

Webinar: Understanding B Corp Certification

Agenda

- 11AM – 11:05 Introductions
- 11:05 – 11:20 Overview of B-Corps
- 11:20 – 11:25 Poll
- 11:25 – 11:40 How B Corps fit into the legal forum
- 11:40 – 11:50 GBENN and B Corps
- 11:50 – 12PM Q&A

Speakers

Hardik Savalia - B Lab

Cassie Carroll

Illinois Green Business Association



Webinar Series

May 12, June 21, & July 18 2017



Certified



Corporation

B Corp Certification Overview

Hardik Savalia

Same challenges, now more complex

50% of wealth owned by
0.6% of World's richest

407.7 carbon ppm in
Earth's atmosphere

Great work being done already on...

Governments	Infrastructure	Justice Systems
Healthcare	Philanthropy	Religious Institutions
Finance	Voters	Business



Business

creates opportunity

NGOs, Govt

clean up the mess



Business

creates opportunity for all

An aerial photograph of a coastline, showing a mix of blue water, green land, and white sandy beaches. The image is used as a background for the text.

When we **unleash the power of business**
to create a more **shared and durable prosperity for all**

We...

Create more high quality jobs

Reduce inequality

Alleviate poverty

Restore a healthier environment

Build stronger communities

What B Lab does

Step 1

Build a credible
community
of leaders --
B Corps

Step 2

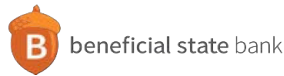
Create tools
to make it easy
for millions to follow

