



The Prince's
Responsible
Business Network



YOUR RESPONSIBLE BUSINESS TRACKER® REPORT

April 2020



RESPONSIBLE
BUSINESS TRACKER®



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FOREWORD

By Amanda Mackenzie.

As a participant in the Responsible Business Tracker®, you have already shown that your business is more serious about the positive impact that companies can have on their communities and the environment than most. But our current crisis is a stark reminder of the fact that aspiration is not enough. This year's Tracker results show that values are more important to companies than ever, with 89% of respondents using them to inform strategy and business decisions; I hope that more businesses begin to follow the example you have set. There could be no greater test imaginable of whether companies' deeds will live up to their words.

So I hope that you find this report helpful. Use it to shape the responsible business strategy in your business. Use it get your employees to recognise and celebrate the steps you have already taken to make your company a force for good. But I also hope you don't stop there.

2020 sees the world united in a struggle. It is time that the private sector came together with a collective response to match it; not just the initial emergency response, but the long-term impacts on our people and our planet. Business in the Community (BITC) is founded on the principle that we are stronger together: the Responsible Business Tracker® means that companies can collaborate to find solutions to the problems which are simply too big to tackle alone.

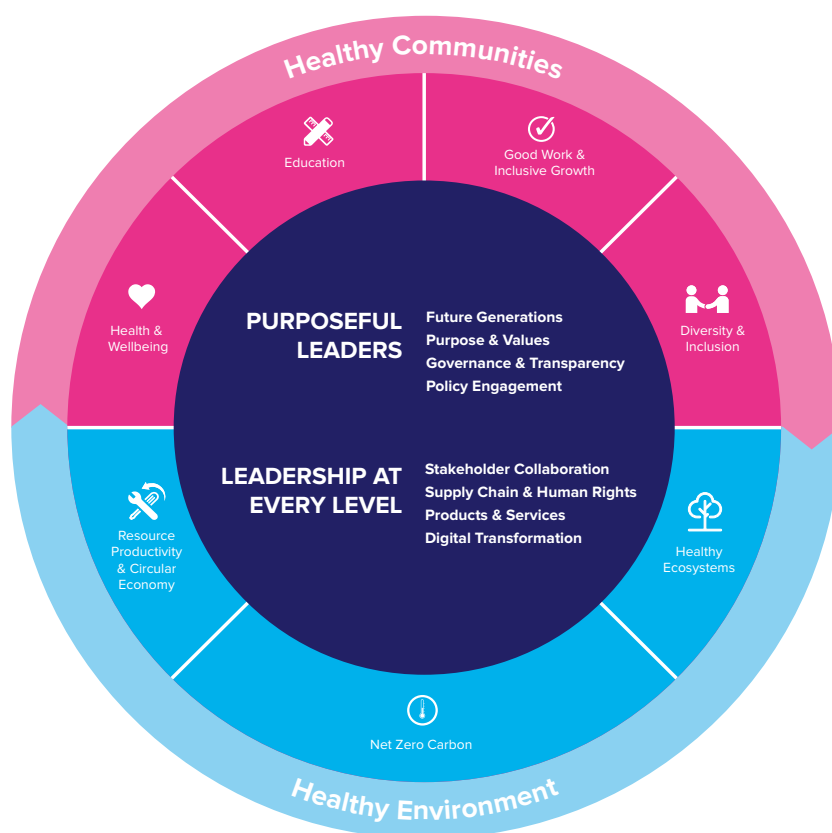
We have never needed that collaboration more. Please – read on, be inspired and do more.



THE RESPONSIBLE BUSINESS MAP AND THE RESPONSIBLE BUSINESS TRACKER®

BITC defines a responsible business as one that puts creating healthy communities and a healthy environment at the centre of its strategy to achieve long-term value.

We believe the prosperity of business and society is inextricably linked. If every individual business strives to be the best it can be in all areas as a responsible business, there will be a positive multiplier effect. This will benefit society, the economy and the environment. If businesses collaborate, they can have a greater impact upon key issues than if acting alone.



GLOBAL GOALS

The United Nation Sustainable Development Goals underpin Business in the Community's Responsible Business Map.

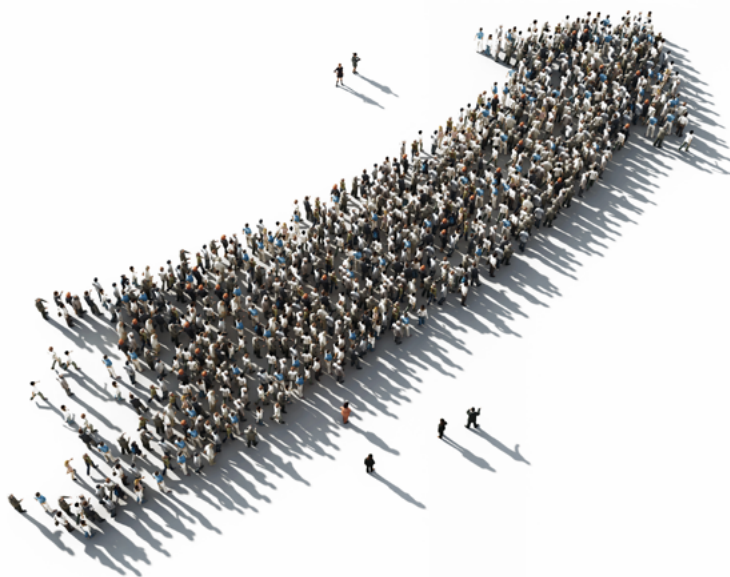


The [Responsible Business Map](#) is BITC's answer to the question: "What is a responsible business?". It is underpinned by the [UN's Sustainable Development Goals](#) and translates them into actionable, business-friendly language. [The Responsible Business Tracker®](#) is a measurement and improvement tool that enables businesses to track their performance against the Responsible Business Map.

