FT SPECIAL REPORT

Responsible Business

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Good corporate citizens shine

Many companies, however, insist on business cases for sustainability programmes Page 2

Inside >>>



Fresh starts Why a leading law firm is offering work experience to ex-offenders Page 3

Earning its keep Good works are not necessarily a burden on balance sheets Page 4

Forever young Employers are rediscovering the advantages of hiring apprentices Page 7



Honours shared The full list of 219 Big Tick award winners by category Page 10

Local bias Why serving communities is

and profits **Page 11**

On FT.com »

good for business

Slow progress on diversity at work Business urged to rethink recruitment

Enthusiasm may wane as companies pursue growth

Commitment The number of leaders who think CSR very important has fallen, writes *Elaine Moore*

of the financial crisis may be over, a public debate is under way over who is benefiting most from the global economic recovery.

Inequality has become this year's talking point, propelling Thomas Piketty's Capital in the Twenty-First Century into the New York Times best-seller list. The book's findings have been used in many arguments, including an unexpected reference by shareholder activist Carl Icahn in his criticism of executive pay at Coca-Cola.

There are signs that the financial crisis, which did so much damage to corporate reputations and balance sheets, put corporate social responsibility (CSR) on the back burner

But think-tanks say that Mr Piketty's book, which argues that governments must act to address the widening gap between rich and poor, could prompt a wider debate about the way capitalism is structured, and lead to new commitments.

CSR has already entered into the mainstream. More than 85 per cent of the companies that make up the FTSE 100 are reporting on responsibility, and companies are aware of the expectation that a published strategy should be in place.

Global plans have been made to formalise a definition of corporate responsibility, including the UN Global Compact, and governments have publicised the actions taken by domestic companies

In the UK, David Cameron, the prime minister, appointed Philip Green, the former chief executive of United Utilities, as an adviser on responsible business and set up an informal working group called the Open Business Forum to discuss ways to improve transparency.

response to a consultation on CSR as part report on the future of CSR. of its Responsible Business Week, in which it outlined ways businesses could contribute to long-term sustainable growth. The business leaders engage in. report found that most companies were going beyond legal requirements to manage and enhance their economic, environmen- including most of the FTSE 100 companies, tal and societal impacts.

that enthusiasm among governments is not interest in special vehicles, such as funds being matched by companies.

A recent survey of more than 1,000 chief executives by the UN Global Compact and sulting, says: "Since the depth of the eco-philanthropic capital - they Accenture, the consultancy, found that few nomic downturn, we have seen increasing business leaders believed that their interest in and appetite for the use of social company's share price reflected its respon- investment vehicles alongside more tradi-

s economists make guarded state- sible business initiatives. The number who ments to the effect that the worst thought initiatives would be very important to the success of their business had fallen over the past few years to fewer than half of those surveyed

The mood is markedly different from the early years of the new millennium, when business leaders gathered to discuss climate change and ways in which markets could reward sustainable behaviour.

Pre-crisis, advocates of CSR were encouraging businesses to consider positive social behaviour as a virtuous cycle that would feed into their corporate performance. Investing in communities would, the think ing went, improve a company's reputation with its customers and the wider world. which would in turn attract better talent and so develop the business and eventually the wider economy

The advent of the financial crisis and economic downturn has put pressure on a model that makes it difficult for business leaders to pin down shorter-term benefits.

"When the financial crisis first struck, it seemed like there was a window of opportunity for serious reflection on the wider purpose of business," says Mallen Baker, an adviser on responsible business. "But that was shortlived, and the typical reaction to recession - to achieve growth at all costs rather took over. The good news is that the financial crisis did not lessen the commitment by businesses on the whole."

However, Peter Lacy, managing director of strategy and sustainability services for Accenture in the Asia-Pacific region, says businesses may have stalled in their advancement of sustainability.

"Chief executives see business caught in a cycle of 'pilot paralysis' - individual, small-scale projects, programmes and business units with an incremental impact on In April, the government published its sustainability metrics," he wrote in a

> Other organisations say the crisis has focused and streamlined the types of CSR

The UK's Charities Aid Foundation, which works with about 7,000 employers, says spending on responsible business has In spite of those findings, there are signs picked up over the past few years, as has and bonds, used to give effectively.

Amy Clarke, head of advisory and con-



tional philanthropic donations and grants." "We find that companies are...more strategic and want to maximise the impact of their philanthropic capital for a longer period of time. Put simply, they are looking for more bang for their bucks.'

If companies are struggling to make a business case for investment in certain schemes they can adopt a new approach, say analysts: sustainability.

Action to reduce packaging, cut electricity, water and fuel use not only helps the planet, it can also cut costs

Unilever announced last year it had cut its energy use and its operating costs by \$395m since 2008, while Intel announced in 2012 that its energy reduction produced \$23m in annual costs savings since 2001.

CSR International, a London-based social enterprise, believes investment in CSR will rise as a result of the crisis, as companies think more broadly about their actions. Last year, it interviewed professionals

'Companies want to maximise want more bang for buck

within the sector and found that more believed spending on CSR would increase than thought it would decrease.

However it also discovered that most made a distinction between CSR that focused on philanthropy - such as donations – and corporate sustainability programmes

The professionals predicted that CSR programmes primarily focused on philanthropy - such as sponsorship, donations and charity volunteering - were likely to suffer substantial cuts.

Corporate sustainability programmes, on the other hand, which attempted to link the good of the planet with profit, would go from strength to strength.

Business in the Community, a charity backed by some of Britain's biggest compa nies, insists corporate engagement in CSR has not dipped in the wake of the crisis.

"The expectation might have been that business would go into survival mode," says Stephen Howard, chief executive.

"But this hasn't been the case. What has been remarkable, is how responsible business has responded to the challenging external environment and how the requirement to do more with less, has driven a new understanding by businesses of its contract with society.

