



THE CHANGE

Companies seek B Corporation status to emphasize stewardship of the community, environment and their employees.

BY MARISA PALMIERI

“We must be the change we wish to see in the world.” –GANDHI

Call it what you will: “Corporate social responsibility.” “The triple bottom line.” “Conscious capitalism.” Whatever your terminology, the movement of for-profit enterprises toward considering their impact on employees, the community and the environment is undeniable. Some early leaders have blazed a trail and others—including companies in the Green Industry—are following in their paths.

Firms are accomplishing and validating their corporate social efforts in a few ways, including third-party certification programs and benefit corporation status (see sidebar on page 29 for more information on the differences between the two).

Certified B Corporation status, administered by the nonprofit B Lab, is one third-party program. You may have heard of some of its certified companies—the list reads like a who’s who of esteemed brands: Ben & Jerry’s, Danskø, King Arthur Flour Co., Patagonia, Method Products, Numi Organic Tea, Seventh Generation and Etsy, among others. There are more than 700 Certified B Corporations in 26 countries and 60 industries.

At least two Green Industry firms are out in front of the Certified B Corporation movement: Ontario-based irrigation contractor Smart Watering Systems, and Naturescapes, a Paoli, Pa.-based design/build firm.

What do these companies do that others don’t? Certified B Corporation status means they have rigorous standards of social and environmental performance, accountability and transparency, says Katie Kerr, communications associate with B Lab.

HOW DOES IT WORK?

To become a Certified B Corporation, a company first completes the online B Impact Assessment. Companies that earn a minimum score of 80 out of 200 points undergo an assessment review process, essentially a conference call verifying the claims made in their assessment. Companies may be required to provide supporting documentation before they are given Certified B Corporation status.

Certified B Corporations also pay fees based on annual sales, ranging from \$500 for firms with annual sales less than \$2 million up to \$25,000 for companies that are \$100 million-plus. Companies are required to become recertified every two years.

After certification, firms are subject to random on-site reviews. Ten percent of Certified B Corporations are randomly selected for review each year.

Becoming a Certified B Corporation also has a legal component to protect officers and directors under the law. Some companies have to change their governing documents to meet this legal requirement. Doing so allows them to consider interests of all stakeholders when making decisions (not just shareholders).

Read on to understand why two Green Industry firms became certified and how it’s working out for them.

SMART WATERING SYSTEMS

Location: Milton, Ontario

Service mix: All irrigation: 20% consulting; 70% service/upgrades; 10% installation

Client mix: 95% commercial/industrial; 5% residential

2012 revenue: \$1 million-plus

Employees: 14

Management: Chris Le Conte, president

B Impact Report

Certified since: December 2011

Focus area:	Points Earned:
Governance	7
Workers	32
Community	12
Environment	41

Overall B Score 92

LM: How’d you first hear about Certified B Corporations?

Chris Le Conte (CL): They came to my attention because a few years ago instead of giving Christmas gifts we funded construction of sand-based water filters on our clients’ behalf. A local company goes to Sudan and builds these filters. That company happens to be a B Corporation. The people there said, you guys are in the same sort of

Phil Burkart (left), then president of the Irrigation Association, presents Chris Le Conte, CIC, CLIA, with the IA’s 2012 Crawford Reid Memorial Award.





“We thought this would be a good challenge for us.” —CHRIS LECONTE, SMART WATERING SYSTEMS

business, so you should look into it. We did and we thought it was a good fit, in terms of “walking the talk,” so to speak. We feel pretty good about it.

LM: What’s been your response from clients?

CL: Many of our clients work with us because they’re trying to reduce their water use as part of a corporate sustainability process. When people prequalify us as a vendor, they ask us to see our

sustainability policy to see if we’re the right fit. They value those sorts of things, so we thought this would be a good challenge for us, and it’s also good for staff and how we run the business.

LM: How long did it take you to become certified after you’d learned about it?

CL: After finding out about it, we pursued it right away. It was something we wanted to implement immediately. We went through the process of vetting our procedures and we implemented some new ones. It only took a month or so to pull it all together.

» WEB EXTRA
Visit the Web Extras section of LandscapeManagement.net for tips from B Lab on how to make small improvements to your business to be a good steward of the environment, your community and your employees.

LM: What was the certification process itself like?