We know that 'purposeful leadership' combined with 'leadership at every level' are essential components in ensuring a strategic and integrated approach where responsible practices are embedded throughout the business. Questions in these sections are therefore compulsory for every Tracker participant.

To allow for resources and action to be targeted to areas where businesses can have the greatest impact, the Responsible Business Tracker® requests that two or more 'highly material' issues are selected and asks detailed questions on these areas.

This report includes scoring and benchmarking data for overall performance, broken down by the different sections of the map as well as by highly material issue selected. We hope that this information coupled with the gap analysis provided by Tracker submissions will both challenge and inspire your business to improve performance, ultimately becoming a truly responsible business that puts creating healthy communities and a healthy environment at the centre of your strategy to achieve long-term financial value.



UNPRECEDENTED TIMES – WHY BUSINESSES MUST STEP UP TOGETHER

The Covid-19 crisis is the biggest shock to our way of life in modern history. It confirms that businesses, communities, society and the environment are mutually dependent. BITC believes those organisations already acting responsibly will be best prepared to recover and thrive when COVID-19 is brought under control.

With this crisis comes a unique opportunity for responsible businesses to have an immediate and significant impact on a global emergency affecting everyone. There is evidence of the tangible impact that responsible businesses can make when they couple ambition with action. The lessons learnt from this experience must be captured and harnessed.

When this crisis comes to an end, there must not be a return to business as usual. After the pandemic, organisations will have the chance to collectively rebuild the economy and our communities whilst putting responsibility at the heart of that recovery – an opportunity that might only come along once in a generation.

The Responsible Business Tracker® 2020

BITC is publishing this report because the Responsible Business Tracker® provides an important source of information on how business behaviours and actions are changing, despite the data being entered prior to the coronavirus crisis. The information presented in this report must be seen and used as a starting point from which to drive radical change -- in full recognition of the new world we find ourselves in.

We will study the data and conduct further research, to see how well participating companies were set up to meet today's challenges and use this information to understand why some were better able than others to change and respond. The Tracker provides insights about how businesses support their employees, support businesses in their supply chains, and support the communities in which they operate.

We will supplement these insights with recent data sources to understand business's resilience amid the current disruptions and identify the characteristics that are enabling businesses to adapt and sustain themselves and support their communities.

This is our moment of truth and we need to ensure that we can learn from these experiences to define the future for responsible businesses.



Using values and purpose to inform response and action

The results of the Tracker show a positive approach to strategy and purpose.

- 93% of respondents have defined their organisation's values with 85% stating their purpose statements are aligned to these values
- 89% of respondents use their purpose and values to inform strategy and business decisions
- 85% of leaders engage internally about the future responsible business ambitions of the company and 71% engage externally.

BITC will seek to determine how these values drove companies' responses to Covid-19 and whether they helped companies during the crisis. We will also seek to understand whether businesses' responses to Covid-19 were informed by dialogue with their key stakeholders.

From action on coronavirus to action against climate change

It is critical that when the coronavirus pandemic is over, focus on the environment does not diminish. The impact of mass action on COVID-19 shows how quickly the planet can respond and recover when society unites around a common goal. However, while lockdowns and social distancing alone are not enough to save the Earth, the crisis offers an opportunity to build a better future. Data from the Tracker is a stark reminder of the scale of the environmental challenge which remains a priority.

- Only 50% of businesses have reduced their Greenhouse Gas emissions and 21% committed to reducing emissions to zero at a time when the climate emergency demands it.
- 34% of businesses believe they have allocated sufficient budget and resources to deliver their climate-change targets.
- Less than a quarter of businesses (22%) can demonstrate an example when sustainability credentials informed a purchasing decision rather than price alone.
- Only 17% of businesses reward suppliers demonstrating a high socio-environmental performance (e.g. price premiums, additional orders, longer contracts, fewer audits).

Conventional business wisdom must be challenged in order to unblock the barriers to change and mobilise faster, deeper action.

93%

of respondents have defined their organisation's values with 85% stating their purpose statements are aligned to these values

89%

of respondents use their purpose and values to inform strategy and business decisions

only 50%

of businesses have reduced their Greenhouse Gas emissions and 21% committed to reducing emissions to zero at a time when the climate emergency demands it.

less than 22%

can demonstrate an example when sustainability credentials informed a purchasing decision rather than price alone.





THE NATIONAL BUSINESS RESPONSE NETWORK – CONNECTING BUSINESS SUPPORT WITH COMMUNITY NEED

These are unprecedented times. The COVID-19 pandemic represents our worst public health and economic crisis in a generation. Local communities are struggling to keep going. Local community organisations, social enterprises and small businesses at the heart of every community are now either unable to keep trading or desperately worried about their future.

Business in the Community's mission is to mobilise the collective strength of business as a force for good in society. As the UK's largest and oldest responsible business network, we bring a long track record of mobilising business to best respond to emergencies and support recovery in our local communities.

At the outset of the COVID-19 crisis, our members came to us wanting to understand how they could best help those most in need. We have responded by establishing the National Business Response Network (NBRN), enabling us to connect the emergency needs of community organisations and small businesses to the right business support, focussing on:

- **Food:** Ensuring people have continued access to food
- **Technology:** Support to enable children to continue learning, and older people to stay connected to families
- **Community support:** Support to vulnerable groups and older people to enable continued access to food, healthcare, social interaction and other essentials
- **Small businesses:** Creating resources with advice and practical tools specifically for small businesses; providing business continuity and wellbeing support through mentoring for small businesses

We do this by helping community organisations articulate their needs, then bringing our deep understanding of business and their supply chains to identify how they can best assist and build ongoing relationships.

