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Barriers to environmental performance measurement – the perspective of  
sustainable enterprises from the fashion industry.

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Date of submission: 10<sup>th</sup> June 2020

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The hazardous impact of the fashion industry on the planet has become increasingly alarming. Mounting pressure to do something about it has led to an increasing body of traditional fashion firms to engage in greenwashing to burnish their image. In turn, this has created a need for sustainable enterprises to measure and demonstrate the environmental performance. So far, scholars have identified seven general challenges that occur during performance measurement which are only applicable to incumbents. Given that sustainable enterprises are fundamentally different to large traditional companies, the known challenges are not applicable to sustainable enterprises. To date, research has merely addressed the measurement challenges from the perspective of sustainable enterprises. Using a qualitative approach, this paper outlines the challenges from the perspective of B-Corp certified sustainable enterprises. Findings reveal that environmental performance measurement is a multi-level construct with micro-, meso- and macro-level challenges occurring which are overarched by inertia.

## INTRODUCTION

The fashion industry imposes a massive and hazardous impact on the environment due to its fast fashion business model. This business model is encouraging over-consumption aimed at consumers who want to change their wardrobe on a trend-driven basis to meet the most recent fashion trends (Šajin, 2019; Shen, Li, Dong & Perry, 2017). It is alarming that fashion has become the second most polluting industry globally (UNCTAD, 2019) since the manufacturing of apparel consumes massive amounts of (raw) materials such as water, energy, chemicals and fabrics (Choudhury, 2014; Myers & Stolton, 1999). As a matter of fact, the fashion industry is characterised by enormous types of footprints such as carbon, fossil fuel, energy and water (Choi, 2013) as well as excessive amounts of waste ending up in landfill (Cooper, 2018; Thomas, 2019). In that sense, sustainability has become a challenge for the respective industry (Boström & Micheletti, 2016).

At the same time, a new era of sustainability has arisen over the last years. This trend has been pushed forward through information technology (e.g. social media or information blogs) and non-governmental organisations (NGOs) which enable consumers to claim for more transparency and traceability. Since consumers exert increasing pressure on the fashion industry to minimise the environmental impact, this has led to an increasing body of traditional firms to engage in greenwashing to polish their image (Becker-Olsen & Potucek, 2013). As such, this has created the need for sustainable enterprises to prove their truly green environmental performance. (Du, Yalcinkaya, & Bstieler, 2016; Delmas & Burbano, 2011; Laufer, 2003). Hence, those sustainable enterprises have started to measure their environmental performance in order to consider and minimise their impact on the environment, society and economy as well as to demonstrate stakeholders the value created (Sachs, 2020; Engida, Rao, Berentsen & Lansink, 2018; Global Reporting Initiative, 2020). Additionally, following the approach of institutional theory (Scott, 1995), demonstrating a green environmental performance to numerous stakeholders can lead to greater customer loyalty resulting in enhanced benefits such as lower risks of legal sanctions or increased revenues (Berrone & Gomez-Meija, 2009). Thus, not demonstrating a green environmental performance is termed as a missed opportunity by researchers (Chan & Sukhdev, 2012). This would be particularly damaging for sustainable enterprises since sustainable entrepreneurship is acknowledged for the discovery, creation, and exploitation of entrepreneurial

opportunities that contribute to sustainability (Hockerts & Wüstenhagen, 2010; Pacheco Dean & Payne, 2010; Shepherd & Patzelt, 2011).

From an academic perspective, much of the literature on the topic of environmental performance measurement is under-theorised and demands conceptual frameworks (Ebrahim & Rangan, 2014). So far, it is known that environmental performance assessment in the fashion industry is a complex task due to many wicked environmental challenges (Peterson, 2009; Molnar & Mulvihill, 2003). Most of the research related to environmental performance assessment focuses on i) large traditional companies and ii) the relationship between the disclosure of the environmental performance and the effect on the business' financial performance (i.e. Rockness, 1985). Moreover, scholars have outlined seven challenges that are i) related to performance measurement in general, not specifically to *environmental* performance measurement and ii) which only apply to incumbents. These seven challenges are later explained.

However, sustainable enterprises differ in many aspects from traditional businesses. Large, conventional companies, such as H&M or Zara, do not have sustainable business models, typically have long supply chains and outsource the production to low-wage countries to keep their costs at a minimum (Taplin, 2014). Sometimes those companies even engage in greenwashing to polish their image (Becker-Olsen & Potucek, 2013). In contrast, sustainable fashion enterprises have sustainability as their defining core characteristics and keep their supply chains short to satisfy consumers' needs of transparency (McKinsey, 2019). Moreover, despite working with limited resources, those enterprises voluntarily undergo extensive certification processes (e.g. by B Lab) to be awarded with certificates that ensure the eco-friendliness of their fashion pieces. Given these significant differences, it seems conspicuous that sustainable enterprises face different challenges than large companies when measuring their environmental performance. However, scant effort has been addressed towards the challenges faced by sustainable enterprises. Given this remarkable lack, it is the purpose of this paper to fill this void. Using qualitative research, the present paper aims to answer the following research question: *Which challenges do sustainable entrepreneurs face when assessing their environmental performance?*

To ensure comparability of results, exclusively sustainable fashion entrepreneurs awarded with a B-Corp certification are chosen as they have to obey the same impact standards and follow the same measurement framework (B-Corporation, 2020a; Akinboade & Kinfaek, 2012). B-Corp



certifications are awarded by B Lab to entrepreneurial companies that have a beyond profit business ethos and do business as a force for good (Gale, 2018). Moreover, eco-friendly produced fashion has become a product of modern age and many entrepreneurs manufacture apparel in a sustainable way (Todeschini, Cortimiglia, Callegaro-de-Menezes & Ghezzi, 2017). To increase the relevance of this research, this focuses exclusively on sustainable enterprises that have sustainability as their defining characteristic, since the current decades have witnessed an increased awareness in this field (Shaw & Carter, 2007). Findings indicate that sustainable enterprises encounter many barriers and challenges occurring at the personal level of the entrepreneur, the level of the sustainable enterprise as well as the contextual level. Applying a multi-level perspective, these challenges can be classified into micro-, meso- and macro-level challenges which are framed by inertia at each level. Whereas challenges at the micro-level are easiest to influence by the entrepreneur, those at the macro-level require bridging institutional entrepreneurship to influence highly legitimised actors.

The present study makes some important contributions to theory and practice. First, it adds to current environmental performance assessment theory by including sustainable enterprises as research subjects who have been neglected before. By solely concentrating on sustainable enterprises, this paper contributes to the respective theory by adding new barriers that apply to sustainable enterprises and ensures that this topic is no longer under-researched. Second, future research can use this study as a foundation to infer strategies to overcome measurement challenges identified in this paper. Moreover, this paper contributes to practice. First, by shedding light on the encountered barriers it lowers the entry barriers to environmental performance measurement for new sustainable enterprises that want to improve their impact. Secondly, the outlined barriers provide a valuable reference point for policy makers to design policies that promote positive environmental impacts. The paper proceeds as follows: first a theoretical background is provided followed by a methodological framework. After this, results are presented and discussed. Lastly, this paper concludes with the theoretical and practical value added, limitations and future research.



## THEORY

### **The Concept Of Sustainability**

In 1987, the Brundtland Report by the World Commission on Environment and Development (WCED) coined the concept of Sustainable Development as the ability “*to meet the needs of the present without compromising the ability of future generations to meet their own needs*” (WCED, 1987: 41). The concept of Sustainability is often referred to the ‘Triple-Bottom-Line’ which consists of three pillars: the environment, economy and society (Elkington, 2004). Environmental Sustainability, in particular, refers to the rates of renewable resource harvest, pollution creation, and non-renewable resource depletion that can be continued indefinitely (Morelli, 2011; Daly, 1990). Pressures on environmental issues are particularly high in industries that have a significant negative impact and high visibility in the public – such as the fashion industry (Seuring, Sarkis, Müller & Rao, 2008). Indeed, the fashion industry is confronted with major environmental problems linked to the production process of garments, which is characterised by the intense use of chemicals and resources (Lakhal, Sidibé, H'Mida, 2008). Ultimately, this results in a significant environmental impact which is the subject of the next paragraph.

### **Environmental Impact Of The Fashion Industry**

The 1980s mark the beginning of ‘fast fashion’, a concept that describes accelerated business models intended to respond quickly to the latest fashion trends (Byun & Sternquist, 2011; Moore & Fernie, 2004). For example, major retailers such as H&M or Zara change their collections every three to five weeks (Hu Li, Chen & Wang, 2014) which leads to shorter life cycles for garments (Zamani, Sandin & Peters, 2017). Often, the cheap production of clothes is possible because of the extraction of non-renewable resources from the environment, resulting in a low value of a certain garment, both financial and emotional (House Of Commons Environmental Audit Committee (HOCEAC), 2019). Consequently, the low value is one reason why clothes are being treated as disposable - ending up in landfill or incinerated.

Relying on figures of the United Nations Environment Program (2019) the fashion industry accounts for 20% of global wastewater, 10% of annual global carbon emissions and 6.7% of world’s greenhouse gas emissions. According to forecasts, as the world's population will exceed 8 billion people in the coming decade, the fashion industry is expected to expand

further (HOCEAC, 2019). Following the report by Pulse of Fashion from 2019, until 2030 the world's fashion consumption is projected to rise by 62% from 62 million tons today to 102 million tons (Lehmans, Arici, Boger, Martinez-Pardo, Krueger, Schneider, Carrière-Pradal & Schou, 2019). Researchers' warnings are stark that fashion should not destroy the earth and a business-as-usual approach no longer works (ebd.).

To counteract the environmental degradation caused by high-street retailers, many sustainable entrepreneurs produce fashion in an eco-friendly manner (Patwa, 2019). Those enterprises are finding innovative ways to create fashionable, high-quality but affordable pieces without destroying the planet (Mauran, 2018). For example, circular business models or slower production cycles have been introduced by these sustainable enterprises which require a significant change in systems thinking as well as in the infrastructure (Fletcher, 2010). Beyond this, sustainable enterprises consider fashion from a multi-stakeholder perspective including the earth, the society and the economy (Lundblad & Davies, 2016). Because communicating sustainability aspects can be beneficial, an increasing body engages in greenwashing which is defined as misleading advertising of green credentials (Delmas & Burbano 2011). Particularly large organisations with unsustainable business practices are more likely to engage in greenwashing than environmentally friendly firms because little is lost when claiming a green image (Dahl, 2010). With respect to the fashion industry, large organisations are more likely to engage in greenwashing than new sustainable enterprises. Taken together the hazardous impact of the fashion industry with the growing engagement in greenwashing has created the need for sustainable enterprises to measure and demonstrate the green environmental performance to prove their truly eco-friendly approach. For this, they voluntarily undergo extensive certification processes to ensure they are meeting the highest standards of environmental performance, public transparency and legal accountability (Leighton, 2020).

### **Environmental Performance Measurement**

According to the International Standard Organisation (2016), environmental performance is defined as “*the measurable results of an organization's management of its environmental aspects (element of an organization's activities, products or services that can interact with the environment)*”. Any changes to the environment resulting from a particular organisational activity

are termed as environmental impact (ebd.).

To measure and demonstrate the environmental performance, a number of sustainability reporting frameworks have been introduced by various industry associations or non-profit organisations (Bell & Morse, 2013), including the Global Reporting Initiative (GRI), HIGG Index or B-Corporation Certification. To become certified, sustainable enterprises have chosen to embrace third party environmental audits (Moroz, Branzei, Parker & Gamble, 2018). These certifications are a means of mitigating regulatory risk, proving quality assurance, responding to stakeholders and improving the impact (Lytton, 2014). However, measuring an environmental performance that is both comprehensive and consistent with sustainable development while at the same time taking into account the interests of each stakeholder, is an extremely complex task which poses significant conceptual and practical challenges on sustainable enterprises (Escrig-Olmedo, Muñoz-Torres, Fernández-Izquierdo & Rivera-Lirio, 2015).

While much effort has been addressed towards outlining the legal, economic and environmental benefits of environmental performance measurement the barriers encountered during the measurement remain under-researched, especially from the perspective of sustainable enterprises (Perron, 2005). So far seven general challenges that impede impact measurement have been identified (HEC, 2019). **Table 1** below depicts the challenges and its descriptions.

TABLE 1

## The seven challenges of impact measurement

Challenge	Description
<i>Confusion</i> : failing to distinguish between input, output, outcome and impact	Confusion describes the failure to distinguish between input, output, outcome and impact. A failure to distinguish between the different parts makes it tough to develop an unbiased understanding of the current status of the impact and how to improve it.
<i>Inconsistency</i> : unreliability of measurement	Inconsistency describes the unreliability of the measurement. When comparing quantitative numbers across time, projects or contexts, a low reliability means that results cannot be consistently achieved with the same methods under the same circumstances.
<i>Misunderstanding</i> : causal validity errors	Causal validity errors result from and lead to flawed information. For example, flawed information may lead to an over-investment in impact efforts that are not effective and to a false understanding of the impact created.
<i>Blindness</i> : hidden factor correlation	Hidden factor correlation refers to two factors appearing at the same time which are associated but not causally related. Either due to coincidence or the existence of an unseen (hidden) factor.
<i>Oversimplification</i> : ignoring multi-determination	Ignoring multi-determination occurs when it is assumed that there is a single cause of an outcome. However, in reality it may have been caused by number of only jointly sufficient causes.
<i>Partiality</i> : failing to capture both positive and negative impacts	Positive and negative impacts do not mathematically cancel each other out. Instead, they must not be treated as conceptually equivalent but have to be regarded separately.
<i>Over-assuming</i> : lack of generalisability	Over-assuming occurs when one evidence is taken for being applicable to many other situations although it is not generalisable. Contextual differences must be taken into account.

(Based on Archipel, 2019)

However, these challenges are of general nature and are not specifically tailored to sustainable enterprises. Rather, these challenges refer to large companies that have comprehensive measurement systems in place which does not apply to sustainable enterprises that typically work with limited resources. As mentioned in the introduction, sustainable enterprises differ from large companies in many ways: generation of less environmental data, fewer resources (e.g. technical, financial means, time), differences in organisational structure and the environmental performance is driven by the mission of the business (Perron, 2005). Thus, the factors influencing the measurement listed above may not work for sustainable enterprises since they work on a different scale with fewer resources than incumbents. Since scant effort has been directed to the challenges sustainable enterprises face, it is the aim of this paper to fill this gap.



## RESEARCH DESIGN

### Data and Methods, Sampling

In facing the challenges of measuring the environmental performance, researchers emphasise the importance of sustainable entrepreneurship research, requesting detailed interpretative analyses (Perrini, Vurro & Costanzo, 2010; Muñoz, 2013). Thus, the most suitable approach to answer the research question is a qualitative research conducted through multiple case studies with a cross sectional logic (Yin, 2003). All case studies, except for one, were conducted in person with semi-structured interviews and the selection of the cases went in parallel with the development of the topic list (Appendix A). The exception was given a questionnaire based on the topic list. Semi-structured interviews are well suited for the exploration of perceptions of interviewees regarding complex situations and permit probing for more elucidation of answers (Barriball & White, 1994). By definition, qualitative research is suitable when little is known about a phenomenon (Eisenhardt, 1989) and when the aim is to derive ideas from obtained data and attach them to existing theories (Langley, 1999).

For the interviews, a subset of eight sustainable fashion entrepreneurs is chosen in order to get insights into the different challenges they face. An overview is provided in **Table 2** in the following section. The interviewees were selected purposefully by concentrating only on B-Corp certified enterprises, thus aligning with B-Corporation sustainability criteria. To ensure reliable comparability, only small-medium-sized enterprises were chosen since they are comparable in terms of employees and resources available (OECD, 1997). According to OECD (2020), businesses classify as small-medium-sized enterprises when employing fewer than 250 employees. Since the firm size of the sample ranges between 1 and 55 employees, all enterprises classify as SMEs and are therefore comparable.

The interviews are conducted and recorded with permission from the interviewees in May 2020. On average, interviews lasted 1 hour. Beforehand, a consent form was sent to participants informing them about the purpose, risks, benefits, confidentiality and voluntary participation (Appendix B). Upon agreement with the interviewees, [amberscript.com](https://www.amberscript.com) (Amberscript, 2020a), a website that converts interview-recordings into transcripts for the coding process was used. The privacy policy by [amberscript.com](https://www.amberscript.com) was checked and it explicitly ensures the confidential handling of data (Amberscript, 2020b). Appendix D includes all transcribed interviews.

Using grounded theory approach, the interviews are analysed in order to establish my theory in an emergent way. Based on Strauss and Corbin (1990), I applied a three-step process for which I used the program Atlas.ti version 8 (Atlas.ti, 2020; Giles, Stommel, Paulus, Lester & Reed, 2015). First, I applied open coding which is the process of breaking down data to make sense of it. In this iterative process, the data is broken down to categorise it. Similar concepts receive the same labels and are then grouped to form categories (Strauss, 1990). After open coding follows axial coding which is the process of reducing the number of codes and the construction of linkages between the open codes (Strauss, 1990). The last step involves selective coding. In this process, individual categories are related to the core category. Through selective coding the categories are integrated and developed into theory (Strauss, 1990). By following these procedures, I enhance the procedural reliability of my research.

After having applied the three-step coding process to each interview, I created an overarching code tree (Appendix E) synthesising all barriers and challenges found. For a better understanding, the code tree shows only higher-level codes that are based on the lower-level codes of individual code trees.

### **Case Description**

In qualitative research, the findings of a study depend highly on the selection of interviewees (Rowley, 2012). Hence, this section provides an overview of the chosen interviewees including a description of their sustainable enterprise's core business.

Vanhulley is a social fashion enterprise founded in Groningen (NL). Back in 2012, the founder started with a simple but disruptive idea: designing and creating boxershorts by upcycling old fabrics. Ever since the company was founded, Vanhulley employs women with migration background who suffer from a great distance to the labour market to close that gap and become financially and socially independent (Vanhulley, 2020).

Save the duck, founded in 2012 in Milano (IT), has always had a unique mission: to create outerwear products that respect animals, the environment, and people. By being 100% animal-free, they strive to create products that do not involve the exploitation of animals and raw materials, thanks to cutting-edge technologies that allow to use sustainable materials (Save the duck, 2020).

Good Threads was founded in 2013 in Jacmel (HTI). Through the production of needlepoint products (e.g. Belts or Dog Collars), they employ parents of children at the Joan Rose Foundation. Following the enterprise's strong social mission, stitchers are given the materials to work at home and get a set price for the finished piece. Moreover, annually stitchers also receive 10% of all profits (B-Corp, 2020b).

Jeltbelt was founded in 2014 in Montana (US) and is a social enterprise that manufactures belts that are made from recycled plastic bottles. The belts are produced by women sewers living on rural Montana ranches and are also manufactured at the Women's Prison in Billings, Montana, a cooperation with the Montana Correctional Enterprise Program, to promote and encourage social change. Moreover, 1% of annual sales supports non-profit organisations focused on the environment (Jeltbelt, 2020).

KOCO, Knit One (garment) Change One (life) was founded in 2009 in Woollahra (AUS). They are handknitting experts that handknit for global fashion brands. The brand was established in Australia in partnership with women who live in rural villages in southern India. (KOCO, 2018).

MERGE4, founded in 2016 in Soquel (US), uses business as a force for good for producing socks in a sustainable way. However, MERGE4 is more than just a sock company. The brand partners with non-profit organisations to produce socks that benefit causes from endangered species to cancer (MERGE4, 2020).

Good day girl was co-founded in 2013 in Paddington (AUS) by former competitors. With the common ground that both did not longer want support the traditional fashion business, Good day girl was born. By exclusively producing what the customer orders, they are taking a slower approach, leaving behind no waste to mother earth (Good day girl, 2020).

Jetty was founded in 2003 in Manahawkin (US) and is a coastal brand producing surf and skate apparel with a conscience. This coastal lifestyle apparel brand designs and prints their garments in a sustainable way, brews their own beer, and gives back to their community via their charitable arm, the jetty rock foundation (Jetty, 2020).

TABLE 2

Overall information about the enterprises (May 1<sup>st</sup>, 2020)

#	Company	Headquarter	Firm Size (# of employees)	B-Corp Certified since	Overall B-Corp Score	Impact Score in Environmental Area
1	Save The Duck	Milano, Milano, Italy	55	July, 2019	95.0	32.1
2	Good Threads	Jacmel, Sud- Est, Haiti	12	July, 2019	96.6	18.9
3	Vanhulley	Groningen, The Netherlands	6	September, 2019	84.0	18.7
4	Jeltbelt	Bozeman, Montana, United States	5	December, 2019	83.3	14.9
5	KOCO	Woollahra, New South Wales, Australia	1	March, 2017	84.8	10.8
6	Merge4	Soquel, California, United States	10	February, 2017	97.2	10.4
7	Good Day Girl	Paddington, New South Wales, Australia	3	January, 2018	93.8	8.6
8	Jetty	Manahawkin, New Jersey, United States	22	August, 2017	82.9	6.1

## RESULTS

The purpose of the study is to explore the barriers and challenges sustainable enterprises face in order to synthesise them. This section presents the key findings from the interviews.

Apart from the identified barriers, there is a clear distinction between Save The Duck to all the other enterprises in terms of resources available. The interviews yielded that Save The Duck by far has the most resources at hand (human resources and financial means) which allows them to outsource the environmental performance measurement to third party sustainability consultants. In the cases of all other sustainable enterprises numerous, yet similar challenges were identified. Subsequently, the various strategies pursued by these enterprises to overcome the challenges

resemble each other. **Table 3** below provides a tentative overview of how the barriers have been addressed. Another similarity is that all B-Corps talked about the wish to grow to generate higher profits to create a larger impact. According to Jolink and Niesten (2015), sustainability-driven entrepreneurs, use increased profits to contribute to a more sustainable world. These sustainable entrepreneurs presented their business model as a for-profit model underpinned by sustainable values. Hence, they regard profit as a means rather than an end which is in line with the findings of Parrish (2010). Lastly, all enterprises highlighted they would like to be supported (e.g. financially or with a consultant coming in who provides help) as long as the support is for free. **Figure 3** below provides a data structure which highlights the second order themes as well as aggregated dimensions. The data structure is based on the coding of the interviews and the corresponding code trees (Appendix E). All of these challenges impede a frictionless environmental performance measurement. The following reviews the main barriers found.

*Challenge to find a to the business fitting consulting agency.* This challenge applies only to Save The Duck, having employed the most employees. Since the measurement process is outsourced to a longstanding and trusted consulting agency, they do not face any barriers in relation to environmental performance measurement. According to the business, the only challenge is to find a trusted agency because there exist many unreliable agencies on the market. Smaller enterprises explained that delegating the respective measurement to a third party is not affordable.

“They were good, good consultants, but they were not in the same mood. They were not working in the same way as we are doing. And so, they were not the right ones. You know, it's like an engagement.”

“[...] you could do that if you would have money for it.”

*Environmental performance measurement is not first priority.* According to Gurova and Morozova (2016), the fact that sustainable enterprises are manufacturing garments in a sustainable way to lessen the harm on the planet demonstrates their dedicated focus on the environmental pillar of sustainable development. In contrast, during the interviews it became clear that for half of all enterprises the social pillar of sustainable development is of major importance. The underlying reason is twofold. Firstly, the sustainable production of garments is often used as a force for good

to give back to and support the local society/community. Frequently due to personal reasons. Secondly, in one case an impeccable infrastructure was lacking (i.e. lack of constant water or energy supply). Thus, improving the environmental performance would add no value for the local society because the prevalent poverty prioritises a stable living over a clean environment. Therefore, impacting the environment in a positive manner is often a by-product but not a goal in itself. Given these reasons, for some sustainable enterprises environmental performance measurement is not regarded as the priority dedicated important resources to. According to one enterprise, the business would even continue without the measurement of the environmental performance.

“Do you think that there's value in recycling in Haiti? Like how hard things are here for any type of consciousness about that?”

“I mean, the business still goes on without me being able to measure it really clearly.”

*Lack of time.* All sustainable entrepreneurs reported they are very busy with multiple business tasks at the same time to keep the enterprise vital. As such they cannot afford to let go important tasks for a measurement without which the company would be running anyways. Thus, this barrier is a cause of and it negatively affects other challenges. For example, precious time cannot be dedicated for research to close knowledge and information gaps.

