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LESSONS FOR CREATING SHARED VALUE FROM ESG AND RBC: TOWARD INDICATORS AND OPERATIONALISATION

LECCIONES PARA EL VALOR COMPARTIDO DE ESG Y RBC: HACIA INDICADORES Y OPERACIONALIZACIÓN

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Summary: 1. Introduction. 2. Creating Shared Value. 3. Responsible Business Conduct. 4. Environmental, Social, and Governance (ESG) standardisation. 5. CSV, RBC and ESG: The Common Ground for Measurement. 6. Discussion. 7. Conclusions. References.

ABSTRACT

Creating Shared Value (CSV), Environmental, Social and Governance (ESG) investment, and Responsible Business Conduct (RBC), are three frameworks used to assess the sustainability impacts of businesses. As a relative newcomer, we assess the role of CSV developed in strategic management studies by Porter and Kramer in the light of the latest advances in ESG and RBC. Each framework provides its own perspective, but they all

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focus on the challenge of measuring and demonstrating practical impact. Each contributes insight and metrics to assess business activity on wider issues than just shareholder value, narrowly defined and measured. This article points to the remarkable speed and evolution in ESG and RBC. The conclusion reached is that CSV should draw on the materiality and due diligence principles underlying ESG and RBC respectively, while contributing its unique insights in terms of business models, innovation and contribution to societal needs. We see the merits of an integrative approach wherein the three perspectives deliver an updated and nuanced understanding of shareholder, and more broadly stakeholder value. This analysis will be relevant to scholars and practitioners with an interest in corporate sustainability and sustainable finance, from both a managerial practice as well as public policy perspectives.

Keywords: Creating Shared Value, CSR, Corporate Governance, ESG, Due Diligence.

RESUMEN

La creación de valor compartido (CSV), la inversión ambiental, social y de gobernanza (ESG) y la conducta empresarial responsable (RBC) son tres marcos utilizados para evaluar los impactos de las empresas en la sostenibilidad. Como un relativamente recién llegado, evaluamos el papel del CSV desarrollado en los estudios de gestión estratégica de Porter y Kramer a la luz de los últimos avances en ESG y RBC. Cada marco ofrece su propia perspectiva, pero todos se centran en el desafío de medir y demostrar el impacto práctico. Cada uno aporta conocimientos y métricas para evaluar la actividad empresarial en cuestiones más amplias que el simple valor para los accionistas, estrictamente definidas y medidas. Este artículo destaca la notable velocidad y evolución de ESG y RBC. La conclusión a la que se llegó es que CSV debería aprovechar los principios de materialidad y diligencia debida que subyacen a ESG y RBC respectivamente, al tiempo que aporta sus conocimientos únicos en términos de modelos de negocio, innovación y contribución a las necesidades de la sociedad. Vemos los méritos de un enfoque integrador en el que las tres perspectivas brindan una comprensión actualizada y matizada del valor para los accionistas y, en términos más generales, para las partes interesadas. Este análisis será valioso para académicos, formuladores de políticas, administradores de empresas y profesionales que buscan respuestas a las eternas preguntas sobre el papel de las empresas y las finanzas en la sociedad.

Palabras clave: Creación de Valor Compartido, RSC, Gobierno Corporativo, ESG, Diligencia garantizada.

1. **Introduction**

Creating Shared Value (CSV) was proposed by Porter and Kramer (2011) and asserts that businesses can address societal challenges directly through their business model, rather than through redistribution of wealth already created, a concept wholly consistent with making a profit. CSV has proved to be influential with many large and small firms as a pillar for corporate strategies and has resulted in a wealth of literature. However, CSV is far from the only framework for measuring the contribution of business to society, and CSV has its critics who say that it is nothing new (Crane et al., 2014). The ability to verify the value created for societal needs by a firm's business model will greatly enhance the authenticity of CSV as a framework to assess the impact and sustainability of business.

