



The Prince's
Responsible
Business Network



COST-OF-LIVING ACTION PLAN FOR BUSINESSES

October 2022



INTRODUCTION

Our collective action can make a difference

For 40 years, Business in the Community (BITC) and its members and stakeholders have worked together to make the UK fairer and greener.

Right now, the cost-of-living crisis is exacerbating existing social and environmental issues and as the country grapples with the severity of the crisis, we know there are many pressures that your business may be under.

As you navigate this, we aim to support and guide you, reflecting the desire across our responsible business network to support those most in need.

Through collective action, we can create more resilient and innovative businesses and communities across the UK that are better prepared to respond to this crisis as well as future challenges.

This action plan sets out 12 calls to action that will form a significant part of how BITC and our members drive responsible business over the coming months.

SUPPORTING EMPLOYEES

- ✓ 1. Pay the Real Living Wage to employees and contractors
- ✓ 2. Ensure employees have the option to work flexibly
- ✓ 3. Target support towards your lower income and vulnerable employees using workforce data and employee engagement

SUPPORTING CUSTOMERS

- ✓ 1. Understand the needs of your lower income and vulnerable customers, and how the cost-of-living crisis will impact them
- ✓ 2. Provide products and services that are genuinely affordable to increase choice for lower income consumers
- ✓ 3. Innovate to deliver affordable and sustainable products and services

SUPPORTING COMMUNITIES

- ✓ 1. Promote employee volunteering with schools and front-line organisations in local communities
- ✓ 2. Share goods and equipment with community organisations that are working with lower income and vulnerable people
- ✓ 3. Provide funding for your community partners that is simple to access, and increase support where possible

SUPPORTING SUPPLIERS

- ✓ 1. Ensure prompt and fair payment to your suppliers
- ✓ 2. Support your supply chain to reduce their energy and resource use
- ✓ 3. Purchase goods and services which are more energy and resource efficient

THE CHALLENGES WE FACE

As you will know personally and professionally, we are experiencing the worst inflationary pressures in 40 years, driven primarily by rising global commodity prices on energy, food, and fuel.

Households are already cutting back on non-essential spending, reducing their energy use, and relying on savings and additional borrowing to make ends meet. Those in lower income households are even more at risk as many do not have savings or are unable to borrow.

The financial resilience of both households and businesses is already low following the pandemic. This is compounded by deeper structural challenges around high housing costs, low productivity, a widening skills gap, and increasing childcare costs.

The cost-of-living crisis in NUMBERS

8 in 10

adults

are being impacted in some way by the rising cost of living

ONS. Visit bitc.org.uk/news for full press release

1 in 10

UK households

do not have anyone in employment

ONS. Visit bitc.org.uk/news for full press release

1 in 10

adults

in the UK have gone without food for a day because they could not afford to eat

The Food Foundation (2022)

1 in 10

people in employment

are currently being paid on or below the national living wage

ONS. Visit bitc.org.uk/news for full press release

One third

of UK children

are living in poverty

Source: DWP

Government has been clear that it will not be able to address this problem fully, and interest rate rises to control inflation will increase further pressure on indebted households and businesses.

The cost-of-living crisis is expected to create the greatest challenges for lower income households, and will have a disproportionate impact on some groups, for example:

- **women**, given the greater role they play in caring, food shopping, and have lower paid roles or less savings
- **Black, Asian, Mixed Race and other ethnically diverse people**, given their higher job insecurity, barriers into employment and lower savings/wealth
- those that have a **disability** who are experiencing more barriers than others
- **rural households**, given higher heating and fuel (transport) costs
- **younger households**, given lower levels of wealth and less ability to afford an unexpected expense compared to older households.

More broadly, inflationary pressures could compromise UK environmental goals, wellbeing, and employment stability. This may also lead to civil unrest, non-payment campaigns, and reputational damage to businesses not acting responsibly or seen to be profiteering.

WHY SHOULD BUSINESSES SUPPORT?

We understand the uncertainty you face and the mounting pressures your business and your stakeholders may be under.

There will be some tough trade-offs for you to make, and we know it is challenging to remain financially stable and do all the things you want to do that support the people and environment around you.

Despite these pressures, the opportunity for the business community to make a difference is clear, and we are committed to being with you every step of the way.

If businesses get their response right, there are opportunities to:

- **build trust and engagement** with your employees and contractors at a time when they will be worried
- **improve the resilience** in your community and your supply chain to external shocks, and strengthen relationships
- **create competitive advantage** by pivoting quickly towards more affordable and sustainable products and services
- **improve your stakeholders' view of your brand** by delivering a credible response.

