



Guidance for Eligibility & Minimum Requirements under V6

Risk-related eligibility concerns under V6 which may impact a
company's certification journey
Last Updated May 2025



Table of Contents

Purpose	2
Industries and/or practices that may impact a company's eligibility for	
B Corp Certification	3
Understanding the Minimum Requirements	19
B Lab's Approach to Risk	19
Agribusiness Producers in Brazil (2020)	19
Automotive and Machinery Industry	20
Banking in Switzerland (2019)	20
Bottled Water Companies (2021)	21
Cannabis-Related Products (2019)	22
Casino Industry Companies (2020)	23
Charity Lotteries (2022)	24
Debt Collection Agencies in Emerging Markets (2019)	25
Engineering Consulting Companies with Clients in the Defense Sector (2020)	25
Financial Services in Tax Havens and Wealth Planning Structures (2022)	26
Fishing, fisheries, and aquaculture industry	28
For-Profit Higher Education (2015)	28
Fossil Fuels & Energy Companies (2020)	29
Jewelry industry (company < 10M USD in annual revenue)	30
Marketing of Breastmilk Substitutes (2022)	31
Mining Industry (2021)	33
Orphanage-Based Volunteer Programs (2016)	33
Pesticides and fertilizers industry	34
Pharmaceuticals (2021)	34
Prison Industry and Labor (2022)	37
Serving Governments Tied to Human Rights Violations (2020)	40
Single-use plastics	41
Tax Strategies & Tax Advisory Services (2020)	41
Water Utilities (2022)	43
Whole Life Insurance Products (2019)	45
Zoos, Aquariums, and Animal Parks (2016)	45



Purpose

This guide outlines potential eligibility concerns and minimum requirements that may be applicable for a company's certification journey. It includes details on industries and practices, their scope and definitions, as well as recommended outcomes for companies flagged under those eligibility concerns.

While the B Impact journey is primarily based on assessing a business's positive impact, its potential negative impacts must also be considered and reviewed. Negative impacts are practices which may carry a risk of causing adverse impacts on different stakeholders and/or the environment.

"Potential" refers to companies which may or may not ultimately cause a negative impact. In many instances, the mere presence of a possible risk of negative impact will be sufficient for B Lab to require the company to disclose the risk and actions it is taking to manage it. On the current version of B Lab's standards (version 6), previously certified B Corps have one recertification cycle to meet new requirements developed by B Lab.

Depending on the company's industry, practices, and/or clients, it may need to comply with specific additional risk standards and requirements to be eligible for B Corp Certification. These mechanisms are necessary to maintain credibility, manage risk, and achieve the impact B Lab seeks in the world. B Lab's risk standards, requirements, and research are available on our [website](#) to provide transparency on risk eligibility for B Corp Certification and encourage further constructive public discourse.

When a company is in the verification queue, if the company has disclosed involvement in certain industries/practices, or an analyst identifies the same, below are the potential pathways for the company:

1. Minimum Requirements: There are [additional requirements](#) related to [B Lab's Industry Standards](#) that the company must comply with to proceed on its certification journey.
2. Clients in controversial industries (CCI): Companies not directly involved in a controversial industry or practice, but which serve clients in such industries must meet additional requirements.
3. Clients or investments in ineligible industries (CII): Companies not directly involved in an ineligible industry or practice, but which serve clients and/or invests in such industries may be required to meet additional requirements or be deemed ineligible for B Corp certification.
4. Paused until verification begins against B Lab's new standards: The company cannot be certified under the current standards and must await the launch of B Lab's new standards.
5. Ineligible Industry: B Lab does not accept companies generating any revenue (> 0%) direct involvement with the industry/practice.



Industries and practices impacting a company's eligibility for B Corp Certification

Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
Agribusiness Producers in Brazil <ul style="list-style-type: none">- Agribusiness producers operating within the Amazon, Cerrado, and Atlantic Forest biomes, including companies involved in forestry, logging, biomass production, crop production (e.g., monoculture, agroforestry), and livestock farming/cattle ranching. The requirements specifically target agribusiness producers and exclude natural forest management companies	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Artificial Intelligence <ul style="list-style-type: none">- Companies involved with the development of computer systems able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages.- Not included: Companies that use AI as	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
an internal tool.					
Automotive and machinery industry <ul style="list-style-type: none">- Companies that manufacture, rent, and/or sell fossil fuel-powered automobiles and machinery. This includes manufacturers as well as sellers of new and / or used automobiles or machinery. Examples of machinery include trucks, tractors, and other equipment that are used for industrial purposes (e.g., manufacturing, agriculture).					
Banking in Switzerland <ul style="list-style-type: none">- Companies that are directly involved in private banking in Switzerland					
Blockchain-verified digital assets and cryptocurrency <ul style="list-style-type: none">- Companies that are involved in blockchain-related products, e.g., cryptocurrency, NFTs.					



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
Bottled Water Companies <ul style="list-style-type: none">- Companies that manufacture bottled water, sparkling water or vitamin water themselves,- Companies that are distributors/wholesalers of exclusively bottled water, sparkling water or vitamin water (even if they do not themselves manufacture the bottled water),- Companies that sell bottled water, sparkling water or vitamin water under their own branding / name (even if this is not their only product sold),- The above companies derive at least 1% of their annual revenue from bottled water, sparkling water or vitamin water manufacturing or wholesale,- The requirements do not apply to those that merely sell bottled, sparkling water or vitamin water as one of many other products (e.g. a grocery store, vending machine).<ul style="list-style-type: none">- Exception: Note that if a supermarket for instance is	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
selling bottled water under its own brand, the Bottled Water Risk Standards apply to them.					
Cannabis-Related Products <ul style="list-style-type: none">- Cannabis-related products refers to products derived from the cannabis plant with less than 0.3% of THC.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Casino Industry Companies <ul style="list-style-type: none">- Companies whether strategically and meaningfully involved in operating casinos or having limited and non-strategic exposure to casino gambling	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charity Lotteries <ul style="list-style-type: none">- According to the Association of Charity Lotteries in Europe (ACLEU), a charity lottery is:<ol style="list-style-type: none">1. Privately operated, with a license from the national government, but not operated nor owned by the	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<p>government. This is to ensure that funding is additional to government subsidies, instead of replacing them.</p> <p>2. Following from 1): there is no political interference in the distribution of the funds – funding decisions are made by an independent board. After all, when politics are involved distribution funds can change, especially after elections, in order to match government policies.</p> <p>3. The primary aim of a charity lottery is to raise funds for charitable organizations; the lottery is just a tool. The fundraising efforts are not used as a mere excuse for organizing the lottery, but are indeed the main reason. Therefore, no private profits should be made.</p> <p>4. Following from 3): A substantial part should go to the benefiting</p>					



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<p>organizations. What is considered substantial depends on the maturity of the lottery, the legal national requirements and the market situation. In an ideal situation, with a level playing field and optimal legislation, the funds for charities and the prize money for players are equally divided.</p> <p>5. A charity lottery provides institutional support - beneficiaries can spend the money as they see fit. A charity lottery supports the objectives of an organization rather than specific projects or activities.</p> <p>6. A charity lottery should be a reliable partner to the organizations it supports, therefore funding should be long-term.</p>					
Construction services (High-risk) - The Risk Team will assess "high-risk"	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
based on the following criteria: <ul style="list-style-type: none">- (1) Involvement with infrastructure construction for the controversial industries (Mining, Fossil Fuels and Prisons) OR- (2) Involvement in controversial practices, e.g., Demolition (a whole structure or building), Blasting					
Content moderation industry <ul style="list-style-type: none">- Companies that provide screening and monitoring of user-generated content based on platform-specific rules and guidelines.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Debt Collection Agencies in Emerging Markets <ul style="list-style-type: none">- Debt collection agencies are organizations hired by creditors (mostly banks) to provide specialized services to recover debts that are due.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Direct sales industry (includes multi-level marketing)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<ul style="list-style-type: none">- Companies that are involved in direct sales, including multi-level marketing and mono-level marketing; this practice is also sometimes called “social selling” (ETC).- <u>Direct selling</u> is a blanket term that encompasses a variety of business forms premised on person-to-person selling in locations other than a retail establishment, such as social media platforms or the home of the salesperson or prospective customer.- <u>Multi-level marketing</u> is one form of direct selling. Generally, a multi-level marketer (MLM) distributes products or services through a network of salespeople who are not employees of the company and do not receive a salary or wage. Instead, members of the company’s salesforce usually are treated as independent contractors, who may earn income depending on their own revenues and expenses. Typically, the company does not directly recruit its salesforce, but relies upon its existing salespeople to recruit additional salespeople, which creates multiple levels of “distributors” or “participants” organized in “downlines.” A participant’s “downline” is the network of					



