BIS
The Future of Narrative Reporting: a Consultation

Response by British Standards Institution

As the UK's National Standards Body, BSI welcomes this opportunity to comment on this consultation. Questions 1-12, 14 -15 are not applicable for BSI to respond to instead this submission will focus on addressing Question 13.

BSI Response

Question 13: Are there non-regulatory solutions to increasing quality through better guidance or publicizing excellence in business reports? If so, what?

Standards
With regard to non-regulatory solutions, BSI is in a unique position to provide support to increase the quality of business reports. We carry out national standards activities and as such produce standards that:

- are prepared under a full consensus building process with balanced stakeholder participation and involvement of all interested parties
- have no commercial bias
- are subject to public consultation
- are prepared and presented in a transparent way (BS 0 – *A Standard for standards*, describes the principles of standardization, committee procedures and drafting rules for standards)
- are subject to periodic review
- can be used as the basis for international (ISO) Standards.

Our portfolio
Currently there are various standards in our portfolio that can improve the quality and relevance of reporting on social and environmental matters.

BS 8900:2006 – *Guidance for managing sustainable development*

It is the first standard to take an integrated approach to managing social, environmental and economic issues. It is a principle-based approach for any organization (large multinational, SME, public or third sector) to embedding sustainability across its practices. The principles relate to issues such as human and labour rights, environment and governance. Guidance is provided on reporting the on the sustainability performance of the organization in a meaningful and transparent manner.

BS ISO 26000: 2010 – *Guidance on social responsibility* (to be published 1 November 2010)

This International Standard provides guidance to all types of organizations, regardless of their size or location, on the core subjects of social responsibility (organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, community involvement and development).

It provides practical advice on integrating, implementing and promoting socially responsible behaviour throughout the organization and, through its policies and practices, within its sphere of influence; identifying and engaging with stakeholders; and communicating commitments, performance and other information related to social responsibility.
It includes clear information on reporting on social and environmental performance and how to enhance the credibility of these reports.

Other standards that will assist organisations in providing material and relevant information in reports on social or environmental issues include:

- BS EN ISO 14001: 2004 – *Environmental management systems. Requirements with guidance for use*
- OHSAS 18001: 2007 – *Occupational health and safety management systems. Requirements*
- BS EN ISO 14063: 2010 – *Environmental management —Environmental communication — Guidelines and examples*

Future activities

New committee on Governance
A new standards committee will be established to develop standards on governance, ie concerned with the internal controls and processes of how organizations should be run and the responsibilities they have to their stakeholders. Certain organizations, such as non listed companies, are not necessarily covered or governed using any of the established Codes (such as the FRC Corporate Governance Code). Any new development BSI undertakes in this area will consider and cross reference the many Codes of Practice that exist.

Another area that the new committee will be addressing is a standard providing specification on how to ensure that anti bribery practices are embedded in an organization.

Work on sustainability reporting
BSI has begun to look at standards for sustainability reporting. Key findings from these discussions are as follows:

- Currently, many sustainability reports are unwieldy and include information that is not relevant.
- Many organizations are still not clear on how to report on social and environmental matters.
- There would be significant value in sector-based reporting standards that would enable organizations to report in a material and consistent manner.
- Standards provide comparability.
- Voluntary standards can be used by any company who would see value in the approach, especially through a sector scheme, without the burden of increased legislation.

Summary

British Standards are developed by bringing together the key interested parties in a transparent process that has no commercial bias. Representatives from small businesses, government, NGOs, consumers, labour organizations, academic institutions, labour and industry sectors sit on committees to develop consensus-based documents. The result is standards that are voluntary to use, while being supported by all stakeholders. Although

standards are voluntary, they often become industry norm and drive up performance across a sector (eg BS EN ISO 14001 and BE EN ISO 9001).
Therefore BSI is perfectly positioned to support government to provide non-regulatory solutions to improved reporting, whatever the scope of the project may be.

Question 14-15
NA

BSI Background

BSI is the UK's National Standards Body, incorporated by Royal Charter and responsible independently for preparing British Standards and related publications. BSI has 109 years of experience in serving the interest of a wide range of stakeholders including government, business and society.

BSI presents the UK view on standards in Europe (to CEN and CENELEC) and internationally (to ISO and IEC). BSI has a globally recognized reputation for independence, integrity and innovation ensuring standards are useful, relevant and authoritative.

A BSI (as well as CEN/CENELEC, ISO/IEC) standard is a document defining best practice, established by consensus. Each standard is kept current through a process of maintenance and reviewed whereby it is updated, revised or withdrawn as necessary.

Standards are designed to set out clear and unambiguous provisions and objectives. Although standards are voluntary and separate from legal and regulatory systems, they can be used to support or complement legislation.

Standards are developed when there is a defined market need through consultation with stakeholders and a rigorous development process. National committee members represent their communities in order to develop standards and related documents by consensus. They include representatives from a range of bodies, including government, business, consumers, academic institutions, social interests, regulators and trade unions.

British Standards Institution
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