

B Corps – a snapshot

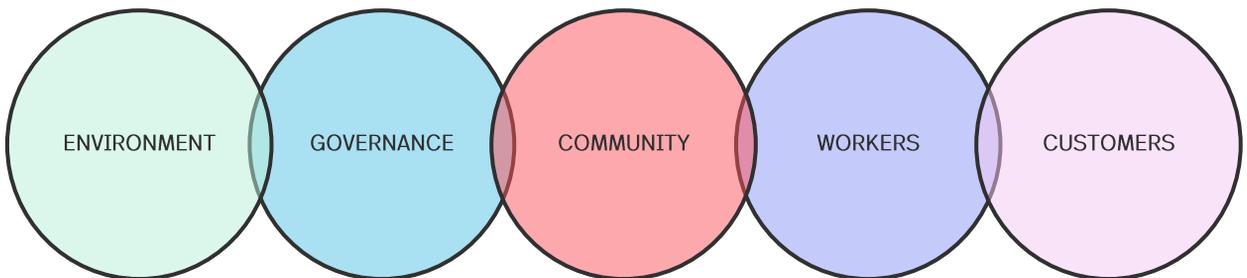
What is a B Corp?

A certified B Corporation ('B Corp') is a business that has committed to balance profit and purpose by meeting the highest standards of performance in environmental and social impact. Leveraging the profits and financial growth of businesses for a wider purpose enables participants of the B Corp community to achieve their fundamental purpose – business as a force for good.

How can a business become a B Corp?

B Corps must go through an accreditation process conducted by B-Lab known as the 'B Impact Assessment'. Certification is awarded to for-profit organisations that achieve a minimum score when evaluated against particular criteria. B Corps must re-certify every three years or on change of ownership or business model.

The B Impact Assessment is freely available online and is used to evaluate both, the business's day-to-day operations and its business model. The assessment is notoriously rigorous and will look behind specific products or service lines to evaluate the business's overall impact against five key metrics:



B Corps become certified by achieving a minimum verified score (80/200 points) on the B Impact Assessment, although due to the high standards and broad scope, many businesses are unsuccessful on their first attempt. Following certification, B Corps must continue to comply with standards to maintain their rating given the requirement to renew every three years. In light of the ongoing nature of the obligations, part of the journey towards certification requires prospective B Corps to implement policies and procedures that contribute towards their final score and ensure those structures can remain in place over the long term.

Landscape review:

There are currently over 3,500 companies across 150 industries in over 70 countries that have become B Corp certified, including several well-known brands such as **Ben & Jerry's**, **Patagonia** and **Ecover**.

Advantages of becoming certified as a B Corp

- Globally-recognised and seen by many as a competitive advantage (especially as ESG increases as a focus for businesses and consumers).
- Tool for recruitment and talent retention particularly for a more socially-conscious workforce that values creating shared corporate culture.
- Increasing appeal amongst investors as there is accountability to an external body and potentially provides a sustainable growth opportunity (on the basis that a triple bottom line approach can bolster financial returns in the long-term).

Challenges associated with becoming certified as a B Corp

- Cost and time associated with the accreditation and re-certification process.
- Requires a broader organisational focus (while still a "for profit" business, the business must make decisions based on several factors, not just financial impact).

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How Simmons & Simmons can support you:

Once a business has passed the B Impact Assessment, it must demonstrate its commitment to the B Corp principles by making legally binding changes to its constitutional documents (articles or LLP agreement). These changes embed the philosophy of considering key stakeholders when making decisions.

Prospective B Corps located in the UK must pass the UK Legal Test. If you are considering becoming a B Corp and undergoing the certification process, we can help provide an overview of the changes required to amend your constitutional documents and advise in relation to the consequences of those changes.

In addition to providing support during the initial certification process, we are on hand to provide guidance in relation to governance, structuring and ESG issues.

What to do next? For a conversation around B Corps, please contact:



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