UNIVERSITÉ PARIS 1 – PANTHÉON-SORBONNE

MASTER ERASMUS MUNDUS STeDe

MEMOIRE DE MASTER en Développement Territorial Durable

MASTER THESIS in Sustainable Territorial Development

Est-ce que le discours actuel au sein du monde des affaires évolue vers une durabilité entrepreneuriale authentique ?

Preuves récoltées à partir des visions des organisations d'entreprises et de l'analyse des systèmes d'évaluation de la durabilité des entreprises

Is current discourse within business organisations moving towards true business sustainability ?

Evidence from business organisations' visions and business sustainability assessment frameworks

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To my parents,
they taught me about the beauty of nature,
about justice, equality and humanity,
about generosity and the things that are essential in life.

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Abstract

Nowadays there is a large consensus about the world's unsustainability. Moreover, the world of business is acknowledged to be one of the main actors on which global sustainability depends. Citizens and stakeholders are increasingly aware of the need for a massive business model and economic system shift to achieve sustainability. They are willing to distinguish business activities actually working at sustainable development from mere green-washing. As a consequence, this Master's thesis aims at investigating the extent to which the business discourse is affine to true business sustainability.

The research is based on the new concept of True Business Sustainability: a business sustainability typology which defines business as an organisation aiming at solving global challenges, serving global needs and creating positive value for the common good. While the authors are currently focusing on the concept definition and test with the help of previous studies, this thesis wants to empirically assess the business will for a real change by using True Business Sustainability characteristics as parameters.

The business discourse has been identified through the analysis of two different types of publicly available written documents: business organisations' visions (*Vision 2050* by the WBCSD and *Architects of a Better World* by the UNGC) and business sustainability assessment frameworks (the *Global Reporting Initiative*, the *Corporate Sustainability Assessment* by RobecoSAM and the *Common Good Matrix* by Economy for the Common Good movement). Although not belonging to the mainstream business discourse, the *Common Good Matrix* has been selected in order to investigate if different premises on business sustainability could bring to a different answer to the research question. Each selected material has been analysed through the True Business Sustainability criteria identified by processing the True Business Sustainability models found in the literature.

None of the mainstream analysed documents resulted to be affine to True Business Sustainability as at least one identified True Business Sustainability criterion is completely absent within each document. The most distant analysed material resulted to be the *Corporate Sustainability Assessment* by RobecoSAM. On the contrary, the *Common Good Matrix* resulted to be able to assess True

Business Sustainability. The obtained findings are in line with previous studies underlining that currently used business sustainability assessment frameworks are business-centred and they are thus meant to ensure organisational permanence in the long term rather than to achieve true sustainability. Similarly, none of the analysed mainstream documents resulted to envision a shift in the economic system and consumption pattern. On the contrary, the Economy for the Common Good movement, explicitly envisages a sustainability and human-centred change in the economic system which could effectively contribute to global sustainable development.

According to this research, the mainstream business discourse resulted to be distant from True Business Sustainability. Nevertheless, as the business world attitude is acknowledged to make the difference between failure and success of solutions to global challenges, a shift towards a different economic and business model should be urgently operated in order to have a chance of achieving true sustainability. This new model should arguably put living beings and sustainability at the core of business activities and of the economy.

Résumé

Face à une planète et une humanité actuellement en danger dû à de nombreux problèmes environnementaux et sociaux, le monde des affaires est aujourd'hui reconnu comme l'un des acteurs qui peut le plus influencer, négativement ou positivement, la réalisation d'une durabilité globale. En outre, les citoyens et les parties prenantes sont de plus en plus conscients de la nécessité d'un changement radical dans le modèle d'entreprise et dans le système économique pour aller vers le développement durable. C'est pour ces raisons qu'il est important pour ces acteurs de distinguer les activités qui contribuent réellement au développement durable des pratiques qui relèvent du green-washing et qui visent uniquement à améliorer l'image ainsi que la réputation de l'entreprise. Par conséquent, l'objectif de ce mémoire a été d'enquêter dans quelle mesure le discours actuel au sein du monde des affaires évolue vers une Durabilité Entrepreneuriale Authentique.

La recherche à été construite à partir des articles de Dyllick & Muff (2013) et Muff & Dyllick (2014). Les deux auteurs ont introduit le concept de Durabilité Entrepreneuriale Authentique: une typologie de durabilité qui définit l'entreprise comme une organisation qui a pour but la résolution des défis globaux, une entreprise au service des besoins mondiaux et créatrice de valeur positive pour le bien commun. Alors que les auteurs se concentrent sur la définition e l'analyse théorique du concept, le but de ce mémoire était de tester de manière empirique la volonté du monde des affaires de changer réellement et significativement en utilisant les caractéristiques de la Durabilité Entrepreneuriale Authentique comme paramètres.

Deux questions de recherche ont été identifiées. L'une, générale, se demande si le discours actuel au sein du monde des affaires s'apparente réellement à la Durabilité Entrepreneuriale Authentique comme il est décrit dans la littérature. L'autre, plus spécifique, contribue à répondre à la question générale en enquêtant sur les systèmes d'évaluation de la durabilité des entreprises actuellement utilisés, afin de déterminer s'ils sont capables de mesurer la vraie durabilité. La seconde question posée suppose que le système d'évaluation de la durabilité choisi par une organisation est cohérent avec son modèle, sa culture et ses valeurs d'entreprise et qu'il est donc capable de fournir des informations sur l'attitude de l'organisation vers la durabilité et les défis globaux.

Le discours au sein du monde des affaires a été identifié grâce à l'analyse de deux différentes typologies de documents publiquement disponibles: ils retracent des visions du monde futur selon des organisations d'entreprises et des systèmes d'évaluation de la durabilité des celles-ci. Deux documents, *Vision 2050* (WBCSD, 2010) et *Architects of a Better World* (UNGC, 2013), ont été choisis comme visions, tandis que trois documents, *Global Reporting Initiative* (2013b), *Corporate Sustainability Assessment* (RobecoSAM, 2015) et *Common Good Matrix* (Economy for the Common Good, 2013) ont été sélectionnés en tant que systèmes d'évaluation de la durabilité des entreprises. Le dernier a été pris en compte bien qu'il ne fasse pas partie du courant dominant. L'idée était d'enquêter sur une possible évolution de la réponse à la question de recherche en fonction des différentes prémisses concernant la durabilité des entreprises. En effet, la vision du mouvement Economy for the Common Good met les êtres vivantes au centre de l'entrepreneuriat. Chaque ouvrage sélectionné a été analysé en fonction des critères de Durabilité Entrepreneuriale Authentique identifiés dans la littérature.

Les documents analysés appartenant au courant dominant se sont avérés être distants de la Durabilité Entrepreneuriale Authentique. En effet, au moins un critère de Durabilité Entrepreneuriale Authentique manquait pour chacun des documents préalablement mentionnés. L'ouvrage analysé qui fut le plus distant est le *Corporate Sustainability Assessment* par RobecoSAM. Au contraire, selon cette recherche, le *Common Good Matrix* s'est avéré être capable d'évaluer la Durabilité Entrepreneuriale Authentique. Les résultats obtenus sont en accord avec les études antérieures qui affirment que les systèmes d'évaluation de durabilité des entreprises actuellement utilisés sont business-centriques et ils sont donc créés pour assurer la pérennité de l'organisation dans le long terme plutôt que pour atteindre la vraie durabilité. Par ailleurs, selon les conclusions de cette recherche, aucun des documents analysés appartenant au courant dominant n'envisage un changement radical de système économique ou de nos modes de consommation. A contrario le mouvement Economy for the Common Good, qui base son système d'évaluation de la durabilité des entreprises sur la création de valeur pour les êtres vivants, considère explicitement un changement dans le système économique qui met en exergue l'importance de la durabilité et des êtres vivants. Cette vision pourrait effectivement contribuer au développement durable.

Le discours actuel au sein du monde des affaires résulte être distant de la Durabilité Entrepreneuriale Authentique. Néanmoins, une attitude positive des entreprises face au défi qu'est la durabilité a été reconnue comme important et capable de faire la différence entre l'échec et le succès des solutions envisagés pour résoudre les défis globaux. Par conséquent un changement vers un modèle entrepreneurial et économique qui met les êtres vivants et la durabilité au centre devrait urgemment être mis en œuvre pour avoir une chance d'atteindre une durabilité authentique.

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List of Abbreviations

BS = Business Sustainability

CEO = Chief Executive Officer

CGM = Common Good Matrix

CSA = Corporate Assessment Framework

CSR = Corporate Social Responsibility

DMA = Disclosures on Management Approach

EBIDTA = Earnings Before Interest, Depreciation, Taxes and Amortisation

ECG = Economy for the Common Good

G4 = Global Reporting Initiative, Version 4

GDP = Gross Domestic Product

GRI = Global Reporting Initiative

IPCC = Intergovernmental Panel for Climate Change

NGOs = Non Governmental Organisations

R&D = Research and Development

SD = Sustainable Development

SMEs = Small and Medium Enterprises

TBS = True Business Sustainability

UN = United Nations

UNEP = United Nations Environmental Program

UNGC = United Nations Global Compact

US = United States

WBCSD = World Business Council for Sustainable Development

1 Introduction

Nowadays it is a common practice among large businesses to run Corporate Social Responsibility (CSR) projects and have a sustainability policy publicly visible on their websites. For instance, Uniliver, a transnational company in the field of food, beverages and cleaning products, gave birth to a Sustainable Living Plan aiming at making sustainable living mainstream, reduce the company's environmental and social negative impacts and foster business growth (“Sustainable Living”, n.d.). Nestlé, a largely known transnational company in the food sector, aims at value creation both for business and society addressing health, water, nutrition, rural development and environmental sustainability issues (“Creating Shared Value”, n.d.). A page dedicated to sustainability is also present in the websites of The Coca-Cola Company, a leader company in the beverage sector, (“Sustainability”, n.d.); Samsung, a global company in the field of electronics and technology, (“Mondo Samsung”, 2015); BASF, a chemical company, (“Sustainability”, 2015); IKEA, internationally popular in the field of furnitures (“People & Planet”, 2012) and many others. According to Paul Polman (2015), Unilever's Chief Executive Officer (CEO), social and environmental goals have been fixed by the 75% of the largest firms.

Nevertheless, it is not clear whether these policies and initiatives are only a matter of reputation and risk minimisation or if, behind business decision to invest in sustainability, there is a deep acknowledgement of its negative impacts on the planet and society and the will to shift to a business model which is able to positively contribute to global Sustainable Development (SD).

This thesis aims at investigating to which extent the current business sustainability discourse is going in the direction of True Business Sustainability (TBS).

1.1 Rationale

The world is nowadays unsustainable (WBCSD, 2010; UN News Centre, 2012). KPMG International (2012) identified 10 “mega-forces” (climate change, energy and fuel, material resource scarcity, water scarcity, population growth, wealth, urbanisation, food security, ecosystem decline and deforestation) which challenge our world and, if not adequately and urgently tackled, could

undermine human life and the environment in the next 20 years. Oxfam International (2014) affirms that social inequalities are raising, despite the development of emerging countries. The Inter-governmental Panel for Climate Change (IPCC, 2015) states that extreme events related to climate change are increasing in frequency. These are only some examples of the dangers the world is facing today and will have to deal with in the future.

In this context, business sustainability is extremely important. Business responsibility for global unsustainability is largely supported by Non Governmental Organisations (NGOs), such as Oxfam International. For instance, the organisation affirms that business practice of tax dodging constitutes an unjust advantage for big companies over Small and Medium Enterprises (SMEs) and deprive countries of an important income to tackle poverty and inequalities. Moreover, businesses are often responsible for poverty wages (Oxfam International, 2014).

The recent encyclical letter on the environment by Pope Francis also states that negative environmental impacts such as pollution, water shortage, natural resource depletion, deforestation see businesses as one of the main responsible. It also invites companies to follow their vocation of serving the common good through positive value creation (Pope Francis, 2015).

The IPCC (2015) recently affirmed that business-as-usual should be urgently left forever for global temperature increase to stop below 2°C relative to pre-industrial levels, in order to prevent irreversible climate changes and unknown scenarios.

The need for a change in the business model is also indirectly implied by the new Sustainable Development Goals which will be approved by the United Nations (UN) in September 2015 in New York (Ki-Moon, 2014).

Companies themselves have recently started to acknowledge their responsibility concerning global sustainability issues due to their negative impacts on society and the environment together with the need for the business sector to be part of the solution in order to actually shift from business-as-usual to a sustainable world where every citizen live well within planetary boundaries (WBCSD, 2010).

The needed change does not encompass only the business model but also broader economic system and consumption pattern (WBCSD, 2010; Dyllick & Muff, 2013). As a matter of fact, Gray (2000) accuses Capitalism of contributing to unsustainability since it bases on short term financial return on investment, consumerism and greed and it ensures its long term existence through business lobbying. Brunnhuber et al. (2005) and Lietaer et al. (2012) demonstrate the incompatibility of the current monetary system. This is due to five main distortions in financial system: *i)* the monetary systems tends to exacerbate economic boom-and-bust cycles; *ii)* short-termism; *iii)* compulsory growth to pay debts and compound interest on which money creation is based; *iv)* an incessant wealth concentration and *v)* the destruction of social capital as a consequence of the primacy of competition on

cooperation.

As a consequence, Townsend (2015) envisages a shift from Capitalism to Capitalism 2.0, or Sustainable Economy. This is an economic system no more based on people, resources exploitation and financial revenues but rather on prosperity for both people and firms within planetary limits.

In accordance to this vision, Dyllick & Muff (2013) and Muff & Dyllick (2014) focus on the needed changes concerning the business model. This thesis bases on their recent developments of the Business Sustainability (BS) concept. The two authors focus on the need for a change in the business model in order for the business sector to actually contribute to SD. Dyllick & Muff (2013) envisage broader changes in the economic model and consumption pattern. These changes are inter-related to business model changes, though this is not the focus of their work. Concerning changes in the business sector, they systematise the business attitudes toward sustainability into different BS categories characterised by different degrees of sustainability and they ultimately elaborate the concept of TBS as the most effective BS typology. This is an evolution of traditional BS representing those companies who base their business on delivering absolute positive impact to society in the broadest sense of the common good.

The need for this further development of BS derives from the acknowledgement of a gap existing between corporate activities and global environmental and social performances. In fact, although the mainstream of the corporate commitment to SD in the last decades, this has not effectively contributed to the reduction of human environmental footprint or of global social problems (Dyllick & Muff, 2013). On the contrary, these appear to be exacerbated.

Dyllick & Muff (2013) and Muff & Dyllick (2014) have introduced the TBS approach and are currently working at its diffusion in the business and academic fields in order to foster new research on the topic. For instance, this happens through the creation of a doctoral program focusing on BS transformations and on mapping companies according to their BS approach and progress at Business School Lausanne (Muff & Dyllick, 2014), where Muff covers the role of Dean. Another example is the creation of a website explaining the BS typology model and inviting the scientific community to contribute to the framework development (“Business Sustainability Typology”, n.d.).

The fundamental question underlying Muff & Dyllick's (2014) as well as this work is about distinguishing whether business does want a real systemic change or if sustainability is just a matter of reputation and financial return on investment.

1.2 Research questions

Until this moment, Dyllick & Muff have worked at defining the BS typology model and the new TBS concept (2013) and at testing the model basing on previous works (Muff & Dyllick, 2014).

More precisely, they have proceeded analysing earlier researches (i.e. Eccles et al., 2012a; Pless et al., 2012) on BS in order to check whether the identified typologies could be found in other models (Muff & Dyllick, 2014). As a consequence, they have not run an empirical research yet in order to test their model.

Therefore, this thesis would like to elaborate an empirically designed research based on secondary sources to test the fundamental question, expressed at the end of the previous section, by referring to the TBS concept. Thus, the main research question is: *to what extent is the current business discourse going towards TBS?* This question will be elaborated into two questions along this section.

It is important to clarify what is meant by "current business discourse". As a matter of fact, it would be an oversimplification to assume that all companies have the same sustainability understanding and culture. On the contrary, the overview is much more manifold, as Gray & Bebbington (2000) confirm for what concerns transnational companies. Therefore, a more precise definition is needed. For this thesis the "business discourse" is meant as the one made by the most acknowledged companies (i.e. Unilever, KPMG) and sustainable business organisations (i.e. World Business Council for Sustainable Development - WBCSD - , United Nations Global Compact - UNGC -) with a forward-thinking leading role in the business sector and who have recently started to underpin a new way of doing business based on sustainability principles. This choice derives from the assumption that these organisations have already demonstrated to represent an example for the business sector by mainstreaming the concept of sustainability among companies and by acting as first movers. As a consequence, they are considered the right target in order to figure out which kind of BS interpretation is conveyed within the business sector, considering that, in force of its power and influence, business must be involved in any solution concerning sustainability (Gray, 2010).

As stated in the research question, this study will empirically say whether the current business discourse is going toward TBS. The other BS typologies identified by Dyllick & Muff (2013) will not be the main focus of this essay. In fact, it does not make sense to focus on typologies which cannot deliver SD, while it is worthy to concentrate all the efforts on the typology to which all businesses should aspire to: TBS. This could, according to Dyllick & Muff (2013), guide business towards a systemic change leading to a real and effective business contribution to global sustainability.

Moreover, the definition of the used concept of TBS, though largely based on Dyllick & Muff (2013) and Muff & Dyllick (2014), is also defined adopting some contributions from previous works, namely McDonough & Braungart (1998; 2002), Dyllick & Hockerts (2002) and Young & Tilley (2006).

For this research the business discourse is expressed by publicly available written documents.

