



## Briefing Note: RED Talk 6 The Death of CSR?

Rural Policy Group is a visionary think tank shaping the future of the rural economy established by Mark Lumsdon-Taylor earlier this year. It holds a series of debates – Rural Economic Development Talks – to investigate the key issues impacting on rural economic development including the impact of the Coronavirus pandemic, national food strategy and Brexit and to help rural businesses to succeed in this unprecedented climate.

The RED Talk on Thursday 10th September 2020 looked at the evolutions of CSR as a marketing tool, a regulatory tick box exercise and ultimately as a driving principle integrated through the entire business, and we speculate about what the next generation of business leaders will contribute. We looked at the business case for corporate responsibility, legislation governing company behaviour and the importance of corporate culture.

We were delighted to welcome a heavy hitting line up of speakers and panellists:

- Baroness Bowles of Berkhamsted – Member of the House of Lords
- Josh Hardie – Deputy Director-General, Policy and Campaigns at the CBI
- Katie Broadfield – Associate Director and Former Head of CSR at Whitehead Monckton
- Robert Verkerk, PhD – Founder and Executive & Scientific Director of the Alliance for Natural Health International
- Harry Holmes – International Trade Reporter at The Grocer
- Sarah Calcutt – Chair of the National Fruit Show and NED of Covent Garden Market Authority
- Mark Lumsdon-Taylor (Chairing RED 6) – Corporate Financier and Founder of Rural Policy Group

### Watch again

A link to the full RED Talk can be found on our website [www.ruralpolicy.group](http://www.ruralpolicy.group).

### Summary of insights

- Although there is an innate desire in most people to do good, corporate social responsibility requires laws with enforcement and penalties to keep it alive.
- CSR as a bolt-on model is dead and businesses are becoming genuinely purpose-driven.
- SMEs are naturally embedded in their corporate environment so have both an advantage and added incentive to become ever more socially responsible members of their local community.
- Half of businesses believe corporate social responsibility is a strategic priority.
- The majority of business leaders recognise the people, planet and profit go hand-in-hand.
- Eight out of 10 businesses want to integrate responsible corporate behaviours into their business.

The following sections summarise the briefings we received from our main speakers and responses to the questions posed by delegates. To find out what was said in full, please watch the [recording](#).

### Keynote Speaker: Baroness Bowles of Berkhamsted, House of Lords

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020





Corporate governance and corporate social responsibility go hand in glove; you could argue it is efficiencies in governance that mean new rules around responsibility are needed. Worrying about the common good is not new. It can be traced back through history to the time there was first incorporation and then limited liability. Both of which were introduced to promote innovation and progress. The concern was, what would keep company bosses behaving in the same way as when the full force of law for liability of harm would have fallen on them as an individual. There have always been specific upsets which required laws to be made to deter recurrences. Coming up to date to the 2006 Companies Act, corporate responsibility is there in Section 172 which states, “decisions have to have regard to long term consequences, to the interests of employees, to the relationships with suppliers, customers and others, to impact on the community and the environment and to the benefit of maintaining high standards of business conduct”. As senior judges in the Lords keep reminding the Government as they continue to lace our legislation with other “have regard” provisions, such provisions are meaningless. And certainly, in the Companies Act it is no coincidence that company responsibility fell under a “have regard” clause because of the orchestrated responses to the Law Commission consultation that preceded the making of the act. The argument was made that directors could not be responsible to two masters and the prime responsibility had to be to shareholders (interpreted as the bottom line). That was not a majority response, but at 40% it was the largest concerted minority with no unified opposing alternative. As a result, section 172 was put into the “have regard” format and promptly ignored. Following the 2016 Corporate Governance Paper there is now a new requirement for public companies to include a statement in their annual report about how the directors have had regard to the requirements in section 172. Various company chairmen indicated they did not understand what section 172 meant and asked the FRC to publish guidelines. The future of corporate social responsibility is only alive in so far as there are laws with enforcement and penalties or other mechanisms that affect the bottom line. There are health and safety laws, laws on late payment and more, and to some extent there lies the basic argument made by many: it is the Government’s job to define the protections for society, not company or personal responsibility. That attitude – the shedding of personal responsibility – is why CSR as a model is not working.

