

# The Complete Guide to B Corp Certification for Small to Medium-Sized Enterprises

Join the Global Movement of People Using Business as a Force for Good

Certified B Corporations, or B Corps, are for-profit companies at the heart of a global movement of people using the power of business to create a shared, durable prosperity for all. Currently, more than 2,500 B Corps operate in more than 150 industries in 60 countries around the world. Your business can be an important part of growing the movement and changing the way business is done for good.

Becoming a B Corp is not just about achieving a certification or seal of approval; it's about joining a community of other businesses dedicated to the same vision and goal. B Corps are committed to improving their practices and increasing their impact. The path to certification illuminates areas of positive impact and surfaces aspects where more work is needed. This guide can serve as a roadmap to the certification process, but the exact steps will be unique to your business.

This guide will lead you through the following steps of certification:

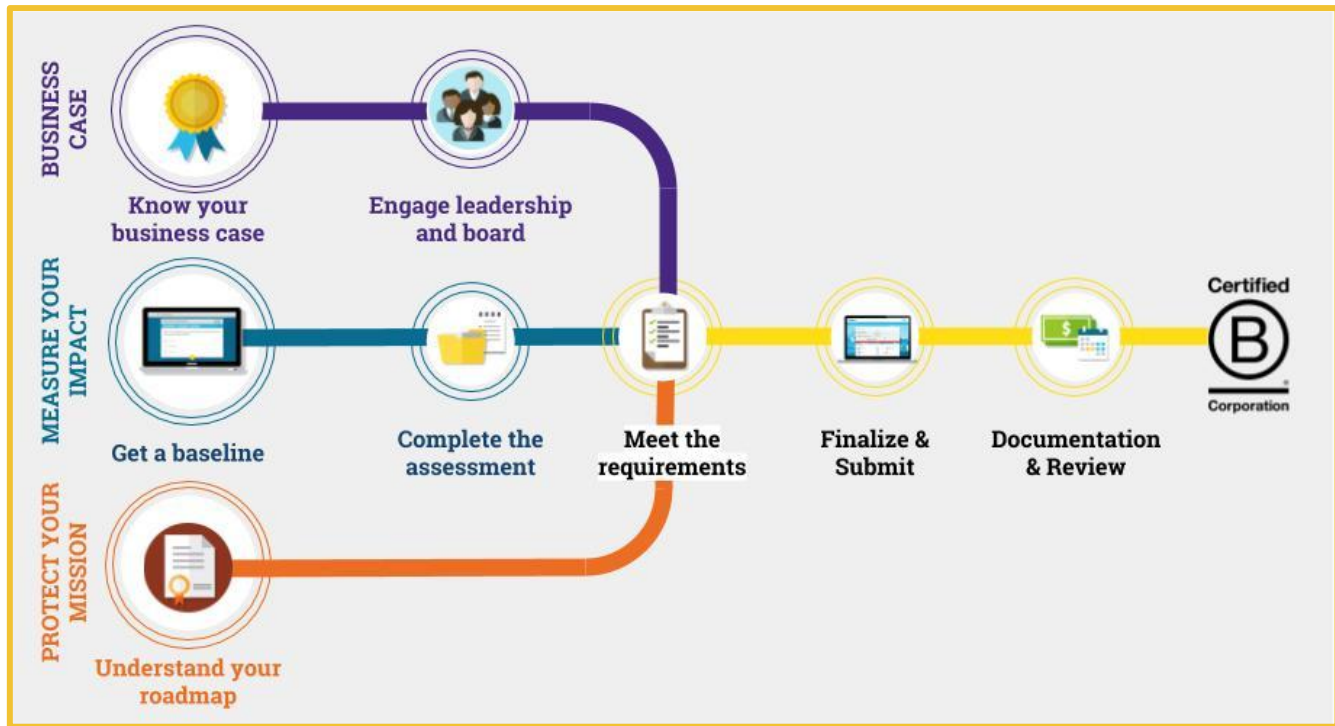
- Articulate the business case;
- Engage your leadership and board;
- Complete the B Impact Assessment;
- Complete the legal requirement;
- Verification



*"Being a B Corp allows us to live our purpose in a bold way with other like-minded companies. We acknowledge that profits are important to the success and growth of the company, but no more important than our people and our planet. Being a part of a triple-bottom-line business is a mindset, and we are putting a stake in the ground around our purpose and practices."*

— Eileen Fisher

# Steps to Certification



## Understand and Articulate the Business Case

The B Corp Certification process is comprehensive and will require support from people across your company. The first step is understanding the business case and being able to articulate the ways becoming a B Corp could benefit your company. Here are a ways businesses find value from the certification.