CL: There’s a large, online assessment form you complete—it’s more in depth than just a survey. You have to talk about your policies and processes. It addresses all aspects of your business—there are segments about employees, daily operations, sustainability, etc. Then there are two to three interviews and support calls with B Lab staff. Our office manager really helped pull it all together because you have to complete the assessment and submit your documentation.

LM: Do you promote your Certified B Corporation status?

CL: We market it somewhat and we have it on our website. I don’t know how much attention all of our clients pay to it or if it’s a relatively new concept to them. It is a growing movement. I don’t know how well known it is in private industry outside of sustainable businesses.

I look at it more of demonstrating our commitment to our clients and our staff. It’s heavily weighted on how you treat employees, if you’re creating a positive work environment, a work and personal life balance and offering benefits and profit sharing. The theory is corporations are traditionally structured

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PHOTO: SMART WATERING SYSTEMS

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to benefit the owners only. B Corporations work differently. A sustainable business has happy employees that are well looked after and are part of the growing company. If the company does well, they do well. The company makes decisions not strictly on profit.

LM: What things do you do as a B Corporation that many others don't do?

CL: The process ensures you modify your corporate documents saying you'll allocate a certain percentage of profits to employees. We were already doing that with our profit-sharing plan. Another thing we do is give people two paid days off a year to work for a charity of their choice.

LM: What companies do you, personally, look to as models of ethical business practices?

CL: Patagonia, which is a Certified B Corporation, always has been what I think of as a forward-thinking company. It recognizes success is heavily weighted by how you treat your

INTERESTED?

If the case studies from Naturescapes and Smart Watering Systems have piqued your interest, but you're still not sure if the time and financial investment will work for you, take the B Impact Assessment at b-lab.force.com/bcorp/AssessmentReg. It's a free, confidential tool to see where your company stacks up against more than 7,000 other companies.

employees. That approach creates a positive, productive work environment.

We try to model ourselves in a way that we attract good, talented people and we'd retain them. It's the same with our clients.

LM: Would you recommend becoming a Certified B Corporation to others?

CL: I would. It's a good way to look in the mirror and make sure you're walking the talk and to make sure you improve your processes to facilitate a better work environment and a sustainable enterprise. Before, we were doing a lot of things that were positive, but we weren't formalizing it and documenting it as policy—simple things like our recycling program. We'd always had recycling bins, but now we've retained a recycling contractor and set up stations throughout the office to make it easier, and there's actual training about it when you come on board.

Before becoming a B Corp we had a one-page sustainability policy. It was very rudimentary. Now it's much more in depth.

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NATURESCAPES

Location: Paoli, Pa.

Service mix: Primarily design/build

Client mix: Primarily residential

2012 revenue: not disclosed

Employees: 7

Management: John Fridy, owner; Sally Fridy, administrator

LM: When did you first hear about Certified B Corporations?

Sally Fridy (SF): I wish I could remember exactly how we came to be B Corp enthusiasts. I probably read something about them, found out they were nearby and had to investigate.

[B Labs, the nonprofit organization that administers B Corporation certifications, is located about 5 miles from Naturescapes in the Philadelphia area.] I'm sure I just thought it was a good thing, so we signed up. Now, one of our clients is [B Lab cofounder] Bart Houlihan, who's one of the originators of B Corps. In fact, the Houlihans called us because we were a B Corp.

LM: Why did you decide to become one?

SF: It made sense: It's a different corporate style. It's for public benefit. It's not just for profits. It just sounded like something we wanted to do. We're a naturalistic organization. We believe in the plants and the environment and putting the right plant in the right place. In other words, we're not just out to make the almighty dollar.

Naturescapes owner/operators John and Sally Fridy say they have a naturalistic approach to landscape design and installation.

B Impact Report	
Certified since: July 2009	
Focus area:	Points Earned:
Accountability	15
Employees	36
Consumers	28
Community	33
Environment	15
Overall B Score	127

CERTIFIED B CORPORATION VS. BENEFIT CORPORATION

Benefit corporations and Certified B Corporations are often confused, according to the nonprofit B Lab. Both are sometimes called B corps. They share much in common but have a few important differences.

Certified B Corporation is a certification conferred by B Lab. Benefit corporation is a legal status administered by the state. Benefit corporation legislation has been enacted in 14 states and Washington D.C. and is under consideration in 13 states. Benefit corporations do not need to be certified. Certified B Corporations also may be benefit corporations.

