

Business in the

Community

Impact Review 2007



This much we know

Including a jubilee commentary by David Grayson

After 25 years of success we pause, reflect and look forward to the future



As I prepare to stand down as Chief Executive in 2008, I look back over the past 19 years - 15 of them as Chief Executive of Business in the Community - to when I was recruited to lead our education campaign by Stephen O'Brien, the first Chief Executive, in 1988. The team around him then included Robert Davies, later the Chief Executive of the Prince of Wales International Business Leaders Forum, whose leadership gave global business much to be grateful for and whose untimely death from cancer this year left the world a poorer place. It also included David Grayson - now the Director, Doughty Centre for Corporate Responsibility - who has done so much in his work at Harvard and Cranfield to review the contribution and challenges for Business in the Community in our Silver Jubilee year and whose personal conclusions are published in this review.

These years have been a period of immense change and turbulence for society with fast rising expectations of business - how it trades, invests, markets, employs, emits, supplies and impacts on an increasingly global society. Business in the Community over this period has been at the heart of supporting its member companies - now more than 800 - in explaining their purpose, and managing their impact while encouraging them to collaborate together to meet those expectations. As a business-led charity it has been an inspiring privilege to serve the Board and five different Chairmen over that time - each of whom has brought their own focus and leadership priorities to the organisation. Sir Neil Shaw of Tate and Lyle in 1992 saw community investment and employee engagement as the priority while Sir Allen

Sheppard of Grand Met drove an entrepreneurial culture and the regional growth of the organisation through the merger with Action Resource Centre.

Sir Peter Davis of Prudential and Sainsbury's put measurement and the development of the Corporate Responsibility Index as his focus, perhaps responding to Richard Lambert - then the Editor of the Financial Times - who told us in 1997 that journalists would increasingly want to "kick the tyres on corporate responsibility".

Sir David Varney of NGT and O2 predicted the Perfect Storm and raised the bar for membership by requiring three commitments to action: inspiration and leadership, the integration of responsible business practice and working collaboratively on key social issues in the most disadvantaged communities.

Our Chairman for the last three years, Sir Michael Rake of KPMG and now BT, has brought a sharp clarity to our mission, and simplicity to our enthusiastic complexity. We all owe him an immense debt of gratitude for his vision and energy. The exciting news that Stuart Rose of Marks & Spencer - twice our Company of the Year in the last five years - will take up the leadership baton as Chairman brings a pleasing synergy and echo of the founding of the organisation by Sir Marcus Sieff and Sir Alastair Pilkington in 1982.

As I write my final foreword to this special Silver Jubilee Impact Review, I am so grateful for the immense contribution made by the business leaders at regional and national level who have inspired and shaped our strategy and identified good practice on leadership teams, as well as the enormous fun of working with 350 inspiring and entrepreneurial colleagues across the UK for whom there is no such word as "can't". The pleasing financial results, the considerable increase in membership this year, and the outstanding achievement of 'Investors in People' for a three-year term, with an average of 11 days' training per employee, bears out the importance of trying to practice what we preach, but also the immense support and commitment of our member companies to achieving the mission.

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"Over the last 25 years, we have learned that responsible business practice builds competitive businesses and cohesive and sustainable societies. So we now need to learn from your different experiences and we also need innovation: we need a new determination to raise the game."

HRH The Prince of Wales, President, Business in the Community

"I think 25 years later with more than 800 members actively involved it's a tremendous tribute to those who had the vision and the foresight to start Business in the Community. I now pass the baton to Stuart Rose of Marks & Spencer knowing that his track record on responsible business will take Business in the Community to the next stage of its development."

Sir Michael Rake, Chairman, BT
Chairman of Business in the Community
2005 - 2007

It has been a honour to lead the organisation for 15 exciting years of growth and development and although I have always believed that "every work of art is a child of its time", I giggled when a journalist wrote recently that it was surprising that Business in the Community was still being led by an enthusiastic child (kept in check by Bernie - my PA of 16 years). My enthusiasm and drive for the mission of Business in the Community has come, of course, from the business leadership, but also from the real engagement and inspiration over 22 years of HRH The Prince of Wales as our very active President.

It was typical that he should offer to hold the first Silver Jubilee Dialogue over dinner at Clarence House with some of the key business leaders involved in our impact areas: the workplace, the marketplace, the environment and the community, with a focus on lessons learnt and the priorities for the future. His determination to find practical solutions and replicate them; to learn from the particular to the general, and his convening power of unlikely people to build partnerships with unusual and unexpected results has been of incalculable importance to society and the corporate responsibility movement.

His unswerving support has taken more than 7,000 business leaders since 1990 on his Seeing is Believing programme to see parts of society they have never seen before, and convened 1,100 business people this year to consider their climate change impact. The launch of Mosaic to support business people mentoring young Muslims, the launch of the Farmers Marketing initiative as part of our Rural Action work and the drive to support Burnley's regeneration are all examples of the innovation and enthusiasm which the President continues to bring to the organisation and it has been inspiring to catch the vision and play some small part in making it happen.

Julia Cleverdon

Julia Cleverdon CVO, CBE
Chief Executive
Business in the Community



Clarence House, 13 December 2006

Clockwise from top left: **John Varley** - Barclays Bank, **Trevor Gregory** - ABB UK, **Stephen Howard** - Business in the Community, **Stuart Rose** - Marks & Spencer, **Philip Green** - United Utilities, **Gavin Neath** - Unilever, **Richard Baker** - Alliance Boots, **Mike Clasper**, **John Kelly** - Gala Coral, **Cilla Snowball** - Abbott Mead Vickers Group, **Amelia Fawcett** - Pensions First, **Sir Michael Rake** - BT, **HRH The Prince of Wales**, **Julia Cleverdon** - Business in the Community, **Gail Greengross** - Business in the Community.

A snapshot of our highlights and achievements in 2007

WHO WE ARE

Business in the Community is a unique movement of over 800 member companies, representing 1 in 5 of the UK private sector workforce. A further 3,000 companies are engaged through our programmes and campaigns which we operate through a local network of more than 100 business-led partnerships. We lead a global partners network of 112 organisations operating in over 60 countries.

We ask our members to make three commitments:

- Inspire, innovate and lead by sharing learning and experience.
- Impact on key social issues by engaging in collaborative action in areas of greatest need.
- Integrate, manage and measure responsible business practice.

INSPIRE

- 635 business leaders have been involved in 43 Prince's Seeing is Believing visits across the country.
- Over 4,500 participants attended Awards events across the country, culminating in the National Awards for Excellence at the Royal Albert Hall in London.
- 730 companies have committed to take action to tackle climate change as 'May Day Companies' following participation in The Prince of Wales's May Day Business Summit on Climate Change, involving 1,027 senior business leaders.
- The Walk the Talk environmental exhibition was launched in partnership with the British Council of Shopping Centres and, with the generous support of Sky, it has been seen by over 11.5 million people.
- HRH The Prince of Wales has recognised 13 Ambassadors across the UK for their individual leadership and contribution.
- 125 companies were awarded a 'Big Tick' for performance and impact out of the 373 companies who entered the Awards for Excellence.
- 42 companies achieved a Silver Big Tick - an award category created for Business in the Community's Jubilee year to recognise long-term sustainable programmes.
- The revised www.bitc.org.uk receives an average of 2,400 visits daily.
- As the voice of responsible business, we have worked with 8 national media partnerships, reaching almost 6 million readers and viewers.