Responsible Business

Courage of convictions as ex-offenders find jobs

Case study **Freshfields Bruckhaus** Deringer

Work experience offers fresh chance By Sharmila Devi

In the year after leaving prison, Andrew (not his real name) applied for 60 jobs. On a couple of occasions when he was required to reveal his criminal record at interview stage, he says he was escorted off the premises

His only sources of support were his probation officer and the local jobcentre, which alerted him to the possibility of a work placement at the London office of Freshfields Bruckhaus Deringer. The global law firm runs a work experience scheme encouraging ex-offenders back into work.

"Prison is a horrible place and I'd never want to go back, but there were times when I felt like throwing in the towel,' says Andrew. "But then I went to Freshfields and did some work experience.

"Three months later. they called and offered me a year-long apprenticeship. It's like a dream.'

He is now three-quarters of the way through the apprenticeship, although t prevent him being dentified he cannot disclose the nature of his work.

Typically, more than half of an international law firm's employees are not lawyers but work in clerical, IT and administration

Clients – as Freshfields refers to its work experience staff – do not have to reveal the details of criminal convictions, which are known only to a handful of senior people who run the programme Andrew, who is 38, would only say he has one conviction and spent several years in prison

"A law firm's not the first place you'd look to find an ex-offender," says Juliet Holden, the Freshfields executive in charge of corporate responsibility. "The main theme of this programme is to raise aspirations and employability.' Since September 2011,

Freshfields has offered 80 placements and some 50 per cent of this group had

homelessness and broken lives, prison is right up there with time in the armed forces as a common denominator

Mr Richards, who is on the board of Ready for Work, says when the idea of helping ex-offenders came up, the firm's first concern was about risk to staff and it consulted with its insurance company and the Law Society

A process was developed. covering the screening of clients through checks with probation officers and how to maintain confidentiality and this has led to staff feeling comfortable and proud of the scheme, he says.

"Initially, we worried that some people who are to the right of Genghis Khan might be upset," he says.

"But, actually, people say they feel great about it. Hopefully, other companies will take it up because, if we can do it, anyone can.

There is a business benefit, he says, in the form of boosting staff morale and making the company stand out from competitors.

Recruiting participants such as Andrew into full time employment reduces staff turnover and related costs, saving Freshfields about £115,000 a year.

However, very few participants go on to full time jobs with the company. At the same time, there are wider benefits to society, through improving participants' job prospects and employability, with 43 per cent entering employment within a year of their placement and 83 per cent sustaining employment for at least six months.

Employment can reduce the likelihood of reoffending by up to 50 per

cent, according to data from BITC Freshfields was the first

to sign up to BITC's Ban the Box campaign, in which companies remove the tick box asking about convictions from some job application forms.

Information about unspent criminal convictions only has to be disclosed once a job offer is made. A further 15 companies have signed up

"You've got to have passion and belief for this to work." says Ms Holden

She adds that those on work experience have shown a willingness to work hard, and that their drive and determination are clear to see.

Mark Price Managing director, Waitrose

'A flourishing modern business is responsible in spirit, attitude and action. Profitability and responsibility are not incompatible goals, they go hand in hand. What is good for society is good for business

Christine Hodgson Executive chair, Capgemini

'In today's unpredictable economy, the need for responsible

lan Cheshire

for change. We are bumping up against planetary pressures. so responsible business is the only strategy to securing viability in the long term

the heartbeat of our economy business keeps it pumping.



Chief executive, Kingfisher

'Business is an engine If business is

responsible







Hiring: Freshfield's offices in London

"unspent convictions", meaning they have criminal convictions that will remain on their record forever. The only type of offence barred by Freshfields is white-collar fraud, but all other offences are considered on a case-by-case basis.

"It would be a lot tougher to get in if someone's record showed persistent dishonesty or a long career as an armed robber," says Philip Richards, senior partner and a champion of the scheme. "We don't rule out violence if there was unusual provocation,

'We worried some [existing staff] might be upset, but people say they feel great about it.

because we look at each case individually. The work experience

placements include job coaching and support. "Clients" are given two- or four-week placements, a work buddy and support from job coaches after the placement ends.

The programme, Ready for Work, was devised in partnership with Business in the Community (BITC). When it started in 2001, the focus was on homeless people, because they were a more visible presence on the streets of London, says Mr Richards.

"We ruled out animals and fluffy kittens. At that time, there were a lot more homeless on the streets," he says. "But when you look at the causes of

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Andy Mears Picture editor

Making good work pay becomes next big imperative

Accounting Social investments that may not bring returns for years are gaining ground. By Kaye Wiggins

campaigns to encourage clothes donations to Oxfam, Marks and Spencer widely promotes what it calls "Plan A" - its company-wide social responsibility and sustainability pro-

But the UK retailer not only publicises its plan, it also publishes annual data on its business impact. According to the company's own measure, Plan A placed a net financial burden of £40m on the company in 2007-08, its first year. In 2008-09 it broke even and thereafter has produced a net benefit annually that outstrips its first-year cost. In 2013-14, the company says this gain reached £145m, up from £135m in 2012-13.

In the absence of formal accounting conventions on measuring the costs and benefits of corporate social responsibility (CSR), M&S has developed its own methods.

Based on Plan A reports, other businesses might reasonably infer that effective CSR is a worthwhile investment. But not all CSR programmes are alike. The value is often more complicated than what can be demonstrated in financial terms, not least because it is an unpredictable, long-term investment.

For example, a J Sainsbury programme to check the origin of its meat products

rom policies on sustainable fishing started as part of a sustainability proand reducing carbon emissions, to gramme. "Ten or 15 years ago we invested in isotope testing," explains John Rogers, chief financial officer at Sainsbury.

"That stood us in great stead when the horse meat scandal broke, because we had none in our products

"We couldn't have produced that business case at the time of the investment, but it was evidently the right thing to do."

Even M&S, with all its data, does not place too much emphasis on the annual financial returns from CSR

Adam Elman, head of global Plan A delivery at M&S, says that it is about equipping the business to deal with long-term challenges, such as resource shortages, that may otherwise threaten its viability.

