

Scorecard

B Lab Impact Assessment Methodology

About B Lab

COVERAGE OF COMPANIES

Global

LAUNCH DATE

2006

FOCUS

Businesses Sustainable Transformation

LINK:

<https://www.bcorporation.net/en-us/standards/>

B Lab Impact Assessment Methodology Score

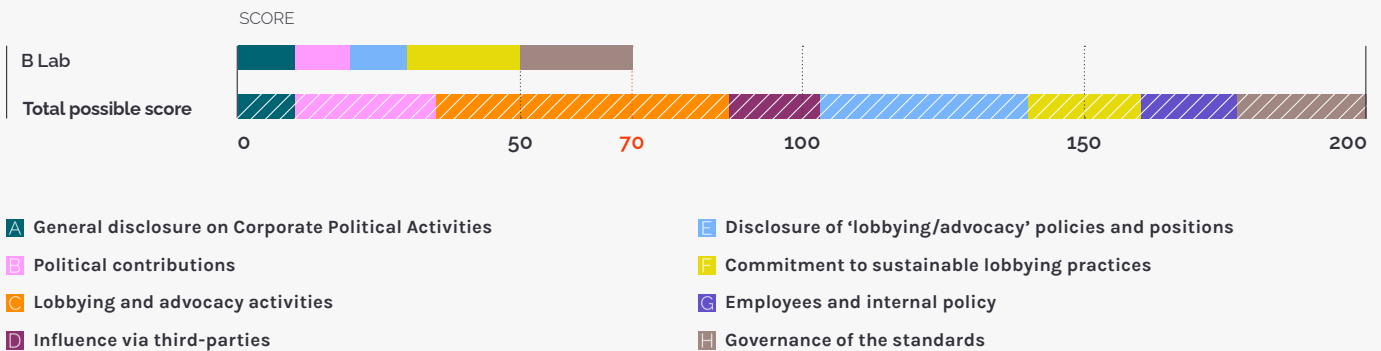


Rank 13 /27

Tracker Rank and Score for B Lab

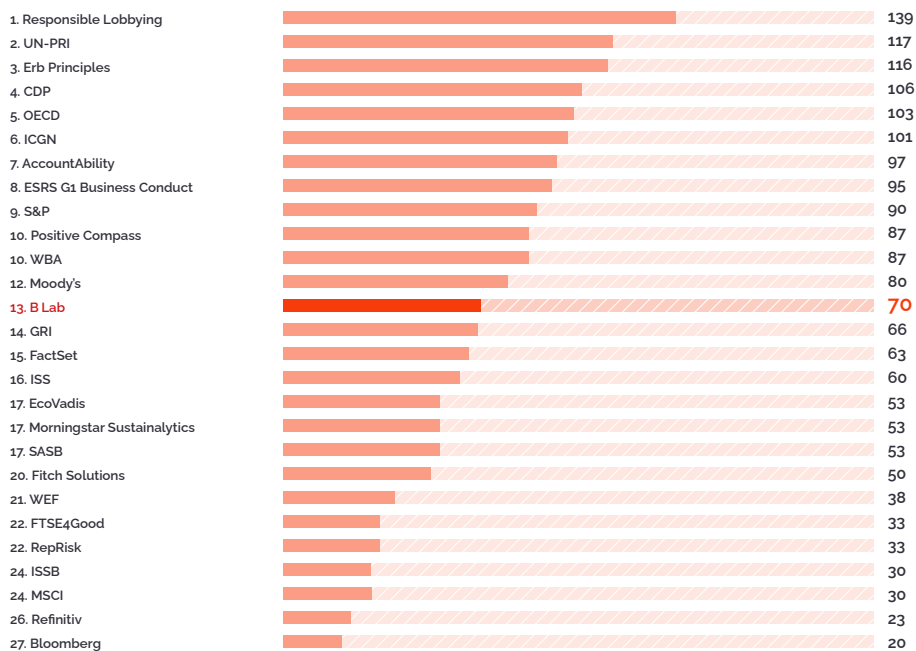
The score is out of a total of 200 and the rank describes the standards position in the 27 standards assessed by the Tracker.

Category scores of B Lab



*Categories where the standard received no points do not appear in the colour-coded graph

Rank and scores for all standards



Description

The B Lab was set up to support companies to engage more consistently in positive impact. The updated B Lab Impact Assessment Methodology recognises that businesses need comprehensive, credible, comparable impact standards in order to support economic systems change. Since its launch, the B Lab Impact Assessment Methodology has been used by more than 150,000 businesses. The B Impact Assessment is a related digital tool designed to help firms measure, manage, and improve their positive impact performance across a number of thematic areas, including the environment, communities, customers, suppliers, employees, and shareholders. In earlier editions of the methodology, receiving a minimum verified score of 80 points on the self-assessment tool was the first step towards B Corp Certification.¹ The new standard going forward introduces significant minimum standards for certification, moving beyond the scoring and increasing the ambition required for B Corp certification.

