

Stanford SOCIAL INNOVATION^{Review}

Editor's Note
B Corps Grow Up
By Eric Nee

Stanford Social Innovation Review
Fall 2020

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EDITOR'S NOTE

B Corps Grow Up

Amid all of the bad news this year, one thing that has been encouraging is that so many large businesses have taken steps to combat racism and to foster racial equity, both within their organization and in the larger society.

Disney signed a production agreement with Colin Kaepernick—the former quarterback who was blacklisted by the National Football League—to produce a series of films on race, social justice, and equity.

And more than 800 companies—including Coca-Cola, Hershey's, and Ford—pulled their advertisements from Facebook because of the company's unwillingness to properly police content for racism and hate speech.

While all of that is true, it is important to remain skeptical of whether this represents deep and long-lasting change or is simply a onetime effort in response to the current climate of opinion. Many of these same companies have been guilty in the past of overt and subtle forms of racism.

Until recently, the heroines and heroes of Disney animated films were mostly white, and other characters often reflected racial stereotypes. And in 2000, Coca-Cola paid out \$192 million to Black employees in what was at the time the largest settlement ever in a corporate racial discrimination suit.

To find companies that are making a true commitment to significantly change the way they do business, one place to start is with those that have become a certified B Corporation. The B Corp movement is an effort to institutionalize changes in the way a company interacts with its workers, customers, suppliers, and community, and with the environment.

Until recently, most of the 3,422 companies (in 71 countries) that have become a B Corp have been small and medium-sized. Often these were startups that incorporated social responsibility from the beginning. But a growing number of large, established corporations are starting to undergo the certification process as well.

And that is the subject of our cover story in the Fall 2020 issue of *Stanford Social Innovation Review*. The article, “The B Corp Movement Goes Big,” is written by Christopher Marquis, a professor at Cornell University and the author of *Better Business: How the B Corp Movement Is Remaking Capitalism*, forthcoming from Yale University Press.

Some of the large companies that have become a certified B Corp include Danone North America (a \$6 billion a year subsidiary of the multinational French company Danone), Natura (a \$3 billion a year cosmetics company based in Brazil), and Laureate Education (the first B Corp to go public on the US stock market).

Recognizing how difficult it is for a large corporation to go through the certification process, B Lab (the organization that manages the B Corp process) created the B Movement Builders program, a set of principles that large companies must adopt that is less rigorous than the certification process but allows them to become a part of the B Corp movement.

Marquis describes this movement as part of a broader shift from “shareholder capitalism” toward “stakeholder capitalism.” I hope that the recent announcements by US corporations to tackle racism and increase racial equity are an indication that support is growing for that broader movement. —ERIC NEE

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Stanford Social Innovation Review (ISSN 1542-7099) is published quarterly by the Stanford Center on Philanthropy and Civil Society, a program of the Institute for Research in the Social Sciences at Stanford University's School of Humanities and Sciences: 559 Nathan Abbott Way, Stanford, CA 94305-6042. Phone: (650) 724-3309, Fax: (650) 725-9316.

Subscription Prices (One Year) Personal, \$54.95 U.S./Canada and \$69.95 international for print and digital, \$39.95 for digital only. Institutional, starting at \$300.

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Postmaster Send address changes to *Stanford Social Innovation Review*, Member Services, PO Box 426, Congers, NY 10920-0306. Volume 18, Number 4, Fall 2020. *Stanford Social Innovation Review* and the Stanford Center on Philanthropy and Civil Society are part of Stanford University's tax-exempt status as a Section 501(c)(3) "public charity." Confirming documentation is available upon request.

Stanford Social Innovation Review was established in 2003 by the Center for Social Innovation at the Stanford Graduate School of Business. The founding publisher is Perla Ni. The former academic editors are Stephen R. Barley, James A. Phillis Jr., Robert Scott, David Brady, and Chip Heath.



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