To analyse the potential of CSV we contextualise it by drawing from two other, more established frameworks for assessing the impact of business on society, Responsible Business Conduct (RBC) and Environmental, Social, and Governance (ESG). We ask whether CSV can learn lessons in terms of measuring its own contribution (and impact), and further, whether there is in fact substantial common ground between RBC, ESG and CSV in terms of what we are measuring and how we might measure it. After all, each one is a framework designed to help assess the role of business in society, and RBC and ESG are two influential approaches to corporate sustainability.

We sense a knowledge gap lies between the concept and the operationalisation of CSV. Our inquiry begins to tackle the measurement challenge in CSV: the need to develop widely accepted *indicators* for measuring corporate impacts and progress on sustainability and embed them in a persuasive *narrative* suited for the green transition that avoids the trappings of maximising shareholder value narrowly defined. In this article, we juxtapose CSV thinking with the rapid and remarkable developments happening in the areas of RBC and ESG Reporting and Investment. This analysis should be of interest to scholars and practitioners with an interest in corporate sustainability and sustainable finance, from both a managerial practice as well as public policy perspectives. In terms of structure, sections 2 to 4 introduce the key tenets and latest developments in the frameworks of CSV, RBC and ESG, while sections 5 and 6 offer a discussion of complementarity and co-evolution of these three frameworks in corporate sustainability policy and practice.

2. Creating Shared Value

Creating Shared Value, proposed by Porter and Kramer (2011), results when a firm's business simultaneously creates value for societal needs whilst earning a profit. CSV has managed to focus the attention of business on addressing societal needs (Wieland 2017), which can fall under categories such as healthcare, education, provision of job opportunities, equality and environmental improvement. Authors such as de los Reyes et al. (2017) have refined the CSV framework and added compliance and inclusivity, factors which also weigh heavily within both RBC and ESG, to the original CSV model. CSV distinguishes itself from other perspectives such as corporate social responsibility (CSR) and philanthropy as it integrates sustainability considerations at the core of the business model by generating value for both the company and specifically targeted societal needs. The extensive literature review by Menghwar and Daood (2021) highlighted that innovation and visionary leadership have been key contributors to shared value strategies, supported by the ethical position taken by consumers who now favour firms using a CSV approach (Ham et al., 2020).

A classic example is Discovery Limited, the South African insurance firm, which identified during the 1990s that incentivising people to stay fitter and healthier reduces their insurance risk and provides them a longer and healthier life. This has led to lower insurance premiums and has paved the way for a new direction in the insurance industry where incentives for customers' health insurance are aligned with those of the insurance company (Discovery Limited, 2024). Similarly, Walmart, the U.S. retailer, provides second careers for over 250,000 ex-service personnel, sourcing for itself a skilled and loyal mid-career workforce which has often found it hard to find quality employment (Walmart, 2024; Spicer and Hyatt, 2017).

The CSV approach posits three ways in which companies create shared value: by "reconceiving products and markets, rethinking productivity in the value chain, and building industrial clusters at the company's location" (Porter and Kramer, 2011). This pioneering work on CSV was positioned in the context of business innovation aimed at a more equitable and sustainable capitalism (Henderson, 2020). Several authors support the approach used by CSV, including Aakhus and Bzdak (2012), Chen et al. (2018) and Moon and Parc (2019). However, a comparable number of authors consider that CSV lacks a clear distinction compared to CSR or other forms of social enterprise (Crane et al., 2014; Beschorner and Hajduk, 2017; de los Reyes and Scholtz, 2019).

CSV does not focus on mitigating negative impacts on society, which have been the domain of compliance-driven initiatives. Furthermore, CSV distinguishes itself from philanthropy and traditional CSR approaches, which involve add-on initiatives, by embedding societal considerations directly into the core business model, strategy, and operations. Porter and Kramer (2011) outlined ways in which economic value and societal value can be simultaneously pursued, and the mindset changes required from businesses and regulators to achieve both.