B Lab's approach is informed by a belief in businesses as a force for good that requires acting beyond one's own enterprise in order to have broader systemic impacts. According to B Lab, while the credibility of these actions is rooted in leadership within one's own enterprise, it is also necessary to embrace the role of influencing and supporting collective solutions that address social and environmental topics more broadly and systematically, regardless of the topic selected for leadership. For example, governments require tax revenue to fund critical services upon which society and business depends, and companies have an obligation to their stakeholders to be diligent in their approach to tax payments. The B Lab assessment process and questionnaires extend beyond direct operations to include a company's value chain and extends to policy influence, and engagement with wider industry and business community.²

B Lab recently revised its standards on 'Government Affairs & Collective Action' (GACA), which now has three high-level requirements. These are: (a) GACA1, that the company follows a responsible lobbying approach and is transparent about it; (b) GACA2, that the company takes action with other stakeholders to increase positive collective social and/or environmental impacts at policy, industry, and/or business community levels; and (c) GACA3, that the company demonstrates transparency on their approach to taxation. These significant updates have improved the B Lab Tracker score.

The new draft standards are intended to ensure that companies are ready for the challenges of today and lay the groundwork to support the future. With the most recent consultation on the standards concluding in March 2024, B Lab Global's Standards Management team is still incorporating feedback into the content of the standards. But the direction of travel is clear with more ambitious standards, minimum requirements for B Lab certification and additional thematic coverage on corporate political activities and other forms of lobbying.

Score summary

The B Lab Impact Assessment Methodology receives a Tracker score of 70 out of 200, representing a significant improvement from the 2023 score of 30. The updated score reflects the draft standards on Government Affairs & Collective Action' (GACA), which add new material and guidance on corporate political activities and lobbying.

The updated B Lab methodology receives points in Tracker Category A as GACA1 requires that a company follow a responsible lobbying approach and is transparent about it. The GACA1 Compliance Criteria outline expectations that a company's lobbying policy should clearly communicate the company's approach to responsible lobbying and advocacy and includes information on political contributions, trade industry associations, public policy positions and lobbying, and any political employee activity. It expects these policies to be approved by the Board of Directors or Board subcommittee, and be published on the company's website, accessible to all stakeholders.³

GACA1.2 expects companies to publicly disclose their lobbying activities on an annual basis. The Compliance Criteria set out expectations that companies provide disclosure statements on lobbying from the last fiscal year for the first certification and for subsequent certifications annually since the last certification. Lobbying activities should be overseen by the Board of Directors or Board subcommittee and the disclosure statement should include the recipient/beneficiary of the financial and in-kind political contributions, be published on the company's website and made accessible to all stakeholders. These new GACA criteria add a significant set of new expectations for companies seeking to obtain the BCorp designation.

The new methodology also receives points in Tracker category F, 'Commitment to sustainable lobbying practices,' as the GACA2.1b Compliance Criteria asks companies to provide at least one example of its contribution to research in the last fiscal year for the first certification or for subsequent certifications, one example since the last certification. The company should also articulate how the intended outcome of the research is in line with creating a positive impact on society and the environment. GACA2.1d specifies that companies should explain how they promote public policy to advance social and/or environmental impact(s), with Compliance Criteria asking that companies provide at least one example of a public policy advocacy action taken in the last fiscal year for the first certification or for subsequent certifications one example since the last certification.

In the updated draft standard, referred to as v7, expected to come into force in 2026, a number of changes will be implemented. New sub-requirements, referred to as Foundational Requirements 1.3 and 1.4, will outline ineligibility of companies for B Corp status based on their engagement in lobbying contrary to the purpose of positive impact on society and the environment. These will sit within the GACA1 expectations setting out minimum requirements for responsible lobbying.⁴ New collective action components in the upcoming v7 of the standards will provide more guidance on in-kind contributions. In particular, GACA2 adds new guidance on expectations related to in-kind contributions alongside financial contributions and data sharing.⁵

The new B Lab methodology receives points as a number of the assessment categories provide an opportunity for companies to explain their political activities and positive impact. The updates to the methodology demonstrate B Lab's openness and ability to take feedback and update their approach over time.

Endnotes

- 1 <https://www.bcorporation.net/en-us/certification/>
- 2 <https://standards.bcorporation.net/en-us/draft/topic/government-affairs-and-collective-action#GACA3>
- 3 <https://standards.bcorporation.net/en-us/draft/topic/government-affairs-and-collective-action>
- 4 <https://B.Lab.infogram.com/1t9z49o72xk34ls89z9z84w390cqpy1940x>, at slide 22.
- 5 'Government Affairs & Collective Action:' <https://standards.bcorporation.net/en-us/draft/topic/government-affairs-and-collective-action>

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