

Lab

Australia
& Aotearoa
New Zealand

B Council

Charter
February 2023



**New horizons of
governance**

About this charter

The aim of this document is to:

- Articulate the purpose of the B Council;
- Clarify relationships, roles and engagement between the B Council, B Lab Australia and Aotearoa New Zealand (“AANZ”), the B Lab AANZ Board and the B Corp community;
- Provide a useful induction tool for new B Council members; &
- Remove individual interpretation from decision-making processes.

The contents of this document reflect the outcomes of the initial design year of the B Council. It is intended that content will be added to and amended as necessary as the B Council learns and evolves.

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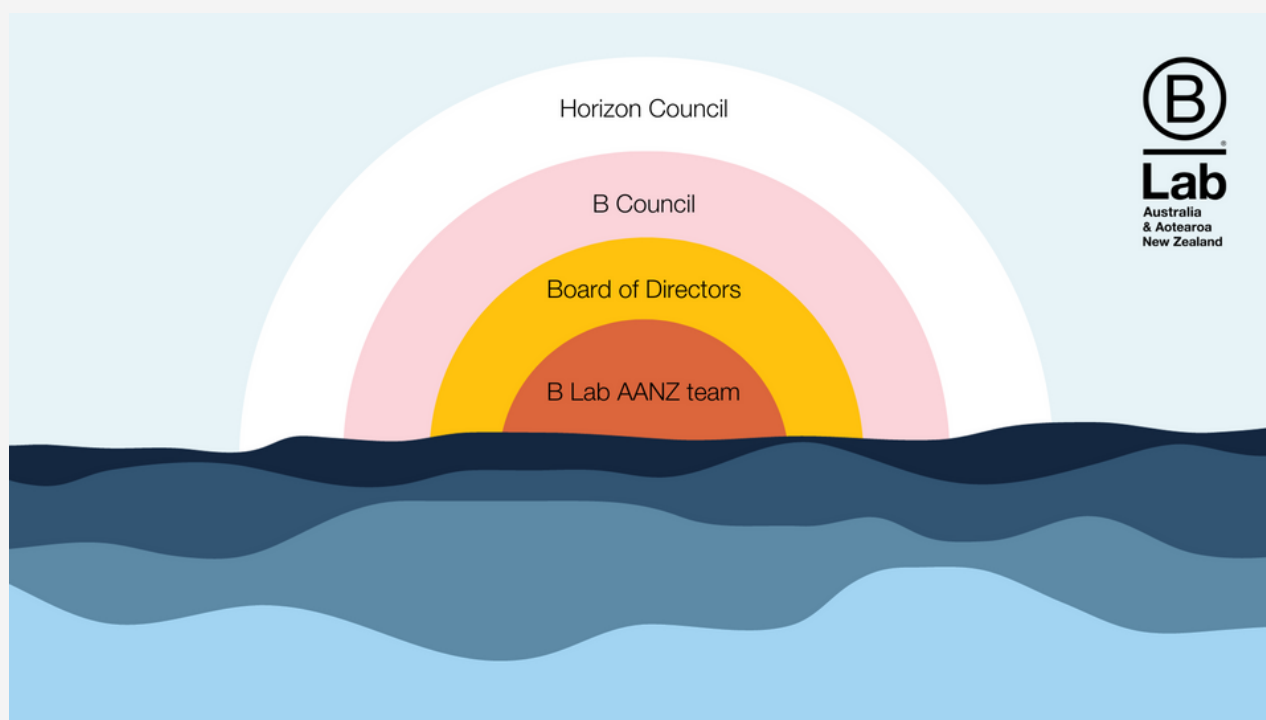
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Purpose

The B Council is one of the three separate but interconnected elements of the B Lab AANZ governance model (alongside B Lab AANZ itself and the board).

It was formed in 2022 through acknowledgement by B Lab AANZ and the board that the B Corp movement in Australia and Aotearoa New Zealand had reached a point of growth requiring greater input and stewardship from B Corps.

The B Council has been formed with the desire to centre the Certified B Corp community in the governance system and aims to formalise the voice of B Corps in the direction setting of the B Corp movement at the local level.