COVID may be a catalyst for improvements in corporate behaviour but there are fears that the economic downturn will push anything over than recovery and survival further down the pecking order. Although there are two effects that are worth noting and may lead to some adjustments. (1) Many people in poorly paid jobs became those on who we relied as key workers. There is a positive shift in how people recognise the value of those social jobs and hopefully the keyworker status will not be forgotten within a wider social consciousness. (2) There are the businesses and professions, which constituted 35% of the workforce, which rapidly moved to working from home. They found productivity was maintained or even improved and many of these companies plan to continue working from home practices. Not least because staff demand it now they have experienced a better work-life balance. So, wellbeing has moved up the agenda. Although the relative peace, calm and wellbeing of the natural environment is already eroding as work resumes, there is a memory of it, a sensitisation to it and hopefully some of it will translate into action. We need a new normal that is not the old usual. The realisation that not everyone has been able to experience a good lockdown with ample space to live and work has also dawned on us as a society and there needs to be a change in planning and housing provisions joining up with environmental concerns. That is one of the main items on the House of Lords agenda today. So maybe there is enough social learning from lockdown to help counter the squeeze on bottom lines and further relegation of CSR.

CSR is often relegated to a matter of risk management; making sure the regulatory boxes have been ticked and avoiding a corporate incident that creates bad publicity. The Bank of England has employed the risk management lever to ensure banks are ready to deal with climate change. Legislation and regulation have that effect; it becomes a culture of how to manage rather than encouraging an inherent culture promoting socially responsible behaviour within organisations. However, investors are demanding more information, new market segments and stricter definitions are being created and the investment world is waking up to the fact that sustainable investing is paying higher returns. Another trend in corporate social responsibility is emerging. It

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020





may be small now but there is increasing interest in employee ownership. You can see this simply by the number of hits it gets on Google. There is evidence that companies are much more profitable where employees have a real say, where the views of people matter and where corporate social responsibility becomes a culture as opposed to a box ticking exercise. This is because people are thinking and taking personal responsibility, and that whole scenario and conversion to employee ownership fits very well with SMEs. It is a good way of proving these matters are taken into account. FinTech will soon allow beneficial owners of shares to have a greater say over how their votes are cast by the institutional investors. For too long the big institutional investors have been precious about their soft power with companies putting out policy statements that have not been radical, not forced the pace of change and not sufficiently connected their declared policy to their fund managers, their investors, their voting or to their own corporate behaviour. There is much more public appetite for wider auditory assurance on the non-financial content of annual reports, as covered in the consultation by Sir Donald Brydon on audit. Will the Government have an appetite to prioritise such things in legislation? Maybe not, but it will come back to bite them if they do not because it is certain there will be more scandals.

## Industry Speaker: Josh Hardie, Confederation of British Industry (CBI)

CSR is dead and thank God it is. The history of CSR is fascinating and very often it started with philanthropy, with Kellogg and Carnegie and the rest. Then after various evolutions we reached a stage of cause related marketing (remember American Express and the Statue of Liberty Restoration Appeal Fund in 1984?) and that led to the golden age of the phrase CSR. But CSR was often a budget to the side. Conversations would be had around “here is some money, put it to good use but do not touch the business”. That is not what CSR should do so it evolved again, this time into the sustainability agenda which was much more integrated and did touch the business through energy consumption and supply chains. But it was discreet and focused on a single issue. I say CSR is dead because I hope we are now into a new era, the era of purpose. Purpose is different from CSR because it is about asking yourself, “what is the point of my business”? Not every purpose will be explicitly about social good but in the end most of them are directly or indirectly. Businesses need to have three conversations with themselves...