Readers are referred to Section 3.1 for a detailed explanation of the reasons why the use of existing documents were preferred to interviews or other data typologies. Two kind of documents will be analysed looking for signs of TBS. On the one hand, business organisations' visions on the future of business and sustainability will be tested. On the other hand, BS assessment frameworks will be taken into account. This second analysis is inspired by Muff & Dyllick (2014) wondering to which extent conventional sustainability assessment frameworks can measure TBS. This second analysis bases on the assumption by Gray & Bebbington (2000) affirming that BS reporting is managerialist, meaning that it is used in order to preserve the organisation itself and foster its development. As a consequence, analysing BS assessment frameworks can give an idea of the type of reporting used by organisations and their idea of sustainability.

In conclusion, this thesis aims at answering two questions, one general and one more specific.

1) *To what extent is the current business discourse going towards TBS?*
2) *Are the analysed BS assessment frameworks designed to measure TBS?*

The answer to these questions are really relevant for several reasons and actor categories.

First of all, as mentioned in Section 1.1, the business sector plays an important role in global sustainability due both to its environmental and socio-economic negative impacts and the huge potential and opportunities existing for companies for addressing sustainability issues (WBCSD, 2010; KPMG, 2012). Therefore, BS direction taken by companies can make the difference between failure and success of solutions to planetary challenges.

Secondly, faced by the increasing citizen awareness concerning business impacts on society and the planet (Fatemi & Fooladi, 2013), these answers can support stakeholders in the struggle for business transparency, positive impact and true sustainability and against mere green-washing.

Thirdly, according to the type of answer to the research questions, current visions and BS assessment frameworks could be modified, corrected or drastically abandoned, in case of major problems diverting companies from working at TBS.

1.3 Roadmap

This thesis will be developed in five chapters. Although Section 1.1 has already given an idea of the context embedding this research, Chapter 2 will provide the reader with a more detailed literature review on the theoretical concepts and main models behind sustainability, business sustainability and true business sustainability. The material presented will be useful to figure out the hugeness of the BS concept as well as to develop a critical mind concerning its numerous interpretations leading to a better comprehension of the TBS approach. Additionally, the literature review will provide the base

material for developing the TBS criteria which will be used for the empirical part of the work. Lastly, the theoretical framework will also deliver information concerning the BS assessment frameworks, the main examples and critiques useful for creating the thesis methodology.

Chapter 3 will present the materials and methods used in order to answer the research questions. Generally speaking, the methodology will constitute a qualitative data analysis of existing written documents. The chapter will go in detail about the document identification and selection process, the creation of the TBS test used to analyse the selected documents and the procedure followed for data analysis and the presentation of results.

Chapter 4 will focus on results. First of all data analysis, constituted by a synthesis of relevant collected data, their explanation and interpretation, will be presented for each selected document. Then, results will be summarised and compared amongst them in order to start delivering the thesis empirical answer to the research questions.

The answer deriving from the results will be discussed in Chapter 5. The research questions will thus be answered based on the obtained findings, but also broadening the answer to results from previous studies and other theories related to the researched topic.

Finally Chapter 6 will close the essay by providing the reader with a summary of the main steps followed to answer the research questions. Moreover, some paragraphs will be dedicated to underline how conclusions are important and can influence the understanding of business sustainability with operational consequences shaping the steps towards sustainable development. The chapter will end with two sections focusing on the limitations of the study and the recommendations and directions for future research.

2 Literature Review

The goal of this chapter is to offer an overview on BS through a review of the main literature on the topic. The scope is the one of TBS. As a consequence, the sections will gradually bring the reader toward the main focus following a deductive analytical path. Firstly, the general concept of sustainability will be briefly reminded in Section 2.1 focusing on its origins, main streams and critiques. Secondly, the concept will be narrowed down to the business field in Section 2.2. BS, its genesis and evolution as well as its main theories and practices will be presented. Finally, after a thorough investigation and deeper analysis, the main focus on TBS will be reached in Section 2.3. First of all, the section will concentrate on the possible reasons why the need for a BS concept redefinition towards TBS has been perceived. Later on, the main TBS theoretical models will be presented. The section will end with a general outlook on the possible business models in accordance with TBS. Lastly, the evolution and state of the art of the discourse on (True) BS assessment and its main critiques will be reviewed in Section 2.4.

2.1 Sustainability

Sustainability has probably become the most used approach to development in the last two decades entering the discourse in numerous disciplines at all levels. In the academic world and in the field involving political institutions at all levels, businesses and civil society organisations all give their own interpretation to the concept. As a consequence, Sustainable Development (SD) has several meanings and definitions and there is no agreement about it (Mebratu, 1998; Giddings et al., 2002).

This review does not have the ambition to cover all the different interpretations. It will only provide the reader with a small overview on the origins and main characteristics of the concept to the extent to which this will be useful to inform the next steps of this thesis. Nevertheless, the author is aware not only of the vastness of the ideas around SD but also of the fact that it cannot be embedded in a defined, established and unique theory.

2.1.1 The Brundtland definition

The term sustainability firstly appeared within the report of the World Commission on Environment and Development "Our Common Future" in order to describe a new approach to development which should *meet the needs of the present without compromising the ability of future generations to meet their own needs* (Brundtland et al., 1987, p. 41). This new approach is derived from a progressive acknowledgement of the insufficient progress made to defeat poverty and to ensure well-being to all human beings as well as of the environmental boundaries given by a planet with finite resources. Therefore, the ultimate goal of SD is assuring well-being to the whole global population in the present (intra-generational equity) and in the future (inter-generational equity). Consequently, the concept implicitly underpins the need for a long-term perspective.

Moreover, the Brundtland commission sees technology and technological progress both as a potential for improvement and change and a risk for higher environmental and social impacts.

The World Commission on Environment and Development also acknowledges the inter-dependence between social, economic and environmental aspects. Sustainability is thus an invitation to an inter-disciplinary approach while coping with development issues.

Except for these theoretical inferences, the Brundtland definition has been largely criticised for being ambiguous. According to Wackernagel & Rees, this was done on purpose in order to be widely and transversally accepted (1996 as cited in Giddings et al., 2002) though interpreting the concept in the most diverse ways (Pearce et al., 1989).

Development is seen as a broader concept than economic wealth and growth. As Sen (1999) states, development is a set of conditions which allows a subject to realise its potential: any person can function if she/he has the means (materials and not) that release her/his ability to function. Although the concept of SD has often been summarised in a the three-pillar approach (normally represented as a three-intersected-ring sector), for many authors the idea behind it is even wider: SD is considered to be holistic (Pike et al., 2007). Thus, a three-dimensional approach does not allow to see the real potential for inclusiveness of the concept. Development is then brought by concomitant progress of integrated dimensions.

Some major concepts explained here above can be summarised by Dyllick & Hockerts (2002, p.1) defining sustainability as the societal *evolution towards a more equitable and wealthy world in which the natural environment and our cultural achievements are preserved for generations to come*.

2.1.2 Main approaches to sustainable development

The United Nations Handbook of National Accounting (UN et al., 2003) identifies three different approaches to SD: *Three-pillar*, *Ecological* and *Capital* approaches. On the one hand, the *Three-*

pillar approach underlines the importance of addressing the economic, environmental and social dimensions of SD simultaneously because of their urgency, inter-dependency and interconnection. As a consequence, according to this view, the three focuses are equally important and must be equally weighed. On the other hand, the *Ecological approach* sees the environment as the priority since the social and economic systems cannot exist without the life-support services and resources provided by nature. Lastly, the *Capital approach* to SD has been developed in order to make sustainability conceptually closer to the business sector and raise its attention on the issue (Godwin, 2003). As a consequence, the economic rule of non-declining capital, or capital maintenance (Victor, 1991), has been transposed to the concept of SD. Development is then sustainable if the sources of wealth (man-made, social, human and natural capital) are maintained rather than depleted or degraded in order to leave to the future generations a capital stock able to deliver the same well-being present generations have access to (Pearce & Atkinson, 1998; Forum for the Future, n.d.; Godwin, 2003; Hallsmith & Lietaer, 2011).

Further approaches toward SD derive from the *Capital* one. In fact, an open discourse exists concerning the substitutability or complementarity between capitals, and especially between the natural and the other forms of capital (UN et al., 2003). On the one side, according to the weak sustainability idea, the overall capital has to be maintained over time, while the different capital types can be substituted between them. On the other side, the strong sustainability approach affirms capital non-substitutability (Pearce & Atkinson, 1993; UN et al., 2003; Dietz & Neumayer, 2007). This derives from the fact that different capitals are responsible for delivering different functions (Ekins et al., 2003), and some capitals actually have value only if combined together (complementarity). However, Turner (1993 as cited in Ekins et al. 2003) identifies some middle ways between the two rules presenting four positions. On the one side, *Very weak sustainability* consists in complete capital substitutability whereas *Weak sustainability* admits substitutability between natural and man-made capital with minor exceptions. On the other side, *Strong sustainability* affirms that substitution between natural and man-made capital could be importantly undermined by the irreversibility of certain natural capital depletion or deterioration or by the existence of critical natural capital stocks delivering unique functions indispensable for life. Moreover, the depletion of certain natural capital stocks could have no impact until a given threshold, showing non-linearity after passing it (Rockström et al., 2009; Dyllick & Hockerts, 2002). Given the uncertainty consequent to an incomplete scientific knowledge concerning nature and society-environment interactions, the precautionary principle is thus supported by numerous authors and institutions (Pearce & Turner, 1990; United Nations, 1992). Lastly, *Very strong sustainability* proposes complete non-substitutability between capitals but it is not taken into concrete consideration, whereas the most likely approaches seem to be *Weak* and *Strong sustainability.*

2.2 Business Sustainability

Within this second section, the reader will be guided one more step toward the scope of the review. In fact, the sustainability concept will be applied to the business sector. Firstly, the relevance of the business world in reaching sustainability will be demonstrated in Section 2.1.1 together with the main drivers leading businesses toward sustainability presented in Section 2.2.2. Section 2.2.3 will give an overview on the origins and evolution of BS. Lastly, Section 2.2.4 will present some of the major interpretations of BS.

2.2.1 Business has an impact on nature and society

Nowadays, it is broadly acknowledged from any side (academic world, governments, civil society organisations and businesses) that the world is unsustainable (WBCSD, 2010; UN News Centre, 2012) and that the business sector has a responsibility for this (WBCSD, 2010; KPMG, 2012).

From an environmental point of view, Rockström et al. (2009) states that industrialisation has brought the world into a new era where human activities are major responsible for change in the environment which could have dangerous impacts in the future.

The Millennium Ecosystem Assessment (MEA, 2005 as cited in Dyllick & Muff, 2013) demonstrated that 15 out of 24 ecosystem services have been deteriorated in the past 50 years because of human actions, while only 4 are in better conditions.

According to the United Nations Financial Initiative (UNEP-FI, 2011) in 2008 the human kind cost to nature $ 6.6 trillion, corresponding to 11% of the world Gross Domestic Product (GDP) for that year. Similarly, the 3000 world's biggest publicly traded companies were responsible for $ 2.15 trillion of environmental cost.

The footwear German company Puma, in partnership with Trucost, has been the first firm to account and monetise its hidden debt to nature for all the services the environment provides for its business activities. In 2010 the company should have paid nature for 8 million Euros, 145 million if also external partners in the supply chain were included, though the latter normally serve more than one company at a time (Puma, 2011).

Although environmental issues and impacts receive a great part of the global attention, the business world has also a relationship with the social dimension of sustainability. Azapagic and Perdan (2000) state that industry is recognised both to degrade the environment and deplete natural resources and to contribute to societal development and prosperity. For instance, business provides income, training and social security to a large number of employees all over the world (WBCSD, 2001). Companies have also a liability for the safety, health and environmental conditions of the places where they operate (KPMG International, 2014).

Moreover, according to Gray & Milne (2002), social disparities are a congenital component of capitalism since they split the world in capitalists and workers.

For all these reasons, the business sector is supposed to have a responsibility in the path toward global sustainability. In 1992, the WBCSD, a CEO-led organization of forward-thinking companies, was created to represent the business voice at the Rio Earth Summit. According to its founder, Stephan Schmidheiny, a Swiss entrepreneur and philanthropist, business has an unavoidable responsibility in SD ("WBCSD", n.d.). Twenty-nine WBCSD members have recently worked at *Vision 2050* envisaging *nine billion people living well and within the limits of the planet* (WBCSD, 2010, p.4). They acknowledged the impossibility to reach the vision with a business-as-usual attitude and the need to decouple economic growth from resource depletion and environmental degradation through radical changes in governance, economic frameworks and business and human behaviours. A similar belief is also supported by the Council of Academies of Engineering and Technological Sciences which states that industrial processes and resource management should be modified in order to bring about SD (Azapagic & Perdan, 2000).

2.2.2 Business sustainability drivers

Unfortunately, the above mentioned business impacts are not often enough to convince companies to take their part of responsibility toward society and the environment.

However, as stated by the audit organisation KPMG International (2012), not only business has an impact on the environment and society, but planetary and societal conditions can influence business and its operations. As a consequence, a business case for sustainability exists, firstly in terms of risk and opportunity management but also for what concerns the financial return on investment.

In its report *Expect the unexpected*, the organisation identified ten sustainability "mega-forces", non-linearly interconnected and interacting between each others, which will both challenge and bring opportunities to every company in the next 20 years. These mega-forces are climate change, energy and fuel, material resource scarcity, water scarcity, population growth, wealth, urbanisation, food security, ecosystem decline and deforestation (KPMG International, 2012).

According to several authors dealing with sustainability challenges means transforming risks of supplementary costs in opportunities for additional profits. For instance, addressing the needs of the bottom of the pyramid, the largest and poorest economic group in the world, means both improving human well-being and creating new markets for businesses (WBCSD, 2010; KPMG International, 2012; Dyllick & Muff, 2013).

Always according to KPMG International (2012), businesses are going to face regulatory, reputation, physical, market, litigation and social risks, whereas raising business opportunities are identified in

the fields of reputation and brand, innovation and learning, new products and markets, cost reduction and access to capital.

KPMG International (2014) identifies three main categories of drivers of internalisation which should be taken into account for business decision-making in order to minimise risks and maximise opportunities. They are regulations and standards, stakeholder action and market dynamics. The first category includes laws giving limitations, asking for specific standards or requiring transparency through reporting, pricing mechanisms, removal of subsidies to negatively impacting activities, tax discounts for positively impacting activities and voluntary certifications. Stakeholder action concerns worker conditions and rights, community protests, mass actions against certain business's behaviours and buyers' attention to products' origin. Market dynamics have to do with resource scarcity and its consequent rise in price, the impacts of extreme weather on firms' activities and the opportunities for new markets as a consequence of the changes brought by previous aspects.

Another great risk for businesses can be represented by internalisation of externalities if it is not properly managed. KPMG International (2012) calculated that a business would lose 41% of its Earnings Before Interest, Depreciation, Taxes, and Amortisation (EBIDTA) if environmental externalities were internalised. This is an average of different sectors, with some of the sector percentages being really worrying (airlines: 52% EBIDTA of environmental impact, food producers: 224%, marine transportation: 59% and mining and industrial metals: 64%).

According to several business organisations, a business case for sustainability is also given by the match of economic and environmental performance as an answer to the need for decoupling production and resource use. This is embedded in the eco-efficiency concept which, applied to natural resources, energy and business operations, focuses on producing more value with less impact, thus maximising profits and minimising costs for businesses, maintaining natural capital and mitigating environmental degradation (WBCSD, 2001; Natural Capitalism Solutions, 2012).

Similarly, Natural Capitalism Solutions (2012), a non-profit organisation working on business, sustainability and change management, within its report collecting all the major studies bringing arguments for a business case for sustainability, states that a sustainable management of human resources, for instance employee engagement, also pays business back. From the business side, it brings higher profitability (Gallup, 2009 as cited in Natural Capitalism Solutions, 2012) due to higher productivity related to a higher employee motivation and lower absenteeism (Economist Intelligent Unit, 2011 as cited in Natural Capitalism Solutions, 2012) as well as higher loyalty and company pride (National Environmental Education Fund, 2010 as cited in Natural Capitalism Solutions, 2012). From the employee point of view, its involvement corresponds to learning opportunities as well as an improved working environment. This can also benefit the environment if education

activities for employees are based on sustainability and eco-efficiency (National Environmental Education Fund, 2010 as cited in Natural Capitalism Solutions, 2012).

However, the business case for sustainability is not only related to a defensive issue of risk and cost minimisation and opportunity maximisation. Also in terms of investments, according to some authors and financial organisations (Natural Capitalism Solutions, 2012) sustainability actually pays back as far as finance acknowledges business sustainable effort impacts on the cash flows (Fatemi & Fooladi, 2013). Traditionally, attention has been given to immediate financial returns for several reasons: managers' compensation based on end of quarter results (Fatemi & Fooladi, 2013), low risk tolerance in front of an uncertain future and the use of the discounted cash flow technique based on interest, intrinsic risk and the cost of equity capital (Lietaer et al., 2012).

Nowadays, there is an open discourse concerning the relationship between business financial and social performance. The survey by Humphley et al. (2012) found out a division in the academic world between authors supporting a positive, negative or neutral relationship between corporate social and financial performance. On the one side, according to the authors' own results, corporate social performance does not systematically influence financial performance, though they found out that businesses which are both larger and with higher social performance are less prone to risk. However this could be related to the size of the company rather than its investments in sustainability. On the other side, Paine (as cited in Sanchez, 2003) found little evidence in favour of a negative relationship between social and financial performance and Nita & Stefea (2014) confirm that social and environmental performances impact the financial one. The study by Eccles et al. (2012a) affirms that companies investing in sustainability outperform the others underlining, however, that out-performance takes place only in the long run. Moreover, Eccles et al. (2012a) supports their research as more reliable than other studies with different results advancing the argument that they observed firms' financial performance over a long period, aware of the fact that sustainability investments need some time to bring fruits. Similarly, Brochet et al. (2013), working on managerial short-termism, concludes that since business-as-usual businesses look for immediate revenues, they reasonably have a better financial performance in the short term. Nevertheless, it is after a longer period of time that these companies show lower profits. Lastly, the WBCSD (2001) affirms that between 1997 and 2001 the Dow Jones Sustainability Index, grouping the top 10% world business champions in SD, could count on a higher increase of financial returns than the increase experienced by the Dow Jones Global Index group.