“It's not a problem, it's just time consuming. I suppose as a small business, we don't have a lot of time to do that kind of thing.”

*Lack of an Environmental Management System.* Many of the sustainable entrepreneurs reported they lack an efficient environmental management system to measure the environmental performance. This is partly attributable to the stated lack of technical knowledge which is needed to implement such a system. Some entrepreneurs just measure what is recommended but would like to have a system in which they can feed in their environmental data that eventually displays the environmental performance. However, some entrepreneurs stressed that the environmental management system has to be easy since they do not have time to neglect usual business tasks or to conduct research to implement such a system.

“We don't really have an official measurement [...] we just really try to run a very right, clean office. And how we impact the environment. [...] but we don't really have a program. We just do the things that are recommended.”

“I don't really have a method and I don't know a lot of methods.”

*Information complexities.* During the interviews, most sustainable entrepreneurs stated that the knowledge about sustainability is constantly updating due to frequently published studies and research what makes it tough to stay current. On top of that new research can be contradictory for which it needs time to work out the right information. Hence, some entrepreneurs just measure what is recommended. Only Save The Duck can afford to delegate the research to its suppliers and the agency in order to stay current. Additionally, the sustainable enterprises that engage in recycling highlighted that a lot of information is missing regarding the value and savings of recycling compared to manufacturing garments with virgin materials.

“[The knowledge] is constantly evolving and changing the way of thinking and you have to stay current. Yes. Educate yourself constantly.”

“[Doing research] through our partners. Luckily for me.”

*Lack of financial means.* Most sustainable entrepreneurs reported they are not in business to earn money but to use business as a force for good. However, without being a financially healthy business they cannot fulfil their social or environmental mission. Moreover, a lack of financial means is a major impediment to the growth of the business without which it is hardly feasible to hire dedicated sustainability managers that could relief the measurement tasks from the sustainable entrepreneur's agenda. Moreover, most of the entrepreneurs signalled that sustainability and the management of the extensive paperwork by B-Corp is a full-time job. Thus, it is problematic that the enterprises are usually under-staffed but cannot afford to hire an assigned employee. Consequently, sustainable entrepreneurs expressed they wish to be supported in that case. A second aspect the entrepreneurs annotated is that running a business in a green way is much more expensive than running it in a conventional way. They indicated they must pay for both the certification process as well as for having green business practices. As a result, products have to be sold at a higher price, however, this willingness to pay is lacking among mass consumers.



“Yes, financially, these items cost money to sign up for, and this is basically a full-time job for someone which we do not have the ability to hire that person, we are currently short-staffed due to COVID-19.”

“We are B-Corp certified, all this stuff. It's so much more expensive to run a business this way. And therefore, our product costs more. Therefore, our customers have to understand and the world needs to understand that if you care about the environment and you care about the people on the planet, you need to pay more for products. You need to buy from companies that are doing the right thing and pay a little bit more”

*Lack of awareness on part of mass consumers.* As broached above, many sustainable entrepreneurs complained that mass consumers do not care enough for the environment which is why their willingness to pay for green products is limited. The entrepreneurs reported if a broader customer base would purchase their products they had more money to invest in sustainable processes which would eventually pay off in the long run. Although they discerned that over the last years the sustainability awareness among mass consumers has increased which has led to a greater availability of greater choice and knowledge as well as greater access to greener solutions, still most of the entrepreneurs claimed that B-Corp should use their money to promote the B-Corp stamp to consumers (B2C) instead to other not yet certified companies (B2B) in order to foster the awareness of the stamp among mass consumers. All sustainable entrepreneurs emphasised they are educating and training customers to think in a more sustainable way by sharing their stories. However, since consumers do not want to be told off what they are doing is wrong, this is a balancing act. Lastly, the entrepreneurs reported a path dependency from a cultural perspective. Whether environmentally friendly fashion is wanted can be a matter of culture. For example, some Eastern consumers like to wear fur and leather but do not want to wear recycled garments.

“And again, like I told you, like most of the consumers that we have they're very conscious of stuff. But it's not going to make the sale. Right. That's not going to be the deciding factor of a sale [...] and again in the analytics that we have. It hasn't shown to be the deciding factor. We want it to be the deciding factor.”

“For instance, [...] this the attitude of the Russian market at present. This is something I heard from our distributors. [...]. Usually they keep asking us to please write inside the garments somewhere that it's designed or created in Italy and don't mention too much that this material is recycled because Russian people, they don't want to wear plastic bags or garbage.”



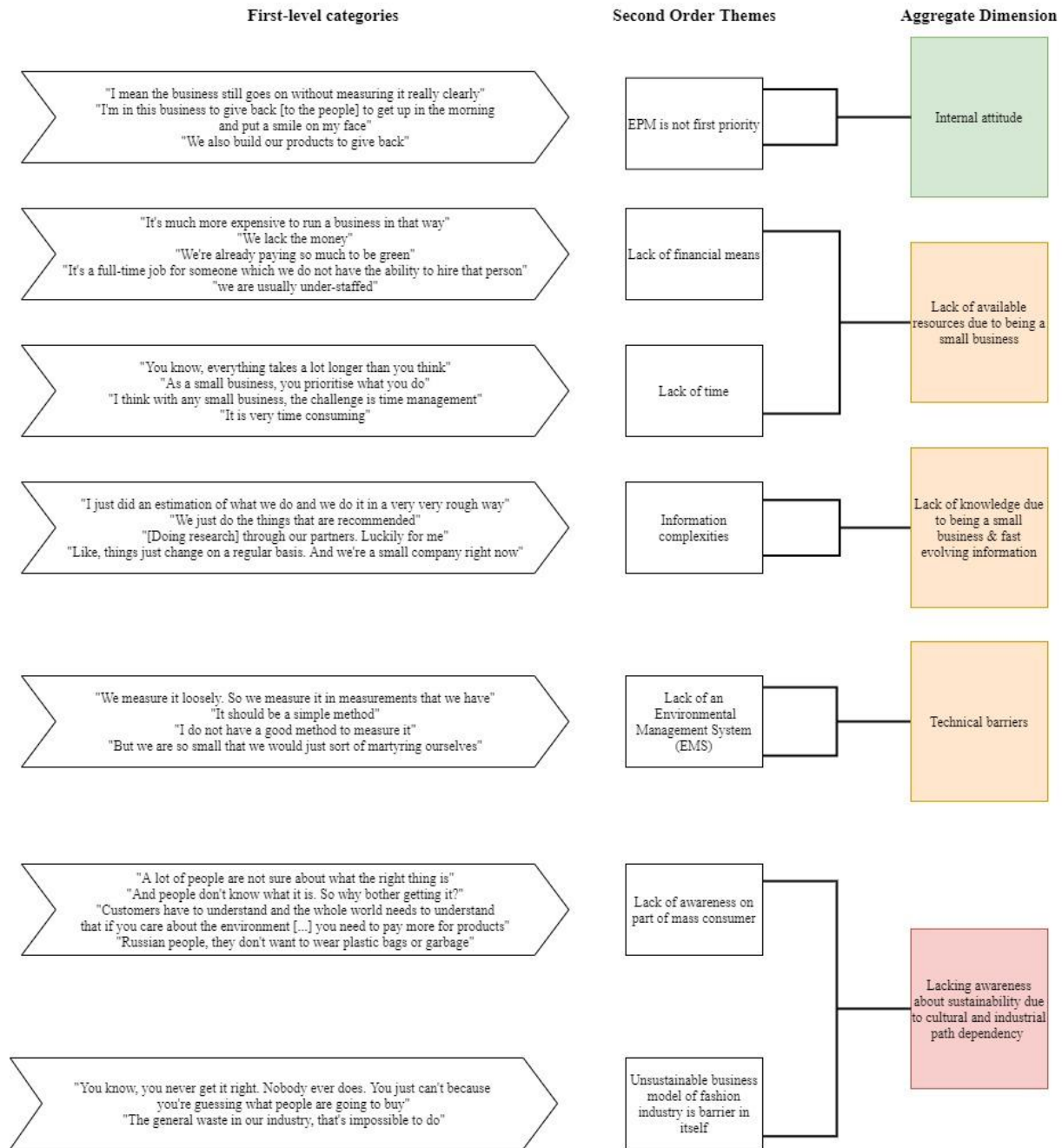


*Unsustainable business model of fashion industry.* Although all sustainable entrepreneurs try to minimise their footprints in the fashion industry, the fashion industry's business model still uses an old-school approach which means that the calculations for the production (i.e. required materials) can only be guessed. As a consequence, a certain amount of waste is inevitable. Only Good Day Girl pursues therefore a backward approach with custom-made orders, having almost no waste in the end.

“The general waste in our industry, that's impossible to do. It's just part of the system that we're in because you're guessing what you're going to sell.”

FIGURE 3

### Barriers to measuring environmental performance



Legend:

- Microlevel/personal level
- Mesolevel/sustainable enterprise level
- Macrolevel/contextual level

TABLE 3

Tentative overview of how the barriers have been addressed by sustainable enterprises from the interview sample

Challenges	Strategies pursued by other SE	Strategies suggested by B-Lab	General Strategies
Lack of Time	<ul style="list-style-type: none"> <li>• Create a roadmap in the very beginning to map out the business' vision,</li> <li>• how to get there and how much it costs</li> <li>• Forecast the next steps and take into account unforeseen events.</li> <li>• Some steps take longer than expected, some shorter."</li> <li>• Follow the assessment from the very beginning. It allows to structure yourself and provides areas to look at to progress</li> <li>• Collaborate with local university. Students might volunteer for free</li> </ul>		<ul style="list-style-type: none"> <li>• Keep an eye on the supply chain and think about end of life of the product. How can it be upcycled or recycled?</li> <li>• Create a sustainability checklist and start attacking it.</li> <li>• Start small (with own office) and expand from there (i.e. to suppliers) Multi-stakeholder engagement</li> <li>• (try to alleviate the work to partners)</li> <li>• Avoid to work with my suppliers. Rather use a few and local ones that are willing cooperate</li> </ul>
Lack of an Environmental Management System (EMS)		<ul style="list-style-type: none"> <li>• SE should contact B-Corp. They are delighted to put the SE in contact with experts from the community.</li> <li>• Follow the recommended methods: <a href="https://www.bcorpclimatecollective.org/resources">https://www.bcorpclimatecollective.org/resources</a> or <a href="https://pardot.bcorporation.net/climateemergencyplaybook">https://pardot.bcorporation.net/climateemergencyplaybook</a>"</li> </ul>	
Lack of technical knowledge/ Information complexities	<ul style="list-style-type: none"> <li>• Talk to other SE. Here, sometimes it did not matter whether SE have different business models/work in different industry. It matters the fact that sharing experiences trains to look at obstacles/problems from a different angle.</li> <li>• Participation in boot camps to increase knowledge</li> <li>• Read business blogs</li> <li>• Interviewing the sustainability coordinator of a local municipality</li> </ul>		
	<ul style="list-style-type: none"> <li>• Scan state and county services' websites that provide information on several topics</li> <li>• Get information through B-Corp community</li> </ul>		
Lack of financial means			<ul style="list-style-type: none"> <li>• Look for special sustainable entrepreneurship funding at local government</li> </ul>
Lack of awareness on part of mass consumers	<ul style="list-style-type: none"> <li>• Promote each other's business by sharing the stories</li> </ul>		
Lack of human resources	<ul style="list-style-type: none"> <li>• Collaborate with local university. Students might have appropriate knowledge or are willing to do the research/paperwork</li> </ul>		

## DISCUSSION

The following discussion interprets the results in relation to the research question. The goal of this paper is to outline various barriers and challenges sustainable enterprises face when measuring the environmental performance.

The contribution of this paper is twofold. First, the results show that sustainable enterprises face multi-level challenges when measuring the environmental performance. As shown in **Figure 3**, the identified challenges can be classified into three levels: micro, meso and macro. This classification suggests that environmental performance measurement is a multilevel and interrelated construct which is in alignment with the findings from Ebrahim and Rangaan (2014). From micro- to macro-level the severity of the challenges increases, thus, calling for skilful collaboration with other sustainable enterprises and highly legitimatised actors. Moreover, applying a multi-level perspective enables to zoom-out to see the various contexts in which the different challenges occur (Payne, Moore, Griffis & Autry, 2011). Hence, this perspective is a powerful one through which a holistic picture is obtained that reduces the uncertainty about environmental performance measurement. Secondly, findings reveal that different types of inertia occur at each level, thus representing one overarching challenge. Inertia describes the disinclination to enact change and its effect on decision-making is significant (Stål, 2015). Notably, the relationship between the barriers and inertia is not a one-way relationship. On the one hand, the barriers and challenges feed the inertia (Perron, 2005). On the other hand, inertia devours the motivation to tackle the barriers. Inertia is often studied within large organisations, but its effect might be even more important in small sustainable enterprises (Rinta-Kahila, Penttinen & Nevalainen, 2016). Against the mainstream opinion that small enterprises are able to react to changes very quickly (Hannan & Freeman, 1984), some researchers pose that small enterprises may act less flexible since they have very limited resources that can be allocated to any other than core business tasks (Rinta-Kahila et al., 2016).

The contributions imply a strategic direction for sustainable entrepreneurs on how to address these challenges. The outlined barriers constitute a holistic picture that shows that barriers are interrelated and occur simultaneously. In other words, environmental performance measurement is a fluid process with intertwined elements. By outlining the barriers, uncertainty about the measurement is reduced. For one thing, this may inspire already certified sustainable

enterprises in terms of effort and resource allocation to efficiently address the barriers. For another thing, this lowers entry barriers for not yet certified sustainable enterprises but that would like to become certified. Beyond that, the holistic overview provides policy makers with a starting point for designing policies that aim to promote environmental performance measurement or green environmental performances of local businesses. A better understanding of the challenges and barriers particularly sustainable enterprises face helps to design more effective policies and environmental business programmes. Since small-medium-sized enterprises constitute the vast majority of the businesses in Europe and the US, these enterprises are highly important for a healthy environment (Hillary, 2004; U.S. International Trade Commission, 2010).

The micro-level refers to the personal level of the sustainable entrepreneur and his or her attitude towards environmental performance measurement. This attitude lays the foundation for an effective environmental performance assessment. The personal attitude is open to influence by the sustainable entrepreneur itself, in particular by the personal attitude towards the environment. Thus, depending on the personal background and context in which the entrepreneur is embedded in the efforts made for the measurement vary. What was observable in this study is that entrepreneurs who have been in touch with a certain environmental problem (i.e. polluted beach with plastic bottles) or have built a strong personal connection to the environment (i.e. are born in a conversation area) showed a strong intrinsic motivation and intention to assess and improve the environmental performance. On the other hand, those entrepreneurs who have not been exposed to a certain environmental problem pursued a social mission and dedicated more efforts to measure the social performance than the environmental one.

Partly, this may be explained with inertia to acquire new knowledge (Cavus, Koc & Aksoy, 2014) because sustainable entrepreneur's own values and beliefs are found to anchor initial decisions ("*what matters to me*"). Given their social orientation, perhaps those entrepreneurs perceive a mission drift or cognitive dissonance when claiming their environmental impact towards stakeholders ("*what matter to them*") but have not found a balance between the social and environmental performance yet ("*what matters to us*") (O'Neil & Ucbasaran, 2016). Another possible explanation may be that sustainable entrepreneurs perceive a trade-off between measuring the environmental and social performance. According to the literature on corporate sustainability, the environmental, social and economic pillars of sustainable development are mutually

reinforcing (Hahn, Figge, Pinkse & Preuss, 2010). In practice, however, research has shown that trade-offs between these pillars exist and cannot be achieved simultaneously. At the individual level, trade-offs occur because of different individual interests and values that influence the sustainable entrepreneurs in formulating and executing the entrepreneurial mission and strategy (Hahn et al., 2010). Moreover, especially in small sustainable enterprises, the entrepreneur has the power to influence actions and decisions. However, if the entrepreneur is not capable or unwilling to change out of habit, behavioural inertia will remain (Rinta-Kahila et al., 2016).

The trade-offs between environmental and social performance measurement point to the importance of designing cross-policies that apply to enterprises with both an environmental and social mission. Such cross-designed policies may help converting trade-offs into synergies (Stafford-Smith, Griggs, Gaffney, Ullah, Reyers, Kanie, Stigson, Shrivastava, Leach, O'Connell, 2017; Hahn et al., 2010). A further implication is that the education offered by parents, and universities have the power to shape individual's attitudes towards entrepreneurship and preserving the environment. Hence investigating individual intentions provides valuable insights for researchers, policy makers and educational staff into how to influence eco-entrepreneurship thinking. This might be especially advantageous in countries that face many environmental threads.

The meso-level refers to the level of the sustainable enterprise and its resources. At this level, not the personal attitude of the entrepreneur but the available resources and systems of the enterprise determine the actions of the sustainable entrepreneur regarding environmental performance measurement. The challenges encountered here are more difficult to address. For example, a lack of resources and knowledge as well as lack of appropriate technology cannot merely be addressed with the attitude of the entrepreneur. According to Perron (2005), resources are fundamental to allow environmental performance measurement. It was observable in this study that the various lacks affect the environmental performance measurement in a negative way. As a result, the entrepreneurs used the resources at hand to measure and demonstrate the environmental performance. In fact, none of the entrepreneurs commit to one measurement method or implement a system that measures the environmental performance. Instead, they pursue a bricolage approach by using resources at hand (knowledge and money) to measure the performance. Bricolage is a creative mechanism that provides sustainable entrepreneurs with flexibility and resourcefulness

and allows for improvisation to exploit the resources within their boundaries (Ebrahim & Rangan, 2014; Garud & Karnøe, 2003). Apart from bricolage, cognitive inertia occurred at this level in that sense that although the sustainable entrepreneur is aware that alternatives methods exist, they do not spend time on considering to implement a measurement systems as long as the old practices are running (Rinta-Kahila et al., 2016). Again, if the entrepreneur is not willing to change, no change will occur.

Taken together the resource constraints, which negatively affect the capacity to measure the environmental performance, and the fact the vast amount of small-medium-sized enterprises significantly contribute to the environmental condition, implies that there is an urgent need to establish new environmental measurement systems. As stated above, sustainable enterprises differ in many aspects from large, conventional companies, for example in terms of resources. Hence, it is clear that environmental measurement system are not equally applicable to all kinds of firms (small sustainable enterprises and large companies) due to complex variations. Rather, these new systems must be specifically tailored to small-medium-sized sustainable enterprises in relation to the resources available. (Jamil & Mohamed, 2011). To further enhance the possibility to overcome the various lacks, collaboration between sustainable enterprises in the fashion industry is needed to exchange knowledge and best practices. In that way, the obstacles can be discussed and tangled from different perspectives. Here, both B-Corp as well as the members can help each other and find innovative strategies to overcome the barriers. Meetings could take place in person but also online (i.e. webinars) which provides the advantage that those meetings are accessible during crisis times.

The macro-level refers to the contextual level. At this level, the entrepreneurs face cultural and industrial path dependencies. These challenges are the most difficult ones to address. It needs collaboration with both other sustainable entrepreneurs as well as legitimised macro actors such as governments and policy makers to address these challenges. According to Hassink (2007), path dependencies are caused through prior decisions and result in lock-ins. Lock-ins, in turn, lock out alternative solutions and slow down or even block renewals. Moreover, these path dependencies cause inertia that further nurtures the resistance to change (ebd.). At the industrial level, it is the resistance of traditional fashion companies to change manufacturing practices to a green way. At the cultural level, it is the resistance of mass consumers to change from fast fashion to sustainable

fashion. It was observable in this study that the various types of path dependencies impeded the sustainable entrepreneurs. As a result, the sustainable entrepreneurs tried to break existing path dependencies for which they pursued a twofold mission. First, by manufacturing their products in an eco-friendly way they act as a role model for and as a counterbalance to large, traditional fashion companies. In doing so they attempt to break the industrial path dependency. Secondly, by educating consumers about sustainability. In doing so, they try to break the cultural path dependency. These path dependencies highlight the need that a change in the context is needed.

This implies that there is a need for more collaborative relationships between industry actors, both sustainable enterprises and large companies, the society and governments. Context is not a given. It is both restraining and enabling. A change in the context can be realised through bridging institutional entrepreneurship which involves actors that draw on their social capital and embeddedness. By influencing actors at the macro-level such as the government, policy actors and institutions these entrepreneurs should seek to legitimise their green practices (Tracey, Phillips, & Jarvis, 2011; Barth 1967). Through bridging institutional entrepreneurship, novel and affordable solutions in terms of systems thinking as well as in the infrastructure can be developed to break existing path dependencies. Without the action of these sustainable entrepreneurs to break existing path dependencies, inertia is likely to prevail at the industrial and cultural level.

## **Conclusion**

This study has attempt to provide a current and overarching view of the barriers sustainable enterprises in the fashion industry face. Sustainable entrepreneurship is widely acknowledged for bringing about growth and is assumed to play a role in addressing unmet social and environmental needs (Hoogendorn, van der Zwaren & Thurik, 2017; Ro, 2020). Using qualitative research conducted through multiple case studies, this paper sought to address the research question: *Which challenges do sustainable entrepreneurs face when assessing the environmental performance?* To answer this question, multiple barriers have been identified, the most severe ones are shown in **figure 3** above. Overall, challenges can be classified into micro-, meso- and macro-level challenges framed by inertia at each level. **Table 3** provides a tentative overview of how the barriers have been addressed. In light of the results, this paper makes some important contributions to theory and engenders many implications for practice.





With respect to theory, this paper contributes to the understanding of sustainable entrepreneurship by identifying barriers that impede sustainable enterprises that are acknowledged to bring about growth and change. Traditionally corporate environmental performance assessment theory focuses on i) traditional companies and ii) the relationship between the disclosure of the environmental performance and the effect on the business' financial performance (i.e. Rockness, 1985). By including sustainable enterprises as research subjects who have been neglected before, this paper contributes to the respective theory by adding new barriers that apply to sustainable enterprises. Secondly, future research can use this study as a foundation to infer strategies to overcome measurement challenges identified in this paper. Thus, novel insights about environmental performance assessment in sustainable enterprises are presented which add significant value to ongoing conversations in the field of entrepreneurship while charting new research pathways.

With respect to practice, many implications can be inferred that have been extensively explained in the discussion. At the micro-level, this paper emphasises the need for cross-designed policies to convert trade-offs into synergies as well as entrepreneurship education to shape the personal attitude towards the environment. At the meso-level, implications stress the need for environmental management systems especially designed for small sustainable enterprises as well as collaboration among B-Corp and certified enterprises to close knowledge gaps. At the macro-level, implications suggest the need for bridging institutional entrepreneurship to break existing path dependencies. Overall, due to its tremendous impact, the fashion industry has a responsibility to continue to improve its environmental impact. B-Corp certified enterprises lead by example but to collectively create a positive impact, it needs more than individual businesses that do businesses as a force for good.

### **Limitations and future research**

This study is not without limitations. Given the extent of this paper, the main limitation is the little sample chosen for the interviews. Thus, the conclusions must remain tentative as only one person was interviewed from each sustainable enterprise. Hence, future research could extend this study by interviewing the (Co-)founder plus another key employee such as a sustainability manager. Two or more perspectives on the same problem enable a deeper research that may outline different

or more barriers and challenges. In addition, future research may work out detailed strategies to overcome the barriers identified and provide sustainable enterprises with a clear roadmap.

Although all entrepreneurs from the interview sample operate in the fashion industry, not all of them pursue a clear environmental mission. Hence, future research may concentrate solely on eco-entrepreneurs that are environmentally-driven. Additionally, it may be interesting to study barriers large enterprises face (e.g. Patagonia or Toms) to see whether those companies with distinctly greater resources (i.e. employees and financial means) face different challenges than small sustainable enterprises.

Another limitation of this paper is that a causal chain could not have been provided whether the potential strategies to overcome the measurement challenges indeed lead to an improved environmental performance. This could be backed up with a quantitative research that conducts a systematic empirical investigation. As widely known, sustainability in the fashion industry touches aspects such as the use of hazardous chemicals and virgin materials as well as the reduction of any kinds of pollution, waste water, biodiversity, land loss and deforestation. This calls for deep transdisciplinary research that stretches across several disciplines in order to jointly design innovative solutions to develop simple environmental performance measurement methods that are manageable for small businesses who work with limited resources.