Yet CSV is at the early stages of operationalisation and precise measurement. While CSV is often demonstrated with the use of case studies (Alberti and Belfanti, 2019), an agreed set of metrics to measure CSV still awaits. We consider that CSV requires detailed metrics of societal impact that are compatible with, and informed by, widely recognised standards of human wellbeing. As explained in this article, such standards exist already in the two perspectives of RBC and ESG. It is in the area of measurement where CSV can benefit from the approaches used by RBC and ESG and where common ground between them can be found. In the next two sections we examine the developments that have occurred recently, and further reflect on the extent to which CSV can adopt these metrics.

Our main thesis is that accounting for the relationship between CSV and the RBC and ESG perspectives will support the operationalisation and wider adoption of CSV. CSV is particularly able to focus on innovative business models which address societal needs, whilst RBC focuses on the corporate processes leading to sustainability, and ESG is advancing the sustainability impact indicators and metrics. Analytically, we contribute to CSV by focusing on two concepts: the notion of "due diligence" used in RBC, and the concept of "materiality" in ESG reporting and investment. Furthermore, by highlighting the speedy evolution in the RBC and ESG fields, we point to the emergence of new capabilities and institutions which can enable synergies with unprecedented impact on sustainability. The standardisation and regulatory developments in RBC and ESG arguably create the enabling environment for the competition and innovation on which CSV thrives. Mindful of life-impacting issues such as climate change, our analysis is placed firmly in the context of the green and digital transition, which are transforming economies, business models, finance, and societies.

3. Responsible Business Conduct

Responsible Business Conduct (RBC) is the terminology preferred by the Organisation for Economic Co-operation and Development (OECD) for discussing corporate roles and responsibilities (OECD, 2024). RBC refers to the practices and behaviours of businesses that integrate economic, social, and environmental considerations (OECD, 2023). The focus of RBC is on the impacts a firm has on its stakeholders, such as workers, consumers and local communities (Freeman, 2010). Fundamentally, RBC emphasises matters of compliance with labour, environmental and human rights standards, and the necessity to adopt corporate structures and processes to mitigate negative societal impacts. Examples of RBC issues include forced and child labour, repression of unions, industrial disasters and pollution (Business and Human Rights

Resource Centre, n.d.). They show instances of companies directly infringing labour rights, being complicit in criminal and other harmful activities of others, or simply being linked to such abuses through supply and distribution chains.

RBC represents a significant evolution of Corporate Social Responsibility (CSR). The operational concept in RBC is “due diligence”, which guides companies on how to identify and address adverse impacts of their operations on stakeholders and society. The OECD capitalised on the pioneering work done by the UN in the area of business and human rights. The UN Guiding Principles popularised the notion of “human rights due diligence” as the practical way for businesses to observe human rights in their operations and global supply chains (UNGPs, 2011). Nowadays the wider notion of corporate “sustainability due diligence” is employed to cover human rights as well as environmental responsibilities.

Examples of companies undertaking human rights due diligence are found on the Corporate Human Rights Benchmark (CHRB), which measures and ranks companies. In 2023, in the extractive sector, Repsol, Newmont and Eni demonstrated leading practices (CHRB, 2023). In its human rights report, for example, Repsol combines “human rights due diligence” and “shared value” framing to demonstrate its sustainability approach in the context of SDGs and the just transition (Repsol, 2021). In the apparel industry, Puma was ranked at the top of the CHRB. The company exemplifies its responsible supply chain practices with wages in Bangladesh, collective bargaining in Argentina, and its purchasing practices during COVID-19. It also mentions its commitment to transparency by disclosing most factories in its supply chain and its collaboration with Open Supply Hub, an open-source map and database of global apparel facilities (Puma, 2024).

