

Big business, the environment and you



**Friends of
the Earth**



Who cares for our world?

Big business is running amok

A stricken tanker spews thousands of tonnes of oil on the Spanish coast, devastating marine life, fishing and tourism. A supermarket opens its doors in a small English town and hundreds of local retail jobs go to the wall. Another square mile of Indonesian rainforest is felled to make garden furniture.

It's hardly news that behind abuses of the natural world and vulnerable communities you often find big business behaving irresponsibly. What might come as a surprise is that we still have no international rules that make companies care for the environment. And in the UK, the law actually obliges corporations to put shareholders' profits before anything else – too often that means people and the environment suffer.

The good news is that it doesn't have to be like this. We can all think of companies – from banks to builders – investing wisely, making things, generating jobs and turning healthy profits while taking steps to safeguard the environment and work with communities. But they are a drop in the ocean. And there is much more that the Government and we as individuals can do to make sure big business follows the lead of the best.

This booklet tells you about the links between the environment, big business and us. It explains what you can do to help ensure companies have high standards wherever they operate. Please also visit www.foe.co.uk/campaigns/corporates/.

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Did you know

Poor communities living near Shell's refineries and depots around the world have health problems and live in fear of leaks and explosions. Oil spills and leaks in Nigeria are a major reason why the Niger River Delta is one of the most polluted parts of Africa.

Over 300 MPs in the UK have already expressed their support for new laws that would make businesses accountable and liable for damage they do to the environment and local communities.

Up to a quarter of our mammals could become extinct in the next 30 years – the Sumatran tiger and orang-utan might die out sooner.



1998 EyeWire, Inc.

Close to home – big business up your street

We can all play a part in making companies care for the natural world and our neighbourhoods. A look at your local high street reveals how much of our lives are linked to big corporations. Are you happy with the way they're using your money?

Travel agents

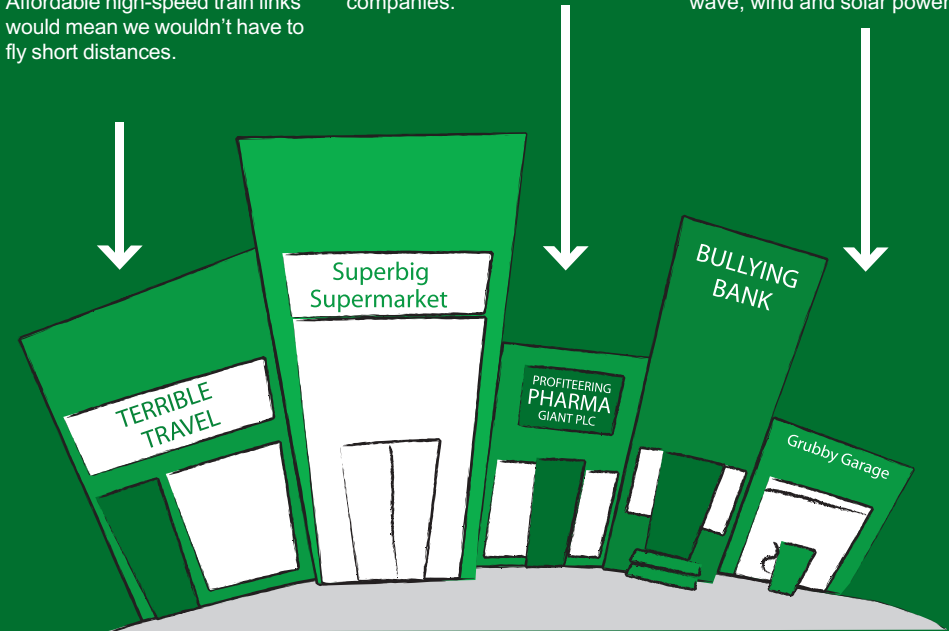
International tourism accounts for one in 12 jobs worldwide but local people and the environment rarely benefit. Aviation, the fastest source of climate-changing carbon emissions, pays no tax on fuel. Tourism should benefit local people, and aviation should pay for the pollution it causes. Affordable high-speed train links would mean we wouldn't have to fly short distances.

