

Certified



Corporation™

bcorporation.net

An Act of Leadership: Become a B Corporation

the change we seek™

Current events present a unique opportunity for us collectively to redefine success in business. Our message of using the power of business to solve social and environmental problems has never been more resonant.

One reason more than 300 leading businesses have joined the community of Certified B Corporations is that they want to influence the market beyond the success and the lifecycle of their individual businesses. These entrepreneurs want to be part of something bigger than themselves. After reading the below, we hope you will join us.

Becoming a B Corporation is an act of leadership that builds a new sector of the economy:

- ✓ **Creating a new class of corporation - the Benefit Corporation.** The community of B Corps is a business constituency for legislation creating a new class of corporation that benefits society as well as shareholders. Unlike traditional corporations, Benefit Corporations must create a material positive impact on society and the environment, consider how decisions affect workers, community, and the environment, and publicly report their social and environmental performance according to third party standards. In Spring 2010, Maryland and Vermont became the first states to enact Benefit Corporation legislation. The community of B Corps is working in seven additional states to pass Benefit Corporation legislation in 2011.
- ✓ **Advancing tax incentives and procurement preferences for sustainable businesses.** The community of B Corps is catalyzing policy efforts at the local and federal level to provide incentives for certified sustainable business. The first tax break for B Corporations was signed into law in Philadelphia in late 2009. B Lab has been approached about this work by several other cities as well as agencies in the federal government including Commerce and the General Services Administration.
- ✓ **Accelerating growth of impact investing.** The community of B Corps is driving mission-aligned capital to businesses addressing the world's most challenging problems. B Lab's Global Impact Investing Rating System ("GIIRWS") is a ratings agency that provides comparable and transparent ratings about the social and environmental performance of enterprises seeking investment capital, as well as the private equity and venture capital funds that invest in these businesses. The Obama Administration, Investors' Circle, and twenty private equity and venture capital funds representing approximately \$2 billion in assets recently announced their support for GIIRS as a means of catalyzing the flow of investment capital to high impact enterprises in the developed and emerging markets.

Becoming a B Corporation is a smart business decision that benefits your company:

- ✓ **Enhance brand equity.** Differentiate *your company, not just its products*, through third party validation that your company has met higher performance and legal standards. Certification helps generate press and add value in a potential capital raise or sale by mitigating brand risk of trust erosion.
- ✓ **Save money.** Take advantage of the growing number of partnerships which deliver immediate financial value. B Lab has saved B Corps \$1MM in *annually recurring savings* through more than 40 service partnerships (i.e. significant discount on Salesforce.com and NetSuite, Yale SOM loan forgiveness).
- ✓ **Connect your executive team with peers** from mission-aligned companies. B Lab facilitates collaboration among B Corps to help raise money, share best practices in sustainability, marketing, finance, IT, HR, and reaching target customers.
- ✓ **Maintain mission** in up and down markets, now and post-succession. As a B Corporation, founders and other mission-driven minority shareholders can hold directors accountable to consider the impact of operating and liquidity decisions not only on shareholders, but on all stakeholders.