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£15 million Challenge to Get Businesses to Become Social Investors

~ Big Society Capital launches first ever Business Impact Challenge ~

A new £15 million challenge prize has today been launched to catalyse private sector demand for social investment in the UK. The Business Impact Challenge, launched by social investment bank Big Social Capital, is looking for the best idea for a high-impact investment that generates strong business and social value in the UK.

Entries will be judged by an expert panel chaired by Lord Davies of Abersoch (former Chairman of Standard Chartered and Minister of State for Trade and investment) and including internet entrepreneur Baroness Lane Fox, Economist journalist Matthew Bishop, Harvey McGrath (former Chairman of Prudential plc and Man Group plc), Ian Davis (former Managing Director of McKinsey & Co), Karen Lynch (social entrepreneur CEO of Belu Water) and Nick O'Donohoe (Chief Executive of Big Society Capital).

Lord Davies, who will chair the panel, said:

"Today's most innovative companies are building social value into the core of their strategy, moving beyond Corporate Social Responsibility activities to generate competitive advantage through business models that create positive financial and social impact. This is a fantastic opportunity for businesses at the forefront of this movement to not only benefit from the investment, but also from the expertise and support of Big Society Capital."

The launch of the Business Impact Challenge signals the growing momentum around the role businesses can play in tackling society's most pressing issues through social impact investing. Key examples in the past year have come from brands including Nandos, Centrica and Danone.

By supplying social sector organisations with the capital they need to scale and grow their impact, social impact investment can provide companies with access to new markets, products, services or technologies, and help develop attract and retain talent in an increasingly competitive and resource constrained environment.

However, a key hurdle is understood to be in-house expertise in this area. As well as the matched investment, the winning idea will also receive expert support in structuring and launching their idea from Big Society Capital.

Nick O'Donohoe, Chief Executive of Big Society Capital, said:

"The Business Impact Challenge signifies Big Society Capital's commitment to supporting corporates in making investments that intentionally generate social outcomes and business innovations. Corporate Social Impact Investment is most powerful when it reflects a company's strategic priorities at the core."

The winner will be announced in Autumn 2015. Businesses can enter their high-impact investment ideas from today at www.businessimpactchallenge.com

ENDS

For more information, contact:

For more information, images and interview, please contact David Dinnage, Senior Media Manager, Big Society Capital, e | ddinnage@big society capital.com t | 020 7186 2510

NOTES TO EDITORS

About the Business Impact Challenge (www.businessimpactchallenge.com)

1. The challenge opens today. Deadline for first stage submissions is 1st May 2015, with the final winner announced in Autumn 2015
2. Innovative investment models the Challenge is looking to stimulate include:
 - Corporate Investment funds: Investing directly in social enterprises
 - Social purpose joint ventures: Collaborations between businesses and social sector organisations to tackle social issues with a business model
 - Social impact bonds: Purchasing social outcomes like literacy, or disease prevention, with payment by results
3. Entries can come from individual companies or partnerships which could include social organisations. Partnerships must include at least one private company. All ideas must fund and/or support social purpose organisations with an interest in the UK. Ideas will be assessed on:
 - Social Impact
 - Business models
 - Delivery
4. Examples of corporates already involved in social investment include:
 - Centrica's Ignite Fund, designed to tackle fuel poverty
 - Grameen Group and Groupe Danone joint venture to tackle malnutrition in Bangladesh
 - Nando's, Anglo-American and Coca-Cola social impact bond to tackle malaria in Mozambique

Further details of all three can be found on the businessimpactchallenge.com website

About Big Society Capital (www.bigsocietycapital.com)

Big Society Capital is a financial institution with a social mission, set up to build the social investment market in the UK, so that charities and social enterprises can access appropriate repayable finance to enable them to grow, become more sustainable and increase their impact on society. It is doing this by building a diverse social investment market: encouraging investors to lend or invest money to achieve a social as well as a financial return.

Since it was set up as an independent organisation in 2012, Big Society Capital has committed over £165 million in investments to specialist organisations who lend to charities and social enterprises. Over five years Big Society Capital will be capitalised with approximately £600 million, from a combination of English dormant bank accounts and the four main UK high street banks.