



B Lab founders (from left to right) Jay Coen Gilbert, Bart Houlahan, and Andrew Kassoy.

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of 200 on a comprehensive survey that takes stock of environmental and social-responsibility performance (the best companies have so far scored between 90 and 110). The board and shareholders must also be willing to amend the company's articles of incorporation. Doing so, B Lab reasons, publicly announces the company's intention to balance the interests of customers, employees, the local community, and the environment with its responsibility to be profitable. Gilbert explains, “This change of a few words gives legal permission and protection to directors and officers to consider other stakeholders in day-to-day business.”

B Lab's reach is broad but not yet all that deep. Its 100 certified B Corporations, which include King Arthur Flour, Seventh Generation, and Method Products, represent 30 industries but only \$700 million in revenues, less than one-fifth the earnings of the smallest company in the Fortune 500.

Right now the companies seeking certification are already doing good; the B Corporation label is just another way for them to be recognized for it. But at least one early B Corp member hopes that other companies will use the process to make themselves more responsible than they might have been previously. “It does no good if only companies that are already committed get involved,” says Allison Furbish of King Arthur Flour. “We hope that by doing this we'll challenge assumptions about what it takes to run a successful company, and that other companies that were not always inclined to be socially or environmentally responsible will try it.”

That would make the B in B Lab both beneficial and big time. —Eileen P Gunn



Stamp of Success

By evaluating whole companies instead of products, B Lab aims for a new standard in business practice

These days, there are a number of labels and certifications that designate the difference between genuinely progressive companies and poseurs for consumers. But B Lab, a Berwyn, Pennsylvania, nonprofit that anoints select companies with its B Corporation—B for *beneficial*—stamp, is approaching certification from a new angle. In an effort to increase corporate accountability—for both actions and impact—B Lab appraises entire businesses rather than individual products.

Founders Bart Houlahan and Jay Coen Gilbert, who previously started a basketball apparel company together, and Andrew Kassoy, who is also a private equity investor, wanted to start a venture that would address social and environmental issues they cared about. “We spent a long time talking to people in the private sector,” Gilbert

says. “There were no standards, legal framework, or unifying brand,” Gilbert explains. “So B Corporation is our attempt to integrate those things into a certification and brand for good businesses that are competitive, profitable, and take care of all their stakeholders.”

To earn the B Corporation stamp, a company must score at least 80 out