



Annual Report

2022/23

Contents

Section	Page
Introduction	4
Looking back	5
A snapshot of relevant metrics	6
GBC metrics	10
GBC highlights	12
Case studies	
Schroders Personal Wealth	15
Leek Building Society	16
Sole trader spotlight	17
Axminster Tools	18
TSB	19
City Cruises	20
Spenbeck	21
Challenges for the year ahead	22





We will equip every business leader, consumer and employee to recognise, encourage and champion responsible business behaviour by giving them a benchmark for 'Good Business' that is accessible to all.



Julian Richer, founder, and Jenny Herrera, CEO

Introduction

As we reach our third anniversary, we reflect on a significant year which started with accrediting our 1,000th organisation – the Institute of Directors – and then something of a pause to take stock and strengthen the accreditation process before ending the year with our inaugural gathering of GBC accredited organisations, the launch of our renewals process and a branding exercise to ensure all of our content and graphics are aligned with our key message.

When we launched in February 2020, we had no idea how the Good Business Charter would be received. In spite of the pandemic's best efforts to stall us before we'd even started, the GBC has gone from strength to strength with organisations from a range of sizes and sectors seeking accreditation and using that to then further champion their responsible business behaviour.

For the year ahead we look forward to a renewed focus on some of the larger corporates as well as plans to bring at least one more GBC place to join York, our first GBC city. As a small charity, majority funded by our founder, we rely on our key partners and networks to help us grow and are particularly grateful to the TUC, CBI and FSB for their continued support.

In this first annual report, we highlight some metrics relevant to our 10 components, provide a summary of our accredited organisations and reflect on our highlights from the past year and the challenges ahead. We could tell many stories of what accredited organisations are doing to champion responsible business behaviour but have limited ourselves to just a handful of short case studies which we hope will inspire others.

Looking back

Public perception

Public outrage at the P&O hire and rehire scandal from March 2022 was perhaps the clearest indicator that poor practices and irresponsible behaviour very much continue in UK business and that decisions are still taken that seem to sweep people away as a commodity rather than valuing them as human beings, with livelihoods and loyalty towards a company some had been employed with for years. Many watched the news and tried to envisage whether their employer would ever choose to make them redundant in a mass video call ... and hoped not.

P&O ferries knowingly broke labour law but the Insolvency Service stated there was no realistic prospect of conviction and therefore there has been no fines and the situation could occur again without a change to the law. Our focus is not on the intricacies of bringing bad capitalists to justice, but rather on highlighting the ones that behave responsibly, are caring capitalists with strong ethics.

They offer up a stark contrast to companies dodging UK tax or organisations holding staff on insecure work through zero hours contracts, or those who are operating in an environmentally unsustainable way. Unfortunately, a list of such organisations would be long.

The Institute of Business Ethics in its annual survey¹ of the general public once again reported that corporation tax avoidance was their number one concern followed by bribery and corruption then environmental responsibility. The IBE recommends that UK businesses must do better at demonstrating their ethical credentials if they are to win back the confidence of the British public.

The ESG landscape

The last twelve months has seen an increasing level of interest and debate around ESG and purpose-driven organisations. The BSI launched its PAS 808 standard on being a purpose-driven organisation – though it seemed to be rather more focused on finding a journey than setting out anything specific.

The cost-of-living crisis shone a spotlight on the social side of behaving responsibly and with all the strike action, the voice of the people cannot be ignored. Meanwhile, CEO pay underwent a surge after being held stable during the pandemic – and it took only three days of 2023 for CEOs of the FTSE 100 to earn the same as the average UK worker earns in an entire year². Their experience of the cost-of-living crisis will be very different. Inequality widens and a sense of unfairness prevails.

¹ Institute of Business Ethics.
[IBE Survey: Attitudes of the British Public to British Ethics 2022](#)

² High Pay Centre.
<https://highpaycentre.org/high-pay-hour-how-quickly-ceos-earn-the-uk-median-wage/>

A snapshot of relevant metrics



Real Living Wage

59.9% of people in poverty are in a household where someone works.

The Health Foundation, 2022

An estimated 3.5 million UK jobs are currently paid below real living wage.