Lastly, apart from the limitations mentioned above, one abnormal limitation impeded the research. The current Covid-19 pandemic and its contact restrictions made it impossible to conduct the interviews in person. Moreover, the interviews were conducted and analysed solely by the author of this paper. Therefore, personal experience and knowledge may have influenced the observations and those interpretations which may impede the objectivity.



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**Appendix A – Semi-Structured Topic List**

<b>Topics</b>	<b>Example Questions</b>
<b>Introductory question</b>	e.g.: What is your company doing?
<b>Introduction to sustainability</b>	e.g.: What does sustainability mean to you?
<b>Introduction to EPM</b>	e.g.: Are you measuring your EP? If yes, how? If not, why not?
<b>Challenges</b>	e.g.: Are you experiencing any challenges when measuring?
<b>Strategies to overcome challenges</b>	e.g.: What did you do to overcome challenges? What would help you?
<b>Small business</b>	e.g.: Do you think you could measure more deeply if your company way bigger?
<b>B-Corp Impact Assessment</b>	e.g.: You got x point in the assessment score, why did you not reach all of the points? Is it a goal for you to improve the score? e.g.: What could be improved during the performance assessment?
<b>Consumers</b>	e.g.: Could consumers do anything that would improve your EP?
<b>Incentives</b>	e.g. Are there any incentives that would encourage you to measure the EP?
<b>Subjectivity</b>	What is the biggest challenge in terms of measuring the EP from your perspective?
<b>Stages</b>	In which stage were the challenges you mentioned most prevalent?
<b>Advice</b>	Which advise could you give to other SE who are having difficulties with EPM?

## Appendix B - Informed consent

**Consent form:** Which challenges do sustainable entrepreneurs face when assessing their environmental performance and which strategies do they pursue?

### 1 Principal investigator

*Name of principal investigator*

Rijksuniversiteit Groningen

*Phone of principal investigator*

*Email of principal investigator*

### 2 Purpose of the study

Dear sir/madam *name*,

You are being asked to take part in the above mentioned research study as part of a research assignment delivered within the master programme Sustainable Entrepreneurship at Campus Fryslan of the University of Groningen. Before you participate in this study, it is important that you understand why the research is being done and what it will involve. Please read the following information carefully. Please ask the researcher if there is anything that is not clear or if you need more information.

The relevance of this research is twofold. At first, this paper focuses exclusively on SE that have sustainability as their defining characteristic, since the current decades have witnessed an increased awareness in this field (Shaw & Carter, 2007). Secondly, since this paper outlines barriers and challenges for corporate EP assessment, thereby establishing a more holistic understanding that reduces the uncertainty regarding the measurement. Additionally, to ensure comparability of results, only fashion entrepreneurs which are certified according to B-Corporation standards are chosen as they have to obey the same regulations for measuring their performance. Moreover, the fashion industry has become a product of modern age and many entrepreneurs engage in the sustainable fashion sector. Lastly, this research aims to increase the collaboration between entrepreneurs, students and the academic field, thereby adding practical value through the learning process.

### 3 Study procedures

By participating in this study, you agree to take part in the following activities:

- i) Reading the informed consent
- ii) Active participation in the scheduled interview on *May, date, 2020*.





By participating in the interview, you agree that the conducted interview is recorded, transcribed and analysed. This information will solely be used for the current study. The interview will take approximately 60 minutes.

#### **4 Risks**

There are no risks involved in this research. You may decline to answer any or all questions and you may terminate your involvement at any time if you choose.

#### **5 Benefits**

There will be no direct benefits provided for participating in this research. You are able to receive the final results of the investigated topic when the project is completed.

#### **6 Confidentiality**

Your responses to this interview will be anonymous. For the purpose of this study the interview will be recorded, transcribed and analysed. Recording and transcription will not be used for any other purpose besides conducting this study. Every effort will be made by the researcher to preserve your confidentiality including the following:

- Assigning code names/numbers for participants that will be used on all research notes and documents
- Keeping notes, interview transcriptions, and any other identifying participant information in a secured folder in the personal possession of the researcher

I will write an article based on the interview. The article will include a short description of the firm and the company name. Your personal details will not be published.

The article will be reviewed by my supervisor Prof. Dr Emma Folmer.

#### **7 Voluntary participation**

Your participation in this study is voluntary. It is up to you to decide whether or not to take part in this study. If you decide to take part in this study, you will be asked to sign a consent form. After you sign the consent form, you are still free to withdraw at any time and without giving a reason. Withdrawing from this study will not affect the relationship you have, if any, with the researcher. If you withdraw from the study before data collection is completed, your data will be returned to you or destroyed.

#### **8 Consent**

I have read and I understand the provided information and have had the opportunity to ask questions. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving a reason and without cost. I understand that I will be given a copy of this consent form. I voluntarily agree to take part in this study.



Participant's signature \_\_\_\_\_ Date \_\_\_\_\_

Investigator's signature \_\_\_\_\_ Date \_\_\_\_\_

## 9 Supporting professor

This interview is supported by my supervisor Dr. Emma Folmer.  
University of Groningen, Campus Fryslan  
[e.c.folmer@rug.nl](mailto:e.c.folmer@rug.nl)

## 10 Details

**Interviewee name:**

**Company name:**

**E-mail address:**

**Student name:**

**E-mail address:**

## Appendix D - Transcribed interviews

### Sustainable Entrepreneur 1, interview duration: 20 minutes, interview location: online

Hello, how are you?

Hello, I'm fine. How are you?

I'm fine, too. How is your business going?

It's a bit chaotic as you as you probably are Understood from my and not very quick replies.

Yeah and I was I was ashamed that I needed to bother you so much.

No, no, no. You're absolutely it's fine. It's just that it's such a strange time and period. And we're now with such a lot of volunteers, about 20 every morning and 20 others every afternoon. So and sometimes they're four or five new ones. So they have to be instructed. And so while it's basically it's a it's a lot of work in terms of entertaining and keeping the machines going and all that I did.

I mean, in terms of people. Yeah. Yeah, exactly.

And it's also then you have other expectancies. So you have to really be grateful that they are they are doing well, needs to be done. But everybody has the same experience. Not everybody is the same as it has the same demand. So wishes. And then you still have to take into account all the measure. All the the new rules on social distancing and all that. So. But it's it's OK. It's fine. I'm really grateful that so many people want to help. And basically also want to help out family to get over this period, because we what we are doing, it does cover some of our fixed costs, which is nice.

Yes. And to whom are you sending these masks?

Well, we're. We did some masks from our own fabric, and that was for basically for other industries and the care industry. More for production sites. So they were not supposed to to be protecting against the cold. But then the university hospital asked us to make new elastic bands from existing ones from China. So that's what we've been doing in the last week, removing elastic bands from six thousand mouth masks or face masks and then replacing them with other elastic bands. And we are now working with protective clothing for hospitals and care institutions from this non woolen material.

Wow.



So, yeah, there's a lot of work and various orders. And this this last order is a very big one because supposedly there's a there's a large shortage on these. Yes. We call it short term. It is basically a blouse that you put on backwards. You know, these long, long sort of dresses. And so we're in this order with two other workshops in in Amsterdam and Utrecht and and there's one coordinator and there's one well ordering party who coordinates all the all the different order. So we're just we're producing, but we're not really sure. We are producing for these various hospitals and.

Yeah, but you're earning money with it.

Absolutely.

At least that.

At least that. Yes. And I'm really thankful for the volunteers that day. Apart from doing something useful for the care industry, they also do something useful for us. So I keep emphasizing that because they don't get paid. But we we want to be sure that they know that they help us out in this difficult period as well.

Well, now, very good that you get these volunteers. OK. Now, I don't want to steal your time too much. Should we start?

OK.

What does sustainability mean to you?

To me, you're talking about {brand name}, it means the sustainable part for {brand name} would be that we always use fabric that isn't used for just a second. I have to take a phone call.

Yes.

That has not been made for us, so we upcycle recycle fabric that already exists.

And do you experience that as a challenge to use rather oold fabrics than ordering new ones?

Um. Well, there is also a lot of new fabric that already is there but would be thrown.

Sorry, I couldn't hear you, you were gone.

Oh.

Well, it's not only that, it's old fabric. It's also new fabric that hasn't been used. But it's already produced. You see? So its fabric that has been produced, but not always has been used.

And yeah, and you're giving them a second life.

Exactly. Yeah. Yes.



What gave you the idea to do that, to upcycle old fabrics?

Well, I think basically when I thought of this from the start, that was the idea of returning turning your your shirt into a boxershort.

That was something just just had to do with the fact that I I'm I'm very fond of fabrics and nice prints, and I'm not a very good one in throwing things away. So this was basically an idea in my private life where my husband had a shirt that we had really nice memories of and he wore these kind of boxer shorts. So I thought, well, maybe this is a good combination. And that's how it all started. So it wasn't really started from the idea that I wanted to save the world from new fabrics or all that. It's not a very idealistic start. It has become more and more important and much, much of a larger problem in the last few years than, say, 25, 30 years ago when I thought of this idea for the first time.

And would you say or do you think it would be easier for you to work with new fabrics? Or doesn't it make a difference if you use already used fabrics?

Depends on what you want to make of it. A part of my first idea was the fact that it was your own fabric and then you can make your boxer shorts out of it. Whereas if you're making whatever material or whatever product that is not personally linked to you, it will be for reuse. I think it's always better to see whether you can reuse material instead of having new using sources that could be used otherwise or do not have to be used anyway.

It's definitely good for the environmental performance.

Exactly.

What gave you actually the idea that you said, I want to become b corp certified?

Well, I believe in international cooperation and being part of a movement. And it also had a sort of certification validation of what you're doing. Once you're through it, you can use their logo and you're part of a larger global organization with a lot of opportunities but I haven't had any time to really dive into. But anyways, it keeps you sharp on your social and environmental missions.

OK. And is this logo helpful for claiming towards Stakeholders'?

It could be potentially interesting for our business to business clients, because it is a sort of a company that does good in an objective way, in a measurable way. So, yes, for clients, it would be nice for other stakeholders, I don't really know. I don't I don't think for the municipality of Groningen a count or for the schools or for our foundation that supporters, no.

Do clients expect companies like you like sustainable companies or enterprises to have some sort of certification?



Yes, I think more so than a few years ago. And the difficult part for those working in the textile industry is that there are so many audits and so many stamps you can get in doing it the right way, that it's very hard to get on, especially if you're reusing fabric. So for us, I think because being a big corporation is more of an issue now. At least it gives you more weight as a company than it did five years ago.

And why did you exactly choose B-Corp?

Because there was the one that I knew. It was one that is across industries. It's very international. It's not very well-known yet. But I went to a workshop and I was very enthusiastic about the way they measure and the way they well, what they stand for, because there's also a whole social part behind it. It's not just about sustainability in terms of CO2 emissions or not just about textile is just it's overall. And they have a sort of very aggregated way of looking at your company.

We already had last week that you are not measuring your environmental performance, although you are a certified. But what is the reason again, why are you not measuring your environmental performance?

Well, I did for the certification, I did give an estimation of what we do and we do it in a very, very rough way. So it's not that we don't do it. We know what we recycle or upcycle in terms of how many kilos and what sort of material, but not in detail what we do in detail compared to what we do with the women in our social part of the company, which is part off of our certification. The Big Corp is not just on the sustainability.

You mean not only on the environmental.

Yes.

OK. You are measuring and I know you got a few points. Well you've got to actually you've got a lot of points after I've done a few comparisons, what are the reasons that you are measuring? Do you want to say, for example, would you like to be a role model for other enterprises in your industry or do you want to build relationships with your stakeholders?

You mean the reason why I want to measure my environmental impact?

Yep.

Well, it seems logical because as we mainly use fabric, we reuse and recycle in cycle fabric that already is there. I know that I could claim very high stakes in comparison to other boxershort brands, for instance. So. I think that if there is a system or a method that would measure my claims or my something that our already know that I do well because I use fabric that's already there. Then, I think it would be stupid not to do it because it is something that is becoming more and



more important and it would give me more, I would do it for marketing. I would do it for credibility. I would do it to be able to be part of a movement like a recycle hub in Groningen.

All that is is very good. If you can if you can tell people in three lines, for instance, what it's actually what exactly it is that you're saving the planet every year, for instance.

And currently you can say what?

Hm?

Currently, you can say you saved that amount of fabric's.

Yeah, I can do an estimation in in kilos, for instance, or in on a yearly basis. I can do an estimation, but I do not have a really good method to measure it.

So would you would you like to have a more proper methods to measure?

Yes.

OK. And how do you have like an idea how that could look like?

No, I think we're now going into the discussion we had last time. I don't really have a method and I don't know a lot of methods. So, OK, for me, it's very it would be very handy to have a method that can measure exactly what my impact is on the environmental part of the company, what my impact is on the world in sustainability terms.

So do you wish that B-Corp would a little bit revise the assessment?

No. No, I don't. No, that's not it. It's OK. We already are a b-corporation. So we are certified. I know we get the most points from the fact that we do it very well on the social part of the B Corporation certification process. And I know that I did some estimations as to our environmental impact in the certification process, but I'm not satisfied with the way we measure it now. And that doesn't have to do with the fact that B Corporation doesn't have a good method. We don't have a good method, though.

So is it rather an internal problem?

Yes, but I have I need to to have this to have a better external story on what exactly is what we do, because everybody knows we have our percentages that we as it when it comes to the women, what they do during the year, how they how they progress on certain scales. But we do not have a really good method to measure our environmental impact. So how many kilos of CO2 do we or pesticides? What is what is our effect on the world, on the planet? I mean, I want to have a method



that measures it during the year. So I can put it into our yearly report. Well, what exactly it is our impact was on the planet, not on the people, not on the women, but on the planet.

And which resources would you like to have to overcome that barrier? To have a more effective measurement?

I'm not sure I understand what you're saying.

So basically you said it's an internal problem that you're not measuring as much as you could do. Do you think if you would have more personnel or more time or more financial means, do you think that would be helpful to to make the measurement?

Well, it's a reason basically why I wanted an intern to do research on various methods to measure the impact of {brand name} on sustainability.

So because you can't afford to do it by yourself, because you got other more important things to do?

Yes.

And have you tried to make a link to the university or especially to campus Fryslân for that, because that's a whole sustainability campus, actually. And I'm sure there are many students who could help you with it. I mean, I wish I could have done this more.

No, well, my idea was that you would do it, but that hasn't been the case. Which is not a problem. But I'm sort of dependent on I could I could always there's always a student who comes to me and says, OK, can I do a research? I'm with sustainability or I'm with this. So it seemed like a logical next step to have the first intern that would be interested in this part of the company that he or she would do this research because the person before you was the one who helped me with being a b-corporation. So it's not that this has been on our plan for a year. It's just waiting for an intern to do it.

OK. So to sum it up, basically, could you say you have a lack of staff because you can't do it on your own?

Well, I don't see it as a lack of staff, I have enough staff, but it's a research thing. So why would a student not be able to delive such a research? I mean, my staff they're not researchers, but there's so much going on in studies on sustainability and impact and all that that I think it would be a win win instead of having someone from my staff doing this.

OK. That's a good point: A win win. It's an interesting perspective for me that you see it as a win win situation.





Well, I think if you're doing a sustainability studies as a student and there's a company that wants you to research various methods on measuring sustainability in a production environment, then I would say it's a very nice thesis subject. I would say I don't know.

And how are you measuring your environmental performance? Are you just doing these estimations?

Yeah. And I just did it for. There's always a reason that I have to make an estimation. For instance, when I was invited to participate in the circular awards for the World Economic Forum. I did an estimation based on a very quick scan on what does it cost to make a boxershort from cotton. So what does it cost to make one hundred grams of cotton. How many water does it cost? How many seal to how many pesticides? All that. And then you multiply it by the amount of boxer shorts you made. And then you are sure that people didn't buy new material but use their own material. So that's a very easy, easy estimation that I could make.

And what did you get that information from? So to say, I mean, I, I wouldn't know how to do it currently.

Oh, you can find it on Internet. If you could just Google and you are a bit critical and analytical on what sites you are on. It's easy to find. There's a lot of research already done on the damage that the cotton does produce. And for instance, there's a lot of on fabrics and there's a lot of information on what that fabric costs what to produce. So. But now it's becoming more difficult because we're making other products for our business to business. And that's also made from other materials. So. We need to know if we get, for instance, clothes to read to turn into bags. What exactly what method can we use to turn these clothes? Or what method do we use to measure the reuse of these clothes compared to throwing them away and then compared to buying new bags?

So and is this knowledge also there, if you Google it?

Honestly, I don't know, Laura. It's very difficult to say. I, I can't do this research. I need someone to go to dive into this material. Know what we're making. And then from the start and there I'm sure there must be methods. But I'm I haven't Googled them on an all of them. If you Google a method, of course you can see what the damage is. And it could be possible to, for instance, to interview comparable workshops that do to things like we do. How do they do it? How do they measure it? So apart from Googling, there's also in interviewing people who are into the recycling business, who know what they do, who make the recycling as their core business.

So that's very time consuming, right?

It is time consuming. Absolutely. Yeah, of course.

And you can invest that time better in other tasks currently, especially during Corona times.



Yeah, well, I I don't think it's really fair to to mix it up in in in this time.

I mean, this is a crazy time for all of us, but even in normal times. Well, it's not that. I mean, the business still goes on without me being able to measure it really clearly. But. It's frustrating not to have a good method. To measure it, because I know we are doing really well. So. I'm trying to understand why you're asking these questions and what you want me to say, because I feel like it's not that I'm not I it's not my highest priority. My first priority is to be financially healthy company with a social mission.

No no no, you're giving me good answers. I need to ask questions in the way I'm asking them, because you're telling me a lot and I can filter out amazing information that you're giving me right now. So I'm very happy with the answers that you're giving me.

Yeah. Okay.

For example. I know that you're rather a social enterprise, and I know that the social part is way more important to you than the environment part. But still, it's you don't regard it as unimportant the environmental part. And you would like. So you're in your willingness to to measure more efficiently, is there. And that's why I'm probing you all the time to tell me more about what holds you back. And I can notice it's all about the methods all the time.

Yep, yep, my my question for you is, then, how would your report then be a sort of report on. Where my priorities are or what exactly are you trying to find out, because I'm a bit lost on how I could help you more with producing something that is well, let's say academically feasible, because my priorities are about the research and how to conduct or good research on and coming out with an advice for me, like, you should do this and the best way would be to implement it as well. But so this is a bit where I'm stuck.

I sent you a document a couple of weeks ago where I said I discussed it with a supervisor, that I can not come up with a method in the end. What I'm rather doing is to find out barriers that would make the environmental performance measurement easier for you. For you as entrepreneurs, because I know it's highly complex to measure the environmental performance because many things are connected to that and that you're telling me that it's a topic where you have to dive into.

That sounds as a barrier for me, because that's not where you want to spend your time on currently. So based on these answers that you're giving me, I want to come up with strategies that makes it way easier for you to measure your performance more effectively. For example, that I can write down in the implications part that the university should strengthen the link with you, for example, and send out actively students to you, because it would be a win win situation for you as an enterprise and for the students as well.



But basically at the start when you started was my idea that you're then going to do is to describe the strategy that I've already tried to do, having a student, doing the research on the various methods and coming up with a sort of these methods are there and this is more feasible for this and this is more feasible for that. And then come up with a plan not having an implementation of a plan to start doing it from the moment that we're doing it, like we do with the impact measurement, social impact measurement for for the woman. On a on a quarterly basis or like that. But maybe I should just just wait and see what you come up with. This is just for me, I find it very hard to see how we both can benefit from your efforts in this. So I just don't want you to be to be disappointed in. In what you are researching, because I want your time to be useful and not coming up with something that I already know that like, you know, I need students to do this or a student to do this because I've done this before. Especially social impact measurement, there was two students who did this in six months. Reading literature about the various methods and coming up with a plan for us this would be the best way to measure it. And we're constantly trying to get to become better at measuring it. So the other Laura inturn is working on a specific part of that. But all this is based on the social impact. And I want to have the same for our environmental impact, and I don't see why that is so much more difficult for to find out.

Because that's too practical. That's what I wrote in the email a couple of weeks ago that coming up with direct information plan is way too practical for a master's thesis. That's why I had to change it. And I asked you and you said you were OK with it, that I find out barriers that hold you back.

OK, I see. But then the barriers that hold me back. What would be the outcome of you advising me to have a more strong link with the university be a master's thesis worth. I mean, I, I really would like to help you on getting it into a sort of depth that we both think. OK, this is this is really helping. This is where the where the really difficult part lies. But maybe just go on with the questions.

And I think you have a very clear idea of what you want. So, I mean, maybe it's just me not knowing exactly how to help you further, because I am an academic thinker and I would really love to be closer to you and your way of thinking, and I find out that I find it really hard to follow your thinking. You see that?

Yes. But actually, I was quite satisfied with your answers.

OK, good.

Well, to come back to that. The connection was weak again. When I ask you what holds you back?

Could you tell that again, because I didn't hear it at all?

What holds me back in?



In the environmental performance measurement to get more points on the B Corp assessment, for example.

Yeah, I don't think that getting more points is a nice help but it's not it's not the end. It's not a goal in itself. It would be it's it's better to take a step back and say, OK, I see that I am a social enterprise and I am a sustainable enterprise. And the social part is this impact is very clear, or at least we're working on it and we have a good idea of what factors influence our social impact. On the sustainable side we have a very rough estimation on what we do. We know it's sustainable because it's reused fabric. So it's always better than new fabric. Easy, right?

So but how to measure it is indeed something that needs attention.

But it's not our core business. So I wouldn't say it's a barrier, but that's why we don't give it high priority, because everybody sees it's OK what we do. We reuse and upcycle things that are already there. So nobody, you know, you already have a gut feeling that we do better for the planet than if you would use new fabric. But. the measuring itself, what's holding me back is the fact that it does help, but it's not it's I don't have, well..

Because it's not your priority?

It's not my priority. And it's it's something that indeed I think would need somebody who has that as a focused point to find out how and how we could measure it, what, all the various factors there are that influence our sustainable impact or an environmental impact. That's where you start. And so it's not my priority. I can easily say I don't have time and I don't have money for it, but I think that's easy. It's if I if I did have time and money for it, then I would do it. But I don't. And I would say it it it needs somebody who has it as a focused point for a time to be able to come up with a way of how we could do it. But it's not our core business. I mean the core business is that we we produce things and we produce them with material that we upcycle. But the social part has been much more important. Until now.

Do you think if there would be like a platform or a meeting with other entrepreneurs, that would be helpful to find out those implementation plans or other measure measurement methods? Like information exchange.

Yes, I think it would be helpful. But then still, it would be helpful for somebody who would be dedicated to that part. I don't think I would be the person to be personally involved with it. I need to be able to use the outcomes of it, but you need a platform that exchanges knowledge on this, on this is really handy. But then it's not that there are a lot of companies that do exactly the same as we do.



And what if if, like, third parties would do it for you? Would that facilitate it for you? To completely to outsource it.

Well, that would be that would be a sort of external advice. Yeah, well, you could that you could do that if you would have money for it.

That's too expensive?

If I would have a consultancy doing this. Yes.

OK. I think this is OK for me now. I think I got enough answers right now. And I will let you know about the further progress. If that's OK for you. And I will keep you posted.

OK. And do know that you can try and find me if you have any other questions or if you've forgotten to ask me something.

Amazing. OK.

Yes. Yes. Thanks very much.



**Sustainable Entrepreneur 2**, interview duration: 1 hour, interview location: online

Hello?

Hi, it's Laura Goldmeier. We're having our interview now.

Oh yes that's right. So first, tell me something about you.

Okay, my name is Laura and I'm studying sustainable entrepreneurship at the University of Groningen in the Netherlands.

... poor connection ...

Why did you decide to become B-Corp certified?

... poor connection ...

She filled out our paperwork and did all that. She works for us for a little bit. And yeah, we just thought it was important, if we're running our company clean and doing it correctly, why wouldn't we be recognized and certified? Of course, the company that uses business as a force for good.

But there are also other sustainability framework's. Not only b-corp.

Well, B Corp is sort of the kingpin here in the United States.

