B Corp Certification at R. Riveter

by
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Executive Summary

This two-part research study provides a case study of the B Corp certification process and examines the overall value of the B Corp certification for small businesses within North Carolina. The researcher assisted an early-stage manufacturing company, R. Riveter, with the initial steps of the B Corp certification process. The researcher also studied the benefits and challenges of achieving B Corp certification by interviewing twelve previously certified North Carolina B Corps.

B Corp Certification at R. Riveter

R. Riveter is a canvas and leather goods manufacturer located in the town of West End, within Moore County, North Carolina. The company was formed with the unique social mission of providing military spouses with portable employment, creating handbags from leather and recycled military materials. Their social and environmental mission made them a strong candidate to become a certified B Corp.

Based on their initial assessment, R. Riveter’s score was only 40 compared to the 80 points required to achieve B Corp certification. In order to improve their performance, R. Riveter participated in the Fall 2017 North Carolina State University (NCSU) B Corp Clinic. This allowed them to receive technical assistance from a team of student consultants representing NCSU and Duke University.

After analyzing the five sections of R. Riveter’s initial B Impact Assessment report (Governance, Workers, Environment, Community, Customer), the student team implemented short-term actions that helped R. Riveter achieve 70 points on their Impact Assessment. Future improvements were categorized as short-term and long-term actions that would bring R. Riveter to the required 80 points within a few months.

B Corp Certification in North Carolina

Forty-two North Carolina businesses are currently B Corp certified. Twelve of these companies were interviewed by the researcher in an effort to assess the value of the B
Corp certification for small to medium-size businesses. Interviews were confidential to protect the identity of the respondents.

For these interviewees, the value of the B Corp certification was best demonstrated by the positive impact on employee recruitment, engagement, and retention. Other benefits included the framework or guidelines for improvement provided by B Corp model and the network or community of like-minded companies.

While all twelve participants had positive things to say about the new initiatives that the certification process has brought to their company, some experienced challenges with the B Corp certification. These challenges included the time and effort to complete the assessment, the cost of certification, and disappointment over a lack of recognition of the B Corp brand by their customers.
Introduction

What is a B Corp?

The B Corp certification is a third party standard, administered by the non-profit B Lab that requires for-profit businesses to meet social and environmental performance standards. As of February 2018, there are currently over 2400 B Corps certified in 50 countries. These certified businesses represent over 130 industries.

B Corp certification is distinct from designation as a benefit corporation. A benefit corporation, currently authorized by 33 states, is a type of legal for-profit corporate entity that is obligated to pursue a public benefit or have a positive impact on society or the environment (Hiller, 2013). B Corp certification is not needed to become a benefit corporation, however certified B Corps are required to become benefit corporations if that status exists in their state. Benefit corporation status is not currently an option in North Carolina.

Companies wishing to achieve B Corp certification must complete the online B Impact Assessment, consisting of over 200 questions, and provide supporting data for analysis by B Lab on the topics of governance, workers, community, customers, and the environment. Certification requires a minimum assessment score of 80 points out of 200. Once a company has completed the assessment and taken the actions for B Corp certification, the assessment is retaken every two years.

Why Become a B Corp?

Sustainability is becoming a new standard for manufacturing (Kenney, 2008). Of the 250 largest companies in the world, ninety-five percent issue sustainability reports (KPMG, 2017). There has been a paradigm shift and consumers are beginning to demand that, in addition to financial profit, every company must make a positive contribution to society
Sustainable brands are more likely to attract talented workers, investors, community partners, and, consumers (Nielson, 2015). Moreover, some states and municipalities are enacting extended producer responsibility (EPR) laws and/or zero waste policies (Austin, 2013).

Corporate endeavors to operate in a socially or environmentally responsible manner are known as Corporate Social Responsibility (CSR). Also described as corporate citizenship, or sustainability, CSR efforts aim to provide for responsibility for how a company’s operations impact society and the environment. Becoming a B Corp is a manageable way to report on social and environmental commitments without the expense of a CSR program.

The B Corp certification provides third-party authenticity to a company’s claims of environmental and social impact. In order to attain certification, a company must answer questions about its impacts on community, environment, governance, and workers (Honeyman, 2014). The certification requires companies to provide detailed evidence of efforts in these areas. This third-party review prevents “green washing” or false claims about company efforts.

Becoming a B Corp can also be a branding strategy. A significant segment of the consumer population prefers to purchase products or services from a company that practices social and environmental responsibility. According to the Nielsen Global Survey on CSR, 66% of global customers will pay more for products and services provided by companies that demonstrate a commitment to positive social and environmental impact (The Nielson Company, 2015). In addition, a strong CSR program can help in employee recruitment and retention; 69% of employees consider a company’s social and environmental performance when deciding whether or not to accept a job offer (Cone Inc., 2011). Finally, some research has found that B Corps have
financially outperformed their public company industry competitors (Chen and Kelly, 2014).

Although there is an annual fee for certification, it is a sliding scale based on the company revenue (Table 1). The B Corp Impact Assessment is retaken every two years, providing incentive to benchmark and track performance while setting goals, similar to CSR. Company reports are published on the B Lab website.

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<thead>
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<td>$1 B+</td>
<td>$50,000+</td>
</tr>
</tbody>
</table>

**Steps toward B Corp Certification**

A certified B Corp is a company that has taken the B Impact Assessment and scored adequate points on its environmental and social impacts to achieve certification (Honeyman, 2014). In order to become a certified B Corp, a company must complete the series of steps outlined below.
1. Complete the B Impact Assessment
The B Impact Assessment is a broad survey of business practices designed to determine a company’s impact on all stakeholders. The B Impact Assessment is a free online tool that is divided into five sections:

- **Governance**: Related to a company’s mission, stakeholder engagement, structure and controls, and transparency.
- **Workers**: Related to how a company treats employees, including compensation, benefits, training, worker ownership, and work environment.
- **Community**: The company’s impact on external stakeholders, including suppliers and the local economy, as well as the company’s practices regarding diversity, job creation, civic engagement, and charitable giving.
- **Environment**: A measurement of both direct and indirect environmental impacts.
- **Customers**: The impact that a company’s business model has on its customers and on underserved populations.

2. Submit Supporting Documentation
The B Lab requires supporting documentation in order to check some of each company’s affirmative answers on the B Impact Assessment. Once the Assessment is submitted, a random selection of 6-8 answered questions will be chosen for the company to demonstrate their practices in more detail through documentation. These documents will be uploaded and an Assessment Review will be scheduled.

3. Complete the Assessment Review
After the B Lab reviews the company’s Impact Assessment and supporting documentation, the company will complete a telephone review with a B Lab staff member. This call will be used to clarify any answers that are unclear and explain any circumstances that are unique to the company.
4. Meet the Legal Requirements
Depending on the company’s existing structure, they will either need to revise their governing documents or adopt benefit corporation status to meet the legal requirement for certification. The B Lab provides guidelines and examples on their website, including a Legal Road Map for each type of organizational structure (B Corp, 2017b).

3. Pay Certification Fees and Sign B Corp Agreement
The prospective B Corp must pay certification fees based on the company revenue (Table 1) and sign a B Corp agreement tailored to their type of organization.

Who should become a B Corp?
Worldwide, small to medium size enterprises (SMEs) make up approximately ninety percent of all businesses and are key drivers of economic health (GRI, 2016). The definition of “small business” varies by both location and type of industry. Businesses can be classified in many ways, with size determined by revenues, sales, or number of employees. This study will follow the general guidelines of the U.S. Small Business Association, with small businesses defined as less than 250 employees and medium size businesses less than 500 employees (U.S. Small Business Association, 2018).

