

PwC Foundation

Impact Report

—The world as envisioned
by the PwC Foundation—

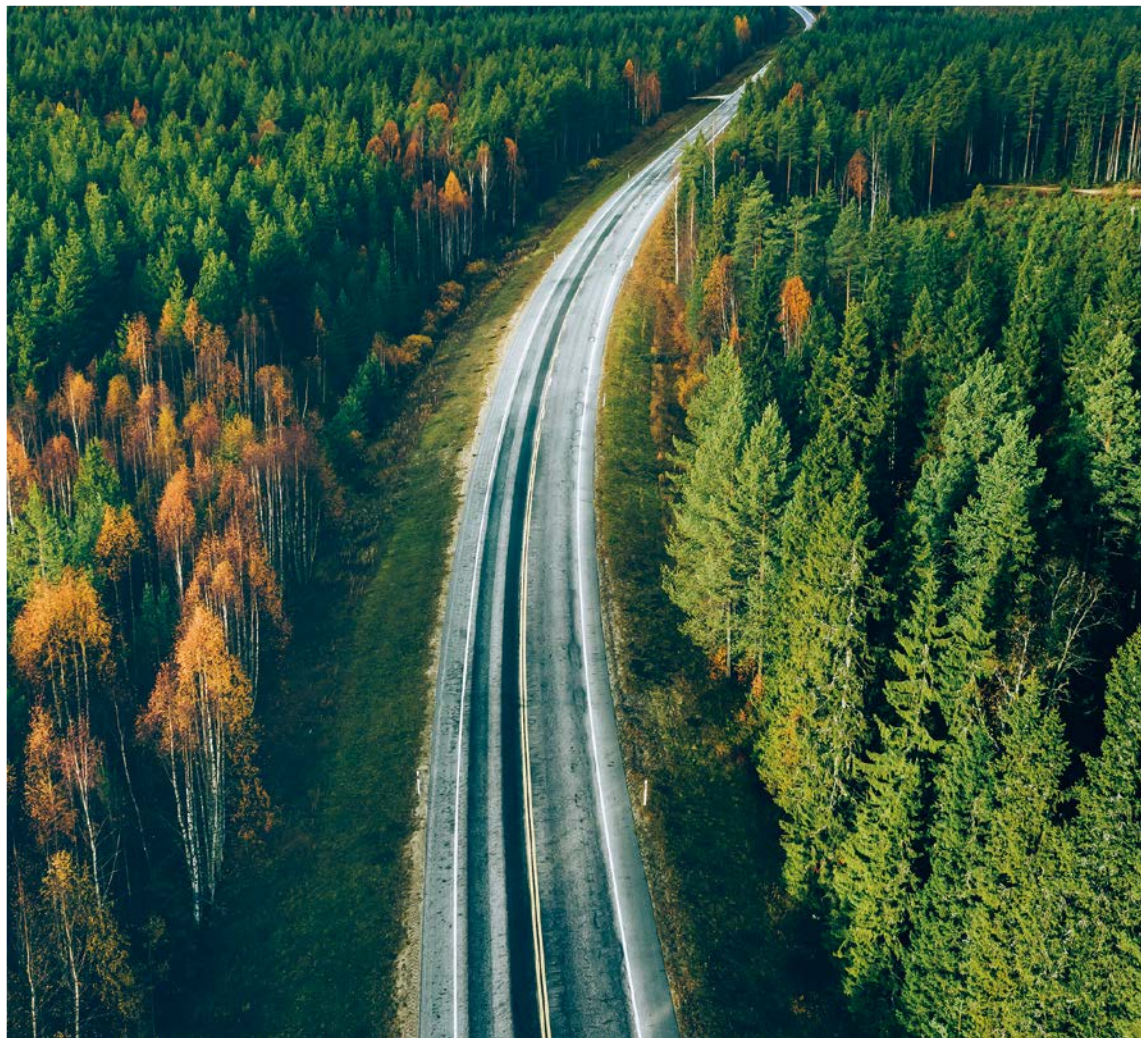




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Introduction

This Report aims to help a broader audience understand how we create impact by visualising the world as envisioned by the PwC Foundation and the path toward its realisation.

