



# Annual Report

2023/24

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## Introduction

Over the past year we have grown in confidence in our message and the importance of working alongside others in the campaign for responsible business behaviour to be the established norm in the UK.

**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.**

Our newly developed brand is now well established on our website and in our assets and has helped us channel those key messages of putting people first, speaking the public’s language in a way that is clear and easy to understand, and being accessible to all. In comparison with the world of ESG ratings and talk of double materiality and rules-based methodology, we quickly remember that our external focus is to be something the public can easily understand. This is so that it can help them differentiate between those organisations behaving responsibly in all key areas, and those who are not.

We are proud to be straight-talking and transparent – our focus is on meeting 10 clear components that will help ensure any organisation is doing business in a sustainable way that cares for people and planet.

How the Good Business Charter aligns with ESG ratings, Social Value and the Stewardship Code are much more complex pieces of work – but we will not lose our clear way of communicating what GBC organisations are accountable for. They:

1. Pay the real living wage
2. Ensure fair hours and contracts
3. Care for their employees’ wellbeing
4. Ensure employee representation for all
5. Champion equality, diversity and inclusion
6. Minimise their impact on the environment
7. Pay their fair share of tax
8. Have a clear commitment to their customers
9. Ethically source their goods and services; and
10. Pay their suppliers promptly

That also enables them to explain to their workforce, their customers, suppliers and other stakeholders in clear language what they stand for. Meanwhile, we continue to believe the GBC has a key role in procurement and investment and will continue to explore how without adding complexity to the accreditation itself.

We are excited to launch our Annual Report during our inaugural [Good Business Week](#) which will look to unpack Why Good Business Matters.

Starting small we hope this is something that grows over the years as we celebrate those organisations genuinely caring for people and planet, and seek to inspire others to follow suit in championing every one of our 10 components.

#GoodBusinessMatters

# GOOD BUSINESS WEEK

5<sup>th</sup> to 11<sup>th</sup> February 2024

## Spotlight on people

Where 2023 feels to have been a muted year in terms of environmental efforts, it does feel as if there has been an increased spotlight on people – perhaps because the biggest stories have involved them, whether that be sewage issues impacting on ordinary citizens or high-profile stories of sexual harassment shining a light on treatment of employees in the workplace.

The Good Business Charter is all about the people – ultimately, the component regarding the environment is also, from our perspective, primarily about the people – those suffering the impact now and future generations.

A highlight of the year was to be involved in the Living Wage Foundation's Living Work Summit and be in the room with lots of like-minded people championing good work in all its guises. At a local level it has been a privilege to be involved in various events in York, our GBC city, looking at recruitment and retention, as well as purpose-driven business.

Whilst there has been some backlash, particularly in the USA, around ESG, there is huge consensus that treating employees well is absolutely key to unlocking the recruitment and retention of good talent as well as innovation and productivity.

It is no secret and it feels frustrating that businesses still need convincing of what seems to us to be blatantly obvious: treat your workforce well and they will do a good job, which will also deliver good results for your bottom line!

What we believe is simply common decency and the appropriate way to treat others has proved, in fact, to be rather a high bar with many companies unable to attain GBC accreditation.

We want to be a movement that calls for change and for a higher expectation on businesses.

*“Business leaders enjoy a huge range of benefits – from an educated workforce and a developed infrastructure to a long list of subsidies – all the product of collective action, but which come with virtually no strings attached.”*

Stewart Langsley, ‘The Richer, The Poorer’ (2022)

*“It doesn't have to be this way. We need an economy that rewards work – not just wealth. That means putting workers on company boards to inject some much-needed common sense into boardrooms. It means taxing wealth fairly. And it means a government that is willing to work with unions and employers to drive up living standards for all.”*

Paul Nowak, TUC General Secretary ([quoted in The Guardian 4th January 2024](#))

*“Runaway corporate and monopoly power is an inequality-generating machine: through squeezing workers, dodging tax, privatizing the state, and spurring climate breakdown, corporations are funnelling endless wealth to their ultra-rich owners”.*

Amitabh Behar, Oxfam International interim Executive Director ([press release, 15th January 2024](#))

## A snapshot of relevant metrics



### Real Living Wage

**In 2021/22 54% of people in poverty are in a household where at least one adult is in work. 71% of children live in a working family.**