Another argument in favour of long term investments is brought by Eccles et al. (2012a) affirming that highly sustainable corporations are more likely to attract long-term oriented (“dedicated”) investors rather than “transient” ones and normally count more of the former within their supporters. Similarly, Brochet et al. (2013) states that worthy companies are more likely to attract dedicated

investors.

A different argument concerning the business case for sustainability is related to competitiveness (WBCSD, 2001). According to Fatemi & Fooladi (2013), the first businesses to introduce environmental and social responsibility meet the customers' favour, while firms who decide to adapt later on come upon a decrease of the demand for their products and services, in addition to higher costs because of their reactive rather than proactive response. Therefore, the former can win a competitive advantage on the latter. Moreover, according to the Sustainability Yearbook 2014, firms from emerging markets competing in the global market with companies from developed countries already taking sustainability into account, are pushed to do the same in order to attract global investors (RobecoSAM, AG, 2014b).

As mentioned above, stakeholder action can be one of the drivers for business externalities' internalisation. This means that even in the case where business does not see a direct case for being sustainable, it is pushed more toward sustainability by stakeholder pressure. As a matter of fact, investor and consumer values are changing and an increased responsibility is required for businesses (KPMG International, 2012) as well as a broader transparency and reliability, beyond financial performance and including social and environmental aspects (Brown, 2000 as cited in Keeble et al., 2003; Di Piazza & Eccles, 2002 as cited in Keeble et al., 2003; Labuschagne et al., 2003; Eccles et al., 2012b; Nita & Stefea, 2014). According to Fatemi & Fooladi (2013), this is a consequence of an increasing public awareness of the full impact of business as well as of a democratisation and globalisation of the information system thanks to the Internet and new information technologies.

Due to this increase in information availability, companies are perceived to gain while externalising costs to society and therefore causing social and environmental problems (Porter & Kramer, 2012). Similarly, Pless et al. (2012), researching on sustainability and business leader responsibility, affirms that business leaders lack society trust. Nevertheless, it has to be acknowledged that leader responsibility can be subject of really different interpretations. For some, managers should be responsible toward the business financial performance in order to please shareholders. However, although Paine (as cited by Sanchez, 2003) does not doubt the managers' duty toward investors, he also suggests that company owners must do their business respecting the right of other people involved. For others, responsibility should be meant toward all the stakeholders concerned with the firm operations. For a third group, business leaders have the potential to solve societal challenges and should serve the “common good” (Muff & Dyllick, 2014).

Pless et al. (2012) identified four main types of CEO: the *i)* “traditional economist”, answering to shareholder interests; *ii)* the “opportunity-seeker”, giving expression both to shareholder and stakeholder voices with the goal to maximise the profit of the former; *iii)* the “integrator”, whose

work is directed toward both shareholder and stakeholder value creation and *iv)* the "idealist" who sees business as an answer to societal problems. However, Pless (2012) and his colleagues doubt about the reliability of the first two categories in order to re-gain business public trust.

But what is it generally meant by "public" or "stakeholder"? Eccles et al. (2012b), while proposing a model to embed sustainability into business strategy and operations, acknowledges the role of stakeholders identifying around 20 different groups which can affect a firm on its sustainability performance. As a matter of fact, stakeholders are not an undetermined mass of people sharing the same set of interests, but they bring a broad number of different needs and stakes. Azapagic & Perdan (2000) categorise them in *i)* "primary social stakeholder", directly involved in business operations (employees, suppliers, partners, investors...); *ii)* "secondary social stakeholder", corresponding to society at large; *iii)* "primary non-social stakeholder", the environment and future generations, and *iv)* "secondary non-social stakeholder", such as pressure groups fighting for the primary non-social group's stakes. More specifically, Keeble et al. (2003) identifies investors, customers, employees, governments and civil society as main stakeholder categories. Investors are not only interested in traditional financial performance, but they are more and more sensitive to environmental and ethic concerns (Azapagic & Perdan, 2000). Customers require more information concerning products they buy (Keeble et al., 2003) and their power is increasing since companies realise their ability to neutralise share-holder value through their purchase choices (Azapagic & Perdan, 2000; Eccles et al, 2012a). Employees prefer businesses responsible for society and the environment (Keeble et al., 2003) and firms perceive that the smartest workers look for the smartest companies (Eccles et al., 2012a). Governments exercise their pressure on business through fines (Eccles et al., 2012a) and requiring sustainability reporting as it is also asked by civil society organisations (Keeble et al., 2003) which adopt the "name and blame" approach damaging business' image and accountability (Azapagic & Perdan, 2000).

2.2.3 Concept origins and evolution

The previous section discussed the relevance of the BS concept. However, the above expressed arguments are the fruits of at least two decades of discussion, research and debate. Therefore, this section will provide the reader with a short overview on the origins and evolution of BS.

As a matter of fact, the acknowledgement of the Earth as a planet with finite resources and of human impact on the environment appeared long before 1987, in the 60s (Elkington, 2004). Similarly, during the 70s a raise in the attention to social issues was observed, though it soon disappeared along the 80s and the 90s to come again with the new century with a new consciousness linking inter-dependently together the environmental, social and economic pillars (Gray & Bebbington, 2000).

Therefore, a first phase of environmental concern was raised in the 60s based on environmental

regulation by governments and a passive, compliant behaviour by businesses (Elkington, 2004). However, this reactive approach by businesses showed to lack long term viability because of its high costs. Business risk aversion and cost minimisation brought firms to act in a more active way (Azapagic & Perdan, 2000).

Elkington (2004) identifies a new phase taking place over the 70s and the 80s and characterised by a moment of market liberalisations and privatisations. During this period business tried to invert the legislation to its favour.

At the end of the 80s the raise of the sustainability concept, with the Brundtland report in 1987, and several industrial accidents gave birth to a third phase. Suspicion concerning business behaviour and reporting legislation or voluntary disclosure support by governments drove business toward a more competitive behaviour based on being “green” (Kolk, 2003; Elkington, 2004). It is in this period that the WBCSD is created in order to bring the business voice to the 1992 Earth Summit in Rio. The business organisation, together with the International Chamber of Commerce, acts as an industrial lobby in order to prevent the global meeting from discussing business and transnational companies' impact on the environment as well as BS accounting. On the contrary, a role for business as part of a sustainable solution is supported arguing the coincidence between BS and good business practices (Gray & Bebbington, 2000; Gray, 2002). Therefore, business shows now a pro-active approach driven by the raising idea of the existence of a business case for sustainability (Azapagic & Perdan, 2000) and thus taking the distance from old CSR mainly focused on reputation (KPMG International, 2014).

A last phase took place with the end of the XX century. Civil society raises its voice against international organisations, to which a responsibility for SD is ascribed (Kolk, 2003; Elkington, 2004). It is acknowledged that SD cannot be achieved through disconnected initiatives and the need for governance and strategy at the global level and within business. Sustainability is embedded in business strategy and it is communicated to external stakeholders via reporting (Azapagic A. & Perdan, S., 2000).

The described phases show an initial business diffidence toward BS, however according to Little (n.d. as cited in Giddings, B. et al., 2002), the relevance of SD is now recognised by the 95% of the largest firms in Europe and the United States.

2.2.4 A lot of expressions referring to business sustainability

Discussed its relevance in Section 2.2.1 and its origins and evolution in Section 2.2.3, the discourse is now ripe to define BS in its most common annotation as well as to put the emphasis on the vast amount of different interpretations related to the concept.

The most used definition of BS is basically an adaptation of the SD definition to business. The International Institute for SD (IISD, 1992 as cited in Labuschagne et al., 2003, p.1) defines BS as the adoption of *business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future*. Dyllick and Hockerts (2002) specify that the needs to be met are of direct and indirect stakeholders and express the futurity principle in terms of future stakeholder need rather than of solely natural resources. A slightly different definition, more business-focused is given by Nita and Stefea (2014, p.2) who describe BS as a *business strategy that drives long term corporate growth and profitability by mandating the inclusion of environmental and social issues in the business model*. These different statements, though with some commonalities, give in advance an idea of the varied meanings for which BS can stand. Some of these different interpretations will be revised here below. However, some authors warn about the presence of misleading meanings of BS (De Simone & Popoff, 1997 as cited in Dyllick & Hockerts, 2002). For this reason, the overview comprehends also some of the main critiques to the different concept directions.

2.2.4.1 Triple Bottom Line

The concept of t*riple bottom line* has been created by John Elkington, an expert of corporate responsibility and SD in 1997. It raises from the need for a new definition of added value which goes beyond economic value and comprehends the environmental and social costs and benefits that business brings to society. The idea is also known as "3P", standing for "People, Planet, Profit", or "win-win-win" strategy since it tries to combine together social, environmental and economic stakes supporting the ability of business to manage them all (Elkington, 2004).

On the t*riple bottom line*, Dyllick & Hockerts (2002) affirm that economic BS, which requires contemporaneously enough liquidity and financial returns for investors, does not satisfy long term sustainability alone. The satisfaction of ecological and social BS are also needed.

Additionally, the two authors specify that ecological BS binds firms to use natural resources at a degree below their re-creation or substitute development and to produce waste at a level below the ecosystem absorption capacity. Similarly, social BS is related to human and social capital enhancement from the company towards the different stakeholder groups. Moreover, although the presence of trade-offs between the groups, the community can count on a common value system.

Elkington identifies seven revolutions for moving to sustainable capitalism including *i)* free and competitive markets; *ii)* a global shift in human and societal values, *iii)* transparency through global reporting and disclosure; *iv)* life-cycle technology making firms responsible for the product "from cradle to grave"; *v)* partnerships with different organisations based on cooperation and mutual trust; *vi)* a combination of two apparently opposite time conceptions: one as fast as possible to manage

properly a global market and one based on a long term time horizon essential for sustainability and *vii)* a corporate governance including stakeholders.

The t*riple bottom line* approach has been criticised by several authors. Firstly, Gray & Milne (2002) warn about the fact that in case of trade-off between the three bottom lines, the financial aspect is given more importance than the others. It means that environmental and social issues are subordinated to their ability to bring business profit.

Nevertheless, according to some authors, corporate economic sustainability should always be prioritised since if a firm is not able to stay in business, it cannot even contribute to the external societal well-being (Labuschagne et al. 2003).

Lastly, McDonough & Braungart (2002) criticise the t*riple bottom line* as an "end-of-the-pipe" measure for BS since it provides business with strategies to minimise its negative impact instead of designing a sustainable process and product from the beginning avoiding negative effects at all (for further insight into McDonough & Braungart critique and proposal see Section 2.3.2.2).

2.2.4.2 Corporate Social Responsibility

CSR is a tool adopted by numerous companies in order to take responsibility for the detected social and environmental impacts. It normally goes beyond regulation compliance ("Corporate Social Responsibility", 2007) and, therefore, it can be considered a sign of business pro-activeness. Nevertheless, CSR is meant in really different ways by businesses.

Pless et al. (2012) identifies two different approaches to CSR. The first one is "instrumental". It commits companies to CSR only if economically profitable. Whereas the second "multi-faceted" one, aims at creating shared value both for investors and stakeholders. This second approach is the one supported by the European Commission.

According to the Prince of Wales Institute, corporate responsibility should include responsible core business activities, philanthropic investments but also business involvement in public-private partnerships (Nelson, 2002 as cited in Labuschagne et al., 2003).

Labuschagne et al. (2003) splits the "corporate responsibility strategy" into two main components: societal and operational initiatives. The first one comprehends corporate social investments related to external philanthropy, while the second one is related to business core activities. The authors underline that business sustainability performance should be assessed based on sustainability initiatives (both environmental, social and economic) related to the core business activities. This is a really relevant elucidation given that a lot of businesses tend to confuse BS with their contributions to external social investments and philanthropic causes mainly enhancing their image and reputation rather than their actual operations. This is an argument supported by Porter & Kramer (2011) who

highlight the risks of investing in initiatives that have almost nothing to do with the business core. In fact there is a risk for these initiatives to be quitted as soon as they do not bring business benefit any more. Showing limited engagement with a start and an end point, it is thus difficult to be sustainability in the long term.

However, the two authors are criticised by Crane et al. (2014) who, though recognising that CSR literature seldom goes beyond the business case for CSR, argues the existence of a "strategic CSR" which embeds initiatives within the business strategy in order to benefit the sustainability of the firm's core activities.

A reductionist judgement on CSR initiatives seems to be given by KPMG as well when writing: *this investment* [in people, communities and the environment] *entails far more than corporate philanthropy, CSR projects or 'green' initiatives—worthy and important though these may be. To do well in today's business environment, you increasingly have to measure, understand and pro-actively manage the value you create, or reduce, for society and the environment as well as for shareholders* (KPMG International, 2014, p.4).

Lastly, CSR has been criticised by Young & Tilley (2006) for referring only to socio-efficiency, that is to say, to social impact minimisation and social benefit maximisation in relation to the created business value (Dyllick & Hockerts, 2002), instead of considering also socio-effectiveness, defined as a continual societal positive impact.

However, as mentioned at the beginning of this section, for some authors and organisations CSR should not be a bolt-on set of initiatives put in force by companies to serve their business case. On the contrary it should focus on shared value creation. The critiques to CSR by Porter & Kramer (2011) bring them to the elaboration of a theory, "creating shared value", willing to reshape the relationship between business and society in order to ensure prosperity for both subjects. The theory suggests economic value creation by creating societal value through three different strategies. These are: *i)* re-thinking products and markets based on society's needs and societal benefits, *ii)* transforming the value chain through efficiency measures and stakeholder relationship management and *iii)* investing in local cluster development in order to strengthen business partnerships and the link between business and society (Porter & Kramer, 2011). Nevertheless, this theory is partly criticised by Crane et al. (2014) who affirms that, though it represents a step forward involving stakeholders as value beneficiaries, corporate self-interest is not discussed and stakeholders would always come after business profit. As an alternative, they propose the adoption of multi-stakeholder processes as a true social perspective where business is but one stakeholder among others in order to actually walk toward the common good of society. The importance of cooperating in partnership with external stakeholders is also supported by Pfitzer et al. (2013) and Zimmermann et al. (2014) at all

the process stages for firms willing to create shared value for business and society. In fact, companies with an insufficient comprehension of societal needs can rely on other actors in order to gain insight on their social purpose. Moreover, they can share innovation risks through the use of incubators and activating partnerships (Zimmermann, et al., 2014) and hybrid innovative business structures. Similarly, monitoring and assessment need an external view in order to catch the shared value of the enterprise (Pfitzer et al., 2013).

However, Porter & Kramer (2011) were not the first ones to focus on a broader interpretation of value creation. In fact, in their answer to Crane et al. (2014) they acknowledge the contribution of Emerson (2003 as cited by Dyllick & Muff, 2013) and his "blended value" concept, inviting businesses to seek profit, social and environmental goals at the same time. Nevertheless, Porter and his colleague take the distance from this theory affirming that it is not meant to solve societal problems like theirs is thought for (Porter & Kramer, 2014).

In accordance with the multi-faceted interpretation of CSR aiming at shared value creation and willing to highlight their taking distance from an instrumental use of the concept, some business organisations recently started to use "corporate sustainability" instead. The UNGC, a voluntary initiative for BS based on corporate CEOs committed to bring about sustainability principles and UN goals ("About the UN Global Compact", n.d.), defines it as the business way of contributing to SD global challenges. It constitutes in moving their means and skills for economic, social, environmental and ethical value creation both for business and for society in the long term. This implies the incorporation of sustainability principles into core business strategies acknowledging business transformative power (UNGC, 2013).

The presented critiques to instrumental CSR mainly propose a continuous business commitment to the outside by delivering positive value. Interestingly, Moneva et al. (2006), while agreeing on the reductionism of CSR as a set of initiatives inside the organisation, points out its distance from SD. In fact, the latter has a normative intention leading to deep global systemic changes, whereas the former acts within the status quo.

2.2.4.3 Eco-efficiency

According to Braungart & McDonough (1998) the concept of eco-efficiency, though not with this name, can be dated back to Henry Ford and his efforts for resource minimisation and recycle in the assembly line. Always indirectly, it was used in the Brundtland report (1987) envisaging more resource efficiency and less pollution and minimisation of the irreversible negative impacts to society and the environment. However, its formal appearance takes place in 1991 by the just-born WBCSD.

Eco-efficiency is a concept linking together the environmental and economic dimensions and it is defined as *doing more with less* (Braungart & McDonough, 1998, p.2), a firm's economic profit in

relation to its environmental impact (Schaltegger and Sturm, 1990; 1992; 1998 as cited in Dyllick & Hockerts, 2002) or maximising value while minimising impact (WBCSD, 2001). However, Schmidheiny & Stigson (2000), within their report on eco-efficiency for the WBCSD, argue that these are reductionist views and invite to see eco-efficiency also as a concept which should prompt toward new production solutions not only within the firm's framework, but also along the whole value chain.

Nevertheless, eco-efficiency is a largely criticised concept. First of all, Welford (1997 as cited in Dyllick & Hockerts, 2002) and Schaltegger & Sturm (1990; 1992; 1997 as cited in Dyllick & Hockerts, 2002) point out that eco-efficiency is often used by businesses as a synonym of sustainability, whereas, this is but one measure among many of a broader concept.

