

Haute Ecole
Groupe ICHEC – ECAM – ISFSC



Enseignement supérieur de type long de niveau universitaire

How to optimize the social and environmental impact of a Belgian SME, by engaging in the B Corp certification process?

Case: B Corporation & Generous

Mémoire présenté par :

Pauline DE DEKEN

Pour l'obtention du diplôme de :

Master en sciences commerciales

Année académique 2021-2022

Promoteur :

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Boulevard Brand Whitlock 6 - 1150 Bruxelles

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Pauline De Deken

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ABSTRACT

This thesis treats a specific request from a Belgian SME (Small-Medium sized Enterprise), known as Generous.

Generous' company was created in 2013 by Christophe Harou. They create gluten-free cookies with sharp and greedy flavors. Moreover, the cookies are organic and with a little Belgian touch. They have been developed with the best ingredients from local producers. The main objective of the founder is to create artisanal and tasty cookies, rich in flavor while respecting the environment and society.

Generous wanted to engage in the B Corp certification process to prove they are on the right track and to optimize their social and environmental impact. B Corp's certification process for Generous will constitute the basis of this thesis.

The B Corp certification is a label that indicates a company meets high social and environmental sustainability standards of verified performance, accountability, and transparency across five impact areas (governance, workers, community, environment & customers). Earning the B Corp label demonstrates a company's voluntary commitment to implementing CSR practices in its business operations. Once certified, the company will become part of the B Corp movement. Together, companies will strive to ensure the well-being of all stakeholders and society.

In the thesis, there are two analyses, which allowed me to answer the central question:

“How to optimize the social and environmental impact of a Belgian SME by engaging in the B Corp certification process?” Case: B Corporation & Generous.

A first analysis focuses on qualitative studies of Belgian B Corp certified companies. Based on different analysis criteria, the motivations, added values and social and environmental changes as a resulting of the B Corp certification have been analyzed in detail.

A second analysis focuses on the case study with the company Generous. The company's goal is to become B Corp certified. The first step in the certification process is the submission of the B Impact Assessment (BIA). This assessment allows to get an idea of the current social and environmental impact of the company. The BIA results have been thoroughly evaluated, in order to finally determine the areas where Generous could optimize its impact.

The first analysis gave me a good understanding of how B Corp certification works and the motivations of certified companies. I was able to apply my knowledge while doing the B Impact Assessment for Generous.

The final part of the thesis proposes operational recommendations for Generous, enabling them to optimize their social and environmental impact in the future.

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LIST OF ABBREVIATIONS

- SME

Small-Medium sized Enterprise

- CSR

Corporate Social Responsibility

- ISO

International Standard Organization

- SDG

Sustainable Development Goals

- BIA

B Impact Assessment

- B Corp

Benefit Corporation

- EMS

Environmental Management System

INTRODUCTION

“Businesses should compete - and more importantly collaborate - on not just being the best in the world, but the best for the world.” (The Shift, 2021).

High pollution rates, social inequalities, greenhouse gas emissions, and natural disasters. These are just a few of the social and environmental challenges we face today. It is of the utmost importance to change our behavior with the purpose to save the planet. Sustainable development is an integral part of these challenges in attempt to preserve the future of human beings. Firstly, by recognizing system’s failure and secondly, by identifying viable alternatives.

Sustainability is a hot topic both among consumers and businesses. More and more companies are realizing the significance of integrating sustainable values in their activities, which leads to the development of sustainable business. These practices and sustainability concerns can be classified under the term CSR (Corporate Social Responsibility).

This leads us to the first part of my thesis, the literature review (1), in which the concept of CSR is developed. A general overview is given first, followed by an in-depth view of CSR within SMEs, and finally the social impact of a company is discussed with the different tools for measuring social and environmental impact of a company.

One of these tools is the B Impact Assessment, a tool to measure the social and environmental performance of a company, which was developed by B Corporation. B Corp has a certification that demonstrates that a company meets the highest standards of social and environmental performance. Companies seeking B Corp’s certification undergo the B Impact Assessment. The complete structure of B Corp and the details of the certification process are developed in the second part of the literature review (1).

After the literature review, we can move on to the heart of my thesis, the problematic (2), which is the following:

“How to optimize the social and environmental impact of a Belgian SME by engaging in the B Corp certification process?” Case: B Corporation & Generous.

As you can notice, there is also a case study that is developed in my thesis. The case study focuses on the company Generous. It is a Belgian SME that makes organic and gluten-free cookies with local products. Generous wants to get B Corp certification to prove that they are on the right track for creating a positive social and environmental impact.

In the interest of answering my research question, I have created two sub-questions that structure my research. These two sub-questions are part of the methodology (3) of my thesis.

1. *“How did B Corp optimize the social & environmental impact of certified companies?”*
2. *“How does B Corp allow to optimize the social & environmental impact of Generous?”*

The first sub-question focuses on the role and importance of B Corp to businesses. By providing answers to this question, it was possible to identify the added value of B Corp, the incentives of certified companies and the impact that B Corp creates for certified companies. I conducted a qualitative study to collect primary data. This was a FIELD study, based on a semi-structured interview guide with open questions. I organized interviews with different companies that have achieved or are in process of obtaining the B Corp certification.

The answer to the second sub-question was found with the help of the case study on the B Impact Assessment (BIA) for Generous. At the first point, the BIA is supposed to give a clear picture of the current impact and position of a company. The score obtained by Generous formed a basis for the future. In order to fill in the B Impact Assessment, I had to focus on Generous' stakeholders and the five impact areas (employees, governance, customers, environment and community).

The results obtained from the two sub-questions are presented, analyzed and concluded in the research result (4) section.

Finally, I was able to provide operational recommendations (5) for Generous, which will help Generous to optimize their social and environmental impact with help of B Corp certification.

I end my thesis with a conclusion (6), which brings together all the theoretical and practical analyses.

My thesis is a project that has been established in accordance with Generous. I based my project on theoretical research, as well as on data collected in the field, while always adopting a critical mind.

The objective of this thesis is to provide an answer to the problematic, by developing a detailed, complete and scientific answer. On the one side, the roles of B Corp in optimizing the social and environmental impact of a company and the added values of B Corp, which I have identified during the interviews. On the other side, Generous was launched in the B Corp certification process. The B Impact Assessment was completed and submitted. At the end of this project, Generous has a complete idea of the social and environmental impact they are creating. Moreover, Generous has recommendations for the future, in order to obtain the certification with the aim to optimize their impact.

I wish you a pleasant and enriching lecture.

Methodology

The methodology used, varies according to the type of information needed in my thesis. Firstly, there is the literature review (1) and secondly, there is the research part (2), in which the theoretical data will be confronted with the field data.

First, there is the theoretical and literature review which was written based on secondary sources. I did documentary research. The sources came from different search engines, so I aimed to get variety between the information. Moreover, the variety allowed me to verify and compare the information collected.

The different scientific sources helped me to develop the theoretical framework of the CSR concept, CSR within SMEs and the social impact of companies. In addition, I read books and articles on B Corp certification, written by experts in the field.

The research part is based on two sub-questions. These sub-questions form the structure of my thesis.

1. *“How did B Corp optimize the social & environmental impact of certified companies?”*
2. *“How does B Corp allow to optimize the social and environmental impact of Generous?”*

For the first sub-question, I collected information by doing qualitative studies with eight Belgian B Corp certified companies. These companies gave me valuable information about their B Corp certification process and their experiences.

The second sub-question was answered by data collected from the Generous company. I was in contact with the employees of Generous. The employees gave me the necessary information to answer the questions of the B Impact Assessment. The answers of the BIA allowed me to analyze the current social and environmental impact situation of Generous.

As you can notice, my thesis contains information collected in several ways. Scientific sources, observations from the field, interviews with different companies or information gathered at Generous. The complete methodology is developed later in the thesis¹.

¹ See Methodology p.34

LITERATURE REVIEW

In this first section, I will address several topics that help to outline the framework of my thesis. First, I will explain the general concept of CSR. Then I will focus on CSR approaches in SMEs, because for my case study, I will be working with an SME, named Generous. Generous is willing to obtain the B Corp certification. Moreover, I will talk about the social impact of companies in this literature review. Finally, I will present B Corp and Generous.

1. The big picture of CSR within companies

In order to provide a general approach of CSR, the following part will cover some definitions, concepts and CSR practices. In addition, I will touch on the emergence of sustainability within companies.

Definition of CSR

UNIDO defines CSR as follows: “Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental, and social imperatives (the so called, “Triple-Bottom-Line- Approach”), while at the same time addressing the expectations of shareholders and stakeholders.” (UNIDO, 2022).

The main objective of CSR is to contribute to sustainable development. It is important to note that companies that apply CSR in their business strategies, do so voluntarily. CSR leads to increased value creation for all parties; the company itself, the stakeholders, and the shareholders (Secrétariat central de l'ISO, 2014).

The manager of a company responds to the needs and expectations of stakeholders in order to achieve a certain financial performance. Financial reporting creates a positive link between social and financial performance. This link is formed through the recognition of societal commitment (CSR) within a company, with the aim of reducing information asymmetry, improving the company's behavior (Bon & Taccola, 2015).

Example of a CSR concepts

Below you will find two concrete examples of business models that implement CSR practices in their business activities.

a. Sustainable Driven Hybrid Business Model (SDHBM)

A SDHBM is created by the combination of a hybrid organization and a sustainable business model (Tabares, 2021). A hybrid organization, driven by sustainability, creates value based on the Triple Bottom Line (TBL) (Elkington, 1997). The TBL can vary from the ecological pillar (waste management & reduction of energy consumption) to the social pillar (risk and skills management within the company) to the societal pillar (civic actions, e.g., local hiring or local partnerships) (Reynaud, 2011). Most of the time, hybrid organizations will create beneficial relationships between stakeholders, in addition to profit generation (Haigh & Hoffman, 2012).

Following Bocken (2014), an SDHBM contains three types of value. First, value proposition, which will always be established by the company itself. This is about the company's offer to the market, the target customer, and the customer relationships. Then there is value creation, which is related to the company's activities, resources, distribution channels, stakeholders, e.g., the suppliers. Finally, there is value capture, which shows the (non)monetary cash flows, revenues, and costs.

b. Social enterprise

Investopedia defines a social enterprise as “a business with specific social objectives that serve its primary purpose. Social enterprises seek to maximize profits while maximizing benefits to society and the environment. Profits are primarily used to fund social activities.” (Barone, 2022).

Three pillars can be identified in social enterprises. First, the social and/or environmental purpose. Secondly the viability of the project, the enterprise must be profitable, in order to finance the projects and thirdly the governance, how does the enterprise work? (HUB.brussels, 2019).

CSR practices

A company has a significant influence on its various stakeholders, in a way that the company is responsible for them. Keys (2009), identifies four main practices in CSR implementation:

- In the first representation the CSR commitment is identified as pet projects. This means that CSR practices are mainly based on the personal interests of the managers. However, the positive impact on the company and society is minimal, since the manager implement CSR practices because he thinks it is “simply” the right thing to do.
- In the philanthropic conception of CSR, actions address the needs of society rather than benefiting the company. For example, providing employment to people with disabilities.
- The third practice can be classified under the concept of propaganda or greenwashing. In this case, companies attach importance mainly to marketing purposes. They want to give themselves an ecological image while expecting economic benefits.
- The last representation corresponds to the intelligent partnership. In this approach value creation is the key concept. Transparent relationships between the company and its stakeholders will lead to long-term collaboration, which is beneficial for both parties.

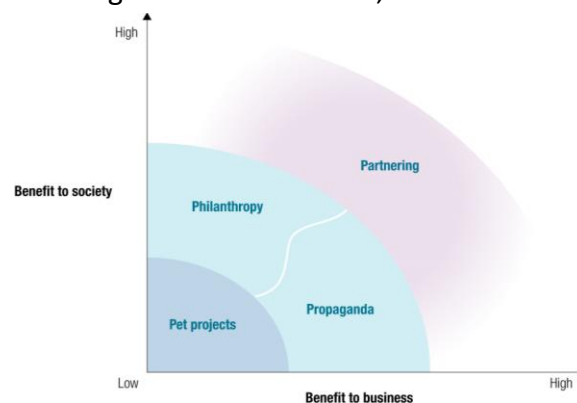


Figure 1 CSR practices

Source: (Keys, Malnight, & van der Graaf, 2009)

Applying corporate social responsibility can boost a company's competitiveness in different ways, such as creating a stronger brand image, increasing customer loyalty, operational cost savings or retaining talented employees within the company (CFI, 2015-2022).

Unfortunately, CSR is not always used in a correct way by companies. Some use it as a marketing tool, in order to convince consumers of their sensitivity to global issues, rather than to consider a real positive impact. Others will only communicate positive practices (even if they have a minimal impact) and will not mention the negative impacts it creates. Such companies consistently operate on the principle of creating shareholder value by optimizing their short-term financial performance, rather than creating value for their stakeholders (employees, customers, suppliers, ...) (Porter & Kramer, 2006). These deceptive practices are known as propaganda or greenwashing.

In order to ensure that the implementation of social practices is a tool for achieving significant positive impact, and not just a communication tool, companies must first understand how to manage and improve the social impact creation process. This involves integrating impact metrics into the organization's decision-making tools and processes. By doing so, organizations will be able to optimize the resources available to stakeholders. A strong human resources department and a stable financial situation will help the organization achieve its social goals (European Union/ OCDE, 2015).

Obviously, a company cannot solve all social and environmental issues at once. That is why it is advisable to select those related to its core business and those on which it can have the most impact (Porter & Kramer, 2006). An additional reason why a company should focus on some social and environmental issues, and not all of them, is because in most cases, companies do not dispose enough financial means. The European Commission offers a solution for this issue. Companies should consider the views and feelings of all stakeholders. Stakeholders certainly have specific demands. It is advisable for the company to bear the costs associated with these specific demands. The European Commission could also play a role in facilitating social impact measurement, for example by providing grants or practical advice and support (European Union/ OCDE, 2015).

The emergence of sustainability concerns

Over the past twenty years, ecological, social, and sustainable concerns have increased significantly (Thomas Donaldson, et al., 1995-2012). These concerns are justified given the impact of financial crises, climate change and the pandemic of COVID. According to a report of Deloitte, the search for short-term profit maximization is one of the causes of environmental and social degradation. On the one hand, companies try to increase the number of consumers who buy goods/services. These goods are often found in a linear "take-make-waste" system. On the other hand, companies must manage competition. They are constantly looking for ways to reduce their costs (reorganizations or decolonization of production to low-wage regions). This leads to an increase in inequalities. It is a vicious circle that is hard to break (Deloitte Conseil, 2019).

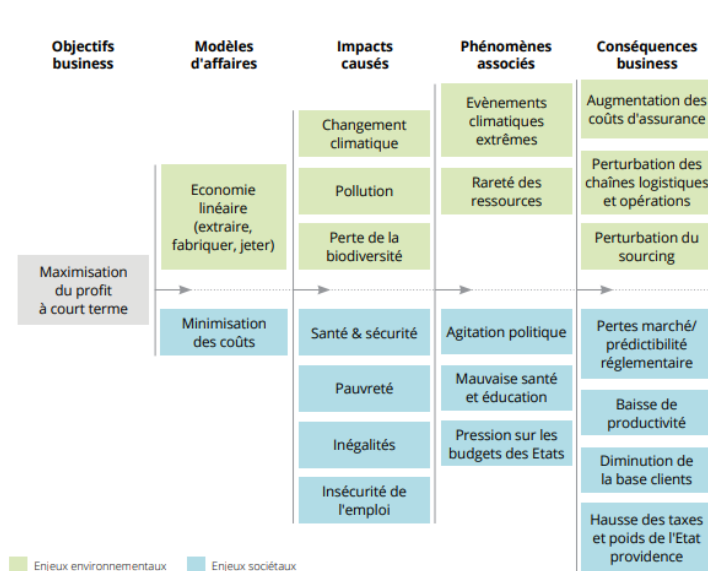


Figure 2 Vicious circle of short-term profit maximization
(Deloitte Conseil, 2019)

Two positive consequences are related to these issues: an increase in the development of sustainable business strategies and the emergence of new types of organizations, such as the hybrid business models focused on sustainability that I presented above (Haigh & Hoffman, 2012).

2. [CSR approaches in SMEs](#)

Since my case study focuses on an SME, I will delve into CSR approaches within SMEs. In this section, you will find the characteristics of SMEs and the consequences they have on social responsibilities, as well as the CSR commitment and the societal performance of an SME.

The increase in environmental concerns is even more remarkable in the case of SMEs. Nowadays, SMEs should also engage in CSR approaches (Lee, 2018). Activist SMEs are companies that form their strategy based on responsibility and their actions are mainly environmental or social. Schneider-Maunoury's (2000) study shows that if an SME takes into account the environmental aspect, production costs will decrease and there will be a positive impact on business development and value creation.

According to Bellini (2003), there are three levels of intensity of responsible behavior in SMEs. The first behavior is eco-defense. SMEs that adopt this behavior consider ecological and social investments to be unnecessary costs. Fortunately, there are very few companies that adopt this behavior today. Then there is eco-compliance. This behavior is characterized by a responsible attitude. Companies ensure that they comply with regulations and limit the risk of violations of standards. The primary objective is to maintain the optimal profit but trying to minimize the damage. Finally, there is eco-sensitive behavior. This behavior prioritizes long-term social and ecological investments, not immediate financial returns.

The characteristics of SMEs & the consequences on social responsibilities

First of all, what is an SME? The European Commission has created a definition for SMEs based on two criteria: number of employees and annual turnover or annual balance sheet total. SMEs are companies that employ fewer than 250 people and have a turnover of less than/equal to EUR 50 million or a balance sheet total that does not exceed EUR 43 million (European Commission, 2021).

Certain characteristics of SMEs can constitute obstacles for the implementation of CSR. Firstly, the internal characteristics; a lack of financial means, of human resources and time. The lack of financial and human resources results in the fact that employees of SMEs have to multi-task and act flexibly in order to manage the daily challenges. Secondly, the external characteristics, such as low financial pressure or low legal incentives from governments (Lee, 2018).

Another characteristic that must be considered is the following: in most cases, SMEs are run by the owner and the manager. This means that the same person owns the capital and runs the business. The personal characteristics of the owner-manager have a great influence on the implementation of CSR in the company (Lee, 2018). This means that if an SME manager is not sensitive to CSR policies, it is less likely that this SME will implement CSR practices. It is also complicated to change the beliefs of the manager. Because at the end, (s)he is the one who manages the resources of his company.

Finally, according to Battaglia (2010), CSR in SMEs could even create a disadvantage. Large companies are able to reduce their costs, if necessary, and can thus compensate for the additional costs of CSR implementation, but this is unfortunately not always the case in SMEs.

Fortunately, there are also benefits linked to CSR approaches (Jenkins, 2006):

- Organizational benefits, because of improved management and compliance with environmental regulations. This could lead to product/service innovation.
- Financial benefits through cost reduction. Obviously, the company must have the necessary financial resources in place before implementing CSR. Once sufficient resources are available, the company will be able to implement CSR practices and then benefit from cost reductions through the implementation of CSR.
- Employee retention with improved motivation, which generated deep commitment and on a long-term increased productivity. Marc-Antoine De Mees of Brasserie Brunehaut has noticed this with his employees. They obtained the B Corp certification, and the employees are extremely proud of it. He feels a sense of community with his employees. They think together about how to improve their company on a social/environmental level (De Mees, 2022).
- Communication and commercial benefits through improved relationships with local communities or with customers/suppliers and new business opportunities.

CSR commitment and societal performance.

According to the study by Fassin (2011), if financial performance becomes an intermediate goal, it will lead to the achievement of social or environmental goals. Responsible engagement is based on two dimensions: the ethical and the instrumental. In the ethical dimension, we find the importance of the well-being of stakeholders, which is essential for the SME manager. The instrumental dimension is based on the realization of ethical convictions. The manager will evaluate the economic feasibility by combining these two dimensions to reach the final objective. This objective is the creation of value, not only economic, but also societal, environmental, and social.

There are two drivers for societal performance. First, the identification of a strategic differentiation axis. Many companies that address environmental issues achieve a high level of societal performance by pursuing certification or labeling. Secondly, regional, or national institutional influences. In each sector we find specific responsibility issues. The presence of these societal issues leads to the emergence of regulatory standards, for example certifications or labels. **By obtaining these certifications, companies achieve a level of societal performance. This creates confidence among stakeholders** (Bon & Taccola, 2015).

3. The social impact of a company

In the case study, I analyzed the impact Generous has on its stakeholders at social, environmental, and societal level. To do so, it seems useful to me to deepen the meaning of social impact, how to implement it and how to measure it. In the following part, you will find answers to these questions.

The meaning of social impact

Social impact refers to all the social, societal, and environmental results of a company's actions on its stakeholders and on society. The notion of social impact has appeared following the numerous initiatives carried out today in favor of sustainable development. Many companies are therefore seeking to improve their impact for a better image, but luckily, they are also thinking about their future. Depending on the missions, available resources and motivations of each company, the level of efficiency can vary (Maugret, 2019).

According to a report by the European Commission (2015), corporate social impact aims to assess the social value and impact of the activities or operations of any profit or non-profit organization. Any business can have a social impact. But in most cases, it is non-profit organizations and social enterprises that respond to social problems by creating social value. Activities carried out by social enterprises are often in the interest of the state or the community, profit distribution is regulated, and enterprises are required to have participatory governance and democratic management. These criteria are designed to ensure that social enterprises achieve their mission of positive impact.

Before investing in social processes, a company will need to assess whether the investment will produce a real social impact in addition to a financial return. It is at this point that we

encounter a first difficulty, companies want to implement value creation processes, but they also need to create economic wealth in order to remain viable and sustainable.

The second difficulty lies in the fact that social organizations must combine three missions. Their activities are focused on the environmental, social, and financial aspects (European Union/ OCDE, 2015).

How to implement social impact in a company?

If a company wants to have a positive social impact and thus implement CSR practices, it should consider the following three criteria (Maugret, 2019; Sibieude & Claverie, 2011):

- Scope (choose the most important points).
- Resources (methodology based on the available tools: time, budget, personnel).
- Reason & target (internal motivations; strengthen the company culture or external motivations; convince investors).

Once these three criteria are taken into account, companies wishing to implement CSR practices can follow three steps. These steps will identify and value the impact generated by the company. It is important to note that each company works differently, that's why the process is flexible and can be adapted to the needs of each company (Maugret, 2019; Sibieude & Claverie, 2011).

Below are the three steps I was talking about (Maugret, 2019; Sibieude & Claverie, 2011):

- Define what counts: i.e., the evaluation criteria. This will make it possible to identify the values to which the company refers.
- Measure: the use of specific qualitative or quantitative indicators. These indicators will help clarify the criteria and increase credibility.
- Communicate: by sharing the results internally and externally. It is important to retain a maximum of learning from the actions carried out.

Finally, some advice on how to maximize the social impact of your business (Maugret, 2019):

- A social mission related to the business, will encourage the involvement of stakeholders.
- Obtain labels: they make positive actions of companies visible and increase credibility for consumers.
- Create an impact committee: that can intervene when the company deviates from its mission.
- Putting impact results into perspective: companies should put in place systems that can turn social impact into perspective.

Measurement tools

All entrepreneurs take pride in the success of their business and even more in the positive impact of their business. Conforming to Lary Fink (Buerkle, Chang, & Storto, 2018), "To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society." This is sometimes the opposite of what investors

are looking for. Measuring a business positive impact allows to take a close look at the way a company is run. This exercise engages the entire workforce, focuses on what you do well, and will improve your business. Finally, you will get a true measure of the value of your business (Ryan, 2018).

In the case study of this thesis, I analyzed the impact of B Corp on companies, how companies could optimize their impact and I also evaluated the impact of Generous using the B Impact Assessment.

But first, how do you measure the impact of your business? Analyze all the activities in your business. You will find that many of your daily business activities already have an impact. This impact leads to the creation of positive and beneficial value for others. For example, fair compensation or benefits for your employees, supporting the local economy, reducing pollution, donating to local charities, etc. In all these cases you have an impact.

Second, measure your impact.

Some entrepreneurs use a comprehensive assessment: the B Impact Assessment (created by B Corp) is a good example of an impact measurement tool. Finally, prioritize the improvement you are considering. It is important to prioritize because it is impossible to improve everything at once. Define what type(s) of impact you are going to focus on and how you are going to reach your targets. The B Impact Assessment provides specific guidance for developing improvement plans (Ryan, 2018).

As mentioned earlier, there is a greater sensitivity to the social and environmental impact of companies. But measuring this impact is not simple. Below you will find descriptions of six different tools that give a picture of a company's social performance. These tools allow to measure a company's impact. Since I am focusing on B Corp and the B Impact Assessment for my case study, I will link the measurement tool to B Corp/BIA. This way I can clearly identify the similarities or differences between the impact measurement tools.

a. The B Impact Assessment (BIA)²

The B Impact Assessment (BIA) is a digital tool that helps measure and improve a company's positive impact performance on five different levels: environment, communities, customers, governance & employees (B Lab, 2022).

b. Environmental – Social – Governance (ESG) criteria

The following tool covers three aspects of CSR: environment, social and governance, which can be shortened as ESG criteria. The ESG began in 2004, following an initiative by Kofi Annan, former General Secretary of the United Nations. Kofi Annan invited more than 50 CEOs of major financial institutions to integrate ESG into capital markets, as part of a global agreement with the United Nations. Since then, ESG adoption rates have increased worldwide (Mansour, 2021).

² Topic will be detailed later. See Certification process p.22

According to Deloitte (Deloitte, 2022), the percentage of retail and institutional investors applying ESG principles to at least a quarter of their portfolios was 48% in 2017 and 75% in 2019.

ESG criteria can be considered as non-financial performance indicators. These indicators include questions about sustainability, ethics, and governance within the company. In particular, the efforts a company sets up to reduce its carbon footprint or to improve working conditions for employees. ESG criteria have primarily been established to measure the impact of companies on the environment and society, as well as how the criteria can impact the company's profitability (Mansour, 2021).



Figure 3 Impact areas ESG
Source: (Hauptmann, 2020)

The main benefits of ESG, besides a real contribution to a better environment and society, are the following (Mansour, 2021):

- Improving the risk-return characteristics of investors' portfolios.
- Improving reputation, as well as brand loyalty.
- Obtaining a better competitive positioning and a cost reduction, and therefore better investment opportunities.

Nevertheless, it is important to look at ESGs with a critical eye. The lack of clear standards for data collection creates major issues for ESG ratings. Companies will obtain different ratings depending on the interpretation and analysis of the information collected. Moreover, the results of one single approach are unlikely to be reliable for each type of organization. ESG ratings should be adaptable to avoid putting startups at a disadvantage compared to large companies (Mansour, 2021).

Every company is different and will measure its performance in a different way. However, there is a process with different steps that is often used: data collection, analysis, conclusions, recommendations, and ratings. EcoVadis and B Lab are two organizations specialized in ESG/CSR rating (Mansour, 2021).

This is interesting for my case study. When analyzing the impact Generous is creating on its stakeholders, I will also keep in mind the ESG criteria. Because the B Impact Assessment

includes the environmental, social and governance aspects. This shows that the BIA is strongly linked to ESG criteria.

c. The Triple Bottom Line (TBL)

The first measurement tool I want to introduce is the Triple Bottom Line. The TBL states that companies should attach as much importance to environmental and social concerns as to profits and financial aspects. The TBL theory postulates that companies should focus simultaneously on three bottom lines. These three bottom lines are also known as the 3Ps: people, planet and profit (Kenton, 2022).

- People: measures the social responsibility of an organization.
- Planet: measures the environmental efforts a company has been doing.
- Profit: traditional profit measuring, which is known by every profit-oriented organization (P&L).

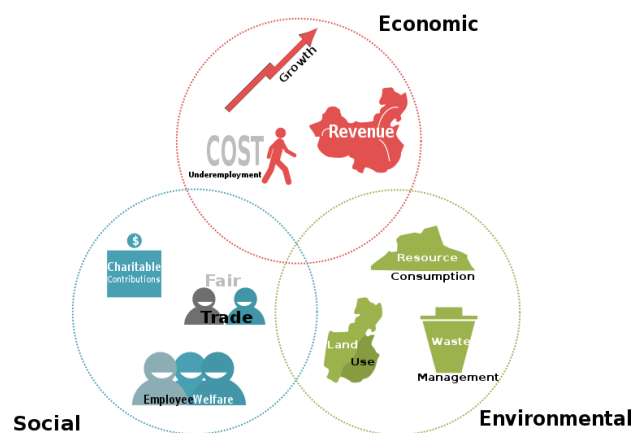


Figure 4 Areas of study in the Triple Bottom Line framework
Source: (Triple Bottom Line graphic, 2019)

The TBL approach seeks to assess a company's level of commitment to social responsibility and its impact on the environment over the long term. John Elkington (author, consultant and entrepreneur with expertise in corporate responsibility and sustainable capitalism) was the first to introduce the concept of TBL to measure business performance.

The idea was that the main objective of a company was not only to make money and to generate profits, but also to improve environmental and social well-being (Elkington, 1997). In addition, John Elkington's theory is very up to date. Because in 2019 John created himself a strategic recall of his TBL theory. He stated that the sustainability sector has increased strongly in recent years (Elkington, 2019).

Moreover, there is a clear link between the TBL approach and the "Theory of the Doughnut", which is established by Kate Raworth. She has succeeded in demonstrating the economic and social changes that need to be made in order to face reality through the simple and playful image of a doughnut. The Doughnut shape also represents the regenerative and circular economy. For example, by recycling, re-using, or sharing waste, a circular economy can be established (Oxfam France, 2020).

As in the TBL approach, Kate takes into account social and environmental aspects. The outer limits are represented by the environmental ceiling (e.g., climate change, chemical pollution, or biodiversity loss). The inner limits are represented by the social floor (e.g., access to food, water or gender equality). These inner and outer limits enable human development and an inclusive and sustainable economy. Furthermore, Kate Raworth mentions a major and very current issue: to move away from the constant desire to increase GDP. We need to let go of this economic obsession so that we can develop new indicators (Oxfam France, 2020).

There are a few challenges that companies will face in applying the TBL approach. First, measuring social and environmental impacts is often more complicated. Because these responsibilities can somehow only be assessed in a subjective way. Unlike corporate profitability, which can easily be measured in a quantitative way. Second, it can be difficult to define which P (Planet, People or Profit) takes precedence over another. Especially because the three P's could be considered antithetical. For example, maximizing individual profits while doing the most for society. In addition, some companies may struggle to balance the deployment of their resources and finding an equilibrium between financial and human capital (Kenton, 2022).

Here there is an identifiable difference from the B Impact Assessment. The BIA allows the quantification of the impact of a company. After completing the assessment, the company will get a score on different impact areas. Furthermore, the company will receive a path to follow to improve its impact and on which areas to focus.

In conclusion, I can say that the added value of the TBL approach lies in the fact that it helps companies to align themselves on three points; CSR, sustainability and measuring performance, while considering the three Ps of a company. The TBL approach does not quantify a company's impacts as the BIA does. However, the TBL gives a company a holistic view of the impact it creates. In addition, this alignment within a company recognizes perspectives through which data and metrics must be evaluated. These perspectives ensure that the parts of an organization work together to maximize impact, both externally and internally (Adams, 2021).

d. Global Reporting Initiative (GRI)

Moving on to the next measurement tool. The Global Reporting Initiative is an independent international institution that helps organizations take responsibility for their impact by providing a common global language for communicating these impacts (GRI, 2022). The institution was created in 1997 by environmental NGOs and large companies from Boston (USA), CERES (Coalition for Environmentally Responsible Economies) and UNEP (United Nations Environment Program). It is a multi-stakeholder (businesses, investors, policymakers, etc.) organization that aims to achieve a higher quality of social reporting and obtains a level of comparability and verifiability equivalent to that of financial reporting. There is no obligation to adopt GRI, it is a voluntary process.

The GRI Standards are a modular system comprising three sets of standards. Each standard begins with a detailed explanation of how to apply it within your business (Global Reporting, 2022).

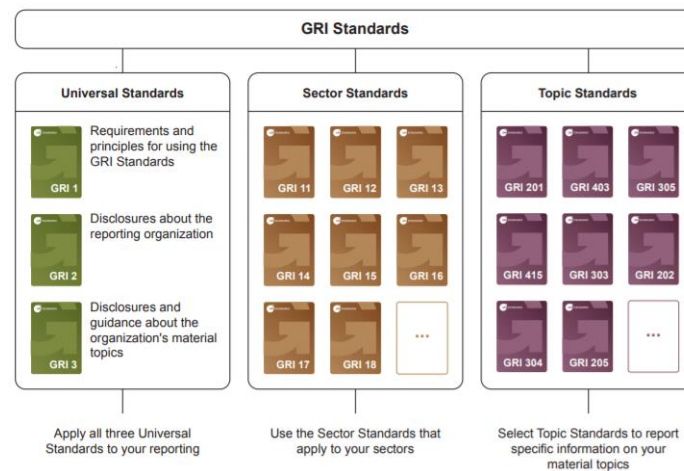


Figure 5 GRI Standards: Universal, Sector and Topic Standards
Source: (Global Reporting, 2022)

GRI's new CEO, Eeclo van der Enden (2022), explains in an interview why GRI is a real added value for all companies. GRI provides independent and freely accessible sustainability standards. GRI empowers stakeholders (investors, policy makes, employees, civil society, etc.) to make decisions that support sustainable and inclusive development. To date, more than 10.000 companies have chosen to voluntarily use the GRI Standards. "As more and more organizations accept that full openness and transparency is good for business, I am convinced that GRI's global role will continue to grow.", as stated by the CEO (van der Enden, 2022).

This point of openness and transparency is also identifiable in the B Corp values. All B Corp certified companies are required to share a report on their results. My conclusion regarding the voluntary use of GRI is that it enhances the credibility of published reports and consumer confidence.

e. International Organization for Standardization (ISO)

The fifth measurement tool is established by the International Organization for Standardization. ISO is an independent and non-governmental organization whose 167 members are the national standards bodies. ISO experts pool their knowledge to develop voluntary and consensus-based International Standards that are relevant to the market. They support innovation and provide solutions to global challenges (ISO, s.d.).

ISO develops standards, such as ISO 9001 (Quality Management) and ISO 14001 (Environmental Management). If a company meets the ISO standards, it will obtain an ISO certification. Although this certification will not be granted by ISO itself, but by an external certification body, such as the Committee on Conformity Assessment (CASCO) (ISO, s.d.).

ISO 26000 is a standard that covers the subject of social responsibility. The objective of social responsibility is to contribute to sustainable development. All activities of an organization

depend on the state of the planet's ecosystems. Therefore, there is a growing recognition of the need to ensure balance, social equity, and good governance of organizations. ISO 26000 encourages organizations to go beyond compliance with the law by recognizing that compliance is part of a company's social responsibility (Secrétariat central de l'ISO, 2014).

I consider that the functioning of ISO and B Corp is very similar. Both organizations propose standards for companies to follow in order to optimize their business and the impact it has. Moreover, once certified, the company will have to repeat the certification process every three years, for ISO and for B Corp. This is, in my opinion, a real added value because companies are constantly evolving.

f. Sustainable Development Goals (SDG)

Finally, I wrap up the measurement tools with the Sustainable Development Goals. These are 17 goals linked to 169 objectives, developed by the United Nations to save the world. The SDGs set out the steps we must take to achieve a better and more sustainable future for all. They offer answers to the global challenges we face today, including those related to inequality, climate, poverty, and environmental degradation. The goals are interconnected, and they are expected to reach their targets by 2030 (Organisation des Nations Unies, 2015).

The SDGs were formulated in a general way so that they could be achievable for all countries. However, it is important to harmonize and adapt them to make it more relevant for a specific country. The Belgian Federal Office identified 17 indicators out of 34 that should be achieved in 2030. If our country continues its current path, three of the 17 will be green by 2030: research and development, sustainable fishing, and marine area in Natura 2000 zone and two will be close to success: women parliamentarians and renewable energies (Bureau fédéral du Plan, 2018).



Image 1 17 Sustainable Development Goals

Source: (SDG Compass, 2015)

There is a clear link between B Corp and the SDGs: the SDG Action Manager was launched in 2020. It is an online platform that was created to leverage Impact B evaluation. It allows companies to manage their impact through their performance on the Sustainable Development Goals (SDGs). B Corp professionals help you answer questions and provide strategic recommendations for implementing the SDGs in your business to quantify and manage positive business impacts (B Lab Europe, s.d.).

I can conclude that there are many tools to measure the impact of companies and that it is really worthwhile to use these tools within a company. There is clearly a link with B Corp and the different impact measurement tools. YET.Brussels confirms that it is important to implement CSR practices in a company. Moreover, they explain that it is necessary to develop a strategy of continuous improvement in order to maintain the positive results of the good environmental practices (YET.Brussels, 2020). This is precisely what B Corp proposes, by requiring B Corp companies to be re-certified every three years. For this reason, I consider B Corp to be an interesting impact measurement tool for companies and I recommend using it. Even if it is only to figure out the impact of your company, without necessarily aiming to obtain certification, it will be valuable for your company.

In addition, Forbes defines social impact assessments as “the net effect that an activity can have on a community and on the well-being of individuals.” They claim that if a company really wants to know the impact it has, it will have to understand how its business works and how they create value. For example, by doing assessments with suppliers, to make sure that they also meet your environmental criteria. Forbes affirms that it is important to take stakeholders' opinions into account and that by implementing CSR practices, the value of stakeholders will increase (Stern, 2022). This is entirely in line with the way B Corp operates by analyzing the 5 impact areas (customers, workers, environment, community, and governance).

4. B Corporation

Presentation

In the following part, I will introduce B Corporation: the organization, the certification itself, the assessment, and the benefits. This will give you a general overview of how B Corp works. Below is a short recap of the main concepts of B Corp:

- B Corp: name of the certification itself and a certified company is called a B Corp.
- B Lab: organization that guides companies through the certification process and ultimately grants certification to companies.
- B Impact Assessment (BIA): assessment that every company, willing to obtain the certification, must complete and submit.

a. B Lab

B Lab is a non-profit organization that certifies companies based on their process of creating value for their stakeholders. B Lab has built a reputation through its mission to certify B Corporations. This means that B Corp companies meet high standards of social and environmental performance, accountability, and transparency. The concept was launched in 2006 with the idea of creating a different kind of economy. Businesses should lead the way to a new stakeholder-driven model, rather than a traditional shareholder-centric approach. There are five areas of impact: the employees, the local community, the environment, the customers, and the governance. When a company passes a certain performance threshold on

the five impact dimensions, it will ensure that the interests of all stakeholders are integrated into the decision-making process (B Lab Global, 2022).

B Lab is building an entire network of B Corporations, the B Corp Movement. This movement contains more than 4000 certified B Corporation companies, in over 150 different industries, in 77 countries (B Lab, 2020). B Lab is activating the B Corp community toward collective action to combat society's most critical challenges. They do so by creating norms, tools, policies, and programs that change the behavior, culture, and structural foundations of capitalism. B Lab is making a positive impact on businesses around the world by doing everything it can to find a balance between profit and purpose (B Lab Global, 2022).

According to B Lab's annual report (2020), many companies have (re)committed to social and environmental sustainability in the wake of the pandemic and subsequent economic crises that have spread around the world. B Lab has seen a significant increase in the number of companies applying for the B Corporation certification. The global B Corp community grew by 25% in 2020 (B Lab, 2020).

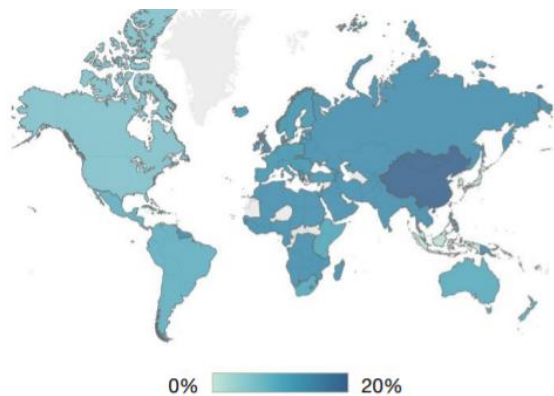
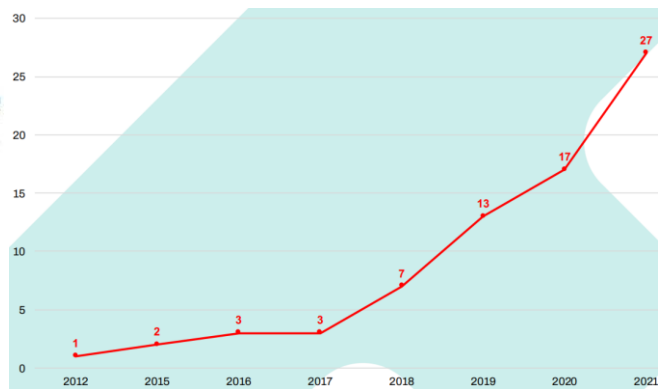


Image 2 B Corp growth 2020 vs 2019 (by % increase)
Source: (B Lab, 2020)



Graph 1 Total number of Belgian B Corps in 2021³
Source: (The Shift, 2021)

b. B Corporation certification

“Certified B companies are leaders in the global movement for an inclusive, equitable and regenerative economy. Unlike other corporate certifications, B Lab is unique in its ability to measure a company's full social and environmental impact” (B Lab Global, 2022).

The B Corp certification is a label that indicates a company meets high social and environmental sustainability standards of verified performance, accountability, and transparency on a variety of factors such as employee benefits, charitable giving, and supply chain practices.

Obtaining the B Corp label demonstrates a company's voluntarily commitment to implement CSR practices in its business activities. Once certified, the company will become part of the B



³ Currently there are 34 B Corps in Belgium (B Corp Benelux ; The Shift, 2022).

Corp Movement. Together, the companies will strive for the well-being of all stakeholders and society.

A company willing to obtain the certification must meet the three criteria outlined below (B Lab Global, 2022):

- Demonstrate high social and environmental performance. This performance is measured using the B Impact Assessment (BIA). A company that achieves a B Impact Assessment score of 80 (out 200) or higher can start the next steps in the certification process. Multinationals should also meet baseline requirement standards.
- Change the governance structure of the company and make legal commitments. This will allow the company to consider all stakeholders (not just the shareholders) as well as obtain charitable status (if available in their jurisdiction).
- Being transparent by allowing their BIA results to be publicly available on their B Corp profile on the B Lab website.

Due to legal precedents and cultural expectations, companies are often expected to make decisions with a view to maximize profits for the business owners and shareholders, which is called shareholder primacy. B Corp believes that shareholder primacy is a threat for long-term value creation for all stakeholders. That is why B Corp has established a legal framework that allows companies to protect their original mission. In addition, the legal framework ensures that the company will continue to practice stakeholder governance on the long-term (B Lab Global, 2022).

c. B Corporations vs Benefit Corporation

Although the names are similar, the two concepts should not be confused. The Benefit Corporation status is a legal status granted under certain state laws in the United States, Italy, and Colombia. The Benefit Corporation was designed to help companies protect their original mission when there are fundraising or management changes. Another reason is to give entrepreneurs and directors flexibility when evaluating potential sale and liquidity options (Honeyman & Jana, 2019).

Similarities

In terms of accountability and transparency, the two corporations are very similar. The impact of all stakeholders is measured and taken into consideration. Thus, the level of transparency, in both cases, the company is obliged to publish a report that includes the results of the B Impact Assessment (Honeyman & Jana, 2019).

Differences

A first difference is noticeable at the level of the company's performance. Certified B Corporations must obtain a score of 80 out of 200 on the B Impact Assessment and recertification is required every three years. Benefit Corporations, on the other hand, assess their own performance level.

Secondly, availability. Any for-profit business can become a Certified B Corporation. But Benefit Corporations are only available in some countries (Colombia and Italy) and some US States. In terms of costs, we can also identify a difference. Certified B Corporations pay certification fees that vary from 500\$ to 50.000\$. The rate varies according to annual sales. In Benefit Corporations the fees vary by case law. A final difference is detectable in the role of B Lab. For the Certified B Corporations, B Lab is a non-profit organization that guides companies through the certification process. For Benefit Corporations, B Lab has developed a legislation model, which serves as a reporting tool to meet transparency requirements (Honeyman & Jana, 2019).

Benefits of becoming a B Corp

There are several benefits that come with obtaining the B Corp certification. These benefits are described in Honeyman & Jana's book. The attractiveness of benefits can vary on the industry, the objectives, the missions, or the life cycle of your company (Honeyman & Jana, 2019).

- a. Being part of a global community of leaders.

Many companies have admitted that they sought certification for marketing or benchmarking reasons. But once certified, they discovered the real value of B Corp. They were part of a global community of leaders. This global community shares the same values and has a common goal, which is "use your business as a force for good". In addition, there is a high level of trust, equity and belonging within the community due to the rigor of the B Corp certification process. This rigor helps weed out companies that are not truly committed to sustainability (Honeyman & Jana, 2019).

- b. Attracting talent and engaging employees.

Joining the B Corp community will help your company attract, retain, and engage employees with the company's purpose and the collective purpose of B Corp. Research shows that millennials are looking for work-life balance. In addition to that they are looking for work-life integration. This means they are looking for a job that they are passionate about in order to fulfill economic needs as well as obtain a better quality of life. Dr. Jana was especially excited about attracting top talents as a result of the B Corp certification. In addition, she found that after becoming B Corp certified, it was no longer necessary to recruit high-potential employees because they automatically showed more interest in her company (Honeyman & Jana, 2019).

- c. Increasing credibility and trust.

The importance of environmentally friendly products has been growing in recent years. But increasingly, consumers also want to know what kind of company is guaranteeing the sustainable products. B Corp certification builds credibility and confidence in your brand because it is based on rigorous standards and a third party is judging and evaluating all aspects

of your business. Moreover, certified companies are required to share their BIA results on the B Corp website. This is a sign of transparency and goodwill (Honeyman & Jana, 2019).

d. Benchmarking and improving performance.

The B Impact Assessment is a very valuable tool, which measures the social and environmental performance of a company. It is applicable to any company, no matter how sustainable the company is. There will always be blind spots that need to be tackled in order to be beneficial for your stakeholders. After doing the BIA, you can use the information gathered and motivate your company to improve their score. Besides, the BIA is often used as a guide for corporate CSR reporting. In many cases, companies can save time and money by using the BIA instead of conventional CSR reporting methods (Honeyman & Jana, 2019).

e. Protecting a company's mission for the long-term.

B Corp's primary objective is to meet rigorous standards of social and environmental performance. But in addition to this goal, there is another one that must be considered. B Corps are changing their governing documents to better meet their social and environmental mission over time. This is a legal safeguard that will protect the company's mission, which means that new investors and/or board of directors would be required to include consideration of shareholders and stakeholders (Honeyman & Jana, 2019).

f. Generating press and awareness.

B Lab has helped increase the awareness of the B Corp movement by publishing the "Annual Best for the World". This list includes all companies that are in the top 10% of companies that have a positive social and environmental impact. Moreover, the list has been published in various renowned newspapers, such as the Guardian and Forbes (Honeyman & Jana, 2019).

Critical analysis

At first glance, B Corp's certification seems perfect and offers many benefits. In general, certifications help direct consumers to responsible products/services and allow investors to assess the risks associated with investments. However, certifications do have some drawbacks. There are many certifications, and even companies that create their own certification (e.g., the Renault Eco2 label). This could lead to confusion among consumers and undermine the reliability of certifications (Liute & De Giacomo, 2021).

Other criticisms have also appeared. First, according to Stubbs (2017), certified firms tend to be those that were managing to identify with the B Corp pathway before even beginning the certification process. In addition, certification does not motivate all companies that are on track to further improve their impact (Villela, Bulgacov, & Morgan, 2019). Furthermore, there is another issue that should be considered. Will B Corp certification also be adopted by large

companies, and will the certification succeed in creating a transitional movement (Elkington, 2019)?

A study conducted by Liute & Da Giacomo (2021) attempts to answer the following question: “To what extent does the B Corp certification ensure that businesses protect the environment?”.

They found that companies can focus on certain areas they prefer and score high in those areas while they can score zero points in other areas. This means a company could have high customer and employee scores but have a zero environmental score. The only requirement that must be met is to reach the threshold of 80 total points at the end of the assessment. Besides the fact of allowing companies to score zero for the environment, the BIA only awards positive points. So, the fact of not adopting environmentally friendly practices, will not be penalized. As a conclusion, the BIA does not motivate companies to improve their environmental impact (Liute & De Giacomo, 2021).

Second, the certification does not consider sensitivities in different types of industries. This allows companies to judge for themselves which questions are easy to answer rather than those that are of real importance to their industry. This mechanism can threaten to diminish the credibility of the certification, especially in the eyes of consumers (Liute & De Giacomo, 2021). To quote Matisoff (2014) “Voluntary programs that are not sufficiently stringent may reward bad actors and obscure bad environmental behavior.”

Finally, regarding the existence of greenwashing with the B Corp certification. The study from Liute & De Giacomo showed that 70% of the companies have strong alignment between their scores and their social and environmental claims, which is a good score. However, it is important to keep a critical mind. Because, as mentioned above, companies can currently choose between social impact and environmental impact. This could therefore be considered misleading and greenwashing practices, which could lead to a loss of credibility and confidence (Liute & De Giacomo, 2021).

Certification process

Generous is eager to obtain the B Corp certification. Christophe Harou (Generous’ manager) finds that at first sight, Generous corresponds quite well to the ideas and values of B Corp. Of course, it will be necessary to realize the certification process, in order to really judge the impact Generous has on its stakeholders. But the manager is motivated and he has already heard positive feedback about the certification.

So, we will launch the certification process for Generous and then analyze the scores obtained on the assessment. For reasons of limited time, we will only do the first steps of the process (B Impact Assessment) for Generous for this thesis. It is obvious that Generous will continue the journey until the end to be certified B Corp.

The certification process can take several months, between 6 and 10. It can be challenging, because the assessment is very detailed and time consuming to complete. The company must be really motivated to obtain the certification. In addition, there will be many auditing interviews to verify the validity of the company's answers. The company must therefore be committed and persistent. But of course, it is worth a try. A company can also hire a consultant or consulting firm (The Shift for example) to manage the certification process.

Let's imagine that a company does not succeed in getting certified at the end, it will nevertheless have a better understanding of the positive or negative impact it is creating. The certification process and requirements may vary depending on the type and size of the company. However, any company seeking the B Corp certification should follow the steps outlined below. B Lab Global and your regional B Lab are at your service to help you out during the process (B Lab Global, 2022; B Lab Global, 2020).

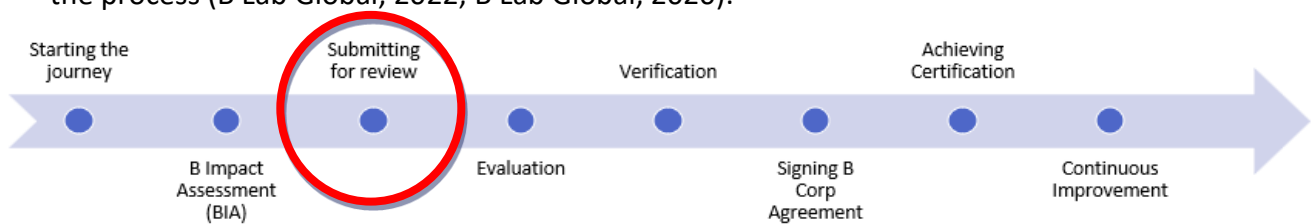


Figure 6 Steps to certification⁴

1. Starting the journey

The certification journey starts when you sign up for the B Impact Assessment, which is free and confidential. After registering for the B Impact Assessment, you start with the input of basic data on Generous, such as the size of the company, the sector of activity, the income, etc. Based on this data, the assessment will be adapted. In addition, you will need to use the Legal Obligation Tool. It will determine how your company can integrate stakeholders into the governance structure and how to remain legally accountable to all the stakeholders (B Lab Global, 2022).

2. The B Impact Assessment (BIA)

The main objective of the B Impact Assessment is to track what matters within your company. It is a free and confidential online tool⁵. The BIA measures the impact of your company by analyzing and evaluating five impact areas. All sections (described below) assess the impact of a company's operations and business model on the stakeholder.

Before tackling the 5 impact areas, I would like to clarify the difference between operational impact and impact business models. The operation section takes up the operational performance of a company on its stakeholders. These are the day-to-day activities. The Impact business models (IBMs) are the ways that a company can generate a positive impact for a specific stakeholder. They can be based on their products, activities or a company's structure (B Lab, 2020).

⁴ The red circle marks the last step of the certification process that has been done for Generous in this thesis.

⁵ APPENDICE I p.80



Image 3 5 impact areas of a company
Source: (The Shift, 2021)

I can now move on to the five impact areas, which are described underneath.

Workers

Workers evaluates all aspects that are relevant to employees. That is contributing to the financial security, health and safety, well-being, commitment, and satisfaction of employees. Furthermore, this section recognizes business models that have been created to benefit workers, for example, training programs for employees, which allow them to develop their skills applicable to their job but also outside of the company. Another example could be companies that have implemented workforce development programs to support people with barriers to employment (B Lab, 2020; Honeyman & Jana, 2019).

Environment

Environment assesses the overall environmental management of a company and its impact on air, water, land, and biodiversity. This includes the direct impact of a company's operations and, if applicable, also the impact of its supply chain and distribution channels. This section also recognizes companies that apply innovative production processes and those that sell products/services that reduce negative impacts on the environment. Examples include the creation of renewable energy, reducing consumption and waste or raising awareness of environmental issues (B Lab, 2020).

Customers

The Customers section evaluates how a company manages its customer relations. This is assessed by analyzing the quality of its products and services, ethical marketing, data privacy and security, and feedback channels. Even if companies consider that customer satisfaction and well-being are important (by implementing satisfaction questionnaires for example), B Lab considers that often they will not have a real change or impact on its customers. Business models that actually make an impact are rare. Most companies will indicate that they do NOT have a specific impactful business model focused on their customers or consumers (B Lab, 2020; Honeyman & Jana, 2019).

Community

The Community section evaluates a company's commitment and impact on the communities in which it operates, hires employees, and sources raw materials. Diversity, equity and inclusion, economic impact, charitable giving, and supply chain management are the main topics that are addressed in this section. Moreover, this section recognizes business models that are designed to deal with specific community issues. Such as reducing poverty levels through fair trade or micro-enterprise collaborations, local economy development or charitable giving (B Lab, 2020).

Governance

Governance assesses a company's overall mission, ethics and transparency, and commitment to creating social/environmental impact. In addition, this section measures a company's ability to protect its mission and assesses whether the company takes stakeholders into account in decision-making processes (B Lab, 2020).

Let's now focus on the conduct of the B Impact Assessment. The Assessment is in the form of multiple response questions. You have to check one or more answers that correspond to the company. In addition, you must justify your answers by giving an additional explanation and the documents which will support it. In order to be efficient, it is important to gather these documents and supporting materials in advance (you will also need them later in the process). I completed the BIA together with Christophe Harou. We had meetings once or twice a week, to go over the questions and the progress of the project. We worked together because Christophe knows his business well and he provides me with the supporting documents.

While doing the BIA, you can save the answers, come back, and modify if necessary. Moreover, you will need to complete the disclosure questionnaire. This questionnaire is the last part of the BIA and analyses the background of the company and/or public complaints if there are any (B Lab Global, 2022) (B Lab Global, 2022).

Then you will get a score. If it is below the 80-point threshold, you will need to re-evaluate your answers and define which areas you will focus on to improve. You will have to postpone the submission of the BIA and make sure to improve your impact. (B Lab Global, 2022).

3. Submitting the Assessment for review

If your score is higher than the 80-point threshold, you can go on with the next steps and submit your BIA for review (B Lab Global, 2022). Obviously, we hope that Generous will get a score higher than 80, so that they can continue the certification process. But we can't say that with certainty yet. However, it is important to know that it will never be a waste of time. It is in any case **interesting to know where Generous stands, what impact the company creates and on which points it can improve**. As already mentioned before, due to time constraints, it is at this point of the process that we will stop the analysis in this thesis.

4. Evaluation

This step may take longer because B Corp's popularity has grown significantly in recent years. Your company will be in a queue to be evaluated by a B Lab analyst. If your company has been determined eligible, you will enter the evaluation phase. A B Lab Global analyst will review your business organization, business structure and your responses to the entire assessment (B Lab Global, 2022).

5. Verification

Now your company will arrive in the audit queue. During this step you will be asked to provide information and evidence of what you have answered in the BIA. These audits will be conducted by telephone interview with a B Lab analyst. It is not abnormal that during this step you lose points from your initial BIA score. Therefore, it is advisable to submit your BIA when you have a score above 80, so you have a margin and a better chance of getting the certification (B Lab Global, 2022).

6. Signing the B Corp Agreement

If you reach the audited threshold of 80 points, good news, you will enter the next stage of the certification process, the post-audit. In this stage you will sign the B Corp contract, sign the B Corp Declaration of Interdependence, and pay the fees related to the certification (B Lab Global, 2022).

First, there is the submission fee. All companies submitting their assessment for the first time will be charged a (non-refundable) submission fee of €250. Then there is the annual certification fee⁶, that you will need to pay once your company will be certified. This amount is based on the level of annual sales and may also vary by region (B Lab Europe, 2021).

7. Achieving Certification

You have achieved certification! It is important to share your B Corp status internally (employees, shareholders, board members) as well as externally (suppliers, customers, vendors). In order to meet the transparency requirement for the B Corp certification you will have to make your B Corp profile public. Everyone will be able to see your score and impact report. This can be inspiring for other companies that want to get into B Corp certification (B Lab Global, 2022).

8. Continuous Improvement

The final step in your B Corp journey will be the longest but is very important. Every three years your company will be recertified. You will do this by using the BIA and the certification process as a tool for continuous improvement (B Lab Global, 2022).

⁶ APPENDICE II p.80

5. Generous

For my case study, I am working with the company, named Generous. In this section, I will introduce the company.



Presentation

The Generous' story began when one of the co-founders, Christophe Harou, discovered a gluten intolerance. It was necessary to find a solution for this pastry lover. So, Christophe, his wife and two other friends specializing in gluten-free bread and pastries, launched their company Generous in 2013. In their artisanal workshop, the Generous company was born. They create gluten-free cookies with sharp and greedy flavors. Moreover, the cookies are organic and with a little Belgian touch. They have been developed with the best ingredients from local producers. Generous uses tapioca flour, buckwheat flour or potato starch instead of refined sugar or wheat (Generous, s.d.).

The main objective of the founders is to create artisanal and tasty cookies, rich in flavor with a pleasant texture and to offer a solution for people intolerant to gluten. According to the founders, "gluten-free" is a real source of inspiration and an interesting challenge. They are constantly looking for the right raw materials, the right dosages, and the right processes in order to obtain high-quality cookies. All products are prepared in a certified gluten-free workshop (Generous, s.d.).

| COMPANY NAME | GENEROUS |
|------------------------|---|
| Adress | Rue de l'Atelier 9, 1480 Tubize |
| Website | https://generous.eu/ |
| Contact person | Christophe Harou (manager) |
| Date of creation | 2013 |
| Number of employees | SME, 10 full time employees |
| Sector | Retail food sector, bakeries & confectioneries |
| Categories of products | <ul style="list-style-type: none">• 11 different kinds of cookies⁷• Bread (white and buckwheat) |
| Corporate values | To make gluten-free sexier and more desirable while respecting the environment and society. |

Table 1 ID Card

It is worthwhile to consider Generous' efforts at the environmental and social level. They do their best to make "Generous" more than a brand name.

First, at the social level, the cookies are bagged by the TRAVIE association. It's a protected workshop which contributes to the creation of employment for disabled people. About ten people are daily dedicated to the packaging of products in exchange for a decent salary. Second, the environmental efforts, at Generous they try to work for a sustainable production, both from the economic and ecological point of view. They want to reduce their carbon footprint as much as possible, by using solar panels reducing waste and revalorizing unsold

⁷ APPENDICE III p.81

products. In addition, they collaborate as much as possible with responsible retailers such as organic and bulk stores (Generous, s.d.).

a. Certifications obtained by Generous



Image 4 Label gluten-free, organic, AFSCA, IFS

Generous' business model

GoodFood Brussels distinguishes three sectors of activity: production, distribution, and catering. They consider Generous as a processor (production) in the grocery product category that sells its products to individuals and professionals. Good Food Brussels has established the following diagram which represents Generous's social and environmental commitment (Good Food Brussels, 2020).

First of all, the product range. The raw materials come from organic farming and the final products (cookies, bread, and cake) are all certified gluten-free and organic. Generous also offers some vegan or lactose-free products (Good Food Brussels, 2020).

Then the raw materials. The company favors short circuits in order to maintain the quality of raw materials. They are issued from local and organic agriculture. Thanks to this, Generous ensures a transparent and perfect traceability throughout the production chain and they reduce the ecological footprint. If there are raw materials that are not available on the Belgian market, Generous will buy on the European market (Good Food Brussels, 2020).

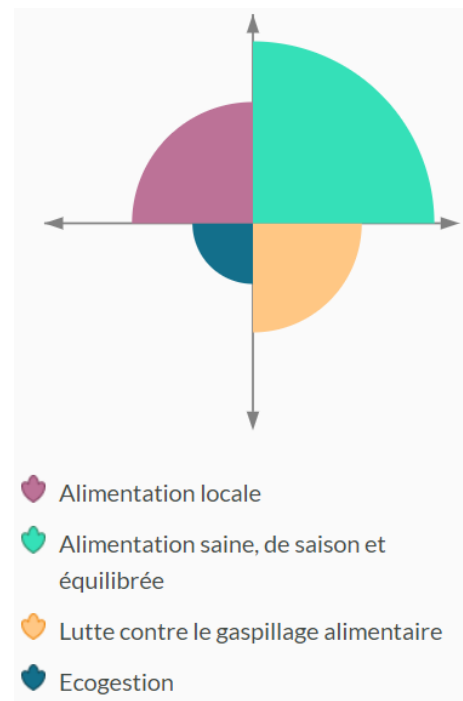


Figure 7 Generous's commitment

Source: (Good Food Brussels, 2020)

Finally, the fact that Generous is a company engaged on several levels (Good Food Brussels, 2020; Generous, s.d.):

- Waste is sorted and recycled; broken cookies are collected in a "Generous Box". These boxes are then offered to local associations or cooperatives.
- The cookies are bagged by the TRAVIE association. This association contributes to the integration of disabled people in the society. TRAVIE offers useful work to the disabled persons in exchange for a proper remuneration.
- The energy resources whose use is limited to the maximum. Generous uses refractory stones. This allows to reduce the use of gas for the ignition of the furnace.

According to the diagram of Good Food Brussels, Generous already makes a lot of efforts to improve their social and environmental impact. These efforts can certainly be taken into account during the B Impact Assessment and will increase the overall impact score.

Sustainable Development Goals applied to Generous

In this part, the Sustainable Development Goals (SDG) will be related to the activities of Generous. I did an analysis of the SDGs for Generous. It allows me to have a first picture of the impact Generous has on its key stakeholders. In my opinion, this analysis will form a good summary of the social and environmental impacts created by Generous, as well as how the company could contribute to the achievement of the Sustainable Development Goals.



Image 5 SDG's related to Generous
Source: (United Nations ESCAP, 2020)

a. Zero hunger

The targets related to this SDG are as follows:

- “By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.” (United Nations ESCAP, 2020).
- “By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.” (United Nations ESCAP, 2020).

Generous' contribution to these objectives is, logically, in the fact that the company is active in the food sector. They create high-quality and healthy cookies. Moreover, the products are certified by different labels. This generates confidence among consumers. Unsold or damaged cookies are distributed to charitable organizations, which leads to the reduction of hunger for disadvantaged people. Finally, Generous tries to use short circuits and establish collaborations with local producers. This will increase the agricultural productivity in the long run.

b. Decent work and economic growth

The targets related to this SDG are as follows:

- “Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small and medium-sized enterprises, including access to financial services.” (United Nations ESCAP, 2020).

- “By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.” (United Nations ESCAP, 2020).

Generous wants to be a human employer, open and accessible at all times, while respecting the company's values. The founders do this by including the employees to participate in some decisions. This gives meaning to their work, which is very motivating. Generous intends to give work to people in Belgium and to make them evolve according to their means, without losing sight of the economic aspect. Moreover, this generosity is also an open-mindedness. Generous is part of "Réseau Entreprendre Bruxelles" and exchanges its experiences with other companies (Generous, 2022).

c. Reduced inequalities

The target related to this SDG is as follows:

- “By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.” (United Nations ESCAP, 2020).

The main mission of the protected workshop TRAVIE's is to contribute to the inclusion of people with disabilities in society and to the development of their personal autonomy. TRAVIE implements this mission by offering useful and remunerative work as well as professional development opportunities. TRAVIE positions itself on the market as a provider of multiple services of a simple or more complex level.

The commercial, technical and production teams have a certain expertise that is compatible with the know-how of disabled workers (TRAVIE, 2020).

Generous collaborates since the beginning of their existence with TRAVIE. This collaboration is beneficial for Generous, because at the beginning of the company, they didn't have the means to have an autonomous packaging line. Generous has thus established the collaboration with TRAVIE (Febrap TV, 2018).

d. Responsible consumption and production

The targets related to this SDG are as follows:

- “By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.” (United Nations ESCAP, 2020).
- “By 2030, substantially reduce waste generation through prevention, reduction, recycling and re-use.” (United Nations ESCAP, 2020).

Generous has been working with Too Good to Go since June 2019 to reduce food waste and reintroduce unsold goods into Generous' value chain. According to Generous founder Christophe Harou, this project was an obvious choice in line with the company's societal and environmental commitment. At Generous they always try to redistribute the cookies that do

not meet all the necessary criteria (broken or damaged). Generous Boxes contain broken or damaged cookies. These boxes are offered to local charities. A nice responsible, social, and environment-friendly approach (Couturier, 2020).

Another small effort of Generous, the packaging is made of recycled paper and all the waste is sorted and recycled (Generous: la bio généreuse, comme son nom l'indique, 2018).

e. Partnerships for the goals

The target related to this SDG is as follows:

- “Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.” (United Nations ESCAP, 2020).

As you could already see above Generous has many partnerships. Whether it's at social level (TRAVIE & local charities) or environmental level (Too Good to Go). This creates added value for both parties.



Image 6 Generous boxes making people happy
Source: (Generous, s.d.)

Since the 5 identified SDGs are already creating a positive impact for Generous and its environment, it is also expected that the SDG will have a positive influence on the final B Impact Assessment score of Generous.

SUMMARY OF THE LITERATURE REVIEW

Sustainable development, social and ecological concerns are becoming a must for companies. More and more companies are realizing the significance of integrating sustainable values in their activities, which leads to the development of sustainable business strategies. These practices and sustainability concerns can be classified under the term CSR (Corporate Social Responsibility). CSR leads to increased value creation for all parties; the company itself, the stakeholders, and the shareholder (Secrétariat central de l'ISO, 2014). Moreover, CSR reduces information asymmetry and improves a company's behavior and competitiveness in different ways (Bon & Taccola, 2015; CFI, 2015-2022).

The importance of CSR is even more remarkable in SMEs. SMEs that implement CSR practices will reduce production costs and increase value creation. In SMEs, the values and beliefs of the manager play a significant role. If the manager is not sensitive to CSR practices, he will not implement them in his/her company. The reason is that in most cases funds of the company are provided by the manager, it is his/her money that is at stake. Before investing in social processes, a company must assess whether the investment will produce a real social impact in addition to a financial return.

There are many tools that provide a picture of a company's social performance and allow it to measure its impact. For instance, the Triple Bottom Line, the Environmental - Social - Governance criteria, the ISO norms, or the B Impact Assessment. Some of these tools are also evoked in the Trends Tendances magazine (Van den Noortgate, Debruyne, Poortmans, & De Cat, 2021). These tools measure the social impact created by a company and if they are used in a correct way, they will also avoid that companies practice greenwashing. Greenwashing means that a company will use CSR as a marketing tool to make consumers believe that their company is responsible and values sustainability. Trends Tendances Magazine summarizes (Van den Noortgate, Debruyne, Poortmans, & De Cat, 2021) : "If the communication you develop is contrary to the actions you take, you could quickly be accused of greenwashing." I consider B Corp and ISO to be the most effective measurement tools. Because they have high and reliable standards, a certification is granted for compliance with these standards and companies have to recertify every three years. Therefore, I recommend these measurement tools to companies.

Trends Tendances magazine offers a guide with tips to make a business more sustainable. They say that creating value by integrating sustainability into a business will take it to the next level. Furthermore, they claim that SMEs have an advantage in implementing sustainability tools because there are fewer employees, and it is more likely to get everyone on the same page. Another tip is that companies should tailor their goals to their industry and set priorities. By doing this from the start, the new strategy will be more easily accepted and understood by employees and partners. They also advise to work with local suppliers and to favor short circuits. This reduces the carbon footprint, maintains the quality of raw materials, and avoids dependence on foreign and distant suppliers. The same principle can be applied to the local

distribution of your company's products. Finally, on a social level, they propose to integrate disabled people in the company. The inclusion of people with disabilities is an important part of creating a sustainable strategy (Van den Noortgate, Debruyne, Poortmans, & De Cat, 2021).

The tips and advice mentioned by Trends Tendence magazine fit very well with the mission of B Corporation. B Corporation is a certification that can be obtained by companies that meet high standards of social and environmental performance, accountability, and transparency. The certification is granted by the non-profit organization, B Lab. This organization acts as a third party and evaluates the performance of a company seeking certification. Any company seeking certification will be required to submit the B Impact Assessment (BIA). This is an online assessment with 200 questions on the different stakeholders of the company (employees, suppliers, customers, ...).

Finally, the last point of the literature review is the case study with Generous. Generous is a Belgian SME that wants to start the B Corp certification process. Generous is active in the food sector. They create organic, gluten-free, and high-quality products, such as cookies and bread. Within the framework of this thesis, I will start this project for Generous by carrying out the first step of the process, the B Impact Assessment.

PROBLEMATIC

The main objective of this thesis is to carry out an in-depth study on the impact of B Corp and on obtaining the certification for Generous. For reasons of limited time, I only start the first step of the certification process, which is the B Impact Assessment. Once the BIA is completed, I got a score and I was able to develop the next steps to be taken for Generous, as well as the recommendations, limitations and ways to improve for the future.

This thesis contains theoretical research, as well as a comparison of the theory on the field. The goal is to launch Generous in the process of B Corporation certification. This allows me to establish my problematic on which I will work during this thesis.

“How to optimize the social and environmental impact of a Belgian SME, by engaging in the B Corp certification process?”

I can conclude that my thesis is a *“project-based thesis”*. I applied an abductive approach in order to carry out the project that I have established in accordance with Generous company. To realize this project, we have established a cooperation agreement⁸, which allowed us to define the responsibilities of each person, as well as the objectives to be reached at the end of the course. I based my project on theoretical research, as well as on data collected in the field, while always adopting a critical mind. Finally, I was able to provide operational recommendations with the long term and final goal of obtaining B Corporation certification.

⁸ APPENDICE IV p.82

METHODOLOGY

Once the problematic is defined, a methodology must be established to answer the research question. In the methodology section, I will outline the research methods, three sub-questions that will help me answer my central research questions and a description of the sample. Finally, the research and data collection tools will be developed.

1. Description of research methods

With the help of the syllabus "Réaliser et rédiger son mémoire à l'ICHEC" (G.Paquet, 2020-2021), I have identified six steps to conduct a good documentary research for the theoretical part:

- a. Define the needs: in order to identify what I was looking for and the types of information that came to me, I used the research strategy sheet⁹.
- b. Choose appropriate sources: the sources came from different search engines, so I aimed to get variety between the information.
- c. Identify and locate documents: these days we have easy access to online sources, yet I think there are also interesting library sources. I combined both.
- d. Evaluate the quality and relevance of resources: before actually using a source, it is crucial to evaluate the quality and relevance. Therefore, I used the relevance and the quality grid¹⁰.
- e. Keep track of the documents: when I found an interesting source, I made some summaries of the scientific articles and journals.

2. Sub-questions related to practical part

Based on the theoretical part and the literature research, I can establish two sub-questions. I have created these two sub-questions in order to be able to answer my central research question in a complete and exhaustive way. These sub-questions formed the structure for the further analysis and writing of the results.

1. "How did B Corp optimize the social & environmental impact of certified companies?"

2. "How does B Corp allow to optimize the social & environmental impact of Generous?"

The first question below focusses on the role and importance of B Corp to certified businesses. By providing answers to these questions, it was possible to identify the added value of B Corp, the incentives of certified companies and the impact that B Corp creates for certified companies.

How did B Corp optimize the social and environmental impact of certified companies?

The importance of sustainability within companies has increased. According to Statbel (2019), an augmentation of 6.1% in the turnover of companies specialized in the environmental sector was recorded in 2017. 2193 specialized companies were active in the environmental sector in 2019 (Statbel, 2021). This proves that there is a real interest in sustainable development in

⁹ APPENDICE V p.83

¹⁰ APPENDICE VI p.83

the corporate world. However, it is important to maintain the credibility of environmental efforts and commitments.

This is where B Corp's role is important. It is obvious that B Lab claims that any company achieving B Corp certification will improve its social and environmental impact. But is this the case, does a certified company really improve its impact? In my opinion, it might be important and interesting to analyze this statement. Moreover, by answering these two questions, I will be able to identify the added values and possible drawbacks of B Corp. B Corp is not (yet) well known among consumers, so it seems essential to me to find the added values and motivations of the companies that are part of the B Corp community. Afterwards I will be able to implement them when launching the certification process for Generous.

B Lab Europe distinguishes two different goals for companies. Some companies complete the BIA with the goal of reaching the 80+ points required for certification, and they are willing to change and improve the impact of their business on the long-term. Then they continue the certification process with the final objective to be certified and be part of the B Corp community. Others seek only to measure their environmental and social impact. These companies fill out the BIA to get an idea of their performance. They are not specifically seeking B Corp certification or fundamentally changing the impact of their business.

B Lab Europe also offers tips on their website for companies aiming to achieve B Corp certification such as prioritizing areas of improvement, setting goals over a defined time period or learning from Best Practices (attending events, reading case studies, ...) (B Lab Europe, s.d.). Furthermore, in Honeyman & Jana's book, many of the benefits and advantages of B Corp certification have been identified (Honeyman & Jana, 2019)¹¹.

Although B Lab and Honeyman & Jana state that B Corp certification improves social and environmental impact, it does not prove that these benefits are actually identifiable in B Corp certified companies. That's why I think it's noteworthy to test these statements in the field.

The second sub-question focuses on the case study with Generous. By answering this question, I was able to evaluate the effectiveness of the B Impact Assessment and to analyze to what extent the impact of Generous has been optimized through B Corp.

How does B Corp allow to optimize the social and environmental impact of Generous?

At the first point, the BIA is supposed to give a clear picture of the current impact and position of a company. The score obtained by Generous forms a basis for the future. Which areas did the company score well on and which areas should be reviewed?

Since a certified company is required to recertify every three years, Generous will be able to monitor the evolution of their impact on the long-term, thanks to B Corp.

¹¹ See Benefits of becoming a B Corp p.20

B Lab has identified several principles that should be present in the BIA. I focused on four principles, which I tried to identify while conducting the B Impact Assessment for Generous. This way I was able to verify if the principles, established by B Lab, are truly incorporated into the B Impact Assessment. Below are the principles I worked on:

1. The first is **“positive”**. The score obtained in the B Impact Assessment represents the positive performance of a company on its different stakeholders. A company gets a score for the positive practices it implements. There are no negative points in the assessment, which is encouraging for companies, they are rewarded for their positive efforts (B Lab, 2020).
2. The second is **“comprehensive”**. The evaluation takes a holistic view by including indicators and good practices that incorporate all aspects of a company's operations and business model (B Lab, 2020). In addition, there is a “knowledge database” about the BIA with some articles about the certification process, as well as a chat function to ask questions about the content. By filling in the BIA for Generous, I was able to evaluate the usefulness of this database and the quality of the answers in the chat.
3. The third is **“dynamic”**. Company size, sector and geographic location are considered in the content and weighting of questions. For example, a big retail company will not have the same questions as a small consulting company. Moreover, companies can decide to drop or adapt certain questions based on their applicability. This allows the company to focus on the most relevant opportunities for greater impact. Finally, once certified, the company is required to redo the BIA every 3 years, in order to update a company's new practices (B Lab, 2020). The three years after certification are very important years. This is when the "real" work begins. The company will have to implement different mechanisms to maintain or ideally improve their BIA score and thus their social and environmental impact (Garcia, 2022).
4. The fourth is **“educational”**. One of the goals of the assessment is to inform companies about new ways to improve their impact and performance. Companies question their operations in order to create opportunities. Even if a company has some difficulties with obtaining the minimum score of 80, B Lab will provide an improvement project (B Lab, 2020).

These 4 principles should be identifiable when conducting the BIA for Generous. At the end of the BIA, there should be a clear overview of the social and environmental impact Generous is creating. If Generous does not obtain the minimum score of 80, it will normally receive improvement guidelines for the future, which is certainly valuable. Generous is motivated and willing to engage in this B Corp process. They are ready to make a real commitment to societal and environmental issues and to make changes.

3. Research & data collection tools

Below I will explain how I implemented the analysis of my sub-questions. It is important to have a clear plan in mind in order to work efficiently. In this section I will discuss the tools and samples, needed to answer the established sub-questions. It is apparent that the tools and samples are different depending on the questions and the methodology required.

How did B Corp optimize the social and environmental impact of certified companies?

To ensure a complete and scientific answer to this question, I conducted a qualitative study to collect primary data, which is called a FIELD study. This type of study is useful to take ownership of the subject and try to better understand the behavior of the different actors (G.Paquet, 2020-2021). I organized interviews, based on a semi-structured interview guide with open questions.

You will notice that in the interview guide, there are some questions marked in bold. The answers to these bold questions are key to analyze and answer the sub-question. The interview guide helped me to structure the conversations well. The interview consisted of five stages: an intake discussion, the beginning of the interview, the body of the interview, the closing of the interview and a final part (G.Paquet, 2020-2021).

| Stage in the interview | Global question | Question |
|------------------------------------|---|---|
| 1. INTAKE DISCUSSION | Presentation of the project, explaining what I want to obtain after this interview. | Generous that is willing to obtain B Corp certification. Analyzing how B Corp can have/create a positive impact on companies (before/after situation). By doing interviews with companies that already have obtained B Corp. |
| 2. START OF THE INTERVIEW | Focus on their company. Presentation of their company & general information, an ID card. | Name, date of creation, contact person, sector, categories of products & corporate values? |
| 3. BODY OF THE INTERVIEW | Focusing on B Corp. | Why wanting to obtain B Corp certification? Added value & advantages. Explain the route you had to take to achieve B Corp. Changes or adaptations within the company. Social and/or environmental improvements. |
| 4. CLOSING OF THE INTERVIEW | Concluding with a few statements. | Reliability of the certification. Can any company become a B Corp? Difference between SME or MNC? B Corp avoids greenwashing practices. |
| 5. FINAL PART | Last question & thanking. | Any tips, recommendations, or other relevant comments? |

Table 2 Interview guide

I scheduled the appointments well in advance, so that the respondents had time to talk openly. Moreover, the interview guide was sent to the respondents before the interview, enabling them to prepare properly. The interviews were recorded and transcribed afterwards

(if authorized by the interviewee). This made it easy to analyze and compare the different interviews.

The interviews took place on Teams. This way I could easily interview companies, wherever they are located in Belgium, and we didn't waste time travelling. If there were respondents who preferred to do the interview in person, I was certainly able to organize myself to meet their wishes. The interviews were conducted in English, French or Dutch depending on the preferences of the interviewee. I have created the interview guides in three languages. I realized that it was important to be flexible with schedules. The people who were interviewed, work and have busy agendas. I did my best to accommodate their schedules and respect the timing of the interview.

Finally, the BIA results of already certified companies are always published by B Lab. This is part of the transparency of B Corp for which companies are obliged to sign. This allowed me to deepen the information gathered during the interviews with what is published by B Lab. I am sure it is worthwhile and useful to complete the information. Moreover, the B Lab website is very well organized, and the key information of a company's BIA is well grouped.

Table 3 Sample 1 lists all the companies I interviewed and some additional information on the companies.

| Name of the company | Person interviewed & role | Sector of activity | Company size | Location | Score on BIA | Stage at which the company is in the B Corp certification process |
|--------------------------|--|-----------------------------------|--------------|----------|--------------|---|
| Oxfam Fair Trade | Tom Freyaerts | Wholesale/ retail | SME | Flanders | 123.4 | Certified since July 2021 |
| | Quality Assurance Engineer | | 42 employees | | | Actually: working on strategic plan and improving their impact (especially in terms of sustainability). |
| EcoBirdy | Joris Vanbriel | Manufacturing, furniture | SME | Flanders | 94.9 | Certified since August 2019 |
| | Founder & CEO | | 4 employees | | | Actually: working on recertification. |
| Quest | Diana Garcia | Impact Design Studio | SME | Flanders | 87.4 | Certified since December 2019. |
| | Head of growth & B Corp certification | | 6 employees | | | Actually: working on recertification. |
| Edmire | Charlotte Van Hoecke | Impact/circular design company | SME | Flanders | 83.9 | Certified since October 2019 |
| | HR | | 11 employees | | | Actually: on hold. But will be working on recertification soon. |
| Simone a soif! | Alexandre Van Der Vaeren | Beverages, fresh & natural drinks | SME | Brussels | 94.4 | Certified since October 2021 |
| | CEO | | 3 employees | | | Actually: on hold. But will be working on recertification soon. |
| Scale Up | Olivier Van Cauwelaert | Impact Investing | SME | Wallonia | 84.7 | Certified since March 2018 |
| | CEO | | 8 employees | | | Actually: working on recertification. |
| Brunehaut Brewery | Marc-Antoine De Mees | Organic beer brewery | SME | Wallonia | 80.1 | Certified since February 2021 |
| | Owner of Brunehaut brewery | | 8 employees | | | Actually: working on recertification. |
| D'ICI | Elisabeth Bois d'Enghien | Food, local distribution | SME | Wallonia | 89 | Submitted their BIA, waiting for the next step, the audit with B Lab. |
| | Communication and responsible for sustainable projects | | 30 employees | | | This means their BIA score can still change. |

Table 3 Sample 1

This sample contains different companies that have achieved or are in process of obtaining certification. I interviewed companies from Flanders, Brussels and Wallonia that are active in different sectors, in order to have a variety in the sample. B Corp certified companies in

Belgium are often SMEs, which is particularly interesting for my research, because Generous is also an SME.

The manager of Generous has already confirmed that he knows several companies that are certified B Corp. He was able to put me in contact with these companies. This way I had more chances to get positive answers to my case study requests.

How does B Corp allow to optimize the social and environmental impact of Generous?

The answer to the second sub-question was found with the help of the case study on the B Impact Assessment for Generous. The first step was based on a preliminary questionnaire, which is closed-ended¹². The questionnaire has been created by B Lab and collects primary data about the company that wishes to start the B Corp certification. This questionnaire contains questions about the characteristics, the business model, the functioning, and the different stakeholders of Generous.

With the help of Christophe Harou, Generous' manager, I filled this file. It seemed obvious to me that we filled in this file together, because who knows his company better than the manager himself? The second step is the B Impact Assessment itself¹³. The BIA contains almost 200 questions, divided into 5 categories¹⁴, related to the stakeholders of the company. The BIA is done on an online platform created by B Lab. All data filled in is confidential. I scheduled one month to complete the BIA. Together with Christophe Harou we planned to do a weekly update by Teams or face to face. So that I could collect the necessary data, ask my questions and show the progress in the BIA. I realize that it was a challenge to complete the assessment in one month. But Christophe Harou was very reactive, and he was at my disposal when needed.

Finally, after answering all the questions of the BIA, I got a score that showed the current impact level of Generous. Additionally, it was necessary to check if, thanks to the completion of the BIA questions, the impact of Generous could already be optimized directly or if it would be necessary to wait for the end of the certification process, or even for the re-certification. I was also able to check if the four principles, mentioned above, are applicable to BIA.

Once the BIA was submitted, Generous had to wait for B Lab to be available to analyze the BIA and to organize audits in order to verify and justify the given answers. The evaluation and verification queue can go up to minimum 6 months due the high number of requests for certification. (B Lab, 2022).

¹² APPENDICE VII p.84

¹³ APPENDICE VIII p.84

¹⁴ See B Corporation Presentation p.17

The sample that helped to develop a correct and exhaustive answer to this sub-question is the following:

| Person interviewed | Role | Company | Contact method |
|----------------------------------|--|-----------|----------------------------|
| Christophe Harou | General Manager | Generous | Mail Teams In person |
| Catherine Taburiaux | Logistics & Sales Manager | Generous | Mail |
| Sophie Compère | Quality Manager | Generous | Mail |
| Lucien Rézette | Quality Intern | Generous | Mail Teams |
| Valentin Herthoge | Sales Manager | Generous | Mail |
| Juan Delitte | Production Manager | Generous | Mail Teams |
| Robert-Jan van Spaendonck | Business Development Manager | Distrilog | Mail |
| Robin Sandra | Computer specialist, responsible for Generous website. | GoOnWeb | Mail |

Table 4 Sample 2

The sample is rather obvious. In order to fill in the B Impact Assessment, I had to focus on Generous' stakeholders and the five impact areas (employees, governance, customers, environment and community). It was therefore important to make sure I was in touch with these different stakeholders. Christophe Harou was at my disposal and was able to direct me to the right people in Generous' company, who were finally able to answer my questions. Since the company is small, there are no different departments. Obviously, the employees each have their own responsibilities and are more specialized in certain areas. So, most of the time, Christophe Harou had the information I need. But he also relied on his colleagues or partners.

4. Analysis of the collected data

Once I have collected all the data from the interviews and the B Impact Assessment, I can move on to the next step, data analysis. This is an important step in my thesis, which will determine the structure of the research results. The data analysis will differ depending on the sub-question.

How did B Corp optimize the social and environmental impact of certified companies?

For the first sub-question, the interviews will constitute the basis of the analysis. In the interview guide, there are some questions, which are marked in bold. These bolded questions were used as the criteria for my analysis (G.Paquet, 2020-2021). The criteria are as following:

- *Role B Corp in impact optimization.*
- *Added values of B Corp & any drawbacks.*
- *Changes & social / environmental improvements.*

The important responses from the interviews are presented in a summary chart¹⁵, then they were analyzed, and the similar answers finally form an appropriate response to the sub-questions as a conclusion (G.Paquet, 2020-2021).

How does B Corp allow to optimize the social and environmental impact of Generous?

The answer to the second sub-question will be developed by analyzing the results of Generous' B Impact Assessment.

Once submitted the BIA, I got an Excel file with all the data of the answers. The answers were converted into graphs by impact area. I analyzed the graphs, to determine Generous' current impact, strengths and weaknesses. Finally, I was able to determine if Generous' impact could already be improved directly or if they had to wait for the end of the certification process. Moreover, I was able to develop operational recommendations for Generous, in order to improve their BIA score and thus also the social and environmental impact.

5. Limits of the methodology

There will unfortunately always be limits related to the methodology. In this case, I could identify two main limits.

First, I am bound by the time constraint. On the one hand, the deadline imposed by ICHEC, on the other hand, the waiting time in the B Corp certification process. The B Impact Assessment is closed, submitted and analyzed for my thesis. The BIA is the very first step of the process and there will be a long way to go. I do not have the final result of the BIA of Generous, and I am not able to say with certainty if Generous will obtain the B Corp certification or not, at the end of the journey.

Second, the size of the first sample. Out of the 34 Belgian B Corp certified companies, I interviewed only eight companies, which represents 24% of the Belgian B Corp companies. All my research, analysis and conclusions were based on the experiences and perceptions of eight companies. Therefore, I was not able to draw conclusions on a large scale.

¹⁵ See Summary chart interviews p.43

RESEARCH RESULTS

The research results section is divided into two main parts, according to the two sub-questions. For each sub-question, the research results will be presented (1), analyzed (2) and concluded (3). The conclusions of the two sub-questions will form a final answer to the research question.

1. How did B Corp optimize the social and environmental impact of certified companies?

1.1 Presentation of the data

To provide a correct and detailed answer to this first sub-question, I asked the companies about their motivations and reasons for B Corp certification. In addition, I also asked them what has changed thanks to B Corp and if they have noticed any environmental or social improvements after being B Corp certified. I was curious about the incentives to become a B Corp.

I am going to present a synthesis of the companies' experiences that I discovered during the interviews. All interview transcriptions can be found in the appendices.¹⁶ In the summary chart, on the next page, you will see the three criteria of analysis on the one side (role B Corp, added value & drawbacks and social/ environmental improvements), and the answers of the certified companies on the other side.

¹⁶ APPENDICE XI p.88

| | Oxfam Fair Trade Tom Feyaerts | EcoBirdy Joris Vanbriel | Quest Diana Garcia | Edmire Charlotte Van Hoecke | Simone a soif! Alexandre Van Der Vaeren | Scale up Olivier Van Cauwelaert | Brunehaut Brewery Marc-Antoine De Mees | D'ICI Elisabeth Bois d'Enghien |
|--|---|---|--|---|---|---|--|--|
| Role B Corp in impact optimization process | <ul style="list-style-type: none"> B Corp is a standard for businesses. B Corp helps to promote and highlight strengths. Organize existing data and turn it into concrete actions, which has led to improved sustainability. | <ul style="list-style-type: none"> B Corp builds trust as an independent third party. B Corp standards prove guidance throughout EcoBridy's value chain. EcoBirdy operates in a more structured manner thanks to B Corp. | <ul style="list-style-type: none"> B Corp as a framework to grow in an intentional way. B Corp as a personal confirmation tool. B Corp challenges the Quest team in a positive way. | <ul style="list-style-type: none"> B Corp gives a correct and detailed picture of the ongoing impact of a company. B Corp is a guide to create a positive impact. B Corp has helped to improve Edmire's internal operations. | <ul style="list-style-type: none"> B Corp as a proof of legitimacy and avoiding greenwashing. B Corp helps Simone a soif! to remain true to its DNA. B Corp creates networking opportunities through the B Corp Community. | <ul style="list-style-type: none"> B Corp as a personal confirmation tool. B Corp is used to convince start-up companies to enter the certification process. Certain pride about B Corp, published in the annual reports and in the signature of Scale Up. | <ul style="list-style-type: none"> B Corp as proof of legitimacy and avoiding greenwashing. B Corp has a positive impact on employee collaboration and motivation, a common cause. B Corp is an aid to decision making and to being socially responsible. | <ul style="list-style-type: none"> B Corp brings to light elements of which D'ICI was not proud enough. B Corp offers a concrete improvement path. Measuring and quantifying things within the company. |
| Added values B Corp | <ul style="list-style-type: none"> Correctly organized data. Being part of the B Corp Community. Reliable certification. | <ul style="list-style-type: none"> B Corp as a guidance through the whole value chain. Being part of the B Corp Community. Reliable & no greenwashing. | <ul style="list-style-type: none"> Being part of the B Corp Community. Increased credibility. Reliable certification. | <ul style="list-style-type: none"> Increased credibility. Reliable certification. | <ul style="list-style-type: none"> Being part of the B Corp Community. Reliable certification & avoiding greenwashing. Doing business in an innovative way. | <ul style="list-style-type: none"> Reliable certification. | <ul style="list-style-type: none"> Being part of the B Corp Community. Reliable & avoiding greenwashing. B Corp creates a sense of community & proud among employees. | <ul style="list-style-type: none"> Formalize and quantify data. Reliable certification & avoiding greenwashing Consistent measurement & improvement path. |
| Drawbacks of B Corp | <ul style="list-style-type: none"> Difficult to control actions of companies once certified, which can cause some greenwashing. | <ul style="list-style-type: none"> / | <ul style="list-style-type: none"> Difficult to control the actions of companies once certified, which can cause some greenwashing. | <ul style="list-style-type: none"> Difficult to control the actions of companies once certified, which can cause some greenwashing. | <ul style="list-style-type: none"> / | <ul style="list-style-type: none"> Is B Corp useful for a service company? B Corp should be more radical to avoid greenwashing. | <ul style="list-style-type: none"> / | <ul style="list-style-type: none"> / |
| Changes & social / environmental improvements | <ul style="list-style-type: none"> Strategic plan with implementation of sustainability. E.g., reduce CO2 footprint. Aluminum-free packaging. Implemented thanks to B Corp. | <ul style="list-style-type: none"> Working more consciously & more structured. Decisions are made with B Corp values in mind. | <ul style="list-style-type: none"> Creating new and concrete policies. Switching to more sustainable offices. Collaborate with transparent suppliers, freelancers or partners with the same values. | <ul style="list-style-type: none"> Demonstrating sustainability to customers. Impact analysis before they start the project, so we can always offer a sustainable solution. On an ecological level, initiatives are set up to consume less energy. | <ul style="list-style-type: none"> Adaptation of the company's articles of association. No social or environmental improvements, but thanks to B Corp the company remains true to its DNA. | <ul style="list-style-type: none"> Not many changes following B Corp since the company has always been focused on the environment and social aspects. | <ul style="list-style-type: none"> Adaptation of the company's articles of association. Formalize what was previously done informally. Employee satisfaction and pride. Belonging to the B Corp family. | <ul style="list-style-type: none"> Adaptations in the measurement of customer satisfaction. Implementation of training plans and expansion of work teams. Many improvements for the environment. |

Table 5 Summary chart interviews

1.2 Analysis of the data

In the following paragraphs, the results, presented on the previous page, will be analyzed. The analysis will be subdivided into three parts (3), there will be one part per analysis criteria. Using the summary chart, I analyzed the key elements that came up most often and those that best answered the question. In this way I was able to build a clear and correct conclusion that answers the question *“How did B Corp optimize the social and environmental impact of certified companies?”*.

1. The role of B Corp in the impact optimization process.

I have succeeded in pinpointing three main roles of B Corp that are influential in impact optimization. These roles were mentioned several times in the interviews. I have also seen that, depending on the stage in the certification process, the role of B Corp can be active or passive in the impact optimization process. Here is what emerged.

- **B Corp as a personal confirmation tool**

The companies that mentioned this point are convinced that B Corp creates trust in a company's activities. The fact that B Corp analyzes all stakeholders makes certification even more reliable. It is more reliable if a company is certified by an independent third party, B Corp in this case (Vanbriel, 2022). Companies use B Corp as proof of legitimacy, they wanted to prove they were doing right and creating a positive impact on their different stakeholders (Van Der Vaeren, 2022; De Mees, 2022).

At this point, B Corp has a passive role in optimizing a company's impact. By this stage, B Corp confirms or denies the environmental or social efforts of companies. This is the first step in the certification process, the B Impact Assessment, but also in the impact optimization process. Once a company has obtained confirmation or denial of its activities, it can move on to the next steps.

Certified companies are aware that B Corp is not (yet) well known to the public, by consumers. This shows that companies really wanted to become certified for personal reasons or motivations, and not for marketing or communication reasons (Garcia, 2022; Van Cauwelaert, 2022). In the long term, once B Corp's notoriety grows, companies will be able to include B Corp in their communication strategies, but for now this is not the case. For this reason, I have named this point "personal" confirmation tool.

- **B Corp is a standard for SMEs**

Certified companies all agree that B Corp provides a standard for SMEs (Feyaerts, 2022; Vanbriel, 2022; Garcia, 2022; Van Hoecke, 2022). By completing the B Impact Assessment, a company receives a clear and accurate picture of the social and environmental impact it is creating. Thanks to B Corp, many companies can promote and highlight their strengths. Some

have even noticed that their impact was already quite high, but that the company was not proud enough of it (Bois d'Enghien, 2022; Feyaerts, 2022).

The B Impact Assessment is very detailed and needs to be filled out in a thorough manner. Responses must be developed with supporting documentation. This allows companies to gather their data, structure it and organize it properly, which enables them to clearly identify what they should change in order to optimize their impact (Feyaerts, 2022; Van Hoecke, 2022).

Because B Corp is demanding and the assessment is detailed, companies find that B Corp's standards are quite high. Some find that the standard could be even higher and more radical (Van Cauwelaert, 2022). This is positive for the reliability and completeness of the certification. The fact that B Corp's standards are high, makes companies ambitious and willing to improve their impact. By establishing these standards, B Corp is taking an active role in impact optimization of SMEs.

- **B Corp is an aid to decision-making**

As I already mentioned in the previous point, B Corp allows to gather and structure the data of a company. Companies are working in a more structured way, both internally and externally (Vanbriel, 2022; Van Hoecke, 2022). Companies consider whether the decisions they make along the value chain are consistent with B Corp values (De Mees, 2022). The right structure within a company helps decision-making, and the right decisions lead to increased sustainability (Bois d'Enghien, 2022; Feyaerts, 2022). That is exactly what companies are looking for through B Corp.

Furthermore, B Corp always provides an improvement path after certification. This allows companies to plan for the future and make the right decisions. Certified companies must recertify every three years, so they are in a constant process of improvement, which makes them more ambitious. This process is guided by B Corp, which is comforting for companies. They have an anchor that constantly guides them through the impact optimization process.

B Corp has an active role in the impact optimization process. They guide companies through the certification process. They have clear steps to follow, like a roadmap to impact optimization. The requirement for companies to be recertified every 3 years means that they know the current impact of the company and can therefore constantly improve.

2. The added values of B Corp certification and eventual drawbacks.

In the upcoming paragraphs, the results presented in the summary chart will be analyzed and discussed. I asked the interviewees if they could identify the added values of B Corp for their companies. In addition, I asked for their opinions on greenwashing, credibility and reliability of B Corp. I believed it was the most valuable to explore the added values that were often mentioned during the interviews. You can read them hereunder.

- **Being part of the B Corp Community**

During the interviews, I noticed that the companies all agreed that being part of the B Corp Community was a real added value (De Mees, 2022; Feyaerts, 2022; Garcia, 2022; Vanbriel, 2022). It allows them to share experiences on the path to B Corp certification, on the changes they have implemented, on optimizing social and environmental impact, etc. It is inspiring to share stories and see what can be done to improve impact. Hearing these incentives creates confidence within a company and a desire to constantly improve the B Corp score. In addition, it is always worthwhile to be in contact with like-minded companies and to network with them (Van Der Vaeren, 2022).

There are even companies that have noticed this community spirit in their midst. The employees are proud that their company is certified B Corp. They perceive that it is a common project, which is inspiring for the whole team (De Mees, 2022; Garcia, 2022).

- **Reliable certification**

This added value is in relation to the reliability of the certification itself. Can B Corp companies be trusted; do they have a real social and/or environmental impact? In interviews, I have noticed that companies tend to say yes. The certification process is very detailed and requires real investigation on the part of the companies (Bois d'Enghien, 2022; De Mees, 2022; Feyaerts, 2022; Garcia, 2022; Van Cauwelaert, 2022; Van Der Vaeren, 2022; Van Hoecke, 2022; Vanbriel, 2022). This forces them to be open and honest about their actions. At the end of the journey, once the certification is obtained, companies can say with certainty that they are creating a positive impact, even if there are still areas for improvement. This is comforting for the companies entering the certification process and can therefore be considered as an added value.

- **Increased credibility**

This point is similar to the point about the reliability of the certification. But here, the focus is more on the credibility of the company's actions, the increase in credibility of the company, thanks to B Corp. During the interviews, companies have indicated that B Corp is like a proof of legitimacy for what they do towards other companies, customers, or other stakeholders (Garcia, 2022; Van Hoecke, 2022). Once certified, companies must publish a report on their BIA results. This shows transparency, legitimacy, and goodwill.

I would like to link the added values on reliability and credibility to a study I mentioned in the critical analysis. In the study by Liute & De Giacomo (2021), it is stated that because of the significant number of certifications, credibility could decrease and could lead to confusion for consumers. I can understand the point of view of Liute & De Giacomo. There are a lot of certifications and in the end, as a consumer, you don't know which certifications to trust. But from the interviews I've done; I can say that B Corp is really a certification you can trust. It's detailed, transparent, and credible.

- **Consistent measurement**

A third added value is consistent measurement through B Corp. B Corp is used as a measurement tool. First, by completing the B Impact Assessment, data is collected, measured, and quantified. This allows companies to get an overview of their impact. Afterwards, companies are obliged to re-certify themselves every three years, which means that the impact measurements are updated every three years. These consistent measurements ensure that internal systems are up-to-date and well organized (Bois d'Enghien, 2022; Feyaerts, 2022). And B Corp certified companies see this as an added value. This added value is created through B Corp but is of course applicable in other areas of the business as well, for example in the recruitment processes.

- **Avoiding internal greenwashing**

The last point I want to discuss is greenwashing, on which there is quite a bit of controversy, both among the companies interviewed and in the study by Liute & De Giacomo (2021). The interviewed companies find that B Corp certainly helps to reduce internal greenwashing. As mentioned above, the certification is reliable & exhaustive, and the auditors do everything to uncover fraud. The certified companies are therefore convinced that they are not greenwashing, that they are honest and transparent thanks to B Corp (Bois d'Enghien, 2022; De Mees, 2022; Van Der Vaeren, 2022; Vanbriel, 2022). The study by Liute & De Giacomo (2021) fits well with this idea of certified companies. Their study shows that 70% of B Corp companies have a strong alignment between their scores and their social and environmental claims, which is a high percentage (Liute & De Giacomo, 2021).

But then, why is there any controversy? Some companies mentioned during the interviews that it was possible to identify some greenwashing, but that it was not necessarily in the hands of B Corp (Feyaerts, 2022; Garcia, 2022; Van Hoecke, 2022). And that's what makes it complicated. Once the B Corp certification is obtained, companies can use it in different ways. For example, they can promote their certification and say that all their activities are sustainable. But from a realistic point of view, it's very challenging to make all of a company's activities sustainable. This could be considered as greenwashing. This argument was also raised in the study by Liute & De Giacomo (2021).

Companies could be B Corp certified by focusing on a few impact areas and be very negligent with respect to others. Again, this is something that is not under any control of B Corp, but it is a responsibility of the company itself.

By comparing the point of view of the certified companies and the one of the Liute & De Giacomo study, I can conclude that B Corp helps to reduce greenwashing within a company and that once certified B Corp, one can assume that this company is not greenwashing. I would like to add that B Corp cannot always control what companies do with their certification, and that it is advisable to keep a critical mind if, for example, one notices that a company promotes its certification extremely.

Comparison of the benefits

Before moving on to the next criteria for analysis, I would like to take the six benefits mentioned by Honeyman & Jana's book¹⁷ (2019) and compare them with those I identified during the interviews.

First, **being part of the B Corp Community**, or as Honeyman & Jana would put it, "being part of a global community of leaders". B Corp companies realize that the Community is a real asset to them. Because everyone shares the same values, and they use their business as force for good. In addition, there is trust and equity within the Community due to the high standards of B Corp, which is positive for everyone.

The next point that corresponds to Honeyman & Jana's benefits and interviews is the **increase in credibility and trust**. Since a company is evaluated with high standards and by an independent third party, there will be a better understanding of the company, which leads to a higher level of trust and confidence. Finally, companies are required to share BIA results on the B Corp website, which demonstrates transparency and goodwill.

The third point that came up in the interviews and in Honeyman & Jana's book is that of **benchmarking and performance improvement**. The B Impact Assessment is a very useful tool. It allows to measure the social and environmental performance of any company. The BIA gathers and structures all data and documentation. Thus, a company can motivate its stakeholders to improve its impact. Besides, the BIA is often used as a guide for corporate CSR reporting.

The following point was not mentioned as such during the interviews, but I think it can still be considered beneficial and so do Honeyman & Jana. It is the **protection of a company's mission for the long term**. The fact that B Corp companies are required to change their governance documents to better meet their social and environmental purpose, makes their mission much more credible and will always remind the B Corp company of the purpose of the mission.

Finally, there are two Honeyman & Jana benefits that were not identified by the interviewed companies. These are attracting new talent and engaging them in the company, and secondly generating press and awareness. In my opinion, the companies interviewed did not mention these two benefits, because awareness of B Corp is much lower in Belgium than in the US. In the long term, once awareness of B Corp has grown in Belgium, companies will be able to apply these benefits in their businesses as well.

¹⁷ See Benefits of becoming a B Corp p.20

3. Implemented changes and social/environmental improvements after B Corp.

Through analysis of the interviews, I was able to identify two types of companies entering the B Corp certification process.

- First, there are companies that were already environmentally and socially oriented and wanted to become B Corp certified (e.g., Quest, EcoBirdy, Simone a soif! & Scale Up).
- Second, there are companies that have reviewed their entire business model and operations in order to achieve B Corp certification and thus have a better social and environmental impact (e.g., Brunehaut Brewery & Edmire).
- Oxfam Fair Trade falls between the two types. Oxfam Fair Trade has always been oriented towards the social aspect. But once they started the B Corp certification, they put a lot of efforts into improving their environmental score.

Both types are interesting and during the interviews I noticed that regardless of the type or motivation of the company, they all put a lot of efforts into matching the B Corp values as much as possible.

As a result of this observation, I think it is interesting to revisit the Stubbs study, as well as the Villela, Bulgacov and Morgan study, which I discussed in the critical analysis section¹⁸. These studies claimed that B Corp companies were the ones that were already oriented towards social and environmental aspects before embarking on the certification process (Stubbs, 2017).

In addition, once certified companies would have no incentive to improve their score (Villela, Bulgacov, & Morgan, 2019). The interviews showed that these statements are not always applicable.

The fact that I was able to identify the two types of companies and their different motivations through the interviews, shows that there are companies that completely change their way of working to have a better impact and then obtain the B Corp certification. The interviewed companies have enough incentives to improve their score and their impact. B Corp always foresee improvement paths. In addition, companies must recertify every 3 years, which shows that they are constantly working on their company to maintain or improve the certification. However, let's be realistic, I base my study on 8 companies, a small scale. I can't conclude that on a large scale these statements are not true.

Type 1 companies have always valued social and environmental impact. The changes that have been implemented in these companies are changes that have maintained or improved the level of social/environmental impact. For Type 2 companies, there have been greater changes implemented. Type 2 companies have redesigned the entire business model to achieve B Corp certification and create a positive impact.

¹⁸ See Critical Analysis p.21

But what changes did I concretely perceive during the interviews? And what changes have had a positive social and/or environmental impact for the certified company? I picked out three main changes throughout the interviews.

- **Adaptation of a company's articles of association.**

The first point is mandated by B Corp, so it is apparent that all companies have changed their corporate statutes prior to certification. B Corp proposes a legal framework to be respected according to the structure of a company (e.g., NV, BV). At the general meeting, the new social and environmental values will be included in the legal framework of the company. By including these values in the corporate mission, B Corp is convinced that the company will be able to better implement and respect these values.

During the interviews, the respondents made me understand that it was not too complex to modify the statutes, because in the case of SMEs, the structures are less developed than in big companies (Van Der Vaeren, 2022; Van Hoecke, 2022).

- **More structured, increased sustainability.**

As developed above, B Corp is perceived as an aid to decision making. B Corp requires companies to meet certain standards. Certified companies have noticed that as a result of B Corp, they work in a more organized and structured way (Bois d'Enghien, 2022; Feyaerts, 2022; Vanbriel, 2022). As a result of this organizational improvement, they are able to optimize their social and environmental impact. Furthermore, they are able to demonstrate to customers that their company is operating in a sustainable way (Van Hoecke, 2022).

- **Measuring, quantifying and reducing.**

B Corp enables companies to measure and quantify their data. For example, water, electricity or energy consumption. Measurement is always the first step in impact optimization. After measuring with B Corp, the company will have a clear overview of its consumption. The next step is the implementation of a process to reduce consumption. The company will have to set targets to achieve. These targets will optimize the environmental impact of the company (Bois d'Enghien, 2022; Feyaerts, 2022; Garcia, 2022; Van Hoecke, 2022).

1.3 Conclusion

After presentation and analysis of the results, I can conclude regarding the question ***“How did B Corp optimize the social and environmental impact of certified companies?”***.

To initiate this conclusion, I am providing a brief recap of the three criteria discussed above.

Firstly, B Corp has three main roles in social and environmental impact optimization of B Corp companies.

- **A personal confirmation tool:** B Corp is seen as a proof of legitimacy. The companies involved want to have proof that they are on the right track and that they are creating a positive impact for the various stakeholders. By this stage, B Corp confirms or denies the environmental or social efforts of companies. For this reason, I consider B Corp's role to be passive at this stage in the certification process.
- **A standard for SMEs:** B Corp creates a standard for social and environmental performance. The fact that B Corp's standards are high makes companies ambitious and willing to improve their impact, and B Corp more reliable. By establishing these standards, B Corp is taking an active role in impact optimization of SMEs.
- **An aid to decision-making:** B Corp guides companies through the certification process. Companies have clear steps to follow, like a roadmap to impact optimization. By being a guide to optimization, B Corp also takes an active role. The requirement for companies to be recertified every 3 years means that they know the current impact of the company and can therefore constantly improve.

Secondly, I can proceed to the added values of B Corp, which contributed to the optimization of impact.

| Added Values | Drawback |
|-------------------------------------|--|
| Being part of the B Corp Community. | Possibility of greenwashing, once certification is obtained. But not under any control of B Corp. |
| Reliable certification. | |
| Increased credibility. | |
| Consistent measurement. | |
| Avoiding internal greenwashing. | |

Figure 8 Added values & drawback B Corp

Thirdly, the changes and the social and environmental improvements following B Corp, observed in the certified companies.

- **Adaptation of a company's articles of association:** At the general meeting, the new social and environmental values will be included in the legal framework of the company.
- **More structured, increased sustainability:** Certified companies have noticed that following B Corp, they work in a more organized and structured way. As a result of this organizational improvement, they are able to optimize their social and environmental impact.
- **Measuring, quantifying, and reducing:** Measurement is always the first step in impact optimization. After measuring with B Corp, the company will have a clear overview of its consumption. The next step is the implementation of targets to reduce consumption. These targets will optimize the environmental impact of the company.

In conclusion, I can confirm that B Corp did optimize the social and environmental impact of the (interviewed) SMEs. First, by adopting different roles in the optimization process, second, by providing value-added services that optimize the social and environmental impact of a B Corp company, and third, by implementing changes in the certified company. These three points allow companies to optimize their impact throughout the B Corp certification process.

It is important to note that the importance of B Corp for a certified company grows over the years. In the first instance, during the B Impact Assessment, B Corp allows companies to know their current social and environmental impact. Once the BIA is submitted, companies can start to think about how to improve their impact. There is no need to wait until the B Lab interviews have taken place to optimize impact. The company can modify the BIA responses at any time if they have implemented changes. After the discussions with B Lab auditors (to verify the company's responses), the BIA score will be adjusted. If the company's score is still above the 80-point scale, it will receive B Corp certification. The certification will then serve as a proof of a company's positive impact.

Certified B Corp companies need to be aware that the work does not stop once they are certified. That's when the real work begins. Companies can put optimization processes in place to improve their score. Every three years, companies resubmit the BIA. This way, they can clearly see how far they have come in the past few years. Moreover, companies will always have a clear idea of the impact they are creating and can therefore easily identify areas for improvement.

I conclude that the B Corp certification allows companies to be in a constant process of optimization of social and environmental impact.

2. How does B Corp allow to optimize the social and environmental impact of Generous?

The answer to the second and final sub-question will be developed through the case study with the company Generous. I completed and submitted the B Impact Assessment for Generous. As you know there are 5 impact areas: governance, workers, community, environment & customers. Finally, there is a disclosure questionnaire, which is part of the BIA, but is not an impact area as such. The disclosure questionnaire is designed to identify potentially sensitive areas, practices, or fines/sanctions of a company that are not explicitly mentioned in the rest of the assessment. Since Generous does not have any of these situations, I consider that it is not necessary to develop this part in my thesis.

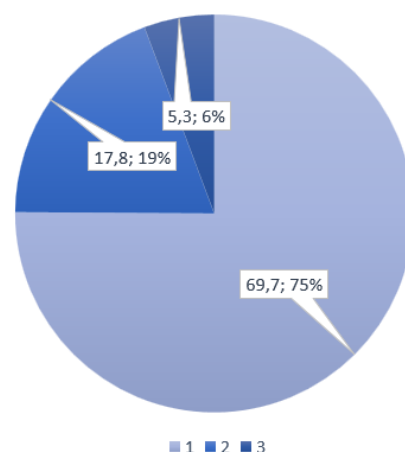
Once I completed and submitted the assessment, I got a file¹⁹ with all the questions, answers, and scores from the B Impact Assessment. This file with unprocessed data will be used for the presentation and analysis of the results.

2.1 Presentation results

The score Generous obtained on the B Impact Assessment is 92.9. Remember that the minimum score to submit the assessment is 80, which means Generous has a small margin. This margin is recommended because it is likely that the final BIA score will decrease throughout the audits.

The total BIA score can be divided into three categories (graph 2). First, the operational score (1), which includes questions about daily operations and decisions. Generous received an operational score of 69.7, which represents 75% of the total BIA score. Next is the IBM score (2) (Impact Business Model) which includes questions about a company's business model and long-term decisions. Generous' IBM score is 17.8, which represents 19% of the total BIA score. Finally, there is the N/A score (3). When B Corp feels that a question is not applicable for a certain business situation, that question will be classified as N/A. This corresponds to a proportional credit to your score for that impact area (B Lab, 2021). Generous has a score of 5.3 in the N/A category, which represents 6% of the total BIA score.

Total BIA score for Generous

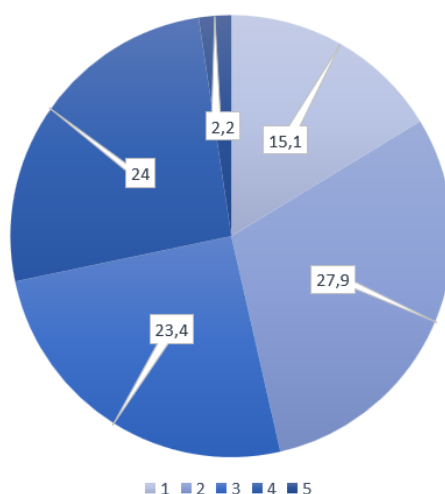


Graph 2 Total BIA score for Generous

¹⁹ APPENDICE IX p.85

Then we can dive into the results obtained on the different impact areas. The diagram (graph 3) shows the scores obtained by impact area.

Scores BIA by impact area for Generous



Graph 3 Scores BIA by impact area for Generous

| Impact Area | Score | % |
|-------------|------------|--------|
| Governance | 15,1/18,32 | 82,43% |
| Workers | 27,9/38,57 | 72,34% |
| Community | 23,4/51,34 | 45,58% |
| Environment | 24/42,13 | 56,97% |
| Customers | 2,2/4 | 55% |

Table 6 Score BIA by impact area for Generous

2.2 Analysis results

In the upcoming paragraphs, the general results of the assessment that were presented above will be analyzed and discussed in detail and by impact area.

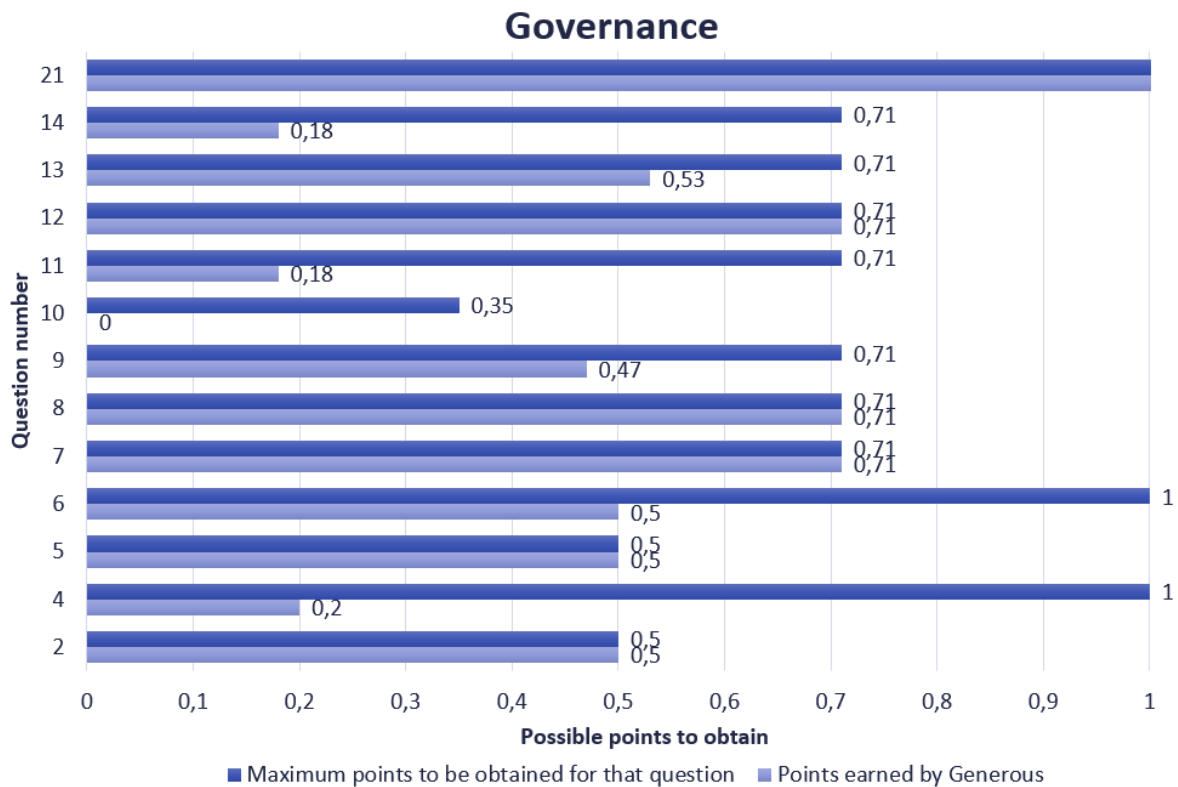
I created charts using the data in the Excel file. The vertical axis represents the question numbers. You will notice that there are some questions that are not on the axis. I dropped the questions for which there were no points to be scored, so that the graph would be more readable.

The horizontal axis represents the possible points to obtain. The scales have also been adapted to make the graphs more readable. But this should not be disturbing for the understanding of the graph. Finally, you will see two colors on the graph, the darker blue represents the maximum points to obtain for that question in the BIA. The lighter blue represents the points Generous got for the question.

Each impact area has a corresponding graph and a word of explanation for the different categories within the impact area. I analyzed the complete graph. The questions for which Generous had a good score are not developed in detail. Of course, the scores of these questions can still be improved and lead to an increased positive impact for Generous. But I consider that in a first time it is more interesting to focus on the low score questions. Because there is a greater margin of improvement and thus, it is more likely that impact of Generous will be optimized. Afterwards, I could develop the recommendations for Generous.

a. Governance

In terms of impact on governance, Generous has obtained very good scores. They had a score of 15,1 out of 18,32 (82,43%). Let's analyze this score in detail.



Graph 4 Results impact area Governance

- **Mission & Engagement:** question 2 to 6. Score 1,7 out of 4.

First, on the level of the mission and engagement of Generous. They have a written corporate mission statement that contains a commitment to create a positive social impact and they aim to serve a target beneficiary group in need. In addition, the stakeholder engagement is well detailed and contains elements such as reporting social and environmental performance results to stakeholders. Finally Generous also has KPIs that allow to check if the social and environmental objectives are reached.

In question 4 you notice a small inequality. This is in relation to the integration of environmental and social performance in the decision-making process. Generous could improve this by incorporating performance reviews, trainings for employees that correspond to environmental and social issues.

- **Ethics & Transparency:** question 7 to 14. Score 3,4 out of 6.

In the part about ethics and transparency, Generous obtains an average score. I will analyze the questions for which Generous could have obtained a better score. Question 10 deals with the composition of the board of directors which has a voting seat. Currently only employees have a voting right. Generous could improve its score by including customers or environmental/social expertise in the board of directors.

Afterwards, in question 11, which talks about the practices put in place to avoid corruption and the promotion of ethical decision making. Generous has a written ethical code, but they could put more in place, in order to ensure the respect of this code. For example, internal financial controls or the implementation of an ethics-focused risk assessment.

Finally, a last inequality for question 14, which addresses the issue of financial transparency with employees. Generous discloses financial information once a year. In addition to that, in order to increase their score, Generous could publicly report its financial statements.

- **Mission locked (IBM):** question 21. Score 10 out of 10.

The last question related to the legal requirement for Certified B Corps. This means that in addition to the mission statement, Generous will have to adapt their statutes to ensure that its social or environmental performance is part of its decision-making over time. This will have to be done at the general assembly. Details of the Legal Requirement Framework can be found in the appendices²⁰.

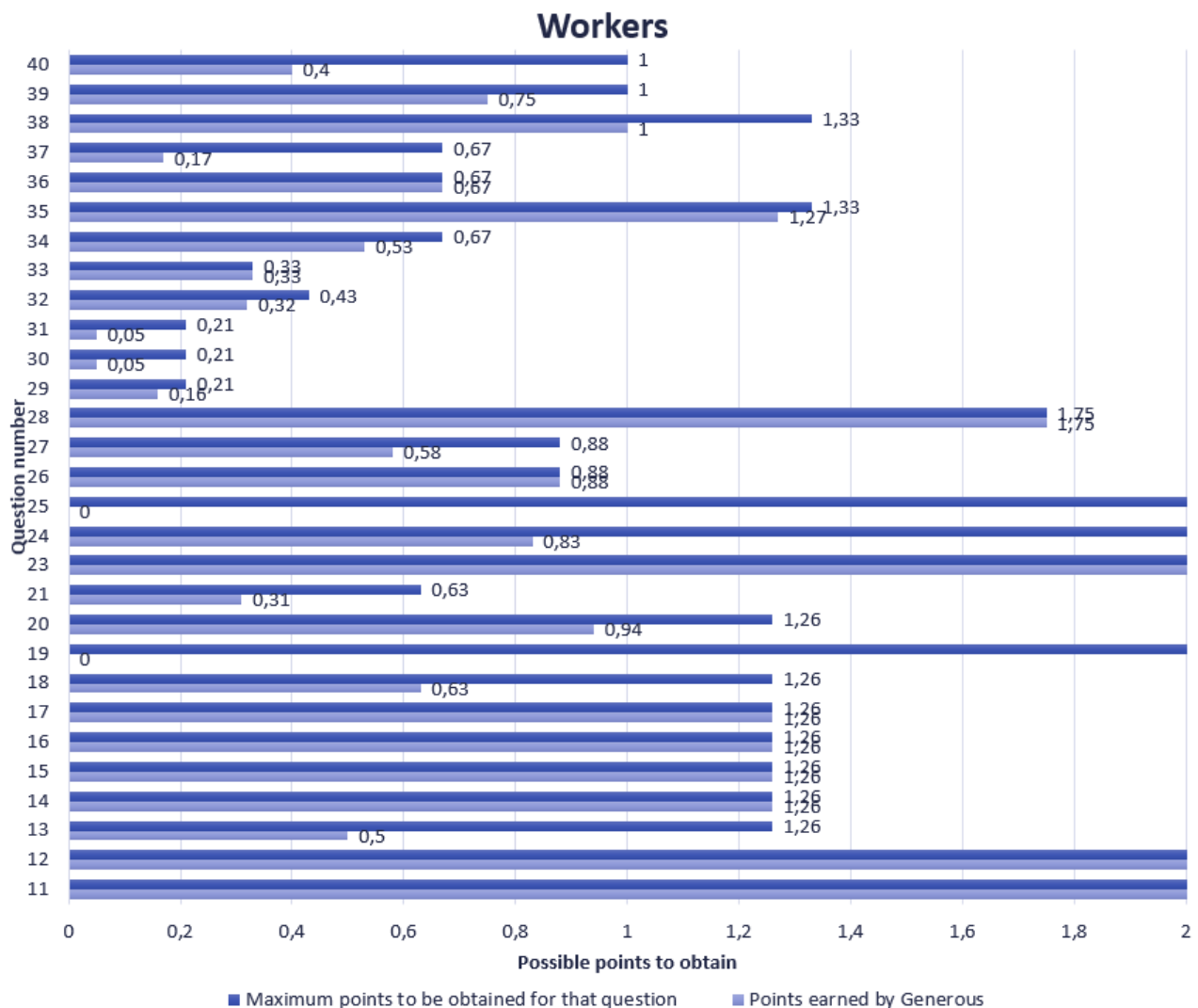
- **Sub-conclusion**

I can conclude by saying that Generous obtains **a good score in terms of governance**. The most important point will be the **modification of the statutes**, in order to ensure social and environmental performance all along the decision-making process. Generous could also **improve its impact** by modifying the small inequalities identified on the graph, but this is less urgent than the statutes.

²⁰ APPENDICE X p.87

b. Workers

In terms of impact on workers, Generous has obtained very good scores. They had a score of 27,9 out of 38,57 (72,34%). Let's analyze this score in detail.



- **Financial security:** question 11 to 21. Score of 12,4 out of 17.

The financial section contains questions about minimum wage, bonuses, retirement programs, participation in employee ownership, etc. Indeed, you can see on the graph that the dark blue and light blue bars are more or less the same length for the financial security part. It is likely that the high score is related to the fact that the employee is extremely protected by Belgian law. Every Belgian company is obliged to follow the legislation regarding the protection of the employee, e.g., seniority, status, minimum wage, etc.

There are two main inequalities in relation to the financial security that can be found on the graph. Let's take question 13, which is about the percentage of wages above the legal minimum wage. At Generous the minimum wage per hour is 13,70€ and the legal minimum wage per hour is 11,13€ in Belgium. The minimum wage per hour at Generous is therefore 23% above the legal minimum wage. If Generous wants to increase its score for this question,

they could increase the minimum wage per hour, so that the percentage between the Generous minimum wage and the legal one is higher. Another inequality can be identified for question 19. This question asks what percentage of the company is owned by workers who are not managers or founders. In the case of Generous, this percentage is 0. This means that if Generous wants to gain points on this question, they should consider granting a percentage of the shares to the workers.

- **Health, Wellness & Safety:** question 23 to 25. Score 4,1 out of 10.

This score is a bit lower, so there is an interesting margin of improvement for Generous. The main inequalities are found in the following questions:

Question 24, which asks about additional health benefits offered by Generous. Currently employees only receive disability coverage or accident insurance. If Generous wants to increase its score for this question, it could offer other health benefits such as life insurance, or supplementary health insurance.

Question 25 asks about additional health benefits for part-time workers. Generous did not score for this question because currently there are no part-time workers. If in the future there are part-time workers, Generous will need to consider what benefits part-time workers will receive.

- **Career Development (professional):** question 26 to 28. Score 3,2 out of 3,5.

Generous scored well in career development. There are no important inequalities.

- **Career Development (Salaried) (personal):** question 29 to 32. Score 0,5 out of 1,5.

Question 30 and 31 are about trainings for employees. On the one hand cross-job skills training (e.g., public speaking training, management training), on the other hand life skills training (e.g., personal financial planning). If Generous wants to increase its score for these questions, they will have to implement trainings for employees, both work-related and life-related training. Before implementing these trainings, Generous will have to ask if the employees are interested in these trainings and which ones they will implement specifically.

- **Engagement & satisfaction:** question 33 to 38. Score 3,9 out of 5.

Generous obtains a good score for the engagement and the satisfaction of the employees. Small inequality in question 37, which talks about monitoring and evaluating the worker satisfaction and engagement. If Generous wants to increase its score, they will have to measure and benchmark in a more systematic way the employee attrition and satisfaction rate, as well as industry benchmarks on attrition and satisfaction.

- **Engagement & Satisfaction (Salaried):** question 39 to 40. Score 1,1 out of 3.

In the last point about the workers, there is only one inequality that can be identified for question 40, in terms of parental leave. For the moment Generous offers the minimum and legal parental leave to parents. If they want to improve their score, they will have to adapt the

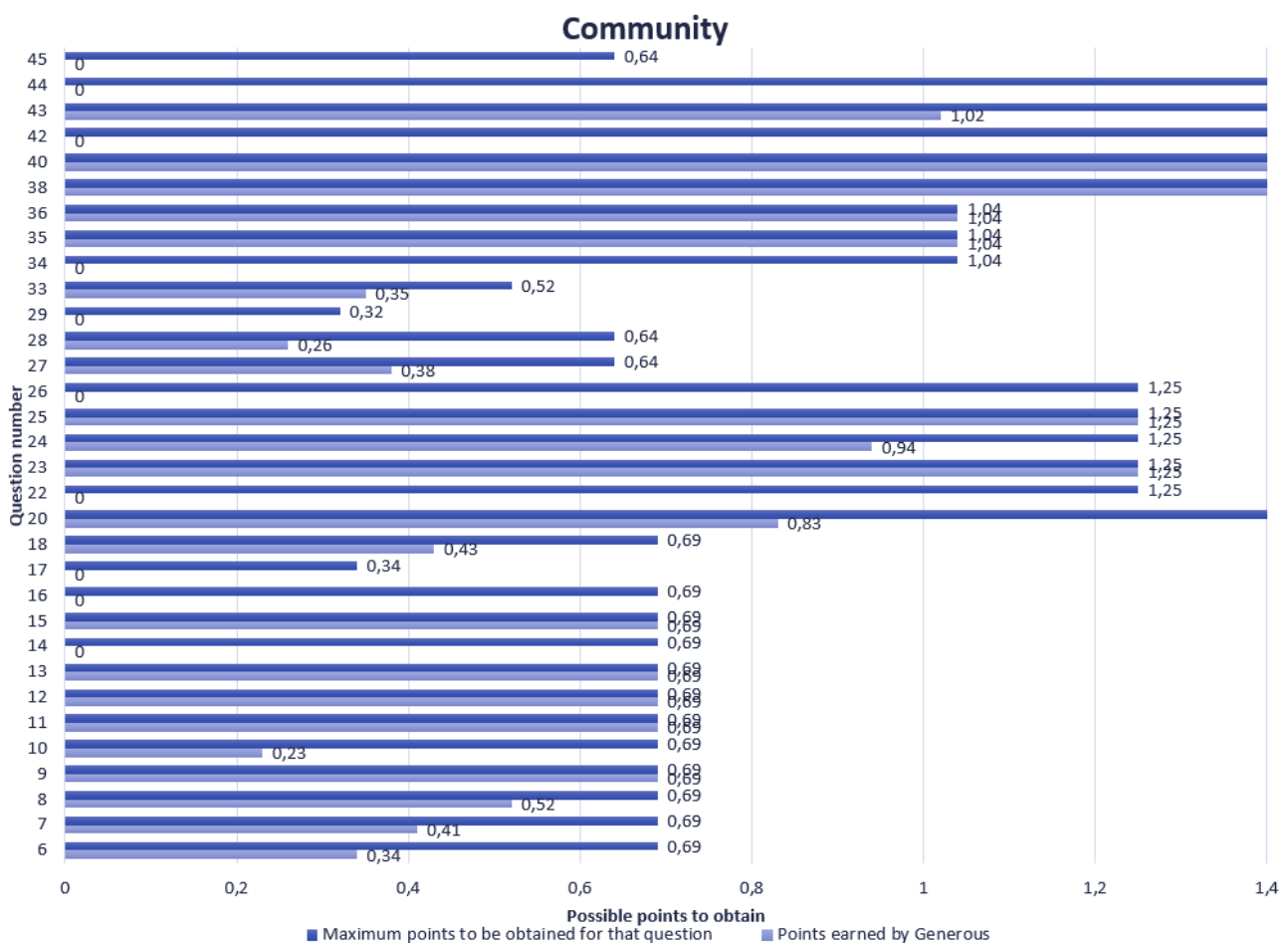
parental leave. Naturally, we'll have to see if it's possible in terms of budget, replacements etc.

- **Sub-conclusion**

I believe we can say that Generous has a pretty good score for workers. In general, the scores are high, which shows that **employees are respected** and like their job at Generous. Of course, there is always room for improvement. I consider that changes in the workers' part, can be implemented easily. This will improve the score and thus optimize the impact on the workers.

c. Community

In terms of community impact, the score of Generous is not very high. They had a score of 23,4 out of 51,34 (45,58%). Let's analyze this score in detail.



Graph 6 Results impact area Community

- **Diversity, Equity, & Inclusion:** question 6 to 18. Score 5,3 out of 10.

The questions in this section focus on the inclusion of women or underrepresented racial or ethnic minorities in the company, in management or on the board of directors. As well as diversity in terms of age, race, gender, etc.

A positive feature of Generous is that more than 50% of the managers are women. There is also variety between the ages of the employees, which is positive.

But in terms of the representation of underrepresented populations in the company, in the management or in the board of directors (question 14, 16, 17), I identify lower scores, which means there is a margin for improvement for Generous. Before we can improve this, we need to know the causes of this low score. Is it because there are no underrepresented populations around the production site of Generous, is it because Generous hires workers on the basis of their qualities and skills, rather than because they are underrepresented?

- **Economic Impact:** question 19 to 26. Score 4,2 out of 10.

The economic impact section includes questions on job growth, local suppliers, and banking.

The questions that scored well were those on local suppliers and national sourcing. This makes sense, as it is in Generous' DNA to use local and Belgian products for its cookies.

So how can we increase this score and create a positive economic impact? First Generous could consider changing banks (question 26). And opt for local or cooperative banks. There are some positive impact banks in Belgium, like Triodos Bank.

Another point could be the job growth rate (question 20). A high job growth rate can optimize the impact of Generous. Currently this rate is not high, but maybe Generous will hire new people in the future.

- **Civic Engagement & Giving:** question 27 to 29. Score 0,6 out of 8.

The questions in this section focus on corporate citizenship, charitable giving, and social and environmental performance. There is certainly room for improvement.

What's complicated in this section is the fact that currently Generous doesn't generate enough profits to redistribute them to charities. Even if it is something they really want to do. But surely there are points to change without having to distribute profits. For example, by creating an official statement on the planned social or environmental impact of the company or by doing a screening on Generous' stakeholders, in order to improve behavior or performance on social or environmental issues (related to question 28 & 29).

- **Supply Chain Management:** question 30 to 36. Score 2,4 out of 12.

This section is about, as the name implies, the suppliers and as you can see the score is quite low.

A positive side is that Generous has faithful relationships with its suppliers, since their first year of activity. In addition, more than 75% of the suppliers have environmental or social certifications (organic, FSC label for the packaging and the collaboration with TRAVIE which is a protected atelier).

In order to optimize relations with suppliers, Generous could create a code of conduct for suppliers (question 34). This is a formal written Supplier Code of Conduct policy that specifically holds suppliers accountable for social and environmental performance.

- **Local Economic Development (IBM):** question 37 to 45. Score 7,8 out of 30.

The last part is an IBM, which was created for businesses that want to strengthen their local economy by committing to keeping a significant portion of their purchases and/or sales local. Let's see which points Generous could improve on, in order to optimize their local economic development.

Currently, 59% of total sales are made in Belgium. Generous could increase this percentage by selling more cookies on the Belgian market (question 42). Besides that, they could set up mechanisms to support the local community (question 43). For example, giving a percentage of the profits to local charities (once Generous has enough profits to do so) or creating investment programs/ sponsorships for the local community. Moreover, Generous could ensure that the local community is also underserved and thereby maximizing their positive societal impact (question 44).

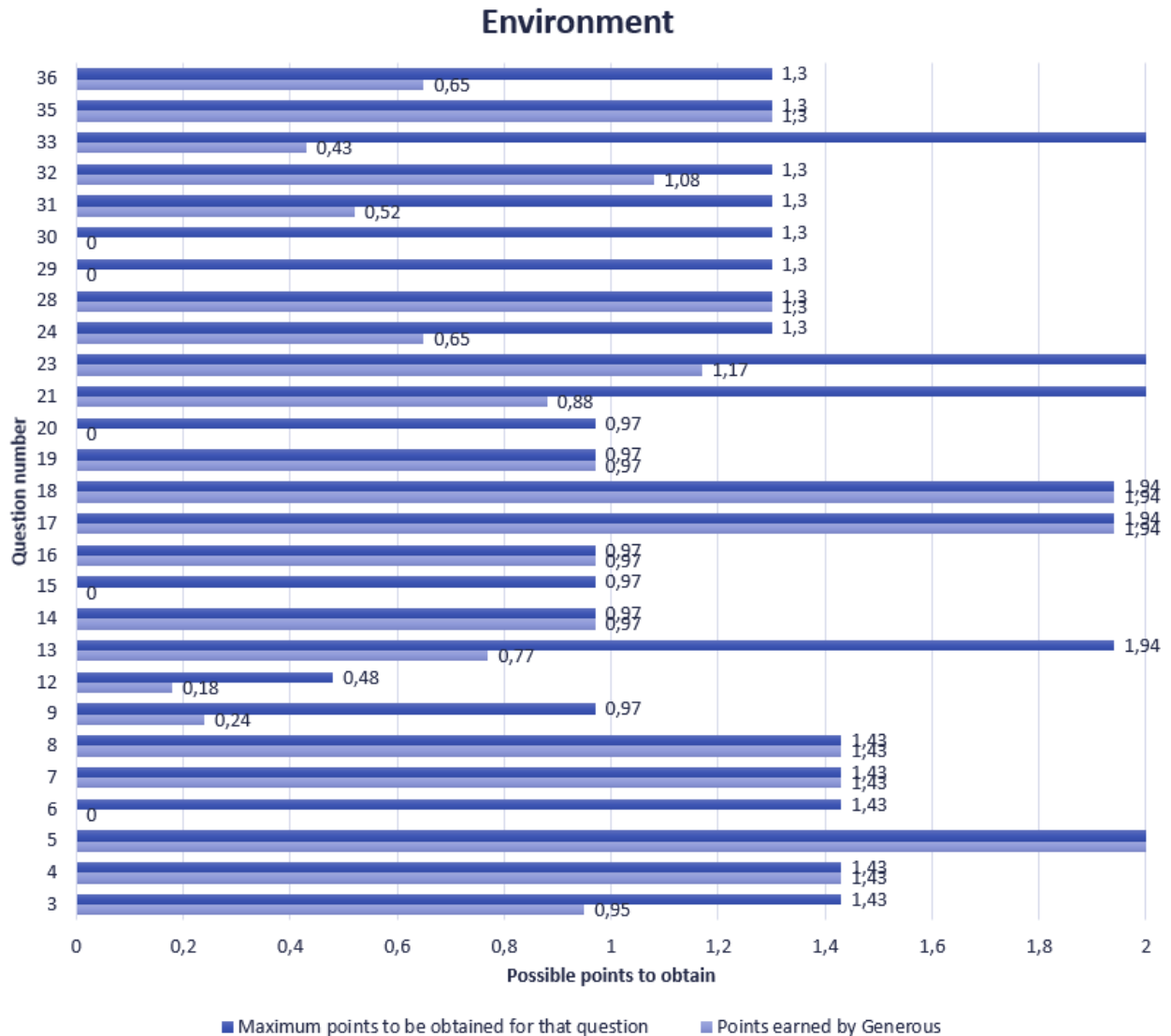
Once these support mechanisms are implemented, Generous will also have to measure the outcome and the effectiveness of the supports (question 45). By conducting controls to compare performance and impact, and to determine the level of causality of local commitments.

- **Sub-conclusion**

Generous has the basis to create a positive impact for the community and the willingness is there. **For the moment it lacks on one hand, the profits and on the other hand, the formalization of some mechanisms.** There are many points that should be adapted in order to optimize the score and the impact. I think Generous will have to make choices in this section and they will have to focus on some points to improve in an efficient way.

d. Environment

In terms of environmental impact, the score of Generous is 24 out of 42,13 (56,97%), which is not very high. Let's analyze this score in detail.



Graph 7 Results impact area Environment

- **Environmental Management:** question 3 to 8. Score 8,0 out of 10.

Generous gets a high score for environmental management. Generous products are all certified organic, they analyze the components of the products and try to reduce the toxicity. Besides that, Generous has improvement programs for energy and water efficiency and waste reduction. The only inequality that can be noticed is for the question 6. Generous could add an environmental management system (EMS), with measurements, concrete data, and quantitative targets for reductions.

- **Air & Climate:** question 9 to 20. Score 7,9 out of 15.

Generous' score is average. They have facility energy efficiencies (in lighting, heating and equipment). Also, the suppliers are all local. These two points create a positive environmental impact.

Of course, it is always possible to optimize the environmental impact. Firstly, by measuring Green House Gases (GHG) and purchasing GHG offsets (question 15 & 20). Besides that, Generous measures its energy consumption, but they don't have concrete reduction targets (question 9). A final point that could be implemented is renewable energy sources (question 12). There are already solar panels, but there are other sources that could be implemented.

The production site and offices of Generous are in a rented building. If Generous wants to implement other sources of renewable energy, they must obtain an agreement of the landlord. This could have financial advantages, as the landlord could possibly participate in the costs.

- **Water:** question 21 to 23. Score 2 out of 7.

Then there is water consumption, which does not score very high. This situation is somewhat comparable to that of energy. Generous regularly measures water consumption, but they don't have specific goals to reduce water consumption (question 21). However, they are aware of water consumption and are trying to reduce it by having low-flow faucets and collecting rainwater for toilets (question 23). So, by implementing concrete reduction goals, they could improve their environmental impact.

- **Land & Life:** question 24 to 36. Score 5,9 out of 13.

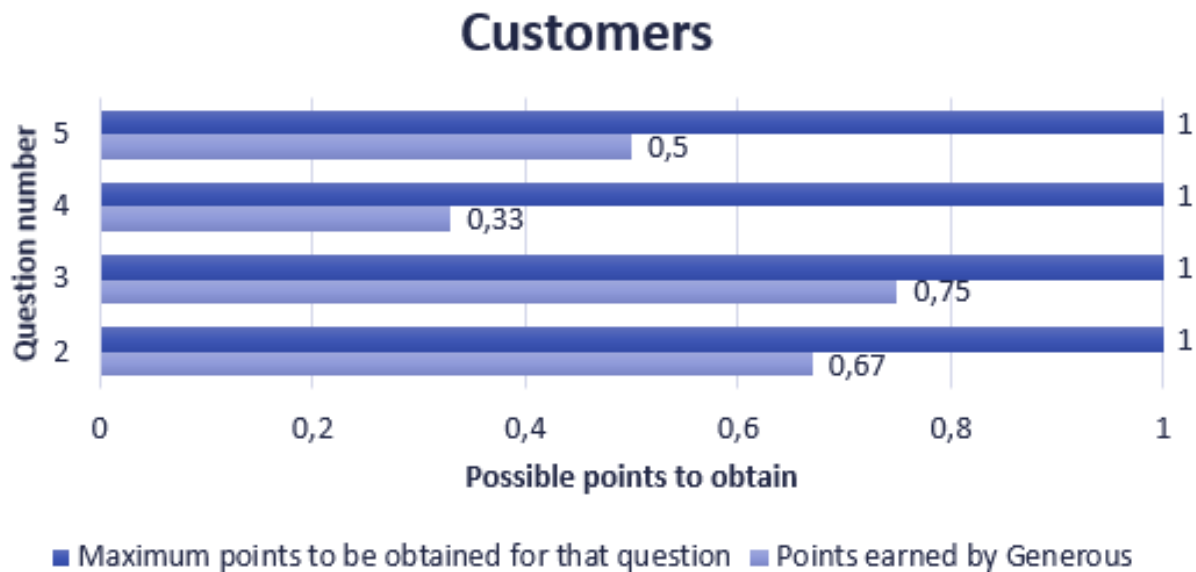
The land & life section deals mainly with waste production. Again, the same situation as energy and water consumption. Generous measures the level of waste but has no concrete objectives to reduce waste (question 24). What they do have, is the use of recycled materials for the packaging and the sorting of waste (question 28). But there is still a lot of improvement that should be done for the packaging (question 31). Because the use of recycled materials is not enough to have a real positive impact. Generous could do an analysis to use materials that minimize the environmental footprint. So their packaging will be source reduced.

- **Sub-conclusion**

In conclusion, I notice that Generous already measures its energy, water and waste consumption. Which is a good start to have a complete picture of the total consumption. **The next step is to set up an action plan with concrete targets, to reduce the consumptions too.** It is necessary to go further than just measuring in order to optimize the environmental impact.

e. Customers

In terms of impact on the customers' area, the score of Generous can be improved. They had a score of 2,2 out of 4 (55%). Let's analyze this score in detail.



Graph 8 Results impact area Customers

- **Customer Stewardship:** question 2 to 5. Score 2,2 out of 5.

Generous had good scores for question 2 and 3. However, for question 4 and 5 the scores were lower. Question 4 addresses follow-up in terms of managing the potential impact of products on customers/beneficiaries. Generous has a program to incorporate customer testing and feedback into product design. That's a very good start. Although, if they want to optimize their impact on customers, they should have programs in place to continually improve product outcomes for customers. Optimization goes beyond only measuring. Question 5 addresses data use and client privacy issues. Generous is GDPR compliant and they have a data and privacy policy. In order to maximize the impact on customers, Generous could still implement additional policies, such as informing all users about what information is collected, how long it is retained, how it is used, and how it is shared with other entities.

- **Sub-conclusion**

Currently, the customer impact of Generous needs to be improved. Regarding the fact Generous is a young SME, they have already made **a lot of efforts to ensure the well-being of customers and the security of customer data. However, they could change some small points, in order to optimize the customer impact.** These changes can be easily implemented in the company. Christophe Harou (Generous' manager) has a good relationship with the computer specialist, who manages Generous' website. The computer specialist could therefore put in place the necessary policies. Although, it is important that Generous add this to its priorities in order to make sure the customer impact will be optimized.

2.3 Conclusion

After the detailed analyses of Generous' B Impact Assessment answers, I can finally develop an answer for the last sub-question; ***“How does B Corp allow to optimize the social and environmental impact of Generous?”***

Firstly, I would like to go back to the four principles²¹ I mentioned in the methodology section. Are these principles identifiable in the BIA? Yes, I can confirm this statement.

- **Positive:** Indeed, I did not notice any negative points that were awarded in the assessment. Instead, B Corp uses N/A scores, which correspond to a proportional credit score for that impact area. Generous confirmed to me that it was motivating to be rewarded for the positive aspects.
- **Comprehensive:** I confirm that the way the tool is set up, is very user friendly. First there are the questions, then there is the possibility to find additional information in the "learn more" section and finally, there is the direct access to the B Corp knowledge database. The database is very elaborate, and I was able to find a lot of information that helped me to better understand the assessment. I did not need the chat function. So, I can't create a conclusion about the chat functionality. If there were any questions that had a double interpretation, it was possible to leave a comment for the auditors, so that they could clarify the question later.
- **Dynamic:** depending on the answers given, other questions were added or removed. This makes the questionnaire dynamic and adaptable to any company, regardless of the industry or size of the company.
- **Educational:** so far Generous has exceeded the minimum of 80 points. Although, we have to keep in mind that this first score could still change after the audits. But they made a good and positive start. Of course, it doesn't mean they won't improve their score in the future. This score only gives a first idea of Generous' social and environmental impact. Interesting is the return they will have, by analyzing the scores, Generous will identify the areas they need to work on and improve.

The B Impact Assessment is positive, comprehensive, dynamic and educational. The BIA determines the current social & environmental impact situation of a company. Generous has very good scores for governance and workers, average scores for environment and customers and a rather low score for the community. Generous will have to identify which areas they will rework in order to optimize their impact.

²¹ See Methodology p.34

The first step, the B Impact Assessment, allowed to know the social and environmental impact of Generous and to identify areas for improvement. The second step is the verification of the answers by the B Lab auditors, in order to deepen the answers of the BIA and to unmask the possible fraud or misunderstandings. The third step is obtaining the B Corp certification, which is proof of the positive impact that a company creates. Finally, the fourth step is recertification every three years. This step allows to really improve and optimize the social and environmental impact of a company.

Generous is in the first phase of the certification process. During the BIA, B Corp is used as a personal confirmation tool and as a guideline through impact optimization. **Currently, Generous' data is quantified, organized and completed.** Generous has obtained a temporary impact score from the BIA and they already formalized some things that were done informally until now. For example, reworking the hiring policy to favor local recruitment as well as non-discriminatory practices during recruitment.

Throughout the certification process the role of B Corp will become more important. This is confirmed by Diana Garcia, who said in interviews that the role of B Corp becomes more significant in the long term, because the real work for a company starts, once it gets certified. And that's when a company will really improve its social and environmental impact (Garcia, 2022).

The question that needs to be posed is **how Generous will optimize its social and environmental impact in the future.** In contrast to my expectations, I have noticed that B Corp does not propose a concrete plan for business impact optimization. Once submitted the BIA, companies can get an Excel file that includes all the answers. Then the company can analyze the results and identify areas for improvement.

For this reason, I have developed operational recommendations²² for Generous, using the results from the BIA. **If Generous manages to implement these recommendations, I am convinced that they will improve their score and thus their social and environmental impact.**

3. Several noteworthy associations

Before moving on to the recommendations, I would like to make some associations between what I learned in the literature review and in the qualitative studies, which allowed me to be prepared for Generous' B Impact Assessment.

First, the literature review allowed me to understand the importance of including sustainability in business' operations and to know the different methods and tools to create a positive social and environmental impact.

Secondly, the qualitative studies gave me a good insight into how B Corp certification works and what motivates certified companies. I was able to apply my knowledge by conducting the B Impact Assessment for Generous.

²² See Recommendations p. 67

Finally, I noticed that all certified companies, including Generous, have very strong motivations for certification. But also, to improve their score afterwards and thus have a better impact. They are all in a constant process of optimization. I consider this to be an enriching added value.

RECOMMENDATIONS

In the remaining part, I will develop my recommendations for Generous. It is an action plan for the continuation of the certification process. By implementing the different recommendations in the company, Generous will manage to increase its score on the B Impact Assessment. **This leads to the active optimization of Generous' social and environmental impact. Generous can implement the recommendations as soon as possible.** There is no need to wait for green light from B Corp. Generous is in the queue to have their BIA evaluated, but that does not prevent Generous from modifying and improving its answers.

1. Recommendations related to the B Impact Assessment of Generous

I wrote the recommendations based on the analysis of the B Impact Assessment results. I took back the **questions for which Generous did not get many points, where there is a greater margin for improvement and thus, it is more likely that impact of Generous will be optimized.** Of course, the high-score questions can still be improved and lead to an increased positive impact for Generous. But I consider that in a first time it is more interesting to focus on the low-score questions. The recommendations are organized by impact area.

a. Governance

For the impact on Governance, I propose two recommendations to Generous.

First, **the adaptation of Generous' statutes.** The modification of the articles of association is linked to the legal framework of B Corp. By modifying the articles of association, the company ensures that social and environmental commitments will be involved and respected in the company's decision-making. The legal framework can vary according to the type of company. Details of the legal framework applicable to Generous can be found in the appendices²³.

A second point that Generous could change or implement is **the transparency of financial information.** Currently, Generous shares its financial results once a year with employees. In order to optimize their impact, they could share the results two or three times a year. Besides that, Generous could further improve its impact by publishing their financial statements.

b. Workers

For the impact on the Workers, I have identified one major recommendation on the **employee ownership.** In the case of Generous, the percentage of the company that is owned by workers who are not managers or founders is 0. This means that if Generous wants to improve its score, and therefore its impact, I would advise **reviewing the share allocation.** They should analyze the possibilities of involving employees in the shareholding. Employee ownership can

²³ APPENDICE X p.87

harmonize the expectations of a company's employees with those of the company's shareholders and boost retention.

In the Edmire company, they reviewed the distribution of shares and they decided to grant shares to the employees. During the interview, Charlotte Van Hoecke told me it was not too complicated to implement this in an SME. Because there are fewer formalities to follow than in large companies, with more complicated structures. At Edmire, they consider the inclusion of employees in the share distribution as an added value for the company (Van Hoecke, 2022).

c. Community

Generous can make a big difference in community impact. As a first step, I advise focusing on two main areas that will improve their community impact.

The first recommendation I advise Generous to implement, is a **supplier code of conduct**. This is a written code of conduct that holds suppliers specifically accountable for their social and environmental performance. Generous has demonstrated that they have good relationships with their suppliers, they have been working together for several years. It seems appropriate to me to formalize these strong relationships.

This code of conduct is a formal document that ensures that a company's suppliers have safe working conditions, that their workers are treated with respect and dignity, and that their manufacturing processes are environmentally friendly. Topics covered in the code of conduct may include working hours, freedom of choice of employment, child labor, safety, use of materials and/or environmental impact. Implementing a code of conduct in this way can create a competitive advantage and help avoid future damage to the brand from improper supplier practices. Furthermore, a supplier code of conduct can be used to improve transparency and marketing. Some requirements may also allow suppliers to stick to more uniform standards that may also be expected of other customers, which will reduce the cost of compliance.

The next recommendation is related to community investments. This is a **longer-term engagement with community partnerships**. These partnerships address a variety of social challenges, chosen by Generous to protect its long-term interests and enhance its reputation. Before embarking on a project, it is important to determine whether a contribution or activity is considered a community investment. First, Generous must voluntarily engage in the community project. It is not a legal or contractual obligation. Second, the contribution must be a charitable act. The organization must be recognized as having a clear charitable purpose.

Examples could be contributing a percentage of profits to charity or implementing local community investment programs or sponsorships. In my opinion, these examples can certainly be implemented at Generous, but first of all, the company must have enough profits to be able to redistribute them. I consider this recommendation as a long-term plan.

d. Environment

Regarding the environmental impact, I advise Generous to implement the following recommendation, which will optimize their impact.

A positive point that came out of the environmental part is that Generous measures their water, energy and waste consumption. Measurement is a very good start in the process of impact optimization. However, if Generous wants to optimize its positive environmental impact, they should **set up reduction targets. An Environmental Management System (EMS)** could help Generous to implement these reduction targets.

A formal EMS establishes policies and procedures that help a company create a continuous improvement cycle for its operations and reduce its overall negative impact. Examples could be emission control or waste management (Environmental Protection Agency, 2021).

The International Organization for Standardization (ISO) has developed a commonly used framework for an EMS. ISO 14001 outlines five steps for the use of an EMS in a company. I recommend Generous to stick to these five steps:

1. **Commitment and Policy:** Generous is committed to improve its environmental impact and thus establishes an environmental policy. This policy will be the basis of their EMS (Environmental Protection Agency, 2021).
2. **Planning:** In the planning stage Generous will have to determine which aspects are relevant by choosing the criteria it considers most important to optimize their environmental impact. Generous will have to set objectives & targets. For example, minimizing the environmental impact of Generous' products packaging or reducing energy or water consumption by 25% by January 2030. The final part of the planning stage is to develop an action plan to reach the objectives and targets (Environmental Protection Agency, 2021).
3. **Implementation:** At the implementation stage Generous executes the action plan by using the necessary resources (human, financial, etc.). It is important to train and sensitize all employees. The documentation, the respect of the operational procedures and the setting up of an internal and external communication are also part of the implementation of an EMS (Environmental Protection Agency, 2021).
4. **Evaluation:** Generous will always need to monitor its operations to assess whether objectives and targets are being met. If not, Generous will be obliged to take corrective measures (Environmental Protection Agency, 2021).
5. **Review:** The management team of Generous evaluates the results of the assessment to assess whether the EMS is working correctly or not. In addition, Generous will determine whether the initial environmental policy is aligned with the organization's core values. The plan is then adjusted to optimize the effectiveness of the EMS. The revision step creates a continuous improvement loop for the company (Environmental Protection Agency, 2021).

e. Customers

Concerning the impact on customers, I propose a recommendation regarding **data usage and privacy**. In recent years, data use and security have become a major concern for all stakeholders. In order to protect individuals' data, safeguard their privacy and respect their rights, companies should be fully transparent about how data is used.

Generous has a formal data and privacy policy, besides that the marketing mailing strategies are GDPR compliant.

In order to optimize their impact on customers' privacy, Generous should inform customers about what Generous does with the collected data, how long it is kept and whether and how it is shared with other entities (public or private). Finally Generous could give the possibility to customers to choose themselves how their data is used.

The seven recommendations described above are part of the action plan in Generous' social and environmental impact optimization process. There are recommendations that can be implemented in the short term (modification of the articles of association, transparency of financial information, share allocation for employees, supplier code of conduct and customers' privacy). It is obvious that short-term recommendations will also have a positive impact in the long term. But they can be implemented more quickly than long-term recommendations (community investments and partnerships & Environmental Management System).

2. General recommendations from the certified companies

I close this section with some final general recommendations I got from B Corp certified companies. These recommendations could be interesting for Generous or for any other company that would like to start the B Corp certification process.

Firstly, I advise Generous to define someone who will be **responsible for the continuation of the certification process**, either internally or externally. It is important that there is someone who leads the project and who is fully invested in it in order to achieve the desired final result (Bois d'Enghien, 2022; De Mees, 2022; Garcia, 2022). There are consultants who are specialized in B Corp, consider The Shift or Quest Impact Studio.

Secondly, I would advise **any company to go for a B Corp certification**. The B Impact Assessment is a very good start to measure your business' impact. Even if your company doesn't get certified, you will still have implemented changes that will have a positive impact on your company (Feyaerts, 2022; Van Hoecke, 2022).

Nevertheless, a company embarking on the B Corp certification process should be aware that it is a time-consuming process with challenging standards and that it is essential for the company to be committed to maximizing its chances of achieving certification. Yet, it is certainly worth the effort.

CONCLUSION

The objective of this thesis was to provide an answer to the problematic, by developing a detailed, complete and scientific answer. Here below the answer to the research question that will form the conclusion of my thesis.

“How to optimize the social and environmental impact of a Belgian SME, by engaging in the B Corp certification process?” Case: B Corporation & Generous.

In the first part of the thesis, I contextualized the importance of sustainability and CSR integration within SMEs. If a company manages to properly implement CSR practices, it will manage to optimize its social and environmental impact. Moreover, it will put the shareholders at the heart of its strategy, rather than the stakeholders, and avoid greenwashing practices. I conclude that CSR practices can have a positive impact for companies, if used in the right way.

Then, I moved on to the different tools to measure the social and environmental impact of a company. For example, the Triple Bottom Line, the Sustainable Development Goals or the Environmental Social Governance criteria. It is important to analyze all of a company's activities in order to get a complete picture of the impact the company is creating. Then you can measure the impact to set up impact optimization processes.

A tool that helps to analyze and optimize the impact of companies is the B Corp certification and the B Impact Assessment. B Corp certified companies meet the following three criteria:

- Demonstrate high social and environmental performance.
- Change the governance structure of the company and make legal commitments.
- Be transparent.

B Corp certification is the focus of my thesis. **First, I analyzed the impact that B Corp has had for companies that are already certified (1).** With the help of qualitative studies, I could identify the role of B Corp in impact optimization, the added values and changes implemented as a result of obtaining certification.

B Corp's role in optimizing a company's social and environmental impact depends on a company's incentives to get certified. Through my research I was able to determine three B Corp roles:

- The company wants to be certified for reasons of **personal confirmation** and to increase the credibility of its activities. This company has social and environmental values in its DNA.
- B Corp is used as a measurement tool to get a clear picture of the current social and environmental impact it is creating. Afterwards, B Corp will be an **aid to decision making**, a guide to optimizing social and environmental impact.
- B Corp will often be used as a **standard for SMEs**. The B Corp standards are high and can really improve a company's social and environmental impact.

Then, I would like to outline the added values that were mentioned most often in the qualitative studies:

- **Reliable** certification that brings **credibility** to a business. A certified company can be confident that it is having a positive social and environmental impact.
- **Avoiding internal greenwashing** because certification requires considerable effort and the assessment digs into the details of a company's activities.
- The fact that recertification is required to every three years, allows a company's data to be **measured and quantified** in a consistent manner.
- Being part of the **B Corp Community**. It is very interesting to network with companies that have the same values, and it is enriching to share experiences.

The last point I was able to develop from the interviews was the social and environmental changes and enhancements that occurred as a result of obtaining the B Corp certification. I could pinpoint three of them:

- **Adaptation of a company's articles of association.** At the general meeting, the new social and environmental values will be included in the legal framework of the company.
- **More structured, increased sustainability.** As a result of this organizational improvement, they could optimize their social and environmental impact.
- **Measuring, quantifying and reducing.** After measuring with B Corp, the company has a clear overview of its social and environmental impact. The next step is the implementation of targets to reduce, which will optimize the environmental impact of the company.

Secondly, I analyzed the social and environmental impact of Generous by completing the B Impact Assessment (2). The BIA enabled Generous to determine their current social & environmental impact and to optimize it later. Generous got an impact score of 92.2 on the BIA. However, this score is not the final score and is still subject to change during the audits. I would say that B Corp has a monitoring and incentivizing role for the companies in the impact maximization process. **Currently, Generous' data is quantified, organized and completed.**

Generous will optimize its impact throughout the certification process and the role of B Corp will become more important. Since there is a considerable margin of improvement for Generous. This optimization margin is developed in the recommendations.

The operational recommendations are key for the continuation of the Generous certification process and form the last part of my thesis. If Generous manages to implement these recommendations, I am convinced that they will improve their score and thus their social and environmental impact, with the help of B Corp.

To summarize, this master thesis is the result of a specific project that was entrusted to me by Generous. It was a great opportunity, not only to understand the real functioning of an SME, but also to gain valuable knowledge on social and environmental impact optimization.

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