



Department
for Business
Innovation & Skills

CORPORATE RESPONSIBILITY

A call for views

JUNE 2013

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Introduction

Corporate responsibility – the increasingly more acknowledged term for corporate social responsibility – is the responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour above and beyond its statutory requirements.

There is no escaping the fact that corporate responsibility has become much more prominent and sophisticated in recent years. Indeed, the case for being a responsible business is being made less by repeating the benefits corporate responsibility can have on a business both in terms of its growth and the positive impact it can have on society, and more through the simple truth that corporate responsibility has become so widespread.

High on the list of the UK Government's priorities is to achieve sustainable and balanced economic growth across the UK, as well as building a stronger, fairer society. We see responsible business as being central to this. How we can stimulate and support action by business to increase their positive impact on society and the environment and reduce their negative effects, whilst enabling growth within business, is key.

We intend to publish a framework for action on corporate responsibility by the end of 2013. This will set out what the UK's vision, ambitions and priorities are in respect of corporate responsibility and the actions Government, business and wider society will need to take in order to get there.

We hope that you will contribute to this framework for action through this call for views and other opportunities that may present themselves over the next three months. We would ask that you be ambitious in your responses and help us to realise the benefits corporate responsibility can have for everyone.

Issued: 27th June 2013

Respond by: 27th September 2013

Enquiries to: corporate.responsibility@bis.gsi.gov.uk, Edward Greatrex, Department for Business, Innovation and Skills, Business Environment Directorate, Level 3, 1 Victoria Street, London SW1H 0ET, 020 7215 1698.

We want you to be involved

1. We are conducting this call for views as part of our preparation for producing a framework for action on corporate responsibility that we will publish by the end of the year. We want to gather your thoughts and ideas on corporate responsibility and, in particular, what you think Government, business and others should and could do in order to realise the full benefits that corporate responsibility can bring.
2. This call for views is an opportunity to inform the substance of the framework for action, taking into account the challenges of globalisation. It is complemented by discussions we are having with a range of stakeholders over the summer.
3. This document is not intended to be an all-encompassing, in-depth review of every facet of corporate responsibility. For instance, community engagement, consumer interests and the environment are not covered explicitly but should be considered as common threads that run through each theme.

How to respond

4. When responding please state whether you are responding as an individual or representing the views of an organisation. If you are responding on behalf of an organisation, please make it clear who the organisation represents by selecting the appropriate interest group on the consultation form and, where applicable, how the views of members were assembled.
5. You can reply to this consultation online at <https://www.surveymonkey.com/s/VRMVGf3>.
6. The consultation response form is available electronically on the consultation page: <https://www.gov.uk/government/consultations/corporate-responsibility-call-for-views> (until the consultation closes). The form can be submitted online/by email or by letter to:

Email: corporate.responsibility@bis.gsi.gov.uk

Edward Greatrex
Business Environment Directorate
Department of Business, Innovation and Skills
Level 3, 1 Victoria Street
London
SW1H 0ET

Confidentiality & Data Protection

7. Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004). If you want information, including personal data that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence.
8. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

Help with queries

9. Questions about the policy issues raised in the document can be addressed to:

Email: corporate.responsibility@bis.gsi.gov.uk

Edward Greatrex
Business Environment Directorate
Department of Business, Innovation and Skills
Level 3, 1 Victoria Street
London
SW1H 0ET

10. The consultation principles are in Annex A.

Alignment with global corporate responsibility approaches

As a result of responses to this section, we want to achieve:

- A common understanding of what corporate responsibility is
- A greater adoption of corporate responsible practice by businesses that takes into account international principles and guidelines