Although many SMEs would like to participate in the trend of reporting on environmental, social and governance (ESG) goals, they often do not have the resources to support these large-scale efforts. As sustainability reporting increases in prevalence, some SMEs can expect that the larger firms with whom they do business will require their participation (Shields and Shelleman, 2017). For this reason, or simply driven by their mission, many SMEs are exploring innovative methods to ensure that they meet ESGs.

There are several popular sustainability reporting resources for enterprises of all sizes, such the Global Reporting Initiative (GRI), an international independent standards reporting agency. GRI is the most widely known and used sustainability reporting
framework (KPMG, 2017). The GRI system requires organizations to engage with their stakeholders to identify and report on issues that are material to their operations.

Another option available for SMEs to establish their commitment to environmental and social goals in a public way is participation in a federal or non-federal green certification or “ecolabeling” program (U.S. Small Business Administration, 2017). By obtaining certification from an independent third-party, a small company can market their product as environmentally sound. Examples of eco-labeling programs include the Fair Trade certification for coffee, United States Department of Agriculture Organic certification for dairy products, or Leadership in Energy & Environmental Design (LEED) certification for building and construction (Wilburn and Wilburn, 2015).

Only one such certification, the B Corp certification, currently provides a comprehensive examination of social and environmental performance along with financial performance for SMEs (Houlahan, 2012). SMEs typically do not have the infrastructure required to undertake some of the more popular reporting protocols, such as GRI, and the simple framework provided by the B Impact Assessment provides these companies with an easy way to get started (Shields and Shelleman, 2017). The B Corp framework has been expanded its participation among SMEs from 370 SMEs in 2010 to over 1600 SMEs in 2016 (Stubbs, 2016).

Several resources are available to easily guide businesses through B Corp Certification. There is a handbook that offers a “Quick Assessment” for interested businesses (Honeyman, 2014). The B Lab offers two free online assessments on its website, the short “Measure What Matters” assessment or a full online assessment (see http://bimpactassessment.net). Although businesses of any size can pursue B Corp certification, the certification seems to be tailored specifically to SMEs (Shields and Shelleman, 2017).
The B Corp movement has been gaining traction globally, and the state of North Carolina (NC) is no exception. There is an active certified B Corp community within NC. The NC B Corp Champions, a group of existing certified B Corps, offer quarterly networking events and outreach activities, such as “B Corp Happy Hour” and “B Corp 101”. North Carolina State University’s Business Sustainability Collaborative (NCSU BSC) offers a semester-long B Corp Clinic for companies that wish to improve their B Corp certification score or pursue certification. During the B Corp Clinic, students from area universities collaborate to act as consultants for these existing or prospective B Corps. The purpose of this research study is to examine the overall value of the B Corp certification for SMEs within North Carolina, and to highlight the challenges and opportunities for these SMEs.

Research Methods

This two-part research study examines the B Corp certification process and its value for SMEs within North Carolina. In the first part, the researcher developed an in-depth single case study of a SME going through B-Corp Certification. She assisted an early-stage manufacturing company, R. Riveter, with the initial steps of the B Corp certification process, gathering background data and recording observations. This provided in-depth knowledge of the issues and challenges facing a mission-driven SME seeking to become a B Corp. In the second phase of research, the researcher gathered data on the benefits and challenges of achieving B Corp certification by interviewing North Carolina SMEs that are existing certified B Corps. The single case study is presented first; a detailed description of interview-based research methods and results are provided beginning on page 24.
Part 1: R. Riveter Case Study

R. Riveter’s Mission and Vision

R. Riveter is a small manufacturer of recycled military canvas and leather handbags that are constructed by military spouses stationed all over the United States. This company was inspired by the role of women on the home front and named after World War II icon Rosie the Riveter. R. Riveter’s manufacturing facility is located in the town of West End, within Moore County, North Carolina. This location is in close proximity to Fort Bragg, the largest military base in the world.

The co-founders of R. Riveter sought to address a chronic social problem, the underemployment of military spouses (Lim and Schulker, 2010). Military spouse unemployment (20%) is approximately four times higher than the general unemployment rate and many spouses who are employed are overqualified for the positions they fill (Mehta, 2016). As military spouses themselves, the founders know first-hand the challenges of maintaining a career despite relocation. Their vision is to provide a high quality, sustainable, and handmade product while providing a portable income to military spouses.

R. Riveter’s Mission Statement: To create American-made bags crafted in the image of resiliency and community. To provide flexible, mobile income as we seek to empower our customers and our team.

In order to employ military spouses, R. Riveter operates through a unique business model. Each component of R. Riveter’s bags and accessories can be assembled remotely and the company has a network of remote riveters – the workers that create the handmade bags - located throughout the United States (Figure 1). R. Riveter supplies the raw materials and the remote riveters supply their own sewing machines and equipment. One riveter might sew bag linings while another hand-dyes the leather labels. The riveters assemble their pieces and return them, via the U.S. Postal Service, to the warehouse for final assembly.
The co-founders of R. Riveter envisioned a company that addressed a social problem while also reducing environmental impact. In addition to providing a portable income to military spouses, a secondary goal is to become a zero-waste company (R. Riveter, 2016). Ever since creating their original handbag prototypes, they have repurposed discarded military materials such as retired military uniforms, canvas tents, tent liners, and wool blankets. The company also repurposes Gore-Tex scrap fabric leftover from manufacture of waders at Simms Fishing Products.

Figure 1. R. Riveter’s map of remote riveter locations. Photo from R. Riveter’s manufacturing facility.

In 2014, the company started a Kickstarter campaign and raised $40,000 to expand operations. The following year, after an appearance on the popular television series, Shark Tank, R. Riveter was awarded a $100,000 investment and was able to expand operations with additional employees, a new production process, and a warehouse. R. Riveter’s business has grown 600% over the past year (Cameron Cruse, Chief Operating Officer, personal communication).
To sustain this rapid growth, the company has expanded their offerings beyond recycled materials. For example, they have procured a new “military-inspired” canvas and locally sourced denim to fill the gaps when they are unable to find sufficient recycled military materials. These fabrics are used to produce the company’s “Signature Collection”. Bags made from small batches of repurposed military materials are now offered as a “Limited Edition” collection.

**Social and Environmental Responsibility**

As a relatively new company, with high growth potential, R. Riveter has a unique opportunity to establish a precedent of social and environmental responsibility in their operations. R. Riveter’s business model was designed to create “shared value”, in that the company’s economic success also creates value for the surrounding community by addressing military spouse employment (Porter and Kramer, 2011). The company’s choice of product materials; discarded military materials, reflects their commitment to reducing environmental harm. By being proactive in the area of social and environmental responsibility, R. Riveter will be poised for success and will stay well ahead of possible regulations.

As a SME, R. Riveter does not currently have the staff or resources for a formal CSR program but would like to ensure that they remain mission-focused as they grow. Certification as a B Corp would allow R. Riveter an opportunity to ensure that they will remain mission-driven through growth, succession, or changes in ownership by formalizing the values envisioned by the founders. Estimated annual certification fees for R. Riveter are currently $1000 - $1500 per year (Table 1). In order to explore voluntary certification as a B Corp, R. Riveter began an initial B Impact Assessment in May 2017. Due the amount of information and input required from financial and human resources personnel, the assessment was not easily completed and the company reached a point where technical assistance was needed.
B Corp Clinic

In order to compete the B Impact Assessment, R. Riveter participated in the 2017 Fall B Corp Clinic, sponsored by NCSU BSC. During September – December 2017, the company worked with a team of graduate students from Duke University and NCSU, including the researcher as team co-lead, to complete their B Impact Assessment and implement policies and initiatives that would improve raise their score.

