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QuickTime™ and a  
decompressor  
are needed to see this picture.

# The B Corporation

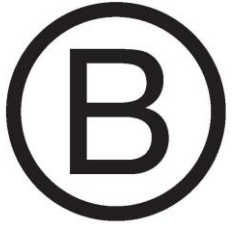
*A New Kind of Company  
For a New Sector of the Economy*

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*How do you tell the difference  
between a “good company” and  
just “good marketing”?*



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# Why B Corps Matter - Impact

**Consumers**



Certified sustainable businesses

**Investors**



Emerging asset class: Impact Investments

**Policymakers**



Sustainable procurement/tax incentives

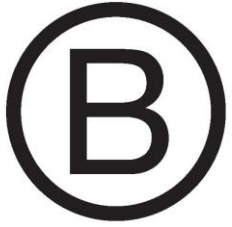
**Companies**



Sustainable supply chains

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# What are Certified B Corporations?

*Companies using the power of business to solve social and environmental problems.*

## **Certified B Corporations:**

- Meet transparent and comprehensive social and environmental performance standards
- Legally expand their corporate responsibilities to include consideration of stakeholder interests
- Amplify the voice of sustainable business and for-profit social enterprise through the power of a unifying B Corp brand

*224+ B Corps; \$1.2 Billion market; 30+ industries*

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## How was the B Ratings System Developed?

- Developed over 2 yrs, with line-item feedback from 600+ entrepreneurs, investors, thought leaders and academics.
- Used the best available open source performance standards and impact metrics from numerous sources, including the GRI, Wiser Business and SVN.
- Governed by an independent, nine person Standards Advisory Council (SAC) that meets regularly to evaluate standards' application to real business cases, as well as to increase rigor of subsequent versions.
- Designed to be an interactive, dynamic assessment tool: Version 2.0 beta launch Spring 09 and welcomes feedback from industry professionals.

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# How does the B Ratings System define sustainable business?

**With metrics for evaluating performance in 5 key stakeholder categories:**

- Accountability/Transparency/Governance
- Employees
- Consumers
- Community
- Environment

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## B Ratings System Version 1.0

- Launched 2007
  - Independently-governed
  - Comprehensive, rigorous & dynamic
  - On-line, open-source and user-friendly
  - Transparent (B Report/Score Card)
  - Comparable—management tool for assessment and improving performance
  - Sets a bar
- 
- **4,200 people have registered to use the survey**

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# B Ratings System Partners

- Financial intermediaries using for due diligence for investment prospects
- Two associations requiring for membership, several more in process
- Three organizations recommending the Survey to members



**TBL CAPITAL**  
*Serving People Planet & Profits*

City of Philadelphia







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Setting the new corporate standard for social and environmental performance.

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# Global Impact Investing Standards Board



Global Impact Investing Standards Board

## Portfolio Impact Rating Report™

Last Updated: 12/29/08

### Cyclical Investors I, LP

Current Rating: ★★ 53%

#### Fund Rating Details

% Points Available

Category	Rating	% Points Available
<b>Leadership</b>	★★★★★	75%
Governance/Accountability		75%
Transparency/Reporting		50%
Fair Trade/Supplier Code of Conduct		83%
<b>Employees</b>	★★★	62%
Compensation & Benefits		66%
Employee Ownership		33%
Work Environment		88%
<b>Consumers</b>	★★★	60%
Beneficial Products/Services		50%
Beneficial Methods of Production		100%
Serving Those in Need		0%
<b>Community</b>		35%
Local		61%
Diversity/Broad Ownership		44%
Charity/Direct Service		23%
<b>Environment</b>		32%
Corporate Offices		35%
Transportation/Distribution		33%
Manufacturing Facilities		30%
<b>Total</b>		<b>53%</b>

#### Fund Profile

<b>Fund Type/Stage:</b>	Private Equity
<b>Investment Type:</b>	Equity
<b>Target Financial Return:</b>	15%
<b>Fund Size:</b>	\$150 million
<b>Avg. Investment Size:</b>	\$7,500,000

#### Target

<b>Sector Focus:</b>	Consumer Product Goods
<b>Geographic Focus/Development Metric:</b>	US
<b>Target Size:</b>	\$60 million
<b>Avg # of Employees:</b>	75
<b>Target GIISB Rating:</b>	★★
<b>Other Investment Screens:</b>	Negative screens for Alcohol and Tobacco companies

#### Investment Manager Profile

<b>Investment Manager:</b>	Cyclical Investors, LLC
<b>GIISB Rating For Investment Manager:</b>	★★★



Global Impact Investing Standards Board

## Portfolio Impact Rating Report™

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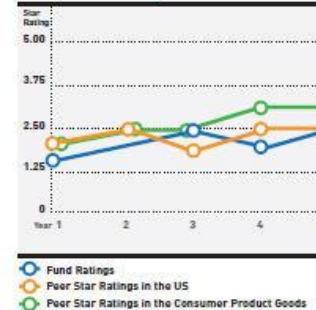
### Cyclical Investors I, LP

