FAITH IN NATURE®

At Faith In Nature, we have an internal mantra that Nature is the boss. Appointing Nature to our board started with a question: Can Nature really be the boss?

When we first asked this question, back in the summer of 2021, it was a question without an answer. Today we've answered that question, as best as the current lawscape allows.

Faith In Nature is the first company in the world to appoint Nature to its board, giving Nature a voice and a vote on all company matters.

But as one question is answered, many more arise. We hope this document answers many of yours.



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WHO IS FAITH IN NATURE AND WHY ARE THEY TAKING THIS DECISION?

Faith In Nature started out as one of the UK's original eco-brands, with a belief that business could and should try to be a force for good. Nearly 50 years on, our core belief remains the same. But faced with the scale of current environmental challenges facing the world, we recognised that more needs to be done and businesses need to think harder and more creatively about how they can play their part.

So we asked ourselves the question - what would it mean if Nature really was the boss? What would it mean to truly put the needs of Nature first? The conclusion we came to was that Nature has to have a real voice. And how can we give them this? By making them a director on our board ensuring that every business decision we make takes into account the needs of the natural world.

We've worked with leading environmental and corporate lawyers to turn this from an idea to reality. We've officially amended our company constitution to make Nature a director, with the same voting rights as any other company director. This will mean that Nature will be included in all future business decision making, and be given a real voice at the table.

For us this is about taking our responsibility to Nature seriously and showing that business does have the potential to be a force for good for Nature and the environment. We passionately believe that by working in this way, we can make better informed decisions that work for us and the planet, and would encourage other companies to do the same.

IN PRACTICE, WHAT DOES IT MEAN TO HAVE MADE NATURE A BOARD DIRECTOR? WHAT IMPACT WILL THIS HAVE ON THE DAY-TO-DAY OPERATIONS OF THE COMPANY?

Having Nature as a director on our board means that all company decisions will have to take into account their impact on the natural world. By hearing Nature's views, we are better placed to make more informed, more responsible decisions.

The way we're putting this into practice is through the legal 'guardianship' model. Nature will be represented on the board through a proxy role whereby a human who is legally bound to speak on behalf of the natural world, acts on behalf of Nature (much as a guardian acts on behalf of a child in the courts of law). The presence of this representative for Nature will fundamentally impact how we do business and ensure that Nature has a voice and a seat at the table on major business decisions.

To start us off, Nature will first be represented by <u>Lawyers for Nature</u>, one of the legal teams who helped us create this model and who advocate for Nature on a daily basis. This board representative will work in concert with a committee of environmental experts, to make Nature's case on all major board decisions. Going forward, the role will rotate and can be extended to any other individual legally bound to speak on behalf of the natural world.

The core idea is for the interests of Nature to be represented in business decision making. This means that wherever decisions with an impact on Nature are discussed, Nature (through its representative) should be present and involved in decision making.

HOW DOES THIS ACTUALLY HELP THE ENVIRONMENT?



This decision is about much more than us and our brand - we believe it sets an important precedent and has the potential to transform the business world's relationship with the natural world.

The business world has a huge impact on Nature, and for too long it has been left unable to speak for itself. Thinking of Nature just as a resource to be taken from has brought us to the verge of ecological collapse and we know things have to change. We believe that businesses can play a huge role in this change, but to do this, giving Nature a seat at the table is essential. That's the thinking that's driven our decision to make Nature a director on our board.

It's not the solution to all our problems, but we do think it's an important first step in re-imagining our relationship with Nature - showing us how we can work with it, rather than against it.

YOU SAY YOU HAVE APPOINTED NATURE TO YOUR BOARD, BUT HOW DO WE KNOW WHAT DIFFERENCE THIS MAKES? HOW DO WE KNOW THIS ISN'T JUST CLEVER MARKETING?

This framework, and this appointment, has been created by organisations that exist solely for the benefit of the natural world. There is no way they would put their name to this if it wasn't legally binding, meaningful and genuine.

As part of the arrangement, Faith In Nature is also required to prepare an annual report to Nature, outlining all we have done for the natural world. We have nothing to hide here, and will publish it publicly too.

As for it being clever marketing, we absolutely hope it's a story that sparks people's imaginations and broadens the understanding that the Rights of Nature must be recognised. This is about a narrative shift, so in that sense, it's a piece of storytelling, sure. But it's also a piece of governance that changes our constitution and carries actual structural change. That's what makes this more than storytelling, and why this really matters.

