

**BUSINESS
IN THE
COMMUNITY**



**THE PRINCE'S
RESPONSIBLE
BUSINESS NETWORK**

CR Index 2015

Marks & Spencer



Welcome,

Business in the Community are delighted to celebrate the 13th annual CR Index survey and company ranking. Since launching in 2002, the Index has become the UK's leading voluntary benchmarks for responsible business.

Once again, congratulations on completing the 2015 CR Index. We hope you found the process of completing the CR Index 2015 and the review process useful and insightful.

You will have noticed that the changes to the question set made for the 2014 survey have significantly raised the bar, making the CR Index more challenging. This new question set was designed to better reflect the complexity of integrating sustainability into business strategy. It incorporates our latest thinking on how companies can drive change to become more responsible businesses.

Starting with the 2014 CR Index we have revised the way in which we categorise performance moving to a 5 star rating system which was used for the first time last year. The boundaries are as follows:

99% - 5 stars	84% - 2 and a half stars
98% - 4 and a half stars	78% - 2 stars
96% - 4 stars	71% - 1 and a half stars
93% - 3 and half stars	63% - 1 star
89% - 3 stars	54% - half star

The 2015 CR Index results, along with a number of insights and case studies will be published on the BITC website during Responsible Business Week 20 to 26 April 2015. For a complete programme of the week please visit the BITC website.

For companies wishing to gain more insights on their results and on how to value their performance, we offer a number of options. Please see page 13 of this report.

Should you have any questions or comments please feel free to contact us. The CR Index endeavours to support companies to drive change and integrate responsible business practices and we thank you for your commitment.

With best wishes,

Maël Lagadec

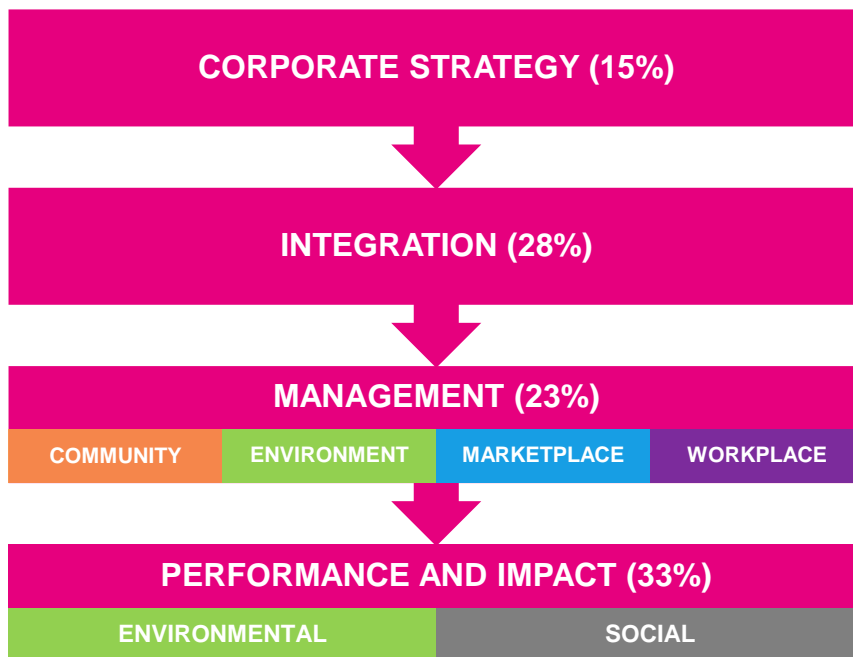
Benchmarking Manager

The CR Index Framework

The CR Index takes the form of an online survey designed to provide companies with a simple framework to integrate responsible business practices.

Companies follow a self-assessment process intended to help them identify both the strengths in their management and performance and gaps, where future progress can be made. The self-assessment is reviewed and a final position is agreed between the reviewer and the company participating.

The CR Index follows a systematic approach to managing, measuring and reporting on responsible business practices.



Corporate Strategy

Looks at corporate vision and values, effective governance, CR risks and opportunities to the business and how these are being identified and then addressed through strategy, policies and responsibilities held at a senior level in the company.

Integration

Focuses on how companies organise, manage and embed corporate responsibility into their operations through strategic decision making, performance management, training, effective stakeholder engagement and public reporting.

Management

Builds on the Integration section looking at how companies are managing their risks and opportunities in the areas of Community, Environment, Marketplace and Workplace.

Performance & Impact

Asks companies to report performance in a range of social and environmental impacts areas. Participants complete three environmental and three social areas based on the relevance to their business.

