



## PERSPECTIVES:

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**HOW B CORPS AND PUBLIC BENEFIT COMPANIES ARE  
CHANGING THE FACE OF BUSINESS ONE STORY AT A TIME**

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# IN A WORLD

where many believe the purpose of a corporation is to maximize shareholder or investor value, more and more companies are finding a way to achieve their financial goals while also doing good. They have become “public benefit companies” and “B Corps,” designations that require them to balance the interests of financial stakeholders with creating a positive impact on society.

Scott Allison, Chairman and CEO of Allison+Partners, spoke to senior communications and marketing executives from DanoneWave, Seventh Generation and Patagonia about the journey from intent to certification and the critical role communications plays in explaining what these certifications mean to the public, the benefits they bring and how it will ultimately manifest within a business. As these insiders share their stories, you’ll learn how you too can make the internal case for becoming a company focused on catalyzing change in the world, while also making a profit.

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SCOTT  
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**SCOTT ALLISON:** WHAT IS THE DIFFERENCE BETWEEN A PUBLIC BENEFIT CORPORATION AND A B CORP?

**NEUWIRTH (DANONEWAVE):** It is still a bit of the “Wild, Wild West” out there, as these things are well defined but have a long way to go to be better understood. Public benefit corporations are legal entities in the United States that have provisions in their articles of incorporation that require a company to bake social purpose into the corporation. For example, in the case of DanoneWave, our public benefit is to bring healthier food to as many people as possible, while also focusing on sustainability and reducing our impact on the environment. Since we are a public benefit corporation, that’s something we consider in every management decision we make.

On the other hand, a B Corp is a designation created by B Lab, a nonprofit organization that certifies companies that meet the highest standards of social and environmental performance, public transparency and accountability.

The first step to becoming one includes taking B Corp’s “Impact Assessment,” which assesses a company’s overall impact on its stakeholders. Once completed, you receive an Impact Report that contains an overall score. You must achieve a minimum of 80 points out of 200 to earn the designation, and that has to be reported publicly and repeated every two years.



**PUBLIC BENEFIT CORPORATION**

- + A legal entity intended to produce a public benefit and operate in a responsible and sustainable manner
- + Not required to become a B Corp
- + A for-profit company
- + Commits to balancing shareholder financial interests and the benefits it has on people, the planet and society
- + May be required to be audited or certified, depending on the U.S. state where the company is incorporated as a PBC; all companies still participate in financial audits

**B CORP**

- + A company that has received a certification from the non-profit B Lab that recognizes a higher level of social and environmental performance
- + In the U.S., must be converted to public benefit corporations within one year of becoming B Corp certified
- + A for-profit company
- + Companies are monitored on measurable social and environmental performance, accountability and transparency
- + Recertification by B Lab is required every two years

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**SCOTT ALLISON:** PATAGONIA IS REALLY THE LEADER AT THIS. IN FACT, I THINK YOU GUYS WERE A B CORP BEFORE IT WAS EVEN A TERM. TELL US A LITTLE BIT ABOUT THE EVOLUTION OF THAT AND WHAT IT MEANS TO BE A B CORP AT PATAGONIA.

**DURAN (PATAGONIA):** Patagonia has always been a mission-driven company. Our mission is to build the best product, cause no unnecessary harm, and use business to inspire and implement solutions to the environmental crisis. When the concept of B Corp, especially the benefit corporation legislation came about, it really resonated with our owners as an opportunity to allow Patagonia to stay mission-driven through any future

transitions that might occur. We have baked the principal of environmental and social purpose into our corporation and by-laws, designating one percent of revenues to environmental nonprofits, building the best product, conducting our operations causing no unnecessary harm, being transparent, sharing best practices, and providing a supportive work environment. Every year, we look for opportunities to address and improve those areas.

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**SCOTT ALLISON:** SEVENTH GENERATION IS ANOTHER BRAND THAT UNDERSTANDS THE VALUE OF BEING A B CORP. YOU WERE ACQUIRED BY UNILEVER A YEAR AGO. HAS THAT BEEN DISRUPTIVE AT ALL TO BEING A B CORP?

**THOMAS (SEVENTH GENERATION):** Initially, I think the acquisition caused concern for our consumers, as they wondered if we were going to “sell out.” However, because we are a B Corp, we were able to point out our

commitment to standards and assure our customers that because of the required assessments involved in B Corp status, we would continue our efforts. Unilever also fully supports our company as a B Corp.

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**SCOTT ALLISON:** DANONEWAVE IS NOW THE LARGEST PUBLIC BENEFIT CORPORATION IN THE UNITED STATES. WHAT BENEFITS ARE YOU SEEING FROM THIS? I KNOW YOU ARE ALSO IN THE PROCESS OF BECOMING A B CORP.

**NEUWIRTH (DANONEWAVE):** Yes, we’re planning to achieve the accreditation for B Corp by 2020 or sooner. For DanoneWave, the attraction of being a public benefit corporation for me personally is that it allows our team, employees and prospects to think differently and act differently because of our commitment to public benefit. It’s walking the talk. As an example, our communications team was recently trying to fill a role and found an ideal candidate through a non-traditional path. She signed on

partly because of the purpose that we have baked into the most senior levels of the organization and through our reliable certification. It was a reminder that we can attract the best talent because we all want to have a sense of purpose in what we do.

