

B CORPS : LEGAL PATHWAY

The below is a step by step guide for any businesses or organisations seeking to update their official legal company documents to show that they value people and the planet as part of the B Corp certification process, a requirement of passing the Legal Test.

The process can take time and as such it is important that you understand the full process before committing to a completion date.

Board Members Review Legal Test Language And Outline Timetable For Amendments

Board members should be presented with and given the time to review any Legal Test language being proposed for official company documents and consider how it fits with current constitutional documents (this includes any shareholders agreement).

Following careful consideration, board members should then discuss the process and timeframes required for the amendments to be made.

Tips:

- Check existing company documents and agreements for any restrictions in place on making amendments as well as any shareholder agreements for consent requirements.
- Ensure that you are using the right language for your organisation when making changes to company documents, as the Legal Test has been adapted for different legal forms.

Select 'B Corp Champion' To Lead Internal Process And Engage With Internal Stakeholders

Having a 'B Corp Champion' as the point of contact between the board and the business's internal stakeholders ensures a streamline of communication.

Once the Legal Test language has been decided upon by the board, it must then be sent to internal stakeholders to review. The 'B Corp Champion' can then give feedback to the Board once they have engaged with internal stakeholders on the subject.

Tips:

- This can be a time-consuming part of the process. Please factor in sufficient time for stakeholder review and management.
- B Corp Champions are only suggested for medium to large businesses.

Board Approve Final Legal Test language

Once agreed with internal stakeholders, the board should finalise the Legal Test language in a Board of Directors meeting.

Tips:

- B Lab does expect the Legal Test language to be adopted as it is drafted, with only necessary consequential amendments. Any variations to the Legal Test language will need to be confirmed with B Lab.

Shareholder/Member Special Resolution To Approve Amendment To Articles Of Association

75% shareholder special resolution is required to pass amendments to the constitution of a company which can be passed at a general meeting or via a written resolution.

Tips:

- The statutory notice period for a general meeting is usually 14 days (or 21 days for a public company).

File Documentation With Companies House

Documents to be filed with Companies House include Form CC04, amended articles of association and copy of the special resolution.

Tips:

- Documents must be filed with Companies House within 15 days of passing the resolution.

Useful Links

- B Corporation: <https://bcorporation.net/>
- B Corp UK: <https://bcorporation.uk/>
- Become B Corp Certified with betternotstop: <https://betternotstop.com/become-b-corp-certified/>
- File Documents With Companies House: <https://www.gov.uk/file-changes-to-a-company-with-companies-house>

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