**Why?** Business needs to be honest with itself about why it is engaging in responsible behaviour. The profit motive poses an interesting philosophical question about whether we can do anything that is not self-interested. Engaging in activities that make you a more sustainable business is likely to bring additional profit, but that does not necessarily mean that profit is the motivating factor. Is it about investor push? Is it about the importance of business being trusted? If business is mistrusted either by the Government or individuals it loses its voice and influence. Is it about employee loyalty and engagement? Is it about risk mitigation? No answer is right or wrong, but business needs to be honest with itself about its driving force. We need to be cautious about putting socially responsible behaviour in the profit box; should we not tackle climate change or social injustice if it is not profitable?

**How?** Work out as a business what you believe in and then work that through the organisation from the board to every employee. Make sure every employee knows what you believe in, how to enact the values in their work and how to measure their actions against your goals. Ethical behaviour is not the responsibility of the CSR team, it is something that is part of everybody's job.

**What?** There are thousands of creative and impactful initiatives which are particularly important now that the country is “building back better”. The economy is facing a very challenging time. Not only do we have to face the inevitable unemployment and the scarring effect of that, at the same time we have the climate transition, the transition away from regional inequality, the digital transition and the fact that nine out of 10 of us will need to be retrained in the world of work. How do we make those just transitions which support people and

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020





do not add to social inequalities? Of course, businesses with purpose will continue with the traditional community activities but it is more fundamentally about the role we have in rebuilding the UK. There are lots of learnings from lockdown. Baroness Bowles has already spoken about flexible working and employee engagement and I can add that the conversations about safety and returning to work have brought businesses closer to their employees and engagement has improved.

Corporate behaviour is an immensely complicated and crowded field. You have ESG, Blueprint for a Better Business, Business in the Community and endless different metrics, models and guidelines. Do not worry about all that. Just find what works for you and your business. If you find one that helps you, CBI can help you implement it.

Sustainable investors are seen as slightly niche however we need their mindset to become mainstream so responsible behaviour is demanded not just by society and customers, but by investors as well.

## Panel discussion

### **Introduction from Kate Broadfield of Whitehead Monckton giving a view on CSR from inside a law firm:**

When Whitehead Monckton created a CSR team it initially focused on four pillars: clients; community; the environment; our people. It was very much a charitable initiative. The firm would engage with a “charity of the year” and undertake fundraising activities for them. It was a way of unifying and co-ordinating the charitable activities many members of staff were already undertaking and it allowed Whitehead Monckton to measure its contribution to the community. To further its charitable reach the firm created The Whitehead Monckton Charitable Foundation as an independent charity to award grants upon application in the Kent area. As the scheme evolved year after year the CSR team noticed that the initial staff enthusiasm turned to apathy. It was becoming a tick box exercise; we did the same thing every year and the staff were not staying engaged. We decided CSR needed to be wider than its charitable remit so we looked at our people and ways of engaging on staff wellbeing. We collaborated with the HR team and our staff to look at good employee attraction, staff satisfaction and staff retention.

There are polarized views within the firm about the benefits of CSR with many fee earners feeling that any time taken away from fee earning is wasted time. However, as younger generations rise through the firm corporate responsibility is being valued more and it is becoming integral to the organisation’s culture. Conventional CSR is not celebrated anymore; it is an expectation and any organisation that ignores it is missing a trick. CSR cannot be a PR campaign. It must be embedded in your practices and be part of your mindset.

There are progressive countries such as China and India that enshrine corporate responsibility in law as part of directors’ duties. However, it is to be seen how compliance is measured and monitored. It is counter-productive for our government not to seek to enshrine CSR in law in a way which cannot be ignored because there are gaps in government funding for services which are filled by the third sector, and fundraising undertaken as part of corporate responsibility initiatives helps plug those gaps.

Market forces and consumer choice is a key reason for needing to be a responsible business. Clients want to see organisations looking at more than just profit – and a company with a reputation for having a good corporate responsibility policy such as Timpson’s demonstrates how customers will be loyal to a company that is loyal to its staff.

**Question from the audience:** I am a medium-sized SME employing 250 staff. I am not a listed company and I do not have investors. Do I really need to be concerned by corporate responsibility?

