

It has been a honour to lead the organisation for 15 exciting years of growth and development and although I have always believed that "every work of art is a child of its time", I giggled when a journalist wrote recently that it was surprising that Business in the Community was still being led by an enthusiastic child (kept in check by Bernie - my PA of 16 years). My enthusiasm and drive for the mission of Business in the Community has come,

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- The third London Cares Action Day saw 1,842 volunteers from 62 businesses supporting 77 community organisations, 34% had not volunteered before – and almost all of them would do so again.
- Of the 503 work placements provided by companies working with Business Action on Homelessness, 59% remained employed after 3 months.
- Through ProHelp, 835 professional firms provided almost £2m worth of in-kind support to over 640 community groups, involving more than 710 projects.
- Pub is the Hub is now operating across 5 regional areas.
- The 'Plough to Plate' research was launched in June 2007 on the corporate responsibility challenges facing the food and drink industry. It highlighted critical 'marketplace' issues such as local sourcing, animal welfare, ethical supply chain and advertising to children.
- This year 72% of companies stayed stable or improved their approach to responsible supply chain management in the CR Index.
- 16 companies gave evidence of best practice to the All Party Parliamentary Group on how to support vulnerable customers.
- Turnover of companies signed up to the Marketplace Responsibility Principles is £92.4 billion.

- Recruitment of 156 new companies, bringing the total in membership to over 800, with a further 3,000 engaged through our programmes and campaigns.
- 110 companies publicly committed to report through the CR Index.
- The Environment Index completed its 11th year with 134 companies agreeing to benchmark publicly and disclose their full submissions.
- 33 companies took part in the CommunityMark pilot scheme.
- 54 companies made use of the CREATE assessment process.
- 358 and 195 employers are now working with Opportunity Now and Race for Opportunity respectively to address specialist diversity issues in what remain major issues for all employers.
- 773 companies participated in just one of Business in the Community's indices to support & challenge.



Philip Green, Chief Executive, United Utilities



Mike Wareing, International Chief Executive, KPMG

David Grayson CBE, Chair of corporate responsibility and Director, Doughty Centre for Corporate Responsibility, Cranfield School of Management and Senior Fellow, Corporate Social Responsibility Initiative, Kennedy School of Government, Harvard University.

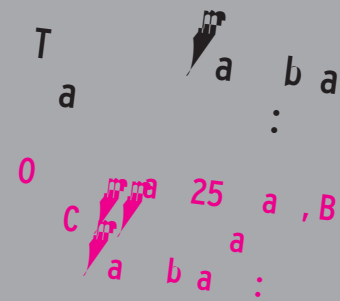
A summary of the main jubilee commentary can be found at www.bitc.org.uk/jubilee



It has been at the heart of a movement which has made it socially acceptable for business leaders to admit corporate responsibility is important. It has allowed private belief to become public. Without BITC it is unlikely that the responsible business agenda would have been taken up so broadly or by so many companies. It has been a relentless agenda-setter. BITC has helped to institutionalise and mainstream the practice of corporate responsibility and created a consensus and expectation for it amongst both business leaders and stakeholders of business – and not least amongst politicians.

A good thing, BITC has given us a chance to have been a good thing in the industry. It has led to a new era of business and a practical menu of things for them (and for individual business people) to do – whether they are experienced or just starting out.

This jubilee commentary identifies Critical Success Factors, new challenges and future directions for BITC.



The 1980s saw BITC championing business support for local enterprise agencies as a way of business helping to regenerate local economies suffering during a time of high unemployment and social unrest.

The 1990s involved BITC promoting a wider agenda of employee volunteering and corporate community involvement, helping business make a difference in the community.

The new millennium has seen BITC embrace the wider concept of 'responsible business' i.e. moving away from supporting individual initiatives to a more rounded view of business acting responsibly in all that it does from its behaviour in the marketplace to the management of its supply chains – and to measure its impacts.