Overall Performance

CR Index Performance

2015	96	★★★★☆
2014	n/a	Not Listed
2013	98	Platinum

Sector:

General Retailers

Benchmarking Sector:

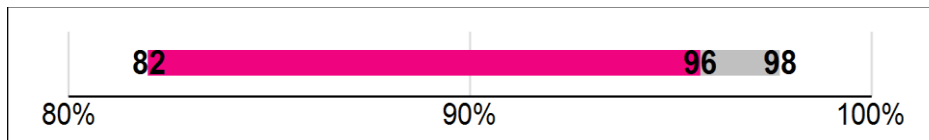
General Retailers

Benchmarking Comparators

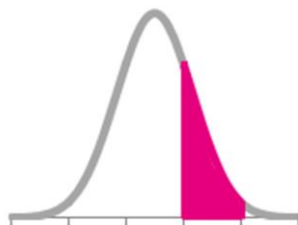
Central England Co-operative Limited, Greggs Plc, Marks & Spencer, The Co-operative Group, The Midcounties Co-operative, The Southern Co-operative, WH Smith plc

Sector Performance

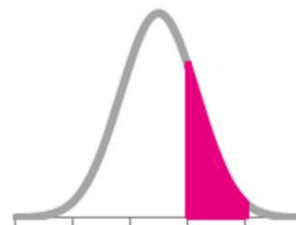
This chart provides the range of overall CR Index scores within your benchmarking sector. It also plots your company's overall score in order to provide a top-line performance benchmark.



The diagram below shows how your score sits within the distribution of scores for your benchmarking sector and the overall Index.



2nd QUINTILE VS. SECTOR

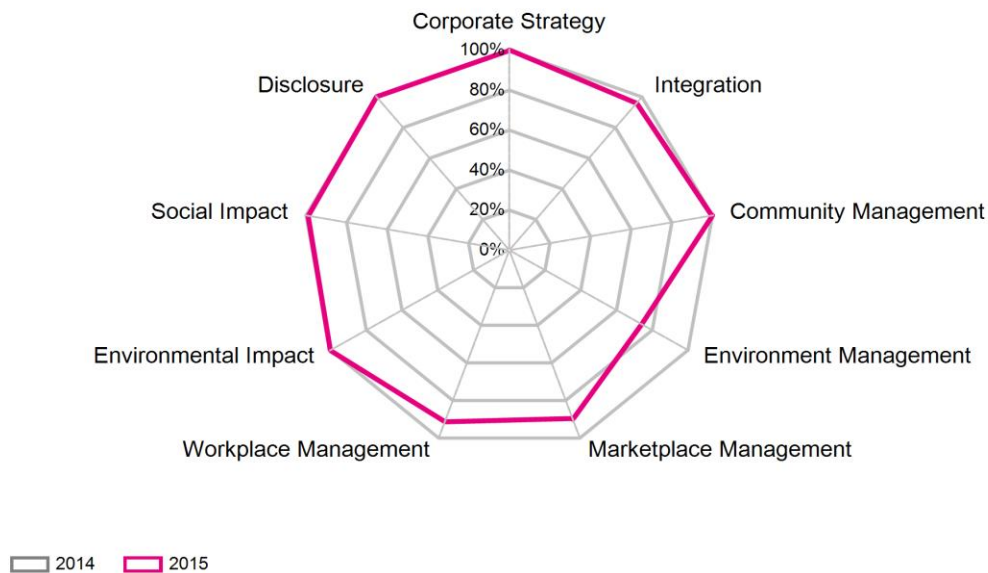


2nd QUINTILE VS. ALL PARTICIPANTS

Performance by Section

Performance: By CR Index Section

This chart summarises your company's performance across each section of the CR Index Survey. If the CR Index was previously completed, this chart will also provide a year-on-year performance comparison.

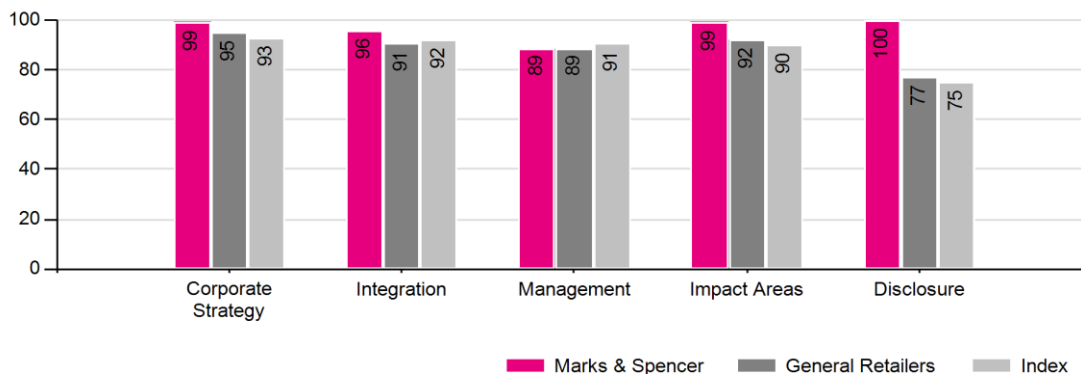


Performance: CR Index

The following graphs provide a summary of your performance in each of the main components of the CR Index. Each graph provides two data sets. The first one is your company's score; the second one is the average score for all CR Index participants. Your company's performance within each section of the CR Index is examined in more detail in the pages that follow.

