



**HOW B LAB IS CHANGING THE
RULES OF THE GAME TOWARDS
A STAKEHOLDER ECONOMY**



MARCEL FUKAYAMA

**Head of Global Policy, B Lab Global
Cofounder, Sistema B Brasil
Cofounder, Din4mo**



A HISTORICAL GLOBAL CULTURE SHIFT

The strength of markets can contribute to the most pressing challenges in the world and build an inclusive, equitable and regenerative economic system for all people and the planet.

**THE BUSINESS
OF BUSINESS
IS BUSINESS**

The Friedman Doctrine has
shaped Capitalism over the
past 50 years

A Friedman doctrine—

**The Social
Responsibility
Of Business Is to
Increase Its Profits**

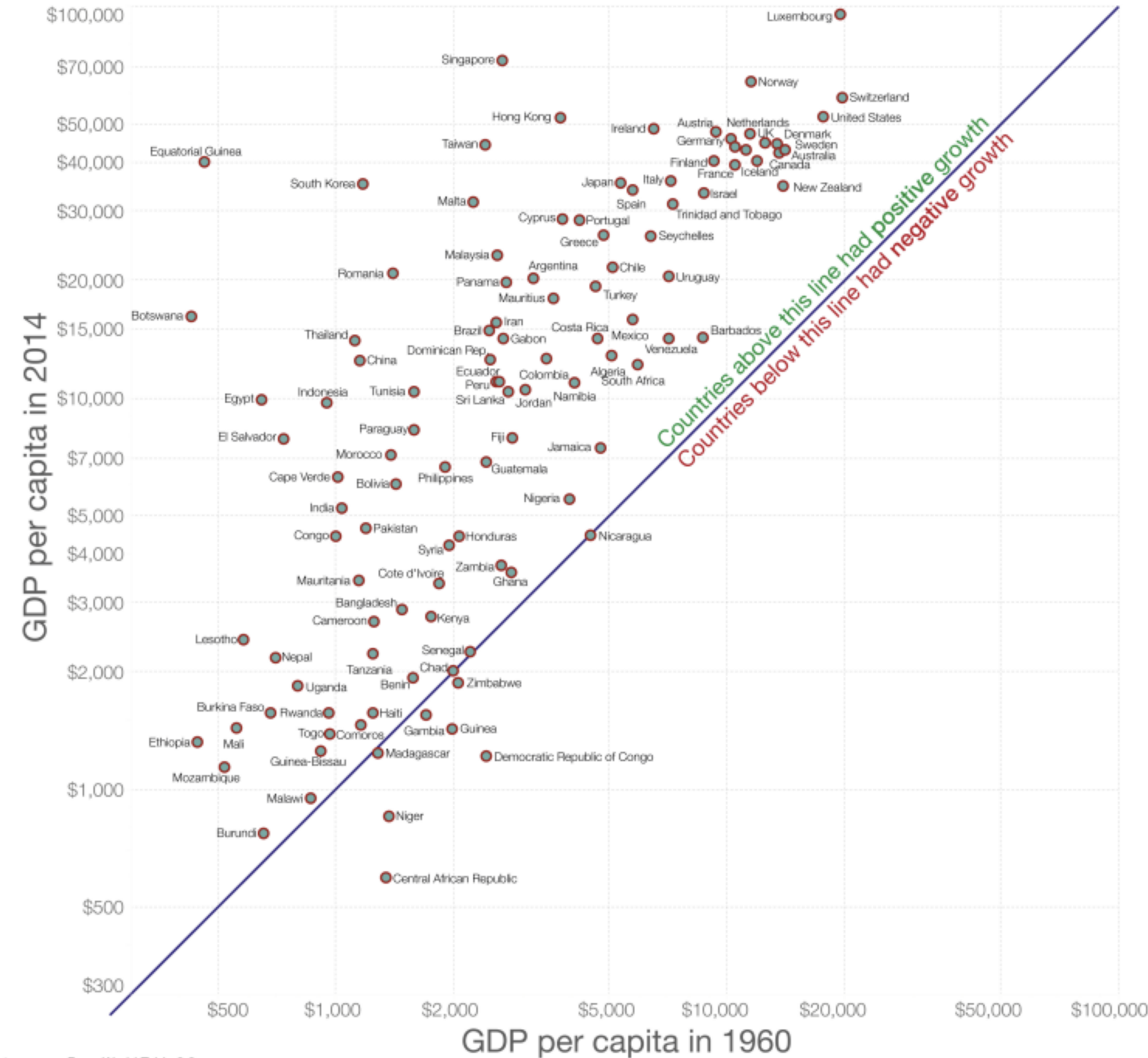
By MILTON FRIEDMAN

**THERE HAS BEEN
GREAT ECONOMIC
PROGRESS IN THE LAST
50 YEARS**

Source: Our World in Data

GDP per capita in 1960 and 2014

GDP per capita is adjusted for price changes over time (inflation) and for price differences between countries (purchasing power parity (PPP) adjustment).



