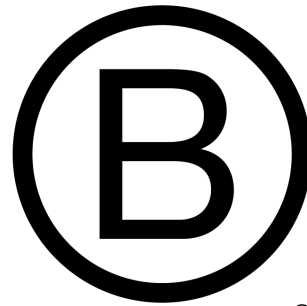


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# **The implications of the B Corporation Certification for business**

Master Thesis

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## Abstract

The landscape of modern corporations is changing and the society expects business to use their power and resources to have a positive in the world. Yet, the traditional cannot tackle these needs. Therefore hybrid organisations have emerged, namely organisations that have a dual mission; a social and environmental one and at the same time a commercial one. B Corps certification are a type of hybrid organisations that meet the higher standards of environmental and social performance. Research points towards B Corps as the business that can redefine success. This master thesis seeks to add to this body of literature by exploring what are the implications of the certification for business in five impact areas; strategy, decision making, innovation, operations and stakeholders, specifically shareholders and employees. Based on qualitative interviews with three case companies and two external experts, this master thesis analyzes the impact of the certification in all the different areas. This study finds that there is little evidence that the B Corp Certification affects these areas. This is mainly explained by the fact that the three case companies, and other examples added by the experts, already follow similar standards and share the same values as the B Corp ones before becoming certified. Yet the certification acts as an inspiration and motivation to undertake actions for more positive impact, is a validation for the companies that assert they are responsible and finally it creates a supportive network of like minded business that can join their resources and use business as a force for good.

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## Abbreviations

| Abbreviation | Full Word                           |
|--------------|-------------------------------------|
| B Corp       | Certified B Corporation             |
| BCC          | B Corp Certification                |
| BIA          | B Impact Assessment                 |
| BM           | Business Model                      |
| SOI          | Sustainability-oriented Innovation  |
| SU           | Singularity University/SingularityU |
| S&E          | Social and Environmental            |
| TBL          | Triple Bottom Line                  |

## 1 | Introduction

### 1.1 | Background

The landscape of modern corporations is changing; employees want to work for companies that can balance profit and purpose, consumers want to buy products and services from businesses that use the organisations as a vehicle for the common good (Porter & Kramer, 2011; Santos, Pache & Birkholz, 2015; Wilburn & Wilburn, 2015) and investors would rather finance businesses that not only pursue high financial objectives but also important social and environmental ones (Rangan, Appleby & Moon, 2011). The belief that “the business of their business may have to be *more than business*” is becoming more and more popular among executives (Santos et al., 2015, p. 36). Santos et al. argue that businesses need to find ways to face the growing societal demand to tackle environmental and social issues. Especially since it is acknowledged that the role of governments and non-profit organisations is not prominent enough to deal with these issues, as they do not have sufficient resources and they cannot scale their impact (Porter, 2013). Furthermore, in light of the recent financial crisis, business was perceived as being self-interested and apathetic towards the environment (Porter & Kramer, 2011) and was even considered as a threat to humans (Metcalf & Benn, 2012, as cited in Hiller, 2013).

Consequently, business should take the lead and prove that it can use its power to solve social problems, especially now that the long-held belief that having purpose comes at the expense of profits is being refuted (Porter & Kramer, 2011; Santos et al., 2015; Stubbs 2017b). In Stubbs’ own words, “making profits and creating positive impacts are not mutually exclusive” (Stubbs, 2017b, p. 305). In fact, Porter (2013) claims, contrary to the conventional wisdom that it is more profitable by causing social problems, business actually profits by solving them, especially when coupled with a long-term vision. This broader business thinking is not limited to businesses but is adopted by entrepreneurs as well (Porter and Kramer, 2011). These (social) entrepreneurs tend to identify unique opportunities, innovate and impact areas that other people fail to identify or consider as burdens potentially because they are following a “traditional” way of thinking (Sharma et al., 2018).

Despite the fact that this is one of the main challenges for businesses in the 21st century, most choose to address sustainability issues only with additional activities to their core unsustainable practices (Stubbs, 2017b). It is Stubb's firm belief what is urgently required is a structural change in traditional business models. Such a change will secure that the profit and the impact of the company will be aligned, and that sustainability will be a core part of its mission (ibid).

Several types of new organisational business models have emerged as a result of these trends, a promising example of which is the hybrid organisation. Hybrid organisations are for-profit organisations, however, they depart from traditional business which only focuses on the maximization of profits. Hybrid organisations aim for the fruitful coexistence of financial profits with social and environmental benefits (Santos et al., 2015). A variety of different forms of organisation fall within the broader term of hybrid organisations, but in this master thesis, we will focus on businesses that embrace the "B" (beneficial) movement. More specifically, only those organisations that have been certified as B Corporations (B Corps) will be investigated. According to a number of authors B Corps are considered to be a type of hybrid organisation (Stubbs 2017a, Hoffman et al 2012, McMullen & Warnick, 2016), since they have a "for-benefit" business model (Wilburn & Wilburn, 2014a). The B Corp Certification (BCC) is issued by the B Lab, a nonprofit global organisation that was founded in the USA in 2006. According to the corporate website, "B Corp Certification is the only certification that measures a company's entire social and environmental performance" (B Lab, 2019a). In order to acquire the certification, enterprises are evaluated according to their operations and, in particular, the impact and value they create for their employees, their customers, the environment, and the wider community. The evaluation is done through an online tool called the B Impact Assessment (hereafter BIA). The BIA is based on the framework of the "triple bottom line" (hereafter TBL), a term introduced by John Elkington in 1994. This framework evaluates the economic, social and environmental impact of an organisation (Elkington, 2018). The three areas of measurement of the TBL are also known as the 3Ps; profit, planet and people. Elkington (2018) highlights that B Corps are a bright example of businesses that are built around

the TBL concept and can truly make a difference and have a positive impact on the world.

Currently, there are 2,933 certified companies, in 64 countries across 150 different industries, and the numbers continue to grow at an exponential rate (B Lab, 2019a). As the B movement continues to gain traction, B Lab has created global and country partners in many parts of the world that manage the local community of B Corps. The companies that have been certified cover a wide range of products and services; from energy and fairtrade products to consulting and investment banking (Hickman, Byrd & Hickman, 2014). The vast majority of them are privately held (Hiller, 2013). In terms of size, B Corps vary from market leaders, such as Danone and Patagonia, to start-ups, mid-sized companies and even crowdfunding platforms (B Lab, 2019b). Yet, most B Corps are small companies (Chen & Kelly, 2015).

Many different reasons might lead organisations to become a B Corp. organisations, want to become leaders in a new corporate era, in which businesses around the world are more transparent and prove that they are concerned about the impact their organisation has in the world (Stubbs, 2017b). Furthermore, the certified corporations become part of a community, a “B Hive”, with like-minded businesses and leaders with whom they can build powerful relations (Marquis et al., 2011; Stubbs 2017a; 2017b). A fact that can be aligned to millennials' aspirations presented in the 2019 Deloitte Millennials survey, where only 55% of the respondents believed that businesses have a positive impact on society and a striking 0% of them responded that they trust the current business leaders. Additionally, 55% believe that business' main achievement is making a profit whereas more than 35% of them would like business to produce high-quality goods or generate jobs instead (Deloitte, 2019).

## 1.2 | Problem statement and research question

While there is a vast body of literature that examines sustainability topics, CSR strategies and even hybrid organisations, to the best of the author's knowledge only a small, yet growing, body has focused its attention on B Corps and the impact that the

BCC has on businesses that decide to pursue the certification. Hence, this is a promising area, that worth further investigation and attention. The main objective of the project is to outline the implications of the B Corporation certification for business, with regard to newly fostered innovations and operations, the implications for different stakeholders and the differentiated strategy and decision making.

With this in mind, this thesis will attempt to answer the following research question (RQ):

**What are the implications of the B Corp certification for business?**

In order to thoroughly investigate the research question, this study will address the following sub-questions:

|   |  |
|---|--|
| 1 | How did the B Corp certification alter the strategy and decision making of the business? |
| 2 | What kinds of new or different innovations and operations followed the certification?    |
| 3 | How were the shareholders and employees affected by the company's new orientation?       |

The thorough exploration and analysis of the aforementioned three sub-questions will allow a better understanding of the implications of the BCC in these different dimensions and respectively answer the research question.

### 1.3 | Theoretical models and methodology

This thesis will use an inductive research approach since it explores a topic that is within a nascent research area and has not received a lot of academic attention thus far. Furthermore, this study will employ qualitative methods to investigate the research question, in particular, a multiple case study research design will be applied (Saunders, Lewis & Thornhill, 2009). In line with the inductive approach, a literature review is



conducted to create an overview of the relevant theories in the field, which will then be linked to the study's qualitative findings. This paper will not look to establish a theoretical framework that will be tested (Saunders et al., 2009).

The thesis at hand will first discuss the theories on hybrid organisations (Battilana & Lee, 2014; Haigh and Hoffman 2012; Hoffman, Badiane & Haigh, 2012; Santos et al., 2015), on certified B Corps (Cao, Gehman, & Grimes, 2018; Hickman, 2014; Hiller, 2013; Stubbs 2017 a&b), sustainable strategies and business models (Haigh & Hoffman 2012, 2014; ; Porter & Kramer, 2011; Santos 2015; Stubbs, 2017 a & b), sustainable innovations (Adams et al., 2016; Jay & Gerand, 2015; Klewitz & Hansen, 2014; Lubberink, Blok, van Ophem & Omta, 2017; Stubbs, 2019), and finally stakeholders (Cao et al., 2018; Chen & Kelly, 2015; Haigh & Hoffman, 2012; Shah & Bhaskar, 2007).

The primary data was mainly collected through interviews with representatives of the case companies and with representatives of the B Lab. The data will be complemented with secondary data derived from company presentations, online keynotes, company reports and corporate webpages.

## 1.4 | Paper structure

The following chapter (2) provides an overview of the theoretical basis for the analysis, it further elaborates on the concepts of hybrid organisations and certified B Corps and presents the theories of strategy, innovation, operations and stakeholders in the context of sustainability and social development. In chapter 3 the methodology of the paper is outlined. Chapter 4 includes the descriptions of the three case companies involved in this research. In chapter 5, the analysis of the findings of the qualitative research is presented. Chapter 6 includes the discussion which aims to provide an answer to the research question and sub-research questions outlined above. The managerial implications and the limitations of the master thesis, alongside with recommendations for future research will be presented as well. Finally, the thesis concludes in chapter 7 with the conclusion of the paper.

## 2 | Literature Review

The following chapter establishes the theoretical foundation of the master thesis at hand. First, it introduces an outline of the evolution of sustainable practices over the last 60 years. Subsequently, the concepts of hybrid organisations and B Corporations are presented. Finally, the literature related to strategy, innovation, operations, and stakeholders in relation to B Corps is reviewed.

As early as the 1950s, scholars were debating business' responsibility towards society and the sustainability of the planet. Bowen (1953) was one of the first authors to propose the idea that business has both the power and the potential to positively impact society. On the contrary, Friedman (1970) argued that the only social responsibility of a business is to increase its profits by using resources and engaging in activities that are within the "rules" of the game.

During the ensuing years, the theory that prevailed was that of Corporate Social Responsibility (CSR). Steiner (1971, p. 164) defined CSR as "a philosophy that looks at the social interest and the enlightened self-interest of business over the long run as compared with the old, narrow, unrestrained short-run self-interest." CSR dominated as a fundamental strategic policy that was beneficial both for the organisation but also for its stakeholders and the economy (Backman, 1975; Steiner, 1971). After the Brundtland Report in 1987, the concept of sustainable development received even wider attention (Klewits & Hansen, 2014). Within the report, sustainable development was defined as "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland Commission, 1987, p.41).

Even though CSR was considered an innovative practice in the 1970s, nowadays it seems a bit outdated. Many firms are accused of only using their CSR policies as a marketing tool and of over-communicating their performance to the public (Delmas & Burbano, 2011; Porter & Kramer, 2011). This "green" marketing is known as greenwashing, a term that suggests that the benefits a company produces do not match its initial promises (Zhang et al., 2018). Most of the current CSR policies only ensure

that firms reduce their negative impact, as their goal is to become less “unsustainable” (Stubbs, 2017b). This is beneficial but not remotely enough for the current environmental and societal needs, which can only be met by business maximising its positive impact as well (Ehrenfel, 2008).

## 2.1 | The emergence of hybrid organisations

In order to truly support sustainability, business needs to shift from the described mindset of simply mitigating their negative impact and focus on addressing the abundance gaps (Hoffman et al., 2012). The traditional types of organisations, namely the nonprofit and for-profit ones, seem inadequate at addressing this issue (Reiser, 2011). Therefore a re-classification is essential. To address this urgency, the so-called hybrid organisations have emerged (ibid). Hybrid organisations are a combination of different organisational forms (Battilana & Lee 2014). Hybrids aspire to tackle some of the main problems that have been caused by business activity and its tremendous growth during the past decades, like the climate crisis and the inequalities that exist among different segments of the population (Hoffman et al., 2012). Even though these types of business models have already appeared during the 19th century, they have gained traction during the last decades (Santos et al., 2015). The hybrids that emerged challenged the traditional classification by positioning themselves between the traditional charity/non-profit organisations and the traditional for-profit business (Hoffman et al., 2012). A hybrid can take either the form of a non-profit that follows for-profit practices or the other way round (ibid).

A specific type of hybrid organisations are the social business hybrids, also known as social enterprises (Santos et al., 2015). Social enterprises are a combination of “the organisational forms of both business and charity at their cores” (Battilana & Lee, 2014, p.397). More specifically, social enterprises “contribute to society in some way and attempt to make a profit or at least avoid a loss for its owner(s)” (Chen & Kelly, 2015, p. 102). Thus, social business hybrids are for-profits that, except for generating profits

and maximizing value, choose to engage in environmental and social activities like non-profits would do (Haigh & Hoffman, 2012).

Social enterprises can have many different forms and business models. For example, some of them are the L3C Statute, the Certified B Corporation, the Benefit Corporation and the Flexible Purpose Corporation in several states in the United States (Stubbs, 2017a). Figure 1 presents the spectrum of traditional business models, including the different types of social enterprises.

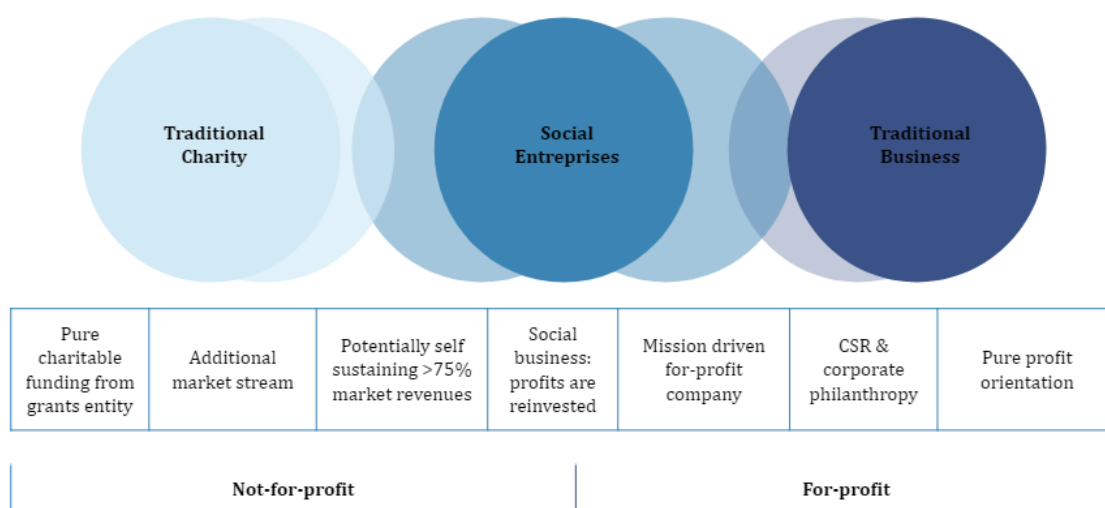


Figure 1 - Spectrum of organisational models

Source: Adapted from Charities Aid Foundation (CAF) Venturesome (2010) & EVPA (2017)

The popularity of hybrid organisations is growing rapidly (Hoffman et al., 2012; Stubbs, 2017a) since a lot of managers and management board members have acknowledged the need exists. According to Reiser (2011), entrepreneurs choose hybrid forms of organisations because they want to undertake a dual mission, to increase the funding streams, to create a strong brand for their business, and to achieve sustainable goals. Therefore, an increasing number of hybrid organisations are being established and even the incumbent firms are beginning to adapt their existing business models and their mission to the hybrid standards.

## 2.2 | Certified B Corporations

### 2.2.1 | Using business as a force for good

*“Our vision is that one day all companies will compete to be not just best **in** the world but also best **for** the world, and as a result society will enjoy a more shared and durable prosperity.”*

- B Lab (2019)

One prominent type of hybrid organisation is the Certified B Corporation (Reiser, 2011).

“Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose” (B Lab, 2019a).

B Corps are for-profit organisations that not only aim to maximise their profits but are also purpose-driven (B Lab, 2019a). The “B” stands for beneficial, as these organisations aim to benefit all the stakeholders, not only the shareholders. B Corps are interested in building a more sustainable future and a more inclusive economy for all (ibid). Therefore, in the spectrum presented in figure 1, they would be classified into the “social business” category. Their mission is to use business as a *force for good* (B Lab, 2019a).

### 2.2.2 | B Lab and B Lab Europe

B Lab is a global non-profit certification entity headquartered in Pennsylvania (B Lab, 2019a). It is the organisation that issues the BCC and acts as a third-party auditor for the B Corps (Andre, 2012). The lab was founded in 2006 by Jay Coen Gilbert, Bart Houlahan and Andrew Kassoy, three friends that left their careers in business and private equity and converged in order to assist companies in pursuing a purposeful mission (B Lab, 2019a). The first 82 B Corps were certified in 2007 (ibid). B Lab has a triple role; first, it assesses and certifies businesses with the BCC as aforementioned,

second, it encourages impact investments via the GIIRS framework which it initiated and third, it advocates for the institutionalisation of a legal entity that will be purposeful and transparent (Hiller, 2013). Finally, B Lab is funded both by earned revenues but also by philanthropic contributions (B Lab, 2019e).

Since 2006 B Lab has grown considerably and it has thus created global partners in different parts of the world. The objective of global partners is to expand the B Movement globally and make it relevant and inclusive (B Lab, 2019g). Even though the BCC standards are still governed by B Lab USA, the rest of the processes are executed regionally. B Lab's global partners are located in Latin America (Chile), USA and Canada, UK, Australia and New Zealand, East Africa and Europe (ibid).

B Lab Europe was founded in 2014 and is located in Amsterdam, the Netherlands. The European department oversees the growth of the movement in Western Europe and Scandinavia (B Lab, 2019f). B Lab Europe has established national chapters in the Benelux region, in Switzerland and in Spain, while it has a significant presence in Italy and France and is growing in other countries (ibid). It is interesting to highlight that whilst the certification is certainly spreading rapidly since it was first initiated in Europe in 2014, not all European countries have equally embraced this new way of doing business (B Lab, 2019g). Countries, notably the UK and some in central Europe, are the ones with the largest quantity of B Corps, whereas the southern, eastern and northern countries clearly lag behind. Appendix 1 illustrates the concentration of B Corps in Europe in July 2019 (B Lab, 2019g).

### 2.2.3 | BCC as a tool for change

BCC can be seen as a tool for social change, as the ultimate objective of the B Movement is to build an inclusive economy, in which everyone will be fairly represented and participating. (Gilbert, 2010). B Lab states that the certification can form the framework that managers can use to increase employee engagement, improve aspects of governance and to escalate the positive impact on the local and global society and environment (Gamble, Parker, & Moroz, 2019). Wilburn and Wilburn (2015) argue that

the B label acts as an indication of ethical business. B Corps live up to their promise to “do good and well”, by submitting regular reports in the B Lab presenting their progress and upcoming goals (Wilburn & Wilburn, 2015).

Furthermore, the certification ensures a company’s long term positive impact by supporting both accountability and transparency requirements (B Lab, 2019c). Additionally, the certification creates a common, and much needed, identity among the B Corps, which balances the social and commercial mission (Cooney 2012; Stubbs, 2017a). B Corps are considered to be a growing force that can even become mainstream and revolutionise the traditional corporate model (Stubbs, 2017b). B Corps see themselves as pioneers in this new era in which profit is not the dominant objective but just a tool to allow them to pursue their social purpose (ibid). Namely, profit is just a “means to achieve positive societal ends” (Stubbs, 2017a, p.337).

What differentiates BCC from other similar certifications is that it has generated a systemic change in the traditional business world (Hiller, 2013). Furthermore, contrary to other sustainability-related certifications that are relevant to a specific sector (Fairtrade) or within a particular region, BCC has a cross-industry and cross-country context (Gehman et al., 2019, p. 2). Lastly, the BCC certifies the organisation as a whole and not only specific functions (B Lab, 2019c).

#### 2.2.4 | B Impact Assessment

To become certified, a company must successfully meet performance, legal and transparency requirements. To fulfil the performance requirements the company must complete the very demanding B Impact Assessment (BIA). BIA is an online confidential platform that measures the impact of business in different areas (B Lab, 2019h). It is comprised of five impact areas; the environment, the workers, the community, the governance (Gamble et al., 2019) and the newly added customers' area. A sample of the questions can be found in Appendix 9. According to B Lab, the BIA is the only assessment that evaluates the entire performance of the business with regards to the environment and society. The platform is free to use for any company that would be

interested in assessing its impact even if it does not want to be certified (B Lab, 2019h). In essence, it acts like a self-consulting program.

The assessment has around 200 questions, which are not equally weighted and which vary based on the size (number of employees), the sector and the market of the company (Sharma et al., 2018). A company can score from the minimum up to 200 points, while to be certified it needs to reach at least the threshold of 80 points (Gamble et al., 2019). To put this into perspective, the median score for ordinary businesses is 50,9 (B Lab, 2019h). Since 2014, to honour those companies with scores in the top 10% in each of the five categories, B Lab annually creates a *Best For The World* Honorees List (Cao et al., 2018). To complete the BIA, the company needs to fill out a disclosure questionnaire, in which the company can inform the B Lab about any “sensitive practices, fines, and sanctions related to the company or its partners”. Nevertheless, the answers do not affect the score of the overall assessment (B Lab, 2019h).

As of July 1st 2018, B Corps need to be recertified every three years whereas before they had to go through the assessment every two years (B Lab, 2018). The BIA itself gets updated every three years as well, based on company feedback and further research. The recertification gives the incentive to companies to keep on pursuing sustainable practices, set ambitious goals and be certified against the most up-to-date standards (B Lab, 2019h).

Additionally, B Corps need to meet specific legal requirements. By signing the B Corp Agreement, a business is legally bound to consider the impact of its decisions not only on their shareholders but also on the rest of its stakeholders (B Lab, 2019c). To secure the new mission it is requested to change, as soon as legally possible, the articles of incorporation or impose other structural change (Hickman et al., 2014). This institutionalization of change in the corporate chapter can secure the company’s vision and values in case of a buyout or a change in the management team of the company (ibid). Furthermore, the newly Certified B Corp needs to pay an annual fee that ranges from \$500 to \$50,000, based on its yearly revenues (Appendix 2) (Cao et al., 2018). If a business is less than a year old it obtains the “pending” status for a year, after which it needs to be recertified (B Lab, 2019c).



The final step is the verification process that ensures that the transparency requirements are met. This process includes the submission of the BIA and initial documentation, a scheduled assessment of the BIA from a B Lab representative and finally the submission of any additional relevant documentation (B Lab, 2019c). After being certified, B Lab has the authority to run random on-site audit controls (Hickman et al., 2014). Around 10% of the companies are audited annually (Cao et al, 2018).

### 2.2.5 | B Challenges

As presented so far, being a B Corp can be very beneficial for a company. Nevertheless, B Corps still face challenges either before or after the certification.

Firstly, since B Corps are hybrid organisations they embody both the commercial and the social and environmental (S&E) mission, and so they might be held accountable for not meeting performance measures for both logics (Cooney, 2012). This could result in a high level of scrutiny from the public and the corporation might be accused of being a bad actor (ibid). Thus accountability can be considered as a double-edged sword. Furthermore, another accountability issue that might occur is that B Corps might be characterised as *corporate centric* since they seem to be held accountable more among each other rather than to society (Andre 2012; Hiller 2013).

Another challenge that should be considered is that the (re) certification requires the commitment of many resources, which might distract the company from its sales growth (CBEY, 2017; Parker et al., 2019). Building on that, there are considerable annual administrative and legal costs and not any tax breaks. Parker et al (2019) argue that some B Corp founders asserted they struggled with defining the cost of the practices they had to implement after the certification. Furthermore, it is reported that B Corps might experience a 20% revenue slowdown, an effect that is amplified in smaller and younger certified companies as they are less prepared for the certification process (Parker et al., 2019). Therefore, since B Corps aim at long term success and impact, there might be a potential threat to near-term shareholder profit (CBEY, 2017). Finally, B Corps might need approval from the general council, the board and the

shareholders, which could be a challenge to obtain (Marquis, Klaber & Thomason, 2011).

Finally, the managers and owners of hybrids, thus also of B Corps, need to be aware though that the dual mission described in section 2.1 might generate some tensions within the organisation, because of potential mission drift or contradictory interests from the stakeholders (Battilana & Lee, 2014; Gamble et al 2019; Haigh and Hoffman 2012). The combination of different forms and logics might entail the risk of creating a clash among the commercial and the social mission within a corporation (Stubbs, 2017a).

### 2.2.6 | The B Corp Community

Apart from the certified B Corps, the B Corp Community also includes members of academia, entrepreneurs, impact investors, bilateral development agencies, and media representatives (Zebryte & Jorquera, 2017). According to Stubbs (2017b), B Corps identify their community as a key stakeholder group. The participating corporations can collaborate and exchange knowledge and experience with each other. One of the B Lab's goals is to build this “tribe” of like-minded businesses that is translated as an attempt to build a B Corp ecosystem (Stubbs 2017a; 2017b). Being part of the B Community already makes B Corps feel proud and more confident (Zebryte et Jorquera, 2017).

After the completion of the BIA, companies are able to seek out like-minded peers in the B Community as they can compare their scores to those of other companies in the same industry and with a similar size (Andre, 2012). To further facilitate and enhance these collaborations, B Lab has established several different initiatives. The first one is called *B Hive*, which is an online community that connects B Corp peers and leaders and offers relevant resources and exclusive discounts (B Lab, 2019d). Other initiatives are *B Local*, *B Corp Leadership Development* and *Inclusive Economy Challenge* (B Lab, 2019d). All of them strive to bring B Corps closer to each other to collaborate and share best practices. In a study conducted among Chilean B Corps, Zebryte and Jorquera

(2017) found that the interactions among the certified corporations allowed them to join forces and collectively develop practices which amplified their capacity for action.

One additional benefit of being included in the B Corp community is that when a company gets certified it can participate in the service partnership that the B Lab has created. Being part of this partnership is translated into discounts on business services, like on CRM systems or software tools (Marquis et al., 2011). Furthermore, B Corps can benefit from access to the academia and opportunities to raise the awareness of their brand by free advertising through the B Lab platforms (ibid).

Lastly, it is not only the B Lab that supports the creation of the B Corp Community. B Corps have taken the lead in building the awareness, educating, advocating and lobbying in favour of the B movement (Stubbs, 2017b). As mentioned on the B Corp website, when a B Corp gets certified, it signs a Declaration of Interdependence in which it commits to support other businesses and players to use business as a force for good. B Corps join their forces to advocate towards sustainability practices and a total shift from the traditional way of conducting business (Stubbs, 2017b). B Corps foresee that the B movement will become “mainstream”, that this approach will be the business as usual (ibid). To achieve that, it is essential that the B movement will be adopted by a critical mass of companies. Therefore, B Corps are in charge of amplifying the B Lab vision to other businesses and stakeholders (ibid).

### 2.2.7 | B Corps and Benefit Corporations

B Corps are not the sole player in the B Movement. Benefit Corporation is also a B Lab. Benefit corporation is a new legal entity that institutionalizes the B Corp values (Hiller, 2013). Benefit corporations are for-profit entities, equivalent to a C Corp, an S Corp or an LLC, and therefore do not have status. The difference is that Benefit Corporations are bounded by extra responsibilities towards society and the environment (ibid). The legislation changes the directors' duties and obliges the business to consider not only the shareholders' benefits but also the ones of the rest of the stakeholders'. The Benefit Corporation structure was first legislated in 2010 in four states in the USA. Today, the

law has been passed in 34 states and 6 more states are currently working on it (Benefit Corporation, 2019a). So far, there are some countries, outside of the USA, that have passed the legislation recognising this status (ibid). The first ones were Puerto Rico and Italy, while Australia, Argentina, Chile, Colombia and Canada have followed (Benefit Corporation, 2019b). The creation of this new legal entity is of crucial importance especially in countries like the USA, in which, up until now, businesses were legally obligated to only commit to maximizing shareholder profits (Hiller, 2013).

The B Corp certification and the Benefit Corporation both fall under the B Lab umbrella and can be characterised as complementary. Both of the statuses are completely voluntary and it is at the discretion of an organisation to pursue them. Some companies are both B Corps and Benefit Corporations, even though in most cases the one is not a requirement for the other (Benefit Corporation, 2019a). The Benefit Corporation legal structure is the best way - in some states of the US the only way - to meet the legal requirements of the BCC. Finally, the B Impact Assessment can be used for free from Benefit Corporations in order to ensure that they still meet their transparency requirement, even though they do not need to reach a specific score (Benefit Corporation, 2019a).

Yet their distinction is essential as they commonly cause confusion. As presented in Appendix 2, the B Corp fees are based on the revenues and can be by far higher than the Benefit Corporation state fees (Benefit Corporation, 2019d). As aforementioned, the B Corps need to achieve a minimum score in the B Impact Assessment, while the Benefit Corporations are self-reported (ibid). Moreover, the B Corp Certification is available all over the world whereas the Benefit Corporation status is available in specific regions and countries (ibid). One additional difference is that even though the Benefit Corporation concept was created by the B Lab, the nonprofit does not have a significant role in overseeing the Benefit Corporations. Whereas, it acts as the certifying body for the B Corps (ibid).

Whilst in practice the distinction between Benefit Corporations and B Corps is clear, this is decidedly less so in academic literature. Despite the success of B Corps in practice it is clear that benefit corporations, and hybrid organisations more broadly, have attracted much more attention from scholars in the academic community (Stubbs, 2017b; Cao et al., 2018; Moroz et al., 2018, Gehman, 2019). However, conceptually there is a partial overlap between B Corps and Benefit Corporations and Hybrid organisations, which might explain the lack of focus specifically on B Corps. Therefore, literature that focuses on these organisations will serve as important resources and might be employed in order to build the argumentation on the impact of the BCC on business.

## 2.3 | The strategy

### 2.3.1 | Creating shared value

As mentioned in previous sections, business has the resources and the power to solve some of the biggest S&E challenges. Nevertheless, the only way that this can be accomplished is if companies abandon the traditional short-term approach that has been treating social progress as a trade-off to business success. Therefore, it is vital that the creation of value for society will be positioned as a focal point in the business strategy, and not on the peripheries. The question that arises is what strategy exactly can an organisation follow in order to achieve that.

This concept has been researched heavily in the past few years. One of the most well-known studies was conducted by Porter and Kramer in 2011, in which they developed the popular term “*creating shared value*” (CSV), a concept that was first introduced by the same authors in 2006 (Porter & Kramer, 2006). Porter and Kramer propose that companies can create economic value by simultaneously addressing social and environmental needs. More specifically, shared value is a management strategy that can be defined as:

“policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates” (Porter & Kramer, 2011, p.6).

Shared value differs a lot from the traditional CSR or sustainability policies, therefore it requires the cultivation of a new skill set and a transformation in the current mindset of executives and governments (Porter & Kramer, 2011). There are three ways to create shared value and all of them combined, form the virtuous cycle of shared value. The first element is the reconception of products and markets. Products should be designed in order to address customers' and societal needs like health, housing or nutrition. The second way is the redefinition of productivity in the value chain through social or environmental innovations. And lastly, the third way is the support of the development of local clusters in ways that ameliorate societal conditions (ibid).

Creating shared value is a framework of good practices that should be part of the company's strategy. The strategy in general entails offering a unique value proposition in a distinctive value chain (Porter & Kramer, 2011). Therefore, since CSV can create opportunities for new products, new markets, new customers and new ways to deliver value, it should be perceived as an integral part of a company's strategy, profitability and competitive positioning (ibid).

Based on the CSV theory, companies engage in activities that benefit society or the environment not only because they feel responsible to do it, but also because it will be beneficial for the company. Therefore, the concept of shared value is not a moral position, rather it is a motivation for companies to direct their activities and take advantage of the market opportunities that arise in solving social problems (Lohr, 2011). Since markets are defined not only by economic but also by societal needs companies should pursue a business strategy rather than a social one (Porter & Kramer, 2011).

What is important to point out is that in this theory a *profit* is defined as revenues minus costs, whereas *value* is defined as the benefits in relation to costs (Porter & Kramer, 2011). These concepts need to be clear both for business but also for

governments and NGOs in order to achieve the maximum possible value. Further supported by Hiller (2013), profit for business should be considered as a combination of financial returns but also of societal benefits and the impact it has on its community and environment.

Of course, not all social issues can be solved by adopting the CSV mindset. And the theory has been criticised by several scholars (Crane, Palazzo, Spence & Matten, 2014; Wilburn & Wilburn, 2014b). Nevertheless, at the same time, the concept has gained a lot of recognition from corporate and academic worlds alike, as it aligns social needs with corporate self-interest by using the maximization of profits as an incentive to have a positive impact (Porter & Kramer, 2014, as cited in Crane et al., 2014).

The concept of creating shared value can be realised by the sustainable hybrid business model of B Corps, which will be further discussed in section 2.3.2. As already mentioned in section 2.1, hybrids are for-benefit organisations that blur the traditional boundaries of for-profit and nonprofit organisations. Similarly, the concept of shared value lies between for-profit and nonprofit organisations (Porter & Kramer, 2011). Therefore, the emergence of hybrids and their success is a manifestation that the concept of shared value is attainable (Porter & Kramer, 2011).

Consequently, B Corps incorporate the shared value concept in their core and illustrate the transformation towards a shared value company (Kramer, Kassoy, Bakule & Savalia, 2014). In a press interview, Kassoy, one of the B Lab Co-founders, pointed out that “B Corps create shared value for all stakeholders through their business model and operations” (Kassoy, 2014). There are several examples of B Corp strategies that support this argument but for the sake of brevity only two examples will be illustrated. Porter and Kramer (2011) bring up *Revolution Foods* as a relevant example, a company that has been certified since 2011. Revolution Foods captures the concept of shared value by providing healthy and affordable lunches to low-income students every week (Revolution Foods, 2019). The company is leading the movement against child obesity in the USA and achieves that at a higher gross margin than some of its competitors. The second example is *Greyston Bakery*, a B Corp that produces baked goods and is the main brownie supplier for Ben and Jerry’s - another B Corp. Some of the ways that Greyston

Bakery creates shared value is by implementing hiring policies which include underrepresented individuals, by having a LEED-certified facility and by alleviating poverty in its supply chain via fair trade.

### 2.3.2 | The B Corp business model

According to Massa and Tucci (2014), a Business Model (BM) offers a systematic and holistic understanding of how an organisation manages its processes and activities in order to create and deliver value. In other words, business models represent the realisation of the current organisational strategy (Casadesus-Masanell & Ricart, 2010). Therefore, the decision as to which BM will be chosen is an integral part of strategy-making (Florin & Schmidt, 2011).

As mentioned in section 2.1, business is in need of a radical change in the existing BMs to face the increasing societal, natural and business demands (Santos 2015; Stubbs 2017b). Such a radical change in BM calls for business model innovation; a new way of creating and delivering value for the customers, while making a profit out of it (Teece 2010, as cited in Florin & Schmitz, 2011). The aforementioned needs led to the emergence of *sustainable business models* that entail the alignment of profit generation and societal progress (Santos 2015). More specifically sustainable BMs can be defined as the ones that “achieve economic prosperity while reducing negative external impacts and creating positive external effects for the natural environment and society” (Schaltegger et al., in press, as cited in Stubbs 2017b, p.300). A type of sustainable business model that will be further investigated are the *sustainable hybrid business models*, which not only capture value for shareholders but also create value for the rest of the stakeholders (Santos et al., 2015). The BMs of B Corps can be characterised as sustainable hybrid BMs (Stubbs, 2017b).

To further explore the characteristics of the B Corp BMs, Stubbs (2017b) created an analytical framework, which she then tested on a sample of Australian B Corps. The analytical framework was based on two models that previously existed in the literature; the ‘sustainability business model’ (SBM) (Stubbs and Cocklin, 2008, as cited



in Stubbs, 2017b) and the 'sustainability-driven hybrid' (SDH) (Haigh & Hoffman 2012, 2014; Hoffman et al., 2012).

Based on her research, the author argues that firstly, in terms of mission and purpose, the B Corps' BMs are driven by a social purpose and therefore pursue *profit with a purpose*. Their goal is to still generate profit, but their end goal is mainly to create some *more or better* impact (Stubbs, 2017b). This is characterised by Battilana, Lee, Walker and Dorsey (2012) as a "virtuous cycle" of making a profit and reinvesting it in the social mission. Furthermore, B Corps internalise impacts into the BM (Stubbs, 2017b). This concept is also approved by Porter and Kramer (2011), who suggest that this is the optimal way that firms should treat externalities.

Secondly, the main characteristic of the B Corps' BM is that it does not attempt to implement a differentiated model, in which corporations need to choose between business or profit (Stubbs, 2017b). Their goal is to have a fully integrated BM which, according to Battilana et al (2012), is the ideal scenario. Battilana and Lee (2014) argue that there are two degrees that show the level of integration of the S&E mission is integrated and the commercial one in the BM; the *integrated* and *differentiated* one. Gamble et al (2019) add one more degree and therefore suggest the *integrated*, *partially integrated* and *non-integrated* (differentiated) terms. Even though as already mentioned B Corps attempt to implement an integrated BM (Stubbs, 2017b), Gamble et al (2019) found that in their sample most B Corps had non-integrated BMs. They also conclude that firms have a more integrated model if they score higher in the BIA, if they are older firms, or if they have more of an "outward-facing" - namely score higher in the environment and community categories (Gamble et al., 2019).

Thirdly, the B Corps' BM suggests that stakeholders - shareholders, employees, customers, communities, suppliers - are all equally important (Stubbs, 2017b). B Corps choose to work closely with them to reduce negative impacts. One more characteristic of the B Corp BM is it can include two different strategies that are not mutually exclusive; namely pursuing the integrated model that is aforementioned and at the same time undertake philanthropic actions, for example donating a certain percentage of the profits to a not-for-profit organisation (Stubbs, 2017b).

What is also interesting to point out from Stubbs' research is that the reason that companies choose to adopt the sustainable hybrid BM and choose to become a B Corps is that their values are already in alignment with the B Corp ones. Hence, it is something that just makes sense and is a natural fit (Stubbs, 2017a). Consequently, in terms of strategy, there was not a significant change after the certification. The certification acts as an explanation and validation of the current strategy and actions to the stakeholders (ibid). Lastly, the certification offers them the legitimacy *-fitting in-* and the distinctiveness *-standing out-* that organisations seek (Cao et al., 2018). Legitimacy is vital for social enterprises as it is a prerequisite for community support (Moizer & Tracey, 2010).

### 2.3.3 | Decision making

Decision making in social enterprises can be more challenging than in traditional organisations. Decision makers need to constantly balance between the commercial and S&E mission. A core strategic question that needs to be addressed is what proportion of resources should be allocated in the S&E mission and what proportion should be used to build a robust and viable organisation (Moizer & Tracey, 2010). Different strategies can be adopted to address this question depending on the mission and resources of the organisation. Namely, the missions can either be separated, completely integrated - as discussed in section 2.3.2 -, or strengthened by alliances with for-profit organisations (ibid). However, these strategies are not mutually exclusive (ibid). Making the wrong decision though might have significant effects on the legitimacy or the profitability of the social enterprise. What can help in taking the right decision is the inclusion of all the stakeholders in the process, in particular the employees as this can help create both the S&E and the economic aspects of the mission (Ohana, Meyer & Swaton, 2012; Stubbs, 2017a). Furthermore, stakeholders of hybrid organisations are intrinsically very interested in participating in the decision making process and sometimes even demand to be part of it (Schmitz et al., 2016).

In fact, inclusivity is one of the characteristics of the decision making in social business (Nyssens, 2006; Ohana et al., 2012). Social enterprises often choose to include their users or customers in the decision making process (Nyssens, 2006) and motivate their employees to also take part as this usually increases job satisfaction and engagement (Ohana et al., 2012). When involved in the decision making process Employees feel more committed and identify themselves more with the organisation that they work for (ibid). According to Haigh and Hoffman (2012) hybrid organisations in general share this attribute. By involving different interested parties, the multi-stakeholder nature of social enterprises is formalised although this might prove challenging as organisations grow (ibid). Also B Corp owners have claimed that becoming a B Corp, thus a social enterprise, made them more aware of the impact of their decisions on society and the environment (Wilburn & Wilburn, 2015).

Having a more inclusive decision making process makes it more democratic (Nyssens, 2006). In social enterprises, decisions are not made based on capital ownership, rather it is a right and a responsibility shared among all the stakeholders (ibid). More specifically decisions are not taken based on the “one share-one vote” principle but on the “one member-one vote” principle (ibid). According to EMES, “one member, one vote or at least a voting power not distributed according to capital shares on the governing body which has the ultimate decision-making rights” (L’Emergence des entreprises sociales en Europe, 2004). This characteristic fosters employee perceptions of procedural justice and that makes them feel even more committed to the organisation (Ohana et al., 2012). This might also explain why the decision making in B Corps is defined by lower levels of conflict (Caldwell, 2015).

## 2.4 | Innovation, operations and practices

### 2.4.1 | Sustainability-oriented innovation

For business to use its power to meet the growing S&E needs, it should not only adapt its strategy and implement new business models to satisfy its stakeholders, but it also needs to find new, creative and sustainable solutions to conduct business and at the

same time stimulate economic growth. Therefore innovation plays a vital role in this equation (Adams, Jeanrenaud, Bessant, Denyer & Overy, 2016; Jay & Gerand, 2015; Stubbs, 2019). In general, innovation can be defined as the “implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations” (OECD, 2005, p.46). For an invention to become an innovation, it has to create value, economic or social (OECD, 2005).

The theory that innovation is an important means for sustainability was strengthened by Porter and Kramer’s (2011) theory on shared value. The notion that CSV can generate radical innovations within the organisation, acted as the spark to research sustainable innovation (Jay & Gerand, 2015). In fact, in the last few years, researchers are showing a growing interest in investigating how innovations can lead to sustainable development (Stubbs, 2019).

Nevertheless, by reviewing the literature, it is unclear how exactly sustainability is defined and how it can be achieved (Adams et al., 2016). Furthermore, a review of the literature on the different types of innovations related to sustainability resulted in the discovery of many different terms that seem closely related to each other that can create confusion. Some of the concepts that appeared in several different studies were the social-, responsible-, sustainability-, green- and eco-innovation. Lubberink et al. (2017) conducted a systematic literature review and were able to specify the differences between these terms. To begin with, the purpose of *social* innovation “is to meet pressing social needs and to improve human and environmental well-being” (Choi & Majumdar, 2014, as cited in Lubberink et al., 2017). Whereas *responsible* innovation can be defined as “taking care of the future through collective stewardship of science and innovation in the present” (Lubberink et al., 2017, p. 2). *Sustainable* innovation, on the other hand, might appear in different forms (products, processes, BM, services), is market oriented and is motivated by both economic and ecological incentives (Schiederig et al., 2012, as cited in Lubberink et al., 2017). Sustainable innovation is also driven by the social dimension of innovation and responds to the TBL framework (Lubberink et al., 2017). Whereas the *green-* and *eco-innovation* mainly focus on the

economic and environmental aspects (Pawson et al., 2014, as cited in Lubberink et al., 2017). Thus sustainable innovation can be considered as an umbrella term for these two terms (Jay & Gerand, 2015). Lubberink et al. (2017) concluded that all the three terms, responsible, social and sustainable, eventually overlap since all three integrate the social dimension, require interactions with stakeholders and all the three types are driven by the desire to solve the global grand challenges.

Therefore, in this paper, we will adopt the sustainable innovation term and more specifically Sustainability-oriented Innovation (SOI) since the innovation is more of a process or a direction that leads to sustainability (Klewitz & Hansen, 2014). Nevertheless, due to the conceptual overlapping with the other terms, and since SOI is still an emerging field, studies focusing on social innovation will serve as an input in this project. According to Adams et al. (2016, p. 181), SOI entails

“making intentional changes to an organisation’s philosophy and values, as well as to its products, processes or practices, to serve the specific purpose of creating and realizing social and environmental value in addition to economic returns”.

Therefore, SOI is a dynamic process that changes over time (ibid). SOI can be divided into incremental and radical innovation, like traditional innovation (Kleiwth & Hanses, 2014). Even though usually, innovations occur in a continuum (ibid). Incremental innovations are the introduction of new technologies, products or processes. Nevertheless, these innovations are unlikely to highly contribute to the sustainability challenge (Jay & Gerand, 2015; Klewitz & Hanses). A more systemic approach is required (Jay & Gerand, 2015); a transformative SOI which will include radical changes, like cutting-edge technologies or new ways of creating value (Stubbs, 2019). A profound example of transformative SOI is the reconfiguration of BMs. The most progressive organisations reconfigure their BMs to more innovative ones, as for example the B Corp BM (Adams et al., 2016).

#### *Dimensions of SOI*

Jay and Gerand (2015) argue that SOI can have three dimensions depending on the orientation of the innovators. Namely, a SOI can be a sustainability-relevant innovation (SRI), a sustainability-informed innovation (SII), or a sustainability-driven innovation (SDI) as presented in figure 2. SRIs are innovations in which sustainability is not the core part of the business but rather a positive side effect (Jay & Gerand, 2015). SIIs are “innovation processes, which do not have sustainability issues as their primary target, but which try to adhere to sustainability targets during their development, production and use” (Blowfield et al., 2007, as cited in Jay & Gerand, 2015). Finally, SDIs are innovations that are generated in order to achieve a sustainability goal. Thus even though SDIs still have an economic aspect they are produced to solve a global challenge (Jay & Gerand, 2015). An SRI can also act as the basis for SII and SDI projects. Although the distinct types of SOI might result in different levels of impact, they are all important and beneficial (ibid).



Figure 2 - SOI dimension  
Source: Own illustration based on Jay & Gerand (2015)

### *Innovation in B Corps*

B Corps display a high potential for creating innovations that will have a social dimension as well, (Roth & Winkler, 2018). Furthermore, they are considered to be capable of creating sustainable solutions to solve some of the global grand challenges (Abramovay et al., 2013, as cited in Roth & Winkler, 2018). Additionally, as already pointed out in section 2.2.2, the B Corp community plays a vital role for B Corps and this is also evident for innovation. According to Zebryte and Jorquera (2017), the social

innovations that are fostered within the community are due to the exchange of ideas, resources and strategies that are facilitated in the network, that organisations, external to the community, would not be able to create. Combining all these characteristics and taking into consideration Adam's (2006) definition of a SOI, the innovation produced in a B Corp is a SOI.

B Corps recognise the business opportunities that lie in the field of social innovation and therefore they are motivated to pursue it (Roth & Winkler, 2018). This is in alignment with the CSV theory described in section 2.3.1. These opportunities are especially attractive to start-ups or smaller enterprises (ibid). As aforementioned the majority of B Corps are SMEs and therefore it is easier for them to produce social innovations.

Klewitz and Hansed (2014) created a taxonomy of the strategic sustainability behaviours in SMEs. They have identified five possible behaviours: resistant, reactive, anticipatory, innovation-based and sustainability-rooted (Klewitz & Hansen, 2014). Based on this taxonomy, B Corps can be classified as *sustainability-rooted*. This is based on the fact that B Corps BMs are built on the TBL concept (section 2.3.2), and they have strong interactions with their stakeholders (section 2.5). Therefore, B Corps are more likely to produce radical sustainable innovations and even have the potential to make disruptions at an industry level (Klewitz & Hanse, 2014). Finally, considering Jay and Gerand's (2015) definitions of the different dimensions of SOI, the author argues that B Corps' innovations will most probably fall into the SII dimension, since, as mentioned before, generating profit is still a vital part of their strategy.

#### 2.4.2 | Changes in practices and operations

B Corps operate like traditional for-profit organisations. Nevertheless, the question that arises is whether these companies need to make any changes in their operations and management practices in order to be certified, or after the certification. Literature on this topic is limited, nevertheless those studies that have touched upon the topic will be outlined in this section.

Stubbs' (2017a) research on Australian B Corps sheds some light upon the topic. She argues that half of the B Corps that participated in the research mentioned that they did not need to make any significant changes in the practices of the company after the certification (Stubbs, 2017a). Nevertheless, all the participating B Corps mentioned that the BCC inspired a review and documentation of some policies, like for example recruitment or supply chain policies. Eventually, most of the policies were already in line with the assessment, but they needed to be formalised and documented (ibid). Consequently, as presented in her second research the BIA acts as a tool for the B Corps to improve their operations while at the same time reducing their negative impacts (Stubbs, 2017b). Therefore, the operations are affected by efforts like reducing waste, emissions and chemicals. Moreover, new operations might be added in order to increase the positive impact, like philanthropic or pro bono activities. The BCC framework facilitate this shift in operations by providing success stories and benchmarking opportunities with peers (ibid).

Sharma et al. (2018) argue that B Corps tend to shift their practices in order to *(re)organise for impact*, as a reaction to cues and peers. The nature of this shift depends firstly on the *affordability* of the change, in other words, depending on how resources-intensive and efficient a change will be, B Corps choose to pursue it or not. Some B Corps choose what the authors describe as the "low hanging fruit", so changes that do not require so many resources, or are easy to implement, for example formalising a policy or setting up a recycling system. Nevertheless, some organisations go beyond this reasoning, especially when they are driven very much by the purpose and the positive change they can achieve (Sharma et al., 2018).

A second dimension that influences the shift in practices is *interpretability*, which refers to the way a B Corp interprets the BCC standards and requirements, namely the broader meaning a BIA question might have. For example, increasing the company's reliance on renewable energies does not necessarily mean installing solar panels but maybe measuring the reliance on renewables that the energy provider of the company will be sufficient. This dimension inspired B Corps and gave them novel insights to try different activities, for example changing their supplier (ibid).



Lastly, the third dimension are the *social referents*. According to Sharma et al (2018), actors that have similar constraints, such as size or sector, and face the same challenges, might organise their practices in a similar way to secure legitimacy. In fact B Corps that face the same institutional constraints appeared to deal with the same social and environmental challenges. Therefore, within a sector, organisational changes look very much alike, which is in line with Stubbs' (2017b) argument that benchmarking with peers can inspire some changes within the organisations.

Related to the institutional constraints, different-sized companies perceived the adoption of new practices differently (Parker et al., 2019). Larger organisations might only perceive them as incremental changes in current routines, that are in line with the corporate values. For these B Corps it is easier to define which practices would best fit their organisation (ibid). On the other hand, for smaller and younger firms it is usually more challenging to define which practices they should reconfigure and how much this would cost them (ibid). One of the reasons they face this difficulty is that they need to spend a lot of time in interpreting BIA questions that are not so clear or have a broader meaning (Sharma et al., 2018). Additionally, they lack the processes and routines that larger firms already have in place (Parker et al., 2019).

## 2.5 | Stakeholders

Freeman (1984) developed the stakeholder theory, which confuted the conventional wisdom that the sole goal of a firm is the profit maximisation, while it positions the shareholders as equally important to the rest of the stakeholders of the company. Therefore, the success of the company lies in balancing all the stakeholders' interests (Freeman, 1984). In Freeman's own words "a stakeholder [...] is [...] any group or individual who can affect or is affected by the achievement of the organisation's objectives" (1984, p.46). Based on the stakeholder theory, socially-oriented businesses are experimenting with new forms of organisations, in which they aim to increase the salience of socially motivated stakeholders in the legal structure of the organisation

(Cooney, 2012). In this section, the impact of the BCC on two of the main stakeholder groups, namely shareholders and employees, will be investigated.

### 2.5.1 | Shareholders and investors

Traditionally, according to the shareholder view, the primary purpose and responsibility of a firm were to maximise profitability and ensure that its shareholders will have a return of their investment (Shah & Bhaskar, 2007). The shareholder primacy has historically been documented since the early 90s, with the known decision in the Dodge vs Ford case, in which it was legally mandated that business should operate for the profit of the stockholders (Hiller, 2013). Consequently, corporations only focused on maximising short-term goals and make as much profit as possible (Moss Kanter, 2011). Companies were thus acting as the means to create economic value for the investors as it was their ethical duty, and every other goal would be subordinate to that. Hence, prioritising the pursuit of social responsibility was something that business would not even consider (Shah & Bhaskar, 2007).

Nevertheless, after the beginning of the 21st century, the purpose of the company has been reconceptualized. Firms are becoming increasingly concerned about the social, ethical, and ecological impact that their business has (Chams & García-Blandón, 2019). The new paradigm suggests that maximising the profits of the company should rather be seen as an essential means rather than the end goal (Shah & Bhaskar, 2007). Thus, the managers and boards of directors have acknowledged that the firm is not only responsible for its shareholders but also for different stakeholder groups. Especially since according to Freeman, Wicks & Parmar (2004), “creating value for stakeholders, creates value for shareholders” (Freeman et al., 2004, p. 366).

B Corps have taken the pioneering and leadership role in this new way of making and distributing profits. B Corps use their profits as a means to achieve their societal or environmental goals (Stubbs, 2017b). The bigger the profits they have, the more profit can be allocated in following their mission and the more positive of an impact they will have (ibid). Hence, the way that profits are distributed in these corporations is vastly

different than in the traditional ones; they only retain the minimum necessary capital to compensate their employees and pay the shareholders' dividends and the rest of the profits are reinvested in the business (ibid). Consequently, the main goal of B Corps is to reinvest their profits, in their products to achieve a bigger impact and manage to bring the change they want (ibid). Therefore, shareholders might still be considered as the primary stakeholders but at the same time, they are not considered as more important than the rest. Finally, some B Corps have specific policies and choose to work with suppliers that align with their corporate values and goals (ibid).

Similar to the shareholder primacy shift, there is a discernible shift in the investment world. Following the financial crisis of 2008, investors have shown a growing interest in supporting businesses that try to address S&E issues. Namely the concept of impact investing was developed (Rangan et al., 2011), a term that was firstly introduced in 2008 (Cao et al., 2018). Impact investing can be defined as “*actively* placing capital in businesses and funds that generate social and/or environmental good and at least return nominal principal to the investor” (Monitor Institute, 2009, p. 11). Impact investing support a range of different enterprises as presented in Appendix 3. This has given the opportunity to organisations like B Corps to thrive.

According to B Lab there are five trends that motivate investors to pay attention to corporations that embrace the B movement: sustainability improves the performance of the firm, public market investors are focused on environmental, social and governance factors, entrepreneurs want to lock in mission, talent demands purposeful ecosystems and non-financial information is now pivotal (Benefit Corporation, 2019c). To help drive more impact investments, B Lab has created different tools like IRIS and GIIRS. In 2009, B Lab together with different actors launched the IRIS (Impact Reporting & Investment Standards) initiative, which provides a framework and underlying set of common reporting language for impact-related terms to ensure consistent measurement and articulation (Cao et al., 2018). Secondly, in 2011, B Lab introduced GIIRS (Global Impact Investing Rating System). The rating system uses the BIA's transparent criteria to assess a portfolio's impact on employees, customers, communities and the environment (Cao et al., 2018, B Analytics, 2019). The different

initiatives were later integrated in the B Analytics platform which claims to be the biggest database social and environmental data for private companies (Cao et al., 2018).

There is a specific type of investment for organisations like the hybrid ones, called Socially Responsible Investing (SRI). This is a type of investment that favours social justice, human rights and environmental policies. SRI not only has not been recessed in the past years but had a tremendous growth contrary to traditional markets (Haigh & Hoffman, 2012). While according to other studies, SRI has developed significantly in several ways and has already reached maturity (Sparkes & Cowton, 2004).

Investors choose to focus solely on these types of investment, firstly because they are interested in the financial return of the investment. There is some evidence that B Corps actually financially outperform public competitors (Chen & Kelly, 2015). But there is also evidence that investors who choose to fund social enterprises, like hybrid organisations, do it because they believe in the cause that the organisation serves (Schmitz & Glänzel, 2016). It is worth mentioning though, that not only the investors screen the enterprises. Managers of the hybrids also choose to collaborate only with investors that share the same mentalit and value as they do, in order to avoid conflicts and ensure autonomy (ibid).

Apart from the non-B Corp investors, there is a growing community of investors within the B Corp community. Already from 2011, Marquis has pointed out the creation of an ecosystem comprised of banks, VC firms and wealth managers. There are several examples in which these B Corps supported other businesses in the community (Marquis, 2011). At the moment, there are more than 200 B Corps in the industries of investment advisors, crowdfunding platforms, equity investors (B Lab, 2019b).

### 2.5.2 | Employees

As mentioned before, a growing number of managers are trying to change the mission of the companies they are working for, in order to better represent environmental and

social values and purposes (Haigh & Hoffman, 2012). To succeed in this demanding task it is essential to have a competent and like-minded team on board. Therefore, in hybrid organisations, managers create diverse teams consisting of employees with diversified and broad backgrounds to secure that they will be able to handle the different logics that exist in the organisation (Schmitz & Glänzel, 2016). Furthermore, hiring managers seek to attract employees that share the same values as the organisation (Stubbs, 2017a). According to Stubbs (2017a), B Corps choose their future employees based on the alignment they have with the B Corp values.

Similarly, numerous employees choose their working environment based on how socially responsible the organisation is. According to Lis (2018), sustainable practices, in comparison to remuneration, intellectual challenge, and location, are the most important factor that influences choice of employer. B Corps can attract top talent employees, especially of a younger age, that want to work for a purpose-driven company (Stammer, 2016). Furthermore, other studies show that the CSR initiatives of a company can help employees to stay more motivated and identify with their employer (Bhattacharya & Korschun, 2008; Ohana et al., 2012; Stammer, 2016). Employees of social enterprises show commitment to the organisation they work for, that further support its social mission (Ohana et al., 2012). Additionally, as presented in section 2.3.3, social enterprises include the employees in the decision making process. This further increases employees' job satisfaction and engagement (ibid). Consequently, employees prefer to work for companies that are engaging in environmental or social activities over companies that do not. This is one of the reasons that the B Lab has created an online B Work platform in which only job openings in social enterprises are published. According to the website, it is the largest recruitment site for impact jobs and it aims to connect "purpose-driven job seekers with positions at social enterprises who are using business as a force for good" (B Work, 2019).

Additionally, employees feel more engaged in organisations that have a hybrid business model because in these organisations the "family feeling" prevails since employees are involved in the decision-making process of the company and are usually paid above the market average (Haigh & Hoffman, 2012). Furthermore, seventy-five per cent of

leaders in hybrid organisations choose a participative leadership style that encourages participation and inclusion (ibid).

On top of the benefits explained above, organisations that have a strong social identity, such as B Corps, boost employees' productivity. According to Romi, Cook and Dixon-Fowler (2018), employees' productivity in terms of sales growth is significantly higher in B Corps than in other organisations. One more study that supports this argument shows that B Corps had a revenue growth rate that surpassed the average revenue growth of similar public companies (Chen & Kelly, 2015). Hence, contrary to the popular belief that profitability is hindered if an organisation is focused on financial growth and social responsibility, Romi et al (2018) claim that the productivity of B Corp employees is higher relative to non-hybrid firms. Specifically, the value of these organisations is enhanced in the long run since it is beneficial for all the stakeholders involved (Romi et al., 2018).

### 3 | Methodology

The objective of this chapter is to present the research design of the master thesis. More specifically, an overview of the methodology that was used to answer the research question will be outlined. The research design will follow the structure presented that was developed by Saunders et al. (2009) (figure 3). Namely, the different steps - or "onion layers" (Saunders et al., 2009) - that will be discussed are the research philosophy, approach, strategy, choice and horizon. Finally, the process of data collection and thematic analysis will be described. The chapter concludes with a reflection on the research quality and its limitations.

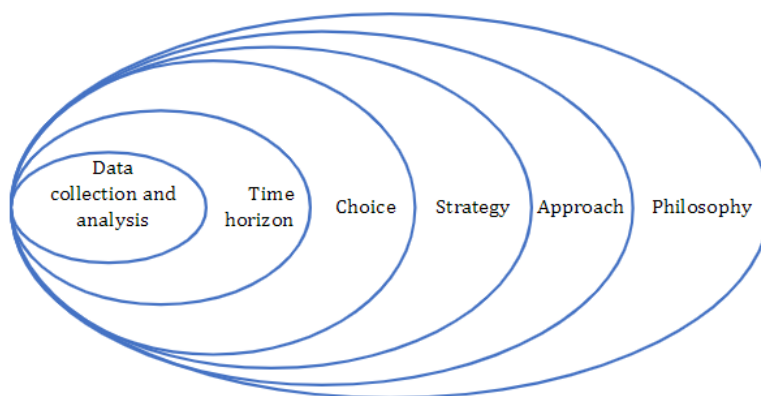


Figure 3 - The research “onion”

Source: Own illustration based on Saunders et al. (2009)

### 3.1 | Research philosophy

Research philosophy relates not only to the *development* of knowledge but also to the *nature* of knowledge acquired (Saunders et al., 2009). Research philosophy enhances researcher's understanding of the “taken-for-granted” assumptions made in the beginning of the research (ibid). The major ways of thinking in the area of research philosophy is ontology, the researcher's view of the nature of reality - how the world works- and epistemology, the researcher's point of view on what is acceptable knowledge within the field of research (ibid). Ontology includes two aspects, objectivism and subjectivism (Saunders et al, 2009). The subjectivism aspect is more relevant for this thesis since the research findings are based on subjective assumptions of different actors and their perception of the world.

Saunders et al. (2009) suggest that four types of research philosophies can be found pragmatism, positivism, realism and interpretivism. The present study had adopted the interpretivist perspective. Since the business reality is complex and unique, the interpretivist perspective is considered to be applicable to the specific area of investigation.

### 3.2 | Research approach

The study follows an inductive research approach and since the topic at hand has not received a lot of academic attention so far, a qualitative research was necessary in order to investigate it. Following the inductive approach, the literature reviewed in this paper is conducted in order to create an overview of the relevant theories in the field, which will then be linked with the qualitative findings, and not to establish a theoretical framework that will be tested (Saunders et al., 2009). In line with the adopted approach the themes that form the structure of the findings have emerged inductively after the data were collected and analysed (Creswell, 2002). Therefore, in inductive approach a smaller sample is more appropriate as the findings are context related (Saunders et al., 2009). Overall, the purpose of the study is purely exploratory, since the researcher seeks new insights of an unexplored concept (Robson, 2002).

### 3.3 | Research strategy

The choice of the appropriate research strategy depends on the research question, the range of existing knowledge, the amount of available time and resources and the researcher's philosophical foundation (Saunders et al., 2009). For this master thesis, a case study was chosen as the appropriate research strategy. Yin (2003) emphasized that in case studies, understanding the context is crucial. Thus, the case study strategy is adopted since the nature of the research is exploratory. In order to facilitate an in-depth understanding of the examined concept, this strategy gives the opportunity to the researcher to gather rich data, analyze it and present the findings.

Moreover, since the objective of the study is to investigate if the findings could be potentially applied in similar situations, the multiple case study has been used, as it has been shown to be the most suitable strategy, mainly because it tests the same phenomenon in different environments or situations (Yin, 2003). The results of a multiple case study can be more easily generalized than results from a single case study (Saunders et al., 2009).



In order to comprehensively answer the research question, three case studies with different companies are analyzed. The examined organizations operate in different industries are located in three different countries and will be further discussed in the methodology section.

### 3.4 | Research choice

In the present study, a qualitative method has been adopted for data collection (interviews) and analysis. Creswell (2002), highlights that this research method is most appropriate when there has not been a lot of research conducted on the topic at hand. Moreover, the qualitative multiple case study approach chosen is aligned with the ontological and epistemological perspective chosen (Saunders et al., 2009).

Data have been collected through semi-structured interviews with the companies' representatives and B Lab employees, as well as through reports, company presentations and press releases. This secured the triangulation of data (Saunders et al., 2009), that will facilitate/ help. Therefore, a multi-method qualitative study was used.

### 3.5 | Research horizon

Concerning the time horizon of the study, there are two approaches; the cross-sectional and the longitudinal ones (Saunders et al., 2009). Due to the time constraints and the scope of the master thesis, a cross-sectional study was carried out. Thus, the collection of the primary and secondary data was assembled mainly in the first six months of 2019 and the description of the phenomenon will present a snapshot at this period of time.

### 3.6 | Data collection and analysis

The last step of the research design as described by Saunders et al. (2009) is the data collection and analysis. Since the research has an exploratory nature, the data collected was purposely less structured to allow the emergence of themes not considered in previous

studies (Yin, 2003). The project builds on numerous sources of evidence and qualitative data. The data is divided into primary and secondary data sources. The primary data collection includes seven interviews and is supported by data from online sources to construct a comprehensive understanding of the researched topic. Before the collection of the primary data, as the inductive approach suggests, the researcher had extensively investigated the current literature on B Corps to acquire deep knowledge on the topic but also to identify the possible gap in the literature (Saunders et al, 2009). Furthermore, general information on the case companies were reviewed to gain a valid understanding of the company's culture and position.

### 3.6.1 | Primary and secondary data

#### *Collection technique*

The collection technique selected for this project was semi-structured interviews, which is the appropriate technique for exploratory research since they enable the emergence of themes during the interviews (Saunders et al., 2009). To secure that answers will be unbiased, the themes were supported by open-ended questions (Creswell, 2002). The structure of the interviews was provided by the sub-research questions of this study, but the actual flow of the questions was rather smooth. Even though the main topics were similar, the questions for the B Corp representatives were adjusted as they could offer deeper insights. Two samples of the interview guides used are presented in Appendix 5.

#### *Case company selection*

The two main inclusion criteria for the case companies to take part in the study were 1) to be certified B Corps for at least one year, and 2) to be among the first companies that got certified in the region the company is headquartered. As it has already been discussed, the B Corp Community and the companies support and benchmark with each other. Therefore we make the assumption that the impact on companies that were pioneers of the movement would probably be copied or passed on to more companies of the community. Consequently, the BCC impact on the pioneers will probably be similar to the impact on the rest of the companies. Thus, the researcher contacted different companies that fitted this profile. The three companies that agreed to participate in the study were Apivita, Fainphone

and SU Nordic. The companies have operations in different industries and produce different products and services, namely natural cosmetics, mobile phones, and education, innovation, and impact programs accordingly. Furthermore, they are located in three different countries, Greece, the Netherlands and Denmark. This decision was made since the collection and analysis of data from companies from different countries and industries results in a *heterogeneous* sample. Hence, we could hypothesise that the finding of the present study can be more easily generalised. Additionally, two B Lab employees were interviewed to offer their insights on the topic investigated. These two interviewees acted also as experts on the B Corp topic, which is an additional data source in an exploratory research project (Saunders et al., 2009).

### *Interview procedure*

In most cases, the sample of the interview guide was sent beforehand to the interviewees so they had an appropriate amount of time to prepare in order to offer as accurate data as possible. At the beginning of the interviews the subjects were informed about the general topic and their permission was asked in order to be recorded. The interviews were conducted over a period of three months from April, 2019 to June, 2019. Most of the interviews were conducted in English apart from the interview with Apivita, which was held in Greek, so that language wasn't a barrier of gaining high quality data. Due to time and location constraints all interviews were conducted over Skype or Google Hangouts. The interview duration ranged from 30 minutes to 45 minutes.

### *Overview of the interviews*

Five interviews were conducted with the company representatives from the three case companies. The subjects were chosen based on their position and their involvement with the B Corp certification process or their knowledge on the topic. Representing Apivita, the interview was held with Sotiris Pastras, the CSR manager of the company and the responsible person for the BCC. The interview was conducted in Greek and later translated in English by the author. In order to gain validity, the interview was back translated to Greek by a second researcher.

In Fairphone, the interview was conducted with Bernadette Philipp, the people advisor and recruiter of the B Corp. Finally, there were three interviews conducted with SU Nordic

employees. The subjects were Kris Østergaard, the co-founder and chief learning & innovation officer, Jana Jacobs, the (former) strategic relations manager and Karolina Mazetyte, (former) impact and community coordinator. The reason that there was one interview with an employee from Apivita and Fairphone of 45 minutes each, while there were three interviews with SU Nordic employees, of 90 minutes in total, is that SU Nordic is a smaller and younger company and there is less public information available. Whereas for Apivita and Fairphone there are plenty of reports and online documents that will support the data collected from the interviews.

Expect for the B Corp representatives, two more interviews were carried out in order to gain a better understanding of the B Corp world. For this reason, two B Lab employees were interviewed. The first interview was with Janneke Wagner, the community manager of the German and Benelux market. Janneke is located at the headquarters of B Lab Europe, in Amsterdam. The second interviewee was Steffen Kallehauge, the operations manager of the Danish market. These employees were picked because of their interaction with B Corps in their respective areas and their experience and deep knowledge on the processes and the impact. Both B Lab representatives draw from numerous examples of B Corps in Europe and therefore validate the results of this research. Unfortunately, at the time of writing there is not a designated employee for the Greek B Corp market and therefore it was not possible to include this perspective.

A table with all the interviews' details can be found in Appendix 8. The notations presented on this table will be used as references for interviews throughout the study. The transcriptions of the seven interviews can be found in Appendix x.

Secondary data were gathered in order to familiarise with the topic and the companies, but also to complement the insights gained from the primary data collection (Creswell, 2002; Saunders et al., 2009). The secondary data have been collected from online reports, online blogs, newspaper articles, journal articles, corporate web pages, and keynote speeches. These types of secondary data are defined as documentary secondary data (Saunders et al., 2009). Due to the cross-sectional nature of the research, only the most recent sources were considered. For the purposes of the present study, the secondary data is a useful source for answering the research question (Saunders et al., 2009).

### 3.6.2 | Data coding and analysis

Following the collection of the data, all data were analysed to identify emerging themes relevant for answering the research question (Yin, 2003). All the interviews were recorded and transcribed to their full length, apart from the first introductory parts that only included the explanation of formalities. The transcriptions have enabled the detailed coding and the thorough data analysis that followed. The transcription can be found in Appendix 8.

The data were analysed with the thematic method of analysis based on the 6-steps framework of Braun and Clarke (2006). This method was chosen as it is a flexible tool to identify, analyse and report themes that emerge from the data (Braun & Clarke, 2006).

According to Braun and Clarke (2006), the first step is to get *familiarised* with the data. Following, the second step is the initial data coding. Using the NVivo data analysis software, the generating of *initial codes* resulted in 54 primary or 1st order codes. The third phase is searching for themes by investigating how the primary codes can be *grouped together*. To achieve that the primary codes are grouped into broader patterns, that will act as the building blocks for the creation of aggregate themes. This step was completed manually since the NVivo was not easy to use at this point. In practice, 19 themes were identifying and translated into 2nd order in this step. The 1st and 2nd order codes, together with exemplary quotes for each code, are presented in Appendix 6.

The fourth step of the Braun and Clarke's (2006) framework is *the theme review* of all the themes that have been created so far. At this step, themes that were not relevant were discarded while other themes were compiled together or broken down in order for the themes to be separated. To achieve this step it was necessary to review the dataset and verify which themes were related back to the data and could be further used in the analysis. The last step before composing the final report, is defining and naming the aggregate themes. Following the recommendations of Braun and Clarke (2006), a detailed analysis was conducted to identify the story that lies behind each of

the themes.. Namely, the themes emerged are the rapidly growing ecosystem; the collaborative network; the alignment between BCC and corporate values; the impact on operations rather than innovations and finally the satisfied stakeholders. Appendix 7 presents in detail the coding tree that was created throughout this process. Finally the sixth and final step was composing the report itself.

### 3.7 | Research quality

It is argued that the multiple case studies research strategy is less scientific and valid (Gustafsson, 2017). Hence, transparency of the quality and the limitations of the study need to be established. Therefore, it would be valuable to identify the limitations of the research design in order to evaluate the research quality and the limitations, four necessary criteria will be tested: reliability, internal validity, external validity and construct validity (Saunders et al., 2009).

The *reliability* of a study is tested against the data collection method and if this generates relevant findings, the degree that similar findings would be confirmed by other researchers and finally the amount of transparency during the data collection (Saunders et al., 2009). In the case of the master thesis at hand, to establish consistency the interview guides were prepared and followed during the interviews. Nevertheless, replicability is not ensured, since the semi-structured interviews conducted are context-dependent and are subjective according to the personal opinions of the participants. Furthermore, the researcher's perceptions and conclusions might contain bias from subjectivity based on interests and previous knowledge on the topic. This bias was reduced by the employment of open-ended questions and by adapting the questions throughout the interview. Finally, transparency was maximised through a clear structure, by extensively describing the collection of the data and methodology used and finally by including the transcripts of all the interviews in the Appendices section.

*Internal validity* refers to how well is the research was conducted, if hence the findings accurately reflect the examined concept (Saunders et al., 2009). Therefore to achieve internal validity, semi-structured interviews were used from case companies that have been carefully selected to be relevant and appropriate for this study . Another factor that

raises internal validity is the triangulation of the data. In the case of this study, the triangulation was achieved through the support of the secondary data and the insights from the interviews with the B Lab experts. Nevertheless, the internal validity would have been strengthened if more than one method of collecting primary data was adopted. All things considered, the internal validity is considered as rather high.

*External validity* refers to the possibility of generalizability of the results. There are two aspects of this study that lower its external validity. Generally, findings from qualitative case study research cannot be generalised (Saunders et al, 2009). This applies to the master thesis at hand. Even though more than one case studies were investigated, the sample is still quite small (Saunders et al, 2009) it is not certain that the results are statistically significant. Also, findings from semi-structured interviews are not easily generalisable because they are content oriented. Nevertheless, the fact that the case companies are from different industries and countries, and still there were a lot of commonalities identified, increases the external validity. Moreover, the insights from the two B Lab experts further support the triangulation of the data and the possibility of them being applicable to other organisations as well. Taking everything into consideration, the level of external validity is characterised as quite low.

Finally, concerning the *construct validity*, the fact that in two of the case companies there was only one representative interviewed might lower the validity of the findings. On the other hand though, the research design, the case companies picked and the data collection method were picked very carefully. Consequently, the construct validity is considered medium.

## 4 | Case Descriptions

As mentioned in the methodology section the case companies produce differentiated products and services, namely natural cosmetics, mobile phones, and educational programs. In this chapter information on the companies and their sustainability practices will be further described.

## 4.1 | Apivita SA

Apivita SA (Apivita) is a manufacturer and marketer of natural health and cosmetic products (MarketLine, 2019a). The company's headquarters are located in Athens, Greece. The company was founded in 1979 by Nikos and Niki Koutsianas, a couple of ambitious pharmacists with the mission to create natural products that would promote a harmonious way of living (Vakola , Bourantas & Karli, 2017). Apivita's products range from face and body creams to hair care and well-being products (MarketLine, 2019). Apivita produces more than 300 different products and they are mainly inspired by the Greek honey bee society and the country's unique biodiversity (Vakola et al., 2017). The bee influence is even depicted in the name of the company since Apivita derives from the Latin *apis* (=bee) and *vita* (=life) (Apivita, 2019c) The raw materials for its products are Greek natural ingredients and herbs and the company's mission is to promote beauty, high aesthetic value and balance (Apivita, 2019a)

The company employs more than 250 employees and has an international presence in 15 countries, some in Europe (Bulgaria, Belgium, Cyprus, Luxembourg, the Netherlands, Romania, Spain, Sweden, Ukraine), in Asia (Hong Kong and Japan) and in the USA (Apivita, 2019c; Vakola et al., 2017).

In 2017 the Spanish Group Corporation Exea Empresarial, which is the parent company of Puig S.L., acquired the majority of stocks stake in the company (MarketLine, 2019a). Puig, S.L. (Puig) is a family owned company involved in fashion and fragrance business and is headquartered in Barcelona, Spain (MarketLine, 2019b). The brands under the Puig umbrella are well known brands in the industry like for example Carolina Herrera, Nina Ricci and Paco Rabanne and the product portfolio varies from cosmetics and fragrances to fashion apparel (ibid)

Apivita is the first certified B Corp company in Greece and it has been certified since 2017 (Apivita, 2017). Furthermore, it has featured in the Best for the World Honoree 2018 list (B Lab, 2019b). Apivita's vision since its founding is to become a leading, sustainable, innovative company (Vakola et al., 2017) and it is taking a lot of actions to



live up to these values. Namely, it has never done animal testing for its products since it was founded, it aims at reducing its energy and water consumption, it uses certified recycled or eco-certified paper and it has reduced its carton and glass packaging by 30% and 10% accordingly (Apivita, 2019b). Taking all these initiatives into consideration, the greek company contributes at tackling the UN SDGs, particular Goals number 8, 9, 12 and 15 (Apivita, 2017). Finally, in 2013 it has constructed its bioclimatic premises in Athens (Apivita, 2017). The premises include both the headquarters of the company and the manufacturing line and its ecological design and functionality reflect the values and the mission of Apivita (ibid).

These actions have not gone unnoticed and it has repeatedly won national awards for them. Some of the awards it has already won for 2019 include the *Best pharmaceutical company in terms of CSR*, the silver award as the *Best Green & Eco friendly company* and three Silver Awards in the categories *Collaboration between Company & Academic Institutions*, *Green Building / Sustainable Development*, *Corporate Responsibility Report / Digital Version*.

## 4.2 | Fairphone

Fairphone is smartphones manufacturer and retailer based in Amsterdam, the Netherlands (MarketLine, 2019c). Fairphone started as an awareness campaign of the Waag Society in 2010 to inform about the conflict minerals in consumer electronics (Brix-Asala, Geisbüsch, Sauer, Schöpflin & Zehendner, 2018). In 2013, Bas van Abel, the Creative Director of the Waag society, he founder Fairphone as an independent social enterprise to strengthen its efforts to create a fairer supply chain and give alternatives to consumers, with Bas van Abel in the managing position (Fairphone, 2018a). The company was funded by a crowdfunding campaign and Fairphone 1 was launched in 2013, while 25,000 smartphones were pre-sold (Brix-Asala et al., 2018). With the addition of Fairphone 2 w in 2015, it has sold more than 100,000 by 2018 (Brix-Asala et al., 2018) and the Fairphone 2 is currently sold out (June 2019). The company sells

the Fairphones through its website along with refurbished models, replaceable modules, spare parts and accessories (MarketLine, 2019c).

Fairphone wants to disrupt the smartphone industry and has set some ambitious goals to achieve that; it aims at a long-lasting design, made by fair materials, under good working conditions and with the possibility of reuse and recycling (Fairphone, 2019b). Its mission is to open up its phone's supply chain, in order to trigger discussions like how and where are the products made (ibid). It currently occupies more than 70 employees coming from 20 different countries (Fairphone, 2019a). At the end of 2018, Fairphone secured funding from different investors. In 2018 received more than USD 25 million funding. Firstly, in August it raised USD 2.84 million through an equity crowdfunding campaign (MarketLine, 2019c). The campaign was held on Oneplanetcrowd, a Dutch B Corp crowdfunding platform. Before the closing of the year, Fairphone secured USD 7.9 million in a major venture financing round supported by impact investors (Fairphone, 2018b). Among the investors is PYMWYMIC, another dutch B Corp. Finally, the social enterprise attracted USD 14,5 million in debt finance from creditors like ABN AMRO (Fairphone, 2018b)..

Fairphone was certified as a B Corp in 2015, and has been recertified in 2017 (Fairphone, 2015). It was among the first 35 companies that acquired the certification in the Netherlands and in Europe in general (ibid). Fairphone was structured as a social enterprise since it was founded and it was already living up to some of the B Corp values. Nevertheless, the BCC offered transparency to its work and a formal framework to track its improvements (ibid). In 2016 it featured in the Best for Community list (B Lab, 2019b).

Fairphone has also won numerous awards for its initiatives along with a lot of recognition from the corporate world. Just some of the examples are the *Accelerator StartUp Prize* in the GreenTec Awards 2015, the award of *ICT Solutions* in the UN Momentum for Change Award 2015 and the *The International Business Cooperation Award* in the European Business Awards for the Environment (EBAE) 2016 (Fairphone, 2019a).

### 4.3 | SingularityU Nordic

SingularityU Nordic (SU Nordic) runs education, innovation and impact programs that support executives and individuals to take advantage of current technologies (AI, VR, digital biology and nanotechnology) to create solutions for some of the world's most urgent challenges (SU Nordic, 2019a). Its mission is to learn, inspire and connect like-minded people to use exponential technologies to positively impact the world (ibid).

SU Nordic was founded in 2017 from Laila Pawlak and Kris Østergaard (MarketProfile, 2019) who are the managing directors. SU Nordic is located in the heart of Copenhagen Science City and initially was only responsible for the Danish market and therefore was branded as SU Denmark (Copenhagen Science City, 2017). As of January 2018 though, the company expanded its business to Sweden, Norway and Finland and therefore changed its name (Copenhagen Science City, 2018). SU Nordic followed the Dare2 project, which was the first initiative of the two founders in 2008, that offered co-working space, event space and corporate innovation workshops (Dare2, 2019).

Currently, there are 22 employees in the company from at least 8 different nationalities. SU Nordic is located in a 7,000 m<sup>2</sup> innovation campus and can offer office space to 350 entrepreneurs. The companies that are hosted by SU Nordic though need to share similar values as the company. The innovation hub offers co-working and networking space, a makerspace and iLab and conference facilities. At the moment more than 30 social start-ups are located including another B Corp, 24Slides. Furthermore, SU Nordic can host events in its premises and provide dedicated events support (SU Nordic, 2019a).

As mentioned before, SU Nordic offers educational programs. More specifically it offers programs for executives and for rising talents, it organises an annual SU Nordic Summit and hosts keynote speeches, all revolved around its mission (SU Nordic, 2019c). Some of the partners that support its activities are Danske Bank, Telia, Accenture, Nets, Orsted, Nestle (SU Nordic, 2019b).

SU Nordic is a country partner of Singularity University, a global think tank and innovation community based at NASA in Silicon Valley. SU offers top notch educational

programs to offer the necessary resources, mindset and tools to successfully navigate in the transformational journey of the future (SU, 2019a). The mission of SU is to empower and equip executives and individuals to leverage exponential technologies in order to positively impact millions or billions of people. It has outlined twelve Global Grand Challenges which they try to solve, similar to the UN SDGs (SU, 2019b). SU is a benefit corporation and a certified B Corp since 2016.

The company was applied for the certification already in 2017, when it was first founded. As discussed in section 2.2.1, SU Nordic received a pending status for the first year of doing business. In 2018, the company got officially certified in 2018 (B Lab, 2019b).

SU Nordic was one of the very first companies to get the certification in the Nordics and the first educational institute that achieved it (SU Nordic, 2019a). Furthermore, SU Nordic aspires to be a role model for other companies that want to use business as a force for good. Additionally, they are working on reducing their environmental impact by reducing the energy and water consumption, choosing responsible suppliers and minimising the use of chemicals. Finally, the company aims to empower and develop the local community (SU, 2019a).

## 5 | Findings and Analysis

In this chapter the findings of the qualitative research of the three case companies will be presented. The findings are mainly based on the primary data collected from the interviews with the companies' and B Lab's representatives. The analysis of the findings aims to offer insights on the impact of the BCC on business. The analysis is structured in line with the five aggregate themes that emerged from the qualitative research.

The aggregate themes that emerged and that will be thoroughly explained in this chapter are the rapidly growing ecosystem; the collaborative network; the alignment between BCC and corporate values; the impact on operations rather than innovations

and finally the satisfied stakeholders. Appendices 6 and 7 present the 1st and 2nd order codes and the code tree that led to the creation of the five main themes.

## 5.1 | A rapidly growing ecosystem

The literature review has made clear that the network that has been created among the B Corps is considered as one of the biggest benefits for the certified companies (Stubbs 2017a; 2017b). As the popularity of the BCC grows, the network will grow bigger and stronger. For that, B Lab really relies a lot on the word of mouth effect (Wagner, 2019). Certified B Corps act like brand ambassadors for the certification and promote it to their network. According to Mazetyte (2019) “if more companies certified, more people will hear about the B Corp so they will strengthen more like awareness towards society, and can improve the environment and social sustainability factors.” For example Phillip (2019) and Jacobs (2019) mentioned that Fairphone and SU Nordic include the logo of the certification at every company presentation they conduct. Mazetyte (2019) added that just by entering the offices of the SU Nordic one would immediately notice the B Corp logo on the screen. Østergaard (2019) further claimed that “we do that to increase awareness also around the certification”. As a result, companies that work with B Corps get interested by the concept and want to apply as well. This is in line with Stubbs (2017b) conclusion that B Corps are advocating, lobbying and promoting the certification in any opportunity they have. This can be especially beneficial for the movement in countries that the representation of B Corps is low. Pastras (2019) asserts that the certification became more known in Greece after Apivita got certified. Many companies approached Apivita and asked further questions showing a high interest in getting certified (Pastras, 2019). This creates, what Wagner (2019) characterised as the “snowball effect”. Apart from including the B Corp branding in their corporate communications, B Corps actively approach companies that could be a beneficial addition to the community and introduce them to the idea. Ella's Kitchen, a UK based B Corp, which also exports its products in Denmark approached one of its Danish suppliers and recommended them to become B Corps (Kallehauge, 2019). As mentioned in section 4.3 SU Nordic runs a

hub of social enterprises. After being certified, the company had held information meetings among the members of the SU Nordic community (Mazetyte, 2019). This resulted in 24Slides, a start-up from the hub, to get certified in September 2018 (ibid).

In addition to these methods, B Lab also approaches companies either by hosting workshops (Kallehauge, 2019) or by directly contacting companies and introducing them the concept (Wagner, 2019). Kallehauge (2019) mentioned that during a workshop that they held at the premises of Skagerak, even though at the time of the workshop, the company was already certified, the presentation of the B Corp values and practices generated great enthusiasm among the employees, who wanted to be even further engaged in the movement after it.

The combination of these techniques was proven successful, since the demand of the certification grew so much during the last months that B Lab Europe faced an organisational challenge on how to cope with it (Wagner, 2019). This is also verified by the number of certified B Corps. In April 2019, when the interview with Wagner was held there were around 2800 B Corps, while 3 months later 133 more companies have been certified (B Lab, 2019a).

The popularity of the certification can also be attributed to the absence of direct competition at the moment (Kallehauge, 2019). Even though there are many sustainability certifications in the market, BCC is the only ones that offers a holistic approach, that is cross-country and cross-industrial (Gehman et al., 2019). Wagner (2019) confirms the theory by saying that other reporting systems like GRI and ISO can be compared only to the standards' aspect of the BCC. In fact these standards are included in the BIA and give more points to the companies that have completed them (Wagner, 2019). Yet, she also pointed out that being a non-profit, B Lab is not interested in seeing these assessments as competitors, since they consider themselves only part of the solution (ibid).

To grow the popularity of the B Movement, B Lab has already planned some actions. The first and most important goal is to find ways to engage multinationals in the movement (Wagner, 2019). Multinationals have an iconic leadership profile that a lot of

companies look up to (Wagner, 2019). Therefore, by having those on board it will create a ripple effect because it is proven that the certification is beneficial for them, more companies will follow their lead. Additionally, larger companies will bring bigger annual fees to B Lab, since the participation fee is based on the revenues of the company (ibid). Nevertheless, it will be a big challenge for a multinational to get certified (Wagner, 2019). The international organisations face also the difficulty of proving their S&E performance, or changing certain policies to manage get certified (Kallehauge, 2019). Therefore, at the moment they are looking into alternatives in order to involve them in the movement, to which multinationals have already shown interest for (Wagner, 2019).

A second step of the B Lab strategy is to promote and advocate for the benefit corporation in Europe. As discussed in section 2.2.7, the main concentration of benefit corporations is currently in the US, while in Europe only Italy has passed the legislation. According to Wagner (2019) B Lab's objective is for more European countries to adopt the legislation soon. This will strengthen the movement a lot, since as Hiller (2013) pointed out, becoming a benefit corporation gives more power to the corporation to pursue S&E mission, alongside with the commercial one.

A final step to grow the ecosystem is the recently announced collaboration with the UN on fighting for the SDGs (Kallehauge, 2019). Together they want to create a platform that will be launched in 2020 and will assess a company's performance and impact on the UN SDGs (ibid).

Taking all these initiatives into consideration, if the B movement continues growing with the rate it does at the moment, and then there is the chance of really changing the rules of the game and redefining success for business. In fact, Stubbs (2017b) had shown that some of the B Corps that participated in her research, believed firmly that the B movement will become mainstream and that in the future this approach will consist of the business as usual.



## 5.2 | A collaborative network

The growing community is proved to be very beneficial for the B Corps that are part of it (Zebryte et Jorquera, 2017; Stubbs 2017a; Stubbs 2017b). When a company gets certified it actually signs the declaration of interdependence in which it commits to support and help other B Corps (Stubbs, 2017b). According to Stubbs (2017b) the goal is to create a tribe of like-minded business that will combine their resources and harness their combined power for good.

In the case of Apivita, becoming part of this network was actually the main incentive to apply for the certification (Pastras, 2019). As for Apivita being part of a group with like minded companies make them proud, but can also be proven very beneficial and powerful (ibid). This is aligned with Zebryte and Jorquera's (2017) finding that being a member of the B Community already makes B Corps feel proud and boost their confidence.

This can be explained by the fact that the B Corps are supportive and helpful with each other. For example, Kallehauge (2019) is arguing that the network directly fosters partnerships, for example the Kaffe Bueno/Alessi and the Letz Sushi/Wehlers partnerships. In these cases the bigger B Corps engaged in partnerships in order to support the smaller ones (Kallehauge, 2019).

Another B Corp, Obrigado wanted to switch to a more sustainable packaging supplier (Wagner, 2019). B Lab acted as an intermediary and connected it with Danone UK that is very experienced in circular economy and could advise them on the topic (Wagner, 2019). More interactions like this one are facilitated through the B Hive, the online platform, exclusive to B Corps, in which all the certified companies have access to and can directly contact any other B Corp in the world (Wagner 2019). It also includes a feature that B Corps can share discounts with each other (ibid). This is something that is considered as a benefit of being part of the community by Marquis et al. (2011).

Wagner (2019) points out one more benefit of being part of the B Corp network. Using Moyee Coffee as an example she claims "B Corp community really likes to buy from



other B Corps because then they know that it's a legit company sort to say and it abides by their standards". This has been translated into an increase in sales of the company.

Phillip (2019) claims that the biggest advantage is the network per se, and the interactions and exchanges that are created within it. It is a network easily accessible and open (ibid). Furthermore, there are events and meetups organised periodically in the different regions either initiated from the B Lab or from the B Corps (Mazetyte, 2019; Philipp, 2019; Wagner, 2019). For example, there is an HR meeting that takes place every quarter between the HR directors of Toms and Patagonia, in which they discuss about new policies (Wagner, 2019). There is also the annual Summit organised by the B Lab Europe that all the B Corps of the region are invited (Pastras, 2019). In all of the aforementioned events the participants value the exchange of ideas, experiences and perspectives that act as inspiration for future actions (Pastras, 2019; Phillips, 2019). As Stubbs (2017b) has suggested B Corps classify the B Corp community as a key stakeholder group.

B Lab also organises workshops for companies that are already certified to strengthen the B Corp spirit or for companies interested in getting certified and walk them through the BIA process and the different requirements (Kallehauge, 2019).

### 5.3 | Alignment between BCC and corporate values

According to the theory of Porter and Kramer (2011), companies can pursue social and environmental mission while at the same time having a financial one. This is the concept of creating shared value (Porter & Kramer, 2011). B Corps are the manifestation of the shared value concept.

The case companies of this study had all embraced the concept of CSV even before being certified. According to Phillip (2019) Fairphone's complete mission is "based on social and environmental values". Jacobs (2019) describes a similar statement for SU Nordic; "they [the two founders] always had it in their mind that they do not always want to maximize profit but also purpose and it's something that drives their

motivation in founding their company". Finally, social and environmental policies, transparency and sustainable practices have always been part of the core business of A pivita (2019).

Consequently, the case companies argue that there were no significant changes in their strategy after they received the certification. Østergaard (2019) explains that in the case of SU Nordic, the strategy that they have been working on since they were established is independent to the certification. As Jacobs (2019) further confirmed it "played into the game we were playing anyway". Pastras (2019) asserts that the case for A pivita was similar, he said that "I wouldn't say that this was a shift of strategy". Wagner (2019) from B Lab mentions that even though that it has been noticed that B Corps might change their strategies over time she is not sure if there is direct causality between the certification and the changes. Lastly, the B Corp assessment did not influence Fairphone's strategy either, since it is something that they are already striving to achieve. In Phillips' (2019) own words "Swe wouldn't change our strategy because we're already trying our best".

In all three cases studies the B Corps values were already part of the DNA of the companies. Draw from his experience with multiple B Corps, Kallehauge (2019) said that actually almost all the companies that have applied, were sustainable before they joined the movement and there were only two cases of purely for-profit organisations that applied.

Actually, the fact that they were already oriented towards this direction was the main motivation for applying for the BCC. The founders of SU Nordic always worked in alignment with the B Corp values and that is why they chose the certification (Jacobs, 2019) . This is line with what Stubbs (2017a) pointed out in her research that B Corps apply for the certification because it is a natural fit. So the BCC acts as a verifying body for B Corps to prove that they actually "practice what they preach" (Østergaard, 2019). Phillip (2019) claims that the certification acts as a third-party official certification that they are doing what they say they are doing. This is verified by Cao's et al. (2018) study, in which they support that one of the main reasons to pursue the certification is for legitimacy. Østergaard (2019) continues by saying that the B Corp status sends a strong

signal both to the internal and external stakeholders. The argument is strengthened even more by Pastras (2019) who stresses that the BCC just acted as a verification for the initiatives and the values they have embraced during the founding of Apivita. To sum up, most of the companies have the “change the world” mentality and the BCC proves that their actions are actually oriented towards that direction, without having to prove it more (Kallehauge, 2019).

Nevertheless, even though the BCC did not have any significant impact on the strategy it made them more aware and observant of new areas in which they can have an impact (Østergaard, 2019). Further validated by Pastras (2019) “it motivated some people and trigger some action”. It has been reported that companies keep using the BIA as a tool to keep on improving and actually add part of its to their strategy (Wagner, 2019). Being so rigorous, the BIA offers a detailed overview of what is happening in the company while by giving at the same time some inspiration for improvements (Philipp, 2019).

This is further supported by the B Leader programs that are facilitated by the B Lab (Wagner, 2019). B Lab trains some very eager B Corp employees on how to become experts in the BIA. Then they hold trainings to B Corps that are in need of some guidance (ibid). The trainers also bring their expertise in strategy and consulting and add more value to the participants. This program has actually helped companies to re-strategise (ibid).

What was further confirmed by all three case companies is that they basically use BCC as a tool to standardize policies and beliefs that existed already in the organisation but were informal or unwritten. In the case of Fairphone, the company was offering flexibility to their employees in terms of working hours and parental leaves. Yet, these policies were not officially documented. While filling out the BIA realised that this was missing and then worked on formalising them (Philipp, 2019). According to Jacobs (2019), in the case of SU Nordic the BCC systemised the mindset that they had. That further assisted the employees to understand the mission and the direction of the company. This formal conceptualisation of rules made the organisation more transparent in terms of the sustainability practices that it followed (Pastras, 2019).

Furthermore, the certification indirectly influences the decisions that are taken within the B Corps. B Lab cannot directly intervene in any of the decisions especially as that would cause a conflict of interest, since the lab is the external auditor (Wagner, 2019). Yet, the organisations take into consideration the B Corp status when making decisions. Østergaard (2019) supports that their decisions needs to always be in line with the B Corp standards. Jacobs (2019) agrees and further claims these standards have now been “hard wired” in the organisation and underpin all the decisions.

#### 5.4 | Impact on operations rather on innovations

Theory suggests that organisations that crease shared value, like the B Corps, can generate radical innovations that can disrupt their industry (Jay & Gerand, 2015; Klewitz & Hanses; Porter & Kramer, 2011). Since these innovations also create social and environmental value they are called sustainability-oriented innovations (SOI) (Adams et al., 2016). One radical SOI is the reconfiguration of the BM (ibid).

All three case companies of this study considered that they were very innovative in their fields, even before applying for the certification and therefore they feel that the BCC has not fostered any further innovations within the organisations. Starting from Apivita, Pastras (2019) explicitly mentioned that “In terms of innovation, nothing has really changed. Apivita has been a pioneer in innovation for many years. So in the scientific affairs or the R&D processes of the company, the B Corp certification did not change anything.” A similar view is shared from Fairphone, since Philipp (2019) also asserts that the organisations was already very innovative and the BCC did not add any value to that. Specifically she pointed out that “I think this is basically the core of our business so that is what we're trying anyways to do”. Similarly, Jacobs, Mazetyte and Østergaard (2019) all agree that SU Nordic, the organisation would have been as innovative as it is now. Wagner (2019) brings also another example, Danone AQUA Indonesia and again she argued that the company was not embedded in the process of innovation yet. Østergaard (2019) points out though that either way measuring innovation is challenging so even if it had some impact it would be hard to identify it.

Wagner (2019) further confirms that the B Lab does not have measures concerning the innovations of the B Corps. Yet, it is something they are considering initiating.

Nevertheless, Kallagaute (2019) shares an opposite view. He brought as an example Kaffe Bueno. Kaffe Buennno is a danish B Corp that in the beginning was aspiring to do direct fair trade with Colombian female farmers. Yet, when they started filling out the BIA they realised the amount of coffee that gets wasted in the process of roasting coffee. Therefore after a lot of testing they decided to build their model around extracting oil from the grounded coffee that gets wasted. This business model is an example of a SOI.

Completing the BIA is a rigorous, demanding and lengthy process (Parker et al., 2019). Through this process thought an opportunity to learn a lot of things about the organisations is born (Phillip, 2019). Mazetyte (2019) claimed that even though it did not bring any innovation, "it's more like bringing consciousness and awareness about environmental and social sustainability". Furthermore, the BIA motivated Apivita to start measuring some actions that they haven't considered so far (Pastras, 2019). The BCC is an extra motivation for action and impact (ibid).

Concerning the operations, what struck out of the data is that in all the three cases there were changes in the operations and the practices of the companies that can be connected back to the BIA. For example, Jacobs (2019) said that SU Nordic installed a new system to sort out trash and Mazetyte (2019) said that the facilities team worked on reducing the energy waste of the company. Pastras (2019) and Philipp (2019) points out some changes that were made in the supply chain and logistics department of the companies. These changes though match Shama's et al (2018) definition of low hanging fruits. Businesses choose to implement changes in fields that it will be easier for them and not so costly (Sharma et al., 2018). This is verified by Kallehauge (2019) who said that "you can get certified and still not measure on your emissions and you can get certified and still not measuring up on your waste or water consumption etc. So you just have to be good on so many parameters that you reach the 80 points. Some data it's gonna be hard. Also because a lot of our Danish companies are small or

medium-sized enterprises so they don't have the resources to get like these really cost heavy data collection tools”.

## 5.5 | Satisfied Stakeholders

As it has been extensively discussed in the literature review, there is a shift in the corporate world, moving from shareholder to stakeholder primacy (Chams & García-Blandón, 2019; Freeman et al., 2004; Shah & Bhaskar, 2007). This is the vision that B Corps also support. They are for-profit organisation that treat the profit only as a means to achieve their S&E purpose (Stubbs, 2017b). Wagner (2019) agrees and further states that the B Movement is basically built around this concept.

In two of the three cases examined the motivation to pursue the certification came from the shareholders. In the case of SU Nordic the two founders and managing directors were the ones that first learn about the certification and initiated the processes (Jacobs, 2019; Østergaard, 2019). In the case of Apivita, it was the son of the owner and CEO of the company that brought the idea and started the whole process (Pastras, 2019). Kallehauge (2019) argues that this is the case usually in Denmark, especially because the B Corps in the country are quite small so the shareholders are very much involved in the companies.

Looking at the investors, Wagner (2019) brings up the example of the annual letter of BlackRock in which it motivates investors and shareholders to adopt a more sustainable and long-term vision. She further argues that in general the sector of impact investing is growing a lot. Scholars, like Cao et al., (2018) and Rangan et al. (2011) also verify this statement. This is also the case in Denmark. According to Kallehauge (2019), B Corps are supported by the investors community and investors use the BIA as a criteria to which company they will invest in even if the company does not intend to pursue the certification. Fairphone is also a success story in terms of attracting funding (Phillip, 2019; Wagner, 2019). As it is also presented in section 4.2, the company has raised funds from different types of investing, crowdfunding, equity and VC investors. Yet, Fairphone chooses investments only from like-minded investors, that support its

mission and purpose (Phillip, 2019). This happens often in hybrid organisations especially to avoid conflict with investors (Schmitz & Glänzel, 2016).

As discussed in section 4.1 Apivita was acquired by the Puig group in 2017, which was the year that it was certified as well. According to Pastras (2019), the acquiring group also shares the same values with Apivita and therefore the mission of the company is not under the danger of shifting.

The other stakeholder group that was examined are the employees. The employees of all the three case studies were reportedly excited and embraced the certification from the initiation of the process. Since the assessment is demanding and lengthy, it is important to have the team on board. In the case of Apivita, Pastras (2019) argues that they employees showed excitement when first learn about the BCC and were very helpful throughout the process with providing with the necessary data and information needed to answer the questions. Mazetyte (2019) is in line with this argument, mentioning that a similar situation in SU Nordic. In general in the regions of Denmark and the Benelux the employees of the B Corps are enthusiastic about the concept (Kallehauge 2019; Wagner 2019). Kallehauge (2019) also reported the example of one B corp in which the employees, in the context of corporate volunteering, wanted to devote the hours into helping about B Lab in order to further raise the awareness of the certification.

The literature suggests, employees of B Corps are more motivated and identify themselves more with the firm (Haigh & Hoffman, 2012; Ohana et al., 2012). In the research at hand there is little evidence that supports this. Mazetyte (2019) for example stated that “Maybe a little bit. I mean it's always nice to see that people are working towards a more sustainable reality. I don't think that it was the major motivating factor but probably added like a few per cent” and Pastras (2019) said “So these kinds of initiatives are always very motivational for the employees, regardless if it a smaller or a bigger action”. Yet, Østergaard (2019) argued that the BCC, and similar initiatives, inspire employees with a certain pride for their work and their employer.



The certification also inspired a shift in the mindset of the employees. In Apivita it acted as a “wake-up call” and an inspiration for the employees to consider the impact of their actions on the environment for example, both in their personal and in their professional lives (Pastras, 2019). This is something they would not consider before the certification. Similarly, at SU Nordic, after the certification was in place every day decisions like sorting trash or only ordering supplies from responsible partners, became part of the daily routines of the employees. Moreover, the systemisation of the policies mentioned before, assisted the employees to understand the mission and the direction of the company (Jacobs, 2019) Another initiative that was positively welcomed by the Fairphone employees, was the implementation of a performance management system, which was inspired by the certification (Phillip, 2019). Since the organisation was growing very it was hard to ask and receive feedback. Therefore the implementation of the 360 system helped the employees to have “ a better grip on how you're doing as a team and how you're doing as a person” (ibid).

Finally, in the literature reviewed it was mentioned that Stammer (2016) and Lis (2008) suggest that socially and environmentally responsible employers attract more talent especially of younger etc. There was also little evidence that this is the case for the three case companies of this study. Phillip (2019) said that candidates have heard of the certification and argue that it is one of the motivation to apply for the position. Jacobs (2019) and Pastras (2019) argue that this is sometimes the case for SU Nordic and Apivita as well. Phillip says it is easier to hire someone that is already aligned with the corporate values, because the employer does not need to convince them that it is a social enterprise, which is in line with what Stubbs (2017a) proposed. Yet there are two examples of two B Corps Letz Sushi and Cook, that were brought up by Kallehauge (2019) and Wagner (2019), which have minimised their recruitment expenses because the B Corp status attracts more applicants.



## 6 | Discussion

After presenting the analysis of the findings of the multiple case study, this chapter will provide an answer to the sub research questions and subsequently on the research question. The chapter concludes with the presentation of the managerial implications and the limitations of the research at hand along with recommendations for future research.

### 6.1 | Answer to the sub-research questions

#### *Strategy and decision making*

The first sub-research question examined how the BCC altered the strategy and decision making of business. The analysis of the findings showed that all three case companies that participated in this study had already been implementing a strategy to create shared value. The participating companies argued that the core values of the BCC, for example using business as a force for good, had always been part of their DNA and their mission. All of them reported that this was actually the reason that they had applied for the certification in the first place. What was proven from the literature and qualitative research is that the companies use the BCC as a tool or a framework to standardize policies or codes that already existed in the organisation but were informal, for example employee policies. Another influence of the certification is that some of the KPIs used in the assessment became part of the corporate KPIs that they would periodically check. Furthermore, all the companies supported that the certification was a means to prove to external and internal stakeholders that that they actually *practice what they preach*. Therefore, in all the cases the strategy and the mission were already more or less aligned with the BCC values. What is important to highlight though is that a change of mindset is a lengthy process and one that might not generate immediate results. Taking everything into consideration, it is argued that there was no considerable alteration in the strategy of the businesses.

With regards to the decision making process, the investigated B Corps argued that the certification influenced it only indirectly. Again, there were no significant changes either for the person responsible for taking the decision or on the way that the decisions were taken. Nevertheless, the corporations argued that their decisions might have been influenced indirectly given that each decision taken had to be in compliance with the B Corp standards. Especially since the companies knew that they would be controlled by an

independent party, they wanted to prove that they are living up to their promise. The questions and the suggestions from the B Lab became “hardwired” into the corporate and personal brains and were probably underpinning many of the decisions that were made after the certification. This however was not in the scope of this study and therefore it has not been measured.

### *Innovations and operations*

The second sub-research question investigated if there was any evidence of new or different innovations and operations after the certification. Based on the results of the study it appears that there was limited evidence that the certification fostered any kind of innovation, product or process. In fact, all three companies considered themselves already very innovative in their respective fields. Their innovative products or processes were already creating social or environmental value alongside the economic one. Based on Adams et al. (2016) definition, these innovations can be classified as SOIs. There was only one case that was brought up by one of B Lab employees, in which the company was inspired by the BIA and decided to innovate on their business model.

In contrast, there were several changes in the case companies’ operations and practices that came about as a direct implication of the BCC. For example, the case companies initiated a recycling system or started measuring and reducing the energy or paper waste. However, these shifts in the operations can be characterized as *low hanging fruits*. Companies are aware that they only need to reach 80 points in order to achieve the certification threshold, without needing a minimum score in all of the five areas of the BIA. This is line with Sharma’s et al. (2018) theory that suggested that most companies choose to implement changes in the areas that would require the lowest resource commitment. Yet, some significant changes in the operations were also reported. For example, the change of the packaging of products into a more sustainable alternative, or choosing a more environmentally friendly transportation method for the goods. Nevertheless, there is no evidence of direct causality between the certification and these changes. According to one of the participants, the BCC might have acted as an inspiration but that is something that cannot be proven.

### *Shareholders and employees*

Finally, the objective of the third sub-research question was to explore how did the case companies' new orientations affect their respective shareholders and employees. An interesting finding of the analysis was that in two of the case companies, and in more examples introduced by the experts, the person who initiated the BCC process was either one of the shareholders or a family-member of the shareholders. This could seem surprising for companies with the traditional mindset in place, which would expect that the shareholders are only interested in the maximisation of their profits. B Corps, however, are social enterprises and they use their profit as a means of achieving their targets and not as the end goal. Even though literature suggests that usually B Corps experience a short term decline in their revenues, shareholders are interested in the long term vision. Therefore, it is important that the BCC process is started by a person within the company which has a long-term vision. Additionally, the findings of the analysis show that B Corps have been able to attract more funding since they have been certified. These investments usually come from like-minded investors or from fellow B Corps. In total, in the cases researched the shareholders were not affected by the BCC as they were the ones that embraced the initiative and introduced it to their organisation.

With regards to the employees, the participants claimed that their employees were excited about the certification. They were feeling more proud about their employer and embraced the initiative from the first day. There is little evidence that they were actually more motivated and engaged in their work. Furthermore, the BCC did not have any impact on their daily routines. Finally, it was indicated that candidates that applied for a job position in the B Corps knew about the certification and they said that it was one of their motivations to apply. A B Lab representative mentioned one occasion that the B Corp was able to completely minimise its recruitment costs as the certification made it more attractive for candidates. Nevertheless, there was little evidence found in the three case companies of this study.

## 6.2 | Answer to the research question

This study had a three-fold approach to answer the research question posed in the introduction: *What are the implications of the B Corp certification for business?* The answers in the sub research questions act as the foundation to answer this question. Taking all the

findings into consideration it is argued that there are not considerable implications in any of the researched areas. The certification acts as a tool for the companies to turn their aspirations and ideas into tangible measures.

Nevertheless, according to the companies interviewed, the certification serves as an extra *motivation* to fulfill their social and environmental mission, while at the same time maintaining a profitable corporation. Therefore, it is argued that the BCC is an *inspiration* for the companies to pursue actions that will lead to more or better impact. This might influence indirectly either the decisions that are made or the new operations that would be undertaken, yet there is little evidence to support it. The BIA offers a comprehensive framework that helps companies to structure and organise their purpose-driven activities. Therefore B Lab acts rather as an enabling factor for the companies that choose to certify.

Another implication of the BCC is that it provides evidence and validity for those companies that argue that they have a positive impact. The rigorous assessment and the high standards of the certification verify that a B Corp is purpose driven and actually does good. In all the cases investigated, the companies claimed that they were socially and environmentally oriented before becoming certified, and so for them the BCC status acts as confirmation to their assertions. Furthermore, the BCC helps them stand out from other companies that also claim to have a positive impact but fail to either measure or prove those claims.

An additional implication suggested from the literature and proved at the analysis, is that when a company becomes certified, it joins a global network of like-minded companies. The B Corp community is a very supportive network and offers numerous benefits to its members. B Corps exchange ideas and best practices, benchmark and form strong alliances and partnerships. Furthermore, B Corps can receive support and resources from other peers that otherwise it would be hard to get. This is particularly important for smaller and younger firms that can benefit greatly from this network. The B Corp community is growing exponentially and this especially due to the fact that existing B Corps act as ambassadors for the brand.

Even though these implications are important and undoubtedly beneficial for companies, as it has already been mentioned there is no evidence of any fundamental or radical change. From the three case companies investigated it appears that the main reason behind

this is that those companies that apply for the certification are already fulfilling the B Corp criteria. Furthermore, all the case companies were already very innovative in their fields of expertise before being certified. Hence, this raises the question of which companies do actually choose to apply for the certification. Is there a selection bias underlying the process? Are the companies that apply for the BCC, mainly the ones that already fulfil all of the B Corp social and environmental standards and only need the verification of the BCC? If these assumptions were correct, then this would suggest that the B Lab and the BCC do not disrupt the status quo nor redefine success. Hence, such a discovery also challenges the claim that the B Corps can actually create a movement of companies that want to use business as a force for good.

Whilst it is both interesting and relevant to critique the BCC it should also be taken into consideration that the certification has only existed for 12 years so far. Although it is true that 2,933 companies have been certified thus far, it could feasibly be the case that these companies represent the early adopters or the first followers of this trend. That would justify why the first companies that became certified were already in alignment with the B Corp standards. However, the question that logically follows is, if the companies certified thus far are merely the early adopters or first followers, will this trend continue and attract companies not already aligned with B Corp values? At the moment B Lab is targeting multinational firms to try and get them on board. It is expected that this will boost the popularity, and credibility of the BCC, and as a result, other firms that are not socially and environmentally responsible might get inspired by the movement and decide to join. In these cases the implications of the BCC will probably be much greater than the ones presented for the companies that participated in this study. Only if B Lab manages to inspire and change the missions of companies with a completely different orientation will be able to assert that it has redefined success in the business world.

## 6.3 | Implications

The managerial implications that occur concern firstly managers of existing B Corps. These managers can use the study to compare it with potential implications that might occur in their business. By knowing which areas are not influenced by the certification, managers can decide if the benefits of the BCC outweigh the cost of annual fees and of the necessary resources for a potential recertification.

Furthermore, this study can act as a point of reference for managers that consider pursuing the certification. It will give a better understanding of the implications of the BCC so they can decide if getting certified will be beneficial for their business.

Lastly, it adds on the B Corp literature review, since to the author's knowledge, there is not a study on certified B Corps, or on hybrids in general, that have investigated the five impact areas of this study. Therefore, this thesis contributes to the B Corp literature by having a concentrated review of the literature of the shared value, sustainable business models, and sustainability-oriented innovation.

## 6.4 | Limitations

The master thesis is limited by several constraints. Firstly, there are some limitations in the research methods. The interviews were not conducted in person, which might cause the researcher to miss some messages that cannot be conveyed digitally, like body language and the atmosphere. Furthermore, for the collection of primary data only one qualitative method was applied, which impedes the possibility to triangulate the primary data. Additionally, for two of the case companies the interviews were conducted with only one company representative which lowers the validity of our findings. Furthermore, even though two experts from the danish and the dutch market were interviewed, since there is not a designated employee in the greek it was not possible to include this perspective.

Furthermore, even though the three case companies operate in different industries, have different sizes and are headquartered in different countries. However, the high diversity, the sample is still small and generalisation of the data can be driven.

Additionally, it needs to be clarified that the impact areas that the research questions was based upon is not exhaustive and it may mean that other areas would have yielded different results.

## 6.4 | Future research

The limitations of our findings have some implications for future research. As already discussed in the limitations the sample of the study is small. Hence, a similar study in a bigger number of B Corps could prove the generalisability of the findings. .

Furthermore, since this explorative study covers an area which is unexplored in theory, the scope used was broad for a study like this. Therefore, further research could focus on one or two of the impact areas and conduct a more in-depth analysis.

In this study the impact areas that were investigated were the strategy, the decision making process, the innovation, operations, employees and shareholders. It would be interesting for a future study to identify different areas and investigate if that would yield different results

Also another topic for future research is to investigate what is the percentage in the existing body of B Corps, there were no hybrids before applying for the BCC. Because a similar study in these organizations might have striking findings.

Another aspect that could further examined is how many B Corps actually get recertified. If the number is significantly low, and it should be tested if the reasons that they did not pursue the recertification is because the implications of the certification were not as important as expected.

## 7 | Conclusion

The objective of this master thesis was to gain a deeper and better understanding of the role that the B Corp certification plays in the corporate world. More specifically, it examined whether the certification causes: an alteration in the strategy or the decision making processes; new innovations to be generated and changes in operations; and finally if it affects the shareholders and the employees of the certified firms. Thus, this thesis attempts to answer the RQ: What are the implications of the B Corp certification for business? In order to answer the question, three sub-research questions were formulated based on the impact areas mentioned above.

Beginning with the literature review, this master thesis first elaborated on the emergence of hybrid organisations and the creation of the certified B Corporation, to build the foundation of this thesis. To examine the potential regarding the first sub-research question, the theories of the strategy of creating shared value and the sustainable business models were reviewed. For the second sub-research question an overview of the theories of sustainability oriented innovations and operational changes were reviewed. Finally, stakeholder theories were examined in order to analyse the third sub-research question.

Due to the limited research on the implications of the BCC on business, an inductive approach was chosen for this study. For this purpose, three relevant case companies were identified and interviewed. Through these interviews, primary data were derived which were, in turn, complemented and extended by interviews with B Corp experts and secondary data.

The analysis resulted in five aggregate themes: the collaborative network; the alignment between BCC and corporate values; the impact on operations rather than innovations and finally the satisfied stakeholder.

The results of the analysis of the first sub-research question suggest that there is little evidence that the certification influences the strategy of the B Corps. This is mainly explained by the fact that the three case companies, and other examples added by the experts, already follow similar standards and share the same values as the B Corp ones



before becoming certified. For the decision making process, there is some evidence that the BCC can have an indirect influence, mainly because it offers a conceptualisation of a set of rules and policies, which in turn, become embedded in the employees mindset and affect their decision making.

Regarding the second research question, again there is very little evidence that the certification per se fosters the generation of innovations within the organisation. There was only one example that was brought up from the experts in which a B Corp reconfigured their BM after being inspired by the BIA. Changes in practices are observed in correlation with the certification. Most of them can be characterised as low hanging fruits as they are easy to implement and not resource-intensive. For more fundamental changes, this study did not find any proof that there is a direct causality with BCC.

In regards to question number three, in two of the case studies, and in other examples brought up from the experts, the shareholders were actually the ones that initiated the process of the assessment and therefore embraced the whole initiative. This is in line with impact investors which support businesses that have been certified. Lastly, the majority of the employees appreciated and supported the initiative and made them identify themselves more with the organisation. Yet there was little evidence found that this influenced their motivation or productivity.

Combining the findings of the the three sub-research questions allows to answer the overarching research question of this thesis. Thus, it was found that the B Corp certification did not cause any fundamental change in business in the impact areas investigated. Yet, the certification acts as an inspiration and motivation to adopt more, or different, sustainable practices and have a positive impact. Moreover, it provides validity for the companies that asserted that they were already responsible. Lastly, companies that have been certified have access to the B Corp network which was proven to be very supportive and beneficial for its members. Finally, a key avenue for further research could be the investigation of the implications of the BCC of companies did not have a hybrid nature before the certification, hence they did not have a dual like the one proposed by the B Corp Certification.

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## Appendices

### Appendix 1 | Map of European B Corps



Concentration of the B Corps in Europe  
(Bcorporation.net, 2019)

## Appendix 2 | B Corp annual fees

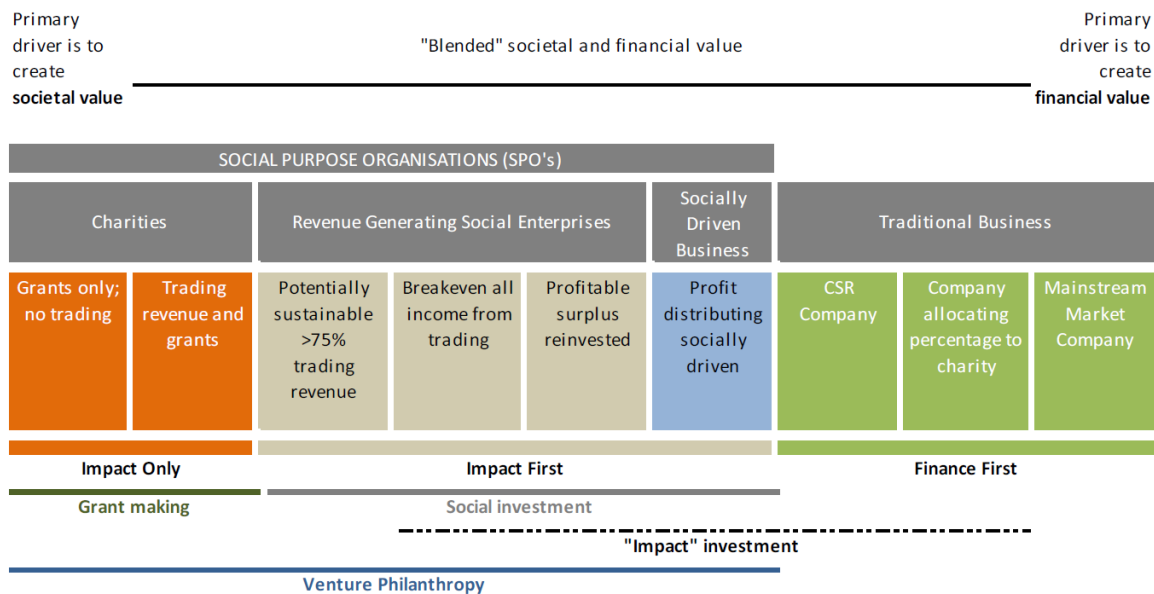
|                      |  |
|----------------------|--|
| \$0 - \$149,000      | \$500  |
| \$150,000 - \$1.9MM  | \$1,000  |
| \$2 MM - \$4,9MM     | \$1,500  |
| \$5 MM - \$9.9MM     | \$2,500  |
| \$10 MM - \$19.9MM   | \$5,000  |
| \$20 MM - \$49.9MM   | \$10,000   |
| \$50 MM - \$74.9MM   | \$15,000   |
| \$75 MM - \$99.9MM   | \$20,000   |
| \$100 MM - \$249.9MM | \$25,000   |
| \$250 MM - \$499.9MM | \$30,000   |
| \$500 MM - \$749.9MM | \$37,500   |
| \$750 MM - \$999.9MM | \$45,000   |
| \$1 B+               | \$50,000+, depending on the structure of the company |

\*Fees for companies outside the USA and Canada may vary and are paid in their local currency. Contact B Lab with specific questions.

Annual Fees in USD

(B Lab, 2019)

## Appendix 3 | The investment spectrum



Source: Rangan et al (2011)



## Appendix 4| Case companies details

|                                  | <b>Apivita SA</b> | <b>Fairphone</b>       | <b>SingularityU Nordic</b>                 |
|----------------------------------|-------------------|------------------------|--|
| Product                          | Natural cosmetics | Mobile Phones          | Education, Innovation, and Impact Programs |
| Founded                          | 1979              | 2013                   | 2017                                       |
| Country                          | Greece            | The Netherlands        | Denmark                                    |
| Certified                        | October 2017      | April 2015             | March 2018                                 |
| Years before BCC                 | 38                | 2                      | 1  |
| Location                         | Athens, Greece    | Amsterdam, Netherlands | Copenhagen, Denmark                        |
| Sector                           | Manufacturing     | Wholesale/Retail       | Service with Minor Environmental Footprint |
| Employees                        | 250+              | 70+                    | 11-50                                      |
| Number of B Corps in the country | 1                 | 66                     | 10   |

## Appendix 5 | Interview guides

### 5.1 | B Lab Representative

Interview with a B Lab representative

|  |                                     |   |
|--|-------------------------------------|---|
| <b>Presentation of the interviewer and the purpose of the assignment</b> | <b>Who am I?</b>                    | I am a 2nd-year master student at CBS at the program of Management of Innovation and Business Development. Furthermore, I am pursuing my CEMS double degree in International Management. In the context of CEMS, I am currently doing my exchange semester abroad in RSM.   |
|  | <b>Field of interest</b>            | How does the B Corp certification affect business? More specifically I will research the impact on the innovations and operations, the reaction of the employees and the shareholders and finally the changes on the decision making and the strategy of the business.  |
|  | <b>The purpose of the interview</b> | I will collect primary data for my thesis. My thesis will be approximately 80 pages and will be submitted at the beginning of August 2019.  |
| <b>Framework for the interview</b>                                       | <b>Timeframe</b>                    | The interview will take approximately 60 minutes - if we run over time could we do that as well or maybe another call?  |
|  | <b>Recording</b>                    | If it is ok for the interviewee, the interview will be recorded. The recording is used to support my memory and give accurate quotes that will be used for my thesis.   |
|  | <b>Consent</b>                      | The interviewee can withdraw her consent at any time if she no longer wishes to be part of the research. She can also choose to opt out to answer specific questions if she does not wish to answer them.   |
|  | <b>Account</b>                      | Please speak up if there is something you do not understand or are in doubt of during the interview.  |
| <b>Presentation of informant</b>   | <b>Presentation of informant</b>    | Presentation of interviewee <ul style="list-style-type: none"> <li>• Age?</li> <li>• Education?</li> <li>• What have you previously worked with?</li> <li>• When did you start working at the B Lab?</li> <li>• What is your role at the B Lab?</li> </ul>  |
| <b>B Corps</b>   |                                     | Based on your experience until now what is usually the case in the following situations: <ul style="list-style-type: none"> <li>● Are there countries in which B Corps are more attractive and why?                             <ul style="list-style-type: none"> <li>○ are there specific challenges, cultural</li> </ul> </li> </ul> |

|                       |  |  |
|-----------------------|--|--|
|                       |  | <p>differences, legal constraints</p> <ul style="list-style-type: none"> <li>● How well known is the certification in Benelux and Germany? How about the rest of the countries inside and outside of Europe? <ul style="list-style-type: none"> <li>○ Are there a lot of companies in the pipeline waiting to be certified?</li> </ul> </li> <li>● How do businesses learn about the certification?</li> <li>● What do companies see as benefits or drawbacks/concerns they have to be certified? <ul style="list-style-type: none"> <li>○ What are the main reasons companies sign up in general?</li> </ul> </li> <li>● Is it more common for startups or for bigger organizations to apply for the certification? <ul style="list-style-type: none"> <li>○ Is there a specific sector that most of the business are part of?</li> </ul> </li> <li>● How hard is it to get through the 1st and/or the next assessments?</li> <li>● How do businesses use the B Corp Certification as leverage when closing a deal/promoting their product?</li> <li>● How do you think the B Corp status can secure more partners?</li> <li>● Who is usually the responsible person in the companies that ensures that the B Corp standards are met? <ul style="list-style-type: none"> <li>○ Does the initiative come from the top management or from employees?</li> </ul> </li> <li>● How is the B Corp certification different from other sustainability certifications? (ex. LEED, SITES, True, GBB) <ul style="list-style-type: none"> <li>○ Is there a big competitor?</li> </ul> </li> </ul> |
| <b>B Corp Network</b> |  | <ul style="list-style-type: none"> <li>● How can the certified B Corps receive help from the B Corp Community - during the assessment or after the certification? <ul style="list-style-type: none"> <li>○ What kind of help do they usually need?</li> </ul> </li> </ul>  |
| <b>Innovations</b>    |  | <ul style="list-style-type: none"> <li>● How does the certification inspire innovations in the organisations?</li> <li>● Do you have any data measuring the level of innovation before and after the certification?</li> </ul>   |
| <b>Operations</b>     |  | <ul style="list-style-type: none"> <li>● How do the operations need to change in order to be compatible with the B Corp standards?</li> <li>● Are there specific operations that are usually influenced?</li> </ul>  |
| <b>Employees</b>      |  | <ul style="list-style-type: none"> <li>● How do the employees usually react to the certification? Does it influence their motivation and/or engagement?</li> <li>● Do companies become more attractive for new</li> </ul>  |

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|                          |  |  |
|--------------------------|--|--|
|                          |  | employees because of the certification?  |
| <b>Shareholders</b>      |  | <ul style="list-style-type: none"> <li>● How do the shareholders usually welcome the certification? Does it influence their relations with the company?</li> <li>● How does the certification attract funding and investments?</li> </ul>  |
| <b>Decision Making</b>   |  | <ul style="list-style-type: none"> <li>● How much does B Lab influence the decision making of the companies?</li> </ul>  |
| <b>Strategy</b>          |  | <ul style="list-style-type: none"> <li>● How does the strategy of the company alter after the certification?</li> </ul>  |
| <b>Future of B Corps</b> |  | <ul style="list-style-type: none"> <li>● In our fast-changing world, how will the B Corp Certification evolve in the future to remain relevant?</li> <li>● What does success look like in B Lab, what is the business goal?</li> <li>● Is there anything else I need to know or something helpful for me you would like to add?</li> </ul> |
| <b>Rounding off</b>      |  | Thank you for your time. If there are any further questions going forward, would it be okay with you if I send you an email with them?   |

## 5.2 | Company Representative

Example from an interview with SingularityU Nordic (SU):

|  |                                     |   |
|--|-------------------------------------|---|
| <b>Presentation of the interviewer and the purpose of the assignment</b> | <b>Who am I?</b>                    | I am a 2nd-year master student at CBS at the program of Management of Innovation and Business Development. Furthermore, I am pursuing my CEMS double degree in International Management. In the context of CEMS, I am currently doing my exchange semester abroad in RSM.   |
|  | <b>Field of interest</b>            | How does the B Corp certification affect business? More specifically I will research the impact on the innovations and operations, the reaction of the employees and the shareholders and finally the changes on the decision making and the strategy of the business.  |
|  | <b>The purpose of the interview</b> | I will collect primary data for my thesis. My thesis will be approximately 80 pages and will be submitted at the beginning of August 2019.  |
| <b>Framework for the interview</b>                                       | <b>Timeframe</b>                    | The interview will take approximately 60 minutes - if we run over time could we do that as well or maybe another call?  |
|  | <b>Recording</b>                    | If it is ok for the interviewee, the interview will be recorded. The recording is used to support my memory and give accurate quotes that will be used for my thesis.   |
|  | <b>Consent</b>                      | The interviewee can withdraw his consent at any time if he no longer wishes to be part of the research. He can also choose to opt out to answer specific questions if he does not wish to answer them.  |
|  | <b>Account</b>                      | Please speak up if there is something you do not understand or are in doubt of during the interview.  |
| <b>Presentation of informant</b>   | <b>Presentation of informant</b>    | Presentation of interviewee <ul style="list-style-type: none"> <li>• Education?</li> <li>• What have you previously worked with?</li> <li>• When did you start working with SU Nordic?</li> <li>• What is exactly the role at SU Nordic?</li> </ul>   |
| <b>B Corps</b>   |                                     | <ul style="list-style-type: none"> <li>• Why did SU Nordic apply for the B Corp Certification? What did you expect to get out of it? Did you get it?</li> <li>• Since it was only in business for a year before the certification was it a goal since it was founded?</li> <li>• How did you find out about the certification?</li> <li>• Is it hard to get through the 1st and/or the next assessments?</li> </ul> |

|                        |  |   |
|------------------------|--|---|
|                        |  | <ul style="list-style-type: none"> <li>○ How many people were involved in the process?</li> <li>● Have you used the B Corp Certification as leverage when closing a deal/promoting your product? <ul style="list-style-type: none"> <li>○ for example on the Summit or educational programs</li> </ul> </li> <li>● Do you think the B Corp status can secure more partners?</li> <li>● In general, do your partners/customers know about it? <ul style="list-style-type: none"> <li>○ If yes how do they react when they learn that SU is certified?</li> </ul> </li> <li>● Did you introduce the certification to other startups in the Hub?</li> <li>● How important is it for you to introduce the certification to more companies in DK (especially from the hub) <ul style="list-style-type: none"> <li>○ ex 24Slides, anymore in the pipeline?</li> </ul> </li> </ul> |
| <b>B Corp Network</b>  |  | <ul style="list-style-type: none"> <li>● Do you receive help from the B Corp Community? <ul style="list-style-type: none"> <li>○ If yes what kind of help?</li> </ul> </li> <li>● Is your network broadened after the certification?</li> <li>● Have you partnered up with other B Corps you did not know before the certification?</li> <li>● Did a B Corp introduce you to someone else from their network?</li> </ul>  |
| <b>Innovations</b>     |  | <ul style="list-style-type: none"> <li>● Your product is learning programs right? Were there any innovations on your products that you were produced due to the certification?</li> </ul>   |
| <b>Operations</b>      |  | <ul style="list-style-type: none"> <li>● Where there any operations that needed to change or added in order to be certified? <ul style="list-style-type: none"> <li>○ If yes which ones?</li> </ul> </li> </ul>   |
| <b>Employees</b>       |  | <ul style="list-style-type: none"> <li>● How did the status influence the employees' motivation and or engagement? <ul style="list-style-type: none"> <li>○ Was there a difference before or after?</li> </ul> </li> <li>● How did the status affect your day-to-day work?</li> <li>● Did SU become more an employer of choice after the certification?</li> </ul>  |
| <b>Shareholders</b>    |  | <ul style="list-style-type: none"> <li>● Who are the shareholders of the company? How did they welcome this initiative?</li> <li>● How did it affect the attraction of the company towards investors?</li> </ul>  |
| <b>Decision Making</b> |  | <ul style="list-style-type: none"> <li>● How much does B Lab influence your decision making?</li> </ul>   |
| <b>Strategy</b>        |  | <ul style="list-style-type: none"> <li>● How did the strategy of the company change after the</li> </ul>  |

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|                     |  |  |
|---------------------|--|--|
|                     |  | certification?   |
| <b>Rounding off</b> |  | Thank you for your time. If there are any further questions going forward, would it be okay with you if I send you an email with them? |

## Appendix 6 | 1st-order and 2nd-order codes

| Exemplary Quotes   | 1st-order codes                         | 2nd order codes                                |
|--|---|--|
| <i>"but if people know the B Corp and they see that the company is certified then yes they trust it more because they know that it's not an easy process and then you have to recertify every two years, but you have to know about it" (i4)</i> | Inspired trust to external stakeholders | <b>From shareholder to stakeholder primacy</b> |
| <i>" And the B Corp movement is really based on the idea of moving from shareholder primacy to stakeholder primacy" (i2)</i>   | From shareholder to stakeholder primacy |  |

|   |  |                           |
|---|--|---------------------------|
| <i>"So Fairphone has been really great at raising capital like at closing their investment rounds through the [inaudible]. Well in total they received seven and a half million of funding and they got that through Pymwimic which is a B Corp that manages family funds. And through Oneplanetcrowd which is a B Corp, that's a crowdfunding platform. So that's how this B Corp has managed to attract capital through the community" (i2)</i> | Impact investments                             | <b>Impact investments</b> |
| <i>"huge investment firms like BlackRock, for example, their CEO always publishes this annual letter. And if you read the letters of the past two years they contain quite a lot of language that includes that as a shareholder you should adopt a long term vision and you should invest in businesses with purpose. And that's always been really interesting to see" (i2)</i>   |  |                           |
| <i>"Nevertheless, in our case, the acquiring group was sharing a similar vision as Apivita. It is worth mentioning that the Spanish group is not a huge multinational firm, it is still 100% family-owned business. Or actually it is a big firm but it is a non-listed company. What I'm trying to say is that they share the same values and goals as Apivita" (i7)</i>   | Accept investments from like-minded businesses |                           |
| <i>"So every time we do an investment round I know there is a lot of due diligence done in terms of we need to have the right-minded investors so they need to share our mission, because we don't want to just get any kind of investors to become</i>   |  |                           |



|                    |  |  |
|--------------------|--|--|
| shareholders" (i6) |  |  |
|--------------------|--|--|

|  |   |                              |
|--|---|------------------------------|
| <i>So here in Denmark, we see the opposite that investors are looking more to secure the companies they own for the future. And then they started using the B Corp assessment as a way to look into you know how can we create a company that is not only profitable for now but also have a right to exist in the future.</i> | Most shareholders/investors embrace BCC         | <b>Shareholders on board</b> |
| <i>It was Thanos Koutsianas, which is the son of Apivita's founder. He was the one that explored and motivated the process, collected all the necessary data. He was the one that took the lead in the project, from the first decision to actually receiving the certification.</i>   | Initiative comes from the shareholders/founders |                              |

|   |  |                                   |
|---|--|-----------------------------------|
| <i>Well I think most employees of B Corps - then again I can maybe speak for Benelux- they are aware of what it is, what it means and are really excited about it. And so that's super nice.</i><br><br><i>In general, the reactions of the employees were very positive. This can also be proven by their online reactions on the posts on social media that Apivita shared once certified.</i>                                  | Employees welcome BCC and feel proud                                     | <b>Tool to attract and engage</b> |
| <i>So back then we kind of had everything but not written down as a proper policy. It was just like a basic understanding. For example, we offer flexibility to our workers in terms of if they want to work from home, or if they have a parental day like a mother or father day, which is super common in the Netherlands. So, we had all these things were happening and we just didn't have an official policy for that.</i> | Existing employees' policies get systemized and new ideas are introduced |                                   |
| <i>Yes, we have one really cool example from the UK, it's a company called Cook [Trading Ltd]. They make meals and they've been really like a front runner in the community in the UK and they say that after becoming a B Corp their recruitment costs went to zero. They didn't have to spend any more on recruiting processes</i>  | More attractive for conscious candidates                                 |                                   |

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|  |   |                                      |
|--|---|--------------------------------------|
| <i>All of these things always have a positive impact because they act as a "wake-up call" for the employees. You get inspired and you learn to identify some things that before you would neglect. Now if we focus on the more high-level employees since there were mainly managers that were involved in the assessment, the benefit and the impact are not only short-term but rather long-term. They started changing their mindset.</i>                   | Shift in mindset of the employees                     |                                      |
| <i>But then we have a cold canvassing sales where I go out to companies and get a cup of coffee and then we talk about B Corp, like one to one with me and the companies. And then with some of them, we work with along to get the certification and some are like okay that's interesting, but not for now maybe later.</i>  | B Lab proactively approaches relevant companies       | <b>Proactive approach</b>            |
| <i>The B Lab Europe people are very good at creating this B Corp community and leveraging each other's strengths. So I think they have like very regular events where you can attend and everybody always gets the invite.</i>   | B Lab runs workshops and information meetings         |                                      |
| <i>Well we are a non-profit so usually we are really collaborative. And we also need to collaborate with partners, like think about for example in the Netherlands maybe you know they are called MVO Netherlands; they are a really big kind of network organization funded and founded by the government and they have a lot of companies who are kind of willing to become sustainable.</i>   | Collaborative approach towards similar certifications | <b>Absence of direct competition</b> |
| <i>And then if you talk about the standard side of what B Lab is, so MVO relates more to the community and network side, to the standards side you could think of the GRI [Global Reporting Initiative] or ISO. GRI and ISO have checklist exercises while our assessment is more fun. That's what people tell us! Because the tool looks kind of nicer, it's an online tool that you can work with very easily and it's not like super long EXCEL sheets.</i> | Not really a direct competitor                        |                                      |

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|   |  |                              |
|---|--|------------------------------|
| <i>Yes, we always have one slide that explains what are we - so whenever we showed our logo we also showed the B Corp logo. Whenever we sent out a proposal or we had a presentation or something we always showed the B Corp logo usually, and then we always had a slide which explains that SU is a B Corp and what that means for us.</i>   | Companies promote that they are a B Corp and spread the word | <b>Snowball Effect</b>       |
| <i>I think we were also one of the first companies in Denmark, or in Scandinavia even, to become a B Corp.</i><br><br><i>A lot of people found it really cool and we even had a lot of startups - so we also had a B Corp workshop at SU. I am pretty sure that Karolina did that one. A lot of people were really excited about it. Karolina even helped I think two or three startups, you have to ask her, to become a B Corp.</i> | Pioneering B Corps support others to become certified        |                              |
| <i>Of course, the word to word recommendation is always the most effective marketing. So we really rely on that as well. And we always encourage B Corps to look around their network and identify companies for whom the whole assessment process could be very beneficial and which company would be a great addition to the community</i>  | The growing BCC movement; the snowball effect                |                              |
| <i>So lately the demand for the B Corp certification has been growing tremendously and for us, the B Lab has actually been kind of like an organizational challenge because we are employing standards analysts and those are people who verify the assessment that companies fill out themselves</i>   | Growing popularity and demand                                | <b>Growing demand</b>        |
| <i>And then if you would include the UK, then the UK is by far the largest community in Europe because it's only in Europe we now have 518 B Corps and one 172 of those are based in the UK.</i>  | Mainly SMEs in the US and in UK                              |                              |
| <i>Well we have this online community called The B Hive. Where every B Corp gets a user and it's like this big online community where you can say oh I need a contact in Los Angeles because I'm going to Los Angeles next week for like a business</i>   | Support, resources and partnerships within the ecosystem     | <b>Collaborative network</b> |

|   |                                       |  |
|---|---------------------------------------|--|
| <i>meeting and I would like to meet other businesses and you know to get inspired. And then they have the community to help them.</i>   |                                       |  |
| <i>I know Kaffe Bueno the Danish B Corp, started out as a coffee startup, and now it's using coffee waste doing cosmetics. And they have partnered up with Alessi, which is a big beauty brand in Italy. And that's because of their B Corp certification. Also, B Corps help other B Corps grow and they partner up with each other. Because for them it is also backing off of their stapling on being sustainable.</i> | B Corps help and work with each other |  |
| <i>So I think the biggest advantage is really the network that B Corp provides. It's a network where you can easily reach out, the B Corp team is very willing to connect people. You can always write them with your questions or concerns and they will always connect you with other people in the network that they know, that maybe can help you so that's a big advantage.</i>                                      | Valuable B Corp network               |  |

|   |  |   |
|---|--|---|
| <i>It's also a great process basically in learning a lot of things about your company and to also see what you can still improve and which kind of areas. So this is why we did it again.</i>   | Inspiration and opportunity to reflect                           | <b>Source of inspiration and reflection</b> |
| <i>And what is a challenge for them, and this I have heard more often and I've seen more often, is that a lot of the agreements they have or the policies they have internally are kind of informal. But we at B Lab we require things to be written in policy or formalized in an employee handbook or code of conduct.</i>                                      | Difficulties because of unwritten policies and lack of resources |   |
| <i>But for example for Ben and Jerry's in the US, they became B Corp certified after they were bought by Unilever. And for them, it was a way to secure their social mission in their company bylaws. And in the way, they were structured because they kept an independent board of directors. So for them, it was a way to protect their mission posts sale</i> | Secure the vision of the company                                 |   |
| <i>One is that it's sort of the internal culture that we're creating and some of the parameters around that in terms of you know diversity equality in the workplace, stuff like that</i>   | Build the internal culture                                       |   |

|  |  |  |
|--|--|--|
| <p><i>But in this case, B Corps are companies that want to use business as a force for good. And this is exactly a part of Apivita's DNA. As a company we already had very good social and environmental policies, we have transparency in all of our procedures, in general, we were a very responsible company. Furthermore, he had just finished the construction of our bioclimatic factory in Greece, which had a very good environmental profile. Consequently, all of these led to the filling out the B Impact Assessment and finally to the B Corp certification.</i></p> | <p>Matches company's DNA and corporate beliefs</p>                             | <p><b>Aligned BCC and corporate values</b></p> |
| <p><i>So I think from our end it was a desire to send a strong signal. I mean it is the most rigorous certification process in the world that you can go through in order to ensure that you are optimizing the positive impact that you can have, beyond you know creating a financially sustainable organization.</i></p>  | <p>Increase the positive impact and to show that practice what they preach</p> |  |
| <p><i>Yeah. I didn't check the last statistics but in total, I think it was like 10 companies in Scandinavia which were certified so very few and in Denmark only a few. So, you can say that [it was] among the first. And as an educational company, it was the first. So there was no other company that would offer educational activities and who would have been a B Corp.</i></p>   | <p>Companies choose to certify from Day 1</p>                                  |  |
| <p><i>So back then we kind of had everything but not written down as a proper policy. It was just like a basic understanding. For example, we offer flexibility to our workers in terms of if they want to work from home, or if they have a parental day like a mother or father day, which is super common in the Netherlands. So, we had all these things were happening and we just didn't have an official policy for that. So we didn't have a written document that said it and that is why we didn't get any points.</i></p>   | <p>Tool to standardize and structure existing beliefs</p>                      |  |
| <p><i>Moyee Coffee it's a fair chain coffee brand from the Netherlands and they have really seen an increase in their B2B sales because the B Corp community really likes to buy from other B Corps</i></p>  | <p>B2B and B2G relations</p>   | <p><b>Mainly useful for B2B</b></p>            |

|  |                                 |                               |
|--|---------------------------------|-------------------------------|
| <i>because then they know that it's a legit company sort to say and it abides by their standards and every office needs coffee. So that was a really easy way for them to increase their sales.</i>  |                                 |                               |
| <i>Yes, we always have one slide that explains what are we - so whenever we showed our logo we also showed the B Corp logo. Whenever we sent out a proposal or we had a presentation or something we always showed the B Corp logo usually, and then we always had a slide which explains that SU is a B Corp and what that means for us.</i>  | Occasionally marketing leverage |                               |
| <i>I think in Scandinavia you could even say that it became more well known in the time I worked there. But in the beginning, it was very unknown. I think we were also one of the first companies in Denmark, or in Scandinavia even, to become a B Corp. So it really changed in the three years I was there.</i>  | Consumers are unaware of BCC    |                               |
| <i>A lot of people found it really cool and we even had a lot of startups - so we also had a B Corp workshop at SU. I am pretty sure that Karolina did that one. A lot of people were really excited about it. Karolina even helped I think two or three startups, you have to ask her, to become a B Corp</i>   | Excited when getting informed   |                               |
| <i>Really only because of this sustainability touch that we gave to all our programs and that I think actually is something that the clients really value because they don't see that in their own corporations and if you come from a big corporate [inaudible] is about what they do and they care about the environment and they're sustainable and they really want to inspire us to be more purpose driven. I think it is something that we really played down into every detail which is probably also because of the B Corp made the program better in a sense.</i> | Customers' experience enhanced  |                               |
| <i>Because in CSR theory and how CSR has been used in the past decades, we've seen it at companies often kind of outsource their sustainability efforts to the CSR department. And then they would do their thing. But the idea is of course that the whole company transforms and is part of this dual mission and therefore I've seen</i>  | Beyond traditional CSR          | <b>Beyond traditional CSR</b> |



## The implications of the B Corporation certification for business - Olga Daskalaki

|   |   |                                    |
|---|---|------------------------------------|
| <i>that sort of the owner of the project to fill out the assessments is indeed still a CSR person but the CSR person cannot do it alone.</i>  |   |                                    |
| <i>Ok it might sound a bit silly, but what came to my mind is that we created a domain in the internal server of the company in which almost all the employees have access to, and there we have gathered all the data we collected when we were going through the B Impact Assessment. And this data is now available to every employee and this is quite rare for a company to do. So what I am trying to say is that the B Corp put together a lot of different departments within the company. A lot of this data was located in different folders in the server but was hard to find it. So the B Corp folder is the one that connected all of these, and it is accepted by everyone within the company.</i> | Transparency of CSR activities                  |                                    |
| <i>Then I think that if you started to work in a company it really depends on how those values are actually lived, like how you can feel in your daily work that this is a corporation that cares for a purpose an environment and then it isn't really the certification that makes a difference</i>   | Company needs to live up to its values          |                                    |
| <i>I think we had to change the way we dealt with the trash system, it is a small detail, but we changed the way we dealt with trash.</i>   | Apparent and versatile influences on operations |                                    |
| <i>Furthermore, we started measuring some things that didn't measure before. For example, we were already measuring the power consumption, water consumption, and waste from the factory. But something that we did not measure before was the paper that we are consuming in our premises. So this is something we started doing because of the assessment.</i>  | Incentive to collect data                       | <b>Strong impact on operations</b> |
| <i>Fairphone, I mean our complete mission is based on social and environmental values. So, we wouldn't change our strategy because we're already trying our best. Because the B Corp assessment doesn't reflect the strategy because it is already what we're trying to do.</i>   | Not major changes occurred in strategy          | <b>Strategy mainly unaffected</b>  |

|  |   |  |
|--|---|--|
| <i>Maybe we are a special case because we are the educational institution that we are. So I mean the global grand challenges are a part of our DNA; it is about leveraging technology to solve the biggest problems in the world. So in that way, we come from a place where I think what is core to the B Corp movement has always been core to us as well.</i>   | Strategy already in line with BCC values                        |  |
| <i>So I'm pretty sure that it actually changes the way decisions are taken. It didn't change who takes the decision but in which direction it would go I would say</i>   | Decisions taken are indirectly influenced                       | <b>Indirect influence on decision making</b> |
| <i>There are a lot of like manuals templates and information online that you can access. And you can read about like how - can marketing suggestions and stuff like that. And then there is like an Intranet system that you can also chat with any B Corp from any part of the world. So it really depends. But it's up to you, on your initiative.</i>   | Tools to ease processes but no overlap with the decision making |  |
| <i>Because every three years the standards advisory council reviews all the feedback that has been given on the assessment because there is a feature in the tool itself and of course standard social change in roles, in policies and in regulations changed so it reviews them and launches a new version.</i>  | BIA more rigorous every 3 years                                 | <b>Rigorous and demanding process</b>        |
| <i>I think the main challenge was that it covered basically almost every area of the business and our project group was eight people in the end. So I went through all the questions and then I thought ok who is the best team to answer which question. I identified the teams, and then for every team somebody needed to be a volunteer to be my contact person for the B Corp questions. So then, we met on a biweekly basis and we discussed the progress and in the meantime tried to fill out the questions. So I think the main challenge was more to get the whole company internally aligned that this is important and that everybody needs to help who is the chosen person per team, basically</i> | BIA involves the whole company                                  |  |



## The implications of the B Corporation certification for business - Olga Daskalaki

|   |   |  |
|---|---|--|
| <p><i>And you can get your 80 points without measuring on everything; you can get certified and still not measure on your emissions and you can get certified and still not measuring up on your waste or water consumption etc. So you just have to be good on so many parameters that you reach the 80 points. Some data it's gonna be hard. Also because a lot of our Danish companies are small or medium-sized enterprises so they don't have the resources to get like these really cost heavy data collection tools.</i></p>   | <p>Strategic choice which elements of BIA to focus on</p> |  |
| <p><i>That it's difficult for me to answer, to be honest, but since Fairphone is trying to do something very innovative, I don't think that the B Corp would influence that. I think this is basically the core of our business so that is what we're trying anyways to do.</i></p>   | <p>Companies already innovative when applying</p>         | <p><b>BCC seldom inspires innovation</b></p>             |
| <p><i>So then they started thinking OK what about if we see this as a resource. And then they started doing all different kinds of tests. So they found out that actually only 1% of the good stuff in coffee grounds are getting used when you are making coffee.</i></p> <p><i>So when you have the coffee grounds that have been used for making coffee you still have 99% of all the vitamins and oils in it. And then they started [thinking] "is there any way we can extract this" and they found out and now they are like they've won several prizes in young cosmetics and they've been talking to Ikea. They are also working with what we said before, with Alessi. And they are also in this InnoBooster with L'Oreal.</i></p> | <p>BIA inspires innovation</p>                            |  |
| <p><i>B Corp and U.N. Global Compact have joined forces and now are developing a platform for assessing a company's impact on the U.N. Sustainable Development Goals which is to be launched in early 2020</i></p>  | <p>Joined forces with the UN</p>                          | <p><b>Big corporations as part of the B movement</b></p> |
| <p><i>B Lab has been engaging a lot with multinationals because that actually has sort of two main reasons. One also that whole iconic leadership ideas so if we have certain iconic companies then that will create a ripple effect</i></p>  | <p>Get big corporations in the loop</p>                   |  |

|  |   |  |
|--|---|--|
| <i>because those companies will communicate about the certification will show what it is worth to them and it will be appealing to other companies as well.</i>  |   |  |
| <i>So what I'm thinking about is you know there are some of these things that are kind of hard to measure or at least we don't measure them. Some things are really hard to measure and of course, you can sort of measure opinions.</i> | Find ways to measure BCC impact           |  |
| <i>And then we also want to be more focal to educate for the Benefit Corporation legislation in Europe because it's been passed in most states in the US but here in Europe, it's only in Italy.</i>                                     | Benefit corporation legislation in Europe |  |

## Appendix 7 | Coding Tree

| 1st order codes<br>(descriptive)   | 2nd order codes<br>(interpretive)          | Aggregate Themes          |
|--|--|---------------------------|
| <ul style="list-style-type: none"> <li>- Growing popularity and demand</li> <li>- Mainly SMEs in the US and in UK</li> <li>- Collaborative approach towards similar certifications</li> <li>- Not really a direct competitor</li> <li>- B Lab proactively approaches relevant companies</li> <li>- B Lab runs workshops and information meetings</li> <li>- Companies promote that they are a B Corp and spread the word</li> <li>- Pioneering B Corps support others to become certified</li> <li>- The growing BCC movement; the snowball effect</li> <li>- Joined forces with the UN</li> <li>- Get big corporations in the loop</li> <li>- Find ways to measure BCC impact</li> <li>- Benefit corporation legislation in Europe</li> </ul> | Growing demand                             | Rapidly growing ecosystem |
|  | Absence of direct competition              |                           |
|  | Proactive approach                         |                           |
|  | Snowball Effect                            |                           |
|  | Big corporations as part of the B movement |                           |

- Companies already innovative when applying
- BIA inspires innovation
- Apparent and versatile influences on operations
- Incentive to collect data
- BIA more rigorous every 3 years
- BIA involves the whole company
- Strategic choice which elements of BIA to focus on
- Inspiration and opportunity to reflect
- Difficulties because of unwritten policies and lack of resources
- Secure the vision of the company
- Build the internal culture

BCC seldom inspires innovation

Strong impact on operations

Rigorous and demanding process

Source of inspiration and reflection

**Impact on operations rather innovations**

- Inspired trust to external stakeholders
- From shareholder to stakeholder primacy
- Impact investments
- Accept investments from like-minded businesses
- Most shareholders/investors embrace BCC
- Initiative comes from the shareholders/founders
- Employees welcome BCC and feel proud
- Existing employees' policies get systemized and new ideas are introduced
- More attractive for conscious candidates
- Shift in mindset of the employees

Tool to attract and engage

From shareholder to stakeholder primacy

Impact investments

Shareholders on board

**Satisfied Stakeholders**

- Decisions taken are indirectly influenced
- Tools to ease processes but no overlap with the decision making
- Not major changes occurred in strategy
- Strategy already in line with BCC values
- Matches company's DNA and corporate beliefs
- Increase the positive impact and to show that practice what they preach
- Companies choose to certify from Day 1
- Tool to standardize and structure existing beliefs
- Beyond traditional CSR
- Transparency of CSR activities
- Company needs to live up to its values

Indirect influence on decision making

Strategy mainly unaffected

Aligned BCC and corporate values

Beyond traditional CSR

**Alignment  
between BCC and  
corporate values**

- Support, resources and partnerships within the ecosystem
- B Corps help and work with each other
- Valuable B Corp network
- B2B and B2G relations
- Occasionally marketing leverage
- Consumers are unaware of BCC
- Excited when getting informed
- Customers' experience enhanced

Collaborative network

Mainly useful for B2B

**A collaborative  
network**

## Appendix 8 | Interview Transcripts

| REFERENCE | DATE       | DURATION | INTERVIEWEE   |
|-----------|------------|----------|---|
| i1        | 03/04/2019 | 30 min   | Jana Jacobs<br><b>SingularityU Nordic</b><br>(former) Strategic Relations Manager                   |
| i2        | 05/04/2019 | 60 min   | Janneke Wagner<br><b>B Lab Europe</b><br>Community Manager  |
| i3        | 09/04/2019 | 60 min   | Steffen Kallehauge<br><b>B Lab Europe</b><br>Operations Manager, Denmark                            |
| i4        | 09/04/2019 | 30 min   | Karolina Mazetyte<br><b>SingularityU Nordic</b><br>(former) Impact and Community Coordinator        |
| i5        | 23/04/2019 | 30 min   | Kris Østergaard<br><b>SingularityU Nordic</b><br>Co-founder and Chief Learning & Innovation Officer |
| i6        | 21/05/2019 | 45 min   | Bernadette Philipp<br><b>Fairphone</b><br>People Advisor and Recruiter                              |
| i7        | 11/06/2019 | 45 min   | Sotiris Pastras<br><b>Apivita SA</b><br>CSR Manager   |

## Interview i1 | Jana Jacobs

**Interviewee:** Jana Jacobs

**Company:** SingularityU Nordic

**Position:** (former) Strategic Relations Manager

**Date:** 03/04/2019

[Olga: Why did SU Nordic apply for the B Corp Certification?]

**Jana:** So for Laila [Pawlak] and Kris [Østergaard] [the two founders] I think they believed in the purpose and profit thing is something of their beliefs. So when they started setting up the company, for example, Dare2 which is the first company worked for before we were converted into SU [SingularityU], they also believed in purpose and profit. I think the difference is that back then they didn't use it for marketing purposes in a sense. So, I think they always had it in their mind that they do not always want to maximize profit but also purpose and it's something that drives their motivation in founding their company. But I think when they learned about benefit corporations, they were more or they felt that this aligns with what they believe in as well. The certification can also be proof of how we run business anyway. And Singularity University [the parent company in the US] is also a benefit corporation.

**Olga:** This is how they found out, right? Because the other question was how did they find out about the certification? Did they just hear it from their network?

**Jana:** That I actually don't know. You need to ask Laila and Kris. But it was something that was set up when we founded SU, the process started right away when we were founded. So it's not something added later SU was always a benefit corporation, I mean you can't always be a benefit corporation, but they were always [inaudible]. And I think what Laila and Kris were not aware of is all the kind of details of the certification. So, like, how do you deal with waste, how do your employees feel, all the little details they came later. I think they were not really aware from the beginning it was more the purpose and profit thing. And then Karolina was the one in charge who made us all aware of what else it means to be a benefit corporation. Then we started different initiatives in the team to align with those certifications.

**Olga:** So in order to be able to be eligible for the certification you had to make some changes inside the company?

**Jana:** Yes. I think we had to change the way we dealt with the trash system, it is a small detail, but we changed the way we dealt with trash. So I mean Laila and Kris really care about sustainability. So from the very beginning we already, I think, looked into who is a sustainable supplier for example, but I think we got stricter because of the B Corp thing.

So we started not using dispensable cups anymore, like for no purposes, we only used recycled whatever kind of stuff it was. We also did a check with all our suppliers on how they produce and treat their waste and then we also use it, I don't know if you remember for all the name tags and all the things we produced and printed. We always looked for sustainable options, like always-always! And I think it's something they did before as well, but it kind of became more present or more important due to the benefit corporation.

Then another thing that they offered us, but we actually never did was that we could volunteer 2 hours of our working time a month, or I don't remember how much time it was - I think it was two hours, where we could volunteer for any kind of organization we want to do. But we always had too much work to do so we would never have the time to take two hours like we had overtime all the time so we wouldn't take our time to volunteer.

Then I think it's also important to give offers of where you can volunteer because I also don't have the time to figure out where I can volunteer for 2 hours.

I think the idea behind it was great, but I actually think that this is something they only did because of the benefit corporation, in order to get a better score in one of the parts I don't know which one, but then we did not really have time to do it actually because of all the settings or like how the company was set up and our workload so we couldn't really do it. Then I think that really the marketing is something that they used the B Corp thing.

**Olga:** Ok because that was another question; usually when they wanted to close a deal or when they were approaching new partners they were using the B Corp certification as leverage, right?

**Jana:** Yes, we always have one slide that explains what are we - so whenever we showed our logo we also showed the B Corp logo. Whenever we sent out a proposal or we had a presentation or something we always showed the B Corp logo usually, and then we always had a slide which explains that SU is a B Corp and what that means for us.

**Olga:** I remember the slide that it was like one picture of SU Nordic and then a B Corp logo.

**Jana:** I think it could be valuable to use, maybe Laila can send to you, or we can ask Til to send it to you because it actually contains in which ways we define B Corp for us and what we do be a B Corp.

**Olga:** Yes, that would be amazing!

**Jana:** So I think we are saying we're looking into those different areas not on a detailed level, but it gives you kind of an idea on how we use it marketing wise and also internally. So I think you can maybe ask Til because it's in every proposal we send out, he can send you the slide.

**Olga:** Okay perfect. Then do you know when you used it in a proposal or in a presentation, if people were aware of the B Corp certification, or was it the first time that they heard about it?

**Jana:** So, when we used it in conversations, for a lot of people was the first time they heard about it. But whenever we introduced SU, every single time we said we're a B Corp and that means that we do not only care for profit but also for purpose.

That was really the main message that we took out for us from this whole B Corp thing and most of the people didn't know what a B Corp is. I think in Scandinavia you could even say that it became more well known in the time I worked there. But in the beginning, it was very unknown. I think we were also one of the first companies in Denmark, or in Scandinavia even, to become a B Corp. So it really changed in the three years I was there.

**Olga:** When they found out or when people that didn't know about it actually heard about the B Corps, how did they welcome it? Did they think that it's something beneficial or something neutral?

**Jana:** A lot of people found it really cool and we even had a lot of startups - so we also had a B Corp workshop at SU. I am pretty sure that Karolina did that one. A lot of people were really excited about it. Karolina even helped I think two or three startups, you have to ask her, to become a B Corp.

**Olga:** Yeah. I know about the 24Slides, that they are already certified.

**Jana:** Yeah they're certified. And I think there were at least one or two others that also applied and Karolina knows that also because she supported them. But it's more a thing that startups are keen to also become. I think for large corporations it's just too big of an effort or it's a really big project for a big corporation to become a benefit corporation. I could not imagine Deutsche Bahn becoming a B Corp because we have too many - like it's insane!

**Olga:** For you also, because you a transportation company would be so hard with fossil fuels and the emissions in the environment. I don't know it would be...

**Jana:** But I mean railway is the greenest way of mobility there is and we are actually already using 100% [inaudible] for all our trains.

**Olga:** You are using 100% of..?

**Jana:** Green energy for all the trains. So we actually have - like sustainability is one of our pillars in the strategy so it's really important. But what B Corp also implies becoming a B Corp is a lot of "nitty-gritty" details in how you deal with waste - I mean I said that five times already! But that is like the main kind of thing that becomes really difficult for a company like this. Or, which kind of, like, do you use recyclable disposers? We have a lot of plastic stuff standing around it because no one really cares. So there is a lot of like small things we would have to change which could require a lot of different departments and a lot of probably thousands of people working on this. So it's harder for a bigger corporation and that's why I think also Ørsted, they were excited that we are a B Corp but they would never be *'oh we're also going to be a B Corp'*. While startups are very excited and they say *'oh we should also become a B Corp'*. That's the difference.

**Olga:** Do you think that the certification somehow influenced, or had an impact on, the attractiveness for new employees or on the motivation [of the existing employees]?

**Jana:** So I think for SU it really played into the game that we played anyway. So it's something I think even before we were a B Corp, we would always say "we really care for the environment we really want to do good". SU also tells a story about - we are purpose driven. So I think that's something that makes a big part of the attractiveness of SU. I think it would probably also work without being a B Corp because SU has this kind of vision and image in a way. Nevertheless, I think that it still - I know for example that Karolina got really-really excited of being the leader on this B Corp thing and I'm sure that this also really motivated her working for SU. I know that you had the same experience and I also know that Til, for example, was really excited about the B Corp thing. So I think that it actually plays a big part, at least, at the decision of employees to start working in a company. Then I think that if you started to work in a company it really depends on how those values are actually lived, like how you can feel in your daily work that this is a corporation that cares for a purpose an environment and then it isn't really the certification that makes a difference. I think it's more like how you feel in your daily work. But yes I would say it does make a difference.

**Olga:** So then in terms of innovation, in our case, I'm not sure if it's really very relevant, but since we're studying MIB, it is something that I need to research. Do you think - so if we say that the product of SU Nordic is the educational programs, is the main product, then would you say that the certification somehow influenced or triggered more innovative programs? Did it change the programs anyhow or it did not influence them at all?



**Jana:** So I think for sure it influenced our Summit for example - I would not say it changed or I have to think about if it changed the program, but what it changed for sure is like, the food and drinks and stuff that we offered. For example, we didn't serve salmon because it's not sustainable, we didn't serve beef because it's not sustainable. I wouldn't say that it's only again, because of the B Corp, it's also because Laila and Kris believe or it's mainly because of that, but that's also kind of mirrored in the B Corp thing.

**Olga:** I think that's the case because why would they go for certification if they really don't believe in it?

**Jana:** I mean the question is how, for example, if a larger organization like a bigger start-up, for example like Matthias, works in a startup now and they have let's say 150 employees then if the managers decide this is what we want to do it doesn't mean that then maybe another employee like Matthias for example who doesn't really have this in his mindset before but now he is implied by the rules of being a B Corp, then he changes whatever he does. So I think our organization was only doing what Laila and Kris believed. But this is not how all organizations run. Sometimes it makes a difference. But I agree with you that it actually otherwise you wouldn't be certified and probably you already have somehow implemented in your organization anyway.

So definitely an effect on the food we served and the way we served it. You don't have like all the plastic stuff. If it really triggered our content, for example, it's really hard to say. Because right now I'm thinking also - I mean SU has a more.. I don't think that we became more innovative because of the B Corp thing. I think we maybe touched more sustainable topics but that is also again at SU a little bit difficult because our goal is to support reaching the U.N. sustainability goals so it's a bit tricky to say but I wouldn't say that it triggered innovation in the sense that we thought oh maybe we need to apply "this" to comply with the B Corp thing and this also made the product better in a way. Really only because of this sustainability touch that we gave to all our programs and that I think actually is something that the clients really value because they don't see that in their own corporations and if you come from a big corporate [inaudible] is about what they do and they care about the environment and they're sustainable and they really want to inspire us to be more purpose driven. I think it is something that we really played down into every detail which is probably also because of the B Corp made the program better in a sense. But I wouldn't say I mean - I mean that is also difficult because the sustainability stuff is like hype and very innovative right now. So it's a little bit it is hard to say but I wouldn't really say so I think.

**Olga:** Okay. And then the last sub research question of mine is the decision making inside the company but also in our case with Laila and Kris it's a bit hard. Like the question would be if the decision making was altered or influenced by the certification or if now B Lab, which is the organization that actually issues their certification, if somehow they have a saying now in the decision making of the company?

**Jana:** So I think because of the [inaudible] level and that's probably also something Karolina can answer way better, but because of their regulations, if I can say regulations, it definitely has an effect on what happens in the company because I'm 100% sure that every company needs to change a bunch of things to comply with all those things.

And I also do think that because we are a B corporation and we are kind of controlled on what we do, then every employee in every decision complied to the regulations so I know for sure that Maria, for example, would never order something not sustainable. It's like hardwired into her brain now because she knows that there is no other way for me. So I think it kind of makes

the what which was the mindset before more like a set of rules in a sense that it's something you don't discuss. We always go for that kind of solution that will comply with them.

**Olga:** But it is actually interesting...

**Jana:** So I think in that sense, for example, the volunteer thing is something they would never have come up with themselves if something they did for B Corp and if we would have really done it, I mean that is the question because if you get it kind of pressed on you from a third party then you're not really likely to do it. But if we would have done it then it would have probably or it would have been a decision that you wouldn't have taken otherwise. So I think it kind of systemises a mindset into more of a rule-based regulatory which then makes it more likely and easier also for the employees to understand in which direction to go.

So I'm pretty sure that it actually changes the way decisions are taken. It didn't change who takes the decision but in which direction it would go I would say. And they have a lot of impacts because it is a strong brand and for a company like SU it's really important to be or it's a really big kind of marketing kind of bonus that they get - it really helps to tell the story. So I think that they for sure - we had a big incentive to become the certified B corporation. So we changed a lot of things in order to get there.

**Olga:** The only final question but I'm not sure if you're familiar with that is about the B Corp network, because when they're really proud of is the B Hive that is created from all the B Corps around the world and especially in Europe. So do you know if SU has somehow benefited...?

**Jana:** We were not participating in any B Corp network stuff. So we were proud when some of our startups from our network became a B Corp and it might be that Karolina had contacts with them -I remember that I think once the founders were there or something of B Corp - of Denmark I think- but you should ask Karolina because she knows them. But to my knowledge, we never engaged with any other B corporations that we met through a network. And if so it was only something Karolina did and it didn't have any impact on any of the other employees in the organization.

**Olga:** OK. I have an interview with a girl that she works for the B Lab in Amsterdam and she's a community manager. Also with the guy that he's in B Corp Denmark, Steffen I don't know if you ever talked to him, and I have an interview with him as well next week. So I think that they're going to help me out a little bit more I guess they have an overview of what's going on. I mean she's a community manager so probably she will know.

**Jana:** And then you need a few more companies under like B Corp company side probably?

**Olga:** Then I have one in Greece and I am looking for one in the Netherlands.

## Interview i2 | Jannneke Wagner

**Interviewee:** Jannneke Wagner

**Company:** B Lab Europe

**Position:** Community Manager

**Date:** 05/04/2019

**Olga:** Maybe if you wanna take one or two minutes to present yourself briefly?

**Janneke:** Yeah sure. So I am Janneke Wagner. I am half Dutch, half German but I have grown up in the Netherlands and that's also where I studied. And so my most recent study program was called, Global Business and Sustainability and it really focused around the idea that businesses should take their social responsibility and therefore should take responsibility for the impact they have on society and the environment and not only respond in a reactive way to grand challenges but actually be proactive about it. So we discussed all sorts of ways to make that happen from social entrepreneurship to circular business models. And that's why I am in the role that I am now and I am now the community manager for the B Corp community in the Benelux and temporarily also for Germany. And that means that once a B Corp is certified they actually fall into my hands and then I make sure that these B cops get the most value out of being certified. Because more than just a tick box assessment we want the certification to be engaging and we are aiming to build a global movement. That's what I'm occupied with.

**Olga:** That sounds very good. OK. So maybe we can start with the questions now. So as a first question, I was wondering if from your experience you can say that the B Corp certification is more attractive for companies in some countries than in some others?

**Janneke:** Yes. So maybe just as a sort of free disclaimer or give line context of experiences and data I can draw from I work for the B Lab Benelux which is a part of B Lab Europe. So the Benelux region and to a lesser extent the European region, that's what I'm most familiar with. But I can also draw from examples from the world just to a lesser extent. But what I know is that currently we have 2800 B Corps in the world that are certified and from the top of my head around 1100 of those are based in the US. That's also where the B Corp certification idea - the idea around was founded. And the B Corp movement is really based on the idea of moving from shareholder primacy to stakeholder primacy. And shareholder influence and the way that has been shaping the business landscape is especially ingrained in the legal system in the US. So in the US, companies have a fiduciary duty to always create the most value for their shareholders and that has caused really-really big friction with companies who actually wanted to have a social mission beyond making a profit. And so that's where the idea was founded. And so in the US becoming a B Corp for companies with a social mission is often, sort of, more necessary even to continue pursuing your social mission because it allows them through a legal structure to do so. And so I think you could say that for companies in the US it might be more attractive to become a B Corp than European companies. Because in Europe companies naturally have a little more of corporate social responsibility.

**Olga:** OK. And if we focus only in Europe, would you say that there are some countries I have seen for example, at the Netherlands we have here something like more than 60, 66 I think B Corps at the moment. And then if we compare it to Denmark which they only have 9 or in Greece which is where I come from, that we have 1 it's such a big difference.

**Janneke:** So the B Lab Europe entity was founded in Amsterdam. And so it was founded or started operations four years ago. And so we can see that the Netherlands and the countries around it have sort of picked up faster on the B Corp movement. And also a country like Italy. Italy has also been really strong in implementing the policy of benefits corporation. So that's the actual legal corporate form and therefore, in Italy, the B Corp community is also relatively large. At least on top of my head there around 19 benefit corporation to the day. And then if you would include the UK, then the UK is by far the largest community in Europe because it's only in Europe we now have 518 B Corps and one 172 of those are based in the UK.

**Olga:** OK. So by far the biggest one.

**Janneke:** Yeah.

**Olga:** And then usually, how do businesses learn about the certification?

**Janneke:** Well we've heard different stories. For example, I think in the UK the community is now so big and so diverse that it's just creating this sort of snowball effect. So for example, a company will work with another company that's a B Corp and we'll be convinced about it. I think that's one of the most common ways so really B2B sort of. But two months ago I attended a really big trade show in biological and organic foods and that's where I spoke to some B Corps who had actually learned about B Corps by attending those trade shows and seeing companies' displays on their booth. So that's a different way of getting exposure.

**Olga:** And then the way that the B Lab or what is your strategy in order to get the word out? Do you actually aim at getting it spread through the companies that are already certified, is this your strategy as well?

**Janneke:** Yeah. Of course, the word to word recommendation is always the most effective marketing. So we really rely on that as well. And we always encourage B Corps to look around their network and identify companies for whom the whole assessment process could be very beneficial and which company would be a great addition to the community and that leads me to our second way of making the B Corp certification known to certain companies and that's why we proactively identify companies that for example, are already quite influential in the way they tackle sustainability and business and have developed a commercial business model out of it. And who we think would be great role models or additions to the community and then we'll proactively contact those. And I think that relates to a question you're going to ask later on.

**Olga:** Ok, that's perfect.

**Janneke:** B Lab has been engaging a lot with multinationals because that actually has sort of two main reasons. One also that whole iconic leadership ideas so if we have certain iconic companies then that will create a ripple effect because those companies will communicate about the certification will show what it is worth to them and it will be appealing to other companies as well. And on the other hand, the way we gain revenues is based on our fee structure because once a company has been verified the company pays an annual fee and the larger company is based on the revenue it makes, the higher the fee they pay so multinationals are in our phase right now. Also, they help us scale in a way of course, not any company can become a B Corp, they will always have to meet our criteria.

**Olga:** So up until now would you say that there are mostly startups or smaller corporations that have been certified?

**Janneke:** Yeah for sure.

**Olga:** The interesting thing is that the Greek one is a cosmetics company, you could say that it is multinational, it's not so big as like it could be like Nestle or Unilever but for Greece, it's quite big.

**Janneke:** How is it called?

**Olga:** Apivita!. I think it's an interesting case. So based and built on what you told me about the bigger companies. Are there a lot of companies now in the pipeline of being certified? Is this something that you can share?

**Janneke:** Yeah. So lately the demand for the B Corp certification has been growing tremendously and for us, the B Lab has actually been kind of like an organizational challenge because we are employing standards analysts and those are people who verify the assessment that companies fill out themselves. And these are both kind of like the gatekeepers of our certification and they also help companies learn more about their operations during those briefing calls. And we had been related to that the higher demands and our capacity we have been quite shorthanded for the past few months. So our pipeline has been filling up. Now we've grown our capacity and back in December I think there was a pipeline sort of backlog of 700 companies and now we are, let's see, now we are at around 100 if I'm correct.

**Olga:** Okay. So this success or this bigger spread was a bit of a surprise for the organization as well, for B Lab?

**Janneke:** Yeah I do think so. I think that the demand grew faster than we had expected. But mind you, I've only been with B Lab for 7 months and this growth acceleration had already been sort of started before my time so I can't really compare the before and after. So ever since I've worked here there's been a really big growth acceleration.

**Olga:** And then what are the biggest challenges or the biggest concerns that you'd hear from companies that would like to be certified but they're concerned about something during maybe the assessment process or after been certified?

**Janneke:** Well one major problem that prevents a company from becoming certified is of course 80 bar points because a company has to score at least 80 points in our assessment in order to become a B Corp. And that can have multiple reasons. But for example currently I am speaking to a company based in Hamburg and they have around 20 employees so they're still relatively small.

And what is a challenge for them, and this I have heard more often and I've seen more often, is that a lot of the agreements they have or the policies they have internally are kind of informal. But we at B Lab we require things to be written in policy or formalized in an employee handbook or code of conduct. So we require there to be a certain infrastructure of guidelines, of standards of data collection and that's sometimes a challenge for companies because they are not aware of that when they start the assessment and then they just have to do a lot of work to set up all those things we require. But of course, we provide them with resources to do so. I think that's the major challenge.

And then for a larger company what is a really big challenge is the fact that they're often - their governance structures with the holding and a subsidiary and the subsidiary of the subsidiary. And for us at B Lab it's really important to be able to isolate certain business units to be able to assess their impact. And so that sometimes also requires or that actually always requires a lot of work and back and forth conversations. So we've also developed different processes to help get on the right track to the right assessment process.

**Olga:** This is interesting and based on your first point this is exactly what an ex-colleague of mine from SingularityU Nordic told me, that I already had that interview with, that they already had some unwritten policies in mind but before being certified they realized that they actually need to put on paper everything that they kind of already do. But now it's going to be a rule. It's not just going to be something that is not a habit but something that is going to be set on stone.



**Janneke:** And you know on the one hand those rules are needed to grow sustainably with the company because once they grow larger and larger and it's gonna be more and more employees it needs to be formalized. But on the other hand, when a company is still small formalizing these processes requires quite a lot of resources that are not always there. So that's...

**Olga:** And you said that you provide them with some necessary resources to do that?

**Janneke:** Yes! So, for example, will refer to manuals or templates on how to measure your CO2 footprint for example or how to set up an employee handbook or what to think about in a code of conduct that you send to your suppliers. And we have compiled all of that in a big database. So I think I should just send you the links that might be useful for you.

**Olga:** That would be perfect. Thank you! And do you know or do you have any data on how beneficial was the certification for some companies to maybe secure some more partnerships or secure some more funding or anything that would be beneficial for the company?

**Janneke:** Yes. So we have and I'm just trying to walk a slide here because we have a slide we always present that show nine reasons for a company to certify. [Differentiate from pretenders; Trade with like-minded businesses; Benchmark & improve performance; Peer-to-peer learning Join a global movement of leaders; Attract investors & raise capital; Protect your company's mission; Appeal to ethical consumers & clients; Attract & engage talent]

**Olga:** OK perfect, thanks.

**Janneke:** So I guess one benefit we've seen in the Netherlands for a company that we're kind of proud of is for *Fairphone*, do you know them?

**Olga:** Yes!!

**Janneke:** So *Fairphone* has been really great at raising capital like at closing their investment rounds through the [inaudible]. Well in total they received seven and a half million of funding and they got that through *Pymwymic* which is a B Corp that manages family funds. And through *Oneplanetcrowd* which is a B Corp, that's a crowdfunding platform. So that's how this B Corp has managed to attract capital through the community. And for example is *Moyee Coffee* it's a fair chain coffee brand from the Netherlands and they have really seen an increase in their B2B sales because the B Corp community really likes to buy from other B Corps because then they know that it's a legit company sort to say and it abides by their standards and every office needs coffee. So that was a really easy way for them to increase their sales. Same goes for *Paper on the Rocks*, which is another dutch B Corp and they sell rock notebooks. But for example for *Ben and Jerry's* in the US, they became B Corp certified after they were bought by *Unilever*. And for them, it was a way to secure their social mission in their company bylaws. And in the way, they were structured because they kept an independent board of directors. So for them, it was a way to protect their mission posts sale. So that's a whole other benefit.

**Olga:** Yeah. And I was reading some articles about it. I thought it was very interesting because Unilever is one of the biggest FMCG in the world and having one very big subsidiary a company that is a B Corp was very interesting and I was surprised and impressed at the same time that they could actually do it.

**Janneke:** Yeah me too! The interesting thing about corporate activism sort to say.

**Olga:** So based on what you do on the examples you just gave me about the network that is created among several B Corps especially in the same country, I also had a question you already answered partially to it, but is there any other kind of help that B Corps get from the B Corp network. The example that I had in the interview guide was if they have difficulty innovating on their business model or whatever that could be. Is it common for them to create these kinds of ties among them?

**Janneke:** Yes. So in the Netherlands, that's actually really one of our focus points right now, to make B Corps understand that they can reach out to other B Corps based on topics or based on similar roles. So what we've seen for example is that the HR director of *Toms* and the HR director of *Patagonia* they meet up every quarter I think it is, to discuss policies and then they also use the BIA so the B impact assessment. And another example is *Obrigado*, Obrigado makes coconut water. And they've been looking to renew their packaging because they want to make it more circular. And then I personally linked them to [Danone UK] because they are experienced with circular packaging.

**Olga:** It lost you for a second. I didn't hear the name of the second brand.

**Janneke:** That is *Danone UK*. So I made that link and that's one of the value propositions we propose as B Lab for B Corps that enter the community. I've seen that I still need to do a lot of the facilitation because I know best what's going on with those B Corps but on the other hand we have created an amazing platform called B Hive - maybe you know it from *SingularityU Nordic*. And so that's actually a way to kind of gather all B Corps in this online space which should, of course, needs to be fueled by someone from B Lab. Questions can be raised 'why that is?'. And maybe that is just because B Corps expect B Lab to kind of be the driver for that conversation. But there are also examples of certain B Corp countries that have been actually really proactive in leading those conversations on B Hive and exchanging knowledge. So the U.K. for example, has a consumer marketing group of B Hive and it's actually chaired by the CEO of the UK B Corp and they rotate that chairmanship every year. They've just been sharing whatever they've been doing in terms of marketing related to B Corp. So that's really cool. And that's something I am aiming for to standardize in the Netherlands as well.

**Olga:** Yeah that would be amazing.

**Janneke:** I am right in the process of that.

**Olga:** Perfect. So then some more specific questions because my main research question, is about the implications of the B Corp in business in my sub-research questions the first one is about the innovations and operations, basically if something changed in terms of that. So if we start with this part I was wondering if you know that - I mean I'm not sure if they share that with B Lab, I was wondering if after the certification there is more inspiration to innovate inside the organisation in terms of product, in terms of process anything.

**Janneke:** Some of your questions are more difficult to answer. Of course, is something that's internal within companies. But if I draw on my experience when I did my research for my thesis I had an interview with the finance director, the VP finance of *Danone AQUA Indonesia*, they have been certified for a year, and then I also asked him to what extent do you use the B Corp certification in new projects or processes. And then he was really straight up [inaudible] what

would be the B Corp way to do this. So from him, I got the idea that it wasn't very much embedded in processes of innovation yet. Other than that, I need to think if I have specific examples.

**Olga:** So there are not any data measuring innovation before and after the certification, for example?

**Janneke:** No we haven't measured that, but we are starting to. So they do a community surveying which also contains some questions on that. But I mean what we can measure of course is how a company performs on our Impact Assessment. And the Impact Assessment also rewards points to companies for having a certain impact business model and the impact business model of a company is basically the way the company is designed to have a certain social or environmental impact in the way that also generates revenues for the company. And every three years the company recertifies so goes through the assessment. And that's also a new version of the assessment. Then it has become more strict the standards have become higher. And so within that, we can compare whether a company has scored more on its impact business model than the years before. So that's the data we do have. But it's not specified for certain innovations. We don't filter that out.

**Olga:** And what is usually the case, do they do to score higher on the on their second assessment?

**Janneke:** It differs. In the Netherlands, they tend to score lower and it can sometimes be very frustrating. But I know in Germany they tend to score higher, after a few years. But that would be an interesting research question for ourselves.

**Olga:** But you said that already the second assessment it's a bit stricter, right?

**Janneke:** Yes. Because every three years the standards advisory council reviews all the feedback that has been given on the assessment because there is a feature in the tool itself and of course standard social change in roles, in policies and in regulations changed so it reviews them and launches a new version.

**Olga:** And then in terms of operations are there some specific operations that are usually influenced? That companies need to change for the certification or after the certification?

**Janneke:** So the B Impact Assessment has questions that can be categorized into five domains. It's governance, environment, workers, community and customers. And these five categories relate to different operations basically of course. And companies can score different scores in different categories meaning it influences also their operations in a versatile way. So you would almost have to look at it specifically. I would if I take an example. Would you have the specific operational field in mind? Or is that for me to answer, for example, procurement or marketing?

**Olga:** For example, I was talking to Jana from SingularityU Nordic and she told me that for them what they really needed to change was the way that they treated their waste. Because Singularity has a lot of training programs - this is their product. So in terms of - at the Summit that they do every year or at the end of each educational program they never had plastic cups again they never had one-use plastics and stuff like that and they had to separate their trash. So that was something that they already had in mind that they want to recycle but now they actually did it and it was a rule that they will never have plastic again for example. So that was one example.



**Janneke:** I see... So the way for us the question can be - there could be a question for example *"to what extent do you screen your suppliers on their environmental and social impacts?"*. And then there will be different options for the company to answer. For example, we collaborate with our suppliers or we audit them. And then there are different points awarded for different answer types. So actually auditing their suppliers that will be rewarded most highly in our assessment at this question. And if a company is not there yet, the company can set that as a goal. And set even a deadline and then they will get a reminder from our system to change its operations. So it's really up to the company where it scores low and where they would like to score higher or things they could score higher. Another example - there's a question on the difference between the lowest paid worker and the highest paid worker. And maybe if that ratio is really large then the company would like to change that so it can go on and change that or the number of holidays that are allowed to employees. I know some companies have been experimenting with giving limitless holidays to their workers. So then they would score higher on that question because it's been proven to be beneficial.

**Olga:** And then do they set their own goals? For example, I guess that in different questions, let's say for a company, there are five questions in which they can do better and then they set their own goals and based on their goals they get the reminder from your system? Did I get that right?

**Janneke:** Yeah!

**Olga:** OK. And they get a reminder every....?

**Janneke:** They can choose themselves. I can really recommend you to just log on to the assessment and try it out yourself.

**Olga:** Yes I will do that for sure. OK.

**Janneke:** So you can see all the different features.

**Olga:** And now building on that a bit, who is usually the person that is in charge of pulling through the whole assessment? Is it the CSR manager, if the company is big enough, or is there someone else?

**Janneke:** Yeah I like this question. Because in CSR theory and how CSR has been used in the past decades, we've seen it at companies often kind of outsource their sustainability efforts to the CSR department. And then they would do their thing. But the idea is of course that the whole company transforms and is part of this dual mission and therefore I've seen that sort of the owner of the project to fill out the assessments is indeed still a CSR person but the CSR person cannot do it alone. So this the CSR person needs to draw from financial data, from procurement data. And therefore that's also one of the great positive feedback points we get from companies is *"like yeah you know it was such a whole company effort"*. And for larger companies, buy-in from management is essential to actually go through with it of course and with smaller companies. Often the founder only has maybe a team 10 max. So then it's also very obvious that the founder is involved as well. And for larger companies, it's also essential that there's buy-in front management to get all employees engaged at some point and help them understand what B Corp is about what it means for the company. So the execution part is still with CSR departments but most of the management and the founders are in and on board as well.

**Olga:** OK. And then building on that for the employees because we said that most of them or all of them need to be engaged in the process of becoming a B Corp. Do you have any knowledge on how do they usually react on that? And if employees are open or if they feel that this is gonna be more of a workload for them other than just being welcoming it?

**Janneke:** Well I think most employees of B Corps - then again I can maybe speak for Benelux - they are aware of what it is, what it means and are really excited about it. And so that's super nice. But what we've also heard is for example when a company grows, a company like *Tony Chocolonely* or *Dopper*, when it grows and more employees are added after the certification has already been achieved, it's more difficult to engage new employees. Some companies have decided to actually make it part of the interview process. But others haven't. And then also when for example a company recertifies after three years then maybe someone else needs to be responsible for filling out the assessment. So that's a way to kind of re-engage a company and then we'll also start sort of re-engage the company and making the company aware that the recertification is coming up like one year before, so they can be put in place. But it's something that we're developing at the moment is called "Project Pathway" and that's a program we've developed for many really large companies like over 5 billion revenue to kind of help these companies engage around the B Corp movement, even when certifying wouldn't even be the end goal. So that bringing all about employee engagement and educating employees on sustainability standards.

**Olga:** That's really interesting. And based on what you told me about the new employees that they're actually joining the B Corp would you say that being certified makes an employer more of an employer of choice?

**Janneke:** Yes, we have one really cool example from the UK, it's a company called *Cook [Trading Ltd]*. They make meals and they've been really like a front runner in the community in the UK and they say that after becoming a B Corp their recruitment costs went to zero. They didn't have to spend any more on recruiting processes. So yeah that is one of the cases we always like to mention there. Personally, these are like personal anecdotes, but I know from friends that when they look for a job they search for B Corps and their job. So they use that as a sort of a filter. That's just my personal environment and my personal environment is also.... sustainability related.

**Olga:** I get that. But that's the same for me and for my environment and friends. A lot of them don't know about B Corps because it's not so big in Denmark or in Greece. But they have in mind that they want to work for an employer that is sustainable or conscious or that they're trying to have some kind of a purpose instead of just having a profit. So that's already good for our generation. So then in terms - of I think this mostly goes for the bigger organizations - but I guess the stakeholders that are mostly influenced are the shareholders right?

Because as you said before, especially in the U.S., the legal structure of the company was to secure that the shareholders would always have their benefit being first. So now, that except the shareholders that we also have another purpose in the companies, how do they usually react on that?

**Janneke:** I ask this question as well in my research and I remember asking Lorna Davis, she used to be the CEO of *Danone North America* which is like an organic branch of Danone and it's currently our largest certified B Corp in terms of revenue and its publicly listed. And I asked her how do shareholders respond. And then, well she actually said perhaps there is still sort of a

binary distribution in opinions on it. So some were still very short term and others... But she couldn't really give me a satisfactory answer.

So I also cannot really give me one. But I do know that for example like this huge investment firms like *BlackRock*, for example, their CEO always publishes this annual letter. And if you read the letters of the past two years they contain quite a lot of language that includes that as a shareholder you should adopt a long term vision and you should invest in businesses with purpose. And that's always been really interesting to see.

So I can't give you a super satisfactory answer. The industry or the sector of impact investing is of course also growing and growing and so shareholders I think are starting to see that investments in companies might have a little like a longer-term view makes business sense as well. I do think that in the grander scheme of shareholders that is still small.

**Olga:** And then in terms of the strategy that the business has before and after the certification. Are you aware if there is any change or any shift in the strategy that they have?

**Janneke:** So we've often seen that when a B Corp becomes certified and when it's really committed to keeping using our tool to improve themselves and if they want to implement more of that in their strategy then... Well in the past they used to ask B Lab like '*Can you help us improve our strategy?*'. But as B Lab cannot do that because we are also the agency basically that certifies.

**Olga:** That it would be biased?

**Janneke:** There will be a conflict of interest. So over the past few years, we've set up B Leader programs. I can speak for European countries but we also do it in Latin America for example. And these B Leaders can be either employees from a company that are really, really enthusiastic about B Corps, so we call them the champions within their organizations or they can be consultants working for a consultancy based on or focused on social effects. And we train them to become experts on the impact assessments. And of course, often they already bring their expertise on consultancy and strategy consultancy with them and then they are equipped to guide companies and to work with them as well. We have quite a portfolio of companies who you use and who change their strategy.

**Olga:** And how are they changing the strategy? Or does this really depend from case to case?

**Janneke:** Well, that really depends from case to case that also I wouldn't be able to attribute that all effort of changing strategy just to become a B Corp. Often these companies also just use B Corp as a tool to help them re-strategize. But I'm not sure if there is direct causality.

**Olga:** That's true.

**Janneke:** But we'll find out.

**Olga:** And then in terms of decision making, I was wondering after the business is certified does B Lab has any word of saying at the company or can it influence the decision making of the company anyhow?

**Janneke:** Well I guess, in a way the way OUR governance is structured right now it would still be a conflict of interest if we would actively change the decision making in companies. But on the other hand, we do have a board as well. The board of B Lab Europe also contains high

profile individuals that work for companies. So in that sense, we engage with them and they know B Corp.

And the founders of B Lab Europe, Leen Zevenbergen and Marcello Palazzi, they also hold board positions in other companies. And one of them actually founded a company that then became a B Corp. But no I don't we have so much influence on the decision making of B corps.

**Olga:** I think if it's so hard for you to find an example probably you don't. So now wrapping it up. So you were right, we will be done in an hour. What I wanted to ask is what does success look like for B Lab. What is your goal for the next five years or what do you expect to achieve?

**Janneke:** So I have been back for two weeks from our European country partner retreat in Scotland. And that was exactly the question we asked ourselves. So what is B Lab Europe going to be what role it is going to play within five years?

And I think we still really want to develop those engagement programs with multinationals because before we really didn't have a way to engage with them and the assessment was also not at all tailor to companies of that size. And now we've got many requests from amazing multinationals in Europe as well. So we've been developing programs, service offerings and the pricing behind that as well. So that's something that's going to grow in the coming five years. And then we also want to be more focal to educate for the Benefit Corporation legislation in Europe because it's been passed in most states in the US but here in Europe, it's only in Italy.

**Olga:** So Benefit Corporation is not a competitor for B Corps right, the legislation?

**Janneke:** No, it's one of the initiatives of B Lab. So B Lab has initiated to B Corp certification and it has initiated the Benefit Corporation legislation.

**Olga:** OK. That I didn't know! I thought it was something different.

**Janneke:** No, that also falls under our umbrella! And of course, we want a more thriving community, also related to the B Hive, our platform, and make that really like a central place of contact for B Corps. And it also contains a feature where B Corps share discounts and those are things we'd like to measure more and we will measure more. So measure more kind of like the flow income and outcome of the capital of B Corps. Actually many of the questions you asked, those are part of our strategy. I mean we're still writing it up right. Because we spoke about it two weeks ago.

**Olga:** So I know a little bit based on what I asked you about the Benefit Corporations. Do you consider any other sustainability certifications as your competitor? Or who would you define as your competitor?

**Janneke:** Well we are a non-profit so usually we are really collaborative. And we also need to collaborate with partners, like think about for example in the Netherlands maybe you know they are called *MVO Netherlands*; they are a really big kind of network organization funded and founded by the government and they have a lot of companies who are kind of willing to become sustainable.

**Olga:** Can you hear me? I've lost you after you told me about MVO in the Netherlands then I couldn't hear anything I'm sorry.

**Janneke:** No worries. So I said that MVO in the Netherlands made it so. It's a pretty big sort of network organization and in a way, you could see them as a competitor of us because they also

try to engage companies and showcase companies in this narrative of becoming more sustainable. But on the other hand, they don't really have strict criteria for companies to become a member. When to become a B Corp, it is quite an intense process and requires a lot of resources. And we also need MVO Nederland, so we take more like a collaborative approach.

And then if you talk about the standard side of what B Lab is, so MVO relates more to the community and network side, to the standards side you could think of the GRI [Global Reporting Initiative] or ISO. GRI and ISO have checklist exercises while our assessment is more fun. That's what people tell us! Because the tool looks kind of nicer, it's an online tool that you can work with very easily and it's not like super long EXCEL sheets. So in that sense, we feel like we're really different from those. We also integrate those standards into our assessments. So if you fill those out as a company you get rewarded for that. So it already shows that at the core of what we offer, our Impact Assessment, we are already integrated towards those other standards.

And we also really see ourselves as one part of the solution. So we really believe in all those actors. Also non-profit organizations, also in government to ultimately establish what, in our view, should be the B Economy. So that's just the whole economic system that has evolved from a shareholder dominated capitalistic system that we've been sort of operating in for the last hundred years. We have many more parties, and that's really our theory of change and though that's, of course, trickles down in a strategy that's maybe collaborative more than competitive.

**Olga:** Okay that sounds really good. So now it's the last question I was just wanted to ask you if there's anything else that you'd like to add that you think it's relevant for me to either know or to research?

**Janneke:** Well, are you going to interview more B Corps?

**Olga:** Yeah. So I will interview the Greek one. I'm already in contact with the CSR manager from Greece, we have an interview on Tuesday. then and I'm trying to find one in the Netherlands and I tried with the Plastic Whale but unfortunately, they told me that they're very busy at the moment. I have sent emails to some others. I haven't heard back from them yet but I also send it like two days ago.

**Janneke:** Because I gave you a list right?

**Olga:** So I've contacted Pymwymic and also Van Wijhe Verf. So I've sent an email to their generic email so maybe that's why I haven't heard back from them. But I was thinking of finding some of their employees on LinkedIn so maybe we can connect with them try more a more direct approach.

**Janneke:** Yeah I'm thinking. I think I could connect you definitely to someone from Pymwymic.

**Olga:** That would be amazing!

**Janneke:** Isabelle. And for Van Wijhe Verf I have to ask my colleague he is mainly sort of maintaining contact with them but I will see what he says.

**Olga:** I actually think that even if I have an interview with one more B Corp it will be ok. And then I have the interview with you and then I will also talk to Steffen who is working at the B Corp in Denmark and I have an interview with him on Monday.

**Janneke:** OK.

**Olga:** Okay so that was it. Thank you very very much for your time. You were very helpful. We managed to answer all the questions which is amazing because I didn't want to keep you from work or anything and all.

**Janneke:** I am sorry I could not answer all your questions.

**Olga:** I knew that you wouldn't have the answers to all of them. I said I can just have them there and any kind of information that you could give me would be helpful. So no worries at all. Thank you so much. Maybe we're going to meet at some point in this country.

**Janneke:** Yeah. That would be great. We have sort of commonalities.

**Olga:** That would be amazing. So you told me that you wanna send me something as well, right?

**Janneke:** Yeah. So I wanna send you the link to the database with resources we send to B Corps to develop any policies like the employee handbook and stuff. I want to connect you to Isabelle from Pymwymic.

**Olga:** Thank you so much. Have a nice day. Have a wonderful weekend.

**Janneke:** Thank you. Same to you. And good luck.



## Interview i3 | Steffen Kallehauge

**Interviewee:** Steffen Kallehauge

**Company:** B Lab Europe

**Position:** Operations Manager, Denmark

**Date:** 09/04/2019

**Olga:** Would you like to take a minute and maybe present yourself as well?

**Steffen:** Yeah. My name is Steffen, Steffen Kallehauge. I am twenty-eight years old. I've done a master's degree in Communication from Aalborg University in Copenhagen and then started out working in health tech. Then came into the more consulting side of the business. I wanted .. I couldn't understand why businesses didn't, like, focus on anything other than profit. And I admit that all the time, even in the startup business and then like decided ok how about doing something about it instead of just moaning about it. So then I joined a company called MäRK. Which is also where the country manager Nille Skalts is. So in August last year, I joined the B Corp and I've been there ever since. I'm now the operations manager at B Corp.

**Olga:** Okay. And what does that mean and what are your specific tasks?

**Steffen:** Well it's basically everything! I'm doing workshops, I'm doing cold canvassing sales, I'm advising companies in the impact assessments and improvements that will be made in order to get a B Corp certification. I'm also the social media manager, so I am also doing the social media posting and stuff, and do presentations; I went to Oikos three weeks ago to do a presentation about B Corps. So it's a bit of everything because we aren't that many in Denmark, we are only to Nille and I. So, Nille is the more you know talking to the big companies and trying to influence policymakers in different places and stuff. I'm more the hands-on guy going to companies, that are a bit smaller and helping them in order to get the B Corp certification.

**Olga:** That's very interesting actually. Did you have a close relationship with SingularityU Nordic?

**Steffen:** Yeah, well we had. And they have now this new community manager so now we are like getting to know each other because before we had a close bond but now we need to start a new relationship if you know I mean.

**Olga:** Because I just had a talk with Karolina and we were talking about it.

**Steffen:** Yeah. Yeah.

**Olga:** Okay! Now I'm gonna start more on the questions about my thesis. I know that of course, these are more general questions so just based on your experience up until now and any knowledge you would have on any of them would be very valuable for me. So first of all how well known is the B Corp certification at the moment in Denmark?

**Steffen:** It is not very well known among consumers. So the average consumer, even the conscious consumer, has pretty much no idea what B Corp is and what B Corp stands for. The international B Corps we have here in Denmark they don't put the certification on their products and they don't communicate about it. But in the B2B business and the B2G business, we see that a lot of companies which have like this sustainability agenda they know what it is and they're interested in companies that have got this stamp. So it's like, right now, our main

focus for B Corp Denmark is also to get you to know to make this kind of ecosystem, where we can create a community of B Corps and people that are interested in helping to get the word spread. It's not only just like a certification, it is more like a movement also business status. So we also have people that are interested in the whole redefining business but are in a place right now where they can't, but they can provide us with [inaudible] and set us up and stuff. So now we are just like at the moment we are focusing on B2B. So, yeah, as I said companies are getting more and more interested in getting to know what B Corp is.

**Olga:** And what are your actions in order to spread the word more? You already said that you're hosting some workshops and some talks or like the event that you had with Oikos. Is there something else you're doing?

**Steffen:** So yeah we have different strategies. So we can have our social media where we just like to post a bit. So it's more like a library if people are interested too, it's more consumers, but if they're interested in knowing a bit more about B Corp then they can go to our Facebook page and our website and gather information. But then we have a cold canvassing sales where I go out to companies and get a cup of coffee and then we talk about B Corp, like one to one with me and the companies. And then with some of them, we work with along to get the certification and some are like okay that's interesting, but not for now maybe later. Then we have like the workshops which are basically like a B Impact Assessment workshop where companies that are interested in knowing a bit about B Corp and are interested in the certification process and how did you get certified. And that's it, that's the workshop that I do. And then we go out and present, you know, the whole mindset and the whole certification about B Corp to everyone interested basically. So, we've been to Oikos, we have to like the concrete industry, we've been like to like several different - to something called Center for Leaders - I can't really remember them all! But also to B Corps that are already certified. We go out and have talks with them as well. It's like to tell them what's new about B Corp and what's happening in the B Corp community. So, yeah that's basically it.

**Olga:** And are there a lot of companies that are in the pipeline now, waiting to be certified? I know that there are nine companies, at the moment, that they're certified, right?

**Steffen:** Yeah yeah. So when I started in August they were five B Corp companies in Denmark. We are now nine and we have seven in the pipeline, that have submitted their assessment for auditing and for the review code. So yeah hopefully before long we'll be doubled in size in Denmark. And then it's only one way to that.

**Olga:** And then your focus is only in Denmark, or also in the rest of the Nordics?

**Steffen:** Well right now, we only have a country manager in Denmark. So there is no country manager in Sweden and Norway. So we try to keep in touch with the B Corps in Sweden and Norway and in Finland actually. But we don't try to expand the knowledge about B Corp to the rest of Scandinavia. But if they are interested, we are also here for them and interested to help them but it's not a focus area of ours.

**Olga:** And then would you say that there are some common challenges or constraints that B Corps face in Denmark in order to be certified? Are there like any legal constraints or any other kind of challenges that they all have in common?

**Steffen:** Well it's not necessarily a constraint but you have to change the articles of association in order to become a B Corp. And if you don't have our board for example in on that, then it's



going to be pretty hard for you to become B Corp certified then. You can't. So that's the main legal restraint that I see for companies. But then there's the whole sustainability part, which is like the data part of the sustainability. There's just a lot of people and a lot of companies tell himself that they're sustainable but they don't measure their impact. Which means that they tell themselves that oh this has to be sustainable. But they don't measure it. They don't collect data upon it. So when we ask them about their data then they can't really tell us whether or not they have a positive impact or zero impact or a negative impact. Yeah, I think that's the main, that's the hardest part for Danish companies, Danish sustainable companies, to get certified. Cause they don't measure their impact on society and on the environment or employees and stuff.

**Olga:** And when they want to become a B Corp, this is something they need to measure, right?

**Steffen:** Well both yes and no. Cause you have to get the 80 points. And you can get your 80 points without measuring on everything; you can get certified and still not measure on your emissions and you can get certified and still not measuring up on your waste or water consumption etc. So you just have to be good on so many parameters that you reach the 80 points. Some data it's gonna be hard. Also because a lot of our Danish companies are small or medium-sized enterprises so they don't have the resources to get like these really cost heavy data collection tools. So yeah, it takes a lot of resources to collect all those data but if you want to prove that you have a positive impact on society then you have to collect these data. Otherwise, you're just saying it and doing it.

**Olga:** And would you say that in general the Danish companies that you're working with at the moment, do they do it? Do they actually find a way to measure it, or do they try to avoid it by gaining points from others, like from the employees' side from the other pillars?

**Steffen:** Well the smaller companies that we have, they don't measure it. It's not in their scope to start measuring it, as of now. But the bigger companies that we have, Letz Sushi, for example, they do measure it. And we also have some companies that are like bigger -they are on the large scale of medium enterprises if you can say that - they do measure up on their different impacts. But the smaller ones they are consultancies like two persons and they don't have the resources to measure their emissions for example or some have virtual offices where it doesn't really make sense for them to separate households from the company and it's quite difficult. Also if you are in a cafe normally, a different cafe where you shop around, to hold meetings and stuff, yeah then it is going to be hard. But it's just different from company to company. If the smaller companies don't really measure that much but they measure up on their business model which is crucial for their certification. So they do something but they don't really measure their daily impact on society and the environment.

**Olga:** And then why would you say that companies usually see as the benefit or if they find any drawbacks from being certified? Are there any concerns with which they usually come to you or something that they point out as being the best thing of being a B Corp?

**Steffen:** Well I thought about what the main reason is for becoming a B Corp. And you know the vision of B Corp is something that they all buy into. Like we want to redefine the way we measure success for businesses and we want to put equal weight on three bottom lines to profit the people and the planet. And it's like the main reason why becoming a B Corp. Then they have different ways of expressing why it's relevant for them. Because we have a lot of different companies. We have a company that is really fast growing and they are hiring a lot of new employees and they want to continue having this startup vision that they had when they

started their company. You know this; I want to change the world mentality so that's why they are using the B Corp stamp. We have someone that backs up the arguments about being sustainable by saying we have a B Corp certification and then they don't have to talk about it anymore. Because they don't want to talk about sustainability, they want to talk about how do you change the world. And it's like instead of talking about how you're sustainable, it's like yeah we are B Corp certified. Then we also have a company that one of the main reasons they became is also to change the world, but then they couldn't get a certification anywhere else because [other certifications] only certify products, and they live off of reused leather jackets which can't be certified as a product.

Yeah but there they are of course also drawbacks because it's a global assessment platform, it's a global certification. So it can't be like tailor-made for every market. For example, we don't have any living wage which doesn't really make sense in a lot of places in the world but in Denmark, it actually makes sense not to have a living wage as of now, because we have our unions that are making sure for the bargaining. So if define a living wage, then you know that's what people get paid.

**Olga:** Okay yeah but do they do a company need to define as the minimum wage?

**Steffen:** No they don't have to put in the exact wage of the lowest paid worker but they do have to describe the gap between the highest and lowest paid.

**Olga:** OK. Yeah. And then as you said there are some big companies among these nine companies portfolio, but most of them are a bit smaller, right?

**Steffen:** Yeah. The companies mirror the size of companies in general. So most of the large parties like small and medium-sized enterprises. But we also have like a global - actually, they are not global. Danone North America is our biggest B Corp and Danone, in general, is working towards becoming a B Corp. So we also have Patagonia. We also have Ben & Jerry's. We also have like these major and well-known brands that are all B Corp certified but actually most of our B Corps are small and medium-sized.

**Olga:** And why would you say that is the case?

**Steffen:** Well I think it mirrors the general image of the size of companies. But we have a lot big multinational brands that are talking about becoming a B Corp. But they have also a harder time being so big to transition into becoming sustainable. So, I think a lot of the leaders in big multinational companies they do have this vision on becoming sustainable but it's just like takes so much more time for a big company to become sustainable. A sustainable way of doing business than a small and medium-sized company.

**Olga:** And then from your experience, do you know if B Corps use the certification as leverage in order to book some more partnerships or to secure some more deals? Do you know if that works in their favour?

**Steffen:** Yeah it usually does! I haven't heard any example of it being negative. But I have various examples where we're like, I know Kaffe Bueno the Danish B Corp, started out as a coffee startup, and now it's using coffee waste doing cosmetics. And they have partnered up with Alessi, which is a big beauty brand in Italy. And that's because of their B Corp certification. Also, B Corps help other B Corps grow and they partner up with each other. Because for them it is also backing off of their stapling on being sustainable. But it also depends on what kind of business they're doing. Because if they're doing business with someone that isn't really

interested in their sustainability, then they don't really mention the B Corp certification. But if they are, then they are definitely talking about B Corp. Even though someone shouldn't know B Corp certification, as soon as they get to dive into the two different requirements then they like really [inaudible] if they're looking for a new partner.

**Olga:** Based on what you said about the community that is created with B Corps, what kind of help or how common it is for B Corps to help each other out or to seek for help from another B Corp?

**Steffen:** Well we have this online community called The B Hive. Where every B Corp gets a user and it's like this big online community where you can say oh I need a contact in Los Angeles because I'm going to Los Angeles next week for like a business meeting and I would like to meet other businesses and you know to get inspired. And then they have the community to help them. But it could also be like OK we're looking into corporate volunteering; do any of you have like great ideas that it has always been implemented in your company that can help us? So it's like this. That's the one part, getting in touch and getting inspired by each other. But also the B Corp community directly gives birth to partnerships. For example we have actually a partnership in Denmark that has been taking place because of B Corp. We have this furniture B Corp, called Wehlers and their biggest client is the is Letz Sushi, which is the biggest sushi brand in Denmark, it's a chain of restaurants in Denmark with 19 restaurants and then Wehlers said "hey shouldn't our chairs be in your restaurants?" And [Letz Sushi] said, we actually already have a deal, but then they said I can see that we are both B Corps and then they said Oh OK. So now I think last year Letz Sushi ordered 125 chairs from Wehlers, which is a two men company.

So it's you know the big B Corps also help the smaller B Corps grow. It's a community where we help each other if the solutions fit into our company and it makes sense. But that's one way of doing it. Because in England we also have Ella's Kitchen, which has committed themselves to help all of their suppliers to become B Corps. So actually one of the companies in the pipeline here in Denmark, Ella's Kitchen distributes here in Denmark and Ella's Kitchen reached out to them and said "oh shouldn't you become a B Corp" and then they reached out to us and said Ella's Kitchen talked about B Corp with us could you help us do it? And then we said of course and now they are in the pipeline of becoming a B Corp.

**Olga:** OK. That's fascinating. And then usually in the companies, I guess it depends on the size, but who is usually responsible in order to ensure that the standards are met and to lead the whole process of becoming certified?

**Steffen:** Well in smaller companies it's mainly like the CEOs or directors of some sort. But in the bigger companies that we have, we have helped two companies with 250 employees. In one of them, it was the marketing manager, and we are advising her on how to become more sustainable. And at one of the other companies, it was the head of legal, no he's not the head of legal. Some kind of legal manager. And we also helped him as well. And in another company, I remember his name but I can't remember what title he had. So yeah but that was not the CEO as well. So it depends. If it's middle-sized companies it's more like a manager's job than a CEO job. But we also have actually one company that we did it for. So you know because it can be hard if you haven't tried it before and we are like we've done it like numerous times. So we know who we are supposed to reach out to if they ask us for data on X, then we know okay we have to get in touch with Y and get data from her or him. Yeah. Okay, so it depends. It's either us, or the CEO, or the manager but it tends to get lower in you know in the hierarchy as bigger the company gets. But still, it has to be a person that has like a great insight into the company in order to fill out the assessment.

**Olga:** OK. And does the initiative usually come from the top management or do you have any examples in which an employee actually introduced it to the company, and said that that would be cool for us, and then they start looking into it?

**Steffen:** Well mainly actually the initiative comes from us. So we reach out to them and say what about a B Corp Certification? And then we try to convince, you know, the management. I am just trying to see, I don't think in Denmark that we have any B Corp - well we have the small ones but if they are two people then they are both employees and management. But the bigger B Corps that we have, it hasn't been [initiated] from employees, also because you know people don't generally know B Corp here in Denmark. So yeah I think that's one of the reasons as well. I think if more people knew about B Corp then more people would go to their management or to their leaders and say hey what about this.

**Olga:** Yeah. That's the reason that I'm asking because if I was an employee in a company that I would feel that it could be certified and I would go and suggest it to someone. I was wondering if someone else has done it.

**Steffen:** Yeah. But it has been seen before that people are going to their leaders and saying "*hey what about a B Corp certification*". But it's not something that we've seen here in Denmark.

**Olga:** And then going more into my other research question, the sub research questions, for example, if we're talking about the innovation that is produced in a company in terms of either the product or if they're innovating in any process, in the business model or whatever. Would you say that the certification has inspired any kind of innovation? Do you have any knowledge about that?

**Steffen:** Yes I do. And it definitely has. The B Impact Assessment covers so many different areas of your company that you haven't visited all the areas that you could improve on or could be sustainable in. So I haven't met a company that hasn't got any kind of an eye-opener, saying '*oh we should totally do this*' and then as a spark is set and then they have to figure out how. So for example, we have this beauty brand where you can buy different cosmetics and shampoos they were talking about, '*what about the end of life?*' with our different shampoos and stuff.

What can they do to make sure that they are polluting as less as possible? And then they found out OK we could do like we could go down two different roads we could either do it biodegradable but we could also do it like when people would like to return the bottles to us so we could use them again in order reuse them.

And that's maybe - it has been seen before, you can come in with your own and get some refund on some of the new. But it still shows that companies even though these are small innovations you can really make a difference with the *Kaffe Bueno* case they started out as being a pending B Corp, which is like B Corp certification for companies under one year. And they started out as a company wanting to do direct trade with Colombian female farmers. And then they started building their company based on the B Impact Assessment. So given the perspective of how will our company look like in one year. They answered a lot of questions. One of the questions was what are you doing with the waste that you create?

But they hadn't thought about that at all. They created actually a lot of waste with the coffee grounds and it's not really sustainable, because it leaks out methane if it's not burnt which is also bad for the environment. So then they started thinking OK what about if we see this as a resource. And then they started doing all different kinds of tests. So they found out that actually only 1% of the good stuff in coffee grounds are getting used when you are making coffee.

## The implications of the B Corporation certification for business - Olga Daskalaki

So when you have the coffee grounds that have been used for making coffee you still have 99% of all the vitamins and oils in it. And then they started [thinking] *"is there any way we can extract this"* and they found out and now they are like they've won several prizes in young cosmetics and they've been talking to Ikea. They are also working with what we said before, with Alessi. And they are also in this InnoBooster with L'Oreal.

And that's because the B Corp Impact Assessment always try to ask them questions about what are you doing with your waste. So they found out that you could extract the oil from the coffee grounds and then you can make, you know, some natural cosmetics which diverts waste to make new products. And they also found out that you could use it as flour in bakeries. So you can make cakes out of it and you can create all kinds of different - they also found out once the oil is extracted for the coffee grounds it is really good for 3D printing. And that you can grow mushrooms on the 3D printed coffee grounds. So they made like this pavilion where you can grow mushrooms on it.

**Olga:** This one I had actually in my apartment when I was in Denmark.

**Steffen:** Really? Nice.

**Olga:** Because I'm quite familiar with Kaffe Bueno. They have made a lot of presentations at CBS, so I have heard their story many times. But I didn't know that they kind of changed their business model because of the assessment. That I didn't know.

**Steffen:** I don't know - well it was because of the assessment. It triggered them. They started like this new paradigm for themselves. Every time we see waste, it's a wasted resource, so how can we use this? We have like waste from this process how could it be the food of another process. And then they continue - then they started out always looking for new ways for waste to become a resource. And they are probably also inspired by other things, I'm not to say that B Corp was the only reason why they do, you know...

**Olga:** Yeah of course.

**Steffen:** But it's one of the main reasons why they are now -you know not only direct trade but also cosmetic firm and food producer.

**Olga:** And the cosmetics company you mentioned before, is it in Denmark or in another country? The one that you mentioned in the beginning with the shampoo bottles.

**Steffen:** They are in Denmark.

**Olga:** Which one is it?

**Steffen:** I can't tell you this.

**Olga:** Ah sorry! I thought they were already certified.

**Steffen:** It's so hard for me to remember all the... Let's see. We have Letz Sushi they are today kick-starting the new campaign that they want to - you know they are a chain of restaurants that do sushi. And they find it quite contradicting that they're exploiting the seas from resources in order to make sushi because they're really killing one industry actually. So they are thinking, OK, we wanted to still be able to make sushi in the future but we want to have the smallest negative impact on the environment in the seas in particular.



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So they are now launching this strategy that in 2025 they only want to serve sushi with fish caught in the Danish waters. Which means that you know no longer can get tuna for example.

**Olga:** And this they wanna do it in the next 15 or 10 years.

**Steffen:** Yes six years.

**Olga:** And then in terms of operations, which operations would you say that usually, companies need to change or if they need to change something, either in order to be certified or after becoming certified that they can see that it makes sense to change this instead of having the status quo that they had?

**Steffen:** Well for the medium-sized companies it's definitely starting collecting data on their impact. So, that's basically like the number one. OK. We need to start collecting data on our different impacts that we are telling about to our surroundings that they are important to us but we don't really measure it. So we have no idea how much impact we really have. And then it's different from each company cause all companies are different. They also have different operations and regarding the companies that we help, I think it's only been in two companies that were like regular commercial traditional companies that used to have profit beyond everything else. But normally we have companies that are sustainable before they start doing this. So they have had different sustainability strategies before. So they have like the basic operations covered but then sometimes it's you know there are like different things on employee satisfaction. Do we measure that? Do we do have a handbook for employees that covers X areas of sustainability - in order to make this a better workplace? So it's different it's hard to tell it like this.

**Olga:** That's fine. No worries.

**Steffen:** You have to change operation because you need to change your articles of association but that's you know that's one thing that you have to do.

**Olga:** And then now since you mentioned the satisfaction of the employees. I was wondering if you have any information, or how do usually employees react to the certification. If for example, they would be more motivated or more engaged in their work because they know that a company that they're working for actually has proof that they have a positive impact in the world.

**Steffen:** Yeah. I don't have any data for these Danish companies. But I do have some data that I can send you which is from international B Corps.

**Olga:** That would be great actually.

**Steffen:** Yeah I can send you some reports and articles about that but I can tell you like I have these two anecdotes from the Danish B Corps that I know. Yeah, they are anecdotes something that we experienced. In one of them, Nille was at the Danish B Corp *Skagerak* and had like this impact workshop, impact day. What impact does Skagerak have on the world?

And then since she worked with them in order to create it like this corporate volunteering program and before she started doing that, she started talking about B Corps. What is B Corp and how does this affect Skagerak as a company. And after that, Nille told me that they had fire in their eyes, and they were like OK we really want to start. Can we help B Corp in some way, can we do something and felt very proud of their workplace. And that's the one part. And now

they started doing corporate volunteering like I think they have, is it one day, three days a year where they can do volunteer work and some of them had offered us, the B Corp movement in Denmark, to help us with whatever they can help with. If they are graphic designers, communication, you know different kinds of people, with different roles in the company.

But we also have *Letz Sushi*. They were certified in January, end of January, and I talked to their CEO Anders Barsøe, and he told us that the applicants they get for their job offerings are really a whole different kind of segment in society. So now a conscious consumer wants to work for Letz Sushi. And people are no longer seeing it as *'Oh yeah it could be fine I guess to work here'*. It's a place that they really actually want to work for.

And we also have the company, that I cannot name, with the shampoo bottles. They are also hairdressers and they are having something called Green Saloons which mean that don't have any chemicals in there. They're different shampoos and stuff that they put on people's head, which means that hairdressers that had allergic reactions to chemicals in the business beforehand which meant that they had to stop. They can now start doing their job again, that they love. So they also have helped people to be able to do what they love again which of course is doing a lot for their engagements.

But it's not B Corp related as such, because it's not a B corp. Well, it's something they believed in, even before B Corp. But they do that as well which is also helping. So you can say that the B Corp certification and itself do not necessarily spark [inaudible] in the employee. But as they get to know what the B Corp stands for and you know. What the company actually does for the environment, for the people and for their surroundings, then they start feeling engaged. So it's the purpose of the company and not necessarily that the B Corp stamp...

**Olga:** OK. I just missed the word. You said that it's sparkle for something and then the video paused so I didn't hear it.

**Steffen:** Maybe I think it was just fire in their eyes. You mean in Skagerak right?

**Olga:** No, but it's fine because it was just in the flow of your thoughts, so no worries.

And then except for the employees, the other stakeholder group that I'm researching and their reactions on the certification are the shareholders. Because someone would think that maybe they are the group that would be negatively impacted by the certification since now the company is not only interested in delivering them with a profit but also it is very interested in giving back to society into the planet. So do you have in mind any reactions from the shareholders if we know how they welcome or not the certification?

**Steffen:** Actually we have in Denmark the opposite. So we are experiencing that different investors - we haven't experienced that any B Corp got investments while they were a B Corp. But we have different companies that have been invested on that are now transforming into becoming sustainable. So let's take again *Letz Sushi* for example. They are owned by Jysk, which is the big global furniture group, with Lars Larsen in front and they have - after they were bought by the Jysk group then they started their B Corp certification. We are also working together with a company which is owned by KIRKBI group, which is the fund that owns Lego for example.

And we also have I can't remember his name [inaudible] which is an angel investor. He's also we also right now helping a company he has invested in to become a B Corp. So here in Denmark, we see the opposite that investors are looking more to secure the companies they own for the future. And then they started using the B Corp assessment as a way to look into you know how can we create a company that is not only profitable for now but also have a right to exist in the future.

And we see this growing interest in that also from the shareholders. Of course, there are also the “business of business is doing business” shareholders but then, we don't really engage with them because that's a waste of both theirs and our time.

But there are investors out there that see the meaning in becoming B Corp certified or at least do the assessment. Because we also have companies that have taken the B Impact Assessment but haven't submitted it and doesn't really have any interest in becoming certified but just want to see whether they are a sustainable company. Basically, I haven't experienced the big you know negative feelings towards B Corps from shareholders.

**Olga:** And then in terms of the decision making of the company or of the strategy that a company has, do you have in mind if they have changed their strategies at all or the way that they're taking the decisions after the certification?

**Steffen:** Well you could say that you can't really get certified unless you have some kind of sustainable decision making already in place. But yes I would definitely say that the B Corp and the B Lab are influencing in that way that they are trying to inspire companies to be best for the world. I don't know if you know the term “best for the world”. It's the top 10% of the B Corps in each different category that we have. So. And every year they are on it. So for example, the B Corp *Better World Fashion* which makes the leather jackets that could not get product-certified, they are in the top 10% in the environment category, so they get on a list of the top 10%. So the best for the world in the environment [for 2017 and 2018]. Then we also have the governance and the employees and the customer and you know all the different areas that we have. We have the best overall. So they are like trying to inspire people to compete to be best **for** the world and **not** best **in** the world.

**Olga:** Yeah that's right.

**Steffen:** So you can say yes, but it's not necessarily a direct influence but more like it's an inspirational influence if you can say that.

**Olga:** And not just to start wrapping it up since the world is changing so fast now. And as the B Corp movement is getting bigger, then maybe other certifications would pop up or some different things or some different concepts. How would you say that the B Corp certification or the B Lab would stay relevant in the future?

**Steffen:** Well first and foremost we have the biggest database on the sustainability impact of companies in the world. So that puts us in front. Also, right now we are the only company-base certification in the world right now. You know you'll have this ISO four thousand something-something. But otherwise, it's mainly just [to certify] products, different products or you know then you have like this certification for a good place to work for.

You know there are like these different things but you don't have a certification that covers all of it and B Corp does that. So right now we don't have any competition and I don't know if there's going to be any but they are of course welcome to compete with us. We are just trying always to become the best certification, so competition is always good as long as they can aspire you to evolve into something better. But in order for us to keep up with the changing world as you said are our B Corps have to be recertified every third year.

So a B Corp certification only lasts three years and then you will have to undergo an assessment again. And every second year the B Impact Assessment is updated. So I think it was February that the impact assessment which means that around 53% of the questions were revised, some were taken out and some were put in. Which means that the assessment itself undergo an assessment every second year and then they get updated to meet the best practice



requirements there is, based upon input from companies, the best for the world companies, from researchers, from academics and different influencers as well and also the funding partners that they have. So we always strive to be the most rigorous company, well basically, certification there is the world. And that's why we always try to update our assessment, as well as the companies, has to undergo an assessment every third year. So you can't just get this certification and then says *'Oh it's good fine'*. Now we've got the certification you can't just stop working with sustainability because you are sustainable because then you will eventually get thrown out of the movement because the assessment continuously gets harder. So the new version 6 it's 3% more difficult to get points to score points than it was before. So all the time we're trying to you know to implement the best practices in corporate sustainability in order to make you know continue for us to be relevant.

**Olga:** And as a final question I just want to ask you if there's anything else you'd like to add or is there something that would be very helpful for my research to look into?

**Steffen:** I'll send you some articles and some records after the interview.

**Olga:** That would be amazing. Thank you so much!

**Steffen:** I don't know if you know it but B Corp and U.N. Global Compact have joined forces and now are developing a platform for assessing a company's impact on the U.N. Sustainable Development Goals which is to be launched in early 2020. I can also send you the press release. There's not much data about it but you can just check it out, maybe it will give you some inspiration.

**Olga:** OK. That's great. And thank you so much for your time. I appreciate it so much. And I think it's going to be very helpful and valuable for my project. And then in case, I have any further questions would it be okay to send you an email?

**Steffen:** Yeah, just reach out!

## Interview i4 | Karolina Mazetyte

**Interviewee:** Karolina Mazetyte

**Company:** SingularityU Nordic

**Position:** (former) Impact and Community Coordinator

**Date:** 09/04/2019

**Olga:** Would you like to take a minute to briefly present yourself?

**Karolina:** Sure. Well so right now I mainly hold workshops, training and public talks on team development, purpose-driven leadership, help people to find their purpose and well being. So that's what I do mainly right now and. I'm still the CEO of Youth to Youth Initiative. Our social business.

**Olga:** And what was your role at SingularityU Nordic exactly, what were you doing?

**Karolina:** I started as an impact coordinator, so to take care of the B Corp certification and then I became also the Community Coordinator. So I took care of the startups moving them in onboarding, offboarding and organizing community events.

**Olga:** And you were working there for a year, right?

**Karolina:** Yes, 13 months.

**Olga:** So now since you've mentioned that your first position was to take care of the B Corp certification, this is gonna be the focus of the interview. So what I'm writing about is what is the impact of the certification on business and specifically what is the impact on innovation, on stakeholders, which are employees and shareholders, and then what is the impact on the decision making or the strategy of the company. So the questions will be revolved around these topics. So the first question is - when you were hired to do you know, like Laila and Kris already knew about the certification, or did you propose it to them?

**Karolina:** They knew about the certification because Singularity was a pending B Corp. So you are a pending B Corp the first year if you are a startup or a recently registered organization or something like this. But anyway the first year you are pending so then after one year you have to recertify. So an external consultant I believe did the Certification for the pending B Corp and when they hired me, one of the responsibilities was to get the B Corp certification.

**Olga:** So when you were hired were still under pending status and then you started to do all the process for them to become a B Corp, right? And do you know how they have heard or how have you heard about it before? About the certification?

**Karolina:** How they learned about it I don't know because I didn't know them before I joined Singularity. I have heard about B Corp, I believe I was in one conference a few years ago and one of the co-founders B Corp Europe was speaking at the conference so that was the first time I heard about it and since I studied leadership of sustainability I got interested in this of course.

**Olga:** OK. And do you know why Singularity chose to become a B Corp?

**Karolina:** Well because the mission of Singularity is around you know the impact if you read the mission is "to use exponential technologies to solve humanity's biggest challenges". So since

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the mission is very impact driven the B Corp was a good certificate because it does not focus only on profit but social and environmental impact as well.

**Olga:** OK. And what did they expect to get out of it? Was it just to show to either the customers or to their partners that they actually are sustainably driven or did they have something else in mind? Do you know that?

**Karolina:** Well so it was more - the B Corp in Europe is quite new but it is a good certification, so one of the motivation was also to kind of be an example in Scandinavia at least. To start this impact-oriented idea that a company should care not only about the profits but the people and the planet. So yes, Singularity wanted always to be that example. And also encourage other companies to certify and to think about these factors but then also to see like in which directions their impact could be maximized and in which direction the negative impact could be minimized. So how the company could improve in those two fields as well.

**Olga:** And this is something that through the certification process that a company can acquire, right? Can learn how they can maximize the positive impact and minimize as much as possible the negative one?

**Karolina:** Yes, because you analyze every single procedure like everything that happens in the company since you have to answer a lot of questions. So it's like a good way to just reflect once again on how the whole company is being run and then there are all kinds of questions that sometimes it makes you also wonder, like *'oh maybe we could also do this, or we could do something else'*, so it can give you guidance as well.

**Olga:** And as you said since your position was to be the impact coordinator, so you are the one that was in charge of the whole assessment, right?

**Karolina:** Yes I had to do the assessment and the whole certification, basically to lead the process. But of course, I had help from other people because I was new and the older employees they knew much better how the company is functioning, so I did work with other people I just was the one who was leading the process and finalizing everything.

**Olga:** Do you think it was hard to go through the first assessment or was it something that was, already kind of in place in Singularity?

**Karolina:** Well it was hard for me because I didn't know the company and it also took me about a month to understand how everything is working. So I spend like literally a whole month at least eight to nine hours every day just like looking at the questions and trying to understand like how is the company working so learning about the company. I think it would be much easier for a person who has been for a longer time, if I would have been at Singularity for a year and then would have started the certification let's see then that would have been much faster and easier because you know after a year in a company you know already how things work, where do you find the information, who is responsible for what. But when you are new then it's like a whole new world.

**Olga:** And you said before that Singularity wanted to be one of the role models in Scandinavia in terms of sustainability and positive impact. It was one of the very first companies that was certified in Denmark in the Nordics right?

**Karolina:** Yeah. I didn't check the last statistics but in total, I think it was like 10 companies in Scandinavia which were certified so very few and in Denmark only a few. So, you can say that [it was] among the first. And as an educational company, it was the first. So there was no other company that would offer educational activities and who would have been a B Corp.

**Olga:** That's really interesting. And do you think after acquiring the B Corp status or the certification, do you think this secured more partnerships or was it something that it was better for the promotion of the company?

**Karolina:** Oh that is hard to say. I don't know how much of the marketing-wise was beneficial but of course, the reputation wise B Corp is a very respected and valued certification so for the ones who know about B Corp, I believe that it was definitely a positive thing, but then, at least in Europe. In Scandinavia, it's very few people who know about the B Corps, so overall I probably would say no. When it comes to marketing it was definitely not like something huge. But if people know the B Corp and they see that the company is certified then yes they trust it more because they know that it's not an easy process and then you have to recertify every two years, but you have to know about it.

**Olga:** OK. And that was another question! Because I know that when they were presenting the company, in one of the slides they were including always the B Corp logo. So I was wondering if you have any information on how many people actually knew about it in terms of the participants of the programs or the partners that we had and if they didn't know about it how did they welcome this new concept that they were learning about? Were they positive, were they neutral?

**Karolina:** Well. Probably everyone heard about the B Corp when it comes to partners and participants because from the moment you entered Singularity you can see on the TV a B Corp [logo] and in all the talks and in all the events it was always mentioned. That was one of the ways also how Singularity could spread the information about B Corps and encourage others. I cannot speak about the reactions because I don't know but probably, I mean there is nothing negative about being a B Corp. So it is just like a positive thing. I have never heard in general that someone would say that a B Corp certification is a bad certification.

**Olga:** And then if I'm not mistaken, more of the startups that were at the hub were applying to become B Corps?

**Karolina:** Yes. I organized some of - a few times like a B Corp boot camp and some talks about the B Corp on the campus. So 24Slides, for instance, certified as a B Corp and few more startups looked into that but they didn't certify yet or at least I didn't check in the last few months. But one startup ended up being certified.

**Olga:** Ok. And that was your own initiative to start the whole seminar in order to introduce the whole concept to the startups? Or was it also from Laila and Kris? Or did you see a need from the startups, did they ask for that?

**Karolina:** So it was an initiative from my side but together with the B Corp Denmark Community management. So once you are a part of the B Corp community they organize some like meetups once every three months. And then they introduce different - like how can you use the B Corp, what could you do with that, what events you could potentially organise. So they suggested and I thought it was a very

good idea because the startups at Singularity are impact-driven so it kind of made sense and it was well received, so people thought that it was valuable.

**Olga:** Now based on that, I was wondering what kind of help - if you get any help - from the B Corp community, or you said that you meet once every three months and except for some like information in general, do you actually exchange or do some benchmarking on some of the challenges? Or was it any kind of help that you received from them? Not only from the B Corp Denmark but also now the other certified B Corps.

**Karolina:** Well it's up to you. There are a lot of like manuals templates and information online that you can access. And you can read about like how - can marketing suggestions and stuff like that. And then there is like an Intranet system that you can also chat with any B Corp from any part of the world. So it really depends. But it's up to you, on your initiative. So no one will come and say *'oh you need help?'*.

**Olga:** And how much did you use it at Singularity?

**Karolina:** Well I mainly talked to the B Corp Denmark community, whenever I went I would have some questions. So once maybe every two months I would say.

**Olga:** So except for 24Slides that was part of the hub, Singularity has not partnered up with another company just because it is a B Corp. Also, there are not so many so I guess it kind of makes sense.

**Karolina:** Well, no not really. But then it's so few in Scandinavia. We hosted one event at the tech festival in Copenhagen. It was about re-thinking food in the 21st century. And so I invited a B Corp company which is a coffee producer. So that was one of the collaborations which we had. And then there was another B Corp or like the one who was about to certify, who I also invited to speak at Singularity. But in general, it was like only a few companies so not much business to do in Scandinavia.

**Olga:** And then in a different topic in terms of innovation. Would you say that after the certification there was more innovation fostered in the organization? Or maybe like the product which is the educational programs, were they more innovative or would you say that people would have more space to innovate if you compare it to before?

**Karolina:** No, innovation not. But it's more like bringing consciousness and awareness about environmental and social sustainability. So I notice that everyone in the team started thinking more like whatever we do okay *"how can we make more environmentally friendly like lunches or dinner"*. So that was very beneficial, but I also tried to encourage people a lot so that they would think about these things. So at first, I had to give quite a push and then I noticed that once it was here in the minds of the people they started already thinking about these things by themselves.

**Olga:** Since you are mentioning for example that some of the dinners or lunches changed. These are some of the operations. Were there like other operations that needed to be changed in order to be certified? Or was it an initiative of one of the employees to just propose something to be changed?

**Karolina:** For the certification process you don't have to make changes because it has to reflect the reality. Once you do get certified after two years you will have to certify again you have to commit to certain improvements. So it was more for the improvements. For instance, one of the

improvements which some of the employees started working on was like energy saving and more like you know sustainable energy. So like changing light bulbs into more sustainable and things like that. So these things are for let's say the next year recertification process.

**Olga:** So if you're in the process of being certified and you realize, let's say that you get lower than 80, what if you change some of the processes now in order to be assessed. Is that possible or you just get declined and you need to apply for it again? I'm not sure exactly how it works.

**Karolina:** No, you will be declined because it has to reflect the reality and then they will say *"okay, let's try it later on"*.

**Olga:** And then since you mentioned the employees, that their mentality has changed a little bit. Would you say that because now the whole environment was more sustainable and this impact was more obvious than it was before, would you say that this influenced that the motivation or the engagement of people working for Singularity?

**Karolina:** Maybe a little bit. I mean it's always nice to see that people are working towards a more sustainable reality. I don't think that it was the major motivating factor but probably added like a few per cent.

**Olga:** OK. And in terms of like the branding as an employer would you say that more people were interested in the company because it was a B Corp?

**Karolina:** I don't know about specific examples. But of course everyone - if a person comes from a sustainability background then that person would definitely be more willing to work in a B Corp company than non-B Corp. But then there are so few people who actually have this knowledge so that I think for the majority of the society since B Corp is not very known in Scandinavia, doesn't ring a bell and doesn't say anything. So as long as the B Corp will be not known in Scandinavia as big as much it is in the US, then it won't be a big employer branding.

**Olga:** But since you mentioned the US I think Singularity University is also a B Corp, right?

**Karolina:** Yes.

**Olga:** But do the different country partners need to be certified? Or is it an initiative that they can take if they want?

**Karolina:** No, it's an initiative that you take if you want. You don't have to certify if you don't want to. But of course, like Singularity headquarters set the tone. Everyone looks up to them. So I believe it's a good example.

**Olga:** So I'm trying to assess if there were differences before and after the certification. So, is there any specific sector or department or process that you could think of that changed because you became a B Corp?

**Karolina:** Probably the facilities. They started thinking more sustainable energy and how to make the whole facilities model sustainable. So I think that probably changed. Since the kitchen opened, we reduced the plastic waste and food waste but that was also a goal since the beginning. So I'm not sure how much the B Corp influenced that but that was a very good thing that the food waste almost went to zero and you don't have to cater food anymore, so there was no tons of plastic.



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**Olga:** OK. And then in terms of decision making does the B Lab influence or has any kind of saying on the way that you make your decisions after you're certified?

**Karolina:** No.

**Olga:** OK so it's only when you apply for it you get through the first round and then after two years I guess it's voluntarily if you want to recertify, right? If you just don't do it and you're not certified anymore.

**Karolina:** Yes.

**Olga:** Ok. So this is the only interaction that you have with them.

**Karolina:** Kind of. And of course, even if you try to recertify it doesn't mean that you get the certification again.

**Olga:** And is it costly for the company to be certified?

**Karolina:** It depends on the revenues. So, on the B Corp website, you can see how much like do you pay. So basically as more the company earns as yearly payment the more it has to make.

**Olga:** OK. And then you have to pay again to be recertified. Or do you pay every year? How does it work?

**Karolina:** You pay once a year. So for 2 years, you are certified and then once a year you pay. But then it depends, of course, every year it depends on your revenue. If it increases you pay more if it decreases you pay less. And then you recertify again and then you keep on paying.

**Olga:** OK. And then the whole concept is to be recertified every two years. This doesn't change in the future, on the long ride?

**Karolina:** Yes. At least as it does right now you have to recertify every two years. And it gets tougher actually, the first year it's easier, so there are no like interviews with employees and stuff like that. And then after two years when you recertify, the B Corp can come and do the in-house interviews with employees check the facility. So it could be much stricter.

**Olga:** And this is going to be next year for Singularity?

**Karolina:** Yeah. In 2020.

**Olga:** It's gonna be tough. Without you there.

**Karolina:** I think someone else will take care of it.

**Olga:** And like kind of wrapping it up. Are you aware of any like, also before you left, were there any plans about the future of Singularity in terms of sustainability? Did they have any projects coming or any changes in mind that would take place later in time?

**Karolina:** No I don't know. But the plan was to keep on working towards the B Corp and keep on improving. So that was like an ongoing plan. But, I don't know about any specific like initiatives.

**Olga:** OK. And then is it a goal of the company to have more startups from the hub being certified? Because it is going to also power the brand or give more leverage to the brand of Singularity or was it something nice to have?

**Karolina:** No it's a goal. I would say it's a goal towards the whole B Corp Denmark community. So everyone who is certified as a B Corp wants to encourage more companies. You know if more companies certified, more people will hear about the B Corp so they will strengthen more like awareness towards society. And can improve the environment and social sustainability factors. So it's not only that Singularity it's alone one to do that, it's basically everyone who is in the community.

**Olga:** And then as a final question. We said in the beginning that SingularityU was already had pending status when you entered the company, and they were only doing business only for a year. So from day one. From the moment that Singularity became SingularityU Denmark they have applied for the certification?

**Karolina:** Yes.

**Olga:** OK. So it was one of the goals from the very beginning for them.

**Karolina:** Yeah it seems so.

**Olga:** OK. I think that's it. It was very fast thank you so much. I will turn off the recording now.



## Interview i5 | Kris Østergaard

**Interviewee:** Kris Østergaard

**Company:** SingularityU Nordic

**Position:** Co-founder and Chief Learning & Innovation Officer

**Date:** 23/04/2019

**Olga:** So maybe if you just want to take one minute or two to briefly present yourself; what you're doing exactly in Singularity, what have you been doing before?

**Kris:** Yeah! I'm the co-founder of SingularityU Nordic, which is an entity of Singularity University we are an educational institution; we make primarily executive education for both private and public sector. I am the Chief Office and Innovation Officer so I am responsible for our learning programs and our different innovation programs as well. I have a long background in market research, have been working, running my own company for more than 10 years focusing on market research, on experience design and executive learning.

**Olga:** Okay great. And now going to the certification. My first question was why did SingularityU Nordic acquire or applied for the certification in the first place, what were you expecting to get out of it.

**Kris:** So I think from our end it was a desire to send a strong signal. I mean it is the most rigorous certification process in the world that you can go through in order to ensure that you are optimizing the positive impact that you can have, beyond you know creating a financially sustainable organization. And so for us, it was partly to support ourselves in understanding the different ways that we can work towards achieving a bigger impact. One is to sort of having a status of where you are and that then provides you of course also with the opportunity to consider where you could be going with the organization. And so in that way is a helpful guideline I think. And I think it's also for us both a strong signal outwards towards the world but also towards our organization as a whole that being a benefit corporation keeps it visible and very tangible for both our employees and our clients that we are an organization that has a special focus on working towards increasing our impact in many different dimensions, both the business-wise but also in anything from you know energy consumption to pay equality and diversity in the workplace and all of these many different areas.

**Olga:** And how did you first find out about the certification?

**Kris:** Yeah, I mean so our headquarters is also a benefit corporation and has been for a number of years so I think that's, to be honest, I can't quite remember where I first heard about the benefit corporations but I certainly knew that our headquarters was a benefit corporation also before we became one. So we didn't have to become a benefit corporation when we started, but it was an active choice of ours. Also, the lady who heads up the B Corp movement in Denmark, we know her and have known her for a number of years so it's also I mean it's been part of a sort of I guess the circles that we move in for for a number of years.

**Olga:** OK. And then you have applied for the certification because SingularityU Nordic has been certified right after the founding right. So did you apply when you founded the company, did you already apply for the certification?

**Kris:** Yes!

**Olga:** Ok, so it was something that you had in mind from the very beginning right?

**Kris:** Yes. Yes.

**Olga:** OK. And was it hard to get through the first an assessment round?

**Kris:** It did take a lot of work, it's a very rigorous process. I mean filling out the application is relatively demanding. I mean it took some time both to sort of do that physically but of course also to consider because there are many different areas in the certification. So were this also I guess it is a strategic choice from the company's side on deciding on which elements are more important than others for us, right? And where is it that we want to put a particular focus. There are certain areas that are more obvious for certain types of companies than for others, right? So if you are a production company is obvious to look at your production methods. I mean we are a knowledge company. So in that sense, there is a certain limit to how big an impact we can make in terms of reducing energy consumption in production. That is not what we have the biggest potential. And we've always had you know employees who dedicated a certain amount of their time to running and owning the certification and to ensure that we live up to what we said that we wanted to live up to. So in that sense it is it does take some resources.

**Olga:** Okay. And you said that depending on the company there are different elements that you could think are most important for them for the assessment process. Which would you say that they were the most important ones for SingularityU Nordic during the process?

**Kris:** I think there are two parts. One is that it's sort of the internal culture that we're creating and some of the parameters around that in terms of you know diversity equality in the workplace, stuff like that. And then outwardly is in regards to how we can optimize the positive impact that we have in the world in terms of the initiatives that we can take that you know positively impacts our, what's the word, I mean the environment outside of our organization. For instance, we are working towards kickstarting different activities for you know for students for instance. It will be one of the things that also matter in terms of being a benefit corporation.

**Olga:** Like the student summit, right?

**Kris:** Yes exactly. Which we are going to run this fall.

**Olga:** And then after you have been certified as a B Corp would you say that this has been beneficial in terms of finding more partners are closing more deals?

**Kris:** Yeah. So that is a good question and hard to answer. I mean so it is not something that we have measured in any way we haven't asked either our partners on whether that has been a part of their decision-making process. I think probably, this is my interpretation, I think us being a benefit corporation in terms of engaging with our clients our customers, I think for us it is a way to show that we also practice what we preach. I mean so it's a big part of our curriculum to talk about you know what's the purpose and how can you have an impact and help solve the global grand challenges and all of this stuff. So for us, I think it is part of a proof that we don't only talk about all of this stuff, but we also actively work towards making that impact ourselves. So is that then decisive in whether clients choose to work with us? I don't know that, I don't have data points on that. My guess is that they would think it is nice and not need but that it provides credibility to us.

**Olga:** OK. And in general, from the reactions that you have seen either from the partners or from the participants that we have in the programs, would you say that they are familiar with the B Corp certification and the whole concept of a benefit corporation or is it something that they learn from working with Singularity?

**Kris:** I would say the majority are not familiar. It also depends on who - so I think in some circles this is relatively well known. But in like a mainstream setting, again I don't have data on it, my guess is 20 to 30% know of the benefit corporations at some level or has heard about it before without necessarily knowing exactly what it is.

**Olga:** Okay. And SingularityU Nordic, if I'm not mistaken, was one of the very first companies that were certified in Denmark and in the Nordics in general.

**Kris:** I think we were the first educational institution in the Nordics. Although I am not 100% sure.

**Olga:** And then I know that now it's spreading more, so now when I started my research there were four companies that were certified now they are already nine in Denmark. And this is growing. So I'm wondering how important is it for you to also make that concept of benefit corporation more known in the region.

**Kris:** I mean so we do what we can to support the movement. I mean it is part of our branding that we are a benefit corporation so we communicate it whenever we communicate about SU Nordics, we communicate that we are a benefit corporation. We do that to increase awareness also around the certification. So in that sense, it's something that we think about and brings into our communications strategy.

**Olga:** And there are some companies that they are in the hub that they have applied, some startups, that they have applied for their certification right.

**Kris:** At least one that is, I think they have become a benefit corporation - 24 slides. I am not sure if there are more, do you know?

**Olga:** Karolina told me that as far as she knew there were more in the pipeline but she didn't know if they actually managed to become certified or not.

**Kris:** Yeah. So I actually don't know that either. And do you know that Karolina is not with us any longer?

**Olga:** Yeah, I know!

**Kris:** OK. So I don't have an update on exactly, on where the startups in the hub are or are not in regards to the certification.

**Olga:** But maybe when Karolina was there, did they get any help from SingularityU Nordic in order to become [a B Corp]?

**Kris:** Yes, so Karolina had dedicated part of her resources to sort of consult with the companies and tell them about how they could go about the process. And so she was a very big support for 24 Slides for example.

**Olga:** Ok. And then there this B Corp network that they're really trying to create, that is sometimes called a B Hive and they want to really create the sense of community among B Corps. And I was wondering if you as SingularityU Nordic have received any kind of help from the community or from other B Corps and if you have broadened your network basically because you have been certified?

**Kris:** I mean, not really. I don't remember if Karolina has participated in any activities. I think she probably has but I don't have that full overview. I don't know whether we have been very active in sort of the Nordic or Danish B Corp community, to be honest.

**Olga:** OK that's fine. And then now if we dive into a little bit more on the innovation part, which as I told you is one of the pillars that I'm researching and I wanted to ask you if you have noticed or if you could say that the products, which are the learning programs right, the products of the company had any more innovation after you have been certified or because SingularityU Nordic is certified as a B Corp if the products are more innovative or if the environment in the company fosters more innovation because of the certification?

**Kris:** So again this is one of the types of questions that are really hard to answer. I mean, it's hard you can't really have any data points on it unless you sort of did an AB test [inaudible] as a B Corp and not as a B Corp. And, of course, that's not possible. So I mean I can give you sort of what I think. Maybe we are a special case because we are the educational institution that we are. So I mean the global grand challenges are a part of our DNA; it is about leveraging technology to solve the biggest problems in the world. So in that way, we come from a place where I think what is core to the B Corp movement has always been core to us as well. So I think if you look at other companies like for instance, I don't know if you've seen that but "Letz Sushi" is also a B Corp and they did this big one day where they shut down all their stores to create awareness around issues with overfishing and ocean environment and etc. So my interpretation of them without knowing it exactly is that that they probably, I'm guessing I don't know, I'm guessing they wouldn't have done that if they weren't a B Corp as sort of part of I'm guessing would have helped them on that journey.

I don't know if that's the same with us because we sort of come from the background but we come from. Are we more innovative or has it impacted our innovation being a B Corp? I don't think so. I think we would have done what we're doing regardless.

**Olga:** In terms of operations were there any specific operations that needed to be changed in order to be certified or after being certified?

**Kris:** So we do OKR - objectives and key results - right and we have a big facility team to run, we have 7000 square meters here, we produce food for all of our hundreds of people who have their daily lives here and. And so our events team and our facilities team they have OKRs that are specifically designed towards how can we reduce energy consumption, how can we reduce food waste and a bunch of other stuff that all tie into the benefit certification. And that all tap more or less directly into some of the key parameters that we are also being measured on as a B Corp. So I think it is I think it has impacted our operations a lot actually and made us think even more aware on the areas to focus on and how we could continuously strive towards improvement and a more positive impact in a lot of different areas. That again is hard to say, but I don't think we would have taken as many initiatives as we have if it hadn't been for the benefit movement to make us aware of also all the different areas that we potentially can focus on. And so the motivation to not just maintain certification but also to improve and become an even better benefit corporation as we grow older with it.

**Olga:** Okay. So you mentioned the energy consumption and the food waste are there any other operations that you have on top of your mind that you have on the OKRs for example?

**Kris:** I think those are two of them at least we've always had a very big focus on diversity in the workplace as well which is that is a big part of also the benefit corporation certification. It's not an OKR directly though, but it's something that's always been a part of how we have aimed to recruit and continue to look for?

**Olga:** Ok! And now since we're talking about the recruitment, do you think that being a B Corp has made SingularityU Nordic more of an employer of choice?

**Kris:** So again I don't know this but I think similar to what I said about our clients. I think it sends a signal to people who are looking for a job or become aware of that as a potential partner or employer. I think it sends a signal that we don't just talk about it. We also do, that we practice what we preach. So in that sense yes.

**Olga:** And for the existing employees. Do you think that it somehow influenced either their day to day work or the motivation and the engagement that they had with a company?

**Kris:** Yeah I think so as I think that is what the OKR story was about really. That it helps inform the objectives that we set for the year and what we're striving to achieve. So it directly impacts people's everyday work lives.

**Olga:** And in terms of motivation and engagement that of course again something that I don't know if you have the metrics for, but have you heard any stories of people being more motivated for working for a company that is a B Corp?

**Kris:** I'm trying to see if I can sort of remember any concrete conversations or anything about it. I do think it helps create you know a certain pride in what everyone is doing. Speaking on as an organization and as every single person who works in an organization we take on the added responsibility to live up to this wish we didn't have to, but we choose to do. My interpretation would be that it does create a certain level of pride in people that we choose to do that.

**Olga:** Okay. And then I'm not sure if that is public information, but regarding the shareholders of the company; first of all, if you can share who are the shareholders of the company?

**Kris:** That is me and Laila [Pawlak].

**Olga:** Okay. So then the question is not going to add so much value, because the question was how did those shareholders welcome the initiative? But you are the ones that actually introduced the initiative so in that sense...

**Kris:** Yeah, so we don't have shareholders who have like an economic interest in the organization other than Laila and myself.

**Olga:** Okay. And then in terms of decision making since you're one of the co-founders would you say that anyhow the decision making of the company is influenced by the certification or by the B Lab, which is the organization that certifies the companies?

**Kris:** Yes absolutely! I mean we take into account and we think about very actively that we are a benefit corporation and the decisions that we make are in line with what it takes to be a

certified benefit corporation and if the decisions that we make can help support the status as a benefit corporation. So absolutely!

**Olga:** OK. And in terms of the strategy - how did the strategy of SingularityU Nordic change after the certification, if there were any changes?

**Kris:** So, I do I don't know if I can say that the certification has impacted our strategy in that sense. I mean I think that sort of the strategy that we have been working on and I am working on, I think it is independent in a sense of the fact that we are a benefit corporation. I think to a large extent would have chosen the same path and done a lot of the same things. But I think it has made us more aware and it has made us more observant of more different areas where we can make an impact. So I think I would rather perhaps say that you know being a benefit corporation and applying towards becoming a benefit corporation has, to a larger extent, affected our operations.

**Olga:** Because SingularityU Nordic already had the philosophy of working towards this end right?

**Kris:** Yes.

**Olga:** OK. And this is actually an interesting observation because not only companies that had a completely different mindset need to be a B Corp. For you it was different. You were already in this mindset and now it just certified that you actually have this goal in your mind as well.

**Kris:** Yeah! I mean so the mindset was mutual.

**Olga:** OK. As far as my questions I am done. So I only wanted to ask in terms of future plans and how and where do you see SingularityU Nordic in the next three to five years for example in terms more of the benefit context?

**Kris:** So I think we are trying to look very hard towards figuring out ways that we can increase our positive impact on society. We're working towards creating different initiatives that are sort of oriented towards the ethical implications of technological development and how our companies go about using technology and we have different initiatives for instance we're going to run like a series of conferences around the future of governance in the fall around the Nordic countries which I think is very much in tune with the B Corp movement in regards to figuring out ways how we can use our core capabilities as an educational institution to help educate and engage and create awareness in the broader society as well, for purposes other than you know strictly commercial purposes, but to kickstart dialogues and to play a part in starting initiatives around that. So that's something that we are looking to do more of!

**Olga:** And as a final question is there anything else that you can come up with that it would be helpful for me now to know or something that I should research on?

**Kris:** Good question!

**Olga:** If you can come up with something otherwise it's OK.

**Kris:** So what I'm thinking about is you know there are some of these things that are kind of hard to measure or at least we don't measure them. Some things are really hard to measure and of course, you can sort of measure opinions. But I think one way to support the B Corp



movement is growing and becoming stronger is to figure out ways how the B Corp movement can help its members actually you know testing these things try and figuring out ways that we could measure some of this stuff or not. Because I guess you know busy daily lives, that's not necessarily someplace that you would focus but I think other than the certification, which of course is a measurement in and of itself, there might be ways that the B Corp organization could support members in better measuring the output, the value that the membership actually creates.

**Olga:** OK.

**Kris:** Thus that could help you know movement grow faster.

**Olga:** Yeah that's actually interesting because I asked the same question about the innovations for example when I was talking to an employee of the B Lab here in the Netherlands and she told me that they do not have any kind of measurement showing that the innovation has either risen or it has stayed stable before and after the certification. So I think that would be very interesting for them as well because maybe it's not an innovation but it's something else for them that they can use in order to promote as you said the movement to other companies.

**Kris:** Yeah. And innovation is one thing right. And one part to look at but I think increasingly with you know ethics becoming a bigger topic and new business models is that you know it might actually be an area where you could argue that you could use a B Corp certification as a tool to innovate in an organization because it can help you create a new mindset, it can help you explore new business models etc. So I think there's an opportunity there that hasn't been explored.

**Olga:** Okay great. I want to thank you very very much for your time.

**Kris:** My pleasure!

**Olga:** You have been very helpful. I just want to ask you if it would be okay if I have any further questions to send you an e-mail with them.

**Kris:** Absolutely, you are more than welcome!

**Olga:** OK. Thank you so much. Have a great day!



## Interview i6 | Bernadette Phillips

**Interviewee:** Bernadette Philipp

**Company:** Fairphone

**Position:** People Advisor and Recruiter

**Date:** 21/05/2019

[**Olga:** Would you like to take a minute to shortly introduce yourself?]

**Bernadette:** [I started] three years ago, in the People Team, so this is kind of our HR team and since then I've been mainly responsible for the recruitment and any other things that come along our desk, basically that concerns the people. And maybe I think why Miquel asked me to answer these questions, is because I have lead recertification of the B Corp certification 2016. So, this is why I think at the moment I am the most knowledgeable person about the B Corp assessment at least, and I know how the process went, so and then maybe why we did it.

**Olga:** Okay that's perfect! Can I also ask you if it would be okay to record the interview?

**Bernadette:** Yes! And why did you choose this topic of B Corp?

**Olga:** So when I was back in Copenhagen I had a student job in SingularityU Nordic, I don't know if you have heard of it, and it's a B Corp as well and this is where I first learned about the certification, and in general I'm very interested in these topics and the way that actually we can use business as a force for good, exactly what the B Corp business represents. So, after I started working for this company in Denmark I also wanted to do my own research and really see what is the implication and what is the end result. If it's only just one more certification or if it actually changes, for example, the culture within the company or the perception of the company for new talents and stuff like that.

**Bernadette:** OK. Yeah!

**Olga:** That's how I came up with the idea.

**Bernadette:** Nice. I think it's a great topic.

**Olga:** Thank you.

**Bernadette:** That you were able to do this. Good!

**Olga:** Do you have more students that they ask your help regarding this topic for the B Corp certification?

**Bernadette:** No, I think this is the first time students are asking it for their master's thesis but most of the times we're being approached by other companies to ask, basically the same questions; what are the benefits, how is the process, is it worth it. So I know the reasons why other companies do it as well so maybe that's also helpful.

**Olga:** Yeah for sure!

**Bernadette:** I can just say anything that I am aware of.

**Olga:** Okay that's really good. So maybe I can start already with the questions. So, as a first question it's more generic, and quite like the first one that came to my mind basically, which was why did Fairphone apply for the B Corp certification? What were you expecting to get out of it?

**Bernadette:** So this is basically something I'm not really sure of, to be honest. I think when I joined Fairphone we were already certified as a B Corp and then it was more the question of should we do it again. Because back then every two years you had to prove that you are still worthy of the B Corp stage. So, this is why we needed to decide OK was it worth it, should we do it again. So basically back then the thought was OK, the B Corp movement came to Europe I think in 2015 and then Fairphone was also one of the first certified European B Corp organizations. Maybe, I think that the initial thought in the very beginning was, OK the B Corp certification stands for that the company has either social or environmental impact which is basically what Fairphone is all about. So, we really - this is at the core of our business which is why OK maybe we're saying that but if we get a certificate then it's also a more independent - official certification that we're really doing this so I think that was probably the first thought why Fairphone decided back then to be one of the first European companies to get a certificate. Then two years later, at the end of 2016, we were reminded that now we need to start a process to be 2017 and then we decided OK we're still basically doing the same thing so let's just do it again and maybe we can even get a better score this time. It's also a great process basically in learning a lot of things about your company and to also see what you can still improve and which kind of areas. So this is why we did it again.

**Olga:** OK. And you just told me that you have learned a lot of things. Could you give me some examples from what you have learned from the first attempt and then on the recertification again?

**Bernadette:** To be honest, I wasn't at all involved in the first round of certification and this is this was also a bit tricky because the people who did the first round of certification none of them was there anymore when we did the recertification. So it was kind of figuring out from the beginning again where to get the answers because it's a very lengthy process or at least it was back then in 2017 because I think it's like more than 200 questions. It covers five different areas and the whole company has to cooperate to get to the answers, basically. Since Fairphone is such a complex product, it is very difficult sometimes to answer the questions and that is why it took us five months to get this recertification.

**Olga:** And then if I'm not mistaken the second or third time that you need to be recertified is also a bit harder than the first one, because they want to set more ambitious goals for the companies?

**Bernadette:** No. Not that I'm aware of. I think it's the same questions I just know that they always improve the question catalogue, so maybe sometimes they get a lot of feedback from all the companies and then they change the questions sometimes. So I think that are the things that change or that there are more questions after sometimes. I mean also, they learn by every company who does it, so they update their catalogue.

**Olga:** During the process of these five months which already sounds like a long period what were the main challenges that you have faced during the recertification?

**Bernadette:** I think the main challenge was that it covered basically almost every area of the business and our project group was eight people in the end. So I went through all the questions

and then I thought ok who is the best team to answer which question. I identified the teams, and then for every team somebody needed to be a volunteer to be my contact person for the B Corp questions. So then, we met on a biweekly basis and we discussed the progress and in the meantime tried to fill out the questions. So I think the main challenge was more to get the whole company internally aligned that this is important and that everybody needs to help who is the chosen person per team, basically. It was one major challenge. And the other challenge was more about with the B Lab. Because B Lab are the ones who are checking your answers. And then sometimes I know, I remember we were a bit frustrated to be honest, with how our answers were processed. Because - ok so basically we want to have the certificate to just prove that we are doing the social and environmental impact which is basically the core of our business. So we sometimes were of the opinion that we deserve much more points that we were getting, whereas maybe other companies like big corporations, they do the B Corp certification as some kind of, oh yeah we are also doing something but it's not really part of their business. I mean it's a part of their business like it's done by the corporate responsibility management team or the department but everything we do is really focused on the impact that we want to have in our supply chain. So this is sometimes why we thought other companies scored higher because they just have more budget or more capacity to do certain things. But it's never really the core of the business. So I think it was a challenge for us to accept the fact that this is how the assessment works and this is how we score in this. Do you know what I mean?

**Olga:** I understand completely. And how do you need to be recertified in one year again? Because if it was already from 2017 then at the end of 2019 are you going to consider if you will be recertified?

**Bernadette:** So basically at the end of this year, because they changed it from two years to three years, at the end of this year we need to decide again if we will do it again because then we would need to be ready for April 2020, so in a year.

**Olga:** Okay. And is it, I don't know if you can actually tell me that but are you thinking of doing it or not or is it something that you still need to decide?

**Bernadette:** Personally I would really like to do it again because for me it's more that last time, and since then, I think we made a lot of steps to improve certain areas in the B Corp especially when it comes to the employees and this is also my kind of focus area because I work in the people team. So, my personal wish would be to do it but it has to be a company decision and has to be also approved by the management team and that is then something that they need to decide.

**Olga:** Since we're talking about the employees maybe we can go a little bit to this part. You said that there were many ways that the way that you deal with your employees has improved and then I was wondering if you can elaborate a little bit on that.

**Bernadette:** So a lot of things in the employee section, they were very basic questions. For example, is everybody [over] minimum wage or what is the gap between the lowest salary and the highest salary, or do you have proper policies to make sure everybody is treated in a certain way. So back then we kind of had everything but not written down as a proper policy. It was just like a basic understanding. For example, we offer flexibility to our workers in terms of if they want to work from home, or if they have a parental day like a mother or father day, which is super common in the Netherlands. So, we had all these things were happening and we just didn't have an official policy for that. So we didn't have a written document that said it and that is why we didn't get any points. That's a shame because basically we just needed to write

everything down in a proper policy which we did now for a lot of things. So I think that we could score a lot better now.

**Olga:** Ok. And do you think that the fact that you actually wrote down the policies, in the end, did that influence the employees' motivation or engagement within the company?

**Bernadette:** I wouldn't say necessarily because we already did it before. So this would be only for the B Corp.

[connection lost for some seconds]

**Olga:** So you were telling me about the second example which was the performance....?

**Bernadette:** Yeah! So, a long time ago we didn't have for a long time, Fairphone didn't have any kind of clear performance management. So people never knew how they were doing how they were performing their roles and their tasks. There was like the occasional one to one meeting between manager and employees but that didn't happen on a regular basis or it was really dependant on the relationship between manager and employee. Which was then also highlighted in the B assessment that this is something that would really help everybody and back then we had the first, basically the first inspiration towards ok we really need to implement something soon especially if we are to grow as a company. So by now, we have 360 feedback tool that we're using, we're having a clear agreement between managers and employees. So I think the 360 gave us the first inspiration towards that.

**Olga:** How was this welcomed from the employees? Were they more happy?

**Bernadette:** Yes, they were super happy, definitely! Because, in the beginning when the company was small and everybody knows what everybody is doing and you're like 20 people then was fine. But now we're almost 80 people and then you just have a better grip on how you're doing as a team and how you're doing as a person and as we have learned that people really want to become better in what they're doing and learn more things if they never get any feedback and they don't get a proper performance review then they're just - they're completely in the dark. If you know where you're doing good and if you know areas to improve I think that helped a lot of people with their motivation. And we also do a quarterly survey with our employees where people then also mentioned that this new performance system helps them a lot and the majority really enjoys it.

**Olga:** Okay that's good. And do you know if Fairphone has been a more attractive employer of choice, because you are a big corporation or because you have the values that you have? Is it something that you know or you have noticed because people are showing even more interest or they're even telling you that they're applying because of this?

**Bernadette:** I think that's a bit more difficult to answer because since I worked here we already had the certification but I know that some people mentioned it in their motivation. So people who apply at Fairphone either know already in Fairphone and really want to work here or they are people who are really interested in the role. Sometimes I can see the motivation that people they learn about it, through the B Corp network because B Corp also has their own job portal or are they look specifically for B Corp companies and then they check out the register of who is a B Corp and then this is how they find Fairphone. So I would say to some extent it can help and attract the right group of people, they have to be kind of socially minded.

**Olga:** Because this is, I guess one of your criteria, right? When you want to welcome someone in your team you need to make sure that they share similar values as the company.

**Bernadette:** Yes. It's always easier to hire someone who doesn't need to be convinced that we are a social enterprise instead of someone who just said 'oh I want to be a business analyst'. And then they don't care for which company, it's always better to get someone who really wants to have an impact as well.

**Olga:** Since you have mentioned the B Corp network as well, I wanted to ask you if you have received so far any kind of help from the community, that is now really on the rise, especially in the Netherlands there's so many, I think more than 60. There are a lot B Corps especially in the country and I was wondering if you get any help or except for the portal that you have mentioned that people can find a job opening there. Is there any other way that you interact with other B Corps?

**Bernadette:** The B Lab Europe people are very good at creating this B Corp community and leveraging each other's strengths. So I think they have like very regular events where you can attend and everybody always gets the invite. I have attended some of these events a couple of times. For the last time, there was an event organized by B Corp at Tony's Chocolonely office for example where we talked about different challenges and then they grouped the people together from what makes sense on their role basically. But then it's always super nice to exchange ideas with other B Corps who face the same challenges for example in HR are legal related questions.

**Olga:** Did you actually find - how helpful was that for you? Did you actually find some things that you didn't know before at these meetings?

**Bernadette:** Yeah, for me personally these meetings are more good for networking and to just hear that there's another business who is currently facing the same struggles or are on the same stage of growth as a company. And then it's good because then you can get in touch with that person afterwards and then really can talk about okay maybe you can see if we can come up with a solution together or if you see who else struggles, then it's easier. To see that also other people maybe have the same problems and then what can be done and how can we help each other maybe.

**Olga:** That was another question as well that I wanted to ask you; if your network has broadened up after the certification? But you have just told me that going to these meetings is already one way of networking. And then, I wanted to ask you, if this has happened; [in a situation that you] need something from another company, then just because you're both B Corps would be easier to approach them than just being Fairphone approaching another entity?

**Bernadette:** Sometimes when you approach another company - So for example, we have a regular HR meet up with other companies and then, in the beginning, we only contacted with other B Corps and now it is also something that we are encouraging other teams because for example our marketing and brand team they were looking for maybe collaboration, partners.. And then I was like with whom does it make sense to partner up? So the first thing they are looking at is the B Corp network. So, in the past, we had a partnership with WakaWaka for example.

Or now, for example, our customer support team made the decision to change the first line customer support team and then we're looking for how do other B Corps do it. And we can maybe reach out to them and just see what are the best practices, what works for them maybe

we can do the same. These are some examples. So, first of all, it's easier to always already approach B Corps because there's a more special connection then towards them and it's easier basically.

**Olga:** I totally understand. And then if we go more into the innovation's topic; I wanted to ask you if there have been any innovations either on your products, on your processes, on the business model as well after being certified - or even just because you were certified? As you told me before, with the employees for example that you had to actually write down some policies even though they already existed just because it would make more sense now. Do you know if there was any change like that in the innovation processes or in the innovation of the product?

**Bernadette:** That it's difficult for me to answer, to be honest, but since Fairphone is trying to do something very innovative, I don't think that the B Corp would influence that. I think this is basically the core of our business so that is what we're trying anyways to do.

**Olga:** And maybe in terms of operations? Because I think that would make more sense. Did you have to change any operations before or after or now if you want to be recertified? Because for example from other companies I have heard that a very easy or simple if you want, example is that they needed to change the way that they treat their waste. They need to recycle more and they need to make sure that everything that they have within the company is going to be recyclable not plastic and stuff like that. Or the operations in terms of the way that they use electricity and different examples that came up. Do you have any ideas if something like that happened within Fairphone?

**Bernadette:** So, these things about the energy and recycling this is what we already did. I know that in the meantime we switch to a greener electricity provider but that was not related to the B Corp, I think. That was just something we did independently of this. But if I remember correctly I think the logistics team changed something after the assessment because something was mentioned about the transportation of the goods and I think it might be that they changed something in the logistics part and what it was exactly I am not really sure.

