

## FACTSHEET: STRENGTHENING SOCIETY

*Business is a force for good in society. It makes a difference in the UK and around the world, just by doing what it does best. But business is being challenged about its purpose and whether it has a broader responsibility to tackle major societal and environmental issues. There is a loud debate underway about what more business leaders can do to rise to these challenges.*

### KEY FACTS

**only 53%**

of people think business makes a positive contribution to society<sup>1</sup>

**25m**

people employed by companies of all sizes across the UK<sup>2</sup>

**67%**

of CEOs do not believe that business is doing enough to address global sustainability challenges<sup>3</sup>



**£172bn**

paid in taxes by business in 2013/14<sup>4</sup>

**£603m**

total support given to UK charities and communities by top companies<sup>5</sup>

### Business gives back to society just by doing what it does best

- Business gives back to society. Across the UK and around the world, this is often just by doing what business does best – as the driving force behind local economies, investing in local jobs and infrastructure and paying the taxes that help fund local services.
- In every region, companies of all shapes and sizes are supporting and creating jobs – employing more than 25m people.<sup>6</sup> To highlight just one example, in a city of 248,750 people Rolls Royce alone employs about 12,000 people in Derby.<sup>7</sup> But it's not just big firms – the majority of us (59.3%) work for small or medium sized firms.<sup>8</sup>
- Taken together business paid £172bn in taxes last year<sup>9</sup> – this is a massive contribution towards local hospitals and schools. Business also directly helps pay for roads and other infrastructure we all use, like water and gas pipes or electricity and broadband cables.
- And the history of business is a rich part of the story of communities and the people that live in them – from the Birmingham canal network to the buildings that make up the iconic London skyline, our industrial heritage is all around us and part of our identities.

# STRENGTHENING SOCIETY FACTSHEET

## SOME QUESTIONS TO CONSIDER

- Are society's expectations of business changing?
- What responsibility should businesses have to the communities in which they are based?
- Should companies abandon CSR programmes and just embed responsible thinking into everything they do?

### More and more, people question whether business has a broader responsibility towards society

- More people are looking to business to step up and take a lead in helping to tackle broader social issues like youth unemployment or poverty. Not everyone – businesses included – believe that just doing business and making a profit is enough.
- Questions about business' role in the events leading up to the economic downturn have led many to ask what the purpose of business really is and whether firms have a broader responsibility towards society and the communities that they operate in.
- Many businesses are playing their part. For example, business gave around £603m in support to charity in 2013.<sup>10</sup> This is more than ten times the budget of the government office with responsibility for the third sector,<sup>11</sup> but is a big decrease in support compared to the previous year's estimates.<sup>12</sup>
- Business also provides extensive support to the nation's education – with 8 in 10 firms reporting some kind of link to a local school or college.<sup>13</sup> And employers are investing heavily in training young people – with increasing numbers involved in delivering apprenticeship programmes.<sup>14</sup> But not all schools and businesses know how to get the best out of working together.

### And as the world becomes ever more interconnected, business leaders know they face a big challenge in tackling global issues

- In an increasingly interconnected world, business has the scale, resource and expertise to be able to make a real difference to societal challenges facing the planet, like climate change and poverty.
- Business recognises the leadership role it must play – action on issues like climate change now can help secure the future of business too. Many firms already look at business risks and opportunities in a global context.<sup>15</sup>
- But they are also honest about the scale of the challenge – only 32% of CEOs believe that the global economy is on track to meet the demands of a growing population within the constraints of limited resources. A majority (67%) do not believe that business is doing enough to address global sustainability challenges.<sup>16</sup>

#### SOURCES

<sup>1</sup>CBI/YouGov Survey, June 2014 | <sup>2</sup>ONS Labour market statistics, 2014 | <sup>3</sup>The UN Global Compact-Accenture CEO Study on Sustainability 2013 | <sup>4</sup>HMRC, CBI analysis | <sup>5</sup>Company Giving in the UK: DSC Almanac 2013 | <sup>6</sup>ONS, Labour market stats, 2014 | <sup>7</sup>Rolls-royce.com | <sup>8</sup>BIS, Business population estimates, 2013 | <sup>9</sup>HMRC 2014, CBI analysis. The majority of business tax contribution employees NI (32%) corporation tax (22%) and business rates (15.7%) | <sup>10</sup>Company Giving in the UK: DSC Almanac 2013 | <sup>11</sup>Office for Civil Society budget, £56m in 2014/15 | <sup>12</sup>Company Giving in the UK: DSC Almanac 2013 | <sup>13</sup>CBI/Pearson, Gateway to Growth – CBI/Pearson Education and Skills Survey 2014, July 2014 | <sup>14</sup>Ibid | <sup>15</sup>BITC, Forces for Change | <sup>16</sup>The UN Global Compact-Accenture, CEO Study on Sustainability 2013