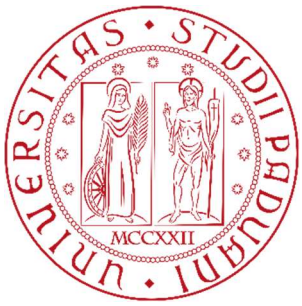
UNIVERSITÀ DEGLI STUDI DI PADOVA

DIPARTIMENTO DI SCIENZE POLITICHE, GIURIDICHE E STUDI INTERNAZIONALI

Corso di laurea Magistrale in European and Global studies



POLYCENTRIC CLIMATE GOVERNANCE. THE B CORP MOVEMENT

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A.A. 2022/2023

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List of abbreviations

TBL: Triple Bottom Line

SBM: Sustainable Business Model

UNFCCC: United Nations Framework Convention on Climate Change

CER: Corporate Environmental Responsibility

CSR: Corporate Social Responsibility

GHG: Greenhouse Gases

MLG: Multi-level Governance

NSS: Normative Standard Setting

BIA: B Impact Assessment

SBMs: Sustainable Business Models

RC: Regime Complex

SDGs: Sustainable Development Goals

Introduction

Life on Earth exists thanks to the combination of three factors: the right distance from the Sun, the chemical composition of the atmosphere and the presence of the water cycle. The atmosphere ensures our planet a climate suitable for life thanks to the so-called natural greenhouse effect that keeps the temperature of our planet liveable.

There have always been climate changes in the history of Planet Earth. However, the global warming we have been witnessing for about 150 years is anomalous because it is triggered by man and his activities. It is called the anthropogenic greenhouse effect and is added to the natural greenhouse effect. Since the industrial revolution, man has suddenly spilled millions of tons of carbon dioxide and other greenhouse gases into the atmosphere, bringing the amount of CO2 present in the atmosphere to double the minimum of the last 700,000 years. Due to this unnatural process, science claims that we are in the process of an accelerated and almost irreversible environmental crisis.

Thanks to the full recognition of the risks associated with climate change and the general criticality of the environment in the world, environmental issues have reached unprecedented prominence on the world political scene. A global institutional question on how to proceed politically to counter this imminent environmental catastrophe and on how to increase entrepreneurial environmental responsibility. Recent debates on "environmental states" have given rise to political contributions that focus on the ways in which the state, intergovernmental organizations and the economic structure are involved in environmental responsibility and climate change (Zimmermann and Graziano 2020).

However, international agreements and treaties and national commitments to reduce climate change and increase environmental responsibility are not at all effective (Ostrom 2009). The latest data available do not portend an improvement but a worsening on a global level that even break records of global warming. At the beginning of 2021 there are two worrying data, which proceed in parallel. On the one hand, the so-called "Nationally determined contributions", with which the Parties set their own targets for reducing emissions, are inadequate to achieve the

goal of limiting the temperature increase to 2 degrees C, and more reason are therefore inadequate with respect to the more ambitious goal of limiting the increase to 1.5 degrees C. Indeed, 2021 was the sixth-warmest year on record based on NOAA's temperature data (2022). Averaged across land and ocean, the 2021 surface temperature was 1.51 ° F (0.84 ° Celsius) warmer than the twentieth-century average of 57.0 ° F (13.9 ° C) and 1.87 ˚F (1.04 ˚C) warmer than the pre-industrial period (1880-1900) (noaa.gov 2022).

In view of a future in danger for our land, academic attention has also grown regarding new forms of governance to manage the emergency of climate change in an alternative way to the traditional one of international agreements and state commitments. Various studies are making major contributions on how civil society and small institutional centres are organizing themselves to manage the problems in question at different levels (locally, regionally, up to a global level) by creating different forms of governance that are alternative but complementary to the system of traditional governance giving life to a governance with a polycentric and multilevel approach in which several power centres coexist which determine their own governance characteristics to address climate change and protect the environment (Abbott 2012).

Much research has been conducted on how local authorities and cities and municipalities to reduce greenhouse gas emissions while there are still few studies on how companies have organized themselves to contribute in this regard. Therefore, this MA thesis aims at contributing to the debate on alternative forms of governance by analysing a unique and pioneering network promoted by enteprises known as "B Corp", which has the objective of transforming the global economy to benefit all people, communities, and the planet. This original governance architecture with global ambitions, addresses the complex challenges of climate change and the environmental and social responsibility of the productive sector. Interestingly, the B Corp network shows a range of characteristics that have been conceptualised as polycentric governance, which include those forms of bottom-up aggregations “capable of making mutual adjustments for ordering their relationships with one another within a general system of rules where each element

acts with independence of other elements" (Ostrom 2009 p.33; Vincent Ostrom 1999: 57); it will be presented in greater detail in Chapter 1 of the thesis.

Businesses and economic activities inevitably have an impact on people's lifes and on the territorial and environmental contexts in which they operate themselves. Precisely for this reason, according to the 'B Corp''s mission, it is important to be aware and responsible for one's role, committing oneself to the people of the reference community, the territory, and the environment [add reference]. In particular, private companies' concern about the environmental protection has translated into to the so-called Corporate Environmental Responsibility (CER), a guiding principle which refers to a company's duties to abstain from damaging natural environments. The term derives from the principle of Corporate Social Responsibility (CSR), which focuses on "a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental, and social imperatives ("Triple-Bottom-Line-Approach"), while at the same time addressing the expectations of shareholders and stakeholders" (UNIDO s.d.)[1]. In the traditional business model, environmental protection was considered only in relation to the well-being of the company and excluded the long-term impact that a business could produce. Governments had retained primary responsibility for ensuring the management and conservation of the environment by focusing on the disclosure of regulations and the imposition of sanctions as a means of environmental protection. Recently, the private sector has shown growing responsibility and commitment in terms of prevention and mitigation of environmental damage, becoming increasingly proactive in protecting the environment. Many businesses and promoted by enterprises are now providing strategies for environmental protection and economic growth. Ever since the World Commission on Environment and Development published the Brundtland report in 1987 to address sustainable development, managers, academics, and entrepreneurs have sought to determine why and how large companies should incorporate

[1] United Nations Industrial Development Organization

environmental aspects into their policies. In recent years, a growing number of companies have embraced the CER principle and are committed to protecting the environment and combating climate change.

The structure of this thesis is as follows:

The first chapter reviews the main scientific contributions dealing with the characteristics of transnational climate governance with regard to a polycentric governance approach which develops an original bottom-up view on climate governance and the role of local authorities and private actors therein.

The second chapter maps the main governance features of the 'B Corp' movement with the purpose to unpack the nature of the established governance settings underpinning this experimental voluntary initiative. The main question to answer in this chapter is "What are the specific / distinctive features of this novel governance architecture that operates though a range of common standards, norms, and values?"

Chapter 3 focuses on the case of Italy, analysing the characteristics of the Italian B Corps in order to spell out, based on the data reported on the network website (bcorporation.net), the main trends of commitment and the profiles of the enterprises which joined the initiative.

The overall goal of this research is to answer the following research questions:

1) How and why do polycentric governance architectures emerge? What regulatory gaps do they fill? (Chapter 1)

To what extent can this form of polycentric governance be a concrete response to climate change? (Chapter 2)

What kind of contribution do its actors (B Corp) bring to the objective of mitigating climate change? (Chapter 3)

Climate change is the most urgent problem for our planet to solve. As scientists studying this phenomenon remark, we don't have much time left to intervene [reference here]. So, as a student, I have decided to explore the topic of climate change governance in this thesis to make a small contribution to meeting this huge

challenge that afflicts the world and that governments worldwide have not been able to effectively address. The need to promote new forms of governance of climate change and feed civil and entrepreneurial responsibility for environmental protection is more fundamental than ever in this historical moment. Furthermore, the choice to address this issue is also due to personal reasons, one above all is the fact that I live in Veneto, which is one of the most polluted Regions in Europe, the Veneto and I have always been concerned about social injustices and environmental degradation entailed by productive activities and economic interests, which will definitely undermine the possibility of sustainable future for next generations.

Chapter 1. Transnational climate governance: a polycentric approach

1.1 Introduction to climate change

Climate differs from weather because it is measured over a long period of time, while weather can change from day to day or year to year. The climate of an area includes seasonal and average precipitation temperatures and wind patterns. Different places have different climates, for example, a desert is called an arid climate because little water falls during the year, in the form of rain or snow. Other types of climates include tropical climates, which are hot and humid, and temperate climates, which have hot summers and colder winters (National Geographic s.d.).

During this century, the global temperature could undergo an increase of between 1.1 and 6.4 ° C. Human activities such as the use of fossil fuels, deforestation and agriculture produce emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O) and fluorocarbons. These greenhouse gases capture the heat that is radiated from the earth's surface and prevent it from being dispersed into space, causing global warming. Science shows that the risk of irreversible and catastrophic change will increase significantly if global warming exceeds 2 ° C (or even just 1.5 ° C) compared to pre-industrial values.

> "Climate change is a long-term change in global or regional climate patterns. Climate change often refers specifically to the rise in global temperatures from the mid-20th century to the present."

(National Geographic s.d.)

Climate change can make the aforementioned weather patterns less predictable. These unexpected weather patterns can make it difficult to maintain and grow crops in regions that depend on agriculture because it is no longer possible to rely on

predicted temperature and rainfall levels. Climate change has also been linked to other damaging weather events such as hurricanes, floods, showers, and more frequent and more intense winter storms.

In the polar regions, global warming in temperatures associated with climate change has caused ice sheets and glaciers to melt at an accelerated pace from season to season. This contributes to sea level rise in different regions of the planet. Along with the expansion of ocean waters due to rising temperatures, the resulting sea level rise has begun to damage coasts due to increased flooding and erosion. In short, global warming has caused and will cause more frequent extreme weather phenomena, as well as causing migration of people fleeing these dangers.[2]

Containing rising temperatures and avoiding climate change is an imperative for global, regional, national, and local political management.

1.2 The "global solution" and international agreements for climate change

The global fight against climate change began in 1992, when countries around the world signed a fundamental international treaty: the United Nations Framework Convention on Climate Change (UNFCCC).[3]

On 11 December 1997 its main implementing document (the Kyoto protocol) was adopted. Owing to a complex ratification process, it entered into force on 16 February 2005. At the last stage, there were 192 Parties to the Kyoto Protocol. In short, the Kyoto Protocol operationalized the United Nations Framework Convention on Climate Change by committing industrialized countries and economies in transition to limit and reduce greenhouse gases (GHG) emissions in accordance with agreed individual targets. The Convention itself only asked those countries to adopt policies and measures on mitigation and to report periodically.[4]

[2] https://education.nationalgeographic.org/resource/climate-change the scientific information in the paragraph 1.1 was taken from the National Geographic website.
[3] https://unfccc.int/
[4] https://unfccc.int/kyoto_protocol

As of April 2018, 175 parties had ratified the Paris Agreement and 168 parties had communicated their first nationally determined contributions to the United Nations Framework Convention on the Secretariat for Climate Change. As of April 2018, 10 developing countries had successfully completed and submitted the first iteration of their national adaptation plans to respond to climate change.[5]

In line with the UNFCCC, numerous intergovernmental organizations have been founded, each with its own governance but always with the idea of a "global solution". In his "The Regime Complex for Climate Change" (2011) Professor Robert O Keohane, the eminent scholar of international governance, argues that the diverse range of organizations and bodies involved in climate change governance constitutes a Regime Complex (RC), with characteristic benefits and costs with respect to a unitary international regime. The author provides a graphic map reproduced below from figure 1.[6]

[5] https://www.un.org/sustainabledevelopment/climate-change/

[6] https://www.cambridge.org/core/services/aop-cambridge-core/content/view/F5C4F620A4723D5DA5E0ACDC48D860C0/S1537592710004068a.pdf/the-regime-complex-for-climate-change.pdf

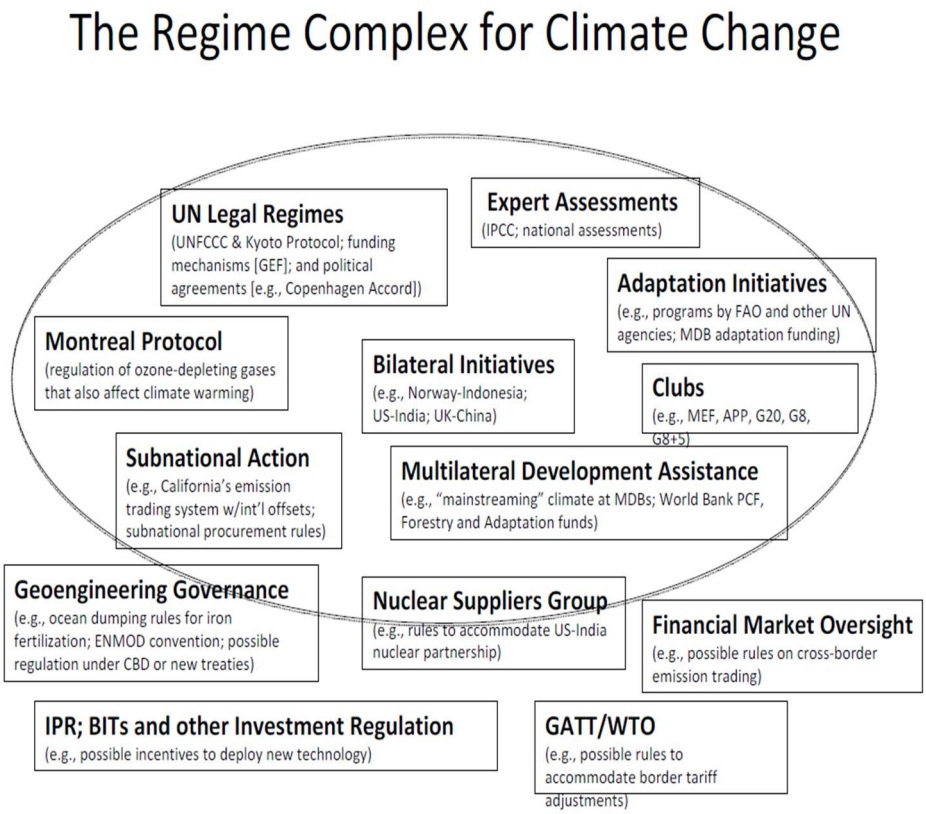


Figure 1. The Regime Complex for Managing Climate Change (Keohane and Victor 2011, 10)

This mapping provides a valuable input in understanding international climate regimes by highlighting the multiple forms of governance (e.g., multilateral, club, bilateral, expert), issues (e.g., adaptation, nuclear, commercial, financial) and functions (e.g., scientific assessment, production rules, financial assistance) included in the global action on climate change. An approach that can certainly be considered as "polycentric" because of the large number of small, medium, and large-scale intergovernmental units operating at the same time but without taking into account that society is organized on several levels. RC theory has obvious potential as a tool for characterizing and analysing polycentric governance of climate change: the theory focuses on complex sets of institutions, particularly the interactions between them. However, although the RC theory contributes useful

insights, it provides limited analytical leverage of the governance of climate change context (Abbott 2012, p. 573/p. 581).

According to Keohane and Victor (2011), the RC are not ideal, but they are the best systems we can have under present political circumstances. The triggering reason (of what?) lies in the fact that “costs are immediate. Benefits are uncertain and in the future." This creates a chain of problems, namely:

• divergence of interests,

• pervasive uncertainty,

• difficulty in making linkages (compared to trade, for instance).

Also, interests, uncertainty, and linkages are themselves changing quickly.

Because of the problems listed above, the RC and [intergovernmental?] a global solution does not seem to solve the fight against climate change, indeed for decades we have been wondering about the effectiveness of global intergovernmental action to avoid climate change. As Elinor Ostrom argues in her paper entitled *A Polycentric Approach for Coping with Climate Change (Background Paper to the 2010 World Development Report), Must We Wait for a Global Solution?,* "waiting for a single world" solution "to emerge from global negotiations is also problematic." (2009, p. 3)

In line with the three problems listed by Keohane and Victor (Divergence of Interests, Pervasive Uncertainty and Difficulty in making linkages), there are major debates on a number of key issues related to achieving practical mechanisms globally. Elinor Ostrom (2009, p. 4) brings out a few. One is “who is responsible” for current and future levels of carbon dioxide (CO2) in the atmosphere. Other debates concern whether various proposed "remedies" to reduce carbon sequestration contribute to solving other environmental problems. One conundrum is whether deforestation contributes to climate change primarily through the release of CO2 into the atmosphere or whether changes in land cover, evapotranspiration and cloud cover are equally important and need to be considered when planning efforts to reforestation.

