

THERE IS NO PLANET B, THAT'S WHY WE NEED B CORP

WHY?

The 2030 Agenda for Sustainable Development is a UN plan of action for people, planet and prosperity signed by 193 member states. Companies are key actors in reaching the SDGs (Sustainable Development Goals) since their social and environmental responsibility. This study analyzes the B Corp movement which gathers all the companies that aim at building a "community of leaders, driving the common goal of using businesses as a force for good". Since 2007, B Corp certifies the social and environmental performance of companies.

WHO IS THE TARGET?

Any company engaged in the cause but lacking a tool to measure its positive impact. The movement also engages individuals wondering whether a social and environmental strategy could work within the current economic system.

DATA AND METHOD

To be certified as B Corporation, a company must achieve a score between 80 and 200 on the B Impact Assessment. The final score sums up five partial scores, considering five different areas: Community, Workers, Environment, Customers, Governance. For quality control, this study's data were obtained through web scraping* techniques on 15th December 2020 from the B Corp official site (www.bcorporation.net). A total of 3378 worldwide companies has been studied, considering: date of certification, location, overall score and partial scores for each area. The data have been analyzed, tested and represented in order to make the point about certification and BIA (B Impact Assessment) scores.

*ParseHub app was used to scrape the data with prior permission. R and Microsoft Excel were used for the statistical analysis and for the data representation.

