



Act Now!

A Campaigner's Guide to the Companies Act

 **CORPORATE RESPONSIBILITY**
the corporate responsibility coalition

Trade Justice Movement





About this guide

This guide provides advice and ideas on how activists and campaigners can use the Companies Act to help improve the social and environmental performance of companies.

The guide will provide you with:

- an understanding of the relevant new provisions in the 2006 Companies Act (the Act)
- some tools and techniques on how to use the Act in campaigns
- signposts to further information.

Who can use this guide?

- anyone who is concerned about the social or environmental behaviour of companies and wants to make a difference
- communities and grassroots groups who are negatively affected by a company
- concerned shareholders, including pension fund trustees
- campaigning organisations.



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SECTION 1:

A guide to the Companies Act

A vision for a better world

The Corporate Responsibility (CORE) Coalition and the Trade Justice Movement believe that companies must be fully accountable for their social and environmental impacts as well as their financial performance. Companies can be a powerful force for good – providing jobs, boosting economies and helping to protect the environment – but they can also cause serious problems. There are too many instances where irresponsible behaviour by UK companies has harmed poor communities, undermined workers' rights and damaged the environment.

Voluntary measures, such as codes of conduct or voluntary social and environmental reporting, have failed to address these issues and deliver real change. The CORE Coalition has documented too many cases where companies have signed up to such voluntary codes yet have failed to deliver.¹

Only legally binding codes and mechanisms can ensure that all companies act ethically whenever and wherever they operate. This means changing the way in which companies are governed in law.



Eric Miller/Panos/ActionAid

Tesco and workers' rights in South Africa

Women working on farms supplying Tesco reported dangerous exposure to pesticides, lack of protective equipment, poverty wages, long hours, and increasingly insecure employment. Although Tesco has started to work with local organisations to address the problem, it has taken more than two years of campaigning to achieve this.²

90% of UK voters believe the Government should set out enforceable rules to ensure that companies are 'socially responsible'.³

CORE has demanded changes to company law since the Government launched its review of company law in 2001. This review resulted in the Companies Act 2006; the biggest reform of UK company law in 150 years. CORE, with the help of the Trade Justice Movement, developed a public campaign that spurred over 100,000 individuals to write to their MPs calling for regulation.

"I had more letters from constituents about trade justice and the Companies Bill than any other issue since I became an MP."

Ed Balls MP, then Economic Secretary to the Treasury

During the Companies Bill Campaign, CORE and the Trade Justice Movement lobbied for changes to the law which would ensure companies became:

- 1. Transparent.** Companies must be transparent about their social and environmental impacts and should be legally required to report on these both to shareholders and the public.
- 2. Responsible.** Companies and their directors must have direct



Tom Picken/Friends of the Earth

Supermarket use of palm oil and environmental degradation in South-East Asia

The increasing establishment of palm oil plantations has resulted in deforestation, destroying the habitat of orang-utans and also leading to human rights abuses and violent conflict. Although palm oil is used in one in ten supermarket products much is still to be done to ensure that it comes from sustainable, non-destructive sources.⁴

responsibility in law to manage their wider social and environmental impacts, including taking action to minimise any harm caused to workers, local communities and the environment.

- 3. Accountable.** People overseas who are harmed by the activities of a UK company should be able to take action against that company in a UK court where local remedies are inadequate or unavailable.

While the new Act goes some way in meeting CORE and the Trade Justice Movement's demands for accountability and transparency, much more work needs to be done. CORE and the Trade Justice Movement continue to campaign for tougher laws to prevent companies exploiting people and the environment.

Companies Act: what it says

The new Companies Act received Royal Assent on 8 November 2006. It comes into force throughout 2007 and 2008 and will affect all UK companies. The Act sets out the basic procedures and systems for how a company should operate.

Unlike previous company law, the Act states companies must now consider their impacts on the community, employees and the environment.⁵ Two key sections in the 2006 Act highlights links between a company's financial performance and its social and environmental impacts. The two key sections are:

1. Directors' Duties (section 172) – company directors have a responsibility to consider their company's impacts on a range of social and environmental matters.