"It is so refreshing to be able to take time out of the office, to see the world through new lenses and to then capture the essence and bring it back. Personally, I strongly believe that Seeing is Believing makes me a better manager, wife and mother and there are not many products that can do that."

Nicola Mendelson, Deputy Chairman, Grey London

ENGAGE

- The third London Cares Action Day saw 1,842 volunteers from 62 businesses supporting 77 community organisations, 34% had not volunteered before - and almost all of them would do so again.
- Of the 503 work placements provided by companies working with Business Action on Homelessness, 59% remained employed after 3 months.
- Through ProHelp, 835 professional firms provided almost £2m worth of in-kind support to over 640 community groups, involving more than 710 projects.
- Pub is the Hub is now operating across 5 regional areas.
- The 'Plough to Plate' research was launched in June 2007 on the corporate responsibility challenges facing the food and drink industry. It highlighted critical 'marketplace' issues such as local sourcing, animal welfare, ethical supply chain and advertising to children.
- This year 72% of companies stayed stable or improved their approach to responsible supply chain management in the CR Index.
- 16 companies gave evidence of best practice to the All Party Parliamentary Group on how to support vulnerable customers.
- Turnover of companies signed up to the Marketplace Responsibility Principles is £92.4 billion.

SUPPORT & CHALLENGE

- Recruitment of 156 new companies, bringing the total in membership to over 800, with a further 3,000 engaged through our programmes and campaigns.
- 110 companies publicly committed to report through the CR Index.
- The Environment Index completed its 11th year with 134 companies agreeing to benchmark publicly and disclose their full submissions.
- 33 companies took part in the CommunityMark pilot scheme.
- 54 companies made use of the CREATE assessment process.
- 358 and 195 employers are now working with Opportunity Now and Race for Opportunity respectively to address specialist diversity issues in what remain major issues for all employers.
- 773 companies participated in just one of Business in the Community's indices to support & challenge.

"The CR Index, this year undertaken by 110 companies, acts as a way of focussing corporate responsibility effort within the company. It acts as a check on the robustness and integration of our processes. It is a useful tool for CR employees to monitor our strengths and weaknesses."

Philip Green, Chief Executive, United Utilities

"I was amazed when speaking to a Brazilian audience on corporate responsibility, as chair of the Global Partners Network in São Paulo, to be told by the Chief Executive of the Brazilian GPN member (IDIS) that everything they had done was due to Business in the Community's best practice guidance and advice."

Mike Wareing, International Chief Executive, KPMG

The jubilee commentary



David Grayson CBE, Chair of corporate responsibility and Director, Doughty Centre for Corporate Responsibility, Cranfield School of Management and Senior Fellow, Corporate Social Responsibility Initiative, Kennedy School of Government, Harvard University.

A summary of the main jubilee commentary can be found at www.bitc.org.uk/jubilee

It's now 25 years since Business in the Community (BITC) was formed. It has been a remarkably successful change-agent over the past quarter-century. It excites deep affection and intense loyalty often even from people who have criticisms of particular aspects of the organisation.

It has been at the heart of a movement which has made it socially acceptable for business leaders to admit corporate responsibility is important. It has allowed private belief to become public. Without BITC it is unlikely that the responsible business agenda would have been taken up so broadly or by so many companies. It has been a relentless agenda-setter. BITC has helped to institutionalise and mainstream the practice of corporate responsibility and created a consensus and expectation for it amongst both business leaders and stakeholders of business - and not least amongst politicians.

Arguably, BITC's greatest success has been in getting influential business leaders personally involved - and keeping them involved. In doing so, it has created a range of campaigning techniques for engaging business and a practical menu of things for them (and for individual business people) to do - whether they are experienced or just starting out.

This jubilee commentary identifies Critical Success Factors, new challenges and future directions for BITC.

The three major phases that got us here:

Over the last 25 years, Business in the Community has gone through three major phases:

1. The 1980s saw BITC championing business support for local enterprise agencies as a way of business helping to regenerate local economies suffering during a time of high unemployment and social unrest.

2. The 1990s involved BITC promoting a wider agenda of employee volunteering and corporate community involvement, helping business make a difference in the community.

3. The new millennium has seen BITC embrace the wider concept of 'responsible business' i.e. moving away from supporting individual initiatives to a more rounded view of business acting responsibly in all that it does from its behaviour in the marketplace to the management of its supply chains - and to measure its impacts.

* Other material referenced in the jubilee commentary:

'Business-led corporate responsibility coalitions: Learning from the example of Business in the Community in the UK'; 'An Insider's Perspective' - two reports from Corporate Social Responsibility Initiative, Kennedy School of Government, Harvard University and the Doughty Centre for Corporate Responsibility, Cranfield School of Management.

"Business in the Community is a fantastic way to meet and learn from other companies on responsible business. It's not just the CEOs. Increasingly we are reaching out to like-minded employees of member companies, learning from best practice and better business case studies and stories."

Cilla Snowball, Chairman and CE, AMV Group
Chairman, 'Inspire' membership commitment

Business in the Community championed the evolution from corporate community investment to corporate responsibility.

It is now recognised that you cannot claim to be a responsible business because you support environmental charities if you are an inveterate polluter. You are not a responsible business because you help schools - if you don't help your own staff to learn and upskill. You cannot say you are responsible because you support HIV/AIDS charities if you discriminate against your own staff when they become HIV+. BITC has been central to promoting understanding that a responsible business is one that has built-in to its purpose and strategy a commitment to deliver sustainable value to society at large, as well as to shareholders, and has open and transparent business practices that are based on ethical values and respect for employees, communities and the environment.

Business in the Community has been the catalyst to create or take broadscale, a whole range of organisations and corporate responsibility activities such as:

the International Business Leaders Forum, employee volunteering, the idea of business voluntarily benchmarking their performance through the CR Index and encouraging companies regularly to measure and report on their environmental and social impact. In the UK, for example, 90% of the top companies now regularly report on their environmental and social impacts.

- Many of the things which Business in the Community has become best known for, started out as one-off experiments: the first Education-Business partnership or the first Prince's Seeing is Believing series of visits in 1990, or responding to a journalist's off-the-cuff challenge to do something about engaging business on homelessness, with no expectation in advance that they would become on-going national (and sometimes) international programmes.

"At M&S we have a phrase that 'doing nothing is not an option'. Plan A is our plan of action to meet the new environmental and ethical challenges we all face and respond to the changing demands of our customers, employees and shareholders. We know that we don't have all the answers but we're committed to driving the business forward in a way that benefits everyone, now and in the future."

Stuart Rose, Chief Executive, Marks & Spencer
Chairman, Business in the Community

90%
of the top UK companies
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their environmental and
social impacts.

This much we know

Talking to long-standing members and supporters, it is clear that Business in the Community has been at its best over the last 25 years when a combination of these five Critical Success Factors, have been present:

"Business in the Community is a wonderful organisation that has been brilliantly led, I am proud to have been part of it. It has done a great deal to take business forward, but it still has a challenge to mainstream – it could be an individual membership of BITC: a network of committed friends and associates as they move from company to company?"