Secondly, Gray & Milne (2002) argue that the absolute impact of each business on every resource base should be aggregated in order to actually measure for environmental sustainability. As a matter of fact, a company who can minimise its environmental damages is but relatively sustainable, whereas, in absolute terms, the amount of damages produced by all businesses together could still be unsustainable for the planet. Gray (2010) defines sustainability as a systemic concept which has, thus, to be considered at the eco-systemic level. The need for absolute thresholds is also supported by Dyllick & Hockerts (2002) who affirm that irreversibility, non-linearity and non-substitutability principles applied to natural capital depletion make it unsustainable to only rely on eco-efficiency. Young & Tilley (2006, p.3) summarise this critique defining eco-efficiency as an insufficient *illusion of short term relative improvements* for a business willing to be truly sustainable. This illusion decreases the feeling of culpability and worry about the future without actually solving the problems since, though the relative improvements, resources and non-renewable energy sources continue being un-sustainably used and eco-systems damaged and what do decrease is only the rate of depletion and deterioration (McDonough & Braungart, 1998).

Additionally, Gray & Bebbington (2000) argue the ineffectiveness of eco-efficiency measures also comparing sustainability indicators at 5 years of distance from the first eco-efficiency initiatives taken at the Rio 1992 conference. Their results showed that these indicators worsened during the 5 year span.

Furthermore, Gray & Milne (2002) doubt that capitalistic businesses would be really interested in broaden efficiency to effectiveness measures, meant as an absolute decrease in business (social and) environmental impacts, for two main reasons. Firstly, this would probably imply a decrease in production undermining the concepts of consumerism and, ultimately, of growth. Secondly, as mentioned in Section 2.2.1, social disparities are a fundamental capitalistic element.

Lastly, eco-efficiency, relating together only the economic and environmental dimensions, does not

take into account social aspects, thus forgetting an indispensable and integral part of sustainability.

This last argument is pretty common and many businesses mean sustainability as only related to the environment. As it will be highlighted in Section 2.4.1, this is partly due to the difficulties in measuring the majority of social impacts.

2.3 True business sustainability

In the last years a step forward in the concept of BS was made by several authors (i.e. McDonough & Braungart, 1998; 2002; Dyllick & Hockerts, 2002; Young & Tilley, 2006; Dyllick & Muff, 2013). This concept evolution will be referred to with the expression TBS used by Dyllick & Muff (2013). A question immediately emerges: why "true" BS? Was BS not true? Where does the need for "true" BS come from?

In fact, the adjective "true" has not only been recently used by the aforementioned authors, but business-related organisations started to apply it to other concepts such as "true cost", "true price", "true earning", "true profit", "true progress" and "true value". All these concepts were created based on the recognition that business has impacts on society and on the environment which are not taken into account. In fact, these impacts correspond to business externalities since, being difficult to be measured, they do not have a price and which are thus considered outside the market. The ignorance of externalities brings to a narrow definition of value creation which is challenged by sustainable value creation implying the account of all costs and benefits (Fatemi & Fooladi, 2013). As a consequence, in the last years several business accounting organisations and other business-related institutions started to find ways to measure, through monetisation (true price), business impacts (true costs) to society and nature. This was done in order to internalise externalities and assess firms' true earnings or true profit and ultimately, their true value, that is a value benefiting both to shareholders and society (WBCSD, 2010; True Price Foundation, 2012; KPMG International, 2014). It has to be mentioned that externalities refer in general to all what is not accounted within the corporate statement, positive or negative, meaning that externalities could also include hidden benefits given by the firm to the outside (KPMG International, 2014).

Trucost, a company helping businesses to identify their hidden costs and impacts, thinks this approach in terms of risk minimisation for business ("What we do", n.d.). Nevertheless, the True Price Foundation (2012) seems to be more vocal in terms of expressing the potential of externalities internalisation. Firstly, monetisation means fostering sustainability through the use of markets. Secondly, internalisation of externalities creates transparency as it is widely asked by consumers. Thirdly, transparency can turn into more profitability for businesses implying more competitiveness and license to operate and lastly, the whole process envisages multi-stakeholder cooperation instead of a conflict leading to unpredictability.

Although these new concepts are bringing BS a step forward, the above mentioned authors researching on TBS seem to mean something deeper and broader than mere internalisation of externalities which could bring BS to a new level. In this case, the use of "true" BS seems to refer to an implicit critique to the reductionist approach to BS which has characterised the discourse and the initiatives up to now.

The critiques to the main BS interpretations as given in Section 2.2.4 represent the base for a discourse on BS that goes beyond the business case for sustainability. Section 2.3.1 will synthesise the main arguments against the presented BS models. Then, the main TBS models will be introduced in Section 2.3.2.

2.3.1 Beyond the business case for business sustainability

Section 2.2.4 clarified the ambiguity given by different interpretations of BS. Gray & Bebbington (2002) summarise the most common approaches to sustainability as a superficial use of the term without a deeper understanding about its nature and implications.

Dyllick & Muff (2013) highlight the lack of evidence concerning an actual benefit of BS initiatives to SD. The assimilation of sustainability to eco-efficiency is, according to Gray & Bebbington (2002), a signal that the business-as-usual growth and profit maximisation are not questioned and alleviating global issues is preferred to solving them (McDonough & Braungart, 1998).

In order to actually solve societal issues, sustainability should be at the centre rather than business itself (Gray & Bebbington, 2000). However, according to a research run by Gray & Bebbington (2000) on transnational companies and sustainability, an important part of these corporations dos not, cannot or will not support sustainability if it endangers their financial return and, ultimately, their existence. In fact, a change in BS model from business-centred to sustainability-centred could actually challenge the core of current business.

Muff & Dyllick (2014) envisage new business models supported by a different idea of business and by suitable legal frameworks. However, Dyllick & Muff (2013) underline that the economic model and consumer behaviour require changes as well in order for TBS to work out.

These concerns gave birth to new TBS models. The four identified through the research period that shaped this thesis will be reviewed in the next section.

2.3.2 True business sustainability: main models

2.3.2.1 Six criteria model by Dyllick & Hockerts (2002)

Dyllick & Hockerts[1] doubt the ability of the business case for sustainability alone to bring true sustainability. As a matter of fact, a natural and a societal case for sustainability also exist. In fact, business, together with society, can be seen as the main driver for more environmental good and, similarly, business together with nature can generate more social good.

Figure 1 Represents the *6 criteria* model shaped by the authors in order to represent the three cases for sustainability. The 6 criteria have to be satisfied altogether for a business to be truly sustainable. The criteria create double relationships between the three cases for sustainability.

Firstly, eco-efficiency and socio-efficiency shape the business case for sustainability. This means that minimising social and economic costs and maximising social and economic benefits create more business value.

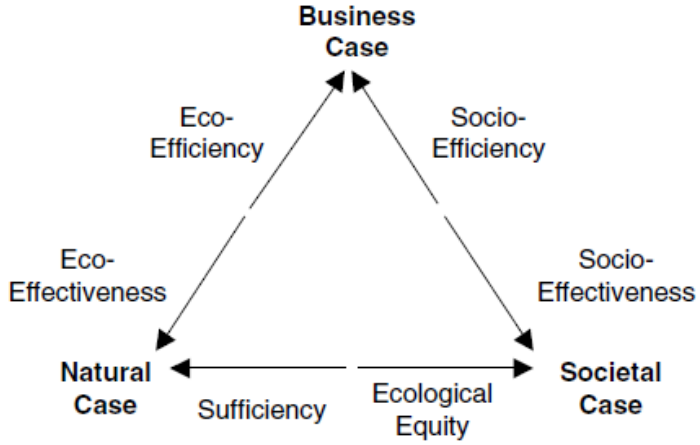

Figure 1: ***The 6 criteria model for TBS.*** *The figure represents the existence of a business, natural and societal case for sustainability. 6 criteria, two for every case, shape the different cases for sustainability and relate the three cases between each others. Source: Dyllick & Hockerts, (2002, p.9).*

Secondly, eco-effectiveness and sufficiency shape the natural case for sustainability. Eco-effectiveness invites business to act in harmony with nature keeping its negative impacts out and being innovative in creating ways to profit while enhancing natural fecundity and abundance (Young & Tilley, 2006). Sufficiency deals with the societal responsibility for natural abundance. According to Fatemi & Fooladi (2013), global consumption is now 1.5 times the sustainable level. As a matter of fact, people, with their individual consumption, influence it heavily. In addition to paying attention to their own life-style, consumers can also influence the business offer side using their purchasing

1 Unless differently specified in parenthetical references, all the information of this section refers to Dyllick & Hockerts (2002).

power as a weapon. The Brundtland report (1987) also states that consumption standards affect long term sustainability. It also acknowledges that human needs beyond the basic minimum are culturally and socially constructed, therefore, values promoting sustainable consumption standards should be fostered. As a consequence, as Hockerts (2003 as cited in Young & Tilley, 2006) affirms, businesses, and especially business marketing, have at least an indirect responsibility in shaping customer's life-style sustainably.

Thirdly, socio-effectiveness and ecological equity shape the societal case for sustainability. Similar to eco-effectiveness, socio-effectiveness invites business to remove their negative impacts to society and to create profit enhancing societal value. Ecological equity refers to a long term management of natural resources so that they can be enjoyed both by present and future generations.

Some critiques to the model have been identified. First of all, Dyllick & Hockerts acknowledge that a framework for socio-efficiency and socio-effectiveness assessment is actually lacking. Moreover, ecological equity is not really part of the business discourse at the moment.

A second critique comes from Young & Tilley (2006) who see the potential of the model only for production side solutions, whereas no solutions are actually proposed for the consumption side which should also be re-framed in order to speak about true sustainability.

Lastly, Young & Tilley (2006) also highlight the risk, especially for SMEs driven by a specific environmental or social target, to focus only on the natural or societal case for sustainability instead of considering the whole model for their companies. In these cases, the Young & Tilley (2006) wonder if it is actually possible for those businesses to consider all the elements of the model without undermining their reason of existence.

2.3.2.2 The Triple Top Line model by McDonough & Braungart (1998; 2002)

McDonough and Braungart[2] build their model on the critique to the t*riple bottom line* and eco-efficiency. The t*riple bottom line* is the answer to a perverted *system that takes, makes and wastes* (1998, p.2-3) and therefore, together with eco-efficiency, is meant to palliate rather than disentangle problems created by businesses. Their answer to these critiques is to stop creating negative impacts trying to heal the world afterwards by simply avoiding these impacts by design. Therefore, they propose a shift from a t*riple bottom line* to a *triple top line* approach moving the attention to the beginning of the process and the creation of innovative products, services and processes which do not have bad consequences on nature and society (2002). Table 1 shows an in-depth comparison between the two approaches.

2 Unless differently specified in parenthetical references, all the information of this section refers to McDonough, W. & Braungart, M., 1998; 2002. Therefore, the year will only appear within the parenthetical references.

Table 1: ***Comparison between Triple Bottom Line and Triple Top Line approaches.*** *Source: adapted from McDonough & Braungart (1998); (2002); Young & Tilley (2006).*

Triple Bottom Line (TBL)	Triple Top Line (TTL)
End-of-the-pipe initiatives: "how to clean up?"	New design (beginning of the process): "how to create life-support systems?"
Efficiency measures	Efficiency and effectiveness measures
Minimising industrial impacts, managing negative impacts	Creating positive value
"Be less bad"	"Be good", generate value
Maintenance of the existing system	Creation of a new system
Triad of concerns in trade-offs: compromise between competing interests	Enhancing well-being of Nature and culture while generating economic value
Focus on economic gains with environmental and social benefits as "afterthoughts"	Optimising and maximising value in each category
Capitalism/socialism/environmentalism: all hold one of the concerns as ultimate goal	New system honouring the needs of the three concerns
Cradle to grave	Cradle to cradle
Linear processes	Closed-loop systems
Waste - "3R": reduce, recycle (= down-cycle), reuse	Food – recycle = up-cycle

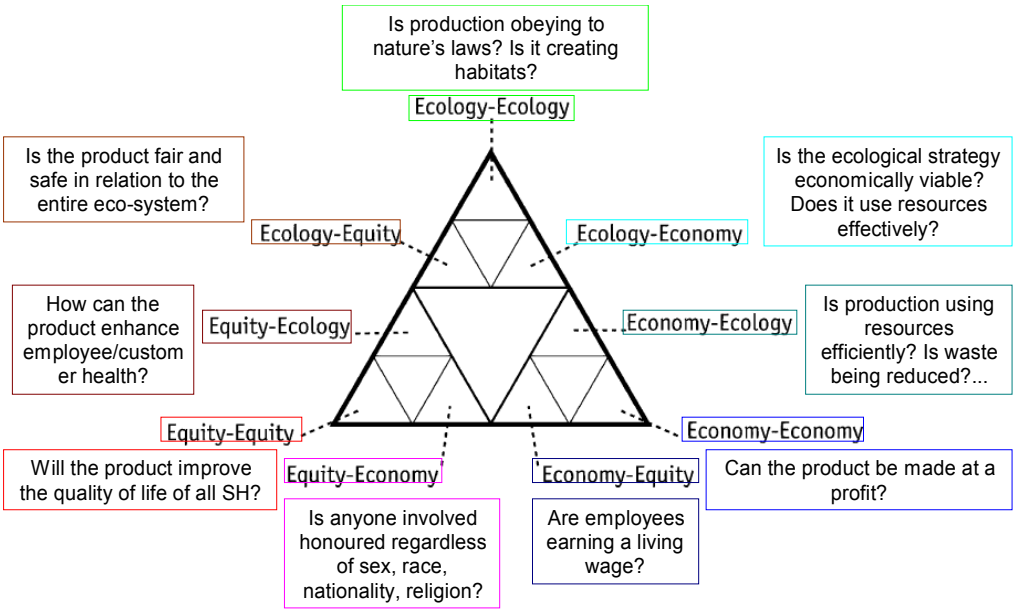

Figure 2: ***Triple top line model.*** *The fractal triangle has to be read in a clockwise direction starting from the bottom right angle, Economy-Economy, since a company has to stay in business in order to deliver value. The reported questions are illustrative of the criteria that every business has to answer when designing a product or service. Source: adapted from McDonough & Braungart, (2002).*

To implement the *triple top line* idea, the authors take inspiration from natural systems in order to create a regenerative industry rather than one destroying or downgrading resources. Natural processes are based on effectiveness rather than efficiency. Nature never produces waste: by-products are normally inputs for other products and the environment is always fecund and lush. Thus, the authors envisage production separated into two closed-loop systems which should never contaminate each others in order not to waste or down-cycle resources. An industrial cycle would be appropriate

for non-biodegradable materials, whereas organic ones would be appropriate for the biological cycle (1998).

The *triple top line* concept is summarised in a model designed as a fractal triangle, which provides business with a self-assessment tool in order to sustainably design their activity maximising value in all the sustainability dimensions. The model is represented in Figure 2, it is formed by nine questions linking together the three sustainability pillars which should be read and answered starting from the lower-right angle: the economy-economy one. This because a business is meant to act at a profit.

2.3.2.3 The sustainable entrepreneurship model by Young & Tilley (2006)

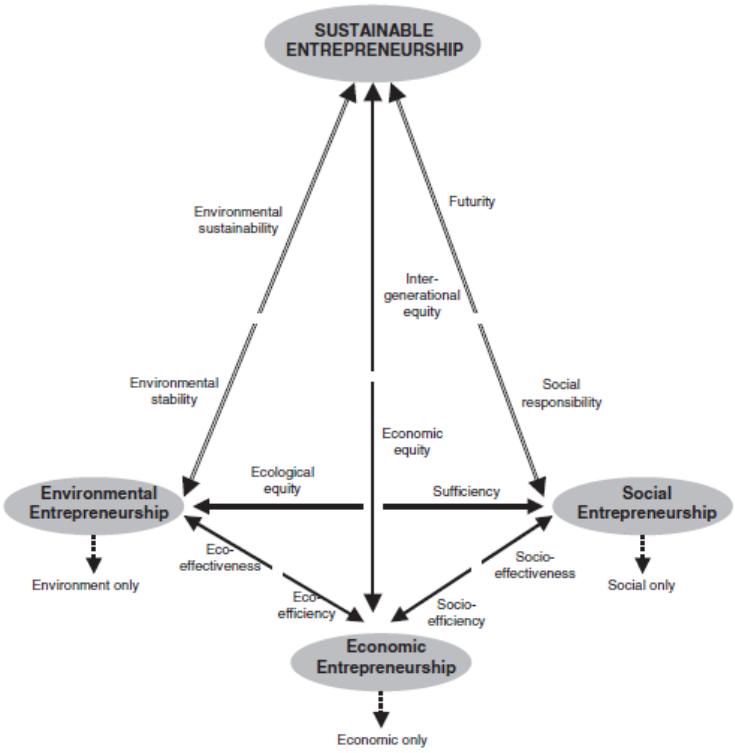

Figure 3: ***The sustainable entrepreneurship model.*** *The model bases on the 6 criteria model (Dyllick & Hockerts, 2002) recognisable in the lower part of the figure. While the base model tends to give birth to environmental, economic and social entrepreneurship, thanks to the criteria outlined in the upper part of the figure these business models can change into sustainable entrepreneurship. Source: Young & Tilley,(2006, p.9).*

Young & Tilley[3] base their *sustainable entrepreneurship* model on the two previous ones (Dyllick & Hockerts, 2002; McDonough & Braungart, 2002). Although acknowledging the steps forward provided by the two models, this new one is driven by a common critique to them. As a matter of fact, the two authors warn about the risk for a business, especially if small, to only consider the aspect of the model correspondent to its business mission (see the critiques to the *six criteria* model

3 Unless differently specified in parenthetical references, all the information of this section refers to Young & Tilley, 2006.

in Section 2.3.2.1). This approach gives origin to models such as social, environmental and economic entrepreneurship. However, a real integration of the three dimensions is missing in these cases. As a consequence, the new model wants to highlight the need for this integration in order for a business to be truly sustainable and not only environmentally or socially driven.