The B Council's purpose is to nurture the value and integrity of the B Corp community as a credible movement of business as a force for good. It provides guidance and feedback to B Lab AANZ, the board and the B Corp Community in order to support growth of the movement's impact without compromising its integrity.

The governance paper provides further explanation on and rationale for the various components of the governance model, including also the Horizon Council, which is an engagement mechanism inviting broad interaction to bring a wider perspective and moral authority to the B Council, board, B Lab AANZ and the B Corp movement.

Purpose

The design of the B Council is underpinned by the principle that traditional corporate models are inadequate for our work in stewarding a movement designed to drive systems change. As the B Corp movement has visible leadership in redefining business to be regenerative and distributive, it is fitting for this leadership to also be reflected in the creation of this new governance model.

The B Council incorporates emerging thinking, such as notions of ‘probing, sensing and adapting’ ([Snowden 2021](#)) structures and mindsets, highlighting the need for the B Council to be able to shift and adapt as systems and movements change. In addition to looking forward at innovative thinking, the design of the Council has also reflected on indigenous wisdom, both here and around the globe.

As a result, integrated into the composition, relationships, engagement mechanisms and ways of working of the B Council are principles adapted from schools of thought, structures and practices such as new power, Maori concepts of elders and communities, [kaumatua](#) and [Kaupapa](#), Australian First Nations’ practices of [dadirri](#) (deep listening), [yarning circles](#), town halls, mutuals, commissions and [how to be a good ancestor](#).

Purpose

Roles

While the details of the role and relationships of the B Council will naturally evolve, its primary functions include:

- Sense making when there are complex or emerging strategic challenges. This involves both proactively bringing these signals to B Lab AANZ and the board or responding as needed when issues emerge;
- Acting as a sounding board for B Lab AANZ and the Board when strategic decisions that affect B Corps are being made;
- Providing an additional channel for engagement to represent the voice of certified B Corporations in AANZ, which is an alternative to mass engagement;
- Providing guidance and advice to B Lab AANZ and the Board when issues around integrity, credibility, and reputation arise;
- Providing confidence to current B Corps that their interests are being represented as part of the collective voice of all B Corps in AANZ in matters that will affect them; &
- Where the Board has standard fiduciary responsibility to B Lab AANZ as an entity, the B Council contributes to the integrity of the movement through representing the community, recognising at times there will be tension between growing the community, or building its profile, and the requirements of certification.

The B Council is the appropriate body to undertake these roles as the members of the Council comprise current B Corps. They are therefore at the core of the B Corp movement, with a genuine stake and are best placed to represent the views of B Corps.

The B Council also has the ability and capacity to consider broad issues relevant to the B movement, bringing the experience of engaged businesses, as well as extra resources, to B Lab AANZ.

Purpose

What the B Council is not

To help clarify the boundaries of the B Council's remit, it is helpful to make explicit what the B Council is not:

- an authoritative body on standards;
- a community engagement team;
- a formal place for complaints;
- the official voice of B Lab AANZ;
- responsible for the delivery of B Lab AANZ's strategic plan*; or
- a decision-making body.

While B Council will not provide direct input into the strategy, nor report on progress against the strategy, it will provide feedback on the strategy on behalf of the community. This may come in the form of feedback such as:

- Does the strategic plan reflect the interests of the community?
- Is progress along the strategic plan focussing on the right things and being fed back to the community appropriately?

Furthermore, while strategic planning is not a core function of the B Council, B Lab AANZ may request the B Council's input into strategic planning in a more focussed way than broader strategic engagement with all B Corps, as and where that makes sense.

Guiding principles for interaction & engagement

The role of the B Council is further clarified when explored in how it interacts with key stakeholders:

Interaction with the B Corp community

The B Council welcomes and represents views, perspectives and feedback from the B Corp community. It also provides leadership on behalf of the B Corp movement, either alongside or to B Lab AANZ/Globally. It can act as a buffer between B Lab AANZ and the B Corp community, holding space for constructive and challenging dialogue when this needs to occur, and it facilitates and enhances B Lab AANZ engagement with the B Corp community by summarising and providing analysis and reflection on the engagement.

