

Building a Credible Rating System

Voltaire once cautioned that the perfect is the enemy of the good. In the judgment of many impact investing pioneers, a good rating system is better than no rating system at all; and the most important criteria for a good rating system is that it's developed using a balanced, multi-stakeholder approach to ensure continuous improvement.

The GIIRS team and Standards Advisory Councils are currently developing Version 3.0 of the B Impact Rating system in preparation for the launch of GIIRS in the third quarter of 2011. Version 3.0 will, for the first time, include IRIS integration, a fund assessment, a disclosure questionnaire to flag negative practices, and a version of the rating system that is appropriate for companies operating in the emerging markets. In early 2011, GIIRS will conduct an eight-week global private beta with the 25 GIIRS Pioneer Funds. 200 portfolio companies in the Pioneer Funds portfolios will provide feedback on the rating system and ratings process. Following the private beta, there will be a four-week public beta, and feedback from both will be integrated for the launch of GIIRS in the third quarter of 2011.

The only thing about which B Lab is certain is that the launch of GIIRS will mark the beginning, not the end, of a long process of open engagement, deep collaboration, and continuous improvement to create the most credible and useful impact rating system possible.

A Process of Continuous Improvement

Q1 2010

Version 2.0 of B Lab's B Impact Rating System launches, incorporating learning from more than 3,000 businesses using the system to assess their social and environmental impact.

Q1 2011

Global private beta test of Version 3.0 includes 200 companies across 30 countries from the portfolios of 25 GIIRS Pioneer Funds.

Q2 2012

During 4-week public beta, GIIRS Standards Advisory Council incorporates feedback from private beta in preparation for Q3 GIIRS launch.