For this reason, the *sustainable entrepreneurship* model, represented in Figure 3, provides a path for social, environmental and economic entrepreneurship toward true sustainability starting from the *six criteria* model and adding 6 more criteria, 2 for each type of entrepreneurship, for a total of 12. In the lower part of the picture the *six criteria* model is recognisable together with the above mentioned risk for businesses focusing only on their core target giving birth to social, environmental and economic entrepreneurship. However, the three business models can become sustainable by working at the 2 criteria linking them to sustainable entrepreneurship.

As a consequence, environmental entrepreneurs should focus on environmental sustainability and stability in order to ensure long term environmental sustainability. Economic entrepreneurs should integrate economic equity and inter-generational equity. That is to say, make sure that future generations are wealthy also thanks to a fair allocation of the economic wealth between present and future. Lastly, social entrepreneurs should work at their liability toward the well-being of existing (social responsibility) and future (futurity) generations.

The authors define "sustainable entrepreneurship" as one of businesses with sustainability at the core of their structure, activities and strategy.

2.3.2.4 Business sustainability typology model by Dyllick & Muff (2013; 2014)

Dyllick & Muff's[4] *business sustainability typology* model aims at clarifying the meaning of BS and at marking the difference between corporate green-washing and TBS.

They base on several concepts revised along this chapter. Firstly, they recognise the t*riple bottom line* approach and its ability to create win-win-win solutions for businesses creating both profit and societal value. However, they also acknowledge its weakness in comparing and managing the existing trade-offs between the three dimensions.

Secondly, they admit that we are now living beyond planetary boundaries and they endorse Dyllick & Hockerts (2002)'s arguments beyond efficiency and the business case for sustainability.

Thirdly, their work takes also into account several theories concerning value creation and its beneficiaries. As a matter of fact, the two previous premises distance them from supporting those theories motivating the existence of business only to maximise shareholder wealth creation. Most of

4 Unless differently specified in parenthetical references, all the information of this section refers to Dyllick, & Muff, (2013) and Muff, & Dyllick, (2014). Therefore, the year will only appear within the parenthetical references.

the theories they rely on have already been discussed in the last part of Section 2.2.4.2. Here it is underlined that the authors also partly criticise Porter & Kramer (2011)'s creating shared value since it does not discuss business economic value primacy as it has been argued by Crane et al. (2014). Additionally, they get inspiration from the raising social entrepreneurship models such as the the Social Business Initiative by the European Commission, Corporation 2020 and the Economy for the Common Goods Movement. All these experiences are based on the primacy of impact on profit and on broad partnership with all stakeholders.

Fourthly, they discuss the actual contribution of current BS practices (CSR, eco-efficiency...) to sustainability meant at a planetary and societal level claiming a high risk for green-washing.

Lastly, taking into consideration the research by Eccles et al. (2012a) on the financial performance of high sustainable business, meant as business investing in society and the environment, they wonder if this type of business can be considered truly sustainable. Their answer is sceptical since the primary reason for being sustainable, as it is meant by Eccles and his colleagues, is to increase business competitiveness and return for investors and thus financial performance being kept the only core measure.

Starting from these premises, Dyllick & Muff create the concept of TBS referring to a business which designs its existence around its contribution to solving societal and environmental issues. In order to reach TBS, they support the need for changes not only in the business models but also in the economic model and consumer behaviour.

It is also important to mention that they fully acknowledge the importance of all the steps made in terms of BS concept evolution and practices until the present moment and they see TBS as a final goal to reach through a path which sees businesses at different levels of awareness and capability for change.

Figure 4 presents the *business sustainability typology* framework showing four different business models, three of which present different degrees of sustainability (BS1.0, BS2.0 and BS3.0), moving from a business-as-usual model, that is to say, a business model totally focused on profit maximisation and share-holder value creation externalising natural and social costs. The characteristics of the different business models are organised based on concerns, value created and organisational perspective.

Looking at the columns of the matrix, the first one is "concerns", meant as business interests. While business-as-usual focuses only on economic concerns, the shift to environmental, social and economic attention can be observed starting from BS1.0 onward. This also involves a change in time perception to a longer time horizon.

The second column is based on the above mentioned literature on value creation. Business-as-usual

only focuses on delivering wealth to shareholders. BS1.0 uses the three-dimensional concern in order to minimise costs and maximise benefits for shareholders, therefore, a BS1.0 company could indirectly create value also for other beneficiaries. However, a more important change takes place with BS2.0. This business model acknowledges the existence of three bottom lines and BS2.0 firms act in order to pursue not only economic profit but also social and environmental value creation through what has become popular as Corporate Social Responsibility. This is a way for businesses to manage their risks and opportunities.

BUSINESS SUSTAINABILITY TYPOLOGY (BST)	Concerns (What?)	Values created (What for?)	Organizational perspective (How?)
Business-as-usual	Economic concerns	Shareholder value	Inside-out
Business Sustainability 1.0	Three-dimensional concerns	Refined shareholder value	Inside-out
Business Sustainability 2.0	Three-dimensional concerns	Triple bottom line	Inside-out
Business Sustainability 3.0	Starting with sustainability challenges	Creating value for the common good	Outside-in
The key shifts involved:	1st shift: broadening the business concern	2nd shift: expanding the value created	3rd shift: changing the perspective

Figure 4: ***Typology of Business Sustainability and their key characteristics.*** *Three different business sustainability typologies are described which are characterised by different levels of change towards sustainability. While the 1.0 typology presents only changes in the concerns, the 2.0 typology envisions also transformations in the beneficiaries of value creation and the 3.0 typology encompasses a new organisation perspective. Source: Muff & Dyllick, (2014, p.4).*

Lastly, the third column underlines that both BS1.0 and BS2.0 adopt an inside-out perspective. This means relying on improvements and basing on what already exists following an efficiency approach. On the contrary, BS3.0 embraces an outside-in perspective finding in the business contribution to solve societal issues through its own skills, the sense of doing business. This innovative approach brings to a step forward also the value creation column. In fact, in the case of BS3.0, or TBS, the common good becomes also an indispensable value creation beneficiary. As Roberts (2004 as cited in Fatemi & Fooladi, 2013) states, business exists to serve human needs. Only when the shift to outside-in perspective takes place a business can be considered truly sustainable.

The *business sustainability typology* has been further researched with the creation of a grid trying to summarize the main differences between the three BS models according to 13 main criteria. These are: value creation, primary corporate attitude, primary focus, strategy, market definition and

positioning, products and services, governance and leadership, type of CEO, type of companies, sustainability implementation, processes, reporting and stakeholder influences (2014).

For a brevity issue, this section will not describe in detail all the characteristics but it will only mention some of them in order to complete the overview on the kind of TBS proposed by the two authors. As above described, TBS delves on permanently benefiting nature and society which are its main focus. Therefore, a business belonging to the TBS category would likely to pro-actively figure out which societal challenges it is able to tackle. It would also shape its business strategy and governance around it with the cooperation and partnership of other organisations. This could also involve a re-positioning in the market and the conception of new products and services answering the identified human needs.

Business governance permanently include relevant stakeholders within the board, whereas BS2.0 normally involves stakeholders in dedicated moments, though sustainability has already reached the board level through positions such as the Chief Sustainability Officer. A BS3.0 CEO sees business more as a means rather than the goal and face under-performance risks (see the categorisation by Pless et al., 2012). Reporting, according to BS3.0 would involve beneficiaries and concentrate on the societal value created.

The authors are self-critique about the feasibility of BS3.0 since this implies profit-driven companies focusing on sustainability and the common good. Nevertheless, they support the model as far as sustainability is embedded as the core of the business strategy through an outside-in approach.

Moreover, they are doubtful about the ability of big companies to reach TBS and they see the issue of ownership as the biggest obstacle. In fact, stock-quoted corporations, having to do with the financial markets, are far more dependent on their share-holders and on their financial performance (2014). According to the Economy for the Common Good (ECG) movement business revenues should be used for investments in the company and providing owners and employees with an income, whereas they should not pay interests to external investors so that the company can aim to the common good without pressures for income maximisation ("Our ten guiding principles", n.d.). Nevertheless, the impossibility for big corporations to act under the BS3.0 model has not been demonstrated and the authors are currently searching for examples of businesses which could match the TBS model as well as for strategies to engage businesses for a further shift, certain of the fact that some big businesses, such as Unilever, have already shifted from BS1.0 to BS2.0 (2014). Lastly, the authors acknowledge that starting a new business under BS3.0 model (i.e. Benefit Corporations, social entrepreneurship, etc.) is easier than shifting from BS2.0 to BS3.0. However, they also think that a shift of big corporations to TBS is indispensable for planetary and societal sustainability (2014). Nevertheless, an answer could partly come from Pfitzer et al. (2013) who, researching on companies working at

innovation for shared value, lists at least four different structures which could be adopted by companies willing to deliver shared value through innovative initiatives and projects. In fact, according to the firm's degree of knowledge about the issue addressed by the initiative, the project level of risk and the level of business profitability that it can bring, a company could *i)* integrate the initiative within the existing business relaunching it, *ii)* create a semi-autonomous unit, *iii)* obtain philanthropic or public support or *iv)* finance the initiative for external entrepreneurs. This shows that, even for big companies, new hybrid structures exist for sustainable transformation and innovation always comprehending cooperation with stakeholders and external partnerships.

2.4 (True) business sustainability assessment

2.4.1 Why and how

BS assessment is becoming more and more frequent in order to answer several business needs. First of all, it is a tool used internally to provide a room for improvements and for decision-making. Secondly, it also serves for an external use to measure business externalities (Lamberton, 2005), the firm's contribution to sustainability and for comparing different products or processes in their sustainability performance or for benchmarking (Azapagic & Perdan, 2000; Lamberton, 2005). The structure and contents of the assessment can vary according to the goal (i.e. internal or external). Nevertheless, sometimes businesses misuse these tools undermining their effectiveness and the rightfulness of the assessment results.

Research on BS indicators is quite behind compared to the one about SD indicators for geographical areas. As a matter of fact, the UN and governments have been the leaders in this field (Labuschagne et al. 2003). However, for the business sector, three types of sustainability analysis exist: product, process or company-oriented (Azapagic & Perdan, 2000).

The majority of the existing frameworks for the business sector is based mainly on environmental indicators. In the case that the social dimension is taken into account, its assessment methodologies are still at their early stages mainly because of the difficulty encountered in measuring non-physical states (Azapagic & Perdan, 2000 ; Labuschagne et al. 2003).

Labuschagne et al. (2003) identifies three different methodologies for creating sustainability indicators usable for decision-making: a quantitative one, a qualitative one and a combination of the previous two. The first one involves the use of tools such as cost-benefit analysis or net present value. Sustainability is thus expressed in monetary terms. For instance, the monetary cost of restoring damages to the prior state is related to the business profits in order to assess the firm's level of un/sustainability. Moreover, the company is considered unsustainable in the case where critical natural capital, which is infinitely costly, is depleted (Lamberton, 2005). Some critiques to the use of

monetisation exist. Giddings et al. (2002) criticises the environmental economics general idea of putting a price to externalities since money does not give back what is lost. Moreover, Lamberton (2005) supports the relevance of monetary valuation for the assessment of the economic performance whereas its representation of social and environmental issues could result incomplete or imprecise. Lastly, Azapagic & Perdan (2000) doubt the effectiveness of monetisation and underline the need for methodologies which help decision-makers understand their preferences and the ones of the other stakeholders basing the choice on compromise. Therefore, all these authors support qualitative methodologies. This second typology implies the use of numerous indicators in order to give the right weight to all sustainability aspects (Labuschagne et al. 2003). In this case, money valuation is only used for the economic dimension, while natural capital can be assessed in physical terms (Lamberton, 2005). Research is still ongoing for the measurement of social indicators (Azapagic & Perdan, 2000).

The numerous critiques to monetisation give an idea of the difficulties in unifying such different aspects into a unique indicator. As a consequence, the research on multi-criteria indicators seem to be the most favoured one. The Global Reporting initiative (GRI) is the most relevant (Moneva et al., 2006) and the best-known multi-criteria framework for sustainability reporting, referenced, in 2006, by 1000 companies in 65 countries (Brown et al., 2009). Its more than 100 indicators are grouped in three dimensions of SD: economic, social and environmental. The economic focus is external, meaning that the GRI indicators account for the economic contributions of the business to society rather than for its internal financial performance (Labuschagne et al., 2003). (The GRI will be analysed within this thesis, therefore, more information and the results of the analysis can be found in Section 4.4).

However, Labuschagne et al. (2003) in its work proposes a framework for sustainability assessment which also includes a fourth dimension: the institutional one. According to the authors, who took inspiration from the UN, the institutional aspect is useful in order to check the extent to which sustainability is embedded at the business strategic level. This is considered a prerequisite for the company to be sustainable in its operations which can be assessed consequently using the traditional three pillars.

Independently from the kind of used framework, Lamberton (2005) identifies some characteristics which should always be verified for an effective reporting. These are transparency, inclusion of stakeholders in the creation of the assessment tool as well as in the assessment phase, the possibility for auditing, quality, reliability and accessibility of the assessment.

2.4.2 Business sustainability measurements in the literature

In the literature, there are many attempts to make some order and discuss the numbers of indicators

and guidelines available for BS assessment.

For the scope of this thesis, it is particularly interesting the selection, presented within the review by Labuschagne et al. (2003), of four integrated sustainability assessment frameworks using four sound criteria: *i)* a multi-criteria (measurable) framework, *ii)* considering all the three sustainability pillars, *iii)* with a broader focus than the product one and *iv)* not basing on another framework. The identified frameworks are: the GRI, the UN Commission for SD framework, the Institution of Chemical Engineers sustainability metrics and the Wuppertal sustainability indicators.

Similarly, Muff & Dyllick (2014) cite the Wall Street Sustainability Index by Dow Jones and the Sustainable Asset Management as measurements currently used to assess BS. Moreover, they mention the development of the Sustainable Accounting Standards Board as well as the GRI (see Section 2.4.4).

2.4.3 Main critiques to business sustainability accounting

BS accounting is not safe from the critiques concerning BS in general. In this section, some of the major critiques will be reviewed.

A first critique, is based on the assumption that accounting is not neutral but it shapes reality being able to influence how things are seen and perceived. Gray & Bebbington (2000) accuse accounting of being managerialist, that is to say, of serving business in its interests and goals. Their argument continues by hypothesising that if business is one of the causes of unsustainability (as it has been largely demonstrated in Section 2.2.1) and accounting is managerialist (as above affirmed), it means that accounting is part of the problem and, therefore, it is hardly usable to solve sustainability issues. According to the authors, accounting managerialism is due to a lack of critical mind in the accounting sector and education. However, if the accounting field was capable of innovation and independence, it could actually be a useful tool for sustainability, albeit not alone. As a consequence, a new kind of accounting, sustainability-centred rather than business-centred, is desirable which could control corporate stakes and support the common good.

Moneva et al. (2006) supports a similar critique underlining that sustainability reporting keeps organisations stuck within the current unsustainable situation rather than leading to real change.

A second critique comes from Gray (2010) and is based on the assumption that sustainability is a systemic concept and thus sustainability accounting makes sense at the ecosystem level rather than at the organisation one. In fact, a business could result relatively sustainable alone, while the overall situation, aggregating all the companies together, may be still unsustainable. Nevertheless, sustainability accounting keeps having an important role in challenging a weak idea of sustainability driven by the business sector and counter-balancing its lobbying power. As a consequence, in order to

overcome the issue related to the level to which sustainability belongs, the author invites to account for the contribution of the organisation to the ecosystem or community well-being.

A last critique comes from Kolk (2003), who, basing on Owen et al. (2000) and Gray (1997), affirms that integrating environmental and social reporting into the financial one could undermine a complete development of environmental and social information disclosure.

2.4.4 Which proposals for true business sustainability assessment?

Dyllick & Muff (2013) affirm the need for transparency and metrics in order to assess business contribution to SD. As a consequence, they query the ability of currently used sustainability indicators to give accurate information on TBS. Namely, they cite the Wall Street Sustainability Index by Dow Jones and Sustainable Asset Management, but they also confirm the existence of many other measurements (Muff & Dyllick, 2014). Moreover, they positively welcome the recent efforts made by the Sustainable Accounting Standards Board to create sustainability measurements adjustable according to the sustainability issues material to the different industries in order to make sustainability operational (Dyllick & Muff, 2013; Muff & Dyllick, 2014).

Similarly, they consider the GRI to suite as a first step toward transparency (Dyllick & Muff, 2013). Nevertheless they identify it as a measurement fitting for BS1.0 and BS2.0 and wondering at what extents it can work for measuring TBS and business contribution to solve global sustainability challenges (Muff & Dyllick, 2014).

As a consequence, they eventually conceive the creation of new specific standards and measurements suitable to BS3.0 and which would go beyond the integration of financial and non-financial information for reporting which is typical of BS1.0 and BS2.0. For instance, they envision the broadest use of indicators to evaluate suppliers and to measure the actual contribution of products and services to customer and societal well-being. Additionally, they envisage a shift from decreasing employee health and safety risks to a measurement of their well-being expressed through the degree of fulfilment and an appropriate work/life balance.

Lastly, they suggest the use of the *Common Good Matrix* (CGM) as a new type of holistic measurement (Muff & Dyllick, 2014). The CGM is an innovative and alternative type of BS measurement created by Felber (2010 as cited in Dyllick & Muff, 2013) and developed by the ECG movement which sees business as an activity existing to serve human and living beings, therefore putting them at the core. As a consequence, the CGM attempts to measure business contribution to the common good meant as society as a whole (“What is the Common Good Balance Sheet?”, n.d.).

