ALIGNING THE TRINITY: PEOPLE, PLANET, PROFITS

THE RELATIONSHIP BETWEEN SUSTAINOPRENEURSHIP AND B CORPORATIONS

> ENTREPRENEURIAL ENGINEERING MASTER'S THESIS



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Synopsis: Sustainopreneurship is a new and emerging concept of entrepreneurship that has the potential of solving the world's sustainability-related problems, by creating economic, social, and environmental impact. Very limited research has been conducted on this topic, so this Master's thesis seeks to provide an understanding of the characteristics of sustainopreneurial ventures and their business models, by linking them to B Corporations, a relatively new type of company that uses the power of business to solve social and environmental problems. The business models of five Berlin based B Corporations are used as case studies.

SUMMARY

The fourth and final semester of the Entrepreneurial Engineering Master's degree at Aalborg University consists of carrying out a Master's Thesis. I chose to focus on sustainopreneurship, the a new type of social and environmental entrepreneurship that aims to solve the world's sustainability related problems,

Sustainopreneurship is a new and emerging concept of entrepreneurship that has the potential of solving the world's greatest sustainability-related problems, by creating economic, social, and environmental impact.

Very limited research has been conducted on this topic, so this Master's thesis seeks to provide an understanding of the characteristics of sustainopreneurial ventures and their business models, by linking them to B Corporations, a relatively new type of company that uses the power of business to solve social and environmental problems.

The business models of five Berlin based B Corporations are used as case studies: Little Sun, ABURY, Coffee Circle, soulbottles, and ECOSIA.

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READER'S GUIDE

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Last but not least, I am thankful that my family has finally accepted the rather unconventional in their view - career path that I have chosen and respects my decisions, allowing me to finally be myself.

ENTREPRENEURSHIP FOR A GOOD CAUSE

The final semester of the Entrepreneurial Engineering Master's degree at Aalborg University consists of carrying out a Master's Thesis, an independent project that concludes the programme. Within the approved topic, the Master's Thesis must document that the level of the programme has been attained and that the student is able to "demonstrate overview and deep knowledge regarding the chosen subject of relevancy to innovation and/or entrepreneurship" (Aalborg University, 2013). I chose to focus on sustainopreneurship, the new and emerging type of social and environmental entrepreneurship that aims to solve the world's sustainability related problems, my motivation to do so being explained in the following section.

"Our vision is to live in a sustainable world of peace & prosperity."

Skoll Foundation

1.1 CHOICE OF TOPIC

Choosing a thesis topic and researching it has helped me better understand myself, answering questions that I have been asking myself for a while. I therefore believe that starting this paper with the reasons behind my choice of topic is necessary. With the risk of getting too philosophical, I will rely on the argument that ethics and moral values are indeed a big part of social enterprises, so starting on a philosophical note is allowed.

EXISTENTIAL QUESTIONS

Since as far as I can remember, I wanted to live somewhere else: anywhere else but Satu Mare, my hometown in Romania, I was thinking at that time. Unfortunately, this has never really changed, and it resulted in me having lived in six countries. Recently, I started to become more and more intrigued by finding out why I turned out like this: a minimalist nature-loving vegan, obsessed about recycling, who really wants to make a difference. I initially started asking these questions because I was dissatisfied with the career path that I was about to embark on: a career in Architecture, and inevitably this lead to questioning my upbringing.

Having been raised in small town in East Europe, where people do not really question things, never discuss about topics such as mental health, and eat too much meat, the fact that I never identified with anything would be an understatement. Since as far as I can remember, I wanted to live in a cleaner place, somewhere where people are more considerate and less corrupt; I also wanted to be a vegetarian, contrary to everyone's in that hometown beliefs. Those were my frustrations since 5th grade, the time I decided that I wanted to move to a new country. Looking back, the things that created an imbalance in society always bothered me to a high extent. I slowly learned that the problems of the world are way bigger than I imagined at that time and that there is no such thing as a perfect country or society. I remember someone telling me early on that I had utopian ideals and that I needed to wake up. Needless to say, I did not really listen.

Another question that has been bothering me more and more in the past years has been finding my true passion, because I believed that would bring a lot of satisfaction. Having previously studied and worked in Architecture, I did not enjoy it as much as I thought I would, mainly because I did not feel like I was able to make a big enough impact, or at least not the impact I wanted. I also experimented with numerous visual arts – as much fun as it was, something was still missing.

That lead to my decision to study Entrepreneurial Engineering. I had always been a self-started, making and selling things on a regular basis since I was 15, and coming up with marketing and pricing strategies before I even knew what they were. Ironically, I was raised to be the best in all

school subjects and to choose some kind of engineering path – something that has to do with mathematics and physics, the only "real" subjects in my family's opinion. Unfortunately, I too believed that for a very long time, and to be honest, I really did enjoy any subject that required more thinking than actual learning – or at least that was my definition of analytical subjects at that time. But I also found a deep satisfaction in other things: making things, instead of buying them, and obsessing over prices and the value of things. As my family reminded me at some point, I would not let them buy me clothes that I felt were overpriced since before I can remember - "It's not worth it!" I would shout at my mom. Thinking about what went into the making of products around me and the way companies operate was intriguing. Creating a business from nothing had always seemed very fascinating to me and I could listen to stories about people from my hometown that "made it" for hours.

SOCIAL ENTERPRISES - A GROWING PASSION

Studying Entrepreneurial Engineering has been eye-opening, to say the least. After learning more and more about successful businesses and entrepreneurs, and starting to apply for internships in the field, I realised how little I identify with many of their practices. Many times, I thought: "Well this is just unethical." Needless to say, I did not end up applying to work for companies I once admired.

I was never really aware of the concept of Social Enterprises before starting this degree. I was familiar with NGOs and the concept of philanthropy, and that was most of it. There was something captivating about the idea of building a successful business that does good, something I could finally identify with. This lead to me working at Book a Street Artist in my previous semester, a company with a positive impact that offers more than a booking platform for artistic services. Its aim is to empower artistic talent and to make it universally accessible, creating opportunities for undiscovered artists.

After having worked there and having looked into numerous enterprises that have some kind of positive impact, I realised that I would not classify all of them as truly social myself. Doing good is not enough if you do not care about employees, and basically everyone else involved in the supply chain, as well as the environment and community that you are directly affecting.



Figure. Chosen topic word-cloud, created on worditout.com

Becoming more and more aware that sustainability issues and solving the world's challenges through entrepreneurship interest me greatly, I came across the following subject: "Sustainopreneurship" - also referred to as sustainable or sustainability entrepreneurship by some researchers - a quite new topic in the field of entrepreneurship that refers to businesses oriented towards solving sustainability-related problems, creating economic, social and ecological value (Aghelie, Sorooshian, & Azizant, 2016). This really resonated with me.

Kevin Trapani, the CEO of an insurance company with a social purpose, Redwoods Group, talks about a growing awareness towards social causes, and the pride he feels when seeing that 25 out of 300 business school graduates choose to work for non-profit or for-benefit corporations, while still questioning the value of having a job in a sector where all that one does is to make more money for shareholders. His words on social drive perfectly sum up my motivation for choosing this topic and hopefully a path in this direction (Real Value, 2013):

"The personal, strategic question is: Do you matter? If you don't do that, isn't somebody else going to do that? But maybe there's something inside your God given set of skills that will allow you to help others in a profound way that no one else on the face of this Earth could do. I would ask people to respond to that - to that. I don't miss a lot of meals, I drive a nice car. I'm not asking people to live a spartan existence.

What I'm asking people to do is open their eyes and understand the broad global context in which we exist today. We are profoundly fortunate and there are an awful lot of people depending on what we do in the next day, week, month, year in our careers.

It's time. Serve."

1.2 RESEARCH QUESTION

Making a social and environmental impact in society, while running a sustainable or even profitable business can be very challenging. Understanding what differentiates these ventures from regular enterprises can help better comprehend what defines a successful sustainopreneurship business model and how one could create such a venture.

This report seeks to provide an understanding of the characteristics of social enterprises that deal with sustainability related problems, Sustainopreneurships or Sustainopreneurial ventures, and their connection to B Corporations, for-profit entities with a social and environmental impact.

The following research question will be investigated:

If a social enterprise follows the recommended B Corporation guidelines, can it be considered a sustainopreneurial venture?

1.3 RESEARCH DESIGN

The project's research design can be described as an engaged scholarship study. This is a participatory form of research for studying complex real-world problems based on the different perspectives and understandings of the key stakeholders (Mathiassen, 2017). The research design in described below.

The research question (RQ) is raised based on a real-world problematic situation (P) and a related area of concern in the literature (A) (Mathiassen, 2017). Addressing the RQ involves collecting and analysing empirical data drawing on a method of inquiry (M) (Mathiassen, 2017).

Component	Definition	Specification in relation to this project
Р	The problem setting represents	Sustainopreneurship is a new and
	people's concerns in real-world	emerging type of entrepreneurship that
	problematic solutions.	has a high potential of solving the
		world's sustainability related issues.
		However, little research has been done
		on this topic and on business models of
		sustainopreneurial ventures.
А	The areas of concern represent	Sustainopreneurships, B Corporations,
	some body of knowledge un the	and social business models.
	literature that relates to P.	
Μ	The method details the approach to	Qualitative case study (based on desk
	empirical inquiry, specifically to data	studies) of successful Berlin based B
	collection and analysis.	Corporation business models.
RQ	The research question relates to P,	If a social enterprise follows the
	opens for research into A, and helps	recommended B Corporation guidelines, can
ensure the research design is		it be considered a sustainopreneurial
coherent and consistent.	venture?	
		venture:
		There are four work questions, sought
		to aid answering the research question.
		These are presented and elaborated in
		the following Publication Design section.

Table. Components of Engaged Scholarship Research. Adapted from (Mathiassen, 2017)

1.4 PUBLICATION DESIGN

The report is structured in the order of the Work Questions, each of the following four main chapters focusing on answering a different Work Question, as shown in the next table and elaborated below:

WQ	CHAPTER
What is Sustainopreneurship?	2. SUSTAINOPRENEURSHIP
What are B Corporations?	3. B CORPORATIONS
What are the characteristics of Social Business Models?	4. SOCIAL BUSINESS MODELS
What are the Business Models of successful Berlin based B Corporations?	5. BUSINESS CASES

Table. Publication Design

WQ1: What is Sustainopreneurship?

To address work question number one: "What is Sustainopreneurship?", the second chapter aims to describe the new and emerging concept of entrepreneurship known as sustainopreneurship, highlighting the characteristics of sustainopreneurial ventures, as well as those of sustainopreneurs. The information presented in this section in mostly based on previous research on the topic, including the first published research paper on the tentative definition of the concept, and other relevant more recent papers.

WQ2: What are B Corporations?

To address work question number two: "What are B Corporations?", the third chapter aims to describe B Corporation certified companies, focusing on the guidelines associated with receiving such a certification and the impact they have on sustainability. The information gathered in this section is based on online sources, such as the websites of the entity behind the B Corporation movement, as well as external literature.

WQ3: What are the characteristics of Social Business Models?

To address work question number three: "What are the characteristics of Social Business Models?", the fourth chapter aims to identify and characterize the different types of social business models, to facilitate the understanding of which category sustainopreneurial ventures and B Corporations fall into. This section also attempts to find the best tool for representing these kind of business models. Literature on business model classification, illustration, and design is collected and analysed in order to find the most appropriate tool and use it in the following case study section.

WQ4: What are the Business Models of successful Berlin based B Corporations?

To address work question number four: "What are the Business Models of successful Berlin based B Corporations?", the fifth chapter represents a case study that aims to identify Berlin's top B Corporations and to study their business models, commencing with a more personal note on Berlin's start-up scene. This qualitative case study can be described as a "desk study", as none of the five B Corporations has agreed to take part in this study, thus making online sources such as their own and the B Corporation websites the most relevant resources for illustrating their business models.

Finally, the Research Question: *"If a social enterprise follows the recommended B Corporation guidelines, can it be considered a sustainopreneurial venture?"* is discussed in the sixth chapter, based on the information covered in the previous chapters, ending with a conclusion.



To address work question number one: "What is Sustainopreneurship?", the second chapter aims to describe the new and emerging concept of entrepreneurship known as sustainopreneurship, highlighting the characteristics of sustainopreneurial ventures, as well as those of sustainopreneurs. The information presented in this section in mostly based on previous research on the topic, including the first published research paper on the tentative definition of the concept, and other relevant more recent papers.

"The most sustainable way is to not make things. The second most sustainable way is to make something very useful, to solve a problem that hasn't been solved."

Thomas Sigsgaard

2.1 EARLY DEFINITIONS AND CONCEPT DEVELOPMENT

The concept of Sustainopreneurship was first introduced in 2000 (Schaltegger, 2000), later developed and published about in 2003 (Hockerts and Gerlach, 2003), and finally elaborately defined in 2006 by Anders Abrahamsson, who has been researching the subject during his Master's in Business Administration at Växjö University (now Linnaeus University), concluding it with the research thesis: "Sustainopreneurship – Business with a Cause" (Abrahamsson, 2007).

Having been associated with ventures that he now defines as sustainopreneurial enterprises for over seven years previous the publication of his research thesis, Abrahamsson identified the need for a new concept, as he felt there was no notion that could fully grasp what they were doing in their venturing process (Abrahamsson, 2007). He came across the terms "sustainopreneur" and "sustainopreneurship" out of serendipity, in an invitation to a Swedish Ecodemics workshop, where the following definition of sustainopreneurs was given: "Entrepreneurs who act as change leaders towards sustainable management while combining innovations on an ecological, economic and social level." (Abrahamsson, 2007). As Abrahamsson recalls, the ideas presented in the workshop resonated with him, while at the same time leaving him unsatisfied with the exact semantics of the definition and lack of research in the field, thus leading to his attempt to define the term based on extensive research and his entrepreneurial experience (Abrahamsson, 2007). His view on the type of entrepreneurship he was involved in is:

"(...) it contributes to a positive process of prosperity creation and empowerment on individual, family and (local) community level, and an efficient means to solve sustainability related problems. In this context, it can be a strong potential contributor in this process, as an enabler." Anders Abrahamsson

Referring to an entrepreneurial activity oriented towards solving a sustainability related problem, and to business as a means of solving the problem: "business with a cause", Abrahamsson proposes the following definitions of sustainopreneurship (Abrahamsson, 2007):

Sustainopreneurship, n.

1. Deployment of sustainability innovations: Entrepreneurship and innovation for sustainability.

2. Short for sustainability intra-/entrepreneurship.

3. To focus on one or more (world/social/sustainability-related) problem(s), find/identify and/or invent a solution to the problem(s) and bring the innovation to the market by creating an efficient organization. With the (new alt. deep transformation of an old) mission/cause-oriented sustainability business adding ecological/economical/social values and gains, with a bias towards the intangible – through dematerialization/resocialization. The value added at the same time preserving, restoring and/or ultimately

enhancing the underlying utilized capital stock, in order to maintain the capacity to fulfil the needs of present and coming generations of stakeholders.

In a more recent publication, "Research Gap in Sustainopreneurship", it is acknowledged that sustainopreneurship, or sustainable/sustainability entrepreneurship - terms also adopted by researchers when referring to the same concept - is a new type of entrepreneurship with limited research done in the area, and therefore further investigation needs to be made "to provide conceptual basis for stimulating scholarly thought and improving the understanding of sustainable entrepreneurship as an important field within entrepreneurship" (Aghelie, Sorooshian, & Azizant, 2016).

Most researchers agree that sustainopreneurship is based on and relates to the following, as illustrated below (Aghelie, Sorooshian, & Azizant, 2016):

- 1. Conventional entrepreneurship,
- 2. Environmental entrepreneurship;
- 3. Social entrepreneurship.

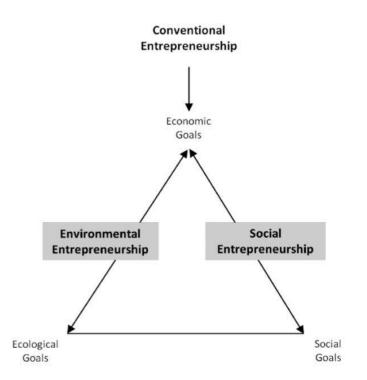


Figure. Related concept of sustainable entrepreneurship (Aghelie, Sorooshian, & Azizant, 2016).

Aghelie, Sorooshian, and Azizant argue that the difference between sustainopreneurship and the other related concepts is that it focuses on the economic, social and ecological dimensions – making it a triple bottom line model - as opposed to focusing on one or two dimensions (Aghelie, Sorooshian, & Azizant, 2016).

Conventional entrepreneurship can be considered one dimensional, focusing on economic goals, while both environmental and social entrepreneurship focus on the double bottom line of ecological and economic goals, and social and economic respectively. An overview of these concepts provides a better understanding of the emergence of the new concept of sustainopreneurship (Aghelie, Sorooshian, & Azizant, 2016).

It is generally agreed that sustainable entrepreneurship (sustainopreneurship) "enables founders to obtain entrepreneurial rents while simultaneously improving local and global social and environmental conditions" (Cohen and Winn, 2007), and that sustainable entrepreneurs can fill the gaps left by governmental organizations and corporations (Parrish & Foxon, 2009). This type of entrepreneurship can also be described as the connection between entrepreneurship and sustainable development (Shepherd and Patzelt, 2011), topic further elaborated in the next subchapter.