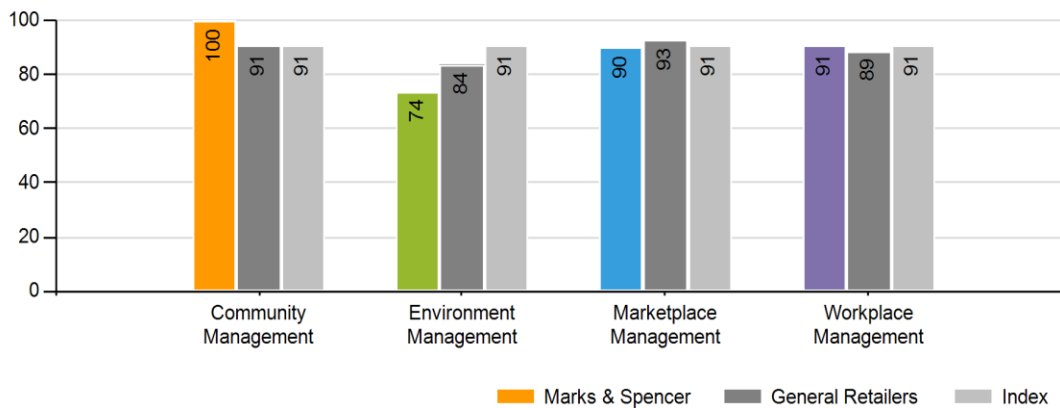
Strategy, Integration, Management Practices and Disclosure

This first graph compares your overall score by section in the CR Index against the overall index participants.



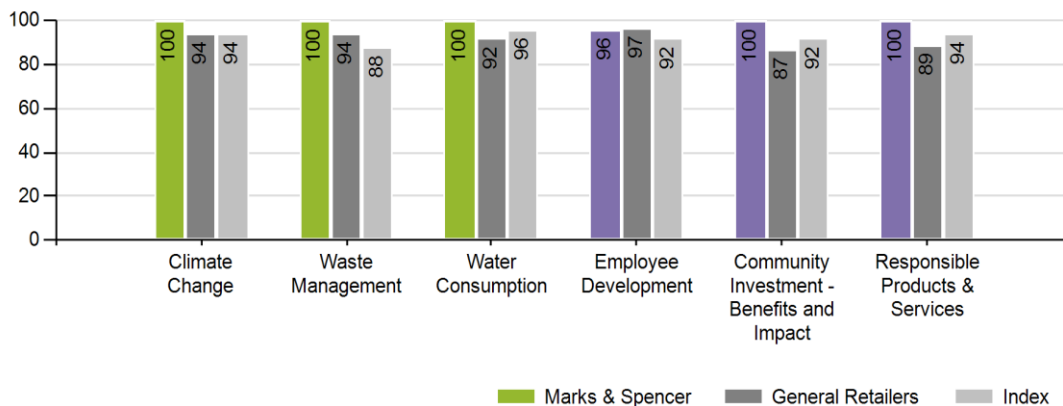
Management Areas

This graph compares your performance in the management section of the CR Index. This section looks to evaluate if your company has set objectives and targets for each management area, as well as the designation of responsibilities and monitoring and disclosure of all management processes.



Environmental and Social Impact Areas

The environmental impact areas include one core or mandatory impact, Climate Change, plus two self-selected areas of material significance to the business. For their social impact areas companies are able to choose between Employee Engagement and Wellbeing, Employee Development, Equality, Diversity and Inclusion in the Workplace, Community Investment, International Development or another self-selected impact area. Your company completed the following social and environmental impacts areas:

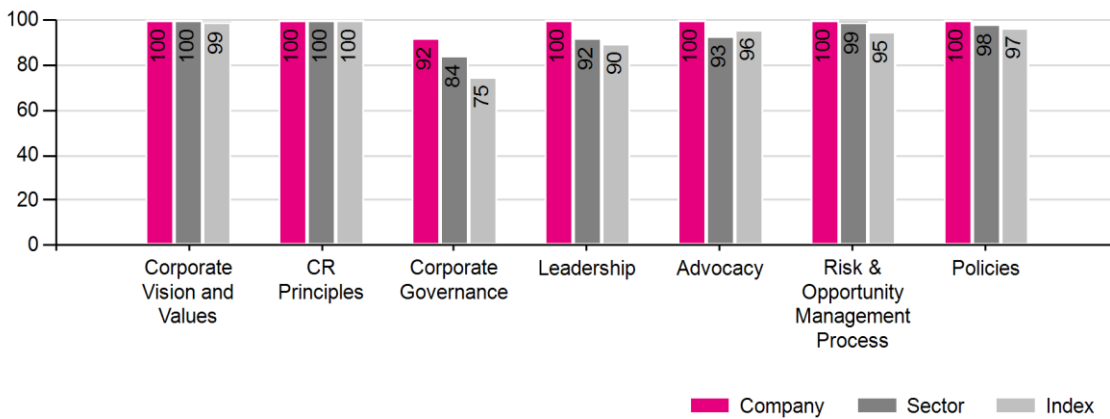


Receive additional feedback and benchmarking of your environment section through BITC's Environment Index, no additional time or cost is required. For more information contact Elizabeth Edgington on 0113 2058222 or Elizabeth.Edgington@bitc.org.uk.

