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How are Certified Benefit Corporations characterized?

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Resumo

Esta dissertação apresenta uma análise abrangente das Certified Benefit Corporations (BCs), que marcam uma evolução notável no contexto empresarial global em direção à sustentabilidade, equidade social e responsabilidade ambiental. Mediante a análise de uma base de dados que regista todas as BCs certificadas até novembro de 2023, este trabalho adota uma metodologia quantitativa para examinar as características e tendências das BCs, com foco na análise de indústria e setor, distribuição geográfica, avaliação de impacto, dimensão e crescimento da empresa, bem como tendências de certificação.

As BCs distinguem-se pelo seu objetivo duplo: gerar lucro e, simultaneamente, contribuir de forma positiva para a sociedade e o ambiente. Este estudo detalha as diferenças entre Benefit Corporations e BCs, realçando os mecanismos legais, de certificação e de responsabilidade que caracterizam estas entidades. Analisa-se a evolução histórica das BCs, desde as suas origens e enquadramento legislativo até à sua adoção global, evidenciando uma transição paradigmática para a incorporação da sustentabilidade e da responsabilidade social corporativa nas práticas empresariais.

A influência das BCs no desenvolvimento sustentável é avaliada, demonstrando as suas contribuições para a gestão ambiental, a equidade social e os Sustainable Development Goals (SDGs). Exploram-se igualmente as dinâmicas organizacionais e de mercado, revelando como as BCs influenciam o mercado e equilibram a rentabilidade com os seus compromissos sociais e ambientais. Discutem-se os desafios e limitações inerentes ao modelo das BCs, incluindo restrições legais, processos de certificação e o risco de práticas de "greenwashing".

Este trabalho contribui para o debate sobre práticas empresariais sustentáveis, fornecendo uma caracterização das BCs em diversas dimensões. Corresponde, portanto, a um primeiro passo na compreensão deste novo modelo organizacional.

Palavras-chave: Sustentabilidade; Equidade Social; Quadros Legais; Responsabilidade Social Corporativa; Objetivos de Desenvolvimento Sustentável

Abstract

This thesis provides a comprehensive examination of Certified Benefit Corporations (BCs), entities that represent a significant evolution in the landscape of global business towards sustainability, social equity, and environmental stewardship. Through a detailed analysis of a database cataloging all BCs up to November 2023, this study explores the legal frameworks, operational dynamics, and broader implications of BCs within the global business ecosystem. The research employs a quantitative approach to dissect the characteristics and trends of BCs, focusing on industry and sector analysis, geographical distribution, impact assessment scores, company size and growth, and certification trends.

Certified Benefit Corporations are distinguished by their dual mission: to generate profit while contributing positively to society and the environment. This thesis delineates the distinctions between Benefit Corporations and Certified B Corps, highlighting the legal, certification, and accountability mechanisms that define these entities. The historical evolution of BCs is examined, tracing their origins, legislative frameworks, and global adoption, which underscores a paradigm shift towards integrating sustainability and corporate social responsibility into business operations.

The impact of BCs on sustainable development is analyzed, demonstrating their contributions to environmental stewardship, social equity, and the Sustainable Development Goals (SDGs). The study also explores organizational and market dynamics, revealing how BCs navigate and influence the market while balancing profitability with their commitment to social and environmental objectives. Challenges and limitations inherent in the BC model are discussed, including legal constraints, certification processes, and the potential for green-washing.

This thesis contributes to the ongoing discourse on sustainable business practices, offering a characterization of BCs in multiple dimensions. It therefore corresponds to a first step in understanding this new organizational model.

Key words: Certified Benefit Corporation; Sustainability; Social Equity; Legal Frameworks; Corporate Social Responsibility; Sustainable Development Goals

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Abbreviations

BCs – Certified Benefit Corporations

BIA – B Impact Assessment

CSR – Corporate Social Responsibility

DEI – Diversity, Equity and Inclusion

DNA – Deoxyribonucleic Acid

GIS – Geographic Information Systems

SDGs – Sustainable Development Goals

SMEs – Small and Medium-sized Enterprises

Introduction

The landscape of global business is undergoing a transformative shift, with an increasing emphasis on sustainability, social equity, and environmental stewardship. Amidst this evolution, the emergence of Certified Benefit Corporations represents a significant development in corporate governance and operational philosophy. This thesis aims to dissect the multifaceted nature of BCs, delving into their legal frameworks, operational dynamics, and the broader implications of their rise within the global business landscape. Through a comprehensive exploration, this study seeks to illuminate the distinctive characteristics of BCs, their evolution, impact on sustainable development, organizational and market dynamics, and the challenges and opportunities that lie ahead.

Certified Benefit Corporations blend the pursuit of profit with the imperative of contributing positively to society and the environment. This dual mission challenges traditional business models by integrating social and environmental objectives into core operational mandates. The distinction between Benefit Corporations and Certified B Corps, while nuanced, underscores a broader movement towards sustainable and ethical business practices. This movement reflects a growing recognition of corporate responsibility that extends beyond shareholder value, advocating for a balance between financial success and societal well-being.

The historical evolution of BCs, from their conceptual foundations to their legislative frameworks, reveals a dynamic interplay between societal values, legal innovation, and business practices. This evolution is indicative of the adaptive nature of law and policy to emerging business models focused on sustainability. Furthermore, the global spread of BCs signifies a burgeoning consensus on the importance of ethical practices in business, transcending cultural and geographic boundaries.

To better understand the world of BCs, this thesis employs a quantitative aproach, analyzing a comprehensive database of BCs to understand their characteristics and trends. The study encompasses industry and sector analysis, geographical distribution, impact assessment scores, company size and growth, alongside certification trends. Through this analysis, the thesis aims to provide a robust understanding of BCs, offering insights into their contributions to sustainable development, the challenges they face, and the potential pathways for their future evolution.

In addressing these objectives, the thesis acknowledges the limitations inherent in its approach, including potential biases and the quantitative focus that may overlook qualitative dimensions of BCs. Despite these limitations, the study seeks to contribute to the ongoing discourse on sustainable business practices, offering a foundation for future research and policy development in the realm of Certified Benefit Corporations.

Literature Review

1. Overview of Benefit Corporations and Certified Benefit Corporations

1.1.Definition of Benefit Corporations

A Benefit Corporation is a legally recognized for-profit entity that extends its obligations beyond generating profit for shareholders to explicitly include a positive impact on society, workers, the community, and the environment in its legally defined goals (Nicholas & Sacco, 2024; Dunn, 2019; Weber et al., 2021; Gazzola et al., 2019). This organizational form operationalizes a commitment to social and environmental responsibility within its business model, holding itself to higher standards of purpose, accountability, and transparency (Dunn, 2019; B Lab, 2023).

The legal framework for Benefit Corporations mandates considerations that encompass broader stakeholder interests alongside financial returns, facilitating a balance between public benefit and shareholder value (Dunn, 2019; Gazzola et al., 2019). Furthermore, these corporations are distinguished by their requirement to produce an annual benefit report, evaluate their performance against a third-party standard, to demonstrate adherence to their social and environmental missions (Weber et al., 2021).

1.2. Definition of Certified Benefit Corporations

Certified Benefit Corporations**,** as known as B Corps are certified by B Lab as companies that achieve stringent standards of social and environmental performance, accountability, and transparency, distinguishing themselves by their commitment to not only generating financial profit but also contributing positively to society and the environment (Gazzola et al., 2018; Roth & Winkler, 2018). This certification process evaluates the company's impact on its workers, community, environment, governance and customers, ensuring adherence to a business model that integrates profit with purpose (B Lab, 2023; B Lab Europe, 2023).

1.3. Distinctions between Benefit Corporations and Certified Benefit Corporations

While both Benefit Corporations and B Corps share a commitment to broader societal and environmental goals beyond profit, key distinctions lie in their legal status, certification process, and accountability mechanisms (Wilburn & Wilburn, 2019; Gazzola et al., 2018). Benefit Corporations are legally recognized entities that incorporate social and environmental objectives into their foundational business practices, mandated by specific legislation that varies by jurisdiction (Wilburn & Wilburn, 2019). This legal status requires Benefit Corporations to consider the impact of their decisions on all stakeholders, not just shareholders, and to produce an annual benefit report demonstrating their commitment to public benefit (Reiser, 2011).

In contrast, B Corps, are certified by the non-profit organization B Lab (Gazzola et al., 2018; Roth & Winkler, 2018). The certification is not a legal status but a voluntary accreditation that companies of any legal form can achieve if they meet these high standards (B Lab, 2023; B Lab Europe, 2023).

B Corps are distinguished by this third-party certification process, which evaluates their impact on workers, the community, the environment, governance, and customers, ensuring they adhere to a business model that integrates profit with purpose (B Lab, 2023; B Lab Europe, 2023).

One of the critical distinctions is the scope of accountability. While Benefit Corporations are accountable to the legal framework set forth by the state in which they are incorporated, requiring them to balance profit with their social and environmental missions, BCs undergo an independent evaluation by B Lab (Wilburn & Wilburn, 2019). This evaluation not only measures a company's current impact but also commits them to continuous improvement to maintain their certification (Wilburn & Wilburn, 2019).

Furthermore, the transparency requirements differ significantly. Benefit Corporations must produce an annual benefit report that is publicly available, detailing their social and environmental performance against a third-party standard (Reiser, 2012). In contrast, BCs are subject to B Lab's comprehensive assessment, the results of which are summarized in a public report that includes detailed scores across various impact areas, offering a more granular view of the company's performance (Reiser, 2012; K. Greenfield, 2015)

2. Evolution of Certified Benefit Corporations

Expanding on the intricate journey and global resonance of BCs requires an examination of their historical development and legislative backdrop (Marquis & Klaber, 2010). Understanding the origins of BCs illuminates the motivations behind their creation and the initial legislative efforts that recognized them as a distinct corporate entity (Honeyman, 2014). The legislative evolution of BCs, marked by significant milestones across various jurisdictions, showcases the adaptive and responsive nature of law to emerging business models focused on sustainability (Stubbs & Cocklin, 2008).

