



HM Government



# Corporate Responsibility Report

## **Ministerial Foreword by Ian Pearson**

As the world experiences major economic challenges the issue of Corporate Responsibility must remain high on business and political agendas. We can face the challenges by striving to be the best, and the best and most successful companies have always been the most responsible. Good business leaders recognise that Corporate Responsibility makes good business sense – it attracts the best talent, earns the trust of customers and the community and acts as a powerful investment for long-term sustainability.

Across Government our aim is to support business to achieve success by providing the right legal framework to uphold and build responsibility as well as helping develop the necessary skills and best practice for companies to deliver it. We can also support Corporate Responsibility through our role as a major purchaser of goods and services. This is not just about setting an example: choosing to invest in sustainable solutions encourages innovation and can help to make the resulting goods and services more available to consumers and the private sector.

Another way that Government can support Corporate Responsibility is by working co-operatively with interested stakeholders to improve opportunities for businesses and their staff to take part in activities over and above their day-to-day operations. There are too many good organisations to mention, but to focus on a couple – Business in the Community (BITC) and Volunteering England – both these clearly demonstrate to business how they can integrate Corporate Responsibility into their activities, both at a strategic and personal level, including by giving, buying and investing in the community and in third sector organisations.



**Ian Pearson**

Minister of State

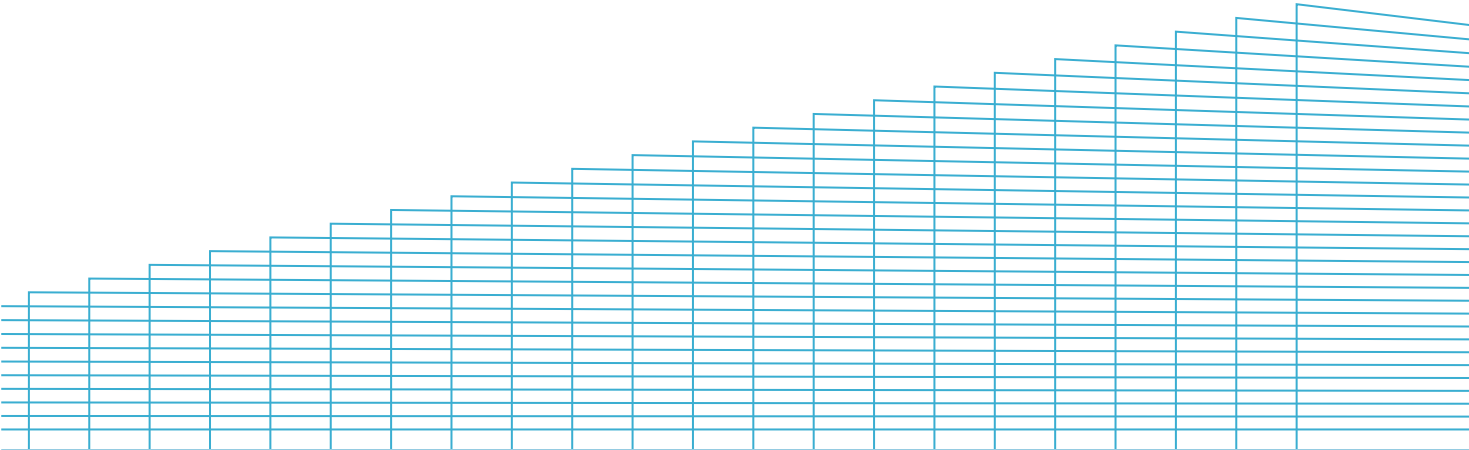
Department for Business, Enterprise and Regulatory Reform

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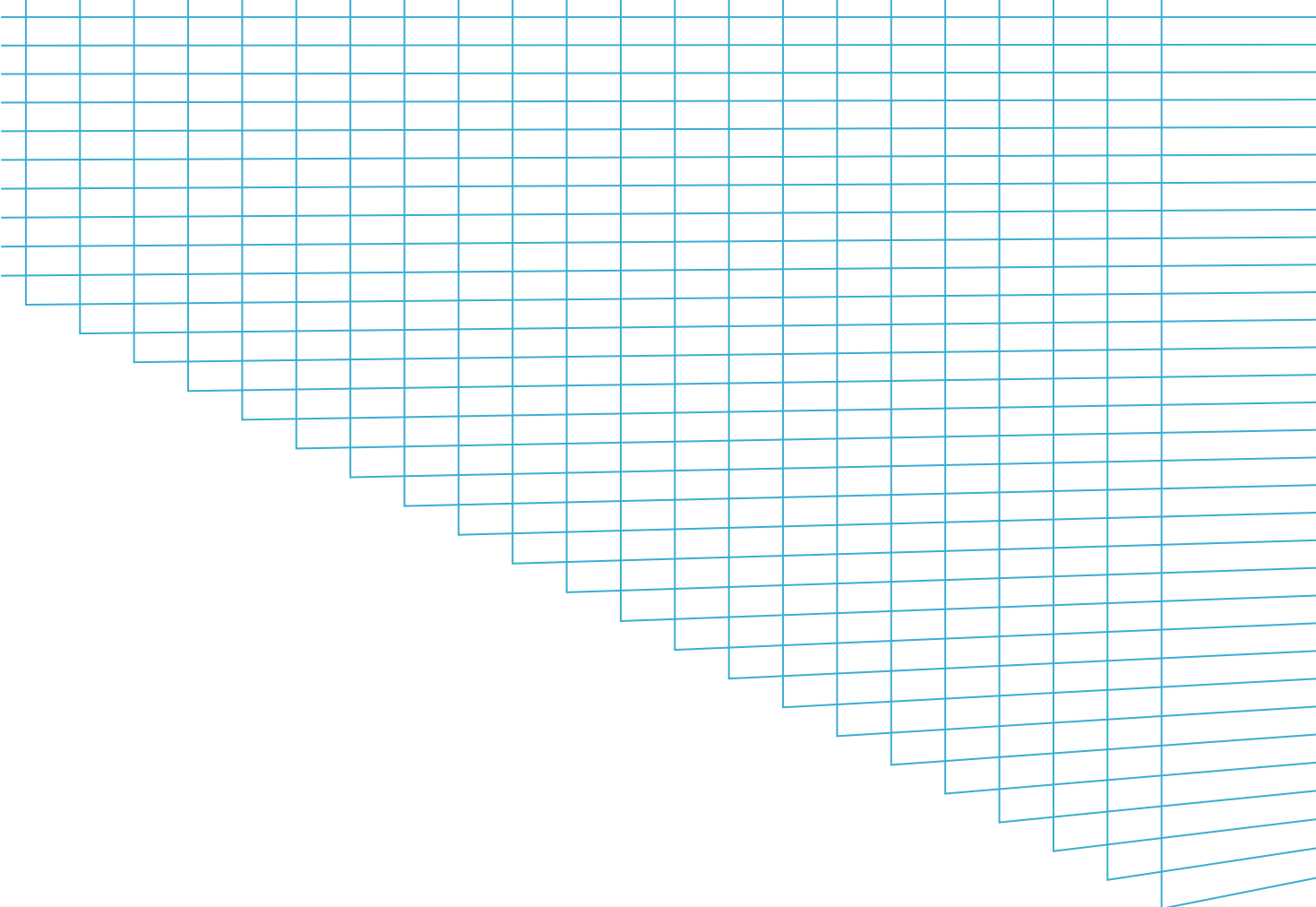
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**Section 1: Making the case for Corporate Responsibility**



## **A vision for Corporate Responsibility**

**Today nations face a global challenge – we want everyone to satisfy their basic needs and enjoy a better quality of life but to do so without compromising the quality of life for future generations. For our society that means limiting climate change and protecting natural resources but also stimulating cohesive and healthy communities, promoting fairness and justice and building a strong, stable economy. Everybody has obligations to act responsibly in order to achieve these goals: individuals, groups, businesses and Government.**

The Government believes that by adopting socially and environmentally responsible behaviour businesses can make a significant contribution to boosting wealth creation and employment, fostering social justice and protecting the environment. Essentially, this means companies taking account of the economic, social and environmental impacts that arise from the way they operate – maximising the benefits and minimising the downsides. Specifically, we see Corporate Responsibility – which was previously described as Corporate Social Responsibility – as the voluntary actions that business can take, over and above compliance with minimum legal requirements, to address both its own competitive interests and the interests of wider society.

The UK Government's strategy for achieving this vision is to create a policy framework with minimum levels of performance in the fields of health and safety, environmental impact and employment practices, whilst also encouraging and enabling wider responsible behaviour that stimulates innovation and the application of best practice. A significant means of achieving this is to help businesses understand where they can make a difference, helping companies navigate their way through different initiatives by providing direct assistance and signposting them to supporting organisations and practical tools, showcasing excellent examples and best practice and celebrating success. In delivering this strategy we recognise the importance of working in partnership with other Government departments, the private sector, voluntary bodies, unions, consumers and other interested parties.

The Government has a significant role to play in fostering the right climate and promoting the business case for Corporate Responsibility both domestically and on the international stage as well as providing the leadership to achieve consensus on the broad vision and priorities for action. We want to encourage all UK businesses to recognise the strategic advantage of Corporate Responsibility and take voluntary action to raise their standards of behaviour above minimum legal requirements. And above all, we want to reach out to those companies who remain to be convinced of the value of Corporate Responsibility to their business success.

This report considers recent developments and progress since the 2004 publication of *Corporate Social Responsibility – A Government Update*<sup>1</sup>. It highlights how Corporate Responsibility continues to broaden and identifies relevant activity across Government departments.

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<sup>1</sup> Additional information can be found on BERR's webpages on Corporate Responsibility, [www.berr.gov.uk/sectors/sustainability](http://www.berr.gov.uk/sectors/sustainability)

## The business case for Corporate Responsibility

Businesses have a legal obligation to make profits and traditional definitions of profit-maximisation can argue against the 'business case' for Corporate Responsibility since taking the necessary measures usually involves up-front costs with benefits accruing over a long-term period. Lack of information and awareness about the potential benefits may also make investors reluctant to finance such measures.

However, engaging in activity that goes beyond what the law demands can potentially increase a company's performance and shareholder value, improve a firm's profits and work towards competing successfully in global markets, as well as increasing productivity. The following diagram demonstrates how the impact can be achieved both **directly** – through measures which improve efficiency, support new revenue streams and better risk management practices – or **indirectly**, by creating a 'reputational' effect, building trust and confidence in an organisation which differentiates a firm and its products from competitors. This is particularly important at a time when the pace of globalisation is increasing and businesses need to drive up competitiveness and win new markets.