The PwC Foundation aspires to shape the world with a sustainable ecosystem for organisations that share the same aspirations to impact society. It is an ideal world where technologies capable of driving major innovation are harnessed, revolutionary solutions are successively applied to social problems and social ventures (SVs) leading these movements emerge globally.

To realise such a world, the PwC Foundation independently identifies social problems that need addressing and invites SVs to propose solutions within the Foundation's chosen focus areas. In so doing, we wish to connect with organisations that share our aspirations, applying the know-how of programme officers who consistently support each grant programme and the secretariat, while implementing the PwC Foundation's proven methods in society.

This Report uses the Theory of Change (ToC) to illustrate the world as envisioned by the PwC Foundation and the path toward its realisation. While this is the current ToC, we hope to add breadth to its scope through discussions and ensure our activities remain aligned with it as we seek to realise the world we aspire to shape.



Programme overview

A public interest incorporated foundation authorised in May 2021, the PwC Foundation is a specialised foundation that shapes the future with technology to realise a sustainable ecosystem. Since our establishment, we have accepted grant applications from organisations that utilise technology to work on social problems. Under the framework of these grant programmes, we handpick social problems that we should address, invite organisations to collaborate on solutions and award grants to successful applicants.

So far, the PwC Foundation has worked with a total of 16 organisations on grant programmes. Currently, we invite grant applications from the public twice a year and provide a grant of approximately 10 million yen per organisation (programme). Among the colourful array of programme themes we have been addressing with these organisations are: support for agriculture-

welfare cooperation using human augmentation technology, utilisation of AI and other technologies to alleviate medical resource shortages in local regions, utilisation of sensing and AI technologies to mitigate disaster risks and human casualties, and technology-driven solutions to air, soil and marine pollution, as well as to environmental destruction and biodiversity loss.



What makes the PwC Foundation unique

The PwC Foundation handpicks the social problems to address in each grant programme and publicly invites organisations that have the potential to contribute to solving them and are capable of conducting Proofs of Concept.

During the grant period, members from the PwC Japan Group are seconded to the PwC Foundation to serve as programme officers (POs) and jointly work to generate impact throughout the period. Passionately working hand in hand with the organisations, the POs set the pace of the programmes as they get things done in a timely manner.

The PwC Foundation also invites organisations in their early stages to apply for a grant, and grants are awarded to organisations of any legal status. As such, joint-stock companies may file an application so long as the programme for which a grant is applied is for a non-profit purpose.

Additionally, in the PwC Foundation's grant programmes, grants are awarded at the start of the grant period, immediately after the organisation is selected, rather than being contingent on the outcomes at the end of the programme. This allows organisations with limited financial resources to start having an impact on society.



The world as envisioned by the PwC Foundation: Theory of Change

Visualising the world that we envision

Ever since its establishment, the PwC Foundation has been addressing social problems by striving to achieve both economic growth and global environmental conservation. We aim to create an ecosystem that generates impact, working towards a world where society can develop sustainably.

What will the world envisioned by the PwC Foundation look like? What path should we follow to realise that world? How can we leverage our strengths

to make contributions? As we navigated a multitude of activities and achievements over the past three and a half years, it dawned on us that answers to these complex questions have become increasingly clear. It is, therefore, timely that we develop a Theory of Change (ToC) to visualise the ultimate state of the world the PwC Foundation aims to create and the path towards its realisation.