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
his or her recruits, and recruits of those recruits, and so on.					
Engineering Consulting Companies with Clients in the Defense Sector <ul style="list-style-type: none">- Companies that provide engineering consulting services to clients in the defense sector<ul style="list-style-type: none">- As defense, please consider Companies that generate revenue from weapons, or use weapons to restrain or harm people, like firearms, small arms, grenades, machine guns, and missiles. This includes defense entities and armed forces. Weapons may include:<ul style="list-style-type: none">- Small Arms Ammunition (3482 [EN]),- Ammunition, Except for Small Arms (3483 [EN]),- Small Arms (3484 [EN]).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<p><i>(All financial services companies with annual revenue exceeding \$1B USD are paused per B Lab's on-going large financial services moratorium until further notice.)</i></p> <ul style="list-style-type: none">- Professional services involving the investment, lending, and management of money and assets. This includes but is not limited to banks, insurance providers, real estate investment whose:- "High risk" companies applicable to the short term loans, payday sub industry, OR,- Has entities registered in Tax Havens<ul style="list-style-type: none">- Tax Havens: jurisdictions in the Tax Justice Network's Corporate Tax Haven Index with a 100 Haven Score.					
<p>Wealth Planning Structures</p> <ul style="list-style-type: none">- Wealth Planning Structures: companies that create and administer structures such as trusts, foundations, and companies on behalf of individuals and corporations. Wealth planning structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
companies do not invest their clients' capital, but rather develop the structure, oversee transactions, and perform administrative duties.					
Firearms, Weapons, and Defense Industry Companies <ul style="list-style-type: none">- Companies that generate revenue from weapons, or use weapons to restrain or harm people, like firearms, small arms, grenades, machine guns, and missiles. This includes defense entities and armed forces. Weapons may include:<ul style="list-style-type: none">a. Small Arms Ammunition (3482 [EN])b. Ammunition, Except for Small Arms (3483 [EN])c. Small Arms (3484 [EN]).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fishing, fisheries, and aquaculture industry <ul style="list-style-type: none">- Companies involved in the Fishing, fisheries, and aquaculture supply chain, regardless if they are responsible or not	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
for the capture or cultivation of these organisms.					
For-Profit Higher Education <ul style="list-style-type: none">- If the Higher Education Addendum applies to the company, For-Profit Higher Education Risk Standards apply as well.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fossil Fuels & Energy Companies <ul style="list-style-type: none">- Fossil fuel producers – companies with any level (>0%) of direct involvement in exploration, extraction, mining and/or production of oil, natural gas, coal, or other fossil fuels (SBTi Corporate Net-Zero Standard [EN]).- Electric utilities and power generation – companies that produce or distribute electricity, including companies that generate power for self-consumption (SBTi Power Sector [EN]).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gambling Companies <ul style="list-style-type: none">- Businesses that offer products or services related to games of chance or betting, where individuals wager money or	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
valuables on uncertain outcomes, typically, but not limited to, online platforms or through sports betting.					
Healthcare providers and services (high-risk) <ul style="list-style-type: none">- Companies must not be majority-owned by private equity investors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jewelry industry (company < 10M USD in annual revenue) <ul style="list-style-type: none">- Companies that are involved in the supply chain (e.g., manufacturers, supply chain partners, retail, wholesale, etc.) of precious metals and gemstones (e.g., gold, silver, diamonds, colored gemstones)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jewelry industry (company >10M USD in annual revenue) <ul style="list-style-type: none">- Companies that are involved in the supply chain (e.g., manufacturers, supply chain partners, retail, wholesale, etc.) of precious metals and gemstones (e.g.,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
gold, silver, diamonds, colored gemstones)					
Location-based platforms (incl. "Gig" economy platforms) <ul style="list-style-type: none">- Companies that operate location-based platforms where tasks are performed at a specified physical location by individuals. Companies have a dual labor market: a small core workforce directly employed by the platform, and a large outsourced workforce (i.e., self-employed, independent contractors) whose work is mediated by the platform. Please see additional information on the scope of location-based platforms here: International Labour Organization World Employment and Social Outlook.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marketing of Breastmilk Substitutes <ul style="list-style-type: none">- Companies involved with the production and/or sale of breastmilk substitute and/or complementary foods<ul style="list-style-type: none">- A Breastmilk Substitutes (BMS)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<p>product is one that is marketed or otherwise presented as a partial or total replacement for breastmilk, whether or not suitable for that purpose, for infants and young children from birth to 36 months of age. BMS: foods and beverages identified as being suitable for infants up to six months of age (CF 0-6), any type of milk-based infant formula (IF) or follow-on formula (FOF, also called follow-up formula) or growing-up milk (GUM, also called toddler milk).</p> <p>- <u>Complementary Food (CF):</u> A complementary food is any food (whether manufactured or locally prepared) suitable as a complement to breastmilk or formula, when either become insufficient to satisfy the nutritional requirements of the infant.</p>					



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<ul style="list-style-type: none">- ATNI listed companies, Subsidiaries of ATNI listed companies, Non-ATNI listed companies, Wholesalers/Distributors					
Mining Industry <ul style="list-style-type: none">- Companies directly involved in the extraction of any non-renewable resource such as ores of metals and gemstones	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Nuclear Power or Radioactive Materials <ul style="list-style-type: none">- Companies directly involvement in exploration, manipulation, mining, and/or production of nuclear materials. This includes nuclear power and nuclear energy. This does not include companies involved in nuclear applied to medicine.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Orphanage-Based Volunteer Programs <ul style="list-style-type: none">- Companies that have orphanage-based volunteer programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pesticides and fertilizers industry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<ul style="list-style-type: none">- Companies that manufacture and/or sell pesticides (e.g., herbicides, fungicides, insecticides) and/or fertilizers (refer to SIC code 287).					
<p>Pornography</p> <ul style="list-style-type: none">- Companies that generate revenue from products or services intended for sexual arousal, including photos, videos, texts, and audio,	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Pharmaceuticals</p> <ul style="list-style-type: none">- Companies involved in the discovery, development, and manufacture of drugs and medications. This includes halopathic, homeopathic products, vitamins, supplements, florals, etc. It does not include companies that only sells medicines and are not involved in their development and production (e.g.drugstores)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Prison Industry and Labor</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<ul style="list-style-type: none">- Companies Operating in or Selling to the Prison Industry (including Labor - hiring incarcerated people)					
Direct Operations in Russia and/or Belarus <ul style="list-style-type: none">- A physical presence (including shops, manufacturing sites and offices)- Services carried out with/directly to stakeholders (companies, governments, people, etc.) in the conflict-affected situation- Investments from Equity Investors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Marijuana <ul style="list-style-type: none">- Marijuana in this context refers specifically to products containing a substantial amount of THC (>0.3%) and that produces an intoxicating effect when smoked, vaped, or ingested. Recreational marijuana refers to marijuana not used for only medical purposes.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Serving Governments Tied to Human Rights	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<u>Violations</u> <ul style="list-style-type: none">- Companies serving governments listed as "authoritarian" on the 2020 Democracy Index					
<u>Single-use plastics</u> <ul style="list-style-type: none">- Companies that manufacture/sell single-use plastics *Companies in the medical and food/beverage industries may be eligible to move forward if they can demonstrate that legal constraints prevent the implementation of sustainable practices (e.g. use of recycled/biodegradable materials, or reusability).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Slaughterhouse industry <ul style="list-style-type: none">- Companies that provide slaughterhouse services.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Social media industry <ul style="list-style-type: none">- Companies that operate social media platforms, i.e., companies that operate platforms that facilitate the sharing of multimedia through virtual networks and generate revenue by selling customer data and digital advertisements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<ul style="list-style-type: none">- Digital media companies that provide marketing/advertising services that include paid ads on social media.					
Tax Strategies & Tax Advisory Services <ul style="list-style-type: none">- Companies that provide and/or receive Tax Strategies & Tax Advisory Services,- Companies that have pending tax litigation of >5% of annual revenue,- Companies not aligned with B Lab's tax philosophy ("1) the amount of overall taxes paid over time appropriately reflects the actual amount of income generated by the business; and, 2) the amount of taxes paid over time in each jurisdiction appropriately reflects the actual operations of the business in that jurisdiction.")	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tobacco <ul style="list-style-type: none">- 0% tolerance for companies that generate revenue from nicotine products, like cigarettes, e-cigarettes, vaping devices, and heat-not-burn technologies.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
Tobacco includes: <ul style="list-style-type: none">- Tobacco (0132 [EN])- Tobacco Products (21 [EN])- Tobacco and Tobacco Products (5194 [EN])- Tobacco Stores and Stands (5993 [EN]).					