### Join a Community

The B Corp community is setting a gold standard for businesses that are not only best in the world, but best *for* the world. Through the leadership of B Corps, whose social and environmental impact is rigorously verified by a third party, the movement is redefining success in business. By joining a global community of high-performing mission-driven businesses, B Corps find value in collaborating with fellow B Corp leaders and employees, sharing best practices and building collective voice. The community connects in multiple ways, including face-to-face events, a peer-to-peer online network called the B Hive, and other B Corp collaborations.



*“One of the biggest benefits is collaboration. The certification gives us an opportunity to get to know B Lab and other B Corps, learn from them, and share with them our best practices. The certification also keeps us alert to improvement opportunities within the company and to the changing sustainable business climate outside the company.”*

—Kenyatta Brame,  
Chief Administration Officer at  
Cascade Engineering

## Attract Talent and Build Culture

In the next 15 to 20 years, millennials will be the majority of the workforce. Extensive research has shown that this generation seeks to work for companies with a stated mission and wants to bring their whole self to work. Already today, these conversations are shaping workplaces around the globe. B Corps report that after a company certifies, the quality of hires, retention rate and employee commitment and excitement increased.

## Benchmark and Improve Performance

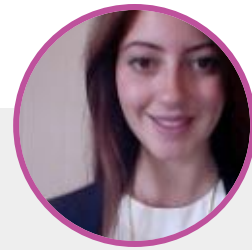
Many businesses come into the B Corp certification process with great business models and practices. However, completing the B Impact Assessment is often the first time a business measures and benchmarks key aspects of their performance. After the assessment, businesses have an efficient way to compare with other companies, improve their practices, and quantify their impact. Impact challenges and recertification after three years are two ways improvement is spurred and celebrated.

## Build Credibility and Amplify Voice

Having a third-party, whole-business certification will help your company stand out in the marketplace. It serves as a shorthand for great practices you may or may not communicate to your customers. Certifying as a B Corp also gives your company an edge in gaining press coverage. Plus, you will have the option to tell your stories on [B the Change](#), the online publication dedicated to the B Corp movement.

## Protect Mission

Make sure your company is built on a solid legal foundation for the long term— the B Corp legal framework, benefit corporation governance structure, helps you protect your company's mission through capital raises and leadership changes. This governance structure gives you more flexibility when evaluating potential sale and liquidity options.



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***“[B Corp certification] Allowed us to be a business set apart from businesses... this would allow us to really dive into recruitment and retention in a really special way where we all know the mission and we’re dedicated to move toward it together.”***

– Colette Kessler, Business Development Manager at Change.org



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***“B Corp certification has given us a way to measure things that aren’t inherently quantitative, but we know are important to us. Like providing 100 percent of our health care premiums for our co-workers or putting solar on site or biogas. It helps us to bring that into a measurement space where we can compare ourselves against other companies and see are we really being leaders in this area or is there a way we can improve?”***

– Katie Wallace, Assistant Director of Sustainability, New Belgium Brewing Company





# Engage Your Team and Leadership

Whether you are the key decisionmaker or are planning to present to a leadership team, you'll need to identify how the above benefits can be applied to your business and what ways your company's mission can be enhanced through certification. For the certification to be truly meaningful, your leadership and employees will need to be involved and on board. As you continue through the B Impact Assessment (BIA), you'll likely need information from others in your company. We recommend the following two approaches to organizing and successfully completing the BIA:

## Convene a team to steward the process

Involve people, either with a formal B Corp Committee or loosely, in the process (and later improvement) of your assessment score. You'll need the documents listed in the right-hand column.

1. Identify the right people (Human Resources, Operations, Finance, Product, etc.) who can help you accurately answer questions on the assessment.
2. Set up meetings to determine a timeline for the certification process.
3. Assign questions and deadlines
  - a. Just as with any cross-departmental project, management will be key in completing the assessment

## Gather necessary documents to complete the process yourself

The documentation you'll need to gather. Ask other employees if you don't have the information available (see column at left for ideas).

