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of Economics
& Management
Universidade de Lisboa

MASTERS IN MANAGEMENT (MIM)

MASTERS FINAL WORK

DISSERTATION

THE B CORP CERTIFICATION: THE CASE OF THE DECERTIFIED B CORPS IN PORTUGAL

FRANCISCA SOARES DOS SANTOS CARRAJOLA

MARCH - 2022



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“Only those who dare to fail greatly,
Can ever achieve greatly.”
Robert F. Kennedy

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Abstract

B Corps are socially responsible corporations which have had voluntarily submitted to a third-party assessment in order to be certified. To obtain the B Corp certification, companies must meet a specific set of requirements demonstrating their positive contribution to the environment and the society. The B Corp movement is seen as a global movement that aims to transform the global economy by redefining success in business. As companies participating on the movement, compete not just to be the best in the world, but also the best for the world, using the power of business to solve social and environmental problems and shifting from profiting the few to benefiting all. However, even though the B Corp movement has been growing over the years, a quarter of the companies that were once certified have given up on certification. Thence, the present study focusses on the B Corp universe in Portugal and tries to understand why the Portuguese decertified B Corps have given up on being part of the movement. The methodology chosen for this research was a mixed-method approach using as a quantitative method an online survey that was shared with the certified and decertified companies in Portugal, and as a qualitative method, interviews which were made to the two groups of companies and to the B Lab's Country Partner. It was found that Portuguese companies withdraw from the B certification due to benefits overestimation and costs underestimation as well as the capacity of achieving a social and environmental mission without the certification.

Key words: Shareholder Capitalism Primacy, Stakeholder Capitalism Primacy, stakeholders' empowerment, B Corps, decertified B Corps, lapsed B Corps, certification, B Impact Assessment, Portugal.

Resumo

As B Corps são empresas socialmente responsáveis que se submeteram voluntariamente a uma avaliação de terceiros a fim de serem certificadas. Para obterem a certificação B Corp, as empresas devem cumprir um conjunto específico de requisitos que demonstrem a sua contribuição positiva para o ambiente e para a sociedade. O movimento B Corp é visto como um movimento global que visa transformar a economia global através da redefinição do sucesso nos negócios. Visto que as empresas participantes do movimento competem, não só para serem as melhores do mundo, mas também as melhores para o mundo, utilizando o seu poder para resolver problemas sociais e ambientais e focando-se no bem comum. Contudo, embora o movimento B Corp tenha vindo a crescer ao longo dos anos, um quarto das empresas que uma vez foram certificadas desistiram da certificação. Deste modo, este estudo centra-se no universo B Corp em Portugal e tenta compreender pelo qual as empresas portuguesas que já foram B, deixaram de o ser. A metodologia escolhida para esta investigação foi uma abordagem de método misto, utilizando como método quantitativo um questionário online partilhado com as empresas certificadas e as empresas que desistiram da certificação em Portugal, e como método qualitativo, entrevistas que foram feitas aos dois grupos de empresas e ao *Country Partner* do B Lab. Verificou-se que as razões que levaram as empresas portuguesas a deixarem a certificação foram a sobreavaliação dos benefícios, a subavaliação dos custos e a capacidade de alcançar uma missão social e ambiental sem a certificação.

Palavras-chave: *Shareholder Capitalism Primacy*, Capitalismo das partes interessadas, capacitação das partes interessadas, B Corps, B Corps desistentes, certificação, B Impact Assessment, Portugal.

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CHAPTER 1: INTRODUCTION

The 21st century has been marked by various grand events. Nowadays, people are living in a global society more interdependent than ever before. Even though this has been creating opportunities, it has also been driving instability as the access to the opportunities that globalization has to offer is not evenly distributed. Lower-skilled workers are losing their jobs due to disruptive technological transformations and consequently higher education is becoming increasingly important. There has been a rise in social inequality due to unequal access to capital, assets, and income. Global warming has been negatively impacting our society and poor nations are the most affected. The world is losing its non-renewable resources and there is an urgent need to address a wide variety of environmental issues. The current speed of change and the aimed time of response has led to short-termism and an inability to ponder the consequences and impact that these responses may have. Therefore, there is an urgent need to address these current challenges and inequalities, promoting a broader engagement across society and re-thinking what is at the center of the decision-making processes (*21st Century Lab*, 2021).

The financial markets and the social elites became increasingly powerful in competitive global markets and the tendency is to focus on the short-term results for the shareholders. However, companies' expertise, networks, partnerships, and presence in communities create a solid structure for the creation and implementation of solutions to address social needs, often more effectively than governments or non-profit organizations (Porter and Kramer, 2011). Thereby, companies' decisions have a huge impact on the social and environmental levels, and as a result, there must be a shift in how these decisions are made. Instead of focusing exclusively on profits, organizations must take responsibility for their actions and include in their decision-making their stakeholders' interests, the environment, and the consumers to fight against economic inequality, social fragmentation, and negative environmental consequences. Thus, *Stakeholder Capitalism* may be seen as the answer to overcome these challenges.

The B Corp movement has been driving a shift from the *Shareholder Capitalism Primacy* to the *Stakeholder Capitalism Primacy* by playing a proactive role in this mission of rebuilding capitalism, pairing the interests of stakeholders with those of the shareholders. B Corps are social enterprises with a high level of commitment to maintain a balance between profit motives and social and environmental challenges, using business tools to address social needs whilst making a profit or avoiding a loss for its owners. This movement has started in 2006 in the United States and has been growing worldwide to date: there are more than 3,500 B Corps in 70 countries and 150 industries. However, according to (Kim, 2021), 23.7% of the B Corps have withdrawn their certification. This means that approximately a quarter of the companies that have ever been certified have decided to

give up their certification. However, there is still limited literature and research behind this phenomenon and the reasons that lead B Corps to decertify. The primary goal of this master dissertation is to understand what is behind these companies' decision to quit their certification by responding to the following question:

“Why do previously B Corps decide to withdraw their certification while others decide to pursue or renew them?”

To answer this question, this research decided to focus on the Portuguese case to understand first, what motivates a company to become a B Corp and later what leads it to renew or not the certification as some of them move to forgo their Certified B Corp status. For this, the study focuses on the Portuguese market and tries to determine if the certification and decertification reasons in Portugal are aligned with the literature developed by other authors in different regions. This study targets the entire universe of Portuguese B Corps and decertified B Corps, this means the seven (7) decertified companies plus the current fifteen (15) Certified B Corporations, totaling 22 companies.

The present dissertation is organized in the following way. First, the introductory chapter presents the subject under research, the research question, goals, and methodology. The second chapter concerns the literature review on the origins and evolution of the B Corps' movement within the debate between two opposing views: *Shareholder Primacy* versus *Stakeholder Capitalism* as well as an explanation of the B Corps certification process. The third and fourth chapters discuss the research results gathered through the survey and the interviews. Finally, the conclusion provides an answer to the question and discuss the limitations and gaps of the research and proposes future research directions on B Corps.

CHAPTER 2: A BRIEF LITERATURE REVIEW ON B CORPS

2.1 *Shareholder Capitalism Primacy vs Stakeholder Capitalism Primacy*

The *Shareholder Capitalism Primacy* term emerged during the 1970s with the rise of the Chicago school of economists and the “law and economics” movement. In a New York Times article, Milton Friedman (1970) who actively promoted free-market economics, defended that the social responsibility of business is to increase its profits, according to the shareholders' or stockholders' desires. Therefore, this model defends that the shareholders' interests must be at the centre of companies' decision-making, meaning that the corporation is to be run in their interests (Stout, 2013). The traditional view of a business corporation is in line with Friedman's theory since it considers the shareholders the owners of a company and the main purpose of corporations to meet its owners' interests. Moreover, as most shareholders in a for-profit business are mainly concerned with wealth maximization it is fair to assume that the main objective of traditional business is to maximize profits (Velasco, 2020). Friedman's theory became progressively prominent, and the financial markets and

the social elites became increasingly powerful in competitive global markets. As a result, the current system has led corporate leaders to focus on the short term returns for shareholders, even when those profits ignore the interests of other stakeholders - the environment, the consumers - contributing to economic inequality, social fragmentation, and environmental consequences such as the degradation of nature and biodiversity, and the global warming. Hence, companies must rectify their corporate bylaws and incorporate on their top priorities, all their stakeholders. However, according to Marquis (2020), criticizing the current system is not enough to make the economy more inclusive and just, what is needed is a shift away from *Shareholder Capitalism Primacy* and toward *Stakeholder Capitalism Primacy*.

Stakeholder Capitalism Primacy is a form of capitalism in which companies do not only optimize short-term profits for stockholders, but also pursue long-term value creation, by considering the needs of all stakeholders, and society (Schwab and Vanham, 2021). Before *Shareholder Capitalism* became the norm across the West as companies globalized, the stakeholder concept was widely common in the 1950s and 1960s. During these post-war decades, it was clear that one individual, person, or company, could not benefit if the whole community and economy were not functioning well. Today, as the world faces several political, economic, social, and health crises, *Stakeholder Capitalism* maybe once again seen as the answer to these challenges, since it considers the planet, the people, and the economy as a whole in contrast to the limited and short-termed considerations of the *Shareholder Capitalism*. The stakeholder model today has as its core the people and the planet, and it involves a higher interconnectedness between the economies, the societies, and the environment than before. It acknowledges the planet's health as dependent not only on individual and national decisions but on the aggregated decisions made by everyone around the world. Therefore, one must consider the planet as the centre of the global economic system and its health must be improved by the stakeholders' decisions. This model also recognizes that the well-being of people, in general, depends on the well-being of each society, thus, it is everyone's responsibility to optimize the well-being of all. Also, four key stakeholders play a crucial role both for the planet's health and for the people's well-being: the governments; civil society; companies; and the international community. Hence, when the well-being of people and the planet are at the centre of business decisions, the key groups of stakeholders contribute to their prosperity. As their goals are interconnected, one cannot succeed if the others fail (Schwab and Vanham, 2021).

Regarding companies' strategic management, the stakeholder approach considers the long-term success of a company in creating value and delivering welfare to all its stakeholders, and the achievement of this success also depends on the cooperation and support of these stakeholders. Companies can create three types of benefits for their stakeholders: functional, psychosocial, and

desirable end-states. The first concerns tangible benefits that come from the companies' activities and policies such as learning new specific and competitive skills or participating in innovative projects or projects they care about. The second refers to the positive perception and involvement with the functional benefits or other activities performed in the company. This positive perception and involvement can make them feel that the companies care about causes that they consider important for them. Lastly, these psychosocial benefits lead to desirable end-states, meaning that the employees feel that their work and personal lives are in harmony. Additionally, the company also benefits from these stakeholders' returns as they improve the stakeholder-company relationship building trust and commitment between the two parts, and these benefits can be even bigger if the stakeholders develop identification with the company. For example, the company-consumer relationship can translate into turnover enhancement and the company-employee relationship can translate into improved productivity, resulting in better financial performance (Marquis, 2020b).

2.2 The Emergence of the B Corp

The rise of the B Corp has been driving this shift from the *Shareholder Capitalism Primacy* to the *Stakeholder Capitalism Primacy* through the benefit corporations' structure and the B Impact Assessment (or BIA). The benefit corporation structure enables companies to take on a legal responsibility to consider all their stakeholders on their corporate charter, and the BIA allows companies to assess their companies' current stakeholder management performance and see if and where there's room for improvement (Marquis, 2020a). B Corps register as benefit corporations if that corporate structure is available where they are incorporated and this legal form expands the duty of directors and managers to consider the impact of their decisions on all company stakeholders, besides the shareholders. The B Impact Assessment can be performed by any company that aims to become a Certified B Corp. However, to obtain this certification, companies must achieve a minimum score that reflects its positive environmental and social impact. Therefore, the B Corp certification verifies a company's commitment to a diverse group of stakeholders. The B Corp movement has been playing a proactive role in the mission of rebuilding capitalism, by pairing the interests of stakeholders with those of the shareholders.