To conclude, while Abrahamsson's third and more detailed definition of sustainopreneurship refers to a sustainopreneurial venture being a "mission/cause-oriented sustainability business adding ecological/economical/social values and gains", more recent definitions put emphasis on sustainopreneurship being related to the creation of all three of these values: ecological, economical, and social. Sustainability can only be achieved when there exists a balance between these three (Aghelie, Sorooshian, & Azizant, 2016).

2.2 SUSTAINABLE DEVELOPMENT

There has been a development of the concept of sustainability and sustainable development in recent years, as well as an increasing awareness of sustainability development amongst entrepreneurs (Hall, Daneke, & Lenox, 2010). Sustainable development was defined for the first time by the World Commission on Environment and Development in 1987:

"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- The concept of 'needs', in particular, the essential needs of the world's poor, to which overriding priority should be given; and
- The idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs." (Brundtland Commission, 1987)

In September 2015, the United Nations General Assembly adopted a set of 17 Sustainable Development Goals (SDGs), as part of the 2030 Agenda for Sustainable Development, to be implemented and reached in every country over the following 15-year period (United Nations, 2015). The goals are illustrated in the image below:



Figure. 17 Sustainable Development Goals (United Nations, 2015)

Even though businesses are often blamed for the majority of social, economic and environmental problems, they still have the ability to contribute greatly in solving them. Businesses may have the potential to lead the world into a new industrial revolution, resulting in the reverse of negative environmental trends (Cohen, 2010). In an article on sustainable development and entrepreneurship, Hall, Daneke, and Lenox argue that the environmental damages affected by entrepreneurs should be and could be resolved by them (Hall, Daneke, & Lenox, 2010). The sustainopreneurial ventures of the future might therefore help the world reach its Sustainable Development Goals, making sustainopreneurs the heroes of our next generations.

2.4 SUSTAINOPRENEURS

To better understand sustainopreneurship, one must first understand what differentiates sustainopreneurs from regular social entrepreneurs, as well as what drives them to found social businesses that deal with sustainability issues and have economic, social and ecological impact.

According to social scientist Arthur C. Brooks, the following activities predominantly characterize social entrepreneurs (Brooks, 2008):

- "Adoption of a mission to create and sustain social value;
- Recognition and relentless pursuit of opportunities for social value;
- Engagement in continuous innovation and learning;
- Action beyond the limited resources at hand;
- Heightened sense of accountability."

It can be assumed that sustainopreneurs share the same characteristics as social entrepreneurs, with an added desire to contribute in solving the world's sustainability related issues. Aiming to further define a sustainopreneur, the following subchapters share their stories of such entrepreneurs, including their views on sustainability in relation to running a business.

The information in the following subchapters is based on Jesse Borkowski's documentary "Real Value", where the filmmaker interviewed four social entrepreneurs that are creating sustainable value beyond profit in their communities, by focusing equally on people and planet (Real Value, 2013). Each subchapter can be described as a summary of each interview, adding some of the entrepreneurs' quotes where relevant.

ERIC HENRY

Founder of TS Designs – Worked in apparel for over 40 years

"Sustainability is a journey, not a destination. By utilizing the assets within your community where everyone has an opportunity to succeed." Eric Henry

Eric Henry is the founder of an apparel company with a vision to make the highest quality and most sustainable printed t-shirts. TS Designs is the first B Corporation certified company in North Carolina, receiving its certification in 2008. Eric Henry remembers his social entrepreneurial journey having started many years ago, when he wondered whether he was on the path he was supposed to be on and decided to make a change.

"Money doesn't give you the passion, the heart." Eric Henry

At a time when the clothing industry is relying on cheap energy and cheap labour, leading to disastrous results, TS Designs is doing the opposite. Eric Henry believes that the employees are their most valuable asset and that this should be the case in any company. TS Designs has created a healthy work environment that is extremely open and transparent – none of their employees are smokers, nor obese. This is not the result of a strict set of rules being in place, but rather the result of the environment they are exposed to.

Eric Henry emphasizes the importance of transparency in the supply chain when building trust. He remembers noticing that just as people nowadays want to know where their food comes from, they also started wanting to know more and more where their clothes come from. This led to TS Designs' each item having a style number that customers can scan in order to get information about every single person involved in the supply chain. Eric Henry believes that there is more benefit in being transparent and acknowledges that even though it costs more, it makes a real impact.

TS Designs' founder wonders: "What's the real price of cheap?", as he reflects on big corporations' business models, built on cheap transport and labour, and ruining the apparel industry in the process. Eric Henry recognizes that a lot of people are still unaware of what goes into the clothes making process, having no knowledge of their purchases' negative impact.

"Bring price to the table, but also bring social impact and environmental impact and let's talk." Eric Henry

In Eric Henry's view, issues such as climate change, peak oil, a 9 billion population, and access to cheap resources, cannot be grown out of the economy and emphasizes that everyone needs to work together in order to solve the world's sustainability problems.

CAROL KOURY

Founder of Sow True Seed - Gardener, Food Activist

"When I started a company, I wanted to create the world I wanted to live in." Carol Koury

Carol Koury is the founder of an agricultural company with a goal of preserving shared botanical heritage and growing a new era of sustainable culture and ecological wisdom. Sow True Seed's products include organic vegetable, herb, and flower seeds. Carol Koury remembers becoming more conscious of food when she started having kids, thus embarking on her entrepreneurial journey soon after without an actual business plan. This forced her to learn about the necessity of making an actual sustainable business.

In Carol Koury's view, sustainability relates to trying to buy everything locally, donating, and caring about the community. Sow True Seed makes enough money to sustain itself, and to enable it to be a loving and helping community.

"It's very, very ... I don't know how to express the value you get from that." Carol Koury

Small seed companies are trying to save biodiversity, as many seeds are disappearing. Carol Koury highlights the need for biodiversity, this resulting into higher chances of having good healthy crops if something affects one or more of the others. Nowadays large companies grow the same genetically modified vegetables, such as corn, every year.

Carol Koury is convinced that sticking to principles is profitable, building trust from the local community and adds that in a world dominated by mistrust across industries, businesses need to be upfront with customers. To emphasize the importance of transparency, Sow True Seed's founder shares the story of them once shipping garlic that turned out to be infected. They announced it right after and offered to reimburse, this leading to more people wanting to buy their seeds.

Carol Koury believes in local economies being the most sustainable way for moving forward and recognizes the joy in doing business that counts to people: making a right living.

LYLE ESTILL

Co-founder Piedmont Biofuels - Writer, Environmentalist, Activist

Lyle Estill is the founder of a biofuel company that was certified for creating sustainability value. Piedmont Biofuels were considered heroes in the biofuels industry, until these fuels started to be seen as evil, "crime against humanity", in a world where what corporations do is actually evil.

"What bio diesel did in our industry was like: let's do this - let's go to Malaysia and let's burn down the rainforest and let's plant oil palm trees all in a row, and let's squish the seeds and take out the oil, and put the oil on a super tanker and send it to Seattle and spin it into fuel, and put it on a rail car and send it to North Carolina and put it on a truck and take it out to the airport, and after the airport has burned enough of it, **let's give them a prize for being green.**" Lyle Estill

Lyle Estill highlights that biofuel must be local in order to be considered sustainable and that not all biofuels are equal. Piedmont Biofuels would not use palm oil, for instance, but rather rely on other living matters that are available locally.

"Someone managed to put it in our heads that big is better, and the economies of scale are what can drive pricing down. And at the end of the day, it is exactly that that's driving us into environmental ruin – especially when it comes to energy." Lyle Estill

The founder of Piedmont Biofuels believes that energy should be made where it is consumed, giving examples such as using home waste as fuel to drive one's car, and using solar panels to power one's house. In Lyle Estill's view, sustainability in the future will translate into the world moving to a distributed generation model of energy consumption. He believes in technology and innovation being an important factor in the sustainability movement, while stressing on the "screaming need for integrity, authenticity and transparency" that exists in the world.

"The good news is that we can all help." Lyle Estill

Lyle Estill believes that the first step in achieving sustainability is for people to get into the scale of themselves and to focus on what they can understand: their own footprint, for example, thus being able to contribute directly.

KEVIN TRAPANI

Co-founder/CEO Redwoods Group

"All profits are not created equal. Let's be honest about that. Those that carry a social benefit are better." Kevin Trapani

Kevin Trapani is the founder of an insurance company that analyses data to educate and prevent harm from happening. He believes that business is a "powerful force for positive social change", arguing that it has been proves with negative businesses and its effects, and that doing good is not hard.

Redwoods' CEO believes that profits are healthy, being a metric of sustainability and therefore needed for companies to work. He describes philanthropy being the old way of doing good, involving sharing wealth that has already been created. A better way is to create wealth by serving and creating shared value, to create a profitable business that does good, as Kevin Trapani suggests. He adds that both for-profit or non-profit businesses need to run well in order to accomplish high purposes.

Redwoods adopted a 3-cell model, that Kevin Trapani shares as an example that can be easily followed and applied across industries to contribute in solving sustainability related issues:

"1 - do important work - improve quality of life;

- 2 do important work well create a place that is financially sustainable, and good for all: treating customers, employees, partners, and stakeholders well;
 - 3 move your work to scale collaborate with other that can help (ego-free collaboration)" Kevin Trapani

It can be recognized that all four entrepreneurs share similar views on sustainability and running a business. However, it could be argued that there exists a main difference: while all of them are involved in for-profit businesses that have a social impact and are aiming to solve at least one sustainability-related issue, only the first three above-mentioned businesses have a direct impact on the environment. It is worth noting that these entrepreneurs also emphasize on the importance of transparency when running a business. According to Abrahamsson's definition of sustainopreneurship, all four social entrepreneurs could be described as sustainopreneurs, while more revent views, including those of Aghelie, Sorooshian, and Azizant, place only the first three ones in this category. Nevertheless, they are all attempting to solve at least one of the world's sustainability-related problems.



To address work question number two: "What are B Corporations?", the third chapter aims to describe B Corporation certified companies, focusing on the guidelines associated with receiving such a certification and the impact they have on sustainability. The information gathered in this section is based on online sources, such as the websites of the entity behind the B Corporation movement, as well as external literature.

"The B Corp movement is one of the most important of our lifetime, built on the simple fact that business impacts and serves more than just shareholders - it has an equal responsibility to the community and to the planet."

Rose Marcario, CEO of Patagonia

3.1 B LAB

B Lab is the non-profit organization behind the B Corporation - also referred to as B Corp - movement. It was founded in 2006, with a mission of forming a community of businesses, investors, and institutions that "compete not only to be the best in the world, but the Best for the World". B Lab's vision is for all businesses in the world to measure and manage their impact, in the same way as they do with their profitability (B Lab, 2018).

In the past decade, B Lab has become the leading Corporate Social Responsibility (CSR) advocacy organization and the only organization to develop a complete certification that measures social, environmental, and financial practices (Chen & Kelly, 2015).

There are more than 2,500 certified B Corporations from 50 countries and over 130 industries, that meet high standards of social and environmental performance, accountability, and transparency. (B Corporation, 2018). As Inc Magazine describes it, the certification is "the highest standard in socially responsible business." (Inc Magazine, 2011)

The following "Declaration of Interdependence" represents the values instilled by the B Corporation movement, and that define B Corp certified companies:



DECLARATION of INTERDEPENDENCE

We envision a global economy that uses business as a force for good.

This economy is comprised of a new type of corporation – the B Corporation – Which is purpose-driven and creates benefit for all stakeholders, not just shareholders.

As B Corporations and leaders of this emerging economy, we believe:

That we must be the change we seek in the world.

That all business ought to be conducted as if people and place mattered.

That, through their products, practices, and profits, businesses should aspire to do no harm and benefit all.

To do so requires that we act with the understanding that we are each dependent upon another and thus responsible for each other and future generations.

Figure. The B Corp Declaration (B Lab, 2018)

As a certified B Corporation, an organization has access to: consulting on growth and becoming more economically, socially, and environmentally responsible; B Impact Assessment; the GIIRS (Global Impact Investment Rating System, further explained in the next subchapters); and advocacy for CSR initiatives on the state and federal level. In return, B Corporations have to maintain a minimum B Impact Assessment score; review their governance documents to reflect a fiduciary duty to consider the needs of the stakeholders; and pay the annual certification fee, that ranges from \$500 to \$50,000 a year, depending on each company's annual revenue (Marquis & Lee, 2015).

"B Corp is to business what Fair Trade certification is to coffee or USDA Organic certification is to milk." B Lab

3.2 B IMPACT ASSESSMENT

The B Impact Assessment is a tool used to measure and benchmark an organization's social and environmental impact. It is a free and confidential tool, available online for any for-profit business entity to use in order to help them build better businesses, whether planning to register as a B Corporation or not. B Lab states that more than 40,000 companies are using it to improve their practices (B Lab, 2018).

Rob Michalak, Director of Social Impact at Ben & Jerry's, stated that although they had been reviewing and reporting their social and environmental impact since 1989, the B Impact Assessment "added a new twist", helping them understand how they are doing in comparison to other companies and forcing them to have a detailed overview of how to best practices can be achieved (Michalak, 2013). Elissa Foster, Senior Manager of Product Responsibility at Patagonia, believes that the assessment enabled Patagonia to comprehensively evaluate their social and environmental programs, by quantitatively measuring their performance (Foster, 2012).

If deciding to apply for the certification, an organization must score a minimum of 80 out of 200 in their assessment in order to qualify as a B Corporation. Every two years, B Lab works with B Impact Assessment users, stakeholders, and the B Lab's Standards Advisory Council towards the release of an updated B Impact Assessment version, aiming to constantly improve how impact is measured (B Lab, 2018).

For any updated assessment version, feedback is collected on all areas of the assessment that need improving. A revised draft of the B Impact Assessment is then created by B Lab for an initial review and testing period. This includes reviews by the Standards Advisory Council, private beta

testing by B Corporations, GIIRS Rated Funds and Companies, as well as a public comment period. (B Lab, 2016).

The B Impact Assessment is developed and managed by the B Lab, together with an independent Standards Advisory Council. This is composed of stakeholder representatives and impact experts that supervise and approve all content in the assessment (B Lab, 2018).

"Individually, B Corps meet the highest standards of verified social and environmental performance, public transparency, and legal accountability, and aspire to use the power of markets to solve social and environmental problems." B Lab

The following impact areas are being reviewed in the assessment (B Lab, 2018):

Environment

The Environment section of the B Impact Assessment assesses the environmental performance of a company, focusing on its "facilities; materials, resource, and energy use; and emissions" (B Lab, 2018). A company's transportation or distribution channels and the environmental impact of its supply chain are also evaluated, where applicable.

This section also evaluates whether a company's products or services are designed to solve an environmental issue. This includes products that "aid in the provision of renewable energy, conserve resources, reduce waste, promote land/wildlife conservation, prevent toxic/hazardous substance or pollution, or educate, measure, or consult to solve environmental problems" (B Lab, 2018).

Workers

The Workers section of the B Impact Assessment evaluates how a company's workers are treated, focusing on "compensation, benefits, training, and ownership opportunities provided" (B Lab, 2018). This section also focuses on the company's work environment, evaluating "management/worker communication, job flexibility and corporate culture, and worker health and safety practices" (B Lab, 2018).

Customers

The Customers section of the B Impact Assessment assesses a company's impact on its customers, focusing on whether its products or services promote public benefit, and if they are targeted towards helping disadvantaged populations.

This section also evaluates if a company's products or services are designed to solve a social or environmental issue, such as improving health, preserving environment or creating economic opportunity to individuals or communities, promoting the arts/sciences, or increasing the flow of capital to purpose-driven enterprises (B Lab, 2018).

Community

The Community section of the B Impact Assessment focuses on a company's impact on its community, assessing its "supplier relations, diversity, and involvement in the local community" (B Lab, 2018). A company's practices and policies involving community service and charitable giving are also evaluated in this section.

This section also assesses if a company's products or services are designed to solve a social issue, such as "access to basic services, health, education, economic opportunity, arts, and increasing the flow of capital to purpose-driven enterprises" (B Lab, 2018).

Governance

The Governance section of the B Impact Assessment focuses on a company's accountability and transparency, evaluating its mission, stakeholder engagement, and general transparency of the practices and policies.

Once deciding to take the assessment, each company receives a set of questions that are personalised for the company's sector, size, and geography. Below are a few examples that B Lab provides as sample questions for each of the above-mentioned categories (B Lab, 2018):

SAMPLE QUESTIONS

Environment

EN 3.6 - What % of energy used is from renewable on-site energy production for corporate facilities?

- 0%
- 1-4%
- 5-10%
- 10-15%
- 15%+

EN 4.8 - Does your company monitor and record its universal waste production?

- We do not currently monitor and record waste production
- Our company monitors and records waste production (no reduction targets)
- Our company monitors waste production and has specific reduction targets
- Our company monitors waste production and has met specific reduction targets during the reporting period
- N/A Company does not have any universal waste production

Workers

WR 2.6 - Based on referenced compensation studies, how does your company's compensation structure (excluding executive management) compare with the market?

- Below market
- At market
- Above market
- N/A (Have not referenced a compensation survey)

WR 5.3 - What % of the company is owned by full-time workers (excluding founders/executives)?