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
<p>Water Utilities</p> <ul style="list-style-type: none">- The Sustainability Accounting Standards Board (SASB) definition of the Water Utilities & Services industry is as follows: “Companies in the Water Utilities & Services industry own and operate water supply and wastewater treatment systems (generally structured as regulated utility businesses), or provide operational and other specialized water services to system owners (usually market-based operations). Water supply systems include the sourcing, treatment, and distribution of water to residences, businesses, and other entities such as governments. Wastewater systems collect and treat wastewater, including sewage, graywater, industrial waste fluids, and stormwater runoff, before discharging the resulting effluent back into the environment.”¹	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ Sustainability Accounting Standards Board: <<https://www.sasb.org/standards/download/?lang=en-us>>



Industries and practices impacting a company's eligibility for B Corp Certification	Minimum Requirements	Clients in Controversial Industries	Clients and/or Investments in Ineligible Industries	Paused until verification begins against B Lab's New Standards	Ineligible Industry
Whole Life Insurance Products <ul style="list-style-type: none">- Whole life insurance is an insurance policy that pays a benefit upon the death of the insured, and also accumulates a cash value over time as the insurance policy is paid. It differs from a "term" insurance policy which only provides a potential benefit for a stated "term." After the conclusion of that term, the policy expires; because of this expiration a term life insurance policy does not itself accrue a cash value.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Zoos, Aquariums, and Animal Parks <ul style="list-style-type: none">- Companies that own or/and manage zoos, aquariums and animal parks,	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Understanding the Minimum Requirements

B Lab's Approach to Risk

[B Lab's risk standards](#) are additional minimum standards that companies in controversial industries, or those with potentially negative practices, must meet in order to be eligible for B Corp Certification. Risk standards are a necessary method to maintain credibility, manage risk, and achieve the impact B Lab seeks in the world. We publish B Lab's risk standards and research on our website in order to provide transparency on eligibility for B Corp Certification and to encourage further constructive public discourse.

These risk standards are applied to [companies with direct involvement in controversial industries](#). B Lab defines direct involvement as when the company is part of the industry. It occurs when a company's actions or omissions directly lead to adverse impacts. Please check our full risk standards to understand the overview of a specific controversial industry, associated risks and best practices. By knowing B Lab's risk standards, it will be easier to define whether or not a company's services is contributing to the controversial aspect of a certain industry.

All standards are available in English, French, Italian, Portuguese (Brazil), and Spanish. Certified B Corps should receive one grace cycle of one certification journey to comply with standards created after they were already certified (e.g. If the company was certified in 2021 and the standards were released in 2022, once the company recertifies in 2024 they will be communicated that by their next recertification in 2027 they will have to fully abide by the standards in order to maintain its B Corp status).

Agribusiness Producers in Brazil (2020)

Agribusiness producers that operate within the Brazilian agribusiness industry are exposed to high environmental and social risks due to their geographic location, specifically within areas of high conservation value, such as the Amazon, Cerrado, and Atlantic forest biomes.

Here are the main risks flagged for this industry (non-exhaustive list):

- Deforestation: noncompliance with the Brazilian Forest Code, illegal deforestation, conversion practices for natural ecosystems,
- Land conflicts: operating on lands designated as protected areas or indigenous areas. A company not having adequate and formalized policies and processes to uphold the rights of historic landowners and avoid land disputes,
- Cattle Ranches: risks of deforestation/land conversion, land encroachment and conflicts, and forced labor for feed and livestock suppliers.

Minimum requirements companies need to comply with:

1. Deforestation: Company is compliant with the Brazilian Forest Code (CAR, APP, RL & PRA requirements) including but not limited to no illegal deforestation since July 2008, as stipulated in the Forest Code. Further, the company has a formalized no-conversion policy for natural ecosystems for their own operations and future plans mentioning a cut-off date of Jan 1, 2020 (or before),
2. Land conflicts: The company complies with all pertinent Brazilian legislation including not operating on lands designated as protected areas or indigenous areas. The company has adequate and formalized policies and processes to uphold the rights of historic land owners and avoid land disputes. This could include a formal commitment to respecting land rights of indigenous peoples and practices such as identification and assessment of protected areas, indigenous lands and other areas of natural and cultural significance in the company's vicinity, dialogue and engagement with communities, grievance mechanisms for community members as well as evidence of having resolved any disputes in the past,
3. Additional Requirements Specifically for Cattle Ranches: Companies have formalized policies and processes in place to at least pursue the mitigation of risks of deforestation/land conversion, land encroachment and conflicts, and forced labour for feed and livestock suppliers along with ongoing monitoring. This could include practices such as supplier screening based on location, documentation and G4 agreement criteria, supply chain mapping, supplier code of conduct, audits for verification, geospatial monitoring, etc. for at least significant direct suppliers that are producers and potentially for indirect suppliers.

Automotive and Machinery Industry

The automotive/machinery industry is recognized as an energy/emissions-intensive industry that is primarily reliant on fossil fuels. For an overview of the social and environmental risks associated with the fossil fuel industry, please see [B Lab's risk standards for the fossil fuel industry](#).

Companies are allowed to move forward with the certification if they have:

1. Near-term targets submitted and validated by the [Science Based Target initiative](#) (SBTi),
AND
2. A formal commitment to meet the long-term target requirements submitted to SBTi (meeting step one of the process).

Banking in Switzerland (2019)

Private banking particularly in the context of Switzerland is controversial because of its ongoing and historic tradition of “bank secrecy” that protects the identities of individual clients, and has created a lack of transparency that has at times enabled the avoidance of taxes, fraud or money laundering activities, and use by and enrichment of individuals with potentially ill-gotten wealth (such as dictators and potential criminals).

Minimum information companies need to provide to be reviewed and potentially approved:

1. Describe all relevant regulations, domestic and international, that are relevant to client confidentiality and potential criminal activities (including potential tax evasion by clients)
2. Describe company practices to comply with the above regulations (and copies of any relevant policies or documentation of those practices),
3. Share whether the company has received any fines or sanctions related to compliance with them (including descriptions of the cases, the amount of any fines, and remediation actions),
4. Describe company practices regarding client identification and screening practices beyond regulatory requirements, including copies of relevant policies or documentation of those practices, and whether the company is able to claim that criminal activities are not being undertaken through their practices,
5. Describe oversight over policies and practices for all of the above, including who oversees compliance to them and how they are reviewed / updated.

Bottled Water Companies (2021)

- Here are the main risks flagged for this industry (non-exhaustive list):
 - Water Access: controversies around the methods that companies use to access water, and their privatization of what is considered a “public good.” The practical concerns of this issue include a lack of proper payment for the rights to water resources when compared to fair market value, which in some circumstances effectively subsidize the privatization of the water while providing insufficient resources to support municipal infrastructures,
 - Sustainable Usage: There is the possibility for companies to extract water at a rate that depletes the water source over time, not just affecting the long-term management of the company but also the communities that may also rely on the water sources and the ecosystems which depend on them,

- Waste Management: Bottled water also produces large amounts of plastic waste, particularly in the form of single use plastic bottles.

Minimum requirements companies need to comply with:

1. Water Access:
 - 1.1. Rights to the water are fairly obtained,
 - 1.2. Rights to the water are fairly compensated for,
 - 1.3. Bottled water companies not paying a volume-based fee should make efforts towards collective action and/or engagement with stakeholders, focused on improving water quality, access, and availability in the watershed of the company,
 - 1.4. Bottled water companies should neither be engaged in lobbying, policy advocacy for cheap water prices, or to weaken regulations regarding access to water,
 - 1.5. There should be no significant, material, and justified stakeholder concerns over the company's water access that remains unresolved,
2. Sustainable Usage:
 - 2.1. Company minimizes and/or altogether avoids extraction at a scale or rate that will significantly affect the water table or water access for others, taken into context with the normal recharge or flow rate of the water source,
 - 2.2. Companies that operate on over-licensed and overexploited water sources (as designated by independent bodies), will be required to demonstrate that they meet the additional requirements to alleviate the stress on the water sources,
3. Waste Management:
 - 3.1. The company has put in place practices to minimize the input materials of the packaging (also known as source reduction) and substitute more sustainable or recycled materials, and manage waste at the output level (supporting recycling programs),
 - 3.2. The company has put in place practices to manage waste at the output level (supporting recycling programs).

Cannabis-Related Products (2019)

Cannabis and cannabis-related products are subject to controversy both because of their current and historic legal status around the world, as well as concerns about the potential harm that the products may cause. For the purposes of this decision, a distinction is made between “marijuana-related products/services” and “other cannabis or cannabis-derived products or services” While all of these products are derived from the cannabis plant, marijuana in this context refers specifically to products containing a



substantial amount of THC² and that produces an intoxicating effect when smoked, vaped, or ingested.

Minimum requirements companies need to comply with:

1. New companies pursuing B Corp Certification with marijuana-related products/services that can be verified to be for medical purposes only are eligible for B Corp Certification, contingent upon following relevant state laws and regulations and with disclosure on their public B Corp profile (see below re: Disclosure and Verification),
2. New companies pursuing B Corp Certification with marijuana-related products/services that are used for recreational purposes, or cannot be verified to be for medical purposes only, are not currently eligible for B Corp Certification,
3. Companies with other cannabis or cannabis-derived products/services (such as hemp, CBD, etc.) are eligible for certification if the company can demonstrate that it complies with all relevant regulations in the production and sale of the product,
4. Companies who are already Certified B Corps who develop recreational marijuana-related products or services in jurisdictions where it is legal will have their B Corp Certification maintained if revenues remain below 5% of their total revenues from the product. Company eligibility based on the % of revenues will only be assessed at the time of a company's recertification, at which point B Lab's position may be adjusted.