Living Wage Foundation, 2022



Fairer Hours and Contracts

Around 3.7 million people (12% of UK workforce) are in low paid and insecure work.

Living Wage Foundation, 2021

Almost 25% of all jobs in adult social care are employed on zero hours contracts, with care workers making up the highest proportion (35%).

Zero Hours Justice, 2021



Employee Well-being

51% of organisations take a strategic approach to employee wellbeing, while 36% are 'much more reactive than proactive'.

CIPD Health and wellbeing at work, 2022

Less than two-fifths (38%) of HR respondents agree that managers are confident to have sensitive discussions and signpost people to expert sources of help when needed.

CIPD Health and wellbeing at work, 2022



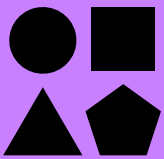
Employee Representation

Only 2% of FTSE350 companies have worker directors on their Board.

FRC Workforce Engagement Report, 2021

Just 13.7% of workers in the private sector are protected by a collective agreement.

BEIS, Trade Union Membership, 2021



Equality, Diversity and Inclusion

47 FTSE 100 companies have no female senior executives.

Tortoise Responsibility100 Index, 2022

Median FTSE 100 CEO pay currently stands at £3.41 million, an increase of 39% on median CEO pay levels in January 2022. It is 103 times the median full time worker's pay of £33,000.

High Pay Centre, 2023



Environmental Responsibility

80% of small businesses see sustainability as important and 34% have increased their focus on sustainability. 31% have invested in sustainability and 65% state that their customers value sustainability in their spending.

Small Business Britain, How to Grow, 2023



Environmental Responsibility

If everyone decarbonised at the same rate that the FTSE 100 collectively plans to, the world would be on track for warming of at least 2.8C. Just 16 of the FTSE100 companies have set targets aligned with a 1.5C rise (and on track to meet that target).

Tortoise Responsibility100 Index, 2022



Pay Fair Tax

The tax gap is estimated to be £32 billion which is 5.1% of theoretical tax liabilities.

HMRC, 2022

74% of people would rather shop with and 75% work for businesses that can prove that they are paying their fair share of tax.

Fair Tax Foundation polling, 2022



Commitment to Customers

£122 billion spent on ethical consumer spending and finance in the UK in 2020.

Co-operative Ethical Consumerism Report, 2021

The January 2023 UK Customer Satisfaction Index (UKCSI) gave a scoring of 63.3/100 for complaint handling (from 10,000 customers covering 45,000 interactions with 287 companies).

The Institute of Customer Service, 2023





Ethical Sourcing

12,727 potential victims of modern slavery were referred to the UK authorities in 2021.

Home Office Modern Slavery National Referral Mechanism statistics, 2022

The ethical finance sector grew by 18.6% to £57.1bn in 2020 from £48.2bn in 2019.

Ethical Consumer Markets Report, 2021



Prompt Payment to Suppliers

400,000 small businesses face winding up because of late payments.

FSB Small Business Index, 2022

There are 4,063 signatories to the government's Prompt Payment Code.

