B Lab

B Lab Statement on Orphanage-Based Volunteer Programs and B Corp Certification

In response to a complaint regarding companies that organize volunteer trips to orphanages or childcare placements, B Lab's independent Standards Advisory Council has rendered the following decisions regarding eligibility for B Corp Certification:

- (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.

All companies involved in the industry are still able to use the <u>B Impact Assessment</u> as an internal impact management tool, get <u>GIIRS Rated</u> to become more visible and attractive to impact investors, and register as <u>benefit corporations</u> in jurisdictions where that option exists.

Issues Related to Orphanage and childcare Volunteering:

As short-term volunteer programs have increased in availability and popularity, there has also been widespread criticism that the industry creates more harm than good. Accusations against short term childcare volunteer programs include claims that they:

(1) *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.

(2) *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.

(3) Create demand for orphanages that are designed to benefit volunteers rather than the children themselves.

Increased demand for "voluntourism" has the potential to commodify orphanages so that, rather than as a last resort solution for truly dire circumstances, orphanages (because of volunteer programs) have more funding opportunities available than alternatives that create better outcomes for children. Of the 8 million institutionalized children around the world, estimates indicate that between 80-90% of them have at least one living parent. In extreme circumstances, orphanages "recruit" children with living parents and use them to beg or perform for extra funds.

Decision Rationale:

B Lab does not have the experience or expertise to make a judgment on public policy matters like the necessity (or role) of orphanages in serving the needs of children. B Lab also recognizes that, where they might be necessary, orphanages should be operated with the highest standards and the best interests of children in mind. In those circumstances, well-screened and -managed volunteer programs may provide useful support.

Nonetheless, the concerns about the industry highlighted above are justified and therefore require significant and proactive mitigation efforts on the part of Certified B Corps involved in the industry. In order to ensure that orphanage volunteering provides useful support and mitigates the concerns highlighted above, volunteer placement organizations involved with orphanages or childcare placements are required to have meaningful screening and management practices and be transparent about them in order to be eligible for Certification.

This disclosure is intended to recognize that reasonable stakeholders may disagree with the position outlined by the Standards Advisory Council and all should have a right to make their own judgment regarding the company's social and environmental performance.

Disclosure and Verification:

Topics included in B Lab and its Standards Advisory Council's evaluation of volunteer placements and, if the company is deemed eligible for Certification, made transparent by the company will include:

- (1) Does the company have formalized and detailed policies regarding their position on the issues related to orphanages, and the expectations of their partners?
- (2) Do those expectations prioritize the rights and safety of the children hosted at the volunteer placement?
- (3) Does that company have a background check process for its volunteers to protect the safety of children?
- (4) Does the company conduct screenings of placements prior to partnering with a childcare placement and on an ongoing basis, including onsite visits?
- (5) Can the company demonstrate that there are active enforcement mechanisms to hold partners accountable to the policies referenced above?

(6) How significant is the extent of the company's involvement in childcare placements relative to other volunteer placements or activities of the business?

This statement is effective as of June 2016 until further judgment from the Standards Advisory Council. This document, and the decision of the Standards Advisory Council, was based on research into the regulatory implications in the industry and its positive and negative impacts.

In preparation for future revisits by the Standards Advisory Council on this issue and B Lab's continuous improvement of its standards, please send your feedback or questions to B Lab's Standards Development Manager Dan Osusky at <u>dosusky@bcorporation.net</u>.