The B Corp Handbook

How to Use Business as a Force for Good

Join a Growing Movement: Learn how you can join more than 1,000 Certified B Corporations from 80 industries and 35 countries—led by well-known icons like Patagonia and Ben & Jerry’s and disruptive upstarts like Warby Parker and Etsy—in a global movement to redefine success in business.

Build a Better Business: Drawing on interviews, tips, and best practices from over 100 B Corporations, author and B Corp owner Ryan Honeyman shows that using business as a force for good can help you attract and retain the best talent, distinguish your company in a crowded market, and increase customer trust, loyalty, and evangelism for your brand.

“The B Corp Handbook shows how using business as a force for good can be better for consumers, employees, local communities, the environment, and your company’s long-term bottom line.”

TONY HSIEH
New York Times bestselling author of Delivering Happiness and CEO, Zappos.com

“B Corps are becoming more prevalent as a new breed of businessperson seeks purpose with the fervor with which traditional economic theory says entrepreneurs seek profit.”

DANIEL PINK
New York Times bestselling author of To Sell Is Human and Drive

“Ryan shows that there does not have to be any trade-off between being profitable and creating positive social change.”

SUZANNE DIBIANCA
President, Salesforce.com Foundation

“I think B Corporations will make more profits than other types of companies.”

ROBERT SHILLER
Winner of the 2013 Nobel Prize in Economics and Professor, Yale University

“I hope that five years from now, ten years from now, we’ll look back and say B Corporations were the start of the revolution.”

YVON CHOUINARD
Founder of Patagonia

“The B Corp Handbook offers a positive, market-based, and scalable solution to our greatest challenges.”

MARSHALL GOLDSMITH
New York Times bestselling author of What Got You Here Won’t Get You There

“A must-read for every for-profit enterprise that aims to create social impact.”

CATHY CLARK
Adjunct Professor and Director, CASE i3, The Fuqua School of Business, Duke University

How to Use Business as a Force for Good

Ryan Honeyman

Foreword by the Cofounders of B Lab
## Contents

B Corps in Their Own Words viii  
Foreword xi  
Introduction 1  
A Note about Certified B Corporations and Benefit Corporations 5  

1 Overview 7  
Using Business as a Force for Good Is Good for Business 8  
A Brief History: From AND 1 to B Corps 9  
The Search for “What’s Next?” 11  
B Corps: The Quick and Dirty 12  
Why B Corps Matter 13  

2 Ten Benefits of Becoming a B Corp 19  
Typical Outcomes for You and Your Business 20  
Being Part of a Community of Leaders with Shared Values 21  
Attracting Talent and Engaging Employees 24  
Increasing Credibility and Building Trust 26  
Generating Press 30  
Benchmarking and Improving Performance 32  
Attracting Investors 33  
Protecting a Company’s Mission for the Long Term 36  
Building Collective Voice 37  
Saving Money 39  
Leading a Global Movement 40  

3 The B Impact Assessment 45  
How to Use Business as a Force for Good 46  

### Good for Workers 52  
Quick Assessment of Worker Impact 54  
Reflections and Next Steps 71  

### Good for the Community 72  
Quick Assessment of Community Impact 74  
Reflections and Next Steps 92  

### Good for the Environment 94  
Quick Assessment of Environmental Impact 96  
Reflections and Next Steps 114  

vi The B Corp Handbook
Good for Workers
**Why this matters:** Your company wants to attract and retain the best talent, and talented people want to bring their whole selves to work every day.
Quick Assessment of Worker Impact

Want to get a quick idea of how good your company is for workers? Take the following fifteen-item Quick Assessment to measure your performance over the past year. You can add up your total at the bottom for a rough idea of how you might score on this section of the B Impact Assessment.

Check the box if you and/or your company . . .