DWP, 2023

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

Living Wage Foundation, 2022



### Fairer Hours and Contracts

**3.9 million people are in insecure employment.**

TUC, 2023

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**50% of below Living Wage workers have less than a week's notice for shifts, hours or work schedules.**

Living Hours Index, 2022



### Employee Well-being

**The average rate of employee absence now stands at 7.8 days per employee per year which are the highest for over a decade.**

CIPD Health and wellbeing at work, 2023

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**Just 25% of FTSE300 companies have HR expertise at Board Level. Only 2% have HR Director on the Executive Board.**

CIPD Health and wellbeing at work, 2023





## Employee Representation

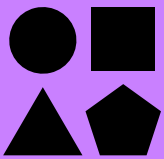
**Just three out of the 585 companies listed on the FTSE All-Share have a chief people officer sitting on executive board seats and six have an employee representative.**

Women on Boards, 2023

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**Just 22.3% of workers in the private sector are protected by a collective agreement (down from 23.1%).**

BEIS, Trade Union Membership, 2022



## Equality, Diversity and Inclusion

**Nearly 80% of FTSE100 companies fail to provide a figure for their ethnicity-based pay gap.**

Tortoise Responsibility100 Index, 2022

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**Median FTSE 100 CEO pay currently stands at £3.81 million, an increase of 16% on median CEO pay levels in January 2023. It is 109 times the median full-time worker's pay of ££34,963.**

High Pay Centre, 2024



## Environmental Responsibility

**Sustainability is more important to 61% of UK consumers than it was two years ago.**

'The Changing Climate of Sustainability',  
NielsonIQ

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**3 in 4 consumers (76%) are calling out for companies to take initiative to reduce their environmental footprint.**

'The Changing Climate of Sustainability',  
NielsonIQ



## Pay Fair Tax

**The tax gap is estimated to be £35.8 billion which is 4.8% of theoretical tax liabilities.**  
HMRC, 2023

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**70% of people would rather shop with and 72% work for businesses that can prove that they are paying their fair share of tax.**  
Fair Tax Foundation polling, 2023



## Commitment to Customers

**Spending on ethical products grew by almost 35% in 2021, to £141.6 billion from £106bn the previous year.**  
Co-operative Ethical Consumerism Report, 2022

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**83% of consumers think companies should be actively shaping Environmental, Social and Governance (ESG) best practices.**  
PwC, 2021



## Ethical Sourcing

**16,938 potential victims of modern slavery were referred to the UK authorities in 2022 (up 33%).**  
Home Office Modern Slavery National Referral Mechanism statistics, 2022

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**The ethical finance sector grew by 50.1% to £85.8bn in 2021 from £57.2bn in 2020.**  
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

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**There are 4,707 signatories to the  
government's Prompt Payment Code, an  
increase of 16%.**

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

<sup>1</sup> TaxWatch say it is much bigger and should include the impact of profit shifting.  
Academic studies found that losses to UK Treasury due to profit shifting could be up to  
£20bn a year. (Pay Fair Tax)

## Our Metrics

## Total accredited members

In January 2023, we launched our annual renewals process which requires every organisation to recommit to the 10 components through answering the questions annually and supplying some information about what they have done over the past year.

