



UNIVERSITY OF
BIRMINGHAM

BIRMINGHAM
BUSINESS
SCHOOL



RESPONSIBLE ACTIONS AND DECISIONS



ANNUAL REPORT 2018/19

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Lloyds Banking Group is committed to the values of conducting business in a responsible manner as a means to address the economic, social and environmental challenges that the UK faces. The Centre for Responsible Business within Birmingham Business School continues to cement responsibility in its research, partnerships and education, adding value to Lloyds Banking Group's commitment to Help Britain Prosper.

António Horta-Osório
Lloyds Banking Group Chief Executive

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The University of Birmingham's historic relationship with Lloyds Banking Group spans more than 100 years, and the Lloyds Banking Group Centre for Responsible Business exemplifies the potential of this partnership to benefit business on a global scale. The inaugural year of the Centre has demonstrated the impact that a business and academic collaboration can have on our society.

Professor Sir David Eastwood
Vice-Chancellor of the University of Birmingham

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DIRECTOR'S WELCOME

Welcome to our second Annual Report which captures the highlights of what has been a busy and productive year. The Centre has moved from mapping out the key challenges in the responsible business agenda, to scaling up our research team, developing our research and defining our priorities for the coming years. We have built on our foundational work in year one to successfully begin delivery of our objectives and targets.



PROFESSOR IAN THOMSON

Director, Lloyds Banking Group
Centre for Responsible Business

This year we have published 11 academic articles, book chapters or reports, delivered 14 conference papers across 3 continents, sponsored and participated in multiple external engagement events, completed 18 research projects, started development on 20 others, raised over £150,000 in new grants, delivered two modules in Responsible Business to over 150 students and held our first annual conference with over 100 attendees. We've also engaged with multiple business and policy leads as well as NGOs to ensure we are part of the wider responsible business conversations, understand the challenges external organisations are facing and how we can support these through the work of the Centre.

We have also set up a number of ambitious plans for impactful research projects and scaling up our educational delivery for the coming years whilst continually scanning the horizon for new ideas, research opportunities and developments.

I would like to take this opportunity to thank Benedict Brogan, Fiona Cannon, Petra Watkinson, Rachel Vann, Ross Gardner and Geraldine Boylan from Lloyds Banking Group for their continued support and insights, as well as their role as critical friends in all that we do. The Centre is a collaborative project that thrives on the energy and expertise provided from our external advisory board, network of businesses, as well as partnerships within the University. These include Andy Newnham and James Sharp from University Business Engagement Team, Institute for Global Innovation, Professional Services colleagues from College of Social Sciences and Birmingham Business School, as well as input from our Centre Associates and other academic colleagues throughout the University.

None of this would be possible without the valuable work from my colleagues – Sophie, Chloe, Sarah, Nana, Juliet, Chris, Radman, Jenn, Jane, Roger, Delphine and last but not least Andy! Thank you to you all.

I. Thomson

LLOYDS BANKING GROUP CENTRE FOR RESPONSIBLE BUSINESS

A responsible future for business

How can business contribute to achieving a better and more equitable future world, creating prosperity, resilient communities and a flourishing natural environment?

Through research, education and partnerships we are answering the following questions;

- What does it mean to be a responsible business?
- What do responsible businesses do differently?
- How to measure and value responsibly?
- Who benefits from responsible business?
- How can businesses become more responsible?

To answer these questions we are engaging with business leaders, academics, regulators and agenda setters. A key component of our research is to construct a robust, conceptual understanding of responsible business that is translatable into the everyday world of businesses.

Our impact-oriented research projects are systematically exploring the different challenges businesses face as well as the application of innovative thinking and practices. Our research will identify where informed, strategic interventions can result in positive outcomes in the context of global and local aspirations, such as those expressed in the UN Sustainable Development Goals.

Through our education and engagement programmes we are sharing this knowledge to change policies and practice as well as how people understand business, its purpose and impact.

Lloyds Banking Group Centre for Responsible Business

OFFICIALLY OPENS

The Lloyds Banking Group Centre for Responsible Business was officially opened on Tuesday 2 October 2018 by António Horta-Osório, CEO of Lloyds Banking Group.

The Centre's mission, to help businesses become responsible and achieve the Sustainable Development Goals, aligns closely with Lloyds Banking Group's mission to 'Help Britain Prosper'.

António Horta-Osório met with the University of Birmingham's Vice Chancellor, Professor Sir David Eastwood, who stated: *'We enjoy a historic relationship with the Lloyds Banking Group; the Centre for Responsible Business is the latest expression of our shared interests and partnership. I was delighted to welcome António to campus to demonstrate the impact of our work and discuss our shared ambition to become global champions of responsible business practice.'*

Professor Richard Black, Pro-Vice-Chancellor and Head of College of Social Sciences, commented *'responsible business is embedded into the core values of this University, helping us achieve our civic mission and instilling sustainability in business education for all who join us here at the University. The Centre for Responsible Business is vital to help us achieve the goals we share with Lloyds Banking Group. Today's visit from António further proves the importance of these values, the Centre and the work we do.'*

António officially opened the Centre by unveiling a plaque at the Business School in University House, before touring the Centre, meeting the colleagues dedicated to seeing a responsible future in business become a reality and spending time with students who are beneficiaries of the Lloyds Banking Group scholarship scheme.

The relationship between the University and Lloyds Banking Group spans over 100 years: Lloyds has been the University's bank since it was established in May 1900. Producing credible and accurate research will help develop groundbreaking, policy-influencing thought leadership – and establish the Centre as a leading European centre for research.



THE RELATIONSHIP BETWEEN LLOYDS BANK AND
THE UNIVERSITY OF BIRMINGHAM STRETCHES BACK

OVER 100 YEARS

AND THE LINK BETWEEN LLOYDS AND THE CITY OF
BIRMINGHAM DATES BACK TO THE BANK'S ORIGINS IN THE

18TH CENTURY

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*Our first Chancellor was Joseph Chamberlain
and his vision for the University of Birmingham
as a civic university still guides us today.*

Professor Sir David Eastwood, Vice-Chancellor,
University of Birmingham

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RESEARCHING RESPONSIBLE BUSINESS AND ACTIONS

WHAT DO WE NEED TO KNOW TO DETERMINE IF A BUSINESS, A PRODUCT OR SERVICE, PROJECT OR DECISION IS RESPONSIBLE?