The global spread of this corporate model, from the United States to countries around the world, means a growing international consensus on the importance of integrating ethical practices in business (B Lab, 2023). This exploration intends to uncover the paradigm shift towards integrating sustainability and corporate social responsibility (CSR) into the essence of business operations, highlighting a fundamental redefinition of corporate success (Weber et al., 2021).

2.1. Origins and Conceptual Foundations: A Deeper Dive

The inception of BCs is not merely a legal innovation but a cultural and philosophical reimagining of the corporation's role in society (Hiller, 2013). This movement's roots can be traced back to the early 2000s in the United States, emerging from a milieu of increasing societal and environmental consciousness (Ramsay & Upadhyaya, 2021).

Scholars and practitioners alike began questioning the sustainability of traditional corporate models that emphasized shareholder primacy, often at the cost of environmental degradation and social disparities (Hiller, 2013). This period saw the germination of the idea that businesses could serve as a force for good, blending profit with purpose in a manner that benefits all stakeholders, not just shareholders (Ramsay & Upadhyaya, 2021).

The BC model was conceptualized as a direct response to these critiques, proposing a legal structure that enables companies to pursue profit alongside broader social and environmental objectives (Kirst et al., 2021). This innovative approach garnered support from various sectors, catalysed by a burgeoning recognition of the need for a sustainable and inclusive economy (Kirst et al., 2021). As the concept gained traction, it became clear that a new kind of corporate form was emerging, one that sought to redefine business success (Kirst et al., 2021).

2.2. Legislative Frameworks and Evolution: Expanding Perspectives

Since their inception, BCs have markedly deviated from conventional corporate governance models, prioritizing stakeholder inclusion over shareholder predominance (Cetindamar, 2015). This shift necessitates a revaluation of fiduciary responsibilities, broadening duties to encompass social and environmental concerns in addition to financial interests (Cetindamar, 2015; Greenfield, 2015). Such consideration is required by the legal frameworks underpinning BCs, radically altering the way companies make decisions (Cetindamar, 2015).

Expanded management responsibilities are a distinctive hallmark of BCs. According to Resor (2012), directors are legally mandated to balance profit with the effects of their company's operations on the environment and society. Sustainability and social responsibility are embedded in the core objectives of BCs, this dual mission contradicts the traditional profit-maximization paradigm (Stecker, 2016).

The BCs model is centred on enhancing accountability and transparency, as evidenced by legal frameworks that mandate annual impact reports assessed using third-party standards (Cetindamar, 2018). These regulations foster trust among stakeholders and the general public, in addition to ensuring adherence to social and environmental missions (Cetindamar, 2018). Beyond ensuring that social and environmental missions are fulfilled, these regulations also promote public and stakeholder trust (Cetindamar, 2018).

The legislative frameworks supporting BCs introduce innovative ideas about corporate purpose and profit distribution, compelling BCs to pursue both profit and public good (Cetindamar, 2015). Incorporating public benefit into corporate objectives signifies a significant shift in how companies define and evaluate success (Greenfield, 2015).

The adaptability of BCs legal frameworks to other jurisdictions is indicative of the model's flexibility and global relevance (Nigri et al., 2020). Due to the model's adaptability and the general demand for sustainable business practices, nations such as Italy have customized BCs laws to fit local legal systems and business processes (Nigri et al., 2020).

Shackelford et al. (2019) offer a comparative analysis of the adoption and success of BCs statutes across different jurisdictions, including a transatlantic comparison with European Union efforts to regulate social entrepreneurship. The research sheds significant light on the various methods employed to enact legislation for BCs and the differing degrees of success in promoting BC development (Shackelford et al., 2019).

2.3. Global Adoption and Impact: A Broader Spectrum

The global proliferation of BCs, facilitated by organizations like B Lab, highlights the model's universal resonance (B Lab Europe, 2023; B Lab US & Canada, 2023). From their roots in North America, BCs have expanded worldwide, with companies in Europe, Asia, Latin America, and beyond adopting the certification (Villela et al., 2021).

This expansion reflects a global shift towards sustainability and responsibility in business, transcending cultural and geographic boundaries (Villela et al., 2021; Tröger, 2021).

Industries ranging from manufacturing and retail to services and technology have seen the rise of BCs, showcasing the model's applicability across various sectors (Villela et al., 2021; Tröger, 2021).

3. Impact on Sustainable Development

Given the nexus between BCs and sustainable development, it is imperative to explore how these entities are contributing to an increased pursuit of sustainability and social equity (Honeyman & Jana, 2019). This exploration provides an understanding of BCs' contributions to environmental and social goals and their alignment with the Sustainable Development Goals (SDGs) established by the United Nations (Sachs, 2015). Further on, an explanation of the SDGs will be provided.

3.1. Contributions to Environmental and Social Goals: A Deeper Exploration

BCs embed environmental stewardship and social equity into their foundational DNA, embodying the principles of sustainability across every facet of their operations (Villela et al., 2021). These corporations take significant strides in not only adopting but also innovating sustainable practices that span across waste reduction, energy efficiency, sustainable sourcing, and beyond (Kirst et al., 2021). For instance, BCs actively pursue zero-waste policies, invest in renewable energy sources, and implement circular economy principles to minimize their ecological footprint (Villela et al., 2021; Kirst et al., 2021). These practices signal a departure from traditional business models, prioritizing the planet's health as integral to their operational success (Kirst et al., 2021).

Moreover, BCs' commitment to social equity transcends typical corporate social responsibility initiatives, addressing systemic social issues through actionable

strategies, including creating inclusive work environments that champion diversity, equity, and inclusion (DEI) practices (McDonnell, 2021). Unlike CSR, which is often a self-regulatory mechanism allowing companies to work within ethical standards and national or international norms, BCs are legally obligated to pursue social purposes alongside profit. (Roshan et al., 2017). They advocate for fair trade and engage in community development projects aimed at uplifting marginalized communities, evidencing their comprehensive approach to social responsibility (Kim, 2021).

These efforts are manifest in programs that support employee well-being, such as offering living wages, health care benefits, and fostering workplace cultures that emphasize mental health and work-life balance (McDonnell, 2021; Kim, 2021).

3.2. Alignment with Sustainable Development Goals (SDGs): Broadening the Impact

The relationship between BCs and the SDGs exemplifies a strategic and impactful approach to addressing some of the most pressing global challenges (United Nations, 2015; McDonnell & King, 2020). BCs' initiatives in sustainability and social welfare are directly contributing to the achievement of SDGs, such as promoting sustained, inclusive, and sustainable economic growth (Goal 8), striving to reduce inequalities (Goal 10), championing responsible consumption and production patterns (Goal 12), and taking urgent action to combat climate change and its impacts (Goal 13) (United Nations, 2015; McDonnell & King, 2020).

The B Impact Assessment, a critical tool in the BC certification process, evaluates a company's impact across various dimensions, ensuring that BCs not only claim to support SDGs but actively demonstrate their commitment through measurable outcomes (Villela et al., 2021). This evaluation process ensures that BCs maintain a high standard of impact, driving forward the global agenda for sustainable development (Ramsay & Upadhyaya, 2021).

Furthermore, the international proliferation of BCs highlights a growing global consensus on the need for business models that are not only profitable but also sustainable and equitable, underlining a collective push towards a sustainable future where businesses play a crucial role in achieving the SDGs (Tröger, 2021). The exploration of BCs by Tröger (2021) emphasizes their potential as a global model for integrating sustainable practices into core business strategies, suggesting a promising pathway for other businesses to follow in contributing to the SDGs.

4. Organizational and Market Dynamics

The investigation into the dynamics of organizational and market within BCs uncovers a complex relationship between governance models of innovation and market behaviors, supporting a wider trend towards practices of business that are sustainable and ethical (OpenAI, 2024). Santos et al. (2015) demonstrate how organizations of a hybrid nature, such as BCs, integrate social missions with models of business commercial, challenging the traditional structures and strategies of corporations. This convergence of social purpose and business acumen requires a detailed understanding of the manner in which BCs navigate and exert influence on the market, achieving a balance between profitability and their commitments to objectives social and environmental (Ebrahim et al., 2014).

Additionally, the approach of collaborative networks, as discussed by Romero and Molina (2011), places BCs in a leading position in co-creation and co-innovation, highlighting the significance of engagement with stakeholders in the generation of sustainable value.

4.1.Governance and Performance: An In-Depth Exploration

The dynamics of governance and performance in BCs present a unique approach to corporate structure and strategy, reflecting broader shifts towards sustainability and social responsibility in the sector of business (OpenAI, 2024). Reiser (2011) states that

the foundation of BCs constitutes a form of organization sustainable, introducing a legal framework that obliges these entities to seek public benefit alongside profit, thus instituting a more comprehensive approach to governance corporate. This redefinition of corporate purpose emphasizes the need for mechanisms of governance that incorporate the interests of a diverse array of stakeholders, moving beyond the models of traditional shareholder primacy (Hiller, 2013).

Ntim and Soobaroyen (2013) investigate how governance practices within corporations socially responsible, including BCs, are associated with improved corporate performance, suggesting that adherence to standards social and environmental can coexist with, and potentially enhance, financial results. This link between governance and performance is further analyzed by Huang (2010), who posits that mechanisms of corporate governance play an essential role in enabling corporations to balance profitability with their social responsibilities.

The global perspective on corporate governance and performance, as explored by Love (2011), offers empirical evidence indicating that the governance structures of BCs contribute to their capacity to address challenges global, aligning corporate strategies with the SDGs. This alignment not only serves as evidence of the potential of BCs to make positive contributions to global sustainability efforts but also signals changing expectations of corporations regarding their impact social and environmental (Open AI, 2024).