Richard Lambert, Director General, CBI

- **Inspiring leadership at the most senior level**

getting the support of key business leaders to drive change in their own organisations and on shared initiatives and projects by providing a 'safe but challenging space' for business leaders to explore the major challenges facing them.

- **Relentless creativity and innovation in campaigning**

such as using examples of key business leaders and companies whose success can inspire others to embrace corporate responsibility; the Awards for Excellence; and being able to identify small, innovative programmes in one region and then rolling the successful ones out across the UK.

"We need to unleash potential which in turn will unleash and empower people."

Chris Hyman, Chief Executive, SERCO Group

- Engaging companies and providing practical skills to make things happen

helping business gain the confidence to get involved with social and environmental issues by providing a diverse and structured range of learning opportunities and networks for business leaders on responsible business.

- Developing collaborative partnerships which play to the strength of business

drawing together different organisations, large and small; business, government and not-for-profit; local, regional and national to form new groupings to address social and environmental challenges.

- Supporting and challenging companies

raising the bar in terms of the standards of responsible business behaviour, by disseminating best practice for companies to embed responsible business principles in the way that they do business.

"EDF Energy supported HRH The Prince of Wales's May Day Summit of 1,000 business leaders because the event demonstrated the power to achieve change by working together. We are committed to the pledges we made on May Day and have built on them through Our Climate Commitments, the biggest package of environmental initiatives by any major British company."

Vincent de Rivaz, Chief Executive, EDF Energy

But there's always room for improvement...

Inevitably, in 25 years, BITC has not always got it right: sometimes it was the right idea but the wrong time; sometimes the right idea but insufficiently resourced; and sometimes it just did not grab the opportunity. Some things that BITC is now criticised for not having done are clearly comments with the benefit of hindsight. Some are items which campaigners wish some organisation might have picked up – and in this case, the criticism is directed at the responsible business movement generally rather than BITC in particular.

The jubilee commentary is also about looking to the future to identify improvements, trends and new issues. In summary, although BITC has had many successes there are also areas where it can improve.

Responsiveness – BITC has sometimes been slow to spot new trends and support its members at a time when they face daily challenges through campaigning, media, legislation and new consumer expectations. Over the years as the organisation has grown in size; as campaigns have become more established, and as BITC has become more of a delivery organisation, it has been harder to retain the 'fleetness of foot' required to respond quickly.

Thought leadership – its focus on grassroots delivery is commendable but sometimes it needs to take a step back and see the bigger picture and help shape a more intelligent debate about the role of business in the 21st Century.

The fig leaf – some members may be tempted to get involved in a BITC programme as the easy option rather than as a precursor to business wide change. For some companies, participation in a BITC campaign may have been a relatively easy 'bolt-on' to operations, rather than being 'built-in' to their purpose and strategy. Membership of BITC has always been open to all companies but is the time now right for the organisation to be tougher on the requirement to achieve the three commitments?

Scale change – too often programmes have generated a rich evidence base but this has not always been put to use to drive a step change in overall business behaviour or influence government policy. BITC needs to work with partners both in the UK and internationally to be able to work with business, in order to achieve greater scale. The Global Partner Network is the catalyst for this to happen.

So what's changed



"One of the biggest challenges British Land faces in advancing sustainability is in customer controlled areas and we hope that Business in the Community's Walk the Talk exhibition, which has now been seen by over 10 million people, will act as a catalyst for even greater co-operation and collaboration with our occupiers. It is through a collaborative approach that electricity, for example, reduced 16.6% in our London office portfolio in the last year."

Stephen Hester, Chief Executive, British Land

"What was fit for purpose 20 or even 10 years ago by definition is not necessarily so now. There are now many more influencers on business and BITC should be proactive in pushing business forward."

John Kelly, Chairman, Gala Coral Group
Chairman, 'Engage' membership commitment

"BITC has a licence to do things like Companies that Count and push the agenda."

Sir David Varney, The Chancellor's Senior Adviser
on Transformation of Government

The operating environment for business and, therefore, for BITC, has changed dramatically in the past 25

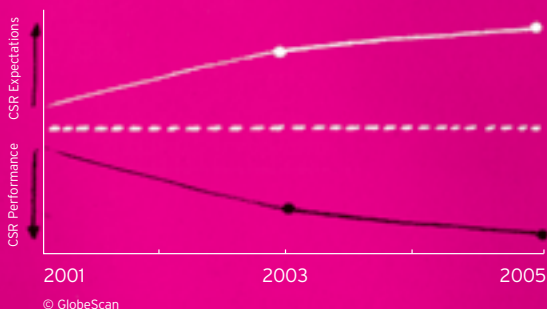
years and continues to do so. Global connectivity: 24-hour-news, the internet and cheap air travel all means that what were once 'events in far away countries of which we know little and care less' are increasingly happening in places which we have ourselves visited or have friends and colleagues with family living there - and we can see graphic pictures of events unfolding in real-time. The complexity, turbulence and speed of business today as more and more have global operations, means more businesses are directly impacted whether by poor labour standards in suppliers' factories or employees having relatives affected by flooding. More companies are doing business in regions with weak governance or where local rules conflict with international standards on human rights, creating ethical dilemmas and reputational risks.

And not only is business more global, but its structure has dramatically changed, thanks to liberalisation, privatisation and consequent globalisation.

In the first ten years of BITC, regional head-quartered companies made up the bulk of membership. Now head-quartered companies are global and even some household company names are owned by Private Equity - which now employs 1 in 5 of the UK's private sector workforce.

Alongside this, there are higher expectations of business - consumers, employers, media and campaigning organisations all now have more information available. Societies generally are less deferential to those in authority and businesses specifically face more organisations campaigning to make them more accountable.

SOCIETY EXPECTATIONS ON CSR VS INDUSTRY CSR PERFORMANCE RATINGS



GlobeScan's annual survey of international (25 countries) public opinion on corporate social responsibility identified a gap between the public's expectations and their increasingly negative perceptions of responsible business performance. An interesting dichotomy between developed and developing nations also emerged. While the gap between CSR expectations and perceived industry performance continues to widen in most industrialised nations, the gap is narrowing in emerging markets, with these people being far more positive about responsible business performance.

Emerging issues

New issues are continually emerging for Business in the Community members to address:

In the environment

- **CLIMATE CHANGE** - how to address the biggest environmental challenge.
- **SUSTAINABLE PRODUCTION AND CONSUMPTION** - engaging consumers in sustainable development.
- **SUPPLIERS** - engaging suppliers to ensure product stewardship through the supply chain.

"Business recognises that the efficient use of resources is vital to long-term sustainability and profitability. It is encouraging to note that almost 60% of those participating in BITC's most recent Environmental Index reported on their use of water and other key resources. The challenge now is for companies to work in collaboration with their entire supply chain to maximise their impact in this important area."

Neil Carson, Chief Executive, Johnson Matthey plc

In their workplaces

- **TALENT AND SKILLS** - a new skills crisis and a global war for talent creating a stream of haves and have nots.
- **HEALTH AND WELLBEING** - employee wellbeing, and work/life balance.
- **DIVERSITY AND RECONCILIATION** - helping business promote respect and tolerance.
- **EXECUTIVE PAY/REWARD** - linking to corporate governance and with achieving responsible business practice.