WHAT ACTION CAN YOUR BUSINESS TAKE?

This Cost-of-Living Action Plan for Businesses sets out a series of actions for businesses, tested with our members, focused on supporting employees, customers, communities and suppliers.

We have also unlocked a series of member-only resources among the helpful links detailed below.

SUPPORTING EMPLOYEES

Calls to action	Rationale
1. Pay the Real Living Wage to employees and contractors	Reduces likelihood of in-work poverty and employee absence
2. Ensure employees have the option to work flexibly	Reduces personal and financial pressure on employees
3. Target support towards your lower income and vulnerable employees using workforce data and employee engagement	Increases the likelihood that any employee benefits help those that need them the most

Ways to take action

- Become a living wage employer through the [Living Wage Foundation](#). 86% of living wage employers reported that it enhanced their general reputation, and 80% saw an increase in the quality of work
- [Inclusive Remote Working toolkit](#) – this toolkit provides guidance on how to have an inclusive, flexible working policy
- [Ensuring Everyone Benefits toolkit](#) – guidance for HR teams to create an employee benefits package that improves the financial wellbeing of all employees
- [Helping Employees Facing Financial Difficulty toolkit](#) – first published in 2020, this COVID-19 resource offers relevant support
- [Capturing Ethnicity Data toolkits](#) – understand and take action on your pay gaps

- [Mental Health for Employers toolkit](#) – take positive actions to build a culture that champions good mental health and provides a greater understanding of how to help those who need more support
- Best practice example: [Morrisons helps suppliers, staff and creates jobs](#) (colleague hardship fund)
- [Domestic Abuse: a toolkit for employers](#) – learn how employers can tackle difficult and challenging situations. This is important as the cost-of-living puts further pressure on individuals
- Pay disparities – it is important to know who is in most need of support. Taking data from the Race at Work 2021 Survey, this [Windrush Generation: employment and socioeconomic factors factsheet](#) outlines the pay disparities including socio-economic factors
- [Reducing The Risk of Suicide: a toolkit for employers](#) – take early intervention to support those employees in particularly vulnerable situations

SUPPORTING CUSTOMERS

Calls to action	Rationale
1. Understand the needs of your lower income and vulnerable customers, and how the cost-of-living crisis will impact them	Increases responsiveness to customer base, and demonstrates corporate compassion
2. Provide products and services that are genuinely affordable to increase choice for lower income consumers	Reduces likelihood of poverty premium and reputational risk to your business
3. Innovate to deliver affordable and sustainable products and services	Increased potential for company / brand value boost

Ways to take action

- [Stakeholder Capitalism: four tips to future proof business](#) – navigate through the noisy ESG landscape with this toolkit and ensure you hold yourselves to account to all stakeholders, including customers
- [Making Responsible Business Decisions](#) – access another previously member-only factsheet to guide your decision-making during a crisis
- Best practice examples: case studies to aid freezing of prices or tariff schemes for essential goods where possible: [Tesco](#), [Iceland](#), [Morrisons](#), [Severn Trent](#), [EDF](#), [Thames Water](#)

- [Responsible Innovation Framework](#) – use this framework to help your innovators to identify and mitigate potential unintended consequences, while capitalising on “innovation for good” opportunities
- Best practice example: [Octopus energy](#)

SUPPORTING COMMUNITIES

Calls to action	Rationale
1. Promote employee volunteering with schools and front-line organisations in local communities	Helps match employee skills to where they are most needed
2. Share goods and equipment with community organisations that are working with lower income and vulnerable people	Reduces likelihood of resource wastage and supports groups that could benefit the most
3. Provide funding for your community partners that is simple to access, and increase support where possible	Protects front line community services which are under increased pressure, and makes it easier to access

Ways to take action

- [Skills Exchange](#) – get involved with our programme that harnesses the skills and time of over 600 BITC members to support the needs of local community organisations across the UK. Read a case study on how electrical and mechanical contractor and BITC member [VVB delivers social value through Skills Exchange](#)
- [Job Coaching](#) – could your organisation support job seekers through a series of coaching sessions? Our ambition is to help build an inclusive workforce by supporting people who face barriers to employment across the UK. [Read examples of how job coaching is making a positive difference](#)
- [The business of levelling up](#) – read this report which contains key findings and recommendations providing practical guidance to business, national and local government and existing place-based partnerships
- [Connecting businesses and community organisations](#) – get your colleagues involved with BITC’s Skills Exchange programme that harnesses the skills and time of over 600 business members to support the needs of local community organisations across the UK
- Blog: [Lord Steve Bassam: Why partnership is more important than ever](#)
- [The Power of School Partnerships](#) – learn and get inspired of how businesses have entered long-term partnerships with schools to deliver a new kind of real-world learning within the curriculum