Step 3

Inspire billions to support
businesses
who are a force for good

End
Shared & Durable
Prosperity





Build a community of leaders

2000+ Certified B Corporations 42 Countries 130 Industries 1 Unifying Goal

Certified



Corporation



Build tools for others to follow

Measure What Matters

B Impact
Assessment™



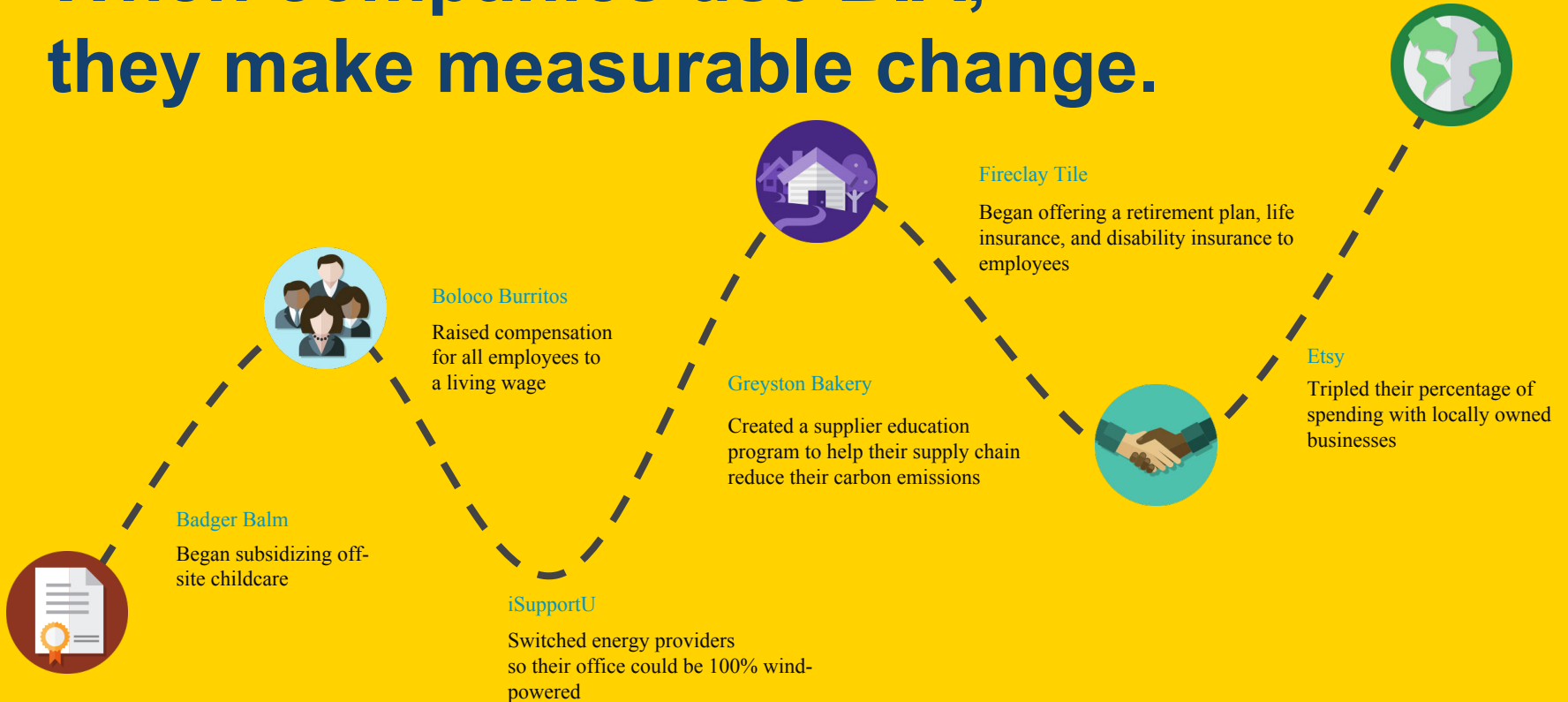
55,000+ businesses

B Analytics®



100+ institutions
(investors, supply chains, govt.)

When companies use BIA, they make measurable change.





THE B TEAM



Institutions
who recommend the
B Impact Assessment
to companies



India Financial Inclusion Fund



SARONA



Build tools for others to follow

Mission Alignment

Benefit Corporation



4,700 businesses elected

32 states passed legislation

Laureate first benefit corp to do IPO

Certified



Corporation

B Corp Certification is to business what Fair Trade is to coffee or LEED is to a building.

What does it take?

Meet higher levels of:



1. Social and environmental performance

Minimum 80 points on B Impact Assessment



2. Transparency

Make B Impact Report publicly available



3. Accountability

Expand corporate duties to consider stakeholders

Certified



Corporation[®]

Why become a B Corp?

1. Maintain Mission
2. Differentiate from Pretenders
3. Benchmark and Improve Performance
4. Attract and Engage Talent
5. Collaborate with Peers
6. Save Money and Access Services
7. Generate press
8. Raise Capital



B Corps do together what they can't do alone...



B Corps do together what they can't do alone..

 **Beanfields Snacks** Like Page
January 14 at 9:33pm · 🌐

We're proud to be a part of the global movement of people use business as a force for good. We are a Certified B Corporation because we care about our community, our environment, our employees, and you, our customers. Learn more about B Corps at bcorporation.net

#BCorp #BCorpMonth #BCorpValues #ShopBCorp

**OUR VALUES ARE
B CORP VALUES**

Certified **WE CARE ABOUT OUR ENVIRONMENT**
 That's why we certified as a B Corporation by meeting the highest standards of responsible business.
Learn more at bcorporation.net **#BCORPVALUES** 

👍❤️👤 9 1 Comment 1 Share

👍 Like 💬 Comment ➦ Share



Engaging and Retaining a Diverse Workforce

If you operate in the United States or another country where health insurance is commonly provided by employers, try using health risk questionnaires and focus groups to identify the best health benefits for your unique team. This will enable you to work with health providers to tailor benefits to best serve your unique workforce.²⁵

If you aren't already, consider offering the following to your employees:

- Benefits to domestic partner, civil union, and/or same sex marriage spouses and dependents.²⁶
- [Transgender-inclusive health care](#), and
- Disability income insurance for protection in the case of accidents.