**Compensation, Benefits, and Wages**
- □ pay a living wage to employees (including part-time and temporary employees) and independent contractors.
- □ review a compensation study for your industry to determine whether you are paying above-market, market, or below-market rates.
- □ determine the multiple that your highest-paid worker earns compared to your lowest-paid full-time worker.
- □ offer employees the same benefits as are given to executives and management.
- □ offer a retirement plan such as a 401(k) or pension, and/or profit sharing to all employees.
- □ offer a socially responsible investment option in your retirement plan.
- □ subsidize professional development and training for your workers.
- □ offer outplacement services and/or a severance package for terminated full-time workers.

**Worker Ownership**
- □ offer stock options, stock equivalents, and/or have a plan in place to transfer ownership of the company to full-time employees.
Work Environment

- have a health and wellness program.
- distribute an employee handbook.
- conduct regular, anonymous worker satisfaction and engagement surveys.
- regularly collect (and make transparent) data on employee metrics such as retention, turnover, and diversity.
- give employees part-time, flextime, or telecommuting options, as appropriate.
- have an employee committee to monitor and advise on occupational health and safety.

_______ Total

If you scored from **zero to 3**, you will have some work do to earn B Corp certification. Alternatively, you can make up ground with an outstanding performance in the other areas.

If you scored from **4 to 6**, you are a good candidate for B Corp certification, assuming you perform similarly well on the other sections.

If you scored from **7 to 15**, fantastic work! You are likely well on your way to getting the score you need for B Corp certification.

To see how your company stacks up against thousands of other businesses and for more best practice guides and resources, go to [www.bimpactassessment.net](http://www.bimpactassessment.net). Don’t worry; it’s free and confidential.
Q: How did your company sell the idea of becoming a B Corp, internally?
A: This wasn't hard to do because, essentially, we were already a de facto B Corp. Our three-part mission statement (written in 1988) and unique governance structure, set up at the time when Unilever acquired Ben & Jerry's, established an independent board of directors—which is like a full board of “benefit directors.” We wanted to both support and be a part of the B Corp movement by taking the official step of certification.

Q: What business benefits do you directly attribute to your B Corp certification?
A: There's no question that people place a high value on companies that manifest a social purpose alongside economic and environmental missions. We can easily argue—and find studies that show—that people are more loyal to and will switch to supporting companies with a social purpose. The B Corp certification galvanizes public confidence in companies that achieve B Corp certification. Also, the B Corp community creates more opportunities for collaboration, benchmarking, networking—a variety of elements that can improve a company’s performance and ultimate success.

Q: What advice do you have for a business that is considering B Corp certification?
A: Do it. Whether you test the assessment on your own or go for official certification, it is an enlightening process that only gives you more insight into your own business and how you can improve it.
The Quick Start Guide
Getting Started

Welcome to the six-week, turbocharged Quick Start Guide. This section is designed both for businesses that want to become a Certified B Corporation and for businesses that are unsure about B Corp certification but want a straightforward, step-by-step road map to help them measure, compare, and improve their social and environmental performance.

If you are unsure about whether B Corp certification is right for you, feel free to do as much (or as little) of the following section as you wish. This six-week guide can be seen as an informal resource to help you plan and implement improvements to your business.

Those who are ready to become a Certified B Corporation should follow the same six-week, step-by-step guide, but there are a few extra steps you will need to complete to meet the minimum requirements for B Corp certification. These extra steps are marked “B Corps only” in each weekly segment.

Whether you are seeking B Corp certification or not, the size and complexity of your company will affect how quickly you can move through the following section. For example, smaller companies—especially service companies or companies without outside investors—should be able to move through the Quick Start Guide in less than six weeks. Larger companies with a sizable number of employees and/or departments will probably need the full six weeks or more.

Finally, you will have the best chance of successfully completing this process if:

- you have the ability to see that “the perfect is the enemy of the good.” If you try to be perfect on the B Impact Assessment, you run the risk of getting bogged down and never finishing. Aim for good enough and continue to improve your score in the future.
• you or someone else in your company “owns” the project. If many people are working on a project, it often means that no one is actually responsible for moving it forward. Make sure that someone (whether it is you, an external consultant, or another employee) has taken ownership of the project and will dedicate the time and energy necessary to see it through to completion.