"There are a lot of benefits that we don't monetise," he says. "These include supply chain resilience, staff motivation and the value of our brand in the long term."

Manny Amadi, chief executive of business and society consultancy C & E Advisory, says that companies are increasingly aware that the benefits of CSR are more nuanced than short-term results.

"Their logic is that you can't create enduring value for shareholders unless you're thinking about the world around you," he says

In fact, much CSR is taking place with

little or no expectation of a direct financial return. The London Benchmarking Group (LBG), which measures companies' invest ments in the community, found nearly a third of community investment by UK members in 2013 took the form of charitable donations, which may improve companies' long-term standing in the public eye but are unlikely to lead to subsequent boosts in revenues and profits

Big catch: M&S funds a sustainable fishing project in Orkney

Jon Lloyd, head of the LBG, says: "Companies still see the need, particularly when responding to emergency situations, to do the right thing and make a contribution without expectation of a [financial] return." Even when companies do make the link

between CSR and financial returns, it does not always have a persuasive effect. "Certain shareholders are particularly interested, but on the whole that level of

interest is still not where we'd like it to be it's not top of their agenda," says Mr Elman Management theorists have raised ques-

tions about whether companies are reaping enough financial reward from their existing CSR work. According to Reputation Institute, a New York-based consultancy, 73 per cent of consumers would recommend companies recognised as achieving CSR aims. But research published by the European Commission in 2013 found just that 36 per

cent of Europeans felt well-informed about

companies' responsible business plans. "[Sainsbury's is] quite low-key on some of the messages about our social responsibility," says Mr Rogers. "But you can get accused of 'greenwashing', and the reason

for doing the work shouldn't be PR-based. As the links between CSR and financial returns become increasingly complex, a new form of CSR is springing up that links the two inextricably.

Under "shared value" programmes, businesses are using core skills to develop products and services that bring both financial and societal benefit.

Barclays, for example, has invested £25m in a "social innovation facility" that aims to accelerate such projects. The bank wants to enable contactless payment cards to be used for charitable donations – a move that would meet its business aim of encouraging card take-up, while benefiting charities.

"From the perspective of the bottom line, these projects may not pay back for four, five, or even 10 years," says Mark Thain. Barclavs' vice-president for social innova-

"But I know that from a shareholder point of view, they are more interested in how we will expand the business over 20 vears [through shared value work] than in how much we've donated to charity.

Today's best bosses understand commerce's social role

Opinion

MATTHEW GITSHAM

There are plenty of stories about irresponsible business leaders, and many people expect poor standards of behaviour.

Milton Friedman, a Nobel Prize-winning economist, wrote in the 1970s that the purpose of business was to make as much money as possible without breaking the law.

We should not expect anything else from chief executives – right?

So, why do we also see stories on business leaders talking about social problems and placing value for wider society at the heart of their corporate strategies?

After all, this kind of thing might lead to distractions and risks, and even end up adding to costs

But think of Paul Polman aiming to double the size of Unilever's business by inspiring sustainable living. Or Ian Cheshire focusing Kingfisher on helping people to live in better and more sustainable homes And then there's Justin King putting values and provenance at the centre of how J Sainsbury competes

with other retailers. In the past few weeks, chief executives of eight of the 10 biggest food and beverage companies have publicly called for a strong, legally binding deal on global climate change.

Their actions cannot be explained in terms of a few well-intentioned personalities. Rather, they reflect

fundamental shifts that have taken place over their generation

Things have changed since Prof Friedman made his claim, which assumed the responsibility for dealing with society's problems lay with government

The priority of business was to generate profit; societal issues were none of its business Today, while it might not

feel like it for chief executives, businesses have far broader horizons and influence. Some 40 years ago,

the world's biggest

economic entities were countries. Today, a sizeable number are private companies, according to Global Trends, the research company. This has changed the



balance of power and

influence to the extent that many of today's complex global challenges cannot be dealt with by governments alone. They need collaborative leadership from political leaders, business leaders and NGOs.

It is because business has this power and influence that its fundamental legitimacy is threatened if it does not use it in the wider public interest

The Friedman argument does not work in a world where business is global and government is not.

This has fundamentally changed the scope of business leaders' roles It has thrust today's business leaders, whether

they like it or not, into more overtly political roles, nationally and globally. The chief executives

sticking their necks out are those embracing this new role, and learning how to play it well.

We have been following

them in a programme of research at Ashridge Business School, learning what it takes to be a successful business leader Among other things, it is clear that today's global

leaders need a nuanced understanding of the main societal forces shaping our world, and a genuine personal passion for running a profitable business by serving the interests of wider society.

This is how you succeed in a changed world. Some have noticed and others have not.

Matthew Gitsham is director of the Ashridge Centre for Business and Sustainability at Ashridge **Business** School

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Welfare From awareness campaigns to involving senior staff - ideas are being tested, says *Tim Smedley*

High cost of mental health problems forces employers to act

very year, one in four adults in the environment, "then people will feel safe to the problem is taking an increas-ing toll on businesses

The Office for National Statistics (ONS) reported 15.2m days of sickness absence across the UK in 2013 caused by stress, anxiety or depression – significantly higher than the 11.8m days lost in 2010. The absences are thought to cost UK employers £26bn a year.

and the working environments they provide is only now becoming better understood. "It's unfortunately quite common that people experience stigma and discrimination," says Sue Baker, director of Time to Change, a campaign run by Mind and Rethink Mental Illness, the charities.

A survey by Time to Change found that 44 per cent of people who had experienced mental health problems had been stopped from looking for or returning to work because of stigma and discrimination.

At Legal & General, the investment and insurance company, Vanessa Sallows, benefits and governance director, acknowledges there are some "very demanding roles, particularly in financial services".

Her company like many others has seen an increase in mental health problems since the recession, ranging from stress, anxiety, clinical depression and postnatal depression. "We also have individuals with bipolar disorder," she says.