SUPPORTING SUPPLIERS

Calls to action	Rationale
1. Ensure prompt and fair payment to your suppliers	Reduces likelihood of small businesses insolvency
2. Support your supply chain to reduce their energy and resource use	Reduces costs, strengthens relationships, and boosts resilience of your supply chain
3. Purchase goods and services which are more energy and resource efficient	Improves firm productivity, and incentivises suppliers to transition rapidly to greener products and services

Ways to take action

- [Helping Suppliers and their Workers Through COVID-19](#) – using the best practice examples from the pandemic, learn how to support suppliers and vulnerable workers in your supply chain
- [How to Tackle Suppliers' Emissions: a guide for procurers](#) – this toolkit is designed to show how procurement teams, supported by sustainability colleagues, can unlock faster progress on tackling supply chain emissions, demystifying some of the concepts some businesses find hard to interpret
- [The Business Case for Circular Procurement](#) – learn how adopting a circular approach to procurement allows businesses to become more sustainable while delivering business benefits
- [Large Businesses Supporting SMEs Taking Climate Action](#) – understand how you can support SMEs with practical actions and help them start their journey towards net zero

ONGOING SUPPORT

Over the coming months, BITC will support our members in a number of ways. If you are not a member, please [get in touch](#) with us to see what support is available, or explore the [benefits of joining our network](#).

To support your efforts, we will:

1. provide **targeted content and insight**, informed by our network, that will help you stay abreast of these issues and understand how to respond effectively
2. host specific **events and forums** so you can hear and learn from other organisations who are working to address similar challenges
3. provide **opportunities to support your local communities** through donations, targeted support, and volunteering
4. offer **tailored advisory and support packages** that help your organisation to adopt these calls to action quickly and effectively (see below)

TAILORED ADVISORY SUPPORT

We have decades of experience working with organisations across all the areas proposed in this action plan.

Our team of experts are on hand to help you identify practical ways in which to take action.

We have a new, dedicated cost-of-living facilitated discussion workshop to help you work through the areas of this action plan and the priorities you may have. Please get in touch about this or any of the specific support, resources or services below.

OVERVIEW OF OUR TAILORED ADVISORY SUPPORT

Supporting employees

- **Pay equity** – review the associated risk and opportunity of making a change with our social impact and inclusion advisors
- **Flexible working** policies and processes – book a session with our inclusion and wellbeing advisors
- **'Who Cares?' workshop** – explore and break down preconceptions around gender roles in caring responsibilities

- **Flexible Working for Wellbeing interactive workshop** – strengthen or improve your flexible working policies and practices. This session leaves participants, particularly senior leaders, feeling empowered to improve workplace wellbeing through a conversational approach to ways of working
- **In-work poverty** – identify where this may exist, how to target support and make permanent changes to support those with the lowest take-home pay

Supporting Customers

- **Stakeholders** – our specialist social impact, strategy and purpose advisors will guide you through stakeholder mapping, needs analysis research and insight gathering. Includes our Stakeholder Collaboration workshop
- **Poverty and hardship** – work with us to set a new customer policy around poverty and hardship that can be embedded in the co-creation of inclusive products and services
- **Responsible innovation processes** – collaborate with our social impact advisers on responsible innovation processes and how to build purposeful products and services for a wider inclusive customer base

Supporting Communities

- **Workshops** – understand and engage with your community through workshops on:
 - Understanding Your Community
 - Community Investment
 - Defining Your Impact
- **Donating products** – our long-term partnerships with other not-for-profit and charity organisations mean we can support you to get your essential products and surplus equipment to those vulnerable individuals who need it most; efficiently and securely
- **Raise the profile of your work** – through our network of local and national charity/ community organisations, we can support your business by raising the profile of your community funding opportunities
- **Partnerships** – our advisory team can support your building of meaningful community partnerships and the impact measurement of funding and community support

Supporting Suppliers

- **Energy** – join forces with our expert environment advisers who can work with you and your suppliers to create action plans to reduce energy and resource use, and increase resource circularity
- **Environment strategy** – support on developing your environment strategy, including working with and supporting your suppliers to reduce their emissions, energy and resource use

THANK YOU

We know how hard it's going to get for people across our communities. Thank you for all your collective efforts to make our communities fairer and greener – the more businesses that do what they can across these calls to action, the greater impact we will all have.

Helpful links:

[BITC cost-of-living homepage](#)

[Information on joining BITC](#)

[Bespoke advisory services to support your cost-of-living efforts](#)