Casino Industry Companies (2020)

- Casinos are considered controversial due to the potential harms of their service, including the enabling of problem gambling and the broader societal impacts on the communities where they operate. These potential harms are exacerbated by the structure of their business model, which is dependent upon the financial loss of its customers in which the odds favor the company,
- Minimum requirements companies need to comply with:
 1. For Companies who have a meaningful and strategically connected involvement in operating casinos: Companies who operate in the casino industry are eligible for B Corp Certification only if they are able to demonstrate that they have met the highest possible set of practices to sufficiently manage the potential negative impacts of their business model³. If a company, in the opinion of the Standards Advisory Council, is able to meet this standard, then the company will also be required to have

² THC, short for tetrahydrocannabinol, is the psychoactive compound found in cannabis. The U.S. Farm Bill allows for the cultivation of cannabis plants containing less than 0.3% THC on a dry weight basis.

³ Based on the research undertaken by B Lab to inform this position, it was not possible to identify a particular casino that would likely be currently meeting the standard outlined in this document

incremental disclosure on their B Corp public profile that outlines the specific ways in which the company has met them. More information about potential expected practices are outlined below.

2. For companies that have a limited and not strategically connected exposure to casino gambling: Companies are eligible for B Corp Certification with incremental disclosure on their B Corp public profile outlining the exposure and how the company approaches and mitigates its potential negative impacts. In the case of casino-related entities that are independent of the rest of a business, those entities will need to be evaluated on their own merits related to this requirement and therefore may be ineligible for the certification on their own, and will therefore not be able to make use of the B Corp IP⁴.

**More details about what qualifies as a meaningful and strategically connected involvement is also provided on the standards document.*

Charity Lotteries (2022)

- Here are the main risks flagged for this industry (non-exhaustive list):
 - Problem Gambling,
 - Disproportionate Impacts on Low-Income Individuals,
 - Concerns related to the performance (charitable donations expressed as an absolute amount or as a percentage of revenue) and transparency (publicly available data) of charity lotteries' donations to charities.
- Minimum requirements companies need to comply with:
 1. Responsible gambling policy: The company has a publicly available responsible gambling policy that outlines practices that mitigate the risk of negative impacts.
 2. Regulated market: The company operates in markets that have regulations for charity lotteries (e.g., minimum percentage of revenue donated to charities).
 3. Charitable purpose: The company demonstrates that they operate in-line with their purpose of raising money for charities by meeting the following requirements:
 - 3.1. The company has a publicly available document that indicates how the company's revenue is allocated amongst charities, prize money, and expenses.
 - 3.2. The company has a publicly available policy on how they balance growth with purpose. The policy includes the company's commitment to optimize charitable contributions and an explanation of the company's current and steady-state percentage of revenue donated to charities.

⁴ The subsidiary would still need to complete the BIA and meet a minimum score of 80 which would be rolled up into the parent company's overall scope.

- 3.3. The company has a publicly available policy on their approach to government affairs (e.g., lobbying, advocacy).
- 3.4. The company is structured so as not to have private profit distributions because they recognize that the purpose of a charity lottery is to raise funds for charitable organizations, not to enrich private individuals. Executive compensation is reviewed by an independent body and is comparable to similar-sized peer organizations.

Debt Collection Agencies in Emerging Markets (2019)

- Debt collection services involve contacting and engaging in debted individuals to improve the likelihood that they repay the debt, which may be carried out in person or through the use of telecommunication methods such as calling, emailing, texting borrowers, etc. Less evolved markets tend to make more use of field (door-to-door) collections than call centers where as more advanced markets use negligible field contact and usually focus on phone collections and letters⁵.
- Here are the main risks flagged for this industry (non-exhaustive list):
 - Unethical treatment of borrowers: Because of the services debt collection agencies provide, they are tasked with engaging with individuals who have been unable to repay their debts on a timely basis. In this context, lower-income individuals may be more prone to harassment or threats in the debt collection process,
 - Data accuracy, privacy, and security of borrowers' data: agencies rests around the fact that they own or have access to high amount of sensitive personal information, including personal identification, contact details, and financial liabilities. Access to this type of data, especially across what might be complex organizations and multiple departments, means there is the risk of either breaches of confidential data or misuse.
- Companies in the debt collection industry in emerging markets are eligible for B Corp Certification with additional review by the Standards Advisory Council to ensure they are proactively managing and demonstrating leadership on the material sensitive issues in the industry as outlined below, AND, if determined to be eligible, incremental disclosure on their B Corp Profile about how they do so.

Engineering Consulting Companies with Clients in the Defense Sector (2020)

Companies that provide engineering consulting services to clients in the defense sector are controversial because of the implications of their services being used in ways that

⁵ International Finance Corporation (2012), Responsible Debt Collection in Emerging Markets, Retrieved from <https://www.ifc.org/wps/wcm/connect/587d25004a9f117795ebfdeec99f439e/Responsible+debt+collection-Final.pdf?MOD=AJPERES>



may harm others and/or be misused, as well as limited transparency in the defense sector and consequent concerns of corruption.

Minimum requirements companies need to comply with:

1. Companies that provide engineering consulting services to clients in the defense sector and derive more than 5% of their annual revenue from the sector, are eligible for B Corp Certification as long as:
 - 1.1. They formally acknowledge their responsibility towards potential harm associated with their projects and are able to demonstrate that they have specific mechanisms to acknowledge and manage that responsibility (including due diligence mechanisms, anti-corruption measures, anti-lobbying stance, etc.)
 - 1.2. Their projects have low severity impacts*, and
 - 1.3. They disclose the material risks associated with their services, associated practices and historic % revenue from the defense sector on their B Corp Public Profile.
2. Companies that provide engineering consulting services to clients in the defense sector and derive less than 5% of their annual revenue from the sector are eligible for B Corp Certification with incremental disclosure on their B Corp Profile regarding material sensitive issues in the industry and historic % revenue from the defense sector as long as their executed projects have low severity* impacts.

*Projects that do not have low severity impacts are those that have high levels of social and ethical concerns and potential harm, which may include offensive weapon systems, offensive weapon carriers, controversial weapons and emerging technologies such as drones, artificial intelligence and neurotechnologies with a capability to harm people and the planet in disproportionate and indiscriminate ways, and projects serving clients that have a high likelihood of misuse (e.g. governments involved with alleged human rights abuses). Low severity projects, while still carrying a risk and responsibility, can be sufficiently managed by adopting the practices outlined in this statement.

Financial Services in Tax Havens and Wealth Planning Structures (2022)

While a company's specific risk will vary, the most material potential risks related to the industry can be categorized as: concealment of beneficial ownership and wealth sources; money laundering and corruption; and tax evasion and avoidance.

Wealth planning structures companies and other financial service companies that 1) operate in jurisdictions in the Tax Justice Network's [Corporate Tax Haven Index](#) with a 100 Haven Score and 2) do not exclusively serve clients physically resident in that jurisdiction are currently ineligible for B Corp Certification.



Minimum requirements companies need to comply with:

1. Compliant jurisdictions: Operate in jurisdictions that the OECD's Global Forum has rated as "Compliant" or "Largely Compliant" with the EOIR Standard.
2. Management practices for regulatory compliance: Demonstrate sufficient management practices in place to screen clients for criminal activities and compliance with relevant local and international regulations.
 - 2.1. Describe all relevant regulations, domestic and international, that are relevant to client confidentiality and potential criminal activities (including potential tax evasion by clients); Describe company practices to comply with the above regulations (and copies of any relevant policies or documentation of those practices);
 - 2.2. Share whether the company/individual has received any fines or sanctions related to compliance with them (including descriptions of the cases, the amount of any fines, and remediation actions);
 - 2.3. Describe company practices regarding client identification and screening practices beyond regulatory requirements, including copies of relevant policies or documentation of those practices, and whether the company is able to claim that criminal activities are not being undertaken through their practices; and
 - 2.4. Describe oversight over policies and practices for all of the above, including who oversees compliance to them and how they are reviewed/updated.
3. Public tax policy: Publish a publicly available tax policy and demonstrate sufficient management practices in place to maintain compliance with the tax policy.
 - 3.1. A positive declaration in the company's B Corp profile Disclosure Statement that the company's policy and practices are aligned with B Lab's Tax Framework; 3 B Lab - Controversial Issues Statement - Financial Services in Tax Havens and Wealth Planning Structure Companies
 - 3.2. Publicly available tax policy statement approved by the highest level of governance (e.g. Board of Directors) within the company, that appropriately reflects and confirms alignment with the principles contained in the B Lab tax Framework that the taxes paid over time by their clients are representative of the business' or the individual's actual income and operations in each jurisdiction. This statement should also include acknowledgment that their own engagement with governments and tax regulators should also align with the above policy; and

- 3.3. Processes in place to manage and maintain compliance of their services, recommendations, and government and tax regulator engagement with their tax policy.
4. Support of public policy: Commitment to support public policies designed to address concerns related to the industry, including beneficial ownership and wealth sources transparency, exchange of tax-related information, and wealth inequality. Example practices include the below:
 - 4.1. Public commitment stated in B Corp profile Disclosure Statement;
 - 4.2. Support of local legislation that addresses industry risks; and / or
 - 4.3. Support of international frameworks that address industry risks (e.g., OECD's International Tax Standards).
5. Positive impact-focused client services: Offer client services that incorporate positive impact-focused strategies. Example practices include the below:
 - 5.1. Dedicated resources (e.g., team members, documents) that advise clients on how to use their wealth to have a positive impact; and / or
 - 5.2. Separate product offering for positive impact-focused services that compose a substantial portion of their services.

