

# THE BETTER BUSINESS TIMES

“A small change in the law will make a big change in the world”



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# UK PUBLIC WAKE UP TO BETTER BUSINESS

The numbers are in: almost all UK voters are behind a proposed change to the law that would see businesses put people and the planet alongside profit when making boardroom decisions.

The change to the law, known as the Better Business Act, is backed by 78% of the UK public, with Conservative supporters (73%) almost as likely as Labour voters (87%) to agree with the change.

Mary Portas, high street and retail expert, is also a strong supporter and believes “A small change to the law will make a big change to the world.”

Portas is co-chair of the Better Business Act, a campaign driven by UK business leaders to amend Section 172 of the Companies Act, which sets out the ‘job description’ for company directors to ensure they align social and environmental impact with shareholder returns.

She, alongside Douglas Lamont, CEO of Tony’s Chocolonely and previously Innocent Drinks, heads up a coalition of 2,000 UK businesses who want to see the change become law. It would mean companies become legally responsible for considering their impact on the environment and their workers, alongside making a profit for their shareholders.

Other coalition members include Virgin, Suez, the Institute of Directors, the Impacting Investing Institute, and many others.

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AM WAKE UP TO BETTER BUSINESS

better business act



*Story continued*

Many members of the coalition have already made the legal change in their own businesses – these include Innocent Drinks, Patagonia, Kin + Carta, The Guardian Media Group and co-chair Douglas Lamont’s company Tony’s Chocolonely. Explaining why the move made sense, Lamont says “We believe that all companies, big and small, should take full responsibility for all stakeholders in their value chains. We want greater legislation to force change and lead to greater due diligence and accountability. Businesses doing the right thing should be the norm, not the exception.”

The public backing for the change has increased over the past three years, with many citing poor business behaviour as a reason to make the change.

In a poll of 2,052 UK adults, 52% cited the cost of living crisis as a factor in changing their view of the responsibilities of business. 44% cited the windfall profits of Shell and other energy companies. Of those who said the cost of living crisis changed their view, 82% said it made them think business should be more responsible to people and the planet.

Chris Turner is the Campaign Director of the Better Business Act, and has been working over the past few years to drive momentum for the campaign. Turner has noticed a definitive uptick in support from businesses and the public as we face increasing urgency around the climate crisis and the cost of living.

“We know it is possible for business to align the interests of people and planet – planet positive doesn’t have to mean profit negative. In fact, the UK is home to one of the fastest growing communities of purposeful businesses in the world, with the B Corp movement leading the way. B Corps are businesses that are certified to high standards of social and environmental performance, while also making a legal change that reflects the principles of the Better Business Act. From Patagonia, to innocent, to The Big Issue and The Body Shop, B Corps are demonstrating what’s possible when leaders are free to think for the long term. That is why we are so convinced that this change is not just needed, but inevitable.”



“ **BUSINESSES DOING THE RIGHT THING SHOULD BE THE NORM, NOT THE EXCEPTION.** ”

Douglas Lamont

# BRITAIN NEEDS BUSINESS AT ITS BEST

2,000 companies have chosen to be part of the coalition for a cleaner, greener, fairer future for all.

[betterbusinessact.org](http://betterbusinessact.org)

better business  
**act**

## THE ACT



Our objective is to see these four principles reflected in an amended Section 172 of the Companies Act.

### ALIGNED INTERESTS

The interests of shareholders are now advanced alongside those of wider society and the environment. This establishes a new principle of fiduciary duty within Section 172 of the Companies Act.

### EMPOWERING DIRECTORS

This change must empower directors to exercise their judgement in weighing up and advancing the interests of all stakeholders.

### DEFAULT CHANGE

This change must apply to all businesses by default. It must no longer be optional to benefit wider stakeholders beyond shareholders.

### REFLECTED IN REPORTING

Following this change, businesses must report on how they balance people, planet and profit in a strategic report or impact report.

## YOUR ROLE



Together, we will ask the Government to make this small change in the law, which will make a big change in the world, helping to create a cleaner, greener, fairer future for all

# BETTER BUSINESS ACT SECURES 99.9% SHAREHOLDER BACKING, SAYS SUPPORTER KIN + CARTA

**Coalition member and PLC, Kin + Carta, interviews Campaign Director, Chris Turner, on the two-year campaign milestone and increasing public and business support.**

## INDUSTRY BACKING

The campaign now has the support of more than 2,000 businesses, as well as industry groups including the Institute of Directors, and a number of MPs. One of the main pillars of the campaign, Turner says, is to “keep growing the coalition and bring more supporters on board”.