Rationale behind the establishment of a ToC

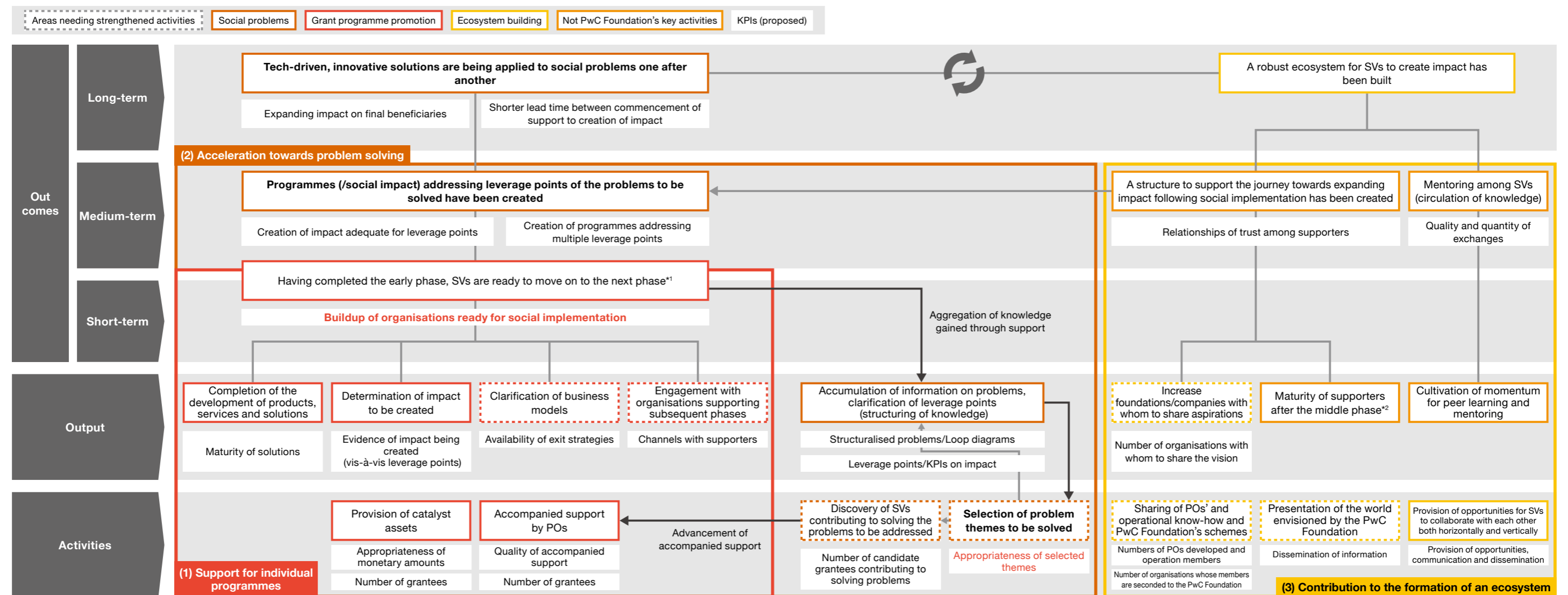
By developing a ToC, we aimed to identify the state the PwC Foundation seeks to achieve, the unique roles we can play and the unmet goals. We also aimed to determine in which areas we need to engage other organisations to foster a shared understanding of our raison d'être and objectives within the Foundation. Finally, we aimed to communicate all this to external parties to further enhance the impact we create.

In the course of compiling a ToC, we began by clarifying the visions of each individual who has been

involved in the PwC Foundation's activities thus far. This was followed by a series of discussions on what changes we at the PwC Foundation wish to bring about in society and the essential steps needed to achieve these goals.

Going forward, we will subject this ToC, developed through extensive discussions, to periodic reviews to refine it further. We will forge ahead with our activities with an awareness that every single action of ours is linked via the ToC to the world we envision, thus maximising the impact that we generate.

PwC Foundation's Theory of Change (ToC)



*1 Grantees, including joint-stock companies in the seed and early phases, as well as NPOs/NGOs, complete the early phase (social implementation completed).

*2 Fostering a culture where VCs, impact investors, financial institutions, local governments, companies, etc., can proactively support SVs in strengthening their economic foundations and creating impact in the middle phase. It also means that seamless support is offered between phases as relationships between VCs and the PwC Foundation, as well as VCs and financial institutions, are cemented.

ToC statement

The PwC Foundation aspires to create a world where sustainable solutions to social problems are realised, with two ultimate goals: achieving a state where ‘tech-driven, innovative solutions are being applied to social problems one after another’ and a state where ‘a robust ecosystem for SVs to create impact has been built’.