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020





**Baroness Bowles:** It is a requirement of all companies to be sensitive to their corporate environment, which includes the people they do business with and what is happening around them. One of the advantages SMEs have is that that is inherently going to bear in on them more. If they start upsetting the local community, if they find it difficult to recruit good people to work for them from their local area then there are going to be consequences so in some ways they are going to naturally take more care of their environment.

When SMEs and family-owned businesses convert to employee ownership there appears to be a “whoosh” effect and they become more profitable. The only explanation is that people felt in it together; that they thought more holistically about the whole business and felt empowered to put forward ideas about improving processes and efficiencies. If a business can engender those ideals, it does not necessarily need to formally be an employee-owned structure to reap the benefits.

As an SME you are probably already sensitive to your corporate environment and you do not have to formally report on your CSR activities. At the bottom of all this, it is just about being decent and a lot of small businesses are. If you are paying your suppliers on time and if you are looking after the work-life balance of your employees you are a long way towards being a socially responsible business leader.

**Josh Hardie:** A lot of family-owned businesses are very good at corporate responsibility. Without generalising too much, family businesses tend to be rooted in their community and their employee base is an extension of their family. More generally, as an employer you do need to be involved in corporate responsibility and with 250 employees there are requirements to fulfil. One example is gender pay gap reporting. If you identify an inequality and are transparent about it your employees will want you to do something about that and if you don't it will most likely result in employee mistrust or dissatisfaction which will be detrimental to your retention, engagement and productivity. Ultimately the bottom line suffers. How you treat your supply chain is not just about ethics, it is about securing supply in a fast-moving and competitive environment. Running a business which is trusted and respected will make a range of relationships and processes easier.

**Question from the audience:** What are the main challenges you face when trying to convince companies about the importance of corporate social responsibility or alternative mechanism reporting?

**Katie Broadfield:** Until corporate social responsibility is embedded in an organisation from the top down, you will always have problems convincing a company to adopt a strategy which is different to what they have always focussed on. It could be seen as a distraction from the bottom line. It could be seen as taking over from the concept of shareholders' interests being primary. To convince them to take a different approach to running their organisation requires a mindset change and for CSR to be embraced at all levels of the organisation. One of the difficulties I experienced as a Head of CSR is that it always seen as something the CSR team would deal with, rather than it being part of the organisation itself and part of everybody's job. However, there are some very convincing arguments for being a sustainable business. Staff engagement and opening up a new market of potential clients who want to engage with ethical businesses are just two of the many points which support a business case for embedding corporate responsibility within your organisation, as they ultimately leader to greater profit and profitability.

**Comment by Sarah Calcutt, Chair of the National Fruit Show, 6<sup>th</sup> generation farmer and NED of New Covent Garden Market Authority:** CSR initiatives in the farming sector and the regulation and assessment that comes with them are put in place because they are really needed. There was the perception that farmers were doing something wrong which needed to be corrected and that was not the case. What we need to do now is give some recognition to the inclusivity of businesses and sectors. Simplifying this, on farms and in other businesses

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020



that I look at it is about referring to employment practices of the past, and it is about being nice and caring. If you have a happy and motivated team, they will do well for your business and the business will thrive. There is a Code of Good Conduct initiative running across grocery retail and the Groceries Code Adjudicator's job is principally about social responsibility. It has been about behaving well in regard to sharing information, paying bills and making sure relationships are equitable. It has been very interesting to see retailer responses to that; it either went to the compliance team because it was a regulatory matter or it became cultural and how the agenda was treated by a retailer said something about their organisation.

Decades ago, New Covent Garden Market Authority gave its retailers a weekly box of fruit and vegetables. It was because there was that little bit left over that would have gone to waste - but it was put to good use to ensure that staff were fit and healthy with a nutritious diet. If we compare that to current employment practices it is equivalent to offering a gym membership or other metric geared towards promoting good health amongst employees.

Timpson's is an admirable example of quiet but complete integration of corporate responsibility throughout the business and shows what a massive impact it can have on sales and profit.

**Comment from Mark Lumsdon-Taylor:** A recent markets report from the United States stated that the prioritisation of environmental and social governance has become a prevalent theme as consumers and employers are increasingly turning to companies that positively impact the societies and environments they operate in. We can say there is a shift in thinking among business leaders. It is a question of how ready their organisations are to act.