This seemingly simple question hides many levels of complexity at a conceptual and practical level, yet is at the core of our research. From the responsible business perspective, it is crucial to understand what makes a good decision. As with much in life, it is often easier to get consensus on what makes a bad decision, but acting responsibly is more than avoiding bad decisions. Key to dividing good from bad is some form of normative framework that allows different processes, options and outcomes to be evaluated.

We have been exploring the suitability of different external frameworks and have selected the United Nations' Sustainable Development Goals (SDGs) as the foundation for building useful and usable evaluation tools. There are many reasons for choosing the SDGs as our starting point. These include the high level of international consensus on these issues; they are goal oriented rather than led by process; they are comprehensive; they are global in nature and can be translated into SMART measures. They are also aspirational and challenging and the United Nations describe them as *'the blueprint to achieve a better and more sustainable future for all'*.

SUSTAINABLE DEVELOPMENT GOALS



We are using the anatomy of the SDGs as a framework to synthesise different elements of our research around this vision. This ensures our work is judged not just by adherence to the rules of academic research, but also by its impact and consequences on the world, as well as the world of business. To do this, we have set out four research priorities, each based around a targeted set of ambitions, but capable of synergistically building capability for responsible business. These are:

- Responsible Business Decisions
- Responsible Business Performance Measures and Accountability
- Fore-sighting Risk for Responsible Business
- Artificial Intelligence and Responsible Business

Considerable progress has been made in projects covering all of these themes, but we are very aware of the scale and urgency of the challenges ahead. Given the nature of these challenges some of our research is focussed on organisational problem solving, transferring knowledge and applying existing theories into novel settings. This type of research partnership is mutually beneficial and a form of intervention we will look to build over time.

OVERVIEW OF OUR WORK TO DATE

We work with academics from various disciplines to create world-leading research which impacts business at every level.

RESPONSIBLE BUSINESS DECISIONS

COMPLETED

- Ethical norms in fast fashion
- Irresponsibility and corporate hypocrisy within marketing to consumers
- Overcoming resistance to sustainable agriculture and food chains
- Responsible finance for small and micro businesses
- Business ethics after the Global Financial Crisis
- Sustainability certification that enables responsible business
- Deregulation, mortgage brokering and risky lending
- Face of the firm: aesthetic diversity and inclusion
- Shared parental leave
- Accounting for disability

ONGOING

- Evaluating consumer barriers to sustainable products
- Accounting for biodiversity
- Supply chain, life cycle analysis – electric vehicles, dairy and food
- Supporter ownership in football clubs
- Financing global climate change
- Intersectionality and responsible business discourses
- Environmental pollution solution
- Role playing ethical dilemmas as an effective learning strategy
- Exploring effective workplace wellbeing interventions

COMMENCING

- Emergence of the ‘actipreneur’
- Ethical decision making, moral judgements and social contagion in financial services organisations
- Resolving the plastic problem
- Exploring organisational engagements with vulnerable customers

RESPONSIBLE BUSINESS PERFORMANCE MEASURES AND ACCOUNTABILITY

COMPLETED

- CFO and sustainable transformation environmental management accounting
- Responsible business tracker
- Accounting and accountability for NGOs
- Alternative accounting for human rights and ecological damage
- Management and accounting across generations
- Carbon accounting and reporting
- Capture or effective representation of fairness in business accounting

ONGOING

- Data visualisation and 17D decision making
- Trust, partnering and collaboration in responsible impact investment
- Accountability, legitimacy, human rights and disability
- Accounting for connections among SDGs

FORE-SIGHTING RISK FOR RESPONSIBLE BUSINESS

COMMENCING

- Business responsibility for the 1.5° climate change target
- Scenario building for responsible business transformation

ONGOING

- Measuring risks and impact and responsible investment
- CSR, sustainability, ethics and governance in finance
- Circular economy solutions to the electric vehicle battery problem
- Public-participative geographic information systems and regulatory enforcement



Supporting business transformation through research, engagement and education is the core objective of the Centre for Responsible Business, formed from the shared values of Lloyds Banking Group and the University of Birmingham.

Professor Ian Thomson
Director of the Centre for Responsible Business



ARTIFICIAL INTELLIGENCE AND RESPONSIBLE BUSINESS

ONGOING

- AI and transformative change strategies
- Risks, regulations and ethics: AI in UK professional services
- Determining the ethics of big data science projects
- Developing algorithmic reasoning for investment appraisal, mapping the experts
- Ethical implications of workforce data analytics

COMMENCING

- Machine based learning and the production and interpretation of SDG reports
- Innovative organisational practices in responsible AI development

RESEARCH SUCCESSSES

17D Decision Tools

Professor Ian Thomson

If business leaders consider their purpose is to maximise short-term profitability, they view the rest of the world as a set of profit possibilities, ignoring value creating opportunities and passing costs on to others. Responsible business transformation involves thinking differently about business purpose, processes and impacts. This altered thinking requires different ways of modelling and visualising patterns of the positive and negative impacts of a business or a business decision. For example, demonstrating a business's contribution to the SDGs will create competitive advantage, just as preventing the attainment of the SDGs will become less valued and subject to growing distrust and unacceptability. Responsible business leaders now need to think differently, employing thinking that considers the impact of business decisions on each SDG. These new decision tools, under development, will expose the risks of acting irresponsibly, create new measures of value and inform decision-making processes.

Ethics in Fast Fashion

Dr Charika Channuntapipat

Research into design plagiarism is academically limited: although the fashion industry is frequently in the spotlight for unsustainability and environmental concerns, few have looked into the ethics around design. This research not only delves into this issue but also explores the value of design in the production of fashion items and issues around social protest and auditability of design plagiarism. Improved ethics and accountability in the fashion industry will allow smaller, more sustainable brands to flourish without the fear of plagiarism.

Risks, Regulations and Ethical Implications Arising from the Application of Artificial Intelligence in UK Professional Services

Professor Ian Thomson

To regulate AI we need new laws, not just a code of ethics. AI will seriously disrupt the global professional services market. This project is designed to enhance opportunities for the responsible uptake of AI by UK professional services such as legal, accountancy, banking and insurance services. This research will assess the merits of different frameworks when considering the ethical challenges associated with different scenarios of AI commercialisation. Providers of expert services are essential to businesses and civil society, the stability and integrity of the financial system, effective governance and protection of citizens from harm.