Helping employees to be frank about such problems is an important first step, and some companies are finding new ways to encourage such conversations.

stop it" campaign tries to break the taboo. "We'd done Macmillan [the cancer charity] coffee mornings in the past and found them really useful in getting people to talk about cancer," she says. "We decided to do something along the same lines, coffee mornings opportunity to talk about mental health."

Eon, the energy company, has piloted an health problems. approach called "Head Sheds". "We actually set up garden sheds, even including event at the Bank of England where senior fake grass round them, in different loca-staff talked openly about their own mental tions of our businesses," says Fiona Stark, health experiences. director of corporate affairs – health, safety feeling. It was an opportunity to start that follow-up session for support."

If a workplace is regarded as a supportive confront them and talk about them.

UK experiences mental health talk", says Ms Baker. "But it's a bit like the problems, and evidence suggests chicken and the egg. The reason why people don't talk is that they are worried about being judged, or seen as not a good investment for a certain career path.

To counter this, L&G trains its line managers to "identify when members of staff are experiencing problems and to feel comfortable having that one-to-one conversation", says Ms Sallows. "Then, it is about getting the right response for the right However, the part played by employers symptoms and helping individuals feel supported and valued within the workplace.

> "We have found that offering such things as cognitive behavioural therapy (CBT) while trying to put individuals on a graded return to work, is often far more effective than just signing them off for a number of weeks

> Having suffered from depression, Adam Spreadbury, a regulator at the Bank of England [see panel, right], believes that "with the right levels of support, you can manage vour mental health condition in the same way as a physical health condition".

> "For some people, work and keeping busy are actually a really important part of their mental health

Employee assistance programmes (EAPs) are commonly offered by large and small employers, with helplines to offer advice to employees on finance, relationships and increasingly - mental health

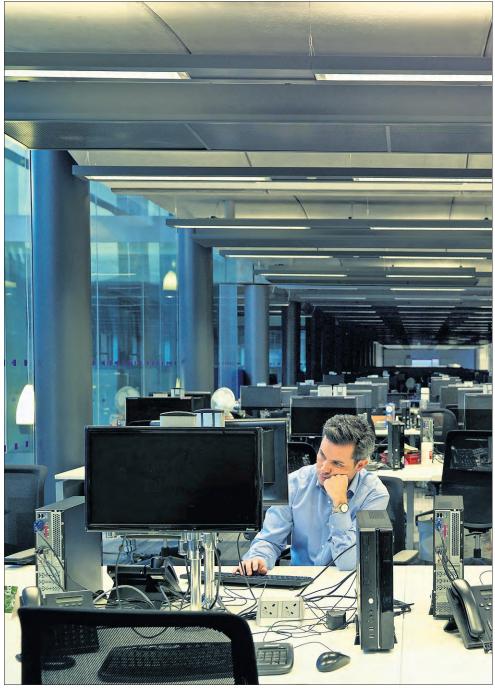
Other measures available include workshops on mindfulness, mental health awareness training, and promoting the "Five ways to wellbeing" health advice, namely: connect with family and friends, be physically active, take notice of the At L&G, says Ms Sallows, a "Spot it to world around you, keep learning new things, and give generously

None of this would work, however, without the right signals from senior leaders. "If you have high profile, senior executives coming forward and saying 'this has happened to me'," says Ms Sallows, "that and sit-downs with staff to give them the shows you can have a highly successful career despite having suffered from mental

Mr Spreadbury, too, helped set up a panel

But surely senior professionals attract and environment. "People could go in, post the salaries they do because they are mencomments on the wall about how they were tally strong and able to cope with pressure?

"No one is invincible or immune," says discussion. There were occupational health Ms Baker. "Often people who ignore mental people they could engage with and get a health issues and never discuss them are not the 'stronger' ones; it takes strength to We got back at least two



Pressure: some employers, however, encourage frankness about mental illness Gallery Stock

Case study Adam Spreadbury

Between 2005 and 2009, I suffered from bouts of depression. The initial symptoms were lack of concentration. I lost energy and my sleeping patterns were disrupted.

Eventually, I went to my GP and had some cognitive behavioural therapy-based

counselling, arranged through the employee assistance programme. But between six and nine months later, the pattern continued. Each time I thought I was getting better. I kept falling back.

By summer 2008, my psychiatrist decided should go on antidepressants. In November, tried coming off them - four weeks later I literally fell over. This time it was physical, with suicidal thoughts. I couldn't get out of bed for two months.

All along, my line manager was really supportive. We had a lot of things going on at work, but I was never made to feel guilty.

'For every pound spent on psychological rehabilitation, He and my head of department helped me to phase my return to work, to build up

confidence again Since then, I have stayed on

antidepressants which, along with therapy, have helped me to stay healthy

The environment at work is very important. In 2012, I helped set up a mental health network at the bank. We try to normalise mental health. If you do struggle, it need not be a long-term problem.

People are often reluctant to talk to someone that they know has a problem, in case they say the wrong thing. But it's just a case of taking time to ask how they are. It's not about trying to be a counsellor, it's simply being thoughtful.

Adam Spreadbury is a senior regulator at the Bank of England.

Andy Buxton, health and wellbeing manager at National Grid, says he used take a detailed business case for health and wellbeing expenditure to the board, proving that "for every pound spent on psychological rehabilitation processes we got back at least two in returning people to work early"

"But now they just see it as the right thing to do," he says. To not do anything would be damaging to individual and employer alike.

Responsible Business

Companies make room for tomorrow's talent

Youth employment

Attitudes towards recruiting young people are softening, writes Brian Groom

Employers are often reluctant to hire young people, even though there are more than 850,000 unemployed 16to 24-year-olds and UK businesses are struggling to fill one in five vacancies because of skills shortages.

They are sceptical about young people's skills and their readiness for work. But a growing number of companies are setting up schemes to recruit young workers - and they can be surprised by the results.

"We were blown away by their dedication and attitudes," says Sophie Brooks, a Marks and Spencer manager who runs a scheme launched a year ago with the Prince's Trust charity to recruit 1,440 unemployed youngsters annually and equip them for a career in retail

people coming in at 4am just to see the morning vehicle operation," she adds. "We have had them staying way beyond their shift to help with shop floor moves that were happening through the night.'