OK, are they and they are especially helpful?

No. In fact, they're not helpful at all. I wish they were more helpful. So maybe you know the better ones. I don't know. It's funny. Like they. What's interesting is they're also putting a moratorium or a halt on businesses that use prison labor because prison labor can be thought of as something really harmful. And in the United States, there's a lot of people in prison that probably shouldn't be in prison for doing things that just mostly things involving drugs, you know, that aren't a terrible crime. So we have there's a lot of people that question the prison system, which they should. But what B-Corp doesn't realize is the program that we work with is run by the state of Montana. And it's a really, really wonderful program. I go there. I work with it with the women in prison. They love working for us. They say it's a privilege program. So they interview. They're trained and they're paid. Then the wages are above minimum wage.

And you can probably see the impact that you're creating?

Oh, my God. Yes. Oh, we see them absolutely transformed from being. They can't even look you in the eye. They won't speak to you. They're scared whatever. They're just, you know, they're kind of just broken from their bad experiences. And then after several months when I go visit, they look me in the eye. They talk to me. They have ideas. You know, simplify the procedure. They have



ideas. It's just it's great. And they learn to enjoy working and enjoy making money. It goes back to the money they make, goes toward their child support. They're all mothers.

Oh, yeah. Yeah. I worked in a sustainable enterprise as well. And they employed mothers with immigration background. And it was it was great to see how happy these women became over the time.

Yes. So I don't think the B-corp completely and I've had an argument with them. And why am grandfathered in you know, like the idea, I've already been accepted. So I'm good to go for whatever. Three more years. But then they're going to reassess whether they let companies become b-corp certified. If they use prison or prison people in their workforce and I said, you need to come to Montana and you need to come look at this program. It is a tremendous program and the women love it and they rely on us to keep it going.

Yeah.

So it's just interesting there. They (B-Corp) can be kind of snobby. No, maybe not. Maybe rigid or whatever. Not willing to maybe just they're so busy they don't have time to really look into individual situations. But anyway, I don't have to worry about it for a while. But it's something that I did. I really wish. And I maybe I need to go there. I have gone and taken video there and interviewed the ladies.

Yeah. Yeah. So they can see that it's a really important program because prison is supposed to be where the inmates are rehabilitated. You know, not where they're torture, but where they're rehabilitated. It's supposed to be a rehabilitation program so that when they're released, they're better citizens than when they enter. And the women that are in prison ... poor connection ... bad for a lot of really terrible things. They're not in jail. They did some really bad stuff, but they all end up being released, which is scary. So you need them to be transformed and rehabilitated. You know. not go back to the same life.

Of course, to give them a new second life with a new chance.

Yeah, so with that being said, we also have expanded our manufacturing. So we're actually also manufacturing on ranches in Montana. So women that work way out in the middle of nowhere on their cattle ranch or their pig farm or their whatever. And, you know, in their slow times, they can so build for us this package, do all that and make extra money for the family because they live so far away from any big town. They can't really make money any other way. Extra money.

Yeah.

Other than doing projects. And so we found a lot of these women that liked it make extra money.

OK. But this is all for the social part. Are you measuring your environmental performance as well?



We don't really have an official measurement we just know that we try to do with, you know, really keeping a low carbon footprint in our office. We have we all the paper we use is recycled paper, we have, recycle bins everywhere. We take our anything we use to, you know, to be recycled on a weekly basis. You know, we just really try to run a very right, clean office. And how we impact the environment. So our office, you know, situation is low carbon footprint. Try to minimize our shipping. So we try to, you know, keep that at a minimum, but we don't really have a program.

OK, why don't you have a fixed program?

I think, because we're so small, we can't afford it. So I think if we got bigger, we would want to. But we're so small that we just sort of martyr ourselves. There's only five of us.

So, yeah. And, of course, the the I mentioned financial or the money that you can get in. You say that's all a fluent circle. And most of the people that actually monitor their carbon footprint. Because there's definitely companies that have approached me. It's expensive. It's expensive to have them come in and do the evaluation? Have you be part of the program that you pay in annually or monthly or whatever, It's not free.

You mean by a third party?

Yes, by third party.

I can imagine that.

And then it's great for huge companies, great for Patagonia. Or for Tom's.

Yeah, but you can do it.

That's not feasible for small entrepreneurs.

It's not. It's not. You really have to self regulate and you really have to have it as part of your mission. And you have your employees hold you accountable and you hire people that care. I mean, the people that work here are you know, vegans with dreadlocks. Oh, God. Even though they care and they're going to hell, you know, they're going to hold my feet to the fire or whatever the expression is and make sure that what I say is true. That if I say that I'm environmentally and socially conscious that I am. And that we are. And you need that you need here the people who work for you to care and to hold you accountable and to hold the company accountable.

Yes, for sure.

And it is part of our mission, I'm not in this to make a lot of money. I'm in this, to give back in this, to have a reason to get up in the morning and put a smile on my face and hand checks to worthy causes and work with women in prison and see them transformed. To Know that when my





product is being worn by somebody, they can feel good about it, that they're that they just took a bunch of plastic bottles out of the oceans and landfills and they're wearing it in a way that is helpful.

How many plastic bottles I needed for one belt?

Well, it's about. It's about three to four.

That's not a lot.

About now, but we've made so many that we've taken out hundreds of thousands of bottles.

And where do you get your bottles from?

So here's the thing right now, which is a crusher for us. Our supplier of this recycled yarn. So you can look up that brand. It's called a repat yarn. And right now, the only place that we were able to access it was China. And it's a Taiwanese company, but their factories are in China, which is not ideal for us. Not only that. And we know the supplier and it's been checked and monitored and there are good company. They don't take advantage of people or anything, but just with everything going on. People don't want to touch anything from China. But that's that's where we get our yarn. And that's where we get the raw goods. But we're working on finding. There is one company now in the United States making this stuff, using this recycled yarn, and it's in North Carolina. So we're working on moving all of that. But so what was happening, and I don't know if we knew this, the United States was sending all of our recyclables to China on barges. China was taking all of our plastic.

Yes, yes. The Germans did that, too. Yes, yes, I know. I know.

We were sending it all there. They I think two years ago they stopped taking it. Now that it's going to Indonesia and probably Cambodia, yes. And that's probably where it's all going now. But they were taking it, so they were the ones that. It started this whole process of recycling it and making it into yarn. That's where it was coming from originally was China, because they were getting all the product they needed to do something with it. So since then, you know, other companies have had to learn how to do it and make this yarn. And they can't call it repat yardmaster after call it other names.

So just to make short, it's a Taiwanese company and you're getting the recycled yarn from China.

Yes.

OK. Oh, that's. Wow. So it's always in the trade off actually. Like shipping..

You know. Yeah.



That's the bad part right there. But we're really, our goal for 2021 is we just stopping ordering from there. And we're going to move all of our product purchase to the United States.

Yeah, but I think. Well, I think that's still an incredible goal that you're having, although you're currently getting it from China. I mean, other companies are not sustainable at all. And on top, there are manufacturing in these low wages countries.

Yes. And they don't care. That's how you make money.

Yes. By not caring.

I'm not made into a belt. I think that made into a belt in the prison or on these ranches, you know, cattle ranches and other farms. So I make it more expensive by doing that. But I'm just giving people jobs. That's what we're about.

And you're reaching out to a whole different customer base. So just say you would attract me. You may not attract other students or people who cannot afford it, but people who have a conscience. They are willing to pay these prices.

Yes, they are. As you know, we still it's actually pretty pleased that we sell Schiltz in Germany on Amazon.

You do?

Yes. And that's the number one country, actually. They have him in the UK, EU and the EU, and Germany is our number one.

Wow. And I think it's stupid. Germans are socially and environmentally conscious, they care.

No, I wouldn't say so. To be honest.

Well, they care more than other European countries.

Not more than the Netherlands. I would say.

Oh, right.

Right.

Cause, I mean, I'm studying sustainability in the Netherlands, and I'm it's a hard time for me to find a sustainability job here in Germany.

And so you came here in the Netherlands.

Yes, yes.



That's too bad.

Well, it's OK. In a few years, it will come to.

Maybe we we should have you read our because we don't speak German, and so we had our listing translated.

Oh, you can. Well, you can send it to me. I could help you.

If you could look at it if it makes sense. If it reads.

I would love to do it already.

Whenever you've got a question, you can send it to me and I can translate it for you.

Oh, that would be so great.

Yeah. Don't hesitate

We hired somebody to translate it, but we hope they did a good job.

I mean, if as long as it's German, then I could help you always out.

All right. Thank you.

You're welcome. OK, let's stick to my questions.

OK.

Why are you measuring your environmental performance? What are your motivations to measure it?

We're just motivated by the way that we were raised and brought up as humans, you know, I know that I care about the environment. I'm an outdoors person. I like to ski and hike, bike and camp. And so I just I can see when I travel the countries that care about the environment. It just it feels cleaner and better. And I just want to leave the world, a better place for my kids.

So you're behaving as a role model.

Yes.

Yeah. And on top of it, it's a good thing for your customers or your stakeholders in general.

Yeah, you know, I mean, I think originally I did it because I care, it's because I don't want to pollute the environment anymore. I don't want to make something that's going to do more damage. You



know, and I'm hoping that the customer that I attract that customer, a lot of people who buy my belts don't even know the story. They just like it.

Oh, really?

They don't know. Yeah.

Wow. I think I have seen it try to lead with that. But then I've learned, you know what, leave me with the product. Do you want a belt? Yes. Do you want this kind of belt? Yes. This is a great one. And then when you get it, you'll learn. Hey. And it's made from recycled plastic bottles and they donate back to 1% for the planet.

That's cool.

So I'm leading with the product and the function of the product. And we learned that the hard way, like just leading with being a B-Corp you know, sustainable product isn't enough, people have to want what your story is, which a lot of people don't.

And how are you exactly measuring your environmental performance? Because I noticed you got a you got, I think, 14 points on the environmental impact score at B Corp.

Yeah. That's probably why, we don't have a program in place specifically monitoring what our, you know, carbon footprint is. We just do the things that are recommended like recommended that I recycled products to make it, you know, the maker of Ellson Recycling and, you know, using recycled packaging. You know, we just do that, but we don't really have a way to measure it necessarily.

Would you say you, you lack knowledge to measure it more efficiently?

Yeah, and like I said before, we lack the money.

Yeah.

So you get the programs in place or the third party assessment.

How would a program look like?

Well, there's all these different companies that approach you to. And who knows? I don't even know how they do it. That's a good question.

Me neither.

You just honestly, at this point, you just check the b-corp boxes. What are we doing? And, you know, you go down that list and you make sure we're doing the things. But as far as third party assessments, we don't have that.



Would you like that someone would help you with your or with your performance measurement?

If it was free, yes or no like this, you know, if the state government paid for somebody to come in and guide us. Yeah, and it was free. We would do it, but it's already we're paying so much to be. To be green.

Yeah.

To pay more, to prove that you are. Which we already do. Being a B-Corp and being members of one percent for the planet.

That's so paradox.

Paying a lot of mind to be members and to give back. It's not free to be a B corp.

Yeah. Yeah. I saw the. The membership fees. So to say. Yeah. That's a lot.

There's a lot. And then one percent for the planet. There's a membership fee and you donate one percent.

Yeah, that's a lot, too.

And that's super paradox. Like paying to being green.

That's what you're. That's what your title should be of your thesis. Honestly, paying to be green. You pay not only in all the extra money it cost. You know, our cardboard packaging because it's recycled is double our yarn because it's made from that special repat product that's made from recycled plastic bottles Is triple or quadruple. We would pay if we used virgin material like You pay to be green. It's interesting, right? It's fascinating. And then to be a B-Corp is, you know, and it costs a lot of ideas, the called.

I think you should be supported with financial means, actually, because you're you're a sustainable enterprise and you could actually spend your time better elsewhere. And for big companies, it's super easy to do a performance measurement. You should benefit from being a B-Corp.

Yeah, but nobody. Yeah. Is that how the world works? It'd be great, though, just as an example. My brother He makes sausage. For like billions of pounds of sausage that he sells in Costco, which is this big store here. Have you ever heard of Costco? It's a big box store. It is gigantic. And during this pandemic, there's lines and lines of people to go to go and do it to the popular chain of stores in the United States. My Brother Sells in all of that, so he makes millions and millions of pounds of sausage. He does not use recycled packaging. He does not really, you know, use organic products or food, you know? And he makes millions and millions of dollars.

Oh, why is he not sustainable?



Did he do any social contributions? No. Does he care about his carbon footprint? No.

Wow. But why is there such a difference? I mean, your siblings. You should have some sort of common mindset.

We have common parents and we love each other as sibling, but we are just very different people. OK. He is you know, he wants to take care of his family and his friends. And that's about it. And he takes care of them with money.

Yes.

And I'm just more of the kind of person that's really caring about my community and my country and my planet. You know, and I and I've tried I've done a lot of traveling in. I just see how. And now during this time, you know, we're all connected. As humans use this planet. And I don't think he feels that way right now. Maybe when he gets older, he will. I don't know. But it's just. Are people motivated by money? Are they motivated by feelings and the way they want to feel inside and the way they want to? Leave their mark on the world.

I think it's both. I think it's a combination.

Well, I was motivated by money. I wouldn't be running my business this way. You can't be motivated by money.

Why not? If I would pay you. I don't know, maybe a thousand dollars per month or ten thousand. And say, hey, I give you that amount of money, would you like to develop that sort of program? Would you do it then?

If you were giving me money to do what I didn't understand

We were talking about these programs said you haven't place yet.

Oh, you mean like if I was given a stipend to to have a third party come in and do an assessment?

For example, I would give you money, would do it on your own?

Oh, yeah. I mean, it's not even the money.

It's what? Sorry.

It's time. Yes. Who's going to do it here? We're all worried. We're all stretched so thin. Working. You know.

Yeah. So, you know, one can't afford to let go the usual tasks for the performance measurement. Yeah, but you know what? You know, I think if there was a simple program where we could plug



in our numbers and our, you know, quantities or whatever it is and it could spit out the performance measurement. We would probably do that.

OK. Would it be helpful if b-corp would develop some sort of a program that spits out?

Absolutely. And I'm sure they're working on it.

Oh, OK.

I mean you get the score already by what you're doing.

Yeah, I know. I tried, I created my own account at B Corp and tried to have a look what they they're asking.

It's easier for Companies that are in the service industries to be B corp certified. If you're just an attorney or a marketing firm. I think it would be a lot easier to be certified when you make something, when you manufacture something and you sell it. You're making it. Manufacturing it. It's a lot harder because you have to prove every step of the way that you're doing the right thing

Along the supply chain?

But it's really hard.

But on the same time, you can directly easily see the impact that you're making. Can you can you quantify that, actually?

I mean, you can quantify and how many plastic bottles you remove, you know, from the landfills and quantify it by how much money you're donating back? And that kind of thing.

Do you wish that B Corps would provide you with more knowledge on that, for example, to tell your, hey, you could improve in that area or that area? Or how to lower your carbon footprint.

No, I'm telling you, their paperwork is extensive. Already. It took a year to do the paperwork and the back and forth on them, reviewing everything and making sure every step of our supply chain was, you know, was good. I think they already do so much. Yeah. I wouldn't want b-corp to do that. If you're asking me how more people would become social entrepreneurs or care, whatever, I think, honestly, for somebody like me, small business, it's customer awareness. That's how this is going to change, how we said, you know, I said you're the title of your thesis should be, you know, it costs money to be green or whatever. It was our mind. I forget what?

Yeah, maybe I will revise it.

What did we say it was gonna be like as a Joke?

Paying to be green.



Yeah. Paying to be green. Yes, because so what happens is everything on as a social entrepreneur, whatever we are, B Corp certified, all this stuff. It's so much more expensive to run a business this way. I didn't really. And therefore, our product costs more. Therefore, our customers have to understand and the world needs to understand that if you care about the environment and you care about the people on the planet, you need to pay more for products. You need to buy from companies that are doing the right thing and pay a little bit more.

And if customers would pay more in general, you could more easily afford it.

Then we could sell more and get more plastic out of the ocean for making more products and give your support that your business is a force for good. It's more. That's where I'm finding the problem is in educating the consumer.

Yeah.

But that's the problem. But you said you don't think Germany is very green, I'm like, well, compared to the rest of Europe, not the Netherlands, but compared to the U.K., Spain, you know, whatever France, Germany, I feel like is buying sustainable, at least our sustainable products more than the other countries are. They're paying a little bit more for a product because it's green. You know. Sustainable. And that's that's the biggest problem is educating the consumer.

But that's a long term task. That's not done within a few years.

Yes. But to me, that's where the value would lie for me and I would pay for a marketing firm or whatever to help me with my messaging and help train the consumer to think in a different way. How do we get that? How do we get the media and marketing company to train consumers to think differently about what products they buy and why they're buying?

It possible for you to tighten the link to your local university, for example? Because I'm studying at a sustainability campus and I was volunteering at a startup as well. And so they could just be like a cheap way for you to get resources. Students or sustainability students they should have some sort of sustainability knowledge at least, or could help you with the marketing stuff.

Yeah, yeah, I mean it's funny, like we were kind of beyond like having students do marketing, other than just spreading the word about our product, you know, on the campus. But. You know, we're bigger than that. Yes, we use marketing firm that SEO companies and we're doing that. But it's it's more. And we work with the university a lot here. It's more, how do we train the world consumer to care about what they buy?

How are you working together with a university? How are they helping you?





They do not helping me. Well, actually, that's not true. There is a Montana manufacturing extension center. The university has an extension center that helps manufacturers in our state. But that's not free. You pay to get help.

And you pay again.

Yeah, it's that we pay to have them help us write a standard operating procedure. So that we could take that to wherever we're manufacturing.

Yeah.

So they could follow the procedure for how to make the belts. We paid for that. I do a lot of public speaking at the university. The entrepreneur program. Whatever. I'm kind of done. So much of it. And that's I volunteer to do that. So I take time out of work to write the speech and do the presentation. You know, that's a lot of time that I donate.

Yeah.

Everyone wants to get stuff for free. They want you to pay.

Yeah. That's actually not the way it should go.

I don't know. We now we have Montana State University belt that we make with the logo, the Bobcat logo and Montana State University logo. We have to have a two different belts that we sell. So we're very tight with our local university.

That's good.

Sure, that's good. But we live in a small area. Montana only has a million people in the whole state.

A million. That's a lot. Where I come from, we have 2000.

Yes. Well, the university is 14000.

Oh, that's small.

Yeah, so I meant our whole state has a million. Our town is like 40000.

OK. Well, maybe it pays off in the long term, the link to your university.

Yes. That's the thing. I'm not motivated by money. I am motivated to make sales. Obviously, the company we need to make money. Right. We are motivated to sell. But the whole issue of why I started this company it was not to become rich. No, it was to give back. And that's a different mindset.

Do you have any other plans for the future to improve your environmental performance?



Yes. Yes, we do. We're working on different shipping practices as far as like reducing even more than our product that we ship back and forth. We're also working on getting 100 percent sustainable envelopes for mailing the product to the customer. We already use recycled boxes and stuff when we ship them to stores or to Amazon. But but the individual customer, when they order online or working on different kinds of mailers. We already use partially recycled, but now we want to get to 100 percent recycled envelope. It's step by step.

But like many steps at a time, add up to a big step.

I would hope so.

How are you getting all these knowledge?

It's the people that I hire. So, I hire people that really care about the environment and are willing to research ways that we can do better. We have our weekly staff meeting and will present their ideas.

And these info, they can just be look up on looked up on Google.

Yeah, yeah, you can look up the so-called. You know, shipping envelopes or whatever.

So but then it's crucial for a good environmental performance to have staff that has the knowledge or that can gather the knowledge from the Internet. And the time. And financial means, of course. The envelopes made from 100 percent recycled products, 100 percent recycled mailers are two or three times as expensive as regular mailers. Again hang in there and eating into the amount of money that we have to give back. You know, it's like also there could be, you know. It's just interesting. It's expensive. It's all very expensive.

Do you experience any other challenges besides the money, the time and the staff for your environmental performance?

Not that I can think of right now, except for that maybe it is constantly evolving and changing the way of thinking and you have to stay current. Yes. Educate yourself constantly.

Yeah, because there is constantly new knowledge coming. New studies, new research.

Exactly.

Do you wish any anybody else could be helpful for improving your environmental performance besides your staff? Or the government.

No, I honestly I appreciate these companies, these third party companies that approach me and say, hey, you want to pay for us to do an assessment on you, and then you pay a monthly fee for us to monitor your carbon footprint. And then you're part of our club and whatever. I appreciate



that. And I think it's lovely. But honestly, it's like three steps ahead of what we need. What small entrepreneurs like us need is for the consumer to care.

Yeah, yeah.

To want to buy from us vs. just going to a chain store and buying the thing off the shelf. Going to the chain store and buying whatever it is off the shelf, that's cheaper and shinier.

No, I don't have that attitude.

And that's what people do. And so until the mass consumer cares. People like us are going to continue to be like scrambling and, you know, working hard to keep our business alive and sustainable and do the right thing.

What could b-corp do to make it more easy for you?

I don't think they should. I don't think they're doing the right thing. You want it to be really difficult to get the b-corp certification or else everyone, they would just hand them out.

You know, you want it to be difficult. You want it to be more the remaining. You want it to be worth the money that you're paying to have that stamp. What I would want them to do is spend money marketing their certification to the world like, hey consumer, you should care that these people are b-corp certified that maybe the b-corp should spend more money on their marketing of why it's important to have their stamp.

Otherwise, everyone else could easily do the paperwork if the paperwork would be less.

Yeah. No, I want it to be difficult. I want them to maintain a very high standard. But I would also like them to market themselves. Put some of the money that we're paying into really good marketing programs that say, hey, world look for this stamp on packaging and on Web sites. And when you see this stamp buy from those people. I don't think they do enough of that.

OK. Yeah, I totally get what you mean. Before I dived into the topic with B-Corp, I didn't even know them. I haven't heard from them.

Yes. Is there where do they have marketing dollars? What are they just marketing to company like me to get their certification? Is that where all their marketing money is going. They need to be marketing to the consumer. Take consumers say here's what we do. Here's why you should care. Go buy from companies that are B Corp certified.

So the B2C part actually.

Yeah, and a lot of people don't even know what it is. There's only seven B- corporations in the state of Montana.



Oh.

And I think in the state of Florida, there's only two. You know how many billions of people live in Florida. It's because they don't care. And people don't know what it is. So why bother getting it?

Do you think if you would if join other entrepreneurs, that you could have an influence on B Corp?

They don't care. They don't care. I mean, we sometimes they have like a newsletter that goes out, right? Like, whatever it is, once a month. And sometimes they'll highlight, you know, a company. So the newsletter goes out to all the other b corp certified companies, which there are thousands now.

And that costs a lot of money.

And so you ask. Oh, can we be highlighted? And it's free, but you get put in a queue and I think it took us a couple of years to even get like a tiny mention, you know?

Wow.

So, I mean, I don't want to be like floated is this thing to be caught at all? I don't want them to be mad at me. Cut me off.

No, no.

So be careful how you quote me. But what I'm saying is, look, B corp or any other, you know, institutions that you apply for and then you get this special stamp. You know, one percent for the record. The best thing that they could do is market to the consumer. Here's why you should care.

To raise and educate them and raise awareness and educate the consumers.

To look for the stamp on products. Look for the b-corp, buy the ice cream with the B Corp stamped by the you know, whatever it is, the shoes.

But now then there is the problem that many companies create their own stamps like I'm sustainable. And consumers, they don't know which stamp to trust.

Right. So if B Corp is going to require us a year's worth of paperwork and money to be, you know, to have their stamp, you know, then they should promote their stamp. Yeah, because people or I could make Jen's sustainability stamp there and make it look really cute, right? And I'd say I'm sustainable and maybe not be. Well, it's so funny, Laura, when I talk to you, because so many of these thoughts and ideas are just jumping into my mind as I talk to you, because I don't really think about this every day.

Yeah.



When you're when you're working, you're wearing so many hats. I'm thinking about where am I going to get the money to buy more product because I'm selling out a product. So where am I going to get that money? How long are you going to get the money to pay my employees when we're in a pandemic? And they're working from home and they're home schooling their kids and they can't come to the office, you know, like, how am I going to, you know, pay the rent? What do we do about the warehouse if it closes down? You know, I'm thinking about so many other things, so it's really great for me to get interviewed by students like you.

