



Corporate
Initiative

Safeguarding Impact Integrity



with **Trafigura Foundation**

Who is Trafigura Foundation?

Name	Trafigura Foundation
Related company (and industry)	Trafigura (commodity trading)
Legal structure	Foundation of public interest
Established in	2007
HQ Location	Geneva, Switzerland
Financial instruments	Grants, Debt
Yearly investments	\$7.7M in 2021
Social sector	Sustainable Livelihoods, Clean and Safe Supply Chains

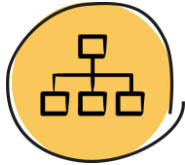


Impact Integrity Risk Assessment

Strategic alignment: 80% thematic alignment, 20% industry alignment



Board composition: majority of trustees with background from the related company.



Staff composition: staff with no background from the related company. Staff on foundation's payroll.



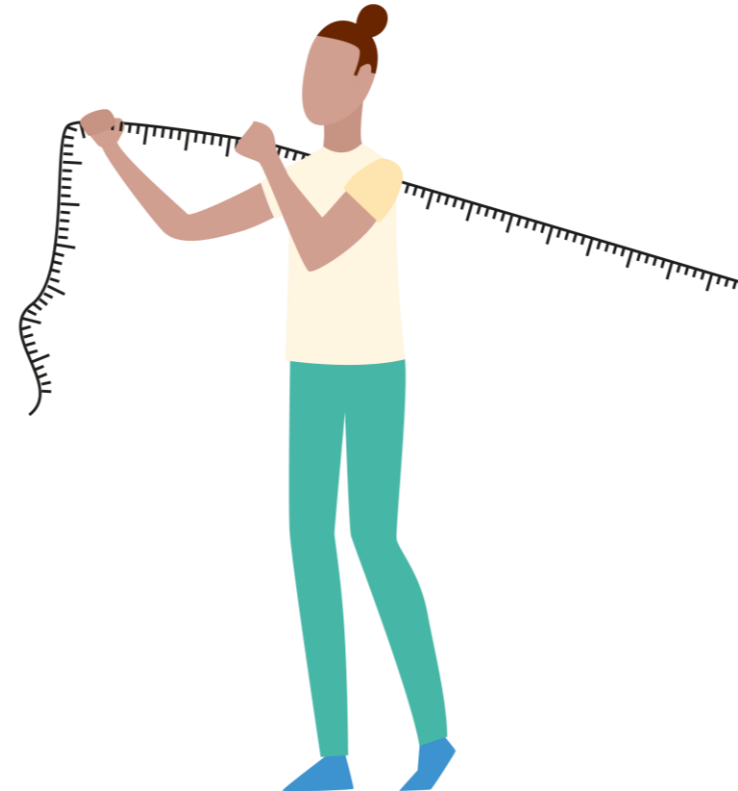
Investment decisions: board upon recommendation from management. Director has latitudes of his own within given limits.