- 0%
- 1-4%
- 5-24%
- 25-50%
- >50%N/A Company is a consumer/shared services cooperative or a producer cooperative

Customers

No sample questions are provided for this section yet. It can be assumed that this is a result of the customers section having only been introduced in the latest B Impact Assessment.

Community

CM 2.1 - When evaluating the social and environmental performance of Significant Suppliers, which of the following practices apply:

- Visited all significant suppliers
- Specific environmental criteria required
- Specific social criteria required
- Third party social or environmental metrics screen applied
- Evaluated at least annually
- Give preference to local suppliers
- Give preference to sustainable or fair trade suppliers
- None of the above
- Other

SE 11.2 - Which of the following underserved populations does your business impact or target (check all that apply)? If you are a business-to-business focused company, think of who the ultimate user of your product or service is.

- Low-income, poor or very poor (including low-income minorities and other underserved populations)
- Minority, disabled, and other underserved (but not low-income)
- Nonprofits that serve the poor
- Nonprofits (other than those that serve the poor)
- None of the above (Skip the rest of the questions in this section)

Governance

GV 5.2 - Does the company have a formal process to share financial information (except salary info) with its full-time employees?

- No
- Yes the company shares basic revenue/cost numbers if employees ask for them
- Yes the company discloses all financial information (except salary info) at least yearly
- Yes the company discloses all financial information (except salary info) at least quarterly
- Yes the company has an open book management process
- Company also has an intentional education program around shared financials

SE 1.2 - Have you ensured that the social or environmental mission of your company will be maintained over time, regardless of company ownership, by:

- Including in your corporate governing documents a commitment to your stakeholders
- Creating a specific legal governance structure that will preserve the mission of the company (i.e. cooperative, Benefit Corp, etc.)
- Other Please describe
- None of the above

All sample questions provided by B Lab can be found in Appendix A1.

RESULTS

If a company decides to apply for B Corp Certification, further documentation needs to be provided, depending on the given answers. B Lab first conducts a 60-minute Assessment Review phone call that allows the company to make any adjustments to questions that might have been difficult to answer, for instance. Companies are soon after asked to provide specific documentation, that is evaluated by B Lab (B Lab, 2018).

According to B Lab, most companies score between 40 and 100 points, 80 being the qualifying bar to become a B Corporation. The thinking behind this is based on the fact that each impact area is worth "roughly 40 points", so a total of 80 points would mean that a company has to make an impact in multiple areas in order to achieve B Corp Certification (B Lab, 2018). The score of each question and section depends on the industry, size, and geography of the company taking the assessment. Furthermore, even if certain questions might not count on their own, they could contribute to the overall score (B Lab, 2018).

3.3 GLOBAL IMPACT INVESTMENT RATING SYSTEM

B Labs has also developed GIIRS, a B Analytic platform to assess Social and Environmental Impacts investing, similar to Social Return on Investment. For investors, the GIIRS is comparable to the Morningstar investment rankings and Capital IQ financial analytics (Social Value UK, 2014). For organizations, GIIRS facilitates setting industry benchmarks, motivates them to reach quantifiable Social and Environmental Impacts goals, and gives them access to a large database of Social and Environmental Impacts performance in order to follow trends (B Analytics, 2016).

Companies receive a medal rating for their portfolio's Impact Business Model Score, platinum being the highest. Business models that are specifically designed to solve environmental or social problems are being recognized through this rating. Companies are also star rated for their Operations Rating score, five stars being the maximum. This evaluates the operations impact of the business, sometimes referred to "ESG" (or Environmental, Social and Governance) practices (B Lab, 2018). More information about the GIIRS system is available to fund managers in their B Analytics user account.



To address work question number three: "What are the characteristics of Social Business Models?", the fourth chapter aims to identify and characterize the different types of social business models, to facilitate the understanding of which category sustainopreneurial ventures and B Corporations fall into. This section also attempts to find the best tool for representing these kind of business models. Literature on business model classification, illustration, and design is collected and analysed in order to find the most appropriate tool and use it in the following case study section.

"We need an equal measurement of social and commercial returns: we can't sacrifice one or the other."

Royston Braganza, Grameen Capital

4.1 TYPES OF SOCIAL BUSINESS MODELS

There are a lot of outdated classifications of social business models, that do not apply to modern day social enterprises anymore. Most of these classifications still associate social impact with non-profits, or simply do not associate selling products with supporting a good cause while solving a social and/or environmental problem, on top of generating profit.

According to Wolfgang Grassl, there are nine types of business models for social enterprises, presented below, and followed by an explanation (Grassl,2009). The full table containing examples of such models and their key success factors can be found in <u>Appendix A2</u>.

- Entrepreneur support Sells business support to its target population.
- Market intermediary Provide services to clients to help them access markets.
- Employment Provide employment opportunity and job training to clients and then sells its products or services on the open market.
- Free-for-service Selling social services directly to clients or a third-party payer.
- Low-income client Similar to fee-for-service in terms of offering services to clients but focuses on providing access to those who could not otherwise afford it.
- Cooperative Provides members with benefits through collective services.
- Market linkage Facilitates trade relationships between clients and the external market.
- Service subsidization Sells products or services to an external market to help fund other social programs. This model is integrated with the non-profit organization; the business activities and social programs overlap.
- Organizational support Similar to service subsidization, but applying the external model; business activities are separate from social programs. (Grassl,2009)

In "Business Models of Social Enterprise: A Design Approach to Hybridity", Grassl himself states that new business models are being created by social enterprises. He concludes by saying that "the critical distinction of social entrepreneurship lies in something real – the value proposition itself", meaning that every promising business model must fulfil the following necessary (if not yet sufficient) conditions (Grassl, 2012):

- be driven by a social mission (i.e., abstain from distributing profit to shareholders);
- generate for positive externalities (spillovers) for society;
- recognize the centrality of the entrepreneurial function;
- achieve competitiveness on markets through effective planning and management.

According to Nicole Motter, a social enterprise consultant and lawyer that has identified a need for a better classification of social enterprises, "there are actually 6+ types of social enterprises",

that she illustrates in the following spectrum of social enterprises and are described below (Motter, 2017):

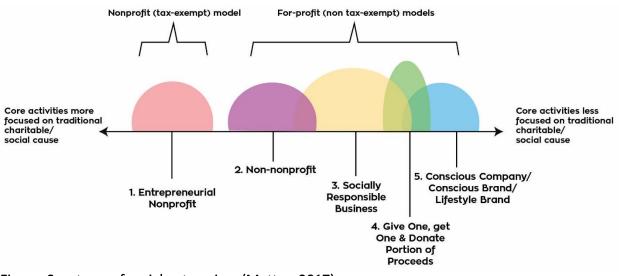


Figure. Spectrum of social enterprises (Motter, 2017)

1. Entrepreneurial Non-profit

Motter uses this term to describe tax-exempt entities, that are supported by earned income (at least partly). To reach this status, they can implement a program that generates revenue, or adopt an overall entrepreneurial business model, having donations and grants from foundations as their main funding source; program-related investments from foundations or bank loans could also be possible in some circumstances (Motter, 2017).

2. Non-nonprofit

Motter came up with this term to help clarify what she recognizes as "overlooked yet meaningful distinctions", referring to organizations that, just like non-profits, start with a social mission, and only after find a way to "make it work outside the restrictions of a tax-exempt model", as for-profit businesses. They are "mission-first" or "mission-centric" companies funded by program-related investments from foundations, or in some circumstances investments from venture capital firms/angel investors or grants from foundations (Motter, 2017).

3. Socially Responsible Business

As Motter suggests, this term can be used to describe benefit corporations, B Corporations, and "all things double- and triple-bottom-line", referring to companies that not only address a social problem, but also adopt practices that benefit the community, their employees, and environment. Funding options for these businesses would come from venture capital firms and angel investors, or program-related investments in some cases (Motter, 2017).

4. Give One, Get One / Donate Portion of Proceeds model

Motter uses this term for businesses that donate part of their revenue to a charitable cause (to traditional non-profits), emphasizing that they almost always also fall into the previous (No. 3) or following (No. 5) category, this being illustrated in the diagram above. Their revenue-generating activities are commonly separate from the change-making ones, the social component being "an add-on to the company's core business" in many situations; the same funding options as for the above-mentioned businesses apply here (Motter, 2017).

5. Awareness Brand

While Motter acknowledges that some people might use this term to include almost everything in the preceding two categories, she uses it to describe companies that sell products "designed to engage community and bring awareness to a social issue", without necessarily addressing the root cause of the issue that they are bringing awareness to through their main activities; the same funding options as for the above-mentioned businesses apply here (Motter, 2017).

6. Everything Else

As social entrepreneurship is a constantly evolving field, Motter places every other type of business model in this category, giving the example of a Fruitcraf, a fruit wine making company that describes its model as "Social Value Enterprise", characterized by three main aspects:

- *"democratic ownership by employees, (including accountability and decision making within the company);*
- no possibility of sale (keeping the company permanently stewarded by the workforce for the benefit of society);
- unleashing 100% of profits for social good." (Motter, 2017)

Although one might argue that the diagram shows that there are 5+ types of social enterprises instead of 6+, Motter's classification and diagram is extremely relevant as it recognizes the small, yet significant, difference between businesses types that are often put into the same category. At the same time, the diagram illustrates that enterprises are not necessarily one or the other, but can also be a combination of two, or even three, an extremely relevant point in the case of sustainopreneurial ventures and B Corporations that can be described as more than socially responsible businesses.

4.2 ELEMENTS OF A SOCIAL BUSINESS MODEL

As Christian Nielsen concisely puts it in his paper, "An introduction to business models": "A business model is a sustainable way of doing business." (Nielsen, 2014), further explaining that sustainability represents the ambition to survive and make an entity successful, or even profitable. A business

model is a platform where resources, processes and the supply of a service are connected, resulting in the company being profitable. It is the unique combination of attributes that are able to deliver a certain value proposition (Nielsen, 2014).

The business models of social enterprises must be able to create social value in a measurable way, on top of creating economic value, like conventional business models. Consequently, social impact must be an integral part of a social business model. Deborah Mills-Scofield, an expert in innovation and strategic planning, states in her "Every Business Is (Or Should Be) a Social Business" article that there is no substantial difference between the two business models, social businesses being a powerful way of increasing social impact (Mills-Scofield, 2014).

The following main elements should be covered in a company's business model (Amit and Zott, 2010):

- how it is doing business.
- how it creates value.
- what partners can enable these essential activities
- how it will measure its impact (in the case of social business models)

By association, sustainopreneurial ventures should be able to measure their "sustainopreneurial impact" by assessing their social, environmental, and economic effects and therefore the way they are contributing to solving sustainability-related issues.

One of the most popular methods of structuring and illustrating elements of a business model is the Business Model Canvas, enabling companies to visualize their model on a single sheet of paper.

SOCIAL BUSINESS MODEL CANVAS

The Business Model Canvas created by Alexander Osterwalder, is a business tool widely used by start-up ventures, as well as established companies, as quick overview tool of all building blocks of a business (Osterwalder & Yves, 2010). Since Osterwalder's publication in 2008, different methods on how to use this tool have been created. "14 ways to apply the Business Model Canvas" (Garner, 2015) presents how businesses now use it for innovation, and to respond to external factors, such as competition and consumers. The Business Model Canvas with its nine building blocks is illustrated below:

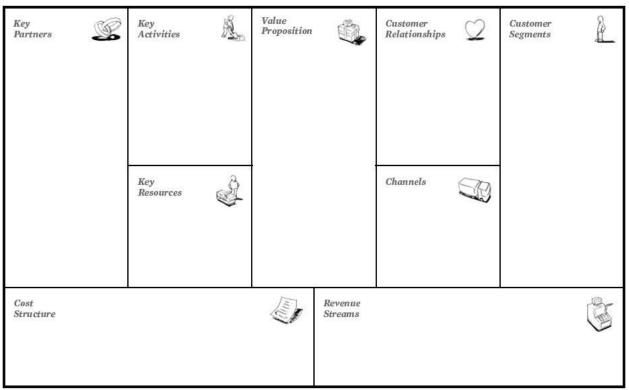


Figure. The Business Model Canvas (Osterwalder, 2010)

Osterwalder's Mission Model Canvas

However, the Business Model Canvas has not been created for companies that aren't only or solely money driven, but instead mission driven, using their resources and budget to solve a particular problem and to create value for beneficiaries, such as customers, support organizations, congress, etc. (Osterwalder, 2016). For cases like these, Osterwalder proposes a new type of Business Model Canvas: the new Mission Model Canvas. This contains the following changes:

- Revenue Stream is changed to Mission Achievement;
- Customer Segments is changed to Beneficiaries;
- Cost Structure is changed to Mission Cost/Budget;
- Channels is changed to Deployment;
- Customer Relationships is changed to Buy-in/Support.

The resulting new canvas is illustrated below:

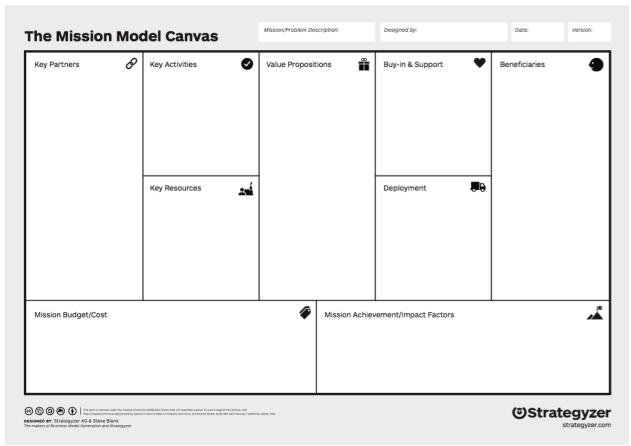


Figure. The Mission Model Canvas (Osterwalder, 2016)

Even though this type of business model canvas might perfectly apply to non-profits, it does not fit for-profit social enterprises, that do have a revenue stream and are offering a product or service to its customers, like regular for-profit enterprises.

Tandemic's Business Model Canvas

Tandemic, a social innovation lab from Malaysia, suggests a reinvented business model canvas for social businesses, canvas frequently referenced in publications on the topic of social impact driven enterprises. Their tool takes into consideration the following aspects (Tandemic, 2017):

- Segments are divided into: Beneficiary and Customer, instead of Customer Segments
- Value Proposition refers to three separate sections: User Value Proposition, Impact Measures, Customer Value Proposition
- Surplus exists as a separate section, on top of Revenue
- Type of Intervention is another extra section

Social Business Model Canvas

Social Business Model Canvas				
Key Resources	Key Activities	Type of Intervention ②	Segments 1	Value Proposition
				User Value Proposition
What resources will you need to run your activities? People, finance, access?		What is the format of your intervention? Is it a workshop? A service? A product?	Who benefits from your Beneficiary intervention?	impart measures
Partners + Key Stakeholders		Channels 💿	Customer ④	How will you show that you are creating social impact?
				Customer Value Proposition
Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?	What programme and non-programme activities will your organisation be carrying aut?	How are you reaching your users and customers?	Who are the people or organisations who will pay to address this issue?	What do your customers want to get out of this initiative?
Cost Structure		Surplus	Revenue	
What are your biggest expenditure areas? How do they change as you scale up?		Where do you plan to invest your profits?	Break down your revenue sources by %	

Figure. Social Business Model Canvas (Tandemic, 2017)

As this has become a quite renowned canvas, it is important to understand its limitations. Even though this type of canvas addresses the important issues of impact and mission, one could argue that certain modifications are unnecessary. Splitting Value Proposition into User Value Proposition, Impact Measure, and Customer Value Proposition, suggests that the initial Business Model Canvas itself needs to be separated into Customers and Users. This is a fair point, since the original canvas was created with paying customers in mind.

However, introducing these subcategories in the case of Value Proposition raises the question of the necessity of introducing Surplus as separate part. The Surplus (if any) or the way the profits are spent to make an impact could as well be part of Revenue or Cost Structure, if following the same logic as the Value Proposition's three subcategories.

Furthermore, the Type of Intervention seems to be the equivalent of "Type of Offering" in a regular enterprise, referring to the product or service the company is selling, which does not have a separate building block in the original canvas. The Value Proposition itself usually addresses the value of the specific product/ service.

Changing Key Partners to "Partners + Key Stakeholders" seems to be unnecessary, as Partners originally includes Stakeholders. This particular canvas might be referring to Stakeholders as specific impact partners.

Eliminating Customer Relationships might not be the best choice, since for-profit social enterprises have not only paying customers, but also beneficiaries, so the support and way they reach out to both is extremely important.

All in all, this canvas addresses the important point of social impact being a crucial element of social enterprises' business models and the necessity of taking into consideration the needs of both customers and beneficiaries, thus introducing the "Segments" block, instead of "Customers Segments". However, the other above-mentioned changes can be seen as unnecessary and inconsistent, therefore complicating the Business Model Canvas.

Annisa R. Qastharin's Business Model Canvas

Annisa R. Qastharin, a researcher at the School of Business and Management, Bandung Institute of Technology, Indonesia, has analysed and compared seven Business Model Canvas adaptations for social enterprises, concluding that neither of them can fully capture the business model of social enterprises, and that this is most likely caused by the fact that there exist different interpretations of what a social enterprise is (Qastharin, 2016). Osterwalder's and Tandemic's options are also included in this research.