AS OF JULY 2017, 33 STATES AND WASHINGTON, D.C. HAVE PASSED LEGISLATION ALLOWING FOR THE CREATION OF PUBLIC BENEFIT CORPORATIONS



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**SCOTT ALLISON:** LOGAN, UNLIKE THE COMMUNICATIONS FOLKS ON THE PANEL, YOU HAVE A VERY DIFFERENT TITLE AT PATAGONIA. TELL US ABOUT YOUR ROLE.

**DURAN (PATAGONIA):** Yes, my team owns the benefit corporation reporting process, as well as the B Corp certification process. Every two years, we're required to take the assessment to certify as a B Corp. And every year, as a requirement from the state of California as a benefit corporation we produce a benefit corporation report which is something similar to a CSR report. The benefit corporation report demonstrates to our shareholders how we are meeting our specific benefit purposes. The process of drafting the benefit corporation

report and completing the B Corp assessment provides visibility into what we're doing across the organization.

I think what I like most about being a B Corp and benefit corporation is that it's not just focused on philanthropy, social responsibility or environment - it is actually looking at the entire organization. From our governance structure, to how we manage talent, to how we engage with our community, as well as our customers and our suppliers. It's really looking at everything across the organization.

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**SCOTT ALLISON:** HOW DO YOU MEASURE THE SUCCESS OF BEING A B CORP OR PUBLIC BENEFIT CORPORATION?

**THOMAS (SEVENTH GENERATION):** As Logan mentioned, a B Corp must take an Impact Assessment to maintain its certification. It's very data-driven, and you receive a score. We've been doing this for a while now and found that sometimes our scores get to a certain point and plateau. We had to figure out how to continue to increase our impact and looked at how we could also help move the B Corp movement forward through all of our partners. We went through a partner certification process and, if you were a vendor or a partner of ours, we strongly encouraged you to take the Impact Assessment.

had a manufacturing partner who helps make one of our products. They took the Impact Assessment, and this really started them on a sustainability journey. They hired someone to lead sustainability efforts and in just two years they have significantly decreased their greenhouse gas emissions. This not only helps their company, but also has a direct impact on lessening our company's impact on the world as well.



TODAY, THERE ARE  
MORE THAN 2,300  
CERTIFIED B CORPS  
FROM 50 COUNTRIES  
IN MORE THAN 130  
INDUSTRIES

Through the partner certification process, we were able to not only spread the B Corp message, but also see where the impact of our costs is too. For example, we

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**SCOTT ALLISON:** ARE THERE ANY DIFFERENCES IN HOW EVERYTHING WORKS FOR GLOBAL COMPANIES?

**NEUWIRTH (DANONEWAVE):** A public benefit corporation designation is U.S.-specific and may vary based on the state where your business is incorporated. For B Lab certification or to become a B Corp for a multi-national, it's undefined work-in-progress because these types of assessment models are being developed now for companies that operate in different categories,

different management structures, different cultures, different regulatory requirements. The assessment model has to be sensitive enough to include and encompass all of that. Danone has been working with B Lab on developing a standard for this that works as well for multi-national companies as it does for smaller or single-country entities.



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**SCOTT ALLISON:** THE IDEA OF A B CORP WAS LAUNCHED IN 2006, AND NOW THERE ARE MORE THAN 2,300 COMPANIES THAT HAVE THIS DESIGNATION. WHERE DO YOU SEE B CORPS GOING OVER THE NEXT FEW YEARS?

**DURAN (PATAGONIA):** I see awareness growing amongst customers, as well as more organizations starting to take the assessment. Because it really is just a tool – a way for you to identify where you are strong, and where you might have areas for improvement around social, environmental, and governance opportunities and creating action plans for organizations.

Being a B Corp is something that really needs to be ingrained into the culture of your organization. If organizations want to come across to their employees and customers as authentic they need to identify and articulate their organizational values. The B Corp assessment and certification can help signal to customers and employees those values.

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**SCOTT ALLISON:** WE WERE TALKING A LITTLE BIT ABOUT RISKS AND TRANSPARENCY. IT SEEMS LIKE YOU MIGHT HAVE TO HAVE SOME THICK SKIN WHILE GOING THROUGH THE ASSESSMENT PROCESS.

**THOMAS (SEVENTH GENERATION):** We've always approached business with the lens of radical transparency. As a company, I think we tend to sometimes talk more about our mistakes than we do our wins. That's just the philosophy that we've always had at Seventh Generation. But when you do take the Impact Assessment, you'll see if you have any warts. About two years ago, we were surprised

to find out we had a bit of a gender pay gap and were pretty shocked. We're a very progressive company and the results clearly weren't aligned with our organizational values. We also rolled the results out internally and, as soon as we saw that, our leadership team addressed the issue head on and we were able to close the gap within a year.