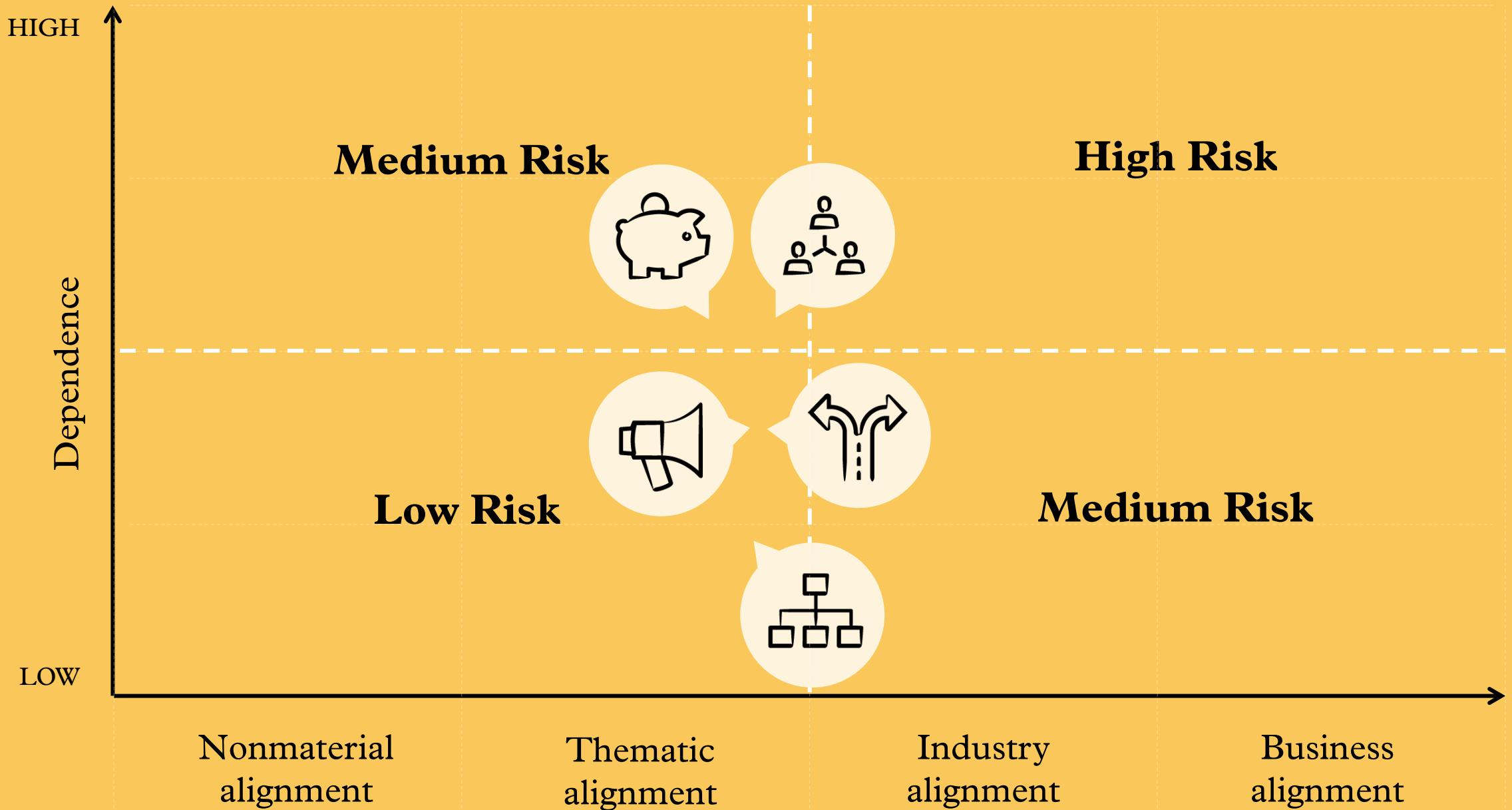


Communication: using mostly its own communication channels.



Funding source: agreed long-term commitment with the company.





What does this mean for Trafigura Foundation's impact integrity?

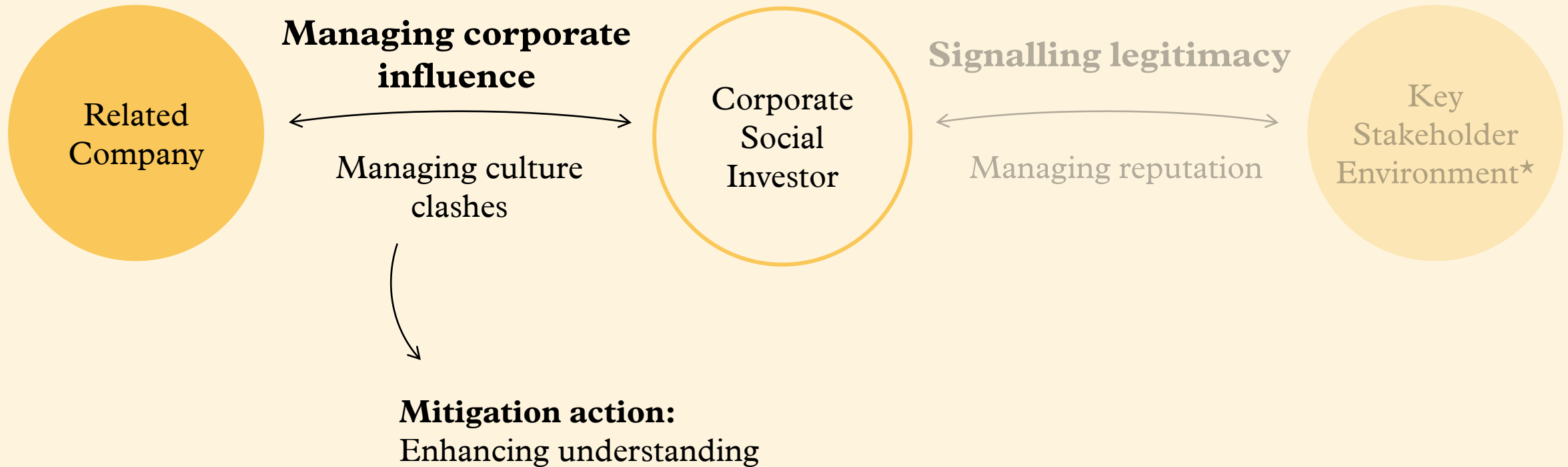
Trafigura Foundation started its activities at arm's length of the related company. Over the years, it further **aligned some of its activities** with themes or, in some cases, with industry-related challenges material to Trafigura.

