

Testimony of B Local Mid-Atlantic March 4, 2022

To: Senate Judicial Proceeding Committee and the Education,

Health and Environmental Affairs Committee

In Support of: SB783 Maryland Constitutional Amendment -

Environmental Human Rights

On behalf of the more than 100 certified B Corporations and Benefit Corporations in the Mid-Atlantic and dozens of other sustainable businesses in the region that are using business as a force for good, B Local Mid-Atlantic submits our testimony in support of SB783 - Maryland Constitutional Amendment for Environmental Human Rights.

B Corporations and Benefit Corporations are part of a global movement transforming the global economy to benefit all people, communities, and the planet. Currently, there are more than 4,600 independently certified B Corporations spread across the globe. In addition, 55 jurisdictions around the world including Italy, Colombia, France, Peru, Rwanda, Uruguay, Ecuador, British Columbia, and Canada, as well as 44 U.S. states, Puerto Rico, and the District of Columbia (Washington, D.C.) have passed Benefit Corporation legislation and thousands more companies have chosen to establish themselves or re-organize as Benefit Corporations. We take great pride in the fact that Maryland passed the first Benefit Corporation legislation in the world in 2010. Together, these types of businesses are working to address society's most critical environmental, economic, and social challenges. B Local Mid-Atlantic represents all of these businessesoperating in Maryland, Northern Virginia and the District of Columbia.

We in the Certified B and Benefit Corporation movement recognize that our economy is fueled by the labor, savings and commitment of workers, but the corporate and financial sectors have historically externalized operational costs onto these same workers, their communities, and the environment in which they live. Operating under a doctrine known as shareholder primacy, companies are able to prioritize financial profits — even when those profits are derived from behaviors that create inequality, environmental damage, and social fragmentation.

The far-reaching negative impacts of shareholder primacy is increasingly acknowledged by business and finance leaders around the world. Many are now calling for a shift to corporate governance that prioritizes the well-being of all stakeholders rather than just shareholders. This shift to "stakeholder governance" is helping to ensure that companies are now considering the interest of all of their stakeholders — customers, workers, suppliers, communities, investors, and the environment — in their decision-making.



By guaranteeing that (1) each person, as a matter of human dignity, has a fundamental and inalienable right to a healthful and sustainable environment, and (2) the state, as the trustee of Maryland's natural resources, including its air, water, lands, wildlife, and ecosystems, shall preserve them for the benefit of current and future generations, SB783 directly aligns with this shift to stakeholder governance and will help to build a society where government and businesses are accountable to both people and the planet.

By elevating the right to a healthy environment to the same level as such fundamental rights as freedoms of the press, religion, and speech, SB783 will provide constitutionally based protections in addition to those set forth in Maryland's existing environmental laws and regulations. The Amendment also makes explicit the State's trustee role as a steward of our environment and the constitutional obligation to protect this right.

In the face of historical corporate abuse of our environment, a rapidly changing climate, dwindling natural resources, and uncertain government protections for our ecosystems, the world has recognized the need to provide environmental security to all citizens. The Maryland Constitutional Amendment for Environmental Human Rights helps to provide such security by guaranteeing to each Marylander a fundamental and inalienable right to a healthful and sustainable environment, thereby providing recourse when they are harmed as a result of environmental degradation.

On behalf of the companies on the B Local Mid-Atlantic Steering Committee, listed below, and the hundreds of sustainable businesses in the region that we represent, we offer our full support for SB783 and encourage the Maryland General Assembly to pass this amendment to the Maryland Constitution.

George Chmael II, President and CEO, <u>Council Fire</u> Eddie Tuvin, Chief Lending Officer, <u>FSC First</u> Adam Roberts, Executive Director, <u>Bethesda Green</u> Kristi B. Tisdale, Founder, <u>BigFoot for Good</u>

and B Local Mid-Atlantic.