Office of the Small Business Commissioner, Prompt Payment Code, 2023



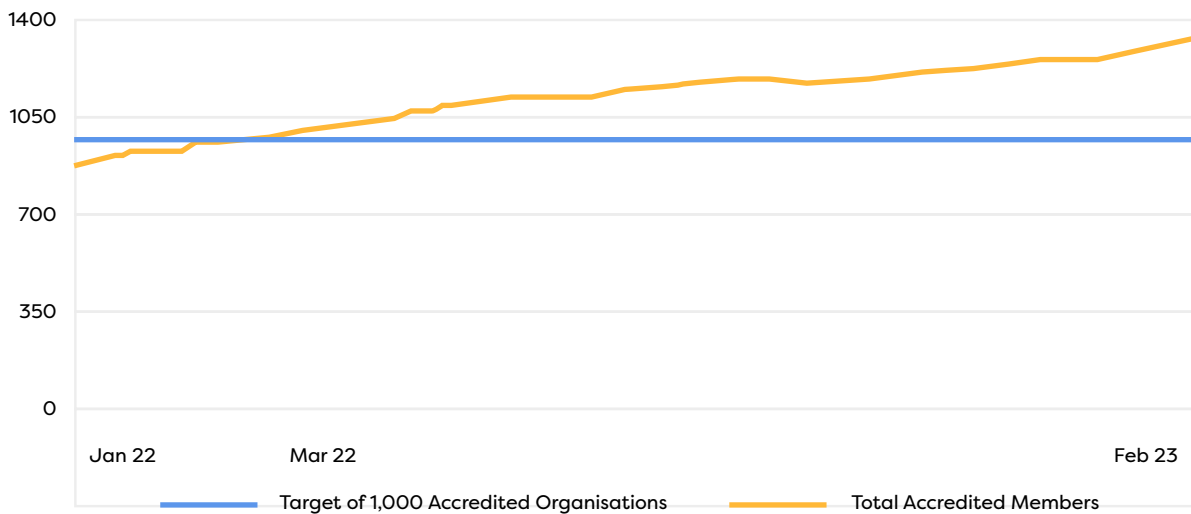
GBC Metrics

Total Accredited Members

We started the year with 864 accredited organisations and by March 2022, were delighted to reach our target of 1,000, welcoming the Institute of Directors as our 1,000th accredited organisation.

Growth has been steady since, in a period where the team has paused to further strengthen the accreditation and renewal process before marketing the GBC further. In spite of minimal promotion, organisations have continued to seek accreditation, many finding out through word of mouth.

Accredited Organisations in The Past Year



215,880 people work for a GBC accredited organisation.