WHO HAVE YOU PARTNERED WITH TO MAKE THIS DECISION?

We've worked with leading environmental lawyers, <u>Lawyers for Nature</u> and the <u>Earth Law Center</u> (the legal team that helped with Panama's recent national rights of nature law and also wrote the law school casebook on ecocentric law) who were supported by corporate legal experts from their pro bono partner Shearman & Sterling LLP. Other groups, including UK-based Voice for Nature, provided consultation on how to give Nature a voice in decision-making and will continue in an advisory role.

We wanted to make sure that in implementing this decision for ourselves, we were also opening the door for other companies to do the same. That's why throughout the process of consultation with legal experts, we decided to open source the legal documents, allowing other companies to follow our lead and implement the process themselves.

DO YOU THINK OTHER COMPANIES SHOULD DO THIS TOO? IS IT POSSIBLE FOR EVERYONE TO DO THIS OR IS IT JUST FOR ECO-BRANDS LIKE FAITH IN NATURE?



Giving Nature a voice and vote isn't just something that companies like Faith In Nature can do. All businesses have an impact on, and therefore have a responsibility to the natural world. Shifting how we do business to take the needs of Nature into account isn't just the right thing to do, it's essential. It will be the companies that take Nature into account in their decision making that will be the most successful in the future.

While we're the first company to do this, we definitely don't want to be the last. Our challenge to other companies is to put words into action. If companies care about preserving the natural world, they must give Nature a voice. We have documented the legal process we went through to get to this point, and are sharing it and associated guidance documents for free via our website so that anyone else who would like to do this too, can. After leaving your details with us, a member of Earth Law Center or Lawyers For Nature will be in contact to talk you through the process.

Whilst groundbreaking, we believe this model is, in reality, a very down to earth and practical way for all businesses to further their commitment to the natural world.

WHY HAS NOBODY DONE THIS BEFORE?

Until now, the business world has largely viewed Nature as a resource that it can take from. There is now no denying that this way of operating has led us to the brink of ecological collapse and we can't continue with the status quo. Businesses need to shift their perspective on the natural world, learning to work with it rather than against it.

We believe that the best interests of a company are being able to have long term success and have a thriving relationship with the planet. No company will be successful if we continue on the path of runaway climate change and ecosystem devastation.

We'd encourage other companies to join us in being a part of this movement - seeing Nature as a partner rather than a resource. We've open sourced the legal process we went through so that other companies can easily do the same as us, putting Nature at the heart of their businesses too.

WHAT IS THE DIFFERENCE BETWEEN YOUR ANNOUNCEMENT AND PATAGONIA'S?



What Patagonia have done is obviously amazing. They've long been an inspiration and it's hugely exciting to see other companies thinking so creatively and acting with such integrity about how to put the planet first. We definitely think the more ideas the better when it comes to this challenge.

But very few companies will be able to give their entire profits away as Patagonia have done. Whereas the chief difference with our approach is that it's extremely practical and something that all companies have the power to do. It's about changing the way we do business, not just where the profits go.

Faith In Nature's approach is also focussed on recognising the Rights of Nature. Giving Nature legal personhood through making it a director on the board is a way of embedding Nature's rights in our business so that all decisions consider the impacts upon it.

We're excited to be pioneering the legal personhood of Nature in business, but we don't want to do it alone. This is a really practical way of embedding the rights of Nature into the business world and we would encourage all other businesses to join us in making these changes themselves.

HOW WILL NATURE'S REPRESENTATIVE BE REMUNERATED?

Nature will be remunerated as would any other independent (non executive) director. We see their views as being invaluable to our decision making and so they should be remunerated accordingly.

This is one of the many moves we have taken to ensure that this is not just lip service. The role has been created in such a way that the director should feel free to input with independent advice, without fear of recrimination, and in the knowledge that they are being rewarded fairly for their views.

HOW WILL THE NATURE REPRESENTATIVE BE CHOSEN, AND BY WHO?

The first representative for Nature will be a jointly held position by **Lawyers for Nature** and **Earth Law Center**. Both organisations played a central role in our journey to making Nature a company director, developing the legal framework that made this possible — so by being in it, they can monitor and refine it as necessary.