To realise these goals, the PwC Foundation will: 1. promote grant programmes, 2. accelerate problem solutions and 3. contribute to the formation of an ecosystem.

(1) Promotion of grant programmes

The first pillar is the promotion of grant programmes. Here, in addition to our key activities of supporting grantees through the provision of catalyst assets and PO-accompanied support, we assist them in formulating exit strategies. This includes building business models, reinforcing governance and visualising the impact to be created. We also guide them on how to connect with organisations that can support the subsequent phases. The outcome we aim to achieve from the early to middle phases is to ensure that grantees complete the early phase and are prepared to advance to the next phase.

(2) Acceleration for problem solving

As we provide courteous accompanied support to promote grant programmes, we gain access to not only general information from grantees, such as what parties are doing about specific social problems, but also in-depth information, including the realities of problems, specific pain points, key factors for success (KFS) and experiences of failure.

By accumulating knowledge about these problems, we can structure social problems and gain an overall picture to identify leverage points;* i.e. how we should address the problems and what should be supplemented. To attain the final goals, it is vital that we support programmes making further contributions to solving social problems. Thus, the identification of leverage points is an important factor.

The PwC Foundation will remain committed to supporting programmes that will further expedite the resolution of social problems by discovering SVs who can contribute to solving these issues. This will be achieved through the structuring of knowledge and the selection of appropriate themes, as detailed above.

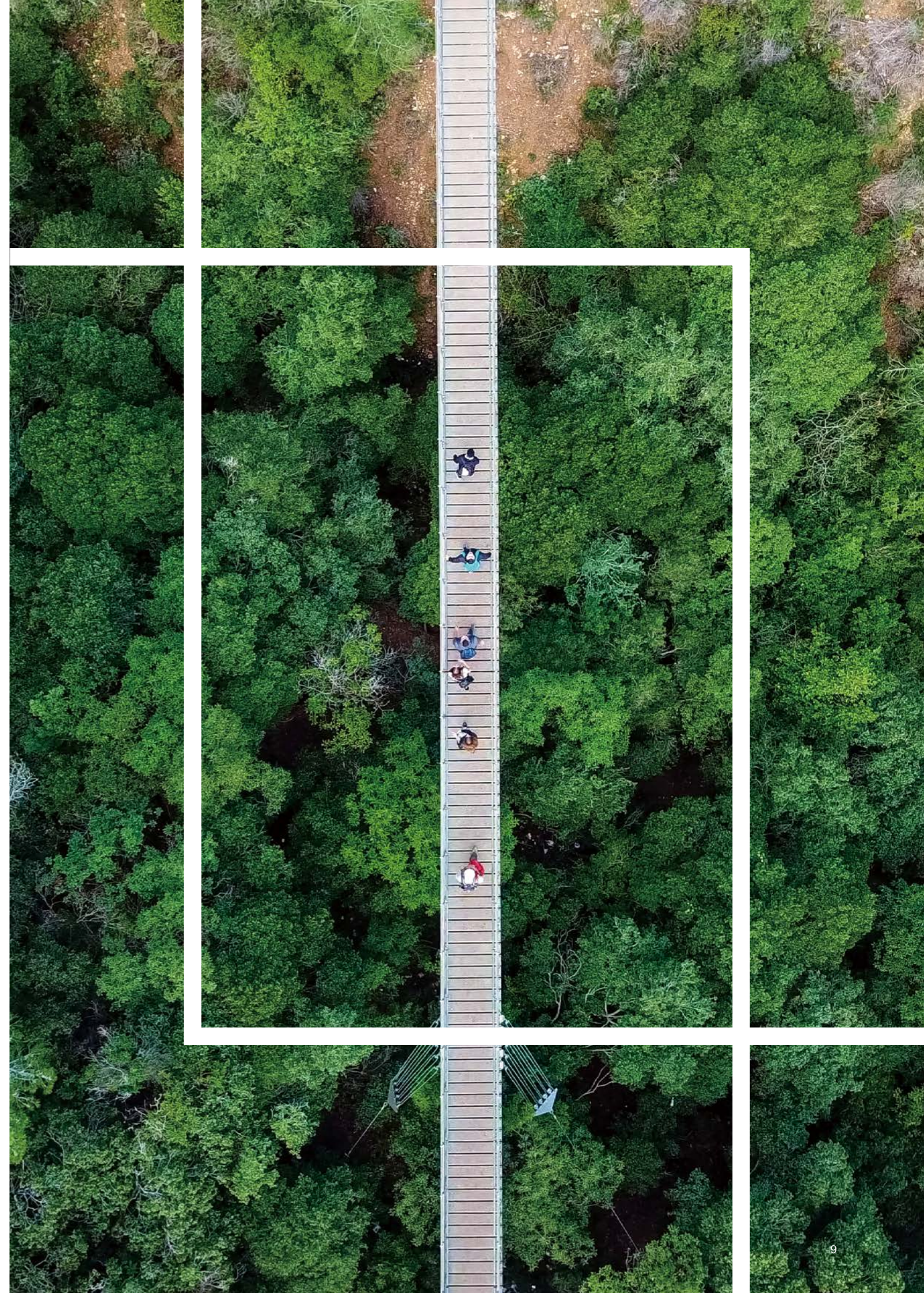
(3) Contribution to the formation of an ecosystem

