

Right Corporate Wrongs

Some companies are more powerful than nations. They can influence the fortunes of thousands of the world's poorest people through investment and trade. But whether they behave for good or ill is driven by the whims of the market and all too often companies pursue profit at the expense of people and the environment.



Traidcraft believes that done well, trade can truly change lives and bring an end to grinding poverty. Companies can provide jobs, training and infrastructure in areas with little economic hope. But we also know that the pressure to provide cheaper, faster goods means that poor people can be exploited and environmental protections ignored.

Today, large international companies wield enormous influence over global trade and yet remain accountable only to their shareholders.

- Two-thirds of world trade is controlled by multi-national companies
- Three companies control over 80% of the world cocoa trade
- Less than 4% of multi-national corporations currently report on their impact on people and planet

Traidcraft is campaigning for basic regulation to encourage the good that companies can do for poor people and guard against the harm.

As part of the Trade Justice Movement and Corporate Responsibility (CORE) coalition Traidcraft called for the Companies Bill to be amended, so that companies would be made accountable for their impact on people and planet.

The law was voted in November 2006. As a result of our successful lobbying, company directors will now be legally obliged to consider the effects of their businesses on people (both suppliers and customers) and the environment, and not exclusively to focus on maximising profits.

More needs to be done

We are continuing to campaign with the Trade Justice Movement and the Corporate Responsibility Coalition (CORE) to Right Corporate Wrongs.

Traidcraft is seeking changes to the law to ensure companies become:

- **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
- **Responsible** – companies and their directors must have a direct responsibility in law to manage their wider social and environmental impacts, including taking action to minimise harm caused to workers, local communities and the environment
- **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

Take action

- [Act now: a campaigner's guide to the Companies Act](#)
Last year Parliament passed a new law on companies. Find out what the new law says and how you as a campaigner can hold companies to account.

Latest news

- [Companies Bill - the final Act](#) Due to the success of campaigning groups, including Traidcraft, changes designed to make business more responsible made it into the final Companies Bill, which became law as the Companies Act on 8 November. 10 November 2006
- [The Battle in the Commons](#) The Companies Bill entered the House of Commons for its third reading on 17 October, when MPs finally got to vote on the amendments put forward by the Corporate Responsibility (CORE) coalition. 6 July 2006
- [Company law key to tackling poverty, groups tell Blair](#) PM targeted with open letter as Company Law Bill enters Commons. 6 June 2006

[See all company law news stories](#)

Find out more

- [Read our background information and get a better understanding of the issues.](#)