



## **Better Businesses and Better Workplaces: The Role of Comprehensive Business Certification**

Increasingly, businesses are seeking out certifications as tools to assess their impact and verify that their practices are consistent with their values. Such certifications help businesses to maintain a high level of commitment to ethical practices and allow them to showcase this commitment to consumers and the public. In addition, a growing number of states have adopted “benefit corporation” legislation, which promotes and protects socially responsible businesses, many of which have attained certifications.

For job quality advocates, who are increasingly recognizing the crucial role of business support in successful campaigns, both certifying organizations and certified businesses can be valuable partners. The synergy between the movement of businesses working towards producing and gaining acceptance for robust certifications and campaigns for improved job quality, such as earned sick days campaigns, presents exciting opportunities for collaboration.

This issue brief provides job quality advocates with a primer on the nuts and bolts of the certification movement and suggests ways advocates can foster fruitful relationships between the movements.

### **Certifications**

Businesses can seek out many certifications covering a breadth of issues. Two certifications that require corporations to assess their paid leave, benefits, and related job quality practices are administered by B Lab and Green America, two of the American Sustainable Business Council’s (ASBC) members.

#### **B Lab’s Certified B Corporations**

- The non-profit B Lab certifies B Corporations, or “B Corps,” which currently number more than 7000 world-wide. All must meet rigorous standards of social and environmental performance, accountability, and transparency. These businesses seek to create value for society, not just shareholders.
- The B Impact Assessment is used to assess and certify B Corps. It includes scored questions on **living wages, the ratio of highest compensated workers to lowest paid workers, health insurance coverage, paid leave policies, workplace flexibility policies, and occupational health and safety practices**. Certified B Corps vary in their policies on these issues. Though a good score may indicate exceptional work-life policies, it does not guarantee them.

Andy Shallal, owner of the **Busboys and Poets** restaurants in Washington, D.C., described the process of becoming a Certified B Corporation: *“When we first completed our B Corp assessment, we didn't have any 401k or retirement plans for our employees at all. We wanted to enter into that process then. We didn't have paid sick leave. Now we have that for all employees. We continue to look for ways to do better, and [The B Impact Assessment] matrix allows us to see how to do that.”<sup>1</sup>*

## Green America's Green Business Certification

- The Green Business Certification is awarded to businesses that are committed to using business as a platform for social change, working with entrepreneurs and business leaders who are solving social and environmental problems by design. Certified businesses benefit the well-being of workers, customers, suppliers, and the greater community; are accountable for their work by continually improving and tracking their progress; and operate with transparency in every facet of their business.
- Green America's certification process includes standards related to job quality, such as: **flexible scheduling to promote work-life balance, paid vacation, and paid sick days**. As with B Corps, certification does not guarantee that a business has exceptional job quality policies.
- Green Business Network members earn the right to use the Green America Seal in bronze, silver, or gold to distinguish themselves from other companies in the marketplace.

## Benefit Corporations

- Benefit corporations are legal entities that meet requirements regarding corporate purpose, accountability, and transparency. This *legal status* is currently administered by 12 states, with 14 others considering legislation.<sup>4</sup>
- This legal status is meant to give business officers the legal protection they need to consider non-financial interests in their decision making. Such interests may include workers' rights, procurement policies, environmental practices, and so on. Without this protection, corporations that let the interests of important constituencies besides shareholders guide their business practices may be vulnerable to legal action.
- Businesses that register as benefit corporations must make public an annual report **assessing their social and environmental performance against a third party standard**.<sup>5</sup> B Lab and Green America are two examples of organizations that provide such third party standards.



**King Arthur Flour** is an employee-owned gourmet flour company and Certified B Corp. It is committed to workplace flexibility and other job quality standards. Suzanne McDowell, Vice President of Human Resources, explains that the company *“expects and encourages employees to have a robust life outside of work.”* The company offers employees between 18 and 28 paid days off a year. Offering paid sick time *“is important for employee’s well-being, the public health of customers and the financial health of the business,”* according to McDowell.<sup>2</sup>

## Steps for Job Quality Advocates

### Finding certified businesses to join a paid leave campaign

- B Lab, Green America, and others may be useful contacts for your campaign or organization, helping you to connect to prospective business allies. These businesses may be more likely to become champions of high quality jobs and are likely to engage others in the private sector to join them. You can identify and coordinate engagement of these and other responsible and sustainable businesses through the American Sustainable Business Council. Contact: [Bryan McGannon](#).
- Find out more about [B Corporations](#) and Green America's [Green Business Network](#).
- Did you know that there are 13 B Corps in North Carolina and 17 in Maryland? [Find B Corps in your area](#).
- The Green America directory includes over [5,000 businesses](#).

### Partnering with certifying organizations to promote certification and legislation

- The passage of **benefit corporation legislation** in your state may foster the development of community-minded, socially progressive businesses in your area – and provide opportunities for job quality advocates to connect with the sorts of businesses that are likely to support our policies. [12 states](#) have already passed legislation. You can find out about current benefit corporation legislative campaigns by visiting [ASBC's website](#).
- If there is benefit corporation legislation being considered in your state, connect with those promoting the bill to identify synergies between your paid leave campaign and their bill. Explore the different ways you can engage in advocacy for benefit corporation legislation, as well as how you can work directly with certified businesses that have met job quality criteria.
- Consider writing a letter of support to your state legislators, governor, or other officials, explaining why you think benefit corporation legislation would serve your state's businesses, workers, and economy. See [CLASP's draft letter](#) in support of benefit corporation legislation.
- Advocates can act as a resource for certifying organizations as they establish and **refine their assessment criteria** regarding job quality. You can see B Lab's standards [here](#) and Green America's standards [here](#).
- Advocates can **encourage other businesses**, even if they are not pursuing certification, to assess their impact against third party standards, which will provide companies with a tangible roadmap to creating high quality jobs.

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**The American Sustainable Business Council** (ASBC) is a growing coalition of business networks advancing market solutions and policies to support a vibrant, just and sustainable economy. Founded in 2009, ASBC and its organizational members represent more than 160,000 businesses and more than 300,000 individual entrepreneurs, owners, executives, and investors across the United States. <http://www.asbcouncil.org>

**The Center for Law and Social Policy** (CLASP) develops and advocates for federal, state and local policies to strengthen families and create pathways to education and work. <http://www.clasp.org>

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#### Notes

<sup>1</sup> Siegrist, C. "Certified B Corporation Case Study: A Conversation with Andy Shallal of Busboys and Poets." *Law for Change: The Legal Forum for Social Innovators*. <http://www.lawforchange.org/NewsBot.asp?MODE=VIEW&ID=4720>.

<sup>2</sup> A Better Balance, Family Values @ Work, and the National Partnership for Women & Families. (2011) *A Work-Family Agenda for New England & the Nation*. [http://www.abetterbalance.org/web/images/stories/Documents/general/reports/A\\_Work\\_Family\\_Agenda\\_For\\_New\\_England\\_the\\_Nation.pdf](http://www.abetterbalance.org/web/images/stories/Documents/general/reports/A_Work_Family_Agenda_For_New_England_the_Nation.pdf).

<sup>3</sup> Certified B Corporation. "Passing Legislation." <http://www.bcorporation.net/what-are-b-corps/legislation>.

<sup>5</sup> Benefit Corp Information Center. "Business FAQ's." <http://www.benefitcorp.net/for-business/business-faqs>. For specific states' benefit corporation legislation, follow links provided at, Benefit Corp Information Center. "State by State Legislative Status." <http://www.benefitcorp.net/state-by-state-legislative-status>.