



The Prince's  
Responsible  
Business Network



# CREATING A FAIRER SOCIETY AND A MORE SUSTAINABLE FUTURE

UN GLOBAL COMPACT COMMUNICATION ON ENGAGEMENT REPORT



**WE SUPPORT**

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# STATEMENT OF CONTINUED SUPPORT FOR UN GLOBAL COMPACT

We might have felt 2018-19 was a significant twelve months but I do not think any of us anticipated the changes 2019-20 would bring. The COVID-19 crisis brought survival, in every sense of the word, to the fore. Leaders gained a renewed focus on their employees and on the resilience of their organisations. The strength of responsible business was truly tested. Along with many others, Business in the Community (BITC) had to pivot its attention to focus on the challenges exacerbated and arising as a result of the pandemic.

Times like this mean that there is much to be done and I am proud to work alongside UN Global Compact towards the Ten Principles. I have no doubt that together we can make significant and impressive steps for responsible business right now and in the future.

This report sets out in detail our achievements towards the Ten Principles, from our reports on diversity or mental health to the programmes we run on what good work really means. We were particularly proud of the creation of the National Business Response Network, connecting the needs of communities with local business, as well as setting our priorities for businesses to Build Back Responsibly from Covid-19.

BITC continues to hold ourselves to the same standards we ask of our whole responsible

business network, by publishing our pay gaps relating to both gender and ethnicity, as well as developing new guidelines on inclusivity and the behaviours we expect of our colleagues.

In this testing time, we know that the key to Build Back Responsibly lies in genuine collaboration. We are proud to be a signatory of the Ten Principles. The impact of our work is so much more powerful when we work collectively towards these shared ambitions..

Amanda Mackenzie  
Chief Executive Business in the Community



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Responsible  
Business Network

# WHO ARE BUSINESS IN THE COMMUNITY?

## Who we are

Business in the Community (BITC) is the oldest and largest business-led membership organisation dedicated to responsible business. Our vibrant membership consists of 563 fully committed businesses, each one committed to advancing responsible business behaviour and practice, leading by example and driving change.

We were created nearly 40 years ago by HRH The Prince of Wales to champion responsible business. Our work is driven by the conviction that business success and wider societal prosperity are inextricably connected.

## What we do

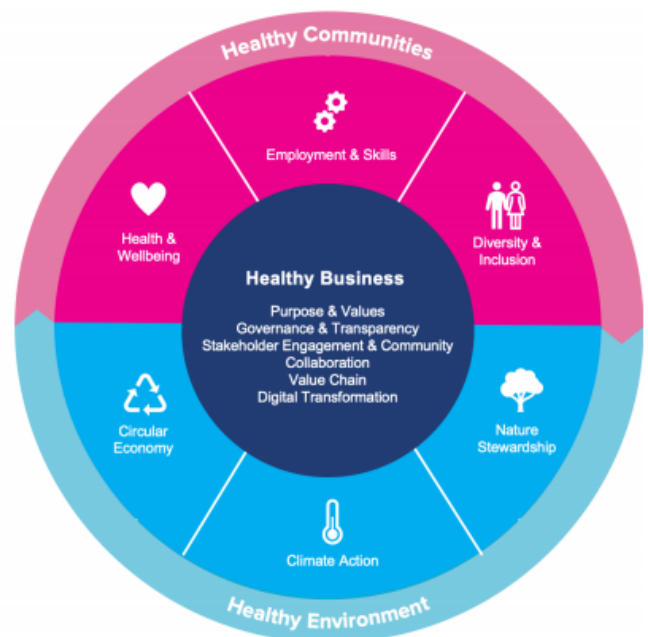
We inspire, engage and challenge members and we mobilise our collective strength as a force for good in society to create lasting change.

## Our membership

Our members work to embed and embody responsible business behaviours both with their employees and leaders, and in ways that support and advance fairness and equality in society.

As our members advance their responsible business credentials, many choose to lead the way in a specific discipline, or act as a beacon for responsible behaviour in their region or nation.

The Responsible Business agenda develops and changes rapidly. We help our members to prioritise and shape their responsible business journey by using our Responsible Business Map™.



## Influencing change through our network of partners

We recognise the integral role that business plays in wider society. As such, we work with a wide range of influential partner organisations in England, Scotland, Wales, and Northern Ireland that each focus our offer of specialist expertise to match the specific needs in their area.