The B Corp movement has surged intending to conduct business in a way that people and the planet are in the centre of its decision-making by helping organizations to reformulate or find their purpose. And this global community has been working together toward one unifying goal: to redefine success in business so that one day all companies will compete not just to be the best in the world but also to be the best for the world (B Lab, 2021a). B Corps are a growing group of social enterprises with a high level of commitment to maintaining a balance between profit motives and social and environmental challenges. A social enterprise refers primarily to market-oriented economic activities

serving a social goal (Nyssens, 2006). This means, a firm that uses business tools to address a social need, contributing to society whilst making a profit or avoiding a loss for its owners. These companies are represented by various models such as small nonprofit firms using entrepreneurship to achieve their social ends, or companies using environmental-friendly practices and processes, benefiting their employees, and donating a portion of their profits to charities. Some examples of social enterprises are: (1) socially conscious firms; (2) for purpose corporations; (3) special purpose corporations; (4) limited low-level profit corporations; (5) community investment corporations; (6) benefit corporations; and (7) B-Corps (Chen and Kelly, 2015; Motter, 2019). B Corps are for-profit organizations that are formally committed to creating social and environmental benefits, in addition to their traditional for-profit motives (Hiller, 2013; Stubbs, 2017), which have chosen to submit third-party voluntary social and environmental audits conducted by B Lab (explored further at [2.4](#)). These companies may be private or public organizations and have completed the B Lab certification process. A process that requires companies to meet a high standard of social and environmental performance, accountability, and transparency. Thence, the B Corp model renews companies in terms of the activities that they perform and explores how these activities can stimulate the social and environmental well-being, external to the organizations (Stephan *et al.*, 2016). B Corps include companies like Ben & Jerry's, Patagonia, and The Body Shop.

2.3 The Origins of the B Lab Movement

B Lab is a not-for-profit organization based in Philadelphia that “serves a global movement of people using business as a force for good” (B Lab, 2021a). The non-profit organization was founded in July 2006 by Jay Coen Gilbert, Bart Houlahan, and Andrew Kassoy, who originally met at Stanford University as undergraduates in the late 1980s. Both Jay Coen Gilbert and Bart Houlahan worked together for more than a decade at AND1, an American company, specialized in basketball and apparel. And as the majority of the apparel companies, AND1 outsourced its products from China, the world's largest apparel exporter since 1995 (OEC, 2021), also known for having poor working conditions, low wages, and children labor. Therefore, the company made sure to have a monitoring group certifying that the employees behind the manufacturing of their products would earn a living wage, work in a safe environment, have professional development opportunities and that the local communities and charities, would receive 10% of its profits (Cao, Gehman and Grimes, 2017). However, after AND1's acquisition, as the new shareholders didn't share the same values, principles, and purpose as the company founders, the enterprise's commitment to its employees, the

surrounding communities, and the environment was forgotten, and the company lost its triple bottom line framework¹.

The former owners of AND1 decided then to join forces to start a sustainable business with a shared common belief: to change the system, shifting from *Shareholder Capitalism* to *Stakeholder Capitalism*, redesigning it to benefit all for the long-term and to build an inclusive and regenerative system that creates benefit for all the stakeholders, while also creating value for shareholders. After assessing the market, they understood that the responsible business sector was lacking a legal framework to help companies safeguard their mission and values, and trustworthy measures to demonstrate their positive impact. As a result, they started B Lab in 2006, worked continuously with experts of the leading businesses to create the first set of requirements for the certification of the B Corporation. By 2007, B Lab announced the first generation of certified B Corps. This first group of certified B Corps was composed by a wide range of business types, sizes, and sectors: Mal Warwick Donordigital, Untours, Seventh Generation, BetterWorld Technology, BBMG, King Arthur Baking Company, and Uncommon Goods. Over the years, the B Lab has also been developing a model legislation with rigorous standards of social and environmental performance, accountability, and transparency. This enables companies to adapt their legal structure and join the B Corp movement in the pursuit of social and environmental goals.

While the B Corp movement started in the United States, it was never intended to remain an American phenomenon (Honeyman and Jana, 2019). To date, there are more than 3,500 B Corps in 70 countries and 150 industries, over 8,000 benefit corporations, and more than 100,000 companies that manage their impact with B Lab's tools: the B Impact Assessment and the SDG Action Manager (B Lab, 2021a). The majority of B Corps are Small Medium Enterprises. Moreover, the markets where the certification seems to be more attractive are the United States and Europe, since they represent the markets with the higher percentage of B Corps. The predominant industry category is the Business Products and Services, and within this group, most firms are in the IT Software & Services, Management & Financial Consulting, and Marketing and Communication Services (data.world, 2021).

2.4 The B Lab Certification Process

B Lab certifies companies based on their value creation for all their stakeholders, such as their employees, the local communities, and the environment, and accredits them in the areas in which they

¹ The Triple Bottom Line framework is used as a framework for measuring, assessing, and reporting organizational performance in relation to sustainability, whilst encouraging companies to become socially and environmentally responsible in the long-term. This differs from traditional reporting frameworks as it incorporates three dimensions of performance: social, environmental, and financial (Elkington, 2004; Potts, 2004; Gutowski, 2013).

excel. As stated by Wilburn and Wilburn (2015), the B Corp framework help businesses to better survive new management, new investors or new ownership with its mission intact, and reduce liability for directors and officers who will include the social mission when considering financial decisions. Furthermore, becoming a B Corp is not just about getting a certification, it is also about committing to improve business practices and increasing positive impact. Firms applying for the certification must meet a specific performance score, and if this does not happen, they must make amendments to their corporate bylaws to incorporate the interests of all the stakeholders into their decision-making and become eligible. Therefore, these companies follow a significantly different governance philosophy than a traditional shareholder-centered corporation. According to Diez-Busto, Sanchez-Ruiz, and Fernandez-Laviada (2021) the steps that a firm must meet in order to become certified, can be divided into the three following requirements:

(1) To meet performance standards:

First, the company completes the B Impact Assessment (or BIA) that identifies the overall impact of the company on all its stakeholders (employees, community, environment, and clients) by assessing the interaction of the company with five areas: Governance, Workers, Community, Environment, and Customers, during the previous fiscal year. This tool can be assessed through an online, free, and confidential platform. For B Lab to review the firm assessment and consider it for certification, a one-time non-refundable \$150 Submission Fee is required at the time of the submission. B Lab verify the score and then meets virtually with company to review the assessment, asking for supporting documentation that validates the company responses. The weight of the evaluation questions varies by company and depends on the size, industry, and geographic location. Furthermore, to be eligible, a company must score 80 or more points out of 200 on the BIA, and once this step is achieved, the company then agrees to meet the expectations of a Certified B Corp.

(2) To comply with legal requirements:

The firm is not required to proceed immediately with statutory changes, however, after the certification, it has one year to incorporate the values of the company into its legal DNA, and to obtain legal protection and permission to consider all the stakeholders into its decision-making and governance structure or corporate charter.

(3) To sign the Declaration of Interdependence, the B Lab term sheet and to pay for the annual certification fee:

To finalize the certification, the firm signs the B Corp Declaration of Interdependence and the B Corp Agreement, and pays for the annual fee, which is comprehended between \$1,000 and \$500,000 depending on the firms' annual sales (see [Annex 1](#)). This amount varies in line with the

company's turnover and with the region in which the company is located. Except for a company with sales higher than \$1 billion, in this case, the firm will pay an annual certification fee based on the size and complexity of its business.

Besides these requirements, companies operating on the market for less than 12 months, are not legible for certification. In these cases, they perform the BIA based on estimations and use the tools provided by B Lab to understand how they should proceed with their legal structure to become a B Corp. These companies are called the Pending B Corps, and only after the 12 months of activity, they go through the entire process of the B Corp certification. Moreover, a submission fee also came into effect from 15th April 2021, this means that companies who first submitted their BIA for validation after 14 April had to pay a fee of \$250. The B Corp certification process takes anywhere from 6 to 10 months, the length of the certification process varies in line with a company's size and complexity, and the stamp is valid for 3 years. To recertify, companies must repeat the whole certification process. Of the total, 10 percent of B Corps are randomly selected each year for an audit, on-site or online.

2.5 The B Impact Assessment

The B Impact Assessment is a B Lab's free, comprehensive, and industry-specific tool that measures the social and environmental performance of the entire company on a scale of zero to 200 points. It enables the firm to compare its impact with peers across industries, geographies, and business sizes, and provide practical and easy to use tools to help businesses improve their performance over time since it can be considered as being an action plan that forces B Corps to continually re-assess their operations (Stubbs, 2017). The assessment measures companies' operational impact, which can be translated into day-to-day impacts of running the business, and the impact of the firm's business model, this means, whether the intentional design of the company creates specific positive outcomes for one or more stakeholders. The assessment is also tailored to five market sectors (service, agriculture/growers, manufacturing, wholesale/retail, and microfinance institution), five company sizes (1-9, 10-49, 50-249, 250-999 and >1,000), and to specific countries (Wilburn and Wilburn, 2015). The total score is allocated into five impact areas: Governance, Workers, Community, Environment, and Customers, and consequently, highlights both strengths and weaknesses of firms, enabling them to identify room for improvement. Nevertheless, as mentioned before, companies need to achieve a minimum total score of 80 out of 200 points to be eligible for B Corp certification, which means that they need to create positive impacts in more than one area to be certified as a B Corp, since each impact area weights approximately 40 points.

2.6 Motivations, Benefits and Challenges in a B Corp Certification

In accordance to Honeyman and Jana (2019) and (B Lab, 2021a), after some research and testimonies from B Corps, the most valuable motivations and benefits behind the process of becoming

a B Corp can be clustered into the following categories: (1) being part of a global community of leaders with shared values; (2) increasing credibility and building trust; (3) attracting talent and engaging employees; (4) generating press and awareness; (5) benchmarking and improving awareness and (6) protecting a company's mission for the long term. However, there are also some potential drawbacks with the certification. According to a report developed by Yale and Patagonia (2016) the challenges to obtain or maintain the B Corp Certification can be grouped into 3 categories: (1) heightened level of scrutiny; (2) additional resource commitment and (3) potential threat to near-term shareholder profit.

2.7 The Case of Decertified B Corps

According to Cao, Gehman, and Grimes (2017), the decertification rate of B Corps between April 2014 and January 2017 was 34%, this means that 34 percent of the companies that were listed on the B Lab website in April 2014 as B Corps, did not renew their certification at its end date. However, Kim (2021) rectified this attrition rate to 23.7%, being the first author to explore all 4061 company data to date. The former study only considers companies in the United States, while the latest shows the average attrition rate over the entire history of B Corps. Even though there is a significant attrition rate, represented by a quarter of the companies that that were once B Corps, there is still little literature exploring the main reasons that lead companies to choose not to recertify. Therefore, it is interesting to explore what is behind this behaviour, how can B Lab contradict this tendency, and understand the differences between B Corps and Decertified B Corps. Studies regarding decertification have been mainly focused on unions, on the ISO 9001, and other kind of quality certifications. Martin (2020) developed four propositions behind the reasons why B Corps decide to forgo their certification, based on some studies regarding unions, such as Ahlburg and Dworkin (1984), Cooke (1983), Martin and Peterson (1987), and Delmas and Toffel (2008), and reinforced each one of them through interviews with six cases of decertification from San Francisco Bay Area:

- (1) Proposition 1.** *Poor or untested assumptions relating to the costs, benefits, or value of certification increase the risk of B Corp decertification.*
- (2) Proposition 2.** *A belief that an organization can achieve its social and/or environmental mission without B Corp certification increases the risk of decertification.*
- (3) Proposition 3.** *The loss of key advocates of certification, or a change in leadership, increases the risk of B Corp decertification.*
- (4) Proposition 4.** *The absence of procedures to overcome challenges to an organization's certified status increases the risk of B Corp decertification.*

Recent studies have attempted to understand further the main features of decertified B Corps. First, Kim (2021) observed that the risk of decertification decreases as companies go through more rounds

of certification. This implies that by the third renewal companies are more likely of implementing the B Corp certification as a routine process of their business, showing a stronger commitment to their B Corp status. Accordingly, Fox and Ilardi's (2019) research also shows that companies that complete the second renewal of the certification have a reduced risk of attrition. Moreover, this likelihood of decertification also varies by company region. Kim (2021) detected that B Corps in the United States are more likely to decertify than B Corps from other regions of the world after their first certification. Second, decertified B Corps were found to be smaller than surviving B Corps (Cao, Gehman and Grimes, 2017; Fox and Ilardi, 2019; Kim, 2021). Kim (2021) defines the enterprises' size concerning the number of employees, noticing that more than half of the decertified companies had less than 10 employees, and more than 80% had less than 50 employees. Fox and Ilardi (2019) perform this analysis considering the companies' revenues and conclude that attrition is higher among companies with revenues lower than \$2 million while there is no attrition for companies with revenues over \$75 million. Therefore, there is a higher percentage of smaller companies decertifying than larger companies, and this might be due to resource availability and B Lab legal requirements since they can become challenges for smaller and younger firms. Third, the B Impact assessment was also compared between certified and decertified B Corps. Both Kim (2021) and Cao, Gehman, and Grimes (2017) did not find a meaningful difference between the two groups. However, the former study found that the currently certified companies had a slightly higher overall BIA score, while the second one observed an average of the BIA score for the surviving B Corps of 101.96 and 102.35 for the lapsed ones. Therefore, one cannot conclude about the influence of the sustainability score on the decision to decertify. Finally, Cao, Gehman, and Grimes (2017) detected that the average sales for the surviving B Corps were \$3.9 million whilst the average sales for the decertified B Corps were \$1.4 million. Although the financial performance of lapsed B Corps has received very little attention, one can conclude from this study that the underlined decertified B Corps had a lower average of sales. Concluding, the decertified B Corps can be distinguished from the currently B Corps for being smaller enterprises and having lower sales. Moreover, B Corps will be more likely to decertify after the first certification, and this tendency may vary in line with the region in which the company is established.