2.5 Conclusion

This chapter revised the concepts of sustainability, business sustainability, true business sustainability and (true) business sustainability accounting. These topics constitute the basis for this thesis. More precisely, a small introduction on sustainability in general was useful in order to underline the fuzziness of the concept and its multiple interpretations. In the same way, this also helped to understand the reason why business sustainability is not a monolithic theory but rather a set of extremely heterogeneous ideas about business relationship with society and the environment and its role. Moreover, the numerous critiques to the various BS interpretations, such as CSR and eco-efficiency, brought about a new discourse: TBS, which will be at the core of this work.

According to TBS, BS cannot be limited to environmental and social initiatives with a start and an end date and based on the business interests, but it has to shape the whole business strategy. As a matter of fact, businesses should use their specific competences and skills in order to solve societal and environmental issues and they should create value for the common good through their business activities. Moreover, the difference between efficiency and effectiveness is also relevant in order to shape business models which are based on positive economic, social and environmental value creation rather than on negative impact minimisation.

Lastly, the short overview on (true) BS accounting, and particularly the critiques to it, made it clear that accounting is not neutral but rather it can serve businesses and their endurance or it can be sustainability-centred and serve the common good, possibly also at the expenses of business stakes. This hypothesis is also essential for this essay since, under the assumption that they reflect the business attitude toward sustainability, some BS assessing frameworks will be tested in order to figure out if the current business discourse is compatible with TBS.

Thus, this review will be used to design the methodology adopted to answer to the research questions (Chapter 3), to analyse results (Chapter 4) and to discuss them (Chapter 5).

3 Materials and Methods

3.1 Introduction

This thesis aims at investigating to which extent the current business sustainability discourse is going in the direction of TBS as described, by authors such as Dyllick & Hockerts (2002), McDonough & Braungart (1998; 2002), Young & Tilley (2006), Dyllick & Muff (2013) and Muff & Dyllick (2014).

Having identified the topic for this thesis and the research questions in Chapter 1, time had arrived to choose the most suitable methodology to answer it. First of all, clarity was made about the type of information needed. TBS is the central concept of this research. A concept is defined as an *idea which stands for a class of objects or events* (Dey, 2003, p.18). However, according to Dey (2003), the lack of agreement on the concept definition can bring to different interpretations of the idea itself. For this reason, qualitative data analysis could help to figure out whether different interpretations concerning BS, with a specific focus on TBS, do exist among forward-thinking business organisations. This kind of data analysis has been chosen because it focuses on understanding, interpreting and explaining different meanings, while quantitative data analysis focuses on understanding, interpreting and explaining numbers (Dey, 2003).

Moreover, information could be obtained through several sources: questionnaire, interviews, focus groups and existing documents. Semi-structured interviews and focus groups were firstly considered as the most straight-forward and safe ways to gather data on the perception of BS from the most forward-looking business organisations limiting the risk for misinterpretation. However, the researcher's internship experience made her aware of the great difficulties to involve big companies and business organisations in this kind of research. In fact, the business organisations met during the internship showed to have really limited time availability and to be unreliable concerning the possibility of follow-ups. Furthermore, there was a risk for a lack of interest in this type of research by the target business groups and organisations since they can already count on their internal R&D (Research and Development) sectors focusing on business sustainability. Being involved in a Master

thesis research would have been considered an energy loss rather than an appealing investment. As a consequence, the use of already existing documents by forward-thinking business organisations as well as by BS assessment organisations seemed to be more reasonable in terms of non-response risk minimisation and efficient energy use. Nevertheless, the choice determined a higher risk of misinterpretation of the collected information being these indirectly inferred by already existing materials.

Therefore, in order to reach the thesis goal, two types of analysis have been carried out. On the one hand, a first answer to the research questions was sought by analysing written documents describing the business sector perception concerning its role as well as its main characteristics and changes in the future with a specific reference to BS and SD. On the other hand, some BS assessment frameworks were analysed. This second test was carried on for two reasons. Firstly, BS assessment frameworks have been chosen to attempt a second answer to whether the current business sustainability discourse corresponds to the TBS concept starting from the assumption that BS accounting is managerialist (Gray & Bebbington 2000) as presented in Section 2.4.3. It was therefore assumed that if companies use sustainability accounting to preserve and enhance their existence, measurement should be business-centred rather than sustainability-centred and should thus keep firms within BS1.0 and BS2.0 typologies, using Dyllick & Muff's categories. As a consequence, the analysis of BS assessment frameworks could challenge or confirm this assumption and, ultimately, tell if there is a coincidence between the current BS concept and TBS. Secondly, an analysis of sustainability indicators could also attempt to give an answer to Muff & Dyllick (2014) questioning the ability of current indicators to properly assess TBS and check the eligibility of alternative methods to comply with the same function.

This chapter will explain in detail the materials and methods used to conduct this research. The methodology has been inspired by the base process of qualitative data analysis: data collection, data classification and synthesis and the book *Qualitative data analysis: A user friendly guide for social scientists* (Dey, 2003) was used as a theoretical guide.

Section 3.2 will focus on how the analysed materials were identified and selected. Once the materials have been chosen, the concept of TBS has had to be operationally defined and a tool has had to be created in order to make the knowledge about TBS handy, as it constituted the basis for testing the chosen materials. For this reason, a check-list of TBS characteristics was created in Section 3.3. Next, Section 3.4 will illustrate how narrative documents and BS assessment frameworks were analysed through the identified TBS criteria and how the results were synthesised and compared to TBS in order to clearly answer the research questions. Lastly, Section 3.5 will present some limitations to the developed methodology.

3.2 Material detection and selection

As mentioned in Section 3.1, the first step to implement the research goal has been the detection and selection of the materials, namely narrative documents and BS assessment frameworks. These documents had to be used as base data in order to figure out if sustainability, as it is meant by mainstream forward-thinking leading business organisations, corresponds to TBS. The material detection, criteria decision and final material selection for the two analysis phases will be explained in detail hereafter. More precisely, Section 3.2.1 will concentrate on the identification of the narrative documents used for the first analysis, whereas Section 3.2.2 will explain the selection criteria and procedure adopted to identify and select BS indicators for the second analysis.

3.2.1 Detection and selection of "business sustainability visions"

The first part of the work has brought on the analysis of some narrative documents presenting how the business sector envisions its future concerning possible changes, priorities and main characteristics.

Potential materials useful to accomplish this first analytical phase were detected in several occasions. Firstly, some of them were encountered throughout the internship experience and confirmed as relevant while researching for the literature review and observing at what extent they were taken into account by academic authors and other BS materials. Similarly, the literature review itself brought me to the detection of other usable materials.

After the detection phase, the selection process began. As a first step, a limit was fixed for a maximum number of documents to be included within the analysis. This was done because of time and labour constraints since this research was done by only one person in the span of a few months. Therefore, the limit was set at a number of two documents.

The second step consisted in the choice of the criteria for a definitive selection. These are listed hereafter together with a brief explanation of the main motivations which led to settle each criteria.

1. Materials had to be edited by sustainable business organisations, meant as forward-thinking leading groups of companies or organisations aiming at backing up businesses and the business interests. This has been done in order to ensure that the documents represented the business point of view as it was defined in Section 1.2. Additionally, business organisations were preferred to single forward-thinking companies in order to ensure that visions and proposals were part of the general discourse around BS.
2. Materials had to focus on a vision for the future concerning business and global sustainability rather than reporting on the state of the art or on past initiatives and progress. This has been done for the analysis to be consistent with the research question wondering about the

correspondence between the current business discourse on sustainability and the role of business in achieving it and TBS.

3. Future vision had to be the main focus of the document rather than a minor or secondary part. This is in order to ensure to grasp the most of the information in only one document and save time and energy.

However, it has not been easy to detect this kind of documents and only two have been ultimately detected. Therefore, the selection criteria were only used to ensure the consistency of the materials with the research goal, but no selection was needed.

The chosen narrative documents are *Vision 2050* (WBCSD, 2010) and *Architects of a Better World: Building the Post-2015 Business Engagement Architecture* (UN Global Compact, 2013).

3.2.2 Detection and selection of business sustainability assessment frameworks

The second part of the work has brought on the analysis of some BS measurements both to see if the same answer to the general research question could be given using another kind of material and to test the ability of some popular and alternative BS measurements to assess TBS, as wondered by the more specific research question.

As for the narrative documents, also in this case material was detected both during the internship period and the literature review research.

In this case too, a maximum number of BS measurements to be considered for this study was fixed. This time, the limit was settled at two or three BS assessment frameworks depending on the characteristics of the ones which showed to satisfy all the selection criteria. In fact, time and energy constraints had to be balanced with the large variety of existent frameworks, all with different characteristics and targeted to different users and beneficiaries.

A first set of selection criteria have been adapted from Labuschagne et al. (2003) as presented in Section 2.4.2 and some more have been added in order to ensure that the chosen frameworks were relevant for answering the research questions. Chosen criteria are presented and motivated hereafter.

1. The framework had to be created explicitly for assessing sustainability for businesses and not for measuring sustainability in general. This is to make sure to focus on the main research target, companies, without any risk for vagueness.
2. The framework had to be composed by multiple criteria due to the risks deriving from assessing sustainability through monetisation in order to have only one result as presented in Section 2.4.1.
3. The framework had to comprehend both economic, environmental and social dimensions

since, as largely discussed within the literature review, they are all interdependent and inter-related elements indispensable to reach SD. As a consequence, a measurement considering only the environmental or the social dimension would not measure sustainability.

4. The framework had to have a broad focus, that is to say that it should not target either single products or product categories or a single type of industry. The first limitation is put since the sustainability of a business at its institutional and strategic level is a pre-requisite for sustainable operations, initiatives, processes and, ultimately, products. Therefore, business sustainability goes beyond product sustainability (Labuschagne et al., 2003). The second limitation is set in order not to be biased by the sustainability concept conveyed by a specific industry or dependent on what is considered material according to a specific business sector.
5. Due to time constraints, the framework should not be based on another existing framework in order to diminish the risk of repetition.
6. The framework should be currently used in the field.
7. In-depth material had to be publicly available in order to grasp as much information as possible about each framework indicator and the rationale behind it and, above all, to allow the analysis.
8. Detailed material had to be readily usable without any additional work for the researcher such as merging numerous documents or combining information concerning the same framework from different sources.

The detected BS assessment frameworks and the evaluation of their compliance to the selection criteria are summarised in Table 2.

Three out of the four frameworks identified by Labuschagne et al. (2003) were soon abandoned. Namely, the UN Commission for SD framework was immediately discarded since it had been created for country sustainability assessment. Similarly, the Institution of Chemical Engineers framework was created for the process industry sustainability assessment and therefore was arguably not recommended for companies involved in really different businesses (i.e. service delivery rather than production). Additionally, the Wuppertal framework was also abandoned since the only reference to the tool dated back to 1998 and no detailed description of the indicators could be found.

Furthermore, the Carbon Disclosure Project and Environmental Profit and Loss by Trucost, both detected during the author's internship experience, were also discarded since they only considered the environmental dimension of sustainability. Moreover, The Sustainability Consortium was eliminated because of its product-focus and the need for subscription in order to have access to more detailed material. Lastly, although interestingly supported by Dyllick & Muff (2013) as a possible step

forward in business sustainability assessment, the Sustainable Accounting Standards Board was also dropped both because subscription was needed to access certain documents and because of its industry-based conformation. In fact, it identifies a differentiated set of indicators for each industry according to the materiality principle. As a consequence a document for each industry is provided and no global overview on the indicators is given.

Table 2: ***Criteria compliance of the detected BS assessment frameworks.*** *Frameworks highlighted in green are compliant with all the criteria, whereas cells highlighted in red show starting from which criterion compliance was no more valid.*

Organisation	Created explicitly for assessing BS and not sustainability in general	Multi-criteria framework	Both social and environmental dim. present	Broad focus	Not based on another framework	Currently used	In-depth material availability	Handy material
Global Reporting Initiative (GRI)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UNCSD framework	No: created for national assessments							
ICheM framework	Yes	Yes	Yes	No: created for process industry				
Wuppertal Sustainability Indicators	Both for national and business level	Yes	Yes	Yes	Yes	Not known	No	
RobecoSAM's Corporate Sustainability Assessment (CSA)	Yes	Yes	Yes	Yes	Yes. The case where there is an alignment of CSA questions to GRI is specified.	Yes	Yes: Detailed description of the general criteria and questions (the one applying to all industries).	Yes
Sustainable Accounting Standards Board (SASB)	Yes	Yes	Yes	Yes	Harmonised with GRI	Yes	Registration needed to download industry standards	No: several documents for every industry, no global overview
Carbon Disclosure Project (CDP)	Yes	Yes	No: only environmental					
Trucost Environmental Profit and Loss (EP&L)	Yes	Yes	No: only environmental					
The Sustainability Consortium (TSC)	Yes	Yes	Yes	unclear, product focus	Yes	Yes	No, subscription needed	
The Common Good Matrix (CG)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Consequently, only three frameworks remained (highlighted in green in the table): the GRI, the RobecoSAM's *Corporate Sustainability Assessment* (CSA) and the CGM. Following, their characteristics were compared more in depth (the comparison is available in Table 5 in Annex - Comparison of the selected business sustainability assessment frameworks) in order to choose whether only two or all of them had to be considered for the TBS test. Although the three frameworks will be individually described in Chapter 4, some considerations will be made hereafter in order to motivate the choice to select all the three candidates for this work.

A first concern is about CSA. The framework is pretty similar to the Sustainable Accounting Standards Board in its construction and functioning since it proposes specific indicators for each industry depending on the material issues. However, what makes CSA more suitable than Sustainable Accounting Standards Board for the purpose of this essay is that a set of general criteria applied to all industries is also identified and provided in a separated document rendering the material handier.

Another consideration is related to GRI and CSA. Being both broadly used and well-known

frameworks for BS and considering that RobecoSAM affirms that CSA is aligned to GRI, one could think to consider only one of the two for brevity issues. However, CSA is not built on GRI but simply, where applicable, RobecoSAM provides each aspect with references to GRI in order to facilitate companies in data collection (RobecoSAM, 2015). Moreover, the two frameworks show relevant differences concerning both their purpose, their users and beneficiaries which made it interesting to keep both for the analysis. In fact, while GRI is composed by mandatory and optional indicators which are addressed by firms as a guide for reporting and can be used by any company, CSA works by invitation. More precisely, CSA is only accessible by the global largest 2500 publicly traded companies, which are scored and the most sustainable among them can access the Dow Jones Sustainability Index or Wall Street Sustainability Index (RobecoSAM, 2014a). Lastly, concerning the beneficiaries of the projects, while CSA is thought for informing investors about the most sustainable companies, GRI is created also for internal reporting and decision-making as well as for informing stakeholders in general.

Finally, CGM was addressed since, being suggested by Muff & Dyllick (2014), it was interesting to test if it can actually measure for TBS. Moreover, while the first two frameworks are mainly based on financial materiality, the construction of CGM is based on what is relevant for human and living beings existence. Therefore, it seemed a good alternative to be considered in case that the first two ones resulted not to be able to guide companies towards TBS.

The analysis of GRI based on GRI version 4 (G4) presented in Global Reporting Initiative (2013a) and Global Reporting Initiative (2013b). The analysis of CSA based on RobecoSAM (2015) and the analysis of CGM based on Economy for the Common Good (2013) and Economy for the Common Good (n.d.).

3.3 Test development and design: true business sustainability criteria identification

Documents are normally considered unstructured data, meaning that they contain disordered information which is not expressly created to answer the research scope and could, therefore, comprehend also useless information for the research sake. As a consequence, qualitative data analysis calls for data classification in order to cut out only useful information for the investigated issue (Dey, I., 2003). As a consequence, when both narrative documents and BS assessment frameworks have been selected, it was time for developing and designing the test in order to appraise their compliance with TBS.

For this reason, some TBS criteria had to be identified. This was done starting from the literature review on TBS addressed in Section 2.3. However, a screening process was needed because of the

amount of information gathered on the topic. Moreover, the information had to be handy in order to be used to test the materials. Therefore, as suggested within Dey's guide for qualitative data analysis (2003), the test was shaped as a complete but concise check-list.

First of all, the main concepts, issues and characteristics identified by the different authors on TBS were mapped through the use of key-words and key-questions in order to have a complete overview on the aspects covered.

From the mapping it became clear that two different types of information were present. On the one hand, there were principles, that is to say, overall characteristics indispensable for a business to be truly sustainable. On the other hand, there were operational aspects proposed by the authors in order to show a potential path toward TBS, but which could be typical also of businesses not following the TBS path. Therefore, these could be described as necessary but not sufficient conditions. As a consequence, the two types of characteristics were elaborated into two different check-lists.

However, the mapping activity also highlighted a large number of overlaps between information. Therefore, a new phase of the test development process took place consisting in the combination of similar key-words and key-questions and the elimination of the redundant ones both for the principles and for the operational aspects. Moreover, key-words were linked to specific key-questions which could help the key-word interpretation, though a more complete definition of the different concepts can be found in Chapter 2.

Once an acceptable number of criteria was reached which was able to give a satisfactory but concise description of TBS, the official check-lists were designed in an excel sheet. Eight Principles (named 1-8) and six Possible operational aspects (A-F) have been finally identified which can be found in Table 3. More precisely, the eight TBS Principles are 1) socio/eco-efficiency; 2) socio/eco-effectiveness; 3) creating social, environmental and economic positive value; 4) sufficiency; 5) intra-generational environmental, welfare and well-being equity 6) inter-generational environmental, welfare and well-being equity; 7) outside-in perspective and 8) value creation for the “common good”. It has to be mentioned here that socio/eco-efficiency was inserted in the check-list though it is a typical aspect of BS2.0 and thus it does not represent an innovative aspect of TBS. However, although TBS goes beyond efficiency with the concept of effectiveness, the former is still there. As a consequence, efficiency will be considered a TBS aspect only if combined with effectiveness.