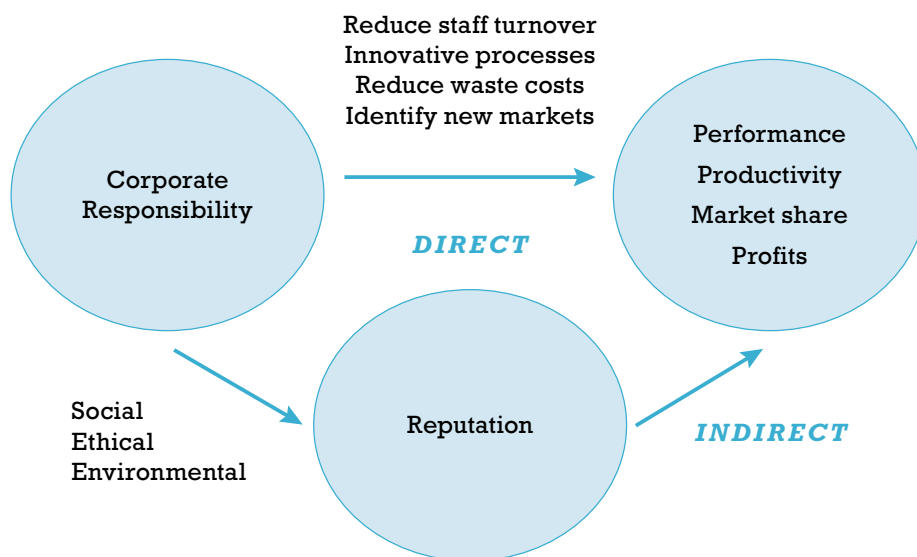


Figure 1: Direct and indirect effects of Corporate Responsibility

The effects of Corporate Responsibility practices on the five productivity drivers of competition, skills, investment, innovation and enterprise are wide. They range from **improved efficiency** (for example the cost savings that can be achieved by reducing waste); the ability to **attract and retain staff; better risk management**; adoption of **innovative practices and products** and the identification of **new markets** that can arise from consultation and the development of positive relationships with local communities and others groups.

Embedding Corporate Responsibility can make good business sense by enhancing a company's **reputation and brand name** with three key groups, whose members may have an interest in wider social benefits and be willing to pay for them:

- » Attracting new **customers** or charging a higher price to existing ones as consumers grow increasingly aware of social and environmental issues. An Ipsos MORI 2007 survey found that 91% of consumers agree that companies have a responsibility to work towards improving the social impacts of their products and services<sup>2</sup>. And, according to a PriceWaterhouse Coopers' survey commissioned this year<sup>3</sup> over 60% of consumers identified sustainability issues as the most important facing the world, with 80% of those surveyed stating they were worried about climate change. The study revealed that consumers were on average willing to pay a premium of around 20% for environmental and ethically-friendly everyday items.
- » Socially responsible practices can have an impact on **employees**, reducing staff turnover with a potential average saving of over £4,000 in recruitment costs for each additional staff member retained. A 2007 MORI poll found that 89% of employees consider it to be very or fairly important that their own employer is responsible to society and the environment<sup>4</sup>. In a 2005 Chartered Institute of Personnel and Development survey 63% of graduates said that a company's ethical and environmental stance would influence their decision on whether or not to apply for a specific job<sup>5</sup>.
- » Corporate Responsibility can attract **shareholders** through Socially Responsible Investment (SRI) funds. Firms that pass the screening process for socially responsible behaviour achieve access to a larger pool of equity and debt financing, which could potentially lower their financing costs. It has been estimated that SRI funds account for approximately 14% of total assets under management with the UK and USA. The size of assets under SRI management within Europe totalled €48.7 billion at the end of June of 2007, a more than doubling in size from two years earlier. The UK is the leading country with a share of 26% of SRI funds assets<sup>6</sup>. These figures represent a considerable underestimate of screened funds because they do not record funds that operate via explicit engagement policies with companies based on their social performance.

The potential benefits of Corporate Responsibility will be different for each individual company. In particular, the incentive for companies to behave responsibly and the approaches they adopt are likely to vary by sector, with much depending on the degree and importance of brand visibility as well as labour intensity, and by firm size – consumers often expect more from larger companies.

Large firms may also find it more cost-effective to invest in certain Corporate Responsibility activities if they can benefit through economies of scale with falling unit costs. In any case, firms that are able to publicise their Corporate Responsibility activities and performance, including using product labelling and brand image, may be able to reap substantially greater financial rewards. However, the contribution

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2 Ipsos MORI's Corporate Responsibility Study, 2007

3 'Sustainability – Are consumers buying it?', PricewaterhouseCoopers, 2008

4 Ipsos MORI's Corporate Responsibility Study, 2007

5 Graduates in the Workplace. Does a Degree Add Value? Chartered Institute of Personnel and Development, 2006.

6 Green, social and ethical Funds in Europe 2007 Review, Avanzi SRI Research

made by small companies often goes unrecognised because they are less aware of the need to publicise their Corporate Responsibility activities – including the good relationships they have built with their employees and the local community.

## **Progress on business take-up of Corporate Responsibility**

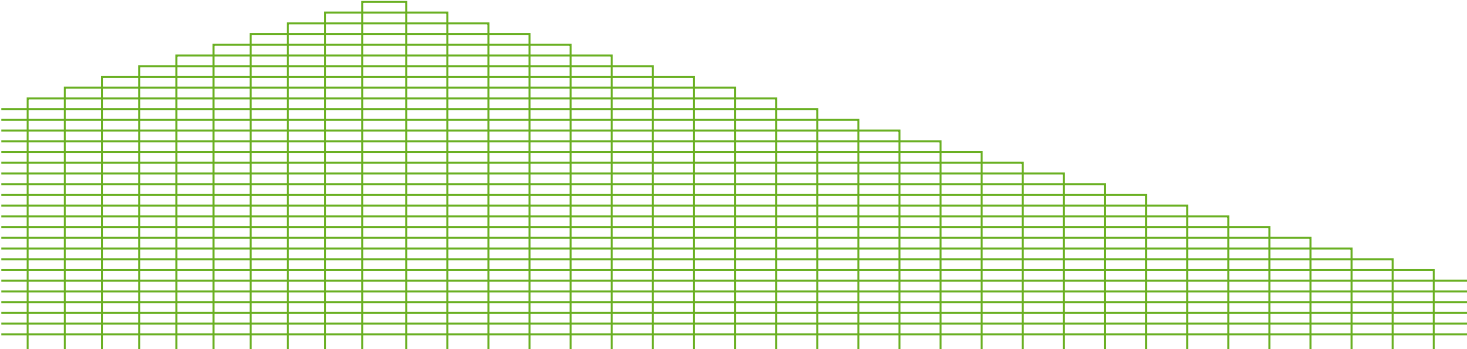
There is compelling evidence that Corporate Responsibility makes business sense to companies and that business leaders recognise it extends far beyond philanthropy. At present, more than two thirds of FTSE 100 companies are now listed on the FTSE4Good index. In addition, about three out of four of the companies have used Business in the Community's Corporate Responsibility Index. The Government believes Corporate Responsibility is relevant to every company irrespective of its size, to those operating in national as well as global markets, and to companies based in developing as well as developed countries. Indeed, developing countries are becoming increasingly engaged with Corporate Responsibility and are seeking to embrace it.

Companies are increasingly responding to events and initiatives that promote Corporate Responsibility:

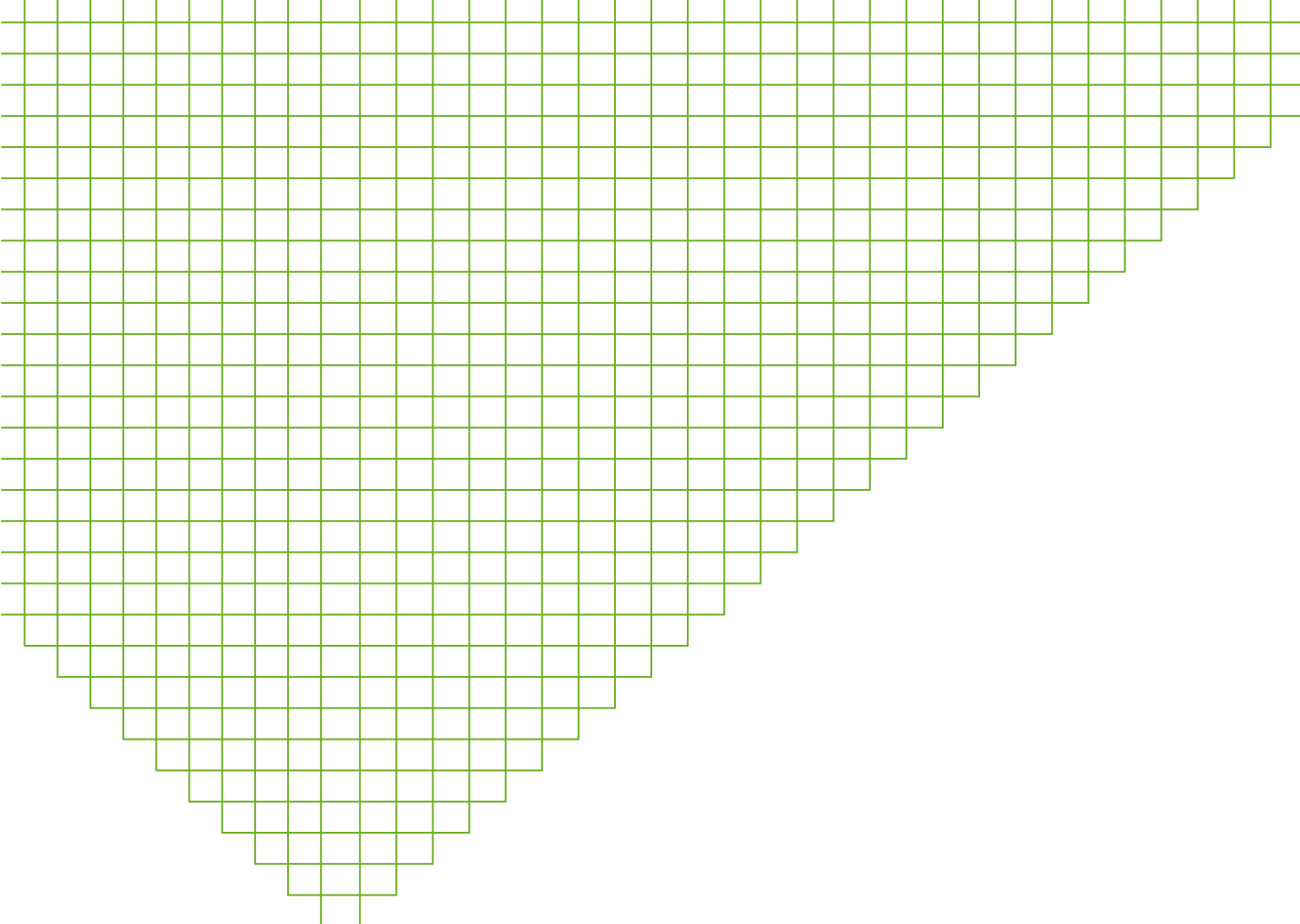
- » On 1 May 2008, the largest ever gathering of businesses and organisations committed to collective action on climate change took place. More than 1,600 business leaders from across the country were addressed by the Prince of Wales and the Prime Minister via live video links to a hub event in London attended by 160 Chief Executives of leading businesses. The event provided an opportunity to report on progress companies had made since the first May Day Summit in 2007 and share examples of business solutions to climate change. **The May Day Network** established at the summit is the UK's largest group of businesses and organisations committed to collectively tackling climate change by mobilising their employees, suppliers and customers.
- » HM Revenue and Customs is making the link between revenue raising and Corporate Responsibility to business: the revenues it collects pays for schools, hospitals and other essential services, its protection of borders from drugs and prohibited goods benefits local communities; and its management of environmental taxes contributes to the challenge of minimising climate change. In October 2006, the Department hosted a Corporate Responsibility Summit for business leaders drawn from the public, private and voluntary sectors. The event focused on collaborative working across the three sectors for the benefit of society. Linked to the Summit was a follow-up debate hosted by HMRC working in partnership with the Chartered Institute of Taxation and SustainAbility, to discuss whether tax should be a Corporate Responsibility issue for business. A follow up conference in 2009 is now being considered.