2. Transparency (section 417) - publicly listed UK companies have a responsibility to report openly on their



Elaine Gilligan/Friends of the Earth

Gas flaring and pollution by Shell in Nigeria

Despite the legal prohibition of gas flaring in Nigeria since 1984, Shell has continued with this method to dispose of by-products from its oil-drilling activities, causing severe environmental and health problems for the people of the Niger Delta. Whilst Shell has committed to eliminating gas flaring in the Delta by 2008, this harmful activity continues.⁶

social and environmental risks and opportunities to their shareholders, as well as on employee matters and risks down supply chains.

With these two sections in place, the Companies Act can provide a tool to help defend the rights of people and protect the environment against irresponsible corporate behaviour. It can be used by campaigners in several ways:

- as an education tool to remind directors of their legal responsibilities

- as a tool to strengthen the rights of shareholders to demand ethical performance in their companies' business dealings
- as a legal tool for shareholders to hold companies to account directly through the courts.

Companies Act: what it means in practice

Here is some further detail on the two sections of the Companies Act which relate to social and environmental matters.

1. Accountability: Directors' Duties

The Companies Act states that the directors of a company have a primary duty to promote the success of the company for the benefit of its members, i.e. shareholders. Importantly, it states that in fulfilling this duty, directors must also consider issues relating to:

- employees
- suppliers
- customers
- the community
- the environment.

What does this mean in practice?

These duties have been introduced in recognition that violating social and environmental standards can present

a financial risk to the company. However, the Act also provides some protection for directors who want to be more proactive in their social and environmental management, even if there is a potential cost to the company.

The Act links the directors' duties to a company's reporting obligations (below), and the need for directors to consider the company's impacts in their decision making.

As with all new laws, it will be mostly up to the courts to determine how this new duty is applied over time. Generally speaking, directors of companies will be required to be more conscious of how they manage their social and environmental impacts. CORE has produced guidance for directors on their new duties which explains how these new duties could work.⁷

2. Transparency: The Business Review

Section 417 of the Companies Act requires certain publicly listed companies to produce an annual report called a 'business review' that includes information on their social and environmental impacts.

The Act specifically refers to the need to report on the following factors where they may have a bearing on the financial performance of the company:

- Environmental matters (including the impact of the company's business on the environment)
- The company's employees
- Social and community issues
- Persons with whom the company has contractual or other arrangements which are essential to the company's business.



Companies might be expected to report to their shareholders on measures for reducing carbon dioxide emissions; staff retention, diversity and training; the human rights implications of their activities; and supply chain issues (including the environmental and human rights standards of other companies of which they own all or part).⁸

The requirement for companies to produce a Business Review comes into force in October 2007. The date these reports are released will vary, depending on a company's financial year.⁹ There are currently no set reporting rules in place. This means that companies can report in the way they like so long as they don't miss out any important information. CORE and the Trade Justice Movement do not believe this approach will adequately improve the transparency of corporations and is pleased that the Government has agreed to review in 2009 how successful social and environmental reporting by companies has been.

The Small Print: companies the new rules apply to

1. The Business Review

Not all companies will have to report on their social and environmental impacts – only 'quoted' companies, that is those that are listed on the main market of the London Stock Exchange and a few others.¹⁰

This includes the FTSE 100 Index (including HSBC, BP and Vodafone). These publicly trading companies may have thousands of shareholders, from large institutional investors who manage shares on behalf of groups such as pension funds or the insurance sector, to individuals.

Some sub-markets of the London Stock Exchange will not have to produce a report (for example those listed on the Alternative Investment Market (AIM) which includes Domino's Pizza, M&C Saatchi and Coffee Republic). Neither will privately-owned companies such as Virgin Airlines and Asda.

2. Directors' Duties

All companies that are formed and registered in the UK must comply with the new directors' duties requirements.