1. Payroll register/employee roster.
2. Employee handbook.
3. List of your "significant suppliers." If you have more than 10 employees: top 80% of suppliers/vendors by dollar volume; if you have fewer than 10 employees: top five suppliers)
4. Breakdown of revenue from your various products and services
5. Profit and Loss statement
6. Any resource-use tracking (energy, greenhouse gas, water, etc)
7. Any sustainability or corporate social responsibility goals, reports, progress, or tracking documents



## Work With Your Team Before You Begin for Success

The B Impact Assessment (BIA) is a rigorous examination and that's what gives the certification its value. Often, companies don't make the 80-point threshold (this is explained further in the next section) on the first attempt. Remember that improvement is a pivotal phase in many companies' journeys to certification. Based on the experience of other companies and the frequent questions answered by our team of Standards Analysts, here are four top common changes companies need to make to certify:

### Formalize policies:

While your company may offer paid family leave, recycle or prefer local suppliers on an ad hoc basis, the BIA prioritizes positive practices that are codified in company documents—and thus more likely to be maintained over time. You can improve your BIA score by engaging your team and company leadership to create organization-wide policies covering all employees or by having team leaders document the standards and practices already existing in their departments. Create a shared folder accessible to all employees or collect all policies in a handbook to ensure they are accessible by all employees.

### Track impact metrics:

It will be difficult for your company to gain points if you don't track metrics, such as energy use, employee attrition or waste production. One of the best ways to improve your score is to take a strategic approach toward tracking impact metrics and internal key performance indicators, both giving you a clear image of your strengths and gaining you points on the assessment.



***"We knew we'd have affinity with B Corps, but what we didn't recognize was the number of people who would call us who aren't a B Corp, but are choosing us because we're a B Corp."***

— Denise Taschereau, CEO and Co-Founder at Fairware

## Look at your vendors:

If you aren't already considering the impact of your company's supply chain, consider implementing a simple questionnaire for each of your suppliers, which will give you a snapshot of their policies and inputs. Then, you can be proactive by creating a formalized purchasing policy outlining minimum requirements for vendors and suppliers.

## Adopt a mission-aligned governance structure:

Meeting the legal requirement of B Corp Certification in advance can get you anywhere between 5 points to 7.5 points. If none of the specified legal options are available to you, you can still earn 2.5 points by signing the B Corp Agreement (more on this in the next section). Learn more about how to meet the legal requirement on page 11.

***Download B Lab's Best Practice Guide [Engaging and Retaining a Diverse Workforce](#).***

***B Lab has created a free supply chain Best Practice Guide which you can download [here](#).***

***Download B Lab's Best Practice Guide: [The Basics of Mission-Aligned Governance](#)***



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***"While we were going through the process, one way we improved our score was to document our policies better. ... Even though we are making a large global impact by helping to employ over 1,000 women around the world to make our products, we are still a small team in the U.S. with only 8 employees. There were still some policies about employee welfare that we hadn't formalized, so it was really helpful for us to look at the B Impact indicators to make those policies official for our team."***

— Cameron Crake of Raven + Lily

**See the full story [here](#).**



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***"For our board and our shareholders to see that yes we were profitable, but in addition to that, we made a difference in tens of thousands of lives, we changed the world for the better, I think those are just as important."***

—David Young, CEO of Participate





# Complete the B Impact Assessment

The B Impact Assessment (BIA) is a free, comprehensive and industry-specific tool designed to measure the social and environmental impacts of your company. Taking the BIA will highlight the strengths of your company and let you see where you could improve across five aspects, called “impact areas,” of your business: Governance, Workers, Community, Environment and Customers (see next page). The assessment balances reviewing your operational impact (day-to-day impacts of running your business) and impact business model (whether the intentional design of your company creates specific positive outcomes for one or more stakeholders). To progress with B Corp Certification, your company must reach a total verified score of at least 80 points out of 200 available on the BIA.

## The Anatomy of the Assessment

### Operational Impact

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Measures the day-to-day impacts of running your business, such as the environmental impact of your facilities, your interaction with your local community, your workplace, your purchases and your governance structure. This section is independent of business design or intent. In these questions, the BIA aligns with other best-in-class standards and rolls in other certifications, such as LEED. This means you earn points for other certifications your company has already earned.

### Impact Business Models

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Measures whether the intentional design of your company creates specific, positive outcomes for one or more of your stakeholders. This may be a product, beneficiary, business process or activity that you have, such as annually donating five percent of revenue, being worker-owned, or serving an underserved market with your product or service. No other certification provides this review.

