



The value of ESG planning to organisations, and how the B Corp framework can help

## OPINION

Developed by Ralph Tribe with Patrick Marsh for B-People



## Why using the B Corp Framework for ESG planning is a nice 'win-win' situation for business

### Restating the case for ESG

One thing we hear more and more from clients is that consumers, business customers and investors are increasingly asking what they're doing to improve their ESG impacts, and that demands in relation to companies' ESG intentions are reaching a tipping point in terms of customer and investor behaviour.

To get a sense of the scale of investor demand, ESG investments are expected to reach \$53 trillion by 2025. Moreover, customers are more and more ESG aware. IR Magazine's ESG Integration Forum poll showed 89% of respondents believed that the ESG movement will *not* be slowed by an unstable economic and geopolitical environment as sustainable and ethical business practices are undeniably becoming a condition of sustained brand loyalty, investment and therefore growth.

To put it more simply; *No ESG commitment ...no custom nor investment. And no money... no growth!*

If that sounds worrying of course it shouldn't be. Given the real-world impacts of climate change and social inequity we should be much more worried if this *wasn't* the case!

Of course, organisations need to adapt to this change in circumstances, but most businesses are very willing to take action that supports environmental sustainability and social cohesion, and they understand that neatly balancing their own interests with those of wider stakeholders offers the best prospect of sustained commercial success.

### A brilliant resource to enhance ESG planning

The case for ESG may be self-evident, but what's *not* evident is that enough companies have a robust framework for ESG considerations in their business, or a clear plan to improve their ESG impacts. This is a problem.

Our experience is that companies are committed to improvement but many, particularly smaller and medium sized businesses who are relatively new to this, need more insight into what this looks like.

Since becoming involved in B Corp movement several years ago it's our belief that B Labs and the resources they freely provide offer exactly this, and we're on a mission to spread the word.

People may have heard of B Corp certification, but they may not know that *any* business can benefit from B Lab resources *irrespective of their intentions toward full certification*.

Some quick background on B Lab;

- B-Lab is the non-profit organisation that awards B-Corp certification.
- Purpose: to drive economic system change to deliver an inclusive, equitable & regenerative economy
- Method: equalisation of stakeholder considerations – Customers | Workers | Community | Investors
- Intent: to make Business *a Force for Good*
- They offer B Corp certification and many other helpful (free) tools to power this mission
- Growing global momentum – now 5,750+ certified B-Corps across 158 Industries
- Global reach - certified B Corps in 85 countries – USA #1 with 1,420+ cos, UK #2 with 590+
- Notable larger B Corps include Patagonia, Danone and Guardian Media Group.

## **B Lab Resources & Standards – Available to All**

B Lab provides companies with the programs and tools necessary to understand their environmental and social impact - whether or not they are certified B Corporations.

The B Lab standards sit at the heart of the B Corp movement, defining social, environmental, and governance best practices for businesses. These standards serve as the foundation for everything B Labs do and they're overseen by an independent, global, multi-stakeholder group with specific expertise in responsible and sustainable business.

All of this comes together through B Lab's Business Impact Assessment (BIA) tool, *and it is this free tool that we believe any team seeking to develop a high impact ESG strategy plan might start with as they begin their journey.*

### **Using the B Lab BIA tool for ESG Planning**

The BIA is effectively an in-depth questionnaire which guides businesses to look critically at the environmental and socially responsible nature of their practices. It consists of c200 well considered and tailored questions under the 'impact topics' of: governance, workers, community, environment and customers, and it scores a business's current practices as they progress through the questionnaire.

B Lab also provide an aspirational benchmark, a BIA score of 80 which is the threshold for full B Corp certification (the average score for the 150,000 BIA completions to date is 51), and so the tool also provides a real-time gap analysis for any organisation completing it.

What makes the BIA so useful from an ESG planning standpoint, is the fact that it covers the *full* scope of ESG considerations, exposes clear improvement opportunities, offers practical improvement guidelines for businesses, and it's free at the point of use.

Once completed companies receive an automated Improvement Report which analyses their answers and offers personalised improvement measures.

With this in mind, the B Impact Assessment can be considered an ESG planning tool in and of itself. It stands the 'B Corp Framework' apart from other ESG frameworks which tend to focus on ESG measuring and reporting, while also making it a practical development tool.

So, the benefits of using the BIA for ESG planning are clear, but perhaps most significantly is the structured and easy-to-understand nature of the tool. Most businesses may understand what ESG is and how it can help them do better, but the thought of implementing a comprehensive ESG plan is daunting. B Lab have made this much easier.

### **To B or not to B, that is the question**

As a fully certified B Corp we are bound to advocate certification, but we know this is not necessarily an option for every business.

That said, more and more companies we speak to are already committed or seriously considering B Corp certification as the benefits become more and more evident over time. Why not take a look? ☺