"Given the decades-long failure at an international level to reach agreement on efficient, fair, and enforceable reductions of greenhouse gas emissions, continuing to wait may defeat the possibilities of significant adaptations and mitigations in time to prevent tragic disasters. Further, given the importance of technological change, without numerous innovative technological and institutional efforts at multiple scales, we may not even begin to learn which combined sets of actions are the most effective in reducing the long-term threat of massive climate change."

(Ostrom 2009, p. 4)

This Ostrom's statement explicitly challenges the global intergovernmental regime for climate. The author, who won the Nobel Prize in Economic Sciences in 2009, argues that individual policies adopted only at the global level are unlikely to generate enough trust and behavioural change between citizens and businesses so that a collective action can be taken comprehensively and transparently, which could effectively reduce global warming. Collective action occurs when a certain number of people work together to achieve a common goal. However, it has long been known that individuals often fail to work together to achieve a group goal or common good. The origin of that problem is the fact that, while each individual in a given group can share common interests with each other member, someone else also has conflicting interests with respect to the common goal.

Mancur Lloyd Olson Jr (1965), in his book *The Logic of Collective Action: Public Goods and the Theory of Groups*[7], theorized that only a separate and 'selective' incentive will stimulate a rational individual in a latent group to act in a group-oriented way; that is, only a benefit strictly reserved for group members will motivate someone to join and contribute to the group. This means that individuals will act collectively to provide private goods, but not to provide public goods (Ostrom 2009, p. 7-8)

Hence the "classic theory of collective action" developed, suggesting that no one will change behaviour and reduce energy consumption unless an external authority

[7] https://www.hup.harvard.edu/catalog.php?isbn=9780674537514

imposes appropriate rules that modify the incentives to which the parties involved are subject. This logic is precisely the one currently in force at the global level agreements on climate change. Given the assumption that any problem of collective action that has global effects must be "solved" on a global level, it is necessary to tackle the problem starting precisely from the critique of the theory of collective action, which will be illustrated in the next paragraph.

1.3 From the classical theory of collective action to a multilevel polycentric approach to social dilemmas

According to Ostrom (2009, p. 10-11), there are good reasons to doubt that relying exclusively on the conventional theory of collective action, namely the existence of multiple externalities on small, medium and large scale within the global externality that generate social dilemmas, is an effective scientific strategy, . In the case of climate change, it is necessary to ask what the small-scale externalities are deriving from the use of fossil energy by individuals and companies and whether this could constitute a different basis for future actions. “For future analyses of how individuals relate to natural resources on multiple scales, the classical theory of collective action needs a revision based on a behavioural theory of human action and a recognition of the importance of context in influencing levels of trust and reciprocity of the people involved” (Ostrom 2009, p. 10-11). Ostrom also emphasises that “While many of the effects of climate change are global, the causes of climate change are the actions taken by individuals, companies and actors on a much smaller scale.” (Ostrom 2009, p. 4)

She argues that in order to solve long-term climate change, it is necessary to fundamentally change the daily activities of individuals, families, businesses, communities and governments at multiple levels. According to one study, if families changed their fundamental behaviour in relation to how they insulate their homes and if they bought fuel-efficient cars, they would cumulatively reduce their greenhouse gas emissions and energy consumption by about 30 percent Ostrom (2009, p. 5). This data is obviously very low compared to what companies could

contribute, the main focus of this thesis. But how can local business contexts be reached extensively?

In particular, in the context of the global fight against climate change, the social dilemma is based on the individual maximization of short-term benefits for themselves that leads individuals to undertake actions that generate joint results lower than those that could have been obtained with cooperation; the context is one in which uncoordinated decisions motivated by the pursuit of individual benefits generate suboptimal gains for others and for oneself in the long run. The reason why such situations are considered dilemmas is that at least one outcome produces higher returns for everyone involved, but participants speculate that they maximize material benefits in the short term they make independent choices and are not expected to achieve this. The socially optimal result could be achieved if most of the people involved "cooperate". Since no one is independently motivated to change their choice, given the expected choices others will make, socially optimal results will never be achieved. “Social dilemmas therefore imply a conflict between individual rationality and optimal results for a group. While some individuals collaborate, others are expected to "ride freely" on the contributions of the cooperators” (Schelling, 1978; Lichbach, 1996; Vatn, 2005 cited in Ostrom 2009, p. 9).

Recognizing the complexity of the problem leads to the recognition that it is unreasonable to wait for effective policies to be established globally.

> “Rather than just a global effort, it would be better to consciously adopt a polycentric approach to the problem of climate change in order to benefit from it on multiple scales and encourage experimentation and learning from different policies adopted at multiple scales.”

(Ostrom 2009, p. 31-32)

Therefore, the hypothesis I would like to test in this thesis is that it is necessary to work in a multilevel and polycentric governance system to solve the social

dilemmas of which the traditional theory of governance is a victim. It is necessary to approach the complexity of the climate change governance problem with a multi-scale perspective: there is the need to create a system that produces trust from the lowest levels of society, a form of bottom-up governance that allows us to achieve above all the sections of society far from traditional institutional power centres.

1.4 Multilevel governance for voluntary cooperation

The question how multi-level governance (MLG) can contribute to improving policies has become an increasingly recurring topic in both academic and political debates. According to Antonio Papisca[8] (2010), the relative concept must be completed by the reference to the paradigm of human rights as a compass that guides good governance in the era of complex interdependence and related processes of globalization. And, I would add, in the era of great social dilemmas such as climate change.

The concept of MLG is based on the principle of subsidiarity, according to which, if a lower body is capable of carrying out a task well, the higher body must not intervene, but can possibly support its action. Therefore, local authorities and organizations appear to be the most appropriate and so they claim for the recognition of a more visible crucial role in the architectural framework of MLG. They are referred to those transnational entities willing to positively accept the challenge of inclusion, plural citizenship, intercultural dialogue and, in the case of this thesis, the challenge of climate change. The construction of the MLG opens the way to the extension of the practice of democracy.

To better clarify this part, I use the words of Marks et al. (1996: 41-2)[9]: "The point of departure for this multi-level governance is the existence of overlapping competencies among multiple levels of governments and the interaction of political actors across those levels. … Instead of the two-level game assumptions adopted by state centrists, MLG theorists posit a set of overarching, multi-level policy

[8] Value Roots for Multi-level Governance and Intercultural Dialogue; Antonio Papisca (2010) https://unipd-centrodirittiumani.it/public/docs/PDU2_2010_A095.pdf
[9] (Piattoni 2009)

networks. … The presumption of multi-level governance is that these actors participate in diverse policy networks, and this may involve sub-national actors – interest groups and subnational governments – dealing directly with supranational actors". So, by definition: "multi-level governance can be defined as an arrangement for making binding decisions that engages a multiplicity of politically independent but otherwise interdependent actors – private and public – at different levels of territorial aggregation in more-or-less continuous negotiation / deliberation / implementation, and that does not assign exclusive policy competence or assert a stable hierarchy of political authority to any of these levels" (Schmitter 2004: 49)[10].

According to Ostrom (2009), the behavioural theory of the individual assumes that although individuals do not possess perfect information, they are able to learn more accurate information while interacting in a particular environment, especially when the rules improve the accuracy and speed of feedback. It is appropriate to assume that individuals seek benefits for themselves, but that individuals vary in their preferences and norms regarding each other about the appropriate actions they should take in particular settings. The ability of the people involved to earn a reputation for being trustworthy and to reciprocate the efforts of others to cooperate with their own cooperation appears to be a central feature of environments where moderate to high levels of cooperation are sustained. To achieve its goals, any policy that attempts to improve levels of collective action to overcome social dilemmas must increase participants' level of confidence that others are abiding by the policy, otherwise many will look for ways to avoid compliance.

At scales lower than the global commons, a key finding is that the characteristics of an immediate micro-situation and the broader context in which individuals interact have a major impact on the likelihood that individuals will act cooperatively in collective action situations.

[10] (Piattoni 2009)

Empirical studies focusing on common pool resource dilemmas have identified a large number of variables that increase the likelihood of cooperation in social dilemmas. Among the most important are the following (Ostrom 2009, p. 12):

(1) reliable information is available on the immediate and long-term costs and benefits of actions;

(2) the people involved consider the common resource important to their results and have a long-term time horizon;

(3) earning a reputation for being a trustworthy reciprocal is important to the people involved;

(4) individuals can communicate with at least some of the others involved;

(5) informal monitoring and sanctioning are feasible and considered appropriate; And

(6) social capital and leadership exist, in relation to previous successes in solving common problems. Furthermore, when individuals and groups face rules and sanctions imposed by external authorities, they are considered legitimate and applied equally to all.

Therefore, Ostrom (2009) is not so pessimistic about the likelihood that several tiered organizations will find policies that increase levels of voluntary cooperation or increase compliance with the rules set by government authorities. Instead of assuming that cooperation relating to social dilemmas is impossible, it should be assumed that cooperation takes place in contexts with several general characteristics. According to Ostrom, these include the following (Ostrom 2009, p. 13):

1. Many of those affected have agreed on the need for changes in behaviour and consider themselves co-responsible for future results.

2. The reliability and frequency of information on worrying phenomena are relatively high.

3. Participants know who else has agreed to change behaviour and that their compliance is being monitored.

4. Communication occurs between at least subsets of participants.

The exact governance structure cannot be elaborated in general terms; the structure must be multilevel, as many specific features of a particular dilemma influence what is likely to work. Crucially, a combination of structural features leads many of those affected to trust each other and to be willing to take concerted action that adds to their short-term costs because they see a long-term benefit to themselves and others and believe that most others are respecting her.

Therefore, multilevel governance is needed as it is much more functional to work out solutions for collective action problems related to small-scale (multi-scale or multilevel) common resources than for global commons.

1.5 Polycentric governance

As explained in the previous paragraph, multilevel governance is much more functional for devising solutions for collective action problems related to small-scale (multiscale or multilevel) common resources than for global commons. The multilevel principle is incorporated and complemented by polycentric governance. Following Kooiman (1993), governing can be defined as direct behaviour, involving governmental and non-governmental actors, aimed at addressing a particular problem. Governance involves creating institutions – rules, organizations and policies – that seek to stabilize (or govern) those behaviours. The term governance therefore describes "the patterns that emerge from the governance activities of social, political and administrative actors" (Jordan et all p. 11; Kooiman, 1993: 2).

Polycentric systems of governance are essentially those in which "political authority is dispersed across separately constituted bodies with overlapping jurisdictions that are not hierarchically related to each other" (Jordan et all p. 11; Skelcher, 2005: 89).

However, this broad description could conceivably cover many types of governance. We have already noted that one way to understand polycentric systems is to compare them to monocentric ones. Thus, in polycentric systems, the constituent units "compete and cooperate, interact and learn from each other" (Jordan et all p. 11), so that their responsibilities "are scaled to the scale of the public services they provide" (Cole, 2015: 114).

To define polycentric governance, Elinor Ostrom (2009, p. 32) borrows from Vincent Ostrom, who defined a polycentric order as "an order in which many elements are able to make mutual adjustments to order their relationships each other within a system of general rules in which each element acts independently of the other elements". In the words of Vincent Ostrom (1961), as reported by (Jordan et al., 2018 p. 12):

"'Polycentric' connotes many centres of decision which are formally independent of each other ... To the extent that they take account of each other in competitive

relations, enter into various contractual and cooperation undertakings or have recourse to central mechanisms to resolve conflicts, the various jurisdictions can be said to… function as a "system".

This definition came from the work V. Ostrom had done on the provision of public services (such as clean water and policing) in metropolitan areas of the United States. There was a widespread concern that services were being provided by too many government organizations – they were getting in each other's way (Jordan et al. Van Aselt, 2018 p.12; Ostrom, 2010a: 551) – and that the enlargement scale was the way forward (Jordan et all 2018 p. 12; Aligica and Tarko, 2012). Vincent Ostrom set out to challenge the prevailing orthodoxy that polycentric systems were inherently chaotic and inefficient by undertaking detailed empirical work. He revealed that often the most effective solution was not to consolidate all organizations into large "super" organizations but to let a variety of local approaches flourish.

As can be seen, there is no single canonical synthesis of the essential characteristics of polycentric systems, or even of clearly articulated hypotheses. Some scholars have responded by focusing less on their constitutive processes and more on their positive and negative characteristics.

While E. Ostrom has never done applied climate change management research on polycentricity, there have been three decades of very intensive polycentric governance research on the management of key public goods for metropolitan areas (in the US) where multiple national government agencies, each with limited jurisdiction, they experimented with polycentrism. Studies have highlighted the following findings (Ostrom 2009, p. 33-34):

1. Public goods and services differ substantially in their production functions and scale of effects.

2. Political preferences tend to be more homogeneous within smaller units than across an entire metropolitan area.

3 Citizens living in areas served by multiple jurisdictions learn more about the performance of one jurisdiction by seeing or hearing how problems are handled in other jurisdictions.

4. The presence of a large number of potential producers of urban goods and services in a metropolitan area allows elected officials a more effective choice than producers.

5. Multiple jurisdictions with different scopes and organizational scales allow citizens and officials a greater choice in selecting how to provide and produce public goods to try to use the best available technology, to make economies and avoid diseconomies of scale and improve performance respect time.

6. Manufacturers who have to compete for contracts are more likely to look for innovative technologies, to encourage effective team production, as well as citizen co-production, in order to improve their performance.

Polycentric metropolitan regions tend to reduce opportunistic behaviours even though no institutional structure can completely eliminate opportunism regarding the supply and production of collective goods. The creation of small-scale collective consumption units reduces the strategic behavior of the rich who seek to flee to tax havens where they could pay the tax contributions of citizens in other jurisdictions. Enabling citizens to form small-scale collective consumption units encourages face-to-face discussion and the achievement of a common understanding. Furthermore, multilevel consumption units can also cope more effectively with urban goods and services that have large-scale effects and real economies of scale. (Ostrom 2009)

Another feature of multilevel polycentric governance is the adaptability of which Jordan, Huitema, Schoenefeld and Van Aselt discuss when referring to V. Ostrom (2018 p. 15; 1999: 57): in a polycentric system, once the constituent units have emerged, they will naturally interact. Vincent Ostrom (Jordan, Huitema, Schoenefeld and Van Aselt, 2018 p. 15; 1999: 57) even defined polycentric systems in these terms: they have many elements that are able to make mutual adjustments to order their mutual relationships to the within a general system of rules in which

each element acts independently of the other elements. This explains why polycentric systems are often compared to complex adaptive systems (Jordan, Huitema, Schoenefeld and Van Aselt, 2018 p. 15; Tarko, 2017: 58): mutual adaptation is what allows them to adapt to changing external conditions, their actions in turn affect other actors. It is understood how the units in a polycentric system communicate with each other; the extent to which mutual adjustment is actually able to bridge significant differences between units remains an important but unresolved question (Jordan, Huitema, Schoenefeld and Van Aselt, 2018 p. 15; McGinnis, 2016: 9).

The adaptability of polycentric governance also enhances the experimental and innovative side of the latter which thanks precisely to the adaptable nature of governance allows and encourages actors to experiment with different approaches. Over time, common methods for evaluating costs and benefits can be established among actors operating in different domains, so that experiments in one context actively inform experiments in other domains. A polycentric governance system, therefore, is also an experimental system, which through its internal diversity offers the opportunity to see what works and what doesn't (Jordan, et al. 2018) (Jordan, Huitema, Schoenefeld and Van Aselt, 2018 p. 17).

1.5.1 The transnational governance of climate change as a multilevel polycentric system

Building on the precious contribution of Elinor Ostrom, Kenneth W Abbott combined the polycentric approach with his theory of the Transnational Regime Complex for climate change (Abbott 2012, p. 571) He argues that governance is polycentric because responsibilities for tasks such as making rules and financing public goods are shared among different organizations that have different affiliations and operate at different scales; state, intergovernmental and especially non-institutional organizations. He is also decentralized: "Most organizations are created from the bottom up by particular groups of actors and pursue their individual goals with little or no central coordination." (Abbott 2012, p. 571)

In Abbott's two definitions of polycentric governance, we can identify key terms such as “organizations that have different affiliations” and “groups of actors” which refer to an approach that is not necessarily institutional but complementary to the institutional apparatus.

In this section I illustrate the synergies between Ostrom’s and Abbott’s contributions.

Contrary to the traditional governance strategy, since 1992 associations, standards, methods of financing and transnational programs have multiplied. A phenomenon called by Kenneth W Abbott (2012) "a Cambrian explosion" that is reshaping the traditional governance structure resulting in an extremely complex, fragmented, decentralized environment, in short, with a polycentric and multilevel approach, which differs from the more widespread approach of theory of the RC or as called by Elinor Ostrom (2009) "global solution". Both have been developed to address decentralized governance arrangements and therefore appear interesting as perspectives on transnational governance. Yet, both of them mainly dealt with different transnational contexts: the first domestic, the second interstate (Abbott 2012, p. 572).