The growing support has led to bigger events and, to mark the campaign’s first birthday in April 2022, they had a major lobbying of Parliament with hundreds of Better Business Act supporters coming to Westminster and meeting with their MPs. “It was a really big moment in driving attention to the campaign,” explains Turner.

This year, on April 26th 2023, Mary Portas and Douglas Lamont, Co-Chairs of the Better Business Act, will be in Westminster once again calling on the Government to wake up to better business. Activity will include bringing together policymakers and cross-party Ministers to explore how corporate governance reform can deliver for people and the planet, as well as driving growth.

## THE BUSINESS BENEFITS

Not only is public opinion behind the campaign, says Turner, organisations are adopting the principles of the Better Business Act campaign in recognition of the fact that it makes them more resilient to the changes sweeping the world: “A ‘Better Business Act’ approach is good for shareholders too. It means they’re investing in a more resilient business that is growing sustainably.”

Kin + Carta is proof of this being something shareholders are interested in, with 99.9% voting to change their articles of association

– the written rules that set out how the organisation should be run and governed – to commit the Board to a ‘triple bottom line’ approach to decision-making. The aim is to balance considerations around people, planet and profit.

“Shareholders who are looking to the future will want to see businesses resilient to the types of crises we are increasingly seeing. These shareholders will see a multi-stakeholder approach as a natural articulation of the role business needs to play in society.”

The cost of living crisis, for example, presents a huge societal challenge but also an opportunity to redefine the role of business, says Turner. “For every opportunity, there is a fork in the road. Some businesses will take the wrong road and double down just to survive. Other companies will go the other way and use this time to invest in people, build resilience and create innovative solutions in order for us all to come out the other side in a better place.

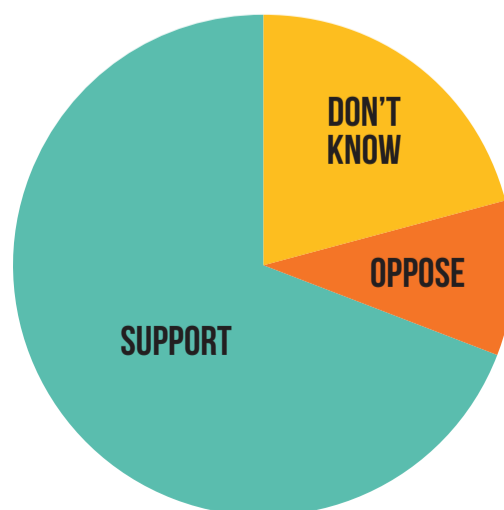
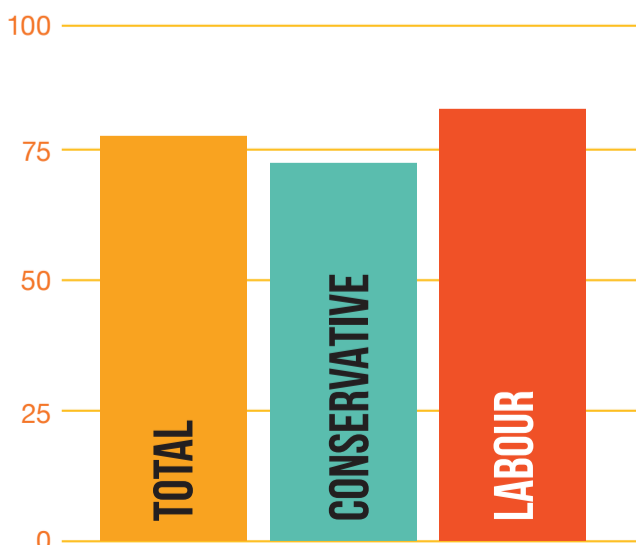
Turner believes that our world can be shaped for the better by business embracing a positive, stakeholder-driven view of its role in our society. It ultimately shows that a business is setting itself up to succeed: “By signing up to the Better Business Act, it demonstrates strong intent to change the system. There is no other campaign out there that’s making such a clear statement about the role that businesses need to play in our future.”

*This article originally appeared in Thread, Edition 2, Kin + Carta’s quarterly magazine.*

## SURGE IN PUBLIC SUPPORT FOR UK CORPORATE GOVERNANCE REFORM

**77%** of people think businesses should have a legal responsibility to the planet and people alongside maximising their profits.

**69%** of people would support the Better Business Act’s proposed changes.



Recent events have influenced public expectations of businesses.

**53%** HAD THEIR VIEWS CHANGED BY THE COST OF LIVING CRISIS

**44%** HAD THEIR VIEWS CHANGED BY ENERGY WINDFALL PROFITS

**18%** HAD THEIR VIEWS CHANGED BY COP26

# WAKE UP

## BACKED BY A GROWING COALITION OF 2,000 BUSINESSES

