



An introduction to BITC's 'Degrees of Integration': *the elements expected in a responsible business strategy*

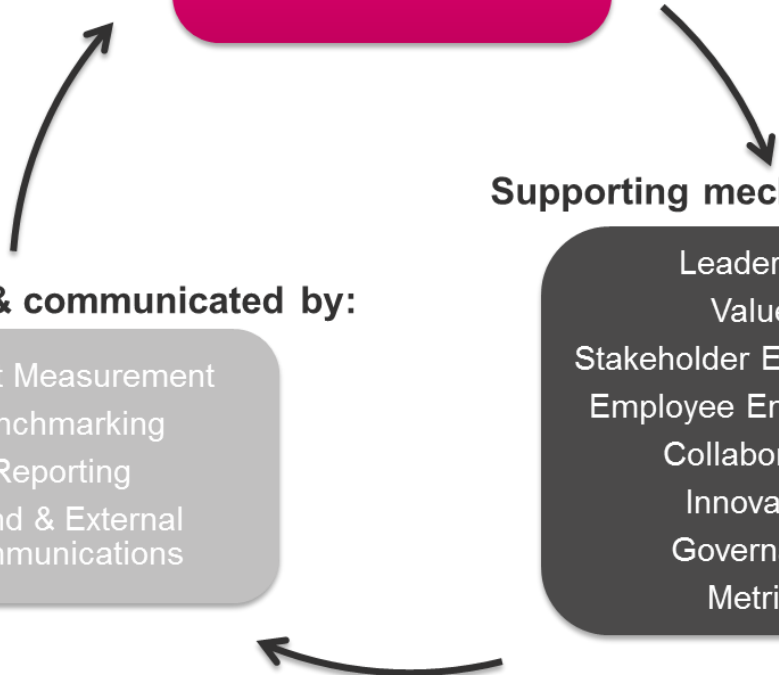
The approach should be:



Supporting mechanisms are:



Monitored & communicated by:



On each element a company can be at one of the following levels:





Approach

Visionary: Specific vision linked to contributing to a sustainable future; addressing business risks, global megatrends, stakeholder expectations, competitiveness and innovation in an integrated way.

Integrated: Responsible business objectives integrated into the core business strategy with robust objectives and targets for the medium and long term.

Challenging: Willing to challenge accepted norms and create new paradigms. Clearly thinking and operating beyond the belief that firms must sacrifice financial performance to meet social and environmental expectations.

Material: Material issues are identified through good stakeholder engagement and shape core business strategy, products and services.

Supporting Mechanisms

Leadership: The level of understanding, engagement, accountability, and visibility senior leaders within a business choose to take and demonstrate on the responsible business agenda and the extent to which an organisation looks to develop thinking and understanding among future leaders

Values: How employers encourage and enable employees to live the values

Stakeholder engagement: The proactivity and effectiveness of a company's communication with the various individuals, groups and organisations affected by the company's operations and the value put on engaging with these stakeholders as a means of learning and influence

Employee engagement: The extent to which an employer lifts up responsible business internally, encourages understanding among all employees of how the organisation's approach relates to their role and encourages feedback/input to improve responsibility

Collaboration: Working in collaboration with others to challenge sector norms and take ideas to scale

Innovation: Investing in innovation for positive social and environmental outcomes

Governance: The composition of the board (or equivalent) and how it is organised and developed to manage, integrate and drive responsible business through the organisation

Metrics: The extent to which targets/metrics are appropriate for responsible business and how the company measures against them





Monitoring and Communication

Impact measurement: How the company measures against targets and how these measures demonstrate to stakeholders the impact achieved.

Benchmarking: The extent to which a company uses benchmarking to understand how it is performing relative to others and to drive improvements

Reporting: How a company values and manages the public reporting of responsible business, how it is integrated with its financial reporting, the extent to which the company is transparent about its positive and negative impacts and clear about its focus areas and performance

Brand and external communications: A company's approach to communicating its approach and commitment to responsible business in conjunction with the corporate brand

About this model

The model is a summarised version of BITC's Degrees of Integration framework, which is designed to be a starting point for a strategic conversation between BITC members and their relationship manager. The model covers a wide breadth of elements that companies should take into consideration when developing their business strategy and implementation approach. The model indicates that there are four levels of integration of these elements: **Starting, Accelerating, Leading and Shaping**

The starting point of the model is a company's approach to responsible business, this is described in four broad characteristics that BITC would expect to see within a responsible business strategy. **The approach** should be: Visionary, Integrated and Challenging; it should also address Material issues. The next step describes **the mechanisms** to support the approach. BITC would expect to see the following mechanisms covered by a responsible business strategy: Leadership, Values, Stakeholder Engagement, Employee Engagement, Collaboration, Innovation, Governance and Metrics. The next step refers to how the effectiveness of the strategy will be **monitored and communicated**, these elements inform future strategy development and need to be considered in the overall strategic approach, these are: Impact measurement, Benchmarking, Reporting, Brand and external communications.





Next steps

Use this as a starting point for a strategic conversation with your relationship manager.

By signing up to BITC's Strategy and Purpose partnership an adviser can review your current strategy and assess the degree to which responsible business has been taken into account. Feedback includes a written document which identifies strengths in your approach and provides comments and suggestions of how to take your responsible business approach to the next level.