• you have access to financial, worker, supplier, community, and environmental data. If you don’t personally have access to this data, you need access to the people who are responsible for this data (e.g., the facility manager for energy usage or the human resources manager for employee metrics).

Do not automatically assume that planning for six weeks is too aggressive to complete this process. Try keeping everything to a tight schedule and adjust as needed. You might be surprised at how much you can get done in a short time.

WEEK 1
Get a Baseline

WEEK 2
Engage Your Team

WEEK 3
Create a Plan

WEEK 4
Implement

WEEK 5
Fine-Tune

WEEK 6
Celebrate & Next Steps

Six Weeks to a Better Business. Follow this step-by-step guide to improve your business in six weeks or less.
Week 1
Get a Baseline

Time estimate: Ninety minutes.

OBJECTIVE: The objective during week 1 is to use the B Impact Assessment to establish a quick baseline of your company’s overall social and environmental performance and to create momentum before engaging others in the process.

END RESULT: A rough B Impact Report for your company.

☐ Clear your schedule. Clear an uninterrupted ninety-minute slot on your calendar. If it is too difficult to set aside one block of time, consider three thirty-minute slots. The point is that you need some focused time.

☐ Create your B Impact Assessment account. Create your free account online at bimpactassessment.net. As you register, you will be asked questions about your company’s size, industry, and location in order to generate a version of the assessment that is tailored to fit your business. For example, a marketing company with six employees will get different questions than a furniture manufacturer with six thousand employees.

☐ Ready, set, go! Begin working through the assessment. Remember, on this first attempt, to estimate your answers and to avoid spending more than a minute or two on any particular question. The goal is to get a rough baseline of your practices in ninety minutes or less. There are five sections: Governance, Workers, Community, Environment, and Impact Business Models. If you don’t make it through all five in ninety minutes, don’t worry. Clear another thirty minutes on your calendar later in the week to complete what is left.

If you are unsure about how to answer a particular question in the online assessment, you can check the Revisit This box and skip it. Don’t dig up specific data or e-mail or call anyone until you have finished your initial pass through. At the end of the assessment, you can run a Revisit This report that enables you to see all of the questions you guessed on, estimated, or didn’t know how to answer. Use this report to create a single, comprehensive e-mail for each person from whom you need information (e.g., your accountant, human resources person, or facilities manager). This approach is a much more effective use of everyone’s time and energy.
Review your preliminary score. At the end of your first trial run, you will receive a baseline B Impact Report that will give you a snapshot of your company’s overall social and environmental performance. This report will also contain benchmarks so that you can compare your performance to more than fifteen thousand other businesses that have completed the assessment.

Did you score 40 to 60? An overall B Impact Score of 40 to 60 is average. This means you’ve got a solid foundation on which to build. The fun part will be working with your colleagues to determine which impact areas (i.e., governance, workers, community, or environment) you want to improve.

Did you score 60 to 80? If you received an overall B Impact Score of 60 or higher, nice work! It sounds like your company has already adopted quite a few socially and environmentally responsible practices. From here, your goal will be to help mobilize your team to improve your performance in the areas that matter most to you and your company.

Did you score 80 or higher? If you received an overall B Impact Score of 80 or higher, congratulations! Eighty is the minimum score necessary for B Corp certification. If you are interested, I highly recommend that you consider pursuing B Corp certification to give your company the recognition it deserves.

Regardless of your initial overall score, remember that this is a journey of continuous improvement. Are there areas you and others in your company should be proud of? Are there areas you would like to work on? This will give you a few things to think about as you move forward into week 2.
Week 2
Engage Your Team

Time Estimate: Ninety minutes.

OBJECTIVE: The objective during week 2 is to identify coworkers who may be interested in helping you use your business as a force for good. During this week you will have a chance to get different people involved and to get help answering any questions that you marked “revisit.”

END RESULT: An informal working group to help you update your B Impact Report with more accurate information.