What a company should report

Below are some examples of information on social and environmental issues that CORE and the Trade Justice Movement believe a company should include in its Business Review:

1. **A major mining company is seeking to site a project in an area where the local indigenous community is seriously opposed, in spite of the fact that the local government has approved the project.** The company should report on all human rights implications that it may face in developing the project, such as use of private security forces, or the opposition to the project by the local community. It should also include the community's views in its report.
2. **A major company is engaged in nanotechnology research.** It should consider the human rights impacts and report on these to shareholders, as new technologies may eventually be faced with serious public scrutiny and/or government regulation.
3. **A supermarket that has signed up to an ethical labour code** should report on measures it is taking to ensure that the policies it has in place are actually being enforced on the ground.
4. **A food manufacturing company.** Food manufacturers should report on the action they are taking to ensure that ingredients such as palm oil are produced ethically and sustainably.

SECTION 2:

How to campaign using the Companies Act

Campaigners can help to make sure companies take their new responsibilities seriously and that the Act is effectively enforced. As the legal regime itself is new, we need to be able to test the new laws and hold companies to account.

Writing to a company's directors

If you are concerned about a company's behaviour, the first point of call is the company itself. Set out your concerns with as much supporting evidence as possible and remind them of their legal obligations. If you are not sure who the directors of the company are, you can try contacting the company directly to find out, or

alternatively order this information from Companies House.¹¹ If possible, send the letter recorded delivery (by 'Sign for' post) to ensure you have proof that the letter has been received.

Responses from companies will vary, but you may receive:

- a response with their view of the issue
- an explanation of why they failed to disclose the issue and/or considered it to be immaterial to report to shareholders
- a plan to mitigate the issue
- a promise to follow up with you after a reasonable period.

Sample letter to the Board of Directors/ Chief Executive of the company

Dear Directors/ Chief Executive,

I am concerned that your company [insert concern eg. sources its goods from X]. As you may or may not be aware, some of the activities [eg. of your suppliers] have been causing [eg. environmental harm to the X community] through [concisely describe the problem and refer to any supporting evidence].

The Companies Act 2006 (the Act) stipulates (in sections 172 and 417 respectively) that you have a duty to take such issues into consideration and to report on them [ONLY INCLUDE THE REFERENCE TO SECTION 417, REPORTING FOR QUOTED COMPANIES].

I do not believe that the above issues are currently being appropriately considered by your company and I am concerned about whether this may consequently be a breach of the Companies Act. This letter has been copied to the Secretary of State for Business, Enterprise and Regulatory Reform, who has responsibility to enforce the Act.

I look forward to hearing from you as soon as possible as to how you plan to manage these significant issues and ensure that your shareholders are made aware of them.

Yours faithfully,

Shareholder Activism

Owning shares in a company can provide a direct route to using the new Companies Act to campaign. Within the Act, a company's primary responsibility is to its "members", or shareholders. Shareholder activism is increasingly used by people who want to improve the environmental and social performance of a company, and you can get involved in this either by becoming a shareholder yourself, or by mobilising other shareholders to take action. Indeed you may be a "shareholder" by virtue of having a pension.

What can shareholders do?

Companies are accountable in law to their shareholders. It's up to shareholders to make sure that company directors abide by their duties – both to take social and environmental issues into consideration; and to report on these openly. Shareholders have plenty of tools at their disposal. For example they can:

- get more detailed information from companies about their impacts
- vote at AGMs (Annual General Meetings) in favour or against things like the hiring and firing of company directors
- join with other shareholders to bring a resolution forward at an AGM in relation to a company's environmental and social impacts

- in certain circumstances, bring a legal challenge for breach of duty if a company's directors have failed to take into account social and environmental impacts.



credit

heading?

One recent example of a successful shareholder action came in July 2007 when Ben Birnberg, an individual shareholder, tabled a shareholder resolution demanding Tesco guarantee ethical labour standards for garment workers in Bangladesh. He used the media to appeal to Tesco shareholders to join his action through a letter in *The Guardian*; by speaking to journalists and appearing on TV. Ben also spoke to church and large ethical investors in Tesco. This was the first shareholder action at Tesco to be tabled by an individual shareholder. Although the resolution was not passed, tabling it resulted in significant media attention and investor support which is helping the campaign today.¹²

Working with institutional shareholders:

Institutional shareholders¹³ are typically pension funds or banks who are investing on behalf of a large number of smaller shareholders. Institutional shareholders meet with the company's officers regularly and can ask senior management all about the company's activities, including its ethical behaviour.