**Question from an HR professional in the audience:** Racism has been separated from corporate social responsibility because it is a particularly emotive issue, however it needs to be addressed by any company that considers itself ethical or aspires to be. Equality in the workplace cannot be reduced to the tick box exercise that is often CSR; it must be integral to the culture of the business. How does anti-racism fit with CSR?

**Josh Hardie:** At a macro level it is interesting debate whether corporate social responsibility is a department and activity or whether it is a philosophy and culture. It is part of the evolution from CSR to purpose. Recent incidents have prompted the realisation that racism is a daily lived experience for all the BAME community, and particularly in this case for the black community, and it could not be clearer. The murder of George Floyd brought the issue of racism today to the fore and encouraged us have the discussion with colleagues. And those conversations were shocking. There was a level of honesty from black colleagues about their experiences that helped me understand in a way I had not before. Those conversations helped me understand how the CBI can be a better employer and a better champion in flagging the issues to other businesses. Whether it is CSR or culture, these are the sort of conversations businesses ought to be having. I was amazed that in the midst of the pandemic the number one conversation the CBI was having with its FTSE100 members and its regional members was about how they are dealing with the race conversation. It is good to have it on the agenda and as we recover from the pandemic it needs to be a core part of that recovery otherwise we will exacerbate social inequalities.

**Question from a mid-cap business in the audience:** When corporate global companies push their suppliers extend credit to 90 or even 120 days, are they demonstrating corporate social responsibility in action?

**Baroness Bowles:** No, absolutely not. There is a problem with the legislation that said payment should be made within 30 days but then enabled contracts to say otherwise. If you are the smaller organisation and you want the contract against the larger party, you are at their mercy. This is something that needs to be corrected

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020



and we do now make larger companies publish how rapidly they are paying people. Larger companies do not necessarily do it right unless you make them. This is not to say they are run by evil people it is just the way the metrics work and how their cashflow works. If a company is in difficulty and it needs to slow down payments it should contact suppliers and talk to them as they in turn will have suppliers. It is in company law. It should be done but it is so ignored and so abused one can hardly understand how companies have been allowed to get away with it. It must be big companies lobbying government and saying they will not be profitable but actually what they mean is that they are looking at the share price and their own bonuses. That leaves individuals with the choice of whether they adhere to fair payment terms or whether they get their bonus and the law should not be forcing people to make that choice. When you involve people they very often want to be nice so we need to question the metrics companies use which force people to do things that do not make them feel nice and probably make them not enjoy their job. The people working in the accounts department do not feel good about not paying people and it is ruining their lives in a way. That is why you have got to get to the people at the top.

**Josh Hardie:** Extended payment terms is not simply a big-small issue. It is a big-big and small-small problem as well. The trouble with the big-small dynamic is that when there is an issue the power imbalance makes it worse. The Prompt Payment Code is hugely supported by the CBI and we are representing the views of 200,000 businesses. Our members, together with those of the Federation of Small Businesses (FSB), have asked us to really push on this issue. Some businesses are failing in their duty to make prompt payment and there is nowhere to hide when you fail. When I was at Tesco we completely transformed not only our payment terms, but training for the commercial team on how to work with suppliers and invested in suppliers to help them with sustainability issues. Nobody made us do this. We realised that supply chains were becoming more competitive and unless we had strong relationships, we would not have security of supply. There is merit in cracking the whip and making sure that companies who are not doing well have nowhere to hide, but we should not assume that the majority of companies are resistant to paying in good time.

**Question put forward by Harry Holmes, International Trade Reporter for The Grocer:** The environmental impact of food production both in the UK and around the world has grown in the public consciousness in recent years (meat production, palm oil, soy, pesticides, milk alternatives etc seem to come under fire. How can businesses balance the public pressure to change their sourcing and production policies versus their own strategies to work more closely with suppliers to encourage better practices for the longer term?