Improving Levels of Shared Parental Leave

Dr Holly Birkett and Dr Sarah Forbes

Supporting new parents equally whether they want to return to work or use leave to remain at home is essential to achieving gender equality in the workplace. Holly and Sarah investigate the reasons for low take up of the Shared Parental Leave policy in the UK. This research has identified many obstacles to sharing parental leave and ways to improve take up. This research is already having considerable impact in advising policy makers, appearing on various national media channels and at headline policy events and most recently, informing the creation of a tool kit for businesses and policy makers to use to practically support the successful implementation of shared parental leave. This project was awarded the University of Birmingham prize for Outstanding Emerging Research Impact for 2018.

Electric Vehicles, a low carbon sustainable transport solution?

Dr Nana O. Bonsu

Nana's research evaluates the responsibility and sustainability of Britain's 'Road to Zero' and Low-Carbon Economy, which sets out to attain zero emissions by 2040 and achieve the Ultra-Low Emission Vehicle (ULEV) standard by 2050. The findings and implications of this research are designed to inform policy and practice across the life cycle of electric vehicles to ensure they achieve the benefits from circular economy strategies, ensure equitable distribution of costs and benefits, promote a better standard of living in low pollution and pollution free environments and positively contribute to building a more responsible future.

Understanding Consumers' Sustainable Consumption

Dr Jennifer TyreeHageman

With the environmental problems we face today it is imperative that we find ways to enable consumers to live more sustainably. With support from Proctor and Gamble, Jennifer's research examines the intersection of sustainable consumption and fast moving consumer goods (FMCGs). This research looks at how sustainability connects to the lived experiences of urban consumers. Understanding the impact of emotional, social, economic and behavioural factors on consumption behaviours in relation to sustainable products and sustainable lifestyle choices is essential to the successful design of responsible products and services. Jennifer's findings will be used to inform the life cycle design and marketing of new more sustainable alternatives.

Financial Inclusion and Community Development Finance

Radman Selmic

Fair access to finance and the services of financial institutions allows equal opportunity for all businesses and entrepreneurs. This research investigates financial inclusion for marginalised and vulnerable individuals and communities. Community Development Financial Institutions typically lend to those who are excluded from commercial bank lending products yet who can make a positive economic and social impact on their communities. Radman's examination of the responsibilities of the lender, the borrower and the state has shown that only when all three parties take joint responsibility can fair financing be achieved.

Set Business Discourses to Responsible

Dr Juliet Kele

Being able to articulate what being responsible means is a critical component of business transformation. Understanding how businesses talk and think about what they could and should do is the focus of this research. Juliet is using the research conducted by the Centre to build a new responsible business discourse using interdisciplinary theories and insights. This research seeks to move beyond corporate social responsibility thinking with its emphasis on trade-offs towards an inclusive discourse that integrates all essential elements of responsible business.



Social Contract and the Future of Finance

Professor Andy Mullineux

Social contracting is a powerful concept that underpins the trust and social acceptability of businesses. Banking and other financial institutions are dependent on social trust. It has been widely recognised that the level of trust in the financial sector following the Global Financial Crisis was low. This research explores the potential of negotiating a new social contract between citizens, government and finance in ensuring a mutually beneficial future for UK financial institutions.

Financing Sustainable Transformation of Business

Dr Christoph Biehl

Whilst responsible business transformation is likely to be value creating in the medium to long term, in many cases it will involve disruption to existing business operations and require investments. Some businesses will be able to self-finance these investments, but others will need to borrow or partner with other businesses. Unfortunately many conventional financial products are not suitable for responsible business investments, however many financial institutions are developing new products. This research will evaluate these new product developments based on their likely impact on the sustainability and responsibility of businesses.

Nature, Sustainability and Accounting for Life on Land

Madlen Sobkowiak

How we account for different aspects of businesses has both a positive and negative impact on decisions. Prior research has demonstrated that aspects of business that are excluded from accounting systems are often ignored in decision processes. This results in unintentional negative consequences in relation to social and environmental systems. This research investigates the effectiveness of different ways of accounting for biodiversity in relation to natural conservation and mitigating past damage to UK ecosystems.

Disability Discrimination and Accountability

Laura Chapman

A responsible society and responsible businesses can be judged on how they treat all members of society. This research exposes the systematic inequity in the treatment of those labelled as 'disabled', in particular how their gifts and skills are dismissed, undervalued and ignored. This in-depth investigation also uncovers examples of best practice and contains many policy and practice recommendations.

Sustainable Oil and Gas Businesses?

Aljoahra Altuwajiri

This research addresses head on the complex problems associated with creating responsible and sustainable energy businesses in the Middle East. Jo's work has identified that oil and gas businesses are acutely aware of their positive and negative social, environmental and economic impact and are undertaking a number of initiatives to change. However, the effectiveness of different solutions are dependent on understanding the complex institutional fields these businesses operate in. This project is producing new insights into how and whether different techniques, such as sustainability reporting, will make a difference.