*"BERR has helped to clearly establish the link between Corporate Responsibility and competitiveness. Today, Business in the Community members recognise that responsible business practices undoubtedly give them an advantage when trading internationally."*

**Stephen Howard, Chief Executive, Business in the Community**



**Section 2: Shaping a new environment  
for Corporate Responsibility**



Ever increasing concern over the effects of climate change has become an important driver of growth in the adoption of Corporate Responsibility principles. The need to meet the challenge of a low-carbon economy is compelling companies to look ever more seriously at their own impact on the environment. But there are additional pressures on companies coming from customers, employees and other stakeholders. These groups expect businesses to consider the environment but they are also increasingly demanding ethical trading policies, fair employment practices and the safeguarding of human rights. And in a highly competitive global market successful business need to nurture their reputation and brand to give their products and services the edge.

### **Since our last report...**

In the four years since the Government published its last report into Corporate Responsibility, the range of activities covered by this term has broadened. There have also been a number of important developments in many aspects of mainstream activity.

The **Companies Act 2006** is expected to deliver benefits to business of around £250 million a year and will make a significant contribution to Corporate Responsibility. On 1 October 2007, key provisions of the Act were implemented, including those relating to directors' general duties and the Business Review.

The Act introduces a statutory statement of directors' general duties, which will provide greater clarity on what is expected of directors. It establishes the concept of 'Enlightened Shareholder Value'. This recognises that directors will be more likely to achieve long-term, sustainable success for the benefit of their shareholders if their companies pay appropriate regard to wider matters. Directors are required to promote the success of the company in the collective best interests of shareholders but in doing so they should have regard to wider factors such as the interests of employees and the environment.

The Business Review is prepared by companies for the benefit of their shareholders to help them in assessing how the directors have performed their duty to promote the success of the company. All companies, other than small, were already required to produce a business review. The Companies Act 2006 introduces an expanded Business Review for quoted companies requiring them, to the extent necessary for an understanding of the business, to report on environmental, employee, social and community matters or essential contractual or other arrangements. Government's aim is to encourage meaningful strategic, forward-looking information to assist shareholder engagement, while avoiding disproportionate burdens on business. The first business reviews under the 2006 Act are expected from January 2009.

## **Other drivers and changes to promote Corporate Responsibility include:**

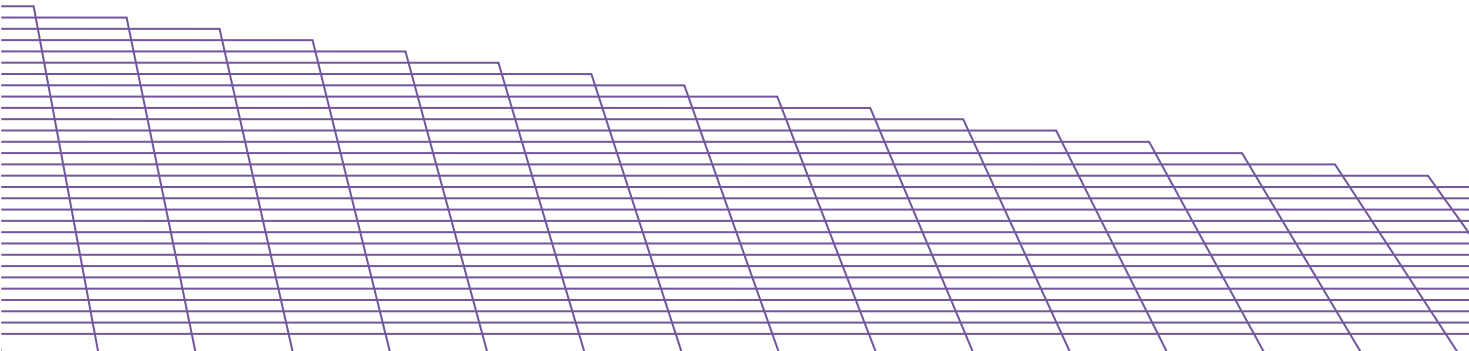
- » Interest in **Socially Responsible Investment (SRI)** is increasing, with the mainstream investment community now recognising that effective management of social and environmental risks are a core business value with a compelling business rationale. By providing efficient access to capital, investors provide the lifeblood for the UK's economic system, playing a vital role in the delivery of products, services, innovation, jobs and wealth creation that are essential to both business success and sustainable development.
- » **Globalisation** has encouraged the spread of Corporate Responsibility throughout the world. Businesses in developing countries seeking to move into global markets now realise that they need to demonstrate responsible business practice to gain acceptability in Western markets and build their brand name. The UK's position as a world leader in this field means many of these companies are looking to us for guidance on best practice in the field.
- » The partnership between Government and **third** (voluntary and charitable) **sector** organisations has been strengthened with the creation of the Office of the Third Sector (OTS) in May 2006. OTS is responsible for supporting the development and strengthening of the sector, and the decision to establish the OTS at the centre of Government in the Cabinet Office was recognition of the increasingly important role the third sector plays in social and economic regeneration in the UK.
- » The **Research Centre on Charitable Giving and Philanthropy** was launched during 2008. The Centre will act as a co-ordinating hub, bringing together leading experts and interested groups throughout the UK to support high quality research and share knowledge. It will help third sector organisations, the Government and business understand why and how individuals and companies give, helping to increase and target such giving to support the public good. OTS is co-funding the Centre with partners in the Scottish Government, the Economic and Social Research Council (ESRC) and the Carnegie UK trust.
- » The Prime Minister set up a **Council on Social Action** bringing together leaders from across the sectors to advise the Government on ways to inspire, facilitate and celebrate social action. Key activities of the Council so far include a package of action to promote voluntary one-to-one activity and overseeing the creation of the Catalyst Awards to celebrate and support innovative uses of technology for social good. The Council also oversaw the Chain Reaction event in November 2008, which brought together over 1000 participants from 16 countries from across the public, private and third sectors including social leaders, community activists, policy makers, business leaders, CR practitioners, Ministers and young people. The aim of the event was to share learning and to generate new ideas for social change locally, nationally and globally.

- » The Government is taking action to improve the implementation of the **OECD Guidelines for Multi-national Enterprises**<sup>7</sup> which set out voluntary principles covering a broad range of issues in business ethics, including employment and industrial relations, the environment, information disclosure, competition, financing, corruption, taxation, science/technology, and the need to encourage suppliers and sub-contractors also to comply. The UK National Contact Point, which is responsible for implementing and promoting the Guidelines, has been revamped following a critical report from the All Party Parliamentary Group on the Great Lakes Region in December 2005.
- » In March 2008 the Department for International Development (DFID) and Chatham House established a **Procurement for Development Forum** with most major UK supermarkets and food manufacturers as members. The objective of the Forum is to develop and scale up business models for procuring food products from Africa and other developing regions that support development in rural communities.
- » Changes have been made at the centre of Government to emphasise the links between business – particularly international activity – and Corporate Responsibility.
  - » A joint DFID-BERR Trade Policy Unit was created in 2007 under the Minister of State for Trade, Investment and Consumer Affairs to bring together trade and development experts. The Unit's aim is to ensure UK competitiveness and market access, promote better trade deals for poorer countries and improve the opportunities for poor people and economies to trade and grow.
  - » The UK Government is a committed supporter of the **United Nations Global Compact**<sup>8</sup>, which since its launch in July 2000 has become the world's largest responsible business initiative, with over 5,500 companies from 130 countries. Lead responsibility for UK participation in the UN Global Compact has moved to BERR from the Foreign and Commonwealth Office (FCO) with the objective of raising the Compact's profile among UK companies. The Compact works with businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Companies are asked to embrace, support and promote within their sphere of influence the ten principles and to report annually on progress.
  - » Responsibility for the OECD Anti-Bribery Convention and the UN Convention Against Corruption also moved from the FCO to BERR and DFID respectively, and the Justice Secretary was appointed Ministerial Anti-Corruption Champion in October 2008. UK Government is playing an active role in conjunction with BSI and other key UK stakeholders in the ongoing development of a new ISO standard on Corporate Responsibility.

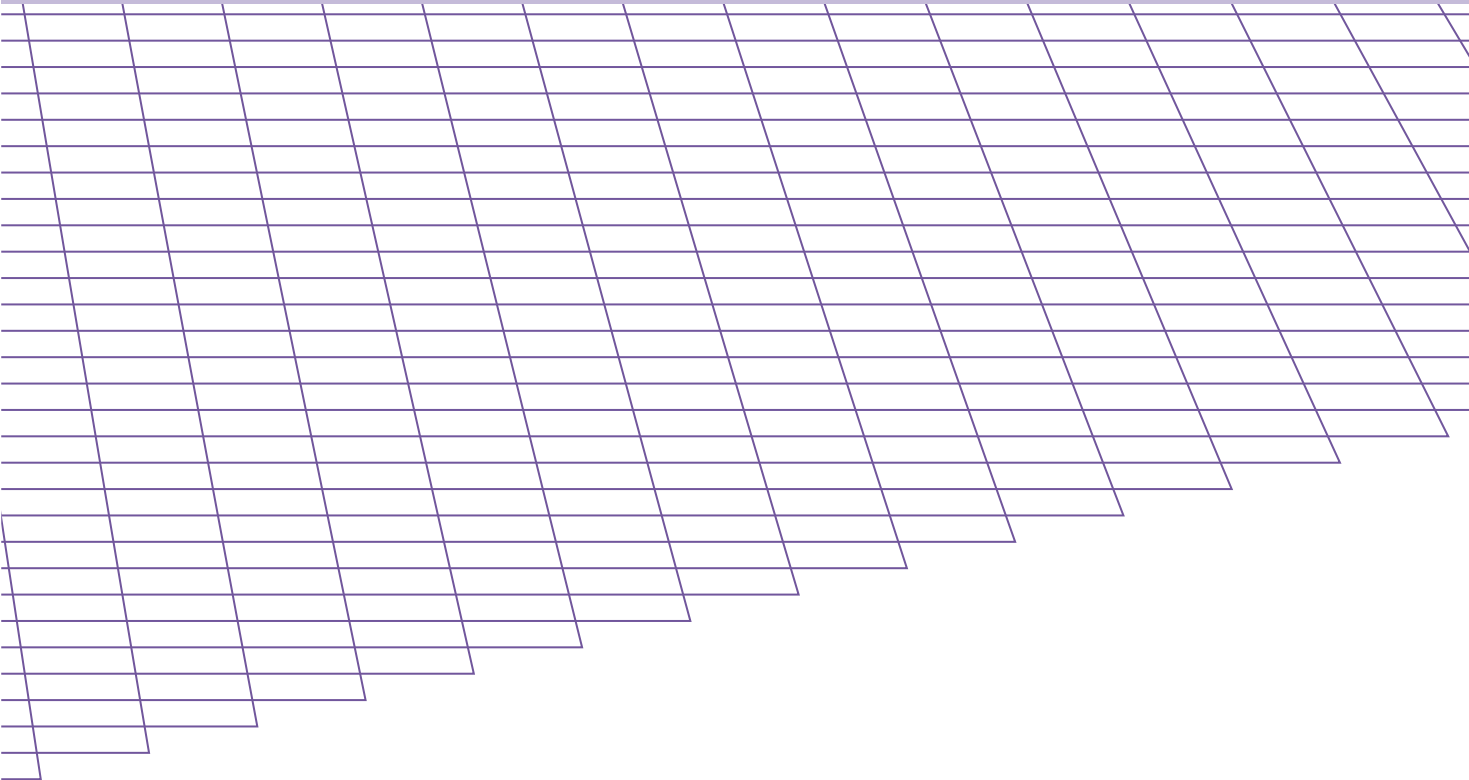
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<sup>7</sup> To access the Guidelines go to [www.berr.gov.uk/whatwedo/sectors/sustainability/nationalcontactpoint/page45873.html](http://www.berr.gov.uk/whatwedo/sectors/sustainability/nationalcontactpoint/page45873.html)

<sup>8</sup> Read more about the Compact on [www.unglobalcompact.org](http://www.unglobalcompact.org)



**Section 3: Corporate Responsibility activity across Government**



Right across Government, Departments and Agencies are working to promote and progress Corporate Responsibility activity. BERR acts as a hub for Corporate Responsibility policy issues across Whitehall, primarily via an inter-departmental group of officials who lead on the issue for their respective parts of Government. As part of its responsibility BERR also maintains the main Corporate Responsibility website and Ian Pearson, as BERR's Economic and Business Minister, has lead responsibility for Corporate Responsibility across Government.