Performance by Question

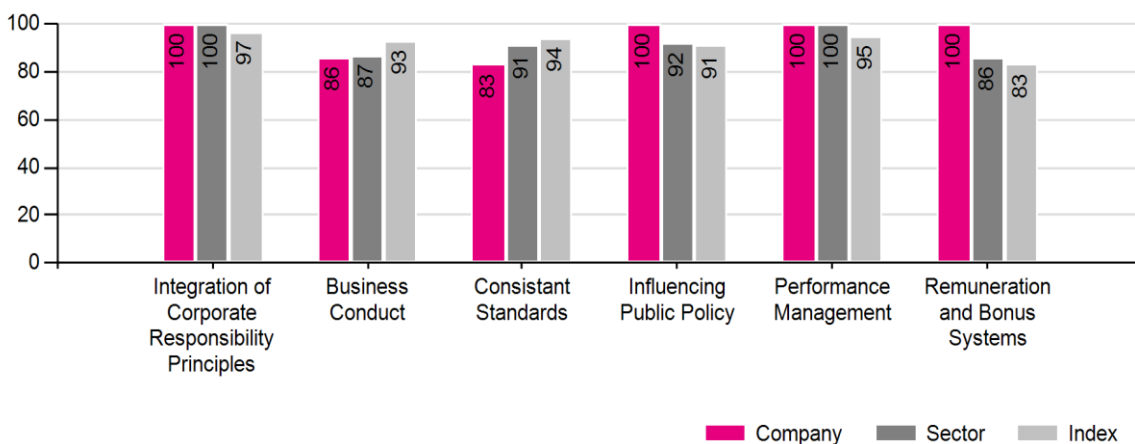
Section 1: Corporate Strategy

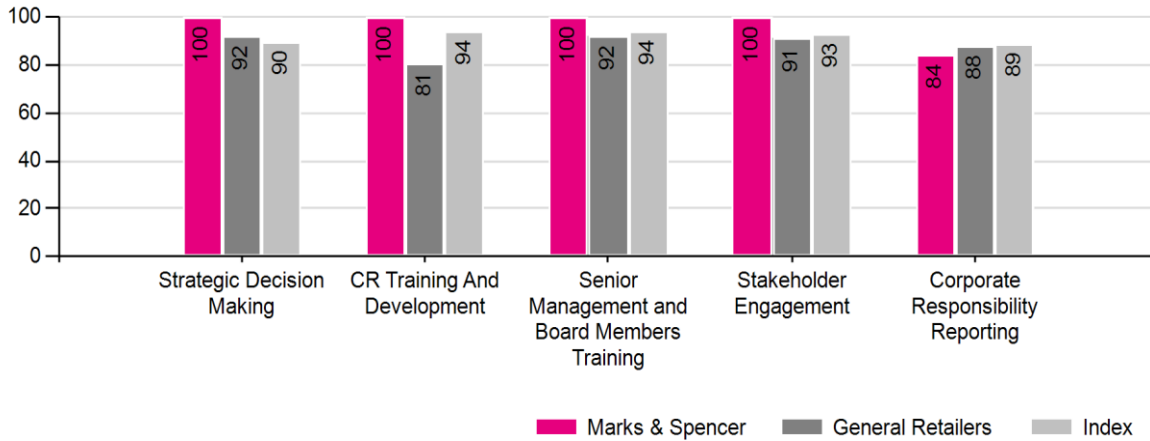
This section rewards companies for placing CR values at the core of their business strategy. It asks whether there is a system to identify key social and environmental risks and opportunities, and whether these are addressed by principles and policies. It looks at the effectiveness of a company's corporate governance processes. In addition, companies must be able to demonstrate leadership and commitment at the highest level, internal reporting to the board, and public advocacy of responsible business practice.



Section 2: Integration

It is not enough simply to have a strategy; it needs to be implemented and embedded throughout the business. This requires internal communication and training employees so they understand the key CR issues for the company, building CR related performance criteria into appraisal and remuneration systems, undertaking stakeholder engagement and ensuring it contributes to CR strategy, demonstrating social and environmental issues are incorporated into strategic decision making, and transparency through external reporting on CR management practices and impacts.