Your approach to providing benefits will depend on the unique needs of your employees and the resources at your disposal. That said, certain benefits may be more effective than others at boosting the inclusivity of your workplace. If you aren't already, consider offering:

- **Flexible working arrangements.** Empower your employees to make some decisions regarding when and where they work (e.g., through flex-time work schedules, job sharing, telecommuting, etc.). Studies have shown that this practice allows companies to hire and retain more women and people with disabilities, and that men also benefit. Flexible working arrangements can reduce work/life conflict, enhance productivity, improve wellbeing, reduce absenteeism, and increase job satisfaction.²⁷

1

Maintain Mission

Adopting the B Corp legal standards:

1. Bakes the values of the company into its legal DNA
2. Gives protection and permission to consider non-financial stakeholders (community, employees, suppliers, environment)
3. Ensures that mission can survive through new management, succession, or ownership



Yvon Chouinard, Patagonia

First to register as a benefit corporation in California on January, 2011

“Benefit corporation legislation creates the legal framework to enable mission-driven companies like Patagonia to stay mission-driven through succession, capital raises, and even changes in ownership, by institutionalizing the values, culture, processes, and high standards put in place by founding entrepreneurs.”

4

Attract & Engage Talent

B Corp certification provides a platform to engage current staff and give employees more meaning in their work.

B Work:

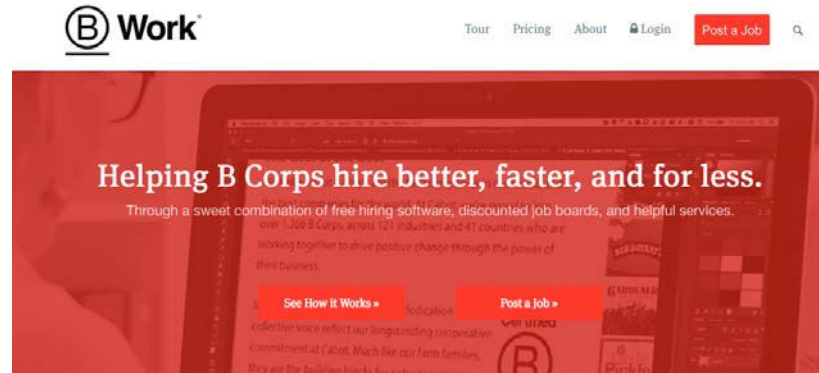
In partnership with Fitzii, a hiring platform to help B Corps win the war on talent.

Free

B Corp Leadership Development (BLD):

1 day conference for B Corps, by B Corps for thought leadership development for employees of all levels of the company.

SF, NYC, Boulder, BC, Australia, New England.



Steps to B Corp Certification

BUSINESS CASE



Know your business case



Engage leadership and board

MEASURE WHAT MATTERS



Get a baseline



Engage your team

PROTECT YOUR MISSION



Understand your roadmap



Meet the requirements



Finalize & Submit



Documentation & Review



Appendix

Who Can Certify?

- For-Profit Companies of Any Size
- Any Industry / Geography
- Customized assessment based on industry, size, geography
- Any Legal Structure (sole proprietors, LLC's, Corporations, etc.)*
- Companies over 1 year old – special Pending B Corp program for start-ups*



Understand your legal roadmap

- ❑ Determine your path based on corporate structure and country (US or Canada) or state of incorporation:
 - Amend your governing documents OR
 - Adopt benefit corporation status

Examples:

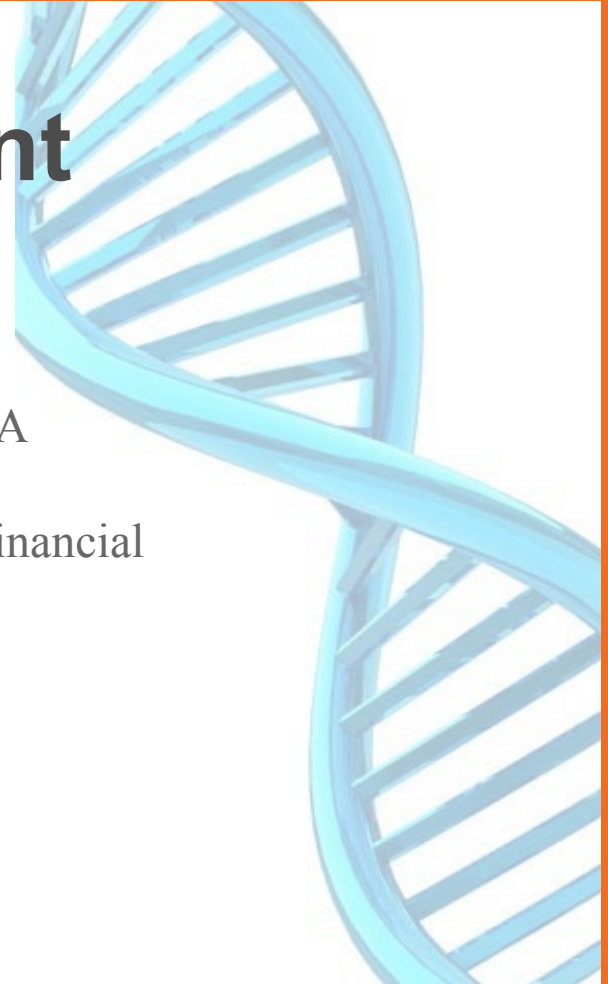
- ❑ LLC in the United States: Amend operating agreement
- ❑ Delaware Corporation: Adopt Benefit Corporation form within 2 years of certification