Abbott (2012), starts with the analysis of Keohane and Victor's contribution and the mapping of the RC institutions (2011), immediately emphasising that is that all

the organizations mapped are interstate in nature with the sole exceptions of the institutions in the 'subnational action' category and national assessments. The map of the international RC for climate change provides only a partial view of climate change governance, as it excludes nearly all transnational organizations active in the area. According to this thinking, Abbott (2012) created the "governance triangle" which includes actors of a different nature from the intergovernmental one.

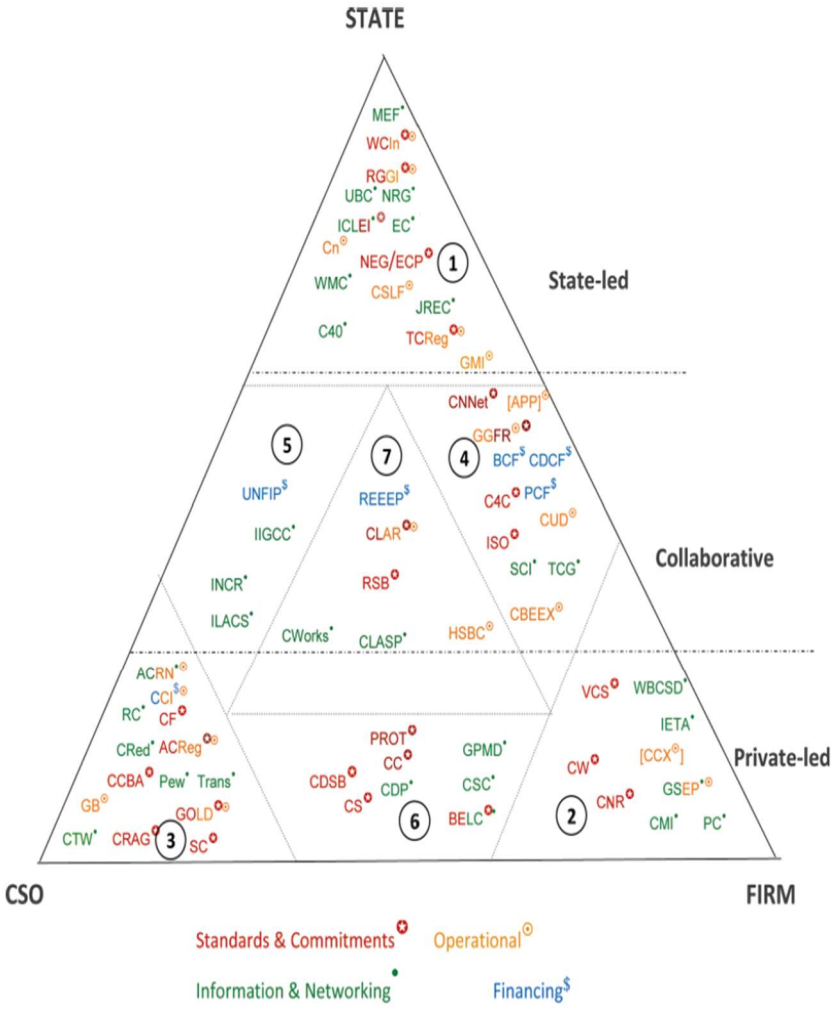


Figure 2. The transnational climate change governance triangle (Abbott 2012, p. 575).

Organizations are located on the triangle based on the identity of their constituent actors: more specifically, the roles played by actors from three main categories: state, business and civil society (CSO) organization (the vertices of the triangle) in the governance of each organization. The positioning of an organization is determined by judging the approximate "share" of each group of actors in its creation, governance and operations: the greater the role played in the overall transnational regime for climate change.

It is not my goal to dwell on the levels of impact and management of the various organizations located on the triangle. What I want to emphasize is that the triangle clearly expresses the huge number of transnational climate change schemes. It also highlights the diversity of their organization (i.e. their dispersion around the triangle) in terms of the roles of the three groups of actors. Finally, it provides a snapshot of the relative roles played by all types of actors engaged and entagled with others in this form of transnational governance for climate change.

This mapping lays the empirical basis for affirming that while the RC theory consists of treating transnational governance of climate change as a single regime nested in the UNFCCC (global solution), the transnational regime is a "triangle" of interaction of several actors of different nature located in various levels. A transnational governance regime with a polycentric multilevel approach that combines the two forms of thought. Polycentric governance involves multiple formally independent decision-making authority centers operating on multiple scales (Abbott 2012, p. 584. Cole, 2011).

As the governance triangle clearly shows, transnational climate change governance is highly polycentric, multilevel, and transnational.

1.6 The problems of polycentric governance

We have come to argue that polycentric and multilevel systems have significant advantages over unified institutions operating on a single large scale. This argument has important positive implications for climate change governance (Ostrom 2009):

- the ability to fine-tune governance in specific contexts;

- the opportunity for the emergence of cooperative actor clubs;

- the flexibility to change standards and programs in response to changing conditions.

However, the theory of multilevel polycentric governance also has problems due to fragmentation, albeit with a greater emphasis on the size and scale of the organization than the general theory of RC. In this paragraph I explain what they are. According to Ostrom (2009), the most frequently raised issues are leaks, inconsistent policies, free riding and inadequate certifications:

Leakage

"One of the problems frequently identified with subnational projects aimed at reducing carbon emissions is leakage. Two types of leakage can occur from policies adopted at less than global scale: leakage between locations and market leakage" (Ostrom 2009, p. 29. Ebeling 2008, p. 49–51). Inter-location leakage occurs when an activity that would have taken place in location X is moved to location Y due to a climate change project occurring in location X. Taking the EU as an example, efforts to reduce emissions some industrial producers can, in some cases, simply move emissions that would have been produced by a European chemical company to another location in a developing country. There, production costs may be lower, but carbon is still emitted in the production of chemicals and in transporting the chemicals to European locations. Likewise, farmers who are forced to leave a location due to a REDD (Reducing Emissions from Deforestation and Forest Degradation) project of planting trees can simply move to a new location and cut the timber that is there, unless there are no commitments that they have to make in

relation to the funds they obtain and their activities are monitored for several years after the start of the project.

Market leakage refers to changes in the price structure that can occur as a result of restrictions on forest harvesting. These restrictions reduce the volume of timber and other forest products generated in an area. This stimulates a rise in the prices of these products. Hopefully, higher prices encourage intensification of agricultural and forestry production in other areas and no longer stimulate deforestation. In a less favorable scenario, particularly when land use regulations are inadequately enforced, higher prices provide an additional incentive to clear forests for timber or agriculture elsewhere, thereby reducing the net benefits of the climate mitigation project.

Incoherent policies

Closely related to the problem of leakages is the problem of inconsistent policies. Industrial companies looking to develop new technologies to reduce greenhouse gas emissions may find it expensive when policies vary in different regions. Potential sales of new technology are limited to areas where the technology fits the policies adopted. Therefore, some areas may not be large enough to generate sales that justify the investment in new technologies.

Free riding

Whenever actions taken by some individuals or organizations benefit a larger group, there is always the risk that some participants will disengage from the efforts of others and will not contribute at all or not contribute an adequate share. Despite a multilevel polycentric approach, the problem of free riding is not entirely curable. Currently, there are many governmental and private entities on multiple scales that are substantially increasing their greenhouse gas emissions, especially in developing countries, without adopting any policies to reduce emissions.

Inadequate certification

For policies adopted at any scale that reduce greenhouse gas emissions, qualified personnel must certify that a project actually reduces environmental CO2 by a specified amount over a defined period of time.

I conclude by arguing that the benefits of complexity could be increased, and costs reduced, through a non-hierarchical "orchestration" of climate change governance, in which appropriate organizations support and lead transnational schemes that promote global public interests. The perfect empirical example is that of B Lab which I will discuss in the next chapter.

Conclusion

The literatures reviewed above offers us the possibility to reach some useful considerations to explore in the next chapters two follow. First, there are multiple types of polycentric governance, namely a polycentric pattern as suggested by Elinor Ostrom, the RC theory by Keohane and Victor, and the transnational governance of climate change as a multilevel polycentric system as conceptualised by Abbott. My empirical research will mainly draw on the latter, as it considers as ‘actors’ all non-governmental bodies that participate at various levels of climate change governance. The second and third chapters of this thesis take as a reference an actor of this type, B Lab and the B Corp network.

Furthermore, it is important to stress that:

(1) the causes of climate change are determined by numerous variations and that polycentric governance like no other type of governance can keep them all under control;

(2) there are multiple types of polycentric governance;

(3) the wide diversity of policies that can lead to reduced emissions but could also allow opportunistic efforts to get a flow of funds by appearing to reduce emissions without having any real impact or, worse, actually increasing emissions rather than reducing them;

(4) that all decisions made at any scale can lead to errors, but that without trial and error, learning cannot occur.

Chapter 2. The B Lab and the B Corps movement

2.1. The B Corp origins and mission

In 2015, the United Nations approved the 2030 Agenda on Sustainable Development, which has 17 Sustainable Development Goals (SDGs), which range from the elimination of poverty to the fight against climate change, education, equality of women, the defence of the environment or the design of cities. Compliance with the SDGs and the promotion of sustainable development of the planet cannot be achieved only with public resources, which also, over the years, have experienced a progressive reduction of their public development budgets. It is necessary to involve and channel the resources of different actors in various fields, such as government organizations, the private sector, civil society, and individual citizens. Indeed, the private sector is so important that many experts believe that the SDGs cannot be achieved without input from business. “The COVID-19 pandemic has accelerated this trend, and now more than ever, it is necessary for companies to get involved and consider the social and environmental impacts at the core of their businesses.” (Diez-Busto, Sanchez-Ruiz e Fernan 2021, p. 2)

According to the theory of polycentric governance, it is necessary to create several power centers of a private nature to contribute to the promotion and sustainable development of the planet. As I mentioned in the introduction, much has been done academically on how cities and towns have organized themselves to combat climate change and operate sustainably, but there are few contributions regarding how companies are organized in this sense. “It cannot be ignored that the involvement of the private sector in the achievement of the SDGs depends largely on the ability to create business value based on the application of those investments in sustainable development” (Diez-Busto, Sanchez-Ruiz e Fernan 2021, p. 2). This is why I am about to introduce the B Corp organization, an organization that aggregates companies that aim at being both profitable and sustainable. B Certified companies are a model of companies that meet the highest standards of social and environmental performance, public transparency, and corporate responsibility to balance profit and purpose. Certified B Corporations are companies that choose to adapt the way they conduct their business to third-party social and environmental

standards conducted by a non-profit entrepreneurial enterprise called B Lab. The B Corp certification not only accredits in which areas a company excels, but it also guarantees its commitment to consider all stakeholders in the decision-making process now and in the future, incorporating it into the legal governance structure of the company (Diez-Busto, Sanchez-Ruiz e Fernan 2021).

> "There's no Planet B." "We won't stop until all business is a force for good."
>
> (bcorporation s.d.)

These two are mottos of the B Corp movement, which was established in 2006: i) a different type of economy is possible and above all necessary and ii) the business could pave the way for a new economic and governance model driven by stakeholders. To clarify the abbreviations, I will use 'B Corp' (deriving from B Corporation) to mean the whole movement as well as individual companies participating in the movement; while 'B Lab' is the coordination board of the movement that creates common standards, policies, and tools, and guides the overall project as a "laboratory".

B Corp has become known for the certification of B Corporations, which are companies that meet high standards of social and environmental performance, accountability, and transparency. B Lab is a non-profit organization boasts an international network of satellite organizations supporting a shared vision that aims to change our economic system by transforming it into a more inclusive, equitable and regenerative economy. Known as the B Global Network, this unified group of global, regional, and national organizations feeds the B Corp movement locally, reaching all levels of society. "They grow, engage, and mobilize B Corp communities, ecosystems, and regional partnerships and, in turn, reshape their local economies to prioritize people and the planet. Our network brings our global theory of change to life by driving political change with their governments, amplifying credible business stories as a positive force, and changing the behaviour of businesses in their regions" (bcorporation s.d.).

By harnessing the power of business, B Lab wants to have a positive impact on companies around the world fuelled by CER and CSR, moving our global economy from a system that profits a few to one that benefits all: "a new model which moves from the concentration of wealth and power to the guarantee of equity, from extraction to generation, and from the priority to individualism to the adoption of interdependence" (bcorporation s.d.).

Contextualizing the- movement within the perspective of polycentric transnational governance, B Lab proposes itself as a decision-making power centre with transnational ambitions through an alternative governance, along the lines of the so-called 'stakeholder governance' or 'governance of benefits' but with its own standards and policies. "We are building the B Corp movement to change our economic system and, to do that, we have to change the rules of the game" (bcorporation s.d.). B Lab creates standards, policies, tools, and programs that modify the behaviour, culture, and structural foundations of capitalism, mobilizing the B Corp community towards collective action to address the most critical challenges of society, in particular the challenge to climate change, main focus of the thesis.

In short, the B Corp movement embodies several features of what has so far been conceptualised as experimental governance architectures which, with its environmental protection standards, is part of a new equally alternative system of polycentric transnational governance aimed to cope with the problem of climate change. In what follows, I map the governance features of the B Corp movement with the purpose to unpack the nature of the governance settings underpinning this voluntary bottom-up initiative.

2.2.1 Link between environmental protection and social protection

A specific and particularly interesting feature of the B Corp movement is that unlike in the past when the environmental and social responsibilities of enterprises were targeted under two different certification schemes - CER and CSR which were described in the previous chapter, its objective and mission is to address both the environmental and social concerns. Bring them together represents an indeed challenging task for both states and individual market actors. (Zimmermann and Graziano, 2020).

As the two academics argue, “the struggles to balance market powers and ecological sustainability somehow evoke memories of the early days of the European welfare state, when social protection emerged as a means of preventing industrial capitalism from creating disruptive social tensions due to excessive social inequalities. Indeed, social, and environmental crises are inseparably intertwined, as ecological destruction is likely to be followed by social deprivation and the lack of social security can be a crucial barrier to ecologically sustainable action” (Zimmermann and Graziano 2020, p. 1).

According to a study by Karl Polanyi (2001)[11], referred to by Zimmermann and Graziano (2020, p. 16-17), industrial capitalism has not only fuelled the commodification of labor, but also of the environment. In his perspective, nature (more precisely the earth) is, together with work, a commodity that is not "real" but "fictitious", as it is not produced for the purpose of being sold on the market. In his eyes, the trade in these two fictitious goods on unregulated markets constitutes a fundamental problem that “would result in the demolition of society” (Zimmermann, Graziano, Polanyi p. 68-76). Therefore, according to Polanyi (2001), Zimmermann and Graziano (2020), to avoid the self-destruction of capitalism and make it sustainable, it is essential to define and group work and the environment as a whole "fictitious goods" and de-commercialize them or increase social and environmental protection in combination by regulating the market.

[11] https://inctpped.ie.ufrj.br/spiderweb/pdf_4/Great_Transformation.pdf

Zimmermann and Graziano (2020), therefore, based on the assumption that there must be a de-commodification (better called regulation in the era of the welfare-state) of these two commodities, have produced a study to discover possible links between ecological and social performance of a state, since the two areas share certain characteristics as we have just seen. In order to reveal whether there are empirical models of overlaps between the social and environmental realms, they performed a hierarchical cluster analysis based on social and ecological performance indicators from the states taken as case studies. Currently six different clusters existing in 27 European countries can be found showing specific patterns of eco-social performance. More specifically, we find that the Nordic countries (and to some extent a number of countries, including Austria, the Netherlands, Belgium and Croatia) perform better in both dimensions, while Romania, Italy and Bulgaria underperform in both series. of indicators. The results are particularly interesting as they support the idea that the high performance of Nordic welfare states is linked to high performance in environmental protection (Zimmermann and Graziano 2020, p. 16-17).

The contribution of B Corp and the governance of B Lab seeks to take a step towards such an integrated perspective that considers environmental protection linked to social protection. The governance of B Corp has the objective of solving environmental and climate change problems but also those of social protection, which is why starting from the next paragraph, even if separating governance and distinguishing environmental standards from social ones, I will no longer speak only and exclusively on environmental protection and climate change, but I will focus only on the separate analysis of governance. How this governance fits into the complex management of climate change I will resume in the conclusions.

2.3 Challenging the "shareholder primacy" doctrine and the governance of stakeholders

One of the aims of B Lab' governance is to challenge the widespread "shareholders primacy" doctrine; what is the shareholders primacy doctrine? What is opposed to the latter?

The "shareholder primacy" doctrine, also known as the "Friedman theory" is a professional ethics standard advanced by economist Milton Friedman who argues that a firm's primary responsibility lies with its shareholders. This approach sees shareholders as the economic engine of the organization and the only group towards which the company is socially responsible. As such, the company's goal is to maximize profits.