The six TBS Possible operational indicators are: A) a new kind of production-consumption cycle; B) changes in governance and leadership which permanently involve stakeholders; C) sustainability implementation in cooperation and partnership with other organisations; D) a reporting which focus on created societal value and involve beneficiaries; E) new marketing definition and positioning answering to societal needs and F) business strategies putting sustainability at the core.

3.4 Data analysis

Table 3: ***TBS Principles and Possible operational indicators.*** *The table is a model of the spreadsheet used to classify and analyse the selected materials through the identified TBS Principles and Possible operational indicators. In the second column TBS Principles and Possible operational indicators are named, while in the third column some questions to help the classification and analysis are presented. Source: elaborated from Dyllick &Hockerts, (2002); McDonough & Braungart, (1998; 2002); Young & Tilley, (2006); Dyllick &Muff, (2013); Muff & Dyllick, (2014).*

TBS principles			Narrative BS visions		BS assessment frameworks		
N.	Principles	Exemplificative questions	Vision 2050	Global Compact	GRI	CSA	CG
1	Socio/eco-efficiency	Does business minimise resource use, waste produced,...?					
		Does business minimise social costs?					
2	Socio/eco-effectiveness	Does business create/enhance natural and social well-being through business activities?					
		Does business obey nature's laws?					
		Does business enhance employee/customer well-being?					
3	Creating positive environmental, economic and social value	Economic: does business produce a profit?					
		Social and environmental (see socio/eco-effectiveness)					
4	Sufficiency	Does business contribute to the change of the consumption style?					
5	Intra-generational environmental, well-being, welfare equity	Does business take into account its in/direct environmental impacts?					
		Is business fair and safe to the entire eco-system?					
		Does business take into account its in/direct social impacts?					
		Does business take into account that economic wealth is fairly distributed?					
		Is people equally treated?					
6	Inter-generational environmental, well-being, welfare equity	Does business take into account long term environmental sustainability in its decision-making?					
		Does business take into account long term well-being sustainability in its decision-making?					
		Does business take into account long term welfare sustainability in its decision-making?					
7	Outside-in perspective	Is the business purpose to solve environmental and societal issues/ to solve global challenges through business?					
8	Value creation for the "common good"	Does business improve life of all stakeholders (direct/indirect, primary/secondary)?					
TBS possible operational indicators							
N.	**Indicator**	**Description**					
A	New kind of production-consumption cycle	Cradle-to-cradle, closed loop systems, up-cycle instead of recycle					
B	Changes in governance and leadership	Relevant stakeholders permanently in the board					
		Type of CEO					
C	Sustainability implementation	Cooperation and partnership with other organisations					
D	Reporting	Focus on societal value creation					
		Involvement of beneficiaries					
E	Marketing definition and positioning	Analysis of societal needs					
		New products and services answering those needs					
F	Business strategy	Sustainability at the core of the business strategy					

According to the Qualitative Data Analysis guide (Dey, 2003) consulted to design this methodology, data analysis is a process involving multiple steps, which were followed for this research.

First of all, collected data (the selected narrative documents and BS assessment frameworks, in this case) were described in order to surround raw data with a context able to facilitate the correct data explanation and interpretation.

Secondly, data were read taking into account the scope of the research and thus looking for specific observations acknowledged as related to the TBS concept. As a consequence, the classification identified in Section 3.3 was used.

In order to select useful data and make it ready for the analysis, the created test (namely, the Principles and the Possible operational indicators check-lists identified in Section 3.3) had to be applied to the five selected materials (namely, the two narrative documents selected in Section 3.2.1 and the three BS assessment frameworks selected in Section 3.2.2). OpenOffice Calc was used in order to facilitate the process. In fact, a spreadsheet was prepared for each of the five materials in order to classify the interesting information according to the pertinent TBS characteristic in the check-lists, as shown in Table 3.

Data selection consisted in reading every material and noting down, in the cell corresponding to the

interested TBS characteristic in the spreadsheet, the information which could be relevant for assessing its compliance with TBS. The information was noted literally and preceded by the document page number in order to make it easily traceable in case the context of the sentence needed to be checked later.

This classification process facilitated the last step of data analysis, consisting in putting together the classified data in order to provide a new explanation and interpretation of reality. This last step will shape Chapter 4 which will present the results.

The analysis process firstly took into account the materials one by one. The classification within the spreadsheets made it possible to easily consider every TBS characteristic identified within the document. Data belonging to the same aspect of the check-lists were synthesised together to provide the document's position on the determined aspect of the TBS concept. Next, classified data were explained and interpreted for each document. It has to be mentioned that the data analysis was not only based on the TBS check-lists but rather it tried to consider the broader TBS models presented in the literature in order to deal with any potential simplification created through the use of the check-lists. Moreover, as suggested by Dey (2003), returns to the original documents were considered any time there was a doubt concerning the extracted text interpretation. This operation was facilitated by the use of references for every quote.

Then, syntheses for each Principle or Operational indicator were compared to the original TBS concept through the creation of a recapitulatory table in order to highlight the coincidences and differences in the interpretation of TBS aspects given by the analysed material and by the TBS literature. This was done in order to answer whether the tested materials have an approach to BS which could be considered TBS.

Moreover, in order to make the answer visual and easy to grasp, qualitative information in the table concerning the affinity of the analysed materials with the TBS Principles was translated into quantitative values. Three value categories were created to be assigned to every analysed material for each TBS Principle. The value of 0 was assigned in case that the document completely lacked a TBS Principle. The value of 1 was given if a Principle was present in the document but some important aspects encompassed in the TBS interpretation concerning that Principle were missing. The value of 2 was appointed in case that the document was completely affine to TBS for a certain TBS Principle. Next, values were elaborated using OpenOffice Calc and a net graph was designed with each document represented by a perimeter line touching every TBS principle at the attributed value. The wider the perimeter line, the more the document is affine to TBS.

3.5 Methodology limitations

The design of this methodology involved some limitations and risks of bias. Firs of all, as mentioned above, the choice of the materials was limited not only by time and labour constraints, but also by in-depth material availability. In fact, sometimes interesting possibilities were found but their extensive study was impossible since documents were not publicly available.

Concerning the test development and design process, the check-lists have been elaborated by the researcher on the basis of the TBS literature review. As a consequence, the choice of some aspects or key-words could seem arbitrary. As a matter of fact, the check-list contents depend on the researcher's understanding of TBS concepts. Despite the researcher paid the maximum attention to use key-words and key-questions cited from the TBS literature, a personal bias is still possible. This is due to the understanding and interpretation of the researcher which influenced the way overlapping materials were merged or eliminated with a risk for over-simplification and misunderstanding of some models. Notwithstanding, it has to be mentioned that some of the considered TBS models are in some way interconnected with each others since the authors collaborated in some occasions or they based their models on the work of other authors (i.e. Dyllick worked both with Hockerts & Muff; Young & Tilley's model is based on Dyllick & Hockerts and McDonough & Braungart). As a consequence, merging together concepts from different models seemed to be reasonable.

Similarly, during the data collection phase, the researcher read the materials and inserted the relevant information within the Excel sheets according to its understanding and interpretation of the documents. For this reason her understanding could be partial or incomplete, though all the efforts were made in order to be impartial and pay attention to any detail.

3.6 Conclusion

This chapter presented how the methodology to answer the research questions was created. First of all, both narrative documents and BS assessment frameworks were detected and selected. Secondly, the TBS test was created through the use of two TBS check-lists: one for TBS Principles and one for TBS Possible operational indicators. Thirdly, data were collected using a spreadsheet for each of the five materials and classifying information into different cells according to the TBS characteristic of reference. Next, data were analysed with the help of the spreadsheets and the original TBS models from the literature. Lastly, a recapitulatory table was created to help the comparison between the analysed documents and TBS. Qualitative data were given a quantitative value in order to elaborate the obtained data into a net graph allowing to visually answer the research questions. Chapter 4 will present the obtained results.

4 Results

4.1 Introduction

This chapter is dedicated to the presentation of results. A section will be dedicated to every analysed documents: *Vision 2050* in Section 4.2, *Architects of a Better World* in Section 4.3, the GRI in Section 4.4, CSA in Section 4.5 and CGM in Section 4.6. Every section will be divided into two sub-sections: *i)* document description and *ii)* data synthesis and analysis. In fact, for each analysed material, the analysis phases presented in Section 3.4 will be followed. Therefore, in each first sub-section every material will be firstly generally described in order to provide a context useful for the last phases of analysis. Secondly, a synthesis of the main concepts highlighted by the selected data for each TBS class will be presented together with their explanation and interpretation in each second sub-section. Later, results will be summarised and elaborated with the help of tables and graphs in order to answer the research questions in Section 4.7 and a brief conclusion will be offered in Section 4.8.

Results will be explained and interpreted through the use of comments, referenced text and direct quotes from the data selection stored within the Excel sheets used for data classification. At the beginning of each section a reference to the correspondent table in annex will be made.

4.2 Vision 2050 by WBCSD (2010)

4.2.1 Document description

Vision 2050: the new agenda for business is a project of the WBCSD started in 2010 in order to create the base for a dialogue among different institutions concerning global sustainability and the path toward it. More precisely, the document has been elaborated by 29 WBCSD member companies which come from 14 different sectors and which collected dialogues from several experts, 20 countries and many hundreds of businesses (WBCSD, 2010).

The document starts affirming that nowadays' world is not sustainable and it cannot become

sustainable if a business-as-usual approach is kept. As a consequence, a change has to take place not only at the business level but also at the governmental, governance, economic and human behaviour level.

The 80 pages document describes the vision for a sustainable world where 9 billion people live well and within planetary boundaries by 2050 and it identifies the main aspects on which it is important to work and cooperate in order to reach it. Nine main fields of action are identified: people's value, human development, economy, agriculture, forests, energy and power, buildings, mobility and materials. For each field a vision and the main changes which should take place are presented and divided in two phases of transformation: turbulent decades and transformation times.

The document highlights that every actor has a role in this challenge and partnerships have to be activated. Moreover, it underlines that there is a business case for driving these changes since these can bring new market opportunities for companies. Furthermore, the business sector has the means, in terms of R&D, skills and competences, to help solving global issues related to sustainability and get a profit from this.

4.2.2 Data synthesis and analysis

This section[5] proposes a synthesis of the main ideas expressed by *Vision 2050* and is derived from the content classification according to the identified TBS Principles and Possible operational indicators. Moreover the explanation and interpretation of the findings, taking into account the context of the document and the main literature on BS and TBS, will be presented. This is done in order to assess how far *Vision 2050* can be considered embedded in TBS.

First of all, eco-efficiency is largely touched upon with references in terms of productivity, energy and resources use efficiency, waste and pollution minimisation. Nevertheless, the same emphasis does not seem to concern socio-efficiency which is not mentioned, at least directly. This can be due to different reasons. Firstly, as highlighted in Section 2.4.1, social dimension measurements are not well developed. Secondly, as explained in Section 2.2.4.3 on eco-efficiency, being the WBCSD born to represent the business sector during the Rio 1992 Earth Summit, it has probably an original focus centred on the ecological dimension rather than the social one.

As presented in Section 3.3, efficiency can be considered an aspect of TBS only if combined with effectiveness. The quote below combines the idea of a sustainable, effective and abundant energy system which is used efficiently:

> *"global energy demand has increased, but secure and low-carbon energy is widely available and used efficiently" (p.30).*

5 As a reference for the quotes of this section the page of the correspondent document *Vision 2050* (WBCSD, 2010) is given.

Also, in the case of *Vision 2050*, efficiency seems to be a tool for gradual improvements waiting for technology to be ready for sustainable (net zero emissions, zero net energy...) production by design.

> *"Net zero emission performance and design progressively become the norm for new plants" (p.31).*
>
> *"New buildings are zero net energy, and existing ones are being retrofitted toward the same goal. This has been achieved through integrated building design, affordable, high-performing materials and equipment and new financing solutions" (p.32).*
>
> *"Advanced biofuels are developed that do not compete with food crops, do not degrade ecosystems, and have a good life cycle carbon footprint"(p.35).*

When a *triple top line* approach will be reached, old technologies, buildings and plants based on efficiency could be dismissed (p.37).

Although the term effectiveness is never used explicitly, the document presents some ideas which could be referred to the effectiveness concept. First of all, the vision itself is of

> *"a planet of around 9 billion people, all living well – with enough food, clean water, sanitation, shelter, mobility, education and health to make for wellness – within the limits of what this small, fragile planet can supply and renew, every day." (p.3).*

Therefore, the ideas of abundance and harmony between the environmental, social and economic dimensions are suggested, though this is not done idealistically envisioning a society without any conflicts, disasters or crimes, but rather a resilient society able to adapt itself according to changes (p.12).

Concerning the environmental dimension, the document envisions that

> *"ecosystem degradation has been reversed, and ecosystem services are valued, maintained and enhanced; biodiversity is being better managed, is flourishing, and continues to enable societies to prosper" (p.13).*

Restoration and abundance concern land (p.26) as well as forests (p.28). An implicit reference to the compliance with natural laws can be the allusion concerning resource management:

> *"by 2050, we can replace it [growth by depletion] with a model of growth based on the balanced use of renewable resources and recycling those that are not" (p.70).*

As tackled above, efficiency is recognised not enough to reach sustainability in absolute terms. For this reason the vision also underlines the importance of the Possible operational indicator consisting in changing production and consumption patterns. Particularly, closed-loop cycle systems and sustainable production by design are envisioned (p.21) as it is suggested also by some authors considered in the TBS literature.

Sustainable design allows gradually more efficient recycling and closed-loop systems involve waste elimination:

> *"goods are increasingly designed to be reused or recycled, to last longer and to deliver more functionality. Recycling is fully integrated into business models. Technology development continues to improve recycling yields" (p.36);*
>
> *"closed-loop recycling, making the concept of waste obsolete, is normal business practice, and societies have a circular approach to resources. Used products and materials including wood can be reengineered to*

function again for multiple and distinct purposes or reduced to raw materials for manufacturing other products" (p.36).

Moreover, another envisioned strategy is the substitution of products with services:

"businesses develop new models for manufacturing, designing products, and capturing recycling opportunities. Dematerialization and service-based consumption become major trends in marketing and product design. Businesses constantly re-engineer manufacturing to drive recycling, reuse and revalorizing materials" (p.36).

Concerning the social dimension, no explicit reference is made to socio-effectiveness, though business investments in health and education (p.40) are mentioned as well as a vision of the whole world population living well (p.3). However, it can be inferred that, according to *Vision 2050*, some social issues can be also solved by design. In fact, the document envisages the shift to a creative society, thanks to the business intervention, from which sufficient employment is combined with business favourable conditions:

"as employers, these businesses have helped train and develop a more creative society that is better able to manage the conflicting challenges of creating and maintaining sufficient jobs while improving labor productivity […] People, as employees, have learned to be more flexible too, and to move easily to where jobs exist" (p.13);

"broader and more flexible concepts of work as well as virtual mobility give people and companies different options and conditions for employment" (p.22).

The presence of a social dimension in *Vision 2050*, though less richer than the environmental one, as well as the openness to the effectiveness concept, though indirectly stated, can be seen as a development of the WBCSD idea of sustainability. In fact, although some authors accused it to reduce sustainability to eco-efficiency (Gray & Bebbington, 2000), the business organisation seems to have been able of broadening the concept. Social instances as well as a meaning of sustainability that goes beyond environmental management were included to ensure a profit which takes into account the creation of a wealthy society in a flourishing nature.

However, another related concept underlined within the document is the one of benefit maximisation and negative impact minimisation. For instance,

"pairing these materials, competencies and services with an understanding of local customs and use of space will give businesses the ability to deliver solutions that improve the lives of many people in these cities, and foster a sense of ownership and community pride while leaving a minimal ecological footprint" (p.47).

Since an ecological impact is still envisioned, it seems that the eco-efficiency approach has not been completely quitted. Nevertheless, arguably it is impossible for living beings to live without any environmental impact on the planet. Therefore, it could be more correct to reason in terms of living within the planetary borders and the natural capacity for absorbing human activity.

This brings to the introduction of a second TBS aspect: environmental, social and economic positive value creation. The idea is transmitted within the document affirming the need to

"decouple economic growth from resource consumption and economic degradation" (p.16)

meaning that the three dimensions of sustainability should be all reached without trade-off.

Since the environmental and social dimensions have been covered within the effectiveness principle mentioned above, the following paragraphs will mainly focus on the economic dimension. *Vision 2050* considers economic value in two different ways. Firstly, in terms of business economic contribution to society, mainly through job creation:

> *"multinational companies contribute to this growth by integrating local small and medium enterprises (SMEs) and local people into their supply chains, and by increasing and spreading literacy and skills. Social businesses, entrepreneurs and SMEs also continue to play a crucial role in economic development and value creation" (p.23).*

Secondly, in terms of business opportunities and financial return for companies deriving from sustainability:

> *"sustainability related global business opportunities in natural resources could build up steadily to around US$ 3-10 trillion annually in 2050 at constant 2008 prices" (p.40).*

This second aspect is broadly treated in the document. In fact, the fourth part of *Vision 2050* is entirely dedicated to the business case for sustainability, that is to say the business growth opportunities deriving from the decision by a company to invest in sustainability and serve human needs:

> *"meeting these growing levels of demand for nature's services while limiting ecological impact provides a number of areas in which business can prosper" (p.60).*

Business profitability is also an aspect to be considered for TBS. As a matter of fact, according to McDonough & Braungart (2002) the first question to be positively answered in order for a company to be sustainable is whether it can produce a profit. Nevertheless, as argued by Gray & Milne (2002) in Section 2.2.4.1, if profit stays at the centre of the business activity then there is a risk for undermining the environmental and social aspects in case of trade-offs. Similarly, although the current discourse supports the existence of a business case for sustainability, it is not clear if, according to *Vision 2050*, profit, the environment or society would be eventually prioritised in case of trade-offs.