Fishing, fisheries, and aquaculture industry

The most material risks associated with this supply chain are the following:

- The environmental risks in the fishing, fisheries, and aquaculture supply chain include overfishing, bycatch, and habitat destruction, which threaten marine biodiversity and disrupt ecosystems. Additionally, pollution from aquaculture operations and the impacts of climate change, such as ocean acidification and rising sea temperatures, further harm marine life and fish populations,
- Social risks in the fishing, fisheries, and aquaculture supply chain include labor exploitation, such as forced labor and unsafe working conditions, particularly in developing countries. Additionally, these industries can lead to conflicts with local and Indigenous communities over land and water rights.

Companies can proceed in their certification journey with disclosure required if:

1. There are no material concerns in the public sphere; AND either
2. 90% of their portfolio is certified by credible certifications; OR
3. They are < \$5m in revenue

B Lab assesses the following certifications as credible: [Aquaculture Stewardship Council \(ASC\)](#), [Best Aquaculture Practices \(BAP\)](#), [Marine Stewardship Council \(MSC\)](#), [Friend of the Sea](#), [Heareticus Protect Land + Sea](#), [Alaska Responsible Fisheries Management](#), [Iceland Responsible Fisheries Management](#), [Naturland-Wildfish](#), [Ocean Wise](#).



Companies that do not meet this criteria are not eligible under the current certification model and will have to wait for the EoS.

For-Profit Higher Education (2015)

- Here are the main risks flagged for this industry (non-exhaustive list):
 - Lack of accountability to students,
 - Poor overall performance,
 - Lack of comparable and transparent metrics of performance.
- Minimum requirements companies need to comply with:
 1. every higher education company must complete the Higher Education Addendum to the B Impact Assessment. If the company earns a verified score of less than 15 points on the Addendum -- even if it earns a verified overall score above the minimum 80 out of 200 required for certification -- then B Lab's Standards Advisory Council will review the company's application for certification and make a determination on whether the entity is eligible for certification, ineligible for certification, or eligible if additional requirements are met.
 2. For a higher education company with multiple subsidiaries, the weighted average score of each of the subsidiaries (based on revenues) -- both overall and on the Higher Education Addendum -- will determine the entity's eligibility.

Fossil Fuels & Energy Companies (2020)

- Here are the main risks flagged for this industry (non-exhaustive list):
 - Compensation and performance incentives linked to fossil fuels,
 - Lobbying activities that oppose or delay climate action/ Anti-climate lobbying,
 - Increase in the production/investment in fossil fuels,
 - Greenhouse gas emissions (GHG emissions),
 - Expanding the production of fossil fuels/efforts against the transition to a low-carbon economy,
 - Health and safety of marginalized communities.
- 1. Fossil fuel and energy companies engaged in the following practices are currently ineligible for B Corp Certification:
 - 1.1. Involvement in coal, oil sands⁶:

⁶ Fracking was not explicitly reviewed in the context of this decision, and further review is necessary before any companies involved in fracking can certify.

- 1.1.1. Companies that earn revenue from coal mining and/or oil sands extraction,
 - 1.1.2. Companies that operate coal-fired energy generation plants without a clear retirement plan for all coal-fired capacity in line with a science-based carbon budget,
 - 1.1.3. Companies that have constructed new coal-fired energy generation plants since 2010, or have plans for expanding their coal-fired generation in the future.
- 1.2. Compensation and performance incentives linked to fossil fuels: Companies that have components of their executive compensation tied to the growth of their fossil-fuel portfolio.
- 1.3. Anti-climate lobbying: Companies engaged in any form of lobbying or policy advocacy to oppose climate-friendly policies and/or support climate-negative policies in the past five years, including membership, Board involvement, or funding of trade associations that have climate-negative activities or positions.
2. Minimum requirements companies need to comply with:
 - 2.1. Current Product / Energy Portfolio⁷: Companies must have a current product portfolio/energy mix that consists of at least 50% carbon free energy⁸, which may include the purchase of green energy certificates or their equivalents.
 - 2.2. Formal Targets and Transition Plan⁹: Companies must have a formal commitment to transition 100% of non-generated electricity sales (i.e. electricity that is not directly generated by the company) to carbon free sources by 2030, and to transition entirely to a carbon free product portfolio/energy mix by 2040, both of which may include the purchase of green energy certificates or their equivalents. This commitment is aligned with a science-based emissions target based on a 1.5°C scenario. The commitment must include a transition plan and interim targets.
 - 2.3. Climate Justice Policy: Companies must formalize a policy that acknowledges the issue of climate justice¹⁰ and includes an assessment of how their operations might impact individuals and communities, particularly those who are already marginalized.

⁷ See footnote 7

⁸ Carbon free energy includes renewable energy, nuclear energy, and green gas alternatives such as biogas and biomethane.

⁹ While mitigating the impacts of climate change requires global efforts to meet a 1.5°C scenario, it is important to note that the energy transition will vary depending on local context. For example, emerging economies will likely be slower to transition away from fossil fuels due to factors such as higher forecasted development, energy access and affordability, and less mature renewable energy generation and trading infrastructure. For companies that do not meet the minimum energy portfolio and transition plan thresholds, but can demonstrate evidence that their current performance and transition plans are market-leading, B Lab will present such cases to the Standards Advisory Council for review.

¹⁰ The concept of climate justice recognizes that those who are least responsible for climate change are more likely to experience its most severe consequences.



2.4. GHG Disclosure: Public disclosure of Scopes 1, 2, and 3 GHG emissions.

Jewelry industry (company < 10M USD in annual revenue)

Companies that use precious metals and/or conflict minerals in their products risk contributing to conflict financing or human rights abuses via their mineral supply chains, particularly in the absence of supply chain traceability and management practices.

These are the current minimum requirements a company involved in this supply chain needs to comply with in order to proceed with its B Corp Certification Journey:

1. $\geq 90\%$ of the company's raw materials have a credible 3rd party certification that addresses human rights risks on the jewelry supply chain OR
2. The company's Supplier Code of Conduct was signed by $\geq 90\%$ of their precious metals and gemstones suppliers and covers risks associated with human rights violations and conflict-related issues.

Marketing of Breastmilk Substitutes (2022)

Breast Milk is the best and healthiest option for all infants. Any breastmilk substitute is inherently less healthy and introduces additional risks that can negatively affect infant health. Companies who produce and sell breast milk substitutes engage in marketing that may create an undue influence on mothers to use infant formula rather than choosing to breastfeed. As a result of these three claims, it is argued that companies who market breastmilk substitutes irresponsibly are negatively impacting the health of infants and increasing risks of infant mortality.

The WHO Code: 1981 the World Health Assembly (WHA), on behalf of the World Health Organization (WHO), adopted the [International Code of Marketing Breastmilk Substitutes](#) that recommends a series of restrictions on "the marketing of breastmilk substitutes to ensure that mothers are not discouraged from breastfeeding and that substitutes are used safely if needed." These are generally formalised in a company Responsible Marketing of Breastmilk Substitutes Policy.

- The [International Code of Marketing Breastmilk Substitutes](#) is a set of recommendations to regulate the marketing of breast-milk substitutes, feeding bottles and teats. The Code aims to stop the aggressive and inappropriate marketing of breast-milk substitutes.
 - [Frequently Asked Questions about the WHO Code](#)

Minimum requirements companies need to comply with:

1. ATNI listed companies:
 - 1.1. Initial Minimum Score:
 - 1.1.1. [ATNI Index](#) minimum score to be initially eligible to be a Certified B Corp is 55% at the point of certification.

