

The Chartered Institute of Building

submission to

The Department of Business Innovation and Skills (BIS)

on the call for views on

Corporate Responsibility

27th September 2013

David Hawkes
Sustainability and Policy Officer
The Chartered Institute of Building
Englemere, Kings Ride
Ascot, Berkshire
SL5 7TB
e: dhawkes@ciob.org.uk
t: +44 (0)1344 630 735



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: **David Hawkes**

Organisation (if applicable): **The Chartered Institute of Building**

Address: **Englemere, Kings Ride, Ascot, Berkshire, SL5 7TB**

	Large business (over 250 staff)
X	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
X	Other (please describe) Professional Body

About the CIOB

The Chartered Institute of Building (CIOB) is at the heart of a management career in construction.

We focus on those entering and already in a management career in construction by delivering qualifications and certifications that meet the needs of a changing industry. We work with members, employers, academia and governments across the globe to drive forward the science and practice of management in construction.

We are committed to corporate reporting, as evidenced by public pronouncements relating to our Carbon Action 2050 initiative (www.carbonaction2050.com), a free online toolkit that provides guidance on reducing carbon emissions for those working in the built environment. We have also been participants on the International Integrated Reporting Committee (IIRC) pilot programme, demonstrating our commitment to increase awareness, educate, and encourage action on better reporting across the built environment sector globally.

Our submission has been developed for the public benefit and is also informed by feedback from our members.

Response

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?

We believe that government should champion the benefits that internationally recognised principles and guidelines in corporate responsibility provide. There is clear evidence that businesses that voluntarily report and are transparent have better financial performance and greater access to capital. A report from Deutsche Bank discovered that companies with high ratings for corporate social responsibility and environmental, social and governance factors have a lower cost of capital and are a lower risk to investors.¹ Indeed, the crux of corporate responsibility will be how much it will start to cost companies that *do not* adopt its principles.

The principle of disclosure is a central focus of the Global Reporting Initiative (GRI), a voluntary framework and standard. Indeed, there are many standards and certifications that demonstrate corporate responsibility, including the International Integrated Reporting Council draft framework, the ISO 1400

¹ Deutsche Bank (2012) <http://www.environmentalleader.com/2012/06/15/company-performance-linked-to-csr-deutsche-bank-finds/>

series, ISO 26000, ISO50001 on energy management, BSI Public Available Specifications the 'Investors in People' standard, the Global Compact Principle, Carbon Disclosure Project, and many more.

We believe the Government can help raise awareness of these standards and the benefits that they bring to businesses by, for example, the use of case studies or easy-to-use guides.

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?

Yes, we believe government can encourage more sector specific initiatives as different sectors have different impacts, be they social, environmental etc. The GRI framework has a number of sector-specific frameworks, including construction and real estate, mining, etc. and we are aware of similar specific initiatives found elsewhere, such as Better Retailing Climate framework developed by the British Retail Consortium.

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?

Comparable metrics on social and environment aspects are vital, though unlikely to be taken up voluntarily. Many frameworks with comparable metrics already exist with some recommended by governments. Data collection is the central plank to leadership, and the CIOB believes there is a need to embed changed behaviours, using these common and comparable metrics to evidence leadership and improvement. The collection of quality data should improve governance and the quality of decisions made for change management to operate in low carbon economies.

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?

Some reporting frameworks contain provisions to verify the information, while all major auditing firms carry out audits on non-financial information as well as annual accounts.

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?

Although some SMEs do have established corporate responsibility schemes, large companies are generally much better at publicising the good work they do for society and the environment and benefitting from the resulting good reputation. As a small sized organisation ourselves, we have begun to report on our own corporate responsibility initiatives but recognise that our own efforts have a smaller impact compared to those of large multinational corporations.

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?

In terms of construction, we can highlight the Supply Chain Sustainability School (<http://www.supplychainschool.co.uk/>). Established by many of the major construction contractors, the school provides training and benchmarking for suppliers and sub-contractors to address both environmental and social sustainability issues.

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

Corporate responsibility should be embedded at all levels and not necessarily categorised into a profession. Corporate responsibility is essentially about finding solutions that benefit society and the company itself; collaboration among interested parties in order to learn from each other; being smart with the finance and resources available; and learning from best practice.

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.

We are happy to be involved in this debate as it develops and please feel free to contact us for further queries.

Please acknowledge this reply