Through the NBRN, we are already creating hundreds of connections across the country and helping communities navigate their way through the coronavirus pandemic.





A message from your Relationship Manager

Dear Tom

I'm excited about how we can use this report as a tool to help you to get the most out of your BITC membership.

Your overall score is below your benchmarking group average but you scored higher than the cohort average. You have an excellent opportunity to scale up your impact by sharing good practice with your sector and beyond. You might want to use this information to make the case to senior leaders for an even greater focus on responsible business.

On Good Work and Inclusive Growth you are leading both your benchmarking group and the cohort. You can progress by working on your operational plans to deliver your strategy and your monitoring and evaluation of your progress. I am really looking forward to working together to help you drive this forward.

On Net Zero Carbon you are again leading your benchmarking group and well above the cohort average score. You can continue to progress by working on your operational plans to deliver your strategy and how you demonstrate impact.

In the Purposeful Leaders section, you also scored just above your benchmarking group and above the cohort average. You can build on this by implementing more of the practices detailed in Governance and Transparency section of the Tracker.

Lastly, looking at how you approach Leadership at Every Level, you scored just below your sector average but above the cohort average. The breakdown of your score shows that you can improve by working on your approach to Supply Chain and Human Rights.

I hope that you have found this report useful and indeed the whole Responsible Business Tracker process. I will be in touch to plan how we can prioritise the next steps and support we can offer. Thanks again for your commitment and engagement.

Yours,

Antony Wallis

Relationship Manager



YEAR 2019/20 SCORE

Northern Gas Networks

Benchmarking Group: Energy and Utilities

Selected Highly Material Issues: Good Work and Inclusive Growth; Net Zero Carbon

56%

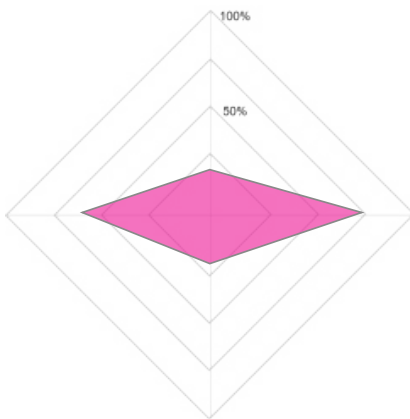
Your Score

61%

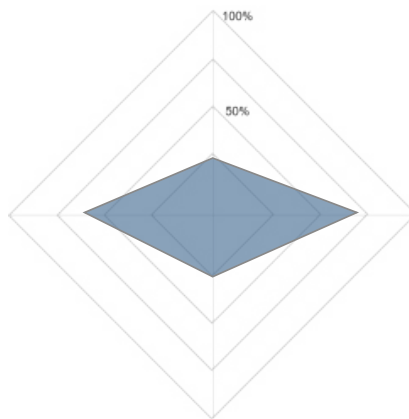
Benchmarking Group Average

43%

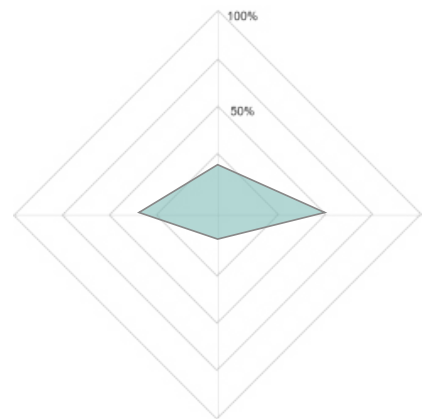
Cohort Average



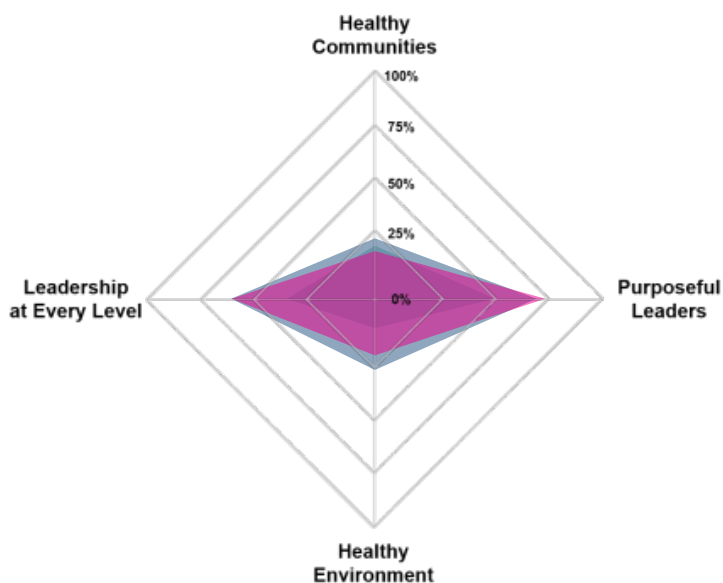
Company



Benchmarking Group



Cohort



Your organisation's overall score is a composite of its score for each of the four parts of the Responsible Business Map. These are: Leadership at Every Level; Purposeful Leaders; Healthy Environment; and Healthy Communities. This chart shows the score for each of these parts.

