

BUSINESS *in the*

COMMUNITY

# a framework for action

*Winning with Integrity*  
a guide to measuring and communicating





What a business produces, how it buys and sells, how it affects the environment, how it recruits, trains and develops its own people, how it invests in the community and respects the rights of people - all these add together to form the impact of that business on society.

This report, *Winning with Integrity*, is the first attempt in the UK to not only represent that agenda but also to refine it to its essential core in such a way that makes its management both practicable and beneficial for every size of business.

The report covers seven areas of social responsibilities:

purpose & values

marketplace

environment

workplace

community

human rights

guiding principles

Each chapter explains how a specific area can affect business results, gives practical advice on how to tackle the subject – and how to measure how well you are doing, sets out recommended actions based on a graded approach of three possible levels of involvement - Level 1 for first time adopters through to Level 3 for those who wish to set new standards as leaders.

Not all of the areas will be applicable to all companies. However, all are vital to understand as a company's standing can be underlined – or undermined – by what it does in any of these seven areas.

It's about creating trust among: your employees that yours' is a good company to work for; customers and suppliers that yours' is a reputable organisation to do business; with investors and financiers that yours' is a company worth backing; the community that yours' is a company that cares about and responds to local issues.



# Social responsibility can help your business to succeed in **four** ways. It can help:

## **build the business**

Consumers want products and services that are fit for purpose and good value, but do not want companies to behave irresponsibly.

Interest in social responsibility effects consumer purchasing - good companies being rewarded and poor companies being penalised.

Social responsibility is beginning to appear as a factor in investment, with a number of ratings agencies now assessing the social and environmental performance of companies - as shown in the emergence of the Dow Jones Sustainability Group Index and the interest in the use of this or equivalent indexes in Europe.

## **build the people**

Companies need to attract the best people to come and work for them – and they need to retain them once they have joined.

Evidence shows people are motivated by more than just a salary and want company values to align with their own.

Managing socially responsible activity means working with others rather than in isolation. Building relationships with different stakeholders is a highly effective way of innovating and motivating employees - new markets, new people, new products, new ideas.

## **build the trust**

'Licence to operate' - a term that describes the support a company needs to conduct its business successfully.

For some, Government or regulatory bodies literally grant this licence. But it also covers issues that impact on all businesses such as getting planning permission to expand or change operations.

Central to this notion of licence to operate is the notion of trust.

## **build the communication**

Being socially responsible is about identifying the actions that will most improve the impact your particular company has on society, managing them in a professional way – and communicating what you are doing.

Without communication, no-one will be aware of your work. Without awareness, there's no benefit to your business.



# does it matter if:

- your customers have a bad opinion of your impact on the environment?
- future employees don't have the skills you need?
- it's difficult to attract and retain good people?
- the marketplace in which you sell isn't prospering?
- your organisation is unattractive to business partners?
- the negative views of local authorities are making planning business expansion difficult?
- ethical investment funds choose not to hold your shares?

**Companies can't afford to ignore these questions.**

750 chief executives across Europe were asked their views on the most important business challenges for companies in 2000. Of those challenges listed, increasing pressure for social responsibility was ranked second only to the recruitment of skilled staff.

**Financial Times/PricewaterhouseCoopers**  
"Most Respected Companies Survey", 1999

Social responsibility is not just for large companies. Of 200 UK small and medium companies:

- 38% strongly agreed that social responsibility will become increasingly important to businesses, such as mine, over the next five years
- 45% tended to agree that social responsibility will become increasingly important to businesses, such as mine, over the next five years

**MORI 2000**

25,000 citizens across 23 countries and six continents revealed that:

- half the populations in countries surveyed are paying attention to the social behaviour of companies
- all around the world, impressions of individual companies are more shaped by corporate citizenship (56%) than either brand quality/reputation (40%) or business fundamentals (34%)

**The Millennium Poll on Corporate Social Responsibility**  
May 1999

The Government's Energy Efficiency Best Practice Programme and Envirowise has found that business both large and small can make significant savings on energy and waste. Savings on energy run at 20%, whilst savings on waste equates to £1,000 per employee per year.

Not only is good staff retention important in itself, the work of management consultants Bain & Co found that those companies that have the highest employee retention also have the greatest customer retention. And those with the best customer retention also have the highest profitability.

**Bain & Co**

In 1980 over 50% of the population actively agreed that "the profits of large companies help to make things better for everyone who use their products and services". By 1999 this had slipped to 28% with over 50% actively disagreeing.

**MORI 1980-1999**

## why should you read *Winning with Integrity*:

- you're starting out and want an overview
- you want to understand some of the key issues
- you need to sell on the arguments
- you are reviewing performance in all or some of the key areas
- you are reviewing how you report
- you are considering a full audit of your impact on society

## actions you can take:

- arrange a 1-1 advisory meeting with Business in the Community
- attend one of a series of workshops around the UK, 'Assessing the Impact'
- contact Business in the Community for a bespoke Impact on Society review
- organise a Boardroom Summary presentation of *Winning with Integrity* to senior representatives of your company
- join the group of companies who have committed to review their impact on society using the Business Impact Task Force framework

## for a full copy of the *Winning with Integrity* report:

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**Website:** [www.business-impact.org](http://www.business-impact.org)  
[www.bitc.org.uk](http://www.bitc.org.uk)

The Business Impact Task Force was initiated by Business in the Community and was supported by contributing partners:

The Centre for Tomorrow's  
Company  
[www.tomorrowcompany.com](http://www.tomorrowcompany.com)



The Institute of Social and  
Ethical Accountability  
[www.accountability.org.uk](http://www.accountability.org.uk)



The Prince of Wales Business  
Leaders Forum  
[www.pwblf.org](http://www.pwblf.org)



Ashridge  
[www.ashridge.com](http://www.ashridge.com)





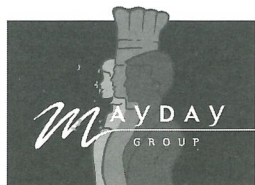
**BUSINESS** *in the*

**COMMUNITY**

Business in the Community is a unique movement of companies across the UK committed to continually improving their positive impact on society, with a core membership of 650 companies, including 70% of the FTSE 100.



**F.I.GROUP**



Business in the Community's Business Impact Task Force, led by Bill Cockburn of BT, was set up in 1998 when HRH The Prince of Wales challenged business to establish a framework to measure and report its impact on society. Its brief was set against a backdrop of:

- increasing expectation of company behaviour by stakeholders, e.g. consumers, employees, investors
- recognition by the British Quality Foundation that companies under perform in the society results section of the business excellence model
- recognition by the Board of Business in the Community of the need to develop a framework by which member companies could measure progress

Business in the Community has pioneered quality of management measures over the last few years in the areas of environment, equal opportunities, Cause Related Marketing and corporate community investment.

However, never before has a group of senior companies and other leading organisations come together to identify not only quality of management measures but core measurement of impact across the whole spectrum of issues.

Winning with Integrity represents the culmination of two years' work and outlines the recommendations and findings of the Business Impact Task Force.

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