Big chain chemists

Multinational companies hold 90 per cent of all technology and product patents worldwide while 14 million people die from treatable diseases every year. Yet international rules prevent poor countries from producing their own, cheaper equivalents of pharmaceuticals patented by big companies.

Garages

Emissions from the oil and gas we use for transport, heating and industry are a major cause of climate change. But the big energy companies are still expanding their oil and gas operations. Energy companies should put more resources into alternative energy sources like wave, wind and solar power.



Supermarket chains

Six supermarkets control 70 per cent of the UK grocery trade. Whenever a supermarket opens, around 280 jobs are lost. Supermarkets tend to focus on providing cheap food rather than locally produced food. We could support small communities and the environment by buying local produce, organic food and fairly traded goods.

Banks

Through pensions, mortgages and overdrafts, our money often funds projects that are putting people and the natural world in danger. Many banks finance companies linked to human rights atrocities and environmental destruction. Instead they could invest in businesses that take steps to avoid social and environmental damage.

World gone mad

In the past 30 years up to one-third of the world's natural resources have been destroyed. It's no coincidence that over the same period there has been a massive increase in the wealth and power of multinationals.

Corporations have lobbied hard for international rules that give them what they want – guaranteed access to markets. They call this “freeing up” the markets. Yet there are no internationally binding rules that guarantee the rights of communities to live in a healthy environment. Because of this lack of binding rules, companies often operate in poorer countries in ways that would be unacceptable at home.

Free-for-all

The World Trade Organisation (WTO) aims to “free up” international trade even more to help countries do business. It can overrule national laws – for example those designed to protect workers or wildlife – if it considers they limit “free trade”. The US in 2003 sought to use the WTO to force Europe to accept GM crops and food against the wishes of the majority of Europe's people.

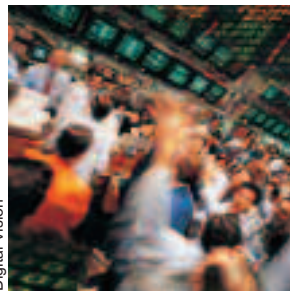
With big business so obviously operating for its own ends rather than to serve the needs of communities or the environment it's time for fundamental change nationally and internationally. We can start with laws to make sure business works for the planet and everyone on it.



“Corporate globalisation” describes the role of big business in shaping the way the world economy works. Smaller local businesses are being replaced by a few powerful multinational companies.

Just 500 enormous companies now control almost two-thirds of world trade and have more clout than the governments of many poor countries.

Under World Trade Organisation rules, governments can be penalised if, in trying to protect their people or local ecology, they get in the way of so-called free trade.



Digital Vision



In the 1990s a massive banana company persuaded the US Government to take a complaint to the World Trade Organisation to stop the European Union supporting Caribbean banana exporters. Ruling that the EU was acting illegally, the WTO put the interests of big business above those of the smaller producers. The EU was forced to end its historic relationship with Caribbean banana producers even though it was better for them and for consumer choice.

Jennifer Bates

Behind the greenwash

Most companies are quick to claim that they are friends of the environment. But while some sponsor community and environmental schemes, often their business activities are harming the environment or people elsewhere. From glossy brochures, websites, company logos, or television advertising, it is difficult to tell whether companies are genuinely committed to the environment. That's why we need the Government to set standards.

Some businesses say they don't need laws telling them to report on their environmental impact or how to behave. But the scale of environmental destruction shows that voluntary codes of action are not working. Robust UK and international laws would ensure all companies have high social and environmental standards wherever they operate.

We all expect the Government to make sure the toys we buy for our children are safe to play with. Similarly, most of us would rather know that each time we buy washing powder, clothes or food we are not contributing to dangerous climate change, destroying another precious wildlife site, further polluting the environment, or exploiting workers.

We all accept that companies should be responsible for health and safety in the workplace and this is enshrined in law: company directors have a “duty of care” to ensure that action is taken to minimise risk of injury to employees. The idea that company directors should also have a duty of care to protect the environment is now gaining support.



Did you know

In 2000 Prime Minister Tony Blair challenged the top 350 companies to publish environmental annual reports by the end of 2001. Three quarters failed the challenge.