- B Council members may receive direct contact from the B Corp community when they do not wish to approach B Lab AANZ directly;
- The B Council supports B Lab AANZ if required when engaging with members (e.g. conferences or formal B Lab AANZ meetings), and the B Council may 'add' to the B Lab team;
- When there is a change to the Standards, the B Council may support dialogue across the B Corp community; &
- When a high profile new B Corp joins the community, the B Council may represent the B Corp community to those new members through facilitating introductions or conversation, and through educating new members on the culture of the B Corp community and how to engage effectively.

Modes and timings of engagement with the B Corp community will ultimately be based on the context, however as a general guidance:

- The B Council adds facilitatory capacity to B Lab AANZ to engage with B Corps as required;
 - The B Council may help facilitate discussions when a controversial member joins;
 - B Council members are expected to be active in the community platform, as the main mechanism that B Corps can engage with one another;
 - B Council member contact details are made available to B Corps;
 - B Council members may represent B Corps in the media alongside B Lab, if required;
 - Following each meeting, an 'Outcomes summary' is agreed by the Council which is shared with the wider community.
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Guiding principles for interaction & engagement

Interaction with B Lab AANZ and the board

The B Council, the B Lab AANZ Executive and the board are intrinsically linked yet remain separate bodies with different roles and responsibilities. The B Council exists as an independent, representative body to communicate directly with B Lab AANZ and the board, and the principles guiding this engagement are:

- To provide a sounding board for both B Lab AANZ and the board;
- To add value to the board by protecting the integrity of the movement (rather than the board's fiduciary responsibility to the B Lab AANZ entity). This means that the B Council may challenge the board when it believes that the strategy or governance of B Lab AANZ is not preserving the integrity of the movement;
- To be the first stop when B Lab needs B Corp input BUT it does not replace B Lab's community engagement (the B Council can suggest to B Lab more engagement on a particular issue may be required);
- To deliver feedback on Certification issues to B Lab AANZ and also at the global level (Note: this may be provided to B Lab Standards Advisory Council);
- To deliver proactive feedback that is likely to be of different viewpoint to B Lab AANZ or the board;
- To serve as a stress test for key strategic decisions; &
- To also act as an 'extra arms and legs' on strategic matters for B Lab AANZ if required.

How and when:

- Formally – via quarterly, round table meetings, similar to that of a standard board meeting. These will be held in sync with B Lab board meetings and other meeting schedules and structures as appropriate;
 - Informally – via the B Community page, emails, or informal conversations or communications channels;
 - When there are tensions or disagreements that need to be addressed; • When the timing of pre-determined schedules is not sufficient;
 - A B Council member will be present as a non-voting attendee at Board meetings. This representative will rotate each time. In turn, a board member will also be present at B Council meetings, so as to maintain a strong link between the entities.
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Guiding principles for interaction & engagement

Interaction with external parties

The B Council recognises the risk of trying to do too much from commencement, and so has proposed that engagement with externals be clearly defined after the initial testing year. Two points to acknowledge from the outset, however, are:

1. With respect to sense-making and engagement with others working in systems change missions, the Horizon Council will be the space to hold that and the B Council's role will be designed as the Horizon Council is developed in 2023.
 2. Direct communications on behalf of the B Corp Community are held by the B Lab AANZ Executive.
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B Council composition

This section outlines the proposed criteria for appointment of members to the B Council. It covers membership, representation, method of appointment, structure, term length, the role of the Chair and termination. It is expected that desired criteria and preferred composition will evolve over time as the B Council matures.

Membership criteria

B Council membership is open to anyone in the certified B Corp AANZ community who is committed to the B Corp ethos and values. The Council aims to be inclusive and representative of the broader B Corp community, evolving with the movement.