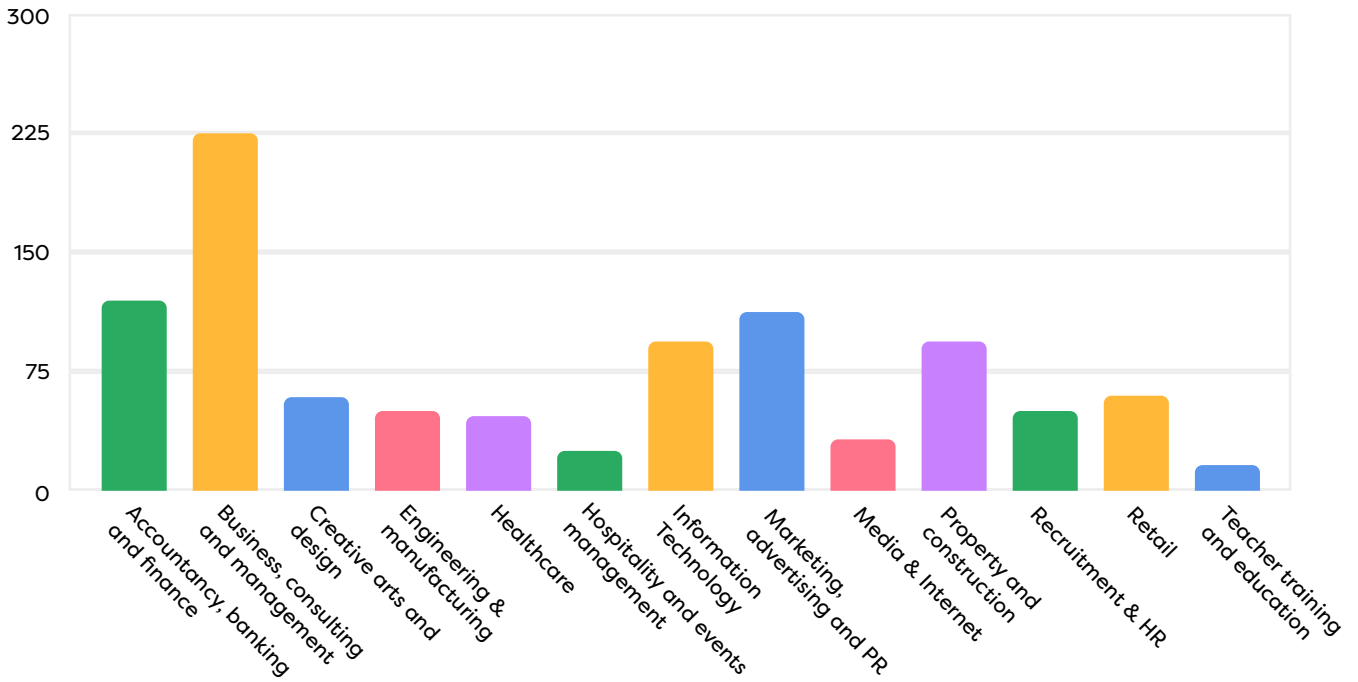
We believe this is a robust way to hold organisations to account every year for the commitment they make on accreditation and we congratulate those organisations who have been able to remain accredited in spite of all the challenges they face.

Our exclusive community of Good Business Charter accredited businesses and public and third sector organisations total 1,300, representing 137,798 employees.

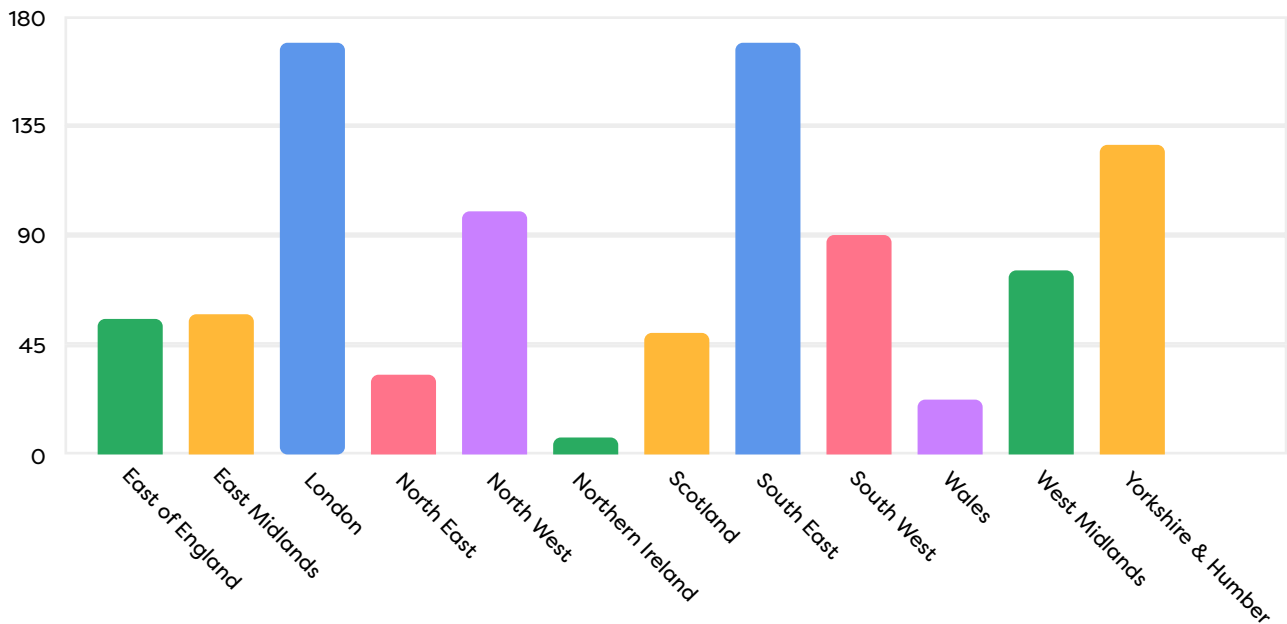
**137,798 people work for a GBC accredited organisation.**



## Key sectors for GBC accreditation



## Members by region



91% of our accredited organisations have less than 50 employees, evidence of how accessible small businesses find the GBC.