Current Rating: ★★ 53%

#### Fund Portfolio Details

Fund Name	GIISB Score	Investment Date	\$ Investment	% of Fund Portfolio	% of Ownership	Revenue	Employees
Green Home Products	90	12/01/2004	\$ 10,000,000	23%	30%	\$ 90,000	88
Happy Feet	85	4/15/2004	\$ 20,000,000	46%	66%	\$105,000,000	110
Local Fruits	97	9/22/2005	\$ 8,300,000	19%	36%	\$ 69,000,000	105
Fizzy	117	11/04/2006	\$ 1,700,000	4%	9%	\$ 33,000,000	35
Healthy Pets	123	2/17/2008	\$ 3,500,000	8%	32%	\$ 32,000,000	90
<b>Average</b>	<b>102</b>		<b>\$ 8,700,000</b>			<b>\$ 65,800,000</b>	<b>86</b>
<b>Total</b>			<b>\$ 43,500,000</b>			<b>\$329,000,000</b>	<b>428</b>

#### Cyclical Investors GIISB Ratings vs. Peer GIISB Ratings



#### Actual GIISB Ratings vs. Target GIISB Rating



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# B Survey

- 12 Survey Options
- Size/Industry Dependent
- 130 – 170 Questions
- Tools & Best Practices

© B Corp. System - Version 1.0



## Section 2: Profit

This section focuses on the financial benefits of your company and how they are shared. The main question is: does your company distribute its profits in a beneficial way, to employees, owners, or the larger community? The main areas of inquiry include employee compensation and benefits, ownership, and charitable giving.

### Compensate Employees Fairly

#### Compensation:

Is a living wage paid to all full-time and part-time employees?

- Yes  No

How does the company's compensation structure compare to that of the industry in terms of percentile category (i.e., what percentage of companies' compensation structures are below yours)?

- 0%  1-49%  50-62%  63-75%  >75%  Don't Know

What multiple is the highest compensated individual paid as compared to the lowest paid full-time worker?

- >21x  16-20x  11-15x  6-10x  5x

What percentage of net profits is included in Employee Profit Sharing Plan / Bonus Plan?

- 0%  1-5%  6-14%  >15%

Have you conducted, acquired or referenced a compensation survey of your industry in the last three years?

- Yes  No

#### Cash Benefits

Is there an Employee Retirement Plan (e.g., Pension, 401k) available for all full-time, tenured employees?

- Yes  No

Is the Retirement Plan partially/fully funded by the Company?

- Yes  No  N/A

Is health insurance offered to all full-time employees and their families?

- Yes  No

What % of health insurance premiums is paid by the company for individual coverage (full-time employees)?

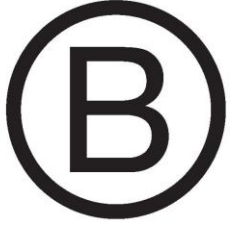
- 0%  1-49%  50-69%  70-79%  80%+  100%

What % of health insurance premiums is paid by the company for family coverage (full-time employees)?

- 0%  1-49%  50-69%  70-79%  80%+  100%

continued >

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# Environmental Impact

## Questions on Carbon

- Does your company conduct an annual carbon inventory of company activities?
- % reduction of carbon inventory through purchase of certified carbon credits
- Total carbon (lbs) offset annually

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# Environmental Impact

## Questions on Renewables

- Is energy usage of total company measured annually?
- Are there policies to increase efficiency and use of renewables?
- % used from renewables?
- % used from renewables on-site?

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# Beneficial Products/Services

**How do your products or services, through their usage, inherently create benefit for your customers?**

***Directly or Indirectly they:***

- Create economic equality for individuals/communities
- Preserve the environment
- Improve health
- Promote the arts, sciences or the advancement of knowledge

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# B Report



the change we seek™

Sample B Report™ Last Updated: 02/02/09  
**XYZ Manufacturing, Inc.**  
Composite B Score: **81.3**

(1) An 80 out of 100 is eligible for certification as a B Corporation.

- Single Page Report
- Comparable Across Industries
- Areas of Excellence
- Composite Score

	Points Earned	% Points Available
<b>Environment</b>	<b>13.1</b>	<b>28%</b>
Corporate Offices	9.1	48%
Transportation / Distribution	2.9	50%
Manufacturing Facilities	1.2	5%
<b>Employees <i>Area of Excellence</i></b>	<b>31.7</b>	<b>75%</b>
Compensation & Benefits	17.3	72%
Employee Ownership	7.4	77%
Work Environment	6.9	82%
<b>Community</b>	<b>12.5</b>	<b>29%</b>
Local	3.1	42%
Diversity / Broad Ownership	4.0	34%
Charity / Direct Service	5.5	23%
<b>Consumers</b>	<b>19.3</b>	<b>40%</b>
Beneficial Products / Services	0.0	0%
Beneficial Method of Production / Impact	19.3	100%
Serving those in Need	0.0	0%
<b>Leadership</b>	<b>4.7</b>	<b>24%</b>
Governance / Accountability	0.0	0%
Transparency / Reporting	0.4	13%
Fair Trade / Supplier Code of Conduct	4.3	44%
<b>Total</b>	<b>81.3</b>	<b>41%</b>

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# B Corp: Credibility

- Survey Reviews
- Attachments
- Audits
  - 20% of B Corporations every term
  - To verify the accuracy of each response on the company's B Survey
  - Critical in maintaining the authenticity of the Certified B Corp Seal
  - Can result in a score adjustment. If the score falls below 80, B Lab auditors provide a 90 day period to cure.
  - If the audit reveals that a company has intentionally misrepresented aspects of their business, the company's B Corporation Certification will be publicly revoked.

**the change we seek™**