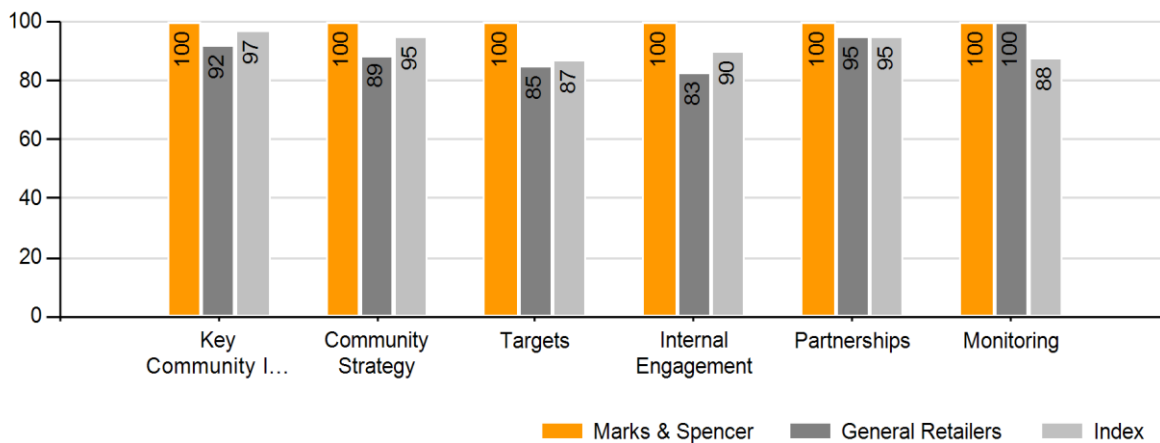


Section 3: Management

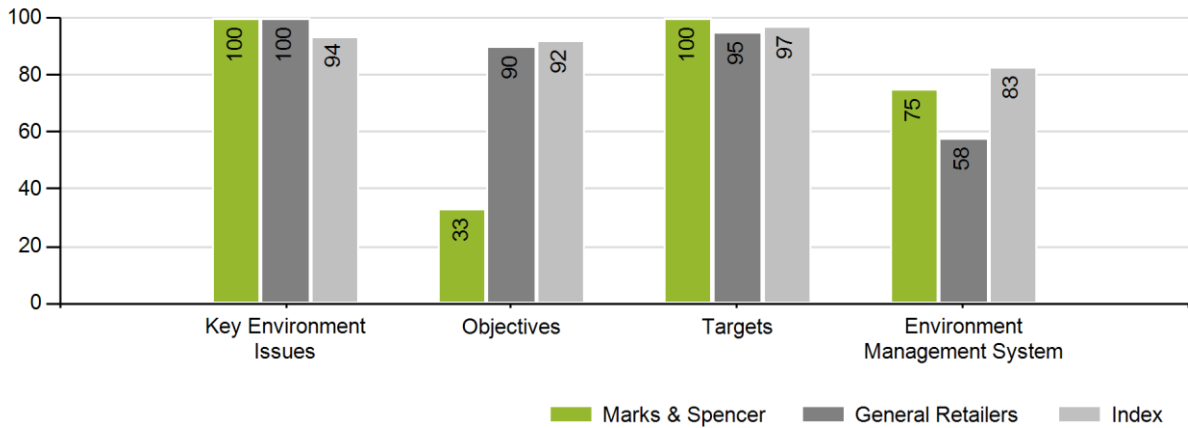
Section 3 assesses whether a company has developed management practices to address materially significant CR issues across four areas: Community, Environment, Marketplace and Workplace. In particular, this section looks at:

- How a company identifies and prioritises key material environmental and social issues
- Relevant programmes around different areas of CR
- Objectives and SMART targets that drive continuous improvement
- Monitoring systems to measure, assess and report on progress
- Public reporting on key issues, objectives and targets

