

## RESEARCH ARTICLE

# The environmental performance of UK-based B Corp companies: An analysis based on the triple bottom line approach

Adriana Liute<sup>1</sup> | Maria Rosa De Giacomo<sup>2</sup> 

<sup>1</sup>Carbon Trust, London, UK

<sup>2</sup>Institute of Management, Sant'Anna School of Advanced Studies, Pisa, Italy

## Correspondence

Maria Rosa De Giacomo, Institute of Management, Sant'Anna School of Advanced Studies, Piazza Martiri della Libertà 33, 56127 Pisa, Italy.

Email: mariarosa.degiacomo@santannapisa.it

## Abstract

The B Corp certification recognizes high social and environmental performance in business. This performance is measured in five pillars—Governance, Workers, Community, Environment, and Customers—but with no minimum threshold per pillar. This allows companies to choose those impact areas where they want to perform well. This study, based on the triple bottom line theory, analyses the environmental performance of 68 UK-based B Corps from two environmentally sensitive sectors: manufacturing and wholesale/retail. We use an inductive approach that combines quantitative and qualitative methods to find out whether this trade-off-permitting approach leads to high environmental performance in companies and whether the certification successfully prevents greenwashing. Our results show firstly that companies in the two sectors tend to perform better socially than environmentally; secondly, that prioritizing one social impact area generally leads to below-average environmental performances compared to certified peers; and thirdly, that to rule out greenwashing, B Corp should ensure certified companies display high levels of environmental performance and that they align their “green” claims to their performance.

## KEYWORDS

B Corp, certification, environmental performance, greenwashing, trade-off, triple bottom line

## 1 | INTRODUCTION

Companies are under increasing pressure to report and improve their environmental and social performance in order to counter a declining trust in capitalism and in business as a force for good (Deloitte, 2020; Hanbury Strategy, 2020), as well as to address market failures, institutional voids, environmental degradation, and social issues (Conger et al., 2018). Alongside these pressures, business leaders need to express their identity and prosocial values and acquire market distinction and legitimacy (Bansal & Roth, 2000; Conger et al., 2018; Grimes et al., 2018; Stevens et al., 2015).

Improving a company's environmental and social performance also comes with benefits: financial (cost reductions, revenue growth, access to capital), commercial (customer loyalty, competitive advantage, branding), legal and reputational (reducing risks, community support, collaboration with the supply chain), and improved employee recruitment and retention (Mazzi, 2020; Shields & Shelleman, 2017).

Corporate responsibility reporting has increased steadily, and more than two-thirds of the largest 4900 companies in the world now report their nonfinancial performance (KPMG, 2017). The reporting framework most commonly used is Global Reporting Initiative (GRI) (KPMG, 2017). However, Sethi et al. (2017) revealed that, similarly to other reporting frameworks such as ISO 26000, GRI does not verify

This is an open access article under the terms of the Creative Commons Attribution License, which permits use, distribution and reproduction in any medium, provided the original work is properly cited.

© 2021 The Authors. Business Strategy and The Environment published by ERP Environment and John Wiley & Sons Ltd.

the quality and the accuracy of the reported information. Mattera et al. (2016) also showed that GRI needs to evolve more deeply toward sector specificity, data accuracy, and comparability across companies. For industries that have a greater impact on the environment, Mattera et al. (2016) recommend a minimum disclosure requirement. Finally, Moneva, Archel and Correa (2006, p. 130) show that companies can “cherry-pick” the sustainability dimension they want to focus on (social or environmental), which the authors describe as a “weak approach to sustainability.”

To compensate for these imperfections of reporting frameworks, third-party-issued labels and certifications have become common (Grimes et al., 2018). Moroz et al. (2018) identified over 500 NGOs involved globally in auditing and certifying organizations for their prosocial practices and the Ecolabel Index listed 455 ecolabels in September 2021 (Ecolabel Index, 2021).

Certifications help consumers buy responsibly and help investors assess the risk of their investment. However, they have some downsides. The sheer number of certifications has led to consumer confusion; competition between them often leads to a “race to the bottom” which prevents progress in stringency; they often have insufficient verifying mechanisms (Fischer & Lyon, 2014; Lyon & Montgomery, 2015); and many target a product, a part of the supply chain, or an industry, lacking an integrative approach (Moroz et al., 2018).

Amid this eclectic landscape of imperfect and narrow certifications and standards, the B Corp certification, managed by a third-party NGO called B Lab, was established in 2006 in the United States. It was conceived as a comprehensive tool that thoroughly evaluates a company's sustainability practices in their entirety. B Corps meet “rigorous standards of social and environmental performance, accountability, and transparency,” states The B Corp Handbook (Honeyman & Jana, 2019, online, chapter 1), setting the expectation that all certified companies would perform well both socially and environmentally. However, the B Corp certification does not impose a minimum threshold for companies on any of the five pillars it assesses—Governance, Workers, Community, Environment, and Customers. This means that companies can pick and choose the areas to focus on as long as they score 80 points.

To the best of our knowledge, the outcomes of B Corp's trade-off-permitting mechanism have not been investigated in the literature. We thus aim to fill this gap by addressing three research questions (RQ):

1. To what extent does the B Corp certification ensure that businesses protect the environment?
2. How do UK-based certified B Corps from environmentally sensitive sectors perform from an environmental impact perspective?
3. Is there any scope for greenwashing in the B Corp promise?

We use the triple bottom line (TBL) literature (Elkington, 1997), in an original way. The TBL theory argues that companies should consider their environmental and social bottom line as much as their financial bottom line (Isil & Hernke, 2017). The study aims to capture the

implications of the B Corp's trade-off-permitting mechanism through the lens of this theory. The TBL approach also enables the development of a discussion section and the identification of the literature contribution.

The remainder of this paper is organized as follows. Section 2 includes the literature review on the B Corp certification, corporate environmental performance, greenwashing, and the theoretical approach used in the paper. In Section 3, we introduce the data and methods used. Results are described in Section 4. A discussion of the main findings is provided in Section 5. Section 6 provides conclusions by highlighting the study's main theoretical contribution and practical implications, as well as limitations of the paper and suggestions for future research.

## 2 | LITERATURE FRAMEWORK

### 2.1 | The B Corp certification

B Corporations are companies that manage to balance profit and purpose by meeting “the highest standards of verified social and environmental performance” of transparency and legal accountability (B Corporation, 2021c).

The literature recognizes that the B Corp certification helps companies claiming to be genuinely interested in being best for the world to pursue multiple aims: to stand out “in the midst of a ‘greenwash revolution’” (Kim & Schifeling, 2016, p. 32), to gain legitimacy (Cormier & Magnan, 2015; Villela et al., 2021), to come across as authentic adopters of the TBL approach (Cao et al., 2017; Kim & Schifeling, 2016), to distinguish themselves from the incumbents' destructive behaviors, as well as from their corrective initiatives (Kim & Schifeling, 2016), and to satisfy shareholders and stakeholders alike (Haymore, 2011).

According to the former CEO of B Corp-certified Patagonia, the B Impact Assessment (BIA)—the online evaluation tool behind the certification—provides “the only comprehensive view of our standing with all our stakeholders: owners, employees, customers, local communities, suppliers' communities, and the planet” and is like a North Star that guides the company in prioritizing its sustainability efforts (Honeyman & Jana, 2019, online, foreword). Through its approximately 250 multiple-choice questions, BIA has been praised as a powerful free learning tool for companies to manage and measure their sustainability performance (Shields & Shelleman, 2017). Sharma et al. (2018) learned from certified companies' representatives that BIA “opened their eyes” (p. 219) and triggered changes in their practices.

More than 50,000 companies have used BIA (B Corporation, 2021b) to assess their social and environmental performance and to compare themselves to their peers (Honeyman & Jana, 2019), highlighting how the certification's influence extended beyond the 4088 certified companies in 77 countries and 153 industries as of September 2021 (B Corporation, 2021a). Growing extensively from only 82 certifications granted in 2007 (Paelman

et al., 2020), the B Corp community is enjoying an impressive momentum: In 2020, there were 25% more B Corps than in 2019 (B Corporation, 2021a). Certified companies call B Corp “a movement” (Stubbs, 2017b, p. 339), Patagonia’s former CEO goes as far as calling it “one of the most important [movements] of our lifetime” (B Corporation UK, 2020c), and academics believe it has “already significantly transformed entrepreneurial practice” (Moroz et al., 2018, p. 125). B Corps are seen as a new business model for which profit is a means to amplify social impact (Stubbs, 2017b).

Many articles have analysed the B Corp certification and its adopters (Paelman et al., 2020; Sharma et al., 2018; Stubbs, 2017a). The certification process is seen as rigorous and aspirational (Conger et al., 2018), credible, and pushing companies toward performance improvement through social pressure mechanisms (Harjoto et al., 2018), peer pressure, and the pressure of recertification (Sharma et al., 2018).

Some criticism has nevertheless emerged. Certified companies tend to be those that already identified with the “B Corp way” before certifying (Stubbs, 2017a, p. 309), and the certification does not motivate all companies to try to further improve their positive impact (Conger et al., 2018; Villela et al., 2021). Moreover, since the vast majority of certified companies are small and medium enterprises (SMEs) (Kim et al., 2016), there are questions as to whether enough big businesses will embrace this certification to help the movement transition into the mainstream (Elkington, 2018; Wilburn & Wilburn, 2014).

However, no study has explored the outcomes of the trade-off model that the certification promotes by not imposing a minimum performance threshold per pillar. As the B Corp movement expands its influence and becomes the incarnation of the responsible business ideal, we address the following RQ:

**RQ 1.** To what extent does the B Corp certification ensure that businesses protect the environment?

## 2.2 | Environmental performance at company level

Very few academic papers appear to have explored the performance of B Corps (Moroz et al., 2018), and those that did are mainly investigating their financial or economic performance (e.g., Paelman et al., 2020; Parker et al., 2019; Romi et al., 2018) with none to date focused on their environmental performance.

To understand potential patterns and drivers in B Corps’ environmental performance, we studied the literature addressing corporate environmental performance generally. This led us to expect heterogeneous levels of environmental performance among B Corps.

For example, Bansal et al. (2014) investigated the social and environmental practices of 266 US companies over a 13-year span (1991–2003). They found that the more technical and internally oriented aspects of environmental practices meant that companies became high performers only once they committed to investing in expertise, R&D, and technology and started reaping the economic

benefits. Alternatively, they became laggards if they did not believe in “being green” or lacked the capacity to keep up with technological progress. This divergence was also highlighted by Papagiannakis et al. (2013) in a study on Greek firms.

Social commitment practices, by comparison, reached at least a moderate level in all the firms studied by Bansal et al. (2014). Companies wanted to keep their “social licence to operate” (p. 954), their legitimacy, and social relations. External feedback is a strong influencer on both environmental and social practices, but interestingly, society tends to expect companies to “do more good” socially and only “less bad” environmentally (p. 955).

Going back to the TBL theory (Elkington, 1997), companies contributing to a sustainable development are those achieving economic, social, and environmental objectives simultaneously (Hart et al., 2003). The TBL theory has been conceptualized as a win-win-win strategy that benefits people, planet, and profits (Farooq et al., 2021). But John Elkington, who coined the TBL management concept in 1994, “recalled it” in an HBR article (Elkington, 2018) stating that it has been used with “a trade-off mentality” in which business decision-makers complacently agree to address only some of the dimensions of the TBL.

The TBL approach is increasingly relevant to sustainable business, yet the TBL theory has received little attention within the academic study of the B Corp certification. To the best of our knowledge, previous studies have not explored the trade-off between environmental and social objectives among B Corps, nor have they investigated B Corps’ performance under the different sustainable dimensions based on a TBL approach. To fill this gap, our second RQ is:

**RQ 2.** How well do UK-based B Corps from environmentally sensitive sectors perform from an environmental impact perspective?

## 2.3 | Potential premises for greenwashing

While B Corps are promoted as “best for the world” and “some of the most socially and environmentally responsible companies on the planet” (Honeyman & Jana, 2019, chapter 2), in reality, this selected group of companies can earn as little as 0 points in any given pillar, including the environment, if they “can make up ground with an outstanding performance in the other areas” (Honeyman & Jana, 2019, chapter 3). Therefore, we deemed it important to understand if the trade-off-permitting approach of the B Corp certification, along with its other mechanisms, made room for greenwashing in the B Corp promise.

Gatti, Steele, and Rademacher (2019, p. 1) define *greenwashing* as the “divergence between socially responsible communication and practices” and note that the voluntary character of CSR appears to create room for this divergence. Lyon and Montgomery (2015, p.225) define greenwashing as “communication that misleads people into holding overly positive beliefs about an organization’s environmental performance, practices, or products,” arguing that the phenomenon

encompasses such a wide set of practices that a granular study of its varieties would help more than crafting precise definitions.

Greenwashing practices have become more sophisticated over time, branching out into “seven sins” according to a widely cited 2009 report by environmental marketing firm, TerraChoice: “sin of the hidden trade-off,” “sin of fibbing” (false claims), “sin of no proof,” “sin of vagueness,” “sin of irrelevance,” “sin of lesser of two evils,” and “sin of worshipping false labels” (Delmas & Burbano, 2011; UL, 2020).

For example, is a dairy company that is an exceptional employer but fails to counter its climate impact (a hypothetical situation allowed by B Lab's certifying criteria) committing the “lesser of two evils”? In fact, the dairy industry's main sustainability challenge is environmental, and scientists increasingly recommend a change in diets away from dairy and beef to prevent disastrous impacts on climate change (Searchinger et al., 2018).

Lyon and Montgomery (2015, p.242) call for an “interdisciplinary dialogue on deception” to better understand and inform the relevant actors of the fallibilities of human cognition which interfere with how green claims are understood. They mention two interesting forms of greenwashing in marketing. The first is “in the eye of the beholder” (p. 228)—also recognized by Seele and Gatti (2017)—as people interpret messages through their own filter. Therefore, the public's assumptions in relation to certain claims (e.g., “organic” and “eco-friendly”) need to be assessed by responsible companies in order to see whether their products and services are indeed aligned with those perceptions. The second type of greenwashing mentioned is the “halo effect” (p. 228), through which consumers attribute a quality to a company, product, or service based on another claimed quality (e.g., a product presented as organic may be seen as having a low-carbon footprint).

Finally, although the literature sees businesses as the main actor in relation to greenwashing, some papers broaden the spectrum to include governments, politicians, NGOs, research organizations, international organizations, and environmental policy experts (Lyon & Montgomery, 2015).

In summary, greenwashing appears when green promises are not kept or are misunderstood (they are in the eyes of the beholder); anyone can contribute to greenwashing (even NGOs); greenwashing is not necessarily intentional; it can come from a “halo effect” or from “sins” like addressing “the lesser evil.” We thus explore the following RQ:

**RQ 3.** Is there any scope for greenwashing in the B Corp promise?

### 3 | DATA AND METHODS

#### 3.1 | Research setting

This study verifies to what extent Certified B Corporations in the United Kingdom belonging to the “manufacturing” and the “wholesale/retail” sectors perform well from an environmental perspective.

These sectors were chosen based on their high and complex environmental footprint (DEFRA, 2020; Martinuzzi et al., 2011). Choosing two sectors rather than one also provided the opportunity for a comparative analysis. The certification's sectorial taxonomy contains three more sectors: “agriculture/growers” (which included only one company at the time of the analysis), “services with a minor environmental footprint,” and “services with a significant environmental footprint.”

The two selected sectors comprised 68 companies at the time the sampling was generated in May 2020 using the online B Corporation database (B Corporation UK, 2020c). Of the 68, 18 were manufacturers and 50 were in wholesale/retail.

All certified companies have their summary assessment reports published on the B Corporation website. These contain scores for each impact area, further split by category. Wholly owned subsidiaries also publish their complete assessment (sensitive data excluded).

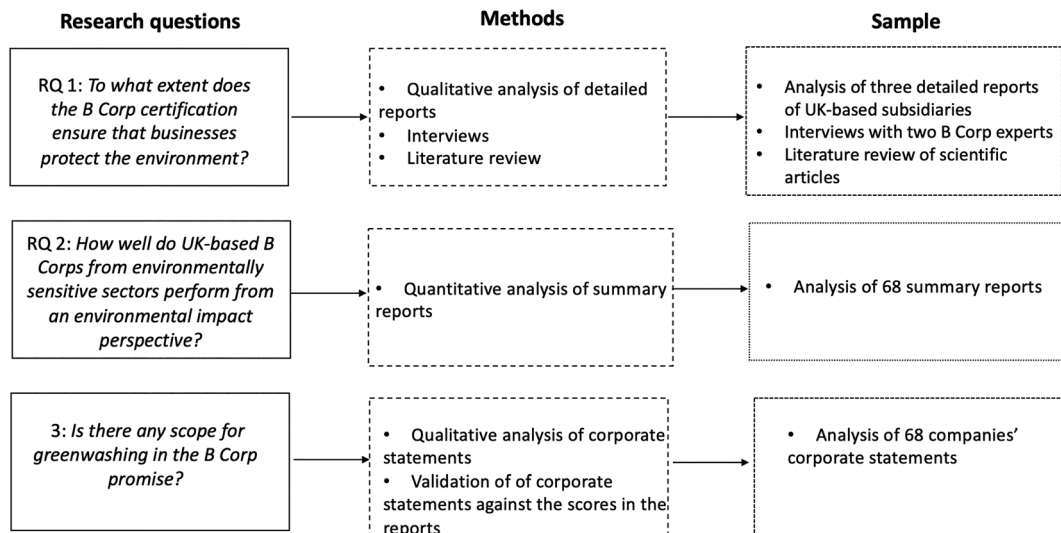
BIA creates different assessment tracks based on companies' sectors, size, and market, but points are weighted so as to make companies' scores comparable (B Impact Assessment Knowledge Base, 2020a). Not all the companies analyzed scored points for the Workers and Customers impact areas, but the Environment impact area is present in all reports along with Community and Governance.

BIA also differentiates between “impact business model” points, awarded for how positive impact is baked into companies' business models, and “operational impact” points, granted for everyday practices (“modus operandi”). With a few exceptions, an impact business model can bring a company up to 30 points, and most companies score points in 0–2 impact business models, therefore being able to achieve up to 60 “impact business model” points (but there is no imposed cap on the number of impact business models companies can score points in) (BIA Knowledge Base, 2020b, 2020d, 2020e). The total “operational impact” points available are 140 for companies with at least one employee (BIA Knowledge Base, 2020a). Zero-employee companies can earn fewer operational impact points, but more impact business model points—which allows for cross-sample comparability at the overall score level (BIA Knowledge Base, 2020f).

#### 3.2 | Data collection and sample

To answer the three RQ, we combined quantitative and qualitative methods (Figure 1). Through triangulating/cross-checking primary and secondary source data (interviews, assessment reports, corporate statements, information from B Lab, and literature review), we increased the quality of our empirical inference (Jick, 1979).

Specifically, for the first question (*To what extent does the B Corp certification ensure that businesses protect the environment?*), we performed a qualitative analysis of three detailed reports of UK-based subsidiaries (1 manufacturing, 2 wholesale/retail) and extracted empirical observations which we verified and clarified through video recorded interviews with two UK B Corp experts: a B Lab UK director and a UK B Corp consultant and co-owner of a B Corp certified sustainability consultancy. The literature was also consulted to filter the observations that emerged.



**FIGURE 1** The methodological framework of the study

The resulting information was structured into three topics that helped to address the first RQ: (i) Does BIA stimulate companies to engage with the TBL? (ii) Does BIA ensure a high environmental performance? (iii) Does BIA give consumers the tools to hold companies accountable?

To answer the second question (*How well do UK-based B Corps from environmentally sensitive sectors perform from an environmental impact perspective?*), we performed a quantitative analysis of the scores included in the 68 companies' summary reports.

Since the scoring system ensures comparability among companies, we considered the minimum, maximum and average Environment scores of the analysed companies as reference points. Another reference was the maximum achievable operational points for Environment, which is 45 for companies with at least one employee in both sectors. Zero-employee companies, identified using B Lab's Datasets (data.world, 2020), were removed from this calculation as there were only four of them.

The quantitative analysis enables to reveal in which impact area companies score highest and how this predicts their environmental performance. The points available for each impact area corresponding to a stakeholder (Workers, Community, Environment, and Customers) are comparable, although distributed differently between "impact business model" and "operational impact" points, making it possible to identify a company's main focus. To understand which impact area was favored by these companies and how that reflected on their environmental performance, two tests were performed:

- **Test A.** We grouped companies into the "Environmental Group" if their highest score was for Environment and the "Social Group" if their top score was in one of the social areas (Community, Workers, or Customers). We then compared the average environmental score between the two groups to see how it correlated with their predilection for an impact area.

- **Test B.** As some companies displayed similar (though not identical) scores for Environment and one or more social categories, we created a third group of companies called "Balanced," alongside the "Environmental" and "Social" groups. "Balanced" companies had to have less than a 5-point difference between their environment score and their highest scoring social impact area. While the argument for choosing the maximum 5-point gap as separating criterion for "Balanced" companies is not scientific, the two B Corp experts interviewed confirmed it was suitable for generating viable insights into companies' approaches.

Finally, to answer the third question (*Is there any scope for greenwashing in the B Corp promise?*), we performed a qualitative coding (Auerbach & Silverstein, 2003) on the corporate statements published alongside the 68 summary reports. Institutional claims are considered in the literature as an important indicator of a company's predilection for social or environmental impacts, as they capture leaders' core values and beliefs and their approach to stakeholders (Stevens et al., 2015). Corporate statements can reveal companies' intentionality about their practices. However, statements need to be evaluated against companies' results to be validated and, in the case of environmental statements, to rule out greenwashing.

To perform the qualitative coding, social and environmental claims were identified and color-coded in the analyzed texts. Any promise or commitment to a stakeholder group was considered a claim, adapting the European Commission's guidance on "environmental" or "green" claims made for products or services: "the practice of suggesting or otherwise creating the impression [...] that a product or a service is environmentally friendly" (European Commission, 2014, p.17). As such, phrases like "better for the planet," "to reduce the environmental impact," "environmental efficiency," "circular solutions," "while not costing the earth," "reusable," "sustainable," "organic," and "to save trees" were marked as environmental claims. Phrases like "aim to raise people out of poverty," "positive impact on



their consumers, employees, community,” “make healthy eating easy,” “committed to ending water poverty,” “affordable,” and “supports the local economy and creates community” were color-coded as social claims.

To understand whether companies were backing up environmental or social claims with high performance in those areas, claims and corresponding scores were compared. As the B Corp certification allows for comparability, we defined performance in an impact area as “having at least an average score among certified peers.” Three scenarios were identified:

1. **Strong alignment:** Environmental, social, or mixed (environmental and social) claims were matched by corresponding average or above-average scores.
2. **Partial alignment:** In the case of mixed claims, three “partial alignment” sub-scenarios were identified: (a) Only the social claim was supported by an average or above score; (b) only the environmental claim was supported by an average or above score; (c) the company had an above-average score in one area but did not make a corresponding claim.
3. **Weak alignment:** A statement was contradicted by the score.

## 4 | RESULTS

To answer the first question (*To what extent does the B Corp certification ensure that businesses protect the environment?*), we explored three topics of concern (see Section 3.2).

1. First, we wanted to see whether BIA is engaging companies with the TBL (Elkington, 1997), ensuring they perform well under social, environmental, and economic aspects alike (Hart, 1995; Hart & Milstein, 2003). We found that companies can focus on the areas they prefer, and they can score zero points on any pillar (including the Environment) as long as they achieve the 80-point threshold through other impact areas. “You may or may not have addressed your material topics in getting to 80 points,” confirms the B Corp consultant.

We also found that several BIA questions place an “or” or a “/” between social and environmental impact, a formula which some scholars also use (see Stubbs, 2017a). For example, one question addressing socially or environmentally minded purchases asked: “What % of materials/products purchased have third party *social or environmental* certification or approval or are from significant suppliers that are purpose driven or have third party company level certification or approval?” Such questions do not reward companies addressing both types of impact more than companies addressing one. This could lead to the trade-off mentality mentioned by Elkington.

The B Lab director says he cannot comment on the wording chosen by the standards management team, but that “there is always a possibility to create two questions, or to have a dual point system,” and that this kind of suggestion can be made through the feedback

system embedded in BIA. The B Corp consultant views BIA as designed to reward positive impacts. “So, it doesn't matter that you've been able to deliver impact in one area and not in the other.” It would be difficult to ask companies to perform well on all accounts anyway, he explains, as “some things are impactful, and some things are feasible, and they both have to be considerations in a work plan.”

While BIA does not necessarily engage companies with the TBL, the B Lab director argues that the legal changes companies need to adopt at the end of the certification process by formally committing to considering all stakeholders when making decisions have that effect. However, tens of thousands of companies who use BIA for educational purposes, without certifying, miss that step and therefore the opportunity to engage with the TBL approach.

2. We also explored whether BIA demands a high environmental performance from companies. We found that, besides allowing companies to score zero points for the Environment, it only grants “positive points,” so not adopting best environmental practices does not decrease scores. This makes us conclude that BIA does not push companies to address their environmental impact.

We also explored whether BIA considers industry-level environmental sensitivities. We found that BIA does not tailor the questionnaire beyond the five sectors. Exceptionally, there are three industries for which BIA includes addenda: real estate, finance, and education (BIA Knowledge Base, 2020c), but their focus is on capturing the positive impact in a more tailored way, not on preventing negative externalities.

“Right now, it is not as granular as that. There is a certain level of uniformity that we want to bring to the assessment,” admits the B Lab director who nevertheless expects to see more industry addenda in the future. “It may be that [...] going forward we're able to create an extra layer to the assessment that dives into some of these problems.”

3. Finally, to answer the first RQ, we also investigated whether BIA is giving consumers the tools to hold companies accountable, which would act as a pressure mechanism on companies to further their environmental performance. The literature recognized that the legitimacy of voluntary certification schemes depends not only on companies but also on other actors (Marin-Burgos et al., 2015) such as the consumers. We found that, although some authors (such as Honeyman & Jana, 2019) compare the BIA summary reports to nutritional labels on food products, showing a company's sustainability performance, unlike nutritional labels which include daily intake references, BIA reports do not include references (e.g., the maximum possible score for each of the five pillars). This makes it difficult for consumers to assess a company's sustainability performance, weakening the accountability mechanism.

To answer the second RQ, we carried out a quantitative analysis of summary reports. The total scores of the 68 analyzed companies span a wide performance spectrum, with the lowest at 80 and the highest

at 137 points. The average score among evaluated companies is 89.1, and the standard deviation is 10.15. A total of 44 companies scored under 90 points (see Figure 2).

It is technically possible to achieve the certification threshold of 80 points by only scoring in two impact areas. While none of the analyzed companies scored 0 points for Environment, BIA does not exclude that possibility (as explained) and low scores exist. The overall scoring champion scored the lowest for Environment: 7.1 points. The highest score recorded for Environment is 45.2 points, the average is 24.5, and the standard deviation is 8.85.

To see what impact areas companies, prefer, Test A was first performed (see Section 3). The results are summarized in Figure 3 and below:

1. Thirty-six companies (52.9%) fall into the “Social Group,” meaning that their highest score was in a social category (Workers, Community, or Customers). Their average Environment score is 17.85.
2. In the “Environment Group” of 32 companies (47.1%), the average Environment score is 31.9—almost double that of the “Social Group,” despite slightly lower overall scores.

In Test B, companies with a gap of less than 5 points between their Environment score and the best scoring social area were assigned to a “Balanced Group,” while the rest of the companies were split between the “Social Group” and the “Environmental Group.” Below are the main findings (see also Figure 4):

- The “Environmental Group” contains 23 companies and has an average Environment score of 34.04.
- The “Social Group” contains 31 companies and has an average Environment score of 16.93 (less than half the score of the “Environmental Group”).
- The “Balanced Group” featured 14 companies. Their average Environment score is 25.64 (slightly above the average among certified peers).

In order to see what impact business models companies in these two sectors have chosen, 66 of the 68 summary reports were used (two did not have this data available online at the time of writing). These correspond to 18 companies in manufacturing and 48 in wholesale/retail.

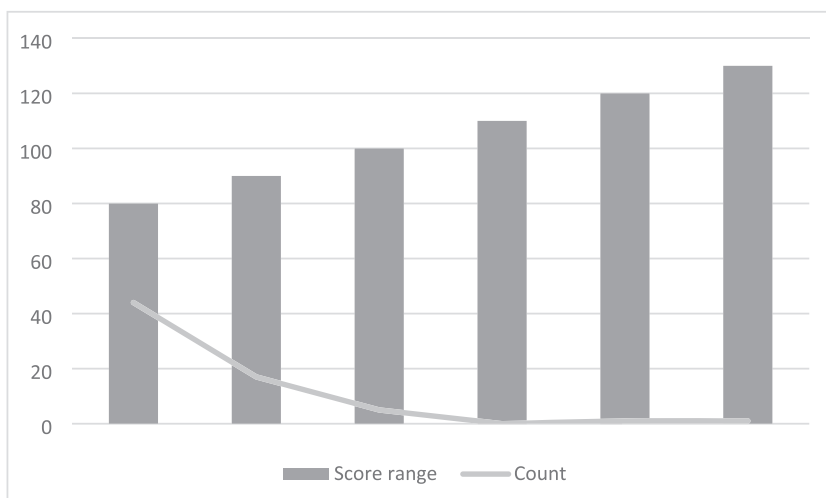
We found that a majority of companies (69.69%) have an environment-related impact business model. When splitting these companies by sector, 83.3% of manufacturers and 64% of wholesale/retailers have an environmental impact business model. These companies earned between 0.1 (a wholesale/retail company) and 28.1 points (a manufacturer) for their environmental business model.

In comparison, 26 companies (39.39%), out of which 20 wholesale/retailers and six manufacturers have a community-related business impact model, earn between 1.10 and 49.10 points.

We then analyzed the impact business model adoption with a higher level of granularity and found that of the six types of environmental business models available (B Lab, 2020), no company has adopted the “Renewable/Cleaner Burning Energy” model, only one has adopted the “Environmental Information and Education” model, and only two chose “Environmental Innovative Processes.” By far, the most popular models are “Toxin Reduction/Remediation,” “Resource Conservation,” and “Land/Wildlife Conservation” (see Figure 5).

To analyze the operational impact points (awarded for a company’s sustainable way of managing day-to-day operations), we separated our sample companies into two groups: those assessed on v.5 of BIA and those assessed on v.6, as the two assessment versions evaluate operational impact differently. V.6. was launched in January 2019, and by the time of writing, not all companies in our sample who certified before that moment reached their recertification deadline to be re-evaluated based on it.

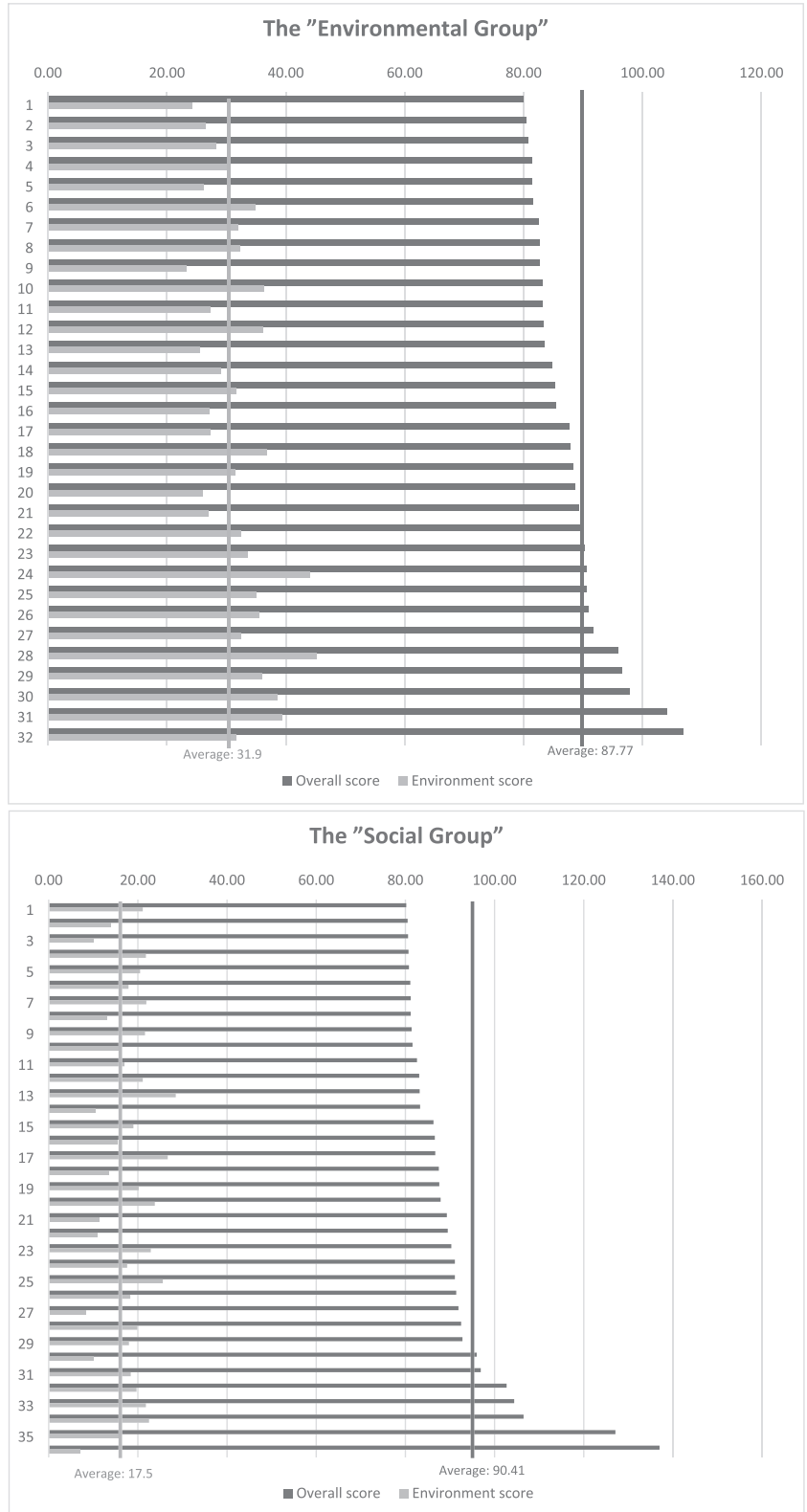
Thus, we found that 50 of the companies in our sample were assessed based on v.5. Of these, four had no employees and were eliminated from the analysis (as explained in Methodology). Therefore, 11 manufacturers and 35 wholesale/retailers’ summary reports were analysed in the v.5 sample (see Figure 6).



Source: our elaboration

FIGURE 2 BIA score range distribution among analysed companies

**FIGURE 3** Test A: Companies with their highest score in Environment (the “Environmental Group”) scored considerably higher in this pillar compared to companies prioritizing one social impact area (the “Social Group”)

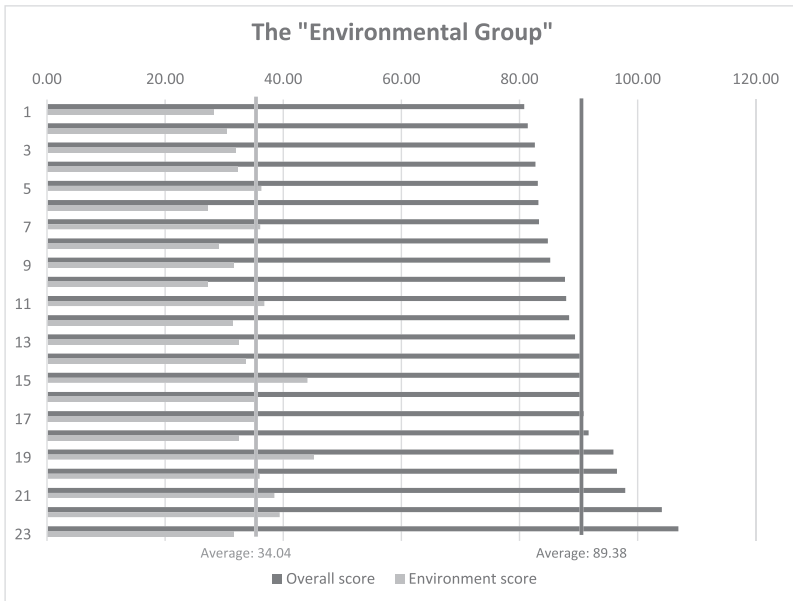


Source: our elaboration

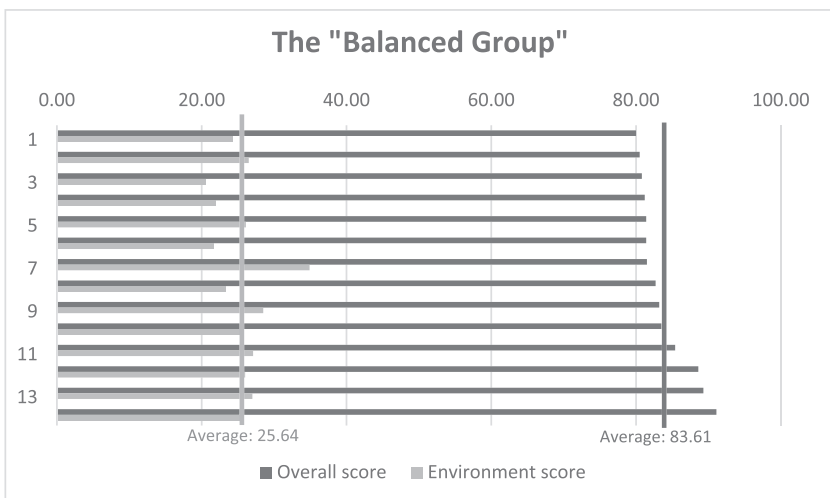
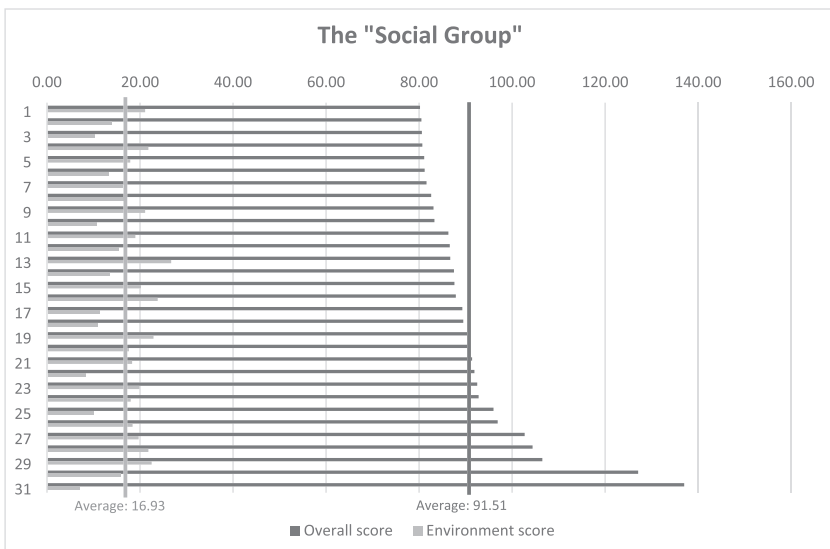
Manufacturing generally seemed to have higher Environment operational scores than wholesale/retail, with the exception of “Transportation, distribution, suppliers.” Both sectors have a high

standard deviation for their “Inputs” scores. The same applies to “Transportation, distribution, suppliers.” within the manufacturing sector.





**FIGURE 4** Test B shows that companies prioritizing one social impact area score less than half compare to the “Environmental Group” for the environment pillar (and below-average among peers)



Source: our elaboration.

Environmental impact business model	No. of companies
Renewable/ Cleaner Burning Energy	0
Resource Conservation	16 (11 in wholesale/retail, 5 in manufacturing)
Land/Wildlife Conservation	12 (9 in wholesale/retail, 3 in manufacturing)
Toxin Reduction / Remediation	25 (18 in wholesale/retail, 7 in manufacturing)
Environmental Information and Education	1 in wholesale/retail
Environmental Innovative Process	2 in manufacturing

Source: our elaboration

**FIGURE 5** The adoption of environmental impact business models by analysed B Corps

A total of 13 companies (seven from wholesale/retail and six from manufacturing) were assessed based on BIA v.6. For this version of the assessment, the total available points per category was published by B Lab (BIA Knowledge Base, 2020a), and we used it as a reference to generate more insights (see Figure 7).

**FIGURE 6** B Corps' "day-to-day" environmental performance based on BIA v.5

Operational impact scores in manufacturing				
	Lowest score	Highest score	Average	Standard deviation
Land, office, plant	2.8	6.2	4.41	1.14
Inputs	2.4	10.8	5.83	2.82
Outputs	1.6	5.9	2.85	1.37
Transportation, distribution, suppliers	0	10	3.85	2.46
Operational impact scores in wholesale/retail				
	Lowest score	Highest score	Average	Standard deviation
Land, office, plant	1.1	8	4.16	1.62
Inputs	0.6	10.3	4.83	2.33
Outputs	0	7	1.68	1.39
Transportation, distribution, suppliers	0.7	11	5.39	1.39

Source: our elaboration

Interestingly, manufacturing continues to score better than wholesale/retail—this time on all accounts. Both sectors scored highest in “Land & Life” in relation to the maximum achievable (the only dimension where the average is in the upper half of the maximum), which indicates that related environmental practices are prioritized and mature. By contrast, “Water” and “Air and Climate” score low compared to the maximum available, especially in wholesale/retail, thus highlighting a gap between best practices and companies' performance.

Finally, to verify companies' performance against “the ideal,” the averages of operational impact points earned in the three stakeholder categories where all companies with employees scored points (Workers, Community, Environment) were compared against the maximum available. Figure 8 shows the results.

In both sectors, environmental practices score furthest from the ideal, averaging 35.3% (wholesale/retail) and 40.4% (manufacturing) of the maximum available. Community and Workers fare significantly better, surpassing 52% in both sectors.

Finally, to answer the third question (*Is there any scope for greenwashing in the B Corp promise?*), we performed a qualitative analysis of the 68 companies' corporate statements published on the B Corporation website along with the summary reports.

The qualitative analysis shows that:

1. Roughly two-thirds (67.6%) of companies from the two sectors made an environmental commitment.
2. 70.5% of companies had a **strong** alignment between their statements and their BIA score (above-average scores matching their social and environmental commitments).

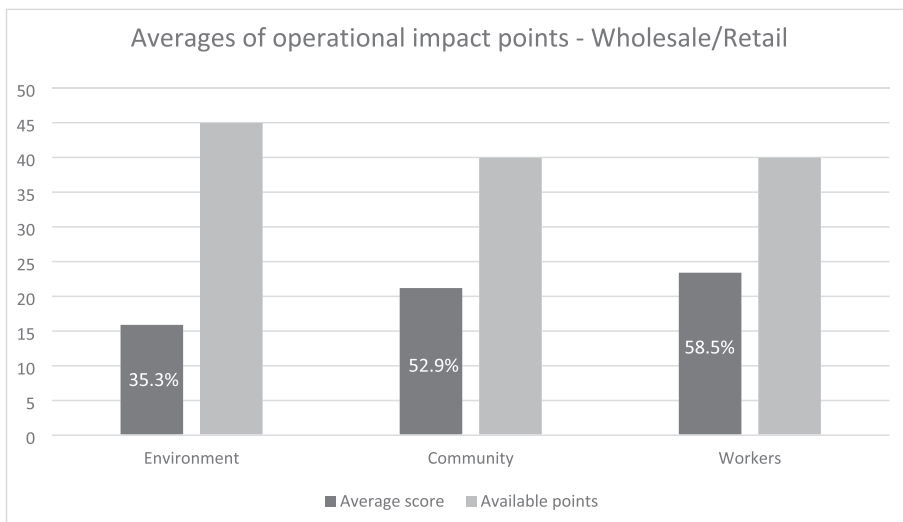
Operational impact scores in manufacturing					
	Lowest score	Highest score	Total available	Average	Standard deviation
Environmental management	1	7	10	4.08	1.95
Air & Climate	2.4	8.3	15	5.63	2.32
Water	0.3	5.2	8	2.06	2.05
Land & Life	6.1	9.8	12	8.56	1.33

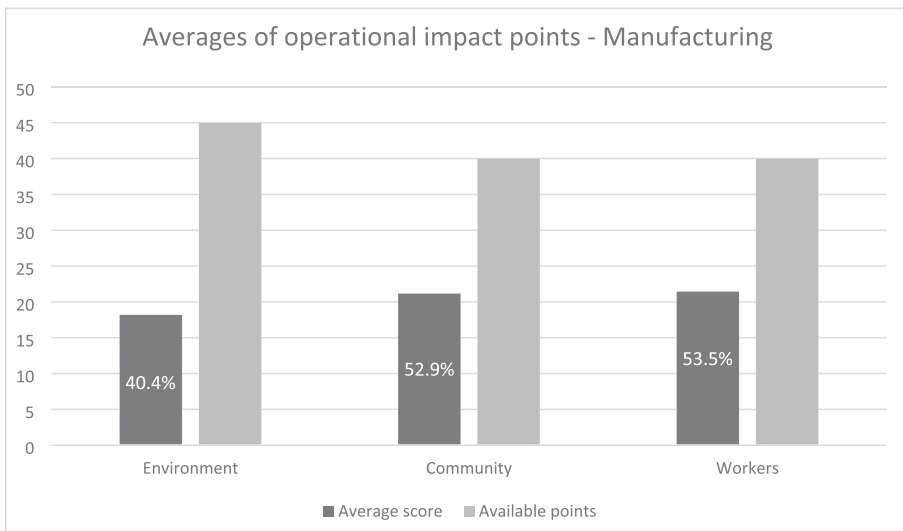
Operational impact scores in wholesale/retail					
	Lowest score	Highest score	Total available	Average	Standard deviation
Environmental management	1.6	7.1	10	3.91	1.75
Air & Climate	1.4	5.9	15	3.23	1.91
Water	0	1.1	7	0.48	0.53
Land & Life	4.2	10	13	7.13	2.51

Source: our elaboration

**FIGURE 7** B Corps' "day-to-day" environmental performance based on BIA v.6



**FIGURE 8** Companies' operational performance compared to the "ideal" (i.e., number of points available)



Source: our elaboration.

3. 26.5% of companies had a **partial** alignment between their claims and their score (they either failed to claim the positive impact demonstrated by their score, or they did not back up a claimed positive impact with an at least average score). Of these:
  - Seven companies made **mixed claims** (social and environmental) with the environmental claims including strong statements such as “planet-saving beer,” “cradle to cradle principles and certification at the heart of everything we do,” “committed to generating positive environmental impact,” “sustainably sourced food,” and “reduce their flour footprint” but displayed below-average environmental scores (with two earning zero points for handling pollution and waste), compensated for by their social scores.
  - Four companies made **social claims** supported by less than average social scores.
  - Six companies displayed strong environmental scores (their best for five of them) but did not actually make an environmental claim.
- Finally, two companies (3%) demonstrated a **weak** alignment (their corporate statements tell a different story than their scores):
  - One company claims to be “Leading the way in sustainable fashion,” but only scores 8.3 points for Environment—the second lowest score among the 68 companies analysed and the lowest among its seven Fashion & Textile certified peers.
  - Another company claims a high social impact (“healthier eating and drinking habits for all stakeholders”) but scores low for Community and 0 for Customers while compensating through the Workers impact area to achieve the certification threshold.

## 5 | DISCUSSION

While popular reporting frameworks, such as GRI and ISO 26000, have been criticized for not verifying the quality and the accuracy of the reported information and for not providing the ground for comparability between companies, the B Corp certification is recognized for excelling in both areas (Honeyman & Jana, 2019).

However, the findings of this paper highlighted that B Corp allows companies to cherry-pick (Milne & Gray, 2013) the sustainability areas they want to focus on. These results are similar to the critique brought by the literature to other sustainability frameworks, such as GRI (Landrum & Ohsowski, 2018; Moneva et al., 2006), and are aligned with the recognition that a weak approach to sustainability exists (Gutés, 1996). This approach means that companies can focus on those areas that they find easiest to address or issues with more “salience” (Bansal & Roth, 2000).

B Corp is rapidly growing in popularity, with over 50,000 companies using its online assessment as a free tool for improving their sustainability practices. We felt it was a good moment to investigate the certified companies' environmental performance and understand if B Corps meet the TBL approach. We focused on the United Kingdom, given that more than 10% of certified companies are hosted there.

We found that the B Corp certification is a valuable tool but has some limitations.

**RQ 1.** In answering the first RQ, we learned that companies could score zero points for the Environment and still be certified, which shows that BIA does not constrain companies to push for high environmental performance, deliberately allowing for trade-offs.

Secondly, it does not consider industry-level sensitivities. This allows companies to choose the issues they deem easiest to address instead of the most material ones for their industry. Such a mechanism may threaten the credibility of a certification (Boiral & Gendron, 2011), especially in the eyes of consumers (Xu et al., 2018). As Matisoff (2015, p.110) warns, “Voluntary programs that are not sufficiently stringent may reward bad actors and obscure bad environmental behaviour.”

Another observation is that B impact summary reports do not include the maximum achievable points for each evaluated aspect so that consumers understand a company's performance relative to the ideal. A higher level of transparency may increase consumers' trust in the certification and in certified companies' performance beyond the financial bottom line. It may also spur businesses toward even better environmental performance to maintain their reputation (Dangelico, 2015).

However, combining literature, interviews, and publicly available information from B Lab, we identified seven “soft tools” and motivators that the whole B Corp ecosystem uses to stimulate environmental performance among certified companies.

1. **Power of indexes.** Studies have found that indexes put indirect pressure on companies to improve so they do not appear as laggards. Companies react especially if they belong to highly regulated industries and face low improvement costs (Chatterji & Toffel, 2010). However, the scoring needs to be widely visible and understood for this trigger to function.
2. **Disclosure questionnaire.** The lack of negative points (only “positive points” are awarded by BIA) is at least partially counterbalanced by the disclosure questionnaire where sensitive topics are looked into by B Lab before it grants certification (BIA Knowledge Base, 2020d).
3. **Learning tool.** Most questions in the assessment have multiple-choice answers. These various answers represent “ideas for improvement across different areas of your business” as the B Lab director explains, thus positioning the assessment as a learning tool, in line with the cited literature (Sharma et al., 2018; Shields & Shelleman, 2017; Wang & Mao, 2020).
4. **Transformative introspection.** The process of going through the assessment is introspective and transformative, says the B Lab director. “It is massively unlikely that a company would go through that process and not come out the other side transformed and wanting to engage with the local or the global movement.” This observation is in line with the literature arguing that companies who pursue this certification work on their identities which are

linked to their values, sense of self-coherence, and distinctiveness (Grimes et al., 2018).

5. **Three-year cycle.** Every 3 years, companies need to recertify, and the certification's standards also become more stringent. "We look at what is best in class, what are the new things that came up, and what do we need to integrate to raise the bar," states the B Lab director. In January 2022, there will be new updates to the BIA, and according to a B Lab survey conducted within the community in December 2020, answering affirmatively to some questions could become a condition for certification (B Corporation UK, 2020b).
6. **Community.** B Corp is not just a certification or an audit; it is a community and a movement (Diez-Busto et al., 2021; Kirst et al., 2021; Stubbs, 2017b), so its effects on companies need to be assessed more widely than by solely focusing on the BIA. "There is a way in which the impact assessment works, and then there is a way in which companies interact with the B Corp movement and the B Corp community," states the B Corp director. Knowledge sharing through workshops, case studies and articles, support, encouragement and collective commitments such as "declaring net 0" are equally important tools to stimulate performance within companies.
7. **Consultants.** B Corp consultants are another indirect force that stimulate progress, encouraging companies to not stop at the point of certification, according to the B Corp consultant we interviewed—similar to the positive role of auditors or verifiers on the company's journey toward certification observed by Daddi et al. (2019).

B Corp is therefore a combination of hard tools (i.e., the online assessment tool—BIA, the disclosure agreement) and soft tools (e.g., being part of a movement that incentivizes companies to change) which combined should lead to continuous improvement. We must also take into account that the certification is evolving and improving, a trajectory that is gradual by necessity in order to create a movement and not just an audit. There needs to be a constant balancing act between its stringency (which brings credibility) and its accessibility (which attracts adherents).

However, we want to argue that BIA is used as a learning tool by many more companies than those who certify (i.e., 50,000 vs. 4000 using the 2021 data) and who are less influenced by the components of the B Corp ecosystem beyond BIA. For them, BIA would set an even better example if it encouraged improvements across all pillars and with a focus on the most relevant ones.

**RQ 2.** Regarding the environmental performance of studied B Corps which we explored in the second RQ, we noticed discrepancies across the sample, both in total scores and across the five impact areas. This result is in line with Sharma et al. (2018) who concluded that companies choose different impact areas according to their profiles, ignoring some BIA questions that do not reflect their missions. It also confirms the "trade-off mentality" argued by Elkington (2018). Existing environmental performance discrepancies among companies, along with

the lack of a minimum performance threshold per impact area, shows that being a certified B Corporation does not guarantee a certain level of environmental performance, contradicting the B Corp promise that certified companies necessarily display the highest level of social and environmental performance. In fact, we found that several companies scored enough in two of the five impact areas to certify. While we have not found any company with zero points for Environment, low scores exist.

Our paper also revealed that, among the analysed B Corps, prioritizing one social impact area generally leads to below-average environmental performance among certified peers. This result highlights companies' trade-off approach to positive impact, calling for additional attention from B Lab to addressing critical issues in each industry, and is in line with previous studies finding trade-offs (Kono et al., 2018) and tensions (Hahn et al., 2015; Sasse-Werhahn et al., 2020; Spina & Di Paola, 2020; Van der Byl & Slawinski, 2015) between social and environmental performance.

We also found that more companies in the two analyzed sectors focus their impact business models on the Environment than on any other stakeholder category. However, these companies tend to earn fewer impact business model points than companies focusing theirs on a social pillar. The analyzed data do not explain the reason behind this phenomenon. However, the literature offers a possible explanation: Environmental performance is harder to achieve than social performance due to its technical, R&D, and financial requirements (Bansal et al., 2014).

The operational (day-to-day) impact scores show the manufacturing sector's environmental superiority to wholesale/retail, but both sectors are far from ideal, reaching 35%–40% of the maximum score, compared to 52%–58% in social impact areas. This shows that companies are better at driving positive social impact than environmental impact in their day-to-day operations. The same observation was made by Zeng et al. (2020) about countries in their quest for SDG implementation. In addition, Bansal et al. (2014) reported that society tends to expect companies to "do more good" socially and only "less bad" environmentally (p. 955).