This section sets out the range of policies being delivered and initiatives that support and promote Corporate Responsibility.

### **Working with business to reduce poverty and promote human rights overseas**

The Government recognises that business is a key partner in the fight to reduce poverty and disadvantage as well as in promoting human rights both internationally and at home. Much of the work at Government level is led by the Department for International Development (DFID).

At the core of DFID's commitment to fair and ethical trade is a desire to promote business models that can create fairer and more profitable trading relations between poor producers in developing countries and UK consumers. The Department has put an emphasis on working more closely with the private sector to encourage UK companies, through their core business, to be drivers for change in the countries in which they trade.

The **Ethical Trading Initiative (ETI)** has been DFID's main channel of funding to ethical trade since 1998. ETI is an alliance of businesses, trade unions and charities which assists member companies seeking to improve conditions for workers in their supply chains. It currently has over 50 member companies, including retailers and supermarkets and it supports them in tackling issues such as reaching vulnerable workers, accurately identifying working conditions in their supply chains and dealing appropriately with problems, such as child labour.

Its current priorities include developing new approaches to implementing key principles such as the rights to freedom of association, collective bargaining and the 'living wage', and integrating ethical trade into core business practices, including purchasing and procurement.

DFID has contributed £1.2m over two years to the first phase of the **International Fairtrade Labelling Organisation's (FLO)** co-ordinated multi-donor project. The broad aims of the project are to improve the standard of living and access to services for producers, workers, their families and communities through fair and sustainable prices, access to wider markets and fair trade certification standards; and to reduce substantially the reliance of Fairtrade organisations on donor funds to carry out their work. The current work (2008–10) will deliver an improved Fairtrade labelling model and business plan. The funding to FLO includes over £400k support to the UK Fairtrade Foundation for complementary activities.

Complimenting the ETI's action on labour conditions, the UK fully supports the work of the **International Labour Organisation (ILO)**, and in particular the 1998 Declaration which provides a framework for promoting workers' rights through internationally agreed 'core labour standards'. These standards cover freedom of association and the right to collective bargaining, as well as the elimination of forced and child labour and discrimination in employment. The Declaration's principles are gaining wider recognition among organisations, communities and enterprises, and provide benchmarks for responsible business conduct throughout the world.

Workers' rights lie at the heart of the ILO's purpose, and the quest for a level playing field on companies' observance of labour standards is increasingly pertinent in a time of increasing globalisation. The call for the 2004 report of the ILO's World Commission on the Social Dimension of Globalization made a useful contribution to the globalisation debate. Its call for the ILO concept of 'Decent Work' (based on employment creation, fundamental rights at work, social protection and social dialogue) to become a key goal of economic policy at national and international level has since been globally endorsed, including at the Summit of the UN General Assembly in 2005.

The UK Government – led by the Department for Work and Pensions (DWP) – is contributing to multi-lateral efforts to drive forward this commitment. This includes playing a significant role in the adoption by the International Labour Conference in 2008 of the *Declaration on Social Justice and a Fair Globalization*, which is aimed at strengthening the ILO's capacity to pursue the goal of decent work globally.

The UK Government has also supported the **ILO Tripartite Declaration on Multinational Enterprises and Social Policy**. This represents the first universal international tripartite consensus on desirable behaviour of enterprises in labour and social policy areas. A helpdesk is being launched within the ILO later this year to provide guidance for companies and other stakeholders. Potential users of the Helpdesk include managers, workers and their representatives, as well as employer and worker organisations and governments.<sup>10</sup>

## **Providing support to businesses operating in different sectors**

The Government supports a wide range of sectoral activity that is designed to provide businesses with a framework for responsible operations internationally. These include:

- » **Textiles:** DFID gives support to the **Multi-Fibre Arrangement (MFA) Forum**, a coalition of over 40 organisations involved in the global textile industry including garment industry exporters, trade unions, government agencies, non-governmental organisations and international buyers in its work to raise the competitiveness of developing countries' textile and apparel industries through improved productivity combined with increased social responsibility.

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<sup>10</sup> Further information on the Helpdesk is available on the ILO's MULTI website [www.ilo.org/public/english/employment/multi/index.htm](http://www.ilo.org/public/english/employment/multi/index.htm)

- » **Extractive Industries:** The **Extractive Industries Transparency Initiative (EITI)**<sup>11</sup> brings greater transparency to oil, gas and mining activities. Countries implementing this initiative disclose the revenues paid by oil, gas and mining companies to government, reducing the scope for corruption and improving the investment climate. Participating countries contribute to a Multi-Donor Trust Fund which can be drawn upon by those wishing to implement EITI. To date more than 40 countries have expressed interest in implementing EITI, and 23 have been assessed to have met critical sign-up criteria. The UK is a member of the EITI Board and the Fund Committee. In September 2008, the UN General Assembly passed a resolution recognising EITI as a global standard for transparency. Additional guidance is provided by the **Voluntary Principles on Security and Human Rights in the Extractive Industries (VPs)**. Established in 2000 by the FCO and the US State Department, they provide practical advice to companies in the extractive industry sector on the safety of their personnel and security of installations in insecure environments whilst at the same time respecting human rights. The aim is for the VPs to help reduce tension between the companies and the communities in which they operate. To date, the VPs have 18 participating companies, four member governments (US, UK, Dutch and Norwegian) and eight Non-Governmental Organisations.
- » **Pharmaceuticals:** One in every three people in the world has no access to basic medicines and for many the cost is too high. **The Medicines Transparency Alliance (MeTA)**<sup>12</sup> launched in May 2008 is working to improve access to medicines by increasing transparency and accountability in the sale, distribution and use of medicines in developing countries. DFID is providing initial funding of £7.3m for a two-year pilot phase in seven countries working with the World Health Organisation and the World Bank. The outcome of the pilot phase will guide DFID's long-term support to MeTA which is likely to be for a ten-year period. Countries implementing MeTA, commit to the progressive disclosure of information on the quality, availability, price and promotion of medicines.
- » **Construction:** Globally, the construction sector plays a vital role supporting social and economic development, yet is consistently ranked as one of the most corrupt areas of economic activity. In 2005 the OECD reported that corruption in public construction contracts was widespread, and that the costs can exceed 20% of the contract value. In May 2008 DFID launched an outline design for the **Construction Sector Transparency (CoST)** initiative based on the multi-stakeholder approach used in EITI. The initiative with its core concept of 'Get what you pay for' aims to help developing countries strengthen their systems by enhancing the accountability of procuring entities and construction companies for the cost and quality of projects, through improving transparency to a broad range of stakeholders. It will be piloted in five countries; Philippines, Tanzania, Zambia, Vietnam and the UK. The UK pilot is currently undergoing an initial consultation process with a two-year trial phase to check for workability, possible regulatory overlap and cost issues.

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11 For more information on EITI go to [www.eitransparency.org](http://www.eitransparency.org)

12 For more information on MeTA go to [www.MedicinesTransparency.org](http://www.MedicinesTransparency.org)

» **Water and Sanitation:** DFID has committed £1.25m for three years to **Partnership for Water and Sanitation (PAWs)**<sup>13</sup>, a not for profit organisation with members from Government, the private sector and civil society, PAWs matches skills and expertise of UK companies to organisations in Africa, where it is assisting Ethiopia, Nigeria and South Africa. In addition DFID's Partnership Programme Arrangement with WaterAid<sup>14</sup> is working to build awareness of and support for development of PAWs among the public and business and raise the profile and priority accorded to water and sanitation as an essential service as well as deliver effective and sustainable water and sanitation services through working with local partners.

## **Promoting Corporate Responsibility on the international stage**

The UK Government has recognised the need to promote Corporate Responsibility internationally and is working with business to develop frameworks and guidance across a range of activity.

In one particular project DFID is supporting the work of the UN's Special Representative on Business and Human Rights (SRSG), Professor John Ruggie by providing seed funding to support the development of an **International Institute on Business and Human Rights** to provide a source of global expertise in the area of business and human rights. Professor Ruggie's appointment as the Special Representative in 2005 followed the UK's drive for a new consensus-oriented approach to corporate human rights obligations. After extensive research and numerous consultations with stakeholders, the SRSG proposed a framework organised around three core principles:

- » the state duty to protect against human rights abuses by business;
- » the corporate responsibility to respect human rights;
- » the need for more effective access to remedies.

The UN Human Rights Council welcomed the framework at its June 2008 meeting and extended the SRSG's mandate for three years. The new mandate focuses on States' obligations under human rights law to protect all individuals from activities by corporations that impact negatively on their human rights. The mandate also permits Professor Ruggie to engage in complementary work to encourage businesses and those who run them to respect human rights and to seek effective mechanisms for dealing with problems whenever they occur.

Important support to business is provided by the **British Standards Institution (BSI)**. BSI's Management Systems provide organisations with confidence about the ethics of their extended international supply chains with third party certification to SA8000, second party compliance services to company or trade body standards and an integrated solution for managing supply chain compliance.

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<sup>13</sup> For more information on PAWs go to [www.partnersforwater.nl](http://www.partnersforwater.nl)

<sup>14</sup> For more information on WaterAid go to [www.wateraid.org](http://www.wateraid.org)

Currently BSI is working with international colleagues on **ISO 26000**<sup>15</sup>, a draft international standard that covers voluntary guidance on social responsibility. It is aimed at both public and private organisations and will inform and advise participating organisations in how to operate in a socially responsible way, and will be a distillation of international experience of what social responsibility means in practice.

The standard is being developed to be consistent with other relevant declarations and conventions from the United Nations and the International Labour Organization (ILO). It will cover terms and definitions; the social responsibility context in which all organisations operate; social responsibility principles; core guidance on social responsibility; and guidance on implementation. The standard is expected to be published by Autumn 2010.

Both developing and developed countries are involved in drafting the standard with a total of 84 participating countries, eight observing countries and 40 other liaison organisations involved as at August 2008.