If you are a member of a pension fund it is almost certain that your fund has shares in the major companies listed on the stock exchange. You can write to your pension fund trustees and ask them what companies they invest in. You can also ask whether or not they invest on an ethical basis, such as 'Socially Responsible Investment' (SRI). SRI funds are very active in helping to raise issues with companies and are great allies to campaigners.

You can write to an SRI fund and ask them for a meeting; or provide details of your concerns to the fund managers.



How do you become a shareholder?

Becoming a shareholder in a company yourself can be a lot less complicated than you may imagine, and not overly expensive either. You can buy as little as one share in a company, and this can be done at most high street banks (through 'brokers') in their biggest branches or over the telephone or online, and the process is relatively straight forward. It is important to choose your broker carefully as the commission banks charge varies significantly. To buy shares online or over the phone you will need to open a special account (this is a cheaper way of buying shares than in person at a bank; however, you will need to go through a credit check¹⁴). This account will be for your shares only. Once you have opened an account it is relatively straight forward to buy shares. See the Resources section below for more information.

Or if you know a shareholder, the simplest way is to get someone to transfer one of their shares to you. Ask them to transfer the share as a 'gift' and then you will not pay any brokers fees.¹⁵ All you need is a stock transfer form that you can ask the company to provide or simply download from the internet. Alternatively, to attend the AGM of the company and vote you can ask a shareholder to sign the proxy form, mailed to shareholders prior to the AGM, which enables you to do this.

Shareholder resolutions

Shareholder resolutions are a powerful way of sending a message to company directors. These resolutions are actually proposals submitted by shareholders to a vote at the company's AGM. Resolutions often deal with environmental and social issues related to a company's behaviour and although they are normally defeated (by not getting enough votes) they have been influential in raising public awareness and changing corporate behaviour.

How to table a resolution can vary, but you will probably need the support of some major individual shareholders to gain support of at least 5% of total voting rights, or 100 members each with a minimum of £100 worth of shares. Ideally the resolution should challenge the company's poor risk management or the absence of relevant policy as large investors are more interested in how the company is managed rather than individual projects. Remember to use the media to bolster your case, utilising case studies wherever possible so people can see the impacts on individuals and communities. See Resources for more information.



Resources

For information on how to **buy shares** you can contact any major high street bank. Smile online bank is associated with "Selftrade" and you can find out about buying shares by calling them on 0845 0700 720 or visiting their website here: www.selftrade.co.uk/partners/index.phtml?id=98990

For more information about **shareholder resolutions**, what they are and the differences between them see The Companies House & DTI Guide 'Resolutions':

<http://www.companieshouse.gov.uk/about/pdf/gba7.pdf>

Shareholder activism can be complex, but fortunately there are plenty of helpful resources available. Some of the best are:

The Campaigners' Guide to the Financial Markets

by Nicholas Hildyard and Mark Mansley

www.thecornerhouse.org.uk/pdf/document/camguide.pdf

Confronting Companies Using Shareholder Power:

A Handbook on Socially-Oriented Shareholder Activism

www.foe.org/camps/intl/corpacct/wallstreet/handbook/index.html

EIRIS: Ethical Share Ownership – Use Your Influence as a Shareholder

www.eiris.org/files/public%20information%20type%20publications/activeshareownership01.pdf

If you are a member of a **trade union** you might want to have a look at:

Working Capital: Institutional Investment Strategy

<http://www.tuc.org.uk/pensions/tuc-6269-f0.pdf>

Workers' capital and corporate social responsibility

<http://www.ilo.org/public/english/dialogue/actrav/publ/130/11.pdf>

Complaining to the regulating authorities

There are several authorities who are responsible for implementing UK company law and each of these provides a forum to raise complaints.