Meet the legal requirement

Adopting the B Corp legal standards:

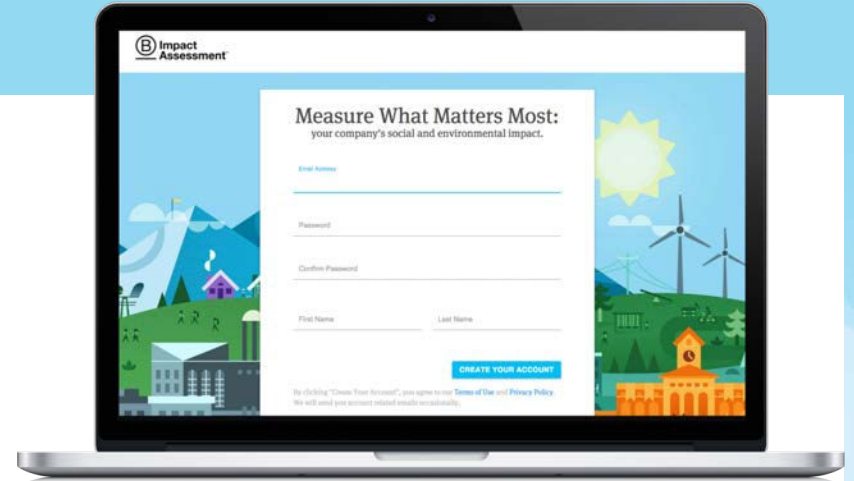
- Bakes the values of the company into its legal DNA
- Gives protection and permission to consider non-financial stakeholders (community, employees, suppliers, environment)
- Ensures that mission can survive over time



B Impact Assessment Overview

B Impact Assessment is a holistic measure of a company's impact.

- Focused on positive performance
- Tailored based on # of employees, sector, & geography
- Based on 200 point scale
- Available in English, Spanish, Portuguese



www.bimpactassessment.net

The B Impact Assessment is used by **50,000+** businesses globally

Key Features

Positive and Comprehensive

Standardized yet Adaptive

Objective and Dynamic

Aspirational and Educational

- Focuses on **pro-active management** and **positive impact**
- Considers **all stakeholders** and **all aspects** of the company.

B Impact Assessment Topics



 = Operational Impact

 = Impact Business Model

Four types of questions

Practices

Monitoring Water Use



EXPLAIN THIS



Does your company monitor, record and/or report its water usage?

- We do not currently monitor and record our usage
- We monitor and record usage (no reduction targets)
- We monitor and record usage, and have specific reduction targets
- We monitor usage and have met specific reduction targets during the last fiscal year

Policies

Supplier Code of Conduct



EXPLAIN THIS

IN PRACTICE



Is there a formal written Supplier Code of Conduct policy that specifically holds the company's suppliers accountable for social and environmental performance?

This may include policies on Fair Trade. The answer to this question affects questions you'll encounter further on in your assessment.

- Yes
- No

Outputs

Low Impact Renewable Energy Use



EXPLAIN THIS

SHOW EXAMPLE



What % of energy use is produced from low-impact renewable sources?

Include electricity and other energy consumption from heating, hot water, etc.

- 0%
- 1-24%
- 25-49%
- 50-74%
- 75-99%
- 100%
- Don't know

Outcomes

Employee Satisfaction



EXPLAIN THIS

SHOW EXAMPLE



What percent of your employees are 'Satisfied' or 'Engaged'?