"We are calling on companies to commit to reporting on workplace health...Our goal is to ensure that 75% of FTSE 100 companies are reporting on workforce health and wellbeing by 2011."

Alex Gourlay, Managing Director, Boots
Chairman, Business Action on Health

"The Commission for Racial Equality estimates that in less than five years' time only 20% of the workforce will be white, able bodied, male and under 45. The challenges facing UK Plcs are therefore both demanding and immediate. It is imperative that we continue to find innovative ways of reaching out and making sure that no part of society is disadvantaged. If we all take on this approach, we will soon reap the profits that a diverse society can offer."

Mike Fairey, Deputy Group Chief Executive, Lloyds TSB
Chair, Race for Opportunity

In the marketplace

- **SUSTAINABILITY** - addressing social, environmental and economic challenges together.
- **EMERGING ECONOMIES** - helping responsible business in emerging economies.
- **VULNERABLE CUSTOMERS** - and what responsibilities businesses have for the misuse of their products and services.
- **ACCOUNTABILITY** - demands for greater accountability and transparency and requirements for new forms of stakeholder-engagement. Organisations are having to master new methods of communication: blogging, online chat-rooms, and confront spoof websites.

"Camelot has long recognised that one of its key responsibilities in operating The National Lottery is to maximise returns to the Good Causes in a socially-responsible way, helping to protect potentially vulnerable groups. We were pleased to contribute to the All Party Parliamentary Inquiry on vulnerable customers, which brings together the learning of a number of different companies in this important area. We support the report's call for a greater emphasis on this issue in how companies report on their corporate responsibility - and this is something we will continue to champion over the coming years."

Dianne Thompson, CEO, Camelot

"Tata were delighted to sign up to Business in the Community's Marketplace Responsibility Principles, which put responsibility at the heart of how the business makes its money. The Principles describe how we manage marketplace issues and would recommend other companies do the same."

Mr Amur Lakshminarayanan,
Country Manager, UK & Ireland,
Tata Consultancy Services

In the community

- **ENTREPRENEURSHIP** - helping new, small, fleet of foot companies grow fast, successfully but also responsibly.
- **DISENGAGEMENT AND ALIENATION** - how businesses can drive to remove the barriers to work and engagement in the most deprived communities.
- **EDUCATION** - building employability skills and work-related learning into the educational curriculum.

"Our stores and depots are based in local communities all around the country. We work hard to make a full contribution to those communities, whether that means providing jobs and supporting the local economy, keeping a tight rein on litter and noise, or investing in community projects. This year we achieved platinum in the Community Index, and we are proud to be building on our success year on year."

Gwyn Burr, Customer Director, Sainsbury's
Chair, Cause Related Business Leadership Team

"As an employer I'm interested in talent. I want to get the best people into Barclays and talent comes in many wrappings. Business Action on Homelessness helps homeless people back into work and this year our 1,000th client secured a job with the help of BAOH. We are proud to be part of this. We get involved because it's the right thing to do, it makes good business sense and it provides the electric current of energy to our people to be creative - not just on behalf of customers but on behalf of the communities we serve."

John Varley, Chief Executive, Barclays
Chair, Business Action on Homelessness

Directions for the future

Like each of its member companies, BITC has to refresh and renew continually to remain relevant in this dramatically changing, global environment. How it does so will be for the Board of BITC to determine. Inevitably, the change of both Chairman and CEO in 2008 will prompt fresh examination of the organisation's strategy and priorities. It should be influenced by these guiding principles.

• REMAIN BUSINESS-LED

BITC has a unique capacity to bring top business leaders together, to engage even fierce competitors to collaborate and to persuade business leaders to work with public and voluntary sectors too. That is the USP of BITC and they should concentrate on honing and expanding their facilitation skills and harness the knowledge and expertise of the individuals and organisations it has privileged access to. A new wave of 'hands on' venture capitalists, many from the 'high-net-worth' business world, may be new levers for change.

"We have to be fit for purpose without losing our entrepreneurial flair."

Sir Michael Rake, Chairman, BT
Chairman, Business in the Community 2005-2007

• BECOME AN ARBITER OF EXCELLENCE

One demonstration of BITC's convening power – and one consequence of it – is that BITC is trusted to create the mechanisms through which good practice in responsible business can be determined. The annual Awards for Excellence, the Corporate Responsibility Index and the other more specialist indices such as the new CommunityMark have credibility because they have involved business as well as many outside organisations. BITC now has to build on this to ensure that it has codified this knowledge in depth. Inspiring stories and compelling anecdotes are crucial tools in the armoury of successful leaders. They are most effective when they complement hard data. Again, BITC's real strength is in seeing the significance of examples and research; being able to spot the synergies and to assemble the information into a coherent case which resonates with both heart and head. BITC needs access to excellent knowledge-management, it does not need to build all of its own. And perhaps here is the opportunity to create the win-win relationship with the various boutique CR and Sustainability consultancies

that have grown as BITC has made the market. Additionally, the ad hoc contribution of pro bono help from the major professional firms in membership (legal, communications, accounting, consulting) could be consolidated into an informal understanding of a significant pro bono assignment every 2-3 years to develop collective knowledge of a particular aspect of responsible business.

"We know that profitable businesses need thriving local communities and economies, and we can't do this alone. Membership of Business in the Community gives us access to a valuable network of businesses that are working together to make a real difference in their regions."

Joe Greenwell, VP President Government Affairs, Ford Europe

• WORK LOCALLY

Delivery has enabled BITC to become a centre of excellence on issues such as homelessness, diversity and volunteering but it has sometimes reduced its capacity to focus on the wider landscape of campaigners, think tanks and other delivery bodies who are also working with business on responsible business. The future may require a more strategic approach to finding partners to deliver programmes broadscale. In practice the issue is not campaigning versus any delivery. Without some delivery experience, it would be hard for the organisation to understand the practical challenges that business faces in delivering change. BITC needs more partners to deliver to scale. While its role should be that of the translator and shaper, helping link businesses with the appropriate partners but not necessarily be involved in the ongoing delivery itself.

"I continue to be inspired and impressed by the impact of ProHelp. Last year, our member firms provided over £2.3m worth of free professional advice and support (pro bono) to community groups. I am delighted that professional institutes are beginning to include pro bono activity as an integral part of Continuing Professional Development, thereby recognising its value in developing the skills of professionals as well as making a difference in the community."

Alexandra Marks, Senior Partner, Linklaters
Chair, ProHelp

• CONNECT GLOBALLY

Increasingly BITC companies are not domiciled in the UK (20% of membership invoices are now approved outside the UK). UK companies operate in many different marketplaces around the world and use supply chains that are spread across the globe. The responsible business agenda demands global solutions. BITC therefore needs to redouble its efforts to consider how it works with and helps shape a network of like minded organisations around the world, to facilitate shared learning and delivery outside the UK - as well as bringing global learning and good practice to the UK. Handled sensitively, BITC could play an important convening role which builds on London as a global meeting point especially in the run-up to 2012 and the large number of 'EMEA' (Europe, Middle East, Africa) management teams based in the UK. One specific focus for the emerging Global Partners Network would be to involve key global member companies to host awareness-raising and action-learning in some of the other, emerging global trading hubs like Dubai, Singapore, Mumbai, New York, Shanghai or São Paulo.