Of the first year's intake, more than 1.200 completed the four-week scheme. which mixes work experience with training in skills such as communication and team work. More than 80 per cent secured a job with M&S – a higher rate than expected.

The company says it benefits from lower recruitment costs and improved motivation from existing staff, many of whom enjoy "buddies", helping being the trainees. "They loved being involved with young people and working alongside people they would otherwise probably never have met," Ms Brooks says.

A growing number of companies including Nestlé, Barclays, Accenture, PwC, Gapgemini, O₂, EE, Asda and EDF Energy have introduced schemes to increase

"There have been young young people's employment, whether through apprenticeships, work experience, traineeships or talk-

ing to children in schools. Katerina Rudiger, skills policy adviser at the Chartered Institute of Personnel and Development, says: "In the past couple of years, we have seen a real shift in employer behaviour towards young people, as they wake up to the fact that a lot of their employees are going to retire and they need talent coming through.

But, she adds: "We are just at the start." Ms Rudiger says more employers need to adapt their hiring methods. For instance, at interviews they should ask questions aimed at drawing out candidates' strengths such as volunteering they may have done - rather than professional competencies, since they may not have work experience.

The new interest follows a long period when employers ran down apprenticeships, neglected school leavers and relied on graduate recruitment schemes

At the same time there was a decline in starterlevel and Saturday jobs, so many school leavers were emerging from education with little idea of what work entailed.

The proportion of 16 to 24year-olds not in employment, education or training hit 17 per cent in late 2011 That proportion has since declined to 13.5 per cent but that is still 975,000



young people (higher than the number of unemployed because some are not actively seeking work).

Despite this, the UK faces the prospect of running out of people to do jobs. Employers' plans suggest 13.5m vacancies will arise in the next 10 years, according to the Department for Work and Pensions, but only 7m young people will leave school and college.

"This is a business imperative," says Fiona Kendrick, chief executive of Nestlé UK, the consumer goods group, which has pledged to create 1,900 employment opportunities for under-30s over three years. "We know we will have a big percentage of our manufacturing workforce retiring over the next 15 years.'

Steve Holliday, chief executive of National Grid, the gas and electricity network company, is leading a project called Careers Lab. aimed at bridging the gap between schools and work by sending employees of ousinesses of all sizes into classrooms to deliver careers lessons alongside teachers. Careers advice can be a weak part of the education system, because teachers find it hard to keep up with the type of jobs likely to be available in future

Mr Holliday says: "We are co-ordinating these activities because we passionately care about it, but also for a very serious business reason. The energy and utility sector is going to lose

about 50 per cent of parts of its workforce in the next 10 years as people retire, so we need a new generation.

The scheme which has been piloted in the West Midlands, will be rolled out to 600 schools by the char ity Business in the Commu nity. Companies such as Anglian Water, British Gas SSE. Costain and Whitbread have signed up.

Barclays has so far hired 1,400 young people in an apprenticeship scheme launched two years ago aimed at the long-term job less and those with fewer than five GCSEs

At first, one in 10 candi dates made it through the hiring process, but the bank has raised this to seven in 10 by offering a pre-appren ticeship programme to boost literacy, numeracy and employability.

Mike Thompson, Bar clays' director of early careers, says: "They are hungry and quick to learn compared with a normal recruit. "A lot have been up to two years' unemployed and had almost given up hope of getting a job.



and develops talent in Europe. But rest assured that we also take care of our 185 000 employees, whether they work in America, Africa, Middle East, Asia or Europe. More information on top-employers.com

BNP PARIBAS | The bank for a changing world

www.careers.bnpparibas.com

ADVERTISING FEATURE

Leading the way in Responsible Business



Derwentside Homes

www.bitc.org.uk

Derwentside Homes has received a Big Tick for building stronger communities in County Durham through a number

of initiatives aimed at improving employment opportunities and financial wellbeing. The Company is proud to be shortlisted in the Building Stronger Communities National BITC Award category for The Smarterbuys Store. This is a joint initiative with Prince Bishops Community Bank (PBCB) and the Northern Housing Consortium, set up to tackle financial exclusion by providing white goods and furniture through an affordable weekly payment scheme that includes a weekly saving of 25p, enabling tenants to "Save and Pay".

www.derwentsidehomes.co.uk

EAST COAS

We've made remarkable progress in transforming this business from a failure in 2009 into an award-winning

success. We've achieved record levels of customer satisfaction and employee engagement, and have been awarded Britain's Top Employer status for the past three years. East Coast has delivered this success by investing in our key asset – our people – and by reinvigorating their pride, passion and "Company Spirit" through our unique employee engagement, training and wellbeing programme, Further Together. Our people love working at East Coast and we've achieved our vision of providing the best possible journey experience by being a great place to work. www.eastcoast.co.uk

Heathrow

Achieving Heathrow's purpose "Making every journey better" relies Making every journey better on operating the airport responsibly. We work hard to be a good neighbour to

our local communities, to manage our environmental impacts and maximise the economic benefits that Heathrow brings. This year, we defined our clear commitments for Heathrow through Responsible Heathrow 2020, pulling together stretching goals from our existing sustainability plans and strategies to meet by 2020.

Our goals are already starting to make a difference. In 2013 we achieved the highest ever levels of both passenger satisfaction and passenger numbers and we are delighted that this year our on-going commitment to operating responsibly has been recognised in the top 10 companies in the Business in the Community CR Index.

www.heathrow.com/responsibleheathrow



Across our network of 22 UK offices, being a responsible business is central to life at KPMG. It's clear to us that the problems our local communities face require business, government and civil society organisations to collaborate to

find sustainable, long-term solutions.