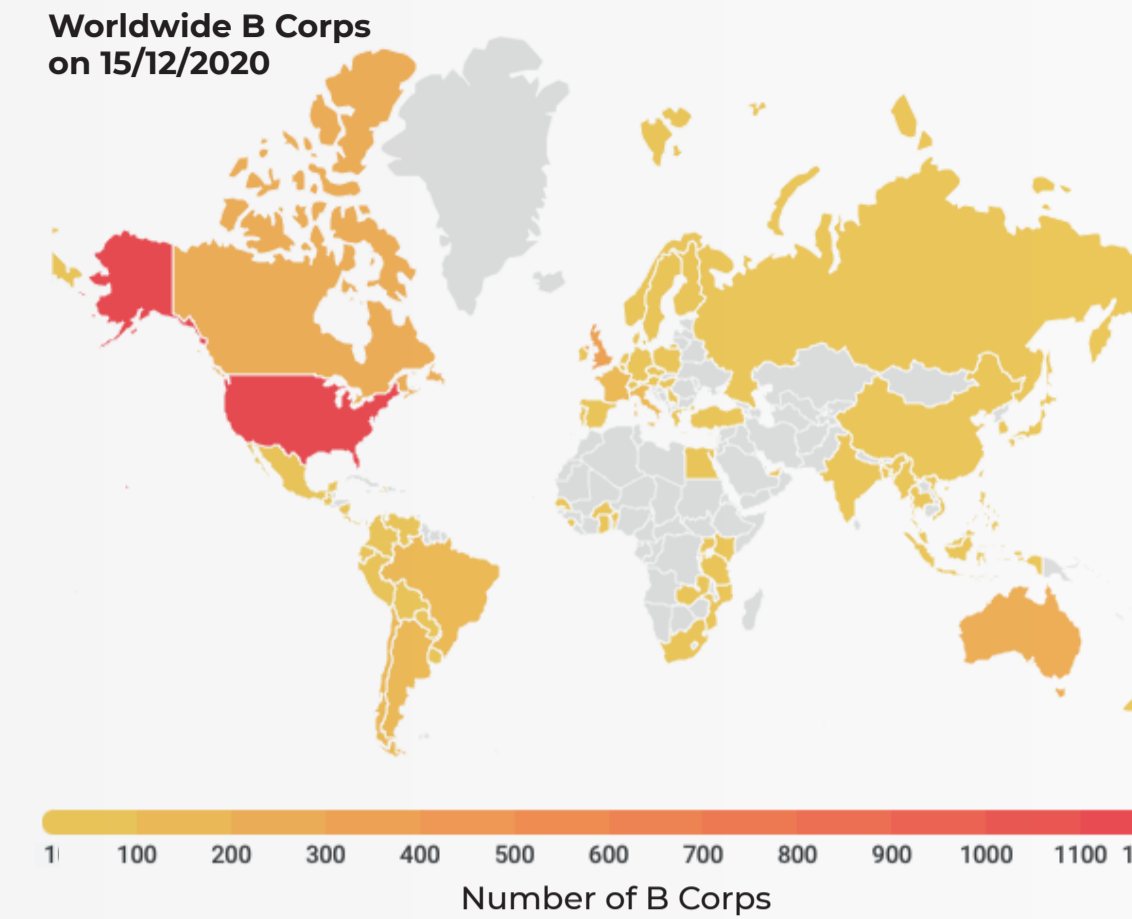
GOAL

To investigate the effectiveness with which B Corp movement spreads worldwide through statistical analysis of companies' numerosity and features.

B Corps in numbers

From 2007 to nowadays

B Corp movement started in the USA and then spread across 74 countries around the world. The cartography on the right shows the number of companies for each country on 15th December 2020.

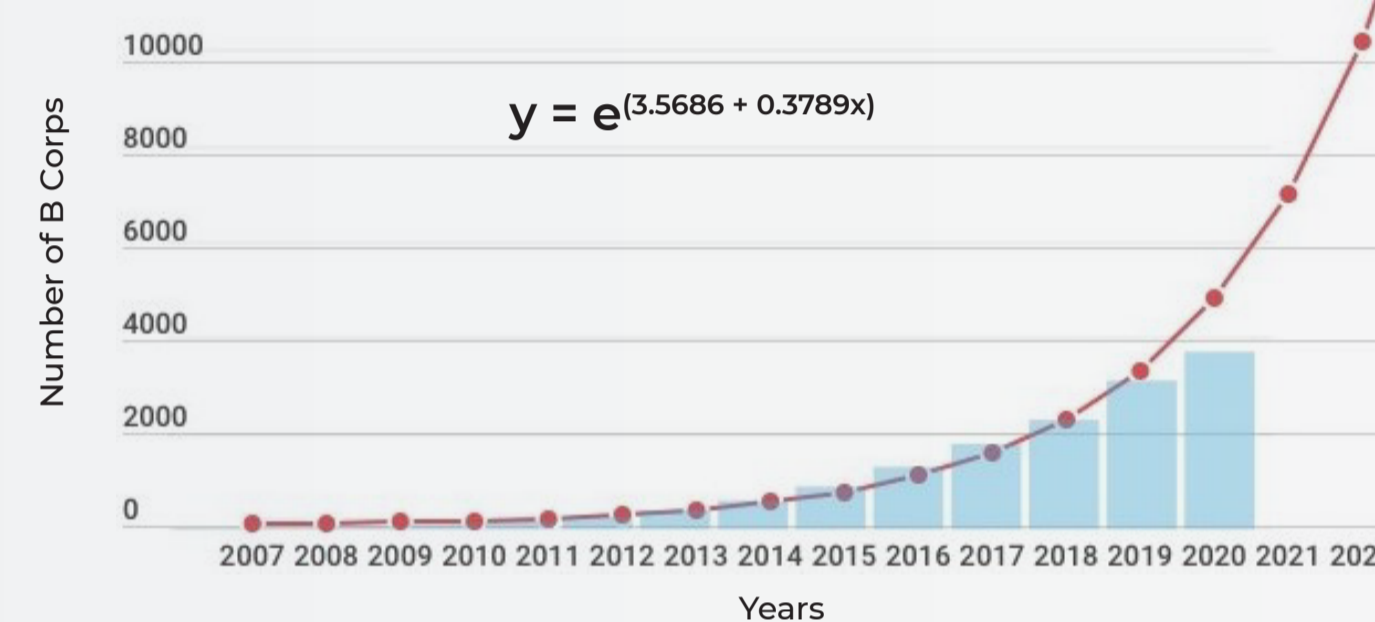


Scan the QR code: you will find an interactive graph, the bibliography of the study and the dataframes used for the analysis.