"We pursue equality and diversity because it is without question the right thing to do. However, it's not just about what's right. An often overlooked fact is that diversity is a business critical issue, it brings hard, quantifiable benefits to all organisations."

Carolyn McCall, Chief Executive, Guardian Media Group
Chair, Opportunity Now

• ENGAGE TOTALLY

BITC has historically relied on having good, long-term relations with the CEO and a few other key company contacts, and maybe one-off exposures to employees through Cares or Engage. The value of the CR Index and the new CREATE tool, is that it has begun to get senior management teams engaging the whole business in managing sustainability but there is still much to be done. CEOs and boards need to want to, and be able to, explain inside their businesses that they are members of BITC, what this means and why it is important for the business and society that they are. This will involve BITC providing member companies with the tools to explain BITC. It will almost certainly mean being able to facilitate the exchange of practical examples of how member companies are using their own intranets and training programmes to

help employees who wish to contribute to sustainable development in their own lives as well as at work, to be able to do so more easily.

An allied issue is how directors and senior managers of member companies, and 'rising stars' are better equipped to lead successfully on sustainability and responsible business. It would be a logical extension of long-running BITC programmes like Seeing is Believing to run board training - perhaps in collaboration with some of BITC's consultancy members and/or partner business schools.

• KEEP AHEAD OF THE GAME

If member companies are successfully to communicate their engagement in BITC to employees, consumers and investors, then the core BITC message must be simple and easy to communicate.

The rise of Web 2.0 (which is a technological innovation encouraging - and simultaneously driven by - internet users' desire for a more participatory online environment) exemplified by Facebook and YouTube, could make it much easier for BITC to keep in touch with, learn from, and contribute to the development of its own members but also of the Global Partners Network. Culturally, the organisation has to accept being within myriad networks rather than what might be construed as an historic 'hub and spoke' approach. It would then enable BITC to engage more companies through their trade associations, supply chains and other 'wholesale' distribution points.

"Opportunity Now provides innovative thought leadership on gender issues in the workplace. It develops, shares and celebrates best practice in overcoming the challenges employers face in the recruitment, retention and development of women."

Susan Kelsey, Chair (Mergers & Acquisitions)
Credit Suisse Securities (Europe) Limited

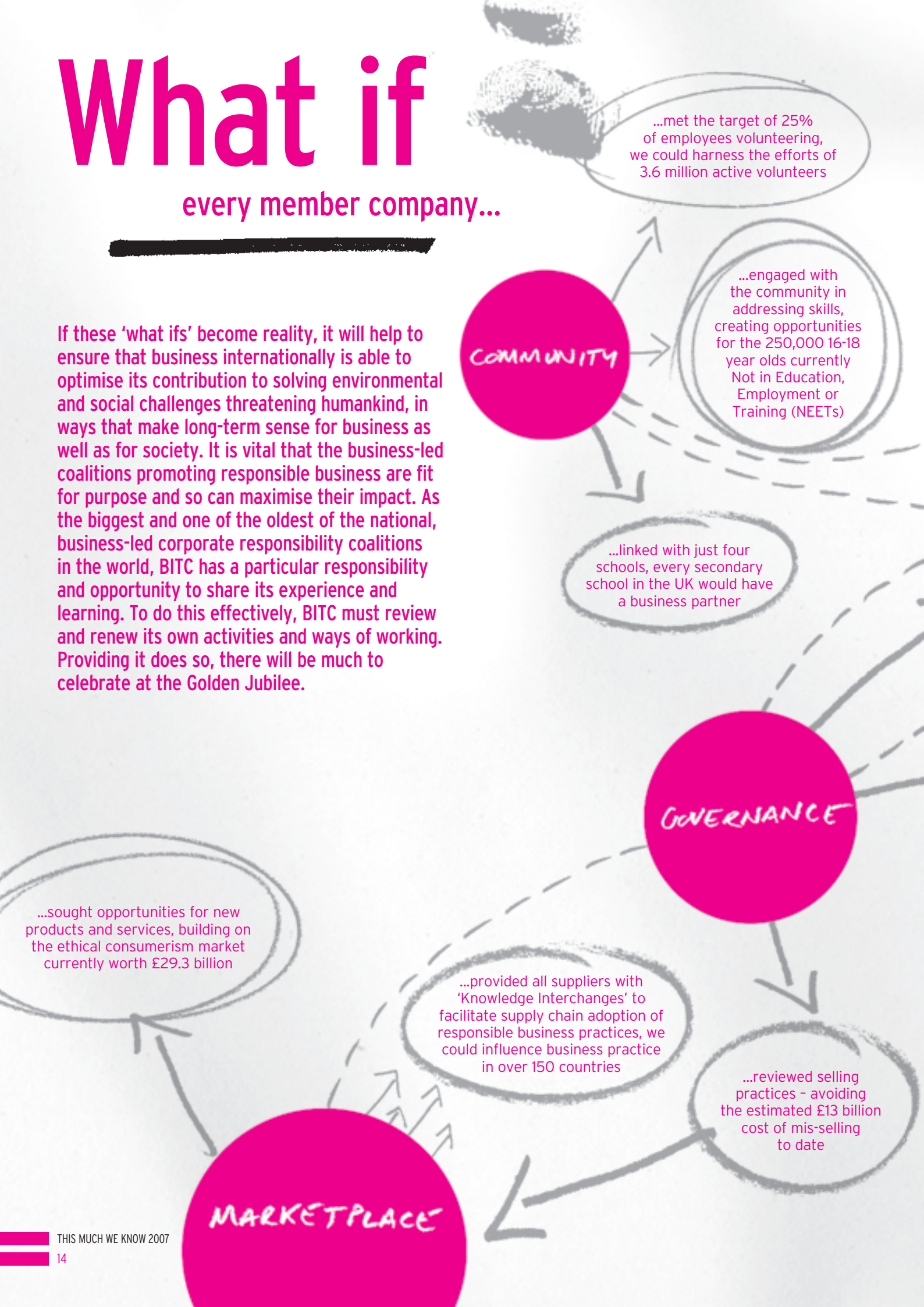
To find out more and share your thoughts

This is an abridged version of a longer paper incorporating a history of Business in the Community by David Grayson. We would welcome your views and thoughts on it - please email us at jubilee@bitc.org.uk

What if

every member company...

If these 'what ifs' become reality, it will help to ensure that business internationally is able to optimise its contribution to solving environmental and social challenges threatening humankind, in ways that make long-term sense for business as well as for society. It is vital that the business-led coalitions promoting responsible business are fit for purpose and so can maximise their impact. As the biggest and one of the oldest of the national, business-led corporate responsibility coalitions in the world, BITC has a particular responsibility and opportunity to share its experience and learning. To do this effectively, BITC must review and renew its own activities and ways of working. Providing it does so, there will be much to celebrate at the Golden Jubilee.