Our work with charities large and small is crucial to helping us design tangible and farreaching support with communities across the UK. By engaging with local and national governments and other policymakers, we advocate for change on major issues, helping to create a fairer and more equal society. Through our relationships with other thought leaders, and the press, we are able to bring credibility and coverage to the work of our members.

# BITC'S IMPACT ON THE UN GLOBAL COMPACT PRINCIPLES

BITC's areas of work complement the UN Global Compact and its Ten Principles. Through BITC's engagement with a wide range of businesses we are able to reach employees, customers and supplier communities, to promote and inspire action on the UN Global Compact Principles. BITC has also worked directly with the UN Global Compact to deliver joint events to drive engagement.

BITC provides a wide range of services, practical guidance and creative solutions that help its members and engage new businesses in responsible business. These include:

- Campaign content to create action across the Responsible Business agenda
- Issue based Leadership Teams and Task Groups.
- Responsible Business benchmarking and management frameworks.
- Practical guidance, research and training.
- A programme of events for peer learning.

To further the movement of responsible business, BITC members are requested to demonstrate a genuine commitment to active engagement, to involve employees from across the business, to put a joint action plan in place, regular meetings to review progress and to advocate the responsible business movement.

## Responding to COVID-19

Since COVID-19 hit the UK, we have focused our efforts to collaborate with members and partners to provide both immediate and structural support to help people and communities navigate the complex challenges brought by the pandemic.

### National Business Response Network

Our Business in the Community was established following riots in Brixton and Toxteth and it is in our DNA to respond to emergencies, bringing the power of business to tackle major challenges. We established the National Business Response Network as an immediate response to the announcement of national lockdowns. It has helped to connect communities in need, be that by providing a decent meal for shielding people, or by helping children from low income families to keep learning, and older and vulnerable people to stay connected to loved ones.

To date, over 2,000 connections have been made through the National Business Response Network, examples of which can be found on the BITC website ranging from overcoming extreme isolation in northern Scotland where Libertie Project successfully connected 150 homes to the internet; to providing advice in a crisis as PwC have done in Northern Ireland, providing support helplines for Advice NI and Age NI; or where LNER have donated 10,000 sandwiches each week for 10 weeks, with organisations like Fareshare UK.

We pivoted our team to respond to the emergency and are hugely grateful to our Founding Partners AXA UK, the COVID-19 Support Fund and London Stock Exchange Group (LSEG) for their support in making the network possible, in addition to our supporters UPS, the Assurant Foundation, and the National Lottery Community Foundation, fellow members of the VCS Emergencies Partnership and platform funders Nominet.

## Key achievements

Influencing Up until the close of our financial year we had made 1,700 connections between businesses offering support and community groups and charities meeting urgent needs across the UK.

At the time of writing:

- a further 600 business and community connections have been made, and:
- a further 739 requests and 156 offers of support have been received.

## Looking ahead

The National Business Response Network is driven by data and insights from businesses and communities in all parts of the UK. The information it provides on local need will help us engage members across the country, building tangible connections that harness what they can offer to benefit local people and reinvigorate local places. This work will shape our collective approach to building back responsibly.

The long-term economic impacts of COVID-19 are only beginning to be seen in the hardest hit communities. Building on work undertaken in Blackpool and Wisbech, and emergent activity in Bradford, Rochdale and Lowestoft, we intend to support the economic recovery of 12 of the UK's hardest hit places. The Network will focus on the following key issues over the next 12 months:

1. Digital divide
2. Food Insecurity
3. The impact of local lockdowns/ supporting communities

For further information visit

<https://businessresponsecovid.org.uk/>

## Building Back Responsibly: Starting the journey



Adapting immediately to COVID-19, we reviewed and repurposed key content to respond to the needs and questions of our members. We held UK-wide listening sessions – involving conversations with over 100 business leaders, and surveying of 75 organisations – with our network to inform priorities and opportunities, using findings alongside RB Tracker® insights to benchmark our progress moving forward.

With support from Direct Line Group we consolidated this thinking into the new priorities for business to drive our new collective approach to Building Back Responsibly. These were published in September 2020, and inform our work in each part of the responsible business agenda. It is in the context of the pandemic, and these key priorities, that we will work to support

businesses through and beyond the pandemic, and drive action at scale through our campaigns.