CHAPTER 3: Research Methodology

The research variables under analysis are the motivations to become a B Corp, the certification challenges and drawbacks, and the reasons to decertify found in the literature review. These variables were then adjusted to the present research focused on Portugal and helped design the survey and the interviews. [Table 1](#) offers an overview of the variables that shaped the research methodology.

Table 1 - Research Methodology Variables

Variables under study	Variables Dimensions	Reference authors
Motivations to become a B Corp	Being part of a global community of leaders with shared values	Honeyman and Jana (2019); B Lab (2021)
	Increasing the perceived credibility and trust in the company	Honeyman and Jana (2019); B Lab (2021); Paelman, Van Cauwenberge and Vander Bauwhede (2021); Cone Communications (2017); Butler, (2018); Townsend (2018)
	Attracting talent and engaging employees	Honeyman and Jana (2019); B Lab (2021); Cone Communications (2017); Chen and Kelly (2015)
	Generating press and awareness	Honeyman and Jana (2019); B Lab (2021); Wilburn and Wilburn (2015)
	Benchmarking and improving performance	Honeyman and Jana (2019); B Lab (2021)
	Protecting a company's mission for the long term	Honeyman and Jana (2019); B Lab (2021); Stubbs (2017)
	Attracting customers	Honeyman (2014); Jin (2018); Bianchi, Reyes and Devenin (2020)
	Attracting investment and business development opportunities	Honeyman (2014); Villela, Bulgacov and Morgan (2021)
	Positive impact on the company's image through the promotion of its B Corp certification	Honeyman (2014); Jin (2018); Bianchi, Reyes and Devenin (2020)
B Corp Certification Challenges	Heightened level of inspections/audits	Yale and Patagonia (2017); Roberts (2015); King and McDonnell (2012)
	Additional Resource Commitment	Yale and Patagonia (2017)
	Threat to Shareholders' Profits	Yale and Patagonia (2017)
B Corp Decertification Motives	Benefits overestimation and costs underestimation	Martin (2020); Ahlburg and Dworkin (1984); Chafetz and Fraser (1979)

	Capacity of achieving a social and environmental mission without certification	Martin (2020); Martin and Peterson (1987); Delmas and Toffel (2008)
	The B Corp Certification advocates in your company left	Martin (2020); Anderson, Busman, and O'Reilly (1982); Cooke (1983); Behrendt, Matz, and Göritz (2017)
	Absence of procedures to overcome the challenges imposed by the B Corp Certification	Martin (2020)

Source: Author (2021)

3.1 Research Methodological Approach

The research adopted was a mixed-method approach. According to Webster (2007), the mixed-method approach combines quantitative and qualitative research approaches in a single research study and enables researchers to test and build theories. Therefore, it was considered the most relevant method for the current research, since the quantitative method (survey) enables the identification of the reasons behind B Corp Certification and decertification in a more general way, while testing the variables under study, and the qualitative method (semi-structured interviews) allows a broader and more detailed understanding of the companies' perception regarding the certification and what leads some to renew their certification while others not. Also, both research methods were developed based on the findings studied during the literature review.

3.2 Data Collection Methods and Research Tools

An e-mail was first sent to the 22 certified and decertified Portuguese B Corps, inviting them to collaborate with the research by answering a survey and participating in an interview. Additional contacts were also done by phone calls. The survey was developed through an online platform, Google Forms, and the corresponding link was shared with the companies between the 15th of November and 3rd December 2021. The survey included a brief introduction on its purpose and six groups of questions for the certified B Corps and seven groups of questions for the decertified B Corps (see [Annex 2](#) for a sample of the survey). Most questions were multiple choice, and the 5-Point Likert Scale was also used to conclude about levels of satisfaction, importance, and agreement on particular issues. Some questions were also dichotomous (yes or no questions) with the aim of having a clear distinction of the respondents' qualities, experiences, and opinions. Questions were compulsory and the survey required approximately 8 to 12 minutes to be completed. The type of interview that was later chosen for this research was the semi-structured interview due to its flexible component. Most questions were developed as guidelines, and some questions were not planned.

Three different types of scripts were developed: one for the decertified B Corps, one for the current certified B Corps, and a last one aimed exclusively at the Country Partner of B Lab in Portugal, Luís Amado (see [Annex 3](#) for the three different interview scripts). The interviews with the certified and decertified B Corps took place between the 17th November and the 16th December 2021 while the interview with Luís Amado took place on the 15th of February 2022.

3.3 Responses

Eleven (11) companies answered the survey shared with the B Corp Community in Portugal (both certified and lapsed), meaning around 50% of the whole local community participated in the research. From the collected data eight companies are certified and three are decertified, which means that the survey could reach 53% of the certified companies and 43% of the decertified B Corps, in Portugal. Eleven (11) companies were available to participate in the interviews according to the established deadlines, meaning that this research method also reached 50% of the target population. Two of the interviews were conducted face-to-face and the remaining online, via Teams and Zoom, between 17 November and 16 December 2021. Moreover, the interviews had an average time of 50 minutes, with the shortest being of 23 minutes and the longest of 1 hour and 48 minutes. The study could reach 7 B Corps, and 4 decertified B Corps, thence approximately 47% of the B Corps and 57% of the decertified companies in Portugal participated in the interviews.

CHAPTER 4: B Corps in Portugal

According to B Lab Portugal (2021), the B Corp Movement started in Portugal in 2015 through the IES – Social Business School². The B Community in Portugal is already composed of more than 71 entities³ who regularly meet and interact to brainstorm and learn from each other and understand how together they can contribute significantly to a better world. B Lab Portugal is run by the country partner, Luís Amado, since 2017 who reports to the B Lab Europe in Amsterdam, Netherlands. There is still no institutional and legal structure for the organization in Portugal. The organization is focused on promoting the B Corp movement and its tools, and on sharing what they learn with the rest of the global community, so in addition to being present in the digital media, they have been participating at events, and appearing in magazines and on television. The B Corp Movement in Portugal has also been collaborating with programs of creation and acceleration of new business, and with the leading business schools through training sessions, workshops, classes, and seminars, to make the movement, its members, and tools known. According to Luís Amado (2022),

² IES-Social Business School is the first Business School focused on social innovation aims to inspire and empower impact makers, to solve neglected and important social problems through scalable, innovative and sustainable solutions, regardless of their organizational structure (IES, 2019)

³ According to the Country Partner (Amado, 2022) these 71 entities which constitute the B Lab in Portugal are all the Portuguese certified B Corps plus the international B Corps that are present in Portugal.

the B Corp movement in Portugal has been growing organically. “(...) In terms of typology, it has been a very interesting growth in the sense that it has included companies in the most diverse areas and of very diverse sizes, from companies with EUR 75 M and EUR 80 M to companies with EUR 100 K in annual turnover, and then we also have service, consulting, wine, pharmaceutical, and tourism companies and law firms. (...)” he mentioned. However, as the movement has been growing and the B Lab does not have an institutional presence in Portugal that allows the Country Partner to raise funds and build a team, it is becoming hard for the responsible of the movement to manage and respond to everything on his own.

For companies in Portugal, to become certified and be part of the B Corp Community they must meet some legal requirements, namely, to proceed with statutory changes. Moreover, the candidates must ensure the incorporation of sustainability in their DNA as they grow and raise external capital, to ensure the alignment between their mission and new management, investors, or ownership (*B Lab*, 2021). There are currently 15 Portuguese companies with B Corp certification, characterized by different areas of activity and size. The predominant industries are Consumer (4) and Business Products & Services (4), the prevailing economic activity area is consulting and management⁴ (3) and the enterprises’ size that predominate is the Small Medium Enterprises’⁵ size (11). This means, that the characterization of Portuguese B Corps is in line with the international characterization of certified B Corps. The average of the B Impact Assessment score for the current Portuguese certified firms is 88.4. The majority of Portuguese B Corps (10) is located in the Lisbon area, Portugal (*B Lab*, 2021) (see [Table 2](#) for a list of the B Corps in Portugal).

As stated by Luís Amado (2022), the engine for the growth of the movement are the will to be better, the impact that together B Corps may create, and the shared know-how between B Corps regarding management or impact practices, such as “how do I promote diversity within my company?” or “How should I be dealing with my suppliers to make sure that I have things the way I think they should be?”. Portuguese B Corps meet online every month, and in person when possible, and it is on these meetings where they share ideas, create things together, and make the movement grow, since there are many people who see this happening and start feeling the “fear of missing out”. Moreover, the Country Partner feels that there is still a long way to go, and that there are more and more Portuguese companies interested in the certification, especially those who sell to Nordic

⁴ During the interview (Amado, 2022), the Country Partner explained that consulting companies usually show a greater interest for the certification than other companies due to the core of their business. Consulting companies are more exposed to the B Impact Assessment tool and recognize the importance of the B Corp Certification as they develop projects in which they try to understand how to maximize the positive impact of their clients.

⁵ The predominance of SMEs in the B Corp world in Portugal is in line with the country’s business constitution, as in 2018 SMEs accounted for 99.9% of companies nationwide (Lusa, 2020).

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countries, where there is such a mentality, focus and education for the concern for a better, more integrated, and interconnected world. Nonetheless, the potential growth of the movement in Portugal will only be perceived in the long-term as the result of this success takes a while to be seen as a process based on “lengthy sales”. The companies that are going through the certification process may withdraw before even being certified, since they can realize that they already know how to be better, measure their impacts, and benchmark without paying the fee, and others, later withdraw from certification. However, Luís Amado (2022) also states that on the day that every company in the world is a B Corp, even without the certification, then B Lab work is done. B Lab’s main objective is to create the change and drive companies to join the movement, not to have the maximum number of certified companies.

Table 2 - List of Certified B Corps in Portugal

Company Name	Economic Activity	Company Size	Location	Certification Year	B Impact Assessment Score
Abreu Advogados	Law	250-999	Lisbon	2015	81.1
Agri Marketplace	Agriculture	1-9	Setubal	2021	81.5
Bright Concept	Management and Consulting	1-9	Lisbon	2016	86.6
Code For All	Computer Science and Bootcamps	10-49	Porto	2018	107.1
Critical Software	Information Systems and Software	250-999	Coimbra	2021	93.2
Fair Bazaar	Retail, Fashion, Beauty, and home decor	1-9	Lisbon	2019	80.8
Go Parity	Impact Investing Platform	10-49	Lisbon	2021	84.3
Grosvenor Investments	Real State	1-9	Lisbon	2021	99.6
Hovione	Pharma Industry	1000+	Lisbon	2017	84.7
Maze	Impact Investment Accelerator	10-49	Lisbon	2021	84.5
PhytoDerm	Pharma Industry	10-49	Lisbon	2020	86.0

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Sair da Casca	Management and Consulting	10-49	Lisbon	2019	81.8
Social Impactrip, Lda	Responsible and Sustainable Tourism	10-49	Cartaxo	2019	86.8
Stone Soup Consulting	Management and Consulting	10-49	Lisbon	2016	99.8
Symington Family Estates	Agriculture	250-999	Vila Nova de Gaia	2019	84.0

Source: Author (2021) based on (B Lab, 2021c; data.world, 2021)

4.1 Study Results: An Overview on certified Portuguese B Corps

The analysis presented on this chapter is based on the survey results, however, when relevant, these results will be complemented with the information gathered during the interviews.

Companies' characterization

Regarding the characterization of the certified B Corps that answer the survey, three of them are micro (with the number of employees comprehended between 1 and 9 employees, and with an annual turnover of up to 2 million euros), four of them are small (with the number of employees comprehended between 10 and 49 employees, and with an annual turnover of up to 10 million euros), and the remaining B Corp is large in size (with more than 50 employees and 49 and with an annual turnover higher than 50 millions of euros). The predominant economic activity sector is consulting (3), and the average age of employees between 25 and 44 years old prevails (5).

B Lab Certification Process and the B Impact Assessment

In the matter of the B Corp Certification process, there is only one company in which the employees were responsible for bringing the certification to the company, the remaining B Corps had as the certification advocates CEO/Top Management people. Moreover, the Board and the Management Top Level stood out as the groups within the companies with the greatest responsibility regarding the B Corp certification attainment. This means that the certification decision inside the companies follows a top-down approach. However, the other groups were always mentioned as responsible, therefore, the certification responsibility is distributed among the different levels of management inside B Corps. The employees were considered the stakeholders with the highest level of influence concerning the certification decision, while competitors and clients were designated the stakeholders with the lowest level of influence on this decision. In general, the participants claimed that the certification enables awareness of the needs of their key stakeholders such as their clients, competitors, suppliers, employees, and investors, and a response to those needs. Overall, B Corps consider the certification an important way to identify the interests and expectations of each group of

stakeholders. The overall satisfaction with the certification process seems to be very positive. On a 5 Likert Scale how likely were they to recommend the B Corp Certification, the answers varied between 3 and 5, with only one company responding 3 and the most common answer 5.