We want to be at the forefront of that collaborative effort and be known as a company that helps both businesses and people reach their full potential. Too often, a person's opportunities are limited by their background, regardless of their talent, potential or ability for hard work. KPMG in the UK is committed improving social mobility – whether that's through better literacy, better access to our profession or moving the affordable housing agenda forward.

www.kpmg.com/uk



Llovds Scholars is Lloyds Banking Group's unique social mobility programme. Partnering with eight universities, it offers young people from low-income households a combination

of financial support, paid internships and helps develop their employability skills. In return for Scholars volunteering 100 hours per annum in the community, they receive a comprehensive support package, including: annual bursaries, two paid internships with the bank, mentor support and skills development. As part of its commitment to helping Britain prosper, the bank will support 720 undergraduates through the Lloyds Scholars programme by 2017, with 90% of Scholars securing a job within six months of graduation.

www.lloyds-scholars.com



The Macquarie Group Foundation is honoured to receive a BIG Tick for its partnership with Islington Giving. In 2012 Macquarie pledged £100,000 seed funding to develop

the BIG Alliance (Businesses for Islington Giving) which offers employment and education opportunities to people living at risk of poverty in Islington. The programme has had impressive results: 14 companies joined the BIG Alliance. over 400 volunteers have participated and last year 47 local job seekers gained employment. Macquarie has made a long-term commitment to the programme, announcing earlier this year that it would extend the partnership for a further three years with an additional grant of £225,000. www.macquarie.com/foundation



affordable energy for the future and tackle climate change. Our approach to this has just won seven Big Ticks in the Business in the Community 2014 Responsible Business Awards It's recognition of how we're improving safety and wellbeing. supporting local communities and schools, helping custome on sustainability, and protecting the environment. It's all thanks to the collective efforts of our people, our customers, our partners and the communities that we're part of. Seven Big Ticks and one very big thank you all round from Britain's largest producer of low carbon nuclear electricity. We think that's something that everyone can feel better about



8

EDF Energy Customers plc. No. 02228297 England. Registered Offices: 40 Grosvenor Place, Victoria, London, SW1X 7EN.

www.bitc.org.uk

Leading the way in Responsible Business



ADVERTISING FEATURE



Money for Life is Lloyds Banking Group's financial capability and personal money skills programme. The programme is delivered through accredited,

fully-funded Qualifications; and a national Challenge for 16-24 year olds to develop innovative money management projects. It equips tutors, practitioners and community support workers to talk confidently about money management and to provide their Further Education, Adult and Community Learners, with the knowledge and skills to manage their money effectively. As part of the bank's commitment to help Britain prosper, 4,000 community support workers will be accredited through Money for Life to deliver financial education on the front-line by 2017. www.moneyforlifeprogramme.org.uk



PwC is a leading professional services firm with clients across all sectors. As sociodemographic, natural and technological change shifts the

way we live and work, we aim to pioneer new, more sustainable business models and practices. Last year, in a first for UK business, we developed and implemented a new framework to monetise an organisation's total contribution across environmental, social, tax and economic arenas. It's designed to help businesses analyse their performance or investment options in a much more rounded way, enabling long term, good growth, and demonstrates our commitment to build trust in society and solve complex problems. www.pwc.com/totalimpact

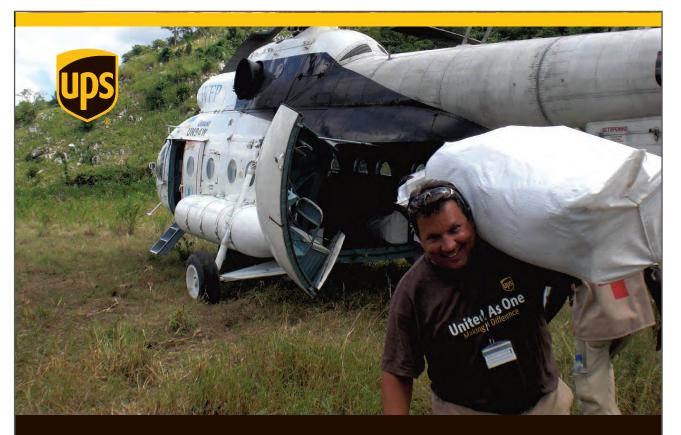


At Sage our people are really important to us and we take pride in helping them

to reach their full potential. Our business software and services help our customers to nurture and grow their own businesses and reach their business potential too, so it's only natural that we should extend this ethos to supporting people in our local community. Ready for Work helps people who've been through difficult times to develop their skills, return to work and successfully rebuild their lives so we're really proud to be supporting this initiative to help even more people reach their full potential. www.sage.co.uk

Waitrose is owned by the 60,000 Partners who run the business -**OSE** this means we really care about doing things the right way. We are committed to encouraging customers and Partners to make positive committed to encouraging customers and Partners to make positive, sustainable lifestyle choices and use our publications and social

media channels to communicate campaigns such as healthy eating in schools and green energy. We believe that being an environmentally and socially responsible business means more than just ensuring we're doing things the right way. For us it means trying to have a positive impact on all we're in contact with. waitrose.com/waitroseway



Delivering Hope

UPS is proud to deliver hope with our **International Humanitarian Partners:**

- CARE
- International Federation of Red Cross and Red Crescent Societies • United Nations Office for

OCHA

- The Salvation Army
- UNICEF
- World Food Programme





World Food

• United Nations High

Diaster Risk Reduction

Commissioner for Refugees

• United Nations Office for the

Coordination of Humanitarian Affairs





unicef 🕑 united states fund

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Big Ticks Companies – large and small – that can demonstrate they make a difference in society

The Big Ticks are the first level of accolade in Business in the Community's annual Responsible Business awards. They are given to companies whose programmes are the best examples of business as a force for good.

This year 219 entries have received a new Big Tick and 11 have won a CommunityMark award.

The 59 Big Tick companies marked with an asterisk were shortlisted to be overall winners in each category. The overall winners will be published in the Financial Times on July 9.