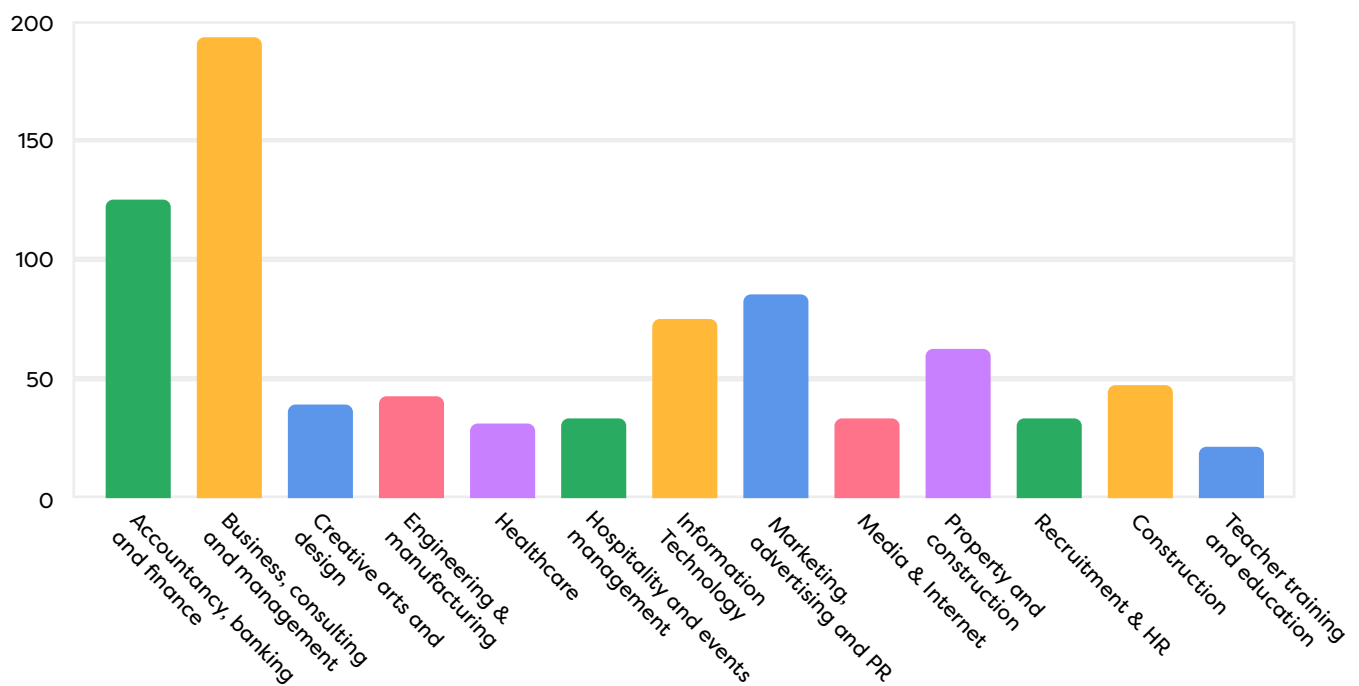


We have organisations from all areas of the UK. Our largest accredited organisations are Aviva, Capita, Deloitte and Legal & General. Our smallest accredited organisations are sole traders.

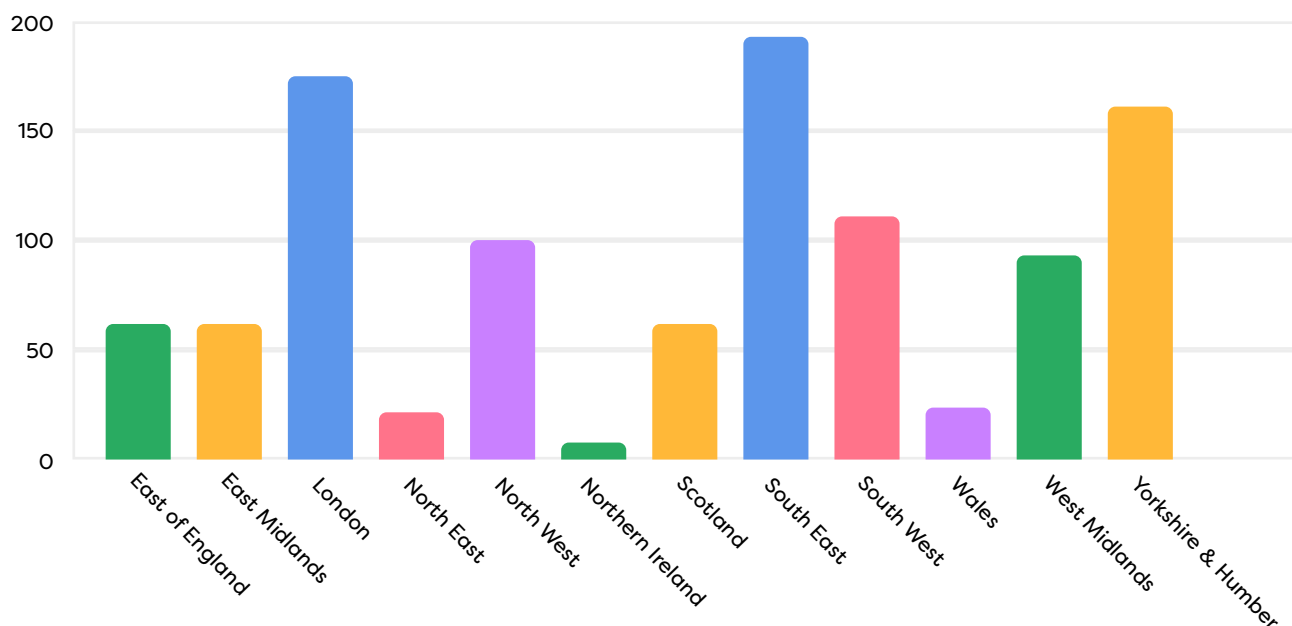
We also have four Councils (York, Ealing, Kingston, Luton) and three Universities (York, York St John and Northampton).

Organisations of less than 50 employees is where we saw the most growth in accreditations this year, evidence of how accessible small businesses find the GBC.

Key Sectors for GBC Accreditation



Members by region



GBC Highlights


1,000 accredited organisations

We reached the key milestone of 1,000 accredited organisations in March 2022 when the Institute of Directors received accreditation.

“We are delighted to be joining the Good Business Charter as its 1,000th member. As part of our Royal Charter, the Institute is tasked with promoting professional competence and integrity on the part of directors for the public benefit. We believe that better directors make a better world. This initiative provides a framework for what responsible business behaviour looks like in 2022 and I would encourage businesses across the country to sign up to the scheme.”