Green Bonds, Tagging and Climate Change

Raeni Raeni

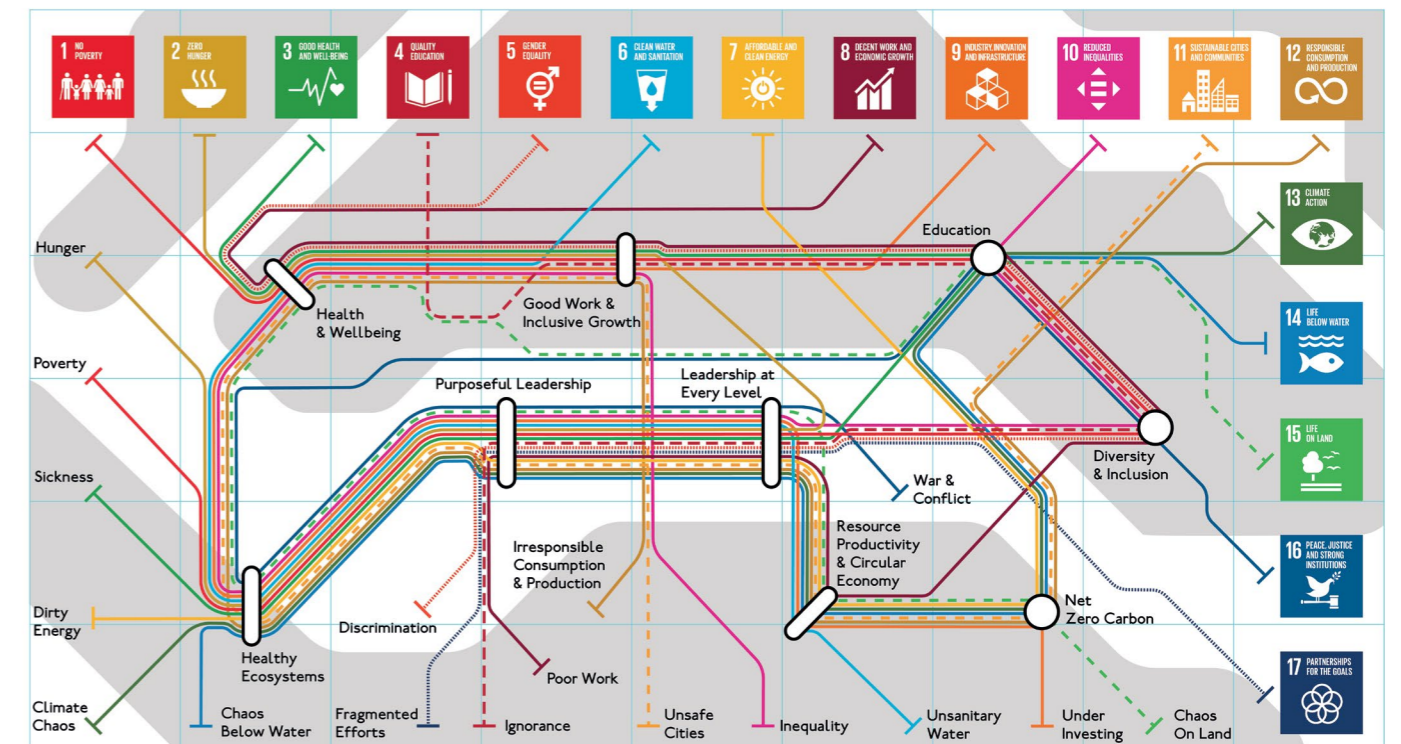
Many have long argued that green bonds are an effective way of financing low carbon programmes. These financial products allow investors to earn a reasonable return from their wealth, which is invested in projects with matching positive environmental returns. However, questions have arisen as to whether the necessary sequence of actions required to reduce carbon emissions will be followed. This research investigates the effectiveness of a particular form of green bond issued by the Indonesian Government, where this income is tagged and traced from capital market to government departments to specific carbon reduction projects. This important work aims to create new recommendations for designing effective, accountable and transformative financial instruments.

Tubemapping – Finding your way around Responsible Business

Professor Ian Thomson

Our research identified a widespread difficulty in understanding how the Sustainable Development Goals connect to key business activities. This led us to explore different ways of understanding and representing these connections in a useful and usable way. After many dead ends and a spark of inspiration from Dr Biehl, we arrived at our 'tube mapping' methodology. This approach involves conceptualising the process of achieving each goal as a journey from unsustainability to sustainability. Then for each business considering how each one of these 17 journeys encounters key decisions,

activities or departments, creating a customised tubemap. This tubemap identifies the links between the goals and the business as well as the critical 'stations' on the way. The stations where many SDGs pass through are strategic inflection points where key interventions can lead to multiple positive outcomes and useful for setting priorities and opportunities for targeted investments. Further research is underway to test the potential impacts from this mapping tool.



BUILDING RESPONSIBLE BUSINESS

research capacity

Responsible Graduate and Early Career Researcher Development

Building our capacity for impactful responsible business research is an important aspect of the Centre. Our funding allows us to offer support for Business School PhD students and Early Career Researchers. This dynamic and inventive group of scholars are able to bring fresh ideas and methods to our projects. This year we supported the Birmingham Business School Doctoral Conference, by offering three prizes for the best Responsible Business research. The prizes consisted of resources to help them further develop their work, for example, by accessing new evidence, attending training workshops and presenting their work at conferences.

2019 Prize winners

- *Using social business to address food waste* – **Samantha Sandilands**
- *Branded entertainment in films: the fine line between pleasure and manipulation* – **Katharina Stolley**
- *Trade facilitation and informal trade* – **Jade Siu**

Early Career Researchers Responsible Business Challenge

Building on the success of our ReBA Awards, in May this year we launched the Early Career Researcher Responsible Business Challenge at the BBS ECR Conference. This challenge requires teams of researchers to come up with an innovative, interdisciplinary research project that investigates the impacts of Artificial Intelligence or related aspects of Digital Transformation from a responsible business perspective. Teams will be preparing their projects over the summer and the successful teams embarking on their research later in the year.



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Education is the most powerful weapon which you can use to change the world.

Nelson Mandela

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OUR ADVISORY BOARD

Highly respected thought leaders, practitioners and policy-makers in the responsible business space were invited to join us to play a pivotal role in guiding our exploration, adding value to our work and informing responsible business solutions with pragmatic perspectives and ethical values from across academia, business, policy field and the third sector. We have been successful in assembling a wonderful range of individuals to support the Centre's development. The collective knowledge, expertise and experience of our external advisory board means that complacency or insular thinking will not be a problem!