WORKPLACE

...made the Government Skills pledge, we could ensure the 12 million adults currently experiencing learning difficulties can read and write increasing their career prospects and their relationship with their children

...introduced a health and well-being programme - we could avoid the prospect that by 2010 25% of workers will be obese

...committed to addressing equal pay for men and women, women would earn 33% more over the course of their careers

...ensured managers are equipped to embed sustainability through the business

...included their long-term aspirations for their business, alongside short-term financial briefings, allowing the investment community a better understanding of how responsible business impacts long-term business performance

...met the national waste reduction targets, by 2010, we could reduce landfill by 25%

ENVIRONMENT

...addressed the climate change challenge, we would be well on our way to meeting the UK target of 20% reduction in CO₂ emissions by 2010

...all turned the lights off after work, we could reduce the UK energy bill by 19%

Financial overview

SUMMARY FINANCIAL REPORT 2007

Unrestricted income rose by 17% (£1.4m), largely driven by the increase in private sector funding which rose by 15% (£1.8m). The largest component of this was the growth of £1.1m in membership contributions with the implementation of the revised member value proposition. Restricted income fell by £1.1m, a result of the drop in public sector grant funding of £1.9m, offset by an increase in sponsorship income of £1.1m. This latter increase included funding for several landmark events including HRH The Prince of Wales May Day Summit on Climate Change and the Awards process to celebrate and share best practice. All areas demonstrated their increasing engagement with and support from member companies.

The outcome for the year was a net increase in our unrestricted reserves of £132k. Unrestricted reserve cover, however, fell to 2.2 months from 2.4 months last year as a result of the growth in unrestricted income and consequently costs. Restricted reserves rose by £414k.

SOURCE OF FUNDS

£23.3m

Total £23.3m up £0.2m

This represents the income from public and private sector sources supporting all areas of our charitable activities. Membership income at £4.8m, but leveraging a further £9m in sponsorship, fees for services including Cares engagement and seminar and conference attendance, remains at the heart of all we do.

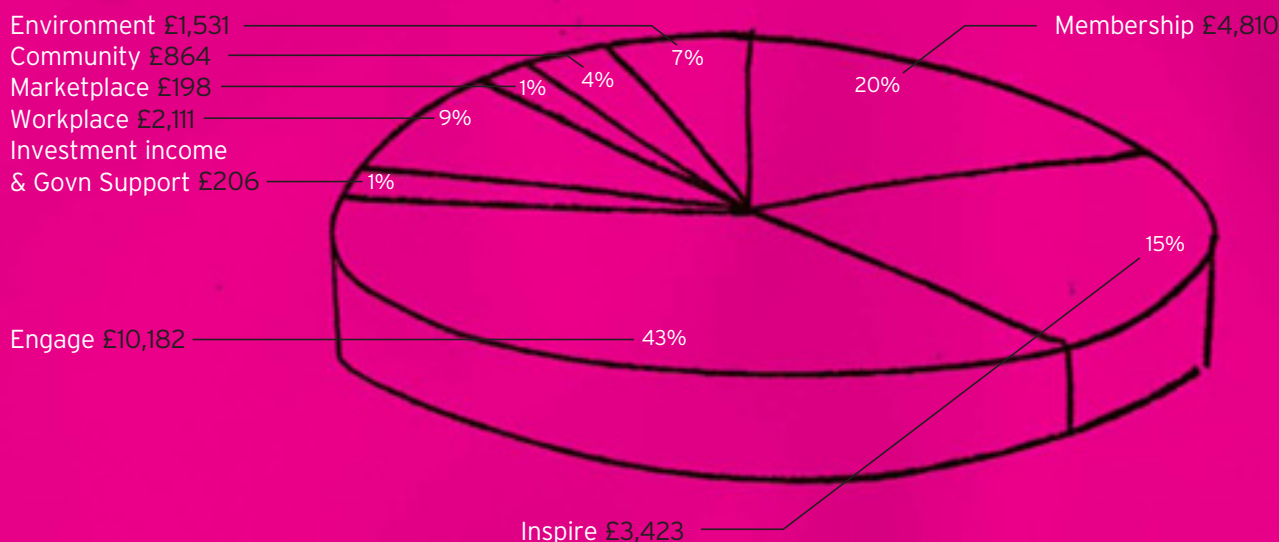
USE OF FUNDS

£22.8m

Total £22.8m, unchanged from last year

Represents the costs associated with engaging businesses within their communities, across all areas of inspire, engage, support and challenge. Over 70% of total costs are associated with staffing; staff numbers have reduced from 361 at the end of June 2006 to 343 at the end of June 2007.

TOTAL SOURCES OF FUNDS 2007 (£K)



"There are several pleasing aspects in the year's results. The growth in membership – particularly active participative membership, reflects the continuing grounding of responsible business practice as mainstream business activity and the early success of our new membership proposition. The success of events like the May Day Summit and the annual Awards process demonstrate that companies want to act together and see the value of doing so through BITC."

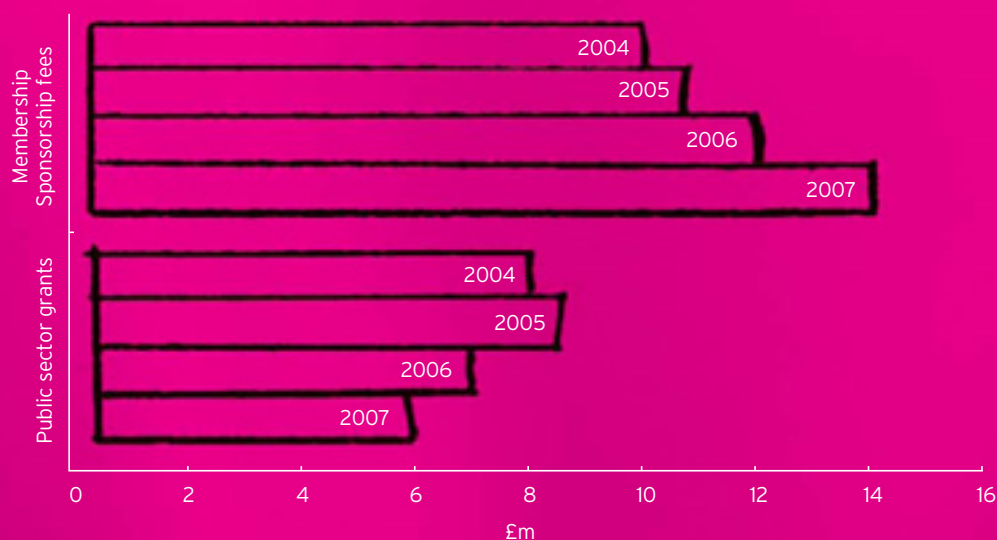
John Spence OBE, Director, HMRC
Chairman, Finance & Risk Committee

The information in this financial overview has been extracted from the full financial statements for the year ended 30 June 2007. The financial statements were approved by the directors on 18 October 2007 and have been audited by Horwath Clark Whitehill LLP who gave an unqualified audit report on that day. This summary may not contain sufficient information to gain a complete understanding of the financial affairs of the company, as its purpose is to give a summary of the source and use of funds during the year and the principal matters that have contributed to them.

The full financial statements, directors' report and audit report, which will be submitted to the Charity Commission after the AGM, may be obtained from Business in the Community, 137 Shepherdess Walk, London N1 7RQ from 7 December 2007. This information is also available online at www.bitc.org.uk

This statement of summarised information has been signed by John Spence, on behalf of the directors on 18 October 2007.