![B Impact Assessment](image)

**Figure 2. R. Riveter's initial B Impact Score, based on existing company policies.** Black squares show average Impact Assessment scores in each category.

The student team helped R. Riveter examine the initial Impact Assessment report, identify outstanding details, and gather the necessary data from finance, human resources, and purchasing personnel. These key personnel, in addition to the founder or CEO, are necessary participants in the B Impact Assessment process. Despite having a
robust social and environmental mission, R. Riveter scored only 40 points, well below the required 80 points for certification (Figure 2).

R. Riveter scored below average in the areas of Governance and Workers, but strategies were developed to improve scores in all areas of the assessment. The student team started by identifying “low-hanging fruit”, or easy fixes from each section of the assessment that could be addressed during the semester long clinic. These ideas were presented to R. Riveter, and the company decided which items to implement during the semester. Table 2 shows the initiatives that R. Riveter selected as deliverables from the student team.

By adding sections about diversity & inclusion (Appendix A), a termination policy (Appendix B), and a whistleblower policy (Appendix C) to R. Riveter’s employee handbook, the student team was able to add a total of 1 point between the Governance and Workers sections. Identifying employment benefits for an underemployed community (military spouses) and creating a supplier engagement survey (Appendix D), system of spreadsheets to track volunteer hours (Appendix E), and energy and water usage (Appendix F) added 27.7 points between the Community and Environment sections.

With these policies and practices adopted, R. Riveter’s total Impact Assessment score increased to 70 points. The student team developed short-term strategies for R. Riveter to quickly reach the required 80 points for B Corp Certification and long-term strategies for continuous improvement. These strategies are detailed by section below.
### Table 2. Short-term changes to R. Riveter policy and practices implemented to increase B Impact Assessment score.

<table>
<thead>
<tr>
<th>B Impact Assessment Section</th>
<th>Changes Implemented</th>
<th>Total Points Added</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Whistleblower policy developed for the employee handbook</td>
<td>0.5</td>
</tr>
<tr>
<td>Workers</td>
<td>Information about diversity and inclusion training, a template for a termination policy, and information about their benefits package were created for the employee handbook.</td>
<td>0.5</td>
</tr>
<tr>
<td>Community</td>
<td>Identified benefits to underemployed community, Volunteer hours tracking system, supplier engagement survey created</td>
<td>27</td>
</tr>
<tr>
<td>Environment</td>
<td>Utility monitoring matrix, purchasing policy for eco-friendly office supplies</td>
<td>0.7</td>
</tr>
<tr>
<td>Customers</td>
<td>N/A</td>
<td>0</td>
</tr>
</tbody>
</table>

**Governance**

This section of B Impact Assessment captures the social and environmental mission of the company as well as the decision-making process and operational framework. Since R. Riveter was in the process of redesigning their mission statement, the student team was unable to help them accumulate many of the available points in this area. Finalizing the new company mission statement is the number one priority for this section of the assessment. Implementing the short-term actions below would add 11 points to the B Impact Assessment score.
Short-term actions:
• Finalize the company mission statement in order to implement the other policies that will add points in Governance section.
• Establish a “Mission Lock”. For R. Riveter, this would be the creation of a simple legal document, designed for an LLC that would ensure that the company’s mission will remain unchanged over time despite potential changes in ownership structure (B Corp, 2017c).
• Identify mission-related social and environmental Key Performance Indicators (KPIs)
• Establish annual mission reviews

Long term actions:
• Review KPIs annually.
• Establish social and environmental impact reporting.
• Improve transparency by sharing company financial information with employees.

Workers
The Workers section of the B Impact Assessment examines the employee work environment. Compensation, benefits, training & education, and worker ownership are the major components of this section. As an early stage company, R. Riveter is currently unable to provide competitive wages, health insurance, and retirement benefits to employees. Despite the relatively low pay and lack of benefits, R. Riveter reported 65-80 percent employee satisfaction on the B Impact Assessment (Cameron Cruse, personal communication). This is likely the result of their flexible hours and ability to work remotely. This flexible corporate culture provided above average scores on the Impact Assessment (Figure 3).

The company pays many workers at, or slightly above, local minimum wage, but is not able to pay what the B Lab considers a living wage (MIT, 2017). The lack of benefits and low wages currently prevent R. Riveter from achieving additional points in this section
and they score well below average in these categories (Figure 3). R. Riveter’s initial score in this section was 10.9, but with the initiatives put in place during the B Corp Clinic the current score is 11.4.

**Figure 3. Detailed score from the Workers section of the B Impact Assessment.** Black squares show average Impact Assessment scores in each category.

*Short-term actions:*
- Create a more comprehensive employee satisfaction survey.
- Establish an employee wellness program.

*Long-term actions:*
- Expand benefits package.
- Increase wages as the company grows.

**Community**
This section examines general community practices based on the type of organization and its operations. It considers impacts on the community where the company is based and the community where the workers live, impacts from suppliers, and impacts on non-profits. The section examines job creation such as company growth rate or attrition
rate, diversity in company owners & investors, civic engagement and giving, local involvement, and supplier relations.

R. Riveter's unique business model made the Community section the most difficult to address, but also the highest contributor to the total B Impact Assessment score. Employing military spouses as “remote riveters” (considered as suppliers by B Lab) results in a complicated supply chain, but from an Impact Assessment point of view, this business model results in a very high Diversity and Inclusion score (Figure 4). Since military spouses are a chronically under-employed population, and R. Riveter provides extensive training for these personnel, 25.9 points were awarded for targeted hiring and training programs for chronically underemployed populations.

![Diagram showing detailed score from the Community section of the B Impact Assessment.](image)

**Figure 4. Detailed score from the Community section of the B Impact Assessment.**
Black squares show average Impact Assessment scores in each category.

Figure 5 shows the complexity of R. Riveter's network, which makes it difficult to streamline their supply chain and track environmental impacts. R. Riveter's suppliers
include the virgin material suppliers of canvas, leather, & handbag hardware, but also recycled military material suppliers, other partner businesses, and the remote riveters who prepare the pieces of the bags. Determining which suppliers represent 80% of the company’s purchases would outline their “significant suppliers”. Information about these significant suppliers is necessary to access a module of the Community section that could provide over 25 more points to R. Riveter’s B Impact Score.

![R.Riveter’s Network](image)

**Figure 5.** R. Riveter’s network and supply chain.

**Short-term actions:**
- Distribute the supplier engagement surveys created during the B Corp clinic (for both external suppliers and remote riveters).
- Establish routine use of the community volunteer hours tracking system.

**Long-term actions:**
- Compile complete suppliers list and work with purchasing and finance personnel to determine the segment of suppliers who provide more than 80% of supplies.
  Use this information to complete the Community Section of the assessment.
**Environment**

The Environment section of the B Impact Assessment captures the company impacts associated with the company property and operations. Facilities (land, office, plant), transportation, distribution, and suppliers are examined in this section. In order to reduce R. Riveter’s environmental footprint, the student team created a database of eco-friendly office supplies (Appendix G) and a utility (water, gas, energy, waste) monitoring matrix (Appendix F). This matrix allows R. Riveter to follow their resource consumption over time and set targets for reductions of resource consumption. R. Riveter’s initial score for environment section was above average at 8.7 points and the project ended with 9.4 points (Figure 6).

![Figure 6. Detailed score from the Environment section of the B Impact Assessment. Black squares show average Impact Assessment scores in each category.](image)

**Short-term actions**

- Use utility monitoring matrix to track resource use and set reduction targets
- Educate employees and remote riveters on waste reduction and resource conservation measures.