Data source: Penn World Table 9.0

The visualization is available at OurWorldinData.org where you find more visualizations and research on global development.

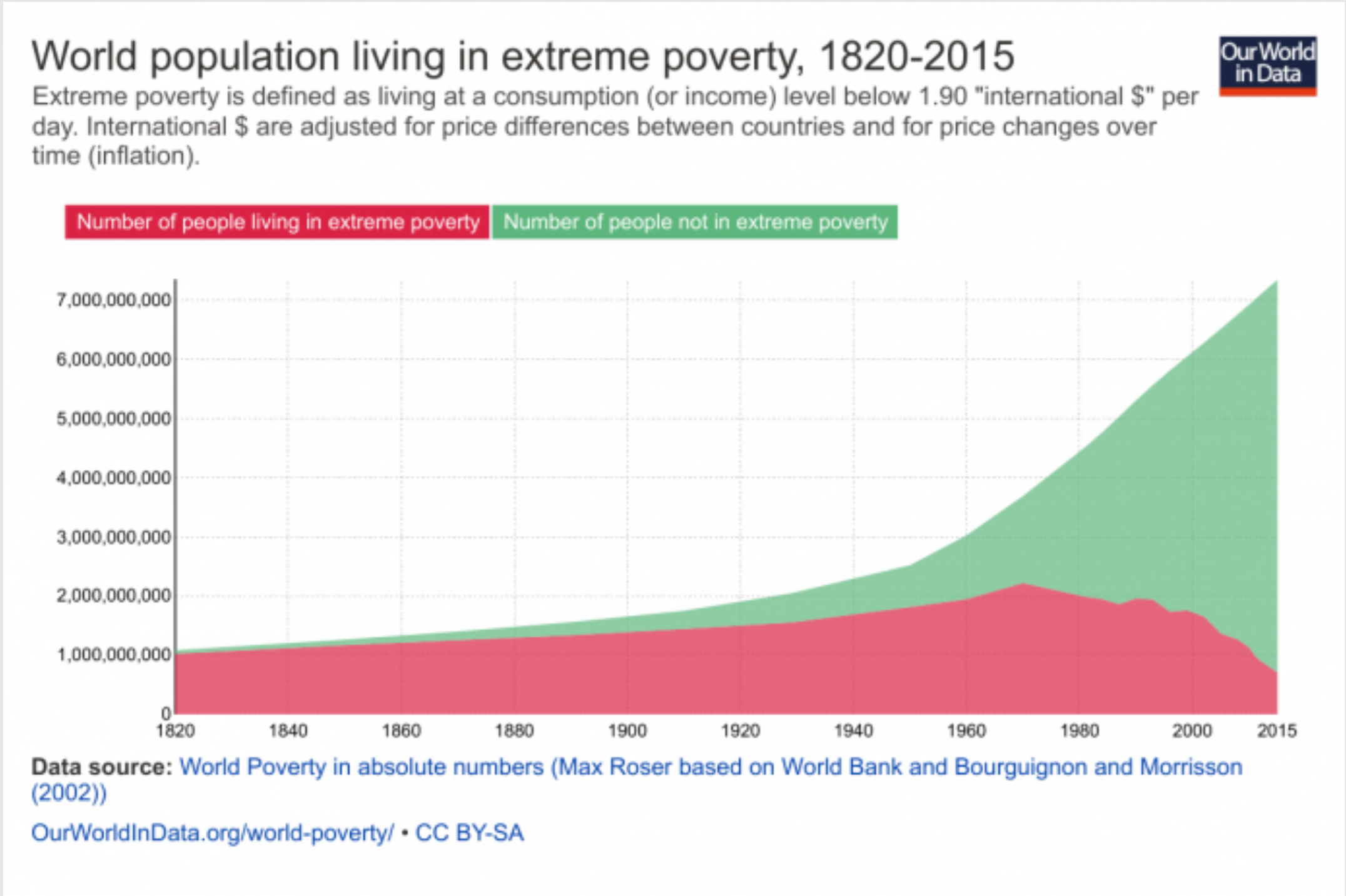
Licensed under [CC-BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) by the author Max Roser.

BETWEEN 1820 AND 2015, THE WORLD POPULATION LIVING IN EXTREME POVERTY REDUCED

Source: Banco Mundial

MORE THAN 1 BILLION PEOPLE
left the extreme poverty line since 1980

95%
of the world's population lived in poverty in 1820



DESPITE THE GLOBAL EVOLUTION, INEQUALITY HAS GROWN

Source: OXFAM, IBGE

AMONG THE 10 MOST UNEQUAL

Gini coefficient measures inequality and income distribution. Brazil (53.3) is comparable to African countries.