Really?

Because it reminds me to think in these other ways.

I really enjoyed our interview and the time is just flowing by.

What time is it there? It's super late, right?

It's quarter past seven.

Oh, yeah. And I don't know what time it is here. What is it?

Quarter past 11:00.

11:00. Yeah. I know you're probably has a ton of other questions so you could email me anything and I'll answer it and then you can have direct quotes or whatever and you're able to record this.

Yeah, I was able and would have three little questions that would run very quickly, okay?

OK. Yes.

OK. So what is the biggest challenge in terms of environmental performance measurement from your perspective? Just to sum it up.

The biggest challenge? Is probably how do you measure it? And how many pounds you're recycling every week versus if you didn't recycle anything, you know. Or whatever it is. How do you measure.

OK. And in which stages were that challenge most prevalent? That you didn't know how to measure. Was it before you got certified or within the process?

So, honestly we got certified because we were always doing these things. We just had to prove that we are always doing these things.

OK. So there was no distinction for you?



No, I set up the business to give back and to do good. I just needed the time and resources to fill out all of the paperwork that you need become b-corp certified. And all of the background check stuff they do.

OK, and last question. Which advice could you give to other entrepreneurs who are having difficulties with starting to measure the environmental performance?

Gosh, advice.. don't do it. Just work for the men. No, but I would say I wouldn't say that was a joke. I would say, you need to ask yourself, why are you in this? What is your mission and follow that goal in that mission, in the end, it doesn't matter what your score is. It matters that you know that you're doing the right thing and that you're doing everything in your power. To be green, to be sustainable. To give back, to do the right thing.

OK. That's it. That was a there was a fantastic interview. I loved it.

Oh you are adorable.

You too. And please contact me all the time if you need anything translated into the German language.

OK. You got it. You know what, I'm going to pull up our listing and send it to you and ask you if it makes sense.

Yeah. Yeah. Do it. Do it.

OK, I will.

OK. So, yeah, so do I have your email? You sent me that one, right?

Yes.

OK.

OK. Amazing. Then I wish you a very, very nice day.

Have a good night.

You too.

OK, bye bye.



**Sustainable Entrepreneur 3**, interview duration: 40 min, interview location: online

Hello.

Hello. Hi. I can hear you.

I can't see you though.

No because I turned off my camera.

Oh, I can see you now.

Yes. Because it's easier to record it without the video.

Okay. I see. Okay.

But nice to see you. But the connection is quite poor.

Yeah, I think it is true. But I think so many people are using this all the time.

Yeah, but it should work now.

Yes, I think cause then less data will be used. Is that good?

Yes. For me, that's better.

Oh, amazing.

How are you? I'm fine. I'm fine. Excited about what you're doing. What got you involved in the sustainable fashion?

I am yes. I am interested in sustainable fashion. And I'm writing my master's thesis about the different challenges sustainable entrepreneurs face when they measure the sustainability or the environmental performance of their enterprises.

Right.

And I put my focus only on enterprises that are B Corp certified.

Yeah.

Yes, that's it. And then I'm trying to find out barriers or perceived barriers. And I'm trying to come up with strategies how to overcome these barriers to have a more efficient measurement that you can claim to stakeholders, for example.



Right. It's an interesting idea because I think especially for small businesses, measuring one's output or import of dollars is tricky. He said it's not that simple.

Why is it tricky?

It's just tricky because we work in small quantities and we are usually understaffed and we are busy doing things, and all of that stuff takes time as well.

So do you think if you would have more resources like more staff or your company would be bigger in general, then it's easier?

I think resources are an issue for most small creative businesses. Yes.

Do you wish you would be supported with resources by the government, for example, or by B Corp?

I'm not sure. I think you can always go and raise funds, but everything comes with strings attached. So it all depends on what the vision is for your business and how you want to be and where you want to go with the business. I mean, we really enjoy our small business. It allows us to be in touch with our client in person and be across the business, which we enjoy. So it just depends on what kind of business you want to build, I suppose.

How many employees do you have?

We're just three of us. And then we have part time people that come and go depending on because it's cyclical. Like most fashion businesses, but ours is very much twice a year. So we have people that we engage with throughout the year, but they're not employees. So obviously we have pattern makers and cutters and manufacturers and fitting models and fashion show models and help us for quality control and all kinds of different aspects of our business. But we don't have them employed all year round. So they come into our business as we need them.

What you gave the idea to have an ethical fashion company?

Both my business partner and I, Sophie, we had traditional fashion businesses before. And we just when we met, we were competitors and we started talking about the frustrations in our business. And one of the points, the biggest points that kept coming up was how much waste is created in our industry. And even as small businesses, we could see that every season, you know, because you're designing and you're making things, but then you're guessing what you're going to sell. And you never get it right. Nobody ever does. You just can't because you're guessing what people are going to want to buy. You need to offer enough variety. So you might make something in a color that, you know, is actually not that popular, but it's going to be the attention grabbing piece. And you can't offer every size for everybody. So somebody might come into your shop, for example, and say, oh, I'd love that. I'd love it in orange in a size 10. And you'd say, oh, then you





got it in a 12 . So you've never you know, there's always people that come in that are unsatisfied. So. We were talking about that and we thought, well, what if we only made what the customer actually orders? So instead of the customer being at the end of the process once to design and manufacture, the customer comes in almost like a wholesale buyer. Would they come into the business before you make. So that was the idea we thought. Could we do that? Would that work? And what would that look like?

Oh, wow. That's super interesting.

Yeah.

So it was really a two fold. Kind of a two. The two points that we really wanted to address. One was the general waste in our industry, that's impossible to do. It's just part of the system that we're in because you're guessing what you're going to sell. And then prove our customer satisfaction by being up to give them exactly what they wanted. So the size they wanted, the color they wanted, the length they wanted and really satisfy them and their needs.

And are you measuring your environmental performance?

Probably not the way you would. We measure it loosely. So we measure it in, you know, measurements that we have. But things like we have in our industry where it's common to have 20 to 40 percent returns on sales. We have under one percent. So we basically have no returns on that product. And that's because everything is made with a person in mind. It's already. They've already committed to that piece. And we are purchasing something, it's not an impulse buy. We fitted it on them because we do a sample range in every size so they can try things on. So it's pretty much even though it's not a spoke service because we don't make the garment just for that person. It's not our prices. We have to be a lot higher. But, you know, that's probably one way we can measure our business in that with that parameter.

Okay. And would you like to measure it more in detail like you did it, for example, for your social part?

Well, probably we do our manufacturing in other factories that don't belong to us. So we work with all our manufacturers are local. But we don't really have a way of measuring what their energy consumption is, for example. How much energy do they consume to make one of our shirts. It's those kind of things are difficult to measure. If we had our own operation, then we could do that. But being, you know, making with other people is very hard to get that kind of thing.

Because it's difficult to monitor?

Oh, because they are just really busy making for a whole lot of people and you'd have to actually go and sit them. I don't even know how you do it, actually.



Oh, okay. Would you like to know how to do it?

Well, I think if there was a system, yes. That would be great. It has to be easy. Many new factories, usually factory owners are very interested in getting involved in all of these things. It should be a simple method. Because it's it's hard to go in and get anyone like the owners of the factory to give you the information. So you have to be a way that we can just very easily get that data somehow.

Oh, yes, I see. Because your other companies are manufacturing for you as well.

That's right. So probably the best way to measure would be a kind of a time factor because they measure that. Obviously, the manufacturers, the factories measure that. They measure how long it takes them to cut something and how long it takes them to sew something. And that's how they then charge you a fee. So I would imagine that would be one of the kind of ways of measuring consumption of energy, et cetera.

Do you wish that anyone or anybody would help you with measuring or getting more knowledge on how to measure?

I think it would be great if somebody wanted to come in and kind of do that for us because again, as a small business, we were pretty busy. And you prioritize what you do and things like that. As you know, take a lot longer than you think. Yes. I'm sure you know that. It seems simple, but it always takes a lot longer than you think.

No, I totally understand that. I worked in a sustainable enterprise as well, in a sustainable fashion startup. And, yeah, I know how all the business is running there.

Oh, who did you work with?

It's in the Netherlands. It's {brand name}

Can you spell that?

{Spelling the brand name}

Oh, okay. That's interesting. We're always keen to hear about other businesses that are doing things a little bit differently and, you know, see if we can collaborate or learn from each other or support each other. It's quite a kind of a green area.

Yeah, definitely. They are upcycling old fabrics and they make new boxersshorts out of it.

Oh, fantastic. We donate a lot of our kind of our leftover fabrics. We donate to people that do upcycling here or that work with social enterprises. So that's I suppose that's another way of measuring up. This is we make sure we not only are not creating waste by only making what we sell, but also anything that leftover in fabric rolls, etc. We work with a social enterprise and can



donate fabric. Sometimes we sell it depending on how much is left on the role. But we try and support the local community as well.

Oh, wow. So, yes, you definitely think that collaboration with other enterprises or entrepreneurs is helpful.

Oh, absolutely. And it's such a fun thing to do too. So it's, you know, one of the we're in this industry, obviously, we created and that's what we like to do, is come up with ideas and new ways of doing things. And one, one of the great things about being a b corp is that it allows us to be a part of something much bigger and it just gives you access to different skills and new ways of thinking and of helping each other. So, you know, I can do this for you, too. I can you know, I can share your story with my clients and my clients are obviously already sensitive to sustainability, to environmental issues. So they're going to be open to hearing more about other businesses. So we try and share as much as we can. We work in an industry that's very close. I don't know if you find that in the Netherlands that here it is me. People don't like to share too much information. So, you know, everybody is very guarded when it comes to suppliers and factories and where they get that and all that comes through because we're a very small industry here, too. So it's very competitive. So which we've tried since we launched our business in 2013 to look at that differently and say, no, we want to support each other. We want our industry to grow and flourish, and in order to do that, it needs to be supported. And we'd like it also. We'd like to see more innovation in our industry. I don't know about where you are, but over here, the many stories. Very often the machinery is still, you know, from decades ago. And things have done in the old been very difficult for us to set up because the back end is really tricky.

So you would say, would you definitely learn from these other entrepreneurs?

Of course, yes. You learn from sharing ideas and tackling difficulties or obstacles from a different angle.

What kind of difficulties?

Just things about, you know, how to get a message out. Could be marketing or it could be, you know, can we share resources? So if if we can't buy the minimum quantity on something, could we, you know, like recycled zip's or things like that? Could you somebody else that could would want to share that order with us. But mainly I think it's more about just getting the message out about what people are doing and how they're doing it, because somebody might not be interested in another b-corp that's making, I don't know, chocolate, for example. It's I'm just saying, when you talk about sustainability and fashion we talked to people that might not like what we do from a fashion angle but they might be interested in the sustainability angle. And so we then promote a business that's making chocolate in a sustainable way. For example, they'll be interested in that. So we'd like to share those stories as well.



And to educate customers.

Yeah. So it's not just about selling product, it's really about changing the way people think of what they buy. Consider what they buy, whether it's a bar of soap or bar of chocolate or it's, you know, something that we make.

Do you think it's important for your customers that you have a good environmental performance? I mean, they could easily go to like other big chain stores, H&M Zara, and buy a cheap cloth over their?

I think there's more awareness now than there used to be, and I think people in general want to do the right thing. I think a lot of people are not sure about what the right thing is. And so, I think they like to have the option. They like to be informed and about what's going on. And that's what we try and do without. We try and always keep it really positive, though I think nobody wants to be told off it that what they're doing is wrong. So we always focus on what's positive and what's being done in a good way, as opposed to, you know, highlighting what's not being done.

And how are you communicating that?

We communicate mainly through our idioms and in person with our customers because we have fashion shows twice a year where they come and the fashion shows are very relaxed and quite intimate. And Sophie and I at the beginning of fashion show, we'll talk to our clients about what we've been doing for the last few months. And any new developments in our business or new things that we're working on or which fabrics we're using and why. And then are most of our selling is done one by one. So our customers come in for an appointment and that gives us a wonderful opportunity. They're here usually about an hour and a half. And that allows us to talk to them in person about what's going on and what their concerns are. And yet it's a very interesting process too.

You said you're a b-corp certified.

Yes.

And do you think they require too much paperwork?

Do you know if there is a lot of paperwork but it took us almost a year to apply to go through the process. But I actually think it's a it's a good process because they're very supportive.

In what way?

Well, it's easy to speak to somebody.

To get information when you have a question?



Yes. And so we didn't feel like we had this mountain of paperwork and there was nobody to talk to and we didn't understand what was being asked. So they want you to get through it. So I think once you start if you just dedicate a bit of time to it every week and you ask the questions that we found them to be very supportive. It's it's not an easy process, but then I think it probably shouldn't be.

Why is it not an easy process?

Because it requires a lot of documentation, support and but I think I think that's a good thing.

Why?

Because I think it's for the accreditation to be to have some weight and to be taken seriously. It can't be an easy thing to attain.

To give you some sort of distinction to competitors?

Well, I think it made us as a business think about what was think about what was important to us in a way that wasn't just instinctive. So obviously, you have your instinct, your values that you just carry with you, but you might not write them down or you might not communicate them. And so going through that process really made us think about what was really important to us. And to write all of those values down. And then the B-Corp process also makes you think about other things that you might be able to look into doing a bit better as well. So there are different ways of attaining the certification. So, you can get it from your environmental angle or different angles. For us it was very much about working locally and supporting our local industries. So it just I think, look, we're very we're delighted to be a b-corp. We think it's a wonderful group of people and everyone that whenever we go to one of their events. We always it's like a sigh of relief where you think, oh, my gosh, I can understand these people and they understand me. We're on the same wavelength. It doesn't matter what they're making or selling or thinking about. But we're all on the same track. And that's a really wonderful thing.

Yeah, because you have like a common mindset in terms of sustainability.

Absolutely. So it put us in touch with people that do like solar panels or all kinds of different things that we're not usually in touch with, but they think the same way as we do in that serve. That's a wonderful thing.

Yes, I can believe that because it it empowers.

That's right.

Do you plan to improve your environmental performance for the future?



We always do. We think through everything we do in detail and we always think about how we can do things better than every you know, that's a constant thing that you do every day when you're in business and when you're making things. So in regards to packaging and how do you know how to deliver things to our customers? So we use recycled paper and all of our packaging is now compostable and we do as much as we can. Within what's available to us. As time goes by, more and more things become available. So that's really good.

And things also become more available through collaboration with other entrepreneurs?

I think in regards to things like packaging, I think there's just more demand. As the awareness grows, then you have access to better choice. To better choice of things like, you know, recyclable packaging or all kinds of different things, you know, like that we use. So it's as time goes by and there's greater awareness and interest in sustainable practice, then there are more opportunities for us to access better solutions.

Okay. And where do you get these opportunities from or where do you inform about those opportunities?

I think probably like all of us, you know, it's just talking to people, doing research online, reading a lot of business blogs, and just as a through the local B-communication, as well as speaking to other small business owners that we know are thinking along the same line. So, you know, we will have a chat with him and say, what are you doing about this or how are you managing different aspects of your business? So we're very we communicate with a lot of other small business owners, especially women owners, I must say. I don't know why, but that's just the way it is.

Why not? It's good.

Yeah, I think yeah.

Are there any other challenges that we haven't covered yet that hold to back from measuring your environmental performance?

I think with measuring, it's just having the time to sit down and put a system in place that is that you'll actually follow through. It's in fact, because you cannot spend all of time measuring and then not making much sense of it or. You know, how to then put together in a way that is and that is a valuable result. So talking about one of the things that we do is we twice a year when we have our clients coming in to pick up their orders. We also are spaced as a collection point for any unwanted clothing that they have. And then we put all that together and we take it to a charity here called Dress for Success, that collects clothing for women looking for work. Women coming out of jail or just from a disadvantaged background or a lot of refugees as well. So we try and do things like that that are the things that are manageable for us as a small business, that make it easier for people to donate their clothing as opposed to just putting it in the bin and creating landfill.



And to come back to the system you haven't and place. Is it not managed manageable for you to put it in place because you lack the resources?

We haven't really given that much thought. We really focus on on creating no waste in our business and talking to our customer about how to get the most where out of their product, how to look after their wardrobe and how to donate or pass on the pieces that they no longer wear. So that's kind of where we stand in our business and creating quality products that last washing and do not take the dry cleaner.

If there were any incentives like extrinsic incentives, would you put such a system in place?

It depends what the purpose of the system would be.

Well, what do you mean with that?

What system in particular?

You said a system to measure the environmental performance.

Yes. So if it was something that we could do. Yes, of course, that would be great.

If it was simple to implement. Yes.

So, for example, if so, if you would be supported with money or you would receive tax cuts.

It's not really about money because it's because when you make a product, as you probably know from the work that you've done, there's so many components involved and things come from different places and different countries. And it's actually quite complicated to backtrack a lot. We can you know, we work with really top end responsible mills, but this looks like there's a limit. There's only so far back that you can go sometimes. So measuring all of that would really needs somebody to focus just on that. And so every single product and every single fabric.

So a long supply chain is actually a problem?

It's not a problem, it's just time consuming. I suppose as a small business, we don't have a lot of time to do that kind of thing. Apart from what we do for the infinite, only when we're sourcing products, I mean, all our factories we work with in person. So we spend time doing that kind of thing.

I totally understand that. Okay, a few closing statements because I don't want to steal your time too much about your subjectivity. What is the biggest challenge in terms of measuring the environmental performance?

I think it's just systems and people power.



You know, the people to do that. Yeah. So if you have the right people, then it's easy?

Yeah. I think the people that are trained to do that and that's, you know, what they're looking for.

So that these people that have the right knowledge?

That's right. So if there was a system, it would be great if it was a global system that everybody could then understand. And there's some way that, you know, somebody could come into your business or share that information with you. And then you could implement it.

OK. Which advice could you give to other entrepreneurs who are having difficulties with measuring the environmental performance?

Oh, gosh, advice. I suppose you just have to look at your supply chain and also think about the end of life of the product that you're producing and how. What happens to that and how that can be upcycled or reused or resold. I think we have a responsibility towards the end product as well.

OK, that's it. That was the interview.

All the best, Laura.

For you, too. Thanks a lot for taking your time. I don't take that for granted.

That's okay. It's a pleasure. I hope you go really well with your thesis and let me know if you come up with a good system.

I cannot kind of come up with a good system. I can rather come up with advices or strategies for a system that would be excellent.

I'd love to read about that.

Yeah, I would keep you posted.

Okay. Thank you so much.

Thank you. Have a good day.

You too. Bye

Bye. All right.





**Sustainable Entrepreneur 4**, interview duration: 1,5 hours, interview location: online

Hello. How are you doing?

Hi. I'm fine. How are you? Since I've been working from remote it might be that my little daughter comes in and that you'll hear a little voice.

That's fine. That's funny, isn't it?

So, yes, I had to arrange ourselves in this situation.

Well, tell me something about you. What is {brand name} doing?

Quite complicated question. I start with saying what I am actually doing for the company. I have been starting working at {brand name} three ago. And I come from a 20 years experience in the product development and in {brand name}, my boss who is the CEO decided to create this new environment in the company to take care about sustainability. And you decided to choose a person from the product development area to follow these matters because the core business is strictly related to sustainability performance. So jackets. And it was important that the person involved in sustainability development could be able to understand all the process so that that's why they chose me. And I was very happy and enthusiastic because it was a new experience and I was starting a new job indeed. And so I started studying very hard. And obviously, I'm not alone. I have or we have a small team inside the company, but most of all, we have consultants that are helping us to develop, for instance, the sustainability report or the sustainability plan that we have. And all the initiatives that we tried to manage are also followed by them.

How many employees work at {brand name}?

OK. In total worldwide it's about fifty five people in Italy, in Milan. There's about 35 in the office. Then we have an office in Hong Kong. And the other people are shop assistants and shops that we have two in Italy and one in Hong Kong, at present.

In Hong Kong.

Yes.

Wow. Very international.

Yes. And we are very strong internationally. Very strong indeed, because barely half of the businesses out of Italy are very strong in the northern Europe and U.S. and Canada

I also got a jacket from you.

Good.



I bought it like five years ago where I don't even know your brand. It was just I. I wanted a jacket without a duck feathers. And then I discovered your jacket and I bought it immediately.

And you're still using it, right?

Yes.

So long lasting. It's true. Yes, it is. Yeah.

It's a white one. So it became a bit dirty. But that's normal.

Yeah, it happens. But they're worn warren items. So they tell a story.

True. True. And then I put it into the washing machine and everything's fine.

Yes. This is something very important. Obviously we have to be very careful when we give instructions to the customers. We cannot say do whatever you want with this jacket. But indeed, I work in the further development and I am the one that is using regular washing programs and no particular care. I also have to say, I use the dryer even if it's not so green. So I use it at home and it's the final result is perfect. Also my daughter's jacket. So you can really say that. Good browbeats.

You said you're working in the product development. How are you taking the environmental perspective into account?

Okay. Basically, we take it into account regarding the raw materials we use. Obviously, we produce jackets. Yes. So analyzing what we do. We said, OK. The first thing we have, the first two things we have to take care about are where our jackets are made and who are suing and putting it together with jackets to verify that their rights are respected. And then later, I'll tell you how we do this, and the other side is how we do our products with what products, what materials, how these materials are made. And so we choose fabrics only when we assure that the supply chain is checked under control, that it's not polluting, that it's kind of clever. Obviously, we still use polyester, virgin polyester fabrics and nylon, that virgin nylon fabric. This means that natural resources are still exploited to make this fabrics. But it is also true that we are a profit company. We started with the fabrics and they are our carry overs. It's difficult to switch from that fabrics to, for example, recycled version of them. But it's something that we have already taken into consideration. We we want to do it. We are very close to make this change. And we will probably hopefully. We were planning to do it in the next winter season. Now, we decided to at the present situation. I don't know. But this is the step that we want to make. And another important step is, in any case, to increase the number of new fabrics, all the new fabrics that we are offering are from recycled sources. And another important thing that we take into account is the face finish of the materials. We are trying to switch to zero face finish. This means that no PFC will be used for the new fabrics, at least that we are offering.



What does PFC do?

PFC is a chemical face finish. That is usually applied to fabrics to protect the base of the fabric from the water to get into. This means when you see on the surface of a jacket lid instead of getting wet immediately wet when you see it a little drop here I a bowl of water, of rain. This means that the fabric has face finish w.r face things, water repellent face finish. And till now the most common material chemical that is used to make this is made out of PFC. PFC is Poley Floro or Poula Fluorocarbon something. So it is a chemical.

Is it hazardous?

It is. It is very hazardous and it flies also very easily from the materials in such small bar that are very dangerous, have dangerous there. It can it can create problems to reproductions to when you want one to have children. It can alter the DNA and it's something that cannot be destroyed. Indeed. Greenpeace found this PFC also in a lake, for instance, in a very isolated area of the world. And I remember exactly where. But if you check this PFC in the Greenpeace site, you will find it very easily. There are three or four places where they cache this material, this chemical, and they are very isolated places where nobody is going, but the wind is bringing their drops. That's scary. And after reading this reports from Greenpeace, we decided to change and to start using materials, fabric, thick shell fabrics that are not including dismantling this chemical. But sometimes it's hard because of the performance, because of other aspects that are not easy to change.

What do you mean with performance?

The water repellency and also the hand feel of the fabric, the resistance of this water, of these treatment. So if you have if you produce garments that are supposed to be long lasting water repellent, you have to calculate these, too. So we are doing step by step. This is we are very transparent towards this issue. It's true that we are still using some material that we know they are polluting, but it's not possible to switch immediately everything into a non-polluting one because we have to take care also of the business, because if we lose what we sell, we wont have more money to invest in clever things and clever projects. So it's a balance here.

Doing step by step.

And you said you're mainly getting supplied by green suppliers?