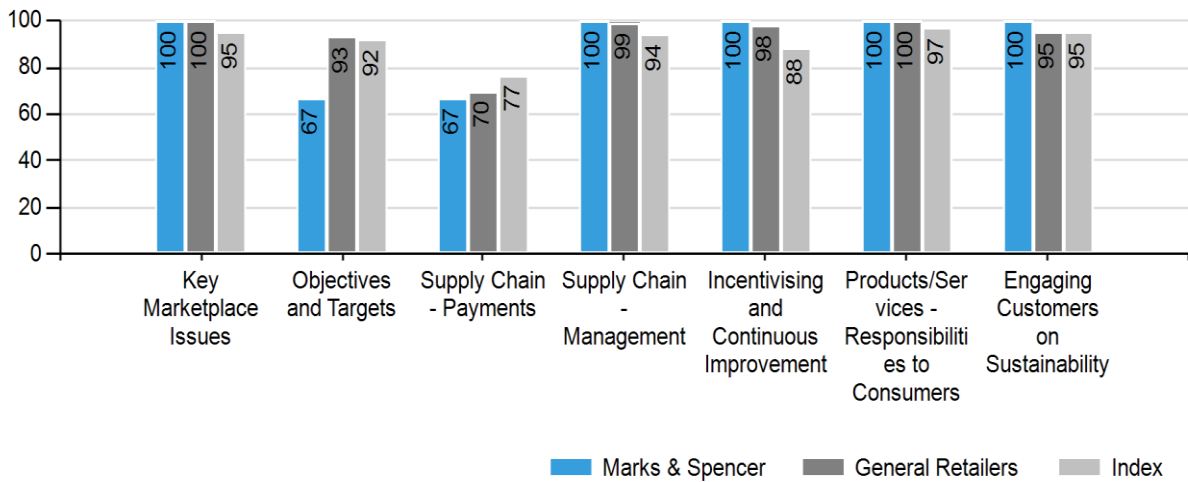
Community Management



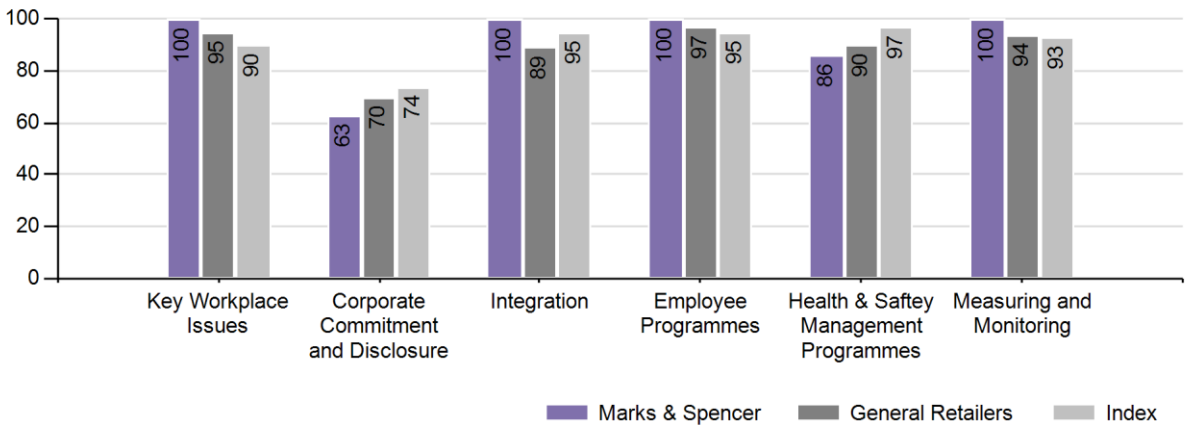
Environment Management



Marketplace Management



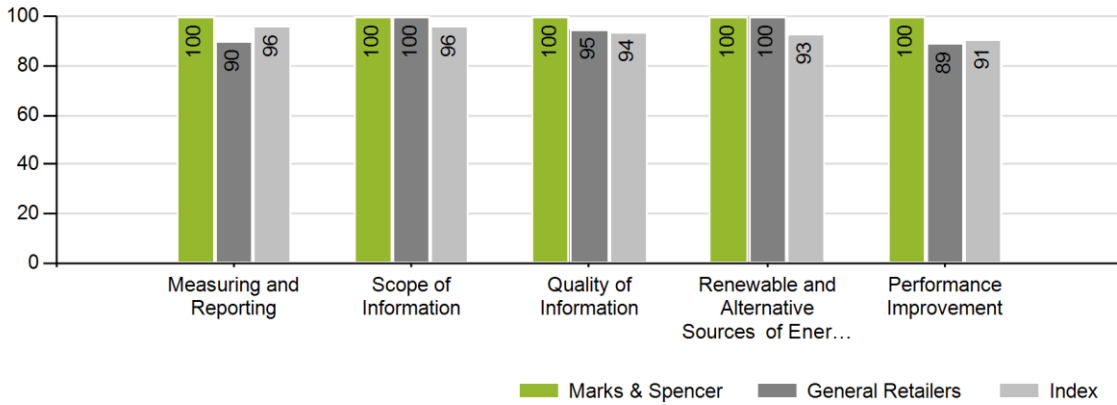
Workplace Management



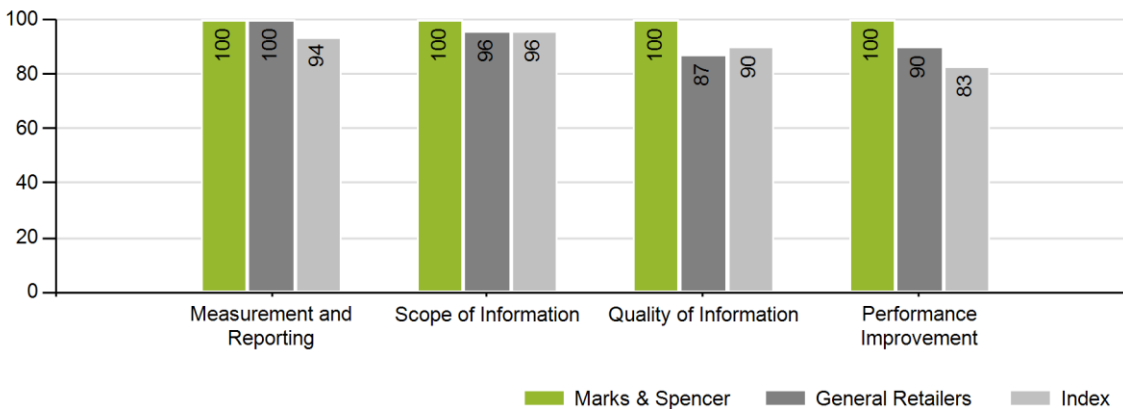
Section 4: Environmental Impact Areas

The following graphs provide your results and benchmarking information covering the three environmental impact areas you completed. Each area examines the organisational commitment to managing the issue, the programmes in place to drive improvements and organisational performance over time