## GBC highlights

We have been delighted to work with local, ethical suppliers, Oodle, on producing animated videos that help bring our brand alive and most importantly explain to the general public why they should care about the Good Business Charter.



### What is the Good Business Charter?

We also commissioned a video for businesses which explains how the GBC is not just another accreditation. It is the question we are asked most frequently – but it is in the bringing together of so many other accreditations under one overarching accreditation that the beauty of the GBC lies.

Potential customers and employees can see at a glance that a business is responsible across all areas, not just in some aspects. Whilst we think it is common sense, we are told it is a high bar and so those businesses that can accredit to the GBC really are leading the way in how to do good business.



### A benchmark for responsible business in the UK

## Establishing a platform

Working alongside the Living Wage Foundation on their inaugural Living Work Summit was a significant highlight. The Living Wage Foundation's campaign is an inspiration to us and the 14,000 Living Wage Employers should be very proud of their achievements – for the GBC, payment of the real living wage remains the biggest barrier to organisations accrediting.



Living Work Summit, panel on Responsible Business, 9th November 2023

We continue to work in different places to build up communities of GBC accredited organisations that then inspire a movement of good business through the town, city or county. York as a city now has GBC accreditation as part of its manifesto and there have been a number of events focused on employment, levelling up and purpose-driven business that the GBC has been involved in.

We were also thrilled to be part of Northampton's Sustainability Summit and be referenced within the Sustainability Accord that came out of that excellent event, now inspiring the businesses of that city to step up and commit further in their journey of environmental and social sustainability. We hope to be able to announce a new GBC place very soon.

We accepted an invitation to be part of an Advisory Board for the Homelessness Covenant, launched by Crisis in partnership with the DWP and DLUC where we bring an authoritative voice on the importance of

creating the right conditions in the workplace where homeless people being offered placements will be able to thrive and feel welcomed. The GBC's employee components provide a really solid base for organisation looking to do more to help those who are homeless, and indeed those at risk of homelessness who may currently be working for them.



Launch of Homelessness Covenant, 14th September 2023

We worked with 'In Good Company' as they launched their platform to connect consumers with ethical businesses in London.

We were particularly interested in the [findings](#) from their recent polling which help strengthen our role as a clear, accessible accreditation that is not expensive and nor is it a tick-box exercise:

- “Consumers need more education around greenwashing and sustainable brand practices to help with their purchasing choices.”
- 66% have at least one ethical accreditation or mark, and a further 14% plan to.
- Of those who didn't have one the most common reasons were feeling its too expensive (25%), or they didn't know where to start (25%).



## Establishing our focus

In March 2023 we focused on how the GBC can help organisations showcase their social impact with contributions from the TSB's Kate Osciadecz and the Institute of Director's Roger Barker, alongside Julian Richer. Our other events focused on equipping organisations, big and small, to really embed the Good Business Charter into their organisation. There is no doubt in our mind that the full value of the GBC is created when that occurs and organisations take all their stakeholders on the journey with them.

We were delighted to host our second virtual Annual Gathering in November – and look forward to now moving that event to February to tie in with Good Business Week. We focused on seeing people and it was great to hear from our founder, Julian Richer, an update from the Confederation of British Industry's (CBI) Head of People, Elizabeth Wallace, and then focus on those in modern slavery, those at risk of homelessness, those with a disability and those on low wages.

That is what makes the GBC so versatile – because it works for the largest and smallest organisations, it really becomes something an organisation can accredit to. Then those within that organisation can encourage everyone in their supply chain to do likewise, inspire their clients to consider it and ensure all their customers and staff know why they believe in it and hold themselves accountable to it.

We are grateful for the opportunity to work with the Federation of Small Businesses (FSB), Institute of Directors (IoD), Trades Union Congress (TUC) and CBI who all help us ensure it works for workers and all sizes of business too.