THE FORTUNE OF THE SUPER RICH GROWS

Since the beginning of the COVID-19 pandemic, every 26 hours a new billionaire joins an elite made up of around 2,600 super-rich. 10 super rich concentrate wealth equivalent to 40% of people.

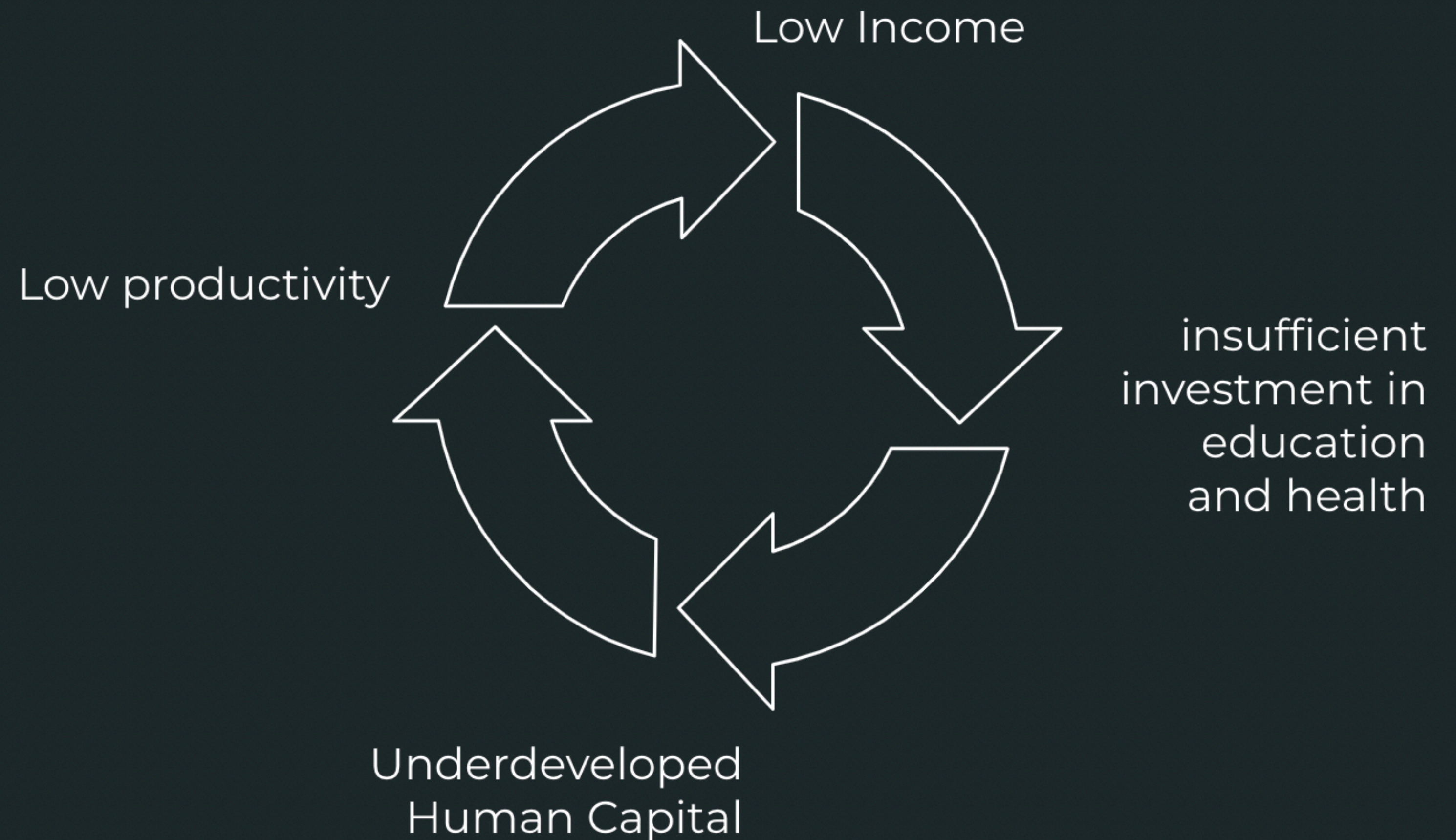
1 IN 4 BRAZILIANS IS POOR

52 million in poverty = up to BRL 436 per month
13 million in extreme poverty = R\$ 151 per month

33 million starving
125 million live in food insecurity

THE POVERTY TRAP

Without outside intervention, the cycle continues





“

“Companies have a role in reducing inequalities: pay their taxes, pay better wages and invest”