Friedman introduced the theory in a 1970 essay for The New York Times titled *A Friedman Doctrine: Corporate Social Responsibility Is Increasing Your Profits*[12]. In it, Friedman (1970) argued that a company has no social responsibility to the public or to the company; his sole responsibility lies with his shareholders. He justified this point of view by considering who a company and its executives are related to:

> "In a free enterprise, privately owned system, a corporate executive is an employee of the owners of the company. He has direct responsibility to his employers. That responsibility is to conduct the business in accordance with their wishes ... the key point is that, in his capacity as a corporate executive, the manager is the agent of people who own the company ... and its main responsibility is that of them."

(Friedman 1970)

Basically, by operating according to this doctrine, companies are able to prioritize profits, even when those profits derive from behaviours that create inequality, environmental damage and social fragmentation.

[12] https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html

Undoubtedly, this theory and those who used it are going through one of the most difficult and growing tensions in its history. Global discontent is mounting with the inequality that capitalism is producing, with low wages, administrator fees and corporate environmental practices. The pressure to develop and implement a different ethics in doing business arises from many sides and with force.[13]

Faced with the inability of the ruling classes to manage change, and given the political and ideal crisis of liberalism, attention has shifted to various centres of power for possible supplementary action or strong support for the political class. As I mentioned earlier, B Corp is empirical proof of what many are now asking for: a shift to corporate governance that prioritizes all stakeholders, commonly known as stakeholder governance or benefits governance. This type of corporate governance ensures that companies are required to consider the interests of all their stakeholders - customers, workers, suppliers, communities, investors, and the environment - in decision-making motivated by strong CER and CSR. "Put simply: stakeholder governance ensures that we have better companies that are accountable to people and the planet" (B Lab s.d.).

B Corp promotes this new form of governance challenging the shareholder primacy, from the identification of the problem to the "global" strategy, or better called transnational strategy.

THE PROBLEM

The current economic system, led by business as one of its key players, fails to realize its potential and creates significant negative impacts for people, communities, and the planet. B Lab has identified three key aspects that reinforce the problematic role of the companies: the design of legal systems; business conduct and operations; and corporate culture and dominant narratives around business and success.

According to B Lab, this leads to three types of negative impacts that we see across societies and cultures: structural social and economic inequality; environmental

[13] https://marioxmancini.medium.com/capitalismo-fine-del-primato-degli-azionisti-40b47a5bf360

degradation and resource extraction; and the decline of individual well-being and the loss of social cohesion.

THE SOLUTION

“By working with other movements, coalitions, policy makers, activists, and organizations, and by catalysing our stakeholders - certified B companies, charities and companies that adopt B Lab standards - we can realize our vision. And our five global strategies will get us there” (B Lab s.d.):

- drive adoption of their standards to manage business impact;
- certify and engage companies to improve their impact;
- articulate and amplify business stories as a fair force for good;
- catalyse policy change to make business a positive force;
- develop a network of local, regional, and global communities for change.

THE RESULT

This theory of change works towards a world where business is a positive force and plays a leading role in the positive impact and transformation of the global economy into a more inclusive, equitable and regenerative system (B Lab s.d.).

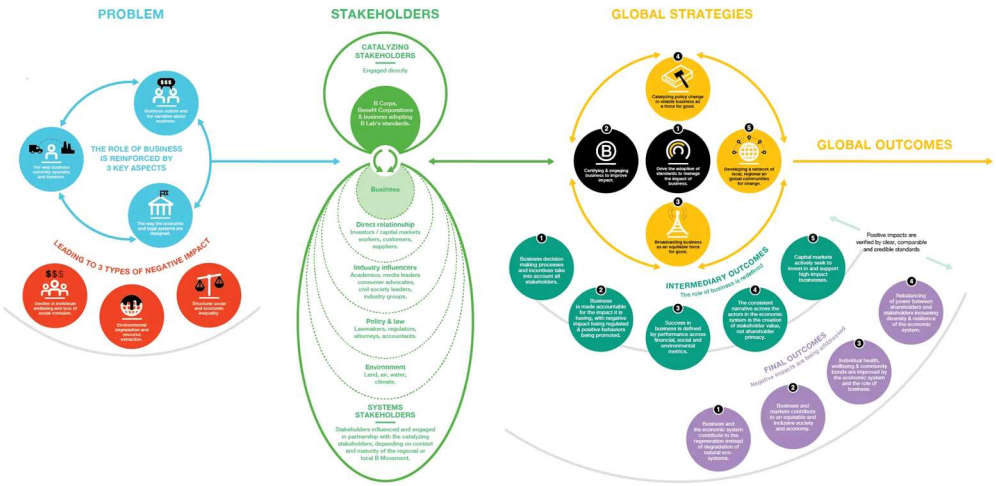


Figure 3. B lab's theory of change (B Lab s.d.)

2.4 B Lab governance

This paragraph specifically analyses the governance of B Lab, illustrating the standards, tools, and programs it has established to guide the member enterprises towards continuous improvement in order to meet principles of inclusion, independence, and credibility.

2.4.1 The B Corps Standards

The establishment of common standards is one of the main outputs of B Corps activity. Actors who engage in polycentric governance "possess the authority and are effectively committed to guiding the conduct of target actors towards collective goals" (Abbott 2012, 572). However, few transnational organizations are authorized to adopt legally binding rules and they are only intergovernmental organizations while B Lab type organizations have no legally binding capacity. In contrast, most non-governmental transnational regulatory frameworks engage in what Snidal and Abbott (2012, p. 572, Snidal, 2009a; 2009b; 2010) call "normative standard setting" (NSS): such rule making is legislation because it establishes rules of conduct in situations with a prisoner's dilemma or incentives to externality (the normal realm of mandatory regulation); but like technical product standards or interconnectivity standards, its standards are voluntary, are largely created by non-state actors and target non-state actors rather than states (Abbott 2012, p. 572).

According to the definition of the act "Developing Operational Requirement", the term "standard", "technical standard" or NSS as cited by Snidal and Abbott, includes all of the following: "Common and repeated use of rules, conditions, guidelines or characteristics for products or related processes and production methods, and related management systems practices. The definition of terms; classification of components; delineation of procedures; specification of dimensions, materials, performance, designs, or operations; measurement of quality

and quantity in describing materials, processes, products, systems, services, or practices; test methods and sampling procedures; or descriptions of fit and measurements of size or strength"[14].

Standards for an organization that sets itself transnational goals such as B Lab are a fundamental for this transnational governance architecture; it is the first piece of governance that I will now illustrate, starting with the examination of the standards. "B Lab standards are at the heart of the B Corp movement and our theory of change, they define the best social, environmental and governance practices for companies. Our standards serve as the foundation for everything our network does, from B Corp certification to our policy work around the world" (B Lab s.d.).

As the movement continues to grow, B Lab has a system of continuous standards improvement to galvanize the impact on topics that define the aspect of good business and ensure that B Lab's standards are informed by the continuing developments of other organizations of standardization and regulations of government agencies around the world. With this idea, in December 2020, B Lab announced a revision of the standards for B Corp certification. "These standards are an evolution of what it means to be a B Corp, making certification more relevant than ever for companies today and in the future" (B Lab s.d.).

Today B Lab is further developing 10 topics already present in the existing 2020 standards but, the main change is that the new standards will define a set of non-negotiable requirements to obtain certification.

[14] https://www.dhs.gov/xlibrary/assets/Developing_Operational_Requirements_Guides.pdf

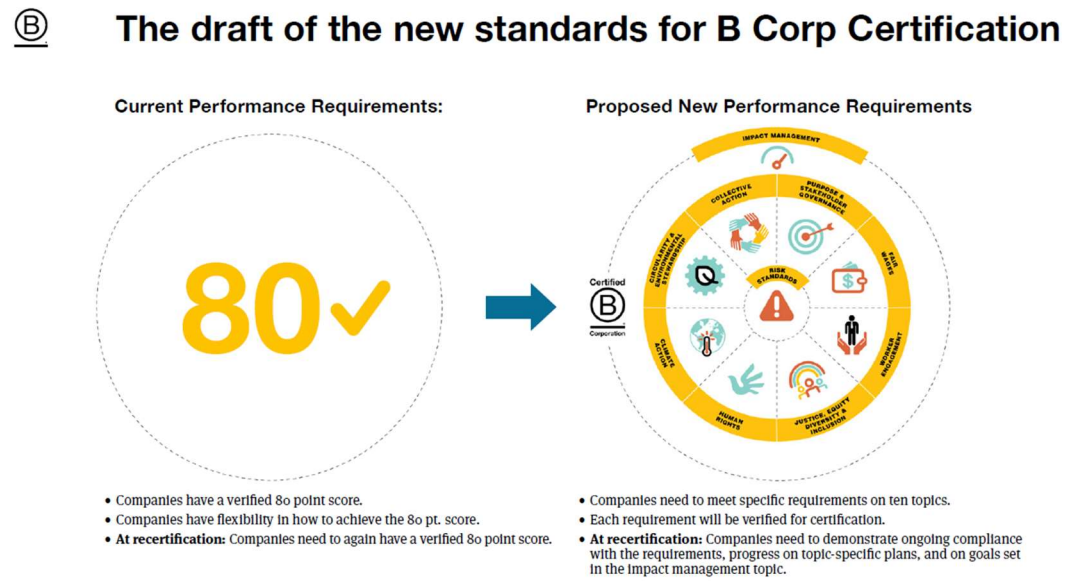
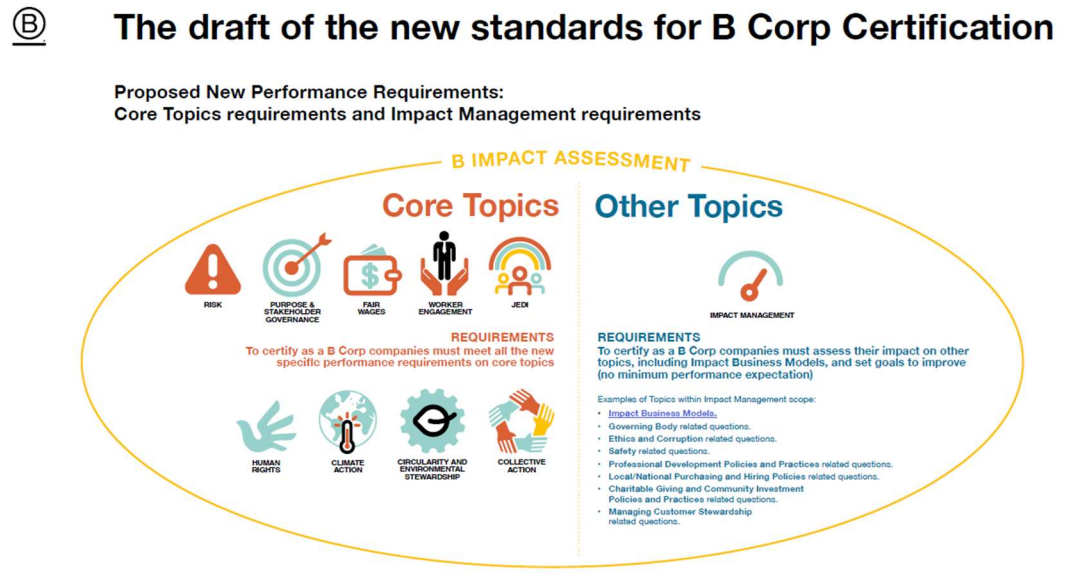


Figure 4. The draft of the new standards [15]

There is also an idea of integrating the 10 areas as explained in the graph below (2022).



[15] The Evolution of B Corp Certification Standards. Introducing Draft Standards for Preliminary Consultation; B Lab Global. September - November 2022

Figure 5. The draft of the new standards' topics [16]

a) Purpose & Stakeholder Governance

I. PSG1: Your company has a defined purpose statement contributing to a material positive impact on society and the environment and is incorporated into the organizational strategy.
II. PSG2: Your company considers impacts on stakeholders in all material decisions.
III. PSG3: Your company's highest level of governance has an explicit oversight role in monitoring the implementation of the purpose, impact, and stakeholder considerations.
IV. PSG4: Your company makes progress towards its purpose and all the B Corp performance requirements and is transparent about it.

b) Worker Engagement

I. WE1: Your company keeps workers informed.
II. WE2: Your company achieves high worker engagement results or takes action to improve them.

c) Fair Wages

I. FW1: Your company pays workers in your own operations a living wage.
II. FW2: Your company takes meaningful action to prevent or reduce wage disparities.
III. FW3: Your company takes meaningful action to pay workers/farmers in the supply chain a living wage/income.

[16] The Evolution of B Corp Certification Standards. Introducing Draft Standards for Preliminary Consultation; B Lab Global. September - November 2022

d) Justice Equity Diversity & Inclusion

I. JEDI1: Your company gathers and tracks diversity and inclusion statistics on your workforce in a way that respects people's dignity.
II. JEDI2: Your company manages JEDI risks and realizes JEDI opportunities in your operations.

e) Human Rights

I. HR1: Your company has a human rights policy.
II. HR2: Your company and relevant workers know the company's (potential) human rights impacts (also known as 'salient human rights issues').
III. HR3: Your company has a strategy and action plan to manage its human rights impacts and strives for positive impact.
IV. HR4: Your company has a supplier engagement framework to support your human rights objectives and to promote traceability in your supply chain.

f) Climate Action

I. CA1: Your company tracks its GhG emissions annually.
II. CA2: Your company implements a climate transition plan to ensure its fair contribution to keep global warming below 1.5 °C.
III. CA3: Your company has a track record of climate action.

g) Circularity & Environmental Stewardship

I. CES1: Your company and relevant workers know the company's (potential) impact on the environment.
II. CES2: Your company has an environmental strategy pursuing circularity and environmental stewardship.
III. CES3: Your company has a supplier engagement framework to support your environmental objectives and traceability in your supply chain.

h) Collective Action

I. CoA1: Your company takes joint action with other stakeholders to advance positive collective social and/or environmental impact at policy, industry, and/or business community level.

i) Impact Management

I. IM1. Your company diligently completes the other relevant sections of the B Impact Assessment (beyond the core topics sections) in a way that demonstrates understanding of the concepts and reliability of answers.
II. IM2. Your company's highest governance body commits to improvement goals on other material topics not covered by the core performance requirements.
III. IM3. Your company has a management system in place to maintain ongoing compliance with the B Corp Certification standards.

l) Risk standards

I. RS1: Your company meets all specific industry requirements outlined on B Lab's Controversial Issues page.
II. RS2: Your company transparently shares information with B Lab regarding sensitive or controversial practices and stakeholder concerns and passes a specific review with either no further action, demonstrated remediation, and/or public disclosure.
III. RS3: Your company has sufficient mechanisms in place to receive and adequately respond to, remediate, and provide access to remedy for complaints / grievances from stakeholders.
IV. RS4: Your company has not materially misrepresented information to B Lab or the public.

V. RS5: Your company's lobbying positions are not contrary to the company's purpose or to benefit the company in a way that jeopardizes an equitable, inclusive, and regenerative economy.

B Lab's current standards are as follows:

The 5 areas of the B Impact Assessment (BIA) (B Corporation 2020)**:**[17]

I. Governance: A company's overall mission, ethics, accountability, transparency and how they build their vision and values into their bylaws. Best practices are focused on how they engage employees, board members, and the community to achieve their mission, as well as employee access to financial information, customers' opportunities to provide feedback, and the diversity of their governing bodies.

II. Workers: A businesses' efforts to create positive impacts for their workforce. Best practices in the work environment look at aspects like employee compensation, benefits, training and ownership opportunities, as well as assessing working communication, job flexibility and worker health, safety practices and overall work conditions.

III. Community: How a business contributes to the economic and social well-being of the communities in which they operate. Best practices explore initiatives and policies directed at community impact, including embracing supplier relations, social engagement, charitable giving, and strong, diverse communities.

IV. Environment: How a company works towards a more sustainable and regenerative planet by reducing their footprint and putting their impact on the air, climate, water, land, and biodiversity first in their business practices. This section explores the impact of a company's facilities, materials, emissions, and resource and energy use, as well as

17 https://static1.squarespace.com/static/5b1a6e5daa49a1ac7a0b7513/t/5d2c3d0c9d58c40001d3b404/1563180310751/Complete_Guide_to_B_Corp_Certification_for_SME.pdf

transportation/distribution channels and the environmental impact of their supply chain.

V. Customers: How a company serves their customers, offering products or services that support the greater good. Best practices explore whether a company adds value to customers' lives by providing critical services like education, healthcare, and finance management, as well as engaging in ethical marketing, data privacy and security, and feedback channels.