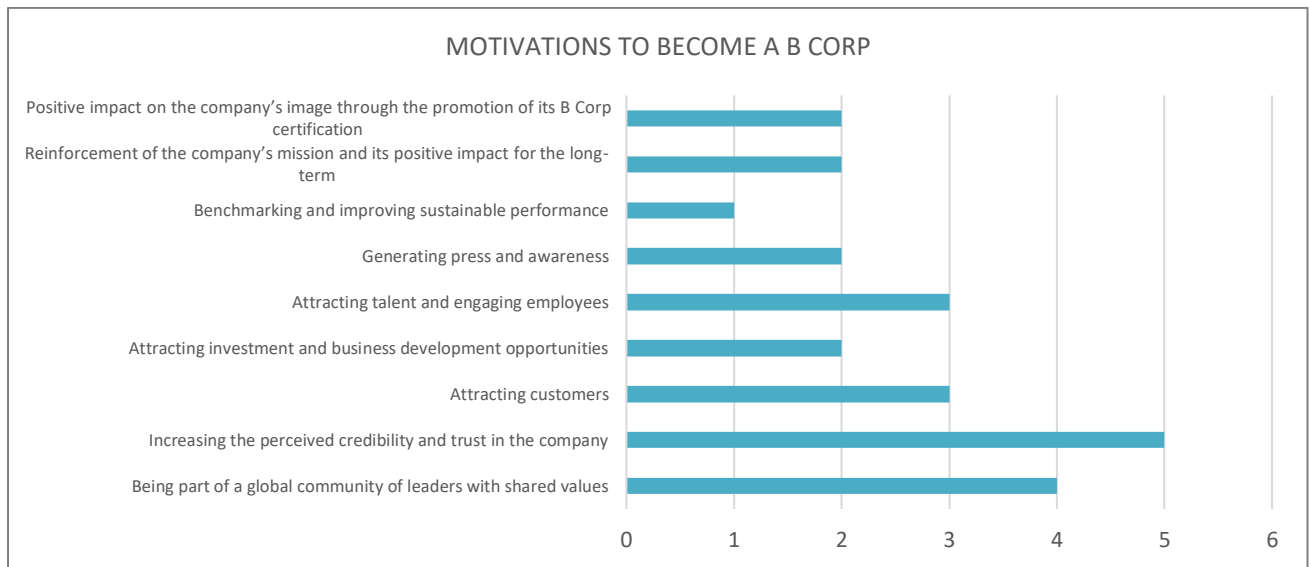
The certification process steps that B Corps showed the greatest disappointment with was the B Impact Assessment (3/8), and the waiting time between the B Impact Assessment and the certification attainment (3/8). Most of them are very satisfied with the access to the certification and the available information on it (5/8). The stages of the certification process to which the companies showed the more neutrality to are the B Lab support after certification (4/8), the B Lab audits (4/8), and the certification costs (6/8). Additionally, in order to complete the certification requirements, two companies had to change their mission: one had to integrate the community on its mission and the other one had to introduce a clear message regarding the positive impact that it creates on the regions that it works.

To better understand the B Corps experience with the B Impact Assessment and the five impact areas that it evaluates, the participants were asked to name the impact areas that they had to improve to obtain the certification. From the eight certified B Corps that participated in the survey, five of them changed their impact areas. For example, two of them modified all their impact areas (Governance, Workers, Community, Environment, and Customers). Most of these companies (5) completed their first certification between 2019 and 2021, which means that they are on their first round of certification and all of them intend to recertify. The remaining companies (3) did 2 rounds of certification and also pretend to recertify. Therefore, none of the certified companies showed an unwillingness to continue with their B Corp certification. This is consistent with the B Corps' overall level of satisfaction, since all of them stated that they were satisfied with their B Corp certification except for one who responded that its overall satisfaction with the B Corp Certification is neutral.

B Corps Motivations

When it comes to the companies' motivations to become a B Corp, the most common motivations were “*Increasing the perceived credibility and trust in the company*” (5), “*Being part of a global community of leaders with shared values*” (4), “*Attracting customers*” (3), and “*Attracting talent and engaging employees*” (3) (see Figure 1).

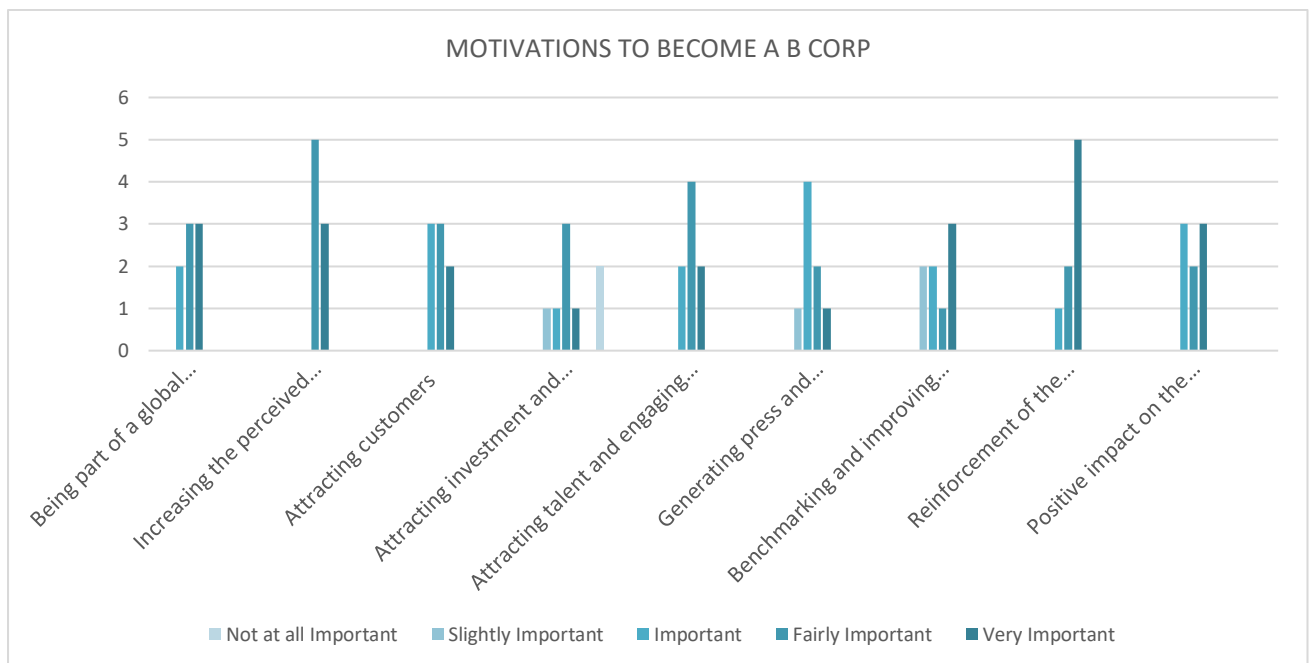
Figure 1 - Portuguese B Corps Motivations to become B Corps



Source: Author (2021)

Moreover, when they were asked to attribute the level of importance of each motivation (see Figure 2), every motivation was considered important overall. However, the motivation that showed a lower level of importance, in general, was “*Attracting investment and business development opportunities*”. As mentioned during some interviews, in Portugal, the B Corp Certification is still very little known in the business market, thereby, local investors may not be as well attracted by the certification as they are in the United States, for example.

Figure 2 - Level of Importance that B Corps Give to Each of the Motivations



Source: Author (2021)

During the interviews, the most varied answers were given regarding the companies' motivations to certify, and some of these were not aligned with the motivations studied previously. Some companies mentioned that they saw the certification as a way to improve their strategies, their positive impact, and performance. Pressure from the outside and employees was also named as the first motivation to apply for the certification. Finally, the certification was also considered as a path to promote the good for both society and the environment, and as a gear for disruptive change. Therefore, it was possible to collect motivations that have not been found on the literature review: (1) *Way to promote the company's internal change*; (2) *Pressure and encouragement from stakeholders*; (3) *B Corp Certification as a driver for disruptive change*. One of the interviewees added "(...) if we want to be leaders and really want to make a difference and continue with high standards of environmental and social performance, we have to go for benchmarks that are challenging such as the B Corp Certification (...)".

The Country Partner of B Lab in Portugal agrees with the survey and the interviews result pointing out that the main motivations behind the B Corps decision to join the movement are the sense of belonging to a movement that wants to change the world for the better and the sharing of knowledge, ideas, know-how and methods of running business in an innovative, impact-driven way. Furthermore, the interviewee also mentions the value that the association to the B Corp movement brings to the companies' brands, and the attraction of talent and investors who are aligned with the companies' values "(...) That is, I will be able to attract investors which will let me do what I think I have to do, instead of be constantly thinking about a profit at all costs that doesn't allow me to do what I think is right. (...)" (Amado, 2022).

B Corps Benefits

Concerning the B Corp Certification outcomes, the B Corps were asked to specify which benefits they could directly attribute to the certification, the most voted benefits were "*Company positive image*" (8), "*Differentiation from competition*" (6/8), and "*Attracting clients and employees' retention*" (5/8). The benefit "*Social and environmental positive impact*" received 4 out of the 8 votes. If these companies are driving a shift from shareholder primacy to stakeholder capitalism, this result is somewhat contradictory. However, it may happen since many companies claimed that they were already focused on sustainability initiatives, and therefore, do not feel a very noticeable change in the impact they create. Moreover, half of the companies (4) expressed that they can associate the certification with some extrinsic benefits, such as being a strong positive influence throughout the business world, increasing environmental awareness and responsibility, and creating a positive contribution to the LGBTQ+ community.

During the conversations with each of the companies, benefits not previously studied were also mentioned, such as the B Impact Assessment as a tool to organize and gather all the company's information, the help of certification in gaining visibility and focus on international markets, and an internal change in the company. Therefore, it was possible to find benefits that have not been found on the literature review: (1) *B Impact Assessment as a tool to organize the company*; (2) *Way to gain visibility and focus on international markets*; (3) *Verified internal change in the company*. The interviewee who mentioned the internal change in the company, also explained “(...) there was an internal education and people internally actually got engaged, aware, and positively motivated to contribute to a higher performance, which had never happened with any other certification of the company since this one integrates everyone, inside and outside the company (...)”.

On Luís Amado's (2022) opinion and experience, B Corps are more resilient and prepared for times of crisis as they know how to address many of the issues that are relevant to the balance of the company, resulting in a lower risk of losing their business. Furthermore, he states that to be part of the movement means to be in contact with the most varied type of companies, with different operational models, sizes, structures, and from different industries. Since these companies are all focused on the same goal, yet they think about it and act towards it differently, this allows B Corps to be constantly learning and exchanging ideas and good practices, both at the business level and on the promotion of change at the social and environmental levels. The B Corp status also gives companies an external validation and stage, which enables an easier and meaningful communication with the employees, consumers, investors, and other stakeholders. Lastly, Luís also mentions that some companies that obtained the certification before being listed on the stock exchange, were able to get higher share prices than what they were expecting.

B Corps Challenges

To understand if the B Certified Corporations also struggle with some obstacle regarding the certification, they were requested to select one disadvantage regarding their B Corp status, the majority of the companies (6/8) mentioned “*Additional Resource Commitment*”. The additional resource commitment refers to the people and time allocated to the information and documentation gathering and analysis, the organization of the companies' processes during and after the B Impact Assessment, and the additional bureaucracy that the certification demands. However, all companies also stated that if the certification process and requirements were not as demanding, the certification would no longer be synonymous with rigor and excellence.

