

# Why becoming a B Corp is important and how to take the plunge

*For centuries, shareholder value has been the most important goal for most companies. While it remains a critical component, many companies have now moved away from a total 'shareholder value above all else' approach.*

Temps de lecture : minute

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This is partly due to consumer pressure on businesses to improve the environmental and ethical impact of business, and partly because many companies recognise that pursuing a 'business as a force for good' strategy benefits their bottom line - as well as the planet.

Since 2006, a global movement of people using business as a force for good has sought to change the way we think about the way businesses deliver real value.

Enter, B Corp.

In the past few years, 4,000 companies have become part of a fast-growing global cadre of companies committed to a more equitable economy. B Corp requires businesses to meet the highest standards of social and environmental impact, and these include MMC - our strong sense of purpose and the virtuous circle created by responsible investment remains as true now as ever and we are delighted to announce that we have been recognised for the second time as one of the Best for the World™ B Corps of 2022.

# Why become a B Corp?

Companies might choose to become a B Corp because it is a public commitment of values – showing that they are not just talking the talk but walking the walk too, especially for those companies who find that they're already doing the things required to become B Corp certified. Through the rigorous B Corp assessment and 3 yearly re-certification, companies are challenged to maintain this good behaviour to meet the standards year-on-year, so consumers and customers are assured that these standards reflect genuine values that are integral to the business.

The certification is also an important means of conveying your values to prospective employees; B Corp certification not only helps attract the right people but can also be an important way to retain existing employees who want to work for a purpose-led company.

B Corp membership offers access to webinars, discounts, training and a fantastic community that supports helps each other maintain high environmental and social standards. And many B Corps find the network throws up new and exciting partnership opportunities with leading companies that share common values; for example, Waitrose and Ocado have made an online aisle of stocked B Corp products allowing people to filter for products by B Corp status, encouraging consumers to choose these products over competitors.

# What does it take to become a B Corp?

Step one involves senior buy-in. B Corp certification is rigorous, covers all activities across the business and takes up a lot of time and resource every three years – so your company's senior leadership has to be on board. The process might quite literally change your company's constitution, requiring a total rewrite of what success looks like for the business. Getting senior leaders fully engaged with the process won't just

be important, it will be essential.

Once everyone agrees that success is now defined as the company being 'run for the benefit of its members as a whole', the company articles need to be changed, to which Directors and shareholders will need to agree.

And once these big decisions have been made, it's time to get to the nitty-gritty. Each company will have to undergo a personalised Business Impact Assessment, based on the location, company size and industry. You will need to answer questions across six main areas and if you reach at least 80 points, you're in a position to submit and be considered.

The process is as simple as that but there might be a wait due to the backlog of submissions and you'll also need to share evidence or commentary in some instances which is all done through the B Corp website. The final step is a live interview and you're on your way to being B Corp certified.

## Hints and tips

Our biggest tip is that you can, and should, create policies and formalise processes specifically for the application. For example, MMC formalised its Code of Ethics as part of the process and we were encouraged to do so by the B Corp organisation - this is because they hope to inspire companies to make improvements in their business even if they ultimately don't get certified.

When it comes to pulling aspects together for the application, it's best that this is led by someone senior who knows the business so can provide many of the answers themselves or has the requisite clout to make the project happen. Some of the answers needed are detailed and require work from many areas of the business, on top of everyone's business as usual activities. For instance, we needed to provide information on all of

the firm's suppliers from the last financial year as well as company specific details as well, like which ones had have backed with female founders.

In terms of writing the application, always answer the questions relative to the marking scheme, much like you would for an exam, and do think laterally. For example, MMC didn't have an 'ergonomic policy' but after additional thought, we realised we already had a number of initiatives in place which easily covered what was needed.

Finally, pick someone who is a good writer or editor to make sure that your answers set out your case clearly and directly. Also, make sure you sign-post where information can be found in your supporting documents so that the reviewing analyst can quickly identify and accept your evidence.

It is fair to say that a strong sense of purpose has been integral to MMC Ventures since the firm was founded, and long before certifications existed to allow us to benchmark our activities.

Becoming a B Corp allowed us to echo our long-held view that investment can form a virtuous circle when good decisions are made with a focus on maximising good outcomes for as many as possible. We hope you can join us!

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