

Embracing Corporate Social Responsibility

Biographical Summary

Jaime Arroyo is the Managing Partner of Work Wisdom, a Certified B Corp in Lancaster, Pennsylvania. He's an MBA graduate of Drexel University and a Global Shaper; an initiative of the World Economic Forum. He has spent his career helping small businesses in under-represented communities and helping social entrepreneurs start and build businesses that focus on the triple bottom line; people, planet and profit. He now assists organizations with inclusive and socially responsible business practices that enhance organizational performance.

Written Testimony:

Good morning, Chairwoman Velazquez, Representative Houlihan, and the entire house committee on small business.

My name is Jaime Arroyo. I am the Managing Partner at Work Wisdom, a certified B Corp, that helps organizations revolutionize achievement by using a variety of tools, disciplines and evidence based practices to instill high performance mindsets, behaviors, habits and organizational culture. I am a member of Global Shapers, an initiative of the World Economic Forum where we take global issues and execute on local solutions. I'm also a graduate of the LeBow College of Business at Drexel University where I earned my MBA with a focus on entrepreneurship and Innovation Management. Over the past few years I have helped over 100 entrepreneurs from under-represented communities start and grow their businesses in an effort to build an equitable and ethical economy using tools such as micro-finance and business plan training. Today, I help organizational leaders embrace corporate social responsibility in an effort to shift the purpose of business from increasing shareholder value to increasing stakeholder value. This requires leadership in business to focus on the triple bottom line; people, planet and profit.

Research done by The American Federation of Labor and Congress of Industrial Organizations shows that S&P 500 firm CEOs were paid 361 times as much as average U.S. workers in 2017. Despite promises from over 200 nations to address climate change, a recent report from the United Nations states that we are no closer to slowing rising temperatures and will need to take drastic action in order to reach climate action goals. Through business, embracing corporate social responsibility means empowering, caring for, and improving the quality of life for our most important asset, our people, and our most important resource, our planet. While we can spend hours discussing the troubles that our society faces today, the fight against inequality, and the war against climate change, we understand that our country wasn't built by being against

something, but rather standing for a just cause. The American Dream that so many have sacrificed for includes the very powerful tool of entrepreneurship. Here lies not only the backbone of our economy, but the power to create a future that is sustainable and prosperous for all. It is through embracing corporate social responsibility in business that we can solve many of our challenges.

In Lancaster, Pennsylvania, we have embraced business for good. As a growing part of the B Corp movement, many businesses, such as Work Wisdom, have used the B Impact Assessment by B Lab, creators of the B Corp Certification, to measure and improve social and environmental performance. Our business community understands that you can't improve what you don't measure. After meeting the rigorous standards of the assessment you are eligible for the B Corp certification. A stamp of approval that consumers in Lancaster have become familiar with and now use to make purchasing decisions to make sure that every dollar they spend is adding value in more than just one way.

Certified B Corps are taking corporate social responsibility a step further by voluntarily meeting higher standards of transparency, accountability, and performance. These businesses don't look like Tesla and these entrepreneurs don't look like Mark Zuckerberg. They look like Passenger Coffee, a woman owned coffee shop and roaster that has employee-friendly policies and environmentally sustainable business practices. They look like the Stroopie Company, that not only makes delicious stroopwafels but also provides meaningful employment to refugees who are starting over in Lancaster, Pennsylvania.

There is an opportunity for us to do more. Our leaders in Government have the opportunity to encourage business to think long-term rather than short-term by encouraging states to adopt and promote Benefit Corporation legislation that would legally allow the "best interest of the corporation" to include positive impact on society, workers, the community and the environment instead of only profit. Currently, only 35 states and Washington D.C have passed this legislation. Our leaders in business can challenge their peers to shift from a mindset of competition to a mindset of collaboration. Larry Fink, CEO of one of the world's largest asset managers, Blackrock, wrote a letter to CEOs in 2018 explaining that companies must be able to state their strategies for long-term growth that not only benefit shareholders, but all stakeholders using purpose to drive results and positive impact.

Embracing corporate social responsibility doesn't mean sacrificing profits, but rather elevating the value of our employees and our planet.