citizenship team. Airbnb has used the collective power of its community to affect change. In moments of disaster, Airbnb hosts open their doors and welcome those in need — free of charge. The company has built a disaster response and relief program that enables its community to accommodate displaced residents, relief workers and volunteers in need of urgent lodging during an emergency. This concept began organically back in 2012 in the wake of Hurricane Sandy, and has since grown into a global disaster response initiative that makes it easy for Airbnb hosts to provide a home for people in need when disasters strike.

Lay the Groundwork for a Sustainable Supply Chain

Increasingly, interested consumers are asking purchasing questions like these: Where does this product come from? What environmental burden results from the manufacture of this product? Under what working conditions was this product developed? Knowing the business practices of partners and suppliers – and deciding how to influence them – is an important consideration for startups' social responsibility strategies. (Note: Supply chain refers to both manufacturers of products and suppliers of services, but this section is more focused on physical product manufacturing.)

Cotopaxi recognizes the workers in its supply chain, pictured above, through a special tag on some of its products.

PHOTO COURTESY OF COTOPAXI

Do no harm

Making the supply chain a component of a company's social responsibility approach means knowing the supply chain and ensuring compliance with local laws, labor and wage standards, and safety and environmental requirements. Monitoring this information is socially responsible, but it is also smart business. Understanding the supply chain can support better and more consistent quality of product, and allow the startup to work with more reliable suppliers.

Sean Ansett, managing partner of At Stake Advisors, often examines companies' supply chains as they prepare for an IPO to identify what startups can do early on to determine or maintain the sustainability of their supply chain.

Ansett suggests three things companies can do to begin the journey to a more sustainable supply chain.

DEVELOP A CODE OF CONDUCT: A supplier code of conduct lays out a company's expectations of suppliers in areas such as compliance with applicable laws, approach to human rights, working conditions and environmental responsibility.

MAP VALUE CHAIN AND CONDUCT A SELF-ASSESSMENT: Map all suppliers and take stock to identify and analyze potential risks. This process can include, for example, compiling the names and location of all facilities, fines or allegations of corruption, numbers of workers, and information about which of the company's products are being manufactured at which facilities. The UN Global Compact's Quick Self-Assessment and Learning Tool at *supply-chain.unglobalcompact.org* can help with such as assessment.

COLLABORATE WITH FELLOW COMPANIES: Consider collaborating with fellow companies to compare notes, share the costs of an audit, accept an audit done by another company, or band together to motivate the supplier to make improvements. Organizations like FairFactories.org provide resources to companies and a platform for sharing information about specific suppliers.

Part of the brand story

Beyond monitoring the supply chain, sustainable sourcing can be a major part of a company's brand story and key competitive differentiator. Some examples include:

"Our business was formed with the explicit intention of being a force for good," said Cotopaxi's Chief Impact Officer Lindsey Kneuven. Cotopaxi takes great pride in its supply chain and wants to pass this feeling along to its customers. We felt the company particularly stood out in its selection methodology and recognition of workers:

- Cotopaxi chooses suppliers carefully, ensuring not only quality of product and fair wages, but quality of life for the workers. Prior to confirming a supplier, Cotopaxi hires a local journalist to interview workers to get a true sense of their wellbeing, and once an agreement is in place, takes special care to contribute positively to their lives outside of work.
- To credit and inspire workers, the company designed a special tag for its backpacks featuring the flag of the Philippines and the phrase "Made with pride in the Philippines" in both English and Tagalog. Cotopaxi believes this initiative has a double benefit: it gives workers a sense of ownership that translates into increased effort making products, and it informs consumers about where the products are made.

Fairphone is "the smartphone with social values." Created with the vision to improve the electronics value chain across the industry, we found several things especially inspirational about Fairphone:

- First, its commitment to its supply chain is its brand promise: "This quality smartphone lets us open up processes and start a conversation about what is truly fair. From conflict-free minerals to fair factory wages, we're making improvements one step at a time. Your purchase supports better ways of doing business that aim to inspire the entire industry." Being able to acknowledge the improvement process and emphasize that a purchase is farther-reaching than the product makes for a powerful brand story.
- Second, Fairphone is transparent about the good, the bad and the ugly related to its factories and suppliers, admitting there is more to be done and explaining how Fairphone is going to do it.

Translate Diversity Values into Practice

While diversity is part of social responsibility, to some this could imply that it is optional, when in fact it is a business imperative and necessary core value. We include it here for two reasons: The need for diverse talent has been widely publicized and scrutinized; and many of the startups we spoke to are working to balance competition for talent and diversity, both internally and in their communities.