To be on the B Council a person must meet the following:

- Represent a Certified B Corp in good standing, and be currently working for that organisation;
 - Be committed to the B Corp movement and using business as a force for good;
 - Have a global mindset grounded in local values and be attuned to the needs of the AANZ community, including the ability to see beyond their own personal and company interests and agendas;
 - Show leadership and collaboration attributes within their organization or in the community. NB. This includes early-career leaders at the beginning of their leadership and collaboration journeys;
 - Has the capacity to commit to the obligations of the role; &
 - Demonstrates specific skills identified by B Council during each intake cycle. NB. the skill needs/gaps identified by the B Council are expected to change as it evolves and will be determined prior to the commencement of each B Council election/appointment period.
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B Council composition

Proposed individual attributes and skillset required for the B Council:

It is at the discretion of the B Council to decide on desired skills and suitable attributes prior to each appointment cycle. The following list may change over time as the B Council evolves and matures:

- Governance;
- Integrity;
- Analytical;
- Strategic mindset and “big picture” mentality;
- Problem-solving; &
- Community building and stakeholder engagement.

Representation on the B Council:

The B Council is committed to ensuring that it is representative and inclusive of the B Corp community in all its diversity. The B Council will endeavour to achieve the following desired balance of composition where possible:

- Business diversity:
 - Size: The B Council is representative of small, medium, and large B Corps.
 - Location: The B Council has representation from diverse regions of Australia and Aotearoa New Zealand.
 - Industry: The B Council is representative of a variety of industry sectors.
 - Length of time as a B Corp: The B Council has representation from both long term and more recently-certified B Corps.
 - Individual diversity:
 - Gender: B Council membership should gender-balanced.
 - Racial: The B Council will comprise more than one racial group and will specifically encourage Aboriginal, Torres Strait Islander, and Māori applicants.
 - Other: The B Council will strive to achieve diverse representation in e.g. age, ability, and other personal attributes.
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B Council composition

Appointment of members

The B Council is committed to ensuring it is representative of the B Corp movement in AANZ and that it has the right skills and experience to be an effective voice of the B Corp community. To support these outcomes, prospective members will undergo a nomination and application process to help the B Council identify new members with the necessary skills, attributes and experience.

Two-step process for prospective members:

- Nomination period:
 - At the commencement of each appointment cycle, a request for Expressions of Interest to join the B Council is issued by B Lab AANZ. Individuals can be nominated by a third party or may nominate themselves by completing an EOI form. The form requests basic information such as name, B Corp, location, industry, skills, etc (as per proposed representation and skill requirements, see above), as well as a brief statement of motivation about why they would like to join the B Council and how they fulfil the criteria. Completed nominations are reviewed by B Lab AANZ and a recommended shortlist of suitable candidates is supplied to the B Council for consideration. The B Council selects/approves the shortlisted individuals and B Lab invites them to put in a formal application.
 - Application period:
 - Once invited to apply, shortlisted individuals submit a formal resume and covering letter explaining why they want to be on the B Council and what skills/experience/contribution they can bring, etc. The B Council (or a delegated Working Group/Committee within the B Council) reviews the completed applications and recommends/confirms/approves final appointments. The B Council may also decide to conduct online or face to face interviews to support the application process, where needed.
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B Council composition

Managing the Process – B Lab AANZ and the B Council:

- Responsibilities:
 - B Lab AANZ manages the administration of the selection process and acts as the initial shortlist filter throughout the Nomination Period.
 - The B Council reviews the shortlist and selects preferred candidates. On behalf of the B Council, B Lab AANZ invites the selected candidates to apply.
 - The B Council reviews the applications and selects preferred candidates. o The B Lab board reviews final selections to ensure no conflicts of interest. If there are conflicts, B Lab AANZ and the board will raise this with the B Council. Once any concerns are resolved, the B Council makes the final decision on appointments to ensure independence.
 - On behalf of the B Council, B Lab AANZ sends a formal letter of invitation/appointment to the successful applicant(s).
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B Council composition

Structure and term length

The structure of the B Council is intended to strike a balance between ensuring representation and diversity and remaining nimble and efficient. Term lengths are designed to ensure both continuity and renewal.