Nonetheless, when asked about the challenges and drawbacks of the certification in an open question during the interviews, new drawbacks were mentioned such as the B Impact Assessment requirements and focus on the US market, the lack of the B Corp certification recognition on the

Portuguese market, and the lack of support from B Lab to help companies overcome the requirements imposed by the certification. Concluding, the interviews helped to collect new results that the survey could not: *(1) Certification's US-Centrism; (2) Lack of recognition in the US-market; (3) Lack of support from B Lab to overcome the challenges that the certification imposes.*

In accordance with the information collected during the interview with the head of B Lab Portugal (Amado, 2022), the Country Partner recognizes that the certification process and the B Impact Assessment are both demanding and imply expensive resources such as people, time, and money. Regarding the time and the people that the certification process requires, the partner states that it is the rigor and demand that makes the B Corp Certification synonymous with excellence, transparency, and accuracy. It is a process that encompasses and evaluates all of the companies' areas, therefore, it is reasonable to be a long and time-consuming process. If companies were quick to do this process, and did not find it laborious, it would mean that something was not being well measured or objectified. Moreover, the Country Partner adds that the B Impact Assessment is increasingly exigent since there is a need to convincingly show that companies are really creating a positive impact. Thus, regardless of the core of the company's business and beyond the way the company treats its employees or how it is managed, it is necessary to measure other metrics such as the percentage of revenues that is donated to institutions, for example. This kind of detail and metrics that are considered in the B Impact Assessment is what makes companies understand whether they really want to be part of the movement, if they are aligned with its values, and is also what makes them realize which path they should follow to be better. The interviewee also agrees that it is unfair to summarize companies to their scores on the BIA as there are companies to which is easier to get a higher punctuation. For example, companies with production lines or with raw materials extraction can do much more to the way they produce than a consulting company can do about its services, since the results of the former are more tangible or visible. Therefore, it is natural that some companies feel that their progression and evolution towards their goal of being better to the world is sometimes not translated into their BIA results. The head of the movement acknowledges the fact that the B Corp certification is extremely US-Centric and claims this issue to be an internal struggle for B Lab and a topic discussed with some regularity in B Lab's internal meetings, as this is a common feeling among B Corps in various European countries. Therefore, everyone feels the need to adapt and to change that US-centric focus. However, Luís testifies, and all the interviewed companies agree, that the B Impact Assessment allows homogeneity in the measurement of the impact that is created by these firms, since the same indicators are used and adapted to the location and structure of the company. Therefore, companies know perfectly where they stand in relation to what they want to achieve. The B Impact Assessment allows them to compare their performance with companies with a similar

structure or in the same industry, and to know where there is room for improvement. Additionally, B Lab publishes an annual report, in which it shows how the B Corps are positively contributing to the society and the environment, through their initiatives and practices that were measured on the B Impact Assessment. Some examples of the measures metrics and their results are the quantities of CO₂ emissions that B Corps could reduce, the decrease of water usage by these companies, the number of jobs created, and the type of wages B Corps pay to their employees.

When it comes to the lack of recognition of the movement in Portugal when compared to other countries like the U.S and Italy, Luís Amado (2022) explains this derives from the newness of the movement in Portugal. In other countries, the movement has been happening for a longer time. In Italy, for example, they have a legal format called *Società Benefit* that ends up being associated with the Benefit Corporations⁶, which increases the movement visibility. Furthermore, there are other variables that enable the growth of the movement on a national level, such as the market and the companies' dimensions, and the maturity, awareness, and concern regarding social and environmental matters. This kind of thinking and initiatives is still very recent in Portugal, and the corporate world is mostly composed of SMEs, therefore, growing the movement locally has nothing to do with growing the movement in South America, in the U.S, or even in other European countries like Italy or Germany.

Concerning the lack of support from B Lab, during the interview, the Country Partner (Amado, 2022) clarifies that his role as a Country Partner in Portugal is to promote the movement, attract companies and support these during their certification processes, i.e., when companies do not understand a certain question, or do not know how to act in front of a difficulty which is important to complete the B Impact Assessment. The B Lab's role is to validate the companies' assessments and check with them if their mission, organizational structure, and practices are in line with what a B Corp is. This means, B Lab validates if companies are doing or can do what they say they can do. Between the B Impact Assessment and the achievement of certification, B Lab, as a third, independent, and credible party, cannot interfere in this process. Therefore, in order to meet the needs of companies and support them in their process of change and improvement, B Lab has created an ecosystem of consultants, who are not part of the organization and can help companies work on the areas they have to improve or simply want to work on, the B Leaders. Moreover, B Lab has also created the B Corp way, which is made up of several B Corporations that can help in various parts of

⁶ The Benefit Corporation is a type of legal structure for business that fulfills the legal accountability requirement of the B Corp Certification. It arose from the B Corp movement as a form of providing companies with legal protection, recognizing their commitment in creating a positive impact besides the company's profit. Therefore, the entrepreneurs no longer must be preoccupied with diluting the firm's original mission while raising capital, growing, and selling their business, as their focus on the social and environmental level is protected.

their improvement areas. Nonetheless, the interviewee highlights the importance of companies to be part of the certification process, in order to really understand what the movement is about and to keep track of the transformation that the company is going through. The Country Partner further states that in the initial phase of the movement in Portugal, it was possible to give some informal assistance to the companies, nonetheless, nowadays, with the amount of work he has gained due to the growth of the movement, it is impossible to focus on the needs of each company “(...) B Lab cannot be oriented to each company, the community has to be oriented to what exists. (...)” he states. Thence, B Lab helps companies to find resources to help in the certification process as it cannot intervene in the process of validating informally the information. Otherwise, the organization itself would be compromising its transparency and accountability which comes from its independence.

CHAPTER 5: The Case of Decertified/Lapsed B Corps in Portugal

This last section provides the framework to look into reasons moving formerly Portuguese B Corp to decertify. The % of companies that did not renew their certification in Portugal and became so-called lapsed B Corps is of around 32 percent, this means that from all 22 companies that have already been certified, 7 chose to forgo their B Corp status (see [Table 3](#)). The predominant economic activity in this group of decertified B Corps is management and consulting, and all of them are small enterprises with the number of employees comprehended between 1 to 9. Moreover, most of them just had one certification cycle (*data.world*, 2021). Therefore, one can conclude that this group seems to follow the global pattern of decertified B Corps. Firstly, most of them just had one round of certification which means that the risk of decertification was higher since they did not have the time to develop the commitment for the B Corp Certification as defended by Kim (2021) and Fox and Ilardi (2019). Secondly, these lapsed B Corps are all small enterprises, meaning that they might have a lower ability to deal with B Lab requirements than larger companies, due to low resources availability as described by Kim (2021), Cao, Gehman, and Grimes (2017), and Fox and Ilardi (2019). Lastly, all of them had a BIA score above 80 points, thence, their decertification cannot be explained by the lack of sustainability performance.

Table 3 - List of Decertified B Corps in Portugal

Company Name	Economic Activity	Company Size	Location	Certification Year	B Impact Assessment Score
BeeSweet	Bio Honey Production and Bees' Protection	1-9	Aveiro	2016	80.8

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BioRumo	Renewable Energy Generation & Installation	1-9	Porto	2017	96.3
Boa Energia	Photovoltaic Pumping Systems	1-9	Porto	2015	90
ColorADD	Color identification system for the colour-blind	1-9	Porto	2015	84.6
Logframe	Nonprofit Consulting & Fundraising	1-9	Lisbon	No available data	102.6
Sector 3	Management and Financial Consulting	1-9	Lisbon	No available data	87.5
The Manipedi	Luxurious Spa & Personal Care	1-9	Lisbon	2018	102.9

Source: Author (2021) based on (B Lab, 2021; data.world, 2021)

5.1 Study Results: An Overview on decertified Portuguese B Corps

The analysis presented on this chapter is based on the survey results, however, when relevant, these results will be complemented with the information gathered during the interviews.

Companies' characterization

The three decertified companies that replied to the survey are all micro-companies (with the number of employees comprehended between 1 and 9 employees, and with an annual turnover of up to 2 million euros). Only one of the decertified companies chose to answer the question regarding their annual average sales, which is 1 million euros. One company is from the agriculture, livestock production, hunting, forestry, and fishing economic sector, one firm operates in the area of renewable energies and energetic efficiencies with photovoltaic systems, and the other firm designs services to promote inclusion in cross sectors and education/schools. The employees' average age that prevails on this sample is between 45 and 54 years old (2), and the other firm has an employees' average age comprehended between 25 and 44 years old.

B Lab Certification Process and the B Impact Assessment

Two of these companies had their CEO/Top Management as the responsible for bringing the certification into the company. While the other was invited by B Lab Portugal to participate in this

movement. Regarding the last, as soon as it was contacted, the information concerning this new idea and interest was shared with the employees and the investors in order to discuss it and make a joint decision. However, within all the inquired decertified companies the Board and the Management Top Level were the groups with the greatest responsibility regarding the attainment of the certification, therefore, the decertified companies also followed a top-down approach concerning the certification decision. Moreover, the employees and the investors were considered by the majority (2) the stakeholders with the higher influence on the certification.

It is also hard to determine a specific pattern regarding the relationship between the certification and the companies' stakeholders for the decertified B Corps since the answers of the participants varied widely from one another. However, two companies agreed that the certification process enables awareness of the employees' needs and the company's response to those needs. All of them considered the certification important on the identification of the employees' interests and expectations. Moreover, the companies concerned do not feel that any of their stakeholder groups show great interest or attach great importance to the B Corp Certification.

From the sample, two of the inquired companies responded that they were dissatisfied with the B Corp Certification overall, the other responded that it was neutral to it. Regarding the certification process more specifically, the firms showed overall neutrality to each one of its stages, this means that, for them, all of the 8 parts into which the certification process was divided to the survey: intuitive process and easy to access; available information on the certification; B Impact Assessment; time waiting for the B Lab contact; waiting time between the B Impact Assessment and the certification; B Lab support during the certification; B Lab support after the certification; B Lab audits; and the certification costs; were somehow disappointing. Moreover, none of them had to change their company's mission nor improve any of their five impact areas to certify. The time spent on the certification by this sample of firms was varied. One company took less than 3 months, another one took between 4 and 6 months, and the remaining company took more than 1 year.

The reached companies performed 2 rounds of certification, two of them certified for the first time in 2015, and the other one certified between 2016 and 2018. However, one of the companies showed interest in becoming a Certified B Corp again in the future.

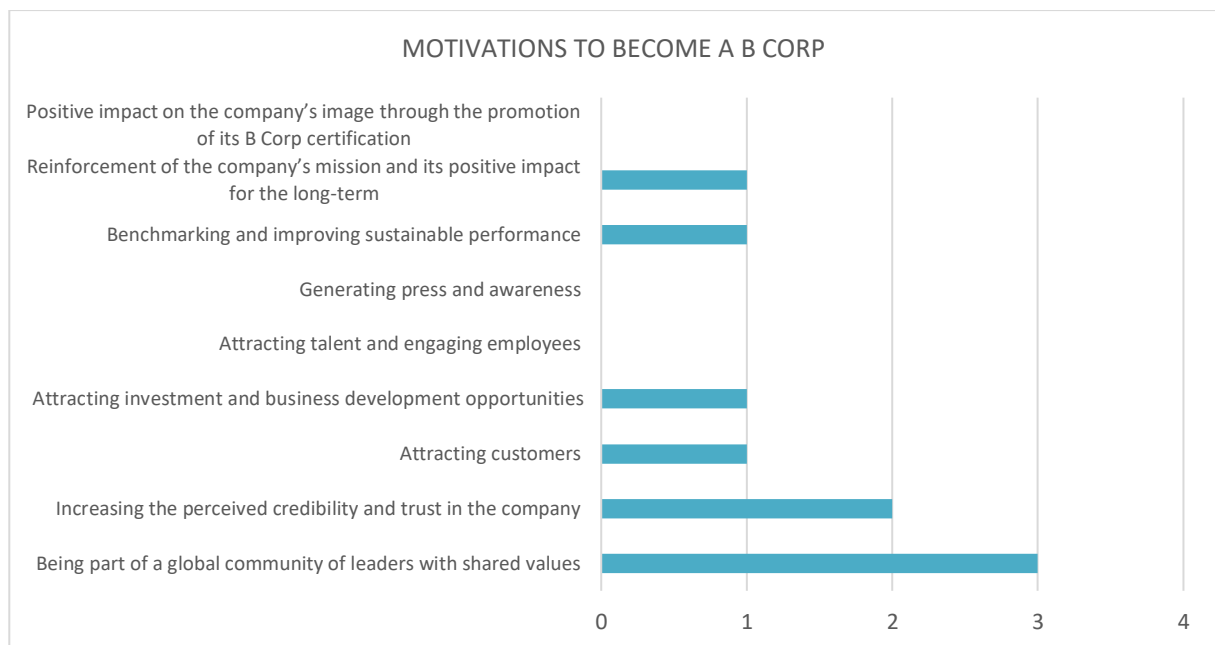
Decertified B Corps Motivations

Regarding the motivations to become a B Corp (see Figure 3), the companies were asked to select the three main reasons that led them to become a B Corp in the past. The most common answers were "*Being part of a global community of leaders with shared values*" (3/3) and "*Increasing the perceived credibility and trust in the company*" (2/3).