### **The Responsible Business Tracker®**

**Solecum** We are committed to providing members with detailed intelligence to help inform their decisions and take action at each stage on their responsible business journey.

To support this, following a pilot phase, this year saw the formal launch of the Responsible Business Tracker®. 94 businesses participated in the launch phase, raising the total to 120 organisations which have taken part to date. Each participant received individualised feedback with rich benchmarking data.

This year's Insight Report showed:

- A high proportion (>85%) of respondents align purpose and values with internal strategy and business decisions, but fewer (71%) confidently outline plans with external stakeholders. Only 57% engage investors in discussions around purpose.
- Only 50% of participants reduced greenhouse gas emissions. Despite the climate emergency, just 21% committed to reducing net emissions to zero.
- The highest rated material issues were health and wellbeing and net zero carbon. Although businesses rated environmental issues as a high priority, circular economy approaches, and the maintenance of healthy ecosystems, scored lower.

### **Improving Insights and Measurement**

- We assessed findings from the launch year into the planned review of the RB Tracker® to ensure it offers the greatest value for members. We also drew learning from two events that coincided with publication of the

Insight Report, reflecting learnings from the pandemic. An improved and simplified version will launch in January 2021.

- From 2021, our Responsible Business Awards will be aligned to the RB Tracker®, celebrating 'most improved' organisations and those that leverage best practice to inspire others.

### **Strategic and advisory support**

This year we developed an integrated advisory service to align with our strategy function, leveraging our innovation, data analytics and impact measurement skills to engage members and drive positive change.

- Responding with agility to COVID-19, we digitised our advisory work, maintaining high levels of engagement and positive feedback.
- Demand grew for our "Let's Talk About Race" workshops, and for advice on running effective virtual employee networks. We have also developed wellbeing training for managers.

### **Product review**

We undertook a holistic review of our products and services to ensure they deliver value to members. New products introduced this year include:

- Training for senior leaders on inclusive leadership, intersectionality, privilege, and health and wellbeing developed in partnership with the Society for Occupational Medicine.
- Environmental workshops related to climate risks, opportunities, and strategies.



## **Our goals for 2020/21**

- Providing needs-led advice and support to advance and accelerate members' responsible business journeys and drive action, leading to deeper engagement and greater impact.
- Offering opportunities to network and develop practice through running at least 24 Peer Learning Forums with 20 participants each, and contributing to 15 Race Champion Forums and 24 member events.
- Ensuring that we are achieving the intended outcomes and impact by implementing the tools and capabilities needed to measure and report our impact.
- Transforming how data is used to inform product innovation, member engagement, advice and support, content, campaign priorities and resource allocation.
- Launch the improved RB Tracker®, securing at least 45 participants in each intake, and position as the key strategic member engagement tool, informing our member engagement plans and associated advice and support.
- Secure partnership and endorsements to enhance profile and increase participation and value.



# HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: make sure that they are not complicit in human rights abuses.

BITC engages business in conversations around human rights on the business case, the challenge that global supply chains can present and how to implement the latest Human Rights legislation.

Building on a series of seminars, workshops and 'Chatham House' Roundtable discussions on the Human Rights agenda over the years, BITC has explored legislation impacting business, particularly the Modern Slavery Act.

In addition BITC has also conducted a series of discussions looking at some of the issues most pertinent to business such as how to manage human rights with indirect sourcing partners and how to approach human rights after a merger or acquisition. These events support business to develop best practice for human rights management.

## Driving sustainability through procurement

Following events conducted with procurement colleagues at member companies and working with expert organisations like CPI, Supply Chain Sustainability School and others, and with pro bono support from Deloitte we launched a Guide for Procurement Professionals in July 2020, to embed sustainability in all procurement practices. The guide includes many references to human rights in the supply chain, and refers to other resources such as UNGC's 10 principles. To activate the use of this guide, we ran various meetings and webinars on specific supply chain issues which included a session on Modern

Slavery in Supply Chains: Before and After the COVID-19 Pandemic.

## Employment and skills

One of our 2019/20 Goals within our employment and skills work included:

- Grow business-led support for survivors of modern slavery in the UK

Employability support was delivered to 170 survivors of modern slavery with funding from the John Lewis Foundation. We are evaluating learnings from this to broaden work in partnership with IHG, Next and Sky to build the capacity of frontline organisations supporting survivors.