4.2.Stakeholder Engagement: Beyond Traditional Boundaries

The examination of stakeholder engagement within BC) signifies a paradigm shift towards business practices that are more inclusive and sustainable (Lanza, 2017). Husted and Allen (2010) argue that integrating stakeholder engagement into corporate strategy not only provides a competitive advantage but also aligns with wider societal expectations of corporate responsibility, underscoring the strategic importance of such engagement in the contemporary business landscape. This strategy highlights the necessity for BCs to transcend conventional corporate boundaries by fostering

collaborative, transparent, and mutually beneficial relationships with their stakeholders (Camilleri, 2015).

Moreover, Andriof & Waddock (2017) detail the unfolding of stakeholder engagement in BCs through practices that prioritize social capital, trust, and reciprocal value creation, reinforcing the notion that successful stakeholder engagement is founded on strong, trust-based relationships. Esposito (2013) adds to this discussion by highlighting the legal and organizational innovations represented by BCs, especially in their requirement to consider the interests of a broad spectrum of stakeholders, thus challenging the traditional corporate focus on shareholder primacy.

Additionally, Nigri & Del Baldo (2018) explore the practical applications of stakeholder engagement in BCs, showing how these corporations implement sustainability reporting and performance measurement systems that not only adhere to legal requirements but also actively involve stakeholders in their operational and strategic decision-making processes. This degree of engagement is indicative of BCs' commitment to transparency and accountability, which in turn, enhances their social cohesion and trust with stakeholders (Rodriguez-Melo & Mansouri, 2011).

4.3.Consumer Perceptions: The Ethical Dimension of Brand Identity

Brunk (2010) elucidates the origins of ethical perceptions of companies/brands from a consumer standpoint, emphasizing that the ethicality perceived by consumers significantly influences their evaluation of business behaviors (OpenAI, 2024). This highlights the necessity for Benefit Corporations to uphold high ethical standards in their operations to foster positive consumer perceptions (Brunk, 2010).

Stanaland et al. (2011) further investigate the antecedents and consequences of CSR on consumer perceptions, demonstrating that a strong stance on ethics and CSR enhances consumer identification with the corporation. This alignment between corporate values and consumer expectations is essential for building brand loyalty and trust (Stanaland et al., 2011).

Singh et al. (2012) examine the impact of consumer-perceived ethicality on trust, affect, and loyalty, asserting that ethical brand identity significantly influences consumer trust and brand loyalty. Their findings indicate that ethical branding not only aligns with consumer values but also contributes to sustained business success (Singh et al., 2012).

Kang and Hustvedt (2014) discuss the role of consumer perceptions of transparency and social responsibility in building trust between consumers and corporations. They argue that transparent communication of CSR initiatives and ethical practices can enhance social cohesion and consumer trust, further reinforcing the importance of ethical brand identity (Kang & Hustvedt, 2014).

Lastly, Lee et al. (2012) assess the impact of CSR activities on consumer–company identification, noting that consumers' perception of CSR activities positively influences their identification with the company. This process of identification is crucial for cultivating a loyal consumer base that supports the company's ethical and social objectives (Lee et al., 2012).

4.4. Financial Implications: Balancing Sustainability and Profitability

Ameer and Othman (2012) establish a foundational understanding by showing that companies with superior sustainable practices, as evidenced by their inclusion among the top 100 sustainable global companies in 2008, exhibit higher financial performance. This correlation suggests that sustainability and profitability can coexist, challenging the conventional perspective of their mutual exclusivity (Ameer & Othman, 2012).

Alshehhi et al. (2018) expand this dialogue by reviewing literature trends exploring the impact of corporate sustainability on financial performance. Their extensive analysis reveals a positive relationship between sustainable corporate practices and financial outcomes, highlighting the potential for BCs to leverage sustainability as a strategic asset (Alshehhi et al., 2018).

Walker and Wan (2012) caution against the financial implications of green-washing, emphasizing how symbolic actions without substantial environmental impact can ultimately detriment firms financially. This insight underscores the importance for BCs of engaging in genuine sustainability practices rather than superficially adopting green initiatives (Walker & Wan, 2012).

Exploring strategic dimensions further, Baumgartner and Ebner (2010) discuss how sustainability profiles and maturity levels within corporations relate to sustainability outcomes and financial performance. They argue that a well-defined sustainability strategy, characterized by a high level of maturity in sustainability practices, is likely to result in improved financial and sustainability outcomes (Baumgartner & Ebner, 2010).

Lastly, Baumgartner and Rauter (2017) concentrate on the strategic perspectives of corporate sustainability management to develop a sustainable organization. They assume that the strategic integration of sustainability into business operations and decision-making processes enhances the organization's capability to achieve both its sustainability goals and financial objectives (Baumgartner & Rauter, 2017).

5. Problems, Difficulties and Risks

The journey of Benefit Corporations (BCs) towards integrating social and environmental values into their core business models is fraught with challenges. Fischer-Daly (2021) critically examines the potential of changes in corporate governance to address the disconnect problem in private regulation, specifically within the context of BCs, revealing that the B-Corp movement may not fulfill its promise due to legal limitations on seeking remedies if a BC fails to meet its "benefit goals" and various issues in the certification process. This critique suggests that the certification might serve more as a modern ritual of due diligence rather than a genuine improvement in coupling private regulation practices with outcomes,

highlighting a need for further research on BCs to validate these conclusions (Fischer-Daly, 2021).

Nass (2014) delves into the viability of BCs, arguing for greater transparency and accountability. The paper discusses the limitations presented by traditional corporate forms and explores the changing landscape of investor and consumer behavior that makes the BC entity attractive. However, it also points out the necessity for stronger third-party oversight and a more robust enforcement procedure to ensure that BCs can effectively balance profit generation with the pursuit of social goals without fear of shareholder derivative litigation (Nass, 2014).

Greenfield (2015) provides a skeptical view of BCs, questioning whether they can truly effect positive change in the industry and the world. The voluntary nature of BCs is highlighted as a significant drawback, suggesting that corporations most in need of change and oversight are unlikely to opt-in (Open AI, 2024).

Cetindamar (2015) explores the practices of BCs, aiming to understand how they might survive and thrive in the complex business world. The paper acknowledges the potential of BCs to positively transform society by incorporating social and environmental goals into their business. However, it also implies that the success of BCs in achieving their missions and sustaining their operations amidst market and regulatory challenges remains an area for further exploration (Cetindamar, 2015).

6. Research Methods

6.1. Research Approach

This section presents the method adopted to study the characteristics of Certified Benefit Corporations, departing from the following research question: "How are Certified Benefit Corporations characterized?" To answer this question we analysed a comprehensive database designated as “Base de Dados – B Corps” that includes all

Benefit Corporations, certified or de-certified up to 28 November 2023. This database is made publicly available by B Lab. Should there be any other type of data encompassing more significant data types, B Lab has an agreement with companies not to share this information. The focal points of our research encompass industry and sector analysis, geographical distribution, impact assessment scores, company size and growth, alongside certification trends. The methodology is crafted to pursue academic rigor, robustness, transparency, and replicability, thereby trying to adhere to standards of scholarly quality.

Our research employs a quantitative research aproach, concentrating on the analysis of data from the database to understand BCs. This approach allows for the systematic examination of numerical data, facilitating an objective analysis of trends, patterns, and characteristics relevant to corporate social responsibility and sustainable business practices.

Quantitative Analysis

Employing statistical software, we will undertake a series of descriptive statistics, trend analyses, and inferential statistical tests. This will enable the identification of salient patterns, disparities, and correlations among the dataset variables, thereby unveiling the underlying statistical narratives that shape the BC landscape.

Objective: To execute a statistical examination of database variables, encompassing industry categories, impact area scores, company size, and certification dynamics.

6.2.Data Collection

Our database contains comprehensive information regarding organizations certified as B Corps, indicative of adherence to prescribed standards in social and environmental performance, alongside accountability and transparency. The dataset includes:

Company Identifiers[1]**:** A unique identifier and name are assigned to each entity.

Certification Dates[2]**:** The dataset records the initial certification date and the most recent certification dates for these entities.

Status[3]**:** This denotes the current certification status of the entity, distinguishing between certified and de-certified.

Description[4]**:** An overview of the entity's mission and operations is provided.

Industry Information[5]**:** The dataset details the specific industry and category to which each entity belongs.

Products and Services[6]**:** It includes descriptions of the offerings provided by the entities.

Location[7]**:** Information regarding the geographical location, including the country and, in some instances, more detailed locality information, is included.

Impact Area Scores[8]**:** The dataset features a range of metrics and scores assessing the entity's impact in areas such as governance, community, environment, customer relations, and employee welfare.

Involving 134 columns, the dataset offers a detailed examination of the operational impacts and practices of the included entities.

The assessment process for Certified B Corporations' "Impact Area Scores" begins with a self-assessment by the company using the B Impact Assessment (BIA) from B Lab. This involves a detailed evaluation covering diverse organizational impact areas. A subsequent verification phase rigorously reviews the submitted information and

[1] Related to the variables “company_id” and “company_name”.
[2] Related to the variables “date_first_certified” and “date_certified”.
[3] Related to the variable “current_status”
[4] Related to the variable “description”
[5] Related to the variables “industry”, “industry_category” and “products_and_services”.
[6] Related to the variable “products_and_services”.
[7] Related to the variables “country”, “state” and “city”.
[8] Related to the variables “impact_area_community”, “impact_area_customers”, “impact_area_environment”, “impact_area_governance” and “impact_area_workers”

evidence for accuracy. In certain situations, further evaluation by external parties or through peer review may enhance the objectivity and credibility of the findings.

Firms are advised to conduct regular reviews and pursue ongoing enhancements in their operations and policies to either sustain or improve their impact scores. There exists a systematic re-evaluation every three years to confirm compliance with B Corporation certification standards. This cycle promotes transparency, accountability, and a steadfast dedication to sustainable and ethical business practices.

6.3.Data Analysis

Data and Descriptive Statistics.

This segment provides a granular synthesis of the data underpinning the thesis, employing descriptive statistics to elucidate the current landscape of BCs within various industries and sectors. Our focus on descriptive statistics lays the empirical foundation for subsequent inferential analyses, ensuring a robust understanding of the phenomenon at hand.

