

Green Party calls on companies to put communities and environment ahead of shareholder dividends



Green Party

7 October 2023

*** Shareholder dividends must not be the single most important criterion for company policy making**

*** Companies need to invest profits in transitioning their operations to meet social and environmental objectives**

Companies should be required to put environmental and social priorities ahead of financial returns to shareholders. That is what members at the Green Party's conference in Brighton voted through today.

The motion, that passed with a large majority, makes clear that the right of shareholders to dividends must not be the single most important criterion for company policy making and that all those with a stake in the company's decisions – including workers, consumers, the local community and advocates for the local environment – must have the right to make informed input into those decisions. Similarly, the campaign for the Better Business Act is pushing for a change in UK law to ensure every company in the UK aligns their interests with those of wider society and the environment [1]. They report that 77% in the UK want businesses to be legally responsible for their impact.

Ellie Chowns, Green Party parliamentary candidate in North Herefordshire, said:

"I'm delighted that the Green Party today agreed that the Companies Act 2006 should be amended so that directors of a company must prioritise public well-being and avoid negative environmental and social consequences. This means that companies will need to invest profits in transitioning their operations to meet social and environmental objectives before distributing dividends to shareholders. This is an idea popular with the public and even with many businesses themselves."

"No industry has demonstrated more clearly the need to put environmental and

social priorities ahead of financial returns than the water industry. Since privatisation, this industry has leaked out almost £70bn in dividends to shareholders while it has failed to invest in updating its infrastructure [2]. This has left us with toxic rivers and waterways and sewage contaminated coastlines. If ever an industry needed to put the interests of consumers, local communities and the environment ahead of the financial returns for shareholders, this is it.”

Notes

1. [About The Better Business Act – A Campaign for Better Business](#)
2. <https://www.theguardian.com/environment/2022/dec/01/water-companies-debt-since-privatisation-ofwat-refuses-impose-limits>

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