## Wellbeing as safe and healthy working conditions

BITC defines 'wellbeing' as the mutually supportive relationship between an individual's mental, physical, financial and social health and their personal wellbeing. Our wellbeing campaign takes a whole person approach to employee health and wellbeing, underpinned by a common mental health strand to support thriving people, thriving business and thriving communities. Providing safe and healthy working conditions is human rights core.

In FY19/20 COVID-19 has heightened the importance of both physical and mental wellbeing. Consultation with members reveals that many employers do not address the systemic causes of poor mental health. To address this, we have worked to improve approaches to building resilience, line manager intervention, and support for financial wellbeing.

Over 500 organisations signed up to the Mental Health at Work Commitment developed in collaboration with the Thriving at Work Leadership Council and our Wellbeing Leadership Team. Reflecting the need for greater strategic

and early-stage action, we will upscale work to tackle systemic causes of poor mental health by:

- Using the six standards set out in the Mental Health at Work Commitment to elevate mental health and safety on a par with the physical;
- Redesigning jobs that promote long-term mental health and avoid employee burnout, reflecting learning from COVID-19; and
- Tackling the challenging issues of domestic abuse, suicide, and bereavement.

We followed our 2019 Mental Health at Work survey, conducted with YouGov and sponsored by Mercer, with a new 2020 Survey, sponsored by Bupa. This highlighted the major impact of COVID-19. A third of employees battling non-work-related mental health issues identified the pandemic as a cause. Encouragingly, businesses have significantly improved their support, despite changes to ways of working. 58% of workers feel that line managers – often the frontline of mental health support – have communicated well during the pandemic. 56% of employees feel more comfortable talking about mental health at work.

### Global Goals Campaign

The Global Goals campaign is based on the UN sustainable development agenda of 2015 and aims to inspire and engage businesses everywhere to ensure that their core business model is a sustainable one. Our vision is that global organisations of all sizes will demonstrate that mainstreaming sustainability and responsible business as part of their business model is the best route to commercial success, and to deliver the Sustainable Development Goals by 2030.

We are continuing our work to champion and quantify the business and societal benefits of sustainable business models in four key areas: Sustainable Business Models, Purpose-driven business, Responsible Business Tracker® and

CSR360 Group Partner Network. This involves making sustainability an integral part of organisations' business model, continued focus on developing more purpose-driven brands and business and sharing the best community investment innovations, with global context, relevance and connectivity.

Additionally, we have ongoing projects on human rights and international disaster relief. This will enable us to share best practice on human rights approaches and challenges, and to deliver faster and more effective international disaster relief through our member companies' core products, services and capabilities.

Our goal is to provide a hub for employers which brings the Global Goals to life through sharing expertise, shared learning, best practice and providing practical and strategic actions.

### Measuring outcomes

In support of the UN Global Compact and the ten principles BITC is pleased to report the following:

- 500 companies signed up to the Mental Health at Work Commitment
- Employability support was delivered to 170 survivors of modern slavery with funding from the John Lewis Foundation.
- Launch of the Responsible Sourcing Guide attended by over 160 delegates.
- Modern Slavery in Supply Chains: Before and After the COVID-19 Pandemic attended by over 300 delegates
- Responsible Supply Chain Guide downloaded 389 times

# LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

BITC has been working with its member organisations to tackle some of the biggest challenges that employees face within the workforce through conducting research, advocating for and sharing best practice.

## Employment

COVID-19 has focused attention on links between access to employment and skills opportunities and the UK's slow productivity growth. Following the launch of the Skills Builder Universal Framework (with members of the Essential Skills Taskforce) in May, 14,742 new users visited the Skills Builder Partnership website, and 15 Skills Builder Trailblazers embedded the framework into their employability, recruitment and employee development strategies.

- Driven by COVID-19, we supported employers to improve financial wellbeing by offering employee benefits relevant for all. This built on resources launched in November 2019 in partnership with Salary Finance.
- In collaboration with the YMCA in London, we launched 'Designing Out Homelessness', a toolkit to help employers prevent homelessness through practical support and

pathways to employment. The learning supported similar initiative in the West Midlands (alongside the Combined Authority) and in Wales (with Cardiff City Council).

