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B Corporations – How Your Company Can “B” Better

If you are keen to do more for society generally, beyond creating shareholder value and would like to demonstrate that fact to the world with an accreditation that is growing globally, then becoming a B Corporation (or B Corp for short) could suit your company. In this short piece, we explore what a B Corp is and what it involves.

What is a B Corp?

A B Corp is a company that has been assessed and certified to meet a particular set of criteria of social and environmental performance. As well as striving to generate profits for the benefit of its shareholders, the other aims of such a company are to improve its surrounding community, such as its employees, customers and environment in which it operates. In short, it is a company that has incorporated its corporate social responsibility into how it is governed and has had its performance assessed and certified as meeting the relevant social, environmental and accountability standards so it is not just profit that is the focus.

B Corps must be clear about how they operate and must comply with the strict criteria required of them by “B Lab”, the non-profit organisation in the USA that created the certification and assesses would-be and existing B Corps.

Why become a B Corp?

Becoming a B Corp shows that ultimately, not only has your company shifted its business aims to push for something other than profit, but that you are looking to be accountable and continue to improve your surroundings long after the cameras and social media posts have gone. You are looking to be a better company for everyone.

How do you become a B Corp?

There is a three-stage process to become B Corp certified (assessed by B Lab):

1. **Complete the B Impact Assessment.** This online assessment marks a company's responsibility in five key areas: governance, environment, customers, workers and community. To attain the B Corp certification the company must score at least 80 or more out of 200;
2. **Satisfy the legal requirements.** As well as demonstrating the company is a competitive profitable legal company, the company will also need to change its governing document (the articles of association) to state that the object of the company is both to benefit its shareholders and have a material, positive impact on its environment; and
3. **Sign the B Corp Declaration of Interdependence.** Some of the key statements the company will declare are that:
 - it will be the change it seeks in the world;
 - all business of the company ought to be conducted as if people and place matter;
 - through the company's products, practices, and profits, it will aspire to do no harm and benefit all, and to carry this out requires that the company acts in a way that recognises it is dependent on others as they are on it, and thus there is a mutual responsibility owed to each other and future generations.

Is it worth it?

Operating in a world where public opinion is increasingly in favour of companies that care for the environment and the community, the likes of "Ben & Jerry's", "Patagonia" and "Danone", to name but a few, certainly seem to think so.

It is not only an indicator to others that the company is making a real effort to better its surroundings, but it is the mark of a fundamental shift internally within the company that it is focusing on things greater than just profits.

Being a registered B Corp can also allow your company to embed social and environmental values that will be easily demonstrated to its stakeholders, who will likely appreciate such commitment to having a positive impact on the world.

You can read more about B Corps [here](#):

If you would like to discuss any questions on B Corps or would like assistance in carrying out the necessary legal work to enable your company to become a B Corp, please do get in touch with a member of our [Corporate & Commercial solicitors](#) or e-mail Online.Enquiries@LA-Law.com.