- 1.1.2. If the company remains in the top 20% of companies on the index, they would retain their eligibility for B Corp certification.
 - 1.2. Advanced Minimum Score (To Maintain Certification):
 - 1.2.1. Desired advanced minimum score is 100% by 2030.
 - 1.2.2. The advanced score that a company would need to achieve and maintain by 2030 is 75% on the ATNI Index. (allowances in place for temporarily falling below 75%)
 2. Subsidiaries of ATNI listed companies:
 - 2.1. If the parent company meets the eligibility requirements above, the subsidiary has fully applied the parent company's policy and adheres to national law when those laws are more stringent than the parent company's policy OR
 - 2.2. If the parent company does not meet the eligibility requirements above, but the subsidiary meets the immediate expectations of the BMS Call to Action (listed under 3 below) at the time of certification, and achieves full Code compliance by 2030.
 3. Non-ATNI listed companies: Non-ATNI listed companies are required to meet the immediate expectations of the [BMS Call to Action](#) (listed below) at a minimum at the time of certification, to be eligible to certify, and achieve full Code compliance by 2030 in order to maintain the certification. The immediate expectations of the BMS Call to Action are as follows:
 - 3.1. Have a policy in place that at minimum meets the following criteria:
 - 3.1.1. Covers products designed for use 0-12 months after birth
 - 3.1.2. Is applied globally
 - 3.1.3. Is upheld in jurisdictions with less stringent or no regulations, and adheres to national law when those laws are more stringent than the policy.
 4. Distributors: Wholesalers and retailers with >1% of the revenues from the sale of BMS/CF are required to meet the same eligibility requirements as non-ATNI listed companies with respect to the elements of the Code that apply to distributors.
- Disclosure requirements:
 - All manufacturers of BMS/CF and wholesalers and retailers with >1% of their revenues from the sale of BMS/CF, are required to disclose their marketing practices and ATNI index score (in the case of ATNI listed companies) and areas of non-compliance with the Code.
 - Manufacturers of BMS/CF must additionally disclose their lobbying policies and practices in reference to the RLF, including industry association affiliations, in the specific context of BMS/CF.
 - The proposed eligibility criteria will be revisited in 2030 to incorporate any

significant developments in the market and/or with regard to the ATNI index, as well as define further expectations of companies involved in the marketing of BMC/CF.

Mining Industry (2021)

- Here are the main risks flagged for this industry (non-exhaustive list):
 - Labor practices and worker health and safety: The mining sector has a high potential for human rights abuses given the elevated risks of fatal accidents, abusive labor practices, and pollution incidents,
 - Environmental impact of the materials being mined and the practices of the mining,
 - Community impacts regarding access and equity to natural resources and the broader impacts they have on an area,
 - Governance: Corruption and bribery, often to skirt local regulations related to mining, are particularly common in the extractives industry. Lobbying can also play an important role in societal debate, but when carried out irresponsibly, it can also unduly benefit company interests and have a direct adverse impact on the environment and the society.

Minimum requirements companies need to comply with:

1. The company's mine sites have achieved at least IRMA 50 Certification or Fairmined (ARM) Certification or equivalent credible certifications at the time of certification.
2. If the company has achieved IRMA 50 Certification, the company should achieve IRMA 75 within two B Corp recertification periods (six years) in order to maintain B Corp Certification. After this, the company should aim for continuous improvement and consistently demonstrate improvement towards IRMA 100.
3. Companies that are engaged in mining and purchase from other mine sites must have formalized policies and ongoing monitoring to manage the environmental and social risks of the mining industry in their direct supply chain using the IRMA or Fairmined standards, including for example, policies and practices encouraging supplier mining companies to begin using the IRMA self-assessment, using such assessments to identify and encourage needs for improvement, and progressing towards audited and IRMA certified mine sites over time.

Orphanage-Based Volunteer Programs (2016)

Here are the main risks flagged for this industry (non-exhaustive list):

- Disrupt normal childhood development as a result of short-term connections with caregivers. Research indicates that children raised in orphanages experience many developmental challenges compared to children raised in households. Critics argue that short-term volunteers in these orphanages actually exacerbate

the impacts of institutional care by enabling continuing cycles of attachment and abandonment,

- Enable sexual predators by giving them access to children without proper vetting. According to critics, a lack of regulatory systems, combined with the vulnerability of and accessibility to children, creates a high risk of sexual exploitation by international volunteers,
- Create demand for orphanages that are designed to benefit volunteers rather than the children themselves.

Minimum requirements companies need to comply with:

1. Volunteer placement companies that place volunteers in orphanages and childcare must have meaningful screening policies and practices in place in order to mitigate the material concerns outlined below in order to be eligible for B Corp Certification, as determined by the Standards Advisory Council,
2. Companies meeting the eligibility requirement above must be transparent about their orphanage or childcare placements on their B Corp profile page as well as their policies and practices that mitigate the material concerns.

Pesticides and fertilizers industry

These are the current minimum requirements a company involved in this supply chain needs to comply with in order to proceed with its B Corp Certification Journey:

1. Earns $\leq 5\%$ of total revenue from the manufacture of sale of pesticides/fertilizers; OR
2. Earns $> 5\%$ of total revenue from the sale of fertilizer/pesticide products that contain 0% of synthetic ingredients; OR
3. Earns $> 5\%$ of total revenue from the sale of fertilizer/pesticide products that contain synthetic ingredients and: $\geq 95\%$ of total revenue earned from the sale of pesticides/fertilizers (eg. 95% of the 5% total revenue) is earned from the sale of bio-based products, organic certified products or products that are considered apt for the use in organic farming. If the company does not have organic certification/or similar, they will have to demonstrate that each fertilizer/pesticide product sold is 100% bio-based (from plants) pesticides and/or fertilizers. A 100% bio-based product is one that is derived exclusively from materials of biological origin (such as plants, animals, enzymes, and microorganisms, including bacteria, fungi and yeast).

Pharmaceuticals (2021)

Here are the main risks flagged for this industry (non-exhaustive list):

- Companies engaged in any form of lobbying or policy advocacy that endanger consumer safety, promote anti-competitive environment (e.g. by opposing

increased transparency measures), inhibit affordable pricing, or limit equitable access to medicine,

- Companies utilizing intellectual property strategies for branded products to influence an unjustified delay to the introduction of an authorized generic product to the market (e.g. “evergreening” patents),
- Companies engaged in price gouging as evidenced by significant and unjustified year-over-year price increases to their products.,
- R&D and Intellectual Property Strategies that Limit Accessibility. The link between R&D decisions and revenue generating patents creates negative impacts on healthcare accessibility in two ways:
 - (1) Companies are not incentivized to invest in new products for low-income populations with low purchasing power, resulting in a void of R&D driven by the unique needs of low-income populations.
 - (2) High prices protected by patents means that those who cannot pay high prices can’t access potentially life-saving treatments.
- Quality Assurance Risks: Varying manufacturing and distribution practices pose a material risk because any inconsistencies in the quality of pharmaceutical products can cause material harm to consumers.
- Aggressive Marketing: Marketing and sales practices used to distribute products and increase revenue can cause severely adverse effects on stakeholders. Pharmaceutical companies intentionally misrepresented the risk and benefits of the medications through marketing campaigns that often featured doctors paid to convince other doctors to prescribe more opioid medications. The companies also incentivized their sales staff to be aggressive by tying bonuses to sales volumes
- Price Gouging: demand for pharmaceutical products is inelastic to price; pharmaceutical companies are essentially able to set their products at any price with little impact on the demand,
- Lobbying Against Competition and Affordability: While pharmaceutical companies have the ability to lobby for policies that support their ability to maximize profit, the resulting risk to healthcare systems is significant. Companies engaged in lobbying for policies to keep the price of medications high and suppress competition and negotiation are prioritizing shareholder profits over stakeholder outcomes, which goes against the holistic stakeholder-focused approach of B Corp Certification,

1. Pharmaceutical companies engaged in the following practices in the last five years, as demonstrated through company disclosures or through material, justified, and unresolved stakeholder concerns, are currently ineligible for B Corp Certification:
 - 1.1. Companies engaged in any form of lobbying or policy advocacy that endanger consumer safety, promote an anti-competitive environment (e.g. by opposing increased transparency measures), inhibit affordable pricing,

-
- or limit equitable access to medicine. This includes membership, Board involvement, or funding of industry associations that engage in such lobbying activities,
- 1.2. Companies utilizing intellectual property strategies for branded products to influence an unjustified delay to the introduction of an authorized generic product to the market (e.g. “evergreening” patents),
 - 1.3. Companies engaged in price gouging as evidenced by significant and unjustified year-over-year price increases to their products.
2. Minimum requirements companies need to comply with:
- 2.1. Adherence to credible national and/or international standards of safety, quality, and efficacy covering all relevant stages of the drug life cycle (i.e. drug development, supply chain, manufacturing, and distribution), which should include explicit systems to manage the risk of substandard medicines.
 - 2.2. A Code of Ethics and/or other policies applicable to all company employees and critical third parties that establish minimum expectations with regard to anti-corruption and bribery, lobbying and advocacy activities, company interactions with healthcare professionals/organizations, and ethical marketing (where applicable). The company must also have clear processes to enforce the 3B Lab - Controversial Issues Statement - Pharmaceutical Companies Code, including an accessible whistleblowing channel, and regular training of staff and third parties on the Code.
 - 2.3. Public disclosure detailing the company’s approach to government affairs, inclusive of lobbying/advocacy and political activities. This should include disclosure of the material issues that the company lobbies/advocates for, their trade associations, and the controls they have in place in regards to political contributions, lobbying/advocacy on the company’s behalf, revolving door policy, political contributions and donations.
 - 2.4. For companies involved in research & development, public disclosure of its R&D and intellectual property strategies and disclosure of annual resources invested in both internal and collaborative R&D activities.
 - 2.5. For companies involved in research & development for priority diseases, conditions, and pathogens identified in the Access To Medicine Index, R&D processes for both internal and collaborative R&D activities must include a framework to develop equitable access plans for such projects. Access plans must be project-specific and include detailed commitments and strategies to improve access to such products in low- and middle-income countries (LMICs).
 - 2.6. For companies involved in sales, public disclosure of its approach to pricing which, at a minimum, utilizes pricing instruments that are generally accepted by public health agencies to set prices in all markets (such as



internal reference pricing, external reference pricing, and value-based pricing). Additionally, for sales in LMICs, pricing strategies must prioritize the payer's ability to pay across different segments of a country's population and aim to improve access to those in need.