JOSEPH STIGLITZ, Nobel Laureate for Economics

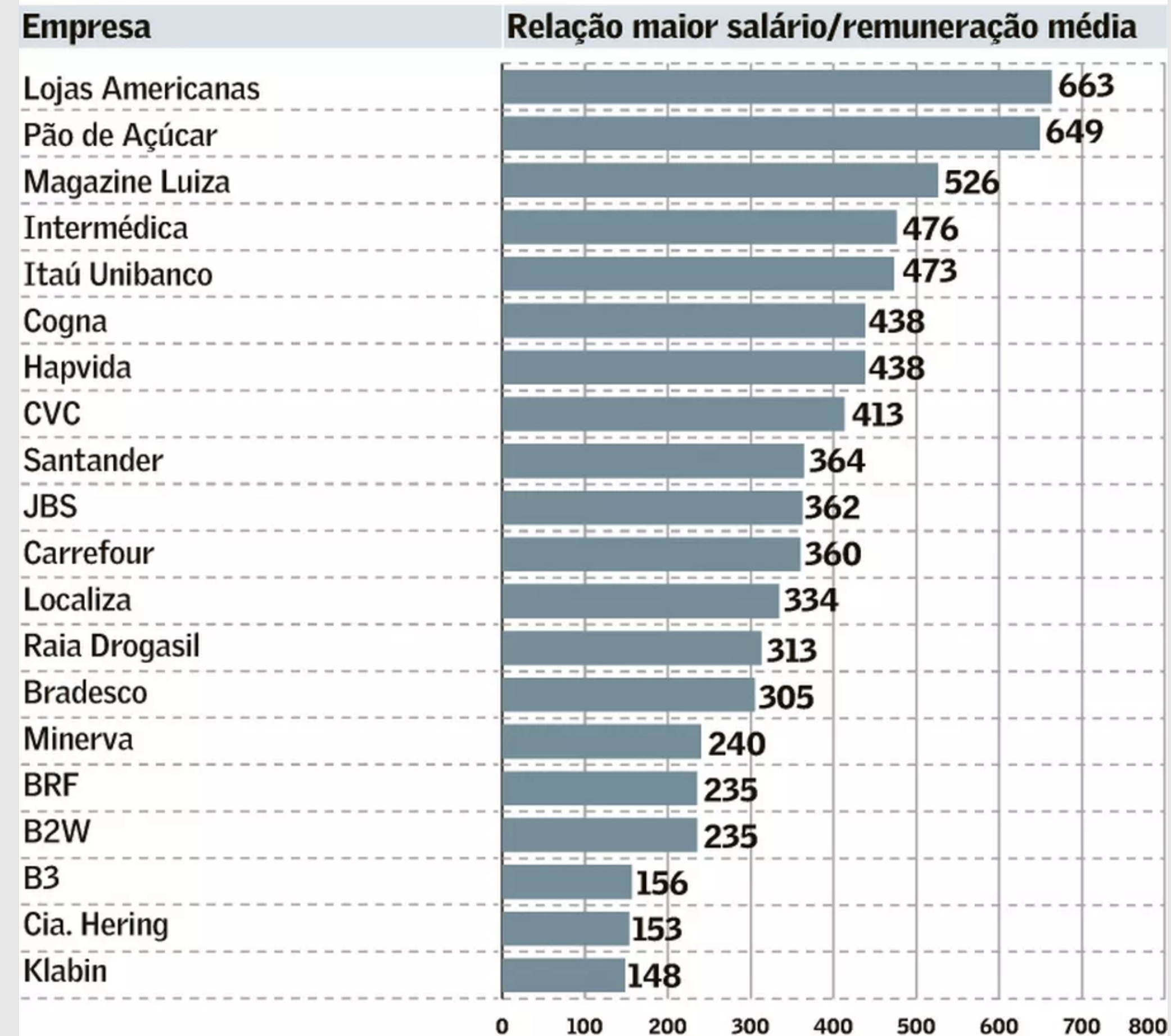
**PROFITS PAID
IN TAXES**

The world's largest company
has a market value of over
USD 3 trillion

0,0005%

As maiores diferenças salariais em 2019*

CEOs chegam a ganhar mais de 600 vezes que os funcionários



Fonte: Renato Chaves com base nos formulários de referência *considera as 20 maiores diferenças entre as empresas do Ibovespa