**Long-term actions:**

- Install low-flow plumbing in bathrooms.
- Install lighting occupancy sensors in facilities.
• Purchase green energy credits (Example: Arcadia Power).
• Work with significant suppliers to reduce their environmental impacts.
• Conduct a professional life-cycle analysis of products.

Customers
The Customers section seeks to reward companies whose products or services are designed to address a particular social problem for or through its customers, such as health or educational products. This section is focused on the impact of the product/service and the extent to which it benefits underserved communities. Examples of products/services that fit this criterion included: providers of electricity or products that provide electricity, clean drinking water, affordable housing and other infrastructure.

Although R. Riveter is built upon a robust social mission and a community oriented business model, the economic opportunity delivered by R. Riveter is directed more towards the workers than the customers that are purchasing their products. As a result, the student team has decided that R. Riveter does not qualify to achieve a score in the Customer section. The team recommends revisiting the customer section in future, with guidance from B Lab.

Next Steps
Upon completion of the Fall 2017 B Corp Clinic, R. Riveter’s B Impact Assessment Score was 70 points, just 10 short of the required 80 (Figure 7). The student team identified short-term activities in the Governance section that would quickly bring R. Riveter to the required 80 points for B Corp certification. Finalizing the new company mission statement is the number one priority. This mission statement is needed to create documentation that will result in a Mission Lock; a simple legal document that ensures the company's mission will remain unchanged over time. This Mission Lock will result in an estimated 10 points to the Assessment score, qualifying R. Riveter for B Corp Certification.
Figure 7. R. Riveter’s Final B Impact Assessment Score after participation in the B Corp Clinic. Black squares show average Impact Assessment scores in each category. R. Riveter’s score is unverified by B Lab.

Part 2: North Carolina B Corp Interviews

At the time of this research (Nov 2017-Feb 2018) there were 42 certified B Corps within North Carolina and 2,429 worldwide. With the help of the NCSU BSC, the researcher was able to acquire contact information for representatives from 25 of these B Corps. These representatives were emailed an interview request (Appendix H). Twelve of the certified B corps agreed to participate and were interviewed by the researcher. Interviewees were the company founder, CEO, or other employee responsible for driving the B Corp certification at the company. Although there are certified B Corps throughout North
Carolina, each of the participating companies were located in the Research Triangle (Raleigh-Durham-Chapel Hill) area of North Carolina.

Interviews were conducted between November 2017 – February 2018 and were 20-45 minutes in length. Two interviews were conducted in person, while ten were conducted via telephone. All twelve interviews were recorded (with consent) and transcribed using the NVIVO software package. This software allows interviews to be coded and analyzed by category in order to draw out themes. The same questions were asked during each interview (Appendix I). Interviewee responses are shown in quotations in the results section below.

The names of the participating companies and individuals were not identified in this research. The organizations were grouped into three broad sectors (consulting services, consumer products, and other products) and identified by codes to retain the confidentiality of the participants (Table 3).

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<td>Other Services</td>
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<td>P9</td>
<td>Other Services</td>
<td>11-50</td>
<td>2015</td>
</tr>
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<td>P10</td>
<td>Consulting Services</td>
<td>&lt;10</td>
<td>2012</td>
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<td>P11</td>
<td>Other Services</td>
<td>51-100</td>
<td>2011</td>
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<tr>
<td>P12</td>
<td>Consumer Products</td>
<td>&lt;10</td>
<td>2015</td>
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</table>
Interview Findings

Challenges facing a small-to-medium size enterprise (SME)

To begin each interview, certified B Corp participants were asked to describe the challenges facing a SME that hopes to operate in a way that is socially and environmentally responsible. For nine of the twelve B Corps, the primary challenge was the financial cost of implementing environmental and social initiatives. These B Corps felt that as a SME, they do not have extra capital, employee time, or other resources to spare. As one certified B Corp stated: “some small businesses may not have the budget to stretch beyond the basic necessities of running their business”. A SME, especially a start-up company, may not be able to offer wages and benefits that are comparable to a larger company. These SMEs might be competing with larger and better-resourced competitors. As one B Corp said, “we want to support our workers and the environment, but it shows up with a higher price tag”. Another B Corp mentioned that:

> “a lot of what counts as being socially and environmentally responsible puts you at a competitive disadvantage. If you pay your staff more than your competition does, you have to either price higher or take a lower cut. In order to stay open and make change and be a positive force in business, you have to have that bottom line of financial sustainability.”[P10]

Five B Corps felt that a major challenge is “how to convey to the consumer what you’re about” and why that matters. These B Corps felt that their customers might not be willing to pay more for a product that was environmentally responsible. One B Corp said that “explaining to people why making environmentally friendly choices or locally sourced choices impacts the price is a challenge. Our customers value those choices, but when push comes to shove, the price matters.” According to one B Corp:

> “if you are going to take responsibility for your environmental footprint in a way that others don’t, whether that's paying more for green energy or purchasing recycled products, it’s going to cost you more. A lot of these
challenges are not really visible to, or valued by customers. And when they are valued, they are valued as a soft value. There are a lot of people who say they like to support green business or fair trade business but it's rarely a deal breaker. Consumers may choose to go with what is cheaper, other than which is more environmentally and socially responsible.” [P10]

Two B Corps felt that human behavior is a significant barrier to a companies’ social and environmental performance. No matter what type of culture the founder or CEO hopes to create, there must be employee buy-in for environmental and social initiatives to work. One B Corp stated that “you can get around the difficulties of finding a space to put your recycling, but changing behavior is harder. There are still people who don't recycle at home so when they come to work the idea of putting stuff in the right can is difficult for them”. According to another B Corp, a big challenge is “having a clear message about what you're trying to accomplish, what is the mission of your organization, and then getting your people to drink the Kool-Aid”.

**Social and environmental performance prior to B Corp certification**

All of the certified B Corps thought that their social and environmental performance was good, just not measured or formalized, prior to pursuing B Corp certification. Several of the B Corps felt that their footprint was minimal due to the nature of their business, while others felt that they were inherently “green and socially responsible”. As one B Corp said, “our performance was probably better than the average company but it lacked intentionality”. Two of the interviewed B Corps became certified as start-up companies and were able to build their organization’s structure around the B Corp requirements. As one B Corp stated:

“We weren't really measuring performance and when we came across this movement we saw it as a way to measure everything. We had the cultural mindset to say we want to pay attention to our community and how we were treating our environment, but we didn't have the framework. We saw that B Corp provided the framework “. [P2]
Motivation for B Corp certification

Third-party credibility

The interviewees had a variety of motivations for pursuing B Corp certification, but the primary driver for certification was the credibility afforded by a third-party verification. Eight certified B Corps felt that the B Corp certification provided their company with a way to validate what is different or better about their business. As one B Corp stated, “I think this is a good pulse check to see how you are doing, how you rank against other organizations, and how can you make improvements”. Another B Corp mentioned that through third-party verification “we are holding ourselves accountable”.

Three interviewees saw the B Corp certification as a way to show their customers “who we are and what we do”. As one B Corp stated, “we wanted to show our potential customers that we are special and we needed a way to validate” that claim. Another B Corp mentioned that the certification would “allow us to demonstrate our commitment to the types of customers and clients that we serve”. Two B Corps felt that customers would appreciate the legitimacy of the certified B Corp symbol on their products and marketing materials.

