



TOP LEFT: TIK; TOP RIGHT: CABOT CREAMERY; BOTTOM LEFT: STEPHEN FAUST; BOTTOM RIGHT: TJK

Be-good businesses

B Corps use business as a force for positive change

BY STEVEN VAN YODER

B CORPS EMERGED in 2007 as a global movement dedicated to using business as a force for social and environmental good. Today, more than 1,900 B Corps in over 50 industries have voluntarily undergone and passed the rigorous B Corp certification process, which measures how they treat workers, suppliers, customers and the community alongside shareholders.

The B Corp movement (the B stands for “Benefit”) has a singular goal: to harness business as a solution for many of society’s most pressing problems. B Corps arose with the 2006 founding of B Lab (bcorporation.net), a nonprofit that ranks companies based on their corporate social responsibility (CSR) efforts. Today, household names like Seventh Generation, New Belgium Brewery, Ben & Jerry’s, Patagonia, Etsy and Kick-starter, as well as numerous small businesses, have become B Corps.

The rise of sustainable consumers

According to a 2015 Cone Communications/Ebiquity Global CSR Study (cone comm.com), consumers say they expect brands to embrace social and environmental causes, with more than 80 percent of

consumers considering a company’s CSR efforts when deciding what to buy or where to shop as well as which products and services to recommend.

“B Corp is to business what fair-trade certification is to coffee or USDA organic certification is to milk,” says B Corp co-founder Jay Coen Gilbert. “The last 20 years was about identifying good products through certifications like ‘organic’ or ‘fair trade,’ but the next 20 years will be about identifying good companies.”

But while consumers may be rewarding values-based businesses, they’re not accepting brands’ claims at face value. According to *The Sustainability Imperative*, a 2015 study by Nielsen, “[consumers] are doing their homework. Checking labels before buying. Looking at web sites for information on business and manufacturing practices. Paying attention to public opinion on specific brands in the news or on social media.”

“Consumers are now better informed and more skeptical,” says Giancarlo Bianchetti, CEO of Fetzer Vineyards, a Costco supplier in Hopland, California.

As a sustainability pioneer in the wine industry, Fetzer consistently receives

accolades for its environmental practices, and its Bonterra brand is now the nation’s leading organically farmed wine. Still, Fetzer became a B Corp to ensure that its environmental commitment remained authentic and credible with consumers.

“B Corp certification substantiates our claims with savvy consumers who increasingly consider a company’s sustainability record,” says Bianchetti. “It also makes us part of a community of like-minded business leaders and provides a platform for shaping the sustainable practices of our industry.”

Benefits of B Corp certification

Many B Corps say that certification does more than benchmark their social and environmental efforts; it can also help boost customer loyalty and grow market share, root out waste and inefficiencies, and attract top talent, particularly among younger employees, many of whom want to work at mission-driven companies.

Once a company becomes a B Corp, it can use the Certified B Corporation logo in its marketing and advertising, place the logo on its product packaging, take advantage of special discounts for B Corps from

Scenes from B-Corps businesses (counterclockwise at left): Roberta MacDonald, senior vice president of marketing of Cabot Creamery Cooperative; "digestion tanks," part of a closed-loop system that generates power and reduces waste; Cindy VandenBosch of New York City's Turnstile Tours; Amanda Rinderle and Jonas Clark of shirtmaker Tuckerman & Co, at its New England factory.

Intuit and Salesforce, and network and share ideas at yearly member retreats.

Vermont-based Cabot Creamery Cooperative is well known for its award-winning cheeses and dairy products. Perhaps just as well known is its commitment to social and environmental sustainability. For decades, Cabot has taken steps to reduce its environmental footprint, give back to the community and return 100 percent of profits to its farmer owners. To further improve its sustainability programs, Cabot became a certified B Corp in 2012.

Cabot, a Costco supplier, quickly saw that B Corp certification enhanced its triple bottom line approach of pursuing financial, social and environmental goals, and that the certification process generated ideas for new programs, such as Real Farm Power, a closed-loop system that generates enough electricity from Cabot's cows to power its butter production and led to Cabot winning the 2016 U.S. Dairy Sustainability Award for Outstanding Dairy Processing and Manufacturing Sustainability.

"B Corp certification has delivered value beyond our expectations," says Cabot CEO Ed Townley. "Certification encouraged more 'whole systems thinking' around our social and environmental programs, cut operating costs and helped boost customer loyalty by further anchoring our reputation as a sustainability-minded company."

Tuckerman & Co. in New Haven, Connecticut, became a B Corp in 2014 when it

launched its organic cotton shirt company. "We wanted to make B Corp values and practices part of our DNA," says co-founder and Costco member Jonas Clark. "The certification process helped us learn and apply best practices from leading B Corps and forge a partnership with our customers around common human concerns."

Solving local challenges

Some local and state governments see B Corps as a way to help solve local challenges. Twenty-six states and the District of Columbia have passed Benefit Corporation legislation, which provides a legal structure to enable companies to embed nonfinancial goals for society, workers and the environment into their corporate mission. In 2015, New York City encouraged local companies to compete in its Best for NYC Challenge (bestfor.nyc), a multiyear campaign to encourage city businesses to boost positive environmental impact, create higher-quality jobs and improve quality of life in the city.

Costco member Cindy VandenBosch, founder and president of Turnstile Tours in New York City, took part in the Best for NYC Challenge. The company partners with local nonprofits, including the Street Vendor Project, and showcases the cultural and economic contribution of street food vendors in New York City. VandenBosch says, "We became a Benefit Corporation in 2012, and one of our goals was ensuring that our tours support local economic development."

Turnstile Tours celebrates family-owned, mom-and-pop food vendors that contribute to the local economy. "We seek to help visitors and New Yorkers gain an appreciation for the contributions street vendors make to the culinary, cultural and economic life of the city," VandenBosch adds, "and the people who take our tours are more likely to patronize street vendors and support the livelihoods of working class and immigrant families in New York City." **C**

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HOW TO BECOME A CERTIFIED B CORP

B CORP certification is conferred by the nonprofit B Lab on companies with high verified performance when it comes to positive impact.

The first step in becoming a certified B Corporation is taking the B Corp Impact Assessment, which assesses the overall impact of the company on its stakeholders. The assessment varies depending on the company's size (number of employees), sector and location of primary operation. Completing the assessment typically takes two to four hours, and B Lab encourages using best estimates the first time around. Once the company has completed the assessment, it receives a B Impact Report that contains an overall score.

To be certified as a B Corporation, a company must:

- Complete the free online B Impact Assessment.
- Verify answers with supporting documentation.
- Make its score transparent on BCorporation.net.
- Pay a certification fee that is based on revenue.

Benefit Corporations must fulfill legal requirements that build stakeholder consideration into the company governance (this varies based on corporate structure and location). To maintain the certification, a company must go through this process every two years, and 10 percent are selected for certification evaluation each year, which may involve an on-site visit from B Lab staff.—SVY



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