**COMPANIES CAN
GENERATE AND
DISTRIBUTE WEALTH,
BUT...**

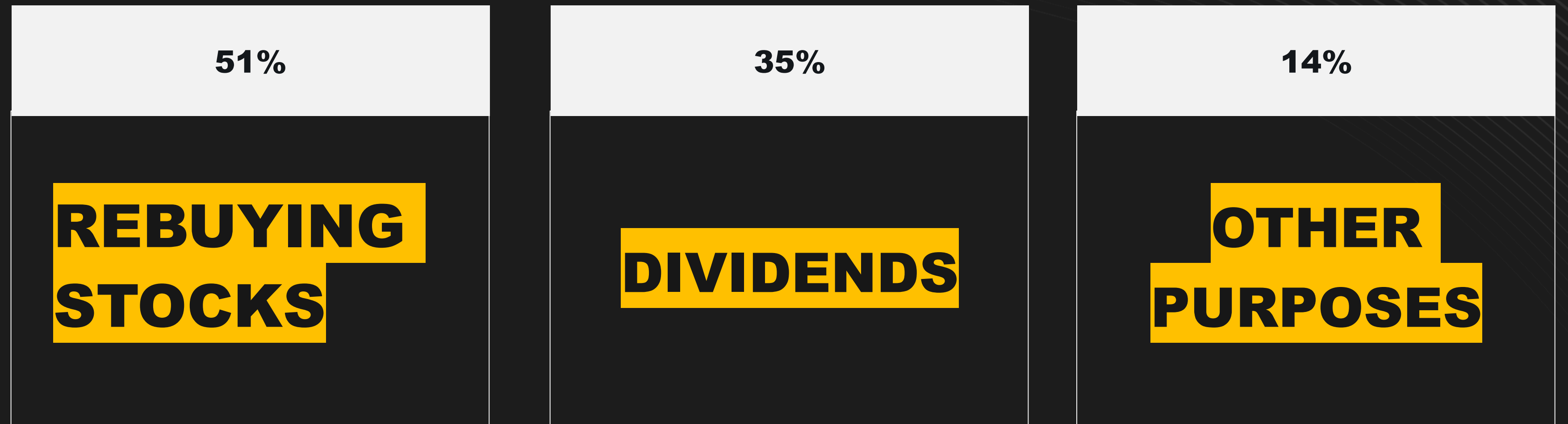
The disclosure questionnaire of the Sao Paulo Stock Exchange shows social distortions in IBOV companies:

- The difference between the highest and average salary in companies can reach more than **600x**
- **A quarter of listed** companies pay the equivalent of GDP per capita
- Best-paid CEO: average Brazilian **would take 97 years** to make the equivalent of what this CEO makes in a month
- **Average ratio** is 143:1, while in the US it is 70:1

PROFITS WITHOUT PROSPERITY


UK: until 1970 only 10% of profits were distributed and another 90% reinvested. Today, 70% of the profit is distributed to shareholders

USA: Until 1970 half of the profit was distributed as dividends and the other half was reinvested.



STAKEHOLDER CAPITALISM

There is a change in
corporate culture

The logo of the World Economic Forum, featuring a stylized globe with a curved line passing through it, is positioned behind the text.