The Board will aim to meet three times a year, acting as a critical friend in reviewing the merits of current activities, knowledge exchange on future innovations, challenging the Centre's priorities and informing our future agenda.

external advisory board

Allan Andrews	Senior Strategic Policy Advisor to the Mayor of the West Midlands
Professor Stephen Brammer	Executive Dean of the Faculty of Business and Economics, Macquarie University, Sydney
Fiona Cannon OBE	Group Responsible Business, Sustainability & Inclusion Director, Lloyds Banking Group
Patrick Jenkins	Financial Editor, Financial Times
Andraea Dawson Shepherd	C-Suite Responsible Growth Leader in Global Consumer Goods Companies
Jean Templeton	Chief Executive, St Basils
Nicola Templeton	Director of Business Development, Business in The Community
Professor Frederick Wherry	Professor of Sociology, Princeton University
The Right Reverend David Urquhart	Bishop of Birmingham (CHAIR)



ALLAN ANDREWS
Senior Strategic Policy Advisor to the Mayor of the West Midlands



FIONA CANNON OBE
Group Responsible Business, Sustainability & Inclusion Director, Lloyds Banking Group



ANDRAEA DAWSON SHEPHERD
C-Suite Responsible Growth Leader in Global Consumer Goods Companies



NICOLA TEMPLETON
Director of Business Development, Business in the Community



PROFESSOR STEPHEN BRAMMER
Executive Dean of the Faculty of Business and Economics, Macquarie University, Sydney



PATRICK JENKINS
Financial Editor, Financial Times



JEAN TEMPLETON
Chief Executive, St Basils



PROFESSOR FREDERICK WHERRY
Professor of Sociology, Princeton University



THE RIGHT REVEREND DAVID URQUHART
Hon DD, Lord Bishop of Birmingham

SPOTLIGHT ON OUR ADVISORY BOARD

PROFESSOR FREDERICK WHERRY

Professor of Sociology,
Princeton University

Professor Wherry, notable theorist in financial sociology from Princeton University, is a member of our Advisory Board. Professor Wherry has been working with the Mission Asset Fund in America to bring visibility to approximately 45 million Americans who feel invisible due to having a poor or no credit score. His support for the Centre is based on his belief that society should be fair, and work for all.



Speaking exclusively for the annual report, he said:

'In today's society, the only way that you can get a sense of justice and fairness is through being partnered with business. We, as consumers, have always looked to the business sector in order to realise social justice claims – similarly when you think about the history of catalogues – what they did is allow people who were not allowed to go to the same department stores as others because of social convention, to dream like everybody else dreams and have whatever it was they wanted delivered at home without questions like: what is your race? What is your religion? If you want it and you can pay for it, you can have it. The way that you had a sense of equality was via the marketplace.'

'Even today, we are looking for businesses to treat us with fairness. Our interpretation of full membership to society is the sense that wherever I go, as long as I'm not breaking the law and as long as I can afford to have the things I want, I am equal. Businesses help affirm this. Businesses also play a role in dictating who is part of a society.'

'Kids growing up, the way they learn about what it means to be a member of society is that they see advertisements. They see advertisements before they get any bit of history. These advertisements carry messages about equality and fairness, they carry messages about race, ethnicity, gender roles.'

'Businesses have to do a better job understanding who their customers are and who they could be. One of the challenges in that is having partnerships with consumer groups, civil society and with academia. This allows businesses to better gather those voices.'

'So the businesses benefit by reaching a larger group of people, but the people also benefit by feeling as if businesses are paying attention to them. They are suddenly seen and recognised as valuable. Part of it is how to generate a value proposition that affirms a sense of belonging.'

'I am proud to be a part of the Advisory Board for Lloyds Banking Group Centre for Responsible Business. Being able to learn about other people's work, whether academic or private sector or business entrepreneurs who are indeed activists, people who have a vision of business as a conduit to a good life is invaluable.'

'Sometimes we misconstrue the purpose of businesses as existing purely for the sake of making a profit. Businesses do want to turn a profit, yes, but they are there to make life better in some way. Sometimes we need help to see that.'

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The Centre for Responsible Business is a unique joint venture between Lloyds Banking Group and the University of Birmingham's Business School. This initiative combines research with business, exploring how all businesses can work in an ever more responsible and ethical manner. The outputs of this approach will have impacts across a range of industries, benefiting the entire economy.

Lloyds Banking Group Annual Report 2018/19

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RESPONSIBLE BUSINESS TRACKER

and the responsible business tracker project

'For me, responsible business means creating a future where no one is left behind. It is as much transforming how businesses operate as it is transforming the interactions of those businesses with others, like engaging their customers in sustainability.'

Centres like the Lloyds Banking Group Centre for Responsible Business are crucial because they create a collaboration where one party has the tools and the time to really go deep and explore the problems, and another party has the tools to be agile, create solutions, implement them and have impact. So these types of collaborations are crucial to create a world we all want to live in.

The Responsible Business Tracker is a transformational tool we created at Business in the Community in collaboration with the Centre for Responsible Business. It's about helping every business who participates understand how responsible they are and how they are contributing towards achieving the Sustainable Development Goals.'

Maria-Jose Subiela, Director of Global Goals, Business in the Community



The Responsible Business Tracker was developed by Business In The Community supported by the Lloyds Banking Group Centre for Responsible Business. The Responsible Business Tracker is a unique and innovative toolkit designed to help businesses measure their performance, success and plan for the future against the Sustainable Development Goals (SDGs).

Using the SDGs to redefine responsible business was a courageous decision. The strategic clarity and new insights brought by the inclusion of the SDGs is both welcome and transformative. Translating this global vision of a fairer, more sustainable world into everyday business thinking and action was far from a trivial undertaking.

The Responsible Business Tracker was officially launched in 2018 for a forerunner cycle of businesses. The results from this forerunner cycle were published in *Raising the Bar – Tracker Insight* in April 2019 and the results presented in a series of launch events in London, Birmingham, Leeds, Edinburgh and Cardiff attended by over four hundred business leaders. The results indicate that leaders at all levels in all key sectors are embracing these newly defined responsible business challenges.

There is evidence of effective engagement and innovation across all nine Tracker elements, with noticeably higher performance in Health and Wellbeing, Diversity & Inclusion and Purposeful Leadership. The Tracker also revealed gaps in this progress, identifying areas for targeted actions and collective efforts. Healthy Environment was the Tracker element perceived as the least material where performance lagged well behind the other eight.

The Tracker identifies areas which could use the most improvement and allows businesses to build their future plans around this improvement. The Tracker also illustrates those areas in which businesses are doing particularly well, allowing them to celebrate their successes and share best practice.

The Tracker will help connect the dots and map the essential patterns and relationships between what businesses do, want to do and what others need them to do. The new insights and visibilities created by the Tracker have highlighted progress, problems and possibilities that will inform and help shape future collective and individual actions.