For grant programmes to create social impact, it is vital that they sustain growth beyond the grant period. To ensure that SVs and social programmes develop sustainably, it is essential to build an ecosystem that offers continuous support.

We recognise that the PwC Foundation alone cannot realise this outcome. Instead, it is a world that can be realised through collaboration with organisations and other foundations that have already begun building the ecosystem. We at the PwC Foundation will remain open and proactive in building the ecosystem, aiming to attract more partners that share the same aspirations as we share our knowledge (for example, POs’ and operational know-how and schemes) as well as the world we envision.

Kicking off with support from the PwC Foundation, SVs gain support in subsequent phases to sustain their growth. As we accumulate these successful cases, we believe that a relationship of trust will be built among supporters, which will, in turn, make support for SVs seamless and continuous.

In a similar vein, when SVs collaborate with each other to learn from their peers, knowledge starts to circulate. Building such a relationship is also tantamount to the creation of an ecosystem. We aspire to create a world where, by sharing such knowledge and accumulating successful cases, we can offer seamless support to SVs from early phases to the expansion of impact after social implementation.



* Points of intervention where fewer resources can produce greater and more sustainable outcomes

Roundtable dialogue with directors and selection committee members

■ A conversation with key individuals

For a deeper understanding of the PwC Foundation's earnest aspirations embodied in our ToC, we invited key individuals to participate in a roundtable dialogue. Gathering for the occasion were Masaki Yasui, President and Selection Committee Member, who has been involved in the PwC Foundation since its conceptual stage; Masataka Uo, Chair of the Selection Committee; Retsu Fujisawa, Director and Selection Committee Member; and Akihito Hyuga, Chief of the Secretariat. They all shared their ideas on ensuring that the elements of the ToC, and the ToC itself, are not just visionary but actionable. (MC: Nayuka Kitahara, Impact Report Writing Support Team)



Compiling the Impact Report

Kitahara: Could you share what motivated you to compile this Impact Report and your personal reflections on its publication?

Yasui: Sure. Now that we have achieved positive results and established stability in the Foundation, we aim to enhance our recognition and expand our impact by visualising and publishing our goals, utilising the unique aspects of the PwC Foundation. These include providing grants to tech-driven organisations, including joint-stock companies, accompanied support by POs and the active involvement of external specialists in the Selection Committee. In fact, as we speak with various stakeholders on a daily basis, we are having an increasing number of inquiries about what the PwC Foundation is doing and the specific roles of our POs. We also feel it necessary to develop a reliable operational system if we are to realise sustainable growth of the Foundation. We hope that the publication of this Impact Report will help increase the number of partners that share the same aspirations with us and our POs.