Risk Standards: they are rigorous standards of verified social and environmental performance, legal responsibility and public transparency to effectively assess the potential negative impacts of various controversial sectors in which there is a natural inclination to exclude them regardless of being "B". However, B Lab considers these industries as they recognize that even within controversial industries it may be possible for companies to significantly manage potentially negative impacts or practices. The risk standards are specifically divided by sector. The controversial sectors already included are the following:

- Agri-food producers in Brazil
- Banks in Switzerland
- Bottled water company
- Cannabis related products
- Casino industry companies
- Debt Collection Agencies in Emerging Markets
- Engineering Consulting Companies with Clients in the Defense Sector
- For-Profit Higher Education
- Fossil Fuels & Energy Companies
- Human Rights
- Marketing of Breastmilk Substitutes
- Mining Industry
- Orphanage-Based Volunteer Programs
- Pharmaceuticals
- Prison Industry and Labor

- Serving Governments Tied to Human Rights Violations
- Tax Strategies & Tax Advisory Services
- Whole Life Insurance Products
- Zoos, Aquariums, and Animal Parks

Legal requirements: To comply with legal requirements it is necessary to incorporate into the company's bylaws the consideration of all stakeholders in decision-making. Companies 'legal requirement, and the timeline for the process, is determined by corporate structure, countries' law and state of incorporation. Depending on these factors, companies will have to go through one of the following processes:

- If benefit corporation status or Social Purpose Corporation-equivalent status is available: In order to maintain B Corp certification, companies must become a benefit corporation or adopt SPC-equivalent status within two years after the company's initial certification date. If the state passes benefit corporation or SPC-equivalent legislation after a company has certified as a B Corp, the company will have until the end of its subsequent two-year certification term (following the passage of the legislation) to meet the legal requirement.

- If benefit corporation status is unavailable but constituency status exists: Companies have up to one year after certification and LLCs have up to 90 days after certification to complete the following process: 1) obtain approval of modified items both by the board of directors and by the shareholders (requires a majority or absolute majority vote, depending on your status); 2) Submit modified articles to the secretary of state, along with a modest fee (usually less than $ 300).

- If the company is a sole proprietor: As a Sole Proprietor, the organization is not formally organized as a corporation and, therefore, has no corporate governing documents. There is no additional legal requirement to attain certification

Multinational Company Standards & Baseline Requirements: Additional baseline requirements for large companies which are defined as a parent company generating $5B+ in annual revenue. Parent companies greater than US$5billion in revenues are required to meet specific baseline requirements, in addition to the points above, designed to recognize their higher obligations towards stakeholders as a result of their scale and influence.

2.4.2 Toolbox

B Impact Assessment[18]

BIA, in addition to being the recipient with the main standards to match for a company, is also a comprehensive tool to measure, manage, and improve a company's positive impact performance for workers, communities, customers, suppliers, and the environment. A required verified score of 80 points out of 200 on the B Impact Assessment also serves as a certification requirement for B Corp Certification. The weight of the evaluation questions varies by company, depending on size, industry, and geographic location. Certification not only accredits which areas a company excels in, but also ensures its commitment to consider all stakeholders in decision making now and in the future, incorporating it into the company's legal governance structure (Diez-Busto, Sanchez-Ruiz e Fernan 2021, P. 3).

The evaluation areas of the B Impact assessment are the followings:

- **Governance:** It evaluates how the company is structured to pursue and achieve its mission, ethics, responsibility and transparency. It measures whether the company has adopted a social or environmental mission and how it engages its employees, board members and the community. It also

[18] The Complete Guide to B Corp Certification for Small to Medium-Sized Enterprises Join the Global Movement of People Using Business as a Force for Good; 2020. https://static1.squarespace.com/static/5b1a6e5daa49a1ac7a0b7513/t/5d2c3d0c9d58c40001d3b404/1563180310751/Complete_Guide_to_B_Corp_Certification_for_SME.pdf

assesses employee access to financial information, opportunities for clients to provide feedback and diversity of the company's governing bodies.

- **Workers:** It evaluates the positive material impact of the company on its workers. It measures how the company treats its workers through compensation, benefits, training and opportunities. It also focuses on the work environment within the company, evaluating communication between management and workers, work flexibility, corporate culture and health and safety practices.

- **Community:** It evaluates the positive material impact of the company on the communities which it is part of. It measures practices and policies around community services and charitable donations, including whether a company product or service is designed to solve a social problem, such as access to basic services, health, or education.

- **Environment:** It evaluates the impact and ecological footprint of facilities, materials, emissions, resources and energy use. Its transport and distribution channels and the environmental impact of its supply chain are taken into account. It also measures whether the company's products or services are designed to solve an environmental problem, including products that help provide renewable energy, preserve resources, reduce waste, promote land conservation, prevent toxic or dangerous substances, as well as educate, measure or consult to solve environmental problems.

- **Customers**: It evaluates the positive material impact of the company through the offer of products and services to its clients or beneficiaries. It focuses on whether the business sells products or services that promote public benefit and whether those products or services are intended to serve underserved populations. It also measures whether the product or service is designed to solve a social or environmental problem.

With the oversight and approval provided by the Standards Advisory Council, B Impact Assessment updates are evaluated over a period of 12 to 18 months, through a process that incorporates user feedback on the B Impact Assessment platform, as well as:

- Research and involvement of stakeholders to identify new and emerging topics and best practices.
- Identification of priority areas for improvement based on guidance from Regional Standards Advisory Groups and Standards Advisory Council.
- Research and development, testing and data analysis in progress.
- A public comment period of 60 days.
- Industry addenda are also developed over a period of 12 to 18 months.
- In addition to the above, these addenda include the creation of expert working groups that make recommendations to the Standards Advisory Council.

Risk standards assessment: An assessment of eligibility for B Corp Certification based on a review of potentially negative impacts associated with a company's industry and other practices. All companies are required to be evaluated against and meet all Risk Standards, which are non-score based and designed to assess a company's potential negative impacts and engagement on controversial issues (rooted in the Disclosure Questionnaire of the B Impact Assessment).

B Lab term sheet; Declaration of Interdependence; certification fee[19]: To obtain the B Corp certificate is necessary to sign the B Lab term sheet and the Declaration of Interdependence, as well as tom pay the annual certification fee. The latter varies depending on the region in which the company is located and, especially, it depends on the company's turnover.

[19] The Complete Guide to B Corp Certification for Small to Medium-Sized Enterprises Join the Global Movement of People Using Business as a Force for Good; 2020. https://static1.squarespace.com/static/5b1a6e5daa49a1ac7a0b7513/t/5d2c3d0c9d58c40001d3b404/1563180310751/Complete_Guide_to_B_Corp_Certification_for_SME.pdf

2.4.3 Advocacy and Programs

One of B Lab's core strategies is to create and develop local, regional, and global communities through communication, dissemination, and advocacy programs. Here I will present some of them.

- **B Corp Climate Collective[20].** BCCC is a group that has directly empowered certified B Corporations and other companies working with the network of B Lab and System B organizations to address the current climate trajectory. The BCCC develops resources in partnership with allied organizations to support business climate action pathways, including the Climate Justice Playbook[21] for Business and the B Climate Tools Base[22]. Furthermore, yes, the BCCC, collaborating with the UNFCCC *Race to Zero* campaign invites companies to undertake net zero commitments.

- **Income disparity. Desafío 10x[23].** Desafío 10X was created with the aim of inspiring companies to share the value they generate, in order to improve the well-being of their workers and reduce the pay gap up to a maximum of 10X. The initiative invites employers to voluntarily commit to their workers within a two-year period. It counts 2017 corporations and 53472 workers involved.

- **Naming, disrupting, and dismantling white supremacy. Dismantle Collective[24].** Dismantle Collective is an all-black think tank working to create an economic system that works for all without racial discrimination.

[20] https://www.bcorpclimatecollective.org/

[21] https://assets.ctfassets.net/l575jm7617lt/1yBxJyvIgcmilzB5brOeDI/287a0eb2b9f601801fd575c50fd79895/Climate_Justice_Playbook_FINAL_FINAL__2_21_2021.pdf

[22] https://www.bcorpclimatecollective.org/tools

[23] https://www.desafio10x.cl/

[24] https://www.dismantlecollective.org/

Through community events and forums, the collective creates space for bold and explicit dialogue between people of colour and white allies, including community activists and organizers, employees and businesses, politicians, and local residents.

- **Gender inequality. We the Change[25].** A collective of women leaders from Certified B Corporations and other purpose-oriented businesses who advocate business as a positive force. This includes promoting sustainable business practices and innovations, increasing the flow of capital to women-led businesses, promoting systemic change to elevate marginalized identities, and aligning business practices with the UN SDGs.

- **Making industry standards sustainable and equitable: B Beauty, A B Corp Beauty Coalition[26].** A coalition of 26 leading B certified companies in eight countries and three continents seeking to improve the sustainability standards of the beauty industry. B Beauty's mission is to allow collaboration and exchange between companies; identify and share best practices; implement improvement actions and publish the results; help beauty clients navigate the category more easily; and to influence the beauty industry to trigger wider changes that can ultimately improve its social and environmental footprint.

[25] https://wethechange.net/

[26] https://www.bcorpbeauty.org/

Conclusion

Referring to the introduction of the chapter, B Lab and the B Corp network represent the empirical proof of what I mean as a private actor promoting change in a multilevel polycentric governance. B Lab represents a private decision-making power center which has made its own the international legislation of social and environmental protection of companies (top-down coordination) and then spread it on various levels of society through associations and compliance with standards legally set in the states where it operates (following the example of Italy). Although in this chapter I have not talked about positive impact in numbers, we can certainly conclude that the internal governance of B Lab in favour of social and environmental protection is certainly a solid basis for producing a positive environmental and social impact. The demand for associated companies to match high standards of social and environmental protection with profit is a necessary contribution by the private sector to the realization of most of the SDGs objectives. But above all, returning to the core of this thesis, the involvement of private entrepreneurship in environmental protection and the reduction of emissions that cause climate change is essential if we want to achieve positive results for the environment as quickly as possible like science and scholars require.

B Lab and its network of B Corp is the level of multilevel polycentric governance that brings together the global interests of combating climate change with the pursuit of concrete results for the reduction of CO2 emissions by the private sector. Furthermore, as a stakeholder at all levels of society, B Lab is the leader in the dissemination of its internal governance model and its results. Governance certainly replicable in a context such as that of multilevel polycentric governance where actors operating at different levels of society can become centres of decision-making power and disseminate models useful for solving the problems afflicting our society, climate change above all.

Chapter 3. The B Corp movement in Italy: an overview

This chapter will investigate the experience of Italian enterprises in the B Corps movement, illustrating by numbers, the kind of commitment is required to be a member of B Corp. The data concerning the Italian case that I am about to present are the end of a funnel which shows the tangible proof of the effectiveness that multilevel polycentric governance and its governmental and non-governmental actors could have.

3.1 The sustainability performances of sustainable business models

Sustainability is the founding principle for any company that wants to be part of the B Corp movement. Furthermore, sustainability, as I will explain in this paragraph, is the uniting element of the social and environmental standards of a business model. Furthermore, from sustainability performamances, as I will explain later, the positive impact of a company can be derived. So, B Corps are sustainable business models.

"Sustainable business models (SBMs) are considered to be innovative architectures for the creation, delivery and acquisition of value, which place environmental and social objectives at the heart of business and guide corporate activities" (Alonso-Martinez, De Marchi and Di Maria 2021). But are they really keeping these promises? If yes, how can we measure the positive impact?

To answer these two questions, I draw on the research by

Daniel Alonso-Martinez, Valentina De Marchi, Eleonora Di Maria and their paper: "*The sustainability performances of sustainable business models".*

Several classifications have been provided to describe the variety of SBMs to provide inspiring examples for managers, and to help consolidate the academic literature. Such classifications of SBM types, also called 'archetypes', provide a detailed description of different possible configurations of firms' activities for value creation. The classifying element is often the key pillar of sustainability that drives

SBM innovation activities (environmental integrity, social equity, or economic prosperity) (Alonso-Martinez, De Marchi and Di Maria 2021).

However, less is known to what extent these SBMs actually contribute to real improvements in the environmental and social performance of companies, i.e. to achieve sustainability performance considering the triple bottom line (TBL) approach (common way to understand a business's sustainability efforts is using a concept known as the triple bottom line[27]).

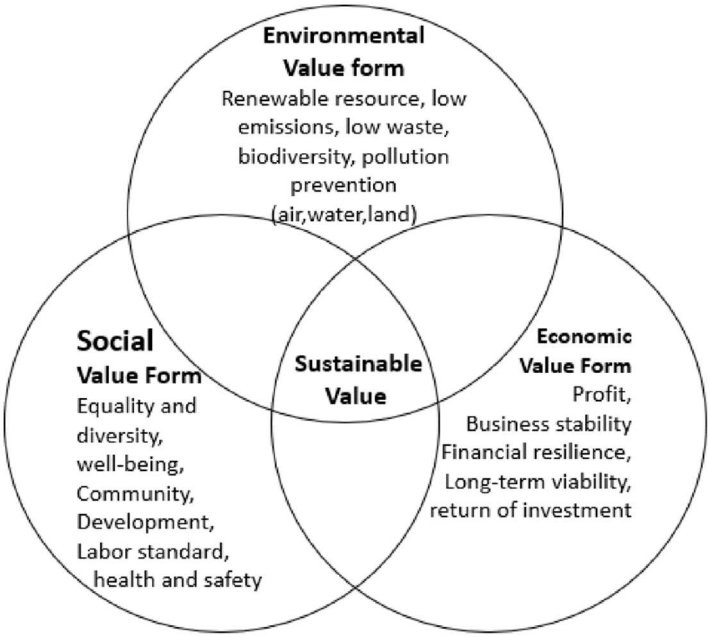


Figure 6. Triple Bottom Line

According to Di Maria (p. 1), although every SBM is assumed to result in positive sustainability performance, the extent to which such performance is actually achieved has rarely been studied. Each SBM archetype is characterized by a

[27] The triple bottom line is a business concept that posits firms should commit to measuring their social and environmental impact—in addition to their financial performance—rather than solely focusing on generating profit, or the standard "bottom line." It can be broken down into "three Ps": profit, people, and the planet

different path to value creation, so which SBMs are best able to achieve sustainability performance, considering its environmental, social and economic dimensions?

The Business Model (BM) perspective has attracted growing interest among scholars aiming to understand how sustainability and competitiveness concerns might be coupled. It has the potential to offer new ways to study business architectures and value creation opportunities and can suggest new ways to embed sustainability into a company's core values. Sustainability is a multifaceted and complex concept that highlights the close links between the environment and society, necessary to face the current environmental crisis and pursue a just economic system (Alonso-Martinez, De Marchi and Di Maria 2021, 2). According to the most widespread description, sustainability is supported by three interconnected pillars: environmental integrity, social equity and economic prosperity (2021 Di Maria p. 2, Purvis et al., 2019). In this context, the concept of TBL was developed to refer to corporate sustainability and to highlight its threefold and interdependent nature in the business domain. Within this scenario, an SBM is about "creating significantly increased positive effects and/or significantly reduced negative effects on the natural environment and society through changes in how a business and its network create, deliver and acquire value" (2021 Di Maria p. 2, Lüdeke-Freund et al., 2018: 147). Central to SBMs is the definition of a value proposition that allows for the creation of environmental and social values other than economic value.

With the aim of helping researchers and practitioners better understand the phenomenon and provide examples of the wide range of SBM opportunities, efforts have been made to identify and compare the types of SBM that companies could implement - "generic strategies" that can be an inspiration for managers and a basis for theory testing and development (2021 Di Maria p. 2, Bocken et al., 2014; Lüdeke-Freund et al., 2018a; Reinhardt et al., 2020). Each of these typologies (also called archetypes) involves a particular orientation and a set of activities that allow companies to simultaneously create environmental, social and economic value. According to the comprehensive review of literature and practices produced by Di Maria (Alonso-Martinez, De Marchi and Di Maria 2021, 3), nine SBM archetypes

are proposed and further classified into three higher-order groups, depending on the main objective of SBM innovation (environmental, social or economic). Each of the identified SBMs should create value in a different way, placing more or less emphasis on the environmental, social or economic dimension. An overview of the nine archetypes is provided in the Table below. The environment-oriented BM grouping includes three archetypes ([1], [2] [3] as in the Table), focused on the management of resources within the company and its value chain, with the aim of promoting the environmental sustainability and imply profound changes in the way companies approach product development, supply chain management and manufacturing activities. Socially oriented BMs include three archetypes ([4], [5], [6]) that aim to have an impact on the social dimension of business activities, changing the behavior of consumers and society in general through an innovative value proposition and encourage customers to engage in innovation and change their consumption habits. Finally, economics-oriented BMs include the other two dimensions of sustainability (social and environmental) in the economic objectives of the firm (profit) but based on economic logic: how value is produced and how the organization is structured to incorporate a broader set of actors and their goals in internal processes.