The B Corp Certification: The Case of the Decertified B Corps in Portugal

During the interviews, one of the companies mentioned that joining the B Corp Movement is much more than just doing the B Impact Assessment, paying for the certification fee, or just using the B Corp logo “(...) It is a synonym of building a collective voice, of inspiring the corporate world to change the way it thinks and behaves about business, to motivate people to create business based on purposeful missions and solving problems, be they social or environmental. (...)”. Additionally, it was also possible to collect new reasons for companies to certify. The CEO of one of the decertified companies mentioned the “*Recognition and curiosity for B Lab’s methodology*” as a motivation for her to sign up for the B Corp certification. While other CEO pointed out his “*Belief in the movement as a way to create awareness for the promotion of the common good*” and that “*Everything that concerns social responsibility must always come in the first place*” as his motivations to pursue the certification. Therefore, the interviews helped to gather new motivations that were not found in the literature: (1) *Recognition and curiosity for B Lab’s methodology*; (2) *Belief in the movement as a way to create awareness for the promotion of the common good*.

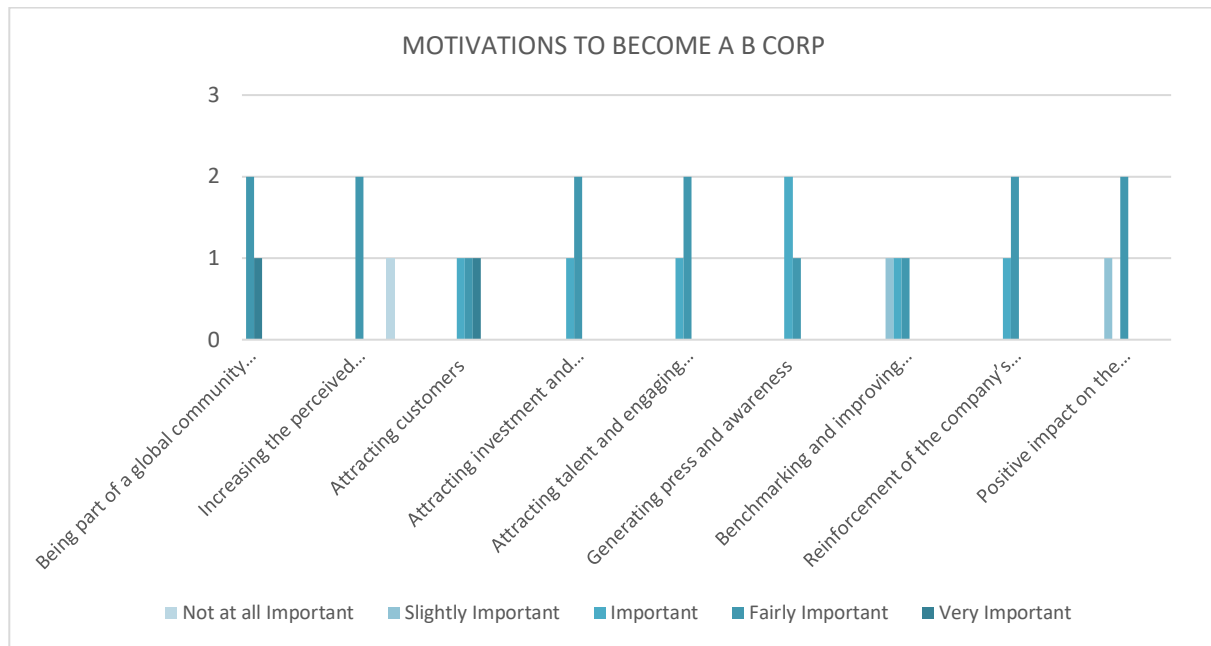
Figure 3 - Portuguese Decertified B Corps Motivations to become B Corps



Source: Author (2021)

Moreover, when inquired about the level of importance given to each motivation to become a B Corp (see Figure 4), at least two firms always considered every motivation as important. This means, that the reasons that drove the lapsed B Corps to certify on the first place, are also aligned with the studied literature and the opinion of the head of the movement in Portugal, as discussed previously.

Figure 4 - Level of Importance that Decertified B Corps Give to each Motivation



Source: Author (2021)

Decertified B Corps Benefits

To understand in more detail the benefits that the decertified companies attribute to the certification, they were also asked to attribute some positive aspects to the certification. The answers were unanimous, all companies (3) responded that the benefits that they can directly attribute to the certification are “*Social and environmental positive impact*” and “*Company positive image*”. The first may happen due to these companies’ belief on the collective impact that B Corps can create together, and the second one is in line with the motivation “*Increasing the perceived credibility and trust in the company*” and may be considered a direct benefit from this incentive. In addition, one of the companies said that they were also able to make new contacts with universities. Regarding the certification extrinsic benefits, one of the firms said that it can associate the certification with a positive contribution for the climate change.

Nevertheless, during the interviews, the decertified companies demonstrated that the most positive impact they felt due to certification was the internal change that derived from the B Impact Assessment, both in terms of new initiatives and the organization of the company.

Decertified B Corps Challenges

Two of the companies from the questionnaire sample mentioned that they were not affected by any disadvantage or challenge while they were certified, whilst the remaining firm claimed that its business did not suffer any positive change or result with the certification.

However, when asked about the certification challenges and drawbacks during the interviews, the lapse B Corps mentioned: *(1) the B Impact Assessment requirements, inflexibility, and inadaptability; (2) Lack of support from B Lab to overcome the challenges that it imposes; (3) Little recognition in the Portuguese market*". Therefore, it can be concluded that the opinion of the decertified B Corps regarding the certification challenges is aligned with the opinion of the certified B Corps.

Decertification Reasons

The survey had a specific group of questions focused on the decertified B Corps to understand the reasons that led them to decertify. The selected answers were: *"Benefits overestimation and costs underestimation"* (2/3), *"Capacity of achieving a social and environmental mission without certification"* (2/3), and *"Other"* (2/3). Nonetheless, the companies that answered *"Other"* explained more specifically their reasons during the interviews.

One of the companies mentioned that even though they proceeded with all the changes and improvements suggested by B Lab, there was some inability from B Lab and its auditors to understand that certain processes and requirements are not adjusted to every company's reality. While the other company only described the certification as *"not useful"*. However, one of the companies that dropped out of the certification, mentioned during the interview that the partner of the company that had brought the certification to the company, left. Therefore, it can be concluded that this change in the company's leadership also contributed to the company's decision to withdraw the certification. Additionally, the reasons *"Lack of support from B Lab Portugal"* and *"Focus on the certification cost versus the focus on the employees' well-being during the pandemic"* were also mentioned during the conversations with the decertified companies. Moreover, during the conversations, it was possible to collect other motives not directly stated by the companies, influencing them to withdraw from the B Corp Certification: *(1) The B Lab's leadership change; (2) The fact that companies fail to recognize that the value of the B Corp certification is not instantaneous; (3) Negative implications that the covid-19 had on the financial health of the business, (4) dull component of the B Impact Assessment.*

According to Luís Amado (2022) the *"Benefits overestimation and costs underestimation"* reason to decertify, can be translated into a lack of patience from companies to wait for the certification results, since the benefits of the certification are not instantaneous. The positive outcomes from the certification come from the partnerships created with other B Corps, during brainstorming sessions and B Lab meetings, and most of these benefits come through the relationships that are created between different companies and the ideas that are shared. It is a process that takes time and willingness to act towards change. *"(...) It's like a masters degree, people can highly recommend you a course, but you don't know what it is about, what you'll learn and whether you'll*

really enjoy it until you've had the full experience. (...)” (Amado, 2022) . When it comes to the costs of the certification and the ability of smaller companies to pay the annual fee allocated to certification, the country partner said that B Lab tries to be flexible with the payment deadlines and tries to find solutions so that companies pay the fee when they can. Furthermore, the payment deadlines were all extended now during the pandemic, however, after 10 months of delay, the annual payment must be demanded. The interviewee states that he recognizes the importance of accommodating companies and their needs and has also been the spokesperson before B Lab International about these difficulties regarding Portuguese companies’ ability to pay for the certification. Nonetheless, he also confesses that this is one of his limitations as the B Lab decisions are centralized and it is sometimes difficult to adjust to each particular case.

Regarding the company’s “*Capacity of achieving a social and environmental mission without certification*”, the Country Partner explains that the B Corp certification does not guarantee the company’s environmental and social mission (Amado, 2022). The B Corp certification helps companies to work towards their environmental and social goals, and B Lab tries to add value to their brand and attract companies to join the movement. B Lab’s goal is to create change, to make this shift from the *Shareholder Capitalism Primacy to the Stakeholders Capitalism Primacy* happen and help companies to be the best for the world. B Lab’s mission is to make sure that companies such as B Corps, are the rule rather than the exception. Thus, once companies find their way, feel secure with their missions, and the path they want to take and the impact they want to create, B Lab feels that its mission is accomplished.

Lastly, as defended by Martin (2020), Anderson, Busman, and O’Reilly (1982), Cooke (1983), and Behrendt, Matz, and Göritz (2017), the loss of the B Corp Certification key advocates within a company, whether this is due to a departure from the company, or a restructuring may contribute to companies giving up on the B Corp certification. However, Luís (Amado, 2022), mentions that the influence that the change in the company’s leadership may have on the decision to certify depends on the company’s size and structure, and adds “(...) There are two big companies in Portugal that the people responsible for the certification have left and the organizations remain B Corps. Nothing has changed. (...)”. Luís explains that the case in which this happened was in a small company, formed by three partners, and therefore when the partner responsible for the B Corp certification within the company left, the partner with the larger shareholding decided not to allocate the necessary resources to the certification and therefore not to renew it. However, in these cases, as the company’s mission is protected by statutes, the company can continue to operate without focusing a 100% on profits, and according to what it was and learned from the certification as it is protected by law.

CHAPTER 6: Conclusion

The present study had as a main goal to understand what is leading some Portuguese B Corps to withdraw from their B Corp certification, while others are pursuing and renewing certification.

For those pursuing the B Corp certification, joining the B Corp Movement means above all “*Increasing the perceived credibility and trust in the company*” and “*Being part of a global community of leaders with shared values*”. Regarding the first motivation, this, demonstrates, once again, that the transparency concerning the companies’ practices and the trust that investors, consumers, policy makers and the media gain for each brand is increasingly important and tells them the difference between good companies and just good marketing, as Honeyman and Jana (2019) defend. While the second demonstrates that the sense of belonging to something bigger than an individual business, building a collective voice, inspiring consumers to change their behaviour, drive capital, accelerate the adoption of standards, and help secure supportive public policies, is what mainly matters for the companies signing up for the B Corp Certification. Nonetheless, it is important to note that all the motivations studied in the literature were also mentioned as important factors in their decision-making process regarding certification.

Furthermore, the benefits that stood out the most in the samples of companies are “*Company positive image*” and “*Differentiation from competition*”. The first is in line with the motivation “*Increasing the perceived credibility and trust in the company*” and may be considered a direct benefit from this incentive. Whilst the second shows that the ESG topics and performance, and social corporate responsibility are becoming increasingly important and differentiation factors in the market.

It is also possible to add that the research has contributed to the existing literature concerning the motivations that exist for companies to become certified, since new reasons were pointed out by companies during the interviews, such as: *Way to promote the company’s internal change; Pressure and encouragement from stakeholders; B Corp Certification as a driver for disruptive change; Recognition and curiosity for B Lab’s methodology; Belief in the movement as a way to create awareness for the promotion of the common good.*

For those renewing the B Corp certification, it can be drawn that most companies of the sample consider the B Impact Assessment to be the greatest benefit of certification:

- (1) As a rigorous, transparent, and independent management tool that evaluates all the companies’ areas, relationships, and practices, therefore companies know exactly where they stand, helping them to understand which path they want to or should go.
- (2) As a tool that enables continuous improvement and benchmarking.
- (3) As a way of organizing and gather all the companies’ information.

Nevertheless, contrary to the studied literature, some companies feel that the B Impact Assessment has an unadaptable and inflexible component that does not allow them to reflect more visibly their contribution to a better world and the positive impact that they create. In addition to the B Impact Assessment's lack of adaptability and flexibility, other challenges or drawbacks of the B Corp Certification were mentioned. The most common ones among the Portuguese certified and decertified B Corps are "*Additional Resource Commitment*" (time, people, and money), "*Lack of support from B Lab to overcome the challenges that the certification imposes*", and the little recognition that the movement has on the Portuguese market.

For those seeking the B Corp decertification, it can be concluded that these challenges also end up serving as drivers for dropping out of certification. However, the motives that most contribute for the Portuguese B Corps to drop out of the B Corp certification are "*Benefits overestimation and costs underestimation*" and the "*Capacity of achieving a social and environmental mission without certification*". Through the interviews, it was possible to understand that companies were expecting more from the certification and that after some years, the annual fee they were paying for being a B Corp, wasn't compensating the return they were receiving from their B Corp status. Moreover, all the inquired companies believe that they were already contributing to a positive impact before the certification, some more on a social and others more on an environmental level. Therefore, since this was always a part of their mission and their DNA as a company, losing the certification did not change their concern with the people and the planet nor the positive impact that they create.