B Corp Framework

Four companies mentioned that B Corp certification provided a “framework” or “road map” for the way the envisioned their company to operate. As they learned more about the certification, two companies “realized that our business model already embraced a lot of the best practices outlined by B Lab”. One of these B corps mentioned that “the assessment was like a road map for us to create the type of organization that we wanted”. Another B Corp stated that “as a small company, we don't have the time to build a framework. We want to have impact and do better things for our people and the community and environment, but we don’t know how to measure that performance”. According to a third company, “we saw B Corp certification as a way to provide us with
best practices, provide us with processes and procedures and functional systems to actually help us operate in a more socially and environmentally friendly way”.

**B Corp Community**

Three B Corps were attracted to the idea of being part of a community of like-minded companies. Two of these B Corps mentioned that they were initially surprised to find that there was a community of like-minded companies and desired “to be a part of something bigger”. These B corps wanted an opportunity to “connect locally to other mission-driven companies”. The third B Corp was motivated to be in a community with some of the “big, inspirational brands”, such as Patagonia and Seventh Generation, and aspired “to adopting some of their practices”.

![Figure 8. Length of time for required for the twelve participating B Corps to complete the B Corp Certification process.](image)

**The B Corp Certification process**

The time and perceived effort required to complete the B Impact Assessment varied widely among the twelve participants. According the B Corp website, completing the full B Impact Assessment should take two to four hours (B Corp, 2017d). This estimate does not include the time needed to gather the necessary data and information. Some
companies were able to finish the Impact Assessment and submit their results to B Lab in a few weeks, while for others the process lasted a year or more (Figure 8).

For four of the B Corps, the level of detail and the amount of information required to complete the assessment was daunting. As one B Corp stated: “a tremendous amount of background information needs to be pulled together before you can really understand and answer those questions”. Another B Corp felt that “it is pretty substantial, akin to our annual audit”. For some of these companies, the certification process took longer than expected because the B Impact Assessment just “wasn’t a priority as a small-business owner”. These companies worked on the assessment when time was available and then set it aside for a while.

Similarly, efforts to recertify every two years were variable. One B Corp stated that recertification “has been fairly easy, taking only an hour or two”. Another B Corp estimated that recertification “took 50-60 hours of collective time”. When trying to improve the overall B Score, one B Corp felt that they put in “upwards of 200-300 hours of time, which included developing new policies by using B Corp best management practices”. Two of the B Corps would consider using a consultant to assist with recertification, and one has used a human resources consultant to help review their employee handbook.

Half of the certified B Corps completed the B Impact Assessment without any outside help, while the others were able to utilize various forms of technical assistance available locally in NC. Some of this depended on the complexity of business operations and the time available for staff to work on the assessment. As one B Corp stated:

“it’s appropriately rigorous. Anything less would not be valuable, but it did not require outside help in our case. If you structure your processes carefully, the work you do for the B lab certification should be things that
you need to know and have ready anyway for an annual report or audit. It’s a unifying processes, good for any business”. [P?]

Two of the companies had the help of interns from NCSU and four companies participated in NCSU’s B Corp Clinic. This student assistance was useful for all these companies, but especially for the early-stage companies. According to one B Corp, the students “helped us chip away at documentation because our team couldn't focus full-time on making it happen”. Another B Corp provided a high level of detail about initiatives the B Corp Clinic student team put in place:

“The students helped us improve our impact on the environment. We changed out almost all our lighting and we put in extra motion sensors to cut lights out when they don’t need to be on. They helped us set benchmarks for kilowatt hours and our bill for power has probably dropped by 25%. They also instituted a training program for diversity and inclusion. They helped create an onboarding video for each new employee, an one hour training program on diversity and inclusion for the staff on a whole, and we have what is called a B Corp diversity minute where we bring up one question at each staff meeting”. [P2]

After submitting their Impact Assessment each company completed an interview with B Lab personnel to verify their score. These phone interviews were between 1-3 hours in length. The interviewees felt that the initial feedback from the B Lab was helpful and each of the B Corps had a similar experience during the initial call. The initial call with the B Lab provided clarification on the impact assessment questions and often revealed areas where the companies qualified for additional points. As one B Corp stated: “they take away points, but they also give you points when they see them. They are not there to crush you, but they are there to make sure that what you say is valid”. Another B Corp felt that “they asked some good questions and when we explained how we did things they were able to add points for us in some areas”. In general, the B Lab was
“good at discerning where we were meeting the standards by the spirit of the standards”.

Ten percent of Certified B Corporations are randomly selected each year for an in-depth Site Review. This element of the B Corp Certification is essential for maintaining the authenticity of the Certified B Corp Seal. B Lab has audited several of the B Corps interviewed. According to one B Corp, the onsite audit was a “really intensive process”. A second B Corp felt that the audit was very helpful and B Lab was able to award “more points for things that we were not counting”. A third B Corp stated that “B lab helped us find things that we didn’t know could help”. The onsite audit was a positive experience overall for these companies.

**B Corp Certification provides new Ideas and Opportunities**

Every company interviewed felt that the B Corp certification process provided new ideas or opportunities that they have incorporated into their business operations. All twelve certified B Corps revised some of their policies during the certification process. While some companies simply formalized existing policies, others identified areas where they didn’t know environmental or social policies were even needed. Just taking the B Impact Assessment inspired many of these B Corps to think about initiatives that they had not considered before. As one B Corp stated:

> “at first it was disheartening to get a report of all of our weaknesses, but it has given us concrete ways to improve our company socially and environmentally. It gave us an awareness and an action plan of what we should be improving”. [P8]

Figure 9 shows a word cloud created from the interview responses during this study. The words that appear in the largest font were said the most frequently in answer to the interview question about the initiatives these companies established during B Corp certification. Diversity and inclusion, supplier surveys, and paid volunteer time were some of the most frequently mentioned additions to company policy.
Figure 9. Word cloud of new initiatives implemented by interviewees as the result of B Corp certification.

Diversity and Inclusion

Five of the twelve certified B Corps mentioned that they incorporated diversity and inclusion policies and training as a result of the B Corp certification. How they implemented diversity and inclusion, and what that meant to each company, varied. One B Corp measured success in “diversification of workforce age, race, and gender”. Some companies added a statement on diversity and inclusion to their employee handbooks while others developed employee training on the topic. One B Corp mentioned that they became “more intentional about their hiring practices”.

Supply Chain Benefits

Four of the certified B Corps discussed the addition of a supplier survey or supplier code of conduct to their company policies. According to one of these B Corps: “we have a vendor questionnaire that asks how their social/environmental impact is. Even if the vendors are not operating in the way we want to operate, at least we get them thinking about how to operate that way”. In addition to vendor and supplier surveys, one company developed a local purchasing policy, while another added a policy for
preferential purchasing from other B Corps. Two companies have switched to a greener cleaning service provider. As one B Corp summarized:

“we have different purchasing policies, an environmental stewardship policy, and we have found companies that can provide us with environmentally friendly products that we can utilize. We connected to a cleaning service that uses environmentally friendly cleaning supplies and we have a chain of custody around our recyclables and other things that we never would have thought of or learned how to do outside the B Corp process”. [P2]

Employee Benefits

Many of the new policies implemented by these B Corps trickle down to benefit their employees. Three of the certified B Corps mentioned that they offer paid volunteer hours for their employees to use for the cause of their choice. Two companies have become more financially transparent to their companies. One B Corp stated that “every month we share financials with the team and talk about what profitability looks like”. An early stage B Corp added health insurance, another B Corp added an employee advisory council, and another added comment cards in order to gather employee and customer input.