Qastharin emphasizes the importance of a Business Model Canvas remaining a simple tool that can be easily understood, and that too many modifications can create ambiguity. She suggests a different adaptation of the Business Model, that has the following changes:

- Introduction of two building blocks: "Mission" and "Impact & Measurements"
- Subdividing Value Propositions into "Co-creator" and "Beneficiary"
- Subdividing Customer Segments into "Co-creator" and "Beneficiary" as well
 * Co-creators = donors, customers, volunteers, professionals

Key Partners	Key Activities	Value Propo	sitions	Customer Relationships	Customer Segments
		Co-cr	eator		Co-creator
	Key Resources			Channels	
		benef	iciary		beneficiary
Cost Struct	ure			Rever	ue Streams

* Co-creators = donors, customers, volunteers, professionals

Figure. Social Business Model Canvas (Qastharin, 2016)

Qastharin argues that a social enterprise's business model is mission-focused and impact-driven, therefore the introduction of these separate blocks. Using a "Co-creator" section instead of a "Customer" one is a relevant point since some social enterprises might still have both customers and donors. However, it could be argued that separating the Value Propositions and Customer Segments into "Co-creator" and "Beneficiary" then translates into having a two-sided Business Model Canvas, which would also divide other blocks into two, Customer Relationships for example, or basically any part of the business the is affected by this. It is not uncommon for regular enterprises to develop more than one Business Model Canvas, especially in the case of multi-sided business models that offer different products or services to customers and users. Consequently, this canvas also raises the question of whether there is consistency in the block choices. Furthermore, it could be argued that every business has a mission and impact, so introducing these as separate blocks of the business model might not be necessary.

Ingrid Burkett Knode's Business Model Canvas

Ingrid Burkett Knode, Director of Learning and Systems Innovation at the Australian Centre for Social Innovation, has been working with social entrepreneurs on business models for over a decade, experimenting with different ways of using the canvas for social enterprises. Knode believes that the key to using the Business Model Canvas is to separate the commercial and (social) impact models, while integrating them inside the story of the business model (Knode, 2016).

Knode also emphasizes the importance of designing a clear business model and representing it in a simple way, adding that there is no need for separate canvases or building blocks to illustrate this. Knode also proposes a checklist that can help with designing a sustainable social business model and with representing it in an adapted Social Business Model Canvas. This checklist can be found in <u>Appendix A2</u>.

The Business Model Canvas that separates each building block into "Commercial" and "Impact" is illustrated below:

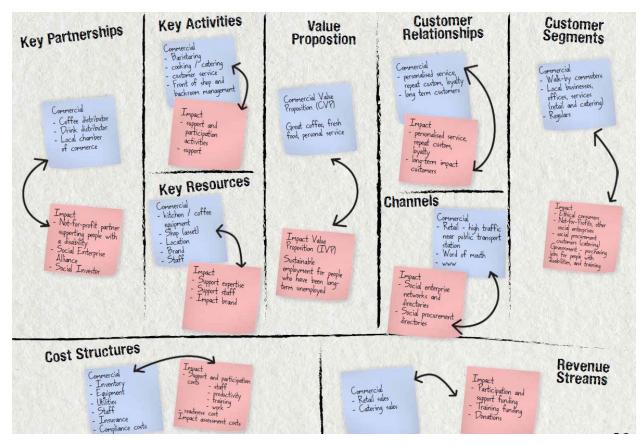


Figure. Social Business Model Canvas (Knode, 2016)

Acknowledging the value that the original Business Model Canvas has and the need for a simple and clear way of illustrating a business model is crucial. Knode's canvas is built on it, allowing entrepreneurs to also have an overview of the impact that each part of their business has on society and/or environment, whichever issue they might be focusing on. It offers enough freedom, while at the same time keeping the original clear Business Model Canvas design.

Taking into consideration the fact that sustainopreneurial ventures and B Corporations should aim to have a positive impact in more than one area, and that their whole business, with all processes involved should be driven by it, this version of the Social Business Model Canvas will be used to illustrate the business models of the companies presented in the following chapter.



To address work question number four: "What are the Business Models of successful Berlin based B Corporations?", the fifth chapter represents a case study that aims to identify Berlin's top B Corporations and to study their business models, commencing with a more personal note on Berlin's start-up scene. This qualitative case study can be described as a "desk study", as none of the five B Corporations has agreed to take part in this study, thus making online sources such as their own and the B Corporation websites the most relevant resources for illustrating their business models.

"Certified B Corporations redefine success in business."

B Lab

5.1 BERLIN'S START-UP SCENE

Having chosen to focus on Berlin based B Corporations in the business cases section, I believe that the chapter should commence with a short description of Berlin's entrepreneurial scene, a world that I have been part of since September 2017. It was then that I embarked on my social impact driven entrepreneurial journey in a typical Berlin based start-up, as part of an Erasmus for Young Entrepreneurs business programme.

It is not unknown that London and Berlin are the main European start-up hubs, "battling" for the "Silicon Valley of Europe" title. Berlin is indeed a younger hub, but fast growing nevertheless, many entrepreneurs moving here to open businesses for reasons presented in the next paragraphs.

The following somewhat amusing post-Brexit picture is quite representative of what has been happening in the last couple of years and of the aim of the "Freie Demokraten" German political party to establish Berlin as Europe's main start-up hub



Figure. "What Brexit means for Berlin's Startups" (MAKERS, 2016)

Berlin certainly has its advantages, being a cheaper option compared to other European capitals, while having a lot to offer, and being more relaxed than other capitals. The city therefore attracts a lot of young talented people from all over the world, making it very international and multi-cultural.

Germany's capital has tens of coworking spaces, incubators and accelerators. According to F6S, "the world's largest platform for founders", there are 29 accelerators alone. The venture capital investment volume in Berlin increased with almost 200% to nearly 3 billion euros in one year (2017), placing Berlin right after London (Berlin Business Location Center, 2018).

However, Berlin also comes with its disadvantages, especially for people looking for jobs, or even current employees. Having an extremely competitive job market, most start-ups offer unpaid jobs such as volunteer or intern positions, their businesses' survival relying on cutting costs in every possible way. Experienced people who are struggling to find work end up taking these jobs in a hope that they will lead to a permanent position. Unfortunately, this only proves to entrepreneurs that they can get top talent for free, continuing their so-called "internship programs" and replacing interns on a regular basis. This has been and still is the case of the start-up I last worked at and of hundreds of others currently advertising jobs.

Shaun Kemp, a Communications and Brand expert that has worked with Berlin based start-ups since 2004, and with industry leaders in Sweden and the UK for more than 15 years, refers to working in the Berlin start-up scene as "the most frustrating period" of his entire career, describing Berlin as "the land of flat hierarchies, table football, internships and copycat business models" in a critical article about Berlin's start-up scene (Kemp, 2016). Kemp also believes that Berlin is 10 years behind Stockholm, New York, London and San Francisco and that it is wasting its potential (Kemp, 2016).

While acknowledging that my experience with Berlin's start-up scene is very limited, it is my personal opinion that Shaun's views of Berlin's situation are fair to say the least, and that there is a correlation between them and my following belief: there is a lack of social enterprises, or any ventures that have some sort of social impact in Berlin's start-up world, young entrepreneurs ending up with copycat business models in their hunt for success. Having moved here from Denmark, I cannot help but notice the difference in mentality, people here being less impact-oriented.

In a hope that this is just a biased opinion, I have chosen to look into the business models of Berlin based B Corporations and to prove myself that there exist indeed young businesses that are doing good in one of Europe's biggest start-up hubs.

5.2 BERLIN BASED B CORPORATIONS

There are currently 21 certified B Corporations in Germany, 14 of these being located in Berlin. All 14 B Corporations are shown in the following table, sorted by their B Impact score. The table contains the names of the B Corporations and their product/service (if different from company name), each being followed by a short description and logo, as shown on their personal B Corporation profile (B Corporation, 2018):

B Corporation (Product)	B Impact Score	Description	Logo
Beyond Philanthropy	124	"Beyond Philanthropy is a specialized consultancy which helps businesses, foundations and individuals to maximise the impact of their philanthropic activities"	BEYOND PHILANTHROPY
Little Sun	117	"A social business and global project spreading solar light, energy and livelihoods worldwide."	Little Sun
ABURY	115	"Production and sales of handmade fashion and interior accessories"	
GEXSI	114	"GEXSI is a Berlin based impact investing advisory and think tank."	GEXSI
Coffee Circle	112	"Specialty Coffee Roaster actively improving the lives of smallholder farmers at the coffee origin."	COFFEE CIRCLE
soulproducts (soul bottles)	106	"Probably the world's cleanest drinking bottle"	SOUL
Ecosia	98	"Ecosia: The search engine that plants trees."	ECOSIA
Good for Growth (Freche Freunde)	95	"Fun organic snacks for kids made of fruit & veggies to help them developing healthy eating habits."	FRECHE FREUNDE Eine frühe Freundschaft mit Obst & Gemüse

Talents4Good	87	"Talents4Good is a human resource agency for jobs that make the world a better place!"	Jobs, die gut tun!
tbd* (Formerly The Changer)	86	"Where world-changers find jobs, learn from others and build their network."	tbd*
Endeva	84	"A company of experts aiming to create wealth among low-income groups through inclusive business."	endeva 🎽
Berlin Organics	83	"Organic foods with focus on nutrient rich plant-based products."	O BERLIN <i>O</i> Organics
einhorn	81	"Fair and sustainable condoms is einhorn's vision."	einhorn condorns
Impact Partner (Good Impact)	81	"Impact-Related Media Services: Online Magazine, Job & Event Platform"	GCOD IMPACT Plattform für gutes leben und gesellschaftlichen wandel

Table. Berlin based B Corporations

5.3 CASE STUDIES

Companies with a B Impact score over 100 points that are offering a product or service have been chosen as case studies. Being run by business consultants and advisors, as opposed to social entrepreneurs, the following consultancy firms have been excluded from the list: Beyond Philanthropy (124) and GEXSI (114). They do not have the organizational structure of the other Berlin based B Corporations, especially GEXSI, that seems to only have one employee and/or partner who is not based in Berlin, and has instead a group of external partners and an advisory board (GEXSI, 2018).

An exception is made in the case of Ecosia, that scored a close number (98) and is a well-known venture in Berlin's start-up ecosystem, that is trying to solve one of the world's greatest sustainability challenges. Furthermore, Ecosia has been the only company interested in taking part in an interview when contacted, topic further described in the following subchapter.

B Corporation (Product)	B Impact Score	Description	Product
Little Sun	117	"A social business and global project spreading solar light, energy and livelihoods worldwide."	Solar products
ABURY	115	"Production and sales of handmade fashion and interior accessories"	Fashion and interior accessories
Coffee Circle	112	"Specialty Coffee Roaster actively improving the lives of smallholder farmers at the coffee origin."	Coffee and coffee gear
soulproducts (soul bottles)	106	"Probably the world's cleanest drinking bottle"	100% plastic free drinking bottles
Ecosia	98	"Ecosia: The search engine that plants trees."	Search engine

The final list of companies chosen for the case study can be seen in the table below:

Table. Case Study B Corporations

INTERVIEWS

In order to get a better insight into the chosen companies' business model, practices, and B Corporation certification situation, I have decided to inquire whether anyone involved in each company would be interested in answering a few questions that would be of great value to this thesis, by contacting them via email.

The first company to respond and show interest in having a discussion was Ecosia. However, after providing them with more information, Ecosia has not replied. ABURY has also showed interest initially but emphasized that their time was very limited. After providing them with more information, they confirmed that the best person to talk to would be the social entrepreneur and founder of the company, who is unfortunately unavailable and too busy. Coffee Circle also replied, saying that they do not have the time nor resources to take part in this. Little Sun and soulbottles have not replied to the email. All responses can be found in <u>Appendix A4.</u>

It is worth mentioning that I have sent the introductory email many weeks in advance before the hand-in of the thesis, and no time frame, nor specific details had been given at that point. However, Coffee Circle decided straightaway that they do not have the time. Furthermore, the second email (to companies that did get back) emphasized my availability and flexibility to any type of arrangement; even a very short conversation or sending the questions via email, allowing anyone that could contribute to answer them in the following 1-2 months, was offered as a last resort. This was unfortunately another unsuccessful attempt at getting anyone to contribute.

BUSINESS MODELS AND B IMPACT ASSESSMENTS

The following subchapters are therefore attempting to illustrate the chosen B Corporations' business models, based on the information available on their own websites, unless otherwise stated.

A presentation of their B Impact Score Assessment follows, with their most recent full report being attached in <u>Appendix A6</u>. Some of the companies are missing a score in the "Customers" section of the assessment, this presumably being a result of them not having completed the latest updated assessment or missing the sufficient information to answer certain questions.

Each company subchapter ends with a short summary of their business model and B Impact Score. Furthermore, a strategy canvas based on their scores in all impact categories – as competitive factors - follows at the end of the entire chapter.

It must be noted that even though their scores in each category are made public, it is impossible to tell what questions they answered and what responses they gave, as well as how much each question is worth; it might seem that certain subcategories of the impact report do not add up to that specific category's total. Therefore, the only accurate analysis that can be made is by comparing their scores with each other's and with the Median Score of all businesses that have completed the B Impact Assessment.

Little Sun



Little sun is a social business and global project with two key objectives: bringing sustainable solar energy to the 1.2 billion people in the world without electricity and raising awareness of

the importance of sustainable energy for all, by activating and inspiring people all over the world to join Little Sun's campaign for worldwide sustainable energy access (Little Sun, 2018).

History

Little Sun was founded in 2012 by the artist Olafur Eliasson and the engineer Frederik Ottesen, with a belief that the power of sustainable energy can transform lives. It started with the idea of creating a portable solar lamp for Ethiopians that do not have access to electricity, and has now become a global project, changing over a million lives (Little Sun, 2018). In April 2014, Little Sun received a \$5 million impact investment from Bloomberg Philanthropies, enabling the company to scale its operations across Africa.

Impact

- 600,000+ lamps sold worldwide
- 1,600,000 lives changed off-grid
- 600+ African entrepreneurs joined
- \$35,000,000 saved on energy expenses in off-grid households
- 100,000 tonnes of Co2 reduced

SOCIAL BUSINESS MODEL CANVAS					
KEY PARTNERS	KEY ACTIVITIES	VALUE	CUSTOMER	SEGMENTS	
<u>Commercial</u>	<u>Commercial</u>	PROPOSITION	RELATIONSHIPS	<u>Commercial</u>	
- Development	- Production and	<u>Commercial</u>	<u>Commercial</u>	- B2C: People in	
partners	sales of solar	- Small portable solar	- Customer support	developed countries,	
- Distribution	products	lamp with an impact	- Social media	in need of portable solar lamps or willing	
partners	<u>Impact</u>	<u>Impact</u>	Impact (Beneficiary)	to support the cause	
<u>Impact</u>	- Sustainability	- Solar energy in 10+	- Training and	- B2B: Humanitarian	
- Impact investor	projects	African countries	education for local	aid and development	
- Associations and	- Climate advocacy	- Employment and	African	organizations	
Initiatives	- Solar education	local economic	entrepreneurs		

SOCIAL BUSINESS MODEL CANVAS

- African	KEY RESOURCES	developme	ent	CHANNELS	Impact (Beneficiary)
entrepreneurs	<u>Commercial</u> Human res. (employees) Tech Infrastructure (Online shop, websites) Physical res. (office)	- Reducing	CO2	<u>Commercial</u> - Retail shops and partners all over the world <u>Impact</u> - Impact partners' network - Little Sun Foundation	 Off-grid African communities, without electricity Refugees and displaced people
COST STRUCTURE	l	1	REVENUE STREAM		
<u>Commercial</u>			<u>Commercial</u>		
- Employee salaries			- Solar products sales		
- Manufacturing costs			Impact		
- General operational costs		- Charity events and projects			
Impact			- (Reinvest	ing revenue in off-grid co	ommunities)
- Low-cost sales in African communities					
- Awareness events and	d projects				

VALUE PROPOSITION

Little Sun sells solar products to people in developed countries, to support the sales in off-grid African communities, proving them with clean energy and reducing CO2 emissions. This also generates local profits and empowers young African entrepreneurs. Little sun is also involved in a variety of projects aimed at developing the local communities and helping people in need.

Little Sun's products and pricing can be seen in the following images, as presented on their website:



SEGMENTS

Little Sun's customer segment are people in developed countries, in need of portable solar lamps or willing to support the cause. Humanitarian aid and development organizations can also make bulk orders of solar lamps at a reduced cost.

The beneficiaries are people living in off-grid African communities, without electricity, as well as refugees and displaced people.

KEY ACTIVITIES

Little Sun's main activity is the production and sale of solar products, to support African communities that are living off-grid.

On top of its social business model of selling the same solar products worldwide at locally affordable prices, Little Sun develops projects to raise funds for bringing light and energy to those who are in urgent need, such as refugees and displaced people.

Little Sun is also involved in a variety of worldwide events and projects, to raise climate change awareness about the importance of sustainable energy.