## The CBI and the GBC

Our trustees have previously said they would quite look forward to the day we have to publicly throw out an organisation that is not complying with the 10 components – because ultimately it shows how seriously we take accreditation. What we hadn't anticipated when we discussed this was that we would end up having to suspend the accreditation of one of our founding members who helped design the accreditation itself!

However, when we learned of the problems that had occurred at the CBI, it was clear that there were some major gaps between what they had committed to in the employee wellbeing and employee representation components and what was actually happening on the ground. We released a statement announcing that their accreditation was suspended in April 2023.

We have been working with the CBI in recent months to understand that practices that have now been implemented that evidence compliance with these components. We want to state that Good Business Charter accreditation does not mean mistakes will not be made. It does not mean a business is perfect. However, businesses must be able to evidence their commitment to each of the 10 components and the situation that occurred with the CBI has only confirmed for us the importance of embedding the GBC into your organisation and undertaking our annual renewal as an essential aspect of accreditation, not just voluntary.

Every year organisations must complete the self-certification again, recommitting to the components, as well as explain to us what they have done in the different areas of the GBC. We do not believe this is too much to ask of organisations that are genuinely passionate about their responsible business behaviour. It also ensures they do a self-audit on where they are at in their journey to champion good business and gives them a great opportunity to remind their stakeholders why they chose to accredit with the GBC and how they are leading the way.

We are confident of the CBI's commitment to all aspects of the GBC and look forward to working with them in the year ahead to amplify our message.

## Case studies

### GOOD BUSINESS CHARTER

The GBC is an accreditation which recognises responsible business practices.

We have committed to complying with the 10 components of the GBC and display this through actions such as working with FCA approved brokers where possible and ensuring our suppliers are paid promptly.



## Case study

### Praetura Group Responsible Business Reporting

Praetura is a group of companies which provide alternative equity and debt funding solutions to the growing UK SME market.

They accredited with the Good Business Charter in 2021 and in 2023 they produced an [ESG commitments report](#) framed around the 10 components.

Their Executive team states:

*“We want to be a leader in the industry when it comes to ESG, diversity and making the finance landscape a better place. Our latest ESG Commitments Report outlines what we are currently doing in this space and the steps we are taking to go further. We don’t shy away from our ESG responsibilities as a business, nor do we make grand statements that lead to false promises. We make commitments that we stick to and that positively impact our employees, customers, investors, suppliers and the environment. We’re also transparent about these commitments and will continue to communicate our aims far and wide.”*

We were delighted to have Kate Norton, Head of People at Praetura, share at our Annual Gathering the value they have found in the GBC accreditation and its framework from which to keep striving for better.

## Avorium

### Perfect alignment of values

A close-knit family team, Tom, Georgia and Olivia Calvert, who grew up in York, decided to start their sustainable luxury stationery business, Avorium, in 2021. With people working from home during the COVID-19 pandemic, the siblings identified a gap in the market for good-quality, colour-co-ordinated desk accessories that would allow customers to curate their workspace.



GBC accreditation made sense for the business from the outset and provided Avorium with a framework to recognise the sustainable practices and social responsibility at the core of their business identity, from using sustainable materials in their products to ensuring staff are paid and treated fairly.

*“The Good Business Charter 10 components were already non-negotiables for us, so it was easy for us to align our values with the Good Business Charter’s 10 criteria. Running a small business is difficult, and you can’t do everything all of the time, but what matters to us is that we’ve invested the time and energy to explore all of the options to make our business practices as ethical and responsible as possible.”*  
Georgia Calvert

The team also credit the GBC and the principles it stands for with helping them build a work culture that attracts and retains quality staff. While the shop is usually staffed by the three founders, they have started hiring temporary retail assistants over the festive season, Avorium's busiest period.

The team has found that paying staff the real living wage, one of the GBC's requirements, has helped them build a loyal, skilled and motivated sales team that return year after year to help with the Christmas rush.

*“Employees who are genuinely excited to come to work, and happy when they're on the shop floor, are better salespeople, and we find that kind, friendly customer service pays off in terms of sales and customer loyalty.” Georgia Calvert*

Reproduced and adapted with permission from [this](#) York Council article



## West Brom Annual Report

Alongside all the reporting requirements that a company needs to comply with, we were delighted to see the West Bromwich Building Society incorporate the Good Business Charter and how it measured up against each of the 10 components as part of its [Annual Report](#) (pages 29-33 of the report).