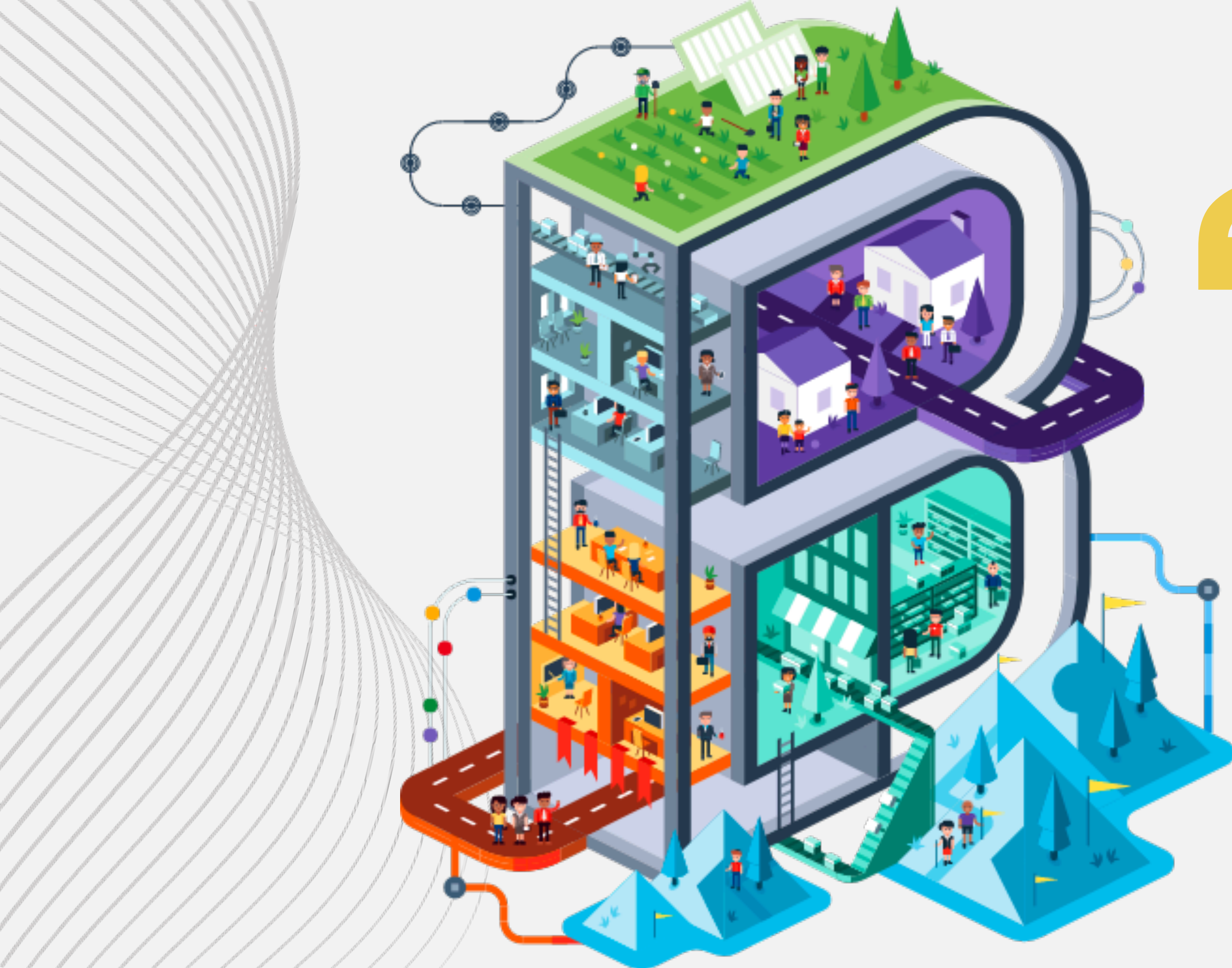
WORLD ECONOMIC FORUM



**A systemic evolution
requires a new
governance model
adopted by
companies and
investors**

**From short-term profit to
long-term shared value**





**Our global vision is of a
inclusive, equitable and
regenerative economic
system for all people and for
the planet.**

ELEMENTS THAT QUALIFY A 21ST CENTURY COMPANY

1. THE PURPOSE OF POSITIVE IMPACT

Generation of positive social and environmental impact in the course of profitable economic activity.

2. EXPANDED FIDUCIARY DUTY

Inclusion of instruments in governance to qualify decisions in favor of social and environmental impact, in the short and long term, with the engagement of stakeholders.

3. COMMITMENT TO TRANSPARENCY

Measurement, management and reporting of the impact.

GLOBAL COMMUNITY OF LEADERS: B CORPS ARE THE BEST FOR THE WORLD

Certified B Corps meet a high standard of verifiable and comparable metrics for social, environmental impact, transparency and accountability.



WHY BECOME A B CORP

IMPROVEMENT IN MANAGEMENT AND

The B Impact Assessment supports ongoing practice development plan. Fiduciary responsibility bond with positive impact. Legal Language of B Corp legal framework.

DIALOGUE WITH ESG

Credible, comparable and verifiable social and environmental impact metrics.

POSITIONING

Signaling for suppliers, workers, investors and consumers.

GLOBAL COMMUNITY

By becoming B Corp, the company becomes part of a community that shares a common vision of exchange and mutual strengthening.

NATURA & CO

Largest B Corp in the world. The first publicly traded certificate. Pioneer in regenerative economics and integrated accounting.

natura & co

AVON



Aēsop.

PATAGONIA

Core Values Patagonia, Inc.'s values reflect those of a business started by a band of climbers and surfers, and the minimalist style they promoted. The approach they take toward product design demonstrates a bias for simplicity and utility.



ABOCA

Aboca is the leading group in the therapeutic innovation based on natural complexes. Aboca produces advanced, effective and safe medical devices and food supplements made of natural substances for human health and well-being

Aboca





**HOW CAN WE EMPOWER 125
MILLION BUSINESSES TO BEHAVE
LIKE B CORP: WITH PURPOSE,
ACCOUNTABILITY AND
TRANSPARENCY?**

OUR CHALLENGE



SUSTAINABLE DEVELOPMENT GOALS

New Goal Structure

Governance	Workers	Community	Environment	Customers
Mission & Engagement	Financial Security	Diversity, Equity, & Inclusion	Environmental Management	Customer Stewardship
Ethics & Transparency	Health, Wellness, & Safety	Economic Impact	Air & Climate	
	Career Development	Civic Engagement & Giving	Water	
	Engagement & Satisfaction	Supply Chain Management	Land & Life	