Due diligence is a versatile concept and denotes either a “business process of risk management” or a legal “standard of conduct” against which corporate progress and compliance can be assessed (Bonnitcha and McCorquodale, 2017). Undertaking RBC is described in the OECD’s six-step process of due diligence, and can be synthesised as requiring:

- Identifying the ways in which specific stakeholders are negatively impacted,
- Taking action so that these negative impacts can be reduced or avoided completely, and
- Showing that RBC principles are being adhered to, and performance has improved.

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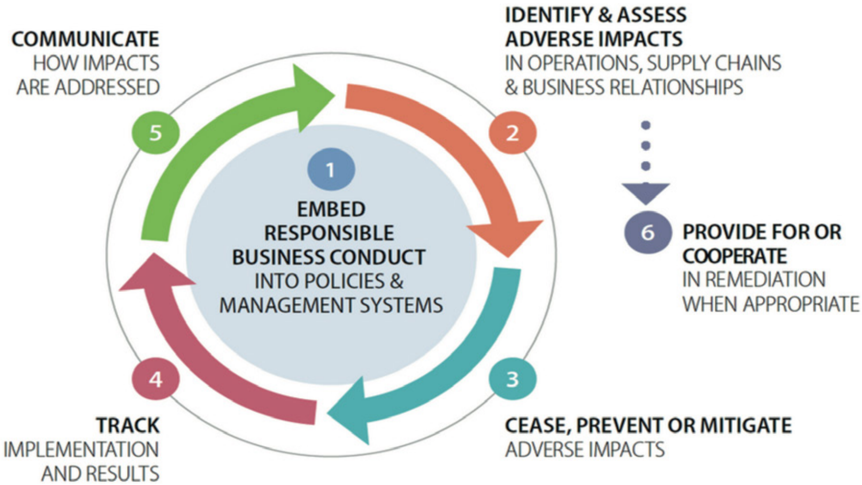
Figure 1

The six stages of the OECD due diligence process



Source: OECD, *OECD Due Diligence Guidance for Responsible Business Conduct* (2018), p 21.

RBC has an applied manner of handling corporate impacts. Just as with managing other types of risk, sustainability due diligence requires corporate policies, processes to identify and assess adverse impacts, action to prevent or mitigate adverse impacts, measuring how effective these actions and processes are, and publicly reporting all such information. All this is expected to become normal business practice and deliver continuous improvement in a company's sustainability performance (OECD, 2018).

Importantly, RBC is not contingent on a win-win strategy where both the firm and society benefit as in CSV thinking. RBC aims to prevent and correct negative impacts so that business activities "do no harm" to society and the environment. This is justified due to a minimum societal expectation for corporate profitable endeavours not to infringe human rights. Furthermore, since 2010, states began adopting regulations that make sustainability due diligence mandatory. Covering global value chains, some states more modestly began requiring sustainability reporting (in the EU but also the UK, Australia, California and Canada). Soon after, another wave of regulation began requiring corporate due diligence (so far France, Germany, Netherlands, Norway, Switzerland, and the EU Directive (CSDDD, 2024)).

The EU is a global leader in regulating corporate sustainability due to the imperatives of the green transition and an emphasis on sustainable finance (Mares, 2024). The EU has legislated extensively on corporate sustainability, both in terms of corporate reporting (CSRD, 2022) and corporate due diligence (CSDDD, 2024) and covering both the real economy and finance (SFDR, 2019; Taxonomy Regulation, 2020). These regulations and guidance are innovative and often referred to as the "smart mix" of measures (Ruggie, 2013).