For more about the methodology behind the selection process, please go to www.ft.com/responsible business-2014

Responsible Business Award Recognises large businesses that have adapted their strategies so that their products, services and employees can build resilient communities and environmentally sustainable practices, and are influencing others to create conditions for long-term change The winner will be BITC's Responsible Business of the Year

•EDF Energy* Johnson Matthey •National Grid* •Gentoo Group •Nationwide Building Society Yorkshire Water Services

Santander Responsible Small Business Award Recognises small and medium-sized businesses demonstrating a responsible approach to business in communities, the environment, the marketplace and workplaces •Bettys & Taylors of Harrogate* Handmade Alliance CIC*

- Ipswich Building Society*
- LSI Architects^{*}
- •Moat Homes*
- Novus Property Solutions*
- •K10
- Logistik Phoenix Gas

Unilever International Award Recognises those making a positive

impact on one or more of the UN millennium development goals Ferrovial* Credit Suisse* •Glasgow Caledonian University* •GSK*

- •Marks and Spencer*
- •Tata Consultancy Services*
- •BASE SE
- •Agroamerica •Danone
- •Hogan Lovells
- Mondelez Internationa
- Shared Interest Society

International Disaster Relief Award Recognises those carrying out relief

action in the immediate aftermath of disasters Bouygues UK*

•BT Group* •Pilipinas Shell Petroleum Corporation* •UPS* •Allen & Overy

Asda Enterprise Growth Award Recognises large businesses that support small and medium ones to encourage local economic growth Blakemore Fine Foods*

 Camden Town Unlimited* Circle Housing Group* •Hogan Lovells*

Building Stronger Communities Award

Recognises partnerships between businesses and community organisations to address social problems

•Derwentside Homes* •Lloyds Banking Group* Mind Gvm* Mondelez International* •New Charter Housing Trust Group* Capgemini Capital One •Danone Danone Nutricia •Darlington Building Society •Dentsu Aegis Network •IBM UK •KPMG •Macquarie Group •Manchester Airport Group •RWE Npower

Dairy Crest Rural Action Award

Recognises businesses that support rural communities to maintain a sustainable rural economy •Calor Gas* •E H Booth & Co* Manchester Airport Group* •Wm Morrison Supermarkets*

Education Award

Hogan Lovells

•Tesco

•The Crown Estate

United Utilities

Recognises those building sustainable partnerships with schools in the UK to raise aspirations of young people to enable them to build successful working lives •A.F. Blakemore & Son*

•EDF Energy* •Freshfields Bruckhaus Deringer* The University of Manchester* •BAM Construction •EON •Esh Group

 Inspired Change •KPMG

- •Manchester Airport Group •Nationwide Building Society •Pinsent Masons (Yorkshire & Humber)
- •Pinsent Masons (West Midlands) Slaughter and May
- •Telefónica UK (O2)
- •The Co-operative Group •UBS

•Wates Construction Group

Inspiring Young Talent Award Recognises businesses that address youth unemployment and the UK skills gap with youth-friendly recruitment practices, work experience programmes or accessible routes to successful working lives such as apprenticeships Asda Stores* Barclays* •FF* •KPMG* •Marks and Spencer* •Boots UK •Carillion Training Services •Freshfields Bruckhaus Deringer IIP Fujitsu •Gelder Group •Gus Robinson Developments •Jaguar Land Rover Linklaters •Lloyds Banking Group •Manchester Airport Group •Mulberry Company (Design) •Norfolk and Norwich University Hospitals NHS Foundation Trust •PD Ports Group Seddon Construction •The Centre for Partnership Whitbread Willmott Dixon Partnerships

Work Inclusion Award

Recognises companies that support people from disadvantaged groups into employment and/or improve skills for employment •The Co-operative Group*

•Freshfields Bruckhaus Deringer*



Jaguar Land Rover: BITC Responsible Business of the Year 2013

 ScottishPower* Affinity Sutton Cadwyn Housing Association Carillion Greggs •GSK Keepmoat •L&Q Sage

Bupa Workwell Engagement and Wellbeing Award Recognises those investing in the engagement and wellbeing of their employees Dairy Crest* •East Coast Mainline* •EDF Energy* Gentoo Group* Hewlett-Packard* •Unipart Group* Diageo •EE •Eriks UK

Southeastern Railway

Engaging Customers on Sustainability Award

Recognises those that use marketing to inspire and enable people to live more sustainable lifestyles Anglian Water* Thames Water* Waitrose*

Sustainable Products and Services Award

Recognises those embedding environmental sustainability into core products or services, as well as the processes used to produce or develop them Blakemore Logistics³ CFH Docmail* Drax Group* •FM Conway* Interface* ·Lakes Free Range Egg Company* •Birmingham City University Boots UK •Brother Industries (UK) •Lettuce Flowers •Nampak Plastics •NATS •Northumbrian Water Group •Toyota Motor Manufacturing (UK)

Responsible Business Awards in Vales

ecognises businesses in Wales dopting best practice •ACT Training •Brother Industries (UK) Cadwyn Housing Association Carillion Civil Engineering Dwr Cymru Welsh Water Finance Wales •GD Environmental Services •Network Rail Cymru Wales •P&A Group •Porth Teigr RCT Homes Rhondda Housing Association •UPM Shotton Wales & West Utilities CommunityMark Award

Recognises leadership and excellence n community investment •Capital One UK Siemens Industry – Industrial

- Automation, Drive Technologies and Customer Service UBS •Willmott Dixon
- Brentford Football Club •Heineken UK
- Intu Properties Jaguar Land Rover

 I SI Architects •The Midcounties Co-operative •Prudential UK & Europe

Arts & Business Corporate

Responsibility Award Recognises arts and business collaborations using culture to work with communities •British Land & New Diorama Theatre •DBS Law & City of Birmingham Symphony Orchestra •Deutsche Bank & 15 UK Universities •Liverpool John Moores University & Liverpool Philharmonic Orchestra •Southern Railway & Sussex Downs College

Opportunity Now Awards

Recognises organisations creating inclusive workplaces, where women are able to progress and reach their full potential •Asda Stores Atkins •CA Technologies •Deutsche Bank Diageo Eversheds •EY •Friends Life •Genesis Housing Association Hogan Lovells IBM United Kingdom McKinsey & Company Mitie Morgan Stanley National Grid Norton Rose Fulbright Obelisk •Procter & Gamble •PwC •Royal Air Force •Royal Bank of Scotland Roval Mail Sodexo SThree Unilever