Furthermore, all of the lapsed B Corps that participated on the present study are micro-companies which means that there is a higher tendency for smaller companies to decertify than larger companies. From this sample, most of them demonstrated that the financial resources allocated to the certification became a burden at certain point, and most of them needed outside help to get certified. This demonstrates that the size of companies is a determining factor for enterprises to remain B Corps in the long term, due to the availability of financial and/or human resources. In one of the companies, the covid-19 pandemic had a strong influence on its decision to forgo the certification, this decision can be easily explained by the degree of prioritization that the company gave to its financial obligations. As the company had salaries to pay and had to allocate the 500 euros to the B Corp Certification, when the pandemic arose, it had to decide for the well-being of its employees. Therefore, it preferred to give up the certification so that it could allocate that money to employees' health insurance. Another conclusion that is possible to state is that most of the companies that dropped out of certification joined the movement in its early years in Portugal. Thus, something might have changed. Companies may be more informed about the certification and know exactly what to expect from the process, B Lab Portugal, its challenges, and its benefits. On the other hand, as the

movement has been growing, certified companies today might have more recognition for being a B Corp and feel the benefits of the certification in a more instantaneous and direct way. Moreover, as the B Lab legacy changed, the actual Country Partner may be more direct concerning the role of B Lab and the role of companies within the movement, resulting in a reality more in line with what is expected by the companies. Therefore, it can be drawn from the present study that the Portuguese decertified companies displace the following pattern:

1. These companies are smaller than the surviving B Corps, since all decertified companies of the study sample are micro-companies, this finding is in line with Kim (2021), Cao, Gehman, and Grimes (2017), and Fox and Ilardi (2019).
2. Greater difficulty in overcoming and dealing with the challenges imposed by the B Corp Certification, as Martin (2020) also witnessed among American decertified B Corps.
3. None of the lapse B Corps renewed their certification more than two times, this means that Kim's (2021) observation is not contradicted by the study. The author defends that the risk of decertification decreases as companies go through more rounds of certification and by the third renewal companies are more likely of implementing the B Corp certification as a routine process of their business.
4. Most companies certified for the first time during the first years of the B Corp movement in Portugal.
5. The average age of employees may also play an important role on the companies' decision to decertification. Even if there are no previous studies relating the average age of employees with the probability of a company to remain certified, as the decertified companies have an average age of employees higher than the certified companies, one can assume that the average age of employees may be an influencing factor on the companies' decision to forgo the certification.

Nonetheless, as the "Capacity of achieving a social and environmental mission without certification" was mentioned as one of the main reasons for companies to forgo their B Corp certification, what matters most is that these companies take with them what they have learned with the certification, that they continue to do the B Impact Assessment in order to continue to improve their impact and performance, and that they continue to operate as B Corps even without the certification. In this way, companies will continue to contribute to a better world and help B Lab to fulfil its mission.

Moreover, it is also important to note the relevance and importance of the present study, given that there are only 15 certified companies in Portugal. Even though, the research focusses on the withdrawal of certification by companies, it will contribute to the exposure of the B Lab in Portugal,

the B Corp movement, and its mission of transforming the global economy, since it also shows all the advantages and benefits associated with the movement. On the other hand, it also helps B Lab to understand what may be failing on their side and serve as an incentive for some changes, such as adapting the price of the B Corp certification per geographical area, for example. Summing up, the study helps with the following:

1. Understand the major motivations that lead Portuguese companies to certify, and if these expectations are met when the certification is obtained.
2. Identify the reasons that influence Portuguese B Corps to forgo their certification.
3. Inform Portuguese companies interested in the B Corp certification about its pros and cons, with the purpose that when companies certify they are aware of the challenges imposed by the certification requirements.
4. Inform B Lab Portugal, the non-profit organization responsible for the B Corp movement in Portugal, about the drawbacks that trigger decertification in order to increase the B Corp Certification retention rate in Portugal.

Concerning the limitations found during this study, it can be noted that most of the literature focuses on the United States and South America, where the movement grew, and therefore as it is a semi-recent movement, is still under documented. Thus, some of the hypothesis drawn in the literature may not apply to Portugal. Even though the study could reach a good percentage of the B Corps universe in Portugal, it was also not possible to reach all the Portuguese certified B Corps and decertified B Corps, therefore, the conclusions reached with these companies, could be different with another sample of companies. Furthermore, the application of the research methods was planned so that the companies would first answer the questionnaire and then use the interviews as a way of deepening the findings of the quantitative method. However, due to time constraints, it was not possible to close the survey before interviewing the companies. The final objective of the research methodology was achieved, but the results could have been different if the planned order of the method had been possible.

Finally, as the movement grows, it would be interesting to focus on the Portuguese companies that are not certified to understand what is holding them back from joining the B Corp network. Moreover, it would be also interesting to understand the perception of the others stakeholders regarding the B Corp Certification, as this study focus more on the CEOs and Top Management.

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ANNEXES

Annex 1

Table 4 - B Lab Annual Certification Fees

Annual Sales	Annual Certification Fee
\$0 - <\$150,000	\$ 1 000
\$150,000 - \$499,999	\$ 1 100

The B Corp Certification: The Case of the Decertified B Corps in Portugal

\$500,000 - \$699,999	\$	1 200
\$700,000 - \$999,999	\$	1 300
\$1 MM - <\$1.4 MM	\$	1 400
\$1.5 MM - <\$1.9 MM	\$	1 600
\$2 MM - <\$2.9 MM	\$	1 800
\$3 MM - \$4.9 MM	\$	2 000
\$5 MM - \$7.4 MM	\$	2 500
\$7.5 MM - \$9.9 MM	\$	3 750
\$10 MM - \$14.9 MM	\$	6 000
\$15 MM - \$19.9 MM	\$	8 500
\$20MM - <\$29.9 MM	\$	12 000
\$30 MM - <\$49.9 MM	\$	16 000
\$50 MM - \$74.9 MM	\$	20 000
\$75 MM - \$99.9 MM	\$	25 500
\$100 MM - <\$174.9 MM	\$	30 000
\$175 MM - 249.9 MM	\$	35 000
\$250 MM - \$499.9 MM	\$	40 000
\$500 MM - \$749.9 MM	\$	45 000
\$750MM - \$999.9 MM	\$	50 000
\$1B+	Based on size and complexity of your business**	

Source: Author based on (B Lab, 2021)

Annex 2: B Corps and Decertified B Corps Questionnaire

B Corp Certification in Portugal

PART I – Company Characterization

1. Company name

2. Certification status:

- Certified
- Decertified

3. Size of the company:

- Micro (1-9 employees & turnover ≤ € 2M)
- Small (10-49 employees & turnover ≤ € 10M)
- Medium (50-249 employees & turnover ≤ € 50M)
- Large (> 250 employees & turnover > € 50M)

4. Average Sales:

5. Economic activity sector:

The B Corp Certification: The Case of the Decertified B Corps in Portugal

- Agriculture, livestock production, hunting, forestry, fishing
- Extractive industry
- Manufacturing industry
- Utilities (Electricity, gas, or water)
- Construction industry
- Wholesale and retail trade
- Transport and warehousing
- Accommodation, restaurants, and others
- Financial and insurance activities
- Real State
- Education
- Health and social support activities
- Others

6. In case your answer was Other, which?

7. Employees average age:

- 18-24 years old
- 25-44 years old
- 45-54 years old
- 55-65 years old

8. First certification date:

- 2007-2009
- 2010-2012
- 2013-2015
- 2016-2028
- 2019-2021

PART II – B Corp Certification Process

9. How did you get to know the B Corp Certification?

- Press
- Internet
- Social media
- Television
- B Lab Portugal/Country Partner
- Word of mouth
- Other

10. In case your answer was Other, how?

11. Who were the advocates for the certification in your company?

- CEO/Top Management
- Employees
- Clients
- Investors
- Other

12. In case your answer was Other, which?

13. Select the influence level of each group of stakeholders in the certification process.

	Not at all Influential	Slightly Influential	Somewhat Influential	Very Influential	Extremely Influential
Clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. Select the responsibility of each group regarding the attainment of the certification.

	Not at all Responsible	Slightly Responsible	Somewhat Responsible	Very Responsible	Extremely Responsible
Shareholders	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management Top Level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management Middle Level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Management First Level	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. How long did the certification process takek?

- < 3 months
- 4-6 months
- 7-12 months
- > 12 months

16. How satisfied were you with the certification process?

	Not at all Satisfied	Slightly Satisfied	Somewhat Satisfied	Very Satisfied	Extremely Satisfied
Intuitive process and easy to access / Available information on the certification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B Impact Assessment (easy to complete, time required to complete the assessment, identification of improvements in impact areas, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Time waiting for the B Lab contact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Waiting time between the B Impact Assessment and the certification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B Lab support during the certification process (information provided, easy to contact, clear requirements, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B Lab support after certification (next steps, legal requirements, etc.)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B Lab audits (in person or online)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Certification costs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

17. Did you have to change your company mission to obtain the certification?

- Yes
- No

18. In case your previous answer was yes, why?

19. Which impact areas did you have to improve in order to obtain the certification?

- Governance
- Workers
- Community
- Environment
- Customers
- None

20. Why did your company had to improve on those areas? And how did you improve it?

Give a specific example.

21. How many rounds of certification did you complete?

- 1
- 2
- 3
- 4
- 5

22. In case you are a Certified B Corp, do you intend to recertify?

- Yes

No

23. How do you classify your level of satisfaction with the B Corp Certification?

1 2 3 4 5

<i>Not at all Satisfied</i>		<i>Extremely Satisfied</i>
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PART III – Motivations to Become a B Corp

24. Which of the following motivations led your company to certify?

	Not at all Important	Slightly Important	Somewhat Important	Very Important	Extremely Important
Being part of a global community of leaders with shared values	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increasing the perceived credibility and trust in the company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attracting customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attracting investment and business development opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Attracting talent and engaging employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Generating press and awareness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Benchmarking and improving sustainable performance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reinforcement of the company's mission and its positive impact for the long-term	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Positive impact on the company's image through the promotion of its B Corp certification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

25. Of the following motivations, select the 3 main reasons that led your company to certify.

- Being part of a global community of leaders with shared values
- Increasing the perceived credibility and trust in the company
- Attracting customers
- Attracting investment and business development opportunities
- Attracting talent and engaging employees
- Generating press and awareness
- Benchmarking and improving sustainable performance
- Reinforcement of the company's mission and its positive impact for the long-term
- Positive impact on the company's image through the promotion of its B Corp certification
- Other

PART IV – B Corp Certification Challenges

26. Of the following disadvantages of the B Corp certification, which do you think have affected your company since it became certified?

- Heightened level of inspections/audits
- Additional Resource Commitment
- Threat to Shareholders' Profits
- Other

27. In case your answer was Other, which?

PART V – B Corp Certification Outcomes

28. What benefits can you directly attribute to the certification?

- Social and environmental positive impact
- Differentiation from competition
- Company positive image
- Attracting investors
- Attracting new consumers
- Attracting clients and employees' retention
- Operational efficiencies
- Turnover growth
- Others

29. In case your answer was Others, which?

30. Do you believe that the certification plays an important role in helping you to achieve a positive environmental and social impact?

- Yes
- No

31. Can you associate the certification to any extrinsic benefit? As for example, a positive contribution to the climate change, a positive contribution to the general people well-being?

- Yes
- No

32. In case your answer was Yes, which?

33. The certification process enables awareness for the stakeholders needs and a company response to those needs.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

34. Select the importance degree given to the B Corp Certification in the identification of interests and expectations of each group of stakeholders.