INCOME PATTERNS 2004-2007 (£M)



Who's on the Board



PRESIDENT

HRH The Prince of Wales

CHAIRMAN

Stuart Rose

Chief Executive,
Marks and Spencer
Group plc

CHIEF EXECUTIVE

Julia Cleverdon CVO, CBE

MANAGING DIRECTOR

Stephen Howard

BOARD MEMBERS

Ann Beynon

Director Wales,
BT Group
Chairman, Wales
Advisory Board

Stuart Etherington

Chief Executive,
National Council for
Voluntary Organisations

Michael Fairey

Deputy Group
Chief Executive,
Lloyds TSB Group plc
Chairman, Race for
Opportunity

Amelia Fawcett CBE

Chairman, Pensions First
Chairman, Workplace
impact area

Richard Gregory OBE

Director, Yorkshire Bank Plc
Chairman, Business
in the Community,
Yorkshire & Humber

Christine Hodgson

Chief Financial Officer,
Capgemini UK Plc
Member, Finance & Risk
Committee

Phil Hodgkinson

Group Finance Director,
HBOS plc
Chairman, 'Support &
Challenge' membership
commitment

David Jackson,

Company Secretary, BP plc
Chairman, Environment
impact area

John Kelly

Chairman, Gala Coral
Group Limited
Chairman, Community
impact area
Chairman, 'Engage'
membership commitment

Mike Kelly

Chairman, Corporate
Responsibility Group,
UK Head of CSR, KPMG

Richard Lambert

Director General, CBI

Allan Leighton

Chairman, Royal Mail

Seán Mahon

Chairman, Cares

Carolyn McCall

Chief Executive,
Guardian Media Group plc
Chairman, Opportunity Now

John Neill CBE

Chief Executive, Unipart
Group of Companies Ltd
Chairman, Audit Committee

Ian Russell

Advisor, 3i Group
Chairman, The Prince's
Seeing is Believing

Michael Ryan CBE

Vice President & General
Manager, Bombardier
Aerospace, Belfast
Chairman, Northern Ireland
Advisory Board

Ian Smith

Senior Vice President &
Managing Director UK,
Ireland & South Africa,
Oracle Corporation UK Ltd
Chairman, South East
Regional Leadership Team

Cilla Snowball

Chairman and CE,
AMV Group
Chairman, 'Inspire'
membership commitment

John Spence OBE

Director, HMRC
Chairman, Finance &
Risk Committee

**Francesco Vanni
d'Archirafi**

Chief Executive Officer,
Citigroup Global
Transaction Services,
Europe,
Middle East & Africa
Chairman, Engage

Robert Wigley

Chairman, Europe, Middle
East & Africa, Merrill Lynch
International
Chairman, Education
Leadership Team

John Williams

Chairman, Tomorrow's
Company, Charity
Commissioner



Leadership Teams' Chairs



INSPIRE

Cilla Snowball
Chairman and CE,
AMV Group

**The Prince's Seeing
is Believing**
Ian Russell

ENGAGE

John Kelly
Chairman,
Gala Coral Group Limited

SUPPORT AND CHALLENGE

Phil Hodgkinson
Group Finance Director,
HBOS plc

GLOBAL PARTNERS NETWORK

Mike Wareing
International Chief
Executive, KPMG

MARKETPLACE

Mike Clasper

WORKPLACE

Amelia Fawcett CBE
Chairman, Pensions First

Opportunity Now
Carolyn McCall
Chief Executive,
Guardian Media Group plc

Race for Opportunity
Michael Fairey
Deputy Group
Chief Executive,
Lloyds TSB Group plc

Business Action on Health
Alex Gourlay
Managing Director,
The Boots Group plc



COMMUNITY

John Kelly
Chairman,
Gala Coral Group Limited

**Business Action
on Education**
Robert Wigley
Chairman, Europe, Middle
East & Africa, Merrill Lynch
International

**Business Action on
Economic Renewal**
Sir Stuart Hampson

**Business Action on
Homelessness**
John Varley
Group Chief Executive,
Barclays

Cares
Seán Mahon

ProHelp
Alexandra Marks
Partner,
Linklaters

Cause Related Business
Gwyn Burr
Customer Director,
J Sainsbury plc

Engage
**Francesco Vanni
d'Archirafi,**
Chief Executive Officer,
Citigroup Global
Transaction Services,
Europe, Middle East
& Africa

**The Prince's Rural
Action Programme**
Steven Esom
Director of Foods, Marks
and Spencer Group plc

ENVIRONMENT

David Jackson
Company Secretary,
BP plc

REGIONAL LEADERSHIP TEAMS

**East of England Regional
Leadership Team**
Jackie Hunt
Finance Director,
Norwich Union Insurance

**East Midlands Regional
Leadership Team**
Colin Jenkins
Managing Director
Aggregate & Asphalt,
Aggregate Industries

**The Prince's Seeing
is Believing Alumni**
North West Board
Edwin Booth
Chairman,
EH Booth & Co Ltd

**London Regional
Leadership Team**
Paul Cuttill
Chief Operating Officer,
Networks, EDF Energy

**North East Regional
Leadership Team**
Graeme Thompson
Managing Director,
Tyne Tees Television

**Northern Ireland
Advisory Board**
Michael Ryan CBE
Vice President & General
Manager, Bombardier
Aerospace

**South East Regional
Leadership Team**
Ian Smith
SVP & Managing Director,
UK, Ireland & South Africa,
Oracle Corporation UK Ltd

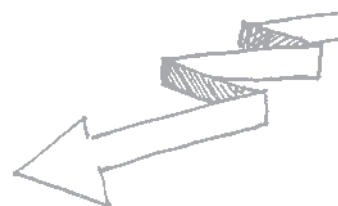
**South West Regional
Leadership Team**
Gharry Eccles
Managing Director, The
Wrigley Company Ltd

**West of England Regional
Leadership Team**
Paul Evans
Chief Executive Officer,
AXA Sun Life

Wales Advisory Board
Ann Beynon
Director Wales, BT Group

**West Midlands Regional
Advisory Board**
Ben Reid
Chief Executive,
The Midcounties
Co-operative Ltd

**Yorkshire and Humber
Leaders' Network**
Richard Gregory OBE
Yorkshire Bank Chair,
National Australia Group
Europe Ltd



Silver Jubilee Big Tick companies

SILVER JUBILEE BIG TICKS

In our Jubilee Year we wanted to recognise - with a special Silver Big Tick - those long-term sustainable business partnerships which have flourished in a neighbourhood, on a key social issue, with a charity or voluntary organisation for ten years or more - many pre-dating the launch of our Awards for Excellence in 1997.

It is a real tribute to our member companies that so many of these programmes have helped to pioneer issues and impact where, because of the long-term support of the business, innovation and insight has been achieved which other companies can share.