- 2.7. For companies involved in sales, companies have financial incentive structures for sales agents/teams designed to encourage responsible sales practices and minimize the risk of overselling (for example, by decoupling bonuses from sales volume).
- 2.8. In addition to the above requirements, companies listed on the [Access To Medicine Index](#) must also achieve a score of 2.50 or higher in each of the Index's three specific topic areas.

Prison Industry and Labor (2022)

Here are the main risks flagged for this industry (non-exhaustive list):

- The growth of the number of individuals who are currently incarcerated or in detention, concerns about institutionalized oppression in the justice system, high rates of recidivism, and the privatization of prison facilities has created a great deal of controversy around the prison industry and those who are perceived to be directly or indirectly supporting or profiting from it.

For companies who manage / operate prisons:

- Companies that are directly engaged in the operation of prisons or detention centers are ineligible for B Corp Certification on the basis that the negative issues and risks that are prevalent within a prison system can not be resolved solely by the actions of private companies, nor is it possible to sufficiently assess a company's overall performance within those systems. A broader systemic change is needed to address how prisoners are viewed and treated in society before, during, and after incarceration, and make concrete efforts to tackle the issues of intergenerational poverty, inequality, and the availability and quality of social welfare services. As these issues fall outside of scope of control of individual private companies, no prison operator is eligible for B Corp Certification until it can be demonstrated that such operators exist and contribute to a prison system that addresses the above and provides the necessary resources to prisoners.

For companies in the U.S. and Canada who serve or support prisons, including those who utilize prison labor:

- Companies are placed under an indefinite certification moratorium and are not eligible for B Corp Certification.

For companies outside of the U.S. and Canada supplying to prisons/detention centers and/or utilizing prison/detention center labor are eligible for B Corp Certification if they meet the following requirements:



For companies supplying directly to prisons/detention centers as well as companies utilizing prison/detention center labor:

- Companies that contribute to the construction of new prisons or supply products and/or services designed to restrain or subdue people who are incarcerated, inflict harm or potentially used to inflict harm on people in prisons or other individuals, etc. are currently ineligible for B Corp Certification,
- Companies engaged in the following practices in the last five years, as demonstrated through company disclosures or through material, justified, and unresolved stakeholder concerns, are currently ineligible for B Corp Certification:
 - Companies engaged in any form of lobbying or policy advocacy that directly or indirectly support mass, or increasing rates of, incarceration or prevent reform attempts to reduce incarceration. This includes membership, Board involvement, or funding of industry associations that engage in such lobbying activities.
 - Companies with material, justified, and unresolved complaints about product quality, product price and/or work conditions for people in prisons.
- In order to be eligible, companies must be able to demonstrate that they have the following practices in place and disclose them on their B Corp Profile:
 - A transparent mechanism to measure the impact of its products, services, policies and/or activities on reducing recidivism and outcomes for people in prisons and proof of positive impact deemed rigorous as a result of, for example, third party assessment and/or existing primary research,
 - A public stance against mass, or increasing rates of, incarceration and other material issues related to the prison industry, approved by the highest level of governance (e.g., Board of Directors) within the company, and a commitment to making efforts towards collective action and/or engagement with stakeholders, focused on improving how people who are incarcerated are viewed and treated before, during and after incarceration,
 - Public disclosure detailing the company's approach to government affairs, inclusive of lobbying/advocacy and political activities. This should include disclosure of the material issues that the company lobbies/advocates for, their trade associations, and the controls they have in place in regards to political contributions, lobbying/advocacy on the company's behalf, revolving door policy, political contributions and donations.
 - Policies and practices to address the concerns of mass, or increasing rates of, incarceration and the prison industry in other



aspects of its operations, including its charitable efforts, fair chance hiring practices, customer screenings, affected stakeholders incorporated in governance structure, etc.

- Additional applicable requirements as described below:

For companies that supply directly to prisons/detention centers:

- The company can prove that its products/services reduce recidivism and/or produce positive outcomes for people during and/or after incarceration. For example,
 - The company delivers training/skills building services proven to increase rates of employment after incarceration, or
 - The company supplies products or services that meet the basic needs that can be proven to increase the health and wellbeing of people who are incarcerated while in prisons (e.g. food, clothing, healthcare, entertainment, maintenance, etc. that are better options than otherwise available).

For companies that charge people who are incarcerated and/or individuals acting on their behalf for products/services, the company can prove that its products/services are affordable for people in prison:

- For example, a basic version of the products or services (meeting basic quality and safety standards) are offered at a price proportionate to the income available to people who are incarcerated.
- For all other companies, the company can demonstrate that the quality and price of products/services are the same or better than what is available outside of prisons.
- The company maintains a transparent quality assurance system that includes direct and private feedback from affected people and where possible, takes action based on the feedback.

For companies utilizing prison/detention center labor:

Companies must demonstrate that employing individuals who are incarcerated or in detention is done for the positive benefit of the individuals involved (in the form of reduced recidivism, high post-release employment rates, etc) and not for cost benefits of the company. This is demonstrated by complying with the following requirements, which are aligned with and elaborated from guidance provided by the International Labor Organization (ILO), in order to ensure that such labor preserves the rights of workers, is in their best interests, and not exploitative. Compliance with such requirements requires a high level of best practice and verification and thus is expected to be rarely achieved by companies. Unless otherwise stated, companies that are unable to comply with the requirements are currently ineligible for B Corp Certification, regardless of whether prevailing laws or practices for the prisons facilities allow for it:

- Company conducts an application process where workers express interest in the specific work opportunity and each worker receives and signs a standardized consent form from the enterprise indicating that they agree to work. The form indicates the wages and conditions of work.
- The conditions of work the enterprise offers are similar to work outside the prison, namely:
 - Wages and any deductions are made transparent and are comparable to those of free workers with similar skills and experience in the relevant industry or occupation, taking into account factors such as productivity levels. Costs the enterprise may incur for prison security supervision of the workers should not be borne by workers.
 - Workers receive clear and detailed wage slips showing hours worked, wages earned and any deductions authorized by law for food and lodging. Wages are paid directly to workers, when possible. In cases where local laws prohibit direct payment of wages, companies must have systems in place to guarantee that workers receive wages as intended.
 - The daily working hours are in accordance with local law for free workers.
 - Safety and health measures respect local law for free workers.
 - Workers are included in the social security scheme for accident and health coverage.
- Workers obtain benefits such as learning new skills and the opportunity to work cooperatively in a controlled environment enabling them to develop team skills.
- Workers have the possibility of continuing work of the same type upon release and the company provides post-release benefits to workers, such as contributions to postrelease savings accounts and employment support.
- Workers may withdraw their consent at any time, subject only to reasonable notice requirements.
- The company maintains a transparent quality assurance system that includes direct and private feedback from workers, and where possible, takes action based on the feedback.

Serving Governments Tied to Human Rights Violations (2020)

Companies that serve governments with ties to alleged human rights violations are controversial due to the potential for their products or services to be misused in ways that either directly perpetuate or are complicit in such violations.

Authoritarian governments in particular have a greater risk of being tied to human rights issues, and a similar risk is present in other political environments when a government has faced credible allegations of human rights violations.

1. Companies serving authoritarian governments and other governments with ties to human rights violations are ineligible if there is a substantial risk that the company's products or services are tied to or complicit in human rights violations. Specifically, such risk will be evaluated based on (1) the specific geographic regions where the



company operates, (2) the nature of the products and services provided by the company, and (3) the specific government programs that the company serves.

2. Companies where a possible risk is identified but determined to be low risk are eligible to certify with incremental disclosure on their B Corp Profile describing the specific geographic regions in which they operate, the nature of the products or services rendered, and the specific departments of the government that they serve. In addition, B Lab will conduct ongoing monitoring of such companies in the form of an annual review, and the company will be expected to conduct their own internal monitoring regarding potential misuse of their products or services.

Single-use plastics

These are material material risks flagged for this industry:

- Raw materials: the use of oil-based raw materials, which contribute to the increase of carbon emissions throughout the supply chain,
- Business model (single-use products): underutilization of the product life cycle, loss of the material economical value,
- Generation of excessive waste that takes a long time to degrade.

These are the current minimum requirements a company involved in this supply chain needs to comply with in order to proceed with its B Corp Certification Journey:

1. Company's product portfolio is recycled or biodegradable,

* Companies in the medical and food/beverage industries may be eligible to move forward if they can demonstrate that legal constraints prevent the implementation of sustainable practices (e.g., recyclability, use of biodegradable materials, or reusability).