Benefits of certifying as a B Corp

Recruitment and Retention

The major benefit of certification, identified by seven B Corps, is the impact on employees. For these companies the certification has had “more of an internal benefit than an external benefit”. These companies have experienced improvements in employee recruitment, engagement, and retention. One B Corp has noticed that “when we hire new employees they generally mention that they saw that we are B Corp certified and it gives them confidence in making the jump to our company”. Another B Corp stated that:
“It has been most useful in recruiting employees. Attracting the sort of people who want to work in this environment and use their careers as a force for good. People who want to use their valuable work time to make the world a better place but still actually make enough money to eat and have a roof over their head is very powerful”. [P11]

**Employee Engagement**

Another interviewee mentioned that “it has also helped us with our employee engagement. Since there are so many aspects of B Corp certification there is something for everyone to be interested in”. For another B Corp:

“we can talk to our new employees about what certification means, how it transfers to our values, and the processes that go along with that B Corp certification, so you automatically get this buy-in from your employee base. They see the level of purposefulness. This helps in recruitment and retention. These are our core values and how we actually live it out”. [P4]

**Clients and Customers**

Three B Corps felt that the certification has helped them attract new clients, particularly within the B Corp community. According to one company, “our current profitability is partially due to the fact that we became a B Corp, due to collaboration and relationships with B Corp clients”. Another B Corp mentioned that “for those companies that are already B Corps, there is an initial camaraderie and that tends to break down barriers”. A third stated that “other B Corps are naturally incentivized to want to work with us, not just because of the points awarded but also because that is just what B Corps do. They look out for each other”. These companies feel that this benefit will grow over time as the B Corp community expands both locally and throughout the world: “with a larger force of B Corps you will get more bang for your buck - recruiting, selling your product, networking, and tangible financial results”.
**B Corp Community**

One B Corp felt that “the ecosystem here in North Carolina” helped improve their certification score. The ecosystem to which this interviewee was referring includes not only the B Corp Clinic and student interns, but also the NC B Corp Champions and the NC B Corp Growth Committee, a group of certified B Corps that are collaborating, networking, and recruiting new B Corps within the state.

**General Benefits**

Finally, some of the interviewees described certification benefits that are more general, but just as important. According to one B Corp, the certification “has given us a cohesive focal point from a business standpoint”. Another stated that “we have a platform to talk about who we are”. According to a third B Corp, “we are always using the guidelines to learn how to improve. It is almost too easy because they tell you what to do - and if you do it then your score goes up”. For another,

“It’s been really useful for us to tell our story, it’s been hard to talk about the great things we are doing without sounding like we are bragging. So to have this designation and a third-party validating what we say we are doing and that we are actually following through has been useful”.[P11]

**The role of B Corp certification in CSR**

The certified B Corps were asked whether they thought that B Corp certification could replace a more traditional CSR program for SMEs. Many SMEs do not have the resources to support a staff position in CSR, so the B Corp certification could provide an alternative. While several companies were not sure, seven agreed that B Corp certification can replace or complement a CSR program for a SME and might even be a good idea for a larger company to consider. One interviewee has “not seen any client CSR programs that are as robust as the impact assessment. Completing the assessment is a good systematic model for any CSR program”. Another B Corp stated that the certification “is the absolute solution to any small company interested in CSR because it provides you with the framework, the best practices, and the implementation guidance
and leadership that you need to get it done”. The benefit of completing the B Impact Assessment is not limited to certified B Corps. As one company noted, “anyone can take the impact assessment and it gives more direction than a regular CSR program”.

Rather than replacing a CSR program, three of the B Corps saw the certification as complementary. This is because it would be useful to have dedicated personnel supervising the B Corp certification program and the initiatives that it creates. One B Corp stated that you “need a driver” for the change. According to another, it is helpful to “have someone that runs the program and teaches people”.

Two of the interviewees think that B Corp certification is not only suitable for SMEs, but would like to see an increase in larger companies certifying as B Corps. One stated that “for bigger companies B Corp has value as a both public relations tool and accountability tool”. For another,

“I would love to see mid-size to large organizations to look at the B Corp solution as a way for demonstration that their CSR program isn't just PR. They are putting their money where their mouth is - they are demonstrating this by being certified by a third-party organization that can verify that these guys are living up to their word. B lab can help prevent green-washing”. [P2]

**Challenges facing certified B Corps**

Achieving and retaining B Corp certification is not without challenges. Two of the B Corps interviewed during this research study have recently chosen not to recertify. The reason, according to one of these companies, was:

“Time, money and value. The assessment process is really time consuming and I just didn't have the extra to spare. It's additional money on an already strapped budget. And honestly, I wasn't finding that a lot of consumers knew what it was, so the value behind it just wasn't there”. [P12]
The other company expressed similar frustration about the value of the certification: “we could never figure out how to tell people about what it means. Our customers did not seem to care. We just cannot justify the cost of certification because we haven’t seen the impact that we would have liked”. For another B Corp, “there is still a challenge with the value. I don’t think the certification is going to drive revenue for us, so it has to drive value in other ways, otherwise it is just a straight expense”.

Three companies mentioned that their customers are not familiar with the B Corp designation. According to one: “most of our clients are still totally unaware of what the B Corp certification is”. Another stated that “it is not a great marketing tool” for their company. For one B Corp, the logo has been problematic:

“The actual B Corp symbol has confused some of our customers. They thought we were a grade B company, since customers are used to seeing an A plus rating. That is the opposite of what we want”. [P7]

One early-stage B Corp was also concerned with potential investors’ perceptions of the B Corp certification. Investors might not be familiar with the difference between the B Corp certification and benefit corporation status. This B Corp stated that “investors don’t understand how the legal designation works - they might be confused as to whether we are a nonprofit or a charity and they don’t want to invest in something that could potentially change category”. The interviewee mentioned that it might help if there was an easy way to share the information such as “a one-pager that explains that we worked hard to become a B Corp certified company and that you can feel good investing in us”.

While several companies mentioned the B Corp community as a benefit of certification, three companies expressed a lack of connection to the community or a desire for more interaction with the community. This lack of connection is not due to geographic
isolation, because all interviewees were located within the Research Triangle region. One B Corp had hoped for more opportunities to collaborate. For another:

“I think that there is opportunity to connect to other business leaders, and for me if it provided a connection into other local mission-driven CEOs, who share my core values, that would definitely be a benefit, but I haven’t really felt that so far. Usually if we hear from someone in the B Corp community or B Lab it has been about filling out some paperwork or paying a fee, so it doesn’t feel like a 2 way street”. [P7]

Conclusion

SMEs play an important role in the global economy. These firms could have a huge impact by improving their environmental and social performance. The B Corp certification provides the framework that seems the most suitable for SMEs to report on their sustainability practices (Shields and Shelleman, 2017). The B Impact Assessment provides a useful tool, available online and initially free of charge, which any SME could use to develop understanding of its capabilities in the area of sustainability reporting. This research provides a snapshot of the B Corp movement within NC and the challenges facing SMEs that are prospective B Corps.