Sustainable Business Model Archetypes.

Groupings	Archetypes	Description
ENVIRONMENTAL	[1]. Maximize material and energy efficiency (ENREF)	Improving products and processes to generate less waste and fewer emissions as respect to products that deliver similar functionalities
	[2] Close resource loops (RESLO)	Transforming waste into valuable inputs, closing the loops of the

		renewable resources and/ or non-renewable materials cycles
	[3] Substitute with renewables and natural processes (NATPRO)	Modifying products to include renewable (non-finite) resources, using environmentally-friendly materials and developing renewable energy solutions
SOCIAL	[4] Deliver functionality rather than ownership (FUNCT)	Delivering functionality through pay-per-use rather than product ownership, allowing reduction in resource consumption and enhanced efficiency in the use and durability of products
	[5] Adopt a stewardship role (STEWAR)	Ensuring the long-term health and wellbeing of all stakeholders through the manufacture and provision of products/services, tackling sustainability along the supply chain, community development and employee welfare

	[6] Encourage sufficiency (ENCSUF)	Radically reduce overconsumption by improving product durability and longevity and implement activities to educate consumers and enable second-hand consumption
ECONOMIC	[7] Repurpose for society/environment (REPUR)	Maximizing the social and environmental benefits of full integration of the firm with all stakeholders and therefore aims to drive global economic change
	[8] Develop sustainable scale-up solutions (VALCRE)	Developing sustainability solutions on a large scale for multinationals, which include franchising, licensing and collaborative models
	[9] Inclusive value creation	Allowing sharing of resources and ownership, creating value for previously under-addressed user and customer segments

Table 1[28]. Sustainable Business Model Archetypes.

3.1.1 Sustainability performance of SBMs

How do you measure sustainability performance? Not all SBMs are focused on achieving high performance across all three pillars of sustainability. Further research is needed to explore which SBM archetypes are driving the best sustainability performance, considering environmental, social, and economic dimensions.

It is also important to distinguish between the three types of performance to account for any trade-offs and conflicts that emerge between the three pillars of sustainability as SBMs are developed and implemented as they may result in the decoupling of economic, environmental and social performance.

A "good" average sustainability performance could hamper very "unbalanced" performance in the three dimensions. To ensure higher levels of sustainability, a "balanced" integrative approach is recommended (2021 Di Maria p. 3; Hahn et al., 2015). This should result in the development of SBMs that underachieve in one dimension to the detriment of the others. Currently, the question remains whether some SBMs are more likely than others to contribute to achieving a more integrative sustainability performance. Although it has not yet been applied to SBMs, Kleine and von Hauff (2009) (Alonso-Martinez, De Marchi and Di Maria 2021, 3) propose a sustainability triangle to assess whether there is a consistent integration between the three dimensions of sustainability. This triangle makes it possible to evaluate whether a company's sustainable behaviour is closely related to any of the three dimensions (the tips of the triangle), or whether it is committed to working with the same intensity in all three dimensions (middle). Given the high heterogeneity among SBMs and the different relative focus they entail, we expect them to have a different impact on achieving integrative corporate sustainability performance.

[28] (Alonso-Martinez, De Marchi and Di Maria 2021, 3)

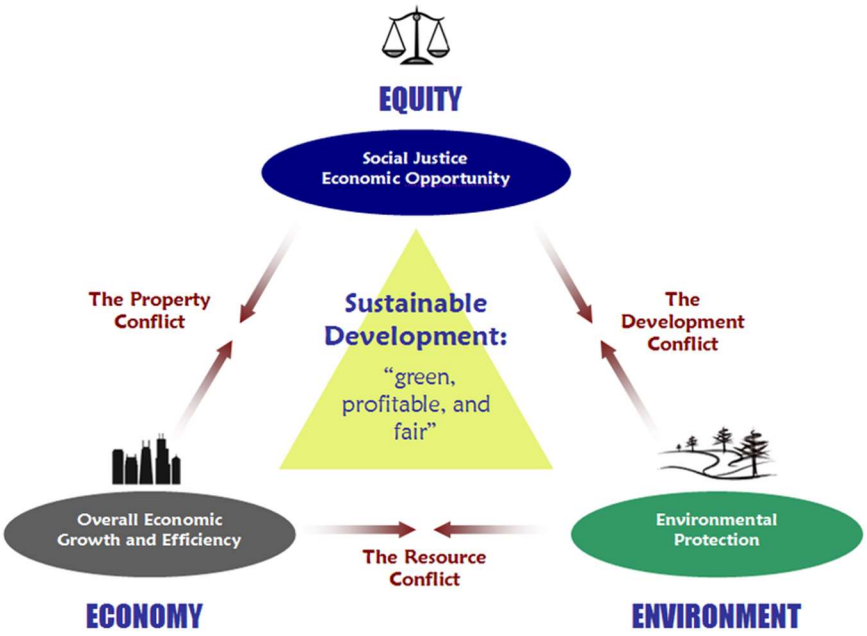


Figure 7. Sustainability triangle

The state of the art proposed by Daniel Alonso-Martinez, Valentina De Marchi, Eleonora Di Maria is certainly essential for fully understanding how experts work to evaluate the positive impact of sustainability. However, in the case study of this thesis, B Lab appears to have elaborated the sustainability triangle to develop evaluation subsets. These are the standards that I have listed and explained in chapter 2. Since this thesis deals specifically with positive environmental impact to counter climate change, the next paragraphs deal mainly with B Corps positive impact assessment standards. in Italy. Contextualizing it with Di Maria's contribution, I will focus only on the tip of the "Environment" triangle which for B Lab is divided into various standards that I will explain later. Each entry will have a positive impact score; the higher the score, the more the impact can be evaluated as positive.

3.2 B corp Italy

Today, there are 6,000 B companies that meet the high standards of social and environmental performance, responsibility and transparency verified by the non-profit B Lab, and over 200,000 companies use its tools (B Impact Assessment) to measure their impacts environmental and social issues, in 86 countries and 158 sectors. In Italy there are 200 B Corps and in this chapter I will highlight their characteristics, in particular the environmental impact they have according to the scores of the B Impact Assessment (B-Corp 2021)[29].

> Italy represents a real national laboratory with the ability to channel the innovative drive and the transformative energy of the company in a new direction. Today generations of Italian entrepreneurs and managers are discovering, thanks to the B Corp model, effective tools for accelerating the evolution of their companies and committing themselves to an inclusive, fair and regenerative economic paradigm.
>
> (B-Corp 2021)

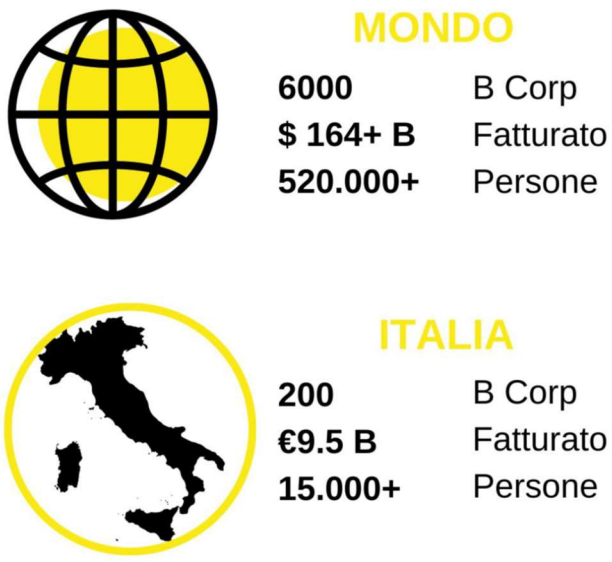


Figure 8. First Italian B Corps report

[29] First report of the italian B Corps

3.3 Difference between Benefit corporation and B corporation. How it works in Italy

Certified B corporations and benefit corporations are often confused. B Lab, administers the B Corp certification to companies that meet verified social and environmental impact standards through B Impact Assessments, commit to transparency requirements related to the impact and operations of their business, and are committed to being legally accountable towards all of their stakeholders. At the same time, the Benefit Corporation is a legal structure that embeds stakeholder governance into a company's DNA, ensuring that the company considers its impact on all of its stakeholders. Importantly, the benefit corporation structure is not a certification and benefit corporations are not required to meet B Lab standards. As of today, the Benefit corporation is a legal status admitted in 35 US states, Puerto Rico, Italy (2016), Colombia (2018), Canada - British Columbia (2018), and Scotland (2018) (B Lab s.d.)[30].

In Italy, as in all the aforementioned countries that have legislation on Benefit corporations, one of the fundamental requirements to be certified B Corps is to satisfy the legal responsibility requirement of the certification is to have a legal status (or obtain it later) of Benefit company. In Italy, Benefit Corporations are a new legal form of enterprise, introduced with Law No. 208 on 28 December 2015 (paragraphs 376-383 and annexes 4 – 5) and entered into force on 1 January 2016[31].

Senator Mauro Del Barba (2015)[32], as well as First Signatory of the DDL on Benefit Corporations expressed himself as follows: "B Corporations give back to the entrepreneur the integral command over the original impulse that deeply moves human action: produce a benefit, create an innovation positive for self, the community and the environment. Inextricably merging this tension with the pursuit

[30] https://www.bcorporation.net/en-us/movement/stakeholder-governance

[31] societabenefit.net/normativa-2/#:~:text=Le%20Società%20Benefit%20sono%20una,valore%20condiviso%20nel%20lungo%20termine.

[32] First signatory of the DDL

of profit free from negative cultural conditioning that often lead companies to devour what should be their true mission."

It is no coincidence that the Senator superimposed the term B Corp on Benefit Corporation. The Nativa company, the first Italian B Corp certified in 2013 as well as partner and reference company of B Lab for the B certifications, took part in the 2014 consultations of the DDL 1882 of 2015 (later fully converted into law n.208). Corp in Italy.

Analyzing the text of the law, we can see how the 5 sectoral areas of assessment overlap with the 5 sectoral areas of the B impact assessment:

378. For the purposes referred to in paragraphs 376 to 382, the following is meant[33]:

... d) "assessment areas": sectoral areas, identified in Annex 5 annexed to this law, which must necessarily be included in the evaluation of the activity of common benefit.

3.4 Italian B Corps and their characteristics. Empirical research method

This chapter takes the form of an analysis of the data of the Italian B Corps to outline the characteristics of the latter and analyse them on the basis of their positive environmental impact. The analysis is divided into two parts: the first is oriented towards defining the characteristics of B Corporations based on their overall impact score, location, and sector; the second part is more oriented to the analysis of the data defined by the B Lab environmental standards of the positive impact that the Italian B Corps have.

The methodology of the research is the following: I have selected the data of 182 Italian B Corps considering only the B Corps based in Italy and not the B Corps also operating in Italy. With the data of these 182 B Corps, I created a summary

[33] LEGGE 28 dicembre 2015, n. 208; Commi 376-384
https://www.gazzettaufficiale.it/eli/id/2015/12/30/15G00222/sg

table and finally some graphs to better understand the data to be analysed. Here follows the analysis and explanation useful for answering the main questions of my thesis:

Can multi-level polycentric governance that includes non-governmental actors in the decision-making processes be useful for tackling problems plaguing humanity such as climate change?

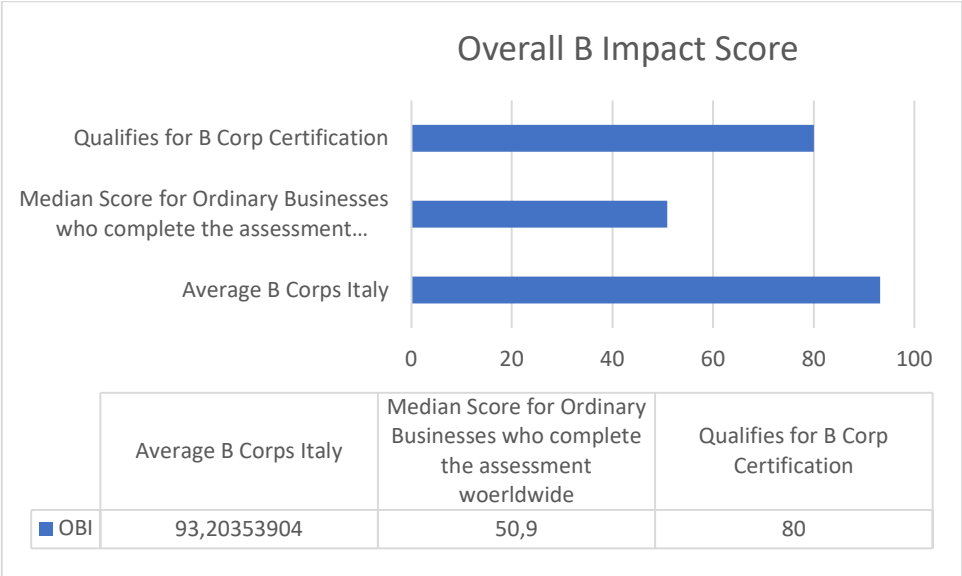
Does B Corp as an NGO have a positive environmental impact?

Do we need to include more non-governmental social actors in a multi-level polycentric system?

What gap do organizations like B Lab fill?

3.4.1 The territorial and sectorial distribution of the Italian B Corps

As explained in the research methodology of the previous paragraph, the first part of the analysis focuses on the classification of the Italian B Corps according to the overall impact score, territorial and sectoral distribution; the graphs produced thanks to data available on the B Corp website and the distribution analyzes follow.



	Average B Corps Italy	Median Score for Ordinary Businesses who complete the assessment woerldwide	Qualifies for B Corp Certification
OBI	93,20353904	50,9	80

Figure 9. Overall B impact score

To give a general overview, I rely on graph no. 9. The graph presents three scores to compare: the first is the average score of the Italian B Corps, the second is the median score for ordinary business who tried to be certified as B completing the assessment worldwide and the third the minimum score necessary to be certified as a B Corp.

Considering this graph, the average of ordinary businesses trying to certify as B is 50.9. It is a very low average considering that to receive the B certification it is necessary to reach a minimum of 80 points. However, it is assumed that those trying to become B certified believe they have sufficient possibilities to be considered a B Corp; yet, the average is very low of the companies in the world that try to be certified as B Corp. On the other hand we have the Italian average which has more than 40 points difference from the average score of ordinary businesses that complete the assessment and more than 10 points from the minimum score to be certified as B Corp. The Italian average has a score that bodes well for hope; from a global point of view, Italy and its B Corps are classified as SBMs with a very positive impact. However, behind this graph there are hidden details that compromise all this positivity or, according to data from the Chamber of Commerce of the Marches, as of 31 October 2022 there are 5,154,353 companies present in the Italian national territory; of these, only 0.003531% (182) are labelled B. it is a very relevant figure that certainly does not erase the positive impact score that the Italian B Corps have on average, however it makes us reflect on the negative impact that they have almost 100% of companies present on Italian soil. Proceeding with the analysis, even the data on the territorial distribution of the B Corps in Italy can give us many ideas to outline which regions of Italy are more likely to be sustainable in entrepreneurship. The following two graphs are useful for the analysis.

