



NEW YORK STATE SENATOR

Daniel L. Squadron

## Senator Squadron, Speaker Silver, Secretary of State Perales Welcome New York's First Benefit Corporations

DANIEL L. SQUADRON February 10, 2012

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### **Silver-Squadron Bill Allowing Businesses to Pursue Socially Responsible Practices as well as Profit Became Law Today**

#### **Businesses Line Up to Become First Benefit Corps in the State**

NEW YORK – State Senator Daniel Squadron, Assembly Speaker Sheldon Silver, and Secretary of State Cesar Perales today welcomed New York's first benefit corporations, as legislation allowing businesses to pursue socially responsible practices as well as profit went into effect. Secretary Perales accepted the paperwork to register the businesses as New York's first benefit corporations.

The Squadron-Silver legislation (S79-A/A4692-A), signed into law in December, makes New York the seventh state in the country to allow benefit corps, which are companies that have a “double bottom line” of profit and socially or environmentally responsible practices.

Officers and directors of traditional corporations are required to be guided exclusively by the maximization of profit. The Squadron-Silver benefit corporations legislation, which unanimously passed both houses of the legislature, allows business leaders to pursue the public interest while also operating profit-making businesses, rather than just simply

maximizing shareholder value.

“Congratulations to New York's first benefit corporations! The entrepreneurs lining up today send a clear message: New York is open for business in a huge new way,” **Senator Squadron** said. “Starting today, benefit corporations will bring new businesses into our market and unlock billions in investments, all while promoting a new socially-minded approach to entrepreneurship. Today is big day for all who believe that profitable business and social responsibility can be inextricably connected. I look forward to welcoming many new benefit corps to New York in the coming weeks and months.”

“Businesses in New York are now empowered to embrace social responsibility and to pursue vital goals such as safeguarding workers’ rights and protecting our environment as part of their core mission,” **Speaker Silver** said. “By enabling benefit corporations in New York, we are continuing our efforts to strengthen and diversify our economy while demonstrating that profit and the pursuit of social justice are not mutually exclusive.”

“Governor Cuomo has opened New York for business while reinvigorating our tradition as the nation's progressive leader. By combining these key objectives, benefit corporations allow New York State businesses to pursue goals beyond the bottom line while promoting continued investment and development in our state,” **Secretary of State Cesar Perales** said.

“The creation of benefit corporations in New York is a testament to the strength of this global movement to redefine success in business,” said **Andrew Kassoy, Co-Founder of B Lab**, a non-profit organization that supported the legislation. “New York is the heart of global finance and now interested investors in New York have a way to make sure their money is doing much more than just making a profit.”

“This legislation is a validation of the double-bottom line mission that Greyston Bakery has championed for the past 30 years and we are proud to be a part of business history in the State of New York as one of the state’s first benefit corporations,” said **Mike Brady, President of Greyston Bakery**, New York State’s first benefit corporation, which employees traditionally hard-to-employ populations and is the brownie supplier for Ben & Jerry’s.

Fourteen businesses became benefit corps today, including new businesses, benefit corporations reincorporating from other states, and New York businesses reincorporating as benefit corporations.

A May 2010 Hope Consulting study of high net worth individuals in the U.S. found over \$120 billion in potential impact investments in mission-driven companies like benefit corporations that were doing good while making a profit. Now, New York can harness these potential investments and create a hub for companies that serve the public good.

Benefit corporations’ overall social and environmental impact will be assessed against a third party standard, ensuring a transparent, credible, and efficient marketplace.

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