Within NC, there is an active community of over 40 certified B Corps. Most, if not all, of these organizations are SMEs. For the certified B Corps interviewed in this research study, the value of the B Corp certification is best demonstrated by the positive impact on employee recruitment, engagement, and retention. All twelve participants had positive things to say about the improvements and new initiatives that the certification process brought to their company. According to one B Corp:

“If it were up to me every company would be a B Corp. If I look at the world, we are all trying to achieve peace, save the planet, and make the world a better place and it’s really hard to do that when companies are
not taking part in the solutions. Not only do I think it’s possible but I think it should be required that every company follow these guidelines. If every company were a B Corp it would make the world such a better place and give everyone an opportunity to make an impact through their career by using business as a force for good”. [P11]

The B Corp framework could be particularly helpful to an early-stage SME. Several interviewees mentioned that they used this framework while “scaling” their business. Prior to expanding, these companies were able to put social and environmental initiatives in place and develop documentation and procedures that would be needed as they grow. According to one B Corp:

“We are trying to have awareness of the organizational structure that could benefit us while scaling the company. When we first were getting certified we only had four employees and now we have 15, so we put a lot of documentation in place initially that seemed unnecessary at the time, but over 2 years it’s been there as we added employees. We went forward with health insurance earlier than most start-up companies and got an employee handbook early on. That has served us well as we grow.” [P7]

While the overall value of the B Corp certification is undeniable, some SMEs are faced with significant challenges in achieving and maintaining certification. Although there are now different versions of the B Impact Assessment, with questions tailored to the particular type of industry, it is not a perfect fit for every organization. Several interviewees mentioned that the Impact Assessment was not designed for their industry, or that a business that operates virtually cannot access many of the points awarded to other facilities. Companies that do not create a product are unable to access points related to the supply chain. As one B Corp stated:
“As a small organization, depending on industry, we didn’t have a lot of extra capital, so we could do a lot of basics within the B Impact Assessment very well, but could not do other pieces. We can't get solar credits or retrofit our building to LEED standard. There are financial barriers to getting certain points. We don't have a supply chain, so we don't get those points. We were doing a lot of good work but not necessarily getting the points for it.” [P12]

For R. Riveter, the B Impact Assessment did not fully capture the value of their unique flexible business model for military spouses. Although their business model allows an underemployed population to earn an income that is mobile and flexible, R. Riveter lost points due to their relatively low wages and lack of health insurance. The Assessment did not account for the fact that most military spouses do not need health insurance, since they are covered under their spouses’ benefit plan. Many other early stage companies also offer intangible employee benefits while they struggle to provide health insurance and pay workers above the minimum wage. As several interviewees stated, these companies must make difficult decisions on employee wages and benefits to remain financially sustainable.

Another challenge facing certified B Corps is the lack of customer awareness. For a company like R. Riveter, and some of the interviewees, the B Corp logo may not meaningful to most customers. Although the B Corp movement is growing in NC, these interviewees experienced a general lack of recognition for the B Corp certification. One interviewee even experienced concerns over being considered a “B grade company”. This lack of customer awareness led two of the twelve interviewees to forgo recertification.

Jonathon Atwood, Unilever’s VP of Sustainable Living and Communication, acknowledged this challenge in a session at the 2015 Sustainable Brands conference.
Atwood noted that consumer awareness is key to the future of the B Corp label: “Our collective challenge is: What’s the short story that we can tell consumers so they understand the mission?” (McNally, 2015). B Lab ran its first national ad campaign in 2011, estimated to reach 17 million conscious consumers (B Corp, 2011). According to the B Corp website, their current ad campaign, “B the Change”, leverages the power of over 1000 certified B Corps and their 24 million followers, to reach conscious consumers and highlight products and efforts. Additional efforts to increase both national and local consumer awareness of the B Corp certification would undoubtedly increase the value of this certification for SMEs in NC.

As one certified B Corp mentioned, there is an “ecosystem here in North Carolina” that can assist SMEs in achieving and maintaining B Corp certification. Prospective companies, and those looking to recertify, have access to a variety of local opportunities for networking, education, and technical assistance. Most of the SMEs interviewed were able to access this community and were satisfied with the available resources. Several of the existing B Corps sought more engagement with the local B Corp community, so further outreach efforts might be needed to maintain this positive ecosystem.
References


Kenney, Brad (July 2008). The zero effect: how to green your facility: these days, defects aren’t the only metric that manufacturing managers are trying to drive down; zero--landfill waste, carbon emissions, and energy grid use are the new targets. *Industry Week*, 257.7, 36.


Include this section after ‘Equal Employment Opportunities’

Blurb:

*R. Riveter is strongly committed to providing a work environment that is free from all forms of harassment, discrimination and inequality. We employ, train, promote and compensate our personnel without regard to race, age, gender, sexual orientation, religion, national origin, citizenship, marital status, veteran’s status, disability, genetic information, or any other personal characteristic protected by law. R. Riveter also offers protection based on sexual orientation against discrimination, harassment or inequality.*

_We value each and every employee and strive to make employment at R. Riveter enjoyable and satisfying. As part of our commitment, we will not tolerate any form of discrimination toward employees, applicants, vendors, customers or visitors of R. Riveter. All employees of R. Riveter have a responsibility to treat others with dignity and respect at all times – regardless of race, age, sex, religion, national origin, citizenship, marital status, veteran’s status, sexual preference, disability, genetic information, or any other class protected under state law._

_All employees are also required to attend and complete annual diversity awareness training to enhance their knowledge to fulfill this responsibility. We will be proactive in monitoring our employment practices and policies on an ongoing basis. We expect you to be aware of your work environment, as well, and be sensitive and respectful to all individuals around you. If you are subject to or witness discrimination, please contact your manager or supervisor immediately._
November 30, 2017

Name of Employee  
Home Address  
City, North Carolina 00000

Dear Name of Employee:

Your employment with R. Riveter will be officially terminated on December 16, 2017.

You have been terminated for the following reason:

You have shown poor performance in your duties as a Job Title. You have not successfully executed the duties for which you were hired. As our business depends on the efficiency and effectiveness of our work force, we have decided to terminate your employment.

Our records indicate you received 1 verbal warning(s) and 1 written warning(s) about your work performance.

Verbal warning(s): November 01, 2017, Details of employee warning  
Written warning(s): August 03, 2017, Details of Employee warning

We ask that you return the following company property by December 20, 2017:

Description of supplies that must be returned by employee

You will not receive payment for the remaining balance of leave pay you have accumulated. Your health care benefits will remain effective for 50 days. You may contact HR Manager about transferring your life insurance. Your final check will be in the amount of $0.00. Your final paycheck will be mailed to your address on file.

Please review the non disclosure agreement you signed upon hiring. According to this agreement, you are not permitted to disclose any company trade secrets, practices, or methods of operation. R. Riveter is entitled to take legal action if it is revealed that you disclosed trade secrets during or after employment.

You may elect to participate in an exit interview conducted by Interviewer Name, Interviewer Title. This interview will be conducted at New Bern, NC at 10:30 AM, December 20, 2017.

I would be happy to write a recommendation letter for your employment search. Please contact me if you would like me to forward you a recommendation letter. I wish you luck in finding new employment.
Appendix C: Sample Whistleblower Policy for R. Riveter

WHISTLEBLOWER POLICY

R. Riveter requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees of R. Riveter, one must practice honesty and integrity in fulfilling the responsibilities and comply with all applicable laws and regulations. This Whistleblower Policy is intended to encourage and enable employees to raise serious concerns internally so that we can address and correct inappropriate conduct and actions.

No Retaliation & Acting in Good Faith
Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

It is contrary to our values for anyone to retaliate against any employee who in good faith reports suspected act of fraud or violation of ethics, law, or regulation governing our operations. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Reporting
R. Riveter has an open-door policy. Employees are suggested to share their questions, concerns, suggestions or complaints with their supervisor. If one is not comfortable speaking with their supervisor or not satisfied with supervisor’s response, please speak with any of the two founders Lisa Bradley and Cameron Cruse. Supervisors are required to report complaints or concerns about suspected ethical and legal violations in writing to the founders Lisa Bradley and Cameron Cruse, who has the responsibility to investigate all reported complaints.

Confidentiality
Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

Handling of Reported Violations
The supervisor will notify the person who submitted a complaint and acknowledge receipt of the reported violation or suspected violation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

If a satisfactory solution or settlement is not reached at this level, or because of the nature of the problem you feel you cannot discuss it with us, you are free to go to the Office Manager, if necessary. If not properly addressed you should seek outside assistance including regulatory agencies.
Appendix D: Supplier Engagement Survey for R. Riveter.
Modeled after examples provided by the North Carolina Certified B Corp Community

Supplier Engagement Survey

Supplier Engagement Survey for R. Riveter

American Handmade

2021 Supplier Engagement Survey

Thank you for taking the time to complete this survey. Your participation is greatly appreciated.