A level playing field, a shared understanding

11. There are many corporate responsibility principles, initiatives and guidelines in existence. Whilst it is not legally necessary for a business to adopt or participate in any of them, the adoption of corporate responsibility initiatives does not, in itself, mean that a business is more responsible than others. But we believe it's a start and certainly demonstrates that a company has at least considered that corporate responsibility is important enough to sign up to something.
12. We believe that companies should adopt internationally recognised principles and guidelines when determining their own corporate responsibility policies. This is essential if we want the corporate responsibility ethos and activities of UK-based companies to be recognised internationally as best-in-class.
13. Such initiatives are: [the UN Global Compact](#), [the OECD Guidelines for Multinational Enterprises](#), [the ISO 26000 Guidance Standard](#), [the ILO Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy \(ILO MNE Declaration\)](#), and [the UN Guiding Principles on Business and Human Rights](#).
14. In addition to these international principles and guidelines, there are, of course, more specific initiatives that serve to contextualise corporate responsibility principles for individual sectors.

Question 1: What more could Government do to encourage a greater number of companies to adopt internationally recognised principles and guidelines in their own corporate responsibility policies? How might Government, in a light touch way, measure this take-up?

Question 2: Should Government encourage more sector-specific initiatives and, if so, how might it do that? Do different sectors need different levels of Government support and involvement?

Reporting and disclosure

As a result of responses to this section, we would like to:

- Encourage more businesses to report in a consistent, comparable manner
- Confirm a set of voluntary metrics for businesses of all sizes to adopt and, if desired, make public, e.g. in an annual report (in addition to the basic legal reporting requirements)

15. In October of this year, new narrative reporting rules will come in to force, that will require large companies to report non-financial information including their impact on the environment and society.
16. More and more businesses (both in and out of scope of the new rules) are voluntarily disclosing non-financial information in various ways, be it through reports, websites, advertising or social media. Many businesses see voluntary, non-financial reporting as an important way of engaging stakeholders and, in gathering data for reporting, a useful way to identify risks, particularly in supply chains.
17. There are still a significant number of businesses that do not disclose any information that they are not legally obliged to do so. Customers have increasing expectations about the ethics and behaviour of businesses. UK firms can potentially take advantage of this if they embrace corporate responsibility at least in part.

Different measuring sticks

18. Businesses that voluntarily choose to capture and present environmental and social information often do so in different ways to distinguish their own approaches to corporate responsibility. In reporting this information, businesses will often use metrics to illustrate progress. However, the metrics that individual businesses capture on similar themes can vary widely.
19. We want to encourage greater transparency on corporate responsibility and for information to be more accessible to a range of stakeholders.
20. The ability to compare the non-financial metrics of one business against another can be important to customers, Government, the media and society. In order to compare performance easily there must be a level of consistency in the metrics being used and, wherever possible, such metrics should be verifiable.
21. We believe that establishing a set of simple, voluntary metrics will help.

Question 3: Are comparable, voluntary metrics on social and environmental aspects desirable? What might be the costs and benefits of this? What role should Government play in determining what these metrics might be and how might we encourage more businesses to adopt them?

Question 4: How might businesses demonstrate that the information they voluntarily capture and present is externally verifiable? What might be the costs and benefits of this?

Responsible supply chain management

As a result of responses to this section we would like to:

- Reach a common understanding of the importance of effective and transparent supply chain management under corporate responsibility
- Help UK businesses effectively manage their supply chains through a number of initiatives

22. There is increasing appetite for greater responsible supply chain management.
23. Responsible supply chain management - the voluntary commitment by companies to manage their relationships with suppliers in a responsible way – is an increasingly important aspect of corporate responsibility.
24. Responsible supply chain management is not just about ethics or managing the reputation of the business, though these things are, of course, very important. It is also a recognition that the whole of the supply chain has a role in creating value, and that when things go wrong in any part of the supply chain it can have a direct impact on everyone's bottom line. Irresponsible business practices can damage businesses throughout the supply chain.
25. The internationally recognised principles and guidelines mentioned earlier all include a focus on supply chains. In spite of the guidance available, businesses still face challenges in their supply chain when trying to keep on top of social and environmental issues. Traceability of materials and products, long and complex supply chains and differences in national statutory requirements all contribute to the complexity.
26. Responsible supply chain management is more than a risk assessment for the, often powerful, end business. Big businesses have a significant influence over their suppliers and the opportunity to affect the behaviour of their suppliers in a number of ways, both good and bad. Indeed, more and more businesses recognise this and have put in place supply chain policies setting out their expectations of suppliers and what their suppliers can expect in return. Responsible businesses are also developing contractual relationships based on partnership rather than exploiting their size to secure terms that are favourable in the short term, but create vulnerabilities in the supply chain. Such practice helps to build long-term, sustainable relationships between larger businesses and their suppliers.
27. From a consumer's perspective, the traceability of a product from source material to the point of consumption is increasingly important.

