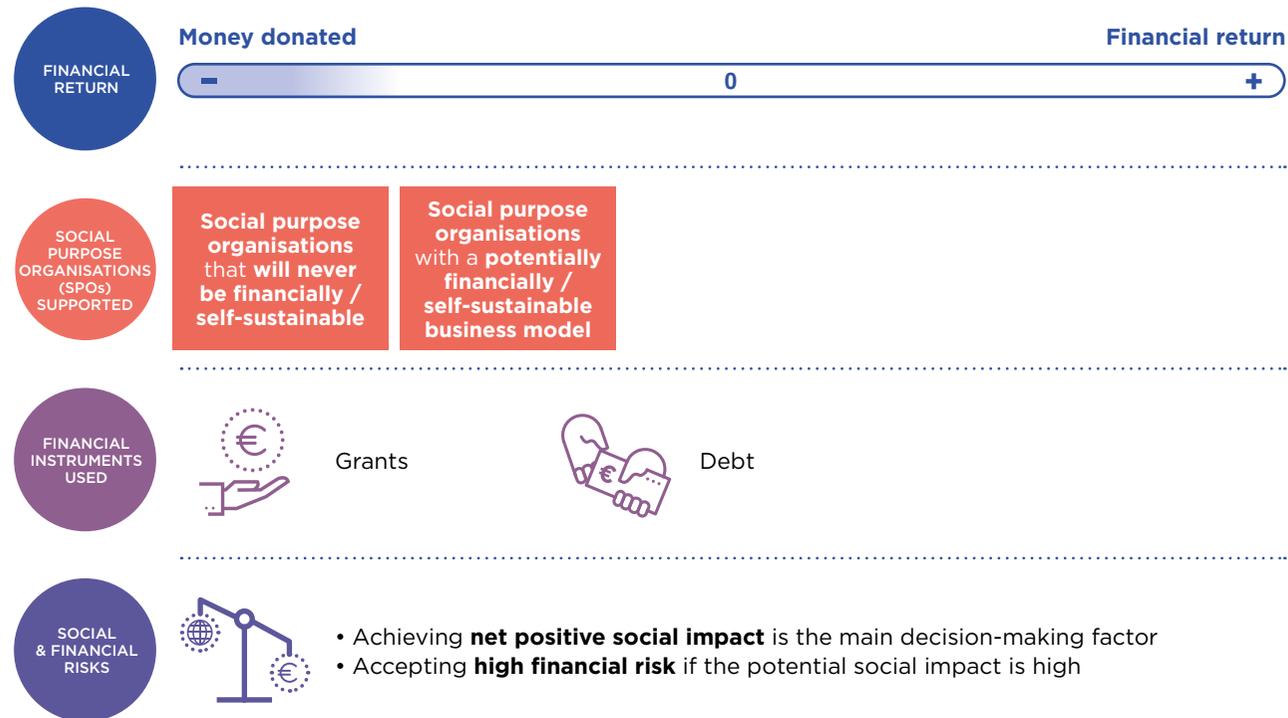




A Corporate Social Investor\* (CSI) and its affiliated company can align in four ways. With this case study, we highlight **thematic alignment**, so called when the CSI aligns its mission and/or core focus areas with **social issues** (e.g., SDGs or core values) that are **materially important to the company**, with the aim of **creating stronger coherence between the CSI's social impact and the company's**.

**Investment strategy**



\* Corporate Social Investors (CSI) support social purpose organisations (e.g. social enterprises, charities) with financial and non-financial support. CSIs are investors for impact related to a company: a corporate foundation, corporate impact fund, corporate impact incubator, accelerator, a social business.

**Thematic Alignment Strategy**

**Trafigura Foundation's mission is to provide long-term funding and expertise to improve the socio-economic conditions of vulnerable communities around the world.** The Foundation believes that it is also part of its mission as a corporate Foundation to have an awareness-raising role within the company and to raise awareness around the challenges that exist beyond the company's focus.

