

# The world needs business at its best.

The Better Business Act is a business-led campaign. Our mission is to change the law to make sure every company in the UK aligns the interests of their shareholders with those of wider society and the environment.

## Businesses can help to solve our most pressing problems.

The climate emergency and social inequality are profound and pressing problems, thrown into sharp relief by the COVID-19 crisis. The failure of business to align the interests of shareholders with those of wider society and the environment has contributed to the enormous set of challenges we're facing that threaten people's health, wealth and the natural world.

These problems can only be solved if we harness the enormous potential of entrepreneurs, innovation and enterprise to create an economy where business is at its best.

It can no longer be a choice to align the long-term interests of people, planet and profit. The Better Business Act will transform the way we do business, so that every single company in the UK, whether big or small, takes ownership of its social and environmental impact, helping to solve some of the UK's most pressing challenges.

## Freedom for business leaders to act in everyone's interests.

We want to free up decision-makers to act in everyone's long term interests - combining traditions of good stewardship and responsibility with new ideas to meet the challenges of the 21st century.

The best way to do this is to change the law that governs how businesses act. Businesses across the UK have proven this way of doing business as a model for sustainable growth that drives innovation and entrepreneurship.

## A small change in the law can create a big change in the world.

That's why we are urging all of Britain's business leaders to call on the UK Government to amend Section 172 of the Companies Act to ensure that all businesses are legally responsible for benefiting workers, customers, communities and the environment while delivering profit.



**Through the Better Business Act campaign, we are aiming to change the law to make sure every single company in the UK, whether big or small, puts balancing people, profit and planet at the heart of their purpose and the responsibilities of their directors.**

**Douglas Lamont**

CEO, innocent and Campaign Co-Chair

## The time for change is now.

The role of business is changing. Companies know that purpose is becoming more and more important for their employees and customers and that this change is happening at pace.

An update to s.172 would give businesses a solid base to act out their new-found focus on purpose, and create an enabling framework to encourage all businesses to act responsibly.

**The government wants to tackle the climate crisis, promote global Britain and level up our country. To do this, we need business working at its best.**

### Mary Portas

Founder, Portas Agency and  
Campaign Co-Chair



## Business leaders and citizens are demanding this change.

Our research shows that the directors, voters and consumers want this change too.

And we're in not alone. Many others including the British Academy, the TUC and the Institute of Directors are calling for s.172 to be updated.



**72%**

of the public think businesses have a responsibility to protect the environment.

**2/3**

believe that business should fill the void left by government when it comes to solving problems.

**62%**

of directors believe that businesses should not exist solely to make money and generate shareholder profits.

# We're in good company.

We are a coalition of over 1000 businesses from local firms to beloved high-street brands who know that when businesses make the right decisions, they can create profit and benefit society.

Tribe | IMPACT  
CAPITAL

DANONE  
ONE PLANET. ONE HEALTH

SUEZ

innocent

patagonia

THE BODY SHOP

graze

love every drop  
anglianwater

Quorn

Ellie's  
kitchen  
Good in every sense

Abel  
& Cole

KIN + CARTA

VIVOBAREFOOT

Virgin  
START

ID

Bates  
Wells

Triodos Bank

ODDBOX

Portas

Iceland

## Your role

### Individuals

Find out more about the campaign and show your support by writing to your MP.

[Find out more](#)

### Organisations

Show your commitment to people, planet and profit by joining the coalition.

[Join us](#)

### Government

Make this small change in law to enable a big change in the world.

[About the Act](#)

## Our plan

### Giving a voice to the majority who want this change.

There is huge demand to make our economic system work better for everyone. We are focusing that demand on a clear ask and providing a platform to hear these voices.

### Building a coalition of leaders.

We are building a coalition of supportive businesses who can prove that this is a better way of doing business. Over **1,000** businesses have joined us in the last year - and this number is growing.

### Driving forward our ask to government.

Government is keen to hear directly from business. We are asking our coalition of businesses to engage their local MPs to gather support for the campaign, to come together for **Better Business Day** in Parliament on **20th April 2022**.

Our aim is to see this change reflected in the Queen's Speech in May 2022.



# What are we proposing?

We want to amend s.172 of the Companies Act to incorporate these four principles:

1. **Aligning interests** of wider society and the environment alongside shareholders.

2. **Empowering directors** to make better decisions.

3. Applying this change to all businesses **by default**.

4. Businesses **reporting** on how they balance people, planet and profit.

## Why Section 172?

Section 172 governs directors' duties. It creates the framework for decision making within the boardrooms of every business in the country.

We want to move **FROM...**

### Old Section 172

- Requires directors to **prioritise shareholders' financial interests** above all other factors, preventing them from doing what is right and necessary.
- Creates a **confusing job description** for directors.
- Makes for **difficult and constrained decision making**, with the law encouraging directors to make short-term financially-driven decisions.
- Describes reporting that **doesn't hold companies to account**.

**TO...**

### The Better Business Act

- Removes the concept of shareholder primacy from this area of the law, **and aligns the interests of people, planet and profit**.
- Provides a **clear job description** for directors, giving them **more freedom and agility** 'to advance the purpose of the company'.
- **Empowers directors to make more considered decisions**, helping companies **plan for the long-term**. This is the only way directors' decisions can help to address some of society's biggest problems.
- Provides a **clearer outline for reporting and mandatory reporting** for the biggest businesses.

To indicate what these changes could look like, we've created an example 'Better Business Act'. [Read our draft amendments.](#)

## The team behind the campaign.

The Better Business Act concept and strategy were initiated by B Lab UK, which acts as its Secretariat. B Lab UK is a non-profit established in 2015 to serve a growing community of 600 UK-based companies - Certified B Corporations - using business as a force for good.

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