Question 5: How might companies best manage their supply chains more effectively? How might Government help with this?

Question 6: Should companies be obliged to be more responsible for actions within their supply chain? If yes, how could this be achieved without legislation? What would the costs and benefits be?

Corporate responsibility in small and medium sized enterprises

As a result of responses to this section, we would like to:

- Encourage more small and medium-sized enterprises to adopt responsible business activities

28. Corporate responsibility is not just the preserve of big business but something which every business can adopt.

29. Indeed, smaller businesses can, and do, contribute significantly to the environment and, especially, to society, as they can have closer links with the communities they serve.

30. Many small and medium sized enterprises do enormous good for the environment and communities around them. And of those that do, a high proportion do not publicise the good contributions they make and, thus potentially, miss out on the economic benefits doing so would bring (e.g. to reputation).

31. Many larger businesses support smaller businesses already through collaborative relationships either as part of supply chain management or mentoring activities as part of a larger business' own corporate responsibility. This good practice could, and should, be more widespread across all large business based in the UK.

Question 7: How might Government best support small business to adopt responsible business practices? What particular challenges does Government face in trying to achieve this? How might it overcome such challenges?

Question 8: How might Government help SMEs publicise their responsible business behaviour?

Question 9: What role does larger business have in supporting smaller business? Is there an imperative for larger businesses to support smaller businesses? How might Government enable this?

Business and society

Through responses to this section, we would like to:

- Explore how we might strengthen the relationship between business and society

32. Society has greater expectations of business than ever before, expecting businesses to place more emphasis on the benefit of business to society.

33. We believe that business, and the pursuit of profit, is a force for good in society by strengthening our economy and local communities. At a fundamental level, businesses contribute significantly to society by creating jobs, improving the skills of the workforce and providing the goods and services that people want. They can also improve the quality of life and well-being of employees, protect the environment and invest in a wide range of community activities in a variety of ways.

34. Traditionally, corporate philanthropy has been enough to demonstrate that a business has corporate responsibility credentials.

35. Now businesses have a greater understanding of the expectations of society and many do much more. Many businesses proactively engage with charities and contribute social investments through local economic development initiatives. Many provide education and skills programmes, particularly to disadvantaged groups and expose the long-term unemployed to the world of work. Others promote and preserve arts and culture. Some enable their workforce the opportunity to volunteer in their communities and wider afield.

36. This is just the tip of the iceberg. Such activity is commendable and we believe there is scope to be both innovative and ambitious here.

Question 10: What are the main barriers to businesses contributing more to social outcomes?

Question 11: What more could Government do to make it easier for businesses to support social initiatives? How might Government showcase innovative approaches that others might consider adopting?

Question 12: How might the relationship between business and society be strengthened? How might Government support this?

Business and human rights

In this section:

- We explain the role of business in upholding human rights and highlight the work already underway led by the Foreign and Commonwealth Office

37. Human rights are the basic rights to which every human being is entitled to, be they civil and political (including the right to life and liberty, equality before the law and freedom of

expression), or economic, social and cultural (including the right to work, the right to food, the right to the highest attainable standard of health, the right to education and the right to social security).