Yeah, they're kind of green. It's you know, it's always difficult to to talk about green and sustainability because this words, it's you probably know they're very abused. And it's difficult to define also who is really sustainable. What the word the noun sustainability means. Many people don't even know that. So the balance is we are using suppliers that are under control. They check their supply chain. They check what they're producing, what the pollutants are. They check and



they evaluate the level and the quality of the wastewater they're producing. And Chris is one of our main supplier that the main one indeed is. In the zero discharges are just chemical process. You know this initiative? No, it's called Z. D. H. C. OK. Zero discharge, hazardous chemicals. This is a very important initiatives in the textile industry that has been created from companies in response to the zero day talks of Greenpeace. Greenpeace is doing a wonderful job, but they are white and black. Yes, it's not possible in reality. Business reality as I was telling you, this is not possible. So the (supplier) company decided to create this protocol. In this protocol there is an M R S L, manufacturer restricted substances list.

Is it like a policy?

Yes. It a long list of chemicals that have a limited amount to be allowed to use. So they are putting the limits. They're saying this chemicals can be used in this limits because in this limits of non-dangerous or limited dangerous. And what they're doing is keeping walking through this list, trying to substitute dangerous or chemicals with less dangerous or good and not pollutant chemical alternatives. So it's it's a whiteboard. It has lots to study, as I was saying at the beginning. So what our biggest supplier is involved in this, is in this protocol and this means did they allow third party people once a year going into there, no sorry, twice a year, into their factories to take water and mold from the beginning of the chain. And at the end of the chain to analyze and see what's the output after they produce their fabric. This is very important. This means that there's a big transparency. Means also that they're doing things in a clever way. Otherwise, they wouldn't allow this kind of checks of audits and this is an example. And another example I can bring to you is that we have use only certified materials. This means certified by ökotext or the blue sign. More for the recycled materials by GRS. These are all international protocols known by everybody. Also by the stakeholders, the consumer knows these names. They're getting quite familiar. We believe there's this thing. Sorry. And this means that they can be guaranteed by these brands when they buy a jacket. They know, OK these materials are checked by this institute. So I know they are controlling what is going on in the supply chain. This for what concern? The materials I'm talking about shell fabric lining and padding here, the main part of materials. For what concerned the manufacturers that are working on our garments, we were not very concerned because we have been working with the same companies for really dozens of years because the father of my boss was already working with some of them. So we have long lasting relationships with the suppliers. We call these relationships not just business with business relationships, but there really partnerships. Because we always work with the same suppliers. They perfectly know our expectations, our quality levels, but it's also a different way to work because it's very personal. We say, for instance, how do we plan this season? Bulk reduction. Do you need me for it? Do you have some wholes in the chain in your programs, yearly or seasonal programs? Can I help you to balance the work so that you don't have some peaks? And that's the way we usually work with our suppliers. They're not so many. Indeed, we're lucky because it's a small company producing a lot of items with not so many companies.



But then I fact that makes it easier for you to control the supply chain?

Yes.

Because then it's shorter.

Yes.

So could you or would you say that a long supply chain is like a barrier to a good environmental performance because it's harder to control?

And yes, it can be if the company is not strong enough and willing to get a strong control and supply chain, these long supply chain, of course it is. For instance, companies that are working with intermediates. It exists some agency that the agency that work with the customer and they give the bulk productions to companies. But you don't know exactly where your products are made. Even if you don't have many suppliers, but you work with this kind of agency and you don't know where your products are really produced. And that's that stuff to control. And we avoid these kind of situations and we have straight relationships. It's also easier for us because we have an office, as I told to you earlier. We have an office in China. And so we get direct relationships with the producers through our colleagues. Another think we are proud of the team in China is all Chinese. So we didn't send an European to manage the office, you know, like many companies that do. It's like colonialism attitude to go there and to teach how to deal things in the European way. But we chose to respect our way of dealing with other people and the way of managing business that they had in China. We thought it was more respectful and more useful also because we are not doing just for charity, but it's more producing and profitable.

Are your clothes made in China?

Yes. All made in in the same region. We buy fabrics in China, in the same area, more or less. Also the emissions are less because we don't move too many bulky items. So for too long trips. So everything is concentrated in the same area. Also, the QC, it's much easier because they can reach the factories in one hour, for instance, or two hours with train, for instance, they often go. So it's very quick.

And how do you ship it from China to the European market?

Okay. By boat, usually to Europe. We ship directly from China to U.S. and Canada. So the goods are not making the two of the word. And obviously to Asia, there we don't we don't take the goods to the warehouse to bring them back to China or to Japan or Korea. Everything is sent directly from the area.

Apart from the supplier monitoring that you said. How are you measuring your environmental performance?



Okay. We decided to certify the company with B-Corp. And so we had this stronger and deep assessment. And this was a great initiative for us, not just to know where we are good because we are in B-Corp. But it gave us the chance of engaging in many others activities and gave us inspiration to make many others initiatives. For instance, now we are under calculating our GHG emissions.

How are you doing that?

With our consultants. We are collecting data and data and data. That's what I was doing before you were calling me, collecting all possible information from customers, suppliers. The supply chain, the warehouse warehouses from the e-commerce, whatever information we take in.

Are you taking this information from bills? Energy bills, for example?

Yeah, also, yeah, yeah, absolutely that. Indeed, we already have this. We started calculated some part of our emissions last year when we we had we were making our first sustainability report. And we're proceeding along the track. This resulted in a clever way because of course you can do by saying, OK, more or less this is what I'm doing more or less. I can take the doctors from other companies that are doing similar things. You can presume you know, but it's not very serious like this. We're doing the hard job now.

Yeah, I can imagine that. And do you experience any challenges with measuring your environmental performance?

It's hard to understand where to collect those, where you have to stop, where it's not belonging to you, but to other parts. But indeed, it's not so difficult. It's just long because there are a lot of information to be collected.

Where did you find your starting point?

OK, I started looking when I was hired from the office from our office in Milan. We started there calculating energy consumption, the cars that we're using. How much they're we're consuming. And then from there, we said, OK, that warehouse, then the suppliers in China, the distributors, and so we spread the chain.

So you started small and you expanded it.

Yeah, it's interesting. We started from what we knew already. It was the first obviously, it was the easiest thing to start from our office because it was it's our house. You know, we spend so much time here so we know everything that's going on there. So it was. Yeah, kind of easy insight.

Where did you get the knowledge from?



Well, obviously, the consultants help us a lot. They're guiding us here to decide we go here, we go there. These are data that are significant. These not so important. So we collect. But it's more important to get these other data. And yet their help is fundamental. Otherwise it could get lost very easily.

Yes, I can imagine that about these consultancies, are they from B-Corp?

No, they're not B-Corp. They're very skilled and have a long experience in sustainability issues.

Yes. So it's a third party?

Yes.

And you're paying them?

Yeah.

Is it costly?

Not so much. It's affordable, still affordable.

Could you give me a rough estimation because I have no idea how much that costs.

OK. Let's say it's about in total, we pay yearly around. It depends from year to year, it depends on the number of projects brought from 30.000 to 45 or 45.000 a year.

Wow, that's a lot.

Yes, but for a company is not so much.

I talked today to another entrepreneur and her company is having three employees and she said she can't afford that.

Of course. But 3 employees, probably the cost will be also less because they're not to make probably they won't to face all the process that we are facing.

Yes, true. Because you're way bigger.

Yeah, it's proportional. I can imagine that a consultant has to face the activities of a big company like, I don't know, H & M or Patagonia, probably they're earning much more than they are asking for more money. Yes, because those projects are way more than what we are doing here. It's proportionate. It is also true that you have to find a good partner. This is also another thing, not very easy there. It's there are plenty agencies and many people that it's selling their sales, like I am a specialist, I have a big expertise and this in depth. But sometimes it's not so true.

How did you find that consultancy that you trust?



Well, we have been working with them with another branch for what concern they did administrative tools and things like that. So we tried where we made interviews with many agencies, actually not so many, there were three or four. And we decided that it was something also, you know, based on a feeling.

Gut feeling.

Yeah, yeah. It's very important here to get a good feeling because what we experienced before this corporation and other one and the feeling was not so good because they had different. They were good, good consultants, but they were not in the same mood. They were not working in the same way as we are doing at the same region. And so, yeah, they were not the right ones. You know, it's like an engagement.

So, yeah, you have to find some sort of common ground.

Yeah. Also you have to have a feeling with the person? Because if you feel that is just business and you are just talking about numbers and piece of papers or files, this is not enough. You'll have to talk with people to understand each other and understand each other's needs. It's something that goes beyond the business.

And definitely the personal component.

Yes.

Why are you measuring the environmental performance? What is the reason that you're doing that?

Because. Well, first of all, because we declared our intention of becoming carbon neutral in 2030. Together with other B-Corps this year. And because we believe that a company that is engaged in protecting animals as we are, should protect also the environment, because otherwise the story cannot be true. If you protect animals but you don't take care of the environment, where the animals leave is not a serious approach.

No, no.

So obviously, for us, it's very important to protect and try to protect the environment. We do it as in the best way that we can and as much as we can. We try to support initiatives and geos that are cleaning beaches and protecting animals from the sea and cleaning of the sea or oceans. We are protecting supporting initiatives, are protecting people around the world in many ways and so on. And from what from our point of view, we try, as I said, to make the right choices, the best choices for our products and in our supply chain, trying to ensure that our partners are treating their workers in the right way. All our work or all our suppliers are audited yearly to check their sustainable, their social sustainability level. This is very important to us, too, even if we trust them because it's so long.





Are you doing the audit?

Third parties. We chose to become partners. I'm putting BSI another initiative. I don't know if you know it. BSI is an initiative that is checking, they have a checklist and they make audits. We don't make audits. Indeed is a third party. They're auditors, third party auditors. They are just coordinating all this movement. And they this fixed 13 points that have to be checked. And they're monitoring the performances of suppliers and manufacturers to work these 13 points. And companies, the manufacturers, they can use these audit reports. That's why we chose this initiative. Because it's not related just to us. It's something that the vendor can present also to other customers. So they spend money once and they spend also time once. What is going on in the fashion industry? Many big companies, especially big companies, they have their own protocols. This means that many times a year vendors received a visit of auditors, auditors from this customer, the customer, the other customer. Even if they don't have to spend money for these audits, they lose time and money at the same time because they have to stop their chains. They have to take the time of people, of their own people to spend time with the auditor. And basically, every company is checking more or less the same things. We said we don't want to become another one that is doing this for our vendors. We want an international platform so that the vendor, can profit from this audit and can offer to each customer. We found it was more democratic.

Yes, of course. Are you also measuring because once you got an idea, what your current performance or environmental performance is, then it's easier for you to be even more environmentally friendly?

Yes, of course, as much as you can check what's going on in your supply chain to become stable.

And these consultancy, are they giving you some sort of advice on how to approve or where to improve?

Well. They are also giving advice but what is basically the ideas are starting from us, from our needs, from what we think is the best direction to be taken. And well, for instance, we say, OK, we want to do this. What do you think is the best way to achieve these results? They help us to drive us to get the results.

So you're in constant exchange with them like some sort of knowledge exchange?

Yes. Not only with them, but. Yes. Yes.

Okay. Is it difficult?

No, not really. I have to say, I have a very nice person and a nice team and a guide. A very nice person. It's very useful. Yes. The exchange and easy, that kind of information exchange that we have.



Are you also in exchange with other companies or especially other fashion entrepreneurs?

OK. Yes. But not in fashion. Unfortunately no. Because through B-Corp we are working together with other companies in trying to understand how to increase. Improve. Doing initiatives to be helpful for everybody or stakeholders in general. We have working groups. We meet very often. There's a monthly meeting a webinar. So where we share information, experience. Very useful. Very inspiring. And unfortunately, as I said, it is something that is not going on with other fashion companies, especially first of all, because in this kind of activity, it's mainly local. So it's Italian and we are the only B-Corp in the fashion industry here. So we are alone. And what concerned the international environment, it's not so easy. I don't know. Maybe because fashion has still an old school approach. Everyone is quite jealous of what they're doing. The trends and doing this are the one to share. Yeah, it's a little bit like that. So it's not easy.

I get that. But you're talking about environmental topics in general with other entrepreneurs?

Also.

And thereby you increase probably your your knowledge or, yes, what you know about you increase your awareness about opportunities or future trends, right?

Yes, of course, sharing is the first way of improving and learning.

Mm hmm. Look, that's very interesting for me, this interview, because you're actually the first company that sounds for me like that you not really have faced challenges with your environmental performance because you a third party is doing it for you. Is that right? Is my impression right?

Yes. Well, we're doing together not just that they're doing everything and not just third party, but we are using third parties because it's also the best way to prove that it's not something custommade, you know, I'm declaring it because I'm doing by myself. I'm declaring that I'm doing good things and whatever. It's a third part that is very fine. So it has to be 100 percent true.

Yes.

And it's not just because I'm paying for that, because it's something that it's over dthatebt. It's an independent part. Because I'm not in touch, for instance, with the auditors many times. And what's concerned is sustainability, the social sustainability of vendors.

So then it's then the biggest challenge for your environmental performance is to find a good third party to collaborate with?

Yes.

And the biggest challenge indeed, is the research and development which is still not so advanced. And we would do much better if the technology could evolve more rapidly.

What do you mean with that?

I mean, I was referring to the fact that we're still using polluting materials to be very clear. Using recycled materials is not the solution. Everybody knows this. It is just a temporary solution that we are using to take time and see what other better solution we can find.

I would think recycling is a great solution..

No it's not a solution. It's not the solution. Because it's not it's not forever. And the biggest solution would be to find a biodegradable. Because in the end, even if it's recycled, it cannot be recycled forever. At a certain point, it becomes waste.

Because the consumer will throw the jacket away?

OK. If they throw the jacket in the right place, the jacket will become the padding of a sofa or seat of a car after that it can become maybe something something else, but it's poorer and poorer. The result.

Yeah. Because the quality is getting worse?

In the end, yes. We still have these kind of problems because technology hasn't solved these pointed, decreasing problem. And they might minimized it at present. So it's better than in the past. But not yet THE solution. The solution could be probably the biodegradability of these kind of materials. There are good initiatives at present. And we are already facing some projects. But still, you know, very expensive. Not so spread in the market. And we have still to work a little bit on that. That could be a better solution, of course.

Okay. And you're constantly doing research for that?

Yes. Through our partners, of course, our suppliers, because I'm not a chemist. I don't know anything about this issues. Luckily for me, or the minimum necessary to understand what I'm talking about. So, yeah, of course, we are always pushing them and giving suggestions and data and ideas, even if we are not nations and we cannot put our hands on doing that. But we are trying always to push to research and to push our suppliers to go over and find new solutions, new ways and new ideas.

And then you share your new approaches. And that takes time, probably.

Yes, it does.

Yes. I can imagine that. It's a it's a very complex task the environmental performance measurement.

Yes, it is. And it's not so quick. That's what sometimes people don't understand when they criticize us on the Web site, you know, social's are terrible. Everybody everybody's saying whatever in this



moment, especially in this very stressing moment. And when they say: you say you protect animals, but you use polluting materials. Yes, it's true. OK, it's true. But you (the people) don't know what's behind. It's also difficult to explain.

Because sustainability is always a tradeoff.

Yeah. And many things are presented as and companies are using this word and using sustainability as a trend.

But not from the core. But they don't integrate sustainability into their core business.

Many companies, they are just saying, yeah, I'm doing this beautiful jacket with the recycled material. So it's sustainable. Hey baby, no, it doesn't work like this. It's much harder. Believe me. That's what's going on. That's for instance. I mean, I appreciate companies like Prada that is using recycled nylon to make some bags and backpacks. It's a beautiful project. And I'm very happy that people are starting to get competent toward this kind of product. But let's be clear and sincere. They are just doing some bags with some recycled materials. Does it mean to be 100 percent sustainable? What are they doing with all the rest? I don't know the rest. Are you still using leather? So leather. It's not just exploiting animals. Leather means a lot of pollutants to dye later and treat later.

And are they using fur, actually?

No they gave up luckily to use at least fur.

Luckily, but lots of other companies are still doing it. All these luxury companies.

Yeah. Gucci also gave up but is still using leather and but as I said, they cannot change all of a sudden because it's like for us, you know, you cannot switch all of a sudden because you will lose so much money. It's impossible. It takes time. It's a good thing that they're starting. But, I mean, I'm not criticizing what they're doing. I'm just saying be careful in judging the greenside of a company. You have to be critical and say, OK, they're doing well. This they have started the process. So they're in a good path. They can do even better. And I expect them to do better in the next future. But it will take time. This is a critical way of analyzing the question.

This is also I mean, they have a whole different customer base. They have luxury customers and some of these luxury customers, they expect to have leather and fur. So they can't say from one day to another. OK. I'm not using these materials anymore.

Of course. Of course, this is extremely correct. For instance, Russian market. This is the attitude of the Russian market at present. This is something I heard from our distributors. Not something that I invented or just heard around. Usually they keep asking us to please write inside the garments



somewhere that it's designed or created in Italy and don't mention too much that this material is recycled because Russian people, they don't want to wear plastic bags or garbage.

They think it's rubbish.

It's also matter of a cultural point of view and knowledge.

Yeah. Consumer knowledge, awareness,

Awareness. That's why also I like very much to talk to people like you. They are investing their times to write about these matters because it's very important, especially the young people know how these things are going on. Because you will be the future. ToThefuture managers. And you have to know as much as possible how now we are facing these situations to be a better manager tomorrow.

And I also want to come back to you mentioned you have this list of chemicals that you are using which says, OK, this amount is hazardous if you exceed this amount, is it difficult to stay in line with these limits of chemicals?

OK. First of all, I would like to underline a couple of things. There are two kind of list. One is the RSL is restricted substances list. This is a document. We have our own document. We created it. Analyzing the markets where we sell our products and the lows in fact, in all these countries. And to decide when we test to meat, we make the chemical test with the third part of the laboratory is making the chemical test. We choose the most restrictive low among the ones we took into consideration. And we test considering that limits. And no, we don't have problems with that, because by choosing, as I said, good products from good suppliers. Good in the sustainable way. It's not too difficult to respect these values. The other protocol I was mentioning is that manufacturers some restricted substances list. And this is another point of view. This is something we are barely approaching now. This is very difficult because this is checking what wastewater is basically. And it's taken into consideration the way producer raw material produce their items. These are two different protocols. One belongs to a third party initiative that I mentioned before: ZDHC. But in any case, I saw your recording so you can catch up particularly. Yeah. And the other one, RSL in this case it's related to each company. Of course we decided what lows to take into consideration regarding the countries where we sell our products. Of course, the U.S. has its own special requests like Korea. China is one of the most restricted markets, you know.

Really?

Yes it is. They have very, very tough lows regarding chemicals. Because they know what they are using.

Yes. Well, that really sounds to me that you're having almost no difficulties in terms of environmental performance measurement.



Well, it's not that we don't have difficulties. We try to avoid by making the best choices at the beginning. So this is the best way to avoid problems later.

Yeah. So all the time that you invest beforehand pays off in the end.

Yeah.

So to sum up, what are your challenges then, only then picking a good third party, basically, and that the technology should evolve faster to develop more sustainable products?

Yes, because we are just producing jackets. So what we can do better, of course, is trying to keep helping our manufacturers to improve their performance, is to help their workers to live in a better condition. We try to push others, push them because they're quite good but, you know, it can always be better.

I forgot my question. Oh, yes. Is it a goal for you or a task on your agenda to get more points in the environmental score in the B Corp assessment?

Well, of course, it's always a task. Yes. And you're right. We are already working on that because next year, in 2021 we have to do a new audit. We have to remake the BIA by B-Corp. So, of course, we want to improve because to get a better score means that we are doing better.

Yeah. And in doing this, do you think B Corp is helpful?

Yes.

Because I also heard they have a lot of paperwork to do.

Yes it takes months and months. But it's very inspiring.

What do you mean with inspiring?

It means it is not just a certification. Okay, I've done it. I will think about it in three years. Yeah, it's a process. They're teaching you that you can do better.

How?

They're making you think. Because what I mean, at least when when you're doing it in a critical way and you approach the BIA in a serious way and not just to gain a good mark, but to prove that you are having a good process. You see that you cannot answer, gets the best results to any answer. And you say, OK, here, I'm not giving you the answer. Why? What can I do to improve to get better score and to get better. And so I noted. OK, here we have to do this. We have to do better. Here we are doing quite well. What we could do better. So that's how I say it's inspiring. And it's also inspiring in the way they're managing the meetings. And the connections seem to come among companies.



And they support you with knowledge then on how to perform better?

Not really in this specific way. No, but they're doing a lot of webinars, for instance. Now there's this wonderful tool a new one launched in January. It's a SDG Action Manager.

Oh, yeah.

You know it?

Yes there was a meeting in Amsterdam for it.

From the B-Corp.

Yes.

I was in the meeting in Amsterdam.

That's nice. I actually was planning on going there, too. But yeah.

But then maybe we'll meet this year if we got the chance of meeting.

Maybe if I work at another sustainable enterprise that would send me to this meeting again. Then we could meet.

Yeah that would be cool! Well let's keep in touch about that.

Yeah would love to.

Yeah. It's always nice. And you meet a lot of people there. It was very interesting. And I got that from the meeting very inspired. It was so interesting. So many people, so many initiatives, so many ideas. And even if you don't get answers from these meetings, you get inspiration.

Yeah. You're getting pushed forward.

Yes. And that's the most important thing to keep struggling and doing things.

Yeah. To always challenge yourself and ask, how can I do it better.

Exactly.

Are there any other challenges that we haven't covered yet?

I don't know. We talked about people, talked about the time, the technology.

Yes. I think will more or less. That's what we're doing. As I said, for us, it's not so difficult because we really started with a lucky DNA, not to use materials from animals. That already eliminates a lot of problems. It is also true that, for instance, we don't use many Cotton. Cotton is another



tragedy, If you analyze how polluting is the cultivation of cotton fields. It's terrible. And you never know where this material comes from. If people is exploited, it's terrible. In countries like too many south or something like that, I remember exactly but of Russia that they obliged people to collect cotton balls from the fields, taking off them from their business offices, whatever, bringing them to the fields. It's forced labor everywhere. And the government is doing that. And you don't know if your T-shirt is made in the cotton collected in that way. And then this is terrible

H&M taggs their cotton T-shirt, whether conscious, green, conscious label.

Yes, I hope it's true till the end. But their chain is very long.

Yeah. And very hard to control. Exactly. Especially the source. The first step. Who collected that cotton?

Yeah, no, I wouldn't trust H&M. I mean, to be honest, I'm a customer of H & M orZara to be. But I think every one of us is at least to some degree.

It's conscious probably from a certain point for sure. From a certain level of the supply chain, from certain gear, it's sustainable. Well, what about the other teams? I don't know. Yeah, well, they need to I don't know where the petrol comes from. The petrol has been used to make my fabrics, but I'm almost sure that no slavery as being a cause because of the petrol.

All right. Now, a few closing statements, because I don't want to steal your time too much. About your subjectivity: What is the biggest challenge in terms of environmental performance measurement? The biggest one.

Well, tough, tough question, um. Well, it's difficult to regarding, for instance, the GHG. Now, what is difficult is to calculate all the movements of the goods and what happens. Yes, this probably the most difficult part. What happens after the jacket has been sold? I don't have data. You told me you bought the jacket five years ago. I don't know what's going on with my jacket somewhere where they are. How they are treated. How they're maintained. If everyone is washing in the correct way and not polluting too much. This data I dont have but I would really like to know. But there's no with way of checking.

What I am doing with that jacket is not that influencing your environmental performance, right?

It is.

It is?

Basically the garment, the percentage of how a garment is polluted is 60 percent. 40 percent the production part and 60 percent the post sale.

So the environmental performance from your business does not stop after the jacket has been sold?





We are trying to see what we can do in calculating this, at least trying to analyze what it could be the percentage.

Oh, because then you can also try to influence the customers to have a responsible...

That's what we would like to do. Yes.

Okay. Amazing. Fantastic.

We also have I don't know if you checked Web site. We have a section where we explain how to deal with ironing, washing, drying, etc..

I was on the Web site. Yeah.

I don't know exactly where it is.

I think it's under the sustainability tab.

Could be.

And I helped writing the contents. But then I sometimes forget the link.

What was the most difficult time for you? For the performance measurement. Was it before you become b-corp certified pr to become B-Corp certified. Or is it with the annual audits to improve yourself constantly?