Hyuga: I think it meaningful to visualise three things: first, presenting the achievements of the grantees;



second, visualising the ideal society that the PwC Foundation aspires to create; and third, clarifying the roles of the PwC Foundation by putting the final state of the ideal society and ecosystem in perspective. As we externally roll out the PwC Foundation's plans and the ideal society it aspires to create, we hope to gather partners and create a world that generates collective impact. I am excited to discuss this Impact Report in-depth with our stakeholders. When we begin to see various ideas and discussions emerge, we should see the formation of an ecosystem. Another meaningful thing about this publication is that we get to know what other members of the Foundation think in the course of the publication process.

Uo: This volume not only puts together our past achievements but also features individual members' aspirations and stories about the ToC. I sincerely hope this Report will provide a new catalyst that will bring about changes in society.

Aspirations behind the ToC

Kitahara: Through this process of developing our ToC, we have worked to visualise the state of society that the PwC Foundation aspires to reach and the action policies designed to realise it. Given your personal experiences and the challenges you perceive in our society, could you share the insights you incorporated into the ToC?

Uo: I can see that accompanied support from the PwC Foundation helps grantees advance their business models and partnerships. Furthermore, every step forward in the scenario of change contributes to a fundamental shift in the market. I think this ToC serves as a model because it illustrates the logic of starting with a focused approach to solving problems by providing grants to individual organisations, which then influences changes across the entire social system. Through its grants, the PwC

Foundation is involved in many programmes, which in turn allows us to see social problems in perspective. Because we provide funding, we gain access to information that would otherwise be unknown to us and encounter new knowledge. We expect that POs will organise this knowledge and use it to bring about future practices. What is important here is that we structure the lessons learned from the activities of individual organisations, which they share with us because we provide funding, and conduct activities and policy recommendations collectively. For us to conduct these activities collectively, we must be open to an ecosystem in which we aim to solve problems. Because we set a major goal of changing social systems, we highly value the approach of actively participating in various activities designed to connect like-minded individuals and organisations.

Fujisawa: We believe that the new form of grants, such as those offered by the PwC Foundation, which are geared towards impact rather than achievement, like VCs, and with slightly higher amounts than conventional subsidies, can better contribute to the realisation of social value. Ours is also unique and advanced in that POs go beyond merely monitoring the progress of their programmes to managing their impact. In the context of building an ecosystem and supporting individual organisations by providing grants, we can find other groups doing the same here and there. On the other hand, I believe there are few groups that put the structure of problems in a broader perspective, identify potential leverage points and invite programme proposals that focus on them. With this in mind, I have outlined my expectations in the ToC that the PwC Foundation will pioneer such activities. As we move ahead, I look forward to the PwC Foundation setting programme themes and building a brand after gaining an overall picture of each problem. Just as it takes both actors and a script to perform a drama, developing actors and providing them with roles with a good script is essential. I want to see more development of both actors and scripts.

Yasui: I don't think our initial blueprint of providing accompanied support by POs and awarding grants to tech-driven organisations was wrong, but, as you correctly indicated, we have yet to become a group that defines social problems to be solved and maps out their solutions. We still don't have ways to determine which problems to solve. Using the board game Othello as an analogy, social problem themes are distributed across the board, with theme owners and players addressing these issues from various angles and leverage points situated at the four corners. In the long run, we hope that the PwC Foundation will provide this 'board' (program themes), sponsor major game meets and create an ecosystem of such meets, enabling other groups to do the same. At the end of the day, we hope to develop an



environment, narrow down the focus themes and analyse the structures of each problem. This will enable grantees to scale up their programmes beyond the grant period, thereby offering solutions to problems across the entire segment. This is what I wish to achieve through our ToC.

Hyuga: Ever since the PwC Foundation was established, I have been thinking about how we should get involved in setting themes. I believe that we should be talking about this as we search for the direction that the PwC Foundation should follow. I think the development of the ToC has clarified what we should be doing and what it means in the overall picture, which I consider an excellent move. The next move we should take is, first and foremost, for the PwC Foundation to set themes, and I'm hopeful that setting such themes will create an impact. Also, I personally believe that the enthusiasm of each individual is directly proportional to the impact they can achieve, so I will continue to focus on utilising that enthusiasm, including from grantees and POs. At the same time, I believe that a critical point for discussion will be how we can maximise the outcomes brought about by individuals in a way that is not dependent on any one person but can be replicated by the organisation as a whole, thereby driving change.