Industry and Sector Analysis

Technique: Categorisation and frequency analysis techniques were employed to dissect BCs across various industries and sectors.

The study commenced with the assembly of the dataset, from which the fields "industry_category[9]" and "overall_score[10]" were extracted as the principal variables for analysis. Each B Corporation was subsequently assigned to its respective industry category as denoted within the dataset. A tally of B Corporations was then conducted within each industry sector to determine the numerical representation. This tally facilitated the compilation of data, which resulted in the ascertainment of the ten industry categories with the highest number of B Corporations. The compiled data

[9] Groups companies into broad sectors based on their primary business activities.
[10] Represents the aggregated score reflecting a company's total performance across various impact areas such as environmental sustainability, worker treatment, community engagement, governance, and customer practices.

were employed to construct a bar chart, with the x-axis representing the B Corporation count and the y-axis listing the industry categories. The labels of industry categories were truncated where necessary to enhance clarity and succinctness of the visual representation. The chart was entitled "Distribution of B Corporations across Top 10 Industry Sectors" to mirror the visualised data accurately. An analysis of the chart was performed to identify trends and the prevalence of B Corporations within various industry sectors.

Subsequently, the dataset was structured to isolate "industry[11]" and "overall_score" as the focal variables. B Corporations were classified under their respective industries as per dataset entries. An enumeration of B Corporations per industry was performed to determine their frequency. This enumeration led to the compilation of data, which highlighted the ten industries with the most substantial B Corporation presence. These data points were visually depicted in a bar chart, where the x-axis indicated the number of B Corporations, and the y-axis enumerated the industries. For clarity and efficient use of space, abbreviations were used for industry names on the y-axis. The chart was labelled "Distribution of B Corporations across Top 10 Industries " to succinctly convey its contents. An analysis of this visual representation was undertaken to identify trends and concentrations of B Corporations within the stipulated industries.

Lastly, a line graph was constructed with the aim of examining the variables "overall_score" and "date_first_certified[12]" for each record. Entries were sequenced in chronological order to align each "overall_score" with its respective year. Subsequently, an annual tally of "overall_score" data was calculated to determine the distribution over time. A line graph was then constructed, depicting the time series on the x-axis and the annual tally on the y-axis, to illustrate the trend data. This graph

[11] Specifies, within the sector indicated by the "industry_category" variable, the activity or type of business each company operates in, providing a detailed view of their primary business activities

[12] Indicates the date when a company first achieved certification, marking its initial recognition for meeting certain standards of social and environmental performance, accountability, and transparency.

was meticulously labelled to ensure clarity of the data presentation and titled to accurately represent the content. Analysis of the graph was conducted to assess the year-on-year trajectory of "overall_score" counts, with particular attention to notable trends and variances over the period under review.

Objective: The aim is to identify sectors and industries with pronounced BC representation, offering insights into the focal areas of the B Corp movement or sectors where its presence is deemed most necessary.

Geographical Distribution.

Technique: Utilizing Geographic Information Systems (GIS) software, we will conduct a spatial analysis to map the global distribution of BCs.

From the dataset, variables indicating the "overall_score", "country [13] " and "current_status[14]" were segregated. In the "current_status" variable, we select only the certified companies. The data were aggregated by country, calculating the count of B Corporations. A world map was generated in Power BI, displaying the geographical dispersion of "overall_score" through varying sizes of data points. The size of each country's data point was proportional to the count of "overall_score". The mapped data were analysed to ascertain trends in geographical distribution, focusing on identifying regions with significant concentrations of B Corporations and emerging areas of growth within the B Corp movement.

Subsequently, three tables were created: the first displays the count and average overall score of B Corporations by continent; the second shows the top 10 countries with the highest count of B Corporations and their respective average score; and finally, the third table was created to exhibit the Top 10 countries with the highest average overall score of B Corporations and their respective count. For their

[13] Indicates the country where the company is located or operates, providing geographic information about its primary business location.
[14] Indicates whether a company is currently certified, de-certified, or has another status regarding its certification, reflecting its current standing with the certifying body.

construction, relevant variables, more specifically "country", "overall_score" and "current_status" (the same procedure as before was followed), were extracted from the dataset. The data were grouped by the continent designations within the country variable. For each group, the total count of "overall_score" entries and the average of these scores were computed. A table was constructed to display the aggregated data. These tables included columns for the continent and country group, the count of "overall_score" and the average "overall_score". The completed table provided a synthesised view, facilitating an interpretation of the geographical dispersion and average performance scores of B Corporations on a continental and country basis. The table was then analysed to compare the prevalence and average scores across continents, providing insights into regional performance and engagement in the B Corp movement.

Objective: This analysis aims to uncover geographical trends within the B Corp movement, elucidating regional concentrations and identifying burgeoning areas of interest.

Impact Assessment Scores

Technique: A comparative analysis of impact scores across diverse dimensions (community, customers, environment, governance, workers) will be undertaken.

To conduct an analysis of impact assessment scores, five different charts were created featuring the top 10 industry categories across diverse dimensions. Within the dataset, the average overall score of each specific dimension was isolated, along with "industry_category" and "current_status" (certified). For each industry category, governance scores were aggregated to calculate the average score reflective of that sector's impact on governance. The top ten industry categories were identified based on the highest average scores per dimension. A bar chart was produced, positioning the "industry_category" on the y-axis and the corresponding average score per dimension on the x-axis. An analysis of the chart was conducted to evaluate the relative

impact among different industries, highlighting which sectors displayed the highest average scores. The same was done for the other 4 dimensions.

Objective: Our goal is to ascertain the domains where BCs provide the most substantial impacts and to explore how these impacts vary across different industries and geographical places.

Size and Growth

Technique: A longitudinal analysis focusing on company size (employees) and growth trajectories will be conducted.

To conduct an analysis focused on company size and growth, a dataset was prepared to extract data related to company size, operationalised through metrics such as revenue or number of employees, along with the year of record. Companies were then categorised into size[15] groups, such as "1-9", "10-49", "50-249" and "250+" to create discrete cohorts for analysis. A time series analysis was performed, plotting the count of companies in each size category against each year. A multi-line graph was constructed to display the trajectory of each size group over time, with the x-axis representing the years and the y-axis denoting the count of companies within each size group. Each line was colour-coded to correspond to a specific size group for clarity, and the graph was titled " Trends in the Number of B Corps by Company Size from 2007 to 2023 " to accurately represent the depicted trends. The resulting graph was scrutinised to extract insights into the demographic composition of B Corporations over the years, focusing on the comparative prevalence and growth patterns of small and medium-sized enterprises (SMEs) versus larger corporations.

Objective: This exercise seeks to delineate the demographic profile of BCs, discerning the prevalence of SMEs versus larger corporations, and to represent growth trends over time.

[15] "Size" variable likely refers to the scale or size of the company, potentially measured by factors such as number of employees, revenue, or operational footprint, providing an indication of the company's magnitude or capacity.

Certification Trends

Technique: We will analyse trends in certification and de-certification rates over time through trend analysis.

To examine certification trends, a methodological approach was adopted in variable identification, beginning with an analysis of a dataset to select the "current_status" of B Corps certification and associated temporal data, typically categorised by year. The status data were segregated into two categories: "certified" and "de-certified". The number of companies for each status category was aggregated annually to yield the total count per year. A dual trend line graph was devised, depicting two lines to represent the annual count of "certified" and "de-certified" B Corps, plotted along the y-axis against time on the x-axis. The graph was constructed to ensure legibility, with clear demarcation between the two statuses, and was labelled to accurately represent the trend data of certification statuses over time. An analysis of the graph was carried out to discern patterns in the certification and de-certification process of B Corps, highlighting any notable trends or deviations in the data.

Objective: The objective is to probe the dynamics surrounding the B Corp certification process, identifying emergent patterns in how companies engage with and sustain their certification status.

7. Results

7.1. Industry and Sector Analysis

Figure 1 reflects the distribution of B Corporations across various industry sectors.

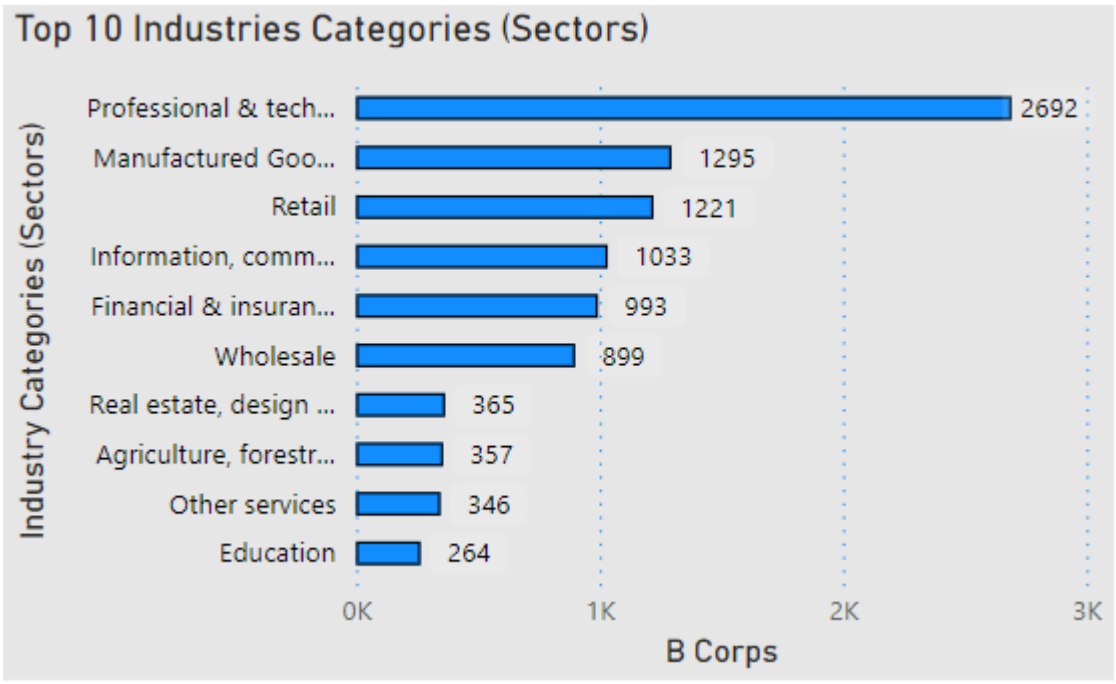

Figure 1. Distribution of B Corporations across Top 10 Industry Sectors

The sector categorised as "Professional and Technical Services" encompasses the highest number of B Corporations, totalling 2,692 entities. This predominance suggests a substantial incorporation of B Corporation standards within this sector.

