

A beneficial designation

Baby wipe creator says stamp proves product about more than profit

By Rachael Rees / *The Bulletin*

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When consumers pick up Elements Naturals baby wipes, company co-founder and Bend resident Linda Naerheim wants them to know that producing sustainable products using sustainable practices — not simply making a profit — is a core principle of the business.

So along with a picture of her daughter and “100% Natural” on the label, Elements Naturals’ baby wipes packaging will soon sport a designation indicating the company meets environmental and social standards established by a Pennsylvania-based nonprofit called B Lab.

Matching principles

Seeking the certification fits with Elements Naturals’ founding principles: people, planet and profit. Becoming a Certified B Corporation, Naerheim said, also provides companies networking opportunities.

“Elements Naturals baby wipes are nature-made and parent-approved,” Naerheim said. “Overall it’s a well-rounded environmental and people-conscious product that is accessible and affordable to families on all levels.”

Naerheim started Elements Naturals in 2008 after every brand of baby wipe gave her newborn daughter diaper rash. She took matters into her own hands, creating the market’s first compostable, bio-based baby wipes. The U.S. Agriculture Department defines bio-based products as those made from plant or animal materials.

Headquartered in Bend, Elements Naturals has partners that manufacture the baby wipes throughout the United States. The wipes can be purchased through more than 300 retailers nationwide including several e-commerce sites and locally at Whole Foods, Nature’s and Sweet Peas Diaper Service.



Ryan Brennecke / *The Bulletin*

Linda Naerheim, co-founder of Bend-based Elements Naturals, holds her invention: environmentally friendly baby wipes. To demonstrate the company’s leadership in sustainable business practices, Naerheim attained certification for its social and environmental responsibility.



Ryan Brennecke / *The Bulletin*

Linda Naerheim, co-founder of Bend-based Elements Naturals, holds her invention: environmentally friendly

Naerheim also plans to expand the company's product lines into feminine hygiene and outdoor-related items, she said.

In March, Elements Naturals received Certified B Corporation status from B Lab, an organization with a vision to change the ethos of the economy, according to its website. It wants to use the power of business to solve social and environmental problems.

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The B Certification lets consumers know Elements Naturals and other companies are dedicated to having a positive social and environmental impact, sort of like the LEED certification for green buildings.

B Lab was founded in 2007 to create mechanisms that support sustainable businesses whose bottom lines go beyond making a profit for their shareholders, said Jordan Chazin, ratings associate at B Lab.

"We want to be able to enable companies to make decisions based not on just shareholders, but on the companies' stakeholders such as the local community, the consumer, employees or the environment," he said.

B Lab's criteria

To achieve B Certification, Chazin said, a company must meet standards that measure its environmental and social impact.

The assessment examines the diversity of the workforce and employee treatment, the company's impact on the environment from production to use, community involvement with local suppliers, donations to charitable organizations, the impact of the product to consumers and the accountability of the company.

B Lab even measures how the company builds social and environmental responsibility into the company's governance, Chazin said. Companies earn high scores by having transparent practices that show how their missions are being upheld.

To qualify, a company must score an 80 out of 200 on the B impact assessment created by B Lab's Standards Advisory Council.

Elements Naturals is one of 455 companies nationwide, one of 30 companies in Oregon and the only one in Bend with B Certification, according to the B Corporation website. The company earned a B Composite score of 93.2, earning its highest marks in accountability, environment and community.

'Fully accountable'

"As a B Corporation, we are fully accountable to a legal business entity that can actually verify that we are performing in a socially and environmentally acceptable way that adheres to their standards," Naerheim said.

With so many types of certifications it is difficult for the consumer to tell the difference between a good company and good marketing. While smaller companies like Elements Naturals want to demonstrate their legitimacy to consumers, they often have to pay a hefty fee to get product certification, she said.

In an effort to earn a level of accountability without the cost, Naerheim went to B Lab. The certification cost \$500.

In conjunction with the assessment, Chazin said a big part of certification is making a legal change to the DNA of the company.

“(Companies with B Certification) make a fundamental change to their articles of incorporation,” Chazin said. “By making the change it doesn’t require the directors of the company to solely focus on shareholder profit. Instead, they can focus on environmental and socially responsible practices.”

B Lab also seeks to codify the ideas into laws that recognize a business structure known as a benefit corporations. Five states have adopted benefit corporation legislation, and several others are considering it, according to the B Corporation website.

But the movement, or specific legislation to create such corporations, has generated opposition, from organizations concerned about creating a special class of corporation that would get treated differently.

A California State Bar committee opposed a bill to create benefit corporations in that state, in part, because the legislation appeared to benefit B Lab.

The state of Oregon does not include B Corporation in its legal structure, but having certification from a third-party organization such as B Lab gives companies like Elements Naturals merit to investors and consumers, said James Ellis, chairman of the Business Administration Department at Central Oregon Community College.

“All of the B level requirements speaks to investors as a mandate for how you are going to run your business,” he said. “B Corporations hold each other accountable for sustainable products, processes and practices.”

But Ellis said B Certification is also a tool for the consumer, not just a marketing ploy.

“(B Corporations) are really trying to change and create a new type of corporation that is socially responsible,” he said. “Once the consumer becomes more familiar with B Corporations, they’ll be more likely to choose a B Certified product if they are trying to minimize their carbon footprint and participate in a more socially responsible world.”

Not concerned with bottom line

B Certified companies aren’t looking at the bottom line, but the impact on society, Ellis said. If consumers are concerned with social and environmental impact, they might want to start seeing that stamp more often.

Although many baby wipes claim to be “natural,” they are actually plastic-based and use toxic chemicals in the manufacturing process, Naerheim said.

The natural ingredients used in Elements Naturals baby wipes allow them to break down easily in landfills, she said. Elements Naturals is made from Ingeo, a man-made fiber created from dextrose, or sugar, found in feed corn, wheat and other plants, and from ingredients approved by the environmentally friendly organizations Ecocert and the Natural Products Association.

“Our product is increasing the parenting green score, decreasing harmful exposure of chemicals and reducing waste,” she said.

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