Well, personally, personally, it was quite tough during the BIA, especially the beginning. The BIA at the beginning can be tough because it's just in so many different things. It analyzes every single aspect of the company. So not just a supply chain, but also how you deal with your people inside the office. In any detail. And it's very difficult to. Then you get more confident at the fifth or seventh time that you're doing from the BIA from the beginning. This is the reality. I don't know how many times I did it to tell the from the first question to the last one. It's difficult at the beginning. Then you when you start understanding after a while what I talked to you, that it can be awesome, not just that at the beginning, you feel like in university. You have to face an exam. But after a while, I understood that it was not an exam. There were not just expecting me to say something, but it was a self exam to improve. And that was the moment where I changed my point of view and everything went better. But it was difficult to begin.

And what advice would you give to other entrepreneurs who are having difficulties with the environmental performance measurement?.

To find for sure good partners. And to ask the help of the supply chain to support this research and these improvements. And never to give up because it's very important. As much as you know from your supply chain the better you can do. And it's also very important to communicate, to spread



this message and to let your supply chain and all not just the supply chain, all the stakeholders around you, that if everyone is doing his part. Everything will be better for everyone. I found a good response in our manufacturers, but also in the fabric suppliers. They're becoming more sensitive towards these issues and the understood. That it's very important not just for the business, but also for the environment. And so they they're starting put it in connection, the fact that if you are doing good for the environment, also, business in the end is doing better because only clever companies will survive. Especially now after this crisis. If you are not doing good, customers will no longer choose you. I'm quite sure about that.

Okay, that's it. There wasn't a fantastic interview.

No, thank you.

No, I thank you for your honesty.

Wow thank you. You had good questions and it was interesting. So it's always interesting to share information.

Yeah, and I got inspired by you.

Wow. Thank you. I did my job today.

Yes, you did. All right.

Yes would be nice if we could see us time next time.

Yes. That would be great. Let's keep in touch.

Of course. Thank you very much. Have a nice day.

You too. Thanks. And good job.

Thanks. Bye bye.

Bye bye.



**Sustainable Entrepreneur 5**, interview duration: 1h, interview location: online

Hello.

Hello. Hello.

Hi. How are you? Nice to meet you.

Nice to meet you, too. I'm fine. How are you?

Very well. Thanks for being considerate.

I'm sorry. I can't really hear you.

Okay. Is that better?

Nope.

That?

A little bit.

Hello?

Yes.

Can hear that better?

Yes, yes.

OK, great. Amazing.

Awesome.

Good.

Okay, tell me something about you, or {brand name}, {brand name}.

Why don't you tell me a little bit about you and what you're trying to get. I like what you're basing this off of. And then I can hear the conversation in that direction. So that way, I can help you better.

OK. Let's do it that way. OK. I'm studying sustainable entrepreneurship at the University of Groningen in the Netherlands. I'm German, actually, but I moved for my studies to the Netherlands. And yeah, I'm writing my master's thesis now, which is due to the end of next month.

Congratulations. That's awesome.



Thanks. And I am covering the topic, which challenges do a sustainable fashion entrepreneurs face when they measure the environmental performance of their enterprise.

OK. Great.

And I'm right trying to come up with strategies in the end that help entrepreneurs to overcome that barriers.

I think the B Corp strategy is definitely a step in the right direction. So for me, when I did my initial business plan, I would over the things that were important to me. So when I went over those things, I found that they were in line with everything. All things in B-Corp. So sustainability was very important to me. Giving back to the community was very important to me and making sure that our team was taking care of. Because without a great team, you can't you can't get very far. And so those things are very, very important to me, giving back sustainability, ethics, those types of things.

All right. So it had been important for you already before you got B-Corp certified?

Correct. I get the very initial stage and the reason behind that is because I'd already had a business and I had a partnership in the business and we had different thought processes about that. And so I wanted to make sure that at the early stages of the business that if something were to happen to me. Be it, you know, I brought in a board and was voted out or I became ill or whatever the case may be, that vision was adhered to. So very important to me. And so in looking at the b-corp right at the very beginning stage, I followed their guidelines. So that way that at the very initial part, like we applied right out of the gate. And you had to wait, I believe a year. And then you had to apply to actually get certification. And so for me, that was very, very important. So we manage everything from the onset. For {brand name} with those philosophies and those guidelines in mind. And so when you do that, I think it really is helpful when you're trying to do something like you, so for me and business, doing business for goods is important. So those guidelines really helped create a roadmap, if you will. And made sure that you've followed those guidelines and that roadmap. And it really kind of you know, I have a philosophy that if you fail to plan, you plan to fail. Right. So if you plan accordingly, you know, it works out great. So the strategy was great on that side. So initially, you know, making sure that we were sustainable. The first thing that I can definitely control is packaging. Right. So the most common thing in socks is like a plastic like hanger. I did not even want a plastic hanger. So, you know, our recycled cardboard really works for me. And so everything that we're looking at, you know, obviously you can't do a 100 percent sustainable or you can, but it's pretty costly. So for us, gradually being one 100 percent sustainable was the goal. And the vision was there. And then also making sure on the ethics side that the team was taking care of, that there were health benefits that they had and, you know, employee manuals that they had in, you know, a certain living wage that we gave them. Those were all very important. So when you begin a forecasting phase of your entrepreneurship, whatever that business may be,



when you look at those things, you can forecast accordingly. Right. Because, you know, you want to give them insurance. You know, here in America is a lot different. That's a very costly thing here. So, you know, a certain amount of days off, you know, making sure that they had medical, dental, vision, life insurance. Those things are very important to me. And, you know, those things are costly here in America. So forecasting those were important. And then really kind of making sure that the environment was a fun environment for us. I don't want to take ourselves too seriously. We're in business for socks and we're not creating the cure to cancer. Right. And so making sure that the socks were a quality driven sock. I'm not sure if you've gotten any of our socks that after the conversation you can e-mail me and I can send you some.

Oh, really?

Yeah. Yeah, I'm happy to do that. So that way you have a better idea of the socks and in general.

Yeah. I already had a look on your Web site and I saw that your socks are produced in a very sustainable way by recycling plastic bottles.

Yes. So we utilize reprove, a reprove for every one pair of socks. There's two recycled plastic bottles. Which is great.

Yes.

On top of that, we use plant based dye. Then we use tencel, which is a wood based product. We also use hemp and bamboo. And it's not just bamboo, it's a mechanical bamboo. And there's a very different process in bamboo. So finding the right process that is more sustainable is a great thing. And so we're looking at all those things as we continue to develop recycled polyester, organic cotton. And like you said, by 2022, we hope to be 100 percent sustainable. And what we're finding is that may change with this whole Covid-19 experience that everyone around the world is facing. But what we found in our market research was that people are concerned here in the United States. But, you know, it's not really the thing that's going to make them. So that's not going to be the main thing that's going to make them buy something. And so that's still. So that was a challenge. And so we looked at that more at educating people like the benefits of educating them. So if you look on our Web site, you can see, like. You know, we've got videos of our factories and things like that to were so incredibly transparent. Being transparent, super important to show.

Was B-Corp helpful for you to establish all these policies and guidelines in being or becoming very sustainable?

Well, there's guidelines that they have. So once you know, those guidelines, when you know those bullet points, is very helpful to start digging in. Right. And so I think it's a great tool overall because creating this from scratch is a little bit challenging. But these are tried and true areas that you can actually measure. And so, again, giving back sustainability, ethics, all those things you can measure and the way that they've laid the way that B-Corp has laid it out has been so helpful, at



least to us in measuring us. And it's also a little competitive, right, in the sense that, oh, I just got a ninety four percent on bid, but if I change this and tweak this up a little bit better, it'd be even better and that would bring my score up. So. So it's a little competitive. Self competitive. If that makes sense.

Yes totally.

Right. You always want to want to improve your standing.

So, is it a goal for you to climb up in the environment to score in the B Corp assessment?

I think the assessment over all, it's very important to consistently try to better yourself, right? Yes. So better your company give better your your giveback program, better your sustainability, better your ethics. You know, no one's perfect. And so your look, if you're working on a B Corp side and you're actually having to report that to somebody as a CEO. Right. It holds you accountable. And so it it's you know, you have to renew it. And I think it's just such an important tool and an important guideline in helping you progress.

Is it difficult for you to climb up or do you know where or how to improve better?

OK, so where we are located, we're located in a in a structure that was built in 1934. So there's not that much on the. You know, there's not live motion detectors with the lights and, you know, there's not that sustainability here as far as I know, I can increase my numbers doing better things that, you know, with regard to product. I can focus on product. I can focus on our team. I can focus on renewed energy. I can, you know. So it gives you different areas that you can look at because as you're answering the assessment, you're like, oh, huh, I can start looking at that. I didn't really think of that. But that's something I can look at differently within the coming, you know, 24 months.

So the assessment inspires you?

Absolutely inspires you and again, to hold you accountable. So if you're looking to better your brand, I think that's great. Again, I agree. I hate to repeat myself, but just a great roadmap and a great inspiration and a great way to continue to improve your standing as a brand overall.

How are you measuring exactly your environmental performance?

So all kinds of ways, so paper, products, shipping things, ocean vs. air. There's a million different things that we do here. Not a million, but quite a few things that we do here across the board, including in our own office space. So, yeah, I, could give you some of the things that we measure. I can send that over to you.

Oh, yes. Would be interesting.



The documents that we use for wrapping things like that.

Was it difficult for you to get all the knowledge together to find a starting point?

I've had a past business before. So that experience from from the start wasn't as difficult for me.

But I think, again, if you follow if you look at the assessment test right from the beginning, you can structure yourself. It's a business plan, planning stage to set yourself up for success. I'm a giving back side. I think that's important, too, But we haven't touched base on that. So I'm doing back to you community. Your community will help build you. Your banks will help you grow. If you if you look at a more local approach to as much as you can and then building your business and then giving back to that community, I think that's helpful, too. We also build our products to give back. So, like, we'll do things with the San Diego Zoo. That's to help stop extinction. I read about that and we get back to that. Yeah. And then we'll do things with the Lucile Packard Children's Hospital. I'm specifically for transplants and something very near and dear to me. I had a sick brother who had an auto immune disease that lost kidney function and needed one. So I gave him one. I donated a kidney to him. Wow. So that was kind of the reason behind Lucile Packard or Stanford's Lucile Packard Children's Hospital. One of the one of the best in them in the world, actually. And so we give we focus on transplant with kids. So that could be heart, pancreas, lungs, kidney. And we go there, we bring our artists there to help kids that are there for an extended period of time, find a little bit of joy. They can they can draw. And then we take those drawings and actually put those into socks. So and then part of the proceeds for some of the things that we did for the zoo, some of the things that we do for Lucile Packard, part of his proceeds go to go back to them.

And you can all take this into account for the performance assessment.

Absolutely.

Why? What is the reason that you decided, OK, we want to measure our performance? Is it also that you can see the areas for improvement for your environmental score?

So we even measure the hours that people donate time to. So everything we measure everything because we always try to up that to here. Each team member can donate 40 hours of paid volunteer hours. But people usually go outside of that. So when they do that. I've got one guy here that won't take them as paid hours because he's like, that's not truly volunteering. So he goes over and beyond that, we let him leave early for certain things, like he loves giving back to the SPCA here and until that animal aspect is something that's very important to him. And so we measure what each employee of the volunteer hours that each employee does. We measure pretty much the recycled cardboard that goes out. We measure so much stuff here just to make sure that we're staying on track.



Have you or are you experiencing any challenges why you're measuring your environmental performance?

Yes, sometimes it's hard to measure certain things that you recycle. For sure.

Why exactly?

Just because you have to weigh it and, you know, like the easy thing to do is just to, like, let it go. But if you're if you're measuring it, you know, you're weighing it and you're making sure that, you know, you're looking at every aspect of what you can measure and what you can get out. So we're monitoring as much as we can.

Today, I had an interview and she said she's also recycling used plastic bottles. And she said all the knowledge is constantly updating. So it's kind of difficult to stay on track, to stay current with the latest on knowledge.

That is that is true. Like, things just change on a regular basis. And we're a small company right now. Eventually we'll have somebody that will handle every aspect of that, just like you would have an H.R. person. So that is in our forecast for later on down the pike. So you can see, you know, how you can track exactly track all your recycling, because we're doing a very good job at it. Our efforts in measuring or recycling. But you know what? What's the best step for the recycling process? That's a little bit of a challenge there, because right now we're just taking it to a recycling area. Is that is that the best way to measure that impact overall? You know, I'm not sure. And how do you calculate that a little bit differently? What's the best way? So I guess what we're looking at, how to like what is the recycling bottom line? How can we go? How can we reduce it? How can we reduce the expense of hauling it somewhere? The disposal costs overall, you know, the greenhouse emissions waste. Those are the things that we would look at. What helps, as in the community on the recycling stuff is that benefit a corporation here. You know, and does that corporation give back to somebody? Because oftentimes a recycling place is a nonprofit here. And so, you know, coordinating with that to give back. We've got something here that we call the Great Bear that give back to some older or the older population here in our local area.

And the measurement is probably very time consuming?

It is pretty time consuming, and that's something that I think overall we can improve on it because, again, like you were saying, things change. So, you know. I'll give you another example. One thing that we're looking at is paper that we're buying. So obviously we're going to buy. How many pounds of people are always buying? And how are we reducing those that paper purchase? Right. Because I said we're not we're needing it less. So what can we do electronically differently? So we buy less paper as an example.

Are you also monitoring the supplier us where you get the paper from?





For the most part, but not like we're making sure that it's pretty local. We're making sure that it's recycled paper so that, you know, again, those things can be improved for sure. And right now, we're calculating most things manually. Eventually, we'll get that a little bit better where we can track that that's better and figure out, like, you know, how that we're doing all this stuff on our end. So eventually, as we grow, there will be a return on that investment. And how do we track that?

Do you wish that B-Corp would give you some sort of electronic machine that spits out your performance score or that makes it easier for you?

I think that I think that they're doing a great job that way. And the assessment test and the way they track things, I think it provides enough information that will impact how you do your business. Does that make sense? Right. And what your initiatives are.

And if you've got a question in any case, is it possible to contact B-Corp then?

Yeah, they're very open minded and very helpful overall. I'll give you an example. So during this whole Covid-1 thing, I'm up for renewal and I was just like, hey, I can't run I can't even begin to talk to you right now because I've got to shift my business. Right. And they're super easy. Great schifter business hit us back. Let me know if you need an extension on anything like for any reason, including something like that. They're very helpful. I find them very helpful overall. And we have not completely tapped into all of their resources. Oh, wow.

Yeah. So I think that there is for us, there's much room for improvement. Always.

That's good. Do you think that their paperwork is a burden because I heard it's quite an extensive paperwork to do?

I think it is a burden for sure, but it also keeps you on track. Right.

So, like, there's work to that. Right. Just probably like your thesis right now is kind of a pain in the ass. But what you're getting out of it is probably some great stuff, right?

I hope that I provide you with my thesis in the end.

Now, that's great. Yeah, I think that, you know, like for every kind of no pain, no gain philosophy, it is a little strenuous and it is a little challenging and sometimes very daunting. And then there's times you go like, oh, my gosh. But I think the gain that you get out of it because it really keeps you on track is really the benefit overall. So I wouldn't veer towards the paperwork side of it being so daunting, I would be veer more toward the side that it is daunting, which has benefits to you and your company in the long run. So an example of that would be like, OK, do you have. Are you updated on your employee manual? To me, I mean, that seems daunting, but that's so important because when you have a challenge with something and there's always a challenge. Not necessarily that the challenges that mean a bad thing. Right. But a question that you're like cut. You can get it.



Oh, yeah. It's in your manual. You can check it out or, you know, what are the hours for, you know, what are your volunteer hours for the for the company overall. You can check that employee manual. All the detail is in there. So you've got to really stop what you're doing as a small company. You know that is a benefit. Right. They can look everything up for themselves. So is daunting as an employee manual is it is daunting.

But it also raises your awareness.

Correct, and it also it also looks later down the pipe, because everything's in there. How do you calculate your crude hours? How do you know how many, personal time, days off. How does that accrued? What's the percentage that you are paid on your medical and dental? And, you know, is it a hundred percent? Is it not a 100 percent. All those things I think are a benefit. So, so is daunting as it is. I guess in the beginning, in the first phase of that the benefits definitely outweigh the. The talent put it together.

Yeah, yeah. Do you think it's too costly? The whole measurement, because you dedicate a lot of time to that.

Me as a CEO, I tend to do this after hours because it's that important to me, so my day to day work for the assessment aspect of it is done outside of my day to day work. I feel like it's not that often and it's so important. And then once that once I do the assessment, then I bring that assessment in what we can, how we can better our company. When I see things that we are doing that affect our score, I'll bring those things into our annual strategic planning meeting. Right. And I bring all the heads of each department to ask questions like what can we do better?

Are you doing the assessment on your own?

Yes, I do that on my own. Yes. But like, I worked with my accountant to provide volunteer hours. So I'll send those things out to them and they'll send me reports. And they don't do that on their off hours. They actually do that on like during their their time here at work. So that's just my portion of the assessment test. So yes and no. So I'm the one that actually does the assessment test. But then I work with our team and to get all the information that I need. But at the very beginning, say yes. A 150% of that test is me developing that employee manual and developing, you know what the requirements were here as far as, you know, any renewable energy or, you know, motion detectors here and different things that we could do here that we can do that can maintain in this building. So all those aspect that was all done initially by me. Right, now that we've grown. Right now. Everybody takes a part of it because everybody has to believe in it.

How many employees do you have?

We have 10 employees here.

OK.



And so everybody is really passionate about this. We live in a beach community, so we live in Santa Cruz, California.

Yeah, I had a look on Google Maps and I was kind of jealous.

So I think it's a different environment. If you live on a coastal community, like we all use plastic as an example. So you have people that live inland the United States that really, really, really don't care about plastic. They say, we don't really care about plastic. What does that do for us? But when you're walking on the beach and you're actually seeing animals affected by the plastic, it's a big deal to us. So it's a matter of educating communities on why that is beneficial overall. You know, when you see that, you know, you see a seal and you know that their insides are just so full of plastic. You feel very passionate about recycling in particular and, you know, beach cleanup days and things like that. People here feel very passionate about that.

To me at times like that, it's very important for you that you're doing the assessment on your own. Is that true?

No, no, no, no, no, no. I don't think that at all. No, I think that getting it done for a company, our size and work doesn't affect business. The actual assessment part that we do, because you can see that and go as you go, somebody has to do it. Right now I'm doing it. But it doesn't mean that I'm not getting the necessary documents by our team members. Can they do their areas of responsibility like the logistics guy will give me all the report on recycled cardboard and, you know, air versus sea, just, you know, all the information. So in essence, he's providing the material or the documentation to get into the B-Corp. Right. But somebody's got to own the actual assessment test. And right now, that's me. Hopefully within 12 to 24 months, that will be handed off to somebody that handle every aspect, just like you would have an H.R. manager. We will hopefully have a B-Corp manager. So that will hold us accountable for everything that we do.

OK. And what are your plans to improve your environmental performance? Or do you have any plans in place?

Yes. We hope to be 100 percent sustainable in our products by 2022.

Yeah, because I think you got like 10 points in the B Corp assessment. Is that true?

I, don't have that up right now. And actually having computer difficulties right now.

It is 10 points on the environmental part, not on the overall impact.

So the environmental part is more of the building aspect. So we can improve that there, but that's a bit of a challenge for us because the building is so old.

OK. But I mean, like the all the fabrics that you use that account into the environmental part, right?



So we look at that more in the sustainability part, so that is where I think we can make the biggest impact by being 100% green. Right now, we're doing a great job. Plant based dyes, you know, tencel fabric, which is made of wood, hemp fabric, which is made of, you know, weed, you know, repreve, which is recycled bottles. You know, right now all the packaging is all recycled paper. So all those things we are doing great things. There are areas that we could do more on. Recycle poorly is an example. Not everything is 100 percent cotton. So we can all work on that. And that's those are the things that we're going to do that the scores that you see right now should be drastically increased. Because right now we're in the process of re-evaluation. But I put that on hold for a bit due to the Covid-19.

Yeah. And who is helping you with that was like getting new knowledge on how to perform better? Or would you like that someone would come into your company and say, hey, I could guide you.

And we, the developer and product developer and I came from action sports, so we came from the snowboard industry and and the ski industry. So, we know the technical outerwear. And so there's a lot of things in technical outerwear that we know in fabric that is sustainable that we can bring into product. And so we've been very good about that from the onset. So and we're constantly looking for other things. Like we knew that, you know, you can dye things with coffee or tumeric as an example to get the desired colors that you want to get.

Are you in exchange with other entrepreneurs as well about that?

Absolutely. Absolutely.

How is that happening?

So Santa Cruz is just outside Silicon Valley.

Yeah.

So we have plenty of resources here to push us along versus in sustainability for business practices, for all kinds of different things.

Oh, so would you say the location where your enterprise is located is important to scale up in that sense?

For us, it's helpful. Right. Pretty helpful. I think that I think being here is helpful on a business side, but it's also very competitive as well. So. But is it because there's a lot of tech, right. The challenge with that is more there's more financing available for tech than there is because living outside and Silicon Valley people understand tech far better than they understand apparel. So the the benefit is you've got a great deal of business people. The talent of it is if you've got a great benefit, a business people that are interested in financing tech versus apparel.



So with which resources are you provided then?

Well, I deal with a group of people that I work with, I always think that if you hang out with people that are smarter than you it helps you. So a lot of people that have been in the business for a long time and know how to scale companies to a pretty high level. So when you expose yourself to that and you listen to their critique and you take that instead of defensively take, that is the positive feedback. I think you're able to make some changes pretty quickly.

Is B-Corp also providing you with critical feedback or with critics?

No, no, not at this point. Like I said. Not at this point, but we're not exercising their resources as best as possible.

OK. Does it actually matter for you? The score that you achieved in the B Corp assessment, in the environmental part especially? Or is it just a number for you?

No, nothing is just a number for us. Right. We are always constantly looking to better our brand and any in any way possible. But there are just a number part numbers really kind of direct to you. Right. Numbers don't lie. So a number is a number. And you can look at that as a way to better anything.

Do you also think that consumers, your customers can do anything to improve your environmental performance?

I think so, absolutely. You know, like I said, we do a lot of analytics and in the analytics you see what the focus is with your consumer. And again, like I told you, like most of the consumers that we have anyway they're very conscious of stuff. But it's not going to make their sale. Right. That's not going to be the deciding factor of a sale. So what we've done with that information is to try to give more information with regard to why it's important, right? Is using hang tags and other things tools to get to get information out? Our Web site or social media, things of that nature.

Are you also trying to educate consumers?

Oh, absolutely.

In what way are you doing that?

Just what I said, like just, you know, really sharing the importance of why, you know, why it is important to recycle, why you know, why we're a B-corp an example why we believe in doing good things for good and again in the analytics that we have. It hasn't shown the deciding factor. We want it to be the deciding factor. Right. But we know that that is something that people can look at down the pike.

Do you think that the B-Corp sign or the stamp is recognized among customers?



When we first did it, it wasn't. And it's been it's becoming more and more recognized. I think.

Do you also think that your local university could be helpful for you? A collaboration with the university?

Absolutely. I think collaboration with anybody is helpful. Right? The more minds and the more eyes on things, the better.

Are you collaborating with a university?

We aren't collaborating with the university right now.

OK. Because that's what my university is trying to to tighten the link to sustainable entrepreneurs that we get all of this practical inside.

Oh, good. That's great. Yeah, something that we're interested in. Great.

Yeah. I mean, I'm at a whole sustainable campus where we're just having sustainable subjects there to study.

Oh, great.

Yeah, that's great. Do you think it's a challenge or is it a barrier for you that you have to pay for B Corp?

No. No. I think that in order for you to get all the processes and the assessments and everything else that actually costs. That takes time and energy and time and energy costs money. So it's not. I wouldn't think that it would be something that would detour somebody because it's not super spendy for somebody to get a certification. That the actual expense is the time and energy it takes to to, you know, to do to stay on course and to make sure that you're qualified on the asset assessment side. As I say, it's expensive.

Is there anything that could be B-Corp do that you don't have to dedicate so much time into it? That or that B Corp could change to make it more easy for you?

I don't really know. I don't know that answer. Again. Like, I. I haven't really utilized all of their resources enough to figure out a path that would be more efficient. But right now, I think they're doing a great job.

Why aren't you exploiting all their resources?

Why am I not?

I mean, if it's there.