**Understanding the difference:** For example, if your office recycles, that is an Operational Impact; if your business model is to recycle electronics, than that is an Impact Business Model.

# Impact Areas of the B Impact Assessment



## Community

Community portion of the B Impact Assessment evaluates a company's supplier relations, diversity, and involvement in the local community. It also measures the company's practices and policies around community service and charitable giving, including whether a company's product or service is designed to solve a social issue, such as access to basic services, health, education, economic opportunity and the arts.



## Environment

The Environment portion of the B Impact Assessment evaluates a company's environmental performance through its facilities, materials, emissions, and resource and energy use. Companies answer questions about their transportation/distribution channels and the environmental impact of their supply chain. The assessment also measures whether a company's products or services are designed to solve an environmental issue, including products that aid in the provision of renewable energy, conserve resources, reduce waste, promote land/wildlife conservation, prevent toxic/hazardous substance or pollution, or educate, measure or consult to solve environmental problems.



## Customers

The Customer portion of the B Impact Assessment measures the impact a company has on its customers by focusing on whether a company sells products or services that promote public benefit and if those products/services are targeted toward serving underserved populations. The section also measures whether a company's product or service is designed to solve a social or environmental issue (improving health, preserving environment, creating economic opportunity for individuals or communities, promoting the arts/sciences, or increasing the flow of capital to purpose-driven enterprises).



## Governance

The Governance section of the B Impact Assessment evaluates a company's overall mission, ethics, accountability and transparency. It measures whether the company has adopted a social or environmental mission, and how it engages its employees, board members and the community to achieve that mission. This section assesses employee access to financial information, customers' opportunities to provide feedback, and the diversity of the company's governing bodies.



## Workers

The Workers section of the B Impact Assessment assesses the company's relationship with its workforce. It measures how the company treats its workers through compensation, benefits, training and ownership opportunities provided to workers. The category also focuses on the overall work environment within the company by assessing management/worker communication, job flexibility, corporate culture, and worker health and safety practices.



## Take a First Pass

We recommend that you begin by taking a first pass through the assessment and estimating some of your answers so that you can get an initial score. Some questions may not be relevant to your business, and on those questions you would select “N/A.” This is because the BIA uses a positive points system, so there is a large volume of questions to attempt to unearth all of the ways your business may be making an impact. Our Standards Analysts recommend that you be conservative and that you use the “Revisit” function to flag the question to return to in the future. You can access this function by clicking on the bookmark icon located on the upper right-hand corner of the question. The other icons in the upper right-hand corner, including revision, improvement, and B impact reports, provide useful benchmark data. You’ll be able to see the areas that will require gathering additional information (and what that information is), areas where your company can improve, and see a global comparison to how your company compares with other companies. (See “What the BIA Looks Like” for more details on these icons and tools.)



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***“The B Impact Assessment gave us an incredible roadmap for how to become a better company, and we’ve used the B Impact Assessment over the years to build our strategic planning.”***

—Rebecca Hamilton, Co-Owner/VP of Research & Development at W.S. Badger Company

## ***How do I complete registration?***

To ensure that the assessment questions are relevant for your company, the first step to beginning your assessment is to input information about the location, sector, industry and size of your company. These registration responses will determine the questions that will be available to your company’s assessment track. In the event that you think you need to adjust your registration, let us know by emailing [support@bcorporation.net](mailto:support@bcorporation.net).

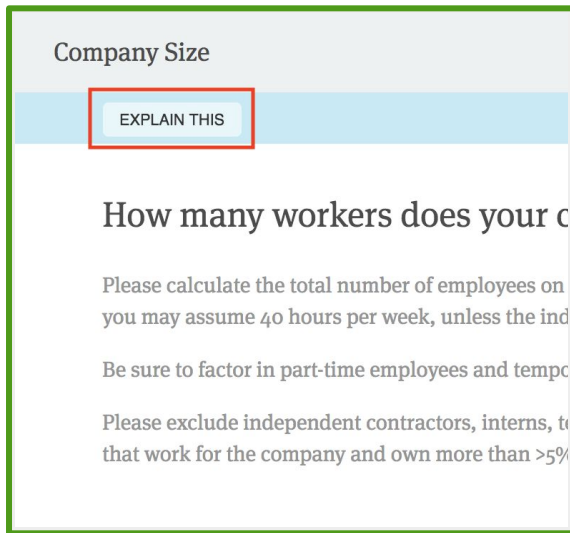
## ***Disclosure Questionnaire***

After completing 90 percent of the BIA, we ask that you begin the Disclosure Questionnaire.