**Josh Hardie:** Two things matter most to retailers – how can we drive efficiencies and what do our customers want from us. Happily, sustainability is in large part about creating efficiencies. If you look at consumer demand, whether that is the rise of veganism or concern over palm oil, retailers will react to that demand. Retailers could be more proactive in bringing the discussion about sustainability to consumers. One issue that rose out of nowhere was the issue of food waste and now retailers are having that conversation with customers because one third of the world's food is wasted. It is also a conversation with suppliers about how we can invest in them and change our specifications. One example is not chopping both ends off a green bean. It reduces food waste but we need to work with suppliers to change those specifications and educate consumers about why their beans look different before that change can be made. Whether you cut & run or work with a supplier to develop better practices must be decided on a case by case basis. It depends on whether you feel you are able to support that supplier to get to a better place. If you feel you can, you may be happy to take the public opprobrium on the chin but if you are not convinced you can make a difference it is probably better to end that relationship.

**Harry Holmes:** That opens up the question as to what extent you open up about the work you are doing with suppliers internally, and to what extent you go into PR and customer education mode.

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020



**Josh Hardie:** The idea that you can resolve the relationship between business and society by going onto broadcast mode is symptomatic of thinking “if only they would listen, they would understand”. Whereas what businesses need to think is “if only we would listen to what society wants”. Listening to what those expectations are and building activities from that would put business in a better place to meet demand. That shift from broadcasting to listening is happening. Then in terms of how you get engagement – you get engagement by people taking part and experiencing it. Customers need to be built into the activity.

**Question put forward by the Institute of Directors:** The focus of today’s debate has largely been on the principles of governance and responsibilities, but what about the power of collaboration and working with partners and third parties to build a better world?

**Katie Broadfield:** Corporate social responsibility cannot be tackled in isolation. It is very much about what can WE do. The recovery from CV19 is a catalyst to show that we can work together and that all parts of society can collaborate for a better society and economy. Business alone cannot change society. Local businesses in particular are close to their community and can reach out to form partnerships with other local organisations and charities to effect real change.

**Baroness Bowles:** Life is collaboration. It is about how you reach out within your own organisation and between organisations. To go back to supermarkets, they could breach competition policy if they spoke about pricing, but they can hold conferences to discuss issues such as food waste. Also, reaching out into the local community can involve more than fundraising. Businesses can provide specialist services to charities such as accountancy or audit expertise. Collaboration should come naturally if you are looking at your business as part of the wider society, and you can play a role in bringing together people and organisations with common views. Most people and their companies want to be responsible corporate citizens but sometimes legislation can take them down a different path, but going back to the fact that most of them want to do good we need to balance how we reach out so that we are left with time to manage the core business.

**Perspective and question put forward by Robert Verkerk PHD, Founder and Executive & Scientific Director of Alliance for Natural Health International. Dr Verkerk founded ANH International in 2002, has authored some 60 papers and is a leading expert in salutogenesis, an alternative model of healthcare centred on the concept of health creation:** There is a disconnect between people and nature, and we need to think in a new way. Rather than linear thinking we need systems thinking. An ability to view ourselves as part of the environment around us. Companies such as Ben & Jerry’s are defined and driven by their purpose. In a recent meeting with them they said they were not really about making profit; they were driven by the plight of refugees. The change in demographics is also contributing to a change in thinking. As 18-30 year olds become the dominant generation in boardrooms or otherwise leading businesses they will demand genuine integration of purpose and corporate responsibility into their organisations. I agree with Baroness Bowles that we need to move beyond the idea of benevolence and that much more ‘doing’ is needed. Josh Hardie’s point about purpose is equally poignant because there is a growing body of research that shows having meaning and purpose in our lives is one of the most important determinants for healthcare. So I would posit that purpose-driven business is a win-win situation all round. It can get sticky when we turn to metrics and being a force for good. There are so many options for assessment and certification that it becomes difficult to know which to pick and which will be known and understood by the consumer.

How can the public have confidence that a company is genuine about its commitment to purpose and corporate social responsibility? Does the public need to see a list of certifications to make sure a company is addressing the big issues? Are certifications worth the paper they are printed on?



