Building a New Sector of the Economy

Andy Fyfe
B Lab: certifying and supporting B Corporations
afyfe@bcorporation.net
(650) 759 9592
**Big Trend**

Use market forces to solve social problems

<table>
<thead>
<tr>
<th>Conscious consumers</th>
<th>60 million Americans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socially responsible investors</td>
<td>$2.7 trillion dollars</td>
</tr>
<tr>
<td>Social entrepreneurs and sustainable business</td>
<td>100,000+ businesses</td>
</tr>
</tbody>
</table>
Big Problem

Our current capitalist system wasn’t designed for this

- Current corporate law works against sustainability and social impact
- No standards to distinguish ‘good companies’ from good marketing
Big Need

Standards to drive support

Last 10 years  →  Next 10 years

Good products  →  Good companies

+ 500 others

B Corporations  *  Impact Investing  *  Public Policy
B Lab: serving a global movement of entrepreneurs redefining success in business

Shine a light on the entrepreneur

Drive capital to the entrepreneur

Remove legal impediments for the entrepreneur
One of B Lab’s initiatives:

shine a light on the businesses competing to be not just the best in the world but the best for the world.

B Corporations are redefining success in business.
B Corp Community: We’re growing...

Certified B Corporation

125
2008

212
2009

370
2010

503
2011

665 YTD
Q4 2012
And going global…

80 B Corps (13%) outside the U.S.

42 Canada  23 Central/South America  5 Asia  2 Europe  5 Africa  2 Australia  1 New Zealand

20 Countries

6 Continents

1 Unifying Goal:
Change the world through business
What is a B Corporation?

B Corps use the power of business to solve social and environmental problems.

- Meet independent, comprehensive and transparent standards of social and environmental performance
- Meet higher standards of transparency
- Meet higher legal standards of accountability
**Certified B Corp – Performance Standards**

B Impact Assessment is a comprehensive assessment of overall social and environmental performance.

<table>
<thead>
<tr>
<th>Category</th>
<th>Key Elements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers</td>
<td>Job Growth, Compensation &amp; Benefits, Work Environment, Employee Ownership</td>
</tr>
<tr>
<td>Community</td>
<td>Suppliers, Local, Diversity, Charity/Volunteerism</td>
</tr>
<tr>
<td>Environment</td>
<td>Energy Use, Facilities, Supply Chain, Manufacturing</td>
</tr>
<tr>
<td></td>
<td>+ Social Enterprise Business Models, Beneficial Products/Services,</td>
</tr>
<tr>
<td></td>
<td>Targeting Underserved Communities, Beneficial Supply Chain</td>
</tr>
</tbody>
</table>

Must earn 80 of 200 available points
Must be verified w/ random on site audit
Certified B Corp – Transparency Standards

Method runs its business in a values-driven manner, building social & environmental benefit into its products and everything it does.

About method

method is the pioneer of premium environmentally-conscious and design-driven home care, fabric care and personal care products. Their mission is to inspire a healthy, happy home revolution with cleaners formulated to put the hurt on dirt without doing harm to people, creatures or our planet. We’re people against dirty™.

method runs its business in a values-driven manner, building social & environmental benefit into its products and everything it does. Being a B Corporation allows method to build that ethos into the legal backbone of the company so that those values will never be compromised.

By combining beautiful design, healthy values, eco-responsibility, premium fragrance and product innovation, method is able to offer a superior cleaning experience. One that depends on formulas containing non-toxic, biodegradable ingredients. They don’t make anything unless they can make it right from beginning to end, to beginning again.

B Impact Report

<table>
<thead>
<tr>
<th>Summary</th>
<th>Certified: June 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points</td>
<td>% Points Available</td>
</tr>
<tr>
<td>Accountability</td>
<td>8.7 87%</td>
</tr>
<tr>
<td>Employees</td>
<td>26.3 54%</td>
</tr>
<tr>
<td>Consumers</td>
<td>14.9 49%</td>
</tr>
<tr>
<td>Community</td>
<td>17.6 44%</td>
</tr>
<tr>
<td>Environment</td>
<td>55.3 79%</td>
</tr>
</tbody>
</table>

Composite B Score 122.8

>80 out of 200 is eligible for certification
>60% points available = Area of excellence

Highlights: From B Impact Assessment

Environment: >70% products are Cradle to Cradle Certified; >35% shipments made using biodiesel trucks; Pays suppliers to reduce their carbon emissions; >50% facilities LEED certified; Majority of office supplies from recycled materials; >50% carbon inventory reduced through purchase of certified carbon credits; 5.5 million lbs of carbon offset annually
Certified B Corps – Accountability Standards

Certified B Corps amend their bylaws giving shareholders additional rights requiring directors to:

“consider the impact of decisions not only on shareholders, but on all stakeholders”
Certified B Corporations

A community that is redefining success in business.
Bay Area B Corps

**B Corporations** * Impact Investing * Public Policy
What is the value of being a B Corp?

- Differentiate brand
- Maintain mission
- Save money
- Generate press
- Build Business
- Improve and benchmark performance
How does one become a B Corp?

Take the B Impact Assessment

- First Name
- Last Name
- Email
- Confirm Email
- Language
- Company
- Accept Terms and Conditions

If you already have an account, login here >>>

If you have any questions, please email us at thelab@bcorporation.net or call +1-610-296-8283.
The Entrepreneur is The Engine of Change

B Lab is a nonprofit organization that supports the world’s leading social entrepreneurs using business to solve social problems

Initiative 1:
Shine a light on the Entrepreneur

Initiative 2:
Remove legal impediments for the Entrepreneur

Initiative 3:
Drive capital to the Entrepreneur
Initiative 2: Advancing Supportive Public Policies

The community becomes a powerful constituency

• New corporate form > Benefit Corporations
  • 12 states passed
  • 5 states moving forward
  • Strong business support
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GIIRS: * Driving capital to the entrepreneur*

GIIRS:

- Rates impact of companies and funds
- Provides investors with comparable, customizable, verified data on impact
- Same as B Impact Assessment

The Current GIIRS Marketplace:

- 283 GIIRS rated companies
- 126 companies in process
- 39 GIIRS rated funds
- 24 funds in process

**Certified B Corps get a Free GIIRS Rating**
69 B Corps have currently received their GIIRS Rating
Andy Fyfe
B Lab
Community Development

afyfe@bcorporation.net