☐ Set up a summit with key internal stakeholders. The first step to securing early buy-in and building project momentum is to organize a larger meeting with the key people in your company. The invite list for this meeting might include, for example, your CEO, CFO, COO, sustainability director, marketing director, human resources manager, or building manager. If you are in the manufacturing or wholesale sectors, you may wish to include key individuals from the product design, sourcing, and supply chain divisions. You want the decision makers in the room to get everyone up to speed. This will help you build momentum as the project moves forward.

☐ Explain the objectives and benefits. Explain what you are trying to achieve, what you think success would look like, and how this project will benefit the company. For example, you could say, “There is a big opportunity to use our business as a force for good, and we need your help figuring out how to drive our company toward this vision.” It can help to tailor your presentation based on who is attending the meeting, because certain objectives, metrics of success, and benefits will appeal to particular executives. For example:

- the CEO wants to attract and retain the best talent;
- the CFO wants to attract investors and/or save money;
- human resources wants to motivate and engage employees;
- the marketing team may want to generate press, join a national ad campaign, or benefit from a trusted third-party standard;
- the sales team wants to increase consumer trust and/or create partnerships with other mission-aligned businesses;
- operations managers want to save money through operational efficiency;
• sustainability managers want to benchmark performance, share best practices, or earn recognition; and
• everyone wants a network with high-performing peers.

□ **Share the assessment process and results.** Explain that you have already kick-started your company’s journey by completing a baseline and generating a preliminary score. Share what you have learned through the B Impact Report, the best practice examples, and any relevant case studies. Invite a discussion about the opportunities for the company. What matters most to different individuals? What matters most to the team? What are the biggest strengths and weaknesses? Use the Reflections and Next Steps worksheets from part 3 to help guide your discussion.

□ **Identify a core project team.** Although there may be a wide variety of internal stakeholders at this meeting, you should try to identify a core project team that can help you dig into the details, create an improvement plan, and implement any changes. This project team may or may not include your management team. Line managers, associates, interns, and even board members can be a huge support in helping to turn ideas into action.

When creating a project team, choose passion over seniority. For example, a highly motivated associate can be a more effective teammate than an uninspired CFO. Although you want senior-level buy-in, this does not mean that every senior executive needs to help with project execution.

□ **Set clear next steps.** Set up a meeting with your core project team. The goal of this meeting will be to start moving forward with the data collection and implementation process.

□ **Start discussing the B Corp legal framework (B Corps only).** Discuss with key board members, legal counsel, and investors why it is important to maintain the company’s mission over the long term. B Lab has compiled a great set of materials to help you answer questions that your investors or board members are likely to ask.¹


**Week 3**

**Create a Plan**

**Time estimate:** One to three hours.

**Objective:** After you have identified your core project team, work with them to set a target B Impact Score and create an action plan with short-, medium-, and long-term goals. For example, if you started out with a score of 53, see whether you can implement enough practices to earn an additional ten points by the end of this six-week Quick Start Guide.

**End Result:** An action plan with specific people assigned to take the lead on each question, a target B Impact Score, and a rough timeline for completion.

- **Use the improvement tools.** Show your team the Improve Your Impact section of the B Impact Assessment. This will contain your Revisit This report, to help them see which questions you marked for follow-up on your initial pass; a customized improvement report, which will help you decide where you want to focus your efforts (based on impact area, question difficulty, and question weighting); and a library of best practice guides, which will provide more detailed instructions on implementing certain practices²

- **Prioritize by difficulty.** You can organize the data in the improvement report in many different ways. Initially, I suggest sorting the questions based on difficulty. Make a plan to tackle the easy and medium-difficulty questions first. Figure out what kind of data you need in order to make progress on the assessment.

I encourage you to use the [online] Improve Your Impact report to identify the point value of the different questions on the B Impact Assessment. If it would take a lot of time and effort to earn points on a particular question, make sure it is worthwhile to undertake this. If it is not, then click on Not Tracked/Unknown and move on. Your total score on the assessment may not be as high, but you will keep your momentum. It is not worth bending over backward to answer every question and identify every piece of data.
Delegate responsibility. For example, your human resources manager might take the lead on figuring out how to implement a job-sharing program, and your COO might start gathering data on the environmental practices of your suppliers.