**RQ 3.** Finally, regarding the existence of any scope for greenwashing in the B Corp promise which we addressed through our third RQ, we found that most companies (70%) show a strong alignment between their social and environmental claims and their scores. However, 19 companies only showed a partial or weak alignment, with some making unsubstantiated environmental claims. B Lab could therefore double-check companies' claims to ensure better alignment, especially since such claims appear next to the companies' summary reports on the B Corporation website. Thus, although "B Lab's aim is to improve mission alignment and measurement of business impact," (Moroz et al., 2018, p. 127), we argue that the existing mechanism could be improved to prevent greenwashing at company level.

With regard to preventing greenwashing at the level of the certification, we suggest that positioning B Corps as companies demonstrating

the highest verified standards of social and environmental performance can be deceiving, since companies can currently choose between social and environmental impact, being allowed to completely ignore not just certain questions, but impact areas—such as the Environment—altogether.

## 6 | CONCLUSIONS

### 6.1 | Theoretical contribution

Our study makes an original contribution to previous literature on the B Corp certification, as it advances knowledge on the certification's mechanisms and limitations in ensuring companies align with the TBL approach. A very limited number of studies investigated the B Corp certification through the lens of the TBL theory. Our paper shows that although the B Corp certification overall is aligned with the TBL approach to sustainability, its online impact assessment (BIA) allows for prioritizing only some dimensions of sustainability. This mechanism may encourage companies to make little improvements in their performance in some of the pillars. This may also be facilitated by the lack of references (i.e., maximum number of points available) in the summary reports which would provide the context to customers to understand a company's real performance in relation to the ideal. Thus, the study also contributes to the literature on the transparency and reliability of sustainability metrics (Dorfleitner et al., 2015; Semenova & Hassel, 2015; Widyawati, 2020).

This paper also contributes to the literature debating the trade-off between social and environmental corporate objectives (e.g., Cubas-Díaz & Martínez Sedano, 2018; De Giacomo & Bleischwitz, 2020; Slawinski & Bansal, 2015; Villela et al., 2021), finding that analyzed companies choose to prioritize some stakeholders and not others and that their choices are not necessarily aligned with the most stringent issues of their industry. As the B Corp certification measures a company's entire social and environmental performance, we were able to compare companies' performance in relation to all their stakeholder groups and found that companies in the two environmentally sensitive sectors analyzed tend to perform better socially than environmentally.

Finally, our study contributes to the literature on greenwashing in relation to sustainability certifications (such as Bowen & Aragon-Correa, 2014; Heras-Saizarbitoria et al., 2020; Partzsch et al., 2019), showing that the B Corp certification is not greenwashing-proof. We identified vulnerabilities on two different levels:

1. **Certification level.** While the certification claims to award companies displaying “the highest standards of verified social and environmental performance” (B Corporation, 2021c), by not imposing a minimum floor for environmental performance, the certification allows companies to neglect this area if they compensate for it through other impact areas. This exposes the certification to greenwashing. Citizens may assume the B Corp certification guarantees that companies have a high environmental performance, while

in reality the certification's mechanisms do not necessarily ensure that, as demonstrated.

2. **Company level.** Our study found that the certification does not include a mechanism for verifying certified companies' corporate statements in relation to their scores, allowing for unsubstantiated claims. This vulnerability exposes the certification and certified companies to a loss of credibility (Boiral & Gendron, 2011; Matisoff, 2015).

### 6.2 | Practical implications

By demonstrating the vulnerabilities to trade-offs and to greenwashing of one of the most prominent, credible, and comprehensive sustainability certifications—B Corp—this study can be valuable for those interested in sustainability certifications, be they companies, certification managers, or policymakers:

1. Companies who use its online assessment tool (BIA) to manage their sustainability performance for learning purposes, without certifying, should be aware of its limitations and focus on the truly relevant sustainability aspects of their business while not completely neglecting any pillar, even though the tool does not guide them so. Only this approach can ensure they are aligned with a TBL approach (Elkington, 1997).
2. Companies who certify should be aware that, although the alignment between their claims and their scores is not verified by B Lab, they would benefit from ensuring that this alignment exists, otherwise exposing themselves to the risks of greenwashing (Hameed et al., 2021). These companies should also make sure they are addressing the most critical sustainability issues from the start, as the certification is gradually becoming more stringent through its 3-year cycle revision process and we are confident that it will, in time, limit the possibility for companies to commit the “sin of lesser of two evils” (Delmas & Burbano, 2011; UL, 2020).
3. B Lab could hopefully integrate our feedback regarding the certification's trade-off and greenwashing vulnerabilities in the future versions of BIA and in its other mechanisms to ensure it promotes only true “sustainability leaders” (Formentini & Taticchi, 2016) while staying away of greenwashing criticisms. First, the online assessment tool (BIA) can be adjusted to foster a TBL path to sustainability among companies (Elkington, 1997) by imposing a minimum floor on each pillar. This would benefit all companies who use the tool, not just those who certify and who may be stimulated to adopt a TBL approach by additional mechanisms such as the legal changes adopted when certifying and peer pressure inside the B Corp community. Secondly, to ensure companies focus on the most critical sustainability issues in their industries, dedicated addenda could be created per industry—beyond the three that currently exist. Finally, to ensure that corporate statements are aligned with companies' scores, B Lab could include a dedicated review mechanism. These measures may also increase consumers' trust in the certification.



4. Policymakers who address greenwashing risks should be aware that even well-established sustainability certifications like B Corp are not greenwashing-proof, a flag that was raised by other studies as well in relation to certifications (Bowen & Aragon-Correa, 2014; Heras-Saizarbitoria et al., 2020; Partzsch et al., 2019).
5. Finally, all audiences may be interested to learn that, at least in the two sectors investigated, environmental performance is further from the ideal (as defined by B Corp) than social performance. This is in line with previous studies suggesting that companies may encounter challenges in meeting all sustainability dimensions (Cubas-Díaz & Martínez Sedano, 2018; Henry et al., 2019; Isil & Hernke, 2017), as well as with studies showing that implementing environmental initiatives can be difficult due to a company's lack of technical capacity, R&D, and budgets (Bansal et al., 2014; Matisoff, 2015).

While this study starts from the assumption that a TBL approach is desirable from businesses, we also have to consider that, regardless of the B Corp certification's characteristics, companies ask whether the TBL approach is practically feasible and how it can be concretely achieved (Srivastava et al., 2021). Based on the literature, we suggest that organizations' capacity to learn (Levitt & March, 1988) and their capabilities (Alonso-Martínez et al., 2019) may help them to innovate (Brown & Duguid, 1991), to achieve sustainability performance (Bhatia, 2021; Bhatia & Jakhar, 2021) and, in general, to generate sustainability-related change processes (De Giacomo et al., 2019; Hermelingmeier & von Wirth, 2021).

### 6.3 | Limitations and future research

Although we believe our results offer interesting insights into certified companies' environmental performance through both qualitative and quantitative methods, they do not explain the reasons behind these observations (e.g., companies' motivations and contexts) as we did not interview the certified companies themselves. However, this research can serve as a starting point for further qualitative exploration, as well as for expanding the same methods to cover the service sectors, which were not included in this study.

Secondly, our assumption for the qualitative content analysis of corporate statements was that making an environmental or social claim should be matched by at least an average score (among certified peers within the sector) in that impact area. It could be argued that any positive score is enough to claim a positive impact and that the chosen threshold is too harsh. However, the fact that companies can claim "cradle-to-cradle" principles at the core of "everything we do" or "mitigating climate change" while scoring 0 points for handling waste and pollution should at least serve as a starting point for a debate on greenwashing among B Corps. This is an evolving field with little agreement at an institutional level, so B Corp could take a stance in pushing for greenwashing-proof standards as part of its efforts to build the best business governance model.

### ORCID

Maria Rosa De Giacomo  <https://orcid.org/0000-0001-8100-6698>

### REFERENCES

- Alonso-Martínez, D., De Marchi, V., & Di Maria, E. (2019). Which country characteristics support corporate social performance? *Sustainable Development*, 28, 670–684. <https://doi.org/10.1002/sd.2018>
- Auerbach, C., & Silverstein, L. B. (2003). *Qualitative data: An introduction to coding and analysis*, 21. NYU Press.
- B Corporation. (2021a). A global community of leaders. Accessed 6 September 2021. <https://bcorporation.net>
- B Corporation. (2021b). The B impact assessment and B corp certification. Accessed 9 September 2021. <https://bcorporation.uk/certification#:~:text=Used%20by%20over%2050%2C000%20businesses%2C%20the%20B%20Impact,performance%20requirement%20of%20certification.%20MEET%20THE%20LEGAL%20REQUIREMENTS>
- B Corporation. (2021c). About B corps. Accessed 11 September 2021. <https://bcorporation.uk/about-b-corps>
- B Corporation UK (2020a). Call for input on B corp certification performance requirements. Accessed 19 December 2020. <https://bcorporation.net/news/message-b-corp-community-and-all-interested-parties>
- B Corporation UK (2020b). We are B corps. Accessed 10 August 2020. <https://bcorporation.uk/we-are-b-corps>
- B Impact Assessment Knowledge Base. (2020a). How the B impact assessment is scored. Accessed 31 August 2020. <https://kb.bimpactassessment.net/en/support/solutions/articles/43000575263-how-the-b-impact-assessment-is-scored>
- B Impact Assessment Knowledge Base. (2020b). Impact business model scoring. Accessed 1 September 2020. <https://kb.bimpactassessment.net/en/support/solutions/articles/43000575267-impact-business-model-scoring>
- B Impact Assessment Knowledge Base. (2020c). Industry addenda: Real estate, finance, and education. Accessed 4 September 2020. <https://kb.bimpactassessment.net/en/support/solutions/articles/43000574687-industry-addenda-real-estate-finance-and-education>
- B Impact Assessment Knowledge Base. (2020d). Key principles of the B impact assessment. Accessed 4 September 2020. <https://kb.bimpactassessment.net/en/support/solutions/articles/43000574681-key-principles-of-the-b-impact-assessment>
- B Impact Assessment Knowledge Base. (2020e). Operational impact vs. impact business models. Accessed 1 September 2020. <https://kb.bimpactassessment.net/en/support/solutions/articles/43000574684>
- B Impact Assessment Knowledge Base. (2020f). Scoring for zero worker companies. Accessed 1 September 2020. <https://kb.bimpactassessment.net/en/support/solutions/articles/43000575269-scoring-for-zero-worker-companies>
- B Lab. (2020). About the BIA: Impact business models in the B impact assessment - V6. Accessed 31 August 2020. [https://s3.amazonaws.com/cdn.freshdesk.com/data/helpdesk/attachments/production/43140698792/original/The%20BIA%20\\_List%20of%20IBMS%20-%20V6%20.pdf?response-content-type=application%2Fpdf&X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIAS6FNSMY2WD6T3JNC%2F20200831%2Fus-east-1%2Faws3%2Faws4\\_request&X-Amz-Date=20200831T213953Z&X-Amz-Expires=300&X-Amz-SignedHeaders=host&X-Amz-Signature=30188ec831e78452c72de00234163029e62942b5a213820498d57eb4a81c3a2e](https://s3.amazonaws.com/cdn.freshdesk.com/data/helpdesk/attachments/production/43140698792/original/The%20BIA%20_List%20of%20IBMS%20-%20V6%20.pdf?response-content-type=application%2Fpdf&X-Amz-Algorithm=AWS4-HMAC-SHA256&X-Amz-Credential=AKIAS6FNSMY2WD6T3JNC%2F20200831%2Fus-east-1%2Faws3%2Faws4_request&X-Amz-Date=20200831T213953Z&X-Amz-Expires=300&X-Amz-SignedHeaders=host&X-Amz-Signature=30188ec831e78452c72de00234163029e62942b5a213820498d57eb4a81c3a2e)
- Bansal, P., Gao, J., & Qureshi, I. (2014). The extensiveness of corporate social and environmental commitment across firms over time. *Organization Studies*, 35, 949–966. <https://doi.org/10.1177/0170840613515564>
- Bansal, P., & Roth, K. (2000). Why companies go green: A model of ecological responsiveness. *Academy of Management Journal*, 43, 717–736. <https://doi.org/10.2307/1556363>

- Bhatia, M. S. (2021). Green process innovation and operational performance: The role of proactive environment strategy, technological capabilities, and organizational learning. *Business Strategy and the Environment*, 1–13. <https://doi.org/10.1002/bse.2775>
- Bhatia, M. S., & Jakhar, S. K. (2021). The effect of environmental regulations, top management commitment, and organizational learning on green product innovation: Evidence from automobile industry. *Business Strategy and the Environment*, 1–12. <https://doi.org/10.1002/bse.2848>
- Boiral, O., & Gendron, Y. (2011). Sustainable development and certification practices: Lessons learned and prospects. *Business Strategy and the Environment*, 20(5), 331–347. <https://doi.org/10.1002/bse.701>
- Bowen, F., & Aragon-Correa, J. A. (2014). Greenwashing in corporate environmentalism research and practice: The importance of what we say and do. *Organization & Environment*, 27(2), 107–112. <https://doi.org/10.1177/1086026614537078>
- Brown, J. S., & Duguid, P. (1991). Organizational learning and communities-of-practice: Toward a unified view of working, learning, and innovation. *Organization Science*, 2(1), 40–57. <https://doi.org/10.1287/orsc.2.1.40>
- Cao, K., Gehman, J., & Grimes, M. G. (2017). Standing Out and Fitting In: Charting the Emergence of Certified B Corporations by Industry and Region. In A. C. Corbett & J. A. Katz (Eds.), *Hybrid ventures (advances in entrepreneurship, firm emergence and growth)* (Vol. 19) (pp. 1–38). Emerald Publishing Limited.
- Chatterji, A. K., & Toffel, M. W. (2010). How firms respond to being rated. *Strategic Management Journal*, 31, 917–945. <https://doi.org/10.1002/smj.840>
- Conger, M., McMullen, J. S., Bergman, B. J. Jr., & York, J. G. (2018). Category membership, identity control, and the reevaluation of prosocial opportunities. *Journal of Business Venturing*, 33, 179–206. <https://doi.org/10.1016/j.jbusvent.2017.11.004>
- Cormier, D., & Magnan, M. (2015). The economic relevance of environmental disclosure and its impact on corporate legitimacy: An empirical investigation. *Business Strategy and the Environment*, 24(6), 431–450. <https://doi.org/10.1002/bse.1829>
- Cubas-Díaz, M., & Martínez Sedano, M. A. (2018). Measures for sustainable investment decisions and business strategy—a triple bottom line approach. *Business Strategy and the Environment*, 27(1), 16–38. <https://doi.org/10.1002/bse.1980>
- Daddi, T., Iraldo, F., Testa, F., & De Giacomo, M. R. (2019). The influence of managerial satisfaction on corporate environmental performance and reputation. *Business Strategy and the Environment*, 28(1), 15–24. <https://doi.org/10.1002/bse.2177>
- Dangelico, R. M. (2015). Improving firm environmental performance and reputation: The role of employee green teams. *Business Strategy and the Environment*, 24(8), 735–749. <https://doi.org/10.1002/bse.1842>
- data.world. (2020). B lab's datasets, B corp impact data. Accessed 31 August 2020. <https://data.world/blab/>
- De Giacomo, M. R., & Bleischwitz, R. (2020). Business models for environmental sustainability: Contemporary shortcomings and some perspectives. *Business Strategy and the Environment*, 29(8), 3352–3369. <https://doi.org/10.1002/bse.2576>
- De Giacomo, M. R., Testa, F., Iraldo, F., & Formentini, M. (2019). Does green public procurement lead to life cycle costing (LCC) adoption? *Journal of Purchasing and Supply Management*, 25(3), 100500. <https://doi.org/10.1016/j.pursup.2018.05.001>
- DEFRA. (2020). National statistics: Emissions of air pollutants in the UK, 1970 to 2018 – summary. Accessed 12 September 2020. <https://www.gov.uk/government/publications/emissions-of-air-pollutants/emissions-of-air-pollutants-in-the-uk-1970-to-2018-summary#main-sources-of-emissions-of-air-pollutants-in-2018>
- Delmas, M. A., & Burbano, V. C. (2011). The drivers of greenwashing. *California Management Review*, 54, 64–87. <https://doi.org/10.1525/cmr.2011.54.1.64>
- Deloitte. (2020). The Deloitte global millennial survey 2020 - resilient generations hold the key to creating a “better normal”. Accessed 27 July 2020. <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>
- Diez-Busto, E., Sanchez-Ruiz, L., & Fernandez-Laviada, A. (2021). The B corp movement: A systematic literature review. *Sustainability*, 13(5), 2508. <https://doi.org/10.3390/su13052508>
- Dorleitner, G., Halbritter, G., & Nguyen, M. (2015). Measuring the level and risk of corporate responsibility—An empirical comparison of different ESG rating approaches. *Journal of Asset Management*, 16(7), 450–466. <https://doi.org/10.1057/jam.2015.31>
- Ecolabel Index. (2021). Accessed 12 September 2021 from <http://www.ecolabelindex.com/>
- Elkington, J. (1997). *Cannibals with forks. The triple bottom line of 21st century business*. Capstone.
- Elkington, J. (2018, June 25). 25 years ago I coined the phrase “triple bottom line.” Here's why It's time to rethink it. Harvard Business Review, Sustainability. Accessed 19 August 2020. <https://hbr.org/2018/06/25-years-ago-i-coined-the-phrase-triple-bottom-line-heres-why-im-giving-up-on-it>
- European Commission. (2014). Consumer market study on environmental claims for non-food products. Accessed 14 September 2020. [https://ec.europa.eu/info/sites/info/files/study\\_on\\_environmental\\_claims\\_for\\_non\\_food\\_products\\_2014\\_en.pdf](https://ec.europa.eu/info/sites/info/files/study_on_environmental_claims_for_non_food_products_2014_en.pdf)
- Farooq, Q., Fu, P., Liu, X., & Hao, Y. (2021). Basics of macro to microlevel corporate social responsibility and advancement in triple bottom line theory. *Corporate Social Responsibility and Environmental Management*, 28(3), 969–979. <https://doi.org/10.1002/csr.2069>
- Fischer, C., & Lyon, T. P. (2014). Competing environmental labels. *Journal of Economics & Management Strategy*, 23, 692–716. <https://doi.org/10.1111/jems.12061>
- Formentini, M., & Taticchi, P. (2016). Corporate sustainability approaches and governance mechanisms in sustainable supply chain management. *Journal of Cleaner Production*, 112, 1920–1933. <https://doi.org/10.1016/j.jclepro.2014.12.072>
- Gatti, L., Steele, P., & Rademacher, L. (2019). Grey zone in – Greenwash out. A review of greenwashing research and implications for the voluntary-mandatory transition of CSR. *International Journal of Corporate Social Responsibility*, 4, 1–15. <https://doi.org/10.1186/s40991-019-0044-9>
- Grimes, M. G., Gehman, J., & Cao, K. (2018). Positively deviant: Identity work through B corporation certification. *Journal of Business Venturing*, 33, 130–148. <https://doi.org/10.1016/j.jbusvent.2017.12.001>
- Gutés, M. C. (1996). The concept of weak sustainability. *Ecological Economics*, 17(3), 147–156. [https://doi.org/10.1016/S0921-8009\(96\)80003-6](https://doi.org/10.1016/S0921-8009(96)80003-6)
- Hahn, T., Pinkse, J., Preuss, L., & Figge, F. (2015). Tensions in corporate sustainability: Towards an integrative framework. *Journal of Business Ethics*, 127(2), 297–316. <https://doi.org/10.1007/s10551-014-2047-5>
- Hameed, I., Hyder, Z., Imran, M., & Shafiq, K. (2021). Greenwash and green purchase behavior: An environmentally sustainable perspective. *Environment, Development and Sustainability*, 23, 13113–13134. <https://doi.org/10.1007/s10668-020-01202-1>
- Hanbury Strategy. (2020). Responsibility in business – summary of polling. Accessed 17 August 2020. <https://bcorporation.uk/system-update>
- Harjoto, M., Laksmana, I., & Yang, Y. (2018). Why do companies obtain the B corporation certification? *Social Responsibility Journal*, 15, 621–639. <https://doi.org/10.1108/SRJ-07-2018-0170>
- Hart, S. L. (1995). A natural-resource-based view of the firm. *Acad. Management Rev.*, 20(4), 986–1014. <https://doi.org/10.5465/amr.1995.9512280033>
- Hart, S. L., & Milstein, M. B. (2003). Creating sustainable value. *Acad. Management Executive*, 17(2), 56–67.

- Hart, S. L., Milstein, M. B., & Caggiano, J. (2003). Creating sustainable value [and executive commentary]. *The Academy of Management Executive*, 17, 56–69.
- Haymore, S. J. (2011). Public (ly oriented) companies: B corporations and the Delaware stakeholder provision dilemma. *Vanderbilt Law Review*, 64, 1311–1346. <https://scholarship.law.vanderbilt.edu/vlr/vol64/iss4/6>
- Henry, L. A., Buyl, T., & Jansen, R. J. (2019). Leading corporate sustainability: The role of top management team composition for triple bottom line performance. *Business Strategy and the Environment*, 28(1), 173–184. <https://doi.org/10.1002/bse.2247>
- Heras-Saizarbitoria, I., Boiral, O., & de Junguitu, A. D. (2020). Environmental management certification and environmental performance: Greening or greenwashing? *Business Strategy and the Environment*, 29(6), 2829–2841. <https://doi.org/10.1002/bse.2546>
- Hermelingmeier, V., & von Wirth, T. (2021). The nexus of business sustainability and organizational learning: A systematic literature review to identify key learning principles for business transformation. *Business Strategy and the Environment*, 30(4), 1839–1851. <https://doi.org/10.1002/bse.2719>
- Honeyman, R., & Jana, T. (2019). *B corp handbook: How you can use business as a force for good* (2nd ed.). Berrett-Koehler Publishers.
- Isil, O., & Hernke, M. T. (2017). The triple bottom line: A critical review from a transdisciplinary perspective. *Business Strategy and the Environment*, 26(8), 1235–1251. <https://doi.org/10.1002/bse.1982>
- Jick, T. D. (1979). Mixing qualitative and quantitative methods: Triangulation in action. *Administrative Science Quarterly*, 24(4), 602–611.
- Kim, S., Karlesky, M.J., Myers, C.G., & Schifeling, T. (2016). Why companies are becoming B corporations. Harvard Business Review, Social Responsibility. Accessed 9 August 2020. <https://hbr.org/2016/06/why-companies-are-becoming-b-corporations>
- Kim, S., & Schifeling, T. (2016). Varied incumbent behaviors and mobilization for new organizational forms: The rise of triple-bottom line business amid both corporate social responsibility and irresponsibility. *SSRN Electronic Journal*, (July, 11). <https://doi.org/10.2139/ssrn.2794335>
- Kirst, R. W., Borchardt, M., de Carvalho, M. N. M., & Pereira, G. M. (2021). Best of the world or better for the world? A systematic literature review on benefit corporations and certified B corporations contribution to sustainable development. *Corporate Social Responsibility and Environmental Management*, 1–18. <https://doi.org/10.1002/csr.2160>
- Kono, J., Ostermeyer, Y., & Wallbaum, H. (2018). Trade-off between the social and environmental performance of green concrete: The case of 6 countries. *Sustainability*, 10(7), 2309. <https://doi.org/10.3390/su10072309>
- KPMG. (2017). The road ahead: The KPMG survey of corporate responsibility reporting. Accessed 2 August 2020. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/10/kpmg-survey-of-corporate-responsibility-reporting-2017.pdf>
- Landrum, N. E., & Ohsowski, B. (2018). Identifying worldviews on corporate sustainability: A content analysis of corporate sustainability reports. *Business Strategy and the Environment*, 27(1), 128–151. <https://doi.org/10.1002/bse.1989>
- Levitt, B., & March, J. G. (1988). Organizational learning. *Annual Review of Sociology*, 14(1), 319–338. <https://doi.org/10.1146/annurev.so.14.080188.001535>
- Lyon, T. P., & Montgomery, A. W. (2015). The means and end of greenwash. *Organization & Environment*, 28, 223–249. <https://doi.org/10.1177/1086026615575332>
- Marin-Burgos, V., Clancy, J. S., & Lovett, J. C. (2015). Contesting legitimacy of voluntary sustainability certification schemes: Valuation languages and power asymmetries in the roundtable on sustainable palm oil in Colombia. *Ecological Economics*, 117, 303–313. <https://doi.org/10.1016/j.ecolecon.2014.04.011>
- Martinuzzi, A., Kudlak, R., Faber, C., & Wiman, A. (2011). CSR activities and impacts of the retail sector. RIMAS Working Papers, 4. Accessed 12 September. [https://www.sustainability.eu/pdf/csr/impact/IMPACT\\_Sector\\_Profile\\_RETAIL.pdf](https://www.sustainability.eu/pdf/csr/impact/IMPACT_Sector_Profile_RETAIL.pdf)
- Matisoff, D. (2015). Sources of specification errors in the assessment of voluntary environmental programs: Understanding program impacts. *Policy Sciences*, 48, 109–126. <https://doi.org/10.1007/s11077-014-9204-7>
- Mattera, M., Hilliard, I., Shapoval, A., & Aigbedo, H. (2016). On sustainability reporting: Do stakeholders matter? *I-manager's Journal on Management*, 10, 26–36. <https://doi.org/10.26634/jmgt.10.4.5906>
- Mazzi, A. (2020). Environmental sustainability to support competitiveness: From theory to practice. In C. Silvestri, M. Piccarozzi, & B. Aquilani (Eds.), *Customer satisfaction and sustainability initiatives in the fourth industrial revolution* (pp. 99–124). IGI Global.
- Milne, M., & Gray, R. (2013). W(h)ither ecology? The triple bottom line, the global reporting initiative, and corporate sustainability reporting. *Journal of Business Ethics*, 118(1), 13–29. <https://doi.org/10.1007/s10551-012-1543-8>
- Moneva, J., Archel, P., & Correa, C. (2006). GRI and the camouflaging of corporate unsustainability. *Accounting Forum*, 30, 121–137. <https://doi.org/10.1016/j.accfor.2006.02.001>
- Moroz, B., Branzei, O., Parker, S. C., & Gamble, E. N. (2018). Imprinting with purpose: Prosocial opportunities and B corp certification. *Journal of Business Venturing*, 33, 117–129. <https://doi.org/10.1016/j.jbusvent.2018.01.003>
- Paelman, V., Van Cauwenberge, P., & Vander Bauwhede, H. (2020). Effect of B corp certification on short-term growth: European evidence. *Sustainability*, 12(20), 8459. <https://doi.org/10.3390/su12208459>
- Papagiannakis, G., Voudouris, I., & Lioukas, S. (2013). The road to sustainability: Exploring the process of corporate environmental strategy over time. *Business Strategy and the Environment*, 23, 254–271. <https://doi.org/10.1002/bse.1781>
- Parker, S. C., Gamble, E. N., Moroz, P. W., & Branzei, O. (2019). The impact of B lab certification on firm growth. *Academy of Management Discoveries*, 5(1), 57–77. <https://doi.org/10.5465/amd.2017.0068>
- Partzsch, L., Zander, M., & Robinson, H. (2019). Cotton certification in sub-Saharan Africa: Promotion of environmental sustainability or greenwashing? *Global Environmental Change*, 57, 101924. <https://doi.org/10.1016/j.gloenvcha.2019.05.008>
- Romi, A., Cook, K. A., & Dixon-Fowler, H. R. (2018). The influence of social responsibility on employee productivity and sales growth: Evidence from certified B corps. *Sustainability Accounting, Management and Policy Journal*, 9, 392–421. <https://doi.org/10.1108/SAMPJ-12-2016-0097>
- Sasse-Werhahn, L. F., Bachmann, C., & Habisch, A. (2020). Managing tensions in corporate sustainability through a practical wisdom lens. *Journal of Business Ethics*, 163(1), 53–66. <https://doi.org/10.1007/s10551-018-3994-z>
- Searchinger, T. D., Wiersenius, S., Beringer, T., & Dumas, P. (2018). Assessing the efficiency of changes in land use for mitigating climate change. *Nature*, 564, 249–253. <https://doi.org/10.1038/s41586-018-0757-z>
- Seele, P., & Gatti, L. (2017). Greenwashing revisited: In search of a typology and accusation-based definition incorporating legitimacy strategies. *Business Strategy and the Environment*, 26(2), 239–252. <https://doi.org/10.1002/bse.1912>
- Semenova, N., & Hassel, L. G. (2015). On the validity of environmental performance metrics. *Journal of Business Ethics*, 135(2), 249–258. <https://doi.org/10.1007/s10551-014-2323-4>
- Sethi, S. P., Rovenpor, J. L., & Demir, M. (2017). Enhancing the quality of reporting in corporate social responsibility guidance documents: The roles of ISO 26000, global reporting initiative and CSR sustainability monitor. *Business and Society Review*, 122, 139–163. <https://doi.org/10.1111/basr.12113>

- Sharma, G., Beveridge, A. J., & Haigh, N. (2018). A Configural framework of practice change for B corporations. *Journal of Business Venturing*, 33, 207–224. <https://doi.org/10.1016/j.jbusvent.2017.12.008>
- Shields, J. F., & Shelleman, J. M. (2017). A method to launch sustainability reporting in SMEs: The B corp impact assessment framework. *Journal of Strategic Innovation and Sustainability*, 12, 10–19. <https://doi.org/10.33423/jsis.v12i2.798>
- Slawinski, N., & Bansal, P. (2015). Short on time: Intertemporal tensions in business sustainability. *Organization Science*, 26(2), 531–549. <https://doi.org/10.1287/orsc.2014.0960>
- Spena, T. R., & Di Paola, N. (2020). Moving beyond the tensions in open environmental innovation towards a holistic perspective. *Business Strategy and the Environment*, 29(5), 1961–1974. <https://doi.org/10.1002/bse.2481>
- Srivastava, A. K., Dixit, S., & Srivastava, A. A. (2021). Criticism of triple bottom line: TBL (with special reference to sustainability). *Corporate Reputation Review*, 1–12.
- Stevens, R., Moray, N., & Bruneel, J. (2015). The social and economic Mission of social enterprises: Dimensions, measurement, validation, and relation. *Entrepreneurship Theory and Practice*, 39, 1051–1082. <https://doi.org/10.1111/etap.12091>
- Stubbs, W. (2017a). Characterising B corps as a sustainable business model: An exploratory study of B corps in Australia. *Journal of Cleaner Production*, 144, 299–312. <https://doi.org/10.1016/j.jclepro.2016.12.093>
- Stubbs, W. (2017b). Sustainable entrepreneurship and B corps. *Business Strategy and the Environment*, 26, 331–344. <https://doi.org/10.1002/bse.1920>
- UL. (2020). Sins of greenwashing. Accessed 18 August 2020. <https://www.ul.com/insights/sins-greenwashing>
- Van der Byl, C. A., & Slawinski, N. (2015). Embracing tensions in corporate sustainability: A review of research from win-wins and trade-offs to paradoxes and beyond. *Organization & Environment*, 28(1), 54–79. <https://doi.org/10.1177/1086026615575047>
- Villela, M., Bulgacov, S., & Morgan, G. (2021). B corp certification and its impact on organizations over time. *Journal of Business Ethics*, 170(2), 343–357. <https://doi.org/10.1007/s10551-019-04372-9>
- Wang, J., & Mao, Y. (2020). Pains and gains of environmental management system certification for the sustainable development of manufacturing companies: Heterogeneous effects of industry peer learning. *Business Strategy and the Environment*, 29(5), 2092–2109. <https://doi.org/10.1002/bse.2489>
- Widyawati, L. (2020). A systematic literature review of socially responsible investment and environmental social governance metrics. *Business Strategy and the Environment*, 29(2), 619–637. <https://doi.org/10.1002/bse.2393>
- Xu, X., Zeng, S., & Chen, H. (2018). Signaling good by doing good: How does environmental corporate social responsibility affect international expansion? *Business Strategy and the Environment*, 27(7), 946–959. <https://doi.org/10.1002/bse.2044>
- Zeng, Y., Maxwell, S., Runting, R. K., Venter, O., & Watson, J. E. M. (2020). Environmental destruction not avoided with the sustainable development goals. *Nature Sustainability*, 3, 795–798. <https://doi.org/10.1038/s41893-020-0555-0>

**How to cite this article:** Liute, A., & De Giacomo, M. R. (2022). The environmental performance of UK-based B Corp companies: An analysis based on the triple bottom line approach. *Business Strategy and the Environment*, 31(3), 810–827. <https://doi.org/10.1002/bse.2919>