British Airports Authority and British Airways lobby the Government to expand airports and air traffic even though their industry is the fastest growing threat to the climate.

Companies such as Shell and BP spend millions advertising their commitment to sustainable development. Yet they are ploughing more money than ever before into oil and gas exploration.



Mark Henley

Pulp fact: Asia Pulp and Paper (APP), one of the largest paper companies in the world, is responsible for the destruction of large areas of Indonesian rainforests – and with it countless rare and beautiful animals, birds and insects. Barclays Bank was involved in loans to the company worth more than £400 million between 1990 and 1997.



Marco Lambertini/BirdLife

Profits for the planet

Because companies are so powerful we're never going to achieve a better world unless they are part of the solution. But it is clear that they are not going to be part of the solution voluntarily. If companies had a legal requirement to return a profit not just to shareholders but to the planet as well, there would be wins all round. For example, UK companies would be better placed to take advantage of the growing demand for products and services that benefit the environment.

Reducing the environmental impact of business – for example by using resources more efficiently – is more efficient economically too. Allowing the rainforests to be destroyed is not good long term business for anyone. Communities will benefit from tougher environmental rules – solutions like recycling tend to create jobs, while buying from local farmers rather than flying in produce from around the world supports vibrant local economies.

Companies have a responsibility to the people who work for them, live near their operations and buy their products. They can ensure they don't harm the countryside, damage communities, or get their supplies from other companies which do so. Banks can make sure they are not investing in fossil fuel projects or lending to companies that damage precious wildlife habitats. And supermarkets could make a difference by selling products which are better for wildlife and people's health.

As well as making money companies can take care that our children and the planet have a healthy future. Good business practice, laws that ensure companies have high standards, and laws protecting vulnerable people and the planet, will all help achieve this.



Did you know

Two out of three people believe companies should contribute to broader social goals. But in 2001 one in three people said they thought business at the moment only cared about profits.

The proposed Ail Wynt wind farm in North Wales could provide 16 per cent of Conwy's electricity. Owned by three local farmers, it creates local employment and will inject £200,000 a year into the local economy

In the 1970s economist Muhammad Yunus began lending tiny amounts of money to the poorest Bangladeshi women. Today his Grameen Bank is a multi-billion pound business acknowledged by world leaders as a key tool in the fight against poverty.



Bill Stephenson/Panos



Seeds of hope: small-scale farmers in developing countries protect biodiversity by using a range of traditional seed varieties – in the face of pressure from global biotech companies which want them to plant engineered crops that the companies patent and own.

Hugh Warwick

What you can do

We believe the key to making business work for communities and the environment lies in nationally and internationally binding rules – and governments need to act to bring such a system about. We can't achieve fundamental change overnight, but meanwhile there's a lot we can do to show companies and governments that we want businesses to be responsible for their impacts.

Consumer power

Many organisations and politicians are working in different ways to ensure people and the environment profit from business. By joining with these your voice can be heard more loudly.

By asking our banks and businesses to supply ethically traded products and ethical services we can help make sure companies raise their standards. By supporting businesses that are already selling environmentally and fairly-traded products and goods endorsed by reputable labelling schemes, we help producers get a fair price.

1 Buy locally produced, organic and GM-free food where possible.

Ian Jackson/Friends of the Earth

Did you know



Schemes such as the Forest Stewardship Council's logo for sustainably-sourced timber, and the Fairtrade mark for ethically traded foods, give consumers the information we need to make choices that benefit vulnerable communities and the environment.

Sales of fairly traded goods, benefiting small producers and the environment, have risen spectacularly in recent years – by 90 per cent in 2000-02.

Fair trade: An expanding range of products ensures coffee farmers and plantation workers are not exploited. The Fairtrade Foundation is an example of a reputable labelling scheme. Visit www.fairtrade.org.uk or phone 020 7405 5942.

Real food: For more information on box delivery schemes and organic certification, try the Soil Association at www.soilassociation.org.

