

NEWS RELEASE



MP supports campaign to change company law

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On Saturday 25th February, Manchester Withington MP John Leech joined campaigners from Manchester Friends of the Earth to garner public support for a change in company law. The campaigners were dressed in orang-utan costumes to demonstrate how the palm oil trade is driving Asia's only great ape to extinction. They involved Saturday shoppers in the city centre in signing postcards which call for company law to be changed to require company directors to minimise the environmental and social impacts of their business, such as those caused by the palm oil trade [1].

John Leech, Liberal Democrat MP for Withington, said: *"A change in company law which places a duty on companies to stop causing environmental destruction overseas is long overdue and I am completely committed to working with Friends of the Earth to make sure it happens. The Government needs to ensure the Company Law Reform Bill - which is going through Parliament at present - makes company directors accountable for the environmental and social impacts of the products they sell. Otherwise we will have some explaining to do when future generations want to know why the orang-utan became extinct."*

Palm oil is found in 1 in 10 products on UK supermarket shelves, from crisps and bread to margarine, detergent and lipstick. However, demand for the oil is driving a relentless spread of oil-palm plantations. This is the most significant cause of rainforest loss in Indonesia and Malaysia and is destroying the habitat of many rare and endangered species, including the Sumatran tiger and particularly the orang-utan.

A report published in September 2005 by Friends of the Earth and the world's leading orang-utan conservation groups concluded that without urgent intervention, the palm oil trade could cause the extinction of the orang-utan ape within 12 years [2].

There are over 500 companies in the UK that buy and sell palm oil and palm oil products, and only a fraction of these have joined the Roundtable for Sustainable Palm Oil - an association of business and NGO (Non Governmental Organisation) representatives seeking

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to promote sustainable palm oil. Those who have signed up include Co-op, Sainsbury's, Waitrose, Asda, Boots and Marks & Spencer.

Friends of the Earth wants to see a law put in place that prevents UK companies from acting in irresponsible ways (such as their complacency regarding palm oil). The group is calling on the UK Government to give company directors a legal duty to minimise their environmental impacts through the Company Law Reform Bill, the biggest shake up of company law for a generation, which will have its second reading in Parliament this month.

Helen Rimmer, campaigner with Manchester Friends of the Earth [3], said: *"The majority of UK companies and supermarkets have shown that they cannot be trusted to act responsibly in the sourcing of products such as palm oil and a change in the law is needed to stop them acting so destructively. The Government is re-writing company law at present and we currently have a rare opportunity to influence it. If we don't take action now, the orang-utan could become extinct in little more than a decade - and our only explanation will be that it happened because of corporate greed and a lack of political will."*

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NOTES TO EDITORS

[1] Along with the other members of the CORE Coalition (www.corporate-responsibility.org) and the Trade Justice Movement (www.tjm.org.uk), Friends of the Earth is campaigning for changes to company law which make UK business work better for people and the planet.

The group is campaigning for the Company Law Reform Bill to be amended so that:

- Companies are legally required to report on their social and environmental impacts.
- Directors are legally obliged to minimise any damage their company does to local communities and the environment.
- People overseas who are harmed by the activities of a UK company are able to take action against them in a UK court.

[2] The report, The Oil for Ape Scandal - How palm oil is threatening the orang-utan, is published by Friends of the Earth together with the Orangutan Foundation, the Borneo Orangutan Survival Foundation and the Sumatran Orangutan Society as members of the Ape Alliance.

For a copy of the summary or full report please go to:

Summary: www.foe.co.uk/resource/reports/oil_for_ape_summary.pdf (PDF†)

Full report: www.foe.co.uk/resource/reports/oil_for_ape_full.pdf (PDF†)

[3] Manchester Friends of the Earth is a prominent campaign group, raising awareness and lobbying for policy changes at a local, regional, national and international level. The group consists entirely of volunteers, and its campaigns are funded by membership fees and individual donations. Up-to-date information is available on their website:

<http://www.manchesterfoe.org.uk>.

Manchester Friends of the Earth is part of a national network of local groups, affiliated to the national organisation (further information can be found at <http://www.foe.co.uk>).

[4] Pictures of orang-utan can be downloaded from

www.foe.co.uk/resource/images/orangutan_report/