This is a confidential questionnaire and it will have no effect on your overall score. The questionnaire is meant to be a place where you can share any information that we should be aware of that was not captured by the BIA. It will require sensitive information, and may require a legal team or company executives to answer.

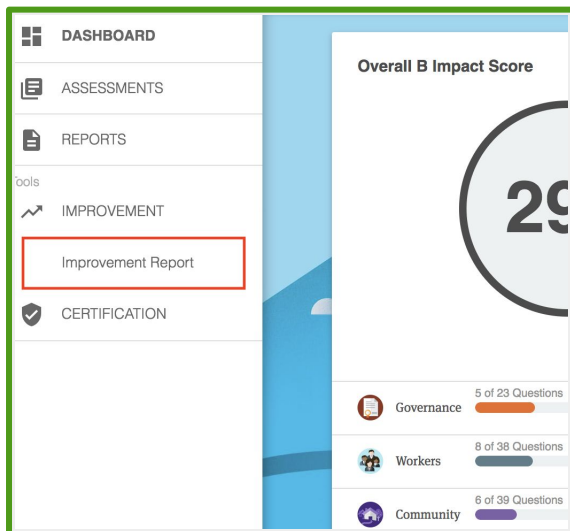
Your Disclosure Questionnaire does not need to be finished for B Lab to begin reviewing your assessment, but it needs to be in progress.

# What the B Impact Assessment Looks Like



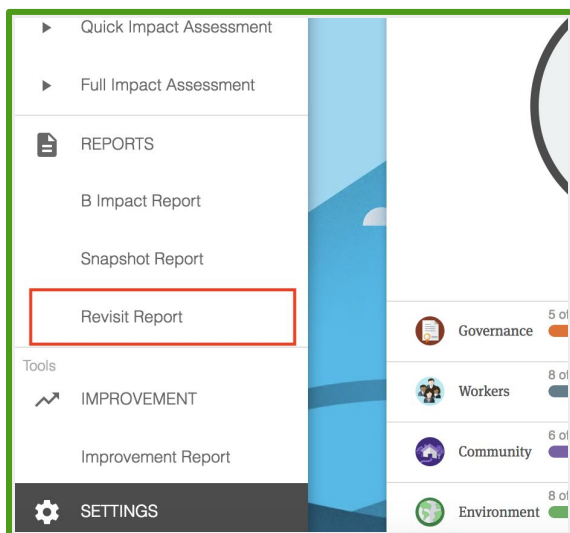
## Question Tools:

- Each question on the BIA will have these tools:
  - **Explain This:** provides definitions to explain in detail what the question is asking and provides rationale for why the practice is deemed important. It might also provide specific instructions to help you answer the question more accurately.
  - **Show Example:** provides examples of businesses that are already practicing this topic, so that you can see what this question looks like in practice.
  - **In Practice:** provides links to best-practice guides and implementation tools to help your staff put this topic into practice.
  - **Star:** adds a question to your Improvement Report.
  - **Bookmark:** adds questions to your Revisit Question Report.



## Improvement Report:

- This customized report allows you to navigate the assessment by jumping through Section, Impact Area, Difficulty of Change, & Score Value
- The report will also contain all operational questions where there is an opportunity for improvement because your company has not earned full credit for the questions selected. You can identify questions you want to target for future improvement by clicking on the star icon on the question.



## Revisit Question Report

- This report shows you all the questions that were marked to revisit at a later time. All skipped questions will automatically be listed in this report, too. You'll be able to answer the questions within the report without having to go through the full assessment again.



# Meet the Legal Requirement

B Corp certification requires all companies to align their legal structures with the mission of their company. By adopting B Corp legal standards, your company will:

- Bake the values of your company into its legal DNA;
- Obtain legal protection and permission to consider nonfinancial stakeholders in decision-making;
- Ensure that mission is protected through time, including through changes in management or ownership.

## **Don't leave the legal requirement until the end of your certification process!**

Legal requirements vary from state to state, so investigate whether your state has benefit corporation legislation, Social Purpose Corporation-equivalent status, or the option to amend articles via a constituency statute. If it has any of these options, investigate what the requirements are and create a timeline with your leadership to meet the legal requirement. Likewise, if your state does not have benefit corporation legislation, get acquainted with your options and have a conversation with your leadership about what path is best for your company.