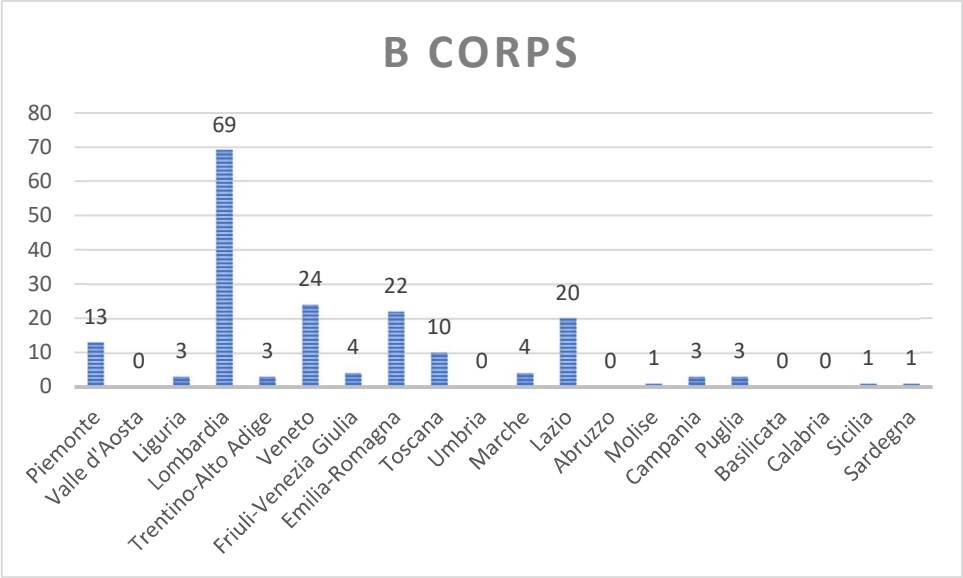


Figure 10. Distribution of the B Corps in Italy by region

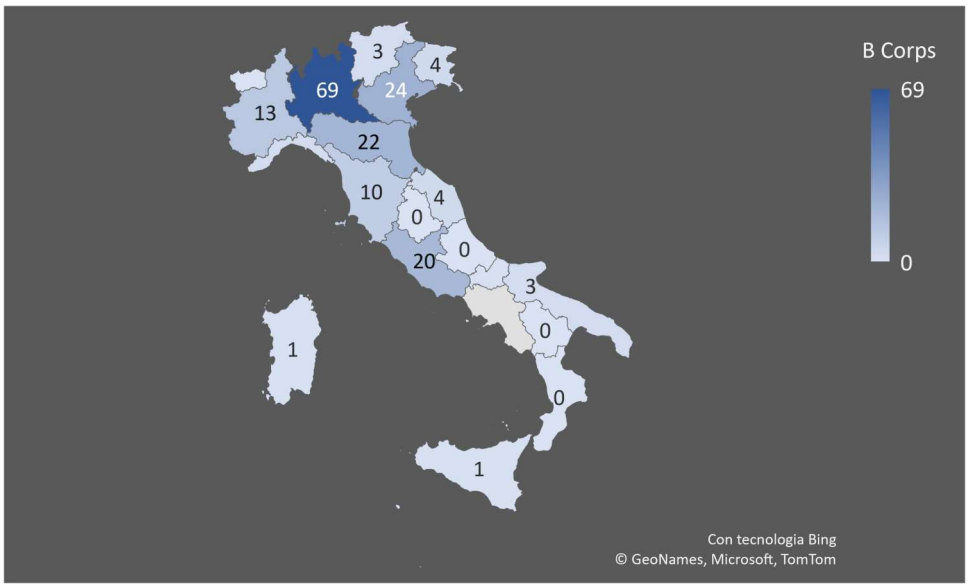


Figure 11. Map of the distribution of the B Corps in Italy by region

As can be deduced from the regional distribution, there is a very strong presence of B Corps in the regions of Northern Italy with Lombardy leading the way with a

record of 69, while in Southern Italy and the islands there is a strong shortage of B Corps. These data make us reflect on two aspects: the first is the level of interest in CDR and CSR which is totally unequal between North and South. The second aspect directly concerns the impact, i.e. this data suggests that companies in the South, in addition to having a lack of interest in environmental and social aspects also have a much more negative impact on companies in the North. These two aspects raise further questions that could pave the way for further research in this field: what level of interest is there in companies in southern and northern Italy in respecting the environment and social protection? How much negative impact do companies in the south have compared to companies in northern Italy?

A further distinction is represented by the distribution of the B Corps with respect to the sectors to which they belong. The distribution by sectors is very useful for understanding which sectors are more inclined towards sustainability and which are not.

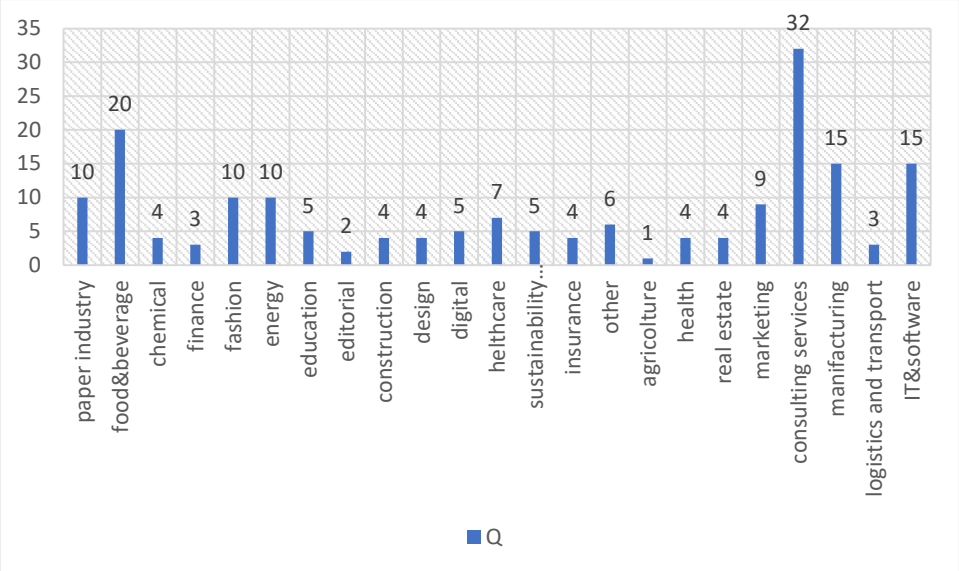


Figure 12. Distribution of the Italian B Corps by sector

The graph that divides the Italian B Corps by sector highlights many other problems that are difficult to underestimate in particular in environmental protection, namely: many of the sectors which by their nature are the most polluting are not present in a massive way as one should expect example "logistics and transport" which has only three B Corps. This makes one think of how little corporate responsibility for environmental protection attracts compared to the profits that can arise from highly polluting activities.

Regarding the unattractiveness of corporate responsibility for environmental protection, the item "agriculture" is emblematic, which presents only one B Corp. Agriculture is the human activity that consists in the cultivation of plant species; therefore, it is a sector that is extremely contact with the environment and its success depends above all on the latter, it is very little reassuring that such an important sector for environmental protection has only one B Corp. Having said this, we need to think about why this sector attracts so few models eco-sustainable business. As I previously raised doubts that could receive future attention for further studies, also in this case I maintain that it would be quite interesting to try to answer the doubts I have just mentioned, i.e. to what extent corporate responsibility towards the environment is more or less in the interest of some sectors while others do not.

Sectors, on the other hand, very involved in the presence of B Corps are in particular that of "consulting" and "food&beverage" which respectively number 32 B Corps the first and 20 B Corps the second. Regarding the food & beverage sector, the adhesion of 20 B Corps of this sector is an extremely positive sign because the business categories that are part of this sector are considered extremely harmful to the environment, just think of how many tons of food is thrown away from a single restaurant, catering is one of the most polluting and environmentally harmful sectors. The presence (albeit extremely small on a national scale) of many companies classified as B in this sector is certainly to be considered a positive sign.

3.4.2 The environmental impact of the B Corps Italy

This last paragraph will go into specifics in the positive environmental impact items of all B Corps divided by sector. As explained above, this second part of the analysis focuses on the environmental impact of the Italian B Corps according to the environmental impact standards of B Lab. The environmental impact is in turn divided into 5 impact sub-categories:

- Management

- Air & Climate

- Water

- Land & Life

-Environment

The last voice “Environment” evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity. This includes the direct impact of a company's operations and, when applicable its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less toxic alternatives to the market, or educate people about environmental problems.

I divided the Italian B Corps into sectors and allocated the various scores for each of the specific sub-categories. Finally, I produced a general summary table of the overall averages and a more specific one with the averages of each sub-category to facilitate the comparison between the various sectors and the impact items. I also added a last column which corresponds to the date of access to the B Corp status for each company. Regarding the last graph that compares all the averages by sector, I have created a scale of score intensity of the positive impact that goes from red to green. The lower the impact, the closer the color will be to shades of red; the more positive the impact on the score, the more green or greenish the box will have.

IT&SOFTWARE							
B Corps (15)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
AWorld	114,6	3	1,7	0,3	3	8,1	nov-21
BizAway	92,8	5,1	2,7	0,3	2,7	10,9	gen-22
CRMpartners	81,9	2,5	3,2	1,1	0,3	7,2	set-20
Digital Attitude	92,3	2,5	0,9	1,8	0,3	7,4	ott-22
Endless	82,1	3,5	0,4	0,1	0	4,7	apr-22
EXE.IT	81,4	na	na	na	na	16,6	mag-16
Foxwin	98,1	3,7	1,3	0,5	3	8,6	dic-21
Kymos	81,2	1,4	0,1	0,2	1,2	5,8	apr-22
Mondora	92,9	2,3	0,2	0	1	6,9	set-18
Rete del Dono	107,1	1,1	0,8	0	1,2	3,3	feb-21
Reti	82,4	0,3	3,8	0,9	2,2	8	feb-21
SYS-TEK	81,4	2,8	1,5	1,4	3,5	9,4	ago-22
Peekaboo	97,3	2,8	0	0	0,7	6,7	ago-22
The ID Factory	100,1	3,7	4,1	0,5	4	12,4	giu-21
Vantea Smart	87,5	5,2	5,2	0,5	4,5	16,6	nov-22
Average	91,54	2,85	1,85	0,542857	1,971428571	8,84	

LOGISTICS AND TRANSPORT							
B Corps (3)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Bringme	95,9	3,4	2,2	0,5	3	23	nov-21
Maganetti Spedizioni	85,6	na	na	na	na	21,6	dic-19
Palm	82,9	1,6	4,5	0,4	6,8	26,8	nov-17
Average	88,13333	2,5	3,35	0,45	4,9	23,8	

MANIFACTURING							
B Corps (15)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
101 Solutions	82,5	3,5	6,4	1,1	9,5	23	mar-22
24 Bottles	81,1	2,5	3	1,4	4,5	25,5	gen-20
Alessi	83,4	3,9	2,6	3,3	5,4	15,6	mag-17
D-Orbit	82,2	3,8	3,4	1,3	3,8	23,1	ago-14
D'orica	88,1	na	na	na	na	30,8	feb-19
Ec+A28:G214ozema	82,4	5,5	2,9	1,2	5	27,4	lug-22
Farmer	81,5	4,4	5,9	2,4	6	30	feb-21
Florim	90,9	na	na	na	na	42,8	dic-20
Great Lengths	103	5,6	4,5	3,4	5,9	44,3	gen-22

Maker	80,4	3,7	3,7	1	4,7	18,3	mag-17
Omal	106,7	na	na	na	na	51,5	set-17
OUTSET	83	4,6	3,7	3,8	8,2	21,5	lug-22
Paradisi	104,1	5	4,3	2,6	5,4	41,2	dic-16
Sarno Display	80,3	5	4,6	3,2	8	20,9	set-22
Terratinta Group	84,4	4,8	7,9	2,3	7,2	22,4	ago-22
Average	87,6	4,358333333	4,40833333	2,25	6,133333333	29,22	

CONSULTING SERVICES							
B Corps (32)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
ADR Center	83,1	4,1	3,6	0,9	2,7	11,4	gen-22
Be Your Essence	92,2	4,2	1,1	0	2,5	9	ott-20
BioClean Pulizie Ecosostenibili	81,5	3,5	3,1	0,7	5,4	20,9	nov-16
Bottega Filosofica	109,6	1,4	3,8	0,3	3,5	11,5	set-17
CRABIZ	82,2	2	4,3	0,5	2,7	10,5	lug-22
De-Lab	87,6	2,8	0,6	0	1,2	7,7	ott-20

E. di C.	84	na	na	na	na	21,9	gen-20
Esperta	85,4	0,4	2,1	0,3	2,5	24,7	apr-20
Etifor	100,8	1,8	6,8	0,3	2,5	22,2	ott-22
Evermind	80,2	2,8	1,6	0,7	1	11,8	mar-22
Focus Lab	110,9	4,6	5,6	1,1	3,5	18,9	mar-16
Framyx	96,2	4,9	1	0,5	3	9,5	giu-22
Futureberry	101,5	2	0	0	1,7	7,1	giu-22
Generativa	80	0,7	1,2	0,3	2,2	4,4	ott-19
Green Future Project	105	0	1,1	0	1,7	6,7	apr-22
Goodpoint	138,1	2,1	1,5	0,3	2,5	6,4	nov-16
Impact Hub Milano	80,7	0,4	1,8	0,3	2,2	5,7	ott-16
Interconsul	107,5	2,5	1,1	0,4	2,7	6,9	gen-22
Merits	91,6	0	0	0	1	1,9	gen-22

Onde Alte	80,1	3,2	0,3	0	2,5	6,1	set-19
OneClick	90,8	3,7	3,1	0,5	2,7	11	nov-21
ONEXECUTIVE	80,6	3	3,5	0,5	3	10,9	mar-22
Operari	101	3,4	1,3	0,3	3	8,1	gen-22
Organizzare Italia	105,7	2,8	0	0	1	7	nov-16
People Management Lab	86,2	0	1,2	0,3	2,2	3,7	nov-19
Peoplerise	87,5	0,4	1,7	0,3	2,7	5,3	mar-21
PMG ITALIA	93,3	2	4,2	0,4	1,8	10,3	ago-22
Primate Consulting	83,9	4,4	1,1	0,3	2,2	8,1	nov-20
Poliste	94,6	0,9	0,7	0,2	2,5	4,4	apr-22
(RI)GENERIAMO	115,3	0,8	4,4	0	3,1	27,3	mar-22
Ventiseidieci	80,3	4,5	2,6	0,7	3,3	13,5	ago-22
Uomo & Ambiente	93,2	3,4	5,2	0,5	3,5	13,7	ago-22
Average	93,45625	2,34516129	2,24516129	0,341935	2,516129032	10,890625	

MARKETING							
B Corps (9)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Newmi	83,7	2	1,3	0,3	2,2	6	nov-20
Artattack Group	90,7	1,6	3	0,8	2,7	9,6	nov-17
Eprcomunicazione	83,8	3,7	2,5	1	3,5	11,4	set-22
Green Media Lab	84,6	3	0,8	0,9	3	10,1	gen-18
Kudu	84,4	0	0,8	0,3	2,5	3,6	nov-16
We Look Around	81,7	1,4	3	0,3	2,5	7,3	dic-21
Luz	83,8	3,2	0,8	0,2	2,7	7	gen-20
Slow Food	82,7	na	na	na	na	6,3	feb-19
We Rad	87,5	4,6	1,9	0,5	2,5	10,4	feb-22
Average	84,76667	2,4375	1,7625	0,5375	2,7	7,96666667	

REAL ESTATE							
B Corps (4)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since

Goldmann & Partners	123,1	3,7	5,8	0,8	3,7	46,2	set-17
Habitech	83	2,9	5	1	1,8	40,7	dic-14
Redo Sgr	106,2	1,4	0,7	0,3	2	36,8	nov-21
Tirelli & Partners	85,3	na	na	na	na	9	dic-19
Average	99,4	2,666666667	3,83333333	0,7	2,5	33,175	

HEALTH							
B Corps (4)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Aboca Group	112,7	na	na	na	na	50,2	nov-19
Farmacia Colutta	86,5	na	na	na	na	20,7	giu-19
Farmacia degli Arsenali	80	3,2	6,1	2	3,1	15,6	dic-20
Intexo	118,7	3,2	2,4	0,5	3,7	10,6	lug-18
Average	99,475	3,2	4,25	1,25	3,4	24,275	

AGRICOLTURE							
B Corps (1)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
CC.V.L.T coop.agr Zanolari	89	2,5	3,8	4,6	18,8	46,7	lug-16

OTHER							
B Corps (6)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
ALBERGO ETICO THE FIRST IN ROME	102,6	1,4	1,8	2	4,3	15,7	apr-22
Kel 12	86,3	4,1	1,2	0,8	2,7	9	ago-22
Punto Pack	83,6	3,8	6,4	3,2	6,8	22,7	ott-20
Rudenetworks	121,6	2,8	2,2	0,5	3,5	9,8	mar-22
Santa Francesca Cabrini	102,4	1,8	0,8	0	2,5	6,2	nov-17
Spazio Noprofit	87,7	1,8	0,9	0,2	3	6,5	lug-18
Average	97,36667	2,616666667	2,21666667	1,116667	3,8	11,65	

INSURANCE							
B Corps (4)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Ars	82,3	na	na	na	na	5,7	feb-18
Assimoco	95,7	4,7	4,7	0.5	3	13	mag-18
Insieme Società Cooperativa	90,5	na	na	na	na	7,5	giu-16

Raiffeisen	83,7	na	na	na	na	5,6	mag-19
Average	88,05					7,95	

SUSTAINABILITY CONSULTANCY							
B Corps (5)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Aequilibria	102,1	4,1	6,8	0,5	3	29,3	nov-21
NATIVA	123,2	5	2,7	0,3	2,7	10,8	feb-13
Treedom	122,4	4,4	1,1	0,5	2,7	32,5	giu-14
Up2You	95	2	2,3	0	0	25,5	nov-21
zeroCO2	134,3	4,1	2,8	0,5	3	39,3	dic-21
Average	115,4	3,92	3,14	0,36	2,28	27,48	

