

B Corps: the legal requirements and Bates Wells Braithwaite's journey

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For philanthropists, choosing an adviser whose values align with your own can be an important consideration on your donor journey. In an increasingly competitive professional services market, many firms will court socially conscious clients by showcasing their corporate responsibility credentials. When choosing your suppliers, how can you be sure that they are 'walking the walk' when it comes to social responsibility? The B Corp certification aims to provide just that guarantee.

What is a B Corp?

B Corps are organisations which have an approach to business that values positive social outcomes alongside making a profit. This is aptly summarised by B Corps' strapline, 'B Corp is to business what Fair Trade certification is to coffee'. B Corps are part of a global movement to redefine the role of business in society – one where businesses benefit members, while also solving social and environmental problems. The movement started in the US and was launched in the UK in September 2015. Well known B Corps include Ben & Jerrys and outdoor clothing brand Patagonia.

How to become a B Corp

To become a B Corp, a business must meet the following rigorous standards of social and environmental performance, accountability and transparency:

1. The performance test – the business must meet a rigorous set of standards known as the B Impact Assessment, which measure the overall impact of a company on its stakeholders.
2. The legal requirements – this is a requirement for all B Corps to amend their constitutional documents to enshrine a commitment to have a material positive impact on society and the environment.
3. The B Corp declaration of interdependence – all B Corps need to sign the B Corp Declaration of Interdependence which sets out a commitment to all stakeholders.

Our B Corp journey

Bates Wells Braithwaite (BWB) became a founding B Corp member in August 2015, and is the first UK law firm to certify as a B Corp. This was a natural fit for our firm – our founding principles have always reflected our commitment to run a successful commercial business, as well as a socially responsible one.



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BWB's final score on the B Impact Assessment – 108 out of 200 (above average) – was based on factors such as our strong client base in the charity and social enterprise sector, the thousands of charities and social enterprises we have assisted, the high proportion of pro bono work we undertake, our status as a Living Wage employer, our environmental management system and our good employment practices.

BWB's clients above all seek excellent commercial advice, but they also want that advice from people who understand and share their motivations. BWB is the natural choice for entrepreneurs who, like ourselves, are running successful businesses and want to create social value. B Corp certification is an external validation of who we think we are, and immediately identifies us to our clients as having a particular set of values. This enables us to establish good relationships with clients, at an earlier stage than might usually occur, on the basis of the values that we share.

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We can offer an additional depth of understanding to the advice we give – for example, knowing that a mission-led business relationship with employees requires tailored employment advice, informed by our own experience. Our B Corp status also gives our clients a sense of how we approach other aspects of our business, such as how we weigh our environmental impact. We think that it is almost like going on a blind date with a friend of a friend, as our credentials have already been pre-vetted by an external body (B Lab UK)! Being a certified B Corp also means that we can partner with our B Corp peers – more than 1,700 companies across 50 countries.

We have always attracted highly talented and motivated people who want to work in a business with a sense of purpose beyond profit that sees its employees as key stakeholders. The results from the B Impact Assessment are a great tool for identifying ways in which can improve and all employees will be asked to come up with ideas for improvement at our Summer Away Day.

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For more information on B Corps, visit the website at <http://bcorporation.uk/b-corps-in-the-uk>.

Louise Harman is a Senior Associate at city law firm, Bates Wells Braithwaite and has experience of advising charities, not-for-profit organisations and social enterprises on a broad range of legal and commercial issues, ranging from corporate structure, establishment, governance and regulatory matters, with a focus on social investment, social finance and responsible business. Louise advised B Lab (UK) on the establishment of the B Corp movement in the UK and currently sits as Secretary on the Policy Council of B Lab (UK) which has developed the legal requirements for B Corps in the UK. Louise joined the Charity and Social Enterprise Team having trained and worked for five years in the general finance team of a magic circle law firm where she advised on high-value, cross-border emerging market financial transactions, investment-grade and leveraged finance transactions and restructurings. Louise is currently on secondment to the Cabinet Office to assist with the Mission-led Business Review.

Natalie Ali is a Paralegal at city law firm Bates Wells Braithwaite and supports the firm's social finance team on a range of matters, including the establishment of entities and registration with regulatory bodies, mergers, financing transactions and regulatory investigations. Natalie has assisted senior colleagues with the development of the legal requirements for B Corps in the UK, and supports the team at B Lab (UK) and B Corp Policy Council board meetings. Natalie joined BWB having completed a law degree at Durham University in 2014.