38. The Foreign and Commonwealth Office and Department for Business, Innovation and Skills will shortly publish its strategy on the implementation of the UN Guiding Principles on Business and Human Rights. The strategy will set out how the UK Government meets its responsibility to Protect, what expectation, support and guidance it offers to UK businesses in meeting their responsibility to Respect, and what avenues are open to victims of human rights abuses seeking Remedy.

Question 13: Is there any comment you wish to make on UK business and human rights generally?

Professionalism and career development

Through responses to this section, we intend to:

- Determine the appetite for professional development in the field of corporate responsibility

39. Professional development refers to skills and knowledge attained for both personal development and career advancement. Professional development encompasses all types of facilitated learning opportunities, ranging from pursuit of formal qualifications to informal learning opportunities that exist

40. There are a variety of approaches to professional development, including formal learning, consultation, coaching, communities of practice, lesson study, mentoring, reflective supervision and technical assistance.

41. Based on feedback from corporate responsibility leaders in large firms, we believe there is an opportunity to establish corporate responsibility as a profession in a similar way in which people view human resources as a profession.

Question 14: Should corporate responsibility be recognised as a profession?

Consumer awareness and trust

Through responses to this section, we would like to:

- Determine role of consumers in increasing the number of businesses that actively engage in corporate responsibility the appetite for professional development in the field of corporate responsibility

Businesses need consumers

42. The purchasing decisions of consumers are increasingly influenced by ethical considerations and the reputation of the business or brand of the product or service they are buying.
43. Informed consumers can and do make purchasing decisions about the kind of products and services they buy and from which businesses. The best businesses recognise that good, honest corporate responsibility programmes can have a positive impact on the bottom line: that being good at corporate responsibility can give them a competitive advantage.
44. In light of the European Commission's report ("How Companies Influence Society: Citizen's Views"), we may undertake further research to determine the extent to which people who are interested in responsible business are informed or not informed and explore measures to move the balance towards being more informed.
45. Trust is an important component in the business – consumer relationship. It is rare that good business makes the front page of newspapers, whilst stories about bad business decisions, exploitation and non-compliance appear almost daily.

Question 15: What more can Government, business and others do to improve information available to consumers who want to take ethical considerations into account? Does this differ between sectors?

Consultation questions

Corporate responsibility: call for views response form

The closing date for this consultation is 27/09/2013.

Please return completed forms to:

email: corporate.responsibility@bis.gsi.gov.uk

or by post to:

Edward Greatrex
Business Environment Directorate
Department of Business, Innovation and Skills
Level 3, 1 Victoria Street
London
SW1H 0ET

Name:

Organisation (if applicable):

Address:

	Large business (over 250 staff)
	Medium business (50 to 250 staff)
	Small business (10 to 49 staff)
	Micro business (up to 9 staff)
	Business representative organisation/trade body
	Charity or social enterprise
	Trade union or staff association
	Individual
	Central government
	Local Government
	Other (please describe)

Question 1: What more could Government do to encourage a greater number of companies to adopt internationally recognised principles and guidelines in their own corporate responsibility policies? How might Government, in a light touch way, measure this take-up?

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Question 14: Should corporate responsibility be recognised as a profession?

Question 15: What more can Government, business and others do to improve information available to consumers who want to take ethical considerations in to account? Does this differ between sectors?

Further comments

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☐

Annex A: Consultation principles

The principles that Government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<http://www.cabinetoffice.gov.uk/sites/default/files/resources/Consultation-Principles.pdf>

Comments or complaints on the conduct of this consultation

If you wish to comment on the conduct of this consultation or make a complaint about the way this consultation has been conducted, please write to:

John Conway,
BIS Consultation Co-ordinator,
1 Victoria Street,
London
SW1H 0ET

Telephone John on 020 7215 6402
or e-mail to: john.conway@bis.gsi.gov.uk

However if you wish to comment on the specific policy proposals you should contact the policy lead (see section 6).

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Department for Business, Innovation and Skills
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5000

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