Other international projects supported by the UK Government to foster Corporate Responsibility on an international scale include:

HM Revenue and Customs (HMRC) is helping to build the civil administration that supports democratic civil government in **international communities**. With staff based in the Middle East, Asia and Africa, it has set up fair and trusted tax systems with effective border controls. This work is underpinned by training to transfer HMRC skills and knowledge to local officials. HMRC has forged successful partnerships with customs authorities in the Caribbean and West Africa to modernise and upgrade their procedures for the control of international trade and travel. These partnerships include the exchange of intelligence about illicit trade and the supply of new equipment for searches of people and craft. They are in turn helping to reduce the damage that smuggling can have on communities abroad and in the UK.

As a leading trading nation, the UK cannot afford the barriers to entry thrown up by international corruption, and the Government is committed to combatting this global problem on both 'demand' and 'supply' sides. The Government's Anti-Corruption Action Plan<sup>16</sup> focuses on action in four key areas:

- » investigation and prosecution of bribery overseas,
- » elimination of money laundering and the recovery of stolen assets,
- » support for international efforts to fight corruption and the promotion of responsible business conduct overseas.

Government efforts to tackle the 'supply' side of international corruption have helped increase the number of UK investigations into foreign bribery by UK nationals and companies to over 20 live cases with August 2008 seeing the first successful prosecution of a director of a UK company. UK enforcement has recently been further

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<sup>15</sup> Further information on ISO 26000 can be found at [www.iso.org/sr](http://www.iso.org/sr)

<sup>16</sup> See [www.berr.gov.uk](http://www.berr.gov.uk)

strengthened through new Serious Fraud Office pre-investigation powers and BERR funding to expand the City of London Police's Overseas Anti-Corruption Unit. The Government intends to bring forward a draft Bribery Bill in the next Parliamentary session to modernise the law and provide prosecutors with the tools they need to tackle bribery here and abroad.

Recent achievements in tackling the 'demand' side include the sentencing of a UK citizen to three years in prison for money-laundering the proceeds of overseas corruption, the return of £1.5 million of stolen Nigerian assets, and six Kenyan officials (including four former Ministers) refused leave to enter the UK on the basis of their involvement in corruption.

No company should under-estimate the risks of international corruption, and the Government encourages the development of good business practices and effective risk management strategies to help companies of all sizes strengthen their precautions. The Government is revising guidance for exporters to signpost international best practice and tools for managing the risk of international corruption. Following the success of the Extractive Industries Transparency Initiative to reduce the scope for corruption, the Government is also supporting further work to build integrity and common industry standards in other key sectors such as construction, medicines and defence. The Secretary of State for Justice is the Ministerial Anti-corruption Champion.

## **Corporate responsibility tackling disadvantage at home**

The role for business in improving some of our poorest communities was identified in the National Strategy for Neighbourhood Renewal published in 2001. Engagement from companies is vital if the UK is to narrow the gap between the most deprived areas and the rest of the country.

In the English regions, the Department for Communities and Local Government (DCLG) has been encouraging companies to get involved in a number of ways. One example is the **Business Broker scheme**, a pilot for which was funded by the DCLG's predecessor department, the Office of the Deputy Prime Minister and managed by Business in the Community (BITC). The brokers' objectives were to promote the benefits of businesses becoming involved with their Local Strategic Partnership (LSP) and local third sector-led community projects to help tackle deprivation and boost local economies.

An independent evaluation of the pilot which funded brokers in ten areas found that businesses can play a valuable role in improving some of the poorest communities and that brokers had been successful in engaging business with LSPs and third sector groups. There are now over thirty brokers nationally paid through local funding streams.

In Scotland, **Community Planning Partnerships (CPPs)** operate to ensure that people and communities are genuinely engaged in the decisions made on public services which affect them. This is coupled with a commitment from the organisations involved in Community Planning to work together, not apart, in providing better public

services. The CPPs can and do engage the private sector in this key decision-making process to ensure the most effective outcomes are achieved for local communities.

**Local Employment Partnerships (LEPs)** link employers and Jobcentre Plus, with the Government providing skills support tailored to employers' needs and employer, in return, committing to considering recruits from the least advantaged backgrounds. Through LEPs, participating employers have the right to advise Jobcentre Plus on the pre-employment support and training that will work for them – and to let the system know when it isn't working. Jobcentre Plus works with local colleges and training providers to develop the skills of local people who are looking for employment and ensure there is a pool of job-ready candidates with the core skills needed to fill vacancies. Employers can also select Jobcentre Plus support from a menu designed to increase the effectiveness of their recruitment methods and processes. More than 1,000 employers have already recruited 10,000 people through LEPs from groups often overlooked in local labour markets, such as the long-term unemployed and lone parents.

Responsible behaviour by businesses involved in the **gambling industry** is promoted by the Department of Culture, Media and Sport (DCMS), which works increasingly in partnership with the private sector and other stakeholders to encourage innovative approaches and application of best practice. The Gambling Act 2005 and the Gambling Commission's Licence Conditions and Codes of Practice have introduced a regulatory framework which requires the adoption of a range of social responsibility measures and certain minimum standards that encourage and enable responsible behaviour by business.

These requirements mean that British gambling operators are building social responsibility into their operations, and in some cases going beyond the statutory or regulatory requirements. Many operators have employed Gamcare<sup>17</sup>, a leading gambling charity, to train their staff in identifying problem or potential problem gamblers and to assist in the development of new games that limit significant harmful effects before the product is offered to the public. The industry has also signed up to a voluntary code on the advertising of gambling, including a self-imposed 9pm watershed, and an undertaking for all print and broadcast adverts to carry the gambleaware website logo. There is currently a high compliance rate with all advertising provisions. In addition, there has been an increase in operators producing and reporting on significant social responsibility policies and procedures in their annual reports.

The gambling industry is also generally co-operative in making voluntary payments to the Responsibility in Gambling Trust (RIGT)<sup>18</sup> and others in order to demonstrate their commitment to social responsibility. However, some operators continue to make insufficient payments, and the Gambling Commission is soon to report on the outcome of its review of the current voluntary system for the funding of research, education and treatment of problem gamblers.

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17 Read more about Gamcare on [www.gamcare.org.uk](http://www.gamcare.org.uk)

18 Read about the Trust's work on [www.rigt.org.uk](http://www.rigt.org.uk) and [gambleaware.co.uk](http://gambleaware.co.uk)

## Corporate Responsibility in the workplace

Investing in workplace skills is a Corporate Responsibility activity that is vital to business success. This was demonstrated at a Business in the Community (BITC) summit of 100 business leaders in December 2007 that examined the impact of globalisation. The Prime Minister highlighted how the UK was facing rising competition and that tackling the **Talent Challenge** was imperative to our future success as a knowledge-based economy.

Following the summit, the UK Commission for Employment and Skills, the Talent and Enterprise Task Force, BITC and the CBI have joined forces with Government departments to take action that will unlock the nation's talent. BITC is convening a series of debates throughout the UK to bring together business, public and the voluntary sectors to raise awareness of the Talent Challenge and inspire action to increase opportunities for current and future workforces to develop their skills and expertise.

The Government has given strong support to helping businesses develop the necessary skills to introduce Corporate Responsibility. In July 2004, the then Department of Trade and Industry launched the **CR Academy**, a web-based service promoting the CR Competency Framework. This sets out the core skills and characteristics to integrate Corporate Responsibility practice within organisations of all sizes and signposts organisations to the range of learning and development opportunities available from all providers.

In its first two years over 5,000 companies registered to use the Framework, around 300 large companies and over 900 SMEs attended masterclasses and regional events. International demand also led to BSI offering the Academy products overseas.

In March 2007 BITC became responsible for running the CR Academy and undertook a review of its activities. The Academy is to be re-launched during 2008 as a 'one stop' shop for Corporate Responsibility training. It will support companies to integrate responsible business practice into their operations and its development will influence the content of training, support and advice available to practitioners. The Academy will essentially be a portal to help people find quality training products in a fragmented marketplace.

Good health and safety policies are also fundamental to Corporate Responsibility.

**The Health and Safety Executive (HSE)** has focused on three key programmes to support activity that goes beyond minimum regulation. The programmes:

- » encourage organisations to provide leadership on health and safety at board level. Top-level leadership helps develop an organisational culture that promotes high levels of health and safety performance and sends a message to the workforce that good health and safety is a core business function,
- » encourage organisations to set targets and report publicly on their health and safety performance,

» provides health and safety performance measurement tools so that organisations can measure, monitor and benchmark their health and safety performance and stakeholders such as investors and insurance companies can assess an organisation's performance before making investment decisions and setting premiums.

Further information on HSE activity on Corporate Responsibility, including guidance and a series of case studies on director leadership on health and safety, can be found on [www.hse.gov.uk/corporateresponsibility/index.htm](http://www.hse.gov.uk/corporateresponsibility/index.htm)

A tool to help businesses understand the benefits of investing in **employee health and wellbeing** was launched in June 2008. Developed by the DWP in collaboration with BITC and Pricewaterhouse Coopers LLP the 'Business HealthCheck' tool will help employers quantify the costs of illness to their business and the financial benefits of wellness programmes. The development followed a major review by Dame Carol Black, National Director for Health and Work,

*"It was clear from my review that there is a compelling business case for investing in employees' health. Many organisations have already recognised how important it can be to their bottom line by improving employee wellbeing and productivity and reducing sickness absence and staff turnover."*

**Dame Carol Black**

## **Environment**

The transition to a low-carbon, resource-efficient and sustainable economy offers opportunities for creating prosperity and jobs as well as contributing to protecting and enhancing our natural environment. Business and consumers are becoming increasingly aware of the social and environmental impact of the choices they make.

The **Climate Change Bill** currently before Parliament will create the first legally binding framework anywhere in the world, which commits a nation to a low-carbon future. By setting 2020 and 2050 CO<sub>2</sub> reduction targets in primary legislation and requiring the Government to set three five-year budgets based on the advice of an independent Committee on Climate Change, the Bill provides the long-term credibility required to stimulate investment in a low-carbon economy. It creates the flexibility to allow emissions to be reduced in the most cost-effective sectors and introduces a transparent framework for constraining carbon beyond the sectors already capped through the EU Emission Trading Scheme.

Through the Bill the Government is providing the broad framework that business will need to navigate through this period of change. This is based on three core principles: transparency, accountability and stability.

The Government has committed to working with business to make the UK one of the best places in the world to develop and introduce low-carbon, resource efficient products and services, and published *Building a Low Carbon Economy: Unlocking Environmental Innovation and Skills* in response to the Commission on Environmental Markets and Economic Performance (CEMEP).

The **Carbon Trust** runs the UK's main energy efficiency advice programme for business and the public sector. It is the main body which industry and the public sector will contact in the drive towards a low-carbon economy. Although a Department for Environment, Food and Rural Affairs (Defra) grant funds the Carbon Trust in furtherance of the Government's climate change objectives, the Trust is a private company and is responsible for day-to-day management of its own programmes. The Carbon Trust has received around £400m from Government since its inception in 2001<sup>19</sup>.

The **Sustainable Consumption and Production (SCP)** approach seeks to address the impact of products and services that occur across the whole supply chain. Government aims to build partnerships and influence the way business operates and how people live their everyday lives in order to minimise environmental and social impacts. SCP policies reduce the environmental impacts of consumption and allow the economy to grow as:

- » they focus on high impact products and services, business activities (including production) and consumer behaviour
- » they take account of a range of lifecycle environmental impacts, including overseas impacts from imported products
- » they drive solutions which achieve environmental and economic benefits through improving resource efficiency.