	Not at all Important	Slightly Important	Somewhat Important	Very Important	Extremely Important
Clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

35. Select the importance degree given to the B Corp Certification by each group of stakeholders.

	Not at all Important	Slightly Important	Somewhat Important	Very Important	Extremely Important
Clients	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Suppliers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

PART VI – B Corp Decertification Reasons

THIS SECTION ONLY APPLIES TO THE COMPANIES THAT FORGO THEIR B CORP CERTIFICATION - DECERTIFIED B CORPS OR COMPANIES THAT ARE NO LONGER B CORPS

36. Which of the following motives led your company to decertify?

	Not at all Important	Slightly Important	Somewhat Important	Very Important	Extremely Important
Benefits overestimation and costs underestimation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Capacity of achieving a social and environmental mission without certification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The B Corp Certification advocates in your company left	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Absence of procedures to overcome the challenges imposed by the B Corp Certification	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

37. Of the following motivations, select up until the 3 main reasons that led your company to decertify

- Benefits overestimation and costs underestimation
- Capacity of achieving a social and environmental mission without certification
- The B Corp Certification advocates in your company left
- Absence of procedures to overcome the challenges imposed by the B Corp Certification
- Other

38. In case your answer was other, which?

39. How likely are you to recommend the B Corp Certification to other companies?

	1	2	3	4	5	
<i>Not Likely</i>						<i>Very Likely</i>

Source: Author (2021) based on (Rocha, 2020)

Annex 3: Interview Scripts

A. B Corps Interview Script

1. Vou começar por lhe pedir que faça uma breve apresentação sobre a sua empresa.
2. Qual é a missão da sua empresa e como está esta alinhada com o movimento B Corp?
3. No questionário previamente respondido, disse que:
 - a. A sua empresa teve que alterar a sua missão para que pudesse obter a certificação B Corp. Que tipo de alteração foi feita? Até que ponto a sua missão ajuda numa causa social, ambiental ou ajuda a contribuir para a sociedade em geral de uma forma positiva?

b. A sua empresa não teve que alterar a sua missão para obter a certificação B Corp. Até que ponto a sua missão ajuda numa causa social, ambiental ou ajuda a contribuir para a sociedade em geral de uma forma positiva?

4. Qual é a sua opinião sobre a perceção da certificação B Corp no mundo empresarial? É uma certificação conhecida? Apresenta valor de mercado?

5. Considera a sua empresa uma empresa sustentável na medida em que existe um bom equilíbrio entre o foco nos lucros e a atenção que dão ao impacto que criam a nível social e ambiental?

6. Porque acha que as B Corps são importantes e porque é que decidiu aderir à certificação B Corp? Qual foi a sua principal motivação?

7. Porque acha importante para as empresas a incorporação das necessidades dos seus stakeholders nas suas tomadas de decisões?

8. Como define o seu papel junto da comunidade B Corp em Portugal? Como acha que contribui para o movimento?

9. Considera a sua empresa promotora da marca B Corp? Se sim, como promove a marca?

10. Até que ponto houve um envolvimento dos vossos stakeholders na tomada de decisão sobre a obtenção da certificação?

11. Acha os stakeholders da sua empresa interessados na certificação? Costuma haver dúvidas ou pedidos de informação por parte dos trabalhadores ou clientes sobre a certificação?

12. Como foi o vosso processo de certificação? Qual a sua opinião geral do mesmo? Segue outro padrão de sustentabilidade, como por exemplo o GRI (Global Reporting Initiative)? Se sim, consegue fazer uma comparação entre as iniciativas?

13. O que mudou na vida da sua empresa com a certificação? O que ganhou e o que perdeu?

14. Qual é o maior benefício que atribui à certificação B Corp? E qual o maior desafio?

15. Até que ponto a sua empresa foi capaz de identificar os custos e os benefícios associados à certificação antes de a obter? (Receberam alguma informação sobre os custos e benefícios da parte do B Lab, de outras empresas certificadas? Foi possível fazer uma previsão planeada e próxima da realidade?)

16. A sua empresa teve que proceder a alguma mudança interna de pessoal (realocação de pessoal) ou contratar alguém externo para apoiar neste processo da certificação?

17. Desde que a sua empresa obteve a primeira certificação, as pessoas que desempenharam um papel ativo na obtenção da mesma, que apoiaram e que trouxeram certificação para a empresa já saíram por algum motivo? Já foram para a reforma, despediram-se, foram despedidos, etc.?

18. A sua empresa passou por alguma alteração estatutária/legal devido à certificação? Se sim, já tinha antecipado este desafio antes de proceder com a certificação?

19. Existe algum conflito interno na sua empresa devido ao foco nas oportunidades de crescimento de negócio versus o foco nos objetivos sociais e ambientais?

20. Considera que existem desafios relacionados com a manutenção da sua performance no B Impact Assessment? Em que medida é que a sua organização tinha previsto potenciais desafios de desempenho para manter o seu estatuto de certificação a longo prazo? (Existe algum obstáculo para conseguir manter a sua pontuação no BIA acima dos 80 pontos?)

21. Até que ponto acredita que a sua empresa é capaz de alcançar os seus objetivos sociais e ambientais sem a certificação B Corp?

22. O que diria a uma empresa candidata à certificação B Corp?

23. Numa frase como descreve o movimento B e porquê ser B Corp?

B. Decertified B Corps Interview Script

1. Vou começar por lhe pedir que faça uma breve apresentação sobre a sua empresa.

2. Qual é a missão da sua empresa? Considera a sua missão uma missão que contribua para um impacto positivo na sociedade e no ambiente?

3. Qual é a sua opinião sobre a perceção da certificação B Corp no mundo empresarial? É uma certificação conhecida? Apresenta valor de mercado?

4. Considera a sua empresa uma empresa sustentável na medida em que existe um bom equilíbrio entre o foco nos lucros e a atenção que dão ao impacto que criam a nível social e ambiental?

5. Acha a certificação B Corp importante e porque é que decidiu aderir à certificação B Corp inicialmente? Qual foi a sua principal motivação?

6. Que importância atribui à incorporação das necessidades dos stakeholders nas tomadas de decisões das empresas?

7. Até que ponto houve um envolvimento dos vossos stakeholders na tomada de decisão sobre a obtenção da certificação?

8. Como foi o vosso processo de certificação? Qual a sua opinião geral do mesmo? Segue outro padrão de sustentabilidade, como por exemplo o GRI (Global Reporting Initiative)? Se sim, consegue fazer uma comparação entre as iniciativas?

9. O que mudou na vida da sua empresa com a certificação? E o que mudou desde que se desistiu da certificação?

10. Qual é o maior benefício que atribui à certificação B Corp? E qual o maior ponto negativo?

11. Qual foi a principal razão por detrás da sua decisão para desistir da certificação B Corp?

12. Até que ponto a sua empresa foi capaz de identificar os custos e os benefícios associados à certificação antes de a obter? (Receberam alguma informação sobre os custos e benefícios da parte do B Lab, de outras empresas certificadas? Foi possível fazer uma previsão planeada e próxima da realidade?)
13. A sua empresa teve que proceder a alguma mudança interna de pessoal (realocação de pessoal) ou contratar alguém externo para apoiar neste processo da certificação?
14. Desde que a sua empresa obteve a primeira certificação, as pessoas que desempenharam um papel ativo na obtenção da mesma, que apoiaram e que trouxeram certificação para a empresa já saíram por algum motivo? Já foram para a reforma, despediram-se, foram despedidos, etc?
15. A sua empresa passou por alguma alteração estrutural/legal devido à certificação? Se sim, já tinha antecipado este desafio antes de proceder com a certificação?
16. Existe algum conflito interno na sua empresa devido ao foco nas oportunidades de crescimento de negócio versus o foco nos objetivos sociais e ambientais?
17. Considera que existem desafios relacionados com a manutenção da sua performance no B Impact Assessment? Em que medida é que a sua organização tinha previsto potenciais desafios de desempenho para manter o seu estatuto de certificação a longo prazo? (Existe algum obstáculo para conseguir manter a sua pontuação no BIA acima dos 80 pontos?)
18. Até que ponto acredita que a sua empresa é capaz de alcançar os seus objetivos sociais e ambientais sem a certificação B Corp?
19. Tanto quanto se pode recordar, qual foi o maior arrependimento da sua organização, desilusões, mal-entendidos, desafios, etc. antes e durante a certificação?
20. Que conselho daria ao B Lab para facilitar a retenção da certificação por parte das empresas a longo prazo?
21. Gostaria de acrescentar alguma coisa?

C. B Lab Country Partner Interview Script

1. Qual a sua opinião sobre o crescimento do movimento B Corp global? E qual a sua opinião sobre o crescimento do movimento cá em Portugal?
2. Porque acha que ainda não há uma grande adesão por parte das empresas à Certificação cá em Portugal? Neste momento existem apenas 15 empresas em Portugal. Há alguma empresa no estado *Pending B Corp*?
3. Qual o maior desafio que o B Lab tem enfrentado em Portugal?

4. Algumas empresas referiram que esperavam um maior reconhecimento do movimento B Corp a nível nacional devido ao reconhecimento que o movimento tem noutros países como por exemplo nos Estados Unidos e na Itália. Qual a sua opinião sobre esta discrepância de reconhecimento a nível internacional?
5. Na sua opinião, qual a maior motivação ou razão para as empresas B Corp aderirem ao movimento em Portugal?
6. Na sua opinião, a certificação é um bom investimento por parte de qualquer tipo de empresa? Ou acha que existe um melhor fit entre a certificação e um tipo (tamanho da empresa, sector económico) específico de empresa?
7. Existe alguma forma de medir o impacto que estas empresas criam na sociedade e no ambiente depois de obterem a certificação, para além da sua pontuação no B Impact Assessment? Ou seja, existe alguma forma de provar a sua contribuição positiva para “o mundo”? Se sim, pode dar algum exemplo de um benefício extrínseco associado à certificação?
8. Na sua opinião, considera que, de uma forma geral, as expectativas e motivações das potenciais empresas candidatas à certificação são cumpridas aquando da integração no movimento B e obtenção da certificação? Justifique a resposta.
9. De acordo com a minha pesquisa, a taxa de atrição da certificação em Portugal é de 32%. Ou seja, das 22 empresas que já se certificaram, apenas 15 se encontram certificadas no presente. Na sua opinião, qual é que é o maior motivo por detrás desta “desistência”?
10. Como é que o B Lab Portugal pretende aumentar a retenção das empresas? Já têm algum plano? E relativamente à angariação de novas empresas?
11. O B Lab Portugal costuma reunir com as empresas que desistiram da certificação para perceber o que podia ter corrido melhor?
12. A maior parte das B Corps certificadas neste momento, referiram que o maior ponto negativo relacionado com a Certificação são os recursos alocados à mesma (pessoas, tempo e dinheiro). Sendo que a maior parte das empresas que são certificadas são SMEs e têm mais dificuldade em despende de colaboradores para se dedicarem ao processo de certificação, será que não deveria haver um acompanhamento e suporte mais próximo da parte do B Lab?
13. A maior parte das B Corps que desistiram da certificação e que fazem parte da amostra da pesquisa (3) são pequenas empresas e todas elas referiram os recursos financeiros que eram alocados à certificação anualmente. O B Lab não consegue arranjar uma solução relativamente a estas empresas que querem fazer a diferença e motivar as outras a seguir o seu caminho, mas não têm os recursos financeiros necessários disponíveis para alocar à certificação?
14. Mesmo com as alterações estatutárias nas empresas, houve empresas que desistiram da certificação quando o responsável/líder da certificação na empresa, saiu. Qual a sua opinião sobre isto?
15. As motivações mais comuns referidas pelas empresas para desistir da certificação foram “benefícios sobrestimados e custos subestimados”, “capacidade de obter uma missão social e

ambiental sem a certificação”, “falta de adaptação e de flexibilidade do B Impact Assessment relativamente aos modelos e estruturas das empresas”.

- Porque acha que existe esta expectativa sobre os benefícios e as empresas depois sentem que a certificação não esteve à altura do investimento feito?

- Como pretendem captar as empresas se elas sentem que conseguem ser boas e criar o bem sem a certificação?

- Pretendem trabalhar na melhoria do B Impact Assessment e tentar que este esteja mais adequado às realidades de cada país onde existe a Certificação B Corp? E quanto ao tipo de empresa (modelo e estrutura)? Durante as entrevistas, muitas empresas afirmaram que o B Impact Assessment reflete muito a realidade americana e que muitos aspetos não se aplicam a Portugal e que por isso elas não conseguem beneficiar de uma melhor pontuação.

16. Ainda relativamente às razões da descertificação, uma empresa referiu que o facto de não haver medidas para ultrapassar os desafios impostos pela certificação, pesou bastante na sua decisão para não se recertificar. Esta falta de medidas também parte da falta de acompanhamento, certo? Porque existe esta falta de suporte e acompanhamento junto das empresas por parte do B Lab Portugal?

17. Finalmente, alguns conselhos lhe foram deixados pelas empresas. Eu vou referir alguns deles e vou pedir ao Luís que comente a seguir.

- Criar uma solução e-commerce ou loja física que ajude as B Corps a sobressaírem-se no mercado comparativamente aos seus concorrentes.

- Reflexão sobre que tipo de benefícios extrínsecos se podiam criar para as empresas terem também alguma vantagem direta em ser uma B Corp.

- Criar parcerias com outras empresas externas para ajudar nas auditorias e se poderem dedicar um pouco mais às necessidades das empresas.

- Não olhar para a certificação e o número de empresas certificadas como um indicador de sucesso, mas sim como uma maneira de chegar ao objetivo final das B Corps.

18. Quais são as suas perspetivas futuras para as B Corps e para o B Lab em Portugal?