

The water cooler

Smart and provocative stuff to rule the break room



Haley Adams-Green and Owen Green are the founders of Adams Green in Saint John, N.B., Canada's first B-Corp accounting firm. (Submitted photo)

CATCH THE SOCIALLY-CONSCIOUS WAVE

As consumers seek ethical and green products, B-Corp certification helps companies herald their values

BY KIM HART MACNEILL

Made With Local added 450 additional Canadian Loblaws' stores to its client list in July. The grocery giant had initially ordered 27,000 bars, but in the months between ordering and shipping that figure ballooned to 70,000. In the race to meet her load-in date, owner Sheena Russell sprinted to engage additional producers and suppliers.

"It's been completely bananas," says Russell days later. Her three-month-old daughter sleeps next to her desk. Boxes of granola bars decorate most surfaces in the office she shares with a tourism company.

"We just tripled the number of stores we're in. Our production capacity was completely obliterated. We put on extra shifts. [Loblaws] charges you a penalty if you're late. They don't care if you're Pepsi or Made With Local."

The Dartmouth, Nova Scotia-based company started as a side hustle with a farmers' market stall in 2011. Now Sobeys, Bulk Barn and Whole Foods top its accounts receivable list.

Producing healthier snacks sparked Russell to create her company, but she also wanted to give back to her community. The company partnered with social enterprises The Flower Cart Company and Dartmouth Adult Services Centre to produce and pack the bars, which feature locally-sourced ingredients. That commitment is how she found her fit with B-Corporation certification.

Founded in 2006, the U.S. non-profit B Lab administers the certification program which recognizes businesses balancing purpose and profit. B-Corps are legally required to consider their impact on employees, customers, suppliers, community and environment. Think of it like ISO for karma.

There are nearly 3,000 B-Corps operating in 150 industries across 64 countries. Two-hundred-sixty are Canadian. B-Lab certified the first Atlantic Canadian company in 2013. The thirteenth certified this past May.

The road to verification is rigorous. "You get as much as you put into it," says Kasha Huk, Canadian country manager at B-Lab. "If you're just using it as a way to check a box, it won't do that much. But if you dive into the best practices and use the resources, you'll see the benefit."

Owen Green, co-founder of Saint John, New Brunswick-based accounting firm Adams Green, learned about B-Corps while helping a client prepare for certification. The biggest benefit Green sees is that the process made him more deliberate about the firm's values and processes.

Adams Green restructured its client base to align with its values. Now more than half its revenue comes from other B-Corps, non-profits and social enterprises. "As accountants our biggest asset in client relationships is the level of trust and integrity," he says. "This was a natural fit in that respect. It's somebody else using their seal of approval to say we are what we say we are."

Russell says she tried to sell her bars to Mountain Equipment Co-Op for years to no avail. It didn't even reply to her emails with a no. After certification, MEC replied the same day asking for samples.

It's important to Russell that Made With Local's retail partners share her values. "We really care about our community and we've put this work in," she says.

The certification process starts with an online questionnaire. Huk suggests applicants spend an hour or two reviewing before answering to understand their company's strengths and gaps.

Most traditional companies score 40–50 out of a possible 200 points. Companies already conscious about B-Corp's pillars often hit 60–70. To pass, a company needs 80 points. Applicants below the threshold can access free improvement reports that highlight low-hanging fruit and suggest specific goals to raise their scores.

It took Russell about six months to complete the survey, and Green three. Both said any changes they made to their businesses involved documenting policies and process rather than making substantial changes. It's not enough to tell B-Labs your HR policy offers parents returning from maternity leave flexible hours; it wants to see your employee handbook.

In Canada, B-Corps must include specific language in company by-laws stating shareholders will make decisions that consider the environment, employees, community and customers. "It's not saying that you're going to take those considerations over-and-above profit, but it's putting those different stakeholders alongside profit," says Huk.

After completing the survey, the next step is an equally rigorous interview that drills down on the questionnaire answers.

"They want you to get this," says Russell. "They are gatekeepers of the certification, but they are rooting for you." After the interview, most businesses must revise some answers or provide additional documentation.

Successful B-Corps pay an annual fee ranging from \$500 to \$50,000, depending on revenue, and recertify every three years. "Once you get certified you have a road map on how to improve your score year over year," says Russell. "It's a really nice framework for a business owner to have. It's motivating."

In addition to a page on its website listing their score, B Lab also invites certified B-Corps CEOs to networking events in the U.S. and Canada. Huk says several Canadian B-Corps started exporting as a result of connections made at meet-ups.

Right now, Huk says there's "an opportunity for a leadership play. We're a smaller community in Canada. There's still a way to differentiate yourself and connect yourself to other B-Corps here. Being in the room gets you a seat at the table."

JOIN THE B TEAM

Sixty per cent of Canadians consider themselves ethical consumers. Thirty-three per cent say they would pay 15 per cent more for an ethically-produced product, according to a 2011 BDC study. B-Corps companies give consumers what they want. Here are three of the 13 Maritime B-Corps to watch (none yet in Newfoundland and Labrador):

Upstreet Craft Brewing

Charlottetown, P.E.I.
The island's only B-Corp uses renewable energy and donates spent grain to local farmers for cattle feed.

EcoAdvisors

Halifax, N.S.
In 2017, this sustainability advisory firm scored in the top 10th-percentile of global B-Corps for its positive changes across all impact areas over time.

Wicked Ideas Media Inc.

Rothesay, N.B.
This strategic consultancy firm was Atlantic Canada's first B-Corp, certified in 2013.

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