Some of the projects Little Sun is involved in are:

- The Little Sun Impact: urgent relief for refugees in Niger
- Solar for the Children of the Moroccan Desert
- Improving Healthcare with Solar Power in Ethiopia
- Safe and Sustainable Light for Girls in Afar, Ethiopia
- Protective Lights for Elderly Refugees in Rwanda

KEY PARTNERS

Little Sun is concerned with ensuring impeccable quality management and working conditions in every part of its supply chain. This involves working only with production partners (in China, Europe, and elsewhere), that can prove their compliance with international quality and security standards, as well as with social directives such as ISO 9001 (quality management), the BSCI Code of Conduct (working conditions, including child labour regulations) and GSV (safety procedures throughout the supply chain). The compliance to these standards is monitored and verified on a continuous basis (Little Sun, 2018).

Little Sun has many impact partners, such as the Impact Investor Bloomberg Philanthropies, Associations and Initiatives: e.g. Certified B Corporation, Development Partners: e.g. Kapacitet

(DK), Distribution Partners: e.g. The Museum of Modern Art MoMA. They also collaborate with young entrepreneurs in African communities.

KEY RESOURCES

According to Little Sun's website, its team consists of Olafur Eliasson and Frederik Ottesen, the two co-founders, and twelve other employees. Their office is based in Berlin, where they are also running their website from.

Founders

Olafur Eliasson is an Icelandic-Danish artist whose works of sculpture, painting, photography, film, and installations have been exhibited throughout the world. He graduated from the Royal Danish Academy of Fine Arts in 1995, moving to Berlin soon after to found Studio Olafur Eliasson, a studio that now has a team of ninety. (Olafur Eliasson, 2018)

"Access to energy and light allows you to determine the direction of your life."

Olafur Eliasson, Little Sun founder

Frederik Ottesen is a Danish entrepreneur with a background in mechanical engineering and economics. He was involved in developing the world's first two-person solar-powered airplane, working with Solar Flight's engineers and aviators. Frederik Ottesen is also the former CEO of Matriks A/S, a software company he founded in 1998 (Positive Economy Forum, 2012).

CUSTOMER RELATIONSHIPS

Little sun provides phone and online support to its customers, building long-lasting relationships through social media channels, as well as blog platform. Customers can stay up to date with stories about the impact they are making and the lives they are changing.

Training and education is provided to the African entrepreneurs involved in the sales of solar products, as well as support and aid to their local communities.

CHANNELS

Little Sun sells its products through a worldwide network of retail shops and partners. The company also reaches out to its customers through social media channels, as well as press and media, raising awareness about the sustainable energy.

Through its network of international partners, Little Sun can share its purpose and reach out to a larger audience. Furthermore, Little Sun Foundation has been launched in March 2018, with the aim of raising donations to help even more people in need.

COST STRUCTURE

Little Sun's costs include employee salaries, manufacturing, as well as operations activities.

Funds from the sales of products enable Little Sun to support low-cost sales in African communities and training for the people involved in the process. The company also organizes events to raise awareness about sustainability issues.

REVENUE STREAMS

Little Sun's main revenue stream comes from the sales of solar products at higher prices in developed countries, to sustain cheap, affordable sales in local African communities.

Money is also raised through charity art and humanitarian events to help people in urgent need, as well as its newly founded foundation.

B IMPACT ASSESSMENT

"As a social business, we are inspired by B Corp's high standard of recognising companies who are not only affecting positive change worldwide, but also revolutionising the type of impact businesses can make while transforming their innovative ideas into action."

Little Sun about their B Corp certification

B Impact Report							
Certified since: April 2015							
Summary:	Company Score	Median Score*					
Environment	20	7					
Workers	17	18					
Customers	29	N/A					
Community	45	17					
Governance	7	6					
Overall B Score	117	55					

80 out of 200 is eligible for certification 'Of all businesses that have completed the <u>B Impact Assessment</u> 'Median scores will not add up to overall

Little Sun's full B Impact Report can be found in <u>Appendix A6.1.</u> Looking at its business model and B Impact Report, it can be concluded that Little Sun has the biggest impact on the communities it is involved with and on its beneficiaries, the Serving Those in Need part of the Customers section, as a result of providing more than 10 underdeveloped African countries with solar energy, while contributing to employment and local economic development.

The company's Environment score is also almost three times higher than the Median Score. These scores are not surprising since Little Sun is providing solar energy and is reducing CO2 emissions, while being a climate advocate, involved in many sustainability projects.

It is impossible to know Little Sun's relationship with its workers, but it can be noticed that it scores lower than the Median Score.

The same applies in the case of the Governance section, but it could be assumed that one of the reasons the company has a lower score might be due to the fact that it is not completely transparent. When compared to other B Corporations (e.g. Ecosia – more to follow in that subchapter), Little Sun does not make its finances public online, and it is unclear how much the company invests in the causes it supports. Nevertheless, the company's overall score is an indication of it having a high social, economic, and environmental impact.

ABURY



ABURY connects modern designers and traditional artisans to preserve local crafts, create economic opportunity for the communities involved and foster intercultural exchange. ABURY believes that style, quality and morals are not mutually exclusive (ABURY, 2018).

History

While living in Marrakesh, Andrea Bury, the founder of ABURY, became captivated by the handicraft heritage of the local communities, after restoring a 300-year old building together with her husband. She soon realized that fast consumerism is a great threat to heritage, and that

crafts like traditional Berber bags with unique embroidery needed to be preserved. In 2011, the ABURY Berber Collection was born. The flagship store opening followed in 2013 in Berlin, and ABURY's second collaboration with a community in Ecuador came next in 2014.

Impact

• 130,000+ Hours of education given back to the ABURY communities.

SOCIAL BUSINESS MODEL CANVAS						
KEY PARTNERS	KEY ACTIVITIES	VALUE		CUSTOMER	SEGMENTS	
<u>Commercial</u>	<u>Commercial</u>	PROPOSI	TION	RELATIONSHIPS	<u>Commercial</u>	
- Distributors	- Production and	<u>Commercia</u>	al	<u>Commercial</u>	- B2C women	
- Designers	sales of handmade accessories	- Exclusive handmade		- Customer Support	Impact (Beneficiary)	
- Creatives Impact	Impact	accessorie	essories with a	accessories with a social impact - Social Media, "One of a Mind" blog	- Artisan communities in	
- Local artisans	- Sustainability projects	<u>Impact</u>		Impact (Beneficiary)	developed countries	
- B Lab (B Corp)	- Children education	- Sustainab	ility ethics	- Aid, training and education for local	- People in need (PortrAid)	
	- Women empowerment	- Preserving crafts and traditions in local		communities		
	-	communiti	es		-	
	KEY RESOURCES	- Education,		CHANNELS		
	<u>Commercial</u>	employme	nt and	<u>Commercial</u>		
	- Human res.	local econo		- Physical and online		
	(employees)	developme	ent	shop		
	- Tech infrastructure	Impact				
	(Online shop,			- Abury Foundation		
	websites)					
	- Physical res. (shop)			- ADEx		
	<u>Impact</u>					
	- Locally sourced					
	materials					
COST STRUCTURE	1	l	REVENUE	STREAM	l	
<u>Commercial</u>		<u>Commercia</u>	al			
- Employee salaries			- Handmad	le products sales		
- Procurement and ma	nufacturing costs		<u>Impact</u>			

SOCIAL BUSINESS MODEL CANVAS

- General operational costs	- Charity projects
Impact	- (50% of profits reinvested in education and community
- Fair payment to local artisans	projects)

VALUE PROPOSITION

ABURY creates traditional crafts with an avant-garde design, empowering their makers, communities, designers, as well as customers. ABURY believe that "style, quality and morals are not mutually exclusive", but instead it is the combination of these that is "truly magical" (ABURY, 2018). The products are therefore stylish and of high quality, produced in an ethical way. The company's manifesto and following image sum up the value proposition of the company, creating unique designs with a social impact:

"WE LOVE ...

gorgeous handmade designs that look good, feel good and do good.

WE BELIEVE ...

that in a climate of transparency, mutual respect and curiosity, intercultural exchange can blossom and bloom into something truly wonderful.

WE ARE COMMITTED TO ...

leaving this world a little better than we found it by investing time, love and money in the communities we work with."

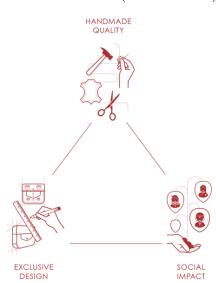




Figure. Style, quality and morals

A few of ABURY's products and pricing can be seen in the following images, as presented on their website:









ABURY KALE GREEN RAFFIA SUMMER SLIPPERS WITH TASSEL

ABURY DARK GREEN RAFFIA SUMMER SLIPPERS WITH TASSEL

€99.00

ABURY YELLOW RAFFIA SUMMER SLIPPERS WITH TASSEL €99.00

ABURY BLUE RAFFIA SUMMER SANDALS

€119.00

Figure. ABURY products

SEGMENTS

€99.00

ABURY's primary customer segment are modern day women looking for fashionable, handmade accessories that tell a story.

The beneficiaries are the communities involved in the production of the accessories: the artisans crafting them, their family members, as well as other community members, women and children mostly.

KEY ACTIVITIES

ABURY's main activity is the production and sale of luxury handmade accessories, while contributing and giving back to the communities involved in this process. ABURY is involved in a few other initiatives, through its impact channels presented below.

ABURY Foundation

ABURY Foundation was created to measure and monitor the impact ABURY has on the communities it works with. This helps monitoring the activities, as well as the money investment. ABURY Foundation is active in Morocco since 2011, in Marrakesh and in Douar Anzal (Atlas Mountains). The foundation is contributing to a more equitable world by directly giving back to the communities involved in the creation of products.

Some of the projects ABURY Foundation is involved in are:

- "Pass on the Flame" charity art project
- "Clean your Village!" environmental project
- Literacy Program for Women
- Computer Training for Women
- Pre-School for Children

ABURY Design Experience

ABURY Design Experience (ADEx) was born in 2015, with the goal of leveraging the impact and creating more international awareness. ADEx is a global contest that aims to find emerging designers that can help with the creation of new ABURY collections. In its first year, ADEx received applications from 35 nationalities.

<u>PortrAid</u>

The ABURY Foundation, together with the German photographer Thomas Rusch, have initiated PortrAid, an art charity project with a straightforward concept: well-known photographers taking photos of people in need. The portraits sold through the portraid.org website and at exhibitions, the sum directly helping the person depicted in the photograph.

ABURY's key activities can be summed up in the following image, the "ABURY Cycle of Great Design", as presented on their web page:

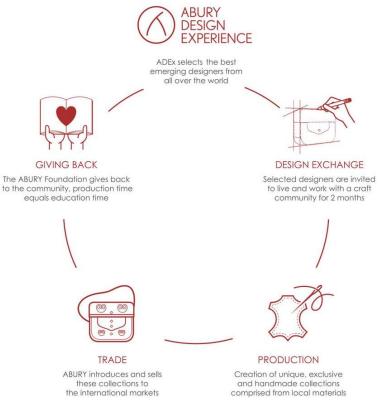


Figure. ABURY Cycle of Great Design

KEY PARTNERS

ABURY collaborates with local artisans who directly benefit from the partnership, as well as with designers of different nationalities and cultures, that take part in the creation of products. Other creatives, such as photographers and video makers, as well as legal advisors are part of ABURY's circle of partners.

ABURY only associates with partners that can sign its Code of Conduct (<u>Appendix A5</u>), in order to ensure transparency in their practices and respect its values. ABURY's leather partners are EU certified, for instance; promoting conscious and responsible behaviour in all practices being the company's aim.

KEY RESOURCES

According to ABURY's website, its team consist of Andrea Bury, the CEO and founder, and nine other women, six of them helping with PR & Content, the ABURY Foundation, ADEx, photography, ads, and events respectively, while three of them are trainees.

<u>Founder</u>

Andrea Bury is a marketing expert, story teller and social entrepreneur. After having worked at communication agencies in Frankfurt and London, she moved to Munich in 2000 to start her own agency, developing marketing strategies for companies like Deutsche Bank and O2 Germany. She also co-founded 2bd1.org in 2012, a creative network for creating common good and social profit.

Andrea is also part of the Entrepreneurs Pledge. "The Entrepreneur's Pledge is a commitment by sustainable thinking entrepreneurs to dedicate their entrepreneurial gift to found at least one business that will have a positive impact on environmental and social challenges and re-invest 50% of the profits to further its cause." (ABURY, 2018)

CUSTOMER RELATIONSHIPS

ABURY provides phone and online support to its customers, building long-lasting relationships through social media channels, as well as blog platform. ABURY also publishes the "One of a Mind" blog, sharing stories of the people involved in the creation of the products, people from different countries and cultures, whose stories are worth telling.

Aid, training and education is provided to the local artisan communities.

CHANNELS

ABURY's physical store is located in Berlin, in one of its well-known shopping centres, Bikini Berlin. ABURY also has an online store and reaches out to clients through social media channels, as well as media and press releases.

Through initiatives such as ABURY Foundation and ADEx, ABURY can share its purpose and reach out to larger audiences, raising awareness and funds for its causes.

COST STRUCTURE

ABURY's costs include employee salaries, procurement and manufacturing, as well as operations activities.

On top of paying fair salaries to local artisans, ABURY also invests in hours of education that are given back to the ABURY communities. The following claim can be seen on the end of every page of their website: "To pay fair salaries is a start, but not enough! Every time you buy an ABURY product, you are transforming its hours of production in hours of Education to the Communities where the product was made. "

REVENUE STREAMS

ABURY's main revenue stream comes from the sales of handmade accessories. 50% of the profits are re-invested in education and community projects in the communities that ABURY works with, the creators behind the products. The ABURY Foundation also receives donations that are used for the same purpose. Furthermore, charity projects such as PortAid help raise funds for those in need.

B IMPACT ASSESSMENT

"We believe that everybody has amazing skills and they just need an environment where they can blossom. This is true for the people we work with in developing countries - but also for us as social business. And the B Corp movement brings together so many like-minded businesses and "amazing skills" that create an enriching environment where we can all learn from each other."

ABURY about their B Corp certification

B Impact Report

Certified since: May 2017

Summary:	Company Score	Median Score*			
Environment	15	7			
Workers	23	18			
Customers	N/A	N/A			
Community	69	17			
Governance	8	6			
Overall B Score	115	55			
80 out of 200 is eligible for certification *Of all businesses that have completed the <u>B Impact Assessment</u> *Median scores will not add up to overall					

ABURY's full B Impact Report can be found in <u>Appendix A 6.2.</u> Looking at its business model and B

Impact Report, it can be concluded that ABURY has the biggest impact on the communities it is involved with, scoring more than four times the Median Score, as a result of contributing to education, employment and local economic development in underdeveloped communities through sustainability projects, children education, and women empowerment initiatives, on top of employment opportunities.

ABURY's environmental score is also significantly higher than the Median Score, more than twice, a very high score considering that the company is missing information/score in half of this section, as seen in the above-mentioned appendix. The company's score comes solely from Environmental Practises (part of the Environment section), scoring 15, compared to Little Sun's 8 in this subsection. This might be related to its affiliation with partners that can sign its Code of Conduct involving ethical, sustainable and transparent practices, and use of local materials.

It is impossible to know ABURY's relationship with its workers, but the company is scoring higher than the Median Score, 14 in the Compensation, Benefits & Training subsection of Workers, suggesting a good practice in that area.

Just like in Litte Sun's case, it could be assumed that one of the reasons ABURY has a lower Governance score might be a result of the company not being completely transparent. When compared to other B Corporations (e.g. Ecosia – more to follow in that subchapter), ABURY does not make all its finances public online, and it is unclear how much exactly it invests in the causes it supports.

It is worth noting that ABURY is completely missing any scores in the Customers section, so taking this into consideration, on top of it missing part of the scores in the Environment section,

the company actually has a very high total score, an indication of them having a high social, economic, and environmental impact.

Coffee Circle



Coffee Circle delivers freshly roasted coffee while actively improving the lives of smallholder farmers at the coffee origin, ensuring a transparent value chain that benefits everyone involved. Coffee Circle plans to be the largest speciality roaster in Europe by 2020.

Impact

- reached 121,000 people in coffee growing areas
- more than 490,000 € donations
- improved the lives of more than 36,000 people

SOCIAL BUSINESS MODEL CANVAS

KEY ACTIVITIES	VALUE	CUSTOMER AD	SEGMENTS
<u>Commercial</u>	PROPOSITION	RELATIONSHIPS	<u>Commercial</u>
- Sales of Berlin	<u>Commercial</u>	<u>Commercial</u>	- B2C and B2B:
roasted coffee	- Speciality fair-trade	- Customer Support	Private, corporate,
<u>Impact</u>	coffee and coffee gear	- Social Media	and wholesale coffee lovers
- Community development	Impact	Impact (Beneficiary)	Impact (Beneficiary)
projects	- Improving living	- Direct Trade	- Poor communities
	conditions of	- Farmers regular	involved in coffee
	,	visits	agriculture
	families and communities	- Health, education, agricultural training	
	<u>Commercial</u> - Sales of Berlin roasted coffee <u>Impact</u> - Community development	CommercialPROPOSITION- Sales of BerlinCommercialroasted coffee- Speciality fair-tradeImpactcoffee and coffee- CommunityImpactdevelopmentImpactprojects- Improving livingconditions offarmers, theirfamilies and-	CommercialPROPOSITIONRELATIONSHIPS- Sales of Berlin roasted coffeeCommercialCommercial- Speciality fair-trade coffee and coffee gear- Customer Support- Community development projectsImpact- Social Media- Improving living conditions of farmers, their families and communities- Farmers regular

	KEY RESOURCES	- Reducing	poverty	CHANNELS	
	<u>Commercial</u>			<u>Commercial</u>	
	- Human res.			- Online shop	
	(employees)			<u>Impact</u>	
	- Tech Infrastructure (Online shop, websites)			- Partners' network	
	- Physical res. (office)				
	<u>Impact</u>				
	- Quality coffee				
	beans				
COST STRUCTURE		REVENUE STREAM			
<u>Commercial</u>		<u>Commercial</u>			
- Employee Salaries		- Coffee and coffee gear sales – single / subscription			
- Procurement Costs		Impact			
- General operational Costs		- Donations			
<u>Impact</u>		- (1€/kg coffee sold reinvested in the community)			
- High sourcing prices					

VALUE PROPOSITION

Coffee Circle's direct and fair-trade model for hand-picked specialty coffee combines economic success with social impact. The company pays prices that are "far above the world market", and reinvests 1€ for every kilogram of coffee sold, in order to help farmers and their families sustain themselves and to reduce poverty in coffee growing communities (B Corporation, 2018).

