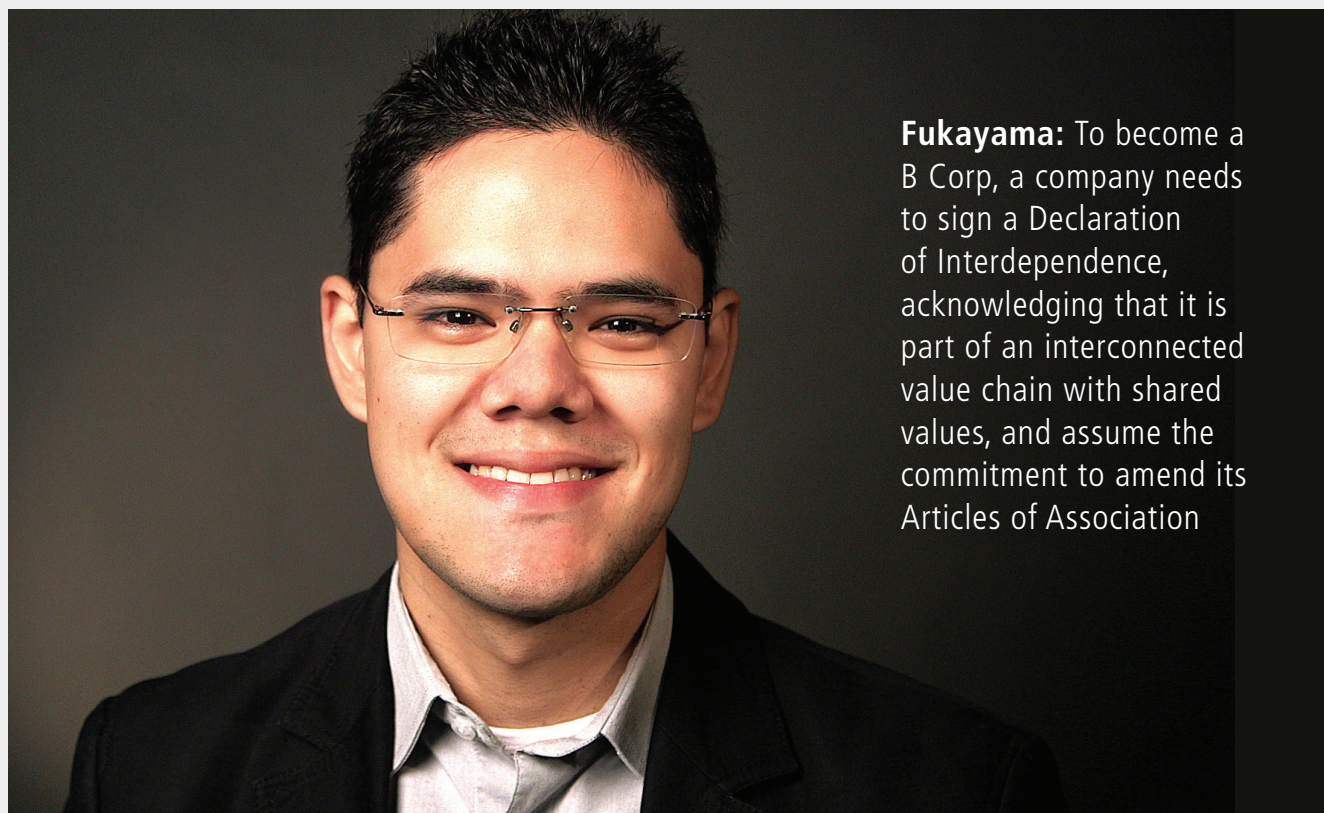


By Caroline Martin
Special for *O Papel*



CDI DISCLOSURE

Fukayama: To become a B Corp, a company needs to sign a Declaration of Interdependence, acknowledging that it is part of an interconnected value chain with shared values, and assume the commitment to amend its Articles of Association

B Corps value the power of businesses for generating benefits beyond their own results

A new type of certification, created in the United States in 2006, is growing among companies in different segments and countries. The concept that classifies foreign companies as B Corps and coined *Empresas B* in South America is defined as a movement of engaged people who use the power of business as a driver of change and evolution, creating solutions for social or environmental problems.

Headquartered in Chile, *Sistema B* is also present in Argentina, Colombia and, most recently, Brazil. The South American organization is a global partner of B Lab, which is responsible for creating the B Corps movement, and aims to expand its reach to other countries such as Peru and Uruguay in the near future.

The Informatics Democratization Committee (CDI) brought the initiative to Brazil and is betting on the concept's dissemination. "CDI is a hybrid social organization that has had an NGO for more than 20 years and a social company for four years. The social company was created as a way to expand the scale of work executed. With this, the company became one of first B Corps in South America, certified in 2012. Since then, we have joined efforts with businesses in other countries and created a strategic plan for it dissemination in Brazil," says Marcel Fukayama, board member of *Sistema B* in Brazil and executive director of CDI. In this month's interview to *O Papel*, Fukayama provides more information about certification and reveals what benefits it offers the corporate universe and society as a whole.

O Papel – What is *Sistema B* and how does it work?