HELTHCARE							
B Corps (7)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Davines	117,4	na	na	na		50,7	nov-16
Dermophisiologique	86,3	3,7	7,6	3,1	9,8	28,8	giu-15
GRC Parfum	81,7	3,3	6,8	2	6,1	20,5	ott-22
Herbatint by Antica Erboristeria	100,4	na	na	na	na	19,1	apr-16

N&B natural is better	134,8	1,1	4,5	4,6	11,8	69,5	set-16
Teanatura	82,3	na	na	na	na	21,1	ott-19
Tek	82,3	2	1,3	5,1	7,1	27,1	mar-17
Average	97,88571	2,525	5,05	3,7	8,7	33,8285714	

DIGITAL							
B Corps (5)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
GreenApes	82,4	4,6	2,6	0,8	2,5	20,5	giu-16
Lorf	95,7	1,4	0	0	1	4,4	mag-18
Piano D	85	3,7	3,6	1,4	3	17,1	apr-22
Palazzina Creativa	89,4	2,5	2	0,3	2,5	7,9	giu-22
Tangible	84,1	2,8	4,6	0,8	3,2	12,4	lug-22
Average	87,32	3	2,56	0,66	2,44	12,46	

DESIGN							
B Corps (4)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Alisea	87,4	0,8	2,5	1,1	9,7	31,9	ott-20
Comftech	81,7	3,3	4,1	2	4,4	14,9	mag-22

Bio Valore World	122,4	6,6	7,9	5,1	11,9	47,3	lug-22
Zordan	106,5	5,4	7,3	0,9	4,6	38,7	ott-16
Average	99,5	4,025	5,45	2,275	7,65	33,2	

CONSTRUCTION							
B Corps (4)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Emmerre	82,2	na	na	na	na	28,4	nov-16
Garc	90,4	4,4	7,3	1	5,1	33,4	apr-20
Open Building	80,3	4,7	1,9	0,8	3,5	11,8	apr-22
Ricehouse	110,4	1,4	7,5	7	6,1	51	giu-22
Average	90,825	3,5	5,56666667	2,933333	4,9	31,15	

EDITORIAL							
B Corps (2)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
CEF Publishing	93,4	3	0,9	0,2	2,2	6,4	set-18
Edizioni Green Planner	94,4	0,4	1,4	0,3	3	27,2	giu-17
Average	93,9	1,7	1,15	0,25	2,6	16,8	

EDUCATION

B Corps (5)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
InVento Innovation	126	3,2	4,6	0,3	2,7	11	lug-17
Little Genius International	147,7	6,2	3,1	1,3	3,5	14,2	dic-14
POLIMI Graduate school of management	92,7	0,9	0,2	0,3	2,2	3,7	ago-20
Pragmetica	84	2	5,3	0	1	14,1	apr-22
Start2impact	97,2	0,4	0,8	0,3	2,5	4,5	dic-21
Average	109,52	2,54	2,8	0,44	2,38	9,5	

ENERGY							
B Corps (10)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Elmec Solar	84,7	1,4	1,5	0,3	2,7	23,9	nov-20
Evogy	90,4	3,8	3,7	0	2	9,6	lug-22
Evolvere	85,5	na	na	na	na	38,7	nov-17
Fedabo	81,7	4,1	2,6	0,3	2,7	10,8	feb-21
NWG Energia	90,1	na	na	na	na	29,9	mar-16
NWG Italia	117,3	5	7,7	2,7	9,9	54,6	feb-17
Renovit	82,9	3,6	1,3	0,5	2,2	20,1	feb-22
Save NRG	90,6	2,3	3,9	0,3	2,7	14,2	ago-22

Veil Energy	90,1	2,3	1,8	0,3	2,7	32,2	apr-22
Zot	80,1	3,7	3,1	0,5	2,5	10,8	feb-22
Average	89,34	3,275	3,2	0,6125	3,425	24,48	

FASHION							
B Corps (10)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
ACBC	86,3	4,5	2,8	0,4	8,1	23,5	mar-21
Back Label	95,1	4,8	9,6	2,5	6,8	33,6	gen-21
Lampa	97,5	na	na	na	na	42,4	giu-20
North Sails Apparel	80,3	5,2	2,2	2,3	5,9	23,1	giu-21
Miomojo	80,8	3,8	2,9	0,8	8,9	29,8	mar-22
Rifò	99,9	4,7	4,7	1,1	9,9	36,8	nov-20
Save The Duck	95	5,4	3,1	3,7	8,2	32,1	lug-19
Seay	107	3,4	3,1	0,6	6,1	53,3	nov-21
Reda	80,2	na	na	na	na	34,7	feb-20
WeRFuture	141,1	2,5	0,9	0	3,1	55	apr-22
Average	96,32	4,2875	3,6625	1,425	7,125	36,43	

FINANCE

B Corps (3)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Ambienta	112,8	1,4	1,5	0,5	1,7	6,1	lug-19
Flowe	80,7	0,7	1,4	0,3	2,5	4,9	dic-21
Progressio	88,3	0,9	2,5	0,3	2,2	6	dic-21
Average	93,93333	1	1,8	0,366667	2,133333333	5,66666667	

CHEMICAL							
B Corps (4)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Ambro Sol	85,5	6,6	7,7	1,5	4,5	20,9	set-22
Cle. Pr. In.	81,2	na	na	na	na	23,5	dic-19
Diasen	117,4	5,9	3,8	3,8	8,1	46	nov-17
Novamont	104	na	na	na	na	53,3	lug-20
Average	97,025	6,25	5,75	2,65	6,3	35,925	

FOOD&BEVERAGE							
B Corps (20)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Abafoods	80,4	na	na	na	na	32,4	set-18
Andriani	85,4	3,8	6,8	1,8	5,2	23,5	giu-22
Avignonesi	92,8	2,5	2,6	4,6	13,9	40,2	lug-22

Cielo e Terra	87,3	4,4	4,2	2	7,5	39,9	mar-20
Cortilia	84,1	1	5,1	1,3	7,6	21,3	apr-22
Damiano	104,6	7,9	6,2	3,4	6,2	59,3	dic-16
Danone	82	7,1	5,5	1,1	3,9	17,8	lug-20
Eurocompany	107,3	na	na	na	na	18,8	ott-19
Fileni Alimentare	90,6	4,7	7,4	2,3	7,8	25,6	gen-22
Fratelli Carli	98,3	2,6	6,9	2,6	6,1	41	lug-14
Feudi di San Gregorio	100,2	0,6	4,3	4,8	10,8	24,6	giu-22
Germinal Bio	86,3	1,9	3,6	1,2	9,4	27,9	giu-21
illycaffè	80,6	5,3	4,8	2,9	5,1	18,4	mar-21
Miscusi	82,7	1,3	3,5	0,5	5,2	11,6	mar-21
Panino Giusto	87,1	na	na	na	na	19	gen-20
Pasticceria Filippi	90,3	na	na	na	na	35,6	giu-16
Perlage Winery	91,7	3,3	6,3	4,2	7,9	36,6	nov-16
Service Vending	86,3	na	na	na	na	11,1	giu-19
TeaPak	108,5	7,2	9,2	2,7	6,8	34,9	ott-22
Wami	88	1,7	2,7	0	4,8	10,9	set-17
Average	90,725	3,686666667	5,27333333	2,36	7,213333333	27,52	

PAPER INDUSTRY							
B Corps (10)	OBI	Management	Air & Climate	Water	Land & Life	Environment	Since
Arbos	82,7	na	na	na	na	31,4	giu-19
Arca Etichette	90	5,9	7,6	0,6	5,3	21,9	ago-22
Cavalieri & Amoretti	80,2	3,2	3,2	2,4	5,9	26,3	gen-20
Icma	84,6	3,8	3,2	6	6,2	37,8	mag-20
Isem Group	85,1	6,2	7,3	2,4	8	30,9	lug-21
Litografia Anzani	95,5	6,8	6,9	4,3	7,9	38,5	lug-22
Litografia Reverberi	87,1	na	na	na	na	25,4	mag-19
Sales	90,2	6,9	6,6	0,8	6,6	28,4	mag-18
Scadif	84,5	na	na	na	na	33,1	lug-19
Scatolificio Giampietri	92,5	3,8	3,3	3	8	31,4	apr-20
Average	87,24	5,228571429	5,44285714	2,785714	6,842857143	30,51	

Table 2. Research data synthesis

Sectors	OBI	Management	Air & Climate	Water	Land & Life	Environment
paper industry	87,24	5,228571429	5,442857143	2,785714	6,84285714	30,51
food&beverage	90,725	3,686666667	5,273333333	2,36	7,21333333	27,52
chemical	97,025	6,25	5,75	2,65	6,3	35,925
finance	93,93333	1	1,8	0,366667	2,13333333	5,666666667
fashion	96,32	4,2875	3,6625	1,425	7,125	36,43
energy	89,34	3,275	3,2	0,6125	3,425	24,48
education	109,52	2,54	2,8	0,44	2,38	9,5
editorial	93,9	1,7	1,15	0,25	2,6	16,8
construction	90,825	3,5	5,566666667	2,933333	4,9	31,15
design	99,5	4,025	5,45	2,275	7,65	33,2
digital	87,32	3	2,56	0,66	2,44	12,46
helthcare	97,88571	2,525	5,05	3,7	8,7	33,82857143
sustainability consultancy	115,4	3,92	3,14	0,36	2,28	27,48
insurance	88,05	4,7	4,7	0.5	3	7,95
other	97,36667	2,616666667	2,216666667	1,116667	3,8	11,65
agricolture	89	2,5	3,8	4,6	18,8	46,7
health	99,475	3,2	4,25	1,25	3,4	24,275
real estate	99,4	2,666666667	3,833333333	0,7	2,5	33,175
marketing	84,76667	2,4375	1,7625	0,5375	2,7	7,966666667
consulting services	93,45625	2,34516129	2,24516129	0,341935	2,51612903	10,890625
manifacturing	87,6	4,358333333	4,408333333	2,25	6,13333333	29,22
logistics and transport	88,13333	2,5	3,35	0,45	4,9	23,8
IT&software	91,54	2,85	1,85	0,542857	1,97142857	8,84

Table 3. Scores by sector

Starting the analysis of the impact scores from the last graph available, it immediately stands out how certain sectors are more likely to have an average positive impact in terms of environmental protection; the "agriculture" sector, albeit with only one B Corp, stands out above all the other sectors in a positive way, especially in the "water", land & life and environment items. As previously mentioned, the "agriculture" sector is undoubtedly the most dependent on the climate, therefore, the interest in the environment is very high.

The finance sector stands out in the negative, which in all four items relating to the positive environmental impact has the minimum in the environment and management items and the other two items tend towards dark red. The finance sector tends to be oriented towards analysing how much profit a market can make and therefore investing or financing that market without paying much attention to the sustainability of the market, in particular the environmental one.

According to the "environment" item, the most important because it includes the other 4 items as explained above, we can identify three groups of sectors based on the positive impact score:

GROUP 1 (score from 0 to 20): finance, education, editorial, digital, insurance, other, marketing, consulting services, IT&software

GROUP 2 (score from 21 to 29): food&beverage, energy, sustainability consultancy, health, manufacturing, logistics&transports

GROUP 3 (score from 30 upwards): paper industry, chemical, fashion, construction, design, healthcare, agriculture, real estate

The sectors are well distributed in the three bands of positive environmental impact. The most interesting datum of this distribution is certainly that in the first group, i.e., the group with the least positive environmental performances, brings together all the sectors that are part of the macro-sector called tertiary and above all are sectors that mainly require IT work. Instead, in the other two groups, industrial sectors with higher impact scores are predominantly present.

Conclusion

How and why do these governance models emerge? What gaps do they fill? How can this form of multi-level polycentric governance be a concrete response to climate change? Do its actors (B Corp) really have a positive impact in mitigating climate change?

These are just the questions I asked myself at the beginning of writing the thesis and which I try to answer satisfactorily in these conclusions.

The current governance of climate change has required more than 30 years of work, but it remains an open building site. The international climate regime, centered around the 1992 UNFCCC, has been heavily criticized for being too slow to produce results, including by me in chapter 1. The rationale is that despite all the resources (especially time and money) that have been painstakingly invested in the climate change regime, global emissions have not yet peaked and scientists, now more than ever, have sounded the alarm about the significant gap between current emissions and what is needed to ensure that warming does not exceed two degrees Celsius.

The argument that the international regime will not fully implement climate governance is not new. A number of reform ideas have been put forward over the years, many of which focus on the various ways in which governance could and should be made more diverse and multilevel. In the late 2000s, Elinor Ostrom was at the forefront of arguing that "new" and more dynamic forms of climate change governance were not only possible or even necessary, but were in fact already appearing around, under and alongside the UNFCCC; as explained above, B Corp is the empirical proof of this. This growth in the number of new governance initiatives has emerged over the past decade and is conventional in the sense that it connects different forms of top-down led activity, creating multi-level, polycentric governance. In essence, what Ostrom predicted is happening: not all aspects of governance should have been painstakingly designed by international negotiators. New forms are spontaneously emerging from the bottom up, producing a more dispersed and multileveled model of government, which he described as "polycentric".

Developments within the UNFCCC itself seem to confirm the trend towards greater polycentrism. At the 2015 Paris climate summit, world leaders agreed to establish a more bottom-up governance system through which states would commit to reducing emissions, then gradually increasing them as part of an ongoing evaluation and review process. Crucially, the Paris Agreement also offered strong encouragement to existing and new climate action by non-state and subnational actors, thus underlining the importance of the general trend towards greater polycentrism. At the regional level, the European Union has agreed with the financial budget manoeuvres to allocate large sums of money for "green" projects developed at all levels by organizations operating at all levels and all dimensions and nature (institutional and not).

So, after this brief recovery from chapter 1, I'll answer the first two questions I asked myself with this thesis: How and why do these governance models emerge? What gaps do they fill?

Multi-level polycentric governance has emerged to directly challenge the way the public good governance challenge, especially the climate one, has been conventionally framed. It aims to counter the provision of a global public good (a habitable climate) by coordinating state action through a strong international regime. Instead, her point of reference is polycentric systems, which she characterized as multiple governmental and non-governmental authorities at different scales rather than a monocentric unit. Each unit within a polycentric system exerts considerable independence to establish norms and rules within a specific domain (such as a household, business, local government, network of local governments, state or province, a region, a national government or an international regime). The gaps it fills are, as explained in chapter 1, the inability of governance typical of governments and international treaties to reach all levels of society.

I link myself to this last sentence to answer the next question: how can this form of multi-level polycentric governance be a concrete response to climate change?

In the case of climate change, polycentric and multilevel governance contrasts with the inability of the "global solution" to achieve significant climate change mitigation results as it is unable to reach all levels of society. Polycentric multilevel

governance, on the other hand, aims to branch out to all levels of society up to individuals.

Even more specifically, in the case of corporations (main topic of this thesis), the presence of multilevel polycentrism is indispensable to increase the CER. As explained above, the global private economy is co-responsible and a victim of climate change, therefore, it is necessary to involve this fundamental part of society to have a positive impact on the environment. The direct involvement of as many private businesses in the world is essential for this challenge facing humanity. Multi-level polycentric governance could be the best way to engage, therefore, a concrete response to climate change. The example that I report in this thesis, that is, B Lab, its governance and the B Corp network is the empirical proof that demonstrates how a private non-profit organization has been able to spread the concept of an economy based on CSR and CER , building a network of corporations capable of having a positive social but above all environmental impact through the self-imposition of compliance with the standards developed ad hoc by the B Lab itself and accepted in the corporate governance of the so-called B Corp members of the network. Network that spreads globally, regionally, and nationally to include many individuals and interest groups in the staff through awareness campaigns and dissemination of positive impact results.

Finally, appealing in particular to the data in chapter 3, I answer the last research question: do non-institutional actors, typical of multilevel polycentric governance such as B Corp, really have a positive impact in climate change mitigation?

Referring to the case study of this thesis, B Corp Italia, it can be stated with certainty that the B Corp Italia movement has a positive impact on the environment and thus for the mitigation of climate change. However, it must be acknowledged that, despite the data of the individual B Corp showing a positive environmental impact, there are some data that emerged from the Italian case which are not positive at all. One above all, the percentage of corporations operating in Italy corresponds to 0.003531% of all Italian enterprises. This extremely limited number can only produce a very poor impact as compared to the overall damaging environmental impact of productive activities, while also reflecting a low awareness of Italian

entrepreneurs about the need to commit to social and environmental reasonability criteria. The B Corp Italia case also makes us reflect on the distribution of the positive impact in the various sectors and in the various regions of the peninsula. Many sectors, agriculture above all, do not have much involvement in respecting business standards with a positive impact while with regard to the distribution by regions, the south is clearly less involved in an entrepreneurial mentality with a positive social and environmental impact as it has very few corporations labelled as B.

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