The "Manufactured Goods" and "Retail" sectors follow with 1,295 and 1,221 B Corporations, respectively. Such figures indicate these sectors maintain significant engagement with B Corporation certification processes.

The "Information, Communication" sector is represented by 1,033 B Corporations, while the "Financial & Insurance" sector includes 993 entities. These numbers affirm the commitment of firms within these sectors to B Corporation certification.

The "Wholesale" sector has 899 B Corporations, presenting less representation compared to the aforementioned sectors, yet suggesting considerable involvement.

Sectors with fewer B Corporations, such as "Real Estate, Design & Construction" (365), "Agriculture, Forestry, Fishing & Hunting" (357), "Other Services" (346), and "Education" (264), denote engagement with B Corporation certification, although to a lesser extent.

This distribution portrays the varying degrees of B Corporation certification across sectors, which may be indicative of the relative ease or difficulty of implementing B

Corporation standards in different industrial operations. It further reflects the propensity of certain sectors to adopt and promote corporate social responsibility and sustainability as integral components of their business practices.

In turn, Figure 2 presents a horizontal bar chart titled "Top 10 Industries," which displays a count of B Corporations within specific industrial categories.

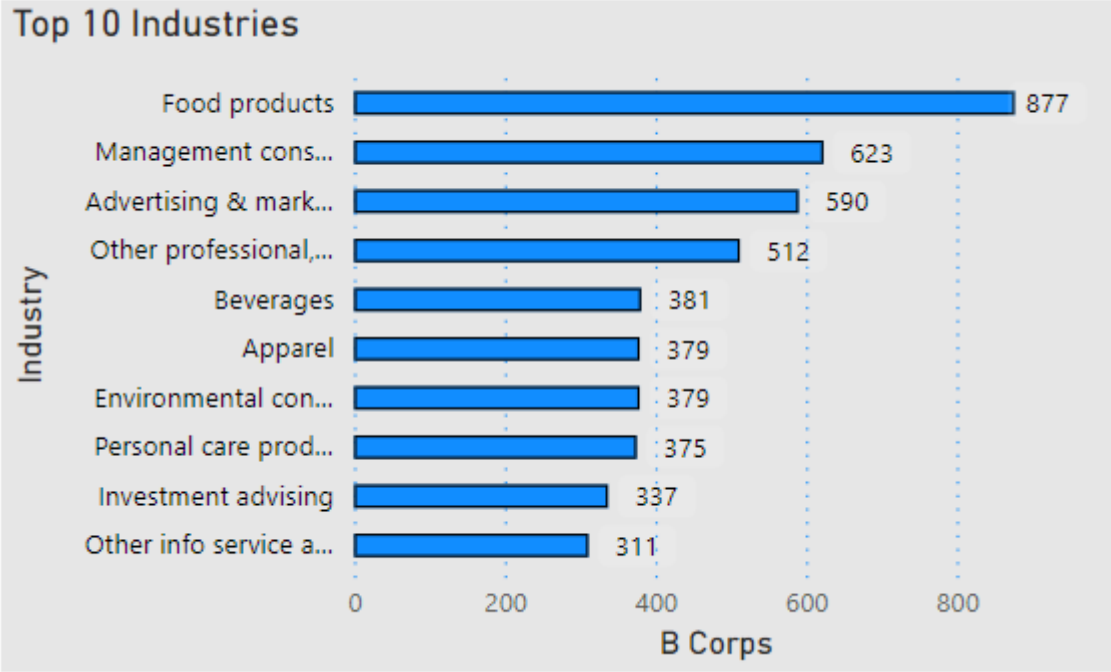

Figure 2. Distribution of B Corporations across Top 10 Industries

The “Food Products” category exhibits the highest count with 877 B Corporations, indicative of this sector's robust engagement with the B Corporation certification framework.

Subsequent rankings include the “Management Consulting” sector with 623 entities and the “Advertising & Marketing” sector with 590 entities. These figures suggest a considerable degree of alignment with B Corporation principles within these service-oriented industries.

Other professional sectors, such as “Other Professional, Scientific, and Technical Services”, represent 512 B Corporations, while “Beverages”, “Apparel” and “Environmental Consulting” each reflect a total close to 379 entities. This distribution underscores the participation of these sectors in the B Corporation certification program.

Further analysis reveals the “Personal Care Products” sector with 375 B Corporations, “Investment Advising” with 337 and “Other Information Service Activities” with 311. Although these numbers are smaller relative to the leading sectors, they still represent significant engagement within the B Corporation community.

The representation of a diverse array of industries among the top 10 suggests that B Corporation certification is pursued across a broad spectrum of economic activities.

These data imply a multifaceted adoption of B Corporation certification criteria, reflecting the commitment to social and environmental performance, transparency, and accountability across varied sectors. It also potentially points to the influence of industry-specific factors on the propensity to attain and maintain B Corporation status.

Finally, we utilised a line graph presenting the "Count of overall_score by Year" for B Corporations, as depicted in Figure 3. It reveals a temporal trajectory of overall scores from the year 2007 to 2023.

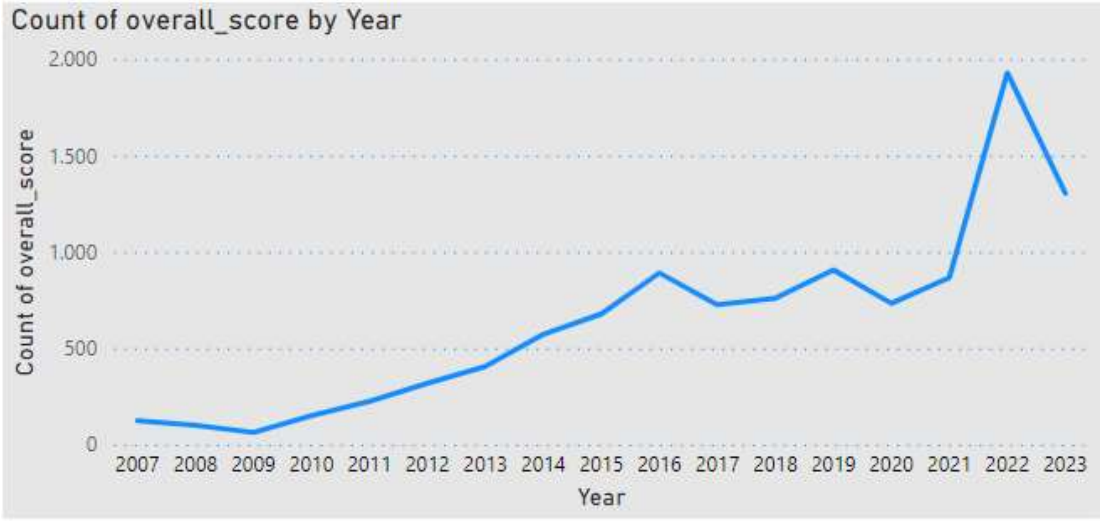

Figure 3. Evolution of the Number of B Corps by year from 2007 to 2023

An initial analysis reveals a gradual increase in the count of overall scores from 2007 until a notable rise beginning around the year 2013. This upward trend continues with some fluctuations until 2019. Post-2019, there is a marked increase in the count of overall scores, peaking in the year 2021. This peak is followed by a sharp decline in

2022. However, the final year on the graph, 2023, indicates a partial recovery from the previous year's downturn.

The data suggest an increasing engagement with B Corporation certification over the examined period, with the most significant growth occurring in the latter years. The decline observed in 2022 necessitates further investigation to understand potential causal factors, such as economic conditions or changes in certification standards or processes. The recovery in 2023 suggests a possible normalisation or response to the factors contributing to the previous decline.

This trend analysis contributes to a broader understanding of the evolution of the B Corporation movement over time, providing insights into the dynamics of certification engagement across the corporate landscape.

7.2.Geographical Distribution

The geographic distribution map depicted in Figure 3 illustrates the global dissemination of B Corporations, as measured by their overall scores. This visual representation employs circles of varying sizes to denote the quantity of B Corporations within each country.

Figure 4. Geographical Distribution of B Corps by Country

The analysis of the map indicates a concentration of B Corporations in North America and Europe, with these regions displaying the largest circles, suggesting a higher count of B Corporations in these areas. Additionally, there is a notable presence in South America and Oceania, while Asia and Africa exhibit a more moderate distribution of B Corporations.

The data visualized on this map may reflect regional variations in the adoption of B Corporation certification. This could be influenced by levels of economic development, regional support for sustainable business practices, or the presence of policies encouraging social and environmental responsibility.

This spatial analysis serves as an indicative tool for understanding the geographical spread of B Corporations and offers a starting point for exploring the factors that contribute to the regional distribution of certified entities. It underscores the relative prevalence of B Corporations in different parts of the world and may inform future research into the influence of regional factors on the uptake of B Corporation certification.