Talk to B Lab. B Lab’s staff members are available to review your assessment, answer your questions, and give you advice on how to improve your score, even if you are not seeking B Corp certification. I strongly encourage you to take advantage of this opportunity.

Submit your assessment (B Corps only). An assessment review is a key part of the B Corp certification process. On this call, B Lab’s staff will review each of your responses with you. The goal is to give you a better understanding of the intent behind each question and an idea of what it would take to implement that practice. Most businesses find that they make adjustments to their answers after they receive clarification from a B Lab staff member. Any representative of your company (e.g., an executive, an associate, or an intern) can complete this assessment review call.
Q: What business benefits do you directly attribute to your B Corp certification?

A: B Corp certification provides a unique perspective in answering the question “Are you operating your company in a sustainable way?” B Corp’s focus on the organizational level, not merely at the level of our products, differentiates it among certifiers. Achieving B Corp certification also provides validation of a company’s efforts to manage for sustainability, and the quality of the B Impact Assessment enhances the legitimacy and value of this third-party review. The process of completing the B Corp Assessment provides insights and guidance on areas of focus for continuous improvement.

Q: What was the biggest challenge you had to overcome to certify as a B Corp?

A: Initially B Corp’s assessment was really better aligned for public or private companies who have shareholders as a major class of stakeholders. But as a testament to B Lab’s work to constantly improve the B Corp Assessment, the tool now accommodates other business forms (in our case, a cooperative) and other business sizes equally well.

Q: What was your biggest surprise about becoming a B Corp?

A: Easy question to answer: the powerful fellowship among Certified B Corps. There is something special about companies that are B Corporations. Perhaps the element of the B the Change movement adds to this, but the B Corps as a lot are just so authentic, so eager, and so focused on aspirations to be “better.” This reality has greatly surpassed our initial expectations in a wonderful way.
**Week 4**

**Implement**

**Time Estimate:** One to five hours.

**OBJECTIVE:** The objective during week 4 is for you and your team to dig in and start completing the items on your action plan.

**END RESULT:** An increase in your B Impact Assessment score.

- **Gather data and research.** Depending on your action plan, this is where you start identifying the financial, worker, supplier, community, and environmental data required to update your B Impact Assessment responses. If necessary, contact the people responsible for the data you need.3

- **Create policies and procedures.** One of the best ways to earn points on the B Impact Assessment is to formalize your policies and procedures in writing. For example, your company can earn points by creating an environmental purchasing policy, a local purchasing policy, a community service policy, an employee handbook, a whistle-blowing policy, a code of ethics, a supplier code of conduct, or an external annual report that details your mission-related performance.

**RYAN’S TIP**

If you are seeking B Corp certification, a good practice is to ask yourself, “If I were audited, what written documentation do I have that could prove that my answer is correct?” In almost every case you’ll need physical proof, not just informal practices, to qualify for points during the assessment review process.
**Week 5**

**Fine-Tune**

**Time estimate:** One to five hours.

**OBJECTIVE:** As your team is working through the action plan, keep track of your improvements by inserting your data into the B Impact Assessment. This will give you an updated score.

**END RESULT:** A recalculated and refined B Impact Assessment score.

☐ **Ready to tackle bigger items?** Depending on the measures you have implemented, the difficulty of those measures, and the results of the phone review with a B Lab staff member, your score may have improved since your initial assessment results. Now is a good time to reconnect with the key internal stakeholders in your company, such as the people you invited to the summit during week 2. Update these key stakeholders on your progress so far and have a conversation about the remaining (and possibly bigger) action items on your list. If you have not done so already, have a discussion about whether your company is interested in becoming a Certified B Corporation.

☐ **Next steps for B Corp certification (B Corps only).** After the phone review, did your score remain above 80 points? If your score dropped below 80, go back to the Improve Your Impact section in the B Impact Assessment to identify practices that can raise your score. The B Lab staff can give you recommendations to help you identify any low-hanging fruit. If your score stayed above 80, however, you can start submitting supporting documentation to verify your responses.