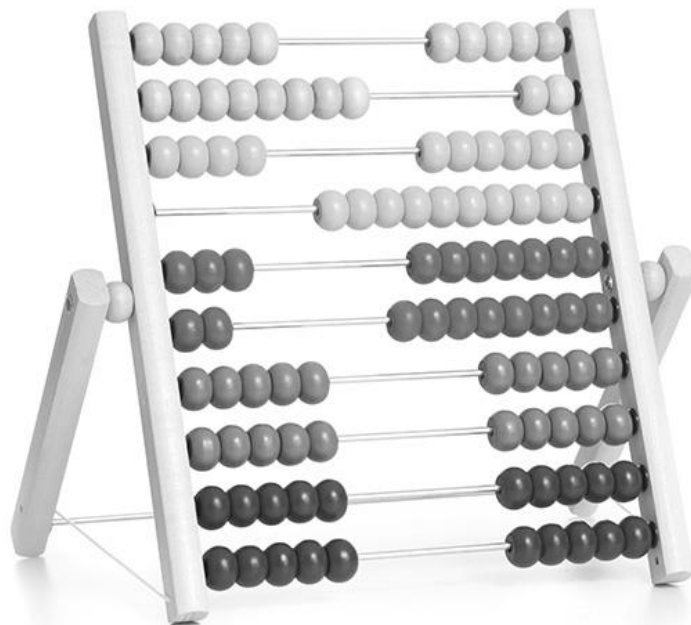
Company Performance Assessment

Strengths

Stakeholder mapping and materiality	Northern Gas Networks (NGN) should be commended for how it has identified and mapped its stakeholders and its ability to demonstrate a robust methodology for identifying their key issues and priorities. This has created the credibility and confidence that you are focusing and addressing the most material issues.
Good Work and Inclusive Growth	NGN has identified that developing a Good Work and Inclusive Growth strategy is an important part to being a responsible business – job security and design, fair pay and benefits, providing opportunities for progression is already well progressed. Gaps in your Tracker submission suggest where further improvements within this topic can be made – e.g. developing operational plans based on engaging with employees and others (particularly for the employment groups you're targeting), developing KPIs and reporting and evaluating progress of NGN good work strategy, actions and investments. This will ensure your efforts are having the desired impact.
Environment	Your environmental strategy that has taken account of the United Nations Goals and the views of stakeholders, with senior support. Particularly, NGN have shown flexibility, being willing to reset more ambitious targets as a result of ongoing collaboration with its stakeholder. There is evidence of good public communication of your efforts and commitment. There appears to be progress made on measuring impact and aiming to reduce your impact on the environment. We would recommend you consider communicating your targets in a clearer and simpler way and create an overall ambition to achieve net zero carbon by 2030.

Areas for improvement

Supply Chain	NGN has demonstrated best practice by setting a long-term goal to review and implement governance and process around ensuring a responsible supply chain by 2025. We encourage you to also integrate social and environmental issues in your supply chain policies and processes; ensuring training and responsibility is clearly allocated and linked to all employees' appraisals.
Human Rights	Responses in the section regarding human rights appeared to be weak. We would urge you to prioritise addressing this gap and Use the Responsible Business Tracker® submission and report as a gap analysis tool. Lack of awareness of salient human rights leaves you open to risk. Consider also mapping the human right risks, which could occur within your supply chain and look to proactively seek the violations and remediate.
Diversity and Inclusion	Consider mapping the risks and opportunities linked to diversity and inclusion within your workplace. Workplaces that work for all employees lead to productive and prosperous businesses and contribute to healthy communities. Conversely, when employees feel excluded or undervalued, their productivity is reduced, employee morale is lower, employee turnover is higher, and business costs increase. Workplaces that are diverse and inclusive are pivotal to the success of a responsible business. This should be a future area for development to discuss with your Relationship Manager.



PURPOSEFUL LEADERS

71%

Your Score

67%

Benchmarking Group Average

50%

Cohort Average



This chart shows your score compared with your benchmarking group for each section of the Purposeful Leaders part of the Responsible Business Map. These are Future Generations, Purpose and Values, Governance and Transparency, and Policy Engagement.

Your score is represented by the pink dot and organisations in your benchmarking group are represented by the blue dots. The dotted line indicates the average score of your benchmarking group within each section of Purposeful Leaders.