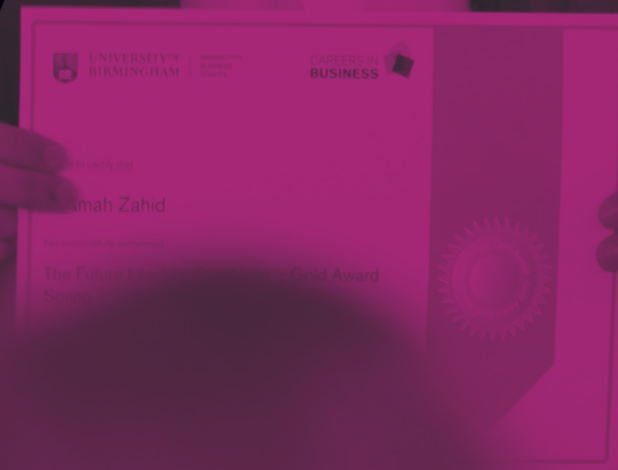
FUTURE LEADERS CERTIFICATE:

embedding responsibility in the business leaders of tomorrow

Collaborating with the Careers in Business team, we delivered an exciting summer project for the prestigious new Future Leaders Certificate. The Future Leaders Certificate prepares MSc students for the potential impact of the Fourth Industrial Revolution (4IR). Whilst no one can predict exactly how advances in technology such as AI, automation and big data are going to affect us, we do know that the impact on the types of jobs and skills required in the future is going to be huge.

This requires a mindset open to continuously adapting and learning, the ability to communicate effectively and use emotional intelligence to build relationships and collaborate, demonstrate resilience in leading people through change and exercise curiosity and creativity to solve complex problems, whilst remaining responsible and sustainable. Through the Centre for Responsible Business, Lloyds Banking Group has taken a lead role in this year's project by providing a case study, experts to support the students, field visits, mentors and judges. The project centres around a hypothetical but realistic situation facing the banking industry to allow students to develop the skill sets they require to tackle issues in the new technologically driven world.

This type of scenario develops students' ethical reasoning when planning in business and is designed to equip our future leaders with much needed responsibility when pursuing their chosen careers. This is part of the Centre for Responsible Business' commitment to developing the next generation of responsible business leaders.



ACHIEVING RESPONSIBLE BUSINESS SUCCESS

wider engagement

The shared values between the University of Birmingham through its civic mission and Lloyds Banking Group through its Helping Britain prosper plan underpin the wider work of the Centre for Responsible Business and its engagement strategy. Led by the Centre's Engagement and Operations Manager, Sophie Sinclair, the Centre has developed important links across the business, policy, local and international communities communicating these shared values and enabling understanding of what responsible business is, how it affects individuals and communities and how and why they should be more involved with the responsible business agenda both now and in the future.

Responsible business research is the fundamental driver of the Centre, but it is vital that both the research, and the good values that underpin responsible business are understood and embodied, not just in institutions but across communities and the policies that govern them. And equally vital is putting these values into practice – evidencing their worth through our own partnerships and actions to achieve our shared mission to create positive change.

We have led and partnered on a variety of events and initiatives to support this and will build on this work in the future to develop an understanding of, and a future committed to responsible business for all.

These collaborations include:

West Midlands Mayor's Mentoring Scheme

In collaboration with Lloyds Banking Group, the College of Social Sciences at the University of Birmingham and the Mayor of the West Midlands, Andy Street, we have delivered an innovative partnership programme mentoring students from the University of Birmingham School.

This pioneering initiative was launched to give colleagues from both organisations the opportunity to work in partnership, developing their skills as mentors, giving young people the life skills and advice they need to flourish. This scheme is designed to help young people understand how to succeed in life and be better prepared for their future careers.

The volunteers from both organisations who have taken part in the programme have gained personally and professionally, through developing skills such as active listening and empathy, and obtaining a better understanding of issues facing young people. Both organisations have also benefited from the participants developing new skills. Mentors spoke about having broader perspectives in challenging situations and developing new thinking to successfully solve problems.

Please visit our website to find out more:
www.birmingham.ac.uk/mayors-mentors

Sophie is also leading the Wellbeing Taskforce for the College of Social Sciences, devising a strategy for improved employee wellbeing underpinned by academic research. Shared learning from Lloyds Banking Group, who are leaders in good practice in this space, is playing a pivotal role in shaping success.

From international high profile speaking engagements across the globe and engaging with senior policy makers in Westminster to connecting with business leads at breakfast briefings and the local community at the University's Green Heart Festival, we are committed to sharing our knowledge and co-creating responsible business solutions that work for all through our wider engagement.

Highlights of our engagement with practice

- Ethical Corp Conference, London
- Sustainable Brands Conference, Paris
- Responsible Leadership Conference, with Institute of Leadership and Management, in partnership with WE-LEAD Research Centre, Birmingham
- Re-Shaping Economic Systems Conference, Trento, Italy
- The Influence of Brexit on the EU28, Frankfurt
- The City UK National Conference, Birmingham
- BiTC Tracker Development workshops in London, Leeds, Cardiff, Edinburgh and Birmingham
- BiTC Insights Report launch and practitioner events London, Cardiff and Birmingham
- Birmingham Professional Services and Greater Chamber of Commerce events
- Judge on Business in the Community's Responsible Business of the Year 2019
- Participant in UK Civic University Commission on Responsible Business
- Chair of PWC Future of Audit workshop, Birmingham
- Member of West Midlands Regional Advisory Board BiTC
- Member of European Accounting Associates Corporate Reporting Committee



DEVELOPING THE NEXT GENERATION OF RESPONSIBLE BUSINESS LEADERS

through education

The Centre's education strategy is embedded within University of Birmingham's objective to deliver a distinctive, globally relevant, inclusive student experience where students have the opportunity to engage with industry professionals and world-leading researchers. We are committed to embedding responsibility in business education so that our graduates are equipped with the knowledge and capacity to lead businesses to be more sustainable and responsible. We are developing responsible business professionals capable of transforming organisations and society.

A recent EQUIS accreditation for the Birmingham Business School commented on how well the mission of the school was articulated around Responsible Business and was supported by academic staff, professional services and students. This year the Centre has taken a leading role in designing, delivering and innovating in responsible business education.