Top timber: Friends of the Earth supports the Forest Stewardship Council (FSC) certification scheme that guarantees your wood comes from a well-managed forest according to internationally agreed standards. Find them at www.fsc-uk.org or phone 01686 413916.

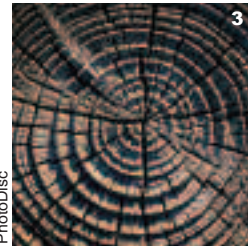
Green electricity: Consider changing your electricity supplier to one that uses energy from renewable sources like wind and solar power. Friends of the Earth's Green Energy League Table is available at www.foe.co.uk/campaigns/climate/press_for_change/choose_green_energy/index.html#league_table.

Check before you buy

Friends of the Earth has produced some useful guides and league tables to help you. The *Good wood guide* helps you make the best choice buying and selling wood (www.goodwoodguide.com). For this and other top tips on the best places to spend your money, visit www.foe.co.uk or call Friends of the Earth's Information Service on Freephone 0808 800 1111.



Fairtrade Foundation



PhotoDisc



Digital Vision

2 In 2002 we spent over £63 million on foods with the Fairtrade mark, still a very small proportion of the total.

3 Choose timber from a well-managed source.

4 Check the label before you buy.

Invest ethically

Through your investments you can put pressure on companies to support the environment and people. You can also support businesses that do progressive work such as providing renewable energy. There are many ethical products around, including pensions, life insurance plans, ISAs, unit trusts, regular savings plans, investment bonds and mortgage endowments. Ethical investors follow agreed criteria such as avoiding doing business with excessive polluters or arms manufacturers.

Ethical banks: If you are looking for a bank that invests in companies that are dedicated to social aims and care for the environment consult the Ethical Investment Research Service, which publishes a banking guide (www.eiris.org/; tel: 020 7840 5700). You could also try Triodos Bank, www.triodos.co.uk or Freephone 0500 008720. Another bank that has an ethical stance is the Cooperative Bank (www.co-operativebank.co.uk; tel: 08457 212 212).



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Did you know

Thirty per cent of consumers regularly consider the social and environmental impact of the goods and services they buy.

In 1985 there were over 23,000 high street butchers in the UK but by 2000, there were only 9,721 left.

In 2002 small newsagents were closing at the rate of one a day. Nowadays, only 15 per cent of consumers make use of specialist shops such as butchers, fishmongers and greengrocers.

Keep it local

Buying locally produced food and products means more of your money stays in the local economy. By shopping at your local shops, cycling and walking to work wherever possible and taking holidays nearer to home you support local businesses and cut down on pollution.

You might feel you can't always choose an ethical product. That's why we need laws. **If you can only do one thing, then keep putting pressure on the decision makers:** The simplest way to do this is to join Friends of the Earth's email network for people who want to take simple actions to stop corporations damaging communities and the environment. Go to www.corporates.org.uk. Or phone or write to Friends of the Earth at the address on the back of this booklet.

Press for change

Make an enquiry. If companies don't know that people want ethically traded products they won't supply them. If politicians don't know you're concerned, they won't bring in laws to improve businesses' environmental performance.



The Fairtrade Foundation



Nick Cobbing/Friends of the Earth



Jeremy Walker/SPL

1 In 2001-02 ethical spending increased by 20 per cent to £6.8 billion. A further £3.4 billion was invested with ethical banks and £3.8 billion in ethical investments.

2 Fairly traded products benefit farmers and their families.

3 Get involved: work with others to put pressure on governments for better environmental laws.

4 Put your money in a bank that lends to greener business.

Friends of the Earth's campaign for corporate accountability

Here's how we are working towards rules for business, rights for people

Friends of the Earth wants the methods we use to buy and sell products and services to be of long-term benefit to us all. Companies should prioritise social and environmental concerns wherever in the world they operate and whether they sell goods, food and clothes or supply electricity, water or transportation. Laws are needed to make sure vulnerable people, smaller companies and the planet are supported by the trade system that is so important to the world economy.

Trade justice

We want fundamental changes to the rules governing how companies do business so that a long-term commitment to people and planet comes before short-term financial profits. Agreements protecting the planet and local communities must take priority. These commitments should underpin the current system so that local communities and ecological systems can thrive.