**B IMPACT ASSESSMENT:
FREE, ONLINE and
CONFIDENTIAL TOOL TO
MANAGE YOUR IMPACT**

B Impact Assessment





A NEW LEGAL IDENTITY STRUCTURE

**BENEFIT CORPORATIONS ALLOW
ENTREPRENEURS TO CONSIDER
THEIR STAKEHOLDERS IN ADDITION
TO PROFIT**

WEF Unlocking the Social Economy, 2022



SELF-REGULATION

Introduce a new goal into the Articles of Association as a means of making our climate action permanent and institutionalized. Shareholders assign a new mandate to the management.



The company commits to systematically innovating all its activities, products, processes and business models in order to eliminate its contribution to the climate crisis and contribute to solving the climate emergency

70+ businesses

28 Billion in revenues

60,000+ workers

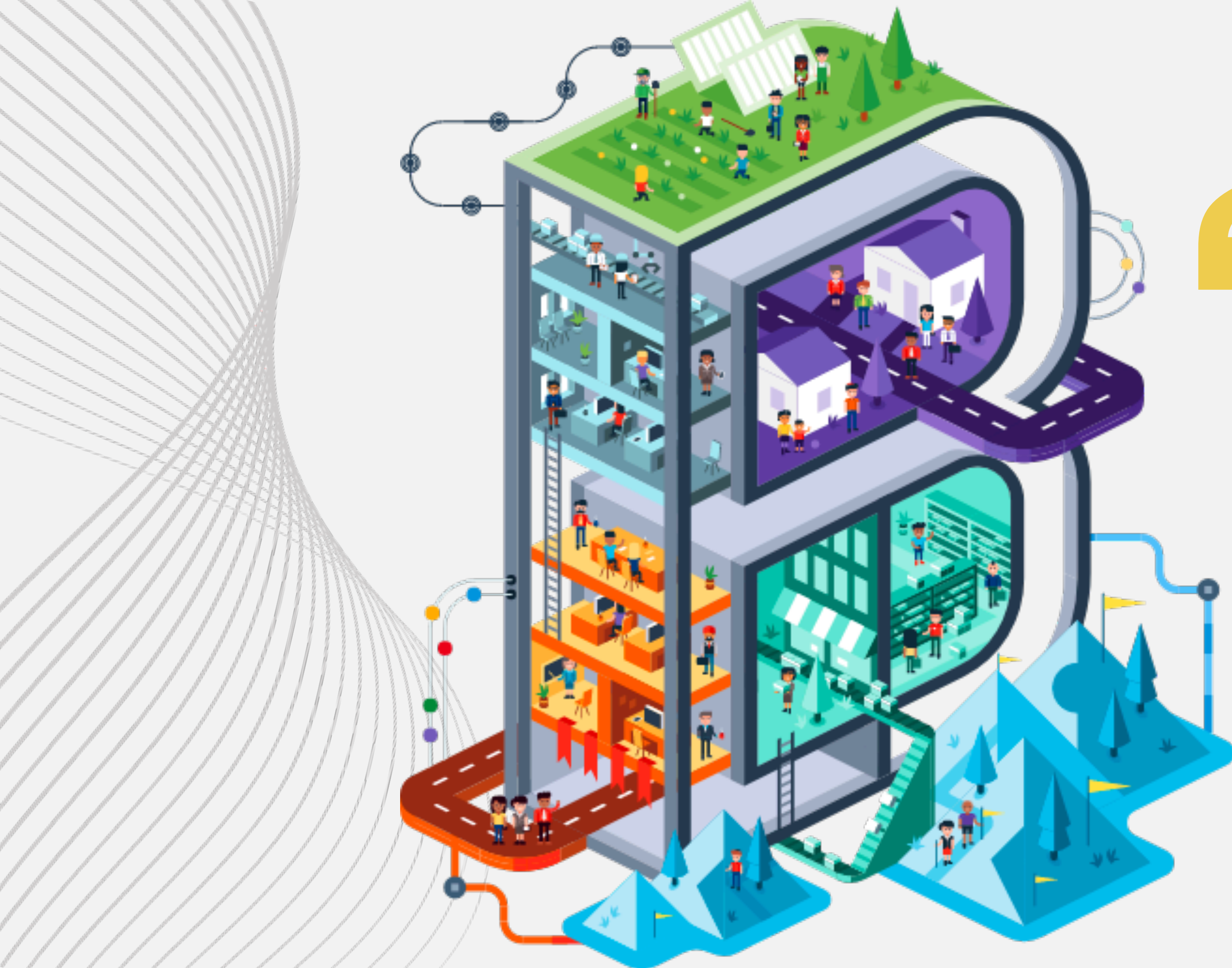
STOCK MARKETS TOWARDS THE STAKEHOLDER ECONOMY

NEW! Benefit Index is a self regulatory proposal to change capital markets

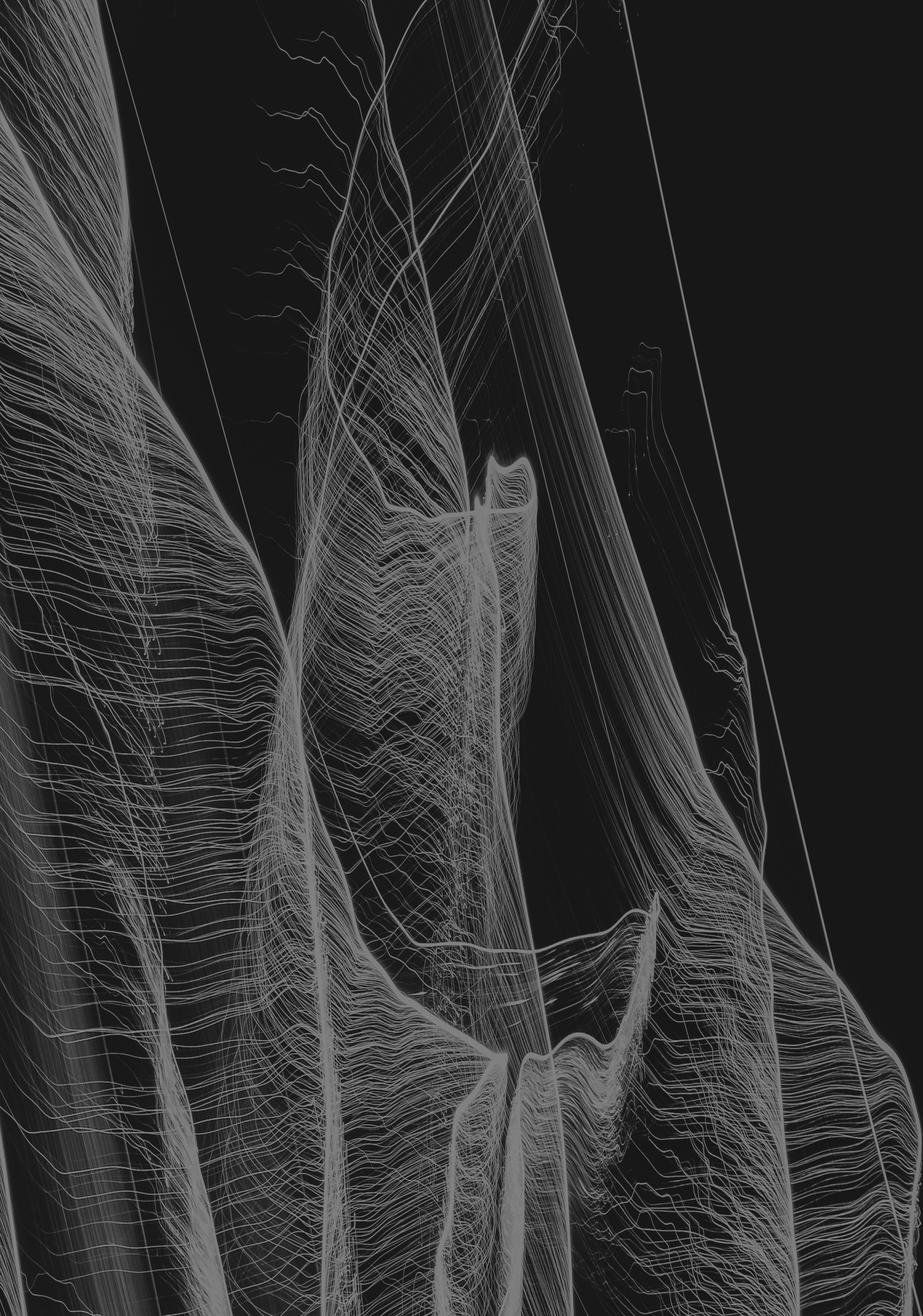
A new index in existing exchanges composed by listed companies that adopt:

- Benefit Corp Legal Status (if existing)

- Amend bylaws with the B Corp Legal Framework
- Include Stakeholders in the governance structure
- Use a third party independent tool to measure, manage and report impact



It is imperative that all businesses behave with purpose, accountability, and transparency. We can change the rules of the game and escalate a new social norm and business culture.



**MARCEL
FUKAYAMA**



**WA: +55 11 99606-7994
E: marcel@sistemab.org**