Having 35% of the Society's 'other colleagues' drawn from ethnic minority communities is particularly valuable for branches in areas with a highly diverse ethnic profile. By having colleagues with multi-lingual skills, we are better positioned to offer a service for customers in such localities that are culturally sensitive and relevant.

Our Disability Confident Leader status continued to recognise the Society's commitment to raise colleague awareness, promote a culture of disability confidence, record and report on disability, mental health and wellbeing, and undertake activities to be a Disability Confident Leader in the wider community. While being proud of this work, we recognise there is still work to be done in particular around neurodiversity to ensure colleagues from all walks of life feel supported.

The Society's colleague-led equity, inclusion and diversity focus group – Connect, launched in 2018, continues to raise awareness and strengthen the environment where embracing different cultures and colleagues from all backgrounds and diversities are encouraged and celebrated. The group is sponsored by the Society's CEO and Chief People Officer which allows two-way communication between colleagues and the Executive. This provides our colleagues with the reassurance that they are supported, valued and listened to.

3



Employee Well-being

We have a suite of clear, fair and transparent policies designed to support and encourage employee well-being including a sickness policy which clearly outlines both employee and employer responsibilities. In addition, we have a number of colleagues who are trained as Mental Health First Aiders. We also have an Employee Assistance Programme (EAP) in place with Health Assured, available to everyone with 24/7 free and confidential support, along with a wide range of information and guidance on health, lifestyle and well-being matters including four week health plans and mini health checks.

4



Real Living Wage

We are an accredited Living Wage Employer with the Living Wage Foundation committed to paying at least the voluntary living wage for all employees and any contractors working permanently on our sites (Head Office and in our branches).

5



Employee Representation

There are two key ways our people's voices are heard:

- Employee Council. The Employee Council offers an opportunity for feedback – something we always value at the West Brom – but has a much wider remit than that, giving people a genuine say and influence on the Society's strategic decision-making, right up to Board level, and
- The Society's Union is Community. All colleagues are able to join the Union which is in place to help people at work, at home, and when life gets complicated.

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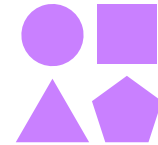


Fairer Hours and Contracts

We're proud to be one of the first 50 employers to be accredited as a Living Hours Employer (including the first building society and the first business in the West Midlands) providing security of hours alongside providing the real Living Wage as a minimum.

Exerpt from annual report





## Challenges for the year ahead

Whilst we believe that the Good Business Charter simply sets out the appropriate way to behave towards your employees, customers, suppliers, society and the planet, we have to acknowledge that it is a high bar to be able to meet all 10 of our components.

This past year we have seen organisations leave the GBC because they are no longer committed to paying their workers the real living wage. Whilst we are mindful of the challenges the increase in real living wage will pose, we remain committed to this independently calculated rate of pay which needs to be for all directly employed and regularly contracted workers.

It was with great disappointment that we learned that Capita, our first accredited organisation, was one of the companies unable to continue their commitment to the real living wage and thus no longer able to maintain their GBC accreditation either. The same is true for some small businesses. We congratulate those who continue to put their workers first and ensure they have a wage they can live on.

We believe that our annual renewal process ensures organisations stop and consider their ongoing commitments to our 10 components and it has been inspiring to hear some of the things they have been involved in over the past year of their accreditation.

The GBC says what it does on the tin – everyone, whether investors, consumers, employees or general citizens, can see what GBC accredited organisations have committed to – and together hold them to account.

We want to encourage more organisations to reach for our high bar and become part of our exclusive community of GBC accredited organisations – some businesses are lauded for their work in areas such as equality, diversity and inclusion or the environment – but ask them what they pay their workers or whether they pay their suppliers on time, and you might be surprised.



5th to 11th February 2024 marks [Good Business Week](#), an opportunity to champion good businesses and celebrate the good instead of read about the scandals and poor practice. We are thrilled to be supported in this by the Living Wage Foundation, CBI, Small Business Commissioner, FSB, IoD, Change the Race Ratio and many others.

Together we can inspire a capitalism that works for all.

Jennifer Herrera  
CEO at the Good Business Charter

February 2024



[www.goodbusinesscharter.com](http://www.goodbusinesscharter.com)