## **The Legal Requirement Timelines**

Your company's legal requirement, and the timeline for the process, will be determined by your corporate structure, and your country and state of incorporation (see box above). Depending on these factors, your company will have to go through one of the following processes:

### **If benefit corporation status or Social Purpose Corporation-equivalent status is available:**

In order to maintain B Corp certification, your company must become a benefit corporation or adopt SPC-equivalent status within two years after the company's initial certification date. If your state passes benefit corporation or SPC-equivalent legislation after your company has certified as a B Corp, your company will have until the end of its subsequent two-year certification term (following the passage of the legislation) to meet the legal requirement.



## **If benefit corporation status is unavailable but constituency status exists:**

Corporations have until one year after certification and LLCs have until 90 days after certification to complete the following process:

- 1) Get your amended articles approved by both your board of directors and shareholders (requiring either a majority or supermajority vote, depending on your state);
- 2) File your amended articles with the secretary of state, coupled with a modest fee (usually less than \$300).

## **If you are a sole proprietor:**

As a Sole Proprietor, your organization is not formally organized as a corporation and, therefore, has no corporate governing documents. There is no additional legal requirement to attain certification.

### **Where can I find the legal information I need?**

At [www.benefitcorp.net](http://www.benefitcorp.net), you can access attorneys, state-by-state statutes, and other resources to help your company through the legal process.

Visit [bcorporation.net/certification/legal-requirements](http://bcorporation.net/certification/legal-requirements) to access the legal tool filter to identify your company's legal requirements based on your location of incorporation and corporate structure.

# Verification

If your company achieves a score of 80 or higher on the assessment, congratulations! You've become eligible to certify as a B Corporation. There are just four more important steps that must be completed before you officially certify.

## 1 Submit Your Assessment

Once you complete at least 90 percent of the assessment, we ask that you complete a Company Profile (available within the BIA) with additional information that is relevant to the review of your assessment and that you begin the Disclosure Questionnaire (as previously mentioned; also available within the BIA). The Disclosure Questionnaire requires sensitive information and might require a legal team or company executives to answer. After following these steps, you can submit your assessment for review.

The list of documents you will be required to supply will only become available after a review call has been scheduled. This list of documents will appear in the Verification Report when the call is scheduled and the Standards Analyst has updated your assessment. If you do not have the necessary documents, you can download a template we provide on our Verification Report. The Verification Report will be the most useful tool to manage your documentation uploading process.

## 2 Pre-Review Call Verification Report

Upon submission, you will receive an email from B Lab within a couple of days confirming we've received your completed assessment and asking you to schedule a review call with one of our Standards Analysts. Our system randomly selects six to 15 questions from where you are scoring points on the assessment. You will be asked to upload supporting documents for the answers to those questions to the Verification Report of the assessment. These documents will be used during your review call. It is important that the required documents be uploaded at least two business days before the review call.

We usually allow two weeks from when you initially submit the assessment and your scheduled review call to give you time to upload required verification documents.

### Notes for when you submit documentation:

- Make sure you fully understand the question—read the text under the “Explain This,” “In Practice,” and “Show Example” tabs.
- Highlight relevant areas of the document. For example, if you upload your employee handbook to verify the primary caregiver leave policy, highlight those paragraphs so they are easy to find.
- If the question is multiple choice, make sure that each item selected has supporting documentation.
- When possible, upload excel spreadsheets, rather than pdfs, so the Standards Analyst can easily verify percentages.

# Inside the Verification Report

## Annotated Image:

### Document Instructions:

- The instructions tell you the specific document requirement for a particular question

### Download Template

- If you don't have the required document, you can download a template that allows you to create a document that fulfills the requirement

### Attach Document or Share URL

- Once you have found/created the document you can attach the document or supply a URL if you have internally stored (Google Drive, Box). If you share the URL, make sure that we have permission to access the document.

