

# Creo<sup>2</sup>'s Social Business Principles

Creo<sup>2</sup>'s main goal is to address social and ecological problems. Creo<sup>2</sup> also aims to be financially self-sustainable. This allows us to reinvest in the business itself to increase our social impact or to improve our products and services.

Creo<sup>2</sup> follows 5 fundamental principles inspired by Nobel Prize Yunnus' principles of Social Business.

## **Principle 1: Creo<sup>2</sup> n°1 objective is to address social/ecological issues**

Creo<sup>2</sup> is a cause-driven business that operates to address social needs. We consider the impact that Creo<sup>2</sup> has on people and the environment as the primary indicator of our success.

## **Principle 2: Financial and economic sustainability.**

Creo<sup>2</sup> aims to be financially sustainable. That is, we do not want to depend on donations or subsidies to achieve our social goal. Self-sustainability is one of the features that makes us different from an NGO and rather categorizes us as a company.

## **Principle 3: Creo<sup>2</sup> keeps salaries reasonable**

Creo<sup>2</sup> takes care of its workforce: good working conditions, a good work-life balance and decent salaries are necessary. However, those salaries should not be excessive, especially for management. That's why we put both a relative and an absolute limit on the salaries:

- **The ¼ ratio:** the highest salary within Creo<sup>2</sup> cannot exceed 4 times the lowest one.

- **Max €70,000:** a study from Princeton University shows that happiness does not increase anymore at an income higher than \$75,000 per year. That's why Creo<sup>2</sup> chose this threshold as a maximal salary within the company.

Note that this maximum would only be justified if Creo<sup>2</sup> proves to have a tremendous positive impact. Currently, management's bruto salary is set at: €1900 per month.

#### **Principle 4: Creo<sup>2</sup> keeps profit reasonable**

Most of Creo<sup>2</sup>'s profit will be reinvested in Creo<sup>2</sup>'s growth, innovations to increase our societal impact, or directly funded to NGOs.

Does that mean that our investors cannot expect return? No. Our investors are part of the equation to make our model work. Without them, there is no positive impact. So we want to reward them.

How do we do that?

- In case a dividend is issued, this will be up to maximum 6% for the early investors in our first 3 years, and 4% after that.
- Similarly to other startups, the essence of our financial value does not come from the dividends but from the assets we are building: the network of shops joining us, our growing community of users and the unique product we put on the market. We believe our investors can get a significant capital gain for this without reducing Creo<sup>2</sup>'s ability to have a positive impact.

#### **Principle 5: Have Fun**

The essence of social business is not about limiting things, but about maximizing our social impact. That's rewarding, that's motivating and that's extremely fun. This is the spirit we want to keep in everything we do.