Delving into an analysis of B Corps count by Continent and their respective average score, we begin by examining a table (figure 5) that provides a quantitative summary of the distribution and performance of B Corporations across various global regions. The data are organised into three columns representing the continent, the count of B Corporations within that region, and the overall average score of these corporations.

country (groups)	Count of overall_score	Avg_Overall_Score
Africa	72	103,93
Asia	356	93,84
Central America	38	92,62
Europe	3564	94,13
North America	4509	98,04
Oceania	857	94,06
South America	1358	94,32
Total	**10754**	**95,84**

Figure 5. Total and Average Overall Scores of B Corps by Continent

A detailed analysis of the data reveals the following:

- Africa reports 72 B Corporations with an overall average score of 103.93, indicating a comparatively high performance in the B Corporation assessment relative to other regions.
- Asia displays a count of 356 B Corporations with an average score of 93.84, suggesting moderate engagement with the B Corporation movement and performance.
- Central America, with 38 B Corporations, has an average score of 92.62, the lowest among the listed regions, which may warrant further investigation into regional barriers to higher performance or engagement.
- Europe and North America exhibit substantial engagement with 3,564 and 4,509 B Corporations, respectively, and have average scores of 94.13 and 98.04, illustrating a significant presence of B Corporation certified companies in these regions.
- Oceania and South America also show notable engagement with 857 and 1,358 B Corporations, and their average scores are 94.06 and 94.32, respectively.

The total count of B Corporations is 10,754 with an overall average score of 95.84, providing a global perspective on the average performance level of B Corporations.

These figures elucidate the penetration of B Corporation certification in different regions and provide an assessment of the average performance of B Corporations within these areas. The table serves as a comparative framework, highlighting disparities and commonalities in the distribution and performance of B Corporations worldwide.

In turn, analysing the top 10 countries with the highest number of B Corps (Figure 6) reveals that:

country	Count of overall_score	Avg_Overall_Score
United States	3562	97.86
United Kingdom	1770	94.41
Canada	825	98.45
Australia	713	94.14
France	411	93.32
Brazil	396	96.19
Chile	379	94.46
Italy	323	92.26
Netherlands The	320	95.09
Argentina	281	90.25
Total	**8980**	**95.97**

Figure 6. Top 10 Countries with the highest Number of B Corps and their respective Average Overall Score

- The United States holds the majority with 3,562 B Corporations and an overall average score of 97.86, indicating robust participation and performance in B Corporation certification.
- The United Kingdom follows with 1,770 B Corporations at an average score of 94.41, while Canada has 825 B Corporations with an average score of 98.45, both reflecting significant involvement in the B Corporation movement.
- Australia reports 713 B Corporations, with an average score of 94.14, suggesting a substantial commitment to the B Corporation ethos.
- France, with 411 B Corporations, and Brazil, with 396, have average scores of 93.32 and 96.19, respectively, highlighting moderate engagement with B Corporation standards.
- Chile and Italy list 379 and 323 B Corporations with average scores of 94.46 and 92.26, respectively, indicating a notable presence of certified companies.
- The Netherlands features 320 B Corporations with an average score of 95.09, and Argentina has 281 B Corporations, with a lower average score of 90.25 compared to other listed nations.

The aggregate data for the listed countries yield a total of 8,890 B Corporations with an overall average score of 95.97.

To conclude the Geographical Distribution analysis, we created a table (Figure 7) of the 10 countries with the highest average Overall Score. The layout of the table includes two columns: one for the count of B Corporations within each country and the other for the overall average score.

An analysis of the data provides the following insights:

country	Count of overall_score	Avg_Overall_Score
Zambia	2	166.05
Sri Lanka	1	117.80
Afghanistan	1	116.90
Serbia	1	113.50
Madagascar	3	113.17
Mauritius	9	111.03
Rwanda	2	109.85
Ghana	2	109.80
Senegal	4	108.45
Cyprus	1	108.40
Total	**26**	**115.41**

Figure 7. Top 10 Countries with the highest Average Overall Score and their respective Number of B Corps

- Zambia has two B Corporations, with the highest overall average score of 166.05 among the countries listed.
- Sri Lanka and Afghanistan are represented by one B Corporation each, with overall average scores of 117.80 and 116.90, respectively.
- Serbia and Madagascar also have a low B Corporation count, one and three respectively, with overall average scores of 113.50 and 113.17.
- Mauritius presents a slightly higher presence, having nine B Corporations with an average score of 111.03.
- Rwanda and Ghana each have two B Corporations with overall average scores of 109.85 and 109.80, respectively.
- Senegal is represented by four B Corporations with an average score of 108.45, and Cyprus has one B Corporation with a score of 108.40.

In aggregate, the total number of B Corporations across these countries amounts to 26, with a combined overall average score of 115.41.

The data may imply a trend where a smaller number of B Corporations in a given country might correspond with higher overall average scores, but given the small sample sizes, conclusions should be drawn cautiously.

7.3. Impact Assessment Scores

The creation of 5 different bar charts with the top 10 industry categories presents a comparison of average scores across different dimensions within B Corporations in various industries.

Figure 8 represents the "Top 10 Industry Categories Governance Score" and shows us that:

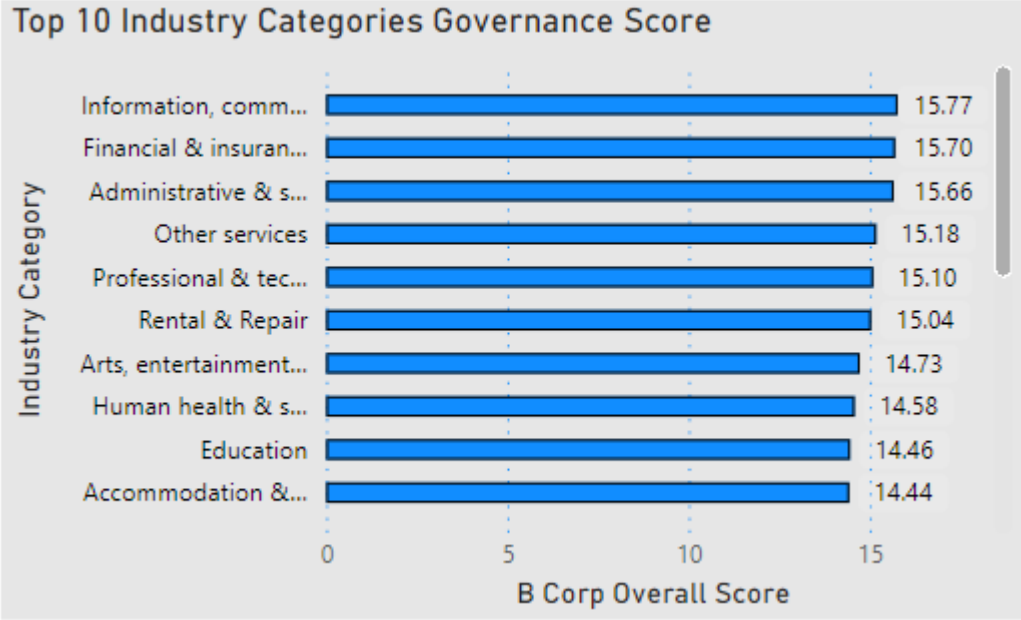

Figure 8. Top 10 Industry Categories by B Corp Governance Score

- The “Information, Communication & Technology” sector records the highest average governance score at 15.77, implying strong governance practices within this industry.
- “Financial & Insurance” closely follows with an average score of 15.70, suggesting a similar commitment to governance within B Corporations in this sector.
- The categories “Administrative & Support Services” and “Other Services” display average governance scores of 15.66 and 15.18, respectively, indicating that firms in these sectors place significant emphasis on governance issues.

- The “Professional & Technical Services” sector shows an average governance score of 15.10, while “Rental & Repair” scores marginally lower at 15.04, both reflecting a considerable focus on governance.
- Further down the list, “Arts, Entertainment & Recreation” has an average score of 14.73, and “Human Health & Social Work Activities” posts an average of 14.58.
- The sectors “Education” and “Accommodation & Food Services” complete the list with average scores of 14.46 and 14.44, respectively.

In summary, the chart suggests that industries typically associated with high levels of information exchange and financial transactions tend to have higher governance scores, which may reflect the regulatory requirements and stakeholder expectations within these sectors. The overall data indicates that there is a spectrum of governance standards among B Corporations, with some variability across different industries.

The subsequent bar chart (figure 9) represents the "Top 10 Industry Categories Community Score" and provides us with the following information:

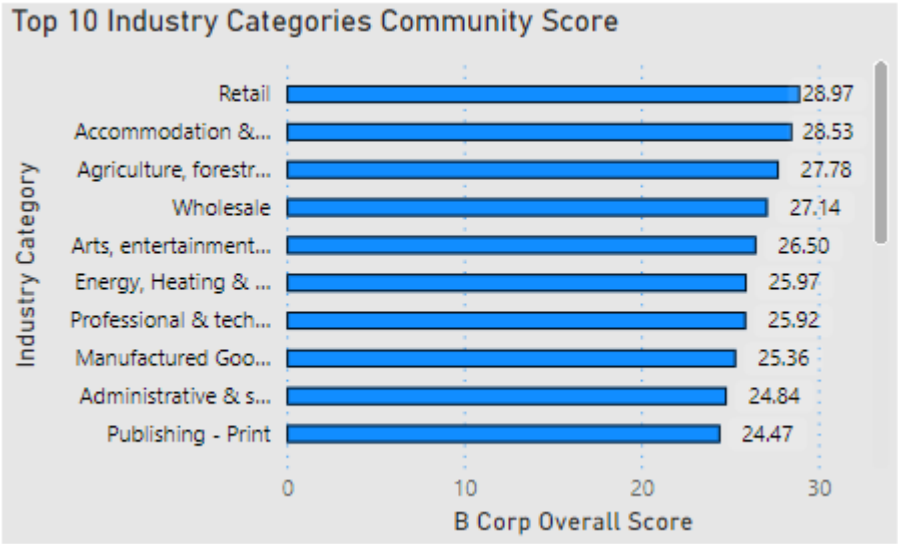

Figure 9. Top 10 Industry Categories by B Corp Community Score

- The “Retail” sector exhibits the highest average community score of 28.97, indicating that B Corporations in this sector may be particularly invested in community-oriented practices and policies.