### Leave Comments

- Make sure to leave comments to communicate to our team any additional information about the document you uploaded



## 3 Review Call

After you have uploaded your documentation, you're ready for your review call. This is a 60 to 90 minute call during which our Standards Analysts will be looking over both the answers to your assessment and the documentation you provided on your practices. This is meant to ensure that questions are answered as intended and that the company's impact is being fully and accurately captured in the BIA. The Standards Analyst will help clarify how the questions apply to your business, and will make edits to the assessment. All companies can expect to see a score change when going through the review process. Though each company's experience will be unique, on average, companies have seen a 10-point change in score (both positive and negative).

## 4 Post-Review Call Documentation

After the review call, you will be required to:

1. Upload documentation about questions pertaining to your company's Impact Business Model. This process will be the same as how you were asked for documentation for your operations before the review call.
2. Upload and requested follow-up documentation to the questions discussed on the call.

Following the review call, **you should no longer make changes to the assessment answers yourself**. If you see something is incorrect, contact your Standards Analyst detailing the question, old answer, proposed new answer, and provide supporting documentation/information on the update.

### Review Call Prep Checklist:

- ⦿ Upload your supporting documents at least 2 days beforehand.
- ⦿ Have the assessment and supporting documents open in front of you.
- ⦿ Write down a list of questions you have for your Standards Analyst. These can be about the BIA as well as the process and requirements for certification.



# Final Steps

At this point, if you have met the verified 80-point threshold, met the legal requirement or made a commitment to doing so, and submitted your supporting documentation, you are ready to enter the final steps of certification! You're almost done!

## B Corp Agreement

First, you will sign the B Corp Agreement. Your certification term is for three years. After these three years, we require companies to complete an updated B Impact Assessment and go through the verification process – which will consist of providing supporting documentation and completing a review call – to maintain certification. Your B Corp Agreement commits you to participate in a site review if your company is one of the ten percent of B Corps selected that year. The site review is meant to provide additional assurance that a company's operations are accurately reflected in their B Impact Assessment. This review may be conducted in-person or virtually.

You will also sign our Declaration of Interdependence, which is included in the B Corp Agreement and outlines the values that define the B Corp community.



## DECLARATION OF INTERDEPENDENCE

We envision a global economy that uses business as a force for good.

This economy is comprised of a new type of corporation – the B Corporation –  
Which is purpose-driven and creates benefit for all stakeholders, not just shareholders.

As B Corporations and leaders of this emerging economy, we believe:

That we must be the change we seek in the world.

That all business ought to be conducted as if people and place mattered.

That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.

To do so requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations.

## Company Revenue Range      Fee Range

### Fees

Once your certification is finalized, your company will pay the certification fee outlined in your B Corp Agreement. This is an annual fee that is based on a tiered system determined by the annual revenue of your company. Note: B Lab may change the price structure on an as-needed basis; fees listed here are current as of July 2018.

