

DRAFT RESPONSE SERVICE

As part of the Rural Opportunities Bulletin, RSN will regularly provide concise potential responses to key current consultations. These are not intended to be definitive or to reflect the views of RSN and may include potentially opposing responses to reflect different views designed to assist individual organisations in compiling their own response. We do however recognise the pressure members are under and we hope this service will assist.

Corporate Responsibility: A Call for Views – Department for Business Innovation and Skills, June 2013

<https://www.gov.uk/government/consultations/corporate-responsibility-call-for-views>

Corporate responsibility is sometimes known as corporate social responsibility. It is defined as the responsibility of an organisation for the impacts of its decisions on society and the environment above and beyond its legal obligations, through transparent and ethical behaviour.

This call for views from the Department for Business Innovation and Skills seeks to gather thoughts and ideas on aspects of corporate responsibility. It looks at what government, business and others should and could do in order to realise the full benefits that corporate responsibility can bring. It covers themes including:

- Voluntary reporting and disclosure of non-financial information
- Responsible supply chain management
- Corporate responsibility in small and medium sized enterprises

Comments are invited by 27 September 2013 and will contribute to a framework for action on corporate responsibility intended to be published by the end of 2013.

Consultation 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?*

Draft Response: Clear information and communication of internationally recognised principles will form an integral part of any successful approach together with clear identification of the benefits for business in adopting such principles. Good practice examples across size and type of organisation will also be useful in encouraging a wide cross section of organisations to improve their corporate responsibility and avoid this approach being perceived as only within the domain of large, resource rich organisations.

Consultation 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?*

Draft Response: Sector specific initiatives could be a good way of improving corporate responsibility. A number of sector specific business networks and organisations exist which could usefully be utilised to this end together with Chambers of Commerce, local and national Business Networks. Peer to peer promotion of the benefits of adopting a responsible approach above and beyond that required by legislation could potentially be the optimal method to increase take up. In addition, knowledge, understanding and practice of corporate responsibility could be made a qualifying requirement of mentors accepted on to government sponsored business support

programmes. In this way, good practice would be reinforced and built upon.

Consultation 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?*

Draft Response: Each business will be different in terms of how they desire to record and measure their impacts and this needs to be recognised in any metrics system. However, it would be useful to enable at least a degree of comparison by establishing a core set of metrics for businesses. These should be kept simple and understandable to assist businesses in compiling the necessary information and consumers/customers in interpreting them.

Consultation 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?*

Draft Response: A large number of businesses operate within certain quality systems, industry guidelines and professional standards. It may be possible to consider inclusion of corporate responsibility measurement within such systems. The relevant quality mark or other endorsement could then be seen to verify the corporate responsibility measurement systems put in place in the same way as other business activity. Such an approach could be explored with business organisations in the first instance.

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

Draft Response: Many businesses currently recognise the importance of effective supply chain management to society, the environment and sustainable economic growth. These businesses have invaluable experience which should be utilised to influence the answer to this question. Good practice should be sought out (at home and abroad) and reflected in the framework developed.

Consultation 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?*

Draft Response: Yes. Undoubtedly, companies should be obliged to be more responsible for actions within their supply chain. Clear and accepted principles will assist in achieving this end and communication to customers will help to drive performance.

Consultation 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?*

Draft Response: Responsible business practices could be promoted through provision of workshops and one to one support made available through current and future government funded business support programmes. As with large businesses, the provision of information on good practice and the business benefits which can accrue from such action will be important in encouraging take up by smaller businesses. This should be kept as simple and 'SMART' as possible in order to maximise the potential impact.

Consultation Question 8 – *How might Government help SMEs publicise their responsible*

business behaviour?

Draft Response: Existing business networks, chambers of commerce and other organisations could be utilised to help spread word of responsible business behaviour. Such promotional activity could also be made eligible for the government funded business support programmes which exist. This should also be an area of activity which government should encourage LEPs to place at the heart of their strategies going forward alongside, and as an integral part of, economic growth objectives.

Consultation 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?*

Draft Response: Larger businesses have a key role in supporting responsible action, not least through their supply chain activity. However, it is imperative that good practice from smaller businesses is also identified and communicated to prevent this being perceived as the domain of large businesses only.

Government sponsored mentoring programmes have a potentially key role to play in enabling large businesses to support smaller businesses.

Consultation Question 10 – *What are the main barriers to businesses contributing more to social outcomes?*

Draft Response: A number of barriers, either perceived or actual, exist. These include the view that corporate responsibility costs money/resource and is a luxury only for those with surplus resources. Traditional views of the boundaries between private and public sectors can also hinder progress with some, perhaps, viewing social responsibility as the role of the public sector. Time can also be a factor with many businesses, particularly smaller businesses, feeling they have insufficient capacity to focus beyond the immediate business needs.

Consultation 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?*

Draft Response: Incorporation of corporate responsibility principles within government funded business support programmes would be advantageous together with consideration of potential incentives. Businesses themselves are best placed to identify potential incentives and their views could be proactively sought, including through LEP and other mechanisms. A key method of promotion for innovative approaches will be through existing business and other trusted networks and representative business organisations. The benefits to society and to the business should be effectively promoted hand in hand.

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

Draft Response: Many programmes in the past have involved businesses in direct projects with schools in an effort to promote enterprising behaviour. This approach will also help to improve the wider relationship, enabling a wider understanding of the complexity, diversity and impact of businesses. Many exemplar businesses exist demonstrating the direct link with society at large. A method needs to be found to ensure such examples are seen as the norm rather than the exceptional.

Consultation Question 13 – *Is there any comment you wish to make on UK business and human*

rights generally?

Draft Response: Businesses contribute a great deal to UK plc in terms of jobs, income and wellbeing. Very many examples exist where businesses make a real and intended contribution to society as a whole. There is much to build upon.

Consultation Question 14 – *Should corporate responsibility be recognised as a profession?*

Draft Response: Corporate responsibility may manifest itself in many different ways. Its diverse nature makes it difficult to identify as a profession. However, many existing professions could be more directly involved and engaged in the promotion and, potentially, verification of socially and environmentally responsible behaviour and outcomes.

Consultation 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?*

Draft Response: Businesses should be encouraged and, potentially, incentivised to make such information available in a consistent format, at least as far as a core set of principles and guidelines are concerned. Promotion of such activity through government, LEPs and business networks / groups will go some way to assisting consumers in their decision making.