Connecticut Post **(Bridgeport): http://www.ctpost.com/default/article/Clearing-the-way-for-corporate-do-gooders-4526227.php**

***Greenwich Time*: http://www.greenwichtime.com/default/article/Clearing-the-way-for-corporate-do-gooders-4526227.php**

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ROBYN H. DRUCKER

Clearing the way for corporate do-gooders

Where are the corporate "good guys"?

For years, traditional corporate concepts forced boards of directors and company officers, often perceived as money-driven "bad guys," to consider only profitability and shareholder returns in decision-making. While this may be true in certain cases, it is also true that these so-called bad guys can actually be held liable for allowing such external factors as social concerns or the environment to influence decisions affecting shareholder returns.

Modern American consumers, however, drive hybrid cars, eat organic produce and trust companies that claim a commitment to social and environmental accountability. The fundamental incompatibility between the traditional corporate form and the modern preference for environmentally sound and socially responsible products has left many socially conscious companies in the midst of an identity crisis -- shouldn't the companies supplying these products, the corporate "good guys," be permitted to demonstrate their commitment to the same values?

Connecticut is seeking to resolve corporate America's moral dilemma through legislation permitting the formation of a new type of corporate entity, the Benefit Corporation, focused on maximizing social and financial profits. If passed into law, Governor's Bill No. 6356, An Act Concerning Benefit Corporations and Encouraging Social Enterprise, will add Connecticut to a growing list of 15 states that now permit directors of certain corporations to consider not only shareholder profits, but also social and environmental accountability in corporate decision making.

The bill was approved by the House Committee on Appropriations after being reviewed by the Judiciary Committee and the Office of Legislative Research and Office of Fiscal Analysis. The bill was introduced by state Reps. J. Brendan Sharkey (D-Hamden) and Joe Aresimowicz (D-Berlin), and Sens. Donald E. Williams (D-Brooklyn) and Martin M. Looney (D-New Haven).

The major characteristics of the Benefit Corporation are: (1) the identification of a corporate purpose to create a material, positive impact on society and the environment; (2) an expansion of the duties of decision-makers to require consideration of non-financial concerns as well as the financial interests of shareholders; and (3) an obligation to report annually on the corporation's overall social and environmental performance using a comprehensive, credible, independent and transparent standard created and implemented by an entity separate from the Benefit Corporation.

The Benefit Corporation combines the traditional corporate model's concern for shareholder profits with the growing concern for social consciousness. But, a socially conscious goal is not enough. Benefit Corporations also must be accountable, through the provision of demonstrable progress.

In 2012, Ben & Jerry's, the famously creative Vermont ice cream company, added its name to the growing list of certified Benefit Corporations. The company, founded in 1978 by Ben Cohen and Jerry Greenfield, adopted a corporate mission linked to environmental and social accountability. Accordingly, Ben & Jerry's was active in the fair trade movement, supported environmentally sound practices at local dairy farms and used energy-efficient freezers. In short, Ben and Jerry were corporate good-guys

In 2000, when Ben & Jerry's was acquired by corporate giant Unilever, loyal consumers were concerned that the company's commitment to social values and the environment would be compromised in favor of shareholder profitability. Instead, Ben & Jerry's structured the transaction to maintain the brand's commitment to its original mission. In fact, Ben & Jerry's re-established its identity as a corporate good guy when it became the first wholly owned subsidiary of a public company to become a Benefit Corporation.

According to some supporters, the Benefit Corporation model reflects a paradigm shift that will provide consumers with confirmation that those corporations producing trusted products share a concern for social and environmental consciousness. Other proponents believe that through certain investors' passion for "impact investing," the Benefit Corporation establishes a balance between maximizing shareholder returns and creating positive social impact. Still others believe that adopting Benefit Corporation legislation will create jobs and increase the incidence of community partnerships committed to resolving Connecticut's social issues.

Regardless of the rationale, the Benefit Corporation model seems to establish a place in the corporate marketplace for the corporate good guys -- and most of us can agree that the world can always use a few more good guys.

Robyn H. Drucker is an attorney with the law firm Cohen and Wolf, P.C.