LEADERSHIP AT EVERY LEVEL

59%

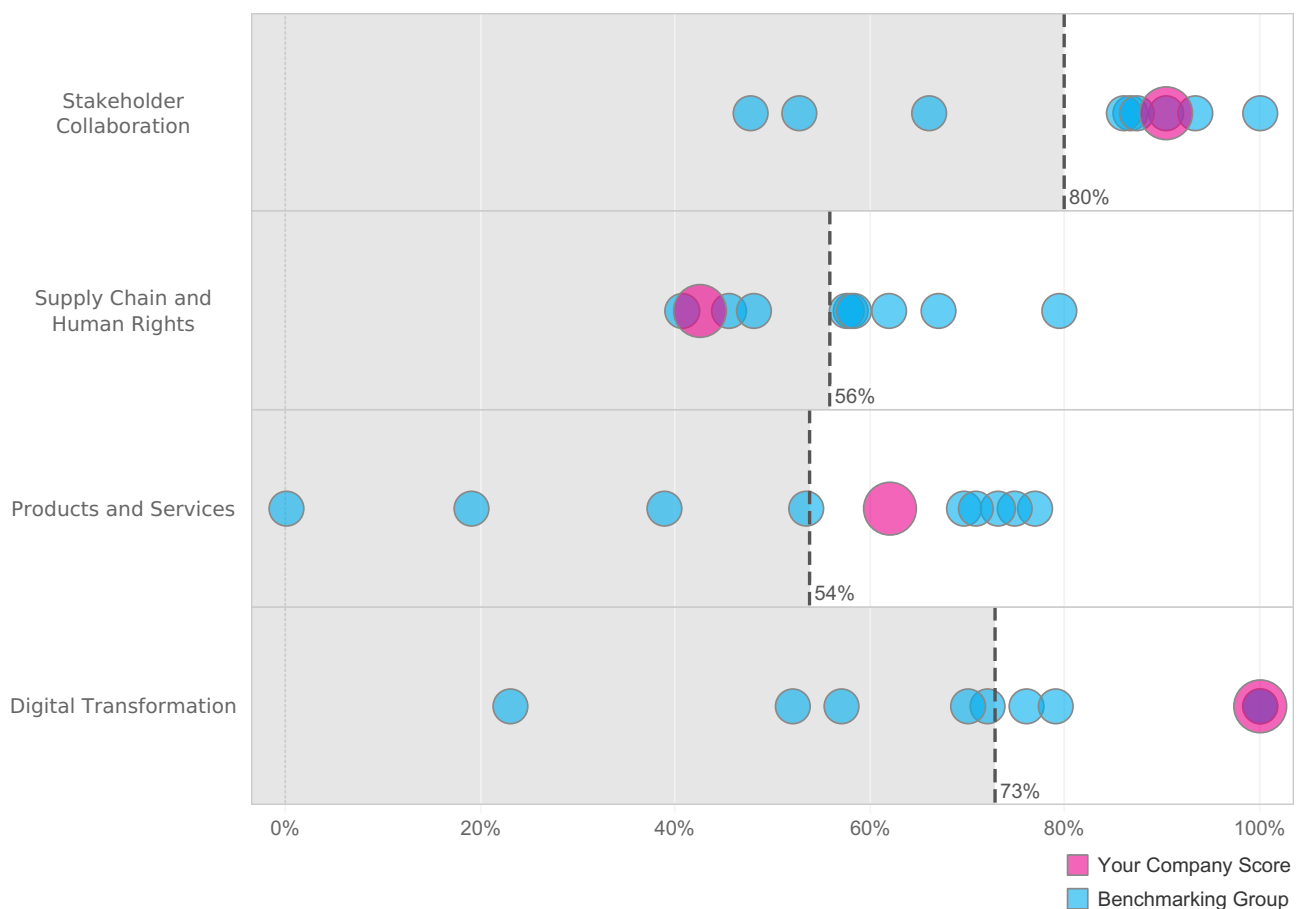
Your Score

60%

Benchmarking Group Average

37%

Cohort Average



This chart shows your score compared with your benchmarking group for each section of the Leadership at Every Level part of the Responsible Business Map. These are Stakeholder Collaboration, Supply Chain & Human Rights, Products & Services, and Digital Transformation.

Your score is represented by the pink dot and organisations in your benchmarking group are represented by the blue dots. The dotted line indicates the average score of your benchmarking group within each section of Leadership at Every Level.

HEALTHY COMMUNITIES

21%

Your Score

26%

Benchmarking Group Average

23%

Cohort Average



This chart shows your organisation's score alongside its benchmarking group for each section of Healthy Communities. These are: Health and Wellbeing; Education; Good Work and Inclusive growth; and Diversity and Inclusion.

Your organisation's score is represented by the pink dot. Organisations in the same benchmarking group as your organisation are represented by the blue dots. The dotted line indicates the average score of your benchmarking group within each section of Healthy Communities.

Note that the maximum possible score is 100% in areas selected as highly material, while scores are capped at 30% in areas not selected as highly material. This does not affect the overall comparability with different organisations because all organisations are restricted to selecting two highly material areas. Your organisation's highly material selections are Good Work and Inclusive Growth and Net Zero Carbon