- 146 employers have signed up our 'Ban the Box' campaign, with 940,000 jobs covered by commitments to remove questions surrounding criminal convictions. Due to COVID-19, our target of 1 million jobs covered will be reached later than planned. We have engaged with the 22 Welsh local authorities, aiming to support them to 'Ban the Box' over the next 12 months.
- Through the 'Ready for Work' programme, funded by the People's Postcode Lottery, this year we supported 129 clients. 21 of whom have progressed into employment. In 2021, we aim to support 500 clients, progressing a minimum of 200 into sustained employment.

## Diversity and inclusion



## Race

Aut Already high on the responsible business agenda, the vital importance of race equality was further emphasised this year following the brutal killing of George Floyd. We are committed to working with employers to embed race equality at all levels of business.

- 108 employers completed the Race at Work Charter 2019 Survey, with a report launch at the House of Lords in October 2019. 80% of surveyed employers said they had appointed an executive sponsor for Race.
- In January 2020, in collaboration with the Race Equality Leadership Team we published three executive sponsor toolkits to support members to set ethnicity targets and engage employees.
- Our response to COVID-19, the brutal killing of George Floyd and the resulting anti-racism protests attracted a significant number of new signatories and business leads.
- In three months, we hosted 12 webinars and Charter workshops engaging 1,212 employers.
- In June 2020 Chief Executive Amanda Mackenzie OBE, KPMG Partner and Race Leadership Team Chair Richard Ifeferenta, and Race Director Sandra Kerr CBE issued a joint letter to members to encourage response to the protests on leadership and allyship. By the end of June 2020, 319 businesses had signed the Race at Work Charter, exceeding our ambitious target of 300.
- We celebrated the 25th Anniversary of our Race Campaign by publishing 'Race at the Top Revisited 2020', attracting significant media coverage and drawing attention to the pressing need to increase black representation in leadership positions.
- We made significant progress in our campaign for mandatory ethnicity pay gap reporting by engaging Ministers and MPs from all political parties.

## Gender

COVID-19 and the ensuing economic challenges are having a profound impact on gender equality

at work and at home. This year we challenged members to offer enhanced Shared Parental Leave (SPL), flexible working, and carers leave to match maternity pay. We are working with members and colleagues to embed gender inclusion and equality at the heart of business.

- 2020 marked the 10th year of 'The Times Top 50 Employers for Women', with a record number of entrants signifying a landmark in our efforts to recognise and share best practice around gender equality at work, and challenge those striving to do better.
- We continued work with the UK Government to influence changes to SPL law so that people of all genders receive equal opportunities to care and work flexibly, including during lockdowns and home-working arrangements.
- To address business fears of widening gender pay gaps, we championed equal pay by:
- Lobbying decision-makers to ensure the reinstatement of full gender pay gap reporting, including for furloughed employees;
- Securing high profile media coverage of original research GENDER EQUALITY showing the fall in pay gap reporting, and demonstrating associated risks; and
- Developing new materials and workshops to support businesses in addressing these risks.
- With domestic abuse rates rising, we challenged businesses to recognize their responsibilities by issuing revised guidance and support, and have taken steps to raise awareness of this issue in the context of COVID-19, including by convening a panel discussion.

## Age

Almost one-third of the UK's working age population is aged over 50. Supporting businesses to be age-inclusive at all stages of recruitment and employment is key to driving a diverse workforce and mitigating the societal challenges faced by older workers which have been exacerbated by the impacts of COVID-19.

- With support from the National Lottery Community Fund and the Aviva Foundation, we worked in partnership with Age NI, Age Scotland, and Age Cymru, reaching 391 employers. In Wales, this has led to participation in the Welsh Government's Ministerial Advisory Forum on Ageing and influenced a new government-supported project on 'Good Work'.
- We launched a new series of employability programmes aimed at people aged 50+ who are unemployed. Working in Bristol, Scotland and Northern Ireland we provided support through mid-life MOTs and digital skills workshops. This will expand further from September 2020.

We developed an Age Friendly Employer framework to help create workplaces where people of all ages can thrive. This involved development of practical resources to support employers around:

- Supporting Carers
- Menopause flexible working
- Mid-life MOTs

## Education

Aiming to raise young people's awareness of the importance of essential skills, in 2019/20 BITC engaged with 17,864 young people in 87 schools, supported by 1,531 Business Ambassadors. Regrettably, school closures due to COVID-19

suppressed total figures for the year. All education programmes were underpinned by the "Skills Builder" framework.