A third TBS principle is sufficiency. Particularly, data were looked to demonstrate whether *Vision 2050* acknowledges a business liability concerning the change in consumption style. A first vague answer is given at p.2, where a change in both business and human behaviour is wished for. However, a positive answer could also be hinted at p.37 where a limit is suggested to the individual use of non-renewable materials. Furthermore, the document envisages the main-streaming of sustainable lifestyles by 2050 affirming that

> *"lifestyles which support "living well, within the limits of one planet" are more popular" (p.17).*

Moreover, business seems to realise and reflect on its ability to influence customers in changing their behaviours and it affirms the need to figure out what actually the leverage points for customer

consumption pattern change are (p.18). The results of this kind of analysis should lead to new marketing definitions and positioning meant at making sustainability easier for customers.

> *"People will not change behavior or lifestyles homogeneously. Influencing change requires an understanding of human behaviors and cultural legacies, as well as different ways of informing consumers" (p.58).*

Lastly, labels are identified as a tool to communicate and educate customers.

> *"Make more informed choices regarding their consumption patterns [...] using labelling as one form of communication and education" (p.63).*

As a consequence, *Vision 2050* seems to lead companies toward green consumerism rather than sufficiency. In fact, except for the mention to the need to decrease the amount of non-renewable resources consumed per person, there is no hint suggesting that people should change their consumption patterns meant as decreasing consumption of certain products making a distinction between need and want as presented by Young & Tilley (2006).

The fourth and fifth TBS Principles are intra and inter-generational environmental, social and economic equity. Although *Vision 2050* does not directly refer to the two concepts, it touches these issues affirming the principles of reciprocal responsibility and interdependence between present and future generations:

> *"growing awareness of different people, cultures and age groups fosters greater social cohesion and understanding of what it means to be interdependent and responsible for one's own actions, for each other, for the planet and for future generations" (p.20).*

Additionally, incentives for intra-generational solidarity, for instance concerning the elderly, are mentioned.

> *"Insurance and tax incentives are created for those who take responsibility for preventing illness and providing opportunities for the elderly" (p.21).*

Although there is no explicit reference to business, its involvement is largely described within the fourth part of the document concerning business opportunities.

Furthermore, the document envisages the introduction of new financing mechanisms making profitable to invest in the long term and positively contributing to creating social, economic and environmental value:

> *"innovative financing mechanisms focus on longer term sustainable investments such as forest bonds. Financial products are certified before being put on the market, verifying their ability to contribute positively to the economy, society and the environment, particularly in reallocating risks" (p.24).*

The sixth TBS Principle identified within *Vision 2050* is the outside-in perspective. More specifically, the text was queried in order to understand if the business purpose is perceived to be solving global challenges through business. Although it was not found any statement declaring this business purpose, the document affirms that business has a role and is called to answer to the world's challenges and companies are invited to transform themselves and the market according to societal needs.

"The leading companies are those that, through their core businesses, help society manage the world's major challenges. They have worked through the radical transformation of both internal corporate values and external market restructuring that has occurred in the four decades leading up to 2050, a transformation that many other companies have not survived but in which multitudes of new ones have been spawned" (p.13).

"Business has been an active partner in delivering solutions that meet the needs of both people and the environment" (p.21).

"The role of business as a solutions provider expands" (p.25).

Particularly, a role is identified for business for what concern the bottom of the pyramid, field that presents numerous business opportunities, for instance in the domain of access to transport in rural areas (p.34) or improving livelihoods and lifestyles of a growing middle class (p.54).

A last identified mission for business, already mentioned concerning the sufficiency principle, is

"to make sustainable living easy and seamless through products and solutions that address the demands of society without compromising customer needs" (p.25).

Although the above mentioned changes in business value and external market suggest a systemic change in the way the economy and business work, there is no explicit reference stating that businesses would only address societal needs excluding those products and services which benefit business profit but damage human beings or the environment.

Lastly, *Vision 2050* makes no statement about value creation for the common good.

Concerning the Possible operational indicators, *Vision 2050* does propose a new kind of production and consumption style involving closed-loop systems and sustainable production by design, as already proved presenting the effectiveness principle. As a matter of fact, these strategies operationally respond to the need expressed above about effectiveness, positive value creation in all dimensions and the business role in shifting customers to sustainable products.

"Product and service design will anticipate unsustainable elements of human behavior and will help consumers modify behavior in ways that are easy, desirable and seamless" (p.58).

Vision 2050 also envisages changes in governance (p.2) and leadership in order to achieve sustainability, though not numerous words are spent on this idea. More specifically, no reference is made to a permanent presence of relevant stakeholders in the company board or to specific typologies of CEO. However, stakeholder value for business is acknowledged as well as the need for a change involving business culture and company decision-makers at the highest levels.

"As business evolves, these contrarians [customers, adversaries,…] *and their skills will become more valuable. Finally, operating this way will require significant culture change, the kind that needs leadership from the very top of the company" (p.68).*

Related to this, the document acknowledges the need for strong cooperation and partnerships to implement sustainable development.

"They will be far more strategic and pervasive than the one-off, tactical relationships we have witnessed to date and as a result of the different development priorities of those involved, more likely to deliver both economic and social improvements" (p.66).

"The components of these [development] *programs are co-developed by business, entrepreneurs, non-governmental organizations (NGOs), academia, media and governments" (p.22).*

Moreover, cooperation and partnerships are also envisioned for a company learning and long term innovation, leading also to the creation of new forms of intellectual property:

"co-creation, open source and other types of intellectual property regimes exist alongside more traditional licensing and patenting" (p.17).

"Business does a better job of learning from its customers and its neighbors" (p.20).

"Transparent collaborative efforts and new forms of public private partnerships spread best practices and technologies" (p.25).

Concerning reporting, *Vision 2050* does not mention the need for beneficiary involvement nor for a focus on societal and environmental value creation. Nevertheless, it envisages a change in the focus of what is relevant for sustainability, what is well-being and, thus, what should be measured (p.20).

"The gross domestic product (GDP) measurement is reconsidered and supplemented by other measures that track sustainability" (p.24).

"The concept of progress is no longer viewed and measured just through economic data, but also in terms of environmental and societal impacts" (p.25).

Marketing definition and positioning is also taken into account within *Vision 2050* as already mentioned when presenting the outside-in principle. As a matter of fact, the document affirms that companies are challenged to rethink their products and services (p.2) sustainably and to make sustainability an easy choice for people (p.20). Additionally, as mentioned in the check-list, the analysis of societal and environmental needs is important in order for business to address them.

"Understanding the factors that contribute to life satisfaction and happiness enables businesses […] to address human development and well-being" (p.20).

Lastly, a good indicator of TBS is a business strategy which put sustainability at its core. Although no explicit reference has been found, *Vision 2050* seems to agree with this statement as it has been already mentioned presenting the outside-in principle.

4.3 Architects of a Better World: Building the Post-2015 Business Engagement Architecture by United Nations Global Compact (2013)

4.3.1 Document description

Architects of a better world: building the post-2015 business engagement architecture was edited by the UNGC in 2013 in collaboration with a specific UNGC group: the Global Compact LEAD companies (UNGC, 2013). This is a group of companies aiming at improving their corporate sustainability performance and at expanding business involvement toward corporate sustainability ("Global Compact LEAD", n.d.). The document is the result of the global consultation of numerous companies on the post-2015 development agenda (UNGC, 2013).

The document presents the main priorities toward SD identified during the global consultation. Four

main categories are presented: inclusive growth (prosperity and equity), human needs and capabilities (education, health and women's empowerment and gender equality), the resource triad (food and agriculture, water and sanitation and energy and climate) and enabling environment (peace and stability, infrastructure and technology, good governance and human rights).

Furthermore, the document is meant to invite companies to promote corporate sustainability and commitment to the UN goals and principles, putting them at the core of their business strategies in order to have both societal and financial benefits.

Lastly, the presented post-2015 agenda does not limit to present the business role in the path toward sustainability but rather it gives an overview of the actions which should be taken by actors at all levels and who should cooperate through a common effort toward the same goal.

According to Ban-Ki-Moon, companies are ready to change the way they do business and to work at a more inclusive and sustainable production, consumption and capital allocation. This is clearly stated within the *Synthesis Report of the Secretary-General on the Post-2015 Agenda*, a document written by the UN Secretary General in order to make the point about the road to achieve Sustainable Development Goals and taking into account also the UNGC document (Ki-Moon, 2014).

4.3.2 Data synthesis and analysis

This section[6] proposes a synthesis of the main ideas expressed by *Building the post-2015 business engagement architecture* and is derived from the content classification according to the identified TBS Principles and Possible operational indicators. Moreover the explanation and interpretation of the findings taking into account the context of the document and the main literature on BS and TBS will be presented. This is done in order to assess how far the document can be considered embedded in TBS.

Efficiency and effectiveness principles are not broadly covered within the UNGC document. Prevention, mitigation and accounting of negative impacts are envisaged together with a culture of compliance (p.11). The fact that prevention is mentioned before mitigation and negative impact accounting could suggest compliance with the precautionary principle and the support of a strategy encompassing sustainability by design, though this is not explicitly mentioned.

The document also expresses the expectation that companies will go beyond compliance contributing to the achievement of sustainability goals:

> *"consumers will undoubtedly expect companies to demonstrate that they are going beyond do-no-harm policies – i.e., contributing to the achievement of global goals" (p.10).*

The material considers both social and environmental dimensions.

6 As a reference for the quotes in this section the page of the correspondent document *Building the post-2015 business engagement architecture* (UNGC, 2013) is given.

Corporate sustainability is the concept used in *Building the post-2015 business engagement architecture* in order to express a kind of business strategy able to create value both for business (p.4) and society and covering the three dimensions of sustainability toward SD.

> *"Businesses contribute to the advancement of sustainable development goals by implementing corporate sustainability strategies that advance inclusive economic growth, social equity and progress, and environmental protection. Those same strategies and practices are increasingly understood to contribute to revenue growth, resource productivity and the mitigation of operational, legal and reputational risks" (p.4).*

A focal question of the check-list in Table 3 concerns whether business stays profitable while delivering positive value for society and the environment. The answer seems clear: as stated in the quotation above, corporate sustainability contributes to business profit growth and risk minimisation. Moreover, there are plenty of business opportunities deriving from addressing societal needs.

> *"Helping to address the unmet needs in the economic, social and environmental spheres of sustainable development is both the "right thing to do" and the way to venture into new markets and create new business opportunities" (p.7).*

Furthermore, a new type of forward-looking investors concerned about sustainability supports this new way of doing business.

> *"These rapidly evolving investor movements seek to generate and secure long-range financial returns while also contributing to sustainability solutions" (p.18).*

One could ask which kind of prioritisation would be done in case of trade-off between the t*riple bottom line* dimensions. Interestingly,

> *"in cases where there are trade-offs between short-term financial goals and taking actions to support sustainable development, resulting in high first-mover costs, collective "pre-competitive" action by all companies in an industry may be the only option for levelling the playing field and implementing important changes" (p.14).*

Therefore, this quote suggests that sustainability could be favoured to financial goals, though sure about a similar behaviour by competitors.

For what concerns the sufficiency principle, the UNGC document seems to envisage consumers influencing businesses with their increasing awareness rather than companies changing customers' consumption pattern.

> *"Ethical consumerism is undoubtedly a growing force and will certainly present challenges – and business opportunities – for companies across a range of industries" (p.10).*

Another TBS Principle, the intra-generational equity, is considered among the priorities identified by the consultation presented within the tested document. In fact, according to the Sustainable Development Goals an inclusive growth based on prosperity and equity (p.4; p.8) is envisioned as well as business contribution to environmental protection is mentioned (p.4). However, the document takes for granted the existence of environmental negative impacts caused by business, for which reductions are envisioned (p.6), and no more detailed specification is made about business will to ensure a safe and just eco-system.

For what concerns inter-generational equity, this is not explicitly stated, though the support of Sustainable Development Goals by the document, as mentioned in Section 4.3.1, suggests the UNGC's commitment to future generations concerning environmental, economic and social aspects. Also, the existence of forward-looking investors looking for long term returns (p.10; p.18) supports this principle.

Also, concerning the presence of an outside-in perspective, although the business purpose is not explicitly stated, the document recognises the increasingly important business role in coping with global challenges:

> *"companies are increasingly helping to tackle the world's most pressing problems through their core businesses, and realizing benefits and opportunities from doing so" (p.5).*

In fact, companies have specific solutions to global issues such as climate change, poverty, hunger, bottom of the pyramid development and answer to its needs, which allow them to continue their profitable business activity.

> *"Already today, business solutions exist to address issues such as climate change, energy and water access, sanitation, agriculture, education and health in a profitable way, and leading companies are developing new business models with the potential to lift millions of people out of poverty while building new markets" (p.7).*
>
> *"As a fully integrated approach to doing business and generating profit, corporate sustainability is a significant part of the solution to poverty, risk of catastrophic climate change, and other global challenges that the world currently faces" (p.12).*

Albeit the recognition of business role and interest in answering global needs, no reference is made to a total business commitment to these causes including the sacrifice of any business not going in that direction.

Lastly, a reference to the common good is made affirming that these new opportunities can bring benefits to all (p.5), though the common good does not seem to be the business final purpose but rather an incidental one.

Concerning the Possible operational indicators, the UNGC document does not make any reference to a new kind of production and consumption style, while it explicitly mentions the need for changes in governance and leadership in order to tackle sustainability at all levels (p.4). Sustainability has to be managed by the highest company levels (leadership) for it to be at the core of the business strategy and to be able to inform the business culture and bring about real change.

> *"For sustainability to be deeply integrated into a company's strategy and operations, its prioritization must be driven from the very top of the organization. Without the firm belief of executive management that adopting sustainable corporate practices is not only the right thing to do from a compliance and business ethics perspective, but also the best thing to do from a financial perspective, corporate sustainability typically remains isolated from core business activities and is, at best, considered a necessary cost of doing business [...] Corporate boards, or equivalent governance entities, must take responsibility for the implementation of and reporting on corporate sustainability, as they do for corporate financial and business performance. Importantly, boards are uniquely positioned to integrate sustainability into executive recruitment and remuneration, paving the way for sustainability outcomes to be linked to compensation across the entire leadership spectrum" (p.12).*

"Integrate sustainability into governance mechanisms and corporate culture, creating the right incentives for management and employees to make the company more sustainable" (p.19).

The document expresses itself also concerning the need for a governance based on cooperation and partnership with stakeholders, even if competitors (p.6), in order to implement sustainability and reach prosperity. Initiatives include forums and platforms by geography, sector or issue (p.4), public-private partnerships (p.5).

Cooperation and partnership also bring a new way of managing the supply chain and this is also important for companies to be truly sustainable.

"More and more companies are scrutinizing their supply chains and business partners to ensure that commitments to principles of sustainability are shared within their own business ecosystem [...] such harmonization is likely to present new collective action opportunities – uniting likeminded organizations in solutions-oriented partnerships" (p.10).

Also, cooperation and partnerships are learning occasions for companies concerning risk and opportunity management (p.12).

Lastly, cooperation and partnerships sometimes could overcome competition in the name of sustainability prioritisation, as already mentioned presenting the triple value creation principle.

Concerning reporting, UNGC document's vision seems to be similar to the TBS one. In fact, in addition to the importance of transparency and accountability, it affirms that reporting should focus on value creation, tough no reference is made to stakeholder involvement in reporting.

"Companies should be transparent about their social and environmental impacts, and be accountable for how their business activities create or deplete value for society and what they are doing to improve their performance" (p.15).

"Measuring, for example, a company's total greenhouse gas emissions or its "poverty footprint" is a very challenging and complex exercise. But if done in a credible manner, it not only allows for useful benchmarking across companies, but more fundamentally helps the company demonstrate the reality of its commitment to sustainability and allows its stakeholders to truly grasp the contribution that the company is making to support important societal goals" (p.16).

As suggested by TBS marketing definition and positioning, *Building the post-2015 business engagement architecture* affirms the importance of understanding local needs, also counting on the help of other actors.

"Local initiatives and networks can offer significant opportunities and support for companies, including understanding local challenges and opportunities that may require business model adaptation and translating universal principles to the local context" (p.14).

The identification of unmet needs brings then to the creation of new products and services serving human needs and sustainability.

"It is unmet economic, environmental and social needs that are propelling this new agenda – creating new market opportunities for companies meeting these needs with sustainable products and innovative business models" (p.5)

"How companies design and develop products and services, and communicate this to consumers, are sure to be critical questions in the coming era" (p.10).

Lastly, the document invites companies to insert sustainability into their business strategies as well as acknowledges that firms doing so gain in the long term.

> *"Through their direct activities, as well as their often extensive global supply chains, industry groups can begin to more firmly connect their strategies, standards and targets to broader development objectives – ensuring that they play an integral part of the international effort to achieve global sustainable development" (p.14).*
>
> *"Businesses that integrate sustainability into their strategies and operations are increasingly finding themselves in positions of long-term strength" (p.4).*

4.4 Global Reporting Initiative

4.4.1 Framework description

The Global Reporting Initiative, created in 1997 by the United Nations Environmental Program (UNEP) and the Coalition for Environmental Responsible Economics, is an example of multi-criteria measurