

The B Impact Assessment

GLOBAL VALUE tool showcase



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GLOBAL VALUE tool showcases: your guides to using tools

Understanding a company's impact on sustainable development, and finding ways to manage it best, is not an easy task. With so many tools available, choosing one to invest time in is even more difficult. GLOBAL VALUE tool showcases will make this task easier.

We selected and tested 15 leading tools in different categories to help understand how each of them can help you achieve your assessment goals. Our tool showcases are meant to support you in deciding which tool best fits your company's needs. The tools were tested in collaboration with multinational companies from different sectors to give you practical tips on how to get the most from using each of the showcased tools.

Tools for managing impact on the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are the north star for global development for the next 15 years. Adopted by the United Nations in September 2015, these Goals have been developed in extensive consultation with the business community. For companies across the globe, the SDGs are both a challenge and an opportunity to serve global populations in a manner that is sustainable in the long-term. Each tested tool has also been screened for how many and which SDGs it may help companies tackle.

Find more tool showcases on the [GLOBAL VALUE Toolkit](#).

Tool selection

The tool showcases feature [15 tools](#) that were selected from over 200 tools collected during three years of research in the context of the [GLOBAL VALUE project](#). These tools were shortlisted through an iterative consultation with GLOBAL VALUE consortium experts, who evaluated the strengths and weaknesses, feasibility and usability, methodology and added value of different tools in order to narrow down the list of tools to 15 for testing in an actual company setting.

B Impact Assessment was selected for testing because it is one of the most comprehensive sustainability self-assessment tools available and can feasibly be implemented within a few weeks.

Tool testing process

The tool showcases are based on the experiences of three GLOBAL VALUE tool testers, who have implemented these tools in collaboration with [three multinational companies](#). The tools were tested with a specific focus on their operations in developing countries, in order to understand how each of them can help companies measure and manage their impacts on global sustainable development. The tool testing assessed each tool's feasibility and usability, user friendliness, content and context, methodology, data required and results provided.

This showcase will guide you through the main benefits and limitations, ease of use, tool adaptability to different geographical and company contexts, scope of value chain and SDG coverage, methodology for assessing impact, and the usefulness of output or results that the tool provides.

An introduction to the B Impact Assessment

B Impact Assessment is a questionnaire based self-assessment tool that focuses on assessing a company's **sustainability management system** and sustainability performance. You should expect questions about your policies and their implementation, your performance on a number of social, governance and environmental indicators, as well as the implementation and results of any innovative inclusive business models. The questionnaire is structured along five of thematic areas: Governance, Workers, Community, Environment and Sustainable Products/Inclusive Business Models. The questionnaire is customized to capture most important issues to different company settings. There are approximately 40 different versions of the questionnaire tailored to companies of different sizes, operating in emerging or developed markets, manufacturing or services industries.

This self-assessment is facilitated by an online platform that guides the user through the questionnaire and results in a score on a scale from 0-200. This score is also **benchmarked** against peers in the same industry and geography and of the same size. The current benchmarking database includes more than 2,500 companies.

The B Impact Assessment questionnaire has been developed in order to inspire companies to implement sustainability management best practices. The questions themselves can often serve as an inspiration of where a company could improve, while the benchmarking can highlight potential gaps in your current **sustainability management system**.

At a glance

Web: <http://www.bimpactassessment.net/>

Developer: B Lab

B Lab is a non-profit organisation and a community of businesses that aim to align the interests of business with those of society. Founded in the US, it has now expanded to Europe and Australia, and will soon be present in Asia and Africa. Local community networks already operate in the majority of European countries and are quickly expanding. A score of at least 80/200 points on the B Impact Assessment is a prerequisite to be certified by B Lab as a B Corporation.

Use the B Impact assessment when you want to:

- **assess strengths and weaknesses** in a company's sustainability management system or want to set up one using best practices.
- **compare against peers** in comparable sectors, sizes and geographies.
- **identify gaps and opportunities** for creating a more positive impact through business operations and reduce the potential negative impact.

Features

What you need to know about the B Impact Assessment

This section gives you an overview of the key features of the B Impact Assessment. All important information that can help you decide on whether this is the tool for your needs is presented in a condensed format in the table below. For more elaborate information on the [icons](#) and to explore other tools please visit the [GLOBAL VALUE tool navigator](#).

Purpose	Scope	Output	Requirements	Access
 <p>The main purpose of the tool is to support management control. The tool assesses policies, procedures and performance.</p>	 <p>The whole value chain is assessed upstream and downstream. However, assessment is limited to one industry and one geographical location. Integrating individual unit assessments for the whole vertically integrated company can only be done by B Lab staff from the backend (more info).</p>	 <p>Assessment results in an overall score out of 200 available points, deconstructed by topic and even individual question. The overall score, individual sustainability area scores and questions are benchmarked to comparable companies in the database.</p>	 <p>Users can implement the tool on their own within a few days for a quick check and a few weeks for more elaborate assessment. No external consultant support or stakeholder engagement is required.</p>	 <p>The tool is free to use and is available online after registration. Assessment is confidential unless the user voluntarily submits results for review to B Lab.</p>

What the tool testers say - Overall experience

The B-Impact Assessment Tool is designed to help organisations run internal assessments on their sustainability performance, which they can use to benchmark themselves against their peer organisations. The results provided by the tool can also be used by the organisation to communicate sustainability information to investors since it uses the [IRIS metrics](#), commonly accepted by impact investors community.

The tool is comprehensive, adaptable to different geographical context/cultures, and has sufficient built in guidance features, which makes it very easy to understand and use. However, for use by multinational vertically integrated companies, it also has certain limitations in that the user cannot integrate more business units/subsidiaries of an organization into a single assessment on their own.

Want to explore other tools?

[GLOBAL VALUE tool navigator](#) features over 220 tools that all screened for the same features as the B Impact Assessment.

Benefits

Key benefits and added value of the B Impact Assessment

Key benefits you can expect

Comprehensiveness

The tool is very comprehensive and assesses the management of the entire value chain from suppliers to own production and product use stages. Thematically, it also covers a wide range of potential impact areas, allowing for a comprehensive review of the entire management system.

Inspiration

The rigorous questionnaire and benchmarking against peer companies can provide inspiration for improvement. The platform also provides plenty of knowledge on each practice assessed and supports progress tracking over time.

Customisation

Assessment and benchmarking are customized based on specific industry sector, company size (by number of employees) and geographical location. The weighting of individual questions and the composition of the questionnaire are automatically adapted to the specific user's case.

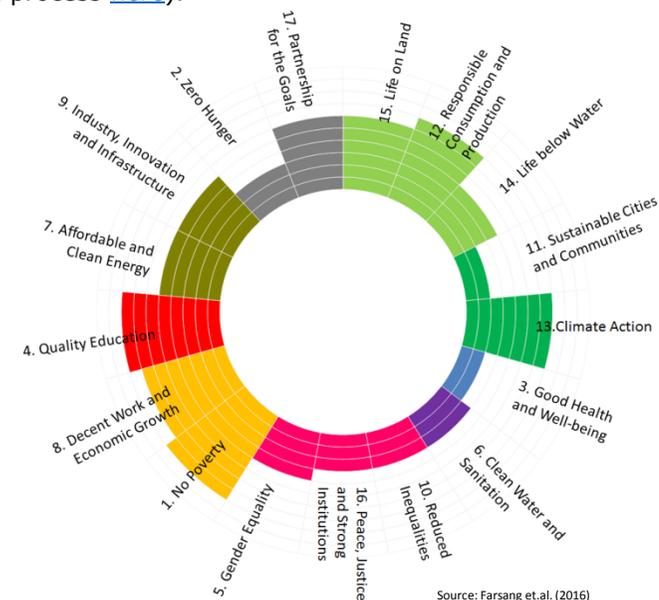
Community of peers

The tool is linked to a community of businesses with local networks that can also provide peer learning. The developer offers a free one hour consultation and backend support. Indicators are also aligned with widely accepted [GRI](#) and [IRIS](#) metrics, allowing for easier data collection and communication of results to investors.

Learn more about the SDGs and what they mean for your business on the [GLOBAL VALUE Toolkit](#).

Sustainable Development Goal coverage

The graph below shows the extent to which the B Impact Assessment addresses the different issues covered by the [Sustainable Development Goals \(SDGs\)](#). Under each SDG, there are a number of different targets that are related to the individual goal. Some SDGs have more targets, while others have fewer. During our testing, we screened the tool to determine how many of the targets the tool covers under each SDG. The graph below is normalised and can tell you not only which SDGs the tool addresses, but also to what extent. The higher the SDG's coloured column, the more targets the tool addresses (read more about the testing process [here](#)).



How to

Implementation steps

STEP 1: Decide on the business unit to be assessed

B Impact Assessment can be run on one business unit, in one country which is to be selected at registration. The questions you will receive are determined by whether this business unit operates in an emerging or developed market, the size of the business unit in terms of employee headcount and the industry sector (manufacturing or services) in which it operates. For the sake of learning, it is possible to run the assessment on a global level to evaluate the companies overall policies, procedures and performance. For that purpose you could select a proxy country, keeping in mind that this selection will determine whether you will receive an emerging market or developed market tailored questions.

STEP 2: Run the first round of the assessment from your own knowledge and data at hand

Depending on your choices in Step 1, the questionnaire may consist of around 100-200 individual questions. Given the relatively large number of detailed questions, answering all of them accurately at once may be rather difficult. We recommend first answering as many as possible from the top of your head and easily accessible data to discover what B Impact Assessment has to offer. You can then better identify additional data needs and delve deeper into the details. The questions that you are not be able to answer straight away can be marked as "Revisit later".

STEP 3: Identify areas of larger data gaps and liaise with relevant persons to obtain data

The first round should allow to complete between 30-50% of the assessment depending on how much data the you will have at hand. This will already be sufficient to identify larger areas of data gaps for further investigation. You will be able to review questions in each section sorted by their difficulty, issue area or number of points awarded. This will allow you to prioritise which data to pursue further.

STEP 4: Run a second round refining your answers and identify areas of strength and weakness

A second round of assessment should allow you to reach around 60-80% completeness. At this stage, the areas of strength and weakness as compared to the benchmark will reveal themselves. Analyse the areas where you scored the fewest available points and review the questions on which you scored below average.

STEP 5: Identify practices that are suitable for implementation

The questions where you scored above average will highlight your company sustainability management strengths. Reviewing the questions where you scored below average in the issue areas where you scored the fewest points will give you some ideas for best practices to implement in your company to improve your sustainability management and drive better performance.

How to

Implementation steps (cont.)

Illustration for Step 2: answer as many questions as your knowledge allows. Each question is also linked to additional resources for learning about a specific practice that the question asks about by clicking on “Explain this”. If you want to learn more about what you could do in practice you will also get more information by clicking on “In practice” button. The bottom right corner will also tell you how highly does the assessment value this specific question. If the Score Value is high, the question may be more demanding to answer in terms of data, or may point to a sustainability practice that not every company has managed to implement to date. A sample question and the elements it links to is presented below.

Initiatives To Increase Wages/Benefits ☆ 📌

CLOSE

EXPLAIN THIS IN PRACTICE

The living wage is defined as the wage a full-time worker would need to earn to support a family above the federal poverty line in a given locality.

Review any specific, pro-active involvement the company may have had in negotiating or advocating for increased wages or benefits or the calculation of a living wage. If living wage data already exists in your country, you may select n/a.

Has your company participated in any leadership initiatives to increase wages or benefits to workers provided in your country/industry?

Examples include commissioning a living wage calculation. Select N/A if living wage already exists.

Yes
 No
 N/A - Living wage already exists

Score Value: High

Illustration for Steps 3-4: the detailed results page will help you identify areas where you scored the fewest points; these are the areas of either larger data gaps you need to fill or areas with significant sustainability management gaps.

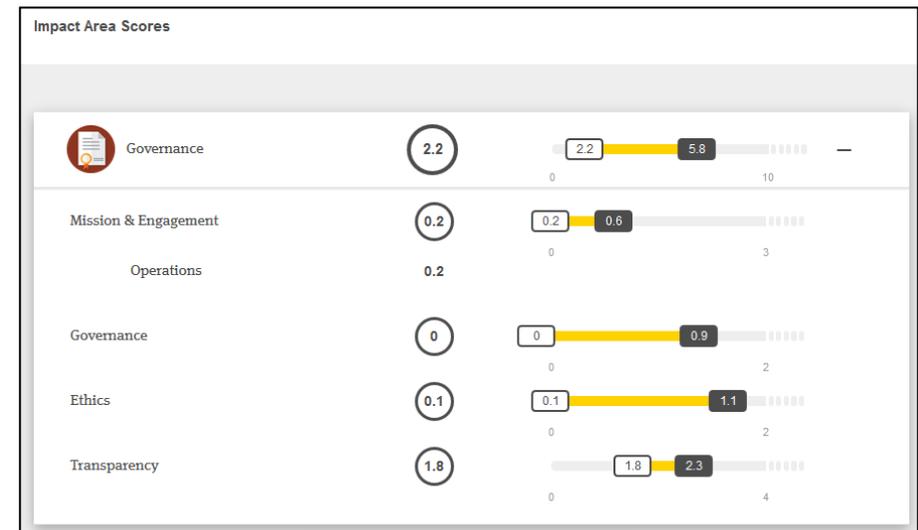


Illustration for Step 5: The tool will allow you to mark some questions as for improvement, and will suggest improvements where you scored lower.



B Impact Assessment for Multinational Corporations

B Impact assessment was primarily developed as a tool for smaller business to assess their sustainability management systems and provide them with a learning opportunity to structure their sustainability efforts.

However, given the comprehensiveness of the tool and the benchmarking database, as well as the fact that there are versions of the assessment questionnaire that have been adapted to companies with 1,000 employees or more, the tool is equally as valuable to multinational corporations.

We found that multinational corporations value a range of design features of the B Impact Assessment tool, such as comprehensiveness, benchmarking and built in best practice guidance. Furthermore, the benchmarking and sustainability rating options offered by the B Impact Assessment may help establish a business case for improving performance and reduce capital costs. It can also help prioritise areas for improvement and consequently support efficient deployment of resources, especially with respect to emerging sustainability issues.

One major limitation remains with regard to adaptability for multinational corporations, which is that it does not automatically allow an integrative assessment of vertically integrated companies or those operating across sectors. It also highly values certain sustainability issues that multinational corporations do not consider to be material, e.g., worker ownership.

Ease of use

The time and effort needed to implement this tool vary and depend largely on how much into detail you want to go with the assessment and the size of the organisation you are assessing. Usually, an organisation's initial assessment takes approximately 2-3 days, with more time required for additional rounds of refinement.

The tool uses a wide array of data, including quantitative, qualitative, relative, absolute and time series. The required data can easily be obtained from internal company documents and drawn from implicit knowledge of responsible staff. The majority of indicators used are aligned with the most commonly used sustainability metrics; thus making it more likely that a multinational company should already be tracking the required data. However, in a multinational corporation context, data dispersal remains a constraint for those with highly differentiated internal functions and departments. The assessment requires detailed insights into employee related metrics which may be more demanding to obtain.

One of the most helpful features provided by the tool is its comprehensive guidance system. This includes individual question guides and 'best case examples' that can be used for reference and learning more about each issue.

Users can also make notes in the online questionnaire, which they can use to review their assessment at a later stage and adjust their answers after more research. This feature is especially useful for the specific calculations that some of the questions may require.

Review

The B Impact Assessment approach to measuring and managing impact

Managing for global value

All the tools GLOBAL VALUE tested exhibit a different approach to managing a company's impact on sustainable development. Tested approaches include tools that assess a company's management system, monetize sustainability impacts or map impacts and build strategies for mitigating negative impacts and enhancing positive impacts.

In order to capture these differences, and what each of these approaches brings to a company wanting to measure and manage its impacts, each of the tools tested were evaluated against a set of criteria developed by the GLOBAL VALUE consortium. Find out more about the criteria we used [here](#). An online [Expert Crowd](#) of more than 260 experts from a variety of organisations and stakeholder groups globally has also been involved in developing the criteria to ensure that the most important concerns of science, businesses, civil society and policymakers are reflected.

This section will provide insights into the underlying assumptions of how B Impact Assessment evaluates the impact of a company using the tool, and the usefulness of the results that the B Impact Assessment provides for managing business impacts on sustainable development.

Learn more about how to use tools for managing your impact on the SDGs on the [GLOBAL VALUE toolkit](#)!

B Impact Assessment approach

B Impact Assessment assesses a company's sustainability management system, its implementation and performance across key sustainability issues deemed relevant and customised based on the user's company size, industry and geographical location. It operates on the assumption that better sustainability management will lead to more positive societal impact created by the company. It covers all business operations and value chains in a comprehensive and integrated manner across all potential sustainability issue areas. Notably, the tool methodology rewards sustainability performance relative to revenues and improvements achieved much more than established policies or procedures. This weighting system allows benchmarking, which accounts for company differences and allows the effectiveness of the sustainability management system to be assessed to identify gaps or weaknesses.

B Impact Assessment output

Assessment results in an overall user score out of 200 available points, deconstructed by topic, and even individual questions; the score is benchmarked on the levels of overall score, individual sustainability area scores and questions. The assessment output, as well as the process of going through the assessment itself, is useful for organisations to design strategies for improvement by identifying their specific areas of strengths and weaknesses. The clear and transparent way in which the results are presented, the additional resources provided, transparent weighting and various forms of result presentations make this task possible.

In some cases, however, the level of detail of the scores makes general observations about the organisation difficult since the tool does not provide significant guidance on the next steps that the company could take. The benchmarking against other companies should also be interpreted with caution since in some cases it might not be accurate given that it depends on how many comparable companies are available in the database.

Resources

Further resources

- B Lab: www.bcorporation.net
- B Impact Assessment: www.bimpactassessment.net
- Sustainable Development Goals (SDGs): <https://sustainabledevelopment.un.org>
- Global Reporting Initiative (GRI): www.globalreporting.org
- IRIS Metrics of the Global Impact Investing Network (GIIN): www.iris.giin.org
- GLOBAL VALUE Project: <http://www.global-value.eu/toolkit/project/>
- GLOBAL VALUE Toolkit: www.global-value.eu/toolkit
- GLOBAL VALUE tool navigator: www.global-value.eu/navigator
- GLOBAL VALUE Expert Crowd: www.global-value.eu/expert_crowd
- Farsang, A.; Reisch, L. A.; Temmes, A.; Wiman, A.; Munrat, S. H. A.; Jenkins, A.; Schönherr, N.; Martinuzzi, A. (2016) GLOBAL VALUE Deliverable 4.03. Final Comparative Assessment Report.



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