

Impact Economy Announces the Launch of "Driving Innovation through Corporate Impact Venturing: A Primer on Business Transformation"

Lausanne/Switzerland, 18 March 2014 - Impact Economy announced today the launch of "Driving Innovation through Corporate Impact Venturing: A Primer on Business Transformation." The report provides a framework for corporations to use to source innovations that marry profit and impact.

The days of traditional corporate social responsibility (CSR) are counting (if not fully counted), thus companies need to figure out what's next in order to wed competitiveness with responsibility. "Corporate Impact Venturing provides the way forward for firms in any industry and a frame of reference for innovators such as social intrapreneurs," said Dr. Maximilian Martin, the author of the report and founder of Impact Economy. "Sustainability megatrends are creating new multibillion and –trillion dollar markets everywhere. To succeed, companies need to source innovations that generate profits and impact."

The core argument of the report is: corporations need to move beyond traditional CSR, which is a largely compliance-driven exercise with limited benefits for both stakeholders and firm reputation. Companies need to do this in order to meet rising stakeholder expectations and take advantage of sustainability megatrends such as the USD 5 trillion Base of the Pyramid market, the USD 546 billion global Lifestyles of Health and Sustainability segment, green growth, and a modernizing welfare state. Business transformation can enable sustainable growth *and* achieve corporate profits, but corporations need to focus as much on corporate opportunity as corporate responsibility.

New pathways are now needed to source the business innovations. Corporate Impact Venturing combines corporate venture capital with an intentional aim to realize positive social and environmental outcomes. Creating new ventures and investing in existing ones under a sustainable value creation logic as done by, for instance, Patagonia or IKEA, can boost innovation, equip corporates for fierce competition, and help achieve ambitious sustainability targets.

Corporate Impact Venturing can help companies respond to the structural changes in their operating environment, and identify new opportunities for sustainable value creation and sources of comparative advantage. Based on four years of applied research and insights from Impact Economy's work with clients, the Primer includes a number of case studies and sheds light on how to put a Corporate Impact Venturing program into practice.

"At a time when many companies report that they are stuck on their ascent to sustainability, engaging in venturing through impact investing is a powerful opportunity to achieve results of consequence for both business and society. With the advice laid out in this Primer, companies can become profit-making shapers in a changing world—rendering their businesses future proof while delivering positive impact," said Martin.

The new report is being released by Impact Economy, the global impact investing and strategy firm. The goal of this effort is to inform and encourage executives to examine and reconsider how to improve current corporate strategies so that making profit can be aligned with positive social and environmental impact, and so that the products and services now needed can be designed and surfaced.

For the full publication please follow this <u>link</u>.

<u>Impact Economy</u> is a global impact investing and strategy firm headquartered in Switzerland, with overseas operations in North and South America. Its teams on three continents provide strategy advisory, investment services and corresponding research to companies and professional investors.

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