A few of Coffee Circle's products and pricing can be seen in the following images, as presented on their website:





SEGMENTS

Coffee Circle's customer segments are private, corporate, and wholesale coffee lovers.

The beneficiaries are the coffee growing communities in underdeveloped countries, especially the farmers themselves and their families.

KEY ACTIVITIES

Coffee Circle's main activities are the procurement and sale of freshly roasted coffee, while contributing and giving back to the communities involved in the value chain. Every year, Coffee Circle travels to countries of origin, where they try dozens of coffees before picking the best ones. In Berlin, an individual roasting profile is developed for each coffee variety.

Coffee Circle partnered with the aid organization Welthungerhilfe to implement projects in Ethiopia that focus on improving the water supply and hygienic conditions of small communities. Their biggest project will supply over 18,900 people from three coffee villages with clean water for life.

Some of the other projects Coffe Circle has been involved in are:

- First project: Construction of a drinking water well in Ilketunjo 1,000 € donation
- Furniture and materials for a school in Ilketunjo 3,100 € donation
- Equipment of a local health station in Ilketunjo 1,150 € donation
- Solar system for health station in Wokito Medalu 25,000 € donation
- New elementary school in the Limu region 24,080 € donation

KEY PARTNERS

Coffee Circle's main partners are the coffee farmers who directly benefit from this partnership. The company also collaborates with impact partners such as the Welthungerhilfe organization, working together to improve the lives of coffee communities through their projects.

KEY RESOURCES

According to Coffee Circle's website, its team consist of Martin Elwert, the CEO and co-founder, and more than 40 other people from eight different countries, speaking 12 languages. Martin Elwert, a business administration graduate, worked as a management consultant before becoming a social entrepreneur and founding Coffee Circle in 2010.

Coffee Circle personally picks high-quality coffee beans and contributes to maintaining traditional and ecological cultivation methods.

CUSTOMER RELATIONSHIPS

Coffee Circle provides phone and online support to its customers, building long-lasting relationships through social media channels, as well as main web page where speciality articles about everything coffee related are regularly shared. These include coffee recipes, advice on coffee choices, or methods of storing it properly. Coffee Circle encourages people to contact them if they need help with picking the right coffee or coffee gear.

Through direct trade, Coffee Circle directly communicates with coffee farmers and builds longlasting relationships. Health aid, education, and agricultural training is also provided to the local coffee growing communities.

CHANNELS

Coffee Circle sales its products through the online shop. It also reaches its customers through social media channels, as well as media and press.

The company, together with the organizations it is affiliated with, is responsible for developing projects for its beneficiaries, the coffee growing communities. It therefore reaches its beneficiaries through its partners' network.

COST STRUCTURE

Coffee Circle's costs include employee salaries, procurement and operational costs.

Coffee Circle believes that the key to the coffee growers' stable and higher income is the highquality coffee. By paying high coffee prices, independent of the world market, they motive coffee farmers to stick to traditional and ecological cultivation methods and the continuously improve their harvests.

REVENUE STREAMS

Coffee Circle's main revenue comes from the sales of coffee and coffee gear. 1€ per every kilogram of coffee sold is re-invested in social projects that benefit the coffee growing communities. This equivalates to 2.5 times more money donated than the well-knowns FAIRTRADE system that only contributes 0,39€ per kilogram.

B IMPACT ASSESSMENT

"We strive to create true fairness along the coffee value chain – to the benefit of all people involved. Becoming a B Corp means becoming a proud member of a great movement which is in line with our profound value system. We want to take on our leadership responsibility in the specialty coffee industry and in the Social Entrepreneurship scene. We want to connect to other social businesses, get inspired and inspire others to use business as a force for good."

B Impact Report						
Certified since: May 2016						
Summary:	Summary: Company Score Median Score*					
Environment	17	7				
Workers	19	18				
Customers	N/A	N/A				
Community	65	17				
Governance 11 6						
Overall B Score	112	55				
80 out of 200 is eligible for certification [•] Of all businesses that have completed the <u>B Impact Assessment</u> •Median scores will not add up to overall						

Coffee Circle about their B Corp certification

Coffe Circle's full B Impact Report can be found in <u>Appendix A 6.3.</u> Looking at its business model and B Impact Report, it can be concluded that Coffee Circle has the biggest impact on the communities it is involved with, scoring almost four times more than the Median Score, as a result of the many community development projects that is involved in, providing health aid, education, and agricultural training, while also adopting a fair-trade model.

Coffee Circle's environmental score is also significantly higher than the Median Score, more than twice, a very high score considering that the company is missing information/score in half of this section, as seen in the above-mentioned appendix. The company's score comes solely from Environmental Practises (part of the Environment section), scoring 14. These scores could relate

to Coffee Circle's fair-trade practices, contributing to maintaining traditional and ecological cultivation methods, as well as other sustainable processes.

It is impossible to know Coffee Circle's relationship with its workers, but the company is scoring higher than the Median Score, 10 in the Compensation, Benefits & Training subsection of Workers, an indication of good practice in this area.

It is also not possible to know what the company answered in its Governance section, but it can be noticed that compared to Little Sun and ABURY, Coffee Circle at least mentions the amount of money they invest in projects. However, when compared to other B Corporations (e.g. Ecosia – more to follow in that subchapter), Coffee Circle does not make all its finances public online.

It is worth noting that Coffee Circle is completely missing any scores in the Customers section, so taking this into consideration, on top of it missing part of the scores in the Environment section, the company actually has a very high total score, an indication of them having a high social, economic, and environmental impact.

soulbottles



soulbottles is responsible for the production of attractive and 100% plastic-free drinking bottles, designed to encourage sustainable water consumption. 1€ per sold bottle is reinvested in clean drinking water projects in disadvantaged communities.

Impact

- reached 25,000 households
- improved the lives of 125,000 children, women and men

KEY PARTNERS	KEY ACTIVITIES	VALUE	CUSTOMER	SEGMENTS	
<u>Commercial</u>	<u>Commercial</u>	PROPOSITION	RELATIONSHIPS	<u>Commercial</u>	
- International	- Production and	<u>Commercial</u>	<u>Commercial</u>	- B2C interested in	

SOCIAL BUSINESS MODEL CANVAS

designers - Local manufacturers/ MADE IN GERMANY <u>Impact</u> - Viva con Agua and Welthungerhilfe organizations	sales of bottles <u>Impact</u> - clean drinking water projects KEY RESOURCES <u>Commercial</u> - Human res. (employees) - Tech Infrastructure (Online shop, websites) - Physical res. (office) <u>Impact</u> - Locally sourced	- Attractive 100% plast drinking bo <u>Impact</u> - Providing disadvanta communiti clean drink - Sustainab	ges es with cing water	 Customer Support Social Media <u>Impact</u> visits to impacted communities CHANNELS <u>Commercial</u> Online shop <u>Impact</u> Aid organizations' network 	sustainable living - B2B - gifts <u>Impact (Beneficiary)</u> - Communities without clean drinking water in North India and Eastern Nepal	
	materials					
COST STRUCTURE			REVENUE STREAM			
<u>Commercial</u>	<u>Commercial</u>			<u>Commercial</u>		
- Employee salaries			- Bottle sales – B2C single units, B2B – min. 50			
- Procurement and manufacturing costs			Impact			
- General operational costs Impact			- (1€/ bottle sold donated for clean drinking water projects)			
- High local procurement and manufacturing prices						

VALUE PROPOSITION

soulbottles' vision is to enable people to live a "conscious, sustainable and happy life by making sustainability attractive" (B Corporation, 2018). The company raises sustainability awareness through its products, while also supporting clean drinking water projects funded through bottle sales.

The following image illustrates soulbottles' values and the products' characteristics, as illustrated on their website:









carbon neutral produced

100% pollutant & plastic free

fair to employees & producers

100% animal suffering free







1€ per bottle - drinking water projects



easy wearing

of

tasteless



international designers

dishwasher safe



big drinking opening

Figure. soulbottles products characteristics, translated and adapted (soulbottles, 2018)

A few of soulbottles products and pricing can be seen in the following images, as presented on their website:



Figure. soulbottles products

SEGMENTS

Private customers, as well as businesses are soulbottle's customer segments. Businesses can purchase packs of 50+ bottles as giveaways packages.

The beneficiaries are communities without clean drinking water in North India and Eastern Nepal.

KEY ACTIVITIES

Soulbottle's main activity is the sale of sustainable water bottles, while promoting sustainable living and supporting sustainability projects through donations. Design contests are also organised by soulbottles regularly, enabling them to collaborate with international designers for bottle illustrations.

Although soulbottles isn't directly involved in development projects, it donates to Hamburg's NGO Viva con Agua which, together with Welthungerhilfe, is implementing clean drinking water projects in more than 16 countries.

KEY PARTNERS

To produce its glass bottles, soulbottles only works with German partners. A small glass factory in Thüringer forest makes the bottles, that are then shipped to a printing facility, before arriving in Berlin. The strap made from natural rubber comes from a 115 year-old company in southern Germany.

Soulbottles partnered with the aid organizations Viva con Agua which and Welthungerhilfe to support clean drinking water projects in disadvantaged communities in North India and Eastern Nepal.

KEY RESOURCES

According to soulbottles' website, its team consist of Georg Tarne, the founder, Paul Kupfer, the CEO, and ore than ten other people. No employee names can be found online, except for a team photo and a description of the values they stand for.

CUSTOMER RELATIONSHIPS

Soulbottle provides phone and online support to its customers, building long-lasting relationships through social media channels, as well as blog page that is used to promote a sustainable lifestyle and share news.

Soulbottles' founder and CEO occasionally visit the communities they are supporting and take part in other charity projects to raise funds for people in need.

CHANNELS

Soulbottles sells its products through the online shop. It also reaches its customers through social media channels, as well as media and press, being a sustainability advocate and promoting sustainable practices.

The organizations it donates to are responsible for developing sustainability projects for beneficiaries. It therefore reaches its beneficiaries through its partners' network.

COST STRUCTURE

Soulbottles' costs include employee salaries, procurement and manufacturing, as well operational costs. The company believes in the importance of locally sourced materials for increased sustainability, paying high prices to have high-quality bottles manufactured in Germany.

REVENUE STREAMS

Soulbottles' main revenue comes from the sales of water bottles and accessories. These are sold as single units to private customers, or packs of minimum 50 to businesses. 1€ per every bottle sold is donated to the organizations it supports, to improve the lives of people in disadvantaged communities.

B IMPACT ASSESSMENT

"We want to make the world a greener, cleaner and more beautiful place – but we cannot achieve this goal by ourselves. As a social business we have been committed to social impact from the very beginning. Joining the B Corp movement to team up with other social businesses was a logical next step for us."

Soulbottles about their B Corp Certification

B Impact Report

Certified since: December 2015

Summary:	Company Score	Median Score*
Environment	22	7
Workers	24	18
Customers	3	N/A
Community	51	17
Governance	7	6
Overall B Score	106	55
80 out of 200 is eligible for ce "Of all businesses that have c "Median scores will not add u	ompleted the <u>B Impact</u>	<u>Assessment</u>

Soulbottles' full B Impact Report can be found in <u>Appendix A 6.4.</u> Looking at its business model and B Impact Report, it can be concluded that ABURY also has the biggest impact on the communities it is involved with, scoring three times the Median Score, as a result of providing disadvantages communities with clean drinking water.

Soulbottles' environmental score is also significantly higher than the Median Score, more than thrice, a very high score considering that the company is missing information/score in half of this section, as seen in the above-mentioned appendix. The company's score comes solely from Environmental Practises (part of the Environment section), scoring 16. This is not surprising since soulbottles is a sustainability advocate that only affiliates with as local and environmental as possible partners and promotes the concept of sustainable living to its customers, workers, and online audiences.

It is impossible to know soulbottles' relationship with its workers, but the company is scoring higher than the Median Score, 17 in the Compensation, Benefits & Training subsection of Workers, suggesting a very good practice in that area.

Just like in the other companies' cases, it could be assumed that one of the reasons soulbottles has a lower Governance score might be a result of the company not being completely transparent. When compared to other B Corporations (e.g. Ecosia – more to follow in the next subchapter), soulbottles does not make all its finances public online, and it is unclear how much exactly it invests in the causes it supports.

It is worth noting that soulbottles is missing scores in the Customers section, except for the Products & Services subsection. Taking this into consideration, on top of it missing part of the scores in the Environment section, the company has a high total score compared to the median one, an indication of them having a high social, economic, and environmental impact.

ECOSIA



Ecosia is a search engine that uses the profit it makes from ads to plant trees where they are needed the most – highly deforested areas. Its goal is to achieve the highest environmental impact per dollar possible and to plant one billion trees by 2020, contributing to "a world where the environment no longer needs protecting" (Ecosia, 2018).

History

Ecosia was founded by Christian Kroll in 2009, after he returned from trip around the world that made him realize the negative impact deforestation has on communities, reducing quality of life. During 2009 and 2011, Ecosia won several awards for its smart concept and fast growth, and in 2014 it became the first German company to become B Corp Certified. After funding the planting of one million trees, Ecosia announced its new mission: planting 1 billion trees by 2020.

Impact

- 7+ million active users
- 28+ million planted trees
- 6,600,000+ euro invested
- 1.1 sec to plant a tree, 0.2 euro per tree

Social Business Model Canvas				
KEY PARTNERS	KEY ACTIVITIES	VALUE	CUSTOMER	SEGMENTS
<u>Commercial</u>	Commercial	PROPOSITION	RELATIONSHIPS	<u>Commercial</u>
- Bing search partner	- Product	<u>Commercial</u>	<u>Commercial</u>	- B2B Ad agencies
<u>Impact</u>	development	- Search engine with	- Customer Support	- B2C Advertisers
- Reforestation	<u>Impact</u>	a social impact	- Social Media	(Users – web
partners and	- High-impact	<u>Impact</u>	<u>Impact</u>	searches)
organizations	reforestation projects	- Environmental, social and economic	- Full transparency	Impact (Beneficiary)
		sustainability through tree planting	- Directly involved in projects	- Heavily deforested areas and their

SOCIAL BUSINESS MODEL CANVAS

	KEY RESOURCES <u>Commercial</u> - Human res. (employees) - Tech Infrastructure - Physical res. (office) <u>Impact</u> - Renewable energy office	projects - Sustainat advocate - Neutraliz emissions searches	ing CO2	CHANNELS <u>Commercial</u> - Global sales <u>Impact</u> - Reforestation partners' network	communities
COST STRUCTURE			REVENUE	E STREAM	
<u>Commercial</u>			<u>Commercia</u>	al	
- Employee salaries			- "EcoAds"	sales – 0.5 cents per sea	arch
- General operational c	osts		<u>Impact</u>		
- Server, hosting and de	evelopment		- Donating	80% of its ad profits to r	eforestation projects
<u>Impact</u>					
- Transparency – financ	ces online				

VALUE PROPOSITION

Ecosia has created a tool that enables users to easily do good by searching the internet. With a belief that trees can make a better place, Ecosia is an advocate for sustainability that supports environmental, social and economic development. Biodiversity, water security, and clean air are achieved through Ecosia's projects, in communities that need them the most. Furthermore, Ecosia is able to neutralise all CO2 emissions associated to its searches.

Ecosia' core values, as shown on its website, can be seen below:

- #Impact Think big and prioritize what will have the greatest impact.
- #Integrity Be honest, authentic and open.
- #Sustainability Seek long term, sustainable solutions.
- #Leadership Lead the way to a sustainable future.
- #User focus Honor the user.
- #Happiness Make it an enjoyable ride.

SEGMENTS

Ecosia's customer segments are ad agencies and advertisers acquired through its key partner, Microsoft Bing, while the users are internet users willing to support the cause through their searches.

The beneficiaries are communities living in heavily deforested areas.

KEY ACTIVITIES

Ecosia's main activity involves the product development and infrastructure management of its online platform. Through its partner, Bing, Ecosia is able to place ads and generate revenue that is reinvested in reforestation projects.

Ecosia has employees that are responsible for managing tree planting initiatives, establishing reforestation projects with its key impact partners.