Uo: I must say that it is rather difficult but highly meaningful for a fund provider to visualise a ToC. It's neither top-down (governments, etc.) nor bottom-up (program operators, grantees, etc.). We hope to continue revising the ToC through discussions every few years, and we believe it's important to involve POs in these discussions to incorporate their practical insights from the field.

Yasui, Fujisawa and Hyuga: As you just mentioned, let's say we set opportunities for periodic discussions on which way we will be heading and what programme themes we will pursue.

To realise the ToC

Kitahara: The ToC is an avenue to visualise visions and concepts. Now, I'd like to invite your comments on



what actions we can take to realise our visions, rather than leaving them unimplemented.

Yasui: To avoid leaving the ToC as merely something visionary, I think it's necessary to make a concrete plan as to what actions the PwC Foundation and stakeholders will take based on the ToC. To this end, we need to set appropriate KPIs for this ToC and align our internal efforts.

Kitahara: As you correctly indicated, the next step for us is to set concrete actions. As for the visualisation methods, I would say a logic model that functions as a business plan detailing inputs and activities is the most suitable.

Uo: Right. What we need to do next is develop a logic model and verify the certainty of each KPI. Depending on how we set the KPIs, we could deviate from our current course, so we need to be extra cautious here. As the PwC Foundation shares its achievements in meeting the KPIs and other targets with the public, we hope that successful cases will follow, drawing attention to the Foundation's grant recipients and encouraging other foundations to become more active in grant-giving. This is what I wish to see.

Fujisawa: While forming an ecosystem doesn't need to be the primary mission of the PwC Foundation, I believe it's important to understand the efforts to create one in various places and contribute to the process.



Concerning setting themes, we might, for example, sponsor a conference or other events to have theatrical discussions with those who are familiar with the field and set the agenda we should address through such discussions. It would be wonderful if we could create a situation where the general public takes an interest in the agenda items the PwC Foundation has selected.

Next action

Kitahara: To realise the ToC, what concrete actions do you have in mind for the coming few years, and what are the priorities among the ToC statements?

Yasui: First of all, we're planning to set the themes of social problems to solve and determine leverage points after putting the general picture of the problem in perspective. Since we can expect that POs will grow substantially from tackling this task squarely, I think it's worthwhile to allocate our resources here for the sake of human resource development. We might invite someone capable of realising these ideals and ask them to create a scenario for us with their utmost effort. Whatever the case may be, we hope to continue with concrete discussions to make things happen.

Fujisawa: I try not to lose sight of one thing: deciding what problems to solve is not just for providing grants to individual programmes but serves as an overriding objective that leads to the solution of social problems. If we only think of giving grants to individual programmes, we might run the risk of having our perspective narrowed.

Hyuga: I think we need diverse talents: one like a scriptwriter who decides which problems to solve while viewing the entire picture, and one like a producer who decides how to solve them.

Uo: In any case, our goal for the coming year is to establish a clear scenario for generating dual impact, both social and economic. Then, I imagine that one thing will naturally lead to another. I also think it's important to share with POs and grantees the need for support not just for the grantees' projects but for the entire social structure, thereby fostering an overall awareness of this necessity.

Kitahara: You've just shared an ambitious plan for how you would involve various parties in collectively setting themes, structuring knowledge and solving issues to transform social systems. You've also mentioned that, while setting eyes on bigger targets, you are committed to making solid efforts to enhance the quality of the grant programmes at hand and help trustworthy organisations make a public debut. I sincerely hope that groups with similar aspirations will unite, empathising with your stories and what this Report entails, to make meaningful changes to society in the future. Thank you very much for joining us.