**Olga:** In terms of the strategic making and the decision making of the company would you say that the strategy that is formed is influenced anyhow by the certification?

**Bernadette:** No, because as I said before and it's the same reasoning it's because Fairphone, I mean our complete mission is based on social and environmental values. So, we wouldn't change our strategy because we're already trying our best. Because the B Corp assessment doesn't reflect the strategy because it is already what we're trying to do.

**Olga:** Does the B Lab can influence the decision making within the company or it's completely irrelevant?

**Bernadette:** No, they cannot instruct the decisions.

**Olga:** I was wondering if they have some specific policy, let's say that they ask for every B Corp to implement it and then maybe that would change something within the company. That's why I am asking.

**Bernadette:** No, not that I'm aware of. No, we don't have any policy that refers to that.



**Olga:** Then if you go on the shareholders you already told me that you're not sure if you have a lot of information about that. But I wanted to ask you, first of all, of course, you can't tell me that it's not confidential, who are the shareholders of the company?

**Bernadette:** So one of the shareholders is our founder and we have the Waag Society, which is basically the mother company of Fairphone where we came from is one of the big shareholders. But then since, Fairphone was founded in 2013 we had a couple of investment rounds so then there are more shareholders to the company now [inaudible]. So every time we do an investment round I know there is a lot of due diligence done in terms of we need to have the right-minded investors so they need to share our mission because we don't want to just get any kind of investors in to become shareholders. So, I know that in the last investment round I think there's a lot of information you can read on the blog or on our website somewhere, it is always either very like-minded businesses or private people who want to support Fairphone because they support the mission. I think these people might look around for what is maybe interesting B Corps to invest in what makes sense, what do they agree on a personal value basis. But if that is really the case for Fairphone, that I'm not sure.

**Olga:** Okay. Well, that is actually very interesting because I had the same thought. And I was wondering if investors that are more old fashioned that the only thing that they're interested in is how to make more profit, then maybe investing in a B Corp company like Fairphone, maybe for them it would be not the best investment because you [Fairphone] have some processes that are more difficult because you have the mission that you have. So, maybe they would not choose it but this is also for you, that you only go for investors or even pick your investors according to their values and beliefs as well.

**Bernadette:** So there needs to be a match and in the goals between the investors and Fairphone. So basically all our investors are really "impact" investors. So it's never people who expect a big profit in return because we're just not as profitable as other companies and this was basically also a concern. That concern comes up every single investment round that we do; employees are concerned that we get the wrong investors in and they would re-direct the direction of the company. But we are very good, I think in selecting the right investors because they always have to be aligned with the mission and that is what the team is making sure of. Basically the biggest risk that people are always saying is that, there are maybe companies out there who would like to invest on Fairphone or buy a Fairphone as one part of the entire product range to kind of greenwash their business if you know what I mean, but this is something we for sure don't want. I think Fairphone is very careful in selecting the right investors.

**Olga:** One last question about this. Would you say that it's harder exactly because you have these specific requirements that you said in the beginning, that you want your investors to have this specific mindset? Would you say that it's harder, or it has been hard as a process to attract investments or because it's a growing trend at the moment, maybe actually it's not so hard in the end?

**Bernadette:** That is difficult, I think it is very easy to attract investors but in the end to really come to the right agreement where all the parts are happy I think that is a challenge sometimes. Attracting investors - I think we get a lot of interest but then to come to concrete agreements that is the challenge. But I guess that's with every company.

**Olga:** As a more generic question I wanted to ask you, because Fairphone has already the goals and the specific mission that you have, how would you say that if the certification has anyhow



influenced the company as a whole or in specific field because when we deep dived more into employees, the processes and everything, every time you told me that just because you already have the values, the certification didn't change something. So I was wondering if there is something that comes to your mind, of course, it's not necessary, but if there is something that you would say that ok just because we're B Corp we can do this and this and that or we have changed this and this and that?

**Bernadette:** Because of being a B Corp has changed something?

**Olga:** Either change or implement or added something.

**Bernadette:** Well apart from the things that I said earlier, I cannot recall anything else but also because I'm only involved in the employees part of the organization. So when it comes to the other parts what is up in terms of governance or I think there was a section about the environment.

These are all things that in any case we want to improve but we cannot make all the changes in one day. So it's more like, what can we do now with the capacity and the budgets that we have. So, I think the assessment gave us more ideas about what we could do. But it's not basically the reason why we did certain things.

**Olga:** It was more of an inspiration on which actions you could do in order to be improved?

**Bernadette:** Yes, yes.

**Olga:** Would you say that in general either the partners or the customers have heard about the certification? What is their reaction when they hear it or is it something that you also promote during a company presentation for example? Do you mention that you're a B Corp as well?

**Bernadette:** Yes definitely. So it's mentioned in all the official company presentations because I think it's already a kind of recognized certification in Europe. So whenever one of our spokespeople of a management team is at an event, a meeting or any kind of external party the B Corp certification is always on the slide. So when we talk about Fairphone then it's always mentioned like this one along with any other major awards that we got. So the B Corp is always mentioned on our website. I think it's also attractive for more B2B customer. So if we work with resellers, if we work with other companies, or with governmental institutions then I think it's an attractive point and the overall Fairphone proposition to be also part of the B Corp.

**Olga:** OK. About your end consumers do you have any knowledge about that, if they already know about it, if you get more credits because people that are aware of the certification they actually are happy that you have been certified as well?

**Bernadette:** So for end consumers, I think that's the less the case, because end consumers are already - I mean they buy Fairphone because they really know about it.

But I don't think they are convinced because of the B Corp certification, that is really more for external partners or people who are not very much into that social or environmental impact business. Then there are more people who are not really familiar with the topic that they think "oh it's part of the B Corp, I've heard about the B Corp" and then they can more have a better picture of Fairphone might be doing. But our customers, most of our customers, who buy a Fairphone they really know what it's about, so I think it influences them less.

**Olga:** OK. Now since you've mentioned the partners, would you say that actually just because a partner wouldn't know beforehand what is exactly your mission, B Corp proves what are your values as well, would you say that it might be easier for a deal to close or to promote your product, because you're in the B Corp network?

**Bernadette:** I am not very comfortable in answering this question, but I can assume that this is the case, that it is indeed easier because we have that official certification for each other's suppliers do their due diligence and then they check certain criteria of the company that they want to work with. Then they would check does Fairphone have any kind of certification and then they could check if we are B Corp certified.

**Olga:** Now going more to the future plans of the company, do you have in mind any specific plans for Fairphone, for the next years in terms of sustainability? Like some next steps or actions that you would like to do something that you already have in mind that you want to implement?

**Bernadette:** In terms of sustainability - maybe you know that we have four materials that are on our phone, that are completely traceable and we know where they come from. And now our value chain they identified 10 critical elements or 10 critique minerals, so four of them we already have and then they looked at the six others and now they identified at least one more mineral for this year and for the next years we want to have all these 10 covered at some point. That would be one part of sustainability.

Our main focus right now from a value chain perspective is that we are doing a lot of partnerships with other companies to achieve their goals basically. Because as we said as a relatively small player in this massive smartphone industry is that if you don't have a big name or something then a lot of suppliers are not very much willing to listen to you, unfortunately. So basically one example that I can give is that we partnered up with Philips, and Philips is a really known brand and they have a lot of leverage when it comes to negotiations with partners so partnering up with a bigger name like Philips always helps us to achieve our goals better. And this is something that is very helpful for us.

**Olga:** And an even more generic question. What would you say that success would be like for Fairphone in the next three years?

**Bernadette:** Success would be a bigger customer base, more traceable minerals as I said, people will keep their Fairphone as long as possible so we are trying to measure all these things. A better customer satisfaction, a lower employee turnover, higher employee engagement and happiness and more financially stable business, better cash flow, it's really a lot of things. We have a lot of goals! So in the next three years let's hope that we can be at least financially sustainable. I think that's one of the main goals.

**Olga:** OK. So now as a final question just to wrap up our discussion I want to ask you if there is anything else that you would like to add or something that comes to your mind now that you would like to recommend me about my project since you are already in contact with other B Corps. Maybe you have something in mind that would help me.

**Bernadette:** You mean from other people that you could ask about this or?

**Olga:** No just ideas, if there is something else that I could look into or something that comes to your mind that is connected with the certification and Fairphone?

**Bernadette:** Maybe you can make the focus really on what the advantages and disadvantages are for this because it's also a matter of - I mean you need to pay a fee to have to this certificate right? So, if companies are willing to pay this fee and what they may be expected in return maybe you can also ask companies who don't have the certification yet but are in the process of thinking about it if they should do it or not and what makes other companies (to chose it). Basically the main motivation behind why they want to have the certificate, I think it's always interesting to know.

**Olga:** Since we're talking about advantages and disadvantages what would you say, in the case of Fairphone is the biggest advantage? Was it that you wrote down the policies, for example, the things that you already had in mind now you have in place, or something else?

**Bernadette:** So I think the biggest advantage is really the network that B Corp provides. It's a network where you can easily reach out, the B Corp team is very willing to connect people. You can always write them with your questions or concerns and they will always connect you with other people in the network that they know, that maybe can help you so that's a big advantage. Another advantage is just that you can have really an official independent certificate of that you're doing something that you do have a social and environmental impact and that it gives you just a really detailed overview of what's happening in your company and the inspiration for what can you improve.

**Olga:** OK. That's really good. Thank you so much for taking the time to speak with me today. I appreciate it a lot. It's gonna be valuable for my project for sure.

## Interview i7 | Sotiris Pastras

**Interviewee:** Sotiris Pastras

**Company:** Apivita SA

**Role:** CSR Manager

**Date:** 11/06/2019

(translated from Greek)

**Olga:** Would you like to make a short presentation of yourself - what have you studied, what is your current role in Apivita?

**Sotiris:** My name is Sotiris Pastras and I am a proud employee of Apivita since 2016. I am the CSR manager and my role revolves around any project in the company related to sustainability. During my bachelor's I studied Communication and my Master's degree was on HR Management in AUEB. Since I have always been interested in sustainability topics, my thesis topic focused on the CSR management of Greek companies. So, in short, this is who I am. I am the CSR manager since January 2018, so I have basically been in this role for one and a half years now. Also, I would like to point out that in the beginning, I mentioned that I am a proud employee of this company. The reasons that inspire this pride will be unveiled during the interviewee.

**Olga:** Since you mentioned that you have been in the company since 2016, what was your role before becoming the CSR manager?

**Sotiris:** I started as an HR intern, then I became an HR assistant where I was involved in simple CSR project like corporate volunteering, and when I became the CSR manager I started working on more crucial parts like the sustainability reporting, the B Corp certification etc.

**Olga:** Was there someone else that had the CSR manager role before you took over or was it created while you were there?

**Sotiri:** Apivita is a company with strong social responsibility. Nevertheless, there was not a separate CSR department so far. It is official that in all the companies in Greece, or at least in the vast majority, the CSR activities are incorporated in the marketing, the HR or the PR departments, there is not a separate department. There are very few companies like Hellenic Petroleum S.A, that actually have a CSR department. Other examples are the International Airport of Athens and Titanas SA. Therefore, Apivita is one of the few companies that actually has a CSR team. It is also worth mentioning that either way Apivita's products [natural cosmetics] are friendly to the environment, it is not producing let's say cigarettes. So its DNA is already friendly towards the environment. Nevertheless, it chooses to have a CSR department, even though it is not socially obliged to, but because it is part of its values and core beliefs.

**Olga:** I was actually working at Nestle some years ago, and indeed there was not a separate CSR department, so I am familiar with what you are describing.

**Sotiris:** Year right. If I am not mistaken, there are people from PR that are involved in CSR projects.

**Olga:** Yes, and the HR department. And when was Apivita certified as a B Corp?

**Sotiris:** In 2017.

**Olga:** So it was before you started working at the company?

**Sotiris:** No, I was actually employed in 2016, but it was a project that was not my responsibility. We were certified in 2017 and that was supposed to last for 2 years, even though this might change now. It was very honouring for Apivita to become a member of the B Corp network. And not only because we were the first Greek company to be certified, but mainly because we are part of a network with companies like Ben & Jerry's, Patagonia, Natura and Dr Bronner's, which are very renowned companies. So for us, being in a network with companies like the ones previously mentioned, had a very strong communication impact.

**Olga:** Ok. And since in Greece, we are not so familiar with the certification, do you know who was the person that initiated the whole procedure?

**Sotiris:** It was Thanos Koutsianas, which is the son of Apivita's founder. He was the one that explored and motivated the process, collected all the necessary data. He was the one that took the lead in the project, from the first decision to actually receiving the certification.

**Olga:** Was he an employee at the company or was it just a project that he ran?

**Sotiris:** He has now left the company, but during that time he was working here. It should be also mentioned that in 2017, Apivita was bought out from a big Spanish group called Puig. Nevertheless, the CEO of the company is still Nikos Koutsianas [the founder of the company].

**Olga:** And what was the main reason that Apivita applied for the B Corp certification? Is it what you described before, that it wanted to be part of the network?

**Sotiris:** Well, the B Corps form the first network of purpose-driven companies. Usually, the networks are formed either based on a common industry or with companies that have the same activities. But in this case, B Corps are companies that want to use business as a force for good. And this is exactly a part of Apivita's DNA. As a company we already had very good social and environmental policies, we have transparency in all of our procedures, in general, we were a very responsible company. Furthermore, he had just finished the construction of our bioclimatic factory in Greece, which had a very good environmental profile. Consequently, all of these led to the filling out the B Impact Assessment and finally to the B Corp certification. As a matter of fact, in 2018 we were an honoree in the "Best for the environment" list, which consists of the 10% out of around 2,500 B Corps, that have the highest score on the environment category.

**Olga:** So basically the B Corp status just certified what you already felt and promoted all these years? The certification was just proof of all of these?

**Sotiris:** Yes, exactly. However, for us, it was not only the certification that mattered, that was not the main motivation. But, as a company, we really buy in the B Corp network. The certification can serve as a means to win an award. But, for us, it was far more important to be part of this network. And this is what differentiate the B Corp certification from just an award or recognition.

**Olga:** Ok! You have mentioned before that it was the founder's son that initiated and led the whole project. Do you know how many more people were involved?

**Sotiris:** Well, the people that really worked on the project were three. Nevertheless, I wouldn't exaggerate by saying that basically the whole company was involved, since the necessary data was retrieved from the supply chain, the IT, marketing departments, etc. Furthermore, the factory had to provide with some data, so all the operations department. But for the people that basically filled out the assessment were three.

**Olga:** Ok, and who were the other two employees?

**Sotiris:** So it was the Head of HR, the Corporate Affairs Manager and the founder's son, that had the position of Brand Strategist.

**Olga:** And how was the whole concept introduced and communicated to the rest of the employees, especially since so many people were involved. And also what was the employees' reaction to that?

**Sotiris:** There was a presentation that was attached to every email that had a questionnaire or a form that needed to be filled out in order to collect some data. So this presentation was explaining briefly, in 4-5 slides, what is the B Corp certification and why it is so important to fill out the forms and collect the specific data to get certified.

**Olga:** And do you know how did the employees react to that? Did it improve the perception that they had for their company?

**Sotiris:** Ah sorry! I forgot to mention that there was a presentation that preceded these emails. So in one of our sales cycles, there was a 5-minute presentation to the whole company regarding B Corps. And this is when they informed the employees about the emails that would follow.

In general, the reactions of the employees were very positive. This can also be proven by their online reactions on the posts on social media that Apivita shared once certified. So when Apivita announced on social media that it has then being certified, there were a lot of reposts, likes and reactions from the employees. And this is also a way to measure the employees' response, it could be a KPI, especially since the average age of the employees is quite low. At Apivita, the average age is 37,2 years. Which implies that our employees interact a lot on social media, so it was very important for us to see how they would respond to the B Corp announcement.

**Olga:** Ok. And concerning the first assessment, was it hard to collect all the necessary data, especially taking into consideration the size of the company? Or was it something that was achieved quite fast because of the employees' excitement?

**Sotiris:** It is never, never easy to complete a process like this. Any company that would state otherwise, must be lying. Regardless of how well organised or structured a company is, something like this is never easy. Nevertheless, some of the data were very easy to collect because it was KPIs that Apivita was already measuring. But an assessment like the B Impact one pushes you to start measuring even more things, that you were not considering before. It makes you be more specific on the different expressions you use.

**Olga:** And what about the new assessment round, will it take place by the end of 2019?

**Sotiris:** We have received an email regarding that, but to be honest we are not sure if we will apply for recertification.



**Olga:** Ok. And before you mentioned that one of the main reasons you wanted to be certified was to be part of the network. Up until now, how have you used it? Has it helped you close more deals with your partners or gain more recognition to your consumers?

**Sotiris:** Well in Greece it is something that we cannot really use commercially. However, last year the Corporate Affair Manager travelled to Amsterdam to attend the B Corp Summit 2018. She stayed for five days and exchanged a lot of ideas with her peers. For example, she had a very insightful talk with Patagonia on the topic of corporate communication. So the network that is created among the different B Corps is very strong and could be very beneficial and powerful for the companies that are part of it. So last year, I would say that we have taken advantage of quite a lot, but not really in a commercial level, but rather in a more theoretical one.

**Olga:** So mainly as a source of inspiration and exchange of knowledge?

**Sotiris:** Yes precisely.

**Olga:** How well known is the certification in Greece at the moment? Have you received any positive responses on that from the consumers, partners or customers of the company?

**Sotiris:** It has actually become more known because of Apivita. So after we were certified, there were companies that approached us and asked questions about the assessment and how they could be certified as well. But there was also a very positive reaction from the consumers' side. Again we had many positive reactions on our social media etc

**Olga:** Do you know if, at the moment, there are companies that are on the pipeline of becoming certified?

**Sotiris:** I do not know that, unfortunately. But either way, if a company is going through the assessment, there is a confidentiality clause between the company and B Lab that requires that none of the two parties can reveal any information until the company is certified. And this is happening to protect the image of the company.

**Olga:** Yes that is true. But I was rather thinking if you know any companies, without revealing their names.

**Sotiris:** I think there are actually, but without being 100% sure.

**Olga:** The reason that I am asking you is because in Greece there is not a B Lab representative as there is in Denmark or in the Netherlands for example. And these people help out companies in different countries with anything that they might need in terms of the certification. But because in Greece there is currently only one B Corp there is no such a B Lab employee in charge of the greek market that I could ask.

**Sotiris:** Ahh ok. So I do not have the data but I am pretty sure that there are some.

**Olga:** Ok, so let's focus more on the different research areas that I have. Starting from innovation, I would like to ask you how does the B Corp certification influence the innovations produced in the company, regarding either the product or the processes?



**Sotiris:** Could you pose the question again?

**Olga:** Yes, so how did the B Corp certification influence the innovations within the company, either in terms of more innovative products or processes that might have changed due to the certification?

**Sotiris:** In terms of innovation, nothing has really changed. Apivita has been a pioneer in innovation for many years. So in the scientific affairs or the R&D processes of the company, the B Corp certification did not change anything. Yeah, I do not have something more specific to say on that. I actually remember that there were only two points, one was what herbs does Apivita use, that is the raw material of the products. And the second was how sustainable is the way that we collect this material from different regions of Greece

**Olga:** So that was like a comment in the certification?

**Sotiris:** Yes, yes exactly! And actually, maybe that is the reason that Apivita scored so high on the environment category, because of the way that we protect biodiversity. The company uses specific techniques to collect the herbs, but is always respectful ones towards the environment and makes sure that it protects biodiversity.

**Olga:** Ok. So basically the assessment just confirmed that the way Apivita was producing its products was the right one?

**Sotiris:** Exactly, exactly!

**Olga:** And if we move to the different operations within the company, how would you say that the B Corp assessment and status changed some of them? And which were the one that were most impacted?

**Sotiris:** There were mainly changes in the supply chain of the company. For example, the way that we used to invoice our products was very much simplified. Even before the assessment, we have already started using new methods of electronic invoicing with some of our suppliers. But due to the certification, this was basically accelerated.

Furthermore, we started measuring some things that didn't measure before. For example, we were already measuring the power consumption, water consumption, and waste from the factory. But something that we did not measure before was the paper that we are consuming in our premises. So this is something we started doing because of the assessment.

**Olga:** Ok. And from other companies, I have heard there that they stopped using single-use plastic or had to start sorting out their trash because of the assessment.

**Sotiris:** We were already sorting our trash. And regarding the single-use plastic, we just made the transition this year to eco packs. Maybe the marketing department already had it in mind since the assessment, but I am not sure it was directly or indirectly connected to the B Corp.

**Olga:** Are you referring to the plastic that is used for your packaging?

**Sotiris:** So the plastic we use for our packaging had already been produced by 50% recycled material. That was already something we were doing before the certification. But a few days ago, we introduced to the pharmacies the Eco Packs, which are bigger containers that need less plastic per ml of usage.

**Olga:** But you cannot claim that this happened just because of the B Corp assessment?

**Sotiris:** No!

**Olga:** Ok. And now regarding the employees of Apivita. You have already said that during the first assessment round there were many employees involved to make it happen. In general, how would you say that the certification influenced the motivation of the employees?

**Sotiris:** So these kinds of initiatives are always very motivational for the employees, regardless if it a smaller or a bigger action. Donating blood can be motivational, presenting how much water you waste and how much you can save while washing your hands can be motivational. All of these things always have a positive impact because they act as a “wake-up call” for the employees. You get inspired and you learn to identify some things that before you would neglect. Now if we focus on the more high-level employees since there were mainly managers that were involved in the assessment, the benefit and the impact are not only short-term but rather long-term. They started changing their mindset.

**Olga:** And would you say that the B Corp influenced this way of thinking?

**Sotiris:** I would say so, yes. Actually, it definitely has influenced it a lot, but of course not everyone.

**Olga:** And how were the daily lives of employees influenced? For example, in the operations function that as you mentioned had to make a lot of changes, were there other departments that there was a change in their every working life?

**Sotiris:** Hmm this is a bit hard to tell. So the team that really ran the assessment was comprised of 3 people, and they had the support from some other colleagues as well. But other than that, I am not sure...

**Olga:** What about the candidates that apply for a job opening in Apivita, are there candidates that already know about them and maybe even apply because of that?

**Sotiris:** So I know that yes a lot of the candidates that apply, have already heard of the certification and they mention it during their interviews as one of the factors that motivate them.

**Olga:** Ok! Now moving on to the shareholders of the company. This is particularly interesting in this case since the shareholders of the company changed after the certification and there might be a different management style. So you told me that the Spanish group owns the majority of the shares at the moment, right?

**Sotiris:** Yes it is the Spanish group called Puig. It is mainly involved in the fragrance and fashion industry, and under its umbrella, there are brands like Carolina Herrera, Paco Rabanne. Nina Ricci etc. So the group wanted to invest in dermocosmetics, and therefore chose to invest in two companies; Granado which is a Brazilian company and Apivita, in order to cover both the regions of South America and Europe. This is very honouring for Apivita.

**Olga:** Yes indeed. Now I have a question concerning this but it might be a bit hard to answer. So the process of being certified started right before the buying out from Puig, right? Or rather,

you got certified right before. Was this a goal from the previous management team, to ensure that you will be a B Corp before being acquired by another big group to ensure that Apivita will keep on having the same values and direction? This is just my assumption when I read the story.

**Sotiris:** No! Ok let me put it this way, with full respect to both management teams. Apivita has been building the profile of a socially responsible company for so many years that this could not be altered by anyone. So even if the "worse" buyer would join, it would still be very hard to alter it. Nevertheless, in our case, the acquiring group was sharing a similar vision as Apivita. It is worth mentioning that the Spanish group is not a huge multinational firm, it is still 100% family-owned business. Or actually it is a big firm but it is a non-listed company. What I'm trying to say is that they share the same values and goals as Apivita. So if we were bought out from a different company, let's say a company like L'Oréal, then the answer to your question would have been very different. And also we need to keep in mind that actually the CSR department was established after the merging. So the answer to the question is clearly negative.

**Olga:** I had more questions about the way that the shareholders reacted to the certification, but again in the case of Apivita it was the founder's son that initiated the whole process, so it was really a top-down the decision and I guess that is the reason why it was quite fast executed?

**Sotiris:** Yes this is 100% right, really! Cause when an initiative comes from the top management it is so much faster and easier to implement. Of course not only in Apivita but anywhere! Definitely, it is so different when a decision is taken top down, than if I, for example, would propose something similar. It would take so long for me to present and get it approved. So yeah you are right

**Olina:** Ok! Concerning B Lab Europe, does it have an active role after the certification within the company and especially on the decisions that are being taken?

**Sotiris:** No, not really! I mean they are not involved in any of the decisions but we have some communication with them. So, for example, we receive every 2 weeks an email with news from the community. It is sort of a newsletter but more tailor-made.

**Olga:** So in the decision making of the company was there something that changed?

**Sotiris:** No, not really!

**Olga:** Ok! And now regarding the strategy, we have already mentioned that Apivita already had a socially responsible strategy. But how would you say that the B Corp certification influenced the crafting of this strategy, and in what way?

**Sotiris:** I would say that it indeed had a big impact on the company. Even though I wouldn't want to say that this happened at a strategic level. But it really pushed for some actions. So in Greece, there is a specific law, number 4403/2016, which obligates listed companies to publish not only their fiscal numbers but also to publish a report to show their impact on critical sustainability issues like for the environment, the society etc. Apivita is not obliged by this law to do so. Nevertheless, as a company, we have chosen to do a GRI reporting back in 2010. Then for some years, we haven't published it again and then last year again we did it for 2016 and 2017. And being a B Corp triggered that. So this sustainability report shows our growth as a company but also how this growth will not jeopardise the development and growth of the next

generations. How for example Apivita is supporting the SDGs. And we are planning to do this reporting for 2018 as well. So what I could say it that it motivated some people and triggered some actions. But again I wouldn't say that this was a shift of strategy.

**Olga:** Ok, so what I get out of what you just said - and correct me if I am wrong - is that the certification was an inspiration and an extra motive for the things that the company was already doing, and the goals the company already had?

**Sotiris:** Yes exactly as you said it! It is an extra motive.

**Olga:** And regarding the future sustainability-related plans of Apivita; you just told me that you are planning to have another GRI report this year. Except for that, as a CSR manager what are your goals for the future of the company in terms of sustainability?

**Sotiris:** I would like Apivita to become a role model in the entrepreneurial world for its sustainability initiatives. That the [GRI] reporting will be standardised and repeated every year, because as I told you we did the reporting back in 2010 and only repeated it in 2017. To have a constant reporting and presence. So Apivita can become a renowned company about its sustainability.

Furthermore, I would like the CSR actions to be more targeted and focused on its core activities. So for example, if the company donates some money for a purpose unrelated to its core business it is rather a philanthropy, not CSR activities. So the CSR activities I would want to be focused on the bees and nature, all of the activities should be revolved around these which are part of our core business.

**Olga:** Ok yes, and since bees are one of the most endangered species there are numerous things you could do. And the final question to wrap up the interview, I would like to ask you if there is anything else you would like to mention for my project, anything that pops up to your mind that could be valuable for me?

**Sotiris:** So basically if I have anything to add related to B Corps?

**Olga:** Exactly, if you have anything on the top of your head that could be useful for my research.

**Sotiris:** Could you give me an example maybe?

**Olga:** So for example when the Corporate Affair Manager joined the B Corp Summit last year, and exchanged ideas and got inspired by other companies, what kind of ideas did she bring back to the company? Or if there is any project that you ran because of the certification? If there is anything related to the certification basically, that we haven't already covered in the previous questions.

**Sotiris:** Ok it mind sound a bit silly, but what came to my mind is that we created a domain in the internal server of the company in which almost all the employees have access to, and there we have gathered all the data we collected when we were going through the B Impact Assessment. And this data is now available to every employee and this is quite rare for a company to do. So what I am trying to say is that the B Corp put together a lot of different departments within the company. A lot of this data was located in different folders it the server but was hard to find it. So the B Corp folder is the one that connected all of these, and it is accepted by everyone within the company.

**Olga:** Ok, and this is accessible to any employee, above a certain grade, so they can stay updated and informed about what is happening in the company?

**Sotiris:** Yes exactly. It has a lot of marketing material as well.

**Olga:** Do you also send like a newsletter to all the employees to inform them about the sustainability updates?

**Sotiris:** Yes, there is a newsletter that we send every month and inform the employees about the CSR activities of the previous month, so for example if we gained a sustainability award or a certification if we upgraded the energy consumption of our factory and stuff like that.

**Olga:** Ok! So these were all the questions I have prepared for today. Thank you so much for your time, I really appreciate it a lot.

**Sotiris:** Of course, no worries at all! And if there is anything you will need please just reach out to me.

**Olga:** Great thank you!

## Appendix 9 | The B Impact Assessment Questions

Source: B Lab (2019h)

### Governance

*The Governance Impact Area evaluates a company's overall mission, ethics, accountability and transparency.*

*Tip: Information about your company financials and the company's governance structure will help you complete this section.*

1. Level of Impact Focus
2. Mission Statement Characteristics
3. Mission Statement
4. Social and Environmental Decision-Making
5. Stakeholder Engagement
6. Management of Material Social and Environmental Issues
7. Identification of Material Issues
8. Governance Structures
9. Internal Good Governance
10. Ethics Policies and Practices
11. Instruction on Code of Ethics
12. Reviewed / Audited Financials
13. Financial Controls
14. Company Transparency
15. Last Fiscal Year
16. Reporting Currency
17. Revenue Last Year
18. Revenue Year Before Last
19. Net Income Last Year
20. Net Income Year Before Last
21. Mission Lock

### Workers

*The Workers Impact Area evaluates the company's contribution to its employees financial, physical, professional, and social well-being.*

*After a few introductory questions that will determine the relevant types of questions for your company, you will see four sections focused on the different dimensions of employee well-being and job quality. If you indicate in the introductory questions that you have a specific impact business model focused on benefiting your workers, you will also see a series of questions specific to your business model. Impact business models, however, are rare and most companies will indicate that they do NOT have a specific Impact Business Model focused on their workers.*

*Tip: If possible, have your employee roster, handbook, and payroll available when completing this section, or ask your HR department for help.*

1. Majority Hourly vs. Salaried Workers
2. Use Of Contracted Labor

3. Workers Impact Business Model Introduction
4. # of Full Time Workers
5. # of Full Time Workers Last Year
6. # of Part Time Workers
7. # of Part Time Workers Last Year
8. # of Temporary Workers
9. # of Temporary Workers Last Year
10. Lowest Paid Wage
11. % of Employees Paid Individual Living Wage
12. % of Employees Paid Family Living Wage
13. % Above the Minimum Wage
14. Initiatives To Increase Wages and Benefits
15. Compensation Policies and Practices
16. % Participation in Employee Ownership
17. Retirement Programs
18. Financial Services for Employees
19. Government Provision Of Healthcare
20. Healthcare Coverage
21. Supplementary Health Benefits
22. Supplementary Benefits Eligibility for Part-Time Workers
23. Health and Wellness Initiatives
24. Worker Safety Practices
25. Professional Development Policies and Practices
26. Employee Review Process
27. Internal Promotions
28. Intern Hiring Practices
29. Paid Secondary Caregiver Leave
30. Supplementary Benefits
31. Worker Empowerment
32. Surveying and Benchmarking Engagement and Attrition

### **Community**

*The Community Impact Area evaluates the company's positive impact on the external communities in which the company operates, covering topics like diversity, economic impact, civic engagement, and supply chain impact. After a few introductory questions to determine the relevant questions for your company, you'll see four sections on the different dimensions of community impact. If you indicate in the introductory questions that you have a specific impact business model focused on producing positive outcomes for a specific group of community stakeholders, you will also see a series of questions specific to your business model(s). Impact business models, however, are rare and most companies will indicate that they do NOT have a specific Impact Business Model focused on their community.*

*Tip: If your company has a vendor list, employee roster, company financials, or any purchasing policies or procedures, have those nearby when completing this Impact Area.*

1. Community Oriented Impact Business Model
2. Diverse Ownership and Leadership
3. Creating and Managing Inclusive Work Environments
4. Measurement of Diversity
5. High to Low Pay Ratio
6. Female Management



7. Management from Underrepresented Populations
8. Supplier Diversity Policies or Programs
9. Supplier Ownership Diversity
10. Geographic Structure and Scope
11. Job Growth Rate
12. New Jobs Added Last Year
13. Non-accredited Investor Ownership
14. Local Ownership
15. Spending on Local Suppliers
16. National Sourcing
17. Local Purchasing and Hiring Policies
18. Impactful Banking Services
19. Corporate Citizenship Program
20. Charitable Giving and Community Investment Policies and Practices
21. Advancing Social and Environmental Performance
22. Significant Supplier Descriptions
23. Social or Environmental Screening of Suppliers
24. Subcontracted Services
25. Subcontractor Screening Topics
26. % of Subcontracted Services Accountable to Code of Conduct?
27. Suppliers in Low-Income Communities
28. Supplier Code of Conduct
29. Screening / Monitoring for Services
30. % of Subcontracted Services Screened / Monitored
31. Length of Supplier Relationships
32. Social or Environmental Purchases

### **Environment**

*The Environment Impact Area evaluates the company's overall environmental stewardship, including how the company identifies and manages general environmental impacts, its management of air and climate issues, water sustainability, and impacts on land and life. After a few introductory questions to determine the relevant questions for your company, you'll see four sections on the different dimensions of environmental impact. If you indicate in the introductory questions that you have a specific impact business model focused on producing specific positive environmental impact, you will also see a series of questions specific to your business model(s). Impact business models, however, are rare and most companies will indicate that they do NOT have a specific Impact Business Model focused on the environment.*

*Tips: The questions in this Impact Area could be best completed by a facilities/operations manager. If possible, have utility information, a vendor list, and facility information available when completing this section.*

1. Type of Facilities
2. Environmental Business Model
3. Green Building Standards
4. Facility Improvement with Landlord
5. Virtual Office Stewardship
6. Environmental Management Systems
7. Environmentally Certified Products
8. Environmental Assessment and Product Design
9. Monitoring Energy Usage

10. Total Energy Use
11. Total Renewable Energy Use
12. Renewable Energy Usage
13. Low Impact Renewable Energy Use
14. Facility Energy Efficiency
15. Energy Use Reductions
16. Monitoring Greenhouse Gas Emissions
17. Total Scope 1 GHGs
18. Total Scope 2 GHGs
19. Total Scope 3 GHGs
20. Carbon Intensity
21. Carbon Intensity
22. Greenhouse Gas Emissions Reduced
23. Ton Miles Reduction
24. Supply Chain GHG Management
25. Supply Chain GHG Improvement
26. Sourcing % of COGS from Local Suppliers
27. Sourcing % raw materials from Local Suppliers
28. Reducing Impact of Travel/Commuting
29. Managing Impact of Transportation
30. % GHG Emissions Offset
31. Monitoring and Managing Water Use
32. Total Water Use
33. Water Conservation Practices
34. Supply Chain Water Management
35. Supply Chain Water Improvement
36. Monitoring and Reporting Non-hazardous Waste
37. Total Waste Recycled
38. Total Waste Disposed
39. Non-hazardous Waste Generated
40. Recycling Programs
41. Waste Reduction Programs
42. Supply Chain Waste Management
43. Supply Chain Waste Improvement
44. Source Reduction
45. Programs to Reduce End of Life Waste
46. Environment Impact Packaging
47. % of Reusable/ Recyclable Materials
48. % of Environmentally Preferred Input Materials
49. Reducing Waste
50. Hazardous Waste Disposal
51. Tracking Chemicals in the Supply Chain
52. Chemical Reduction Methods
53. Supply Chain Chemical Management
54. Supply Chain Chemical Improvement
55. Supply Chain Biodiversity Management
56. Supply Chain Biodiversity Improvement

#### Customers

*The Customers Impact Area evaluates the company's value to their direct customers and the consumers of their products or services. After a few introductory questions to determine the*

*relevant questions for your company, you'll see one section of questions focused on Customer Stewardship. If you indicate in the introductory questions that you have a specific impact business model focused on delivering a specific positive outcome for your customers, you will also see a series of questions specific to that impact business model. Impact business models, however, are rare and most companies will indicate that they do NOT have a specific Impact Business Model focused on their customers or consumers.*

*Tip: A product/service roster broken down by revenue and/or a client list would be helpful for completing this Impact Area.*

1. Customer Impact Business Model Introduction
2. Managing Customer Stewardship
3. Managing Product Impacts

### **Disclosure Questionnaire**

1. Disclosure Alcohol
2. Disclosure Tobacco
3. Disclosure Firearms Weapons
4. Disclosure Pornography
5. Fossil fuels
6. Genetically Modified Organisms
7. Biodiversity Impacts
8. Energy and Emissions Intensive Industries
9. Water Intensive Industries
10. Illegal Products or Subject to Phase Out
11. Industries at Risk of Human Rights Violations
12. Other
13. Company Explanation Of Disclosure Item Flags
14. No formal Registration Under Domestic Regulations
15. Tax Reduction Through Corporate Shells
16. Conduct Business in Conflict Zones
17. Sale of Data
18. Facilities located in sensitive ecosystems
19. Animal Testing
20. Company prohibits freedom of association/collective bargaining
21. Workers Under Bond
22. Confirmation of Right to Work
23. Employs Individuals on Zero-Hour Contracts
24. Company workers are prisoners
25. Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)
26. Overtime For Hourly Workers Is Compulsory
27. Other
28. Company Explanation Of Disclosure Item Flags
29. Litigation or Arbitration
30. On-Site Fatality
31. Company has filed for bankruptcy
32. Bribery, Fraud, or Corruption
33. Anti-Competitive Behavior
34. Financial Reporting, Taxes, Investments, or Loans
35. Political Contributions or International Affairs
36. Labor Issues

- 37. Recalls
- 38. Breaches of Confidential Information
- 39. Consumer Protection
- 40. Significant Layoffs
- 41. Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)
- 42. Large Scale Land Conversion, Acquisition, or Relocation
- 43. Penalties Assessed For Environmental Issues
- 44. Violation of Indigenous Peoples Rights
- 45. Other
- 46. Company Explanation Of Disclosure Item Flags
- 47. Child or Forced Labor
- 48. Business in Conflict Zones
- 49. Negative Social Impact
- 50. Negative Environmental Impact