To fully understand the growth of the B Corp movement focus on the bubbles, growing bigger over time according to the number of companies joining the movement.



Growth model



What can be predicted?

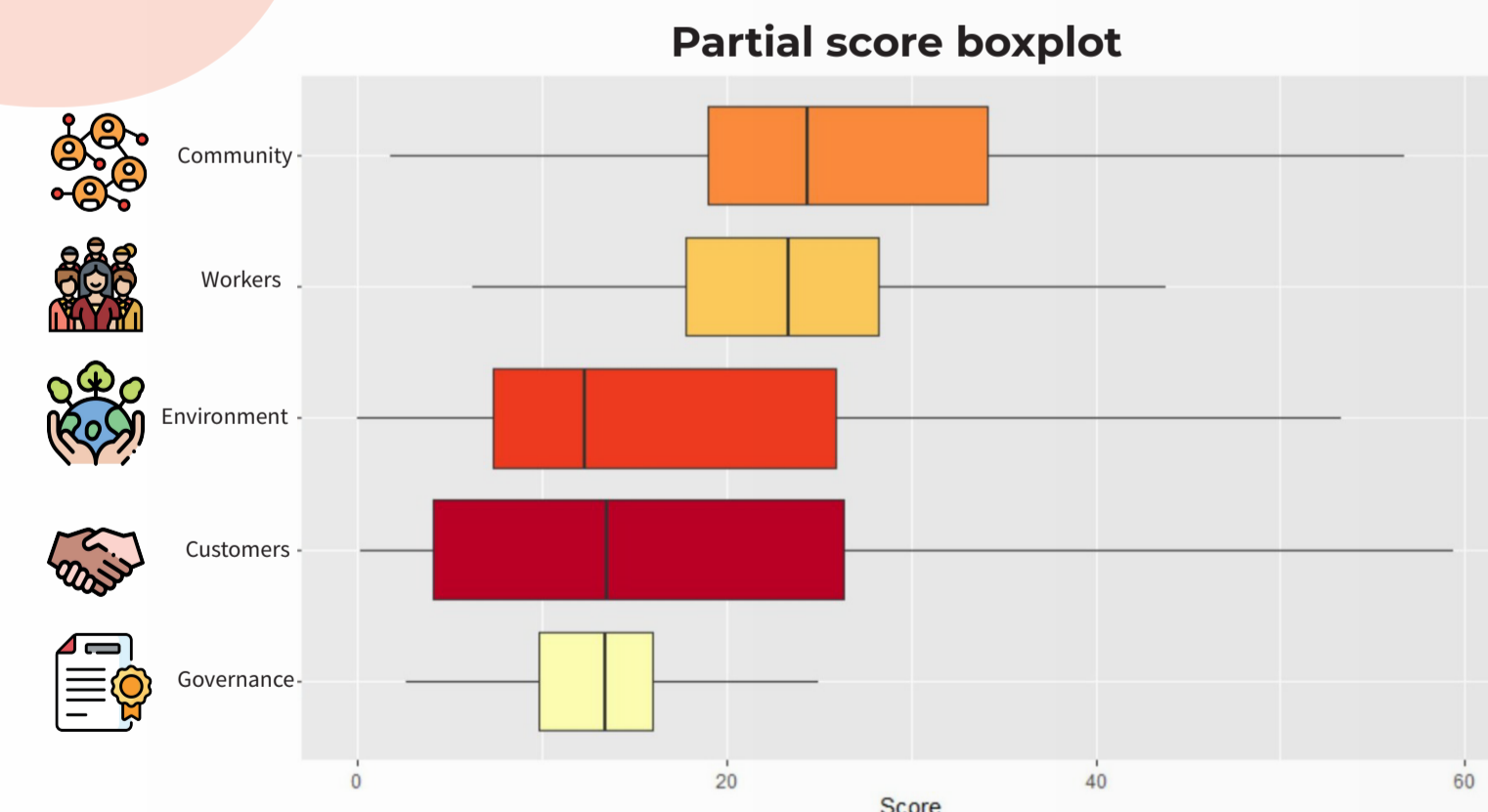
It has been used a logarithmic-linear regression model to study the variation in the numerosity of B Corp companies (y axis) at different times (x axis). In the graph, light blue rectangles represent the number of B Corp, while the red line shows the estimated trend in the years. From 2007 to 2019 the number of companies grows exponentially. In 2020 the red line and the rectangle drift apart probably due to the COVID-19 pandemic situation. With the right incentives, it is hoped that the trend can get back on its path.

B Corps for features

What areas make the difference?

B Corps are evaluated on 5 areas: the company collects points according to the positive impact produced in each area. The minimum is 0.

As shown in the boxplot, the medium partial score changes according to the area: companies manage to reach higher scores in areas such as *Workers* and *Community*, while they struggle dealing with *Environment*, where in fact we can see a lower median score.

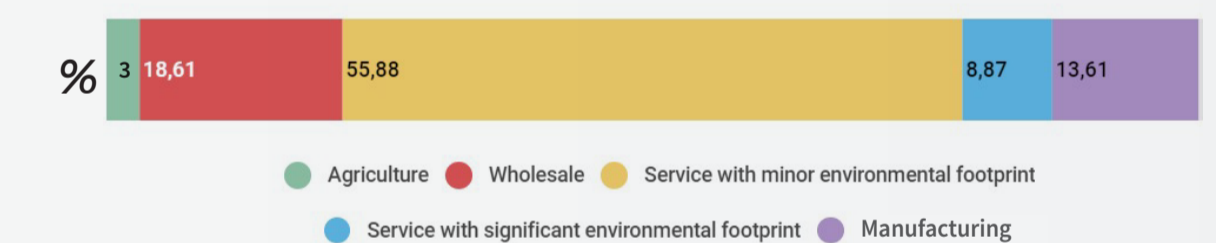


Does the BIA criteria fit all situations?

B Corps come from 150 different industrial sectors, which can be organized into five main categories: *Agriculture*, *Manufacturing*, *Service with minor environmental footprint*, *Service with significant environmental footprint*, *Sales*. The BIA criteria is designed to be flexible and adjustable to companies of different industrial sectors.

The BIA flexibility hypothesis has been tested with the Kruskal-Wallis statistical test, which verifies if there are any statistically significant differences between the medians of different size groups (as with industrial sectors, which have widely different amounts of companies). Since we get a p-value greater than 0.05, we do not reject the null hypothesis H0 (medians are equal) at the 0.05 significance level: total BIA scores can fit any situation and they don't significantly change between industrial sectors.

B Corps by sector



SECTOR	MEDIAN
Agriculture / Growers	90,5
Wholesale / Retail	86,5
Service with minor environmental footprint	87,9
Service with significant env. footprint	86,7
Manufacturing	87,5
P-Value	0,896
Chi-Squared	1,093

- The study highlights how B Corp Companies have exponentially grown over the past decade, and are becoming more widespread.
- The original goal of engaging companies with different features and backgrounds has been achieved: indeed companies willing to get certified achieve similar BIA scores regardless of their specific sector.
- An important difference can be seen between the medians of the partial scores: in particular, the scores achieved in the Environment category show a lower median.

The B Corp movement represents a positive start for an environmental and social change but - despite the exponential growth - there still is a small number of companies and there still is much room for improvement in the environmental Area: we need national and international tools to involve more organizations and countries, but also more incentives for companies to improve their performance, because "there is no planet B, that's why we need B Corps"!

CONCLUSIONS