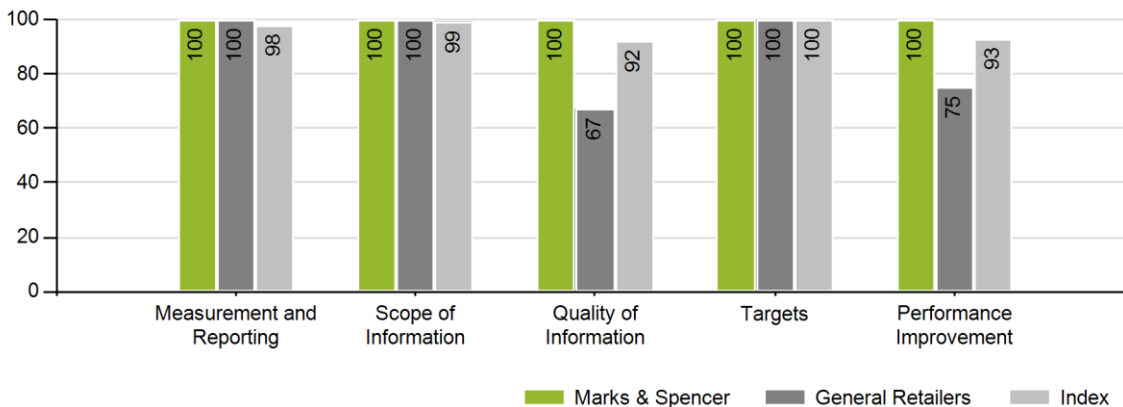
Climate Change



Waste Management



Water Consumption

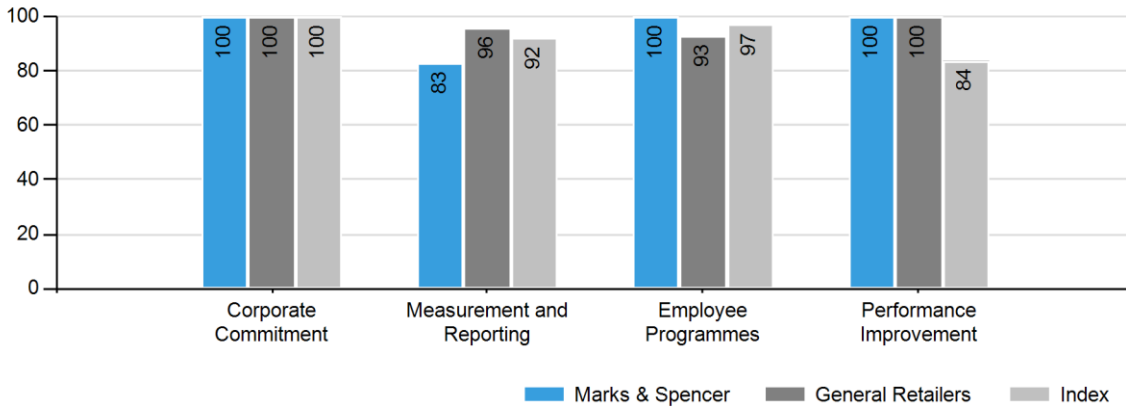


Section 4: Social Impact Areas

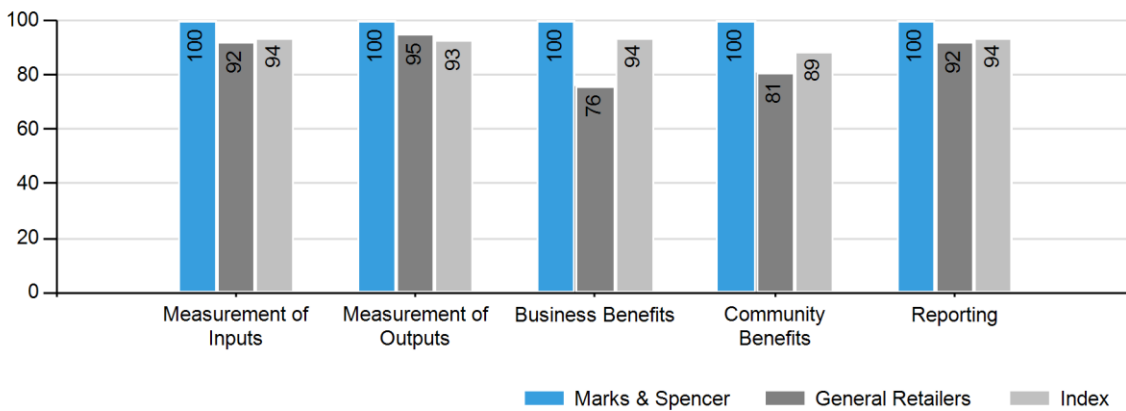
The following graphs provide your results and benchmarking information covering the three social impact areas you completed. Each area examines the organisational commitment to managing the issue, the programmes in place to drive improvements and organisational performance over time.

NOTE: If your company completed a self-selected social impact, the benchmarking graphs will provide a comparison against other companies that completed the same question set.