A map showing the impacted areas can be seen below:

Figure. Tree planting projects (Ecosia, 2018)

Some of the projects the team is supporting are:

- Restoring coastal forests and natural corridors Madagascar
- Development through reforestation Morocco
- Restoring the Atlantic Rainforest Brazil

- Restoring Ethiopia's water cycle Ethiopia
- Re-greening the Sahel Burkina Faso

KEY PARTNERS

Ecosia's key partner is Microsoft Bing, enabling them to acquire ad customers for its searches.

Ecosia works with various local tree planting partners, as well as renowned organization, such as:

- The Friends of Usambara Society
- Gunung Saran Lester Foundation
- PUR Projet
- The Eden Projects
- Entrepreneurs Without Borders (OZG)

KEY RESOURCES

According to Ecosia's website, its team consist of Christian Kroll, the founder and CEO, and 32 other employees, including freelancers.

Ecosia's office is located in Berlin, and it runs on renewable energy, according to their website.

CUSTOMER RELATIONSHIPS

Ecosia provides phone and online support to its customers and users, building long-lasting relationships through social media channels, as well as main web page, where full monthly financial reports are posted to gain trust through transparency.

Ecosia's tree planting officers directly interact with tree planting partners and organizations in the communities they operate in, building trustworthy long-lasting relationships.

CHANNELS

Ecosia acquires customers and therefore generates sales through its main partner, Bing. It also reaches its users through social media channels, as well as media and press, being a sustainability advocate and promoting sustainable practices.

Ecosia is responsible for implementing reforestation projects together with its tree planting partners, their network being the main channel of reach to its beneficiaries.

COST STRUCTURE

Ecosia's costs include employee salaries, general operational costs, as well as server, hosting and development costs.

Ecosia believes in full transparency with its users, making its monthly financial reports public on its website. These are published with a delay of up to six weeks, as a result of the many external partners involved in reporting.

Ecosia's most recent financial and tree planting payments report can be found in <u>Appendix A7</u>. The report states that Ecosia's total income in April 2018 was \in 722,269. \in 341,582 was invested into tree planting, which equals to 47% of its income and 80% of the surplus. Ecosia financed the planting of 1,757,131 trees, investing \in 526,582 into planting projects, that includes keeping - \in 185,000 in its tree planting fund. This fund is a buffer that allows the company to balance out fluctuating income on its behalf, as well as various financial support needs on behalf of its tree planting partners.

REVENUE STREAMS

Ecosia's revenue comes from the ads it places when users search the internet. They call these "EcoAds", and they generate on average 0.5 cents per search, considering that ads have different price values and that not every user clicks on ads. Even though Ecosia does not take donations, it donates 80% of its ad profits to reforestation projects that the team is directly involved in.

B IMPACT ASSESSMENT

"When Ecosia was founded, we promised to put positive environmental impact before profits – and now there is a movement to match our philosophy. We wanted Ecosia to become a Certified B Corp in order to check our values against our practices, and to join a wider community of smart, accountable businesses who know that social, environmental and economic sustainability is the only true way forward."

Ecosia about their B Corp Certification

B Impact Report		
Certified since: Apr	il 2014	
Summary:	Company Score	Median Score*

Environment	9	7
Workers	25	18
Customers	N/A	N/A
Community	50	17
Governance	15	6
Overall B Score	98	55
80 out of 200 is eligible for c	ertification	

*Of all businesses that have completed the <u>B Impact Assessment</u> *Median scores will not add up to overall

Ecosia's full B Impact Report can be found in <u>Appendix A 6.5.</u> Looking at its business model and B Impact Report, it can be concluded that Ecosia also has the biggest impact on the communities it is involved with, scoring almost three times the Median Score.

Ecosia's environmental score is quite low, however. This could be a consequence of the company not only missing information/score in half of this section, as seen in the above-mentioned appendix, but also having different processes than companies selling physical products, thus scoring 0 in the Suppliers & Transportation subsection.

It is impossible to know Ecosia's relationship with its workers, but the company is scoring higher than the Median Score, with 17 in the Compensation, Benefits & Training and 6 in the Work Environment subsections of Workers, suggesting a very good practice in this area.

Ecosia also scores a quite high Governance score, more than two times the Median Score. This might be a result of it being transparent, making its finances public online, and clearly stating the amount it invests in each of the causes it supports.

It is worth noting that Ecosia is missing scores in the Customers section. Taking this into consideration, on top of it missing part of the scores in the Environment section and having different processes than companies selling physical products, Ecosia has a high total score compared to the median one, an indication of it having a high social, economic, and environmental impact.

COMPARISON

The following strategy canvas has been created to better illustrate and compare the companies' B Impact Scores, the Median Score of all businesses that completed the B Impact Assessment being included as well:

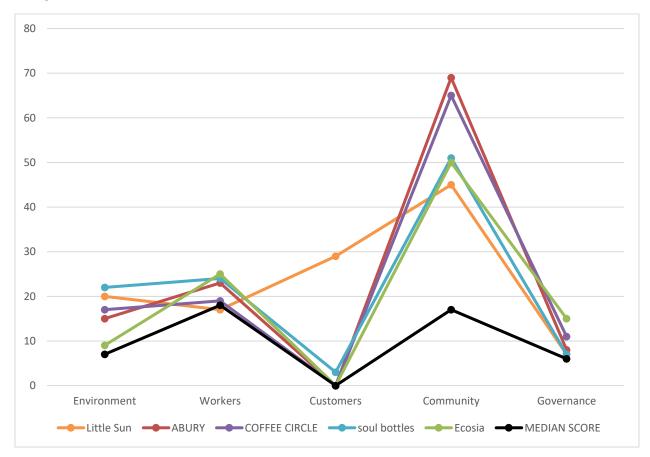


Figure. Strategy Canvas

To summarize the previous chapters' observations on each company's score:

- Soulbottles is scoring the highest in the Environment section because it is contributing to providing disadvantages communities with clean drinking water, while being a sustainability advocate that only affiliates with as local and environmental as possible partners and promotes the concept of sustainable living to its customers, workers, and online audiences;
- Ecosia has the highest score in the Workers section as a result of the compensation, benefits, and training opportunities offered, as well its work environment, and also the highest score in the Governance section as a result of it being transparent, making its finances public online, and clearly stating the amount it invests in each of the causes it supports;
- Little Sun is scoring the highest in the Customers section because it is the only company that has full scores in this part of the assessment; it is nevertheless serving those in need, aspect

covered in this section, by providing more than 10 underdeveloped African countries with solar energy and by contributing to employment and local economic development;

- ABURY has the highest score in the Community section as a result of contributing to education, employment and local economic development in underdeveloped communities, through sustainability projects, children education, and women empowerment initiatives, while preserving local crafts and traditions.
- Coffee Circle has the second highest score in the Community section as a result of the many community development projects that is involved in, providing health aid, education, and agricultural training, while also adopting a fair-trade model.

All in all, these B Corporations actually have similar scores, the biggest variations being seen in cases where they are missing information in certain sections and have no scores (Ecosia does not sell physical products, therefore it has different processes and results in the Environment section, and Little Sun is the only one with full scores in the Customers section), or in the case of ABURY and Coffee Circle that are clearly contributing to local communities by offering more than fair employment and improved living conditions, providing health aid, education, and professional training. It is worth noting that Little Sun is the only one scoring lower than the Median Score in a section, the Workers one. Furthermore, the company is the only one that has a full score in the Customers section, and the exclusion of this score would place Little Sun behind all four other companies, with a B Impact Score of 88.

It can be concluded that they are all addressing and attempting to solve sustainability-related issues as the main value driver of their business model, creating social, economic, and environmental value in disadvantaged communities, while running a for-profit business.



The Research Question: "If a social enterprise follows the recommended B Corporation guidelines, can it be considered a sustainopreneurial venture?" is discussed in the sixth chapter, based on the information covered in the previous chapters, ending with a conclusion.

Both sustainopreneurial ventures and B Corporation certified companies are relatively new fields of research. While one can define and characterize a B Corporation, there still exist different views on what sustainopreneurship actually is. I choose to adopt the views of Aghelie, Sorooshian, and Azizant who argue that sustainopreneurship aims to solve sustainability-related problems, focusing on the economic, social and ecological dimensions, and emphasizing that sustainability can only be achieved when there exists a balance between these three.

B Lab claims that B Corporations meet high standards of social and environmental performance, accountability, and transparency, the B Impact Assessment evaluating their sustainability practices and ability to address the needs of future generations.

As concluded in the previous chapter, the businesses presented in the case study section all seem to be addressing and attempting to solve sustainability-related issues as the main value driver of their business model, creating social, economic, and environmental value in disadvantaged communities, while running a for-profit business.

While acknowledging the limitations of drawing conclusion without actually having been directly involved with these B Corporations or having been able to meet with key people within these companies that would be able to facilitate in answering these questions, an attempt to do so will be made.

In theory, B Corporations should aim to contribute to a more sustainable future. However, it is impossible to tell how much of their value proposition is actually based on solving a grand sustainability issue, without knowing their exact business strategy and model. Furthermore, not knowing the exact questions and answers of the B Impact Report makes answering this question even harder.

When looking at Berlin's based top B Corporations, it is clear that they are companies that give back to the community and are involved in various sustainability projects, thus having a bigger impact in the world. They are trying to solve not one, but more sustainability-related issues, creating social, economic, and environmental value. However, the question of whether they are directly or indirectly creating this value could be raised.

For instance, the first three and higher rated ones, Little Sun, ABURY, and Coffee Circle are directly involved in creating value through their processes, being constantly in direct contact with the communities they are helping, while also involved in many other sustainability projects, whereas soulbottles and Ecosia are mostly donating part of their profits to a cause.

It can then be argued that only certain B Corporations can be considered sustainopreneurial ventures, the ones whose processes directly influence the communities they are helping, and it could maybe be added that it is the ones that are actually doing it themselves, not through (or not only through) external organizations.

However, if a social enterprise follows the B Corporation guidelines in every aspect of their business, so presumably receiving a very high score, it will then be because it does directly

impact the communities it is aiming to provide for in various ways, creating social, economic, and environmental value, and therefore making it a sustainopreneurial venture.

Further research needs to be conducted to properly answer this question, based on more than five B Corporations, and more than one location. It is worth exploring, provided that one has all resources needed and that the above-mentioned are not missing (e.g. exact questions and answers of the B Impact Report), what would the minimum score need to be, either total, or per category, for a B Corporation to be considered a sustainopreneurial venture. Using the five case studies as an example it could be argued that minimum 110, but this is only a vague assumption based on far too little data about the companies' practices.

"Through the power of their collective voice, one day all companies will compete to be best for the world, and society will enjoy a more shared and durable prosperity for all."

B Lab

PERSONAL REFLECTIONS

I have been a pupil and student for 16 years now, but I noticed that I have been feeling a different type of pressure and stress during the writing of this thesis. As I mentioned in the introduction, I have never been truly satisfied with what I had been studying before, the fields I had been working in, and so on, always searching for something else. Looking back on these last months, I think the strange pressure has been related to my wish to write a thesis that represents me and my values entirely. Maybe this explains why the research question has been changing (and hopefully improving) constantly and how this thesis has also turned into a search for the "most social enterprise out there" and ideal job.

A constantly changing research question

I believe that this project's topic, structure and research question must have changed tens of times. The more I read and engaged in conversations about subjects that I care so deeply about, the more I learned and changed my thoughts on certain topics and companies.

As I was discovering more and more start-ups and young companies that I identified as sustainopreneurships, based on the definitions found in literature, I realised that many of these are certified B Corporations. That is how I ended up looking into the connection between the two.

Project constraints, limitations, and possible improvements

I completely acknowledge that both sustainopreneurship and the B Corporation movement could be thesis topics on their own, and that this thesis only provides a basic understanding of these concepts. There is definitely a need for more research in these areas, based on concrete case studies of such ventures, on top of the semantics of concepts. I would argue that these topics are both quite complex for a short four-month research project.

My biggest hope is that deciding to focus on several topics, even if not in extensive detail, did not weaken the quality of this thesis. There is a danger in trying to do too many things and ending up not doing anything properly – there definitely is room for improvement of the final discussion and conclusion, for instance.

Every topic inevitably leads to other point of discussions that might have been left out due to lack of time mostly. A particular topic that I wish I had the time to also address would be the role of innovation in sustainopreneurial ventures. First of all, there are different views on what innovation actually is, especially in the field of social enterprises. While some researchers might

associate it with technological advances, others consider certain changes of behaviour in the communities directly affected to be innovative developments as well.

It would have also been of great help if I had managed to meet at least one key person – or anyone at all really - that is actively involved in one of the B Corporations mentioned in the case studied. That would have provided valuable insights into the B Impact Assessment questions and score, and beyond. Furthermore, it would have been interesting to hear their opinion on whether they would describe themselves as sustainopreneurs.

Balancing work and study

While it is no one's fault but my own that I decided to continue working as a freelance and more recently part-time designer while writing this thesis, I believe that it was a great choice in the end and I desperately needed a break from this thesis at times, that I have been obsessing about constantly – even if not about the thesis itself, but rather about social entrepreneurship in general and my obsession with finding a start-up that is making at least some kind of social and/or environmental contribution and is hiring in Berlin.

Learning objectives

I want to believe that I did learn a lot about the topics of social entrepreneurship, sustainopreneurship, B Corporations in the process of writing this thesis, and that I am even more prepared to continue my entrepreneurial journey. My greatest wish is to be able to work in an environment that aligns with my values and allows me to make a significant contribution.

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*An updated version of the Bibliography will be provided at the exam, due to several incorrect entries.

APPENDIX

A1. B IMPACT ASSESSMENT SAMPLE QUESTIONS

Environment

EN 2.3 - Which is the broadest community with whom your environmental reviews/audits are formally shared?

- Owners, Executives and Board
- Employees
- Broader community outside the company
- N/A

EN 2.16 - If you lease your facilities, have you worked with your landlord to implement any of the following in the past two fiscal years: (Choose n/a if you do not lease your building)

- Energy efficiency improvements
- Water efficiency improvements
- Waste reduction programs (including recycling)
- None of the above
- N/A Do not lease building

EN 3.3 - What % of energy (relative to company revenues) was saved in the last year for your corporate facilities?

- 0%
- 1-4%
- 5-9%
- 10%+
- Don't know

EN 3.6 - What % of energy used is from renewable on-site energy production for corporate facilities?

- 0%
- 1-4%
- 5-10%
- 10-15%
- 15%+

EN 4.8 - Does your company monitor and record its universal waste production?

- We do not currently monitor and record waste production
- Our company monitors and records waste production (no reduction targets)
- Our company monitors waste production and has specific reduction targets
- Our company monitors waste production and has met specific reduction targets during the reporting period
- N/A Company does not have any universal waste production

Workers

WR 2.6 - Based on referenced compensation studies, how does your company's compensation structure (excluding executive management) compare with the market?

- Below market
- At market
- Above market
- N/A (Have not referenced a compensation survey)

WR 3.6 - What is the minimum number of vacation days / sick days / personal days / holidays offered annually to full-time tenured workers (tenured defined as with the company for greater of 2 years or life of the company)?

- 0-15 work days
- 16-20 work days
- 21-25 work days
- 26-30 work days
- >30 work days

WR 4.3 - What % of full-time workers were reimbursed for continuing education opportunities in the last fiscal year?

- 0%
- 1-5%
- 6-15%
- >15%

WR 5.3 - What % of the company is owned by full-time workers (excluding founders/executives)?

- 0%
- 1-4%
- 5-24%
- 25-50%
- >50%N/A Company is a consumer/shared services cooperative or a producer cooperative

WR 6.5 - Based on the results of your employee satisfaction assessment (conducted within the past 2 fiscal years), what percent of your employees are 'Satisfied' or 'Engaged'?

- <65%
- 65-80%
- >80%
- N/A

WR 8.3 - Do you have a worker health and safety committee that helps monitor and advise on occupational health and safety programs (please choose N/A if the company does not use warehousing or manufacturing facilities)?

- Yes
- No

• N/A

Customers

The customers section has only been introduced in the latest 2018 B Impact Assessment. No sample questions are provided for this section yet.

Community

CM 2.1 - When evaluating the social and environmental performance of Significant Suppliers, which of the following practices apply:

- Visited all significant suppliers
- Specific environmental criteria required
- Specific social criteria required
- Third party social or environmental metrics screen applied
- Evaluated at least annually
- Give preference to local suppliers
- Give preference to sustainable or fair trade suppliers
- None of the above
- Other

CM 4.5 - What % of management is from underrepresented populations? (This includes women, minority/previously excluded populations, people with disabilities, and/or individuals living in low-income communities.)

- 0
- 1-19%
- 20-29%
- 30-40%
- >40%

CM 6.5 - Are full-time employees explicitly allowed any of the following paid or non-paid time-off hours options for community service?

- Non-paid time off
- Paid time off
- More than 20 hours a year of paid time off
- Do not offer paid or non-paid time off

SE 11.2 - Which of the following underserved populations does your business impact or target (check all that apply)? If you are a business-to-business focused company, think of who the ultimate user of your product or service is.

• Low-income, poor or very poor (including low-income minorities and other underserved populations)

- Minority, disabled, and other underserved (but not low-income)
- Nonprofits that serve the poor
- Nonprofits (other than those that serve the poor)
- None of the above (Skip the rest of the questions in this section)

Governance

GV 2.5 - What portion of your management is evaluated in writing on their performance with regard to corporate social and environmental targets?