Marcel Fukayama – The B Corps movement unites people who use the power of business as a driver of change and evolution. In other words, they are people who by using their business model create solutions for social or environmental problems. To structure

good practices and create a continuous development plan for corporations to evolve their business models and conquer this goal, there exists a tool called the B Impact Assessment. It allows companies to obtain a snapshot or an x-ray of themselves and check how their business is structured in order to outline a path

for preparing a development plan. This impact assessment tool analyzes a company in five dimensions: governance, business model, environmental impact, labor practices and community relations. Based on each one of these aspects, a company is evaluated through a questionnaire with over 160 questions and points are attributed according to answers, whereby 80 is the minimum score for a company to be eligible to become a B Corp.

O Papel – How is this certification being developed in Brazil?

Fukayama – At present, there are over 1,000 B Corps in 34 countries. In Brazil, we have 16 certified companies and 300 in the process of becoming certified. When we talk about strengthening the B Movement, we note that it is important to provide practical examples to demonstrate the tool's utility. Good examples of B certification include Patagonia and Ben & Jerry's in the United States and Abramar and Combio Energia in Brazil. These are companies in completely different segments and profiles that portray what B Corporations are.

O Papel – What does a company interested in becoming a B Corp need to do? What are the first steps?

Fukayama – The first step is for the company to undergo the Impact assessment, a free and confidential test available at www.bcorporation.net and www.empresab.net. In this initial stage, it is necessary to answer a questionnaire in order to identify the company's characteristics, such as size, profile and business area. Then, the company answers the complete questionnaire with 160 questions, covering the five dimensions mentioned above. Once the questionnaire is filled out, the company is requested to present some documents that back their impact assessment responses. With this, the B Lab team in the United States conducts an evaluation and returns with a preliminary score.

O Papel – If eligible, how does the certification process unfold?

Fukayama – If the company makes the minimum score of 80 points, it goes on to the next stages, which include signing a Declaration of Interdependence, acknowledging that it is part of an interconnected value chain with shared values, and assumes the commitment to amend its Articles of Association. This amendment boils down to two clauses to be inserted: the first informs that the company is purpose-driven and creates benefits not only for stakeholders and shareholders, but also for the whole value chain; and the second states that the company recognizes the external factors of its business model, that is, it takes into account eventual social and environmental impacts that its activities may have. Then, the objective is that the company continues to develop. The main goal of the tool is precisely to create a continuous development plan in all dimensions of the business. Upon becoming a B Corp, the company gains access through the tool to excellence practices that can be used for benchmarking and contribute to the evolution in different aspects.

O Papel – Is there any cost involved to become certified?

Fukayama – The impact assessment is free of charge, but if a

company is eligible and decides to become a B Corp, it must make an investment that ranges between US\$ 500 and US\$ 25 thousand for certification, depending on its size and annual revenue. And, once certified, the company must undergo recertification every two years.

O Papel – Has the forest base industry, more particularly the pulp and paper segment, demonstrated interest in the theme?

Fukayama – Yes, there are several companies in the pulp and paper sector in the process of becoming certified. And one of them is a publicly traded company, a highly impacting aspect to its business model. However, since the process is confidential, until the day the company becomes a B Corp, we are not allowed to reveal any names. But what I can say is that, yes, there are medium and large sized companies in the forestry sector in talks with *Sistema B*. We have been discussing how they can join the Brazilian and Latin American community of B Corps.

O Papel – FSC is an important certification for pulp and paper players. How does *Sistema B* distinguish itself and stand out in relation to other certifications related to the sector? What are the pros of this certification and what benefits can it offer the segment?

Fukayama – All certifications that exist, including FSC, are complementary to the certification of a B Corp. I believe that FSC addresses much more the core business of companies with the objective of creating a forest management standard within a business model that's specific to the sector, whereas in the certification of the B Corp these concepts are much broader. If, on one hand, FSC conducts an assessment and creates a standard in a dimension that a B Corp is not evaluated, B certification also addresses dimensions that FSC does not. Therefore, I would say that their level of in-depthness differs. So I would say that *Sistema B* is a complementary certification to FSC and vice-versa.

O Papel – How do you envision the dissemination and strengthening of this tool over the next years?

Fukayama – We have three major objectives for the next years, especially for the next 12 months. The first is to strengthen the Brazilian community of B Corps. Our goal is to have 50 certified B Corps by the end of 2014. The second objective is to outline an overview of public policy in legislation in Brazil. The entrepreneurship environment in Brazil is still very inhospitable for entrepreneurs. What we are analyzing, in conjunction with a group of attorneys, academia and entrepreneurs, is how *Sistema B Brasil* will position itself in face of potential influence in public policy. In the United States, for example, more than 20 states have already recognized B Corps as a new type of corporation, which creates a series of opportunities for them. Will it be possible to follow this practice in Brazil, influencing the creation of a B Law? Or will we join other entrepreneurs who think of entrepreneurship in a broader manner? Or will we join bills of law that already exists that focus on green companies? We want to conclude this analysis and define goals by the end of this year. Lastly, we plan on defining the governance structure for *Sistema B Brasil*, based on the creation of a board of B Corps in the country. ■