HEALTHY ENVIRONMENT

25%

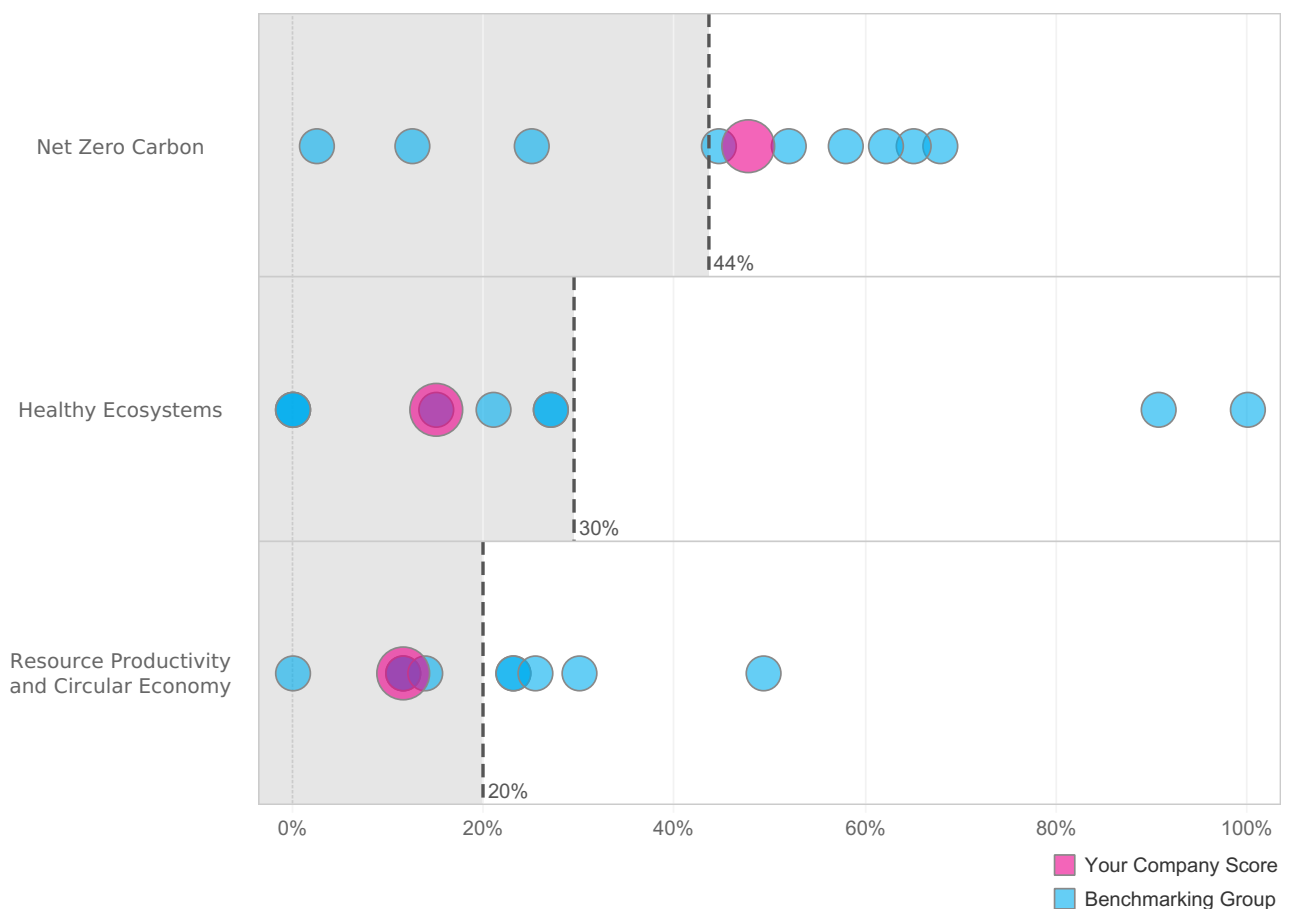
Your Score

31%

Benchmarking Group Average

13%

Cohort Average



This chart shows your organisation's score alongside its benchmarking group for each section of Healthy Environment. These are: Resource Productivity and Circular Economy; Net Zero Carbon; and Healthy Ecosystems.

Your organisation's score is represented by the pink dot. Organisations in the same benchmarking group as your company are represented by the blue dots. The dotted line indicates the average score of your organisation's benchmarking group within each section of Healthy Environment.

Note that the maximum possible score is 100% in areas selected as highly material, while scores are capped at 30% in areas not selected as highly material. This does not affect the overall comparability with different organisations because all organisations are restricted to selecting two highly material areas. Your organisation's highly material selections are Good Work and Inclusive Growth and Net Zero Carbon