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**SCOTT ALLISON:** AS COMMUNICATIONS SPECIALISTS, TELL ME ABOUT THE IMPACT BEING A B CORP OR PUBLIC BENEFIT CORPORATION HAS HAD ON YOUR ROLE, AS WELL AS ANY BENEFITS YOU'VE SEEN FROM THAT PERSPECTIVE.

**NEUWIRTH (DANONEWAVE):** We've seen such low awareness of what a public benefit corporation and a B Corp are that, using DanoneWave's prime position as the largest public benefit corporation, we've taken it upon ourselves to help with education. But we can't do it alone. It needs to be done in concert with the other B Corps and public benefits corporations that exist. Right now, there is no concerted industry effort to do that. Remember, these are all private sector businesses. The magnitude of the public interest problems we're trying to solve can only be solved within corporations from the public sector. Right now, the communications side of that equation, in my opinion, is far from defined. The action plan hasn't even started yet. That's a big green field for us in the communications industry.

**THOMAS (SEVENTH GENERATION):** It's a wonderful point to make when telling any organization's story. For Seventh Generation specifically, it is a third-party certification we can point to and reinforce that we will continue to be committed to people and planets as well as profits, even after our acquisition by Unilever.

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**SCOTT ALLISON:** PATAGONIA IS A PRIVATELY HELD COMPANY. WHAT ARE THE DIFFERENCES BETWEEN BEING A PRIVATELY HELD B CORP VERSUS A PUBLICLY HELD ONE?

**DURAN (PATAGONIA):** As I mentioned before, being a B Corp and a benefit corporation allows us to remain mission-driven. We still report out to our shareholders and that report is made publicly available. But being a B Corp and a benefit corporation means we are running

our organization with a focus on providing benefit to all stakeholders, including our employees, our community, our suppliers, the environment, and not just generating a return for our shareholders. We really take that seriously when we are making business decisions.



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## PANELIST BIOGRAPHIES

**MICHAEL NEUWIRTH** leads external communications for DanoneWave, which is the largest public benefit corporation in the U.S. and among the 15 largest food and beverage companies in the U.S. DanoneWave was formed in April 2017 from the combination of Danone's dairy business in the U.S. with that of WhiteWave Foods. Michael is based at the company's headquarter office in White Plains, NY and is responsible for the Company's interaction with the media and corporate communications, including crisis communications. Michael has extensive experience in public relations, including seven years with Danone's North American bottled water and specialty foods businesses, where he served as Director of Corporate Communications for Evian and other brands from 1994 to 2001. Michael came to Danone after working for two years as senior vice president in the Marketing Practice at Ruder Finn, a leading independent public relations agency based in New York, and prior to this for an organic food company. He also worked for five years from 1989 to 1994 at Porter Novelli, a leading public relations agency, on behalf of Gillette and other clients. Michael is a cum laude graduate of Vassar College, where he earned a B.A. in English in 1989. He lives in New York City with his wife and two children.

**BRANDI THOMAS** leads all public relations efforts for Seventh Generation, a mission-based home care and personal products company, and a founding member of the B-Corp movement. She's been with the company since 2009, working through rapid-paced growth and most recently an acquisition by Unilever. She's responsible for driving consumer-facing PR campaigns, influencer relations and corporate storytelling. Prior to joining Seventh Generation, Brandi spent seven years agency-side at Kelliher Samets Volk where she led PR and influencer efforts for Crane & Co. stationery. She also developed an anti-cyber bullying program for wireless client Unicef, which ultimately led her down the path of purpose-driven communications. Brandi lives in Burlington, VT with her husband and three sons. She's a cum laude graduate of Syracuse University's S.I. Newhouse School of Public Communications.

**LOGAN DURAN** manages the team with a company-wide focus on all supply chain and brand-related environmental impact programs at Patagonia's manufacturing partners, as well as, Patagonia's corporate offices, distribution facilities, and retail stores. Additionally, he is responsible for social and environmental metrics and reporting and Patagonia's Benefit Corporation commitments and B Corp program and assessment. Originally from Winnetka, IL, Logan has volunteered extensively with Habitat for Humanity, and did two years of service work in the Fijian Islands. He holds a master's degree in sustainability management from Columbia University in New York City. He also holds a joint BA in Environmental Studies and Geology from Middlebury College in Vermont.

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## ABOUT ALLISON+PARTNERS

**ALLISON+PARTNERS**, an MDC Partners company, is a global marketing and communications agency driven by a collaborative approach to innovation and creativity. The firm was named The Holmes Report's 2017 "Digital Agency of the Year," 2017 "Specialist Agency of the Year" and 2016 "Asia Pacific Corporate Agency of the Year," as well as PRWeek's 2015 "Midsize Agency of the Year." Allison+Partners has 29 offices worldwide and is organized around six practices: Consumer Marketing, Corporate, Global China, Healthcare, Public Affairs and Technology. All Told, which combines research, content, creative, digital and measurement expertise into one offering, works across these practices to deliver integrated storytelling for clients. The agency also has a network and deep affiliations with firms worldwide through MDC Partners, a progressive marketing and communications network, championing the most innovative entrepreneurial talent.

For more information, visit [www.allisonpr.com](http://www.allisonpr.com).