The Department for Business, Enterprise and Regulatory Reform (DBERR) has the primary responsibility for ensuring that UK company law is implemented and enforced. They delegate responsibilities to different sections within the Department as well as quasi-independent authorities.

1. Companies Investigation Branch (CIB) of the DBERR exercises the Secretary of State's powers of investigation under the Companies Act.

Write to the CIB if there are serious breaches of a director's duty to have regard to social and environmental issues over a sustained period of time. An example might be where a company has caused serious environmental harm to a local community and has failed to respond to repeated complaints.

The CIB will decide if it is within their authority to investigate. If so, some of the powers they have include disbanding a company or barring directors from taking on such positions in future although affected companies and directors can be expected to mount a robust defence.

A link to their online complaint form is listed on the Further Information page of this guide below.

2. Companies House is the official register of UK companies.

Write to Companies House when you believe a company is in breach of the provisions of the Companies Act. Submit full details in writing, together with any evidence you have, such as letters the company has sent you and any relevant photographic evidence. Companies House will decide if it has the authority to investigate and its powers include the ability to strike companies off the register where there is a serious breach of the Act.¹⁶ Once again, affected companies and directors can be expected to mount a robust defence.

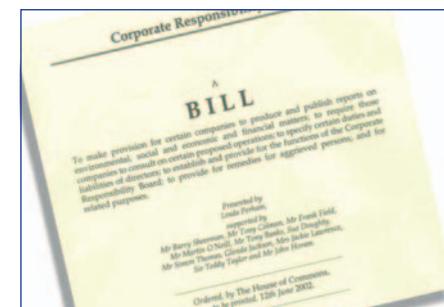
3. The Financial Reporting Review Panel (FRRP) is part of the Financial Reporting Council and ensures that the provision of financial information by public and large private companies complies with relevant accounting requirements. The FRRP aims to resolve an issue through persuasion and negotiation, but will issue a press notice where directors agree to take remedial action and may make recommendations to change standards.

Write to the FRRP if you are concerned that a company has failed to include information on key social and environmental issues in its Business Review as required under the Act.

Launching a legal challenge

Taking a company to court is a risky and potentially very costly undertaking and should only be a line of last resort for campaigners. The Act is more likely to be effective as a tool to encourage directors proactively to manage their company's wider impacts from the outset. However, setting legal precedents in instances where serious harm is caused because of a failure to manage social or environmental matters may be a useful deterrent in future.

Launching a legal challenge in respect of a breach of a directors' duty under the Act can be done by shareholders through what are known as "Derivative Claims". An action for breach of a director's duty is normally brought by the company itself against the relevant director, but in certain limited circumstances, shareholders can launch an action which piggybacks ('derives from') the company's right to bring its own claim. Permission must be sought from a court before a derivative action can be taken, and claimants must be able to prove that a director has seriously breached his or her duty. It will be extremely complex and difficult to win a legal action in this area and costs can be awarded against claimants; therefore it is essential to seek legal advice at the outset if you think this is an appropriate route.



A legal scenario

A company causes serious damage to a community overseas through a major environmental accident as a result of under-investment in health and safety. The company was shown to be liable for the harm by the local government. A group of shareholder activists, in this instance, could choose to take the company directors to court for breach of their social and environmental duties.

ANNEX 1:

Resources for further information

Relevant Government Bodies and Regulatory Authorities

Department for Business, Enterprise & Regulatory Reform

1 Victoria Street, London SW1H 0ET

Tel: +44 (0)20 7215 5000

<http://www.berr.gov.uk/>

Government information on company law: Information on the detail of the Act, including the Department's advice on the directors' duties statement
<http://www.dti.gov.uk/bbf/co-act-2006/index.html>

Companies Investigation Branch (CIB): Fill out the online complaint form at:
<http://www.insolvency.gov.uk/complaintformcib.htm>

Accounting Standards Board: Provides information on how companies are expected to prepare their reports. <http://www.frc.org.uk/asb/>

Companies House: Provides a register of the annual accounts of all companies; and complaints mechanism.

Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

Tel: +44 (0) 870 33 33 636

<http://www.companieshouse.gov.uk/>

FRRP: The Financial Reporting and Review Panel is responsible for overseeing corporate reporting and links to corporate governance.

5th floor, Aldwych House, 71-91 Aldwych, London, WC2B 4HN

Tel: +44 (0)20 7492 2300

<http://www.frc.org.uk/frp/>

FTSE: provides information on the FTSE Index, including FTSE100 Index; and can help you find share prices.

www.ftse.com

Non-Governmental Organisations Campaigning on Corporate Responsibility

The Corporate Responsibility (CORE) Coalition: For general campaign information and guidance on how directors should fulfil their new duties.
www.corporate-responsibility.org

The Trade Justice Movement: For details of charities and campaigning organisations active on trade and corporate responsibility issues.
www.tjm.org.uk

The Global Reporting Initiative (GRI): For guidance on social and environmental reporting and a directory of companies who issue GRI reports.
<http://www.globalreporting.org/>

Shareholder Activism and Social Investment Organisations

UK Social Investment Forum (UKSIF): More information on socially responsible investment and shareholder activism. www.uksif.org

EIRIS: Ethical Investment Research Information Service provides advice on how to become an ethical investor.
www.eiris.org

FairPensions: Campaigns for responsible pension fund investment
www.fairpensions.org.uk

Sections from the Act

Directors' Duties

172 Duty to promote the success of the company

- (1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—
 - (a) the likely consequences of any decision in the long term,
 - (b) the interests of the company's employees,
 - (c) the need to foster the company's business relationships with suppliers, customers and others,
 - (d) the impact of the company's operations on the community and the environment,
 - (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
 - (f) the need to act fairly as between members of the company.
- (2) Where or to the extent that the purposes of the company consist of or include purposes other than the benefit of its members, subsection (1) has effect as if the reference to promoting the success of the company for the benefit of its members were to achieving those purposes.
- (3) The duty imposed by this section has effect subject to any enactment or rule of law requiring directors, in certain circumstances, to consider or act in the interests of creditors of the company.

Reporting

417 Contents of directors' report: business review

- (1) Unless the company is subject to the small companies' regime, the directors' report must contain a business review.
- (2) The purpose of the business review is to inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote the success of the company).
- (3) The business review must contain—
 - (a) a fair review of the company's business, and
 - (b) a description of the principal risks and uncertainties facing the company.
- (4) The review required is a balanced and comprehensive analysis of—
 - (a) the development and performance of the company's business during the financial year, and
 - (b) the position of the company's business at the end of that year, consistent with the size and complexity of the business.
- (5) In the case of a quoted company the business review must, to the extent necessary for an understanding of the development, performance or position of the company's business, include-
 - (a) the main trends and factors likely to affect the future development, performance and position of the company's business; and
 - (b) information about—
 - (i) environmental matters (including the impact of the company's business on the environment),
 - (ii) the company's employees, and
 - (iii) social and community issues,
 including information about any policies of the company in relation to those matters and the effectiveness of those policies; and

- (c) subject to subsection(11), information about persons with whom the company has contractual or other arrangements which are essential to the business of the company.

If the review does not contain information of each kind mentioned in paragraphs (b)(i), (ii) and (iii) and (c), it must state which of those kinds of information it does not contain.

- (6) The review must, to the extent necessary for an understanding of the development, performance or position of the company’s business, include—
 - (a) analysis using financial key performance indicators, and
 - (b) where appropriate, analysis using other key performance indicators, including information relating to environmental matters and employee matters.

“Key performance indicators” means factors by reference to which the development, performance or position of the company’s business can be measured effectively.

- (7) Where a company qualifies as medium-sized in relation to a financial year (see sections 465 to 467), the directors’ report for the year need not comply with the requirements of subsection (6) so far as they relate to non-financial information.
- (8) The review must, where appropriate, include references to, and additional explanations of, amounts included in the company’s annual accounts.
- (9) In relation to a group directors’ report this section has effect as if the references to the company were references to the undertakings included in the consolidation.
- (10) Nothing in this section requires the disclosure of information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the directors, be seriously prejudicial to the interests of the company.
- (11) Nothing in subsection (5)(c) requires the disclosure of information about a person if the disclosure would, in the opinion of the directors, be seriously prejudicial to that person and contrary to the public interest.