So it's there for sure. But it's time, right? So time it's really pushing our brand forward at the same time and making sure that there just isn't enough time and resources.

So the time is the critical factor for you actually.

As a small as a small business. Yes. Again, as we increase in size, we would hope to have somebody that manages that overall.

Yeah. Do you wish that your local government would send somebody into your enterprise to guide you?

If we would be provided grants. That would be awesome.

They are not providing grants.

Not that I know of.

Oh, OK. But you would like to have?

That would be great.

Yeah, I mean, the whole assessment part is way more time consuming for you as a small enterprise compared to big enterprises

Right now, with its current politics aside, the current political climate, it doesn't seem like that is as important to the current leadership for the United States, which is really important to I think people in California is an example.

You said a few minutes ago that your environment is quite competitive.

The environment with regard to business. Right. In California, business is pretty competitive, right? It's the seventh largest economy in the world right now. So if you're in California, ever, who's in Utah? The environment here is much more competitive than, say, a smaller population.

And probably not many of the organizations there are B Corp certified?

I don't know. I don't know that.

OK. Wouldn't it make sense maybe to find that out and to find out near B-Corp partners to speak, that with whom you could share your experiences?

Absolutely. The beehive, you can actually do that and you can work with different people. But that's a resource and I don't have time for that. But it absolutely does.

Yeah, I can imagine that that's so helpful to get different perspectives, some people who inspire you.



But we're getting that outside of B-Corp.

OK. Another question. Is there anything that could be improved for the assessment, especially in the environmental part?

I haven't gone through that yet. Something I can probably answer in a week or two.

OK. Yeah. Because I'm not fresh won that. It's been a while.

If you want if you if something comes into your mind in one week you can maybe email that to me.

Absolutely. Absolutely.

OK. Are there any other challenges that we haven't covered yet? Besides the time.

Now, I think we're good. But if we have if you have additional questions, can we schedule that for next week sometime? Because I've got my next meeting coming up.

Yeah, I'd just like to ask you three other questions and then we would be done.

OK, great.

About your personal opinion. What is the biggest challenge in terms of environmental performance measurement? The biggest one.

Personal opinion. I think that making sure that the product is sustainable as possible is a challenge. There's always things that I'm not thinking of. Some are obvious and some aren't.

And in which stages was the challenge most prevalent? Like, was it before you started with a B-Corp thing?

Probably at the very beginning. And this is product related, right? So probably it's the very beginning on product is you're not meeting your MOQs. Right. And so to make sure that the costs of goods aren't outside of what the competitive analysis tells you.

Okay, and last question, which advice could you give to other entrepreneurs who are having difficulties with starting the measurement?

I'd say exactly what I said at the very, very beginning, fail to plan, plan to fail. Right. I think that's a Benjamin Franklin quote. If you if you map out if you map out where you're supposed to be and have that be a living, breathing document, it's a lot easier to get where you need to go. All right. So take the beginning of time and effort and energy to really map out your vision and how to get there and how much it costs. And always and always think of the costs like I do, actually. Times





it by a little bit sometimes if I do, usually because there's something in that forecast that you're probably either either under or over forecasting.

OK, perfect that was the interview.

Wow, that's awesome. Great. Well, I wish you the best. If you have any other questions, if you have any questions, you can email me directly in my email is ....

Perfect. I thank you so much for your honesty and that you took your time, especially during this pandemic times.

Yeah, of course. Thank you and good luck with everything.

I wish you the best.

I wish you the best too.

Have a great day.

You, too. Bye.

Great. Bye.



**Sustainable Entrepreneur 6**, interview duration: 20 mins, interview location: online

Hello.

Hello, {name}?

Yes. How are you going?

Hi. I'm fine, how are you doing?

Thank you. So ask away.

OK. Yeah. Maybe you would like some thing to know about me. I'm studying sustainable entrepreneurship and my thesis deals with the question which challenges sustainable entrepreneurs face when they measure their environment and performance of their business.

Yes. I know. You wrote that in the email to me.

Yes. Sometimes people don't really read the email. That's why I repeat that. Well, OK, maybe tell me something about you? What is {brand name} doing?

Well, you know what we do. So you tell me the questions that you need to know for your assignment.

That is part of my assignment.

Right. Why?

To give me like a little introduction.

Ok. That's all on our Web site. You can just copy and paste that from that Web site.

OK. Then what does sustainability mean to you?

As sustainability, so what I need to be clear to you is I did not set this business up as a sustainable business.

OK.

So I don't know what it means to you or to your teacher, but what's really important in this conversation is for you to tell me what does sustainability mean to you? Because if you're writing about sustainability, everybody needs to either be on the same page or make it explicit that they're on a different page. So what does sustainability mean to you?



Well, actually, it's not about my opinion, it's about your opinion. I mean, sustainability means to me..

No. Since you're writing this assignment, I'd like to hear back your opinion. Yes?

Well, sustainability means to me leaving or reducing the damage to the planet and especially in the fashion industry that's an increasing polluting industry. And since I am interested in fashion, that's why I want to reduce it.

Okay, so for you it means less pollution and less waste.

Yes. And that's why I am interested in the environmental performance of B Corp certified businesses.

Exactly. So I'll answer your questions in relation to waste and pollution, because they were the two that you raised. But sustainable also means a sustainable business model. It can be sustainable products that you put into the garments. So, for example, for me personally, if you have acrylic in a garment, then that's not sustainable because that doesn't dissolve back into the earth.

OK.

Now, in handknitting, we use no electricity, as you know.

Yeah, I read that.

No. When I said, as you know, I didn't mean that you read it. You know, that handknitting does not use the electricity. You know what handknitting is, right?

Yes.

So it uses no electricity and no water.

Yeah.

It is the most wholesome way of producing a garment possible.

The stage before that, that involves the yarn and the materials that we knit with. That's a whole different ballgame. But my business is not in charge of that. So I do not say to customers, we will only knit for you if you give us a 100% natural fiber. Because there are lots of places that make recycled fiber. It does have acrylic and polyester and non recyclable fibers into their yarn.

Yeah. Yesterday, I already heard that even recycled yarn is not a solution for the environment.

Well, it's a part solution and from my point of view, some is better than nothing.

Yes true.



So it's better that those products go somewhere and being reused than sit in the earth doing nothing, polluting it. You know, so if you want to change something, it doesn't matter what it is you achieve in life some is better than nothing.

That's right. That's correct. What gave you actually the idea to become a B Corp certified business?

I don't know. Before I answer that question, let me ask you. How did you hear about B-Corp?

We covered it in our studies.

OK, so. I tell you how I came across it. So I subscribed to all sorts of newsletters. And like everybody on this planet, most times you don't read them. And on this particular day, B-Corp happened to be one of the newsletters I subscribed to. It was just a click on this particular day that I decided to read the newsletter. They said they were having a conference and the consequences in Australia. And they were having a conference and it was promoting various speakers and it was at a destination that I've never been to before that I thought that would be fun to go. And I really love the sound of wanting to see those particulars. So I returned the email and said I'd like to please send me an enrolment form. I'd like to join the conference. They said you can't come unless you're a certified B-Corp. And I said, so what do you have to do to be certified? And they said it's a huge process. It will take you at least six months. You won't be able to join the conference this year. You can join it next year. And I said, please send it through to me, so I can read what happens. What it's about. And they sent it through. And the interesting thing about us was a lot of people have to change their ways to be in B-Corp asks us how we can refine our processes. Everybody can improve their processes. And everyone can make their presence, as was when I was reading this. We hardly had to change anything that we do it all naturally anyway. Because we don't use any electricity in making garments.

Yeah.

So it was very easy for us to become certified, even though it was quite time consuming. And long story short, I ended up going to the conference. And since then, I was quite involved because up until then, I really hardly knew anything about B-Corp myself. But so that's how I got involved. So I think hope, as you know, is a certification program for businesses who could leave in businesses that do good. And we do it one way is doing good is the way that you're exploring and that is sustainability and the materials. We actually tick a lot of the boxes and we excel in doing good for the people that we employ.

Yeah.

So we're very involved in that aspect of the B-Corp of doing good for the people.



Yeah. I saw you got the most points in the community part.

No. We got global recognition for building communities.

Yeah. OK. So does it mean that your focus is less on the environmental part?

How can it be less? There is no electricity used. I can't do this or more. It is what it is, right? There is no electricity use, so there's no such thing as focus less or doing more because you can't change what it is.

Yes, but I mean, environmental part also includes greenhouse gas, carbon footprint. So you have none of them?

When you knit a garment, it is no electricity. Zero

But you ship it.

Sorry?

But you ship it to your customers.

We do ship it to our customers. And there's nothing we can do about changing that.

OK? So there's no way to improve your environmental performance there?

I'm not in chat with DHL or FedEx.

Well, you can choose the delivery company, for example.

If somebody wanted to show me a different option that one company uses different petrol, if you think that there was a different option there. I'm sure most people would be open to it.

OK.

But if you read the Web site of all the transport companies, DHL, FedEx, U.P.S., TNT, I'm sure you know the names of them all. Yes, they all have their own policy. And as I have to say to B-Corp whilst I could choose to use one company over another. My job is fully responsible on my own business. And we work on improving the processes within our own business. So, for example, if somebody wants a yarn and it's available from within India as opposed to shipping it from Italy, we let them know that it's an option that involves less shipping.

OK.

So you say that if you want to improve your overall performance, this can be more done on the social part because...



No our social performance of B-Corp is very hard.

And why is not your environmental performance?

I don't know how many times I have to say this you. For our environmental performance we do not use any electricity. We can't make that any higher.

OK, yeah, I'm just comparing you with other companies and they can do it. They even measure the performance of their buildings.

That's right. So in India, we just have the buildings that are there. You know, I work in rural villages. We have mud slabs.

What is mud slabs?

You should know what mud is. How are you going to make that more sustainable? You can't get any more sustainable than that.

OK. Well, then I don't really see the point of this interview when you're perfectly sustainable.

Well, I don't know that we're perfect. There's always other things that you could do. But we rank very highly in the B-Corp area because we do it naturally. It's as I write when I deliver papers. It's entwined in that DNA. It's a very wholesome organization.

Well, you rank not very high, your quite average. I think.

For some parts of it, because the way the quiz is worded. Because the quiz that you have to fill out is in relation to the company. So we don't take a load of those boxes. It's not applicable to us. And when I don't tick the box, we get zero.

Yeah, that's true. I also created an account to see what the questions are like.

Fabulous.

OK. But, well, no, I don't see any other questions that are applicable to you then.

Yes, exactly.

OK. Then I wish you a nice day.

Thanks a lot Laura. You too. Thanks.

Thanks. Bye.

**Sustainable Entrepreneur 7**, Questionnaire, communication channel: E-Mail

## Interview guide

1. Tell me something about you. What is your company doing?

My name is {name}. I am the CEO, partner and co-founder of {brand name}, the coastal brand with a conscience. We are a coastal lifestyle apparel brand that designs and prints our own garments, runs a full-service design and screen printing division, has a beer division and also continues to give back through our approved 501©3 charitable arm, the Jetty Rock Foundation.

2. What does sustainability mean to you?

Sustainability measures our impact on the Earth, from waste to how much energy we are using.

3. Do you experience sustainability as a challenge?

Yes. In 2019 REI began buying our brand and they are the retail leader on sustainability in the surf/outdoor industry. They instituted some fairly stringent rules for us which are tough to accomplish as a small company. These items of sustainability call for new hires and budget to accomplish them.

4. How are you trying to achieve sustainability in your enterprise? What are you doing?

We are currently working on our supply chain outside of our production facility (Jetty Ink) and eventually would like to become a Bluesign Certified Manufacturer. We are currently a Certified B Corporation which means we do good for the world. We're using our Oystex fabric to make garments now as well which takes two materials out of the waste stream, oyster shells and plastic.

5. Are you measuring your environmental performance?

Before COVID-19 we were gearing up for an energy audit at our HQ. We do take measures to limit our water use at Jetty Ink as power washing and water based inks require a steady use of water. We can measure some of our performance through our environmental donations. We have donated in excess of \$1.2 million, with much of that prescribed for environmental purposes.

6. Why are you measuring your environmental performance (EP)? Why are you not measuring the EP?

Doing good and giving back have always been core parts of our brand's DNA. We measure it to make sure that we stick to our missions across all divisions and use those statistics for marketing. We can always do a better job measuring, but COVID-19 has us fighting to stay above water.

7. Why would you like to measure it? Why don't you like to measure it?



We had signed up to acquire a HIGGS Index which measures our environmental performance. That is one of the stipulations to continue to sell in REI. We don't want to lose business and we want to improve year to year as far as EP.

8. Can you tell me, how you are measuring your environmental performance?

We will better measure EP by: establishing a manufacturing code of conduct, creating a Restricted Substances List (RSL) and obtaining our first HIGGS Index score.

9. Are you experiencing any challenges when measuring your performance?

Yes, financially, these items cost money to sign up for, and this is basically a full-time job for someone which we do not have the ability to hire that person, we are currently short-staffed due to COVID-19.

10. In case, you experienced challenges, what did you do to overcome these challenges?

Started attacking the checklist of sustainability items ourselves.

11. Do you face any challenges with monitoring, Collecting, analysing and reporting the usage?

Yes, we have not moved forward with HIGGS which would be the measuring stick for our sustainability.

12. Do you wish you had more resources at hand?

Absolutely!

13. Would you like to be more environmentally sustainable?

Of course!

14. What holds you back?

Budget!

15. How do you know it is good the way you are measuring your EP?

We don't, but just getting into this higher level of measuring sustainability, we think the research phase of what we have found has led us in the right direction.

16. Do you experience a lack of knowledge? Do you wish you would be supported with knowledge?

Yes, there is a whole new world of sustainability.





a. what is hazardous and what not, what to do with waste, how to measure energy/water usage/carbon emissions, how to increase recycling rate etc.

Something that cannot decompose or is toxic...

17. If yes, what did you do to overcome that barrier?

Try to enforce a RSL at our own facility.

18. Where did you look for info?

We went to an Outdoor Industry bootcamp to learn about sustainability. We did this by paying not only as OIA members, but also to send two people to the boot camp who then reported back.

19. Do you wish you would have knowledge on how to perform better?

Yes! Across the board, to have a better score.

20. Would you like to receive Financial support because you are can spend your time better elsewhere than diving into the topic of environmental Performance measurement? Big companies can more easily afford the measurement procedure

100%.

21. Did you contact anybody for help?

Yes, we interviewed the sustainability coordinator of a local municipality to gain info and went to the sustainability boot camp aforementioned.

22. Do you know immediately where to get help or who to contact?

There are some state and county sources with websites that have some info on certain topics i.e. energy audits.

23. Is there anything else on what you would like to receive help?

A sustainability Sherpa to guide us step by step would be nice!

24. If yes, why?

Because we're a small company with n already stretched thin team.

25. Do you wish you would receive help by B-Corp? If yes, how?

Sure, we are a B-Corp, but are not aware of any free assistance.

26. Who else do you wish could help you?



The State & Federal gov't.

27. What could be improved during the performance assessment? What would make the performance measurement easier for you?

A simple online quiz of sorts to push us each month or quarter; keep us on track.

28. Do you think collaboration with other entrepreneurs like a community would be helpful to answer questions among entrepreneurs?

a. Collaboration (joined resources)

Yes, forums and sharing knowledge is always good.

29. How or in what way could other entrepreneurs help you?

By sharing their steps to increase sustainability.

30. Are there any other challenges, that we haven't covered yet, that hold you away from measuring your environmental performance?

COVID-19!

31. Are there any incentives that would encourage you to measure the environmental performance?

a. Extrinsic incentives - \$\$\$\$ tax credits for accomplishing certain levels of sustainability.

b. Intrinsic benefits

32. About subjectivity: What is the biggest challenge in terms of measuring the EP from your perspective?

Budget to put the right mechanisms and people in place.

33. In which stage were the challenges you mentioned most prevalent?

Now, starting the next step of truly being more sustainable.

34. Which advise could you give to other entrepreneurs who are having difficulties with EP measurement?

Do the research, organize and devise a plan.



**Sustainable Entrepreneur 8**, interview duration: 40 mins, interview location: online

Hello.

Hi. I can't really see you. Yeah. That's fine.

Can you hear?

Hello. Can you hear me?

OK?

Yeah. Quite bad, actually. The connection seems to be quite poor.

Yes, that's better.

I think. OK. How are you?

Well, so far, so I'm fine. Good morning to you.

So it's not morning here. We have afternoon already.

OK.

So yeah. Maybe you would like to know something about me. I'm studying sustainable entrepreneurship in the Netherlands and my research is about the different challenges sustainable entrepreneurs face when they measure their environmental performance.

Yes, interesting stuff.

Yeah, I hope so. Tell me something about. What is your company doing?

So we needlepoint a product. You may have checked out our Web site, we built dog collars, key chains, Christmas stockings for a different company. We're a big company. We give two percent of our revenue to a nonprofit that I run down here in Haiti and 10 percent of profits, go to our stitchers. And we also pay well above market rate for labor. And most of our stitchers have children at our non-profit.

So what gave you the idea to make such special products?

I started a nonprofit first to run the nonprofit Helping Impoverished Children. And we lose a lot of kids because there wasn't stability at home, because there was those mostly single moms and no jobs, no decent income. So I knew if we wanted to help kids long term, we needed to put income



in their household to stabilize their household debt. With that environment, we can help the kids with education, nutrition and other stuff.

So this is all about the social part assessment. But would you say you focus way more on the social things than on the environmental part?

Environmental, like we use solar power and our factory at my house has rainwater collection, but there's no running water around those, there's facility out there. And we buy from companies that are have good reputations as far as their moral standards. But besides that, I mean, we make a product that's on our belts, have a lifetime guaranteed. So they don't break. They don't have the waste. So in those ways, we're, I think, good environmentally conscious company, but it's not like by selling belts we're directly affecting the environment or directly helping the environment.

OK. Are you measuring your environmental performance?

Not really. I mean, we did that we have become a B-Corp, so that had to do an interview and you had to answer a bunch of questions and they gave a score. We did that. But we don't have any numbers that we're using.

OK. So you just tick the boxes in the assessment?

And we do every week, we're honest about it. Yeah, we did. We did their tests.

Would you like to measure it more in detail that you could claim it to your stakeholders?

I mean, what would go with measuring in detail? Well, I'm doing. I don't really know this, to be honest. That would do you know what this would entail? You know, we're using solar energy. So as far as, like, the energy you are using, the power of machines, like, that's all renewable, sustainable. So I don't know what that would score. But that's like obviously a totally sustainable way of environmentally conscious way of going about that. And then we don't produce the thread. We're not producing our raw materials. We've worked with companies that we trust. We want the German company that has a good reputation and then a French company for a thread. But. We're not going to, like, go change our supply. We're not going to affect their benefit, how they manufacture things. No, they do. That's how they do that.

Of course. You're a small business, right?

Yes.

How many employees do you have?

We have like 220.

Wow, that's a lot.



Yeah, but it's more often plus 120. But that's all we're busy.

Okay.

I'm just having a look on my questions here, which questions are applicable to you. Is it a goal for you to get more points in the environment to score in the B Corp assessment?

Yeah.

OK. How are you trying to achieve that?

I can't think of anything specific when it comes to. How we power our factory and how we make stuff. Just. Flexibility. That's one way we've got it on, you know, if that was a question.

I couldn't waste detrimental to the environment. So when you're a kid, so that could end up waste. I think that's a good thing.

Are you calculating how much waste you create?

As far as how often our customers draw stuff away.

Or the leftover fabrics that you don't use.

So stitchers go take all the stuff to their house. So now have their own little thread stockpiles from what they had extra. They use that future stuff. I know. I sometimes if I'm missing a right, I'll have them bring it in, but I don't have to bring all of it back. But the goal of the other goal is the hope that they would use it all. It gets used because we don't want always that.

Yes, of course.

Is there anything where you experience a challenge when you measure those things that you are measuring for your environmental performance?

I think with any small business, the challenge is always time management and resource management, because there's so much to do and you never have enough people.

So, would you like to be assisted in in the measurement process? That I don't know, for example, that B Corp or the government would send someone into your company and who could help you in guiding through the process?

It wouldn't make sense to me, let's say it was like goal. Know measuring is just nebulous. Like, what are we measuring? Right. Make it a little less thread wastage. Make it so there's a little less leather wastage. You know, I give the leather away to other Haitians so they go big step out. It's already, you know, the most part, I think it's wastage. Because anything like that takes resources, it takes time. I think if they're going to send someone to me, then I gotta go. I've got to get them



housing. I've got to pick them up. I got to accompany them. They're going to have questions for me. I got to read them through all that. So anything that was gonna happen, there would have to be like some goal that make sense. And then out before there was a goal that I thought was worth my time. I'd be happy to give some time.

OK. So it must be in relation to the time that you invest in relation to the goal that you want to achieve.

Right.

And how do you know where to improve?

Right. And so I'm saying I feel like we're doing a good job. OK. I mean, ah, what the running of our company does that we're not environmentally based right now by running a company like Patagonia. I love it just. But they just by running their company, they help the environment because they give so much back to environmental causes and the wasted stuff, how they source materials like it's huge to them. But we're not that. We're running in Haiti where there's already not electricity. So we had to do solar. It wasn't even like, oh, should we spent the way. So if we want to have this electricity, we need to have solar energy or we could have got generator, but that if it eat gas every day. So we try to make the environment a conscious decision like in that situation, like go solar. But what besides that, what are you really going to do that's gonna make things better? Do you think that there's value in recycling in Haiti? Like how hard things are here for any type of consciousness about that? Okay. At how massive a project that would be to spread that knowledge and start that infrastructure and do all that like. Do that to me, price for that.

Do you think it's in general feasible for small enterprise to reach a very high score and the environmental area?

What was our score? I think we. I mean, I know we got the qualification. I think I think if you're making it, especially if you're a juror, seriously, there's companies that are like Patagonia. But you know that one of their core values is that they want to contribute to things that are going to improve your know the environment. So I think a company like that in particular could get a high score. But, you know, even a company like ours, like, you know, like collecting rainwater, got us a higher score. And that's something we do. That's something that's sustainable. Like solar power helped us. That's something we do.

In case you had enough resources, enough time, enough staff could it become your, let's say, priority to measure the environmental performance?

It could never become our number one priority. But you got weird look work that people are suffering, right? Where we work is Haiti. People going hungry is very, very noble. So. Our priority is going to be let's try to alleviate that. Let's try to employ people so that they can feed their families, they can put their kids in school so they can live with dignity. So I would like to put it, but if we



had a bunch of money, I would definitely, you know, if we had money, more employees, than I would care about the environment. Right. I would definitely be OK diverting some resources to it, but never going to be our top priority. But it could become a priority.

Do you think if the government would support it with money, you would receive some sort of tax cuts? Would that be helpful for you?

Yeah, definitely.

So do you have you already conducted some research about to get those kind of incentive?

We're a growing company, so it's a whole like we haven't had to pay much taxes because we reinvest all the money that comes in. Right, without capital. You know, we don't have a bunch of profits at the end of the year. But it's definitely something as we grew deficits in our. So if there was a program, I knew about it, a hundred percent.

OK. Do you wish that the government would approach you more, would directly approach you to say, hey, we have a program in place with that we could support you? Do you wish that would happen?

Yeah, if they were going to start a widespread program, I would definitely appreciate an email or a letter. However they doing. Probably e-mail.

OK. And do you think the B Corp is helpful in that case?

So because to me, it was helpful. I really think it's a marketing aspect where the environmental performance is a marketplace. We did at the core time make us a better a more socially conscious company, like we were a socially conscious company. We took their tests and we passed it. But it was just kind of a way for people to believe our plans right to give some credibility to what we say. As anyone could say anything like you could just lie out teeth. So I thought it was good just to give us credibility, let people know that what we're saying is true, but it didn't make us better here. It's just a way to prove that we're good to you.

Yeah, in an objective way.

Yes, to the audiences.

I think, that my questions are not really applicable to you, because you obviously focus on the environmental part.

Well, I hope that any information I did give, it will be a little bit of help.

Yeah, I mean, it's useful for me that it's not your priority. I can work with that a lot.

Right. OK.



Then I don't want to waste your time.

Well. Good luck with your research. Certainly good stuff. And have a great day.

You, too. Bye bye.