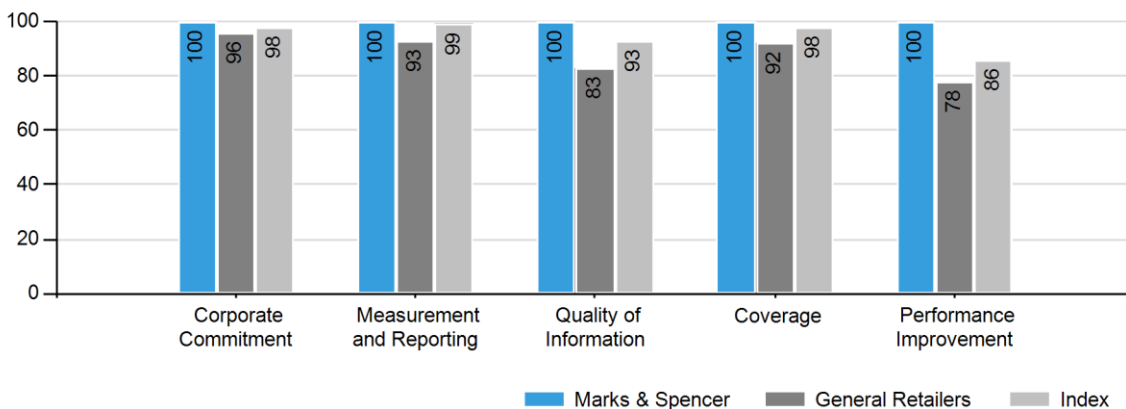
Employee Development



Community Investment - Benefits and Impact



Responsible Products & Services



We hope our detailed report has been informative and will help your company move forward in its CR Journey. We thought of sharing some highlights of this year's CR Index with you.

What does the CR Index tell us about Responsible Business in 2015?

We are pleased to inform you that the average CR Index score has increased from 85% last year to 91% today demonstrating the ability of the framework to drive change towards responsible business. 68 companies participated in this cycle, mostly experienced ones and some new to this benchmark.

There has been a significant increase in the extent to which social and environmental issues are incorporated into business strategy, product development and investment decisions. In fact, over 80% have now carried out formal risk and opportunity processes in the context of global mega-trends, taken corporate investment decisions with environmental and social considerations with longer return on investment and calculated the financial value that CR brings. All of these have increased from around 65% last year. Furthermore, this year, a greater number of participants than ever before have detailed how they've developed environmental and social actions.

Leaders are more engaged than ever before, and companies are doing more to engage future leaders in the sustainability debate, with some innovative and experiential learning approaches. Half the participants report a link between remuneration of the CEO (or highest paid executive) and company CR performance, doubling the number since 2002.

- Nearly all CR Index participants publicly report, with 2 out of 3 with external verification
- This year 2 out of 3 publicly disclose their tax policies.
- 20% of those that report do not include progress against targets and only 1 in 4 have discussed progress at board level.
- Public disclosure has increased, but more is needed to show progress against targets.

Welfare at work remains a key challenge. 85% review and monitor the wage paid to their employees and 54% the suppliers' employees to ensure they are not in relative poverty. While the key issues in the workplace remain similar to previous years, there are more examples of companies focusing on and realising the benefits of flexible working.

There has been a significant reduction in the gap between those companies engaging stakeholders and those companies ensuring outcomes are incorporated. Last year, we reported a gap between the quantity of companies engaged with stakeholders and the number of companies responding to their feedback. This gap is significantly lower this year. 82% of participants systemically monitor outcomes of stakeholder engagement (up from 61% last year) and 74% have established indicators to measure the quality of stakeholder engagement. 3 in 4 companies now incentivise suppliers by developing bespoke support to address key sustainability issues.

More details results will be communicated on April 20th during BITC's Responsible Business Week.

For companies wishing to gain more insights on their results and on how to value their performance, we offer the following options:

Performance Analysis Presentation - £4,000 + VAT (BITC Members) / £6,000 + VAT (Non-BITC Members)

This presentation of findings includes:

- Summarising key findings and areas of strength
- Presenting a detailed gap analysis of the company's performance
- Modelling the company's opportunities for improvement against potential score implications, including limited examples of best practice from peers and Index participants

This feedback option takes the form of a PowerPoint presentation, which is discussed during a meeting with the company's CR Practitioner and the team involved in completing the CR Index.

Management Report - £6,000 + VAT (BITC Members) / £9,000 + VAT (Non-BITC Members)

In addition to the performance analysis presentation, this option includes a narrative report:

- Summarising key findings and areas of strength
- Presenting a detailed gap analysis of the company's performance
- Providing tailored recommendations, including examples of best practice from peers and Index participants
- Prioritising areas for improvement and action

BITC will present the findings of this report at a meeting with the company's CR Practitioner and the team involved in completing the CR Index.

Bespoke Support - All advisory projects are scoped and priced individually

Based on the CR Index results we can offer bespoke advice which will help you progress on your responsible business journey. Focusing on the company's individual needs, we will provide specialist support and practical recommendations to further embed responsible business practices.

Recent examples of advisory projects include:

- Aligning business strategy with sustainability risks and opportunities
- Developing an action plan to address specific issues identified through the CR Index
- CR report review and materiality assessment
- Stakeholder mapping and engagement
- Bespoke benchmarking of global regions or subsidiaries for improved governance

To request additional feedback contact:

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