In 2015, the Foundation therefore **decided to align two of its core focus areas with themes that are materially important to the global commodity trader Trafigura:** fair and sustainable employment and clean and safe supply chains. While working on similar themes, the Foundation clearly differentiates itself from the company's responsibility by focusing exclusively on beneficiary groups and social issues that are not directly related to the business but rather to the mining or transportation sector as a whole.

**Organisational Profile**

<p><b>Legal structure:</b> Corporate Foundation</p> <p><b>Funding model:</b> Fixed 4-year rolling budget</p> <p><b>Yearly investment:</b> \$8.5M in 2019</p> <p><b>HQ location:</b> Switzerland</p> <p><b>Geographic focus:</b> Worldwide</p> <p><b>Affiliated company:</b> Trafigura Group</p>	<p><b>Social sector:</b> Fair and Sustainable Employment, Clean and Safe Supply Chains</p> <p><b>SDGs:</b></p> <div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; background-color: #800000; color: white; text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="border: 1px solid black; padding: 5px; background-color: #FFC000; color: white; text-align: center;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> </div> <div style="border: 1px solid black; padding: 5px; background-color: #008000; color: white; text-align: center; margin-top: 10px;"> <p>13 CLIMATE ACTION</p> </div>
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## Advice and key learnings



*"I believe it is important to know that strategic alignment should not be the holy grail. Corporate Foundations that do not align still have a raison d'être. But when pursuing thematic alignment, two points have been particularly important to us. First, it is important to have an open relationship with our corporate colleagues to leverage all potential benefits of alignment. Second, it is key to have a clear narrative on the strategic alignment choice. This is important to build external credibility toward the general public as well as internal legitimacy for employees."*

VINCENT FABER, EXECUTIVE DIRECTOR AT TRAFIGURA FOUNDATION



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## Thematic alignment in practice

### Social issue tackled by the CSI

Climate change is happening at a much faster pace than anticipated. While we need urgent actions to combat global warming, worldwide CO<sub>2</sub> emissions have risen to a new record high in 2019. As a large portion of the global CO<sub>2</sub> emissions comes from [the transportation sector](#), a shift towards low-emission transportation is vital to combat climate change and at the same time, materially important to Trafigura as a global commodity trader.

### Solution supported by the CSI

The Trafigura Foundation was therefore keen to support the [Smart Freight Centre](#), a global non-profit organisation that engages with multinationals, helping them monitor, report and eventually reduce their CO<sub>2</sub> emissions in a systematic way. The NGO developed the first globally recognised and standardised framework (the Global Logistics Emissions Council [GLEC] Framework) for calculating, reporting and comparing emissions for rail, marine and air transportation.

While the GLEC framework marked huge progress, it still needed the endorsement from companies to achieve the desired systemic change. Thus, Trafigura Foundation supported the SFC by refining their methodology and enabling wider dissemination throughout the sector – with the goal of transforming this framework into an industry-wide ISO norm.

Since the topic also resonated strongly with the company, Trafigura Foundation was able to reach out to the corporate experts on emissions reporting, for some advice. Trafigura, as a company, adopted the GLEC methodology for its own emission calculation and reporting. It also participated in the refinement of the framework itself by providing guidance and access to maritime networks, technical data, and more specifically bulk shipping.

### Impact benefits

Because of this, Smart Freight Centre was able to build on the Foundation's and the company's expertise to advance the framework. The support and network of the Foundation helped the NGO to promote its framework not only amongst Trafigura, but also within many other transportation companies. Today, [40 multinationals have already adopted this framework](#).

### Business relevance

This [initiative](#) also helped Trafigura to learn from the Foundation and Smart Freight Centre to better establish emission standards for their own operations. Today, Trafigura still actively participates in several projects led by the Smart Freight Centre, with whom it continuously works towards a better, more precise monitoring of its logistics-related emissions. Both entities are also teaming up to advocate for common targets in the sector and within the international organisation.

Interested in joining our community and shaping the knowledge around CSI? [Get in touch](#)

More information about [Strategic Alignment](#)

Learn about Trafigura Foundation's [Eau et Vie success story](#)