- “Accommodation & Food Services” follows closely with a score of 28.53, while “Agriculture, Forestry, Fishing & Hunting” records an average score of 27.78, suggesting these industries also prioritize community engagement as part of their operational ethos.
- The average score for the “Wholesale” sector stands at 27.14, indicative of a significant commitment to community well-being within this sector's B Corporations.
- “Arts, Entertainment & Recreation” and “Energy, Heating & Cooling” have average community scores of 26.50 and 25.97, respectively.
- “Professional & Technical Services” reports an average score of 25.92, which is marginally higher than “Manufactured Goods” with a score of 25.36, reflecting moderate community involvement.
- “Administrative & Support Services” and “Publishing – Print” conclude the list with average community scores of 24.84 and 24.47, respectively.

This chart delineates the degree of industry engagement in community-oriented practices, as reflected by their B Corporation scores. The variation in scores across industries suggests differing approaches and commitments to community impact, which may correlate with the nature of each industry's interaction with local and global communities.

The 3rd bar chart (figure 10) shows us that:

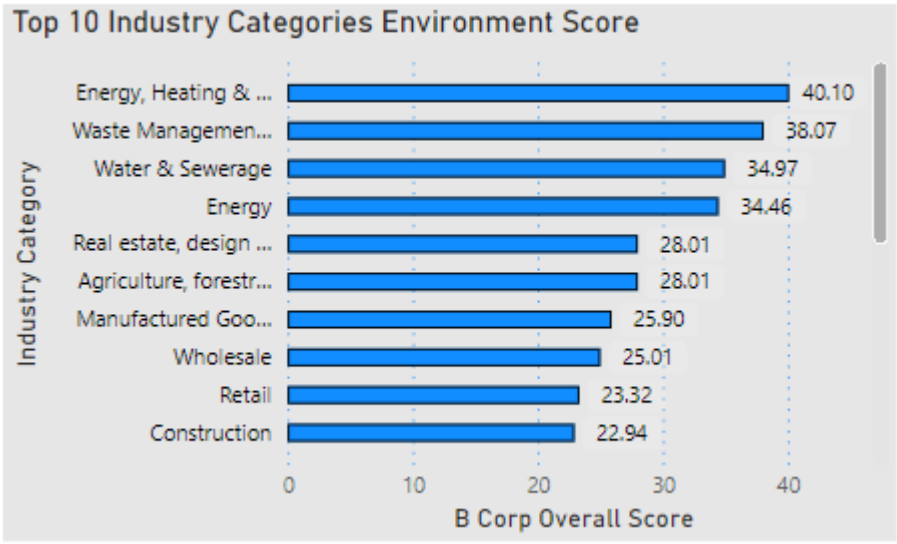

Figure 10. Top 10 Industry Categories by B Corp Environment Score

- The "Energy, Heating & Cooling" sector leads with the highest average environmental score of 40.10, suggesting that B Corporations in this industry place a strong emphasis on environmental impact.
- The "Waste Management & Recycling" sector demonstrates a significant commitment to environmental practices with an average score of 38.07.
- The "Water & Sewerage" industry is also prominent with a score of 34.97, reflecting a focus on environmental stewardship within this sector.
- The "Energy" sector, distinct from "Energy, Heating & Cooling", posts an average score of 34.46.
- Industries such as "Real Estate, Design & Construction" and "Agriculture, Forestry, Fishing & Hunting" present equivalent average scores of 28.01.
- "Manufactured Goods" and "Wholesale" have scores of 25.90 and 25.01 respectively, while "Retail" reflects an average score of 23.32.
- "Construction" concludes the list with an average environmental score of 22.94.

This distribution indicates the varied commitment to environmental practices across industries, as assessed by B Corporation standards. The data illustrate that certain sectors, particularly those intrinsically linked to natural resource management

and energy, demonstrate higher average scores, potentially reflecting the direct impact these industries have on the environment.

The subsequent figure (figure 11) is represented by a bar chart which depicts the average scores awarded to B Corporations across various industries, specifically in relation to workers' conditions and benefits. It reveals that:

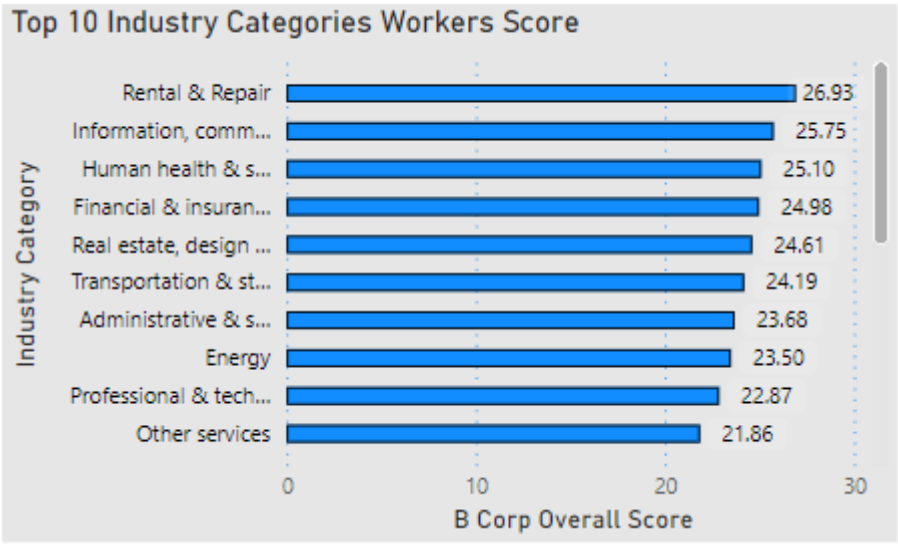

Figure 11. Top 10 Industry Categories by B Corp Workers Score

- The “Rental & Repair” industry has the highest average workers score of 26.93, indicating robust practices related to workers within B Corporations in this sector.
- The “Information, Communication & Technology” sector follows with an average score of 25.75, demonstrating considerable attention to workers' conditions in this industry.
- The “Human Health & Social Work Activities” sector shows an average score of 25.10, while the 'Financial & Insurance' sector has a slightly lower average of 24.98, suggesting these industries notably prioritize worker welfare.
- The “Real Estate, Design & Construction” and 'Transportation & Storage' sectors report average scores of 24.61 and 24.19 respectively, indicating a commitment to workers' conditions in these areas.
- “Administrative & Support Services” reflects an average score of 23.68, followed by the 'Energy' sector with 23.50.

- The “Professional & Technical Services” and “Other Services” sectors record lower average workers scores of 22.87 and 21.86, respectively.

This chart underlines the diverse levels of commitment to workers across industries as evaluated by B Corporation standards, with certain industries achieving higher average scores, potentially reflecting the nature of employment and the regulatory environments in these sectors.

The final bar chart (figure 12) represents the Top 10 Industry Categories Customer Score and upon its analysis, we find that:

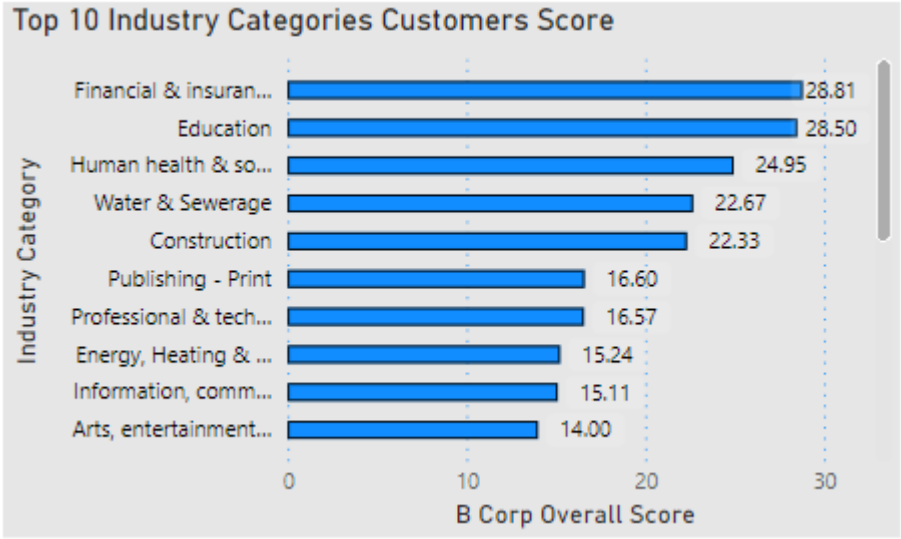

Figure 12. Top 10 Industry Categories by B Corp Customers Score

- The “Financial & Insurance” sector records the highest average customer score of 28.81, which may suggest a strong focus on customer service within this industry.
- “Education” follows closely with an average customer score of 28.50, pointing towards the sector's commitment to customer or stakeholder satisfaction.
- “Human Health & Social Work Activities” presents an average score of 24.95, while 'Water & Sewerage' shows 22.67, both indicating that these industries prioritize customer relations.
- The “Construction” industry has an average score of 22.33, which may reflect the importance of customer relationships in project-based business models.
- “Publishing – Print” and “Professional & Technical Services” report lower average customer scores of 16.60 and 16.57, respectively.

- The "Energy, Heating & Cooling" and "Information, Communication & Technology" sectors have average scores of 15.24 and 15.11.
- "Arts, Entertainment & Recreation" holds the lowest average customer score among the top ten industries at 14.00, suggesting a potential area for improvement in customer engagement practices within this sector.

These scores serve as a benchmark for understanding customer relations and satisfaction levels within B Corporations across different industries, reflecting the value these industries place on customer-centric practices.

7.4. Size and Growth

For a Size and Growth analysis, we created a line graph (figure 13) representing the growth in the number of B Corps by size from 2007 to 2023.