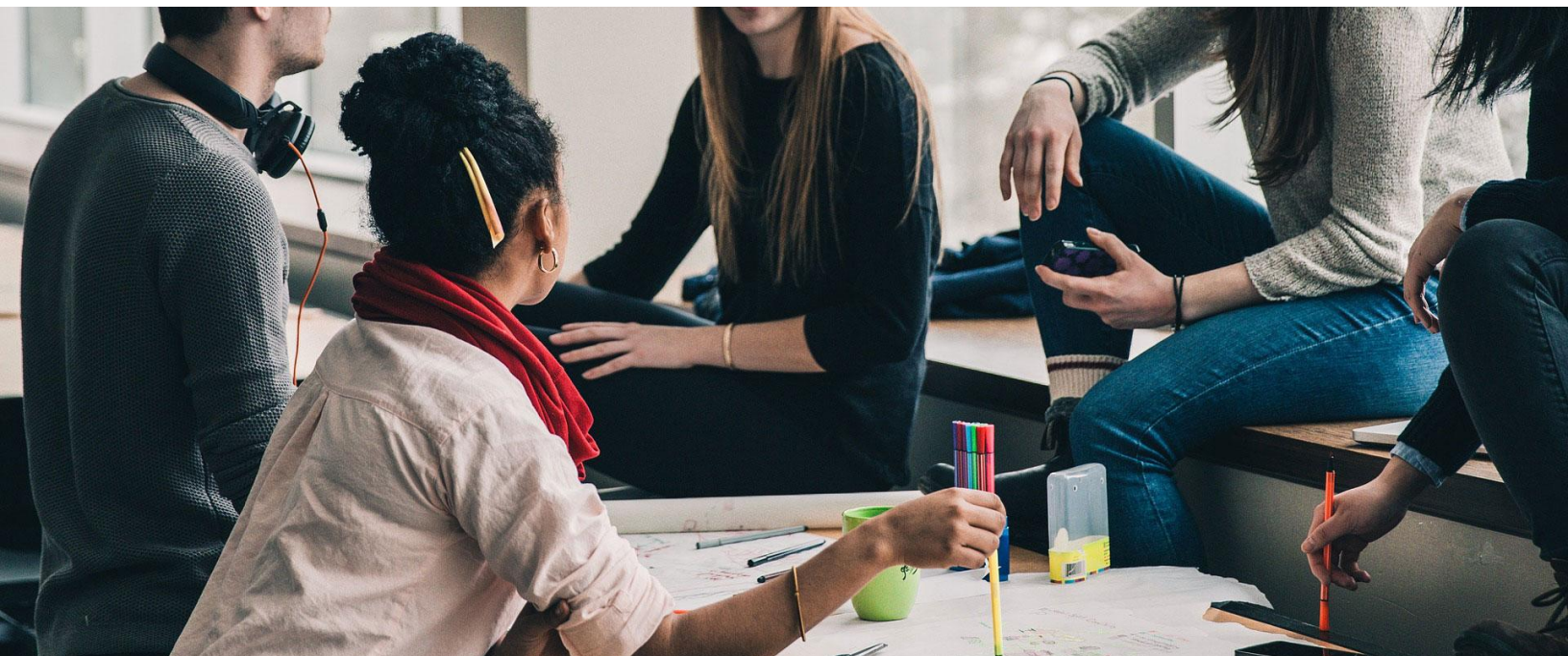
\$0-149,999	\$1,000
\$150,000-\$1,999,999	\$1,100 - \$1,600
\$2,000,000-\$9,999,999	\$1,800 - \$3,750
\$10,000,000-\$19,999,999	\$6,000 - \$8,500
\$20,000,000-\$29,999,999	\$12,000
\$30,000,000 - \$49,999,999	\$16,000
\$50,000,000-\$74,999,999	\$20,000
\$75,000,000-\$99,999,999	\$25,500
\$100M+	Varied

### Public Transparency

Finally, once you have completed your certification, in order to comply with the transparency requirement of certification, a public profile with your company's score, and your impact report will go live on [www.bcorporation.net](http://www.bcorporation.net). For certain companies, additional transparency requirements, as outlined in the B Corp Agreement, may apply.

### Stay Engaged

Find stories and best practice examples on [B the Change](#), the online publication managed by B Lab, and sign up for the [B the Change Weekly newsletter](#). Meet the community of Certified B Corps by liking and following B Corporation on [Facebook](#), [Twitter](#), [Instagram](#), [LinkedIn](#), and, after you are certified, on the B Corp exclusive B Hive platform.





# Start Your Journey Today!

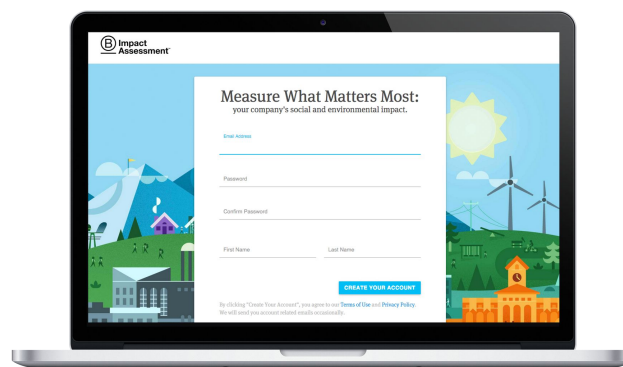
Becoming a Certified B Corporation is a comprehensive and rigorous process that not only celebrates and highlights the strengths of your company, but also provides a roadmap toward improvement and increased impact. We are proud of the B Corp community because we know that these companies are leaders creating a tangible and visible change in business and the world. By certifying, you not only earn a place among these impactful industry leaders, but you join a community of companies redefining success in business, embracing change and building a better world.

**Start the B Impact Assessment to begin your journey to B Corp certification now.**



*“The B Corp movement is one of the most important of our lifetime, built on the simple fact that business impacts and serves more than just shareholders—it has an equal responsibility to the community and to the planet.”*

— Rose Marcario, CEO of Patagonia



[bimpactassessment.net/bcorporation](https://bimpactassessment.net/bcorporation)