Survey Questions:

1. How long have you been working with R. Riveter?
2. How satisfied are you with R. Riveter's communication?
3. How satisfied are you with R. Riveter's product quality?
4. How satisfied are you with R. Riveter's delivery times?
5. How satisfied are you with R. Riveter's pricing?

Environmental Factors:

1. Do you feel that R. Riveter's products are environmentally friendly?
2. Do you feel that R. Riveter's manufacturing processes are environmentally friendly?
3. Do you feel that R. Riveter's packaging is environmentally friendly?

Financial Factors:

1. How satisfied are you with R. Riveter's financial stability?
2. How satisfied are you with R. Riveter's pricing?
3. How satisfied are you with R. Riveter's payment terms?

Production Factors:

1. How satisfied are you with R. Riveter's production processes?
2. How satisfied are you with R. Riveter's product quality?
3. How satisfied are you with R. Riveter's delivery times?

Customer Service:

1. How satisfied are you with R. Riveter's customer service?
2. How likely are you to recommend R. Riveter to others?
3. How likely are you to continue working with R. Riveter?

Additional Questions:

1. Do you have any suggestions for improving R. Riveter's operations?
2. Is there anything else you would like to add?
Appendix E: Volunteer Tracking Template.

R. Riveter plans to hang this in their employee break room and then transfer the data to an excel spreadsheet.
Appendix F: Utility Tracking Matrix

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Energy Type</th>
<th>Quantity [kWh]</th>
<th>Days</th>
<th>Energy [kWh]</th>
<th>ARCADA Extra Cost Premium</th>
<th>Dollars</th>
<th>Free for 0%</th>
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<tr>
<td>8/19/2017</td>
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<td>30</td>
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<td>47.3</td>
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<td>77.51</td>
<td></td>
<td>33.9</td>
<td></td>
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<td>10/16/2017</td>
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<td>Electricity</td>
<td>2040</td>
<td>30</td>
<td>60.51</td>
<td></td>
<td>30.3</td>
<td></td>
</tr>
<tr>
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<td>3180</td>
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<td>103.60</td>
<td></td>
<td>47.7</td>
<td></td>
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<tr>
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<td>93.11</td>
<td></td>
<td>41.6</td>
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<tr>
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<td>Electricity</td>
<td>3100</td>
<td>30</td>
<td>103.13</td>
<td></td>
<td>48.6</td>
<td></td>
</tr>
<tr>
<td>3/21/2018</td>
<td>Warehouse</td>
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<td>2930</td>
<td>30</td>
<td>73.55</td>
<td></td>
<td>38.0</td>
<td></td>
</tr>
<tr>
<td>4/17/2018</td>
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<td>Electricity</td>
<td>2130</td>
<td>30</td>
<td>72.15</td>
<td></td>
<td>31.5</td>
<td></td>
</tr>
<tr>
<td>5/17/2018</td>
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<td>Electricity</td>
<td>2850</td>
<td>30</td>
<td>93.87</td>
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<td>39.9</td>
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</tr>
<tr>
<td>6/17/2018</td>
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<td>30</td>
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<td>63.4</td>
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<tr>
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## Appendix G: Office Suppliers Database

<table>
<thead>
<tr>
<th>Office Item</th>
<th>Staples Price</th>
<th>Super Office Price</th>
<th>Eco Supplies from Staples</th>
<th>The Green Office</th>
<th>Links</th>
<th>Raw Office Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copy Paper</td>
<td>$14.99/100 sheets</td>
<td>$12.99/100 sheets</td>
<td>$19.99/100 sheets</td>
<td>$24.99/100 sheets</td>
<td>Link 1</td>
<td>Link 2</td>
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<tr>
<td>Inkjet Printer</td>
<td>$59.99/4 pack</td>
<td>$49.99/4 pack</td>
<td>$79.99/4 pack</td>
<td>$89.99/4 pack</td>
<td>Link 3</td>
<td>Link 4</td>
</tr>
<tr>
<td>Legal Pads</td>
<td>$10.99/12 50 sheet pad</td>
<td>$8.99/12 50 sheet pad</td>
<td>$14.99/12 50 sheet pad</td>
<td>$19.99/12 50 sheet pad</td>
<td>Link 5</td>
<td>Link 6</td>
</tr>
<tr>
<td>Dye Sub</td>
<td>$29.99/80 pages</td>
<td>$24.99/80 pages</td>
<td>$34.99/80 pages</td>
<td>$44.99/80 pages</td>
<td>Link 7</td>
<td>Link 8</td>
</tr>
<tr>
<td>Post-It Notes</td>
<td>$10.99/12 pack</td>
<td>$8.99/12 pack</td>
<td>$15.99/12 pack</td>
<td>$21.99/12 pack</td>
<td>Link 9</td>
<td>Link 10</td>
</tr>
<tr>
<td>Highlighters</td>
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<td>$24.99/12 pack (Black)</td>
<td>$44.99/12 pack (Black)</td>
<td>$54.99/12 pack (Black)</td>
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<td>Link 12</td>
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<tr>
<td>Decorative</td>
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<td>N/A</td>
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<td>Link 13</td>
<td>Link 14</td>
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<tr>
<td>Custom Items</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Link 15</td>
<td>Link 16</td>
</tr>
</tbody>
</table>
Appendix H: Email Interview Request for Certified B Corps

Subject line: Research Participation Invitation – Duke University – B Corp Assessment and Certification

Dear [INSERT NAME],

I am an environmental management graduate student at Duke University. I’d like to invite you to participate in my Master’s Project researching the B Corporation certification and its value for small- to -medium- size businesses.

This project will provide an informational tool for companies interested in pursuing B Corporation certification and will follow the assessment and certification process for one North Carolina company.

I obtained your contact information from {INSERT SOURCE}. Given your role as [INSERT COMPANY AND POSITION], your input will be especially helpful in informing this project.

If you participate, you will be asked to complete either an in-person or phone interview expected to be no more than 30 minutes in length. I will audio record the interview for transcription purposes. The confidentiality of your identity and the information you provide will be observed as you dictate, and full confidentiality terms will be set forth prior to the interview.

Participation is voluntary. Whether or not you participate, there will be no impact on your relationship with the B Corporation Community. If you’d like to participate, my contact information is below. Or if there is another individual in your organization who is better equipped to participate, that information is welcome.

Thank you,
Cheryl Ross

Candidate for Duke Environmental Leadership -
Master in Environmental Management 2018
Duke University | Nicholas School of the Environment
cheryl.b.ross@duke.edu | cell: (910) 364 – 3346
Appendix I: Certified B Corp Interview Questions

**General Overview**
What are some of the challenges facing a small business that hopes to operate in a way that is socially or environmentally responsible?

What attracted your organization to the B Corps certification?

How was your organization’s social and environmental performance before pursuing the B Corp certification?

**B Corp Certification Process**
How long did the B Corp Assessment take your organization?

Did your company need to hire an outside consultant or utilize other outside sources for help with the B Corp assessment?

Did the initial feedback from the B Lab help improve your company’s score?

Did the B Impact Assessment provide your company with any new ideas or opportunities that you incorporated into your business operations? (Example: purchasing supplies from local vendors)

How has the B Corp certification benefitted your company?

Do you think that a B Corp certification can replace a traditional Corporate Responsibility Program for smaller companies?