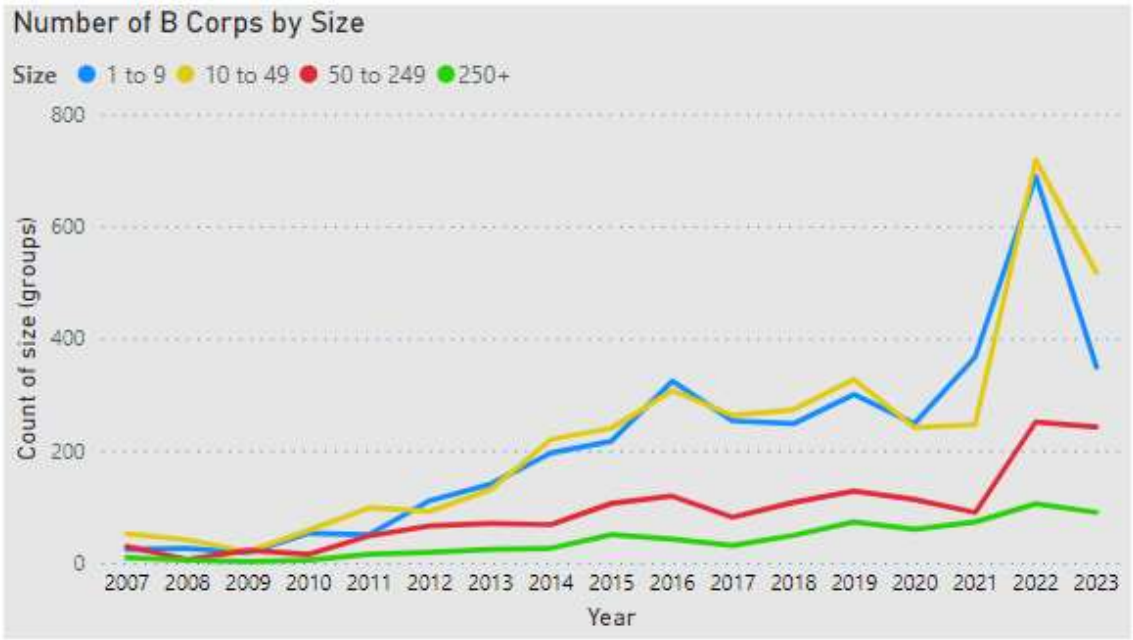

Figure 13. *Trends in the Number of B Corps by Company Size from 2007 to 2023*

- The graph is categorized into four size groups: "1 to 9", "10 to 49", "50 to 249" and "250+". It elucidates the following trends:
- Entities ranging from "1 to 9" employees show a steady increase over the period, with a slight decline observed in 2023.
- Organizations with "10 to 49" employees exhibit gradual growth throughout the years, with a notable upsurge from 2019 onwards, followed by a decrease in 2023.

- The “50 to 249” size group sees a modest yet consistent rise over the years, with a peak in 2022 before a decline in 2023.
- The “250+” category demonstrates a steady increase until 2019, where a significant growth spike occurs, peaking in 2022 and subsequently falling in 2023.

Overall, the data indicate a general upward trend in the number of B Corporations across all size categories, with notable variability in the rate of increase. The recent declines across all groups in 2023 may suggest a shift in the B Corporation landscape or external economic factors impacting these organizations. The graph provides a temporal snapshot of the growth patterns within the B Corporation community, reflecting the changing dynamics of corporate size distribution in this sector.

7.5. Certification Trends

Understanding the difference in the quantity of Certified B Corps compared to De-Certified B Corps over the last 17 years is of utmost importance. To this end, the figure 14 presents us with a line graph that delineates the annual count of B Corporations that have maintained their certification in contrast to those that have been de-certified from 2007 to 2023.

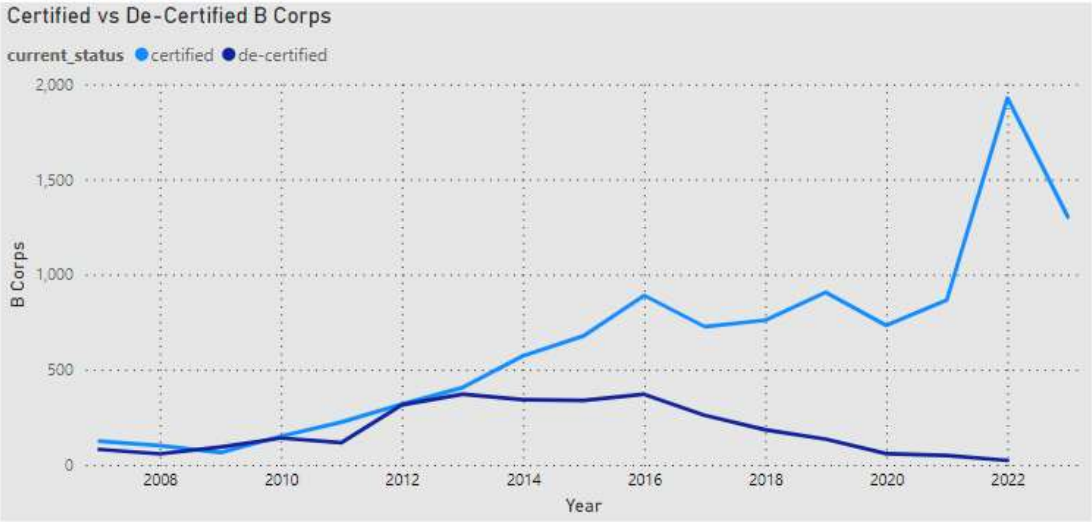

Figure 14. Comparison of Certified versus De-Certified B Corps from 2007 to 2023

The count of certified B Corps displays a generally ascending trend over the years, with a pronounced increase starting around 2018, reaching a peak in 2022, followed by a slight decrease in 2023. The line for de-certified B Corporations remains relatively flat and significantly lower than the count for certified ones, suggesting that once organizations achieve B Corp status, the majority sustain their certification. The graph demonstrates a steep rise in certified B Corporations from 2019 to 2022, which may indicate growing interest and success in meeting B Corp standards during this period. The decline observed in 2023 for certified B Corporations, although not mirrored with an increase in de-certifications, may suggest a recent change in certification dynamics or an anomaly in the data.

This visual representation allows for an analysis of trends in B Corporation certification, showing growth in the number of certifications and offering insights into the sustainability of B Corp status over time.

8. Limitations and Future Research

This thesis, while extensive in its exploration of BCs, is subject to several limitations that must be acknowledged. Firstly, the reliance on data provided by B Lab introduces a potential bias, as the information is curated and presented by an organization with vested interests in the promotion of BCs. This may affect the neutrality of the data, particularly concerning the impact assessment scores and certification trends.

Secondly, the quantitative nature of this research, while providing valuable insights into the characteristics and trends of BCs, may overlook qualitative aspects such as the lived experiences of stakeholders, the cultural context of BC operations, and the nuanced ways in which BCs contribute to or detract from sustainable development goals. Such qualitative dimensions could offer a deeper understanding of the BC model's effectiveness and its reception among various communities.

Lastly, the temporal scope of this study, constrained by the availability of data up to November 2023, may not capture the full impact of recent global events, economic

shifts, or legislative changes on the BC movement. The dynamic nature of the global economy and the evolving legal frameworks around corporate social responsibility and environmental sustainability mean that the findings presented here may quickly become outdated.

Given these limitations, several avenues for future research emerge. Qualitative studies exploring the internal and external perceptions of BCs could provide valuable insights into the model's strengths and weaknesses from a stakeholder perspective. Such research could involve interviews, case studies, and ethnographic methods to capture the experiences of employees, customers, community members, and executives within BCs.

Further research could also focus on the impact of BCs in regions currently underrepresented in the data. Exploring the challenges and opportunities faced by BCs in diverse cultural and economic contexts could offer a more nuanced understanding of the model's global applicability and effectiveness.

Investigating the role of technology and innovation within BCs presents another fruitful area for research. As businesses increasingly turn to digital solutions and innovative business models to address social and environmental challenges, understanding how BCs leverage these tools could provide valuable lessons for the broader corporate sector.

Finally, comparative studies examining the performance and impact of BCs relative to traditional corporations and other forms of socially responsible businesses could shed light on the unique value proposition of the BC model. Such research could help clarify the specific contributions of BCs to sustainable development and corporate social responsibility, distinguishing them from other approaches to ethical business practices.

In conclusion, while this thesis provides a comprehensive overview of BCs, acknowledging its limitations opens the door to further research. Future studies, particularly those incorporating qualitative methods and focusing on underexplored

regions and themes, could significantly enhance our understanding of the BC model and its potential to contribute to a more sustainable and equitable global economy.

Conclusion

This thesis has embarked on a comprehensive exploration of Certified Benefit Corporations (BCs), shedding light on their legal frameworks, operational dynamics, and the broader implications of their rise within the global business landscape. Through an analysis of quantitative data and a review of existing literature, this study strived to illuminate the distinctive characteristics of BCs, their evolution, and their impact on sustainable development, organizational and market dynamics, as well as the challenges and opportunities that lie ahead.

Certified Benefit Corporations represent a paradigm shift in the corporate world, challenging traditional business models by integrating social and environmental objectives into their core operational mandates. The legal distinction between Benefit Corporations and Certified B Corps has been delineated, highlighting the unique pathways through which these entities pursue their dual missions of profit and purpose. This distinction underscores the broader movement towards sustainable and ethical business practices, reflecting a growing recognition of corporate responsibility beyond shareholder value.

The impact of BCs on sustainable development has been a focal point of this thesis, demonstrating how these corporations contribute to environmental stewardship, social equity, and the SDGs. Through innovative practices and a commitment to transparency and accountability, BCs strive for aligning profitability with societal well-being.

In conclusion, Certified Benefit Corporations embody a transformative approach to business, one that seeks to harmonize the pursuit of profit with the imperative of social and environmental responsibility. The challenges identified herein not only highlight areas for improvement but also underscore the need for ongoing research, policy development, and stakeholder engagement to fully realize the potential of BCs in contributing to a more sustainable and equitable world. The future of BCs, while promising, will undoubtedly be shaped by the collective efforts of policymakers,

business leaders, and communities to address these challenges and forge a path towards a more responsible and inclusive global economy.

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In the text review process, OpenAI was also employed, specifically ChatGPT-4 with the "ScholarAI" plugin.