Corporate accountability

Vulnerable communities in the UK and worldwide must be able to seek redress when companies ruin their environment. Directors should be personally accountable for their organisation's social and environmental impacts.

Friends of the Earth is part of a formidable coalition of human rights, environment and development organisations and trades unions demanding greater social and environmental accountability. The coalition is pushing for national and international legislation to set up binding rules for companies.

Internationally we want a legally binding treaty that gives people a say in preventing the destruction of their community and way of life, and real rights when they are affected by business operations. Companies need to have high standards of behaviour wherever in the world they operate.



Contact Friends of the Earth for more information about our campaign for corporate accountability and how to join us.

Full campaign information, briefings and reports are on our website.

Information Service:

Freephone 0808 800 1111

Email: info@foe.co.uk

Website:

www.foe.co.uk/campaigns/corporates

www.foe.co.uk/campaigns/global_trade

Corporate accountability directory

Business & Human Rights Resource Centre

Reports on corporate misconduct and company best practice.
Tel/fax: 020 7628 0312
www.businesshumanrights.org/

CORE Coalition

UK campaign for the Corporate Responsibility Bill (CORE Bill).
Tel: 020 7566 1665
www.corporate-responsibility.org.uk

Corporate European Observatory (CEO)

Research and campaign group targeting the threats posed by the economic and political power of corporations.
www.xs4all.nl/~ceo/

Corporate Watch

Research and publishing group, supporting grassroots and direct activism against large corporations.
Tel: 01865 791391
www.corporatewatch.org.uk

Ethical Investment Research Service (EIRIS)

Provides research into corporate behaviour needed by ethical investors.
Tel: 020 7840 5700
www.eiris.org/

Fairtrade Foundation

Promoting fair trade to ensure a better deal for Third World producers.
Tel: 020 7405 5942
www.fairtrade.org.uk

Focus on the Global South

A global network linking development at the grassroots to the "macro" levels.
www.focusweb.org

Friends of the Earth International

The world's largest grassroots network of organisations resisting socially and environmentally harmful corporate operations.
www.foei.org/corporates/index.html

Institute for Agriculture and Trade Policy

A global resource centre for food and agriculture policy.
www.iatp.org/

Multinational Monitor

Provides information on multinational corporations.
www.essential.org/monitor/

Our World is Not For Sale

Worldwide network fighting the current model of corporate globalisation embodied in global trading system.
www.ourworldisnotforsale.org

People and Planet

Student organisation campaigning and raising awareness about global issues.
Tel: 01865 245678
www.peopleandplanet.org

PR-Watch

Investigative reporting on the public relations industry.
www.prwatch.org/

Third World Network

Network of organisations and individuals involved in issues relating to development, Third World and North-South issues.
www.twinside.org

Trade Justice Movement

A coalition campaigning for trade rules that benefit poor people and the environment.
Tel/fax: 020 7404 0530
www.tradejusticemovement.org.uk

La Via Campesina

The International Farmers' Movement coordinating peasant organisations of small and medium-sized producers, agricultural workers, rural women, and indigenous communities from Asia, Africa, America, and Europe.
www.viacampesina.org

World Development Movement

Research and lobbying group working to tackle the underlying causes of poverty.
Tel: 020 7737 6215
www.wdm.org.uk

For the mainstream business perspective, see

Confederation of British Industry

UK business lobbying organisation.
Tel: 020 7379 7400
www.cbi.org.uk/home.html

Department of Trade and Industry

Government department that makes decisions on business.
Tel: 020 7215 5000
www.dti.gov.uk

United Nations Global Compact

Voluntary corporate social responsibility initiative for businesses.
www.unglobalcompact.org

Friends of the Earth inspires solutions to environmental problems, which make life better for people

Friends of the Earth is:

- the UK's most influential national environmental campaigning organisation**
- the most extensive environmental network in the world, with almost one million supporters across five continents and over 60 national organisations worldwide**
- a unique network of campaigning local groups, working in over 200 communities throughout England, Wales and Northern Ireland**
- dependent on individuals for over 90 per cent of its income.**

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