This regulatory activity is part of the EU Green Deal, the objective of which is to "accelerate the EU's industry transition to a sustainable model of inclusive growth" (Green Deal, 2019). As the EU explains, and parts of the business community agrees, rather than being seen solely as an issue of legal compliance and "red tape", these regulations present an opportunity to compete on a more level playing field and attract sustainability-earmarked capital. Together, the compliance and competitiveness dimensions have led to a comprehensive mix of policy measures. For example, to operationalise and facilitate compliance with reporting laws (CSRD, 2022), the EU adopted standards of sustainability reporting (ESRS, 2023). To implement the CSDDD, the EU envisages support measures for SMEs and exporters from developing countries wishing to access the EU market (International Trade Center, 2022). These ESG standards and supportive measures are a key part of the EU regulatory ecosystem. This regulatory approach is a far cry from *command-and-control* and is compatible with the role of regulators envisaged by Porter and Kramer (2011).

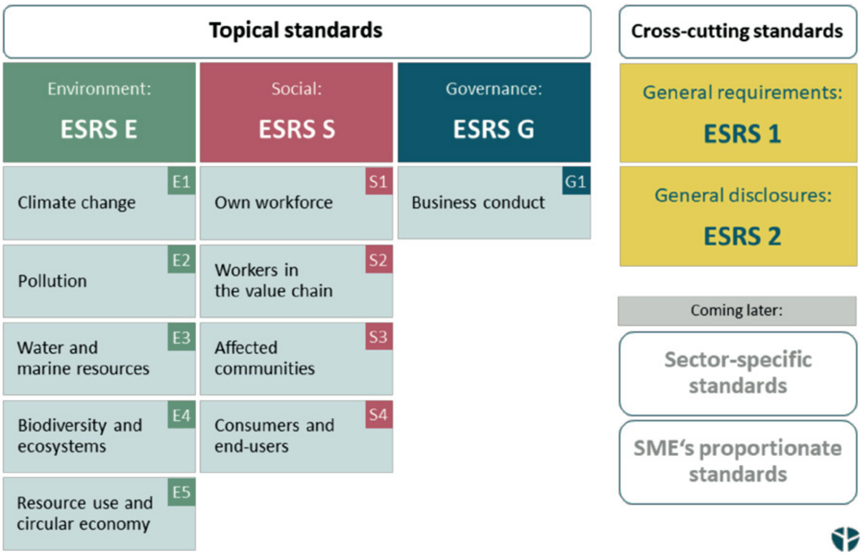
4. Environmental, Social, and Governance (ESG) standardisation

The term ESG points to value-based investment. By considering ESG factors, investors can manage their portfolios in ways that are mindful of sustainability and promote positive change in the business world. ESG allows companies and investors to measure and manage impacts on affected stakeholders such as the workforce, value chain workers, affected communities, and consumers. Among the many sustainability issues covered by ESG, the treatment of workers and human rights are part of the acronym's "S" and are one of the less quantifiable and with least developed metrics.

It has fallen on sustainability accounting to develop metrics so that companies can provide information that is most relevant (material) to users. Given the lack of standardisation, the practice of ESG has been increasingly criticised as "whitewashing", whereby investors have made unsubstantiated claims and misled clients to believe that their funds are invested responsibly (Porter, 2019). Recognising this risk, the EU and international accounting bodies have embarked on a massive standardisation push to feed financial markets with comparable and reliable data. In 2023, the EU issued its ESG standards (European Commission, 2023), illustrated below.

Figure 2

ESG standards



Source: EY denkstatt (2023)

In ESG reporting, materiality is an important concept which requires that all information relevant to users should be disclosed. Under the concept of *financial materiality*, "information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions" of financial users (IFRS, 2023a). That could include sustainability information, but only if deemed useful by investors. However, the sustainability information is material for stakeholders other than finance, such as NGOs, consumers, employees, public agencies, and regulators. For such purposes, the Global Reporting Initiative developed the

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GRI standards covering comprehensively the economic, societal and environmental performance of companies (Global Reporting Initiative, 2021b). This information about the negative and positive impacts of businesses on sustainability, which is used by a variety of stakeholders, is now called *impact materiality*.