**Sarah Calcutt:** When it comes to whether we can trust business you need to look at their track record. We can trust them when we see their stated purpose or responsibility policy backed up by their actions.

**Mark Lumsdon-Taylor:** I agree and one of the challenges for business is getting the message out there that they are walking the walk.

**Josh Hardie:** Behaviour shines through. Certifications can be useful. They can help a business get to grips with the issues they face and take them through a process of improvement to attain the certification standard. Some customers find certifications useful, especially where the certification has a degree of public awareness. Certification can be useful for investors. By and large customers are now aware of the various certifications and they will judge a business by its behaviour.

**Baroness Bowles:** Certification has an enlarged role in larger public companies as it provides a level of assurance in a similar way to an audit. Like an audit, certifications give confidence. By and large how a business is behaving will show up in its communications with stakeholders, customer relations and even in the demeanour of staff.

## Take home statements from the panel and guests

### **Baroness Bowles of Berkhamsted**

#### **Liberal Democrat Member of the House of Lords**

Part of me thinks there needs to be the legislative stick to make change happen, otherwise there will always be more immediate priorities. However, there is an innate goodness in people so we need to harness that and nurture the next generation who will have their own views on how business should be run.

### **Josh Hardie**

#### **Deputy Director-General, Policy and Campaigns and Executive Committee Member at the Confederation of British Industry (CBI)**

Legislation governing corporate social responsibility will be better if business and government sit down together to work it through. By creating models together, we will get it right.

### **Katie Broadfield**

#### **Associate Director and Former Head of CSR at Whitehead Monckton**

CSR or whatever it may be called in future will be embedded in peoples' psyche. As generations come through it will be part of how we think and what we do. Corporate behaviour will be absolutely integral to business and society.

### **Sarah Calcutt**

#### **6<sup>th</sup> generation farmer, NED at Covent Garden Market Authority & Chair of the National Fruit Show**

The next generation will push the agenda on corporate behaviour and a name-change to reflect the evolution from CSR as a tick box exercise to a genuinely integrated purpose will help its profile. We also need to see more encouragement for businesses to adopt new behaviours rather than forcing through change with regulatory imposition.

### **Mark Lumsdon-Taylor**

#### **Corporate Financier and Founder & Chair of Rural Policy Group**

The terminology of CSR is dead. The underpinning concept needs to be integrated fully into businesses so they eat, sleep and breathe their purpose.

RED Talk 6 The Death of CSR? | 10<sup>th</sup> September 2020



## The polls

Rural Policy Group sought to gain insight into how committed business is to making corporate social responsibility a priority.

**Poll overview:** the polls showed...

### Poll 1: Where does CSR (or its future) sit on the boardroom agenda?

- 32% It is at the bottom of the agenda. We tick the box.
- 50% It is right at the top for us; it is key.
- 06% It is not on the agenda; it is irrelevant to us.
- 12% Death of CSR? I did not realise it was alive.

Half of businesses recognise the benefits of corporate social responsibility and make it a strategic priority. There is still much to do to move CSR beyond being a tick box exercise and educating business leaders about the advantages of being purpose-driven.

### Poll 2: What answer below best suits your priority after cashflow/profitability?

- 00% It is cashflow again!
- 20% Once we have cash sorted, we look at the rest of the business and CSR falls out of that.
- 68% People, planet and profit is the way forward.
- 12% The question is asking if CSR features. We see it as a bolt-on, not as integral.
- 00% What the future of CSR looks like, now.

The majority of businesses prioritise people and the planet alongside profitability and recognise that all three are inextricably linked. Although a significant minority do not appreciate its full potential and relegate corporate responsibility to a lesser priority.

### Poll 3: Has this event enabled you to see the benefit of fresh action in dealing with outcome-driven external engagement, positive societal impacts and excellence in governance?

- 80% Yes; I want to understand and learn more to integrate this into my business
- 15% Not completely sure; I need to find out more before I decide
- 05% No; I still see this as a bolt on (at best) which won't affect my profit or cashflow

Eight out of 10 businesses want to integrate responsible corporate behaviours into their business.