- 1 See for example The CORE Coalition & Save the Children (UK), (2007) “Why corporate social responsibility is failing children”, London, available at http://www.corporate-responsibility.org/module_images/WhyCSRpagesHR.pdf and Amnesty International UK, Christian Aid & Friends of the Earth, (2005), “Flagship or failure? The UK’s implementation of the OECD guidelines and approach to corporate accountability”, November, London, available at [http://www.corporate-responsibility.org/module_images/AIUK_FoE_ChristianAid_Report_Flagship_or_failure\(Jan06\).pdf](http://www.corporate-responsibility.org/module_images/AIUK_FoE_ChristianAid_Report_Flagship_or_failure(Jan06).pdf)
- 2 Wijeratna, A (2005) “Rotten fruit: Tesco profits as women workers pay a high price” published by ActionAid, available at www.actionaid.org.uk/doc_lib/14_1_rotten_fruit.pdf
- 3 According to an ICM Poll commissioned by The Corporate Responsibility (CORE) Coalition and the Trade Justice Movement in April 2006 www.corporate-responsibility.org/C2B/PressOffice/display.asp?ID=29&Type=2&Search=true
- 4 “The oil for ape scandal: how palm oil is threatening the orang-utan”, published by Friends of the Earth and others, a summary of which is available at www.foe.co.uk/resource/reports/oil_for_ape_summary.pdf
- 5 A piece of legislation from 1983 already covered employee matters, however, it was rarely utilised and enforced.
- 6 “Lessons not learned: the other Shell report 2004”, published by Friends of the Earth and others available at www.foe.co.uk/resource/reports/lessons_not_learned.pdf
- 7 Available from www.corporate-responsibility.org
- 8 For further information see “Accounting for people: report of the task force on human capital management” (2003) www.accountingforpeople.gov.uk

9 If you write to a company before its Business Review has been published, you may wish to ask them when they are intending to produce this review and to ask them to include information that you believe is important.

10 The definition of which companies are included and which are not is quite complicated, and you may need to double check if a company is included. According to section 385 of the Act, a “quoted company” means a company whose equity share capital either: (a) has been included in the official list in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000 (c. 8); or (b) is officially listed in an EEA State; or (c) is admitted to dealing on either the New York Stock Exchange or the exchange known as Nasdaq. www.opsi.gov.uk/ACTS/acts2006/60046--p.htm

11 You can order a ‘Current Appointments Report’ for £1 from WebCheck service at Companies House <http://wck2.companieshouse.gov.uk/4dc868b7f9383eaf0033caee4ee54452/wcframe?name=accessCompanyInfo>

12 See www.waronwant.org for more details.

13 Institutional shareholders include pension funds, insurance companies and unit trusts that hold large blocks of shares.

14 You must successfully pass the credit check to buy shares online or on the telephone. This will include giving details of your main bank account, your home and work addresses.

15 This is only recommended if a very small value of shares are being gifted, otherwise this may have inheritance tax implications.

16 It is unclear how either Companies House or the CIB will apply the new Act.



The Corporate Responsibility (CORE) Coalition works to make changes in UK company law to minimise companies' negative impacts on people and the environment and to maximise companies' contribution to sustainable societies.

The Corporate Responsibility (CORE) Coalition represents over 130 civil society groups including Amnesty International UK, Friends of the Earth and Action Aid.

www.corporate-responsibility.org

Trade Justice Movement

The Trade Justice Movement is a coalition of over 80 UK organisations with over 9 million individual members. Together our member organisations and supporters are campaigning for fundamental changes to the unjust rules and institutions governing international trade, so that trade is made to work for the benefit of poor people and the environment. Our member organisations include development and aid agencies, Fairtrade bodies and companies, environmental organisations, trade unions, student and faith groups.

www.tjm.org.uk