Jonathan Geldart, Director General of the Institute of Directors



 [Watch our anniversary video](#)

GBC York's first anniversary

We were also delighted to celebrate the first anniversary of GBC York, our first Good Business Charter city, which included events at York's Festival of Ideas and a video of case studies from York organisations.

“It is exciting to see my home city embrace the Good Business Charter and champion it voraciously throughout the city whether that be Councillors, both Universities or partners such as Federation of Small Businesses. I am particularly pleased to see the Universities encourage entrepreneurs in their programmes to adopt the GBC right from the outset. This will put them in a strong position as they scale up, through treating their colleagues well, prioritising happy customers and ensuring resilience in their supply chain.”

Julian Richer, founder of the GBC.

Inaugural AGM

Over the year we held a range of events with some excellent speakers.

Our inaugural Annual Gathering of Members, expertly hosted by New Economics Foundation Executive Director, Miatta Fahnbulleh (pictured), was an excellent opportunity to gather together all our members and hear from our founder, Julian Richer, TUC General Secretary Frances O'Grady as she finished her term, and CBI Director-General Tony Danker.

We also heard from some of our accredited organisations on how they are living out the GBC.

This was a hopeful event. As Tony Danker said, the GBC signifies what we should all be aligning around in the months to come and reminded us that right now the good businesses are the ones helping their employees and customers and small businesses in their supply chain manage inflation and the cost-of-living crisis.



GBC Community

Businesses who recognise the value of people and planet will be on the front foot ahead of any potential legislative changes in the future, not to mention more profitable and resilient to weather the current storms.

To keep our events accessible to all, we continue to run them all virtually, and were able to pick author of 'The Handbook of Ethical Purchasing', Rob Harrison's, brain on matters of ethical sourcing as well as ask some difficult questions of an expert panel on equality, diversity and inclusion.

In a survey circulated with members, many cited the benefit of being part of this wider community of organisations aligned on their clear commitments to our 10 components.



Case Studies



Case Study

Schroders Personal Wealth Responsible Business Reporting

Schroders Personal Wealth published a fantastic report which has set out their work and future ambitions across our 10 components and equips them to explain both internally and externally why this matters to them.

Joel Ripley, Chief Finance Officer, who chairs their Responsible Business Network said:

“For us, the GBC’s ten components are a simple to understand but extremely robust framework that show us how we should think about responsibility and sustainability. They certainly reflect the business standards that are important to us and which I am genuinely passionate about.

At Schroders Personal Wealth we have been committed to transparency from the very start. Being open and honest with ourselves, our clients, and our stakeholders. We recently produced our first Responsible Business Report, based on the GBC’s ten components, as an important extension of that commitment to clarity.”

This whole process enabled them to assess where they were relative to the targets they had set, then push forward and avoid becoming too comfortable with what they were doing. They recommend it as an exercise every company should undertake as a celebration of what it’s achieved and as a reminder that there is always something else to do.



Case Study

Leek Building Society Championing Wellbeing

Accredited GBC organisation, Leek Building Society, provides an excellent example of how people can be truly championed, and employee wellbeing put at the heart of a business. The HR Director has sat on the Executive Committee since 2019, helping ensure strategic HR is at the centre of the organisation's corporate agenda.

In the current cost-of-living crisis that is impacting so many, Leek Building Society has maintained its focus on health and wellbeing but has also augmented financial support, including the following:

- 1** a workplace savings scheme to encourage savings behaviour by employees who can save as little or as much as they like every month from their net pay
- 2** commitment to a fair and equitable pay system, such as signing up to the Living Wage Foundation – a requirement for GBC accreditation – and a generous cost-of-living increase to salaries, weighted towards lower-paid staff and backdated one year to provide a welcome lump sum for everyone at Christmas
- 3** effective pensions and retirement planning, including an uplift in the employer contribution to the occupational pension plan from 6% to 7.5%, without requiring an increase in the contributions from staff
- 4** a supportive occupational sick pay scheme, with full pay for six months for individuals with significant health conditions
- 5** a review of maternity, paternity and adoption pay, resulting in two weeks' full pay for paternity leave in addition to two weeks' statutory, along with a considerable uplift in maternity and adoption pay.