To overcome the limitations of "single" materiality (financial materiality and impact materiality), new forms of reporting appeared. For example, the Integrated Reporting Framework encouraged "integrated thinking" reflecting the "interaction between the organisation's business model and various forms of capital" (ISSB, 2024b). The most recent evolution regarding materiality is from single materiality to "double materiality", which is used by the European Sustainability Reporting Standards (ESRS). The EU explains that *double materiality* has two dimensions: impact materiality and financial materiality. Thus, a sustainability impact meets the criterion of double materiality and needs to be disclosed if it is "material from the impact perspective or the financial perspective or both" (ESRS, 2023). Under EU regulations, companies are obliged to report annually using the double materiality standard (CSRD, 2022).

Double materiality, which assesses how sustainability performance affects the firm itself (profitability) as well as society and nature (stakeholders), brings the CSV perspective into sharper focus. Just like CSV, double materiality captures the bi-directional relation between business and society. Furthermore, the interaction between financial and societal impacts is explained by the concept of "dynamic materiality" (World Economic Forum, 2020). Thus, not only are impact materiality and financial materiality interrelated, but "an impact on people or the environment can be financially material from the start, or become financially material over time" (Shift, 2023). Thus, ESG, RBC and CSV, in different ways, seek to integrate sustainability considerations in the decision-making of investors and companies.

Sustainability has become a material issue in business. As authoritative and detailed ESG metrics are now becoming available, we put forward three main trends that are reshaping the macro-environment: the *acceleration* of standardisation in sustainability due to market demand and the imperatives of the green transition, the *consolidation* of previous numerous standardisation initiatives on financial materiality, and the attention to *interoperability* given by standard developers.

Regarding acceleration of standardisation in recent years, there are three main ESG standards nowadays, each promoting their own version of materiality. Firstly, the recently established International Sustainability

Standards Board (ISSB) offers standards based on financial materiality. It issued two sustainability disclosure standards in mid-2023 – one on general disclosures (IFRS, 2023a) and another on climate (IFRS, 2023b) – with more to come. Secondly, the EU issued the ESRS standards in mid-2023. These are based on double materiality. The ESRS covers sustainability comprehensively through 12 ESG categories; there are numerous references to the main RBC frameworks, such as the UNGPs and the OECD Guidelines (ESRS, 2023). Thirdly, the GRI, set up in 1997, updated its reporting standards in 2021.

Regarding the consolidation of previous standardisation initiatives, this is most evident regarding financial materiality of sustainability information. The ISSB was formed in 2021 at the COP26 “following strong market demand” for its establishment and its standards offer “a high-quality, comprehensive global baseline of sustainability disclosures focused on the needs of investors and the financial markets” (ISSB, 2021). Some previous initiatives have now been transferred to the ISSB as a response to “a strong desire to address a fragmented landscape of voluntary, sustainability-related standards and requirements that add cost, complexity and risk to both companies and investors” (ISSB, 2021).

Regarding interoperability, both the ISSB (IFRS, 2023a) and the EU (ESRS, 2023) expressly indicate a need to facilitate alignment among the three sets of sustainability standards. When interoperability, consolidation and the fast pace in ESG standardisation are considered together, the implications for CSV are clear and noteworthy. Authoritative, and detailed metrics of corporate sustainability have become available for CSV. This might prove to be the enabling environment for CSV thinking and practices to thrive. Due to the green transition and the resulting large-scale transformation of economies and societies, massive opportunities lie ahead for investors and companies. The availability of digital tools powered by big data and machine learning is yet another accelerator, and digitalisation makes feasible for a larger number of companies what previously seemed impossible. Given this broader context, the arrival of detailed metrics to measure societal impacts is thus of particular significance for CSV.

5. CSV, RBC and ESG: The Common Ground for Measurement

The analysis has several implications. Firstly, there is an area of overlap between the three perspectives of CSV, RBC and ESG despite the *different terminologies* employed. In practice, preventing or mitigating adverse impacts under RBC might resemble the CSV approach. For example, an RBC initiative to avoid or reduce pollution is similar to a CSV initiative which finds cleaner ways to manufacture products. Tackling gender discrimination as a human rights issue can also be interpreted as providing opportunities by capitalising on diversity and inclusivity. ESG would cover both situations under its E and S pillars, which draw explicitly on international RBC standards and human rights conventions.