Both organisations also advocate for the natural world day in, day out. They are leaders in the Rights of Nature movement and are helping define this new ecocentric lawscape.

But the role also permits them to draw upon other expertise as necessary. They cannot be expected to know everything (nobody can!) but they are extremely well connected to a great many environmentalists and environmental groups so can draw upon this huge pool of knowledge to help them make the best, most informed decisions possible.

CAN PEOPLE APPLY TO REPRESENT NATURE? HOW OFTEN WILL THE PROXY CHAIR ROTATE?



As for how often the role will rotate, we don't yet know. The position needs to remain fluid to give this the best chance of working, but also to ensure we always have the best placed guardians at the table, inputting on areas they are expert in.

Not all people with expert knowledge necessarily need to sit on our board (that would be impossible!) — but a selection of experts may advise Nature's guardian, helping them develop a better understanding of the challenges faced, and the likely impacts of proposals.

Anyone wanting to represent Nature in the future can certainly make themselves known to us and to **Lawyers for Nature**. We'd love to hear from you!

HOW LONG WILL NATURE BE A DIRECTOR ON YOUR BOARD? HOW IS THE ROLE PROTECTED, AND WHAT IS TO STOP YOU REMOVING NATURE FROM YOUR BOARD?

Having only just appointed Nature to our board, we have absolutely no intention of removing it! That isn't to say that we can't legally do so, but what would be the point in that?

It's important to understand why we've done this. Nature hasn't been appointed to our board to restrict us, or as some kind of preventative green police force. We have appointed Nature to our board for two main reasons, that in themselves suggest this appointment is here to stay.

- 1) Because we recognise the Rights of the natural world and want to ensure we act in accordance with what we recognise as those Rights. We are, perhaps, articulating this belief in an even clearer way today than ever before but it is consistent with what we've always believed, so this isn't going to change.
- 2) To help us make the best, greenest decisions possible. Likewise, we cannot foresee of a day when we don't want to be in position to make the best decisions possible.

Moreover, it is our belief (certainly our hope!) that we will be the first of many to do this. One day we trust this will be so common place that the question of removal will seem bizarre.

DOES NATURE HAVE THE POWER OF VETO?

No, Nature does not have the power of veto. Nature has an equal vote to all other directors and, at the time of writing, will become our 11th voting director.

But the important thing to recognise here is that by understanding how Nature would vote, all other directors will understand which way they should vote to protect the interests of the natural world. With that understanding, no director can be wilfully blind to the impact of their decisions.

We obviously respect the right of all directors to vote as they choose, on whatever matter necessary. But one of the most important shifts this appointment brings about is recognising Nature's right to be heard, giving all directors the opportunity to make decisions in its best interests.

YOU ALSO HAVE A SUSTAINABILITY DIRECTOR ON YOUR BOARD. WHAT'S THE DIFFERENCE BETWEEN THAT AND THIS APPOINTMENT?



While our Sustainability Director (Laura) is incredibly focused on making Faith In Nature as environmentally responsible as possible, they are still fundamentally an employee of Faith In Nature whose role it is to work within the interests of the company. Their role involves understanding the granular detail of what's possible within the company, understanding our operations, and driving the company towards specified sustainability targets.

While Nature may want the same thing, Nature's view is far more broad ranging. Nature is also independent of the company, and Nature's guardian is legally bound to speak in the interest of the natural world.

Crucially, Laura is very much a human (!) and Nature is a non-human entity. That's what makes this so important. This recognises the rights of a non-human entity that has, until now, been overlooked by the business world, despite our impact upon it. And it is fair to assume that, no matter how aligned we may be in our overall intentions, a non-human's views are likely to differ from a human's in certain circumstances.

AS A COMPANY SETTING THE AGENDA ON NATURE RIGHTS WITHIN BUSINESS, WHERE ARE YOUR SUSTAINABILITY PLANS IN RELATION TO CARBON, PLASTIC AND WATER?

Before setting our targets, we want to be absolutely certain of our current impact. And, honestly, over the last nearly 50 years we haven't always captured as much of that data as we'd have liked. But we do now have (nearly) all of the data required to set meaningful targets going forward.

For now, we have prepared <u>this</u> interim impact report. There are great milestones within it, such as the fact that we managed to reduce the amount of energy used in our manufacturing process by a whopping 180,000 kWh in a single year. And, as you'd expect, there are other areas we need to improve on.