- This year we established the Curriculum Taskforce to encourage co-creation between business and schools with the aim of closing the attainment gap.
- The Taskforce commissioned, published, and disseminated research in June 2020 on the role of business within the curriculum, collecting evidence from interviews with teachers mainly working in schools with high free school meal eligibility. The Taskforce will channel findings into a new pilot phase reflecting COVID-19's impacts.
- Our partnership with "Barclays LifeSkills" over the academic year starting in 2019 saw our work across Scotland, Wales and Northern Ireland refreshed to make a bigger difference for students and schools.
  - In Scotland (Aug 2019 – Mar 2020) we worked with 1,004 unique students and 1,833 repeat students in schools in Glasgow and Kilmarnock.
  - In Wales (Sep 2019 – Mar 2020) we worked with 875 students - 602 participated in two sessions.
  - In Northern Ireland (Sep 2019 – Mar 2020) we worked with 1,349 students and 2,380 repeat students.
- Mental health first aid training was delivered to 13 schools and support provided to social enterprises in Bradford. Business Connector recruitment is underway in Bradford to digitally upskill and improve life chances for young people.

## Internal management

As an employer, Business in the Community aims to make its vision of responsible business a reality by providing a sustainable, inclusive, and



productive workplace. It was even more important this year that in response to the pandemic our HR processes enabled us to support our colleagues and provide a means to keep everyone connected and informed. A priority, therefore, has been reaching out to each person regularly, ensuring their wellbeing and offering as much support as possible.

We are proud of the passion and dedication of all our employees, secondees and volunteers who deliver our campaigns and programmes, and the way in which they stepped up to managing the enormous change of becoming a virtual organisation. We offered flexible work arrangements immediately to those whose home arrangements changed, ensured regular briefings to colleagues in furlough and alongside this ensured regular communications and briefings regarding the implementation of the restructure.

As part of the restructure we activated an Employee Representative Group to ensure all staff felt informed and up to date on our plans and we actively promoted our Employee Assistance Programme which includes structured counselling by telephone, face-to-face or online. Utilising our established internal communication processes, and overseen by our Business Continuity Group, we ensured colleagues were brought together daily as we first went into lock down, and then weekly. Through staff briefings and line managers sharing daily, and then weekly updates, we gave all colleagues the opportunity to share concerns and engage with the organisation as we managed the changes. Weekly organisational webinars: 'Ask Amanda,' gave everyone a sense of consistency and transparency and enabled Amanda to personally brief employees, keep them up to date and aware of plans. We have maintained the channels of communication we used over the initial response, although not as frequently.

It was particularly important alongside managing the Covid-19 response that as an organisation we did not lose sight of our commitment to being an inclusive employer. We have taken all our teams through our own advisory service of Race and Gender Equality training and we have maintained and worked closely with our employee networks and internal experts: BeWell (Health and Wellbeing), CAN (Diversity and Inclusion), UNITY (LGBTQIA+) and our Social Network.

Like many others in these times, we must plan on remaining a virtual organisation for the foreseeable future. Managing the implications of this remains our top priority in terms of the wellbeing of our staff. Business in the Community as an employer is required to carry out Gender Pay Reporting under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Our mean Gender Pay Gap for 2019 is 8.22%, an increase of 8% as illustrated below: 2018 0.29% 2019 8.2% We saw a minor increase of 0.08% in the median gender pay gap, to 0.8% as illustrated below: The very low median gender pay gap indicates that we still have an even distribution of men and women's salaries throughout the organisation at all levels. 2018 0.72% 2019 0.8%

It is our aim to maintain a gender pay gap as near to zero as we possibly can, but we acknowledge that in a small organisation a relatively minor change to the workforce can have a disproportionate impact on the figures. We are determined to monitor our gender pay gap and what drives it, so that we can address any gaps and ensure that men and women at BITC can progress equally.

There is currently no legal requirement to report on ethnicity pay gaps, but we believe that it is incredibly important to do so and have been encouraging other organisations to also report

this.

The BITC ethnicity mean pay gap in 2019 was 2.8%. Looking first at our female employees and comparing all black, Asian and ethnic minority female categories against all white female categories, we see that the mean pay gap at BITC is 3.13%. This means that our black, Asian and ethnic minority female population are paid, on average, 3.13% less than our white female population. Taking the same approach and comparing all black, Asian and ethnic minority male categories against all white male categories, our male ethnicity mean pay gap is 1.62%. Whilst we see a small pay gap amongst black, Asian and ethnic minority males and their white colleagues, the gap is greater between females.