Designing

This year we have developed a proposal for a new MSC programme in Responsible Business, a new compulsory Undergraduate module in Responsible Business, a new MBA Responsible Business compulsory module and the Responsible Business component of Future Leaders Certificate for Masters Students. We are committed to producing a range of responsible business educational material that is open and accessible to all. An example of this wider educational engagement is our work with Raymond Priestly Outdoor Education Centre in designing learning materials and activities that integrate responsible business and sustainability concepts into their programmes.

Delivering

The Centre has been involved in delivering:

- Principles of Responsible Business module to MSC in Management;
- Principles of Responsible Business in Society module to final year undergraduate Business School students;
- Social and Environmental Accounting and Professional Integrity and the Reflective Practitioner to MSC in International Accounting and Finance students;

- Birmingham Project on Responsible Business to first year students;
- Supervising four PhD students on responsible business topics;
- Responsible Business Research induction to new intake of PHD students;
- Reaching out to primary school students in an ESRC Festival of Science initiative Biodiversity in your Shopping Bag and in conjunction with the School of Chemistry outreach teaching to year 7 pupils on Circular Economy, Responsible Business and Plastics.

We also worked with the Business School to produce their first Principles of Responsible Management Education (PRME) Report 'Working for a Responsible Future'. In May, the Centre led and participated in an Innovative Pedagogy for Responsible Business Teaching workshop.

Innovating

Our approach to designing educational programmes is to incorporate best practice and educational thinking to push the boundaries in content, mechanisms of delivery, student engagement, research-led materials, involvement of external speakers and innovation in assessments. For example, our new modules will be delivered through a series of interlocking problem-based seminars based on videos produced by staff actively researching or with experience of dealing with the problems of irresponsible business or successful responsible business transformation.

SERIOUS GAMING

for responsible business transformation

World without profits – re-imagining a future for business

It is 2030 and the world is reeling from the global financial crisis #4 which in England has led to the mass extinction of businesses. Public opinion has turned against the business leaders whose decisions contributed to this crisis but were able to escape to the sanctuary of tax havens. Virtually every business has gone bust and the government has ended up by default owning almost all business assets and business debt. The government has effectively taken over the temporary financing of business, but national reserves can only sustain this for a year. Government is running out of money fast to pay for essential public services and urgently needs to find alternative ways to deliver these services, raise new revenues, resurrect businesses and the national economy.

Our work on gamification continues, building on the successful integration of a business simulation game in our modules and progress on our alternative reality game 'A world without profits?' Other innovations include participation in an action research team exploring the effectiveness of dramatised role-play scenarios that enable students to experience realistic ethical dilemmas. This involved working with a team of professional actors in setting up and leading scenarios (based on the Deepwater Horizon case) where students played the roles of different key players, building their awareness of the ethical dimension of professional work, and their capacity to recognise and confront complex ill-structured ethical problems.

We also developed a teaching case study that allows students to explore the integration of sustainability concepts into business decision-making processes from multiple stakeholder perspectives. The case study is based on research into the behaviour of different stakeholders involved in the export of frozen fruit pulp from the Amazon forest to a UK supermarket.

Virtual Reality

A new development this year is our experimentation with the use of virtual reality to address the gap between our students' lived experience and the real world sustainability situations we are seeking to tackle. An inventive way to bridge that gap is through Virtual Reality technology. One of our academics, Dr Christoph Biehl, Lecturer in Responsible Business, has been examining the benefits of using such technology in education. *'Virtual Reality (VR) will make a great impact on responsible business education. The advantage that we have with VR is that we can immerse students in situations that we could not immerse them into otherwise. For example, if we're looking at certain pockets of environmental damage that has been done, it would not be safe, it would not be feasible to expose students to these kinds of situations. If we use VR, we can safely expose students to these situations, and by doing so we can get the visual information across and build case studies on this. So to teach students the decision making processes in responsible business, VR will play a really important role. It allows us to impart information that we wouldn't be able to impart otherwise.'*



OUR CONFERENCE

building the foundations for change

On the 13 September 2018 over 100 representatives from business, policy development, third sector organisations and academia assembled at Fazeley Studios to discuss how to build a better, more responsible future for business. Our inaugural conference was based on the key lessons we have learned from leaders, innovators and experts in the field of responsible business. Contributions from all our speakers and panellists were designed to stimulate thought provoking conversations from the audience. If the volume and content of tweets (#ResponsibleBiz18) was anything to go by, our conference did indeed inspire thoughtful reflection and produce useful takeaways.

Themes that emerged during the day

- need for 17D thinking and developing new responsible business tools
- strategic importance of responsible business research, teaching and engagement
- moving beyond CSR to create a compelling business case for responsible business
- promoting the value and values of responsible business
- reflecting on the importance of purpose
- trust in business relations and the role of benevolence and integrity
- mutual benefit of collaboration between business and universities
- the need for benchmarking tools such as the responsible business tracker
- role of business and research in conserving global marine fisheries
- responsible leadership in business and education
- the challenges and importance of measuring responsibility
- embedding responsible business values, education and our civic mission
- how to become a responsible business 'possible-ist'

These themes informed our work during the year and help focus our plans for the future. We are hoping for similar positive discussions and outcomes from this year's conference to be held in London on 5 December 2019.

We would like to thank our contributors

- Fiona Cannon, Lloyds Banking Group Responsible Business, Sustainability & Inclusion Director
- Laura Palmeiro, Senior Advisor on Sustainability Reporting, UN Global Compact and Sustainability Integration Director, Danone
- Maria-Jose Subiela, Business in the Community
- Professor Richard Black, Pro-Vice-Chancellor and Head of College of Social Sciences
- Laura Chapman, Equality Training
- Jacqui Francis, West Midlands Combined Authority Leadership Commission and AdinaMay Consultancy
- John O'Brien MBE, One Hundred Agency
- Dr Sarindar Singh Sahota, Trustee, Acorns Children's Hospice
- Claire Spencer, West Midlands Combined Authority
- Marc Stone, CFO, Energy Systems Catapult



OUR ASSOCIATES

To meet our ambitious targets, we need to build a collaborative network of interdisciplinary academics to provide diverse, high-quality academic research experience across the responsible business spectrum. In order to do this, we have developed our Centre for Responsible Business Associates, who provide us with an academic foundation of the highest possible quality upon which we can build innovative and impactful future research collaborations.