Secondly, the challenge of *measurement and demonstrating impact* is common to all three perspectives. CSV does not need to reinvent the wheel in devising metrics of impact on society and validating claims of progress. Notably, where both RBC (World Benchmarking Alliance, 2023) and ESG are making significant advances is on metrics and standardisation to measure corporate performance. To facilitate responsible investment, ESG metrics seek to capture more than the financial and quantitative information usually disclosed in financial reports. Comprehensive and granular ESG data enables investment decisions based on a broader understanding of the prospects of a company given its impacts on society and the environment.

Thirdly, each perspective has its strengths in measuring different aspects such as *risks and opportunities,* or *positive and negative impacts*. Measurement in RBC focuses on negative impacts, while measurement of CSV focuses on positive impacts for the firm and for society. Thus, measuring RBC merely has to show that a strategy has no negative impact, while measuring CSV has to show a win-win for both the firm and for societal needs. To put it differently, RBC focuses on compliance with minimum standards irrespective of benefits for companies in order to tackle negative impacts, while CSV focuses on opportunities for profitability and competitiveness to deliver positive impacts on society. While RBC struggles to measure opportunities and CSV struggles to measure risk of negative impacts, ESG proves the most integrative framework: it explicitly requires reporting of both sustainability-related risks and opportunities for businesses (IFRS, 2023a, b), and in the EU case, both risks and opportunities for both business and society (ESRS, 2023).

Fourthly, each perspective relates to *innovation*. In practice, CSV is more focused on innovation by spotting market and societal niches, while RBC requires tried and tested risk management processes, including compliance with regulations such as mandatory due diligence. This is business innovation. By comparison, RBC and ESG reveal regulatory innovations and unlikely collaborations of leading businesses, regulators and NGOs. This is innovation in public governance that not long ago was unthinkable, and it has ripple effects on finance and business.

Fifthly, each perspective illuminates a niche. The motivation driving CSV is *the win-win* of corporate profitability and societal benefit, while RBC focuses on observing minimum standards due to societal or regulatory expectations even if the company incurs costs and does not profit from RBC. A CSV approach delivers goods and services which have a positive societal impact, whereas RBC delivers products and services which may not be considered "better for society" but at least have mitigated the negative impacts involved in their production and distribution. But how does CSV account for a situation when a product or service that is "better for society" has harmed human rights of workers in the supply chain? CSV does not have such an offset prohibition and does not require a comprehensive evaluation of all the corporate actions and impacts. In contrast, RBC screens comprehensive for negative impacts and indicates that *no "offsetting"* is allowed. For example, a company which points to positive societal impacts (through charity or CSV) cannot avoid responsibility for abusing worker rights or other negative impacts on human rights (OHCHR, 2012). This caters for the proposition that creating shared value and being responsible are highly correlated but distinct claims. However, using the integrative perspective proposed herein, a CSV company which also employs RBC approaches would acquire this comprehensive overview of its negative impacts, including unintended impacts in faraway operations.

Sixthly, each perspective relates to *regulation*, albeit in different ways. In RBC, regulation is necessary (either as coercive or through smart mixes) because of the limits of voluntarism and market incentives (CSDDD, 2024), whereas CSV is mainly the precinct of innovation and markets although there is some space for supportive state intervention. Notably, RBC has evolved from CSR as corporate voluntarism – as CSV is now – toward some form of state intervention, including regulation and sanctions, to ensure that minimum standards are met and a level playing field is ensured. ESG Reporting is on the same path towards standardisation and regulation, both of which involve public authorities, to facilitate market exchanges around sustainability matters. While the EU has been regulating RBC and ESG in a comprehensive manner, outside Europe the process of ESG standardisation is market driven and encouraged by governments across the world. This is shifting the governance environment where CSV takes place. As CSV also recognises, regulation and corporate voluntarism are not polar opposites, but can and should be combined as there is a role for state intervention. To enable innovation and competition, sometimes regulations that limit the pursuit of exploitative, unfair and deceptive practices, in which companies benefit at the expense of society, are required. (Porter and Kramer, 2011). These innovative policy mixes, which can be surprisingly comprehensive and varied as demonstrated by the EU, shape the business environment where companies comply, compete and innovate.