In particular, the Department for Environment, Food and Rural Affairs (Defra) is:

- » strengthening measures to improve the environmental performance of products and services through the implementation of the European Eco-design for Energy-using Products directive (EuP) and support for Energy Efficiency through the Energy White Paper
- » developing tools to help achieve greater transparency in the supply chain by working with BSI to develop a methodology for greenhouse gases 'embedded' in products, and piloting ten product road-maps
- » developing product standards that can be used in public sector purchasing to increase innovation and help create a credible market for sustainable products and services
- » developing new approaches to environmental behaviours and encouraging more sustainable lifestyles and choices
- » working to increase levels and robustness of environmental disclosure in company reports
- » working with the Department for Innovation, Universities and Skills (DIUS) and BERR to ensure that the UK has the right skills to make a successful transition to a low-carbon and sustainable economy and to capitalise on the opportunities

Free web-based guidance on complying with environmental legislation is provided for SMEs throughout the UK by **NetRegs**<sup>20</sup>, a partnership between the UK

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<sup>19</sup> See the website at [www.carbontrust.co.uk](http://www.carbontrust.co.uk) for further information.

<sup>20</sup> For further information, see [www.netregs.gov.uk](http://www.netregs.gov.uk)

environmental regulators: the Environment Agency in England and Wales; the Scottish Environment Protection Agency (SEPA) in Scotland; and the Environment and Heritage Service in Northern Ireland.

Another important tool is provided by Business in the Community through the **CR Index**. BITC launched its Environment Index in 1996 to help companies benchmark their environmental management and performance. In 2002, member companies requested a mechanism to benchmark their other activities, and so BITC then developed the broader CR Index to assess their impacts on the community, marketplace and workplace through their operations, products and services, and interaction with key stakeholders. Since then, there have been more than 280 participants, more than half of which have used it as a benchmarking tool and over 100 are engaged through the stand-alone Environment and Community Index modules.

The CR Index is now the UK's leading benchmark of responsible business and helps companies to integrate and improve responsibility throughout their operations by providing a systematic approach to managing, measuring and reporting on business impacts in society and on the environment. In 2008/09, BITC is introducing a Platinum Plus Standard to companies that have achieved over 95% in the 2007 Index. This will measure the impact that has been achieved through having CR infrastructure in place and will showcase the responsible business leaders.

There is a range of other market-led initiatives such as the **Carbon Disclosure Project (CDP)** and the **Global Reporting Initiative (GRI)**, as well as the work of the Climate Standards Disclosure Board, to develop an international standard to help companies report climate change-related information. These are in a standardised format which facilitates easier comparative analysis by investors, managers and the public. 2007 also saw the launch of the CDP supply chain leadership collaboration aimed at bringing together corporations who wish to work together to measure their total carbon footprint throughout their supply chain using the CDP process. The Government hopes that more companies will participate in this project to consider their entity wide emissions.

In July 2008 the European Commission published proposals for revisions to the **EU Eco Management and Audit Scheme (EMAS)**. Changes to the scheme include proposals to allow countries outside the EU to apply for registration; simplifying rules governing the use of the logo; introducing key performance indicators to enable organisations to better benchmark their performance; and strengthening requirements for demonstration of legal compliance.

With long experience in this field, the BSI is currently researching the potential need for standards in the area of **sustainability measurement and reporting**. **BS 7750** was developed by BSI in the 1990s and was the first Environmental Management Systems (EMS) standard which went on to become the internationally accepted standard **ISO 14001**. The ISO 14000 series includes a suite of supporting standards in this family to provide guidance for organisations wishing to demonstrate competence in environmental management. For smaller businesses **BS 8555** covers phased implementation of an EMS. With the Kyoto Protocol and the business community's

acknowledgement of the importance of climate change there are a host of recent standards, such as **ISO 14064 parts I–III** for quantifying and verifying organisational Greenhouse Gas emissions (carbon footprints) and project-based emission reductions (carbon offsets).

## **Volunteering, charitable giving and social enterprise**

### **Volunteering and charitable giving**

The UK has a long and varied tradition of volunteering and charitable giving and the Government is committed to fostering these very important activities. The latest annual estimate covering the tax year 2006/07 of total UK giving is £9.5 billion according to the Charities Aid Foundation. The giving of time and resources are equally important and support the Government's ambition of creating a thriving and well-resourced third sector – helping to build stronger communities, deliver public services and empower local people, and support the most vulnerable in our society. Involvement by the private sector in this area of activity can improve business reputation as well as support the recruitment and retention of employees.

The Government takes a voluntary and business-led approach to private sector input, by supporting and inspiring businesses to have a positive impact on the local community. The three key ways in which business can support third sector organisations are by giving to them (for example through employee payroll giving and Gift Aid, as well as philanthropic donations and providing opportunities for staff to volunteer); buying from them (such as buying from social enterprises); and investing in them (providing access to sustainable finance).

Helping to support third sector organisations in this way – particularly through planned and regular, tax-efficient giving – can help them to plan for the future as well as providing financial and business skills through experienced employees.

Supporting a thriving third sector in turn has advantages for business who can enjoy clear reputational and economic benefits – as well as improving recruitment and retention of employees, staff can gain confidence and develop useful skills and networks. Companies can also benefit from relief by using Corporate Gift Aid or giving assets (capital gains tax relief), land, buildings, securities and shares (corporation tax relief).

Government provides huge support for charities to maximise donations through the tax system. To support payroll giving the Government removed the upper limit for tax relief and introduced a Payroll Giving Grants Scheme as well a Quality Mark Award to encourage the engagement of SMEs. The Gift Aid system provides significant support for charities to maximise donations worth around £869 million in 2007/08. Action has also been taken to foster a culture of giving at a young age with funding provided to promote charitable giving in primary and secondary schools, through *Go Givers and Giving Nation*.

Government has also agreed to match-fund money that **v** (the youth volunteering charity launched in May 2006 to implement the recommendations of the Russell Commission) raises from the private sector on a pound-for-pound basis. Since 2006 **v** has secured over £33 million in pledges for youth volunteering from the private sector. During this Spending Review period, **v**'s match-fund will support projects focused on issues such as health and well-being, environment, children and young people, poverty, human rights and community cohesion.

Government also established 'Grassroots Grants', a £130 million programme running until 2011, administered for OTS by the Community Development Foundation. It comprises two main elements – an £80 million small grants programme and a £50 million endowment match challenge. The success of this programme relies on growing a community of donors at the local level, in addition to enabling local business to contribute to overall well-being of their community. The yield generated by this fund could enable £50 million of Government investment to be worth up to £150 million in total, providing a sustainable source of small grant funding to local groups beyond the lifespan of the 3 year small grants element.

Volunteering levels in this country remain high, and in 2007 73% of people stated that they took part in volunteering in the last year. The UK has one of the highest rates of volunteering, second only to Norway.<sup>21</sup> However, the Government's 2005 Citizenship Survey showed that one of the main barriers to individuals volunteering was work commitments. Recent research indicates that around half of employees who did not have access to a volunteering or giving scheme would like their employer to have one and some 82% of employees said they would be motivated by having time off to volunteer.

As well as raising the profile of volunteering during the 2005 Year of the Volunteer, the Government has put in place a range of programmes to support third sector organisations that promote employee volunteering, including strategic funding. Other initiatives include supporting the creation of the national volunteering database 'Do-it', making it easier for people to find opportunities to volunteer in their area.<sup>22</sup>

Doing business with the third sector is one of the most practical ways in which the private sector can help it to build capacity while getting a good service itself – a win-win situation. In particular, the private sector can provide many opportunities to build third sector organisations into their supply chains, for example using social enterprises which recycle office furniture.

Access to finance is key to improving the third sector's growth and sustainability, and fulfilling its role in social and economic regeneration. The third sector can benefit from a wide range of financial products from grants to equity to loans.

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21 John Hopkins' Comparative Non-profit Sector Project report at [www.jhu.edu/~cnp/PDF/table201.pdf](http://www.jhu.edu/~cnp/PDF/table201.pdf)

22 See [www.do-it.org.uk](http://www.do-it.org.uk)

## Social enterprises

Social enterprises are an increasingly important example of Corporate Responsibility in practice. Social enterprise is defined as 'a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners'.

Social enterprises come in many shapes and sizes, from community-owned village shops to large development trusts; in 2005 there were at least 55,000 social enterprises across the UK. They can take any legal form, including sole traders, charities, industrial and provident societies (the most common legal form for co-operatives) and companies limited by guarantee, among others. In 2005 the **Community Interest Company (CIC)**<sup>23</sup> was created as a new type of limited company for social enterprises wishing to enjoy the benefits of limited company status and who are not able to, or who do not wish to, become charities. The CIC was designed to fill a gap in the legal forms available for social enterprises and sits alongside the other legal options for those organisations operating in the third sector, for example Industrial & Provident Societies, trusts and charities. Since 2005 over 2000 CICs have been established covering a wide range of activities including education, health and social services as well as environmental and energy matters.

## Social Enterprise Action Plan and Enterprise Strategy

The Government has a clear policy of promoting the role of social enterprise in the economy as set out in the 2006 **Social Enterprise Action Plan: scaling new heights** which commits government departments and agencies to

- » foster a culture of social enterprise
- » ensure the right information and advice is available to those running social enterprises
- » enable social enterprises to access appropriate finance
- » enable social enterprises to work with Government

On 12 March 2008 the Government launched a new **Enterprise Strategy**. The Strategy's central vision is to make the UK the most enterprising economy in the world and the best place to start and grow a business. It is designed to unlock the nation's entrepreneurial talents; boost enterprise skills and knowledge; help new and existing businesses get funding to start up and grow; and ease the burden of regulation – particularly on small firms which feel its impacts most.

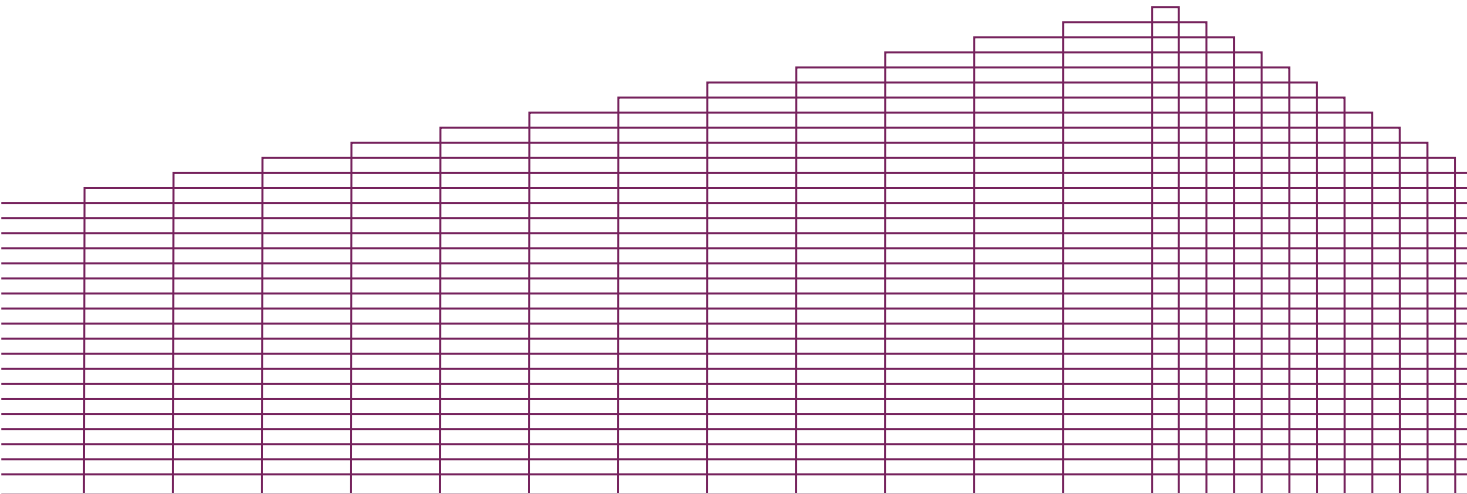
The Strategy recognises the important role of social enterprise in delivering broader enterprise policy objectives. The policy measures in the Strategy will promote all enterprise activity, including social enterprise, and help complement the initiatives