Select N/A if satisfaction or engagement is not formally surveyed.

- N/A
- <65%
- 65-80%
- 81-90%
- >90%

Key Features

Positive and Comprehensive

Standardized yet Adaptive

Objective and Dynamic

Aspirational and Educational

- 78 versions based on:
 - Sector
 - Size
 - Geographic Location
- Impact Area, Topic, and Question Level Benchmarks

Customized based on three “Track Drivers”

Size:

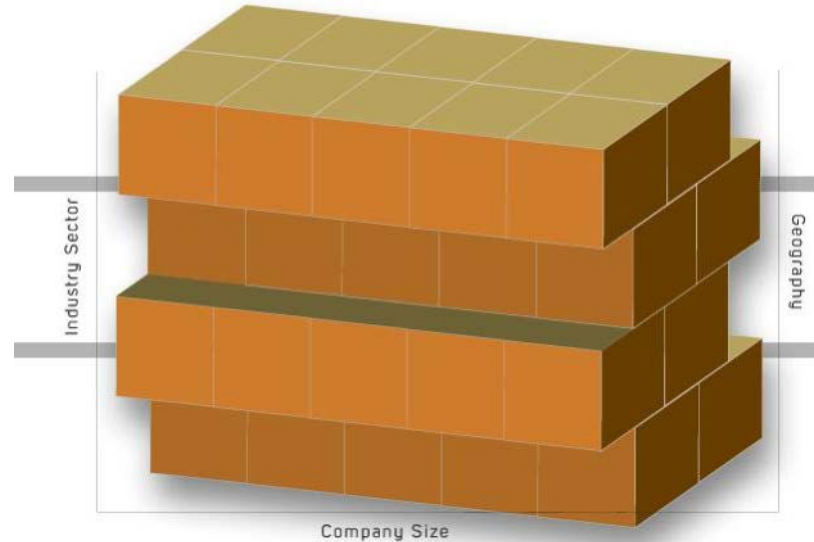
- Working Owners
- 1-9
- 10-49
- 50-250
- 250-1000
- 1000-10000

Market (geography):

- US Developed Markets (DM)
- Global Developed Markets (DM)
- Emerging Markets (EM)

Sector (industry):

- Manufacturing
- Service w/ minor
- Service w/ significant footprint
- Wholesale
- Agriculture



Implications of track drivers on Questions

Question	Included based on size?					
	0	1-9	10-49	50-249	250-999	1000+
% of ownership by individuals from underrepresented populations (includes women)	✓	✓	✓	✓	✓	✓
What % of your Significant Suppliers are majority owned by women or individuals from underrepresented populations?	✓	✓	✓	✓	✓	✓
Does the company provide specific content in worker training on inclusion and diversity issues related to any of the following specific underrepresented groups?		✓	✓	✓	✓	✓
Does the % of ethnic minorities employed at your company equal or exceed the % of ethnic minorities in your metro area?			✓	✓	✓	✓
What % of management are women and/or individuals from underrepresented populations, including low-income communities?				✓	✓	✓*

*broken up into multiple questions for more detail

Implications of track drivers on Scoring

200 Point Maximum*

	Service w/ minor enviro	Wholesale/Retail, Manufacturing, Agriculture/Growers, Service w/ significant enviro
Total Points Available	200	200
Operations total	140	140
Governance Operations	15	10
Workers Operations	50	40
Community Operations	55	45
Environment Operations	20	45
Impact Business Models total	60*	60*

*Companies can earn an extra 30 points in IBM

Median Score: 55

B Corp Eligibility: 80

Top Performers: 120+

Key Features

Positive and Comprehensive

Standardized yet Adaptive

Objective and Dynamic

Aspirational and Educational

- Questions are
 - Verifiable
 - Stakeholder Driven
 - Independently governed
- **Updated every two years**
 - V5 released in Feb 2016

Key Features

Positive and Comprehensive

Standardized yet Adaptive

Objective and Dynamic

Aspirational and Educational

- Intentionally challenging and thought-provoking
- **Improvement Tools** and best practice guides

**Redefine success in business.
Help create the new economy. Build a
better business.**

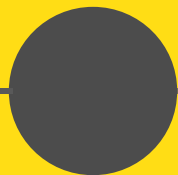
**Compete to be not only the best in the
world, but the best for the world.**

Join Us

A stylized illustration of a mountain range at the bottom of the slide. The mountains are rendered in various shades of blue and white, with several peaks topped by small yellow flags. The background is a light blue gradient.