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Inevitably, in 25 years, BITC has not always got it right: sometimes it was the right idea but the wrong time; sometimes the right idea but insufficiently resourced; and sometimes it just did not grab the opportunity. Some things that BITC is now criticised for not having done are clearly comments with the benefit of hindsight. Some are items which campaigners wish some organisation might have picked up – and in this case, the criticism is directed at the responsible business movement generally rather than BITC in particular.

The jubilee commentary is also about looking to the future to identify improvements, trends and new issues. In summary, although BITC has had many successes there are also areas where it can improve.

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John Kelly, Chairman, Gala Coral Group
Chairman, 'Engage' membership commitment

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Sir David Varney, The Chancellor's Senior Adviser
on Transformation of Government

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ea a dc i e d . Global connectivity:
24-hour news, the internet and cheap air travel all means
that what were once 'events in far away countries of
which we know little and care less' are increasingly
happening in places which we have ourselves visited or
have friends and colleagues with family living there - and
we can see graphic pictures of events unfolding in real-
time. The complexity, turbulence and speed of business
today as more and more have global operations, means
more businesses are directly impacted whether by poor
labour standards in suppliers' factories or employees
having relatives affected by flooding. More companies are
doing business in regions with weak governance or where
local rules conflict with international standards on human
rights, creating ethical dilemmas and reputational risks.

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ten years of BITC, regional head-quartered companies
made up the bulk of membership. Now head-quartered
companies are global and even some household company
names are owned by Private Equity - which now employs
1 in 5 of the UK's private sector workforce.

Alongside this, there are higher expectations of
business - consumers, employers, media and campaigning
organisations all now have more information available.
Societies generally are less deferential to those in authority
and businesses specifically face more organisations
campaigning to make them more accountable.

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- - how to address the biggest environmental challenge.
- - engaging consumers in sustainable development.
- - engaging suppliers to ensure product stewardship through the supply chain.

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Neil Carson, Chief Executive, Johnson Matthey plc

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- - a new skills crisis and a global war for talent creating a stream of haves and have nots.
- - employee wellbeing, and work/life balance.
- - helping business promote respect and tolerance.
- - linking to corporate governance and with achieving responsible business practice.

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Alex Gourlay, Managing Director, Boots
Chairman, Business Action on Health

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Mike Fairey, Deputy Group Chief Executive, Lloyds TSB
Chair, Race for Opportunity

Like each of its member companies, BITC has to refresh and renew continually to remain relevant in this dramatically changing, global environment. How it does so will be for the Board of BITC to determine. Inevitably, the change of both Chairman and CEO in 2008 will prompt fresh examination of the organisation's strategy and priorities. It should be influenced by these guiding principles.

BITC has a unique capacity to bring top business leaders together, to engage even fierce competitors to collaborate and to persuade business leaders to work with public and voluntary sectors too. That is the USP of BITC and they should concentrate on honing and expanding their facilitation skills and harness the knowledge and expertise of the individuals and organisations it has privileged access to. A new wave of 'hands on' venture capitalists, many from the 'high-net-worth' business world, may be new levers for change.

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Sir Michael Rake, Chairman, BT
Chairman, Business in the Community 2005-2007

One demonstration of BITC's convening power – and one consequence of it – is that BITC is trusted to create the mechanisms through which good practice in responsible business can be determined. The annual Awards for Excellence, the Corporate Responsibility Index and the other more specialist indices such as the new CommunityMark have credibility because they have involved business as well as many outside organisations. BITC now has to build on this to ensure that it has codified this knowledge in depth. Inspiring stories and compelling anecdotes are crucial tools in the armoury of successful leaders. They are most effective when they complement hard data. Again, BITC's real strength is in seeing the significance of examples and research; being able to spot the synergies and to assemble the information into a coherent case which resonates with both heart and head. BITC needs access to excellent knowledge-management, it does which perhaps ECOMvLa99.va0s usch utm[(BCRs witSs tentatyMark -1.ulteino spot the syn26.747 570912 Twure)-15()]Tgrbui bus fmatiw hich good practis799regTJT*preneurial flair." Joe Greenlved, 0.109 0 Td(")Tj/CSO cs 1 (VP P15(welhenGold,i whenAff872

Increasingly BITC companies are not domiciled in the UK (20% of membership invoices are now approved outside the UK). UK companies operate in many different marketplaces around the world and use supply chains that are spread across the globe. The responsible business agenda demands global solutions. BITC therefore needs to redouble its efforts to consider how it works with and helps shape a network of like minded organisations around the world, to facilitate shared learning and delivery outside the UK – as well as bringing global learning and good practice to the UK. Handled sensitively, BITC could play an important convening role which builds on London as a global meeting point especially in the run-up to 2012 and the large number of 'EMEA' (Europe, Middle East, Africa) management teams based in the UK. One specific focus for the emerging Global Partners Network would be to involve key global member companies to host awareness-raising and action-learning in some of the other, emerging global trading hubs like Dubai, Singapore, Mumbai, New York, Shanghai or São Paulo.

help employees who wish to contribute to sustainable development in their own lives as well as at work, to be able to do so more easily.

An allied issue is how directors and senior managers of member companies, and 'rising stars' are better equipped to lead successfully on sustainability and responsible business. It would be a logical extension of long-running BITC programmes like Seeing is Believing to run board

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Carolyn McCall, Chief Executive, Guardian Media Group
Chair, Opportunity Now

BITC has historically relied on having good, long-term relations with the CEO and a few other key company contacts, and maybe one-off exposures to employees through Cares or Engage. The value of the CR Index and the new CREATE tool, is that it has begun to get senior management teams engaging the whole business in managing sustainability but there is still much to be done. CEOs and boards need to want to, and be able to, explain inside their businesses that they are members of BITC, what this means and why it is important for the business and society that they are. This will involve BITC providing member companies with the tools to explain BITC. It will almost certainly mean being able to facilitate the exchange of practical examples of how member companies are using their own intranets and training programmes to

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...met the target of 25% of employees volunteering, we could harness the efforts of 3.6 million active volunteers



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...engaged with the community in addressing skills, creating opportunities for the 250,000 16-18 year olds currently Not in Education, Employment or Training (NEETs)

...linked with just four schools, every secondary school in the UK would have a business partner

...sought opportunities for new products and services, building on the ethical consumerism market currently worth £29.3 billion

...provided all suppliers with 'Knowledge Interchanges' to facilitate supply chain adoption of responsible business practices, we could influence business practice in over 150 countries

...reviewed selling practices – avoiding the estimated £13 billion cost of mis-selling to date

...included their long-term aspirations for their business, alongside short-term financial briefings, allowing the investment community a better understanding

...committed to addressing equal pay for men and women, women would earn 33% more over the course of their careers

Unrestricted income rose by 17% (£1.4m), largely driven by the increase in private sector funding which rose by 15% (£1.8m). The largest component of this was the growth of £1.1m in membership contributions with the implementation of the revised member value proposition. Restricted income fell by £1.1m, a result of the drop in public sector grant funding of £1.9m, offset by an increase in sponsorship income of £1.1m. This latter increase included funding for several landmark events including HRH The Prince of Wales May Day Summit on Climate Change and the Awards process to celebrate and share best practice. All areas demonstrate

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The information in this financial overview has been extracted from the full financial statements for the year ended 30 June 2007. The financial statements were approved by the directors on 18 October 2007 and have been audited by Horwath Clark Whitehill LLP who gave an unqualified audit report on that day. This summary may not contain sufficient information to gain a complete understanding of the financial affairs of the company, as its purpose is to give a summary of the source and use of funds during the year and the principal matters that have contributed to them.

The full financial statements, directors' report and audit report, which will be submitted to the Charity Commission after the AGM, may be obtained from Business in the Community, 137 Shepherdess Walk, London N1 7RQ from 7 December 2007. This information is also available online at www.bitc.org.uk

This statement of summarised information has been signed by John Spence, on behalf of the directors on 18 October 2007.