Leek Building Society has seen employee engagement levels transformed and now well ahead of industry benchmarks for banks and building societies. Absence rates have reduced over the past year.

Staff loyalty and retention rates have increased dramatically, and the Society has experienced very low voluntary turnover levels compared with many others in the sector.

In a recent survey 97% of staff said that they were proud to work for the Society and 95% would recommend the Society as an employer of choice to friends and family. The organisation's culture was independently audited in 2021 and received the highest possible grading, with a hugely positive overall assessment.



Case Study

Ethical Digital Marketer Sole Trader Spotlight

Giles Metcalfe is passionate about ethical marketing, ensuring you put the customer before the sale and have principles and stick to them.

“Marketing needs to honour our values. We should create boundaries and stick to them,” he advises.

Those boundaries include:

- Be transparent and accountable
- Protect consumer/client data and privacy
- Commit to promoting and supporting diversity, sustainability and good health and wellbeing
- Maximise benefit whilst minimising risk
- Always put the person before the sale

To really take a stand on ethical marketing he has created a Code of Ethics and he vets and screens all clients against this to ensure they meet core credentials. As part of that he gives careful thought to which platforms he appears on and asks to be held accountable.



Case Study

Axminster Tools Proud To Be Accredited

Passionate suppliers of woodworking tools and machinery, Axminster Tools has spent 50 years building this family business into the renowned organisation it is today.

“We know that if we attract, retain and invest in the best people, we will deliver the best results for our customers and for the business.”

Alan Styles, MD

Axminster Tools is very proud to have gained the Good Business Charter accreditation which showcases to its customers, suppliers and employees how serious the team is about delivering and living good business behaviour. Likewise, it highlights their commitment to good ethical business practices in their approach to the environment, legal and financial compliance.

They recently formed an ED&I Champion group who has received training by Equality and Diversity UK. Working alongside HR, this has enabled them to improve on the components set by the GBC.

As Living Wage employers, they believe that a hard day’s work deserves a fair day’s pay. They also believe that all staff deserve to start each day with guaranteed hours and equal employment opportunities and benefits.

They were recently accredited by Zero Hours Justice to further acknowledge their responsibilities and demonstrate their commitment to good working practices.

TSB is the first retail bank to be accredited by the Good Business Charter for high standards of responsible business behaviour, including:

- Treating all our employees and suppliers well.
- Paying our taxes.
- Treating the environment with respect.



For more information visit tsb.co.uk/do-what-matters



Case Study

TSB Prompt Payment Leaders

Paying invoices promptly is vital in providing healthy cash flow to help small businesses survive and thrive, and big business has a huge role to play in this. TSB has played its part, providing vital cashflow to small and medium sized business suppliers, paying 96% of invoices within seven days!

Alongside this prompt payment, TSB has written a 30-day guarantee into all supplier contracts, and in the second half of 2021, 99% of all invoices were paid by TSB within 30 days.

E-invoicing is crucial to helping small businesses get paid on time, which is why TSB partnered with BankiFi to launch an app that allows small businesses to receive quicker payments and to better manage their business finances. This app allows TSB's business clients to collect customer payments from requests sent via SMS, WhatsApp, email and QR code. It significantly simplifies the invoice process by providing several flexible, accessible ways of receiving payment and accelerating access to working capital. It shows real commitment to the issue of slow payment.

“Paying business suppliers on time is critical not only to healthy cash flows and working capital but also reducing the mental burden on owners so they can focus on what matters most to grow their business. As TSB and other members of the Prompt Payment Code have shown – where minds are put to the task, administrative hurdles can be readily resolved.”

Mark Curran, Director of Customer Banking, TSB

City Cruises Intentionality in Ethical Sourcing

One of the York based businesses accredited by the GBC, City Cruises featured in our anniversary video:



(<https://www.youtube.com/watch?v=R60Vvwb0eiM>)

When City Cruises explored the Good Business Charter, they found that everything within the framework was exactly those normal, everyday things that that someone who is starting a business or running a business should take into consideration.