Participant profiles



Masataka Uo

CEO of Japan Fundraising Association and Vice Chair of Japan National Advisory Board for GSG Impact

After working at the Japan International Cooperation Agency (JICA) and the Ministry of Foreign Affairs of Japan, Masataka Uo founded the Japan Fundraising Association, a certified nonprofit organisation that develops fundraisers and promotes philanthropic education programmes. He has been serving in his current role since 2012. Concurrently, he is the Vice Chair of the Japan National Advisory Board for GSG Impact—the Global Steering Group for Impact Investment. In May 2020, he assumed the position of Director at the PwC Foundation. In May 2021, after the PwC Foundation was authorised as a public interest incorporated foundation, he became the Chairperson of the PwC Foundation's Selection Committee.



Retsu Fujisawa

Representative Director, RCF

A graduate of Hitotsubashi University, Retsu Fujisawa joined a strategic consulting firm before he became independent to found a consulting firm specialising in NPOs, social services, etc. After the Great East Japan Earthquake in 2011, he founded a general corporate foundation, RCF, to analyse information on disaster restoration and create businesses. At present, he is the Director of the Fukushima 12 Municipalities Migration Support Center and the Director/Executive Director of the Japan Association of New Public (JANP). He also served as the Director of the Japan Professional Football League (part-time) until March 2022. In May 2020, he assumed the position of Director of the PwC Foundation and, in May 2021, took on the concurrent role of the PwC Foundation's Selection Committee when the PwC Foundation was authorised as a public interest incorporated foundation.



Akihito Hyuga

Chief of Secretariat, PwC Foundation

After working at a foreign capital consulting firm, Akihito Hyuga joined PwC Consulting LLC. As a specialist in supply chains and management reform, he offers distinguished services to a broad range of industrial sectors, including manufacturing. His specialty lies in end-to-end support, from strategy formulation to implementation support, including management reform using digital technology. Serving as the Vision Hacker Awards Mentor and pro bono coordinator of certified non-profit organisation ETIC (Entrepreneurial Training for Innovative Communities), he also works on social agendas. In May 2020, he established the PwC Foundation, to which he was seconded to assume the position of Executive Director.



Masaki Yasui

President and Selection Committee Member, PwC Foundation

After working at a leading consulting firm, Masaki Yasui is now on the management team of PwC Consulting LLC as Senior Executive Officer. A specialist in digital transformation (DX), he delivers services to a broad range of industrial sectors, including manufacturing. In recent years, he has been involved in the development of many new businesses using digital technologies, offering end-to-end support from strategy formulation to implementation support in various fields, including AI/IoT digitalisation planning, smart city planning and space business. In May 2020, he established the PwC Foundation to assume the position of President and took on the concurrent role of the PwC Foundation's Selection Committee member in May 2021, when the PwC Foundation was authorised as a public interest incorporated foundation.

The profile is based on information available as of February 2024, when the Japanese version of this report was published.

In conclusion

Ever since its establishment in May 2020, the PwC Foundation has provided grants to a total of 16 organisations, with a total of 19 POs working on grant programmes. Unlike conventional subsidy/grant programmes, the PwC Foundation's grant programmes are unique in two ways. First, we invite applications based on different social problem themes for each programme, enabling flexible responses to changes. Second, POs accompany and support the programmes throughout the grant period, ensuring impactful outcomes. Another novel feature of the Foundation is that it offers a grant of ¥10 million per programme, which is relatively generous given the current diversity in funding. For the PwC Foundation, grantees are partners in tackling the social issues it has decided to address. We would be delighted if the promotion of each grant programme contributes to the advancement of the organisation.

In this Report, we attempted to articulate such thoughts and depicted the world the PwC Foundation wishes to realise and the path towards its realisation in the form of the Theory of Change (ToC). It is also our hope that by sharing the thoughts of PwC Foundation members involved in the development of the ToC, we will expand organic connections with parties who share our aspirations. Going forward, guided by the steadfast convictions outlined in the ToC, we will work towards the realisation of the world the PwC Foundation aspires to create and generate impactful change.

Theory of Change



Contacts

PwC Foundation

The contact form can be downloaded from the link below:
<https://forms.jp.pwc.com/public/application/add/4747>



Contact form

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<https://www.pwc.com/jp/ja/about-us/member/pwc-foundation.html>



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Published: October 2024

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