

Why are B Corps gaining popularity, and should you get your company certified?



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Reading time 8 mins

Key Points

- B Corp certification highlights a business's commitment to performance, accountability and transparency
- Certification requires companies to demonstrate how high their social and environmental performance is
- Those that become B Corp certified commit to serving all stakeholders rather than just shareholders
- B Corp-certified businesses benefit by attracting employees, customers and investors that share their values
- The rise of forward-thinking industries, such as creative media and tech companies, is resulting in the growth of B Corps in Bristol and other innovation-driven cities

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As environmental and social justice issues continue to flood our media feeds, it is clear that businesses and consumers are shifting priorities: we're becoming more aware and concerned with our choices' impact on the world. [B Corp Certification](#) is one way of ensuring that where we work, companies we partner with, or those we buy from, uphold standards for inclusive, fair, and sustainable economies with a positive social and environmental impact.

This shift in priorities has compelled many of us to take action. From reducing household waste to switching to renewable energy sources, savvy consumers and businesses are proactively seeking out better ways to reduce their negative impact – and holding others accountable to do the same.

Outdoor clothing brand Patagonia is a perfect example of B Corps certification in action:

- Named the [UN Champion of the Earth in 2019](#) – a top environmental honour for an entrepreneurial vision that puts sustainability at the heart of their business model
- In 2016, they donated 100% of their profits from Black Friday sales to grassroots non-profits working to protect water, air, and soil quality
- They voluntarily imposed a 1% 'Earth Tax' on themselves, which they continue to donate to grassroots non-profits amounting to over [\\$100 million a year](#) in donations
- They're an activist company and unafraid to take governments to court for environmental violations
- Almost 70% of their products are made from recycled materials
- Their [Worn Wear](#) program shows buyers how to repair and recycle products or where to send back their used gear for store credits

What is a B Corporation, and what's the certification process?

"B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials." ^[1]

Although over 100,000 businesses have signed up for the B Corp Impact Assessment, only 3,500 have actually been certified ^[2].

To achieve certification, you would have to:

- Achieve a [B Impact Assessment](#) score of 80 or above. This tool will help you measure

and improve your impact on the environment, community, customers, suppliers, shareholders, and employees and demonstrates how high your social and environmental performance is

- Pass a dedicated risk review that determines eligibility based on an assessment of potentially negative impacts associated with your company's industry and other practices
- Commit to changing your [governance structure](#) to become accountable to all stakeholders, not just shareholders
- Achieve benefit corporation status (if available in your jurisdiction)
- Demonstrate transparency by allowing information regarding your company's performance and practices to be publicly available

How can B Corps certification benefit you?

Becoming a B Corp certainly shows and requires a considerable commitment to environmental and social responsibility. But it also requires a level of dedication that takes time, effort, and consistency. So what's in it for you?

Easier to attract like-minded customers, employees and investors. When a business achieves B Corp certification, they are making a clear statement about their values. Conscious consumers and talented professionals motivated by the same values (i.e. millennials) will be drawn in ^[3] – even if products or services are more expensive than competitors. At the same time, they are highly sceptical and believe that most businesses make social justice or environmental pledges simply as a PR strategy to drive sales. They're looking for companies that are authentic, transparent, responsible, and consistent. B Corps certification demonstrates that.

One might think this mindset doesn't appeal to investors who traditionally look for bottom-line profit at any cost. However, our recent article on [supply chain ESG](#) highlighted that investors are increasingly looking towards companies that have a sustainable future.

Facilitate growth through cost savings. Part of the B Corp process is to identify and eliminate needless and wasteful spending, so you end up saving on costs such as water and energy consumption.

In addition, once you're registered, you'll get access to the B Hive ^[4]. It's a B Corp community platform you can use to connect, collaborate, access resources and discounts on services from other B Corps members.

Attract talent more effectively and improve employee engagement. According to [Inc.Africa, millennials](#) – who will make up 75% of the workforce by 2025 – are increasingly looking for socially responsible employers. In addition, a study conducted by Glint shows that [employees are over 6 times more likely](#) to bring their best selves to work when they feel a strong sense of belonging. B Corps are required to clearly communicate their values, thus facilitating recruitment, productivity, and retention of those who share them.

Encourage Social and Environmental Responsibility. Each business that becomes B Corp certified is a vote towards moving all industries into a more socially and environmentally proactive space. Innovative and future-thinking businesses are early adopters of this standard and lead by example.

Are you a B Corps convert or sceptic?

While B Corp status is centred around an ethos with which few can find fault, every rose has its thorn. In this case, the thorn in every B Corps side is that they leave themselves open to ongoing scrutiny. Nobody (not even Patagonia) gets it right all of the time (e.g. [toxic materials found in Patagonia's apparel](#) material in 2015), and green consumer watchdogs are sure to keep you on your toes. Then there are the random third-party audits and [debates about whether B Corps](#) get more business.

On the other hand, companies need to realise that they get certification to demonstrate their commitment – not necessarily to increase profits. While the certification process is extensive and time-consuming, companies don't have to go the whole way to reap the majority of the rewards. The assessment and risk reviews require companies to examine their environmental and social performance, employment policies, community presence, and business model. What they will learn (and hopefully implement) from this alone is a move in the right direction.

What are your thoughts? Are you B Corps certified or thinking about it? Does certification really matter if your actions speak louder? Share your thoughts in the comments section below – we always appreciate your feedback.

Comments

1. B Corp Certification demonstrates a company's entire social and environmental impact. (n.d.). B Corporation. <https://www.bcorporation.net/en-us/certification>
2. Waite-Taylor, E. (2022, August 11). The B Corp certified brands doing good for the planet and its people. The Independent. <https://www.independent.co.uk/extras/indybest/b-corp-certification-uk-companies-b2014626.html>
3. Cover, L. (2022, June 3). One small step for brand: What marketers need to know about conscious—and increasingly skeptical—consumers. Sprout Social. <https://sproutsocial.com/insights/marketing-tips-for-conscious-consumers/>
4. Russo, D. (2022, June 14). The Biggest Business Benefits of Becoming a B Corp. Tyler Grange. <https://tylergrange.co.uk/the-biggest-business-benefits-of-becoming-a-b-corp/>

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