



News for Immediate Release

Jan. 22, 2013

Pennsylvania Registers First “Benefit Corporations,” Implements New Law to Attract Socially, Environmentally-Conscious Businesses

Philadelphia – Secretary of the Commonwealth Carol Aichele today joined business leaders to accept registrations to become Pennsylvania’s first “benefit corporations.”

This new state law gives entrepreneurs, investors, and consumers the option to build, finance, and patronize businesses that pledge, as part of their corporate structure, to operate in a socially and environmentally responsible manner, otherwise known as benefit corporations.

“There are entrepreneurs who want to create, investors who want to finance, and consumers who want to do business with companies which have publicly made a commitment to better their communities and their environment as a part of their business model,” Aichele said.

“By giving them the option to do so in Pennsylvania, Gov. Corbett has said our state is open for business to, and actively working to attract, these companies and the jobs they bring with them.”

Aichele officially accepted documents to register the businesses as the state’s first benefit corporations at the Independence Visitors’ Center in Philadelphia. The Department of State’s Bureau of Corporations and Charitable Organizations registers all incorporated businesses in the state.

“Benefit corporations commit to practices such as using recycled materials, requiring energy efficiencies in their operations and those of their suppliers, ensuring workers making their products are paid a fair wage, and contributing to the welfare of the communities in which their facilities are located,” Aichele said.

While not specifying criteria for or categories of benefits that are provided, this law permits a corporation’s directors to consider non-financial interests when making decisions, without breaching any fiduciary duty to shareholders.

For instance, directors of benefit corporations could consider using energy from renewable sources, such as wind or solar, even if the cost was higher than power generated by fossil fuels.

Benefit corporation directors could also take into account other firms' environmental and social practices when choosing suppliers, and consider how the company's business practices impact employees and the communities in which their facilities are located.

Being a benefit corporation is a voluntary action requiring approval of two-thirds of a corporation's shareholders. The corporation's performance in achieving its public benefit is assessed against a third-party standard.

Benefit corporations must file annual statements with their shareholders and the Department of State showing how they are meeting their commitment to provide public benefits.

"This is another of Governor Corbett's successes in making our state more attractive for new businesses to locate and existing businesses to expand, bringing jobs to Pennsylvania," Aichele said.

The law's prime sponsor, Rep. Gordon Denlinger (R-Lancaster), along with representatives of the Sustainable Business Network attended the registration event to show their support for this new law.

Companies registering as benefit corporations today include:

Home Care Associates, Philadelphia;
Untours, Media, Delaware County;
12th Street Catering, Philadelphia;
The Redefinery, Philadelphia;
Barber Gale, Pottstown, Montgomery County;
Yikes, Philadelphia;
Close the Loop, Kunkletown, Monroe County;
Praxis Consulting, Philadelphia;
Nolan Painting, Havertown, Delaware County;
Mugshots Coffeehouse, Philadelphia;
Biz 54.com, Pittsburgh, Allegheny County;
Re Vision Architecture, Philadelphia;
Solutions for Progress, Philadelphia;
Energy Opportunities, Wellsville, York County;
Roofmeadow, Philadelphia

For information on registering a business as a benefit corporation in Pennsylvania, visit www.dos.state.pa.us, click on "Corporations", "Filing Guidelines," then "Pennsylvania Benefit Corporation."

Media contact: Ron Ruman, 717-783-1621
###