Tax Strategies & Tax Advisory Services (2020)

- A framework for evaluating tax strategies for Certification should reflect both the role that taxes play in contributing to, and the value business receives from, a healthy society. B Lab's working framework for the evaluation of tax strategies for Certification is as follows and will evolve over time:
 - The evaluation of a tax strategy for B Corp Certification should include whether 1) the amount of overall taxes paid over time appropriately reflects the actual amount of income generated by the business; and, 2) the amount of taxes paid over time in each jurisdiction appropriately reflects the actual operations of the business in that jurisdiction.
 - Companies in the tax advisory industry are eligible for B Corp Certification if they are able to confirm that their tax philosophy, used to provide services and recommendations to clients, aligns with the company specific principles listed in this framework, specifically, 1) the tax advice

provided appropriately reflects the actual amount of income generated by the client over time; and, 2) the tax advice provided to a client for a jurisdiction appropriately reflects the actual operations of the client in that jurisdiction.

- Due to the complexity of many tax strategies and assessing their outcomes, it would be inadvisable for B Lab to define all tax strategies that would either qualify or disqualify a company from Certification; however, there is some clarity around certain strategies that would require additional scrutiny, including:
 - Employing a “corporate inversion” where a company’s legal domicile is moved to a low/no-tax jurisdiction while material operations remain in its higher tax country of origin;
 - Employing a “Double Irish” tax strategy where corporate income can be effectively taxed nowhere;
 - Utilizing a “patent box” or other method to transfer intellectual property to a low/no-tax jurisdiction and licensing back the intellectual property to reduce/eliminate local taxes; or
 - Utilizing multiple shell entities or structures to reduce or minimize taxes.
- Recognizing the judgment involved in applying the above guidance for company specific tax strategies, as well as the complexity that would be involved in evaluating the specific tax strategies applied by all clients of a tax advisor, companies that provide tax advisory services are required to have:
 - A transparent tax philosophy statement made publicly available that appropriately reflects and confirms alignment with the principles contained in this framework that the taxes paid over time by their clients are representative of the business’s actual income and operations in each jurisdiction. This statement should also include acknowledgment that their own engagement with governments and tax regulators should also align with the above philosophy.
 - Processes in place to manage and maintain compliance of their services, recommendations, and government and tax regulator engagement with their tax philosophy
 - A positive declaration in the company’s B Corp profile Disclosure Statement that the company’s philosophy and practices are aligned with B Lab’s framework.
- Aside from specific tax strategies and structures many companies are involved in material amounts of litigation related to their tax practices. However, the high amounts of pending litigation in certain markets make it difficult to assess whether companies may be engaged in specific problematic practices to avoid fair taxation and thus needs to be evaluated specifically in the context of a company’s certification eligibility. In response to these litigation issues, B Lab and its independent Standards Advisory Council have rendered the following decision regarding their eligibility for B Corp Certification:

- Companies that have pending tax litigation of >5% of annual revenue are required to have a tax disclosure statement in line with the Baseline Requirements for US\$5billion+ on their B Corp Profile. This statement will outline the company's strategy for tax litigation and disputes, inclusive of their approach to tax risk and compliance, and their most material litigation topics related to tax. The company would also need to demonstrate that their tax department and other related departments involved in tax litigation, receive regular training on the ethical implications and impacts of responsible tax practices.

Water Utilities (2022)

Here are the main risks flagged for this industry (non-exhaustive list):

- The company is involved in lobbying or policy advocacy for cheaper water prices for the company or to weaken regulations regarding water access for the company.
- There are significant, material, and justified stakeholder concerns over the company's access to water sources that remain unresolved.
- There are significant, material, and justified stakeholder concerns over the company's interactions with the public sector, such as allegations of bribery, anti-competitive behavior, or favorable contract claims, that remain unresolved.
- Corruption and Government Affairs: Typically the government puts out a contract for water and sanitation services, and private operators engage in a bidding process to win the contract. In light of this ongoing relationship with the public sector, privately owned water utilities companies may be incentivized to engage in bribery and corruption in order to avoid competition, gain market entry, obtain more favorable contract terms, and weaken regulations
- Water Affordability: Affordability is a critical factor in improving the population's access to water, sanitation, and hygiene. Household budgets may be insufficient to afford water sources that meet the national minimum standard. Private water utilities also face monopoly pricing concerns. The extent to which private water utilities can establish their own rates varies by jurisdiction.
- Water Access: There are material issues around the methods that companies use to access water and their privatization of what is considered a "public good." The practical concerns of this issue include a lack of proper payment for the rights to water resources when compared to fair market value, which may subsidize the privatization of the water while providing insufficient resources to support municipal infrastructures
- Water Quality: Water treatment facilities intake raw water, remove it of contaminants and treat it with chemicals, and produce water that is suitable for drinking and sanitation. Water quality poses potential environmental and human health risks, and treatment facilities are typically subject to extensive regulations to control and monitor their impact.

- Wastewater Treatment: Water and wastewater treatment facilities produce effluents, which are residuals and solids that consist of chemicals used in the treatment process and contaminants from water or wastewater inputs. Effluents pose potential environmental and human health risks, and treatment facilities are typically subject to extensive regulations to control and monitor their impact.
 - Sustainable Water Usage: There is the possibility for companies to extract water at a rate that depletes the water source over time, not just affecting the long-term management of the company but also the communities that may also rely on the water sources and the ecosystems which depend on them. These risks are higher in regions with water sources that are over-licensed or overexploited.
1. Companies engaged in the following practices in the last five years as demonstrated through company disclosures or through publicly available information, are currently ineligible for B Corp Certification:
 - 1.1. The company is involved in lobbying or policy advocacy for cheaper water prices for the company or to weaken regulations regarding water access for the company.
 - 1.2. There are significant, material, and justified stakeholder concerns over the company's access to water sources that remain unresolved.
 - 1.3. There are significant, material, and justified stakeholder concerns over the company's interactions with the public sector, such as allegations of bribery, anti-competitive behavior, or favorable contract claims, that remain unresolved.
 2. Minimum requirements companies need to comply with:
 - 2.1. Anti-corruption and government affairs: The company has publicly available policies on anti-corruption and government affairs. The policies detail how they will be implemented (e.g., employee trainings) and include internal grievance mechanisms.
 - 2.2. (As applicable) Water affordability: For companies that charge water rates to residential end users, either:
 - 2.2.1. The company's water rates represent no more than 3-6% of the community's average household income, or
 - 2.2.2. The company's proposed rate changes are reviewed and voted on by an independent organization (e.g., regulatory agency, affected stakeholders).
 - 2.2.3. If the two options are not possible as the result of circumstances outside of the company's control, the company engages in collective action to improve water affordability in the relevant watersheds to achieve either of the above two requirements within two recertifications.
 - 2.3. Water access: The company's water access is fairly obtained and compensated for.
 - 2.3.1. Company pays a volume-based fee, or

- 2.3.2. The company has regulatory licenses for water abstraction, and the company is in compliance with the parameters specified by the license.
- 2.4. Regulated jurisdictions: The company is in compliance with local and national regulations regarding water quality or the WHO's Guidelines for Drinking Water Quality, whichever is more stringent.
- 2.5. (As applicable) Wastewater treatment: The company is in compliance with local and national regulations regarding wastewater treatment.
- 2.6. Sustainable water usage: The company does not extract at a scale or rate that will significantly affect water access for the area, taken into context with the normal recharge or flow rate of the water source. Also, the company has integrated water resource management to minimize water losses in the distribution network.
- 2.7. Collective action: The company engages in collective action to improve water quality, access, and affordability in the relevant watersheds
 - 2.7.1. The collective action includes engaging with local end-users on how they can be active participants in water stewardship.

Whole Life Insurance Products (2019)

Whole life insurance products¹¹ are controversial because of claims regarding the limited circumstances in which it is a financially preferable product for customers, its higher margins for brokers, and the lack of transparency about aspects of the product.

Minimum requirements companies need to comply with:

1. Companies that predominantly create and sell whole life insurance products¹² would need to demonstrate transformational practices with regard to the material issues in the industry. B Lab and its Standards Advisory Council will review these potential transformational practices on a case by case basis.
2. As a result, companies who are exclusively serving as brokers for whole life insurance products, particularly for the purpose of financial savings, are ineligible for B Corp certification, as they do not have control over the underlying product.

Zoos, Aquariums, and Animal Parks (2016)

Here are the main risks flagged for this industry (non-exhaustive list):

¹¹ For the purposes of this decision, a company is predominantly selling whole life insurance products if approximately 80% or more of its revenues / commissions come from the sale of whole life insurance products. This threshold has been determined as a general guideline, but B Lab and the Standards Advisory Council retain the discretion to review the eligibility of other companies with involvement in whole life insurance products even if they do not not exceed 80%.

¹² See footnote 13



- Critics of zoos range express concerns about the fundamental principles of keeping animals “captive” in an unnatural habitat,
- Human entertainment at the expense of animal well-being,
- Concerns about negative practices like inadequate care services,
- Capturing of wild animals to be brought into captivity.

Minimum requirement companies need to comply with: Zoos, aquariums, and animal parks are eligible to achieve B Corp Certification only if they are accredited by the [Association of Zoos and Aquariums \(AZA\)](#) or an equivalent accreditation focused on animal well-being and positive industry practices.