☐ **Submit supporting documentation (B Corps only).** After a B Lab staff member moves your assessment to the next stage of the review process, the B Impact Assessment will randomly select eight to twelve heavily weighted questions and ask you to submit supporting documentation to verify your responses. For example, if you said you have an environmental purchasing policy, B Lab’s staff may ask you to upload that policy to the B Impact Assessment for review. Usually, the most heavily weighted questions are selected for verification. If your company is not able to verify a particular answer, the answer is changed and the credit is removed.
- **Make it official (B Corps only).** If the B Lab staff does not have any further questions about your uploaded documents, you are nearly finished. B Lab will send you an electronic version of the B Corp terms and conditions and the B Corporation Declaration of Interdependence and will ask you to pay the applicable B Corp certification fee.

**RYAN’S TIP**

Remind your staff to save any notes they have on why and how they answered certain questions on the assessment. These notes will come in handy if your company decides to become a B Corporation and you are asked to produce evidence of your practices.
Week 6
Celebrate and Next Steps

**OBJECTIVE:** By week 6, you will have made significant progress toward improving your social and environmental performance. If you have met the requirements to become a Certified B Corporation, congratulations on joining one of the most exciting and dynamic movements in business!

**END RESULT:** Celebrate, and congratulate your team for taking this journey.

- **Publicize your accomplishments.** Use this opportunity to share your success widely. Write an article in your company newsletter about your journey, accomplishments, and long-term plan. Try convening a “lunch and learn” with your staff to share your progress and encourage other employees to get involved. You also can publicize your achievement on your website, to engage your external stakeholders.

- **Consider building a stronger foundation.** In more than twenty-five U.S. states, including Delaware, the community of Certified B Corporations has helped pass legislation in support of a new corporate form called the benefit corporation. The benefit corporation gives entrepreneurs the freedom to consider shareholders, workers, suppliers, community, and the environment when making decisions. This helps ensure that your social and environmental mission can better survive new management, new investors, or even new ownership. See the appendix for additional details on the difference between Certified B Corporations and benefit corporations.

- **Focus on continual improvement.** Like many things in life, this is not a quick fix but a process of continual improvement. For example, does your team disband after this project is over? Will someone continue to be the internal champion? What other big picture goals do you want to strive for? Clarify how you and your team will continue to work toward achieving your social and environmental goals. Establish performance targets, and perhaps incentives, for achieving those ideal outcomes.

- **Check out the B Resources portal (B Corps only).** A great next step for new B Corporations is to visit the B Corp Resources Portal. The resources portal has information on product and service discounts, tips on how to raise capital from mission-aligned investors, and a wide variety of tools to help you further improve your B Impact Assessment score.
Want to get the most out of your B Corp certification? I strongly believe that the key to maximizing the value of your certification is to make your involvement with the B Corp community a “top three” business priority. For example, B Corps in any sector—service, wholesale, retail, or manufacturing—can generate an incredible amount of thought leadership, business development, employee engagement, marketing opportunity, and innovative partnership entirely through utilizing the power and resources inherent in the B Corp community. This commitment to your fellow B Corps can make the difference between getting a great deal of value from your B Corp certification and wondering why you aren’t getting more.
Q: What business benefits do you directly attribute to your B Corp certification?

A: The biggest benefit is the ability to preserve our mission and culture against unsolicited tender offers. We don’t have to worry that our board of directors might feel compelled to accept an offer that isn’t in our overall best interests.

B Corp certification also further signals to our stakeholders (coworkers, customers, suppliers, and community) that our values are truly at the core of our business.

Q: What was the biggest challenge you had to overcome to certify as a B Corp?

A: We had to spend a little time to make sure we understood what the potential impact of B Corp certification would be on our ability to change our capital structure and on our valuation.

Q: What was your biggest surprise about becoming a B Corp?

A: I am deeply impressed by what a significant movement B Corps are becoming and the network of amazing brands that have been certified. I also appreciate how B Corps really seem to have each other’s backs.