Certified B Corporation

- A certification conferred by the nonprofit B Lab
- A company that meets a high level of social and environmental performance AND makes a legal commitment to consider all stakeholders
- Any for-profit company in any country can pursue certification (LLC's included)



Benefit Corporation

- A corporate form (taxed like a C-corp or an S-corp) that has a higher level of transparency, accountability and purpose
- A legal entity that has protection and permission to consider its impact on all stakeholders, not just shareholders
- Available in 31 states in the U.S., Puerto Rico, & Italy

The B Corp community is good company to keep.

FETZER

REBELS SINCE 1968

Location: Hopland, California

Product/Service: Wine

100% of workers paid above living wage.

Free on-site financial education to all workers.

>30% suppliers create employment in chronically underemployed populations.

Scholarship programs for children of employees.

100% organic vineyard practices.



FETZER
PIONEERS IN SUSTAINABILITY

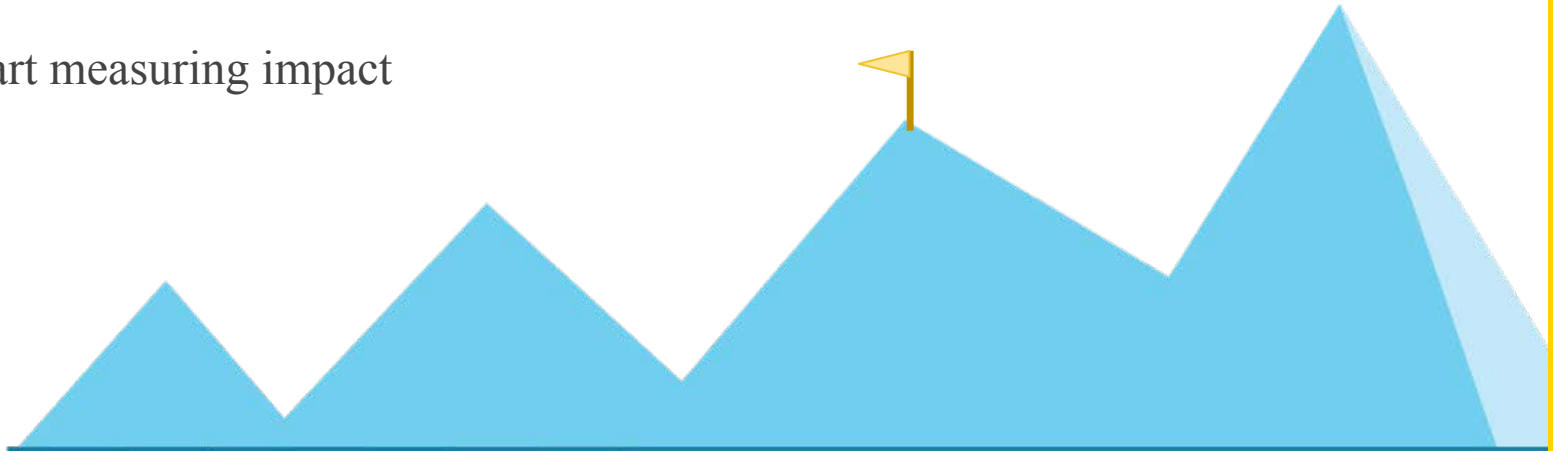


Pending B Corp Status for Startups

A one year program designed to help startups (< 1 year ops) understand and improve their impact with the ultimate goal of creating a lifelong leader in using business as a force for good.

Two step process:

- 1 Protect your mission
- 2 Start measuring impact



B Corps in the Public Market

P&G



2

Differentiate from Pretenders

BRUSH.
RINSE.
SMILE.



REDUCE.
REUSE.
RECYCLE.