President

HRH The Prince of Wales

Chairman

Stuart Rose

Chief Executive,
Marks and Spencer
Group plc

Chief executive

Julia Cleverdon CVO, CBE

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Cilla Snowball
Chairman and CE,
AMV Group

**The Prince's Seeing
is Believing**
Ian Russell

John Kelly
Chairman,
Gala Coral Group Limited

Phil Hodkinson
Group Finance Director,
HBOS plc

Mike Wareing
International Chief
Executive, KPMG

Mike Clasper

Amelia Fawcett CBE
Chairman, Pensions First

Opportunity Now
Carolyn McCall
Chief Executive,
Guardian Media Group plc

Race for Opportunity
Michael Fairey
Deputy Group
Chief Executive,
Lloyds TSB Group plc

Business Action on Health
Alex Gourlay
Managing Director,
The Boots Group plc

John Kelly
Chairman,
Gala Coral Group Limited

**Business Action
on Education**
Robert Wigley
Chairman, Europe, Middle
East & Africa, Merrill Lynch
International

**Business Action on
Economic Renewal**
Sir Stuart Hampson

**Business Action on
Homelessness**
John Varley
Group Chief Executive,
Barclays

Cares
Seán Mahon

ProHelp
Alexandra Marks
Partner,
Linklaters

Cause Related Business
Gwyn Burr
Customer Director,
J Sainsbury plc

Engage
**Francesco Vanni
d'Archirafi,**
Chief Executive Officer,
Citigroup Global
Transaction Services,
Europe, Middle East
& Africa

**The Prince's Rural
Action Programme**
Steven Esom
Director of Foods, Marks
and Spencer Group plc

David Jackson
Company Secretary,
BP plc

**East of England Regional
Leadership Team**
Jackie Hunt
Finance Director,
Norwich Union Insurance

**East Midlands Regional
Leadership Team**
Colin Jenkins
Managing Director
Aggregate & Asphalt,
Aggregate Industries

**The Prince's Seeing
is Believing Alumni
North West Board**
Edwin Booth
Chairman,
EH Booth & Co Ltd

**London Regional
Leadership Team**
Paul Cuttill
Chief Operating Officer,
Networks, EDF Energy

**North East Regional
Leadership Team**
Graeme Thompson
Managing Director,
Tyne Tees Television

**Northern Ireland
Advisory Board**
Michael Ryan CBE
Vice President & General
Manager, Bombardier
Aerospace

**South East Regional
Leadership Team**
Ian Smith
SVP & Managing Director,
UK, Ireland & South Africa,
Oracle Corporation UK Ltd

**South West Regional
Leadership Team**
Gharry Eccles
Managing Director, The
Wrigley Company Ltd

**West of England Regional
Leadership Team**
Paul Evans
Chief Executive Officer,
AXA Sun Life

Wales Advisory Board
Ann Beynon
Director Wales, BT Group

**West Midlands Regional
Advisory Board**
Ben Reid
Chief Executive,
The Midcounties
Co-operative Ltd

**Yorkshire and Humber
Leaders' Network**
Richard Gregory OBE
Yorkshire Bank Chair,
National Australia Group
Europe Ltd



In our Jubilee Year we wanted to recognise - with a special Silver Big Tick - those long-term sustainable business partnerships which have flourished in a neighbourhood, on a key social issue, with a charity or voluntary organisation for ten years or more - many pre-dating the launch of our Awards for Excellence in 1997.

It is a real tribute to our member companies that so many of these programmes have helped to pioneer issues and impact where, because of the long-term support of the business, innovation and insight has been achieved which other companies can share.

- ✓ **Nationwide Building Society** supporting the care of cancer patients through a partnership with Macmillan since 1993

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Business in the Community is a unique movement of over 800 member companies, representing 1 in 5 of the UK private sector workforce. A further 3,000 companies are engaged through our programmes and campaigns which we operate through a local network of more than 100 business-led partnerships. We lead a global partners network of 112 organisations operating in over 60 countries.

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December 2007



INVESTORS IN PEOPLE