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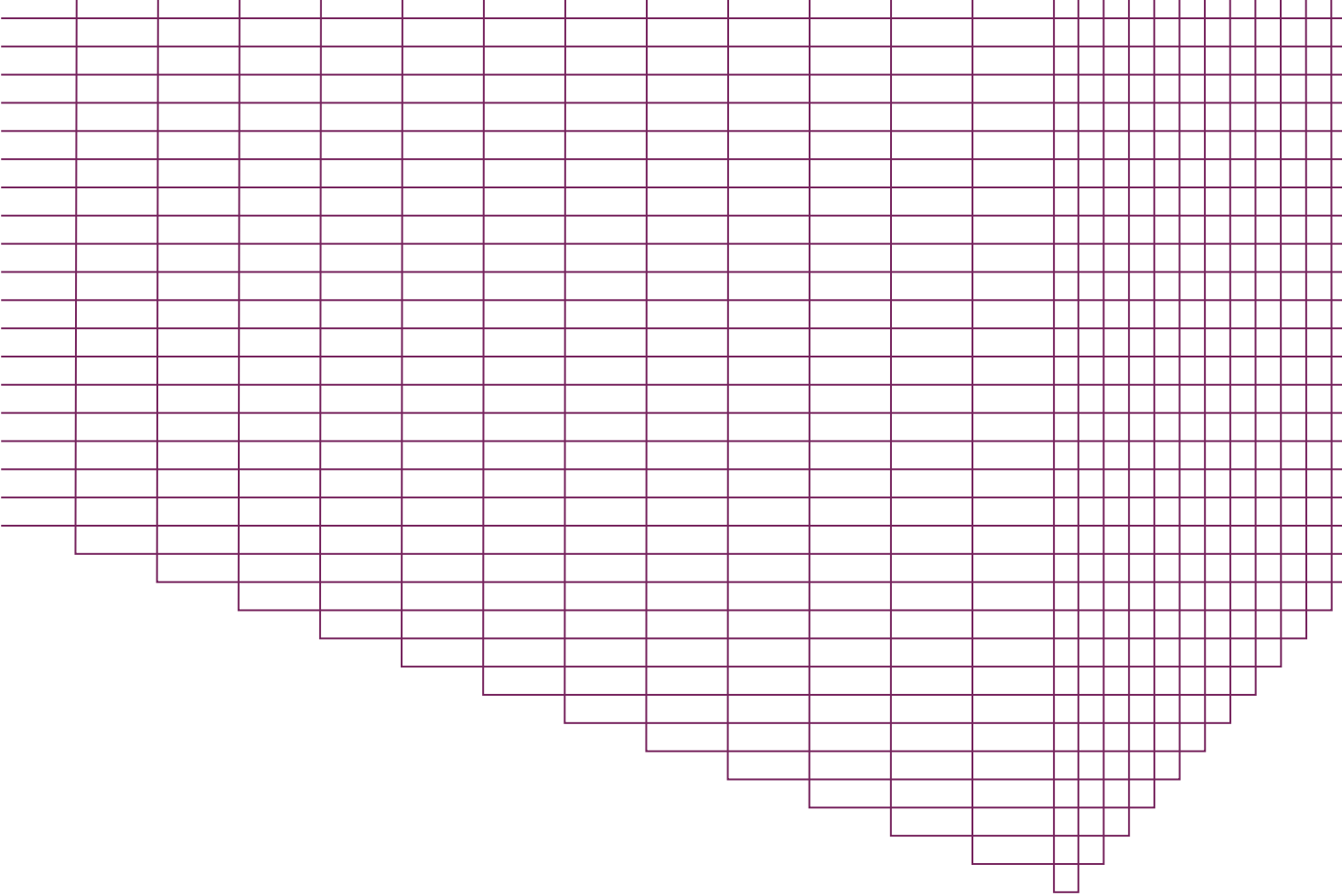
23 More information is available from [www.cicregulator.gov.uk](http://www.cicregulator.gov.uk)

being taken forward by the Office for the Third Sector (OTS). For example, up to £10 million is being made available to establish a Risk Capital Fund for social enterprises. The fund will be the first of its kind and will benefit social enterprises at the start-up and early growth stages of developing their businesses.

BERR has worked closely with OTS to ensure its activity is relevant to and inclusive of social enterprise and is supporting OTS to fulfil the Action Plan, for example by sponsoring the Regional Development Agencies (RDAs) which are key delivery partners, particularly in providing business support. To supplement this, there is clear recognition that the right guidance needs to be made available to social enterprises on the [www.businesslink.gov.uk](http://www.businesslink.gov.uk) website.



**Section 4: Corporate Responsibility values in Government**



**This report has so far covered the more obvious activity – policy and legislative action – carried out by Government departments to support Corporate Responsibility. Less visible, but also important, is the internal action Government is taking to support departmental staff and introduce sustainability to the buildings they work in.**

Across Government, departments have introduced policies governing staff conditions of service that have an impact, including setting up HMRC-approved Charitable Payroll Giving at Work schemes and participating in BITC's CR Index.

The Government is a large employer itself, and is keen to encourage engagement in volunteering and charitable giving by its own staff. Government departments have both volunteering policies and payroll giving systems in place.

The Cabinet Office has a communications strategy which underpins the payroll giving policy and aims to raise awareness levels about charitable giving. Every new starter will receive information about payroll giving in their induction pack. A range of communication activity is planned which includes messages on monthly payslips and the intranet homepage, an article in the in-house newsletter and organised lunchtime seminars facilitated by a professional fund-raising organisation.

Other than volunteering activities undertaken privately by Civil Servants in their own time, departments have a number of different arrangements to support volunteering. All main departments have a policy of allowing between one and five paid days for volunteering. Most departments publicise volunteering opportunities through staff magazines and departmental intranets and most also have formal or informal relationships with organisations that provide volunteering opportunities. The Cabinet Office is taking the lead in creating a more joined-up approach to volunteering by Civil Servants and has created a cross-government working group to co-ordinate volunteering efforts and to share best practice. The working group first met in June 2008. The Cabinet Office is also in the process of tendering for an organisation to provide volunteering opportunities for its staff.

Government departments are also focusing on the Sustainable Development (SD) aspects of their operations, particularly in estates management and procurement activities. In June 2006 the Prime Minister announced **Sustainable Operations for the Government Estate (SOGE) targets**, which all Government departments and Executive Agencies have signed up to achieving. The targets cover areas such as carbon and waste reduction, and energy and water efficiencies.<sup>24</sup>

Departments and Executive Agencies are also signed up to specific commitments on embedding sustainability in their procurement activities, as set out in March 2007 in the UK Government **Sustainable Procurement Action Plan**.<sup>25</sup> The plan includes details of a package of actions to deliver the step change needed to ensure that

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24 See [www.defra.gov.uk/sustainable/government/gov/estates/index.htm](http://www.defra.gov.uk/sustainable/government/gov/estates/index.htm)

25 See [www.defra.gov.uk/sustainable/government/publications/pdf/SustainableProcurementActionPlan.pdf](http://www.defra.gov.uk/sustainable/government/publications/pdf/SustainableProcurementActionPlan.pdf)

supply chains and public services will be increasingly low-carbon, low-waste and water efficient, respect biodiversity and deliver wider sustainable development goals.

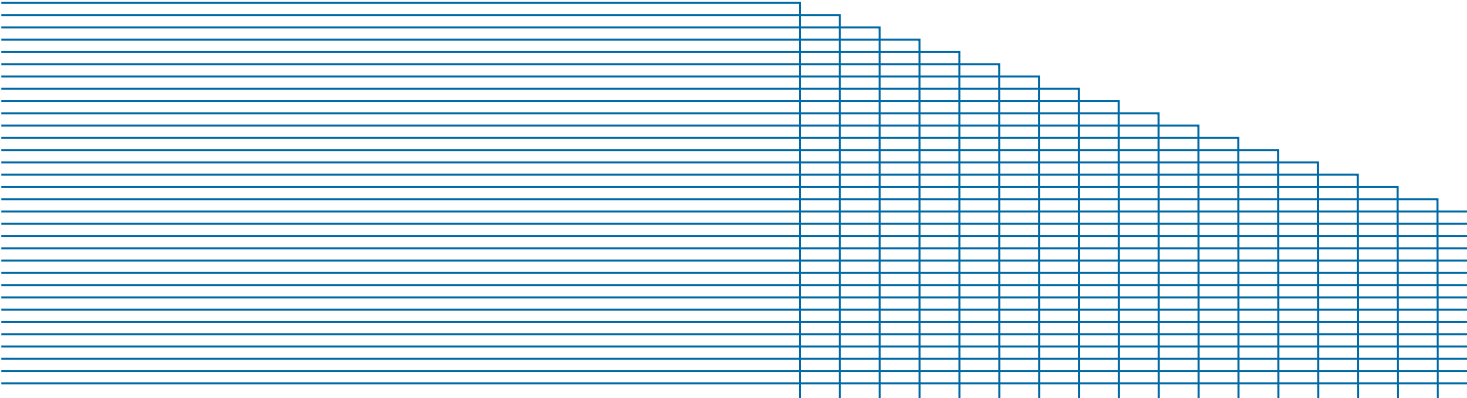
To emphasise the importance of achieving these targets and commitments, a **Chief Sustainability Officer (CSO)** role has been established along with a **Centre of Expertise in Sustainable Procurement (CESP)** within the Office of Government Commerce (OGC) to support the CSO. CESP will also provide stronger central co-ordination of performance management, as well as guidance and support to help departments develop their capability. A Government Delivery Plan for sustainable operations and procurement, compiled by CESP, was published in August 2008, laying out Departmental plans and trajectories.<sup>26</sup>

The Sustainable Development Commission (SDC) reports progress against the targets and commitments annually, through the **Sustainable Development in Government (SDiG) process**.<sup>27</sup> The SDC also offers advice and support to Departments and Executive Agencies in preparing their action plans which will include aspects of departments' policy work, procurement activities, estates and building management.