Race for Opportunity Awards

Recognises those businesses tackling the barriers in the workplace faced by black people and those from other ethnic minorities Affinity Sutton •African & Caribbean Diversity American Express Barclays •BP •BT •Circle Housing Group Cisco •Citi •Crown Prosecution Service Eversheds •EY •Generating Genius •HM Revenue & Customs •Hogan Lovells •HSBC Imperial College London •King's College London Morgan Stanley National Grid Nationwide Building Society •Queen Mary University of London Rare Runnymede •SEO London Shell •The Civil Service •The Foreign & Commonwealth Office •The Institute of Education •University College London •University of Manchester

Responsible Business



Talent tapped: Timpson, the key-cutting and shoe repair company, employs people often excluded from the labour market

Local projects aim for mutual benefits

Communities Businesses are supporting people living in the areas in which they operate, says *Kaye Wiggins*

oor families in Derby heading to their local food bank might be surprised to learn that the centre is supported by Rolls-Royce. Apprentices from the engineer

ing firm have volunteered to hand out food parcels at the Hope Centre food bank in the city, and the apprentices are also tackling the food bank's supply, storage and logistical problems.

Rolls-Royce says the project's benefits are much wider than making staff feel good by donating time and expertise to others. "Since these people will become the leaders of our workforce, it's important they know more about the local community and the challenges that may affect team members or their extended families," says Paul Broadhead, head of community investment and education outreach at the company.

Rolls-Rovce is one of a growing number of companies taking greater interest in the welfare of the communities in which they operate. Many are reasoning that in order for their businesses to prosper as the UK emerges from recession, those communities need support

"In the past two years there has been a lot more understanding," says Bill Boler, director of physical regeneration at Business in the Community.

Lloyds Banking Group is another example. Graham Lindsey, director for responsible business, says his company has come to recognise that "the prosperity of the vast operate is inextricably linked to the prosperity of our business"

Lloyds has seconded about 50 of its staff to work in local communities under Business in the Community's "business connectors" programme.

Secondees are placed in deprived communities, where they are charged with the ment ambassador. task of strengthening relationships

Case study Dransfield Properties

Residents of the picturesque Northumberland | developer for a multistorey car park and market town of Morpeth were not impressed when Dransfield Properties, a retail developer. announced plans for a £52m project in 2006, writes Kaye Wiggins.

"They thought we were going to ruin the place," says Mark Dransfield, managing director. "It involved national retailers, and people feared we'd disrupt local trade.

So the company embarked on a programme of consultation with 12 interest groups including Morpeth and District Chamber of Trade, the Morpeth Civic Society and English Heritage. As a result, it abandoned plans to replace a historic facade. and controversial proposals by a previous

apartments.

When the Sanderson Arcade reached planning committee stage, fewer than five objections were received. The centre, which opened in 2009 and was completed last year, has recorded a 20 per cent rise in footfall in the first six months of this year compared with the same period last year.

The company manages its own centres rather than outsourcing the task, and trains security guards to be "ambassadors", giving directions to visitors and offering advice on local places to visit.

"Listening and being personable is what makes it work." Mr Dransfield savs.

between local businesses, charities and community groups.

"When they came back they were buzzing with ideas," he says. The lessons they learnt, such as the need to solve the "poverty premium" - in which low-income customers without a bank account face extra relations straightforward. J Sainsbury hit charges to pay bills – are at the centre of the company's latest CSR strategy.

tough labour market, such as disabled peo- to social and public health problems in the meaningful way. ple, the long-term unemployed and former district. military personnel.

The latter group is increasing in number Darren Burns, Timpson's national recruit-

"There's a huge pool of untapped talent

out there," he says. "Some people feel they are thrown on the scrap heap in terms of employment. The lovalty, enthusiasm and productivity we get from them... is good for business

But not all companies find community problems in 2010 when its application for cent of the company's contracts included a an alcohol licence at a Brighton store in the community needs plan in 2013. Meanwhile Timpson, the shoe repair and city's North Street was refused. The store

set up in 2010 to bring together leaders of their mainstream work.

local organisations tackling local alcoholrelated problems, such as health services, the police, probation services and retailers.

Members have discussed the possibility of Sainsbury and other supermarkets refraining from cheap promotions, and moving the alcohol section to the back of stores during street festivals and events.

Sainsbury says: "We are members of boards such as this in several areas. It helps us... see how best to help."

For Carillion, the construction company working with communities presents different challenges.

"Increasingly, when we build something. we're involved in managing it for the next 30 years," says David Picton, the company's chief sustainability officer. "So we take a long-term approach to working with communities.

"Sometimes that's challenging because the needs of an area can be so diverse that you think, where do we start?"

Some communities "imagine you're only in it for the short term", he says, adding that the company has responded by devel oping long-term "community needs plans" – a document setting out an assessment of community needs and a list of objectives and targets for the company.

Data published last month show 72 per

However, Mr Boler fears that too few key cutting company, has extended its pro- was in a "high alcohol impact" area of the businesses – particularly in the developnumber of local communities in which we gramme of employing ex-offenders to city according to the local authority - ment and regeneration sectors - see the include other groups who struggle in a meaning alcohol consumption contributed value of working with communities in a

"Developers are starting to think about The retailer eventually opened its store how they engage people...but too many without a licence. Since then, Sainsbury still see it as being linked to planning as armed forces redundancies set in, says has been involved in tackling alcohol-re- approval," he says. Progress will have been lated harm in the city. It has joined the made, he argues, when more businesses local authority's alcohol programme board, regard community engagement as part of

FINANCIAL TIMES TUESDAY JULY 8 2014



Working for a better tomorrow

Congratulations to these Big Tick companies for demonstrating significant achievement in tackling key social and environmental issues. Read their inspirational stories at:

www.bitc.org.uk/awardstories