We expect that having Nature on our board will mean the targets we do set will be more meaningful than many targets we see published, and we'll share them with you as soon as they're in place.

HOW DOES MAKING NATURE A DIRECTOR MARRY WITH A BUSINESS' COMMERCIAL NEEDS, WHEN MANY SOLUTIONS NATURE MIGHT SUGGEST COULD CARRY A HIGHER COST?



On the one hand this is about understanding the term 'cost' more broadly. Bringing Nature into the conversation means developing a better understanding of full cost — not just to us as a business, but to the planet as a whole.

This is about developing a dialogue with Nature. It's about having the conversation, then accepting that there may need to be compromises ahead. Ultimately, all directors of a company have a duty to ensure the success of that company. Historically, 'success' has meant profit. Today, it is beginning to be more broadly defined. And to Nature, 'success' means having a healthy planet upon which to thrive. Sometimes Nature may ask of us things we cannot financially afford. But at other times, Nature may suggest solutions that are even more affordable. We just don't know yet. But we do know that we need to hear those suggestions, whatever they are. At least that way, we can work towards them.

WHAT DO YOU EXPECT THE IMPACT OF THIS POSITION TO BE IN TERMS OF SALES AND/OR GROWTH?

Like all businesses, we hope to grow. But we hope to grow in a way that is sustainable and responsible and that takes into account the needs and wants of the natural world.

As a business committed to becoming more responsible, and to bettering business as a whole, we trust that the more we grow, the more we can make a difference.

But whether this will result in more sales or not we don't yet know. In many ways, that's down to how you perceive this move. Is this something you want to see in the world? Do you believe, as we do, that businesses should take more responsibility for its impact on the natural world? That Nature's voice deserves to be heard? And that the natural world is so precious that moves like this are wholly necessary? If so, you likely also believe that it is those businesses doing most to further this agenda that deserve to be most successful. And that's certainly what we believe.

THIS ALL SOUNDS VERY TECHNICAL. WHAT DOES THIS MEAN FOR CUSTOMERS?

It means that when you pick up a Faith In Nature product, you can know it has come from a company that asks itself the difficult questions. By doing this, we shoulder more of the responsibility towards the natural world — hopefully earning your trust in the process.

It should also be said that we, in many cases, are just like you. Not all of us are experts on every single detail of sustainability and nor could we ever be. But we want to know as much as you do that we're making the best decisions possible. That's why this appointment helps all of us — and can hopefully help not just our business and our customers, but other businesses and their customers too.

SO ARE YOU NOW GREENER THAN GREEN?



We'd like to be! But we are not claiming this makes us perfect. We're simply hoping this will help us make better decisions going forward. This is a huge leap for business, but the results may not be immediately felt and the improvements may be gradual. But the important point is that we've started this journey and are excited to see what comes next.

WILL THIS DECISION CHANGE THE PRODUCTS THAT FAITH IN NATURE SELLS?

The truth is, we don't know what we don't know. This is one of the many reasons for making this appointment — so that we can become more conscious of our actions and our impact.

That might result in better decisions on products, or perhaps changes in the way we package or deliver them. Equally, it may have an impact on aspects of our business we haven't even considered yet.

Ultimately this is about remaining open to different points of view and to hearing ideas we haven't heard yet. If we didn't expect any change at all, we wouldn't have done this. But we do expect any change that materialises as a result of this appointment to be positive.

YOU'RE STILL IN PLASTICS THOUGH. WILL THIS CHANGE?

It's true we're in plastic, still. The vast majority of it is 100% recycled and our regular size bottles have been 100% recycled since 1999. We've written <u>this</u> piece on our plastic usage and what we're doing about it, which we hope gives some reassurance on our thinking. In the short term it amounts to using materials already in existence. In the slightly longer term, it will hopefully mean a move away from plastic.

Ultimately though, the reason for appointing Nature to our board is to help us make better informed, more responsible decisions. This is about bringing Nature into the conversation so that we can make the smallest impact possible upon the natural world going forward.

IS THERE A REASON YOU CAPITALISE NATURE?

Absolutely. And we've done so in the legal papers of our constitution too. Perhaps this is the easiest and most important change any of us can make. By recognising Nature as something with its own rights, needs, wants and views, we fundamentally change our relationship with it. See for yourself what shift this seemingly small mark of respect can make.