

# Risk Standards and Controversial Industries - Glossary

Term	Definition
<b>Risk standards</b>	The standards developed by B Lab to understand and mitigate negative impact
<b>Requirements</b>	Actions a company must take as outlined by the Risk Standard, in order to proceed with B Corp Certification
<b>Risk assessment</b>	The processes and frameworks by which B Lab categorizes and reviews risk and eligibility/ineligibility for B Corp Certification
<b>Understanding potential negative impacts</b>	The outcome of risk standards
<b>Controversial industries</b>	Industries that produce or sell products and services that could cause adverse, or negative, impacts resulting in, but not limited to, human rights violations, environmental damage. A list of currently defined 'controversial industries' can be found on <a href="#">this webpage</a> .
<b>Ineligible industries</b>	Industries that produce or sell products and services that act against the <a href="#">B Lab Theory of Change</a>
<b>Clients in controversial industries</b>	<p>Companies who sell products or services to clients in these industries could influence adverse impacts:</p> <ul style="list-style-type: none"> <li>Charity Lotteries</li> <li>Debt Collection agencies in emerging markets</li> <li>Nuclear Power or Radioactive Materials</li> <li>Mining</li> <li>Pharmaceuticals</li> <li>Recreational Marijuana</li> </ul> <p>New controversial industries (former eligibility review industries) may be added to this list once new requirements for those are developed</p>
<b>Clients in ineligible industries</b>	<p>Companies who sell products or services to clients in industries acting against the B Lab Theory of Change: Fossil fuel producers</p> <ul style="list-style-type: none"> <li>Gambling</li> <li>Pornography</li> <li>Prisons and detention centers (including labor)</li> <li>Tobacco (including all nicotine products)</li> <li>Weapons and Defense</li> </ul>
<b>Certifying Company</b>	The entity currently undergoing assessment for the B Corp Certification or B Corp Recertification

<b>Client</b>	Recipient of a service and/or a product I.e. Buyer or customer of the certifying company's services/products.
<b>B Lab Theory of Change</b>	Guidance for our mission to transform the economic system into a more inclusive, equitable, and regenerative global economy. For more information about B Lab's Theory of Change please visit our <a href="#">website</a> .
<b>Disclosure</b>	<p>A public facing document outlining a company's involvement in high risk practices, and/or controversial industries.</p> <p>There are three types of disclosures the certifying company may be required to share publicly:</p> <ul style="list-style-type: none"><li>- Standardized Disclosure: A high level overview of the topic written in a letter format.</li><li>- Full Disclosure: A detailed overview of the company's involvement with the topic including a summary of the company's involvement, description of the stakeholder impact, and description of the company's management practices implemented to mitigate the issue.</li><li>- Industry Disclosure: A transparent document providing details about how the company is meeting the risk standards applicable to them.</li></ul>