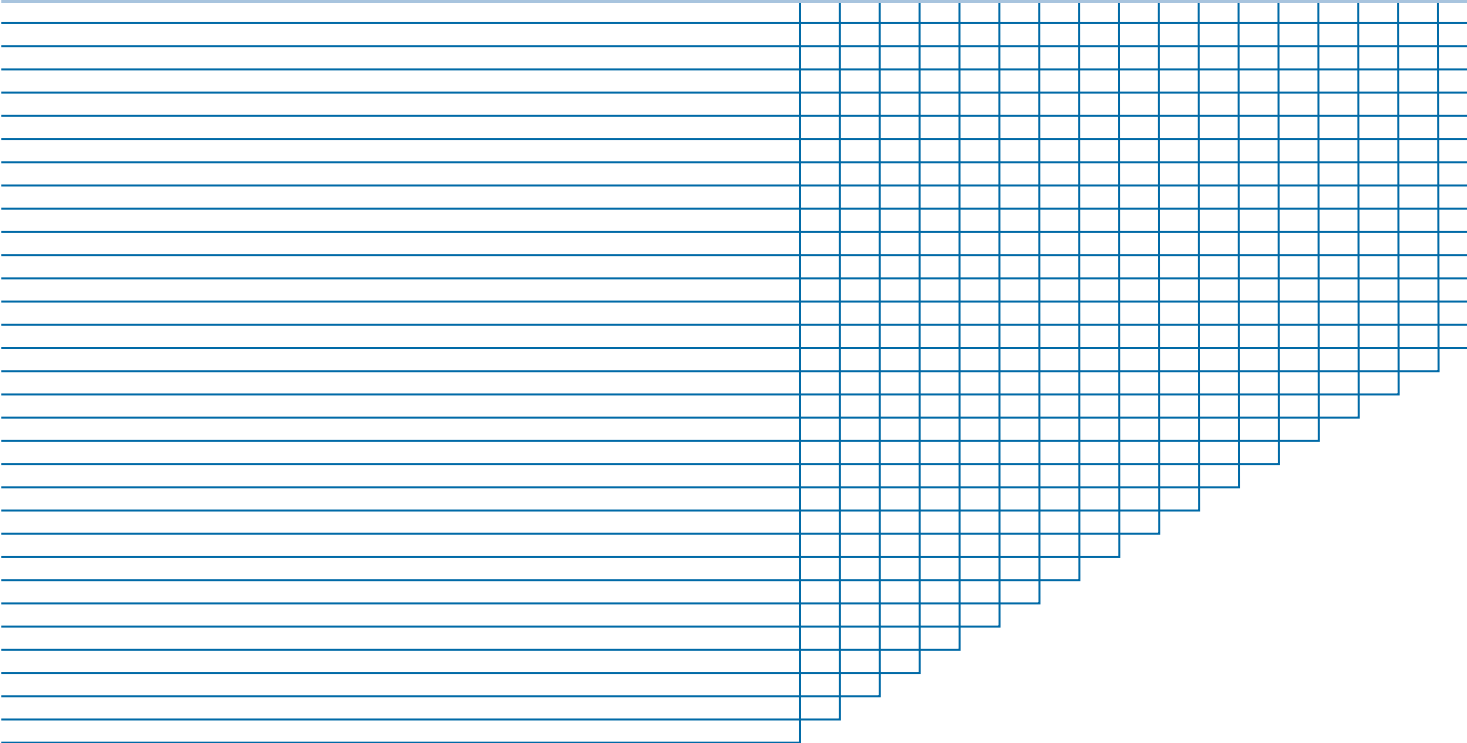
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26 See [www.ogc.gov.uk/About\\_OGC\\_news\\_8572.asp](http://www.ogc.gov.uk/About_OGC_news_8572.asp)

27 See the web link at [www.sd-commission.org.uk/publications.php](http://www.sd-commission.org.uk/publications.php) for the SDC's 2007 report on how Departments are progressing on estates management and [www.cabinetoffice.gov.uk/reports/sustainable\\_development.aspx](http://www.cabinetoffice.gov.uk/reports/sustainable_development.aspx) for the Government's response



**Section 5: Useful links**



### **AccountAbility**

Information about the Institute of Social and Ethical AccountAbility's AA1000 Assurance Standard, a process standard providing guidance and best practice for stakeholder engagement and organisational reporting, including ways in which to assess the completeness, materiality and responsiveness of an organisation's systems and process.

[www.accountability.net](http://www.accountability.net)

### **Agenda**

[www.agenda-scotland.org](http://www.agenda-scotland.org)

### **Business in the Community (BITC)**

BITC is a unique movement of more than 850 of the UK's top companies committed to mobilising business for good and improving their positive impact on society. BITC works across four areas: Marketplace, Workplace, Environment and Community. Business leadership sits at the heart of its approach. The organisation represents one in five of the UK private sector workforce and convenes a network of global partners. BITC members commit to integrating responsible business, sharing experience and taking collaborative action, which is achieved through campaigns, programmes, awards, benchmarking and publications.

[www.bitc.org.uk](http://www.bitc.org.uk)

### **CSR Europe**

A Europe-wide network of companies and national partner organisations – BITC is its UK partner.

[www.csreurope.org](http://www.csreurope.org)

### **Corporate Responsibility Group (CRG)**

CRG is a learning and development network that exists for and is run by corporate responsibility professionals within companies.

[www.crguk.org](http://www.crguk.org)

### **Confederation of British Industry (CBI)**

The CBI works with decision-makers and other influencers of the Corporate Responsibility debate, as well as with practitioners, to help set the policy backdrop for Corporate Responsibility. In doing so, the CBI strives to ensure that this creates an environment which encourages voluntary Corporate Responsibility initiatives that go beyond law and regulation, rather than one of mandatory frameworks. The CBI is keen to emphasise the link between Corporate Responsibility and individual business strategy, competitiveness, value-building and risk-management. The CBI is thus part of the debate in the UK, Europe and beyond and with a wide range of bodies from sister business federations to international organisations.

[www.cbi.org.uk/csr](http://www.cbi.org.uk/csr)

### **Corporate Responsibility Coalition (CORE)**

CORE campaigns for changes to UK law to make companies more responsible, sustainable, accountable and transparent.

[www.corporate-responsibility.org](http://www.corporate-responsibility.org)

### **Ethical Trading Initiative (ETI)**

An alliance of companies, non-governmental organisations and trade unions which promote and improve the implementation of corporate codes of practice in supply chain working conditions.

[www.ethicaltrade.org](http://www.ethicaltrade.org)

### **Extractive Industries Transparency Initiative (EITI)**

Aims to strengthen governance by improving transparency and accountability in the extractives sector.

[www.eitransparency.org](http://www.eitransparency.org)

### **Forum for the Future**

Forum for the Future is a charity committed to sustainable development. They work with businesses and organisations to bring about change.

[www.forumforthefuture.org.uk](http://www.forumforthefuture.org.uk)

### **FTSE4Good**

The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognised corporate responsibility standards, and to facilitate investment in those companies.

[www.ftse.com/Indices/FTSE4Good\\_Index\\_Series/index.jsp](http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp)

[www.ftse.com](http://www.ftse.com)

### **Global Reporting Initiative (GRI)**

GRI develops and disseminates globally applicable 'sustainability reporting guidelines' for voluntary use by organisations.

[www.globalreporting.org](http://www.globalreporting.org)

### **Good Corporation**

Publishes a standard to help companies systematically assess their business practices and make improvements.

[www.goodcorporation.com](http://www.goodcorporation.com)

### **Heart of the City**

Heart of the City's mission is to help businesses in the City and City fringes to learn from one another how to develop voluntary and socially responsible programmes in the community.

[www.theheartofthecity.com](http://www.theheartofthecity.com)

### **Institute of Business Ethics (IBE)**

IBE raises public awareness of the importance of doing business ethically, and collaborate with other UK and international organisations with interests and expertise in business ethics.

[www.ibe.org.uk](http://www.ibe.org.uk)

### **International Business Leaders Forum (IBLF)**

An independent, not-for-profit organisation founded by the Prince of Wales, supported by over 100 businesses globally. It works with business, Governments and civil society to enhance the contribution that companies can make to sustainable development.

[www.iblf.org](http://www.iblf.org)

### **International Labour Organisation (ILO)**

A United Nations agency comprised of Governments, employees and trade unions. It has drawn up many of the basic international standards and principles relating to working conditions.

[www.ilo.org](http://www.ilo.org)

### **Organisation for Economic Cooperation and Development (OECD)**

OECD publishes 'Guidelines for Multinational Enterprises', recommendations on responsible business conduct promoted by governments to the business community, employee organisations and other stakeholders.

[www.oecd.org](http://www.oecd.org)

### **OECD Guidelines – UK National Contact Point**

[www.berr.gov.uk/whatwedo/sectors/sustainability/nationalcontactpoint/page45873.html](http://www.berr.gov.uk/whatwedo/sectors/sustainability/nationalcontactpoint/page45873.html)

### **Royal Institute of International Affairs (RIIA)**

A source of independent analysis, informed debate and influential ideas on how to build a prosperous and secure world for all.

[www.chathamhouse.org.uk](http://www.chathamhouse.org.uk)

### **Scottish Business in the Community (SBC)**

SBC is a unique movement of over 80 top companies committed to improving their positive impact on society.

[www.sbcscot.com](http://www.sbcscot.com)

### **Small Business Journey**

The Small Business Journey, created/endorsed by the Small Business Consortium helps business to benefit through behaving responsibly.

[www.smallbusinessjourney.com](http://www.smallbusinessjourney.com)

### **Transparency International**

A global civil society organisation to combat corruption.

[www.transparency.org](http://www.transparency.org)

### **UK Social Investment Forum (UKSIF)**

UKSIF is the UK's membership network for sustainable and responsible financial services.

[www.uksif.org](http://www.uksif.org)

### **UN Convention against Corruption 2003**

Came into force in 2005.

[www.unodc.org/unodc/en/treaties/CAC/index.html](http://www.unodc.org/unodc/en/treaties/CAC/index.html) <<http://www.unodc.org/unodc/en/treaties/CAC/index.html>

### **UN Global Compact**

A voluntary set of 10 principles that participating businesses commit themselves to.

[www.unglobalcompact.org](http://www.unglobalcompact.org)

### **World Business Council of Sustainable Development**

A global association of companies dealing exclusively with business and sustainable development.

[www.wbcsd.org](http://www.wbcsd.org)

### **Government:**

#### **Cabinet Office**

[www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk)

#### **Department for Business, Enterprise and Regulatory Reform (BERR) Corporate Responsibility pages**

[www.berr.gov.uk/whatwedo/sectors/sustainability/corp-responsibility/page45192.html](http://www.berr.gov.uk/whatwedo/sectors/sustainability/corp-responsibility/page45192.html)

#### **Department for Culture, Media and Sport (DCMS)**

[www.culture.gov.uk](http://www.culture.gov.uk)

#### **Department for Environment, Food and Rural Affairs (Defra)**

[www.defra.gov.uk](http://www.defra.gov.uk)

#### **Department for Innovation, Universities and Skills (DIUS)**

[www.dius.gov.uk](http://www.dius.gov.uk)

#### **Department for International Development (DFID)**

[www.dfid.gov.uk](http://www.dfid.gov.uk)

#### **Department for Work and Pensions (DWP)**

[www.dwp.gov.uk](http://www.dwp.gov.uk)

**Department of Enterprise, Trade and Investment**

[www.detini.gov.uk](http://www.detini.gov.uk)

**Environment Agency**

[www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)

**Export Credits and Guarantee Department (ECGD)**

[www.ecgd.gov.uk](http://www.ecgd.gov.uk)

**Foreign and Commonwealth Office (FCO)**

[www.fco.gov.uk](http://www.fco.gov.uk)

**Health and Safety Executive (HSE)**

[www.hse.gov.uk](http://www.hse.gov.uk)

**HM Revenue and Customs (HMRC)**

[www.hmrc.gov.uk](http://www.hmrc.gov.uk)

**HM Treasury**

[www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)

**Scottish Executive**

[www.scotland.gov.uk](http://www.scotland.gov.uk)