Dr Vivek Soundararajan

Dr Scott Taylor

Dr Holly Birkett

Dr Robert Charnock



Professor Catherine Cassell

Professor Jo Duberley

Professor Karen Rowlingson

Professor Mark NK Saunders

Dr Sarah Forbes

Dr Paul Lewis

Dr Diana Gregory-Smith



Professor Kiran Trehan

Professor Isabelle Szmigin

Professor Robert Elliott

Professor Penelope Tuck

Professor Jan Bebbington

Dr Nick Rowbottom

Professor John Bryson

Hazel Westwood

PROGRESS TO DATE AND OUTPUTS

Selected Publications and Conference Papers

NGO Accounting and Accountability, *Accounting Forum*. Belal, A., Cordero, C. and Thomson, I. (2019)

Ecological Damage, Human Rights and Oil: Local advocacy NGOs dialogic action and alternative accounting practices, *Accounting Forum*. Denedo, M., Thomson, I and Yonekura, A. (2019)

'Accountability, Maps and Inter-Generational Equity: Evaluating the Nigerian Oil Spill Monitor', *Public Money and Management*. Denedo, M., Thomson, I and Yonekura, A. (2018)

The Case of Assabi: Expanding the Learning on Sustainability Through an Experiential Qualitative Multi-Criteria Decision Making Activity, *Social and Environmental Accountability Journal*. Garcia, S. and Thomson, I. (2018)

'Time Machines, Ethics and Sustainable Development: Accounting for Intergenerational Equity in Public Sector Organisation', *Public Money and Management*. Thomson, I., Grubnic, S. and Georgakopoulos, G. (2018)

Business Ethics After the Financial Crisis, *Routledge*. Mullineux, A. (Edited by Chris Cowton, James Dempsey and Tom Sorell)

"'Brexit' and 'The City'", RES Newsletter October Issue (2018), *Royal Economic Society* Mullineux, A. (2018)

Environmental Management Accounting: the missing link to sustainability?, *Social and Environmental Accountability Journal*. Gibassier, D., Alcouffe, S. (2018)

Sustainability CFO: The CFO of the Future?, *Strategic Finance*. Gibassier, D., Garnier, C., and Arjalès, D-L. (2019)

Danone: Adopting Integrated Reporting or Not? (A) and (B), *Ivey Business School Case Study Collection*. Arjalès, D-L.,Rodrigue, M. Gibassier, D., Mark, K. (2019)

17D Thinking For Responsible Business: New Vision For A New Age, *Raconteur Report, The Times*. Thomson, I. (2018)

Conference Papers and Participation

Accounting for a Sustainable Future Henley, Centre for Accounting Research and Practice, Henley Business School, Thomson, I.

Theorising comes before theory: Making Accounting and Finance Research Interesting, Irish Accounting and Finance Doctoral Conference, Dublin, Thomson, I.

Accounting and Finance in our time of climate crisis, plenary address at Irish Accounting and Finance Association, Annual Conference, Dublin, Thomson, I.

'Financial sustainability versus social outreach in microfinance: Do micro-savings attenuate or accentuate the tradeoff?', 2018 Global Development Finance Conference, Durban, South Africa, Mullineux, A.

Carbon Intensity Reporting, Alternative Financial Management Workshop, Sheffield, Thomson, I.

'Responsible Business and Financial Technology', Global Workshop, University of Delhi, India, Mullineux, A.

Experimenting With Car-Sharing To Address The Grand Challenge Of Climate Change: A Longitudinal Analysis, International Process Systems Conference, Greece, Gibassier, D.

Is British Banking Better?, CSR, Sustainability, Ethics and Governance, Santander, Spain, Mullineux, A.

External Accounting and Conflicts in a Post-Truth World, Centre for Social and Environmental Accounting Research Conference, St Andrews, Scotland, Thomson, I.

Tales From The Countryside: Passing The Environmental Buck, British Academy of Management (BAM) Conference 2018, University of West of England, Glover J.

Intersectional fusion and Fission power relations in qualitative interviewing, British Academy of Management (BAM) Conference 2018, University of West of England Kele, J.

Omission, Concealment and Manipulation: Carbon Accounting Practices, Interdisciplinary Perspectives on Accounting, Edinburgh Thomson, I.

Workshops and Conferences Supported by The Centre

- *Taxation of society: A responsible view of tax compliance*, Centre for Tax Governance conference
- *Tax Havens and Social/Environmental Sustainability* workshop organised by Professor Jan Bebbington
- *Climate change, governance and policies*, Seminar led by Professor Adrian Macey, NZ Climate Change Negotiator
- *SDGs and Accounting: Challenges and Opportunities*, British Accounting and Finance Association, UK
- *50 Years of the Trades Union Congress: The Future of Work and the Future of Unions*, Launch event for Special Issue of Employee Relations. Dr Lewis and Dr Hodder
- *Biodiversity in your Shopping Bag*, Festival of Social Sciences
- *PRME Teaching innovations* Workshop
- *Laura McCarthy Lecture* – visitor from Royal Holloway
- *Responsible Leadership Conference*, with Institute of Leadership and Management, Birmingham
- *Business in the Community Regional Showcase Event*, Birmingham
- *Business in the Community Employer Conference*
- *ReBA Workshop Series: Financial Intermediation*, Danny McGowan, Birmingham Business School

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As part of our purpose to help Britain prosper, Lloyds Banking Group is delighted to be in partnership with the University of Birmingham Business School, supporting the Lloyds Banking Group Centre for Responsible Business. We are committed to long-term change in banking, but also want to challenge ourselves and business, not just in the financial services sector, on how to become more responsible businesses.

Fiona Cannon OBE
Director, Group Responsible Business,
Sustainability & Inclusion, Lloyds Banking Group

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www.birmingham.ac.uk/crb

Please visit our website to find out more about our work and join our mailing list to find out more about opportunities to engage with the Centre and responsible business agenda in the future. Don't forget to follow us on twitter

 @UoBResponsible



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Designed and printed by

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