While the business case for a diverse workforce has been made, companies like Twitter, Apple and Google have prominently struggled with, and been criticized for, a lack of diversity among their ranks. At the same time, the skills gap is real. Nearly 40 percent of employers worldwide report struggling to find talent, while unemployment and underemployment remain enormous global challenges. As startups work to develop or implement a diversity strategy, they can consider the following insights from companies interviewed for this guide:

RAISING THE BAR: GLASSDOOR

Creating a diverse employee base is perhaps the most obvious approach to diversity, but many startups aspire to do more and raise the bar on what it means to value diversity. As a company that provides information and reviews on other employers, Glassdoor is especially inspired to lead with strong policies. Glassdoor recently publicized data on its pay by gender for the first time and announced a commitment to conduct an annual compensation analysis to ensure the company is paying men and women fairly. Additionally, Glassdoor announced a pilot program to support employers interested in conducting similar gender pay analysis, and created a Pay Equality Pledge to empower employers to promote their pay equality practices on the Glassdoor website.

AIM FOR DIVERSITY AT THE TOP: As startups build their employee bases, creating a diverse workforce early – especially at senior levels – can help maintain diversity over the long term. "Diversity of the founders has a multiplier benefit," said Cindy Padnos, founder and managing partner of Illuminate Ventures. She cited "greater diversity of ideas and a trickle-down effect of a more diverse employee base" as outcomes.

CREATE A BROAD DEFINITION OF DIVERSITY: When considering diversity, many companies immediately think of race and gender, especially because much of the debate over diversity in tech surrounds these two dimensions. When creating a recruiting strategy, however, companies should also consider factors such as age, disability, sexual orientation and socioeconomic status.

INSTITUTIONALIZE THE COMMITMENT: Creating a position to lead diversity and inclusion can be a challenge for startups, but can also help ensure the value is put into practice from the start. Several companies we spoke to, including Veritas and Dropbox, have made an investment in a Head of Diversity position.

BUILD THE TALENT PIPELINE FOR THE COMPANY AND THE COMMUNITY: Companies are leveraging their products and services to help diverse populations access middle skill job training (e.g., coding) and job opportunities. General Assembly, through its Opportunity Fund program, donates seats in a tech training courses to low-income individuals, then helps place graduates in open jobs with employer partners. Prior to job placement, graduates hone their skills volunteering with local community organizations like Girls Who Code – inspiring the next generation of diverse tech workers.

PHOTO COURTESY OF CINDY PADNOS

Creating a diverse workforce early can help maintain diversity over the long term. "Diversity of the founders has a multiplier benefit," said Cindy Padnos, pictured at right, of Illuminate Ventures.

Make a Public and Formal Commitment to Social Responsibility

While some companies bake a social commitment directly into their mission (think of TOMS' one-for-one model), others layer on more formal public commitments or adhere to business structures to build momentum behind their social impact strategies. Two options include:

Pledge 1%

Born from the Salesforce Foundation's 1/1/1 model, Pledge 1% was created to inspire a company culture of giving. The site gives startups a platform to pledge 1 percent of equity, time or product to the community, as well as access to resources and connections to other companies with similar visions. In the absence of substantial cash to donate via philanthropy, the 1/1/1 model provides a way for startups to solidify their social responsibility commitment and leverage the resources they currently have.

1% OF EQUITY: Pledging equity can include equity that exists today, or earmarked equity in advance of an exit. Should an IPO occur, companies can choose to direct the resulting cash into a donor advised fund (DAF) to be managed by a local community foundation, or into their own foundation. Upon going public in 2011, Yelp established its own foundation with a 1 percent equity pledge. Focused on literacy and small business growth, the foundation now has over $30 million in assets.

1% OF TIME: Pledging 1 percent of employee time can formalize a commitment to volunteering already present at a company, or help take a program to the next level by inspiring paid time off, pro bono projects or dollars for doers programs. POPSUGAR created PSGives, which includes month-long employee fundraising and volunteer activities; the program achieved 80 percent participation in 2015.

1% PRODUCT: Product pledges are especially relevant for companies with a product or service that is particularly valuable to nonprofits – such as software or training. Companies can donate products outright or offer them at deep discounts. Both tactics can help open new markets, diversify a company's customer base and build brand equity.

PHOTO COURTESY OF WATERSMART

For many companies, including WaterSmart, pictured, a B Corp Certification can confirm a holistic approach to social responsibility with the benefit of approval from a third party, and unite employees to boost impact.

Public benefit corporations (B Corps)

B Corps are legal corporate structures that value the best interest of shareholders, the community and the environment equally. Eligibility is determined by a social and environmental impact assessment, so companies that wish to be certified must have established a strong base of social responsibility practices to begin the process. (Note: Whether a startup plans to certify or not, this assessment is a useful tool to benchmark your current social responsibility efforts.) Certified B Corps benefit from a third-party stamp of approval for their social responsibility efforts, and can use this to differentiate their brand, attract talent and link to a larger movement and set of peers trusted by consumers for being transparent and socially responsible.