Structure:

- **Size of the B Council:** It is proposed that the B Council comprise between 7 and 9 members, plus open a Wildcard seat when needed (non-voting, see explanation below).
- **Quorum:** A quorum is required for all meetings and decisions and shall consist of no less than 4 current members of the B Council.
- **Rotating Chair:** B Council applicants may submit an EOI to chair the B Council. It is proposed that the B Council Chair hold the role for a period of one year. The Chair will be an individual in their second year of B Council membership to ensure continuity.
- **The Chair will be appointed by sitting B Council members at the end of the term via blind ballot administered by B Lab AANZ.**

Duties of the Chair:

- The Chair is responsible for preparing and circulating the meeting agenda, for the timely and orderly conducting of the meeting and for ensuring that the Minutes prepared by B Lab from the previous meeting are approved.
 - The Chair must ensure that a quorum is present for each meeting, and if not, reconvene the meeting for a suitable time/place when a quorum can be present.
 - The Chair is responsible for ensuring that all voices on the B Council are heard.
 - In the event of the B Council not being able to reach a unanimous decision, the Chair will have an additional casting vote.
 - The Chair is the primary point of contact with B Lab AANZ and the board and the public spokesperson of the B Council. This role may also be delegated to other B Council members where appropriate.
 - In the event of an emergency out-of-session meeting and/or decision of the B Council being required, the Chair may speak to B Lab AANZ or the board on behalf of the B Council.
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B Council composition

Wildcard seat:

To strengthen accountability and transparency, ensure inclusion of a wide diversity of voices and perspectives, and enable the B Council to draw on particular sources of expertise and experience where needed, it is proposed that a Wildcard seat is created on the B Council.

- A reserved, non-voting seat will be held at each meeting to call in people with specific skillsets or perspectives. This person/ people are not permanently on the B Council and do not have voting rights but can provide input where needed.
- It is not a requirement to fill the Wildcard seat at every meeting. Filling the seat is optional and may be used to obtain input on a specific topic or invite members of the wider B Corp community to observe the B Council in operation, under Chatham House rules. The intention is that the Wildcard is reserved for an “expert” or someone who represents a certain viewpoint or community. The person does not need to work for a B Corp.
- The proposed Wildcard for the next meeting will be raised by the B Council and approved at the previous meeting.
- During B Corp Certification and Recertification, members of the B Corp community can indicate that they are interested in being a Wildcard.

Term Length and Limits:

- Term length: The proposed length of appointment to the B Council is 2 years, with staggered start dates (so that half the Council changes each year).
 - Term Limits: A person may serve a maximum of 2 consecutive terms (a total of 4 years) on the B Council. If, after the first term, a person wants to stay on the Council, he/she/they must reapply and will be considered by a nominations committee (comprising B Council members not up for re-election) prior to the broader application process commencing.
 - Reapplying after term limits (2 consecutive terms): If a person serves two consecutive terms and wants to reapply to be on the Council, they must wait one full B Council cycle (2 years) before reapplying.
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B Council composition

Termination

- An appointed B Council member may resign from the B Council at any time by providing one month's written notice to the Chair.
 - If a person leaves the B Corp they represent or the B Corp they represent does not maintain its certification, they must resign from the B Council by writing to the Chair (see above). If they or the B Council wish for them to remain on the B Council, one of the following conditions must be met:
 - In the event that the B Council wants the person who is no longer working for a B Corp to stay on for a defined purpose (e.g. they are in the middle of a particular project or activity within the B Council) a majority vote from B Council will be required.
 - If they are moving to another B Corp or a company undertaking B
 - Certification, the B Council will review their continued membership on a case by-case basis.
 - Any individual member of the B Council who engages in serious misconduct or egregious behaviour that is not aligned with B Corp values will be stood down from the B Council by the Chair with immediate effect.
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Terms of reference

This section focuses on the internal ways of working of the B Council, including how and when meetings occur, the secretariat function, decision-making principles and rules of engagement.

Meeting modalities, timings, and structure

There will be four predetermined B Council meetings per year. Extraordinary meetings can be called by B Lab AANZ, B Lab Board or the B Council through the Chair. These will be called where a response is required before the next scheduled meeting, or the significance is of a magnitude that requires immediate attention. This will be left at the discretion of the party calling the meeting.