6. **Discussion**

Each of the three perspectives contributes to a fundamental challenge posed by business in society: whether new business models become feasible if the market and policy environment changes to give more weight to sustainability. CSV speaks directly to this question by pursuing win-win business models. RBC calls for business models to be respectful of minimum internationally agreed standards such as labour and human rights, and that this should be a pre-competitive issue and reinforced by new corporate sustainability laws. ESG promotes business models by working the interface between business-finance and thus shifting markets. The question of how to move towards new business models has received increased attention. There are inherent risks to workers in some business models, such as in the “fast fashion” model. Furthermore, there are inequities entrenched in macro-economic and financial structures that have reduced the space for governments and businesses to advance on sustainability. This calls for examining how innovative business models coevolve with the broader market and policy environment, which can stifle or facilitate corporate due diligence and CSV.

Each of the three frameworks deals with the *question of maximising shareholder value*, narrowly defined. RBC, ESGs and CSV all expose the limitations of maximising “shareholder value” (UNDP, 2023). By drawing from the evolution of RBC and ESG, this article has shown the emergence of new capabilities and institutions that can enable synergies among the three perspectives. RBC has the advantage of normative frameworks grounded in international law (e.g., human rights treaties, international environmental agreements, and other internationally agreed norms). ESG has the advantage of detailed metrics painstakingly developed by the accounting profession through multi-stakeholder partnerships (e.g., Global Reporting Initiative). As CSV, RBC and ESG each have a niche and an objective, there is common ground and an agenda to develop transformative knowledge on the role of the firm in society and value creation.

The analysis of recent developments at the intersection of CSV, RBC and ESG raises interesting research questions. From a CSV perspective, questions can be asked on whether a company, or indeed society, would be better off adopting a CSV approach. Whether the same impact would be created by following RBC or ESG behaviour has not yet been answered. A point supported by all three frameworks is that not all companies would expect to be CSV companies, but all companies must be responsible. Whether a company can pick and choose one perspective while ignoring the others is an important question. We consider that it is unlikely that a company can claim to be a CSV company without being an RBC company, or without providing a complementary ESG Report. Furthermore, we consider that the common ground between these three business sustainability frameworks allows CSV to adopt and build on the already existing systems of measurement developed in RBC and ESG rather than attempt a whole new system of specifically tailored metrics and indicators.

7. **Conclusions**

We set out to examine CSV in relation to other perspectives on business in society and provide an updated picture of the rapid changes in RBC and ESG. Each of these three perspectives provides a distinct analytical framework for sustainable business activities. We have made the case for an integrative perspective on business in society that offers an updated narrative and advances the more precise measurement of corporate impacts. Managers and investors looking beyond narrow definitions of shareholder value and financial reporting nowadays receive a boost from two directions. One refers to the progresses in ESG standardisation that provide comparable, reliable and material data. The other refers to advances in RBC and the clarity and practicality that due diligence as a risk management process offers. Such standardisation and regulation, through national and international frameworks, is changing the business environment in profound ways for companies and investors. CSV can benefit from adopting similar metrics. Directions for future research that we put forward focus on the development of a practical framework of metrics with indicators and verifiable measures which can build into a more widely accepted basis for comparison and measurement of all three frameworks, identifying common ground between CVS, RBC and ESG.

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