People, Planet, Profit: Is incorporating as a Benefit Corporation Right for Your Business?

Ruksana Azhu Valappil, PhD

NEEV Health; NEEV Lifestyle

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NOTABLE BENEFIT CORPS & B CORPS
FOUNDER

In 2013, Dr. Ruksana Azhu Valappil founded NEEV, a luxe home furnishings company, out of passion and determination. Passion: increasing social and economic justice for underserved women worldwide. Determination: increase the pace of the unbearably slow progress of developing and implementing these fair-minded protocols.

So she exited her career as a clinical research scientist studying Parkinson’s disease and launched NEEV, which means ‘foundation’ in Hindi, her native language. NEEV creates and sells organic home furnishings and personal accessories. She believes in indisputable sustainability.
NEEV’S IMPACT – ARTISAN PARTNERS

https://www.neev.life/artisans
NEEV’S IMPACT – PHILANTHROPY PARTNERS

Our #GivingTuesday tradition continues! Every #GivingTuesday since NEEV was founded, we have supported our partner NGO, the Power of Love Foundation with 30% of net proceeds.

Join us and get 30% OFF any purchase of our handmade products. Support artisan weavers. Support microloans for women.

https://www.poweroflove.org/

https://pledge1percent.org/
COMMON LEGAL ENTITY STRUCTURES IN THE USA

**IRS**
- Sole Proprietorships
- Partnerships
- Corporations
- S Corporations
- Limited Liability Company (LLC)

**State**
- DBA
- Benefit Corporation
- Social Purpose Corporations and Flexible Purpose Corporations

BENEFIT CORPORATION

For-profit corporate entity.
Created from state law, not federal.
Business structure enacted by 40+ states in the USA.
Originally implemented in Maryland in 2010
File the articles of incorporation in a state that passed Benefit Corp legislation
In addition to earning a profit, it takes society, workers, the community, and the environment into consideration while making business decisions.
Required to have the purpose of "creating a general public benefit" defined as "A material positive influence on the environment and society, as a whole, appraised against a third-party guideline, from the organization and operations of a benefit corporation."
Commitment to higher standards

1. **Purpose:**
   1. create general public benefit,
   2. operate in a responsible and sustainable manner

2. **Accountability:**
   1. Directors and officers must consider the environmental and social factors, as well as the financial interests of shareholders.
   2. Legal protection to pursue a mission and consider the impact their business has on society and the environment.

3. **Transparency:**
   1. Report on their progress to achieve general public benefit.
   2. Reporting requirements differ by state,
   3. Some states require use of a third party standard to measure performance
   4. Some states require an annually report to the public.
HOW TO BECOME A BENEFIT CORPORATION

New Business: File the articles of incorporation in a state that passed Benefit Corp legislation

https://drive.google.com/file/d/1pxdfP_0_8ltgij4kMhkkq-Tqpnx2dVQ6/view

Existing business:

1. State in which the business is incorporated allows authorized benefit corporations or incorporate in Delaware.
2. Obtain stockholder approval.
3. File a restated or amended articles of incorporation
ARTICLES OF INCORPORATION
OF
UCHIT CORPORATION

I
The name of the Corporation is UCHIT CORPORATION.

II
A. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

B. This Corporation is a benefit corporation.

III
The name and address in the State of California of this Corporation’s initial agent for service of process is:
WHY BE A BENEFIT CORPORATION

Same personal asset protection and formalization of your business structure as a regular corporation,

Market differentiation as a mission-driven business

Build credibility and trust with all stakeholders – shareholders, customers, employees, suppliers.

Increase brand value

Attract talent

Attract investors.

Protects company missions especially when raising capital and leadership changes,

Creates more flexibility when evaluating potential sale and liquidity options,
Social and environment impact certification from B Lab
5000+ business globally in 155 industries
- Companies must demonstrate high social and environmental performance
  - B Impact Assessment score of 80 or above and passing B Lab’s risk review process.
  - Documentation and random audits
- Companies must make a legal commitment by changing their corporate governance structure to be accountable to all stakeholders,
  - achieve Benefit Corporation status if available in their jurisdiction.
- Companies must exhibit transparency by allowing information about their performance measured against B Lab’s standards to be publicly available via their B Corp profile on B Lab’s website.
NEEV – B IMPACT SCORE

NEEV

NEEV is a premium fair trade, earth friendly social enterprise aimed at empowering women. Their hand crafted textile products support women artisans. A majority of profits and a portion of all sales goes to support advancement of women and girls.

Overall B Impact Score

Based on the B Impact assessment, NEEV earned an overall score of 135.2. The median score for ordinary businesses who complete the assessment is currently 50.9.

Governance 15.7

Governance evaluates a company's overall mission, engagement around its social/environmental impact, ethics, and transparency. This section also evaluates the

- Mission & Engagement: 4.5
- Ethics & Transparency: 1.2
- + Mission Locked: 10

What is this? A company with an Impact Business Model is intentionally designed to

https://www.bcorporation.net/en-us/find-a-b-corp/company/neev/
NEEV – B IMPACT SCORE

Best for the World

Each year, B Lab releases lists honoring the top-performing Certified B Corporations overall as well as within each Impact Area.
**B IMPACT ASSESSMENT**

The Five Impact Areas

Digital tool helps measure, manage, and improve positive impact performance in five impact areas

Minimum verified score of 80 points required for B Corp Certification

Used by > 150,000 businesses

[https://bthechange.com/3-b-corps-share-how-to-create-mission-aligned-charitable-partnerships-82c72cd1b8b](https://bthechange.com/3-b-corps-share-how-to-create-mission-aligned-charitable-partnerships-82c72cd1b8b)
BENEFIT CORPORATION VS CERTIFIED B CORPORATION

Similarities:
Directors required to consider all stakeholders
Publish an annual report

Differences:
Availability in many states / some countries vs global certification
One time filing fee ($70-$350) vs a sliding scale depending on revenue ( $1000-$50,000)
Performance Self reported vs minimum verified score on B Impact Assessment rigorous
Legislation by states vs assessment by B Lab
( B Lab was instrumental in developing the model legislation and its passage)
NOTABLE BENEFIT CORPS & B CORPS