



Beth Richardson (MBA '08)

## Measuring sustainability



Just as you measure your financial progress, you must also measure your social and environmental bottom lines. Beth Richardson (MBA '08) is a senior associate with the nonprofit B Lab, which works to make it easier for investors, consumers and other stakeholders to objectively measure how sustainable a business is. Companies can be recognized as B Corps when they score a minimum of 80 on B Lab's rating system and modify their current articles of incorporation to include consideration of stakeholder interests. Eventually, the goal is to create a way for a new business to build into its legal framework its consideration of not just shareholders but other stakeholders such as employees, suppliers, communities and the environment. B Lab's ratings system covers five areas, including accountability, treatment of employees, impact on the community, impact on the environment, and what the products and services are. "There are many paths to sustainability. We're not trying to dictate one path," Richardson says.

One of B Lab's long-term goals is to create a new corporate form that allows companies to institutionalize their social or environmental mission and serves as a platform for local, state and federal government to provide incentives to companies creating public benefit. "In six states, including North Carolina, we're working on legislation to create a new corporate form, to create a stronger version of what we're asking companies to do already," Richardson says.

B Lab, the Rockefeller Foundation, the Acumen Fund and several other partners are developing a set of standards that companies can use to report on their social and environmental performance. "The U.S. Generally Accepted Accounting Practices dictate how companies report financial progress. But we don't have accepted terminology in the sustainability space," Richardson says. "The Impact Reporting and Investment Standards (IRIS) are intended to fill that role." For more about IRIS, visit [www.iris-standards.org](http://www.iris-standards.org).