For more details about Silver Jubilee Big Ticks, go to www.bitc.org.uk/jubilee

- ✓ **Airbus** 18 years of community action and fundraising in North Wales through 'Charity Challenge'
- ✓ **Allen & Overy LLP** 20 years of support for schools and colleges in Tower Hamlets
- ✓ **Avon Cosmetics** 15 years of tackling breast cancer with the 'Avon Breast Cancer Crusade'
- ✓ **B&Q** some 5,000 community projects supported since 1995 with 'You Can Do It Awards' and 'Better Neighbour Grants'
- ✓ **Bovis Lend Lease** 11 year partnership with Jobcentre Plus getting 9,000 people into construction jobs
- ✓ **Bradford & Bingley** 10 years of helping the homeless in partnership with Shelter
- ✓ **British Land Company** founder partner of the West Euston Partnership in 1984
- ✓ **BT** 21 years of support for ChildLine raising more than £15m and helping more than 2 million children
- ✓ **Cadbury Schweppes** 150 years of involvement in education at local, regional and national level
- ✓ **Centrica** tackling fuel poverty since 1995
- ✓ **Charlton Athletic** supporting communities in SE London and Kent since returning to 'The Valley' in 1992
- ✓ **Citi** 25 years of support for Junior Achievement - Young Enterprise now in 48 countries
- ✓ **Cunninghame Housing Association** regenerating communities in Ayrshire since 1997 through the 'More Than Just a Landlord' programme
- ✓ **Deutsche Bank** kick-starting the careers of young people in the arts since 1993 with the 'Pyramid Awards'
- ✓ **DHL** promoting 'Trucks and Child Safety' in schools since 1989
- ✓ **Diageo** over 25 years of tackling long-term unemployment through 'Tomorrow's People'
- ✓ **DLA Piper** more than a decade of 'helping to change young lives' through their partnership with the Prince's Trust
- ✓ **Dwr Cymru Welsh Water** a decade of helping Welsh school-children to 'Live and Learn with Water'
- ✓ **E.ON UK** supporting older people in partnership with Age Concern since 1990
- ✓ **EMI** promoting music and the arts in schools through the Music Sound Foundation since 1996
- ✓ **Experian** 12 years of working with key partners in Nottingham to improve the quality of life for its people
- ✓ **GlaxoSmithKline** 'Positive Action' on HIV/AIDS has reached millions of people in 55 countries since 1992
- ✓ **Herbert Smith** 10 years of community action in Tower Hamlets and Whitechapel
- ✓ **IBM UK** a decade of 'KidSmart' delivering 920 Early Learning Centres in UK play-schools and nurseries
- ✓ **Jaguar Cars** founder and continued Chair of the Foleshill Business Forum supporting communities across Coventry since 1997
- ✓ **John Laing plc** founding partner of the National Communities Resource Centre in 1993 offering training and support to people on low incomes
- ✓ **KeyMed** improving road safety and saving lives in Southend since 1994
- ✓ **Lloyd's** working with its member companies to tackle social issues in East London since 1989
- ✓ **Manchester City** supporting the people of Manchester for 21 years through 'City in the Community'
- ✓ **National Grid** a decade of providing education, skills training and jobs for young people at risk of exclusion and for ex-offenders
- ✓ **Nationwide Building Society** supporting the care of cancer patients through a partnership with Macmillan since 1993
- ✓ **Nortel NI** a decade of support for Young Enterprise Northern Ireland
- ✓ **PricewaterhouseCoopers** improving the lives of the young people and communities of Southwark for 15 years
- ✓ **PRUPIM** 14 year partnership with Crime Concern empowering young people to make communities safer
- ✓ **Red Dragon** 10 years of fundraising and community action through 'Help a South Wales Child'
- ✓ **Royal Mail Group** has been producing educational films and resources for more than thirty years
- ✓ **RWE npower** 15 years of working with the Federation of Disability Sport Organisations
- ✓ **ScottishPower** ScottishPower Learning has improved the skills and the employability of more than 13,000 young people since 1996
- ✓ **TATA Consultancy Services** bringing education to young people in Sevalaya, India since 1988
- ✓ **Tate & Lyle** more than 25 years of support for education and health in Newham
- ✓ **UBS** 23 years working with the communities of Hackney, Newham and Tower Hamlets
- ✓ **United Utilities** 20 year partnership with Groundwork and 10 years of support for Wigan Education Business Partnership

Key events in 2008

14 February	Business in the Community's Annual Conference
11 March	Cares Conference 2008: Maximising impact through employee volunteering
April	Business Action on Health Summit
01 May	The Prince of Wales's second May Day Business Summit on Climate Change
16 May	Cares National Action Day
25 May	Publication of CR Index in Sunday Times
07 July	Awards for Excellence Gala Dinner, Royal Albert Hall
July	1st meeting of the Global Partners Network

For more information about Business in the Community events, please visit www.bitc.org.uk/events



The Prince's Charities is a group of not-for-profit organisations of which HRH The Prince of Wales is President; 14 of the 16 charities were founded personally by HRH The Prince of Wales.

The group is the largest multi-cause charitable enterprise in the United Kingdom, raising over £100 million annually. The organisations are active across a broad range of areas including opportunity and enterprise, education, health, the built environment, responsible business, the natural environment and the arts.

The charities reflect The Prince of Wales's long-term and innovative perspective and seeks to address areas of previously unmet need.

Where can you find us?

East of England

Business in the Community
Bank House
PO BOX 93
Newmarket,
Suffolk, CB8 1ZN
T 01638 663 272
E eastern@bitc.org.uk

East Midlands

Business in the Community
3rd Floor, 30-34 Hounds Gate
Nottingham, NG1 7AB
T 0115 924 7400
E eastmidlands@bitc.org.uk

London and South East

Business in the Community
137 Shepherdess Walk
London, N1 7RQ
T 020 7566 8650
E london@bitc.org.uk

North East

Business in the Community
4&6 Kingsway House
Kingsway
Team Valley
Gateshead, NE11 OHW
T 0191 487 7799
E northeast@bitc.org.uk

North West

Business in the Community
2nd Floor, Amazon House
3 Brazil Street
Manchester, M1 3PJ
T 0161 233 7750
E northwest@bitc.org.uk

South West

Business in the Community
ITV West, Bath Road
Brislington
Bristol, B54 3HG
T 0117 972 2111
E southwest@bitc.org.uk

Business in the Community
2nd Floor, Alliance House
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Plymouth, PL1 1HZ
T 01752 510 410
E southwest@bitc.org.uk

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Birmingham, B30 2HP
T 0121 451 2227
E westmidlands@bitc.org.uk

Yorkshire & Humber

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Pudsey
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T 0113 205 8200
E yorkshire@bitc.org.uk

Wales

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4th Floor, Empire House
Mount Stuart Square
Cardiff, CF10 5FN
T 029 2048 3348
E wales@bitc.org.uk

Northern Ireland

Business in the Community
Northern Ireland
Bridge House, Paulett Avenue
Belfast, BT54HD
T 028 9046 0606
E info@bitcni.org.uk

Scottish Business in the Community

Livingstone House
43a Discovery Terrace
Heriot-Watt University Research Park
Edinburgh, EH14 4AP
T 0131 451 1100
E info@sbcscot.com

Business in the Community Ireland

32 Lower O'Connell Street
Dublin 1
Ireland
T +3531 874 7232
E info@bitc.ie

International

We convene a global partners network of 112 organisations operating in over 60 countries.

Business in the

Community



Business in the Community is a unique movement of over 800 member companies, representing 1 in 5 of the UK private sector workforce. A further 3,000 companies are engaged through our programmes and campaigns which we operate through a local network of more than 100 business-led partnerships. We lead a global partners network of 112 organisations operating in over 60 countries.

www.bitc.org.uk

Email: information@bitc.org.uk

Business in the Community

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F +44 (0) 20 7253 1877
E information@bitc.org.uk

December 2007



INVESTORS IN PEOPLE