EARTH FRIENDLY WINERY



PRAISE WORTHY PRACTICES



SOCIALLY FOCUSED DESIGN



GLOBALLY EFFECTIVE PRACTICES



3 Benchmark & Improve Performance

“The biggest surprise to me was realizing that our employees deeply cared about the things the B Impact Assessment measured.”



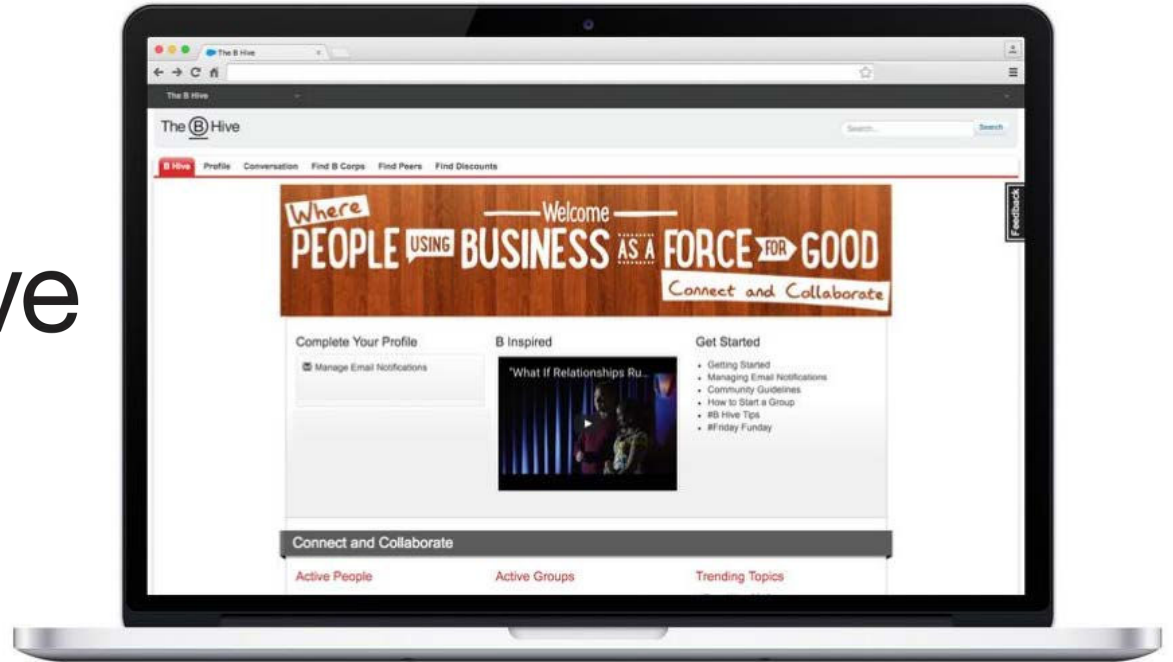
Jennifer McKaig, Etsy



5

Collaborate with Peers

The B Hive



6 Save Money & Access Services

A suite of partnerships and discounts



ERP Software Discount



Software Discount



Legal Advice



Software Discount



Hiring platform &
Free Job Postings

Tuition Discounts / Forgiveness



Yale SCHOOL OF
MANAGEMENT



PRESIDIO
GRADUATE SCHOOL



7

Generate Press

“In my work, I often wonder to what extent business can help society in its goals to alleviate poverty, preserve ecosystems, and build strong communities and institutions...

B Lab has proven that there is a way – the B Corp movement shows us that business, the driving force of our economy, can be an agent of change and live up to society’s standards.”

- Secretary of State Madeleine Albright



“B Corp is one of *20 Moments That Mattered* Over the Last 20 Years”

FAST@MPANY

“*B Like a B Corp* is one of 5 Business Trends to Master in 2016”

FORTUNE

“Benefit Corps are one of “5 Noteworthy Happenings in 2015”

Forbes

7 Raise Capital



Find Companies & Funds

GIIRS rated companies and funds are highlighted in the search features of B Analytics as being best in class in terms of measurement practices.

Gain Visibility With Leading Impact Investors

Getting listed on B Analytics exposes a company to 100+ impact-focused investors who have a stated preference for GIIRS Rated Companies.