It may come as no surprise that brands known for their social responsibility, such as Patagonia and Ben & Jerry's, are certified B Corps; however, startups like Etsy are too. For many companies, a B Corp certification can show off social responsibility efforts with the extra bonus of backing from a third party, and unite employees to boost impact. For example:

- » WaterSmart told us that they decided to certify to "live their values" and that the move was a natural step for the company. WaterSmart's founder worked in water conservation and founded WaterSmart to empower utility companies and their users to better manage water consumption. Water conservation is of course important to the company, but they go beyond water to include energy efficiency, recycling and a commitment to diversity and inclusion in their social responsibility strategy.
- » According to Etsy's website, their leadership team used the B Corp self-assessment to rally employees and create a B Corp-inspired "Hack Day" to generate new ideas for bringing social responsibility to life.

CONCLUSION

Startups are in a unique position to incorporate social responsibility from the ground up. The purpose that fuels founders and employees to make their business something more than its commercial identity is the perfect platform to engage with local communities, customers and other stakeholders to address causes that are meaningful to the business.

The small size and flexible structures of startups also allows them to seek out new approaches to philanthropy, to create products with social and environmental benefits, and develop responsible business practices that will become part of the company culture or brand identity. These approaches to social responsibility all have the potential to benefit the commercial bottom line.

Startups looking for guidance in creating a social responsibility plan – to give back to the community, engage employees in meaningful causes, instill responsible business practices in operations, and more – are encouraged to work with SVCF's team of social responsibility experts. We can help startups explore possibilities and we will provide customized services to fit their needs. Contact us at *donate@siliconvalleycf.org* or visit *siliconvalleycf.org* to learn more!

Startups interested in exploring or developing a social responsibility strategy should contact Silicon Valley Community Foundation at donate@siliconvalleycf.org.

RESOURCES

B Lab Impact Assessment: *http://bimpactassessment.net/bcorporation*

Best For NYC: Free online tool to compare NYC businesses impact on workers, the community and the environment: *http://bestfor.nyc*

Edelman 2015 Trust Barometer Report: The role of purpose in driving trust and innovation: *http://www.edelman.com/insights/intellectual-property/2015-edelman-trust-barometer/*

Conscious Consumer Spending Index: *http://goodmustgrow.com/ccsindex/*

Deloitte Millennial Study: Insights into how millennials value purpose and social responsibility: *http://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html*

European Union CSR Resources for small and medium businesses: *http://ec.europa.eu/growth/industry/corporate-social-responsibility/in-practice/index_en.htm*

Forbes: When it Comes to CSR, Size Matters: Insights on why and how small and medium sized businesses should invest in CSR: *http://www.forbes.com/sites/insead/2013/08/14/when-it-comes-to-csr-size-matters/*

Founders Pledge: *http://www.makethepledge.org*

Pledge 1%: Building a movement focused on early stage corporate philanthropy: *http://www.pledge1percent.org*

Project ROI: Making the case for business's investment in CSR: *http://projectroi.com*

SF Gives Playbook: *http://sf-gives.org/playbook/*

SOCAP Conference Series: Dedicated to increasing the flow of capital toward social good *http://socap15.socialcapitalmarkets.net*

VENDORS

- Employee volunteering:
    - Startups Give Back: Service to help identify and plan employee volunteer activities for startups: *http://www.startupsgiveback.org*
- Supply Chain:
    - FairFactories.org: Supports compliance and provides monitoring of supply chain: *http://www.fairfactories.org*
    - UN Global Compact's Quick Self Assessment and Learning Tool for supply chain: *http://supply-chain-self-assessment.unglobalcompact.org*
- Paradigm: Supporting companies to create diversity and inclusion strategies: *http://www.paradigmiq.com*

THANK YOU

We are extremely grateful for the time, expertise and insights provided by the following companies and individuals, without whom this guide would not be possible.

Airbnb

Alexandria Sica, executive director, DUMBO Improvement District

Amy Lesnick, chief executive and president, Pledge 1%

BrainStorm

Brian Walsh, executive director, Liquidnet For Good

Cotopaxi

Credit Suisse

Dan Osusky, standards development manager, B Lab

DoorDash

Double Bottom Line Partners

Dropbox

Fairphone

General Assembly

Glassdoor

Goodnik

Illuminate

Jeremy Brown, founder, Startups Give Back

Lindsay Siegel, executive director, Zahn Innovation Center at City College of New York

Lookout

N. Craig Smith, INSEAD chaired professor of ethics and social responsibility

Optimizely

Pure Storage

Sean Ansett, managing partner, At Stake Advisors

Startup Grind

Survey Monkey

WaterSmart

Xelay Acumen

Co-authored by Shannon Bond and Cori Cunningham of Citizen Consulting, Ltd.

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About Silicon Valley Community Foundation

Silicon Valley Community Foundation advances innovative philanthropic solutions to challenging problems. As the largest community foundation in the world, we engage donors and corporations from Silicon Valley, across the country and around the globe to make our region and world better for all. Our passion for helping people and organizations achieve their philanthropic dreams has created a global philanthropic enterprise committed to the belief that **possibilities start here**. Learn more at siliconvalleycf.org.

650.450.5400
info@siliconvalleycf.org

Headquarters:
2440 W. El Camino Real, Suite 300
Mountain View, California 94040

SILICON VALLEY community foundation®