The accreditation process helped them to focus on their ethical sourcing from their six-figure catering budget to the flowers they put on the boats. Their focus was to keep things local and so make sure they were providing work for their local businesses.

“Good things happen to good businesses. If businesses look after their staff right, look after their customers and look after their suppliers I think they’re really set up to have a phenomenal run in business and that’s why we encourage others to get involved in the GBC.”

Chris Pegg, Commercial and Marketing Manager, City



Case Study

Spenbeck Making Progress in Sustainability

Spenbeck is a family business which is 41 years old, and owns 40,000 square foot of Grade II listed buildings which brings huge sustainability challenges. Their mission is to empower and support tenants with wellbeing and sustainability targets with a focus on Gen Z.

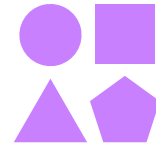
As a two-woman band, they have limited resource and capacity to do this but they started with an audit of how they fared against the United Nations Sustainable Development Goals. With the help of a sustainability intern they worked through the goals and felt empowered by what they were doing rather than overwhelmed by what they weren't.

They then created a seven-year sustainability plan which they published on their website so they could be held accountable for it.

They were very clear on what they could specifically do within the heritage, building sector, aligning themselves with their local council's net zero plans. A focus on things like noise, ventilation, lighting, dust and pests, water quality and air quality, among others, all contributed to a holistic approach to health and wellbeing.

“It's very easy as a small business to feel overwhelmed and therefore suffer from inertia especially when looking at something like COP26. If we partner up with other people we can be more impactful. It's about progress, not perfection.”

Becky Valentine, Co-Owner, Spenbeck



Challenges for the year ahead

We are mindful of the challenges the increase in real living wage will pose, both to small businesses already struggling with energy costs and higher interest rates, but also to large organisations for whom each percentage increase in salary results in a large overall increase to their wage bill.

We remain committed to this independently calculated rate of pay which needs to be for all directly employed and regularly contracted workers, but understand not all organisations are able to find the budget to give the necessary uplift to salaries.

We are a small team and as a result cannot be present in all discussions that pertain to our 10 components, both directly (such as discussions about net zero or high pay) and indirectly (such as social value considerations in procurement or responsible investing). What we can do is continue to recognise and champion the ones who really care about behaving responsibly and inspire others with the ways in which they commit to people and planet.

We know organisations are changing behaviour in order to achieve GBC accreditation and we look forward to future milestones in terms of organisations accredited, GBC places recognised, and numbers of workers employed by responsible businesses.

In a crowded landscape, where talk of ESG has become more mainstream, the risk of purpose-washing becomes ever greater. We are committed to providing a robust accreditation that remains accessible to all sizes of companies, public sector and third sector organisations as well as sole traders. For members of the general public, acronyms such as ESG remain unknown, and talk of purpose still largely undefined.

We believe what the general public wants is a clear way to cut through the chatter and have a clear, evidence-based way to see who is caring for their employees, customers, suppliers and the planet, and who is not.



Whether you are a customer, employee, supplier, investor or other stakeholder, our aim is to give you confidence that if you see the GBC logo on an organisation's website it means they:

1. Pay the real living wage
2. Use a fair approach to zero or minimal hours contracts if they use them
3. Care for their employees' physical and mental wellbeing
4. Ensure there are ways that each employee can have a voice
5. Champion equality, diversity and inclusion in their workforce
6. Are looking to minimise their environmental impact and reach net zero
7. Pay their fair share of tax
8. Are committed to their customers and deal with complaints comprehensively
9. Take ethical sourcing seriously including modern slavery
10. Pay their suppliers promptly and to term

Are there other indicators of a responsible business?

Undoubtedly, with some employment charters looking too at training and quality of work and environmental accreditations expanding their reach to include biodiversity. Yet, after three years of operation, we remain convinced that those original 10, formulated in direct collaboration with the TUC to represent the voice of workers and the CBI to represent the voice of businesses, are the right starting point.

They provide clear metrics, particularly around the S in ESG, and bring together different parts of the business around a common goal to embed a responsible business behaviour approach to all decisions. It is not only the right thing to do, but leads to better workplaces and more productive and profitable businesses.



www.goodbusinesscharter.com