This decision was driven by the willingness to **better leverage the company's, expertise and resources so as to maximize impact** and to support the targeted beneficiaries more effectively.

The foundation's staff is hired based on the specific competences and skills required by the foundation's nature of activities. This approach also enables **greater relevance and independence in the team's operational mindset** and in decision-making processes. Additionally, Trafigura Foundation communicates through **its own communication channels**, which warrants relevance and unbiased messaging



Challenges & Mitigation Actions



*social sector, media, regulators, etc.

Managing Corporate Influence

How enhancing understanding helps manage culture clashes

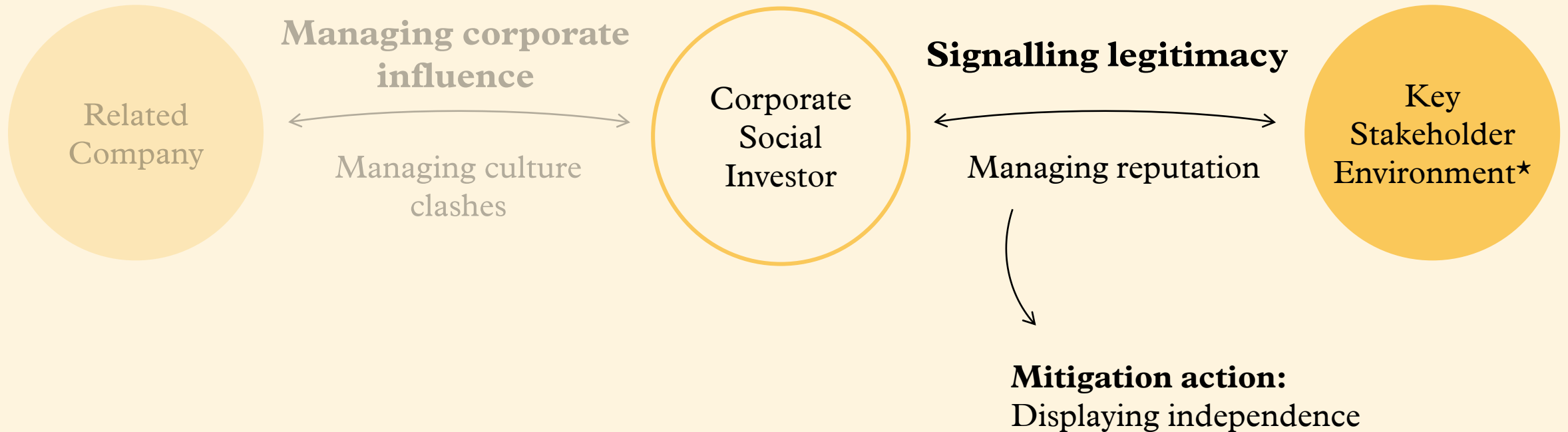
While corporate foundations are driven by their social impact agenda to serve their targeted beneficiary group, companies are driven by their business agenda. Due to these differing cultures, **misconceptions** around the corporate foundation's role may arise within the corporate setting.

To avoid such situations, the foundation **clearly and repeatedly explains** to its board and relevant stakeholders within the company what **its scope and drivers** are.

For example, when new trustees join the board, the foundation thoroughly briefs them on the expectations that the executive team has of the overall role of the board and on their own role within the board.

This process is key in establishing the idea that the foundation always takes the needs of the beneficiaries as starting point, and must not consider any commercial interests of the company in its decision-making process. Over time, the cultural differences between the two entities became better understood.

Challenges & Mitigation Actions



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Signalling Legitimacy

How displaying independence helps manage the foundation's reputation

The company Trafigura is operating in the commodity trading sector, a sector at times subject to **negative perceptions** by the broader public. By extension, these perceptions can also affect the foundation.

Although the foundation takes pride in its interrelations with the company, in which they bring each other value in their own merits, these potential misperceptions makes it important to explain comprehensively the concept of being “independent, yet connected”

With its name Trafigura Foundation stays true to its identity as a corporate foundation, but it also uses the term “**independent philanthropic entity**” in its communications and messages.

By displaying independence, and by acting independently, the foundation clarifies that its drivers are different from the related company and remain non-commercially based. By showing the evidence that the foundation's purpose is unbiased by any business consideration, the mission of the Foundation is fully legitimized

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