As with the gender pay gap, we acknowledge that in a small organisation a relatively minor change to the workforce can have a disproportionate impact on the figures but going forward, we are keen to reduce our ethnicity pay gap and will monitor and review our data to ensure that we can act on the insights it gives us. Our focus on inclusion as a key priority for colleagues- especially to ensure fair and transparent opportunities, robust salary governance and job frameworks along with development for all colleagues- will support this.

In addition to the work we have done in terms of our own workplace, we have actively worked to improve the diversity reflected in our leadership. Across the trustees on our Board and Chairman's Advisory Board we have 33% female representation and 14% black, Asian and ethnic minority representation, and our Executive Committee make-up is diverse in both gender and ethnicity.



# ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Business concern for environmental wellbeing is high but stratified, as evidenced by insights from our RB Tracker® participants. Demonstrating progress against environmental aims can be a tangible means of evidencing commitment to the responsible business agenda. This year, we worked with members to build momentum and improve behaviours and practice.

## Climate Action

- We established the Net Zero Carbon Taskforce to drive action on the Paris Agreement commitment to limit the global temperature rise to < 1.5°C Chaired by Jonathan Kini, Managing Director for Business at TalkTalk, the Taskforce has defined net zero for business and delivered events and guidance.
- We have been a core partner of the IGNITION project in Greater Manchester, exploring innovative ways to finance nature-based climate solutions. We have worked with the Greater Manchester Combined Authority to collate a 1,000 item evidence base and delivered a report detailing the value of green infrastructure to businesses and society.
- We have partnered with membership organisations and NGOs to urge the UK Government to ensure the COVID-19

economic recovery puts us on a sustainable, resilient path to a net zero future. Over 200 business leaders supported our open letter.

- We will use the time granted through the postponement of the UN Climate Change Conference (COP 26) to November 2021 to mobilise action on climate change over the coming year. Our 'Challenge 2030' campaign calls on every business to increase:
  - The speed with which they will achieve net zero carbon targets.
  - Their scale of ambition to integrate climate change targets, risk and opportunity management into core business strategy.
  - Their influence by collaborating with all stakeholders to unlock barriers to action.
- The Future Fenland in Wisbech Taskforce led by Peter Simpson, Chief Executive of Anglian Water, was established – a climate adaptation model which could support water resources, protect land, and enable growth of surrounding settlements.

## Circular Economy

- Our Royal Founding Patron HRH The Prince of Wales hosted a 'Waste to Wealth' roundtable with original signatories sharing success stories with senior business leaders at Clarence House in February 2020. This sparked a new project to develop circular solutions for workwear, much of which is neither reused nor recycled.
- We appointed a new Circular Economy Campaign Director. With additional funding from the Prince of Wales Charitable Foundation, next year we will focus on driving innovation to deliver solutions in the Built Environment and Textiles sectors.
- As a member of the PROCIRC Project, we created business networks advocating for

circular economy approaches through procurement and in the workplace. We facilitated transnational learning by working closely with partners in northern Europe.

- Next year, we will upscale work with a retail sector member, sharing insights with members and other businesses to promote further action across the sector.

# ANTI- CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Responsible leadership is a key theme that runs throughout BITC. BITC's primary impact on anti-corruption is through its employees and the relationships it holds with its member organisations and supply chain.

BITC is committed to the highest standards of ethical conduct and integrity in its business activities.

The organisation does not tolerate any form of bribery by, or of, its employees, workers, agents or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery.

All employees, secondees, contractors and anyone acting on behalf of BITC agree to abide by BITC's Bribery and Anti-Fraud Policy as part of their employment and involvement with the organisation.

BITC takes a very serious view of any attempt to commit fraud by the members of staff, secondees, contractors or anyone acting on our behalf. All individuals mentioned above are required, at all times, to act in line with our core values and within the BITC code of conduct, in particular to act with honesty and integrity and to safeguard resources for which they are responsible. We believe that all are responsible for being vigilant in preventing the circumstances in which fraud or bribery can be perpetrated or covered up.

BITC's whistle blowing policy protects individuals from workplace retributions for raising a genuine concern, whether a risk to the public purse or other wrongdoing.

If employees, secondees, contractors or anyone acting on behalf of BITC, suspect malpractice or misconduct, they are encouraged to raise a concern and have the option of doing so anonymously.