All standard meetings will be set at the commencement of the year. The first meeting of the year will be face to face and will run for 1/2 – 1 full day. The three remaining quarterly meetings will be 3 hours online.

One month prior to each meeting the Chair is responsible for liaising with B Lab AANZ to complete the standing agenda template and add items for discussion. The agenda will then be finalised and disseminated one week prior to meetings.

The standard agenda is as follows:

1. Acknowledgement of Country
 2. Quorum and apologies
 3. Declarations of interest
 4. Confirmation of the previous meeting's minutes
 5. Confirmation of status of actions from previous meeting
 6. Update from B Lab AANZ and the board including major events, updates to standards etc.
 7. Community feedback by B Council
 8. Issues/Actions for discussion
 9. Other business
 - a. Opportunities and actions for community reach out by B Council members
 - b. B Council tenure update
 10. Summary of key points for communication back to the Community
 11. Next meeting – confirmation of timing and composition (including whether the wild card seat needs to be filled)
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Terms of reference

In addition to the standing agenda, the first meeting of the year will also include:

- Selection of B Council Chair for the year
- B Lab AANZ board strategy update
- B Council key focus areas for the year
- Review of the Terms of Reference
- B Council composition / tenure update
- Establish dates for B Council meetings

Decision-making and external communications

Decisions will be made by majority of the B Council through a vote. In instances where there is an even number of B Council members and there is a deadlock, the Chair of the B Council will cast the deciding vote.

While each of the B Council members can engage with the B Corp community and express personal opinion, it is important to distinguish when the B Council's stance is being formally represented. In cases where a united position is required, the Chair will generally speak on behalf of the B Council if and when required. If the Chair is unavailable for any reason they may delegate their responsibilities to another member of the B Council.

Terms of reference

Rules of engagement

When attending meetings, all B Council members should embrace the following principles:

- **Declaration of interest:** Where there is, or is perceived to be a conflict of interest, the Council members should declare this early. A consensus amongst the present members will determine the appropriate course of action.
- **Psychological safety:** This principle relates to an openness to challenge and be challenged without fear of retribution. This will enable the Council to deliver on its purpose.
- **'Chatham House Rules':** While there may be debate within the Council, the details of these conversations will remain confidential. The Council will provide a unified voice based on the collective decision.
- **Action/resolution focussed:** Acknowledging the purpose of the Council and the limited time available to Council members, actions should be focussed on addressing agenda items in the time provided.
- **Dadirri and embracing differences:** Acknowledging and being open to deeply listening to diverse perspectives.

Further to these principles, it is expected that B Council members will: • Read and understand the B Council induction pack (this Charter, minutes from previous meetings... etc).

- Sign and return a Non Disclosure Agreement.
- Maintain a register of declaration of interests.
- Commit to attending at least three of the four meetings throughout the year.

Secretariat

B Lab AANZ will perform the secretariat function of the B Council. This includes:

- Sharing information via Google Drive;
 - Setting up Zoom calls for the online meetings;
 - Organising physical space for the face-to-face meeting;
 - Recording minutes;
 - Maintaining necessary documentation such as signed NDA's; &
 - Administration related to recruitment and induction.
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Measuring success

Rules of engagement

On an annual basis the B Council will review what impact it is striving to make (aligned to its purpose) and what will demonstrate success. For this inaugural testing year, the dimensions of impact/ change that the B Council will focus on are:

- Engagement with B Corps
- Surfacing of voice and insights
- Influence on Board and Executive
- Confidence in the governance model and the direction of the movement.

Examples of such evidence could include:

- B Corps proactively reaching out to B Council members (i.e. on Forums, via email, phone) to talk to them about issues that are bothering them;
 - B Council members active in discussions in the B Community forums;
 - Examples where B Council has been used as a 'sounding board' by B Lab AANZ;
 - An event where B Lab AANZ has extended its community engagement reach through the B Council;
 - Examples where B Council have raised an issue that may not have been on B Lab AANZ's 'immediate' radar – and consequent action has been taken.
-