Benefit corporations differ from traditional companies in three primary ways: higher standards of purpose, accountability and transparency.

15 Laws Passed

13 Working on it



LM: What's been your response from clients? Do people know you're a Certified B Corporation?

SF: Some do, particularly those who have a penchant for being in tune with the equalizing parameters of life. Some don't. It's probably a good idea to promote ourselves as a B Corp, especially because we're so different than many landscape businesses, but we haven't really marketed it to customers. I guess there's already enough to share in the sales process. Perhaps we need to change this aspect of John's interviews with clients.

LM: What companies do you look to as models of ethical business practices?

SF: The White Dog Café in Philadelphia and the woman who started it, Judy Wicks, are big on being local. We're not that far from Philadelphia and we've paid attention to that and some of those things have made a difference in our business. We buy locally. Also, remember when Ben & Jerry's used to have a policy that the highest paid employee made only seven times as much as the lowest paid employee? I don't believe they do that anymore, but it's about being that kind of ethical. We pay our people well and



PHOTOS: NATURESCAPES

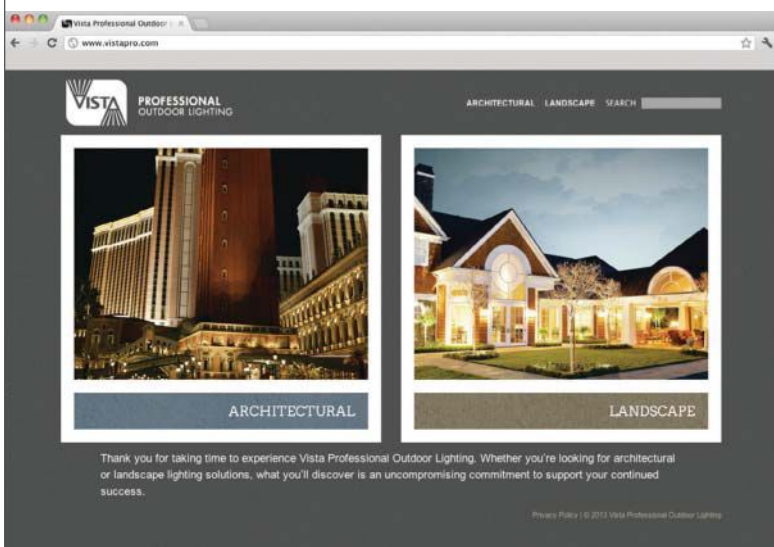
try to do everything to help them. That's the whole point. It's really important to recognize the fact that your labor force is of great benefit to you.

LM: Would you recommend becoming a Certified B Corporation to others?

SF: I would recommend it because I

think it's the coming thing to do. Probably, a lot of companies would think it might be too costly or don't think it will benefit them in some way. We didn't choose to do it for the benefit it would garner us; we chose to do it because it was the right thing to do. We're probably not like a lot of others. We're small so we can do things differently. **LM**

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IN GOOD COMPANY

Green Industry Certified B Corporations are listed among many well-thought-of brands. Here's a look at a few notable examples that happen to founding B Corps.



West Grove, Pa.
Certified since:
December 2007

Not only does Dansko pay employees to take time off to volunteer, it matches the amount of their salary and donates it to the organization they volunteer with. More than 50 percent of employees share ownership, more than 5 percent of profits are shared with employees, and all employees are eligible for tuition reimbursement. Plus, the company's LEED-certified headquarters features a living wall.



Overall B Score: 84



White River Junction, Vt.
Certified since: May 2007

A 100-percent employee-owned company, this baking ingredients and tools company boasts company-wide service outings and 40 hours of paid time off for all employees to help their choice of non-profit groups. The company also conducts biannual environmental audits and shares the information with employees.



Overall B Score: 101



Burlington, Vt.
Certified since:
May 2007

This brand of "green" household and personal care products calls itself a "pioneer in corporate responsibility." Its offices are LEED certified and more than a quarter of the firm's fleet is made up of low-emission vehicles. More than 75 percent of employees share ownership, and benefits include health coverage for half-time employees and off-site subsidized childcare. Additionally, the firm offers paid time off for employees to volunteer.



Overall B Score: 116