There are both internal and external points of contact that employees are able to go to in order to raise their concern.

## Governance

The Board of Trustee Directors' role is to determine the charity's mission and purpose whilst guarding its ethos and values and ensuring that the charitable purposes as laid out in the constitution are upheld. The Board is responsible for ensuring that the charity complies with all legal and regulatory requirements and, wherever possible, upholds high standards of good governance.

The Board ensures the provision of effective fiscal oversight and sound risk management, approves the Strategic Plan and annual financial statement and budget and ensures that finances are handled in the best interests of the charity. The Board has detailed terms of reference which were updated and approved in 2020. The Finance & Risk Committee is responsible for supervising the financial affairs of the charity and the Audit Committee for compliance and policy. The Executive Team provides day-to-day management of the charity and monitors performance throughout the year. BITC has Advisory Boards in the Nations of Northern Ireland, Scotland and Wales. In addition, The Board has two Advisory Boards to help inform them and management. They are the Chairman's Advisory Board of senior representatives from stakeholder bodies, and a Future Leaders board of less senior representatives from member companies. Both bodies work to support the

Board and to ensure that we have a diverse set of voices putting forward their perspective on what corporate responsibility should mean in today's society.

Incoming trustees receive an induction into the work of the charity and meet with the Chairman, Chief Executive, Company Secretary and Finance Director.

The Remuneration Committee of the Board is responsible for setting the annual pay review for staff, after consideration of external benchmarking within the charity sector. The full Board met five times in the year. During the year the Board:

- Reviewed and agreed the business plan for the coming year and the focus of activities for 2019/20, to build the movement and drive forward the over-arching responsible business agenda.
- Agreed the budget for the year commencing 1 July 2019 and monitored financial performance through the Finance & Risk Committee, and risk through the work of both the Audit Committee and the Finance & Risk Committee.
- Approved the Report & Accounts for the year ended 30 June 2019 and recommended their adoption by members in the Annual General Meeting
- Established a Nominations Committee to find a new Chairman to succeed Jeremy Darroch at the conclusion of his 3-year term of office.
- Approved the demerger of The International Tourism Partnership from Business in the Community.
- Considered any action the charity needed to take in the run-up to the General Election in

order to observe rules regarding campaigning in the period before an Election.

- Took assurance from the Audit Committee on the robustness of the Safeguarding Policy and Framework; confirmation that there had not been any data protection breaches requiring a report to the ICO and that no cyber-attacks had taken place.
- Approved a new Code of Conduct for trustees previously discussed and endorsed by the Audit Committee.
- Accepted, in principle, an offer from BITC's landlord at Shepherdess Walk to renew its lease on the premises; all significant details to be signed off by the Finance & Risk Committee and after alternative options via members had been exhausted.
- Approved early termination of the lease on commercial premises in Edinburgh.
- Submitted two Serious Incident Reports to the Charity Commission, both of which were reported and successfully concluded.
- In the light of COVID-19, the Board approved a circa 20% reduction of the cost base and the actions required to achieve this.

The Finance & Risk Committee met four times in the year to supervise the financial affairs of the Charity in relation to the plans approved by the Board, to report to the Board any significant variances against these plans and to review the risk to which the Charity is exposed.

The Audit Committee met three times in the reporting period, to oversee the risk management and controls framework, review the accounting policies and financial statements, oversee the relationship with external auditors and the procedures in place for Safeguarding, Data Protection and detecting fraud, and whistle-blowing.

Work also took place with the members of the Board and the Committees outside of the formal meetings.

Our trustees are those individuals who have taken a leadership role in our campaigns and programmes, those who lead the Nations of Scotland, Wales and Northern Ireland, and those who lead or participate in one of the finance sub-committees.

# CALL TO ACTION

BITC continues in its mission to inspire, engage and challenge members and we mobilise that collective strength as a force for good in society to:

- Create a skilled, inclusive workforce today and for the future
- Build thriving communities in which to live and work
- Innovate to repair and sustain our planet.

We work with our members to make the UK a world leader in responsible business.

BITC reaffirms our support of the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti- corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents and we invite you to join the movement.

For more information about BITC see <http://www.bitc.org.uk/>

Contact us at +44 (0)20 7566 8650 or [information@bitc.org.uk](mailto:information@bitc.org.uk) or @BITC



The Prince's  
Responsible  
Business Network