Measuring Environmental Impact for B Corp™ Certification

Guide | B Corp Certification

SWEEP

The content of this guide has been reviewed by the B Lab™ Global Standards team.

Contents

Lead author

Renaud Bettin
VP of Climate Action at Sweep

Editors

Ewa Jozefkowicz
Content Manager at Sweep

Cecile Bussy
Content and Communications at Sweep

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In today's world, businesses are increasingly recognizing the urgent need to address environmental challenges and integrate sustainable practices into their operations. As leaders in the sustainability movement, Certified B Corporations™ (B Corps™) go beyond mere rhetoric by actively measuring and managing their environmental impact. In this comprehensive guide, we will explore in detail how B Corps can effectively measure their environmental footprint, enabling them to drive positive change, demonstrate accountability, and inspire others to adopt sustainable practices.
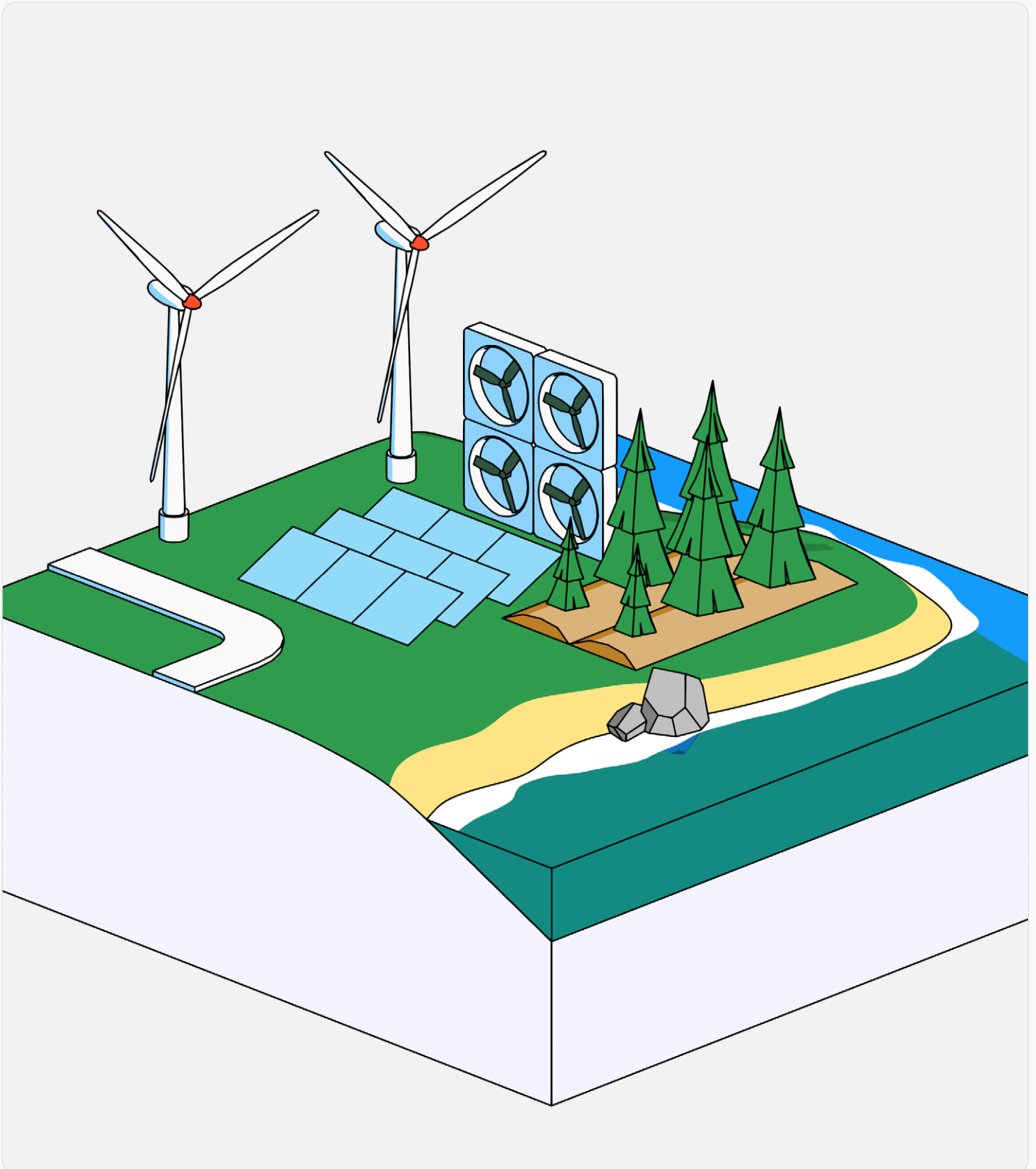
What is the B Impact Assessment (BIA)?

> **Certified B Corporation (B Corp)**
>
> A B Corp is a type of for-profit company that meets rigorous social and environmental performance standards, demonstrating its commitment to using business as a force for good.

According to the official B Corp website, the B Impact Assessment (BIA) is a fundamental component of the B Corp certification process. It is designed to measure a company's social and environmental performance and evaluate its overall impact on various stakeholders, including workers, customers, communities, and the environment. To become a Certified B Corporation, a company must complete the BIA and meet a minimum performance requirement.

The BIA consists of a series of questions covering five key impact areas—environment, governance, workers, community, and customers. These questions delve into various aspects of business practices, policies, and metrics. They address employee benefits, supply chain practices, community engagement, environmental management, and product or service impact. The BIA's adaptability allows companies of all sizes and industries to participate, and it is regularly updated to reflect evolving best practices and industry standards.

To gain certification, companies need to get a B Impact Assessment score of 80 or above and pass a risk review.

To keep their certification, existing B Corps must update their BIA and verify their updated B Impact score every three years, or after a Change of Control (of company ownership) or Initial Public Offering.

To learn more about how the B Impact Assessment is scored, visit the official website.

Note that the B Corp™ Standards are currently undergoing a revision. The new standards will feature mandatory requirements for Climate Action and other environmental topics.
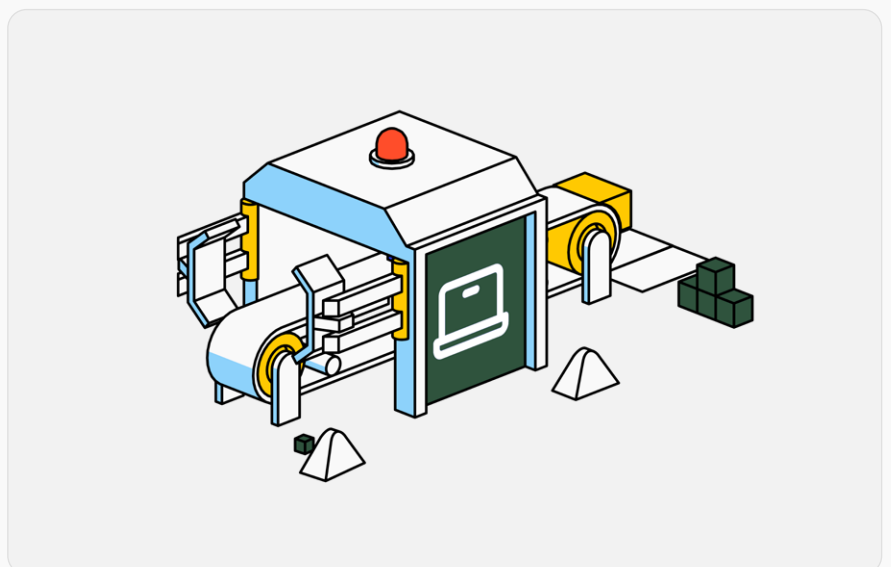
How is environmental impact measured under the BIA?

B Impact Assessment™ (BIA™)

The B Impact Assessment is a comprehensive evaluation tool that measures a company's social and environmental impact, assessing its performance across various metrics.

The BIA measures a company's environmental impact through various aspects:

- **Environmental Management Systems**
  Assessing the company's environmental policies and procedures.

- **Product and Service Impact**
  Analyzing the environmental impact of products or services.

- **Greenhouse Gas Emissions**
  Evaluating energy consumption and efforts to reduce emissions.

- **Water Usage and Conservation**
  Examining water consumption and conservation practices.

- **Waste Management and Circular Design**
  Looking at waste reduction in operations, value chain, including the end of life of products; and reducing pressure on natural resources, e.g. through renewable input materials, recycled content, recyclable product, source reduction, etc.

- **Supply Chain Environmental Impact**
  Considering the environmental impact of suppliers.

The BIA provides a comprehensive evaluation, helping companies identify areas for improvement and demonstrate their commitment to sustainability.

How can a company demonstrate its environmental impact for B Corp certification?

Greenhouse gas (GHG) inventory

A greenhouse gas (GHG) inventory is a list of emission sources and the associated emissions quantified using standardized methods.

An impactful climate strategy can help both existing B Corps™ and those looking to gain certification to comply with the elements listed above. A good place to start is by measuring your carbon footprint and energy consumption. Here's a step-by-step guide to how to go about it.

1. Set the boundaries of your GHG inventory

The first step for you is to define the boundaries of your environmental impact assessment. This involves identifying your organizational and operational boundaries, determining the types of emissions that will be included, and establishing the time frame for the assessment. By clearly defining these boundaries, you ensure a comprehensive evaluation of your environmental impact.

Read more about setting the boundaries of your GHG Inventory here.

2. Collect your data

To effectively measure your environmental impact as a B Corp™, you need to focus on collecting data within different scopes.

Scope 1 and 2
Start by prioritizing Scope 1 and 2 data collection. In Scope 1, track and record direct greenhouse gas emissions from your own operations, including emissions from sources like onsite fuel combustion and company-owned vehicles. This data will give you insights into the direct impact of your activities on the environment. Additionally, in Scope 2, collect data related to indirect emissions resulting from purchased electricity, heating, and cooling. This will help you assess the environmental consequences associated with the energy consumed by your organization.

Scope 3
Scope 3 emissions encompass the indirect emissions that occur throughout the value chain of your company, including activities such as raw material extraction, production, transportation, product use, and disposal. According to data from the CDP, a company's value chain emissions are on average 11.4 times greater than those of your own operations. To collect Scope 3 data effectively, engage with your suppliers, partners, and customers to obtain relevant information about their own emissions and encourage sustainable practices. Consider implementing supplier engagement programs and requesting transparency on carbon footprints. These initiatives will help you gain a comprehensive understanding of your Scope 3 emissions.

Read more on how to involve your suppliers in data collection here.
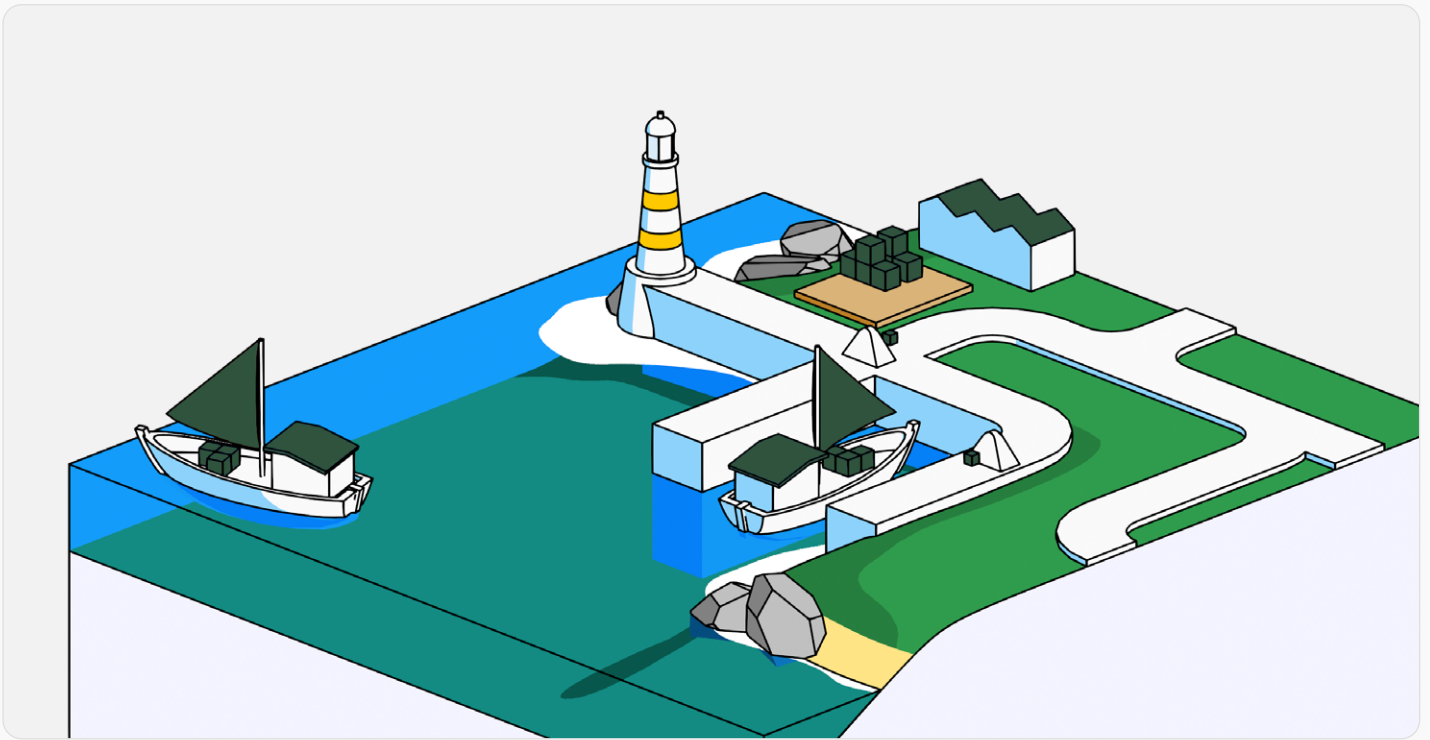
Greenhouse Gas Protocol

The Greenhouse Gas Protocol is a widely used accounting tool and standard that provides guidance on how to measure, quantify, and manage greenhouse gas emissions from various sources, helping organizations track and reduce their environmental impact.

Selecting the right methodology for measurement

To select the right methodology for measurement, it's important to evaluate the availability and quality of data source. Consider the level of accuracy and granularity needed for your reporting requirements. Additionally, aligning with recognized standards such as the Greenhouse Gas Protocol can provide a consistent and credible framework. Finally, consider the compatibility of the methodology with your industry and whether it allows for comparability with peers. By considering these factors, you can select a methodology that best suits your specific needs and ensures accurate and reliable carbon emissions measurement.

3. Report on your carbon footprint

While the BIA does not provide a highly detailed framework for environmental reporting, it offers a structured approach to assess and communicate a company's environmental impact as part of its overall social and environmental performance. The BIA assessment results are publicly available on the B Corporation™ website, allowing stakeholders to access and evaluate a B Corp's environmental performance, including their carbon footprint. This transparency enhances accountability and supports informed decision-making for stakeholders such as investors, customers, and business partners.

When reporting their environmental impact, B Corps™ should adhere to recognized frameworks and standards to ensure credibility and facilitate comparability. Some key frameworks to consider include:

Carbon Disclosure Project (CDP)

B Corps can participate in the CDP's annual reporting process, which focuses on carbon emissions and climate-related data. This platform allows companies to measure, disclose, and manage their environmental impact effectively.

Read more on the CDP here.

Part 3

Task Force on Climate-related Financial Disclosures (TCFD)

B Corps™ can align with the TCFD recommendations, which emphasize reporting climate-related risks, resilience strategies, and transition plans. This framework helps companies assess and disclose their exposure to climate risks and opportunities.

Read more on the TCFD here.

Global Reporting Initiative (GRI)

B Corps can follow the GRI Standards, which provide comprehensive guidelines for sustainability reporting. These standards help structure the reporting process and cover various environmental performance indicators, targets, and initiatives.

Sustainability Accounting Standards Board (SASB)

B Corps can benefit from the SASB standards, which offer industry-specific reporting guidance. These standards enable companies to disclose material environmental, social, and governance (ESG) information relevant to their specific industry.

The Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD is an initiative that develops recommendations for disclosing climate-related financial risks and opportunities, aimed at helping businesses and investors make informed decisions and assess climate-related impacts on their operations.

Staying on top of the latest climate legislation

It is essential for B Corps to stay informed about evolving sustainability frameworks, regulations, and industry best practices. Below is a handy overview, based on your geographical area.

European Union

The Corporate Sustainability Reporting Directive (CSRD)
This extends the scope of the Non-Financial Reporting Directive (NFRD), which it will eventually replace. It includes more companies and introduces more detailed reporting requirements. It also establishes binding sustainability reporting standards that set scope and content. Under the CSRD, it's mandatory to disclose gross Scope 1, 2 and 3 greenhouse gas emissions in metric tons of CO2 equivalents. For Scope 3, companies must include emissions from all significant categories, including upstream purchasing, downstream sold products, travel and transportation, and financial investments.

Upcoming: EU Sustainability Reporting Standards (ESRS)
This reporting standard is currently in draft form and is due to come into force in January 2024. It will be used to meet the requirements of the CSRD. It'll apply to all large and most listed EU companies, as well as non-EU companies with a turnover in the EU of more than €50M. It mandates that companies disclose information about the impact their operations and supply chain have on the environment and society.

France

Regulatory 'Bilan d'Emissions de Gaz à Effet de Serre' – BEGES
This legislation applies to companies based in France with more than 250 employees that exceed 10,000 tons of CO2 emissions per year. (Although the specific thresholds and requirements for reporting under BEGES vary depending on company type and sector). As of 2022, BEGES has been extended to cover Scope 3. Companies are required to measure and report on their emissions from energy use, transportation, industrial processes, waste management, and other activities. They must also set reduction targets and report on their progress towards meeting these.

Part 4
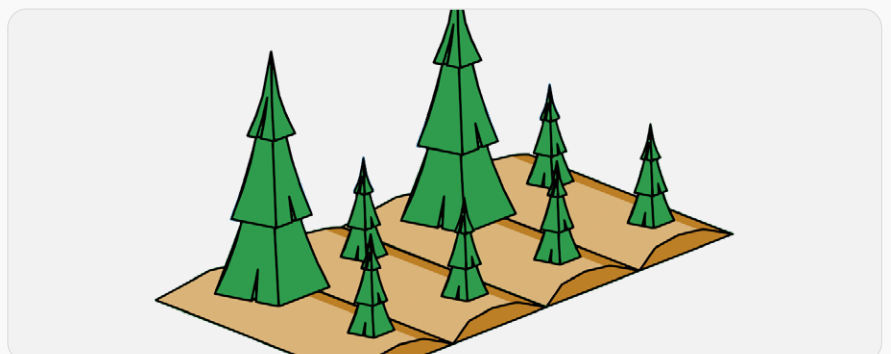
TCFD-aligned disclosure regulations

The UK has a number of regulations that are based on the 11 disclosures recommended by the TCFD. The TCFD's objective is to create uniform disclosures that companies can use when providing information to stakeholders. Their recommendations strongly encourage companies to include Scope 3 in their disclosures, but they don't mandate it.

Streamlined Energy and Carbon Reporting (SECR)

The UK is consolidating its business sustainability regulations through the Sustainable Disclosure Requirements (SDRs) which will include the Streamlined Energy and Carbon Reporting (SECR) policy. This requires companies that either have more than 250 employees or more than £36M revenue to submit their energy consumption and emissions from scope 1 and 2. Note that currently, only large quoted companies and LLPs are required to report on some of their Scope 3 emissions under SECR.
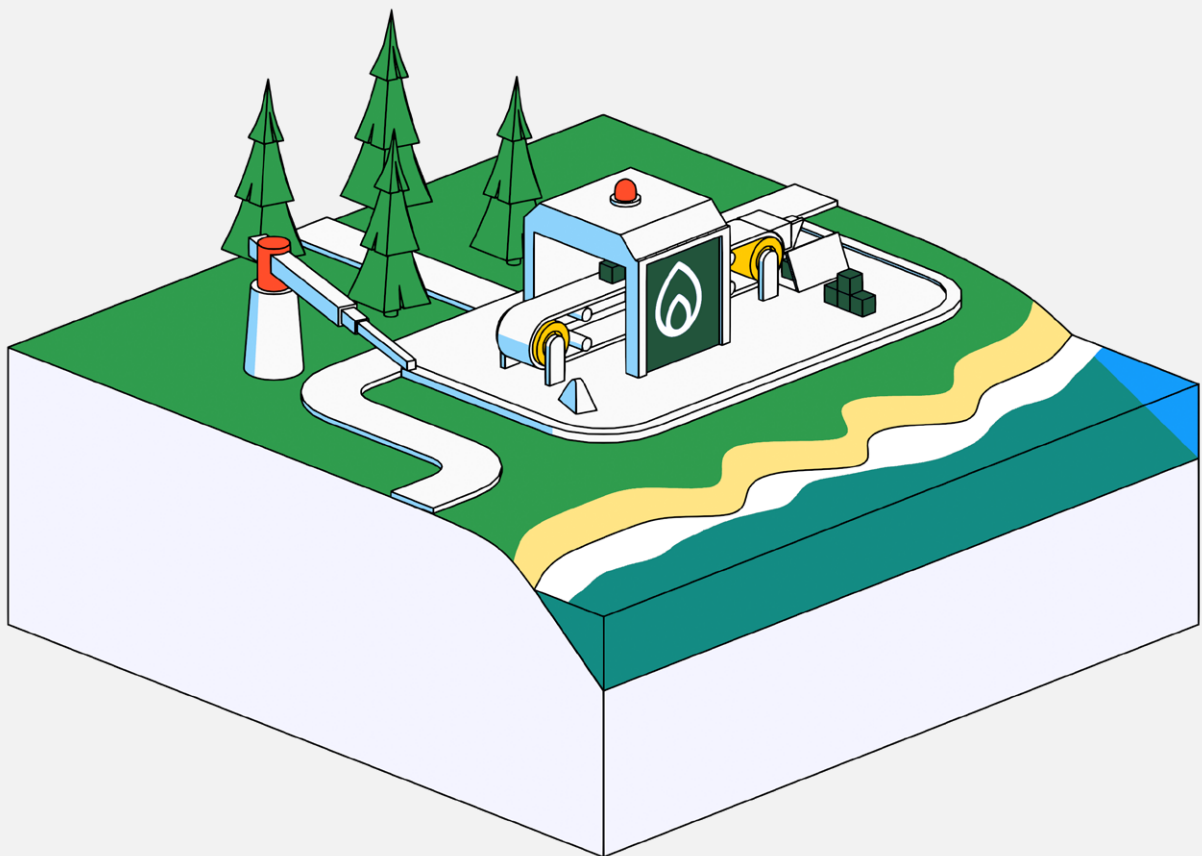
Carbon footprinting is the best place to start

If you're looking to meet the environmental requirements of the B Impact Assessment, conducting a thorough footprinting exercise is a good place to start. Using the right digital platform can make the process considerably easier and more efficient.

By actively measuring and managing your environmental impact, you can drive positive change, demonstrate accountability, and make sure that you're meeting the latest reporting requirements.

Ready to get started with measuring your environmental impact?

Sweep is your all-in-one solution for carbon and ESG management. By using our platform you can:

- Easily gather emissions data and ESG metrics from across your value chain
- Report on your carbon footprint and ESG performance
- Model improvement scenarios and track your progress against targets
- Track your compliance with the latest regulations, including the CSRD

Book a demo ⊙

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