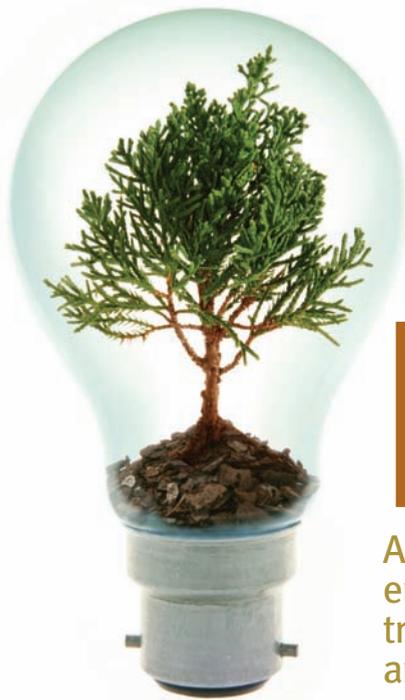


VN columnist **Mat Thomas** brings the latest headlines to you.



Benevolent Business

A new class of corporations is riding the next wave of enterprising activism by blending non-profit values, traditional business savvy, and altruistic ideals to benefit animals, the environment, and society.

IT SEEMS THESE DAYS LIKE EVERY COMPANY wants to be seen as “green,” but how can consumers and investors distinguish between businesses that are doing actual good from corporate poseurs with clever packaging and PR?

Berwyn, Penn.-based non-profit B Lab offers a solution: a comprehensive B (Beneficial) Corporation certification program that measures companies’ impact on society, the environment, and a host of other real-world criteria. A relatively recent arrival on the business scene, the B Corporation is like a hybrid of the for-profit and non-profit sectors. The concept’s originators hope this new designation will give companies incentive to make their highest values central to how they do business, and transform commerce into a driving force for progressive social change.

High-powered entrepreneurs Jay Coen Gilbert, Bart Houlahan, and Andrew Kassoy co-founded B Lab in 2006 because they noticed exponential market growth in self-proclaimed “socially responsible” enterprises, and yet no rules to ensure that terms like “green” and “sustainable” would remain meaningful rather than diluted by specious marketing claims. Their innovative B Ratings System, designed in an open-source format with input from more than 600 business experts in diverse fields, may help fill that gap. B Lab also offers tools

and resources to foster businesses’ social and environmental evolution.

Consisting of a questionnaire weighted differently for the manufacturing, distribution, and service industries, B Lab’s survey rates companies based on everything from environmental practices and labor relations to philanthropic contributions, then translates the results into a numerical tally (with a passing grade of 80 out of a possible 200). The B Ratings System is flexible enough to credit companies for creating benefit in a variety of different ways. For instance, **companies that produce vegan goods would earn points for using production methods that do not harm animals,** and for making products that are healthier for people and the environment.

Among the 124 companies certified so far, some B Corporations—like Seventh

Generation and Method—are also certified by the Coalition for Consumer Information on Cosmetics’ Leaping Bunny Program. Having more animal-friendly criteria would make it easier for vegan companies to become certified as B Corporations, and for more mainstream companies to adopt humane practices. The potential to propel cruelty-free practices into standard operating procedures is important to many vegetarians, who view this as the first step toward creating a truly humane society.

B Lab is continually updating and refining its ratings system to incorporate the best available standards on good business practices. It is in the process of building Version 2.0 of their B Ratings System, to be implemented in 2010. Co-founder Coen Gilbert says, “B Lab has been around for less than two years, so we know there are many more areas of social accountability to cover.” The evolution of these standards is a multi-stakeholder process, so concerned vegetarians are encouraged to send feedback for consideration to the Standards Advisory Council (via B Lab’s website), as they work to improve the Ratings System.

B Corporations can also support vegetarian and animal-protection advocacy by donating a portion of their profits to non-profits—namely those that promote causes they believe in. A few, like office-supplies company Give Something Back, devote more than half of

The D/L on B Corps

Some familiar names are already riding the B Corporation wave. To name a few:

- ◆◆◆ 18 Rabbits Granola
- ◆◆◆ Guayake Yerba Mate
- ◆◆◆ Sustainable Harvest Coffee
- ◆◆◆ The Swamp School

their profits to charitable causes, resulting in stellar B Ratings. Some—like Untours travel, Pura Vida fair-trade coffee, and Impact Makers Professional services—even create their own foundations, financed by profits that function as a non-profit arm of the company. Such **“for-purpose” businesses have the potential to attract capital beyond the wildest dreams of non-profits, and could allow veg entrepreneurs to found advocacy organizations or animal sanctuaries** that wouldn't be dependent on fundraising for their operation.

After passing the ratings test, companies have to do one more thing before graduating to B Corporation status: they must amend their corporate governing charters to legally institutionalize the companies' commitment to serving not only the interests of shareholders, but all stakeholders—including employees, the community, and the environment. That means that the primary motivating factor behind corporate decision-making is *not* the value of company stock, but the value the company could add to the world. Theoretically then, B Corporations would attract investors who agree with their core values, and want to do more with their capital than just generate more money.

Codifying the company's social mission in official documents helps ensure that corporate policies continue to reflect its founders' original ideals over time, whether the company brings on new management or is faced with a take-over. For example, being beholden not only to stockholders but to a constituency that includes the human community and the environment, owners of a B Corporation would have to sell to a buyer that pledges to maintain their standards of social responsibility (say, vegetarian production methods), even if another bidder offers more money for the acquisition.

B Lab's founders hope to make their certification the gold standard for socially and environmentally responsible companies. Consumers and investors can encourage veg-friendly companies to seek B Corporation certification, which then contributes to their industries' standards and helps other consumers support good companies. To learn more about B Corporations, and how to become one, visit bcorporation.net **VN**

Mat Thomas pens *News Beet Extra* in every edition of *VegNews*. Read more of his writing at animalrighter.org.

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