- 0%
- 1-24%
- 25-49%
- 50-74%
- 75%

GV 5.2 - Does the company have a formal process to share financial information (except salary info) with its full-time employees?

- No
- Yes the company shares basic revenue/cost numbers if employees ask for them
- Yes the company discloses all financial information (except salary info) at least yearly
- Yes the company discloses all financial information (except salary info) at least quarterly
- Yes the company has an open book management process
- Company also has an intentional education program around shared financials

GV 5.5 - Has the Company worked within its industry to develop social and environmental standards for your industry?

- Yes
- No

SE 1.2 - Have you ensured that the social or environmental mission of your company will be maintained over time, regardless of company ownership, by:

- Including in your corporate governing documents a commitment to your stakeholders
- Creating a specific legal governance structure that will preserve the mission of the company (i.e. cooperative, Benefit Corp, etc.)
- Other Please describe
- None of the above

A2. TYPES OF SOCIAL BUSINESS MODELS

BUSINESS MODEL	HOW IT WORKS	EXAMPLES	KEY SUCCES FACTORS
Entrepreneur support	Sells business support to its target population.	Microfinance organizations, consulting, or tech support	Appropriate training for the entrepreneur
Market intermediary	Provide services to clients to help them access markets.	Supply cooperatives like fair trade, agriculture, and handicraft organizations	Low start-up costs, allows clients to stay and work in their community
Employment	Provide employment opportunity and job training to clients and then sells its products or services on the open market.	Disabilities or youth organizations providing work opportunities in landscape, cafes, printing, or other business	Job training appropriateness and commercial viability
Free-for-service	Selling social services directly to clients or a third-party payer.	Membership organizations, museums, and clinics	Establishing the appropriate fee structure vis a vis the benefits
Low-income client	Similar to fee-for-service in terms of offering services to clients but focuses on providing access to those who couldn't otherwise afford it.	Healthcare (prescriptions, eyeglasses), utility programs	Creative distribution systems, lower production and marketing costs, high operating efficiencies
Cooperative	Provides members with benefits through collective services.	Bulk purchasing, collective bargaining (union), agricultural coops, credit unions	Members have common interests/ needs, are key stakeholders, and investors
Market linkage	Facilitates trade relationships between clients and the external market.	Import-export, market research, and broker services	Does not sell clients' products but connects clients to markets
Service subsidization	Sells products or services to an external market to help fund other social programs. This model is integrated with the non-profit organization; the business activities and social programs overlap.	Consulting, counseling, employment training, leasing, printing services, and so forth	Can leverage tangible assets (buildings, land, employees) or intangible (expertise, methodologies, or relationships)
Organizational support	Similar to service subsidization, but applying the external model; business activities are separate from social programs	Similar to service subsidization– implement any type of business that leverages its assets	Similar to service subsidization.

Nine types of business models for social enterprises (Grassl,2009)

A3. SOCIAL BUSINESS MODEL DESIGN CHECKLIST

Value Proposition

- "What value do you provide your customers? Why would they keep coming back?
- What is the relationship between your commercial value proposition and your impact value proposition?
- How visible or prominent is your impact value proposition? Who values and would pay for your impact value proposition? Who understands it?
- How do you account for / measure your value proposition (both commercial and impact)?"

Customer Segments

- "For whom are we creating value and what kind of value are we creating for them?
- Who are our commercial customers and why will they continue to be our customers? Who are our impact customers and what value are they seeking from us (and how much are they willing to pay for this)?
- How important is the linkage between our products / services and our impact to our customers? Are they prepared to pay more for the impact? Who else would / could pay for the impact?
- Are our constituents customers? Co-creators? Partners?
- Are our funders customers or partners, or both?
- What kind of value proposition will keep customers coming back over the long term?"

Channels

Questions raised by Osterwalder and Pigneur:

- How do we raise awareness about our company's products and services?
- How do we help customers evaluate our organisation's Value Proposition?
- How do we enable customers to purchase specific products and services?
- How do we deliver a Value Proposition to customers?
- How do we provide post-purchase customer support?

Additional questions for social enterprises:

- How does this social enterprise stand out in a crowded market? Do we raise awareness of products/ services AND impact? If so, how? Particularly if we are wanting to raise awareness of our impact, how do we do this in a way which highlights our business, not just our cause?
- How do we help our customers evaluate our organisation's impact value proposition? What evidence and stories can we / should we share? Why should customers buy from us as a social enterprise? Do we compete directly with mainstream businesses? If so, why would customers choose to buy from us?

- How do customers find and access us? Are direct sales through retail outlets the only way customers can purchase from us? How can we extend the ways customers can find and purchase our goods/services? Who can we partner with to extend our sales reach?
- Can we extend our range of delivery mechanisms? Are there more efficient, effective or innovative ways we can deliver our goods/ services and/or impact? How can we connect our customers more effectively through our delivery mechanisms?
- Do we follow-up our customers to ensure that they will be repeat customers? What after sales support or information do they need or want about our products/services and/or impact? How can we ensure that they will champion social enterprise?

Customer Relationships

- "What kind of relationships do our customers want? Are they or could they be interested in our social impact?
- What could happen if customers fell in love with our impact? What other roles would they be willing to play if they did?
- What do we need to be mindful of to ensure that we retain our customers?
- Are the relationships with 'impact customers' different?
- What do they expect when they 'purchase' impact from us? How can we ensure that they fall in love with our products/services too?"

Revenue

- "Can we unpack and unpick the revenues that are generated through the commercial activities of the business from the revenues generated through the impact? This effectively means knowing what revenue is derived from and driving what part of the business.
- Have we examined analogous commercial business models to explore potential revenue streams from our chosen business sector, which can help us to predict, to a certain extent, the potential for profits to cover impact costs;
- What ongoing sources of revenue could be generated in relation to impact delivery, and how are we 'valuing' this?"

Key Resources

- "What physical, intellectual, human, and financial resources are needed for your commercial operations?
- What physical, intellectual, human, financial and impact resources are needed to ensure you deliver on your impact objectives?
- How could lack of commercial resources impact on the achievement of impact objectives? And vice versa?
- Do all the resources need to be located inside the social enterprise, or can some of them be located with and accessed through partnerships?"

Key Activities

- "What are the key activities that we undertake to deliver our commercial value propositions to customers?
- What are the key activities that are needed to deliver our impact value proposition?
- What overlaps are there between the two sets of activities?
- What are the complementary activities? Are there ways we can build efficiencies into these complementary activities?
- What oppositional activities are there? How can we address these so that they are more balanced?"

Key Partners

- "What partnerships are critical to helping us achieve our commercial objectives?
- What partnerships can help us deliver, strengthen or scale our impact objectives?
- What motivations underpin our partnerships?
- How do we structure our partnerships? How do we demonstrate the value of our partnerships to each other and externally?"

Cost Structure

- "What is the impact you are seeking to achieve in the social enterprise (and what is the difference between your ideal and real impact!)?
- What activities do you have to undertake to achieve this impact? Which of these activities would not be undertaken if this was a typical commercial business? What costs do these activities incur?
- What resources are needed to achieve this impact? Which of these resources would not be needed if this was a typical commercial business? What costs do these resources incur?"

A4. EMAIL COMMUNICATION

4.1 Response from Ecosia B Corporation (no further response to my reply to this email)

"Hi Carina,

thank you for getting in touch and for your support! I would be more than happy to chat to you, how about some time next week? I could also actually do this afternoon if that's not too late notice?"

4.2 Response from Coffee Circle B Corporation

"Hello Carina,

thank you for reaching out to us.

We would like to take the time to participate in your interview. Unfortunately, we have to cancel because currently we do not have the capacity and resources to do it with the right amount of time and quality.

Please understand that we are still a small company, we can not answer every request in a positive way - even if we regret it very much.

We wish you much success!"

4.3 1st Response from ABURY B Corporation

"Hi Carina,

thank you so much for reaching out - great to hear you're working on the topic of BCorps. Unfortunately at this point we are all super busy, so could you tell me a little bit more about what you would like to know and how much time would be required? Thank you! :)."

4.3 2nd Response from ABURY B Corporation

"Hi Carina,

thanks for the clarification :)

I would love to help out but I am afraid I won't be the right person to talk to as your questions are more related to the business side of the company whereas I really am mainly responsible for marketing. Our founder and manager of the company would be the right person to talk to but she is absolutely slammed with work these days so won't be able to make time for it. I'm very sorry but wish you lots of luck with your project!!"

A5. CODE OF CONDUCT, ABURY

1. HUMAN RIGHTS

1.1) Businesses must support and respect the protection of internationally proclaimed human rights, and

1.2) Make sure that they are not complicit in human rights abuses.

1.3) The premises must be regularly maintained and cleaned and must provide a healthy working environment.

2.LABOR

2.1) Child labor is not accepted (No person shall be employed at an age younger than 15 (or 14 where the national law so allows) or younger than the legal age for employment if this age is higher than 15.)

2.2) The elimination of discrimination in respect of employment and occupation.

2.3) Wages must be paid regularly, on time, and must reflect the experience, qualifications and performance of the employee. Employers shall pay at least the statutory minimum wage, the prevailing industry wage or the wage negotiated in a collective agreement, whichever is higher. All other types of legally mandated benefits and compensations shall be paid. No unfair deductions are allowed, and the employee has the right to a written specification of how the wage has been calculated.

2.4) The employees shall be granted and correctly compensated for any types of paid leave to which they are legally entitled. Examples of such leave include annual leave, maternity/parental leave and sick leave.

2.5) Ordinary working hours must not exceed the legal limit and shall never exceed 48 hours per week. Employees are entitled to at least one day off in every seven-day period.

3. ENVIRONMENTAL PROTECTION

3.1) Businesses must support a precautionary approach to environmental challenges and

3.2) Undertake initiative to promote greater environmental responsibility.

3.3) Our suppliers must comply with all applicable environmental laws and regulations in the country of operation. In particular, we are concerned about how the production of our garments and other products contributes to climate change and water stress.

4. ANIMAL RIGHTS

We recognise the conscious ethical decision not to use real animal fur in businesses where animals are used for materials in production and/or labor, such animals must be treated with dignity and respect.

5. SUSTAINABLE PRACTICES

5.1) Businesses and their designers must work actively to encourage sustainable design and design processes.

5.2) We believe in co-operation and we are willing to work with our suppliers and other business partners to achieve sustainable solutions and to promote suppliers and other business partners who are in compliance.

6. TRANSPARENCY

6.1) Business must follow the national laws in the countries in which they operate.

6.2) Businesses must work towards transparency in their supply chain.

6.3) Businesses must work against corruption in all its forms, including extortion and bribery.

6.4) ABURY expects all its suppliers and other business partners to respect this Code of Conduct and to actively do their utmost to achieve our standards.

6.5) Businesses must agree to show the production process and material sourcing through photo and/or film.

A6. B IMPACT REPORTS

A6.1 LITTLE SUN



Corporation	Company Score	Median Score*
Overall B Score	117	55
Environment	20	7
Environmental Products & Services (e.g. Renewable energy, recycling)	12	N/A
Environmental Practices	8	6
Land, Office, Plant	4	3
Energy, Water, Materials	2	1
Emissions, Water, Waste	2	1
Suppliers & Transportation	1	N/A
Workers	17	18
Compensation, Benefits & Training	10	12
Worker Ownership	2	1
Work Environment	2	3
Customers	29	N/A
Customer Products & Services	29	N/A
Products & Services	9	N/A
Serving Those in Need	20	N/A
Community	45	17
Community Practices	44	15
Suppliers & Distributors	6	2
Local	2	5
Diversity	2	2
Job Creation	4	2
Civic Engagement & Giving	2	3
Governance	7	6
Accountability	5	3
Transparency	3	3
Overall	117	55

A6.2 ABURY



Corporation	Company Score	Mediar Score*
Overall B Score	115	55
Environment	15	7
Environmental Products & Services (e.g. Renewable energy, recycling)	N/A	N/A
Environmental Practices	15	6
Land, Office, Plant	6	3
Energy, Water, Materials	5	1
Emissions, Water, Waste	2	1
Suppliers & Transportation	3	N/A
Workers	23	18
Compensation, Benefits & Training	14	12
Worker Ownership	3	1
Work Environment	5	3
Customers	N/A	N/A
Customer Products & Services	N/A	N/A
Products & Services	N/A	N/A
Serving Those in Need	N/A	N/A
Community	69	17
Community Practices	30	15
Suppliers & Distributors	10	2
Local	5	5
Diversity	5	2
Job Creation	2	2
the fire Civic Engagement & Giving	8	3
Governance	8	6
Accountability	2	3
Transparency	3	3
Overall	115	55

A6.3 COFFEE CIRCLE



Corporation	Company Score	Mediar Score*
Overall B Score	112	55
Environment	17	7
Environmental Products & Services (e.g. Renewable energy, recycling)	N/A	N/A
Environmental Practices	14	6
Land, Office, Plant	1	3
Energy, Water, Materials	0	1
Emissions, Water, Waste	3	1
Suppliers & Transportation	3	N/A
Workers	19	18
Compensation, Benefits & Training	10	12
Worker Ownership	1	1
Work Environment	4	3
Customers	N/A	N/A
Customer Products & Services	N/A	N/A
Products & Services	N/A	N/A
Serving Those in Need	N/A	N/A
Community	65	17
Community Practices	64	15
Suppliers & Distributors	5	2
Local	2	5
Diversity	2	2
Job Creation	2	2
Civic Engagement & Giving	8	3
Governance	11	6
Accountability	7	3
Transparency	4	3
Overall	112	55

A6.4 soulbottles



Corporation	Company Score	Median Score*
Overall B Score	106	55
Environment	22	7
Environmental Products & Services (e.g. Renewable energy, recycling)	N/A	N/A
Environmental Practices	16	6
Land, Office, Plant	5	3
Energy, Water, Materials	4	1
Emissions, Water, Waste	1	1
Suppliers & Transportation	6	N/A
Workers	24	18
Compensation, Benefits & Training	17	12
Worker Ownership	2	1
Work Environment	4	3
Customers	3	N/A
Customer Products & Services	N/A	N/A
Products & Services	3	N/A
Serving Those in Need	N/A	N/A
Community	51	17
Community Practices	22	15
Suppliers & Distributors	5	2
Local	5	5
Diversity	3	2
Job Creation	3	2
Civic Engagement & Giving	6	3
Governance	7	6
Accountability	2	3
Transparency	2	3
Overall	106	55

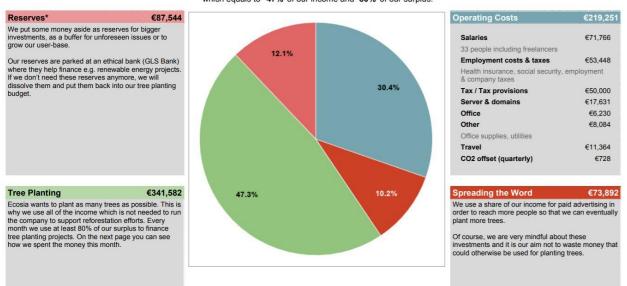


Corporation	Company Score	Median Score*
Overall B Score	98	55
Environment	9	7
Environmental Products & Services (e.g. Renewable energy, recycling)	N/A	N/A
Environmental Practices	9	6
Land, Office, Plant	4	3
Energy, Water, Materials	3	1
Emissions, Water, Waste	2	1
Suppliers & Transportation	0	N/A
Workers	25	18

Compensation, Benefits & Training	17	12
Worker Ownership	2	1
Work Environment	6	3
Customers	N/A	N/A
Customer Products & Services	N/A	N/A
Products & Services	N/A	N/A
Serving Those in Need	N/A	N/A
Community	50	17
Community Practices	50	15
Suppliers & Distributors	1	2
Local	9	5
Diversity	0	2
Job Creation	1	2
Civic Engagement & Giving	10	3
Governance	15	6
Accountability	10	3
Transparency	5	3
Overall	98	55

A7. FINANCIAL REPORT, ECOSIA

Financial Report (April 2018) Ecosia's total income this month was €722,269 . We invested €341,582 into tree planting which equals to 47% of our income and 80% of our surplus.



* Ecosia does not pay out any dividends to its owners. Therefore all profits stay within the company and will eventually either be invested or used for tree planting.

Tree Planting Payments (April 2018)

This month we financed the planting of **1,757,131** trees. We invested **€526,582** directly into planting projects and parked **-€185,000** in our tree planting fund.



The tree fund is an important buffer that allows us to balance out fluctuating income on our behalf as well as varying needs for financial support on behalf of our planting partners. Thanks to the tree fund, we can always give our planting partners the financial support they need. **Currently, the tree fund amounts to 962,000**



Partner on the ground: The Green Belt Movement P.O.Box 67545 00200 Nairobi - Kenia www.greenbeltmovement.org



Partner on the ground: Sumatran Orangutan Society 7 Stert Street Abington Oxfordshire OX14 3 JF <u>www.orangutans-sos.org</u>



Partner on the ground: Centro de Pesquisas Ambientais do Nordeste - Cepan 167th Dom Pedro Henrique St., Saint Amaro Recife, Pernambuco - Brazil www.cepan.org.br



Partner on the ground: Ondernemers Zonder Grenzen St. Bavoplein 4 2530 Boechout, Belgium www.ozg.be



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