OPPORTUNITY AND RISK ASSESSMENT

44%

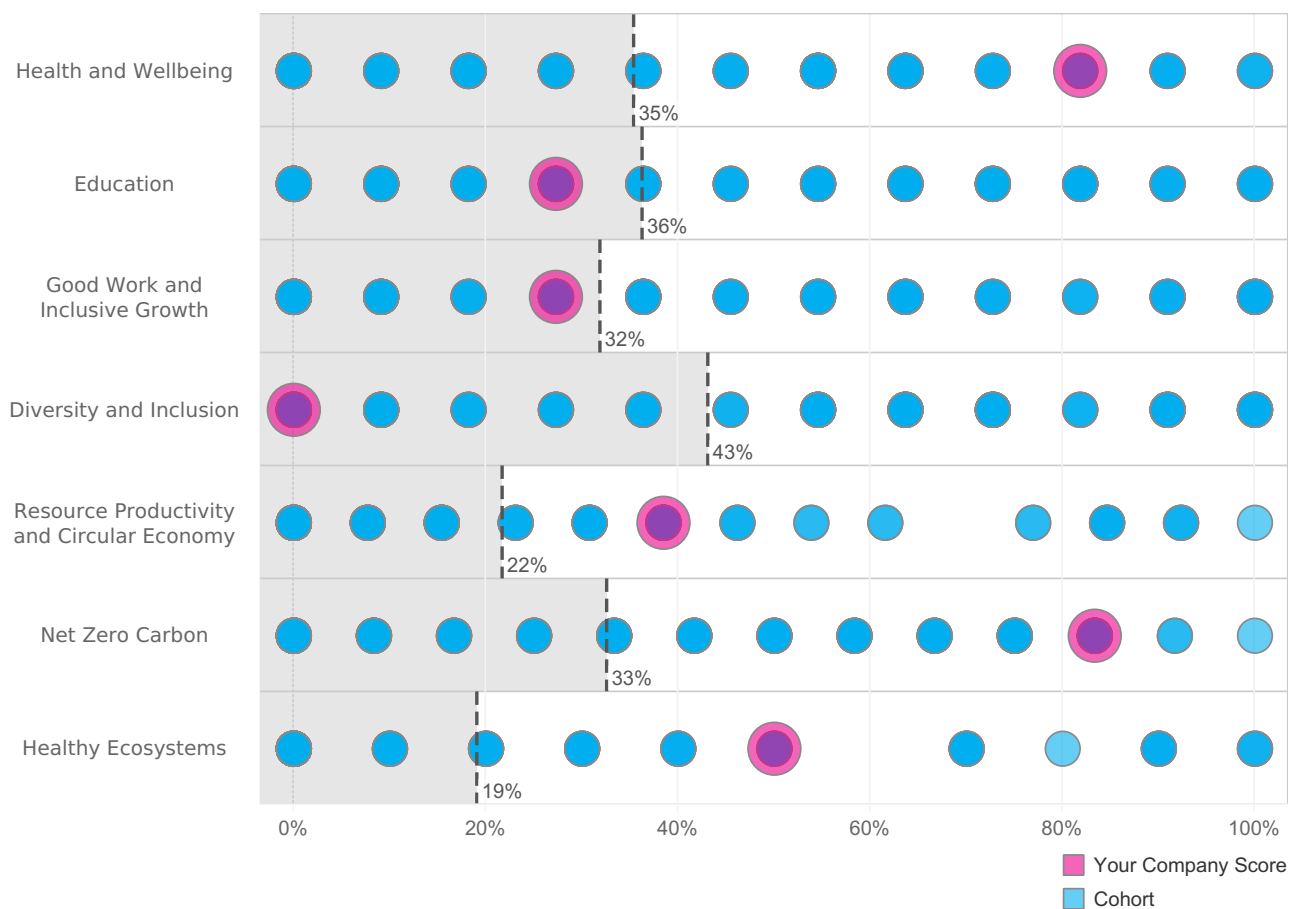
Your Score

56%

Benchmarking Group Average

32%

Cohort Average



Opportunity and risk assessments are the foundation of your organisation's responsible business strategy. This chart benchmarks your risk assessments score in every part of the map against the cohort of 94 participants in 2019/20.

GOOD WORK AND INCLUSIVE GROWTH

50%

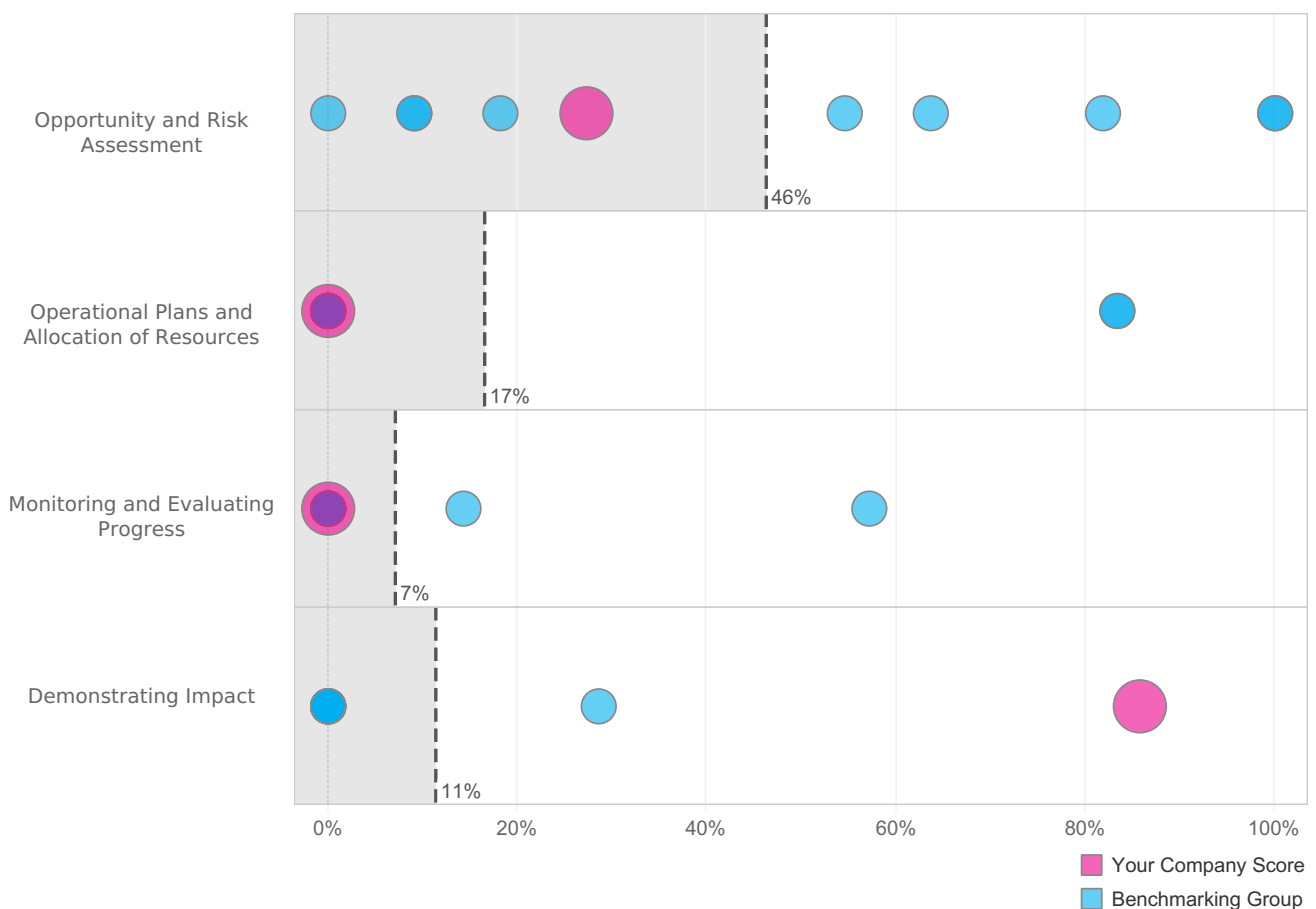
Your Score

26%

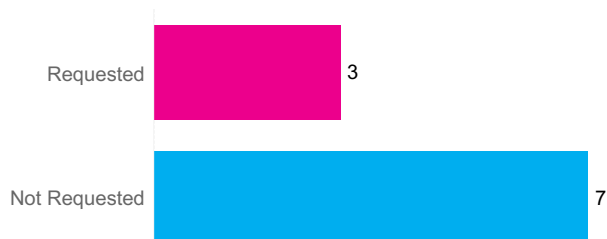
Benchmarking Group Average

20%

Cohort Average



Organisations in your benchmarking group that requested feedback on this issue



You selected Good Work and Inclusive growth as a highly material area for your business. This chart shows your score compared with the benchmarking group. All participants answered Opportunity and Risk Assessment, whereas only participants that selected Good Work and Inclusive growth as highly material answered questions about Operational Planning, Monitoring and Evaluation, and Impact.

NET ZERO CARBON

48%

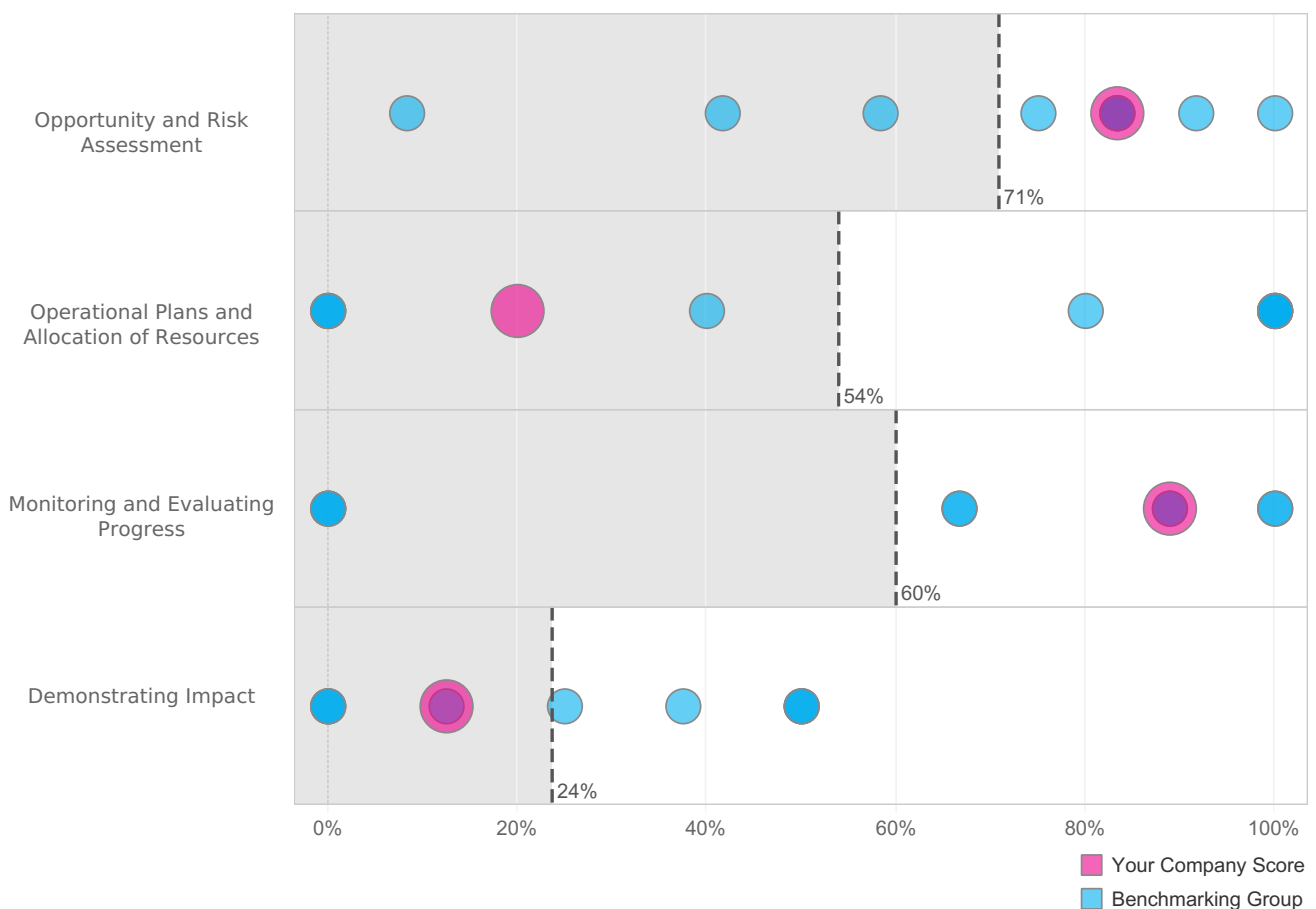
Your Score

44%

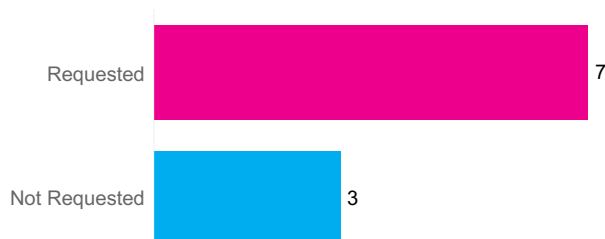
Benchmarking Group Average

19%

Cohort Average



Organisations in your benchmarking group that requested feedback on this issue



You selected Net Zero Carbon as a highly material area for your business. This chart shows your score compared with the benchmarking group. All participants answered Opportunity and Risk Assessment, whereas only participants that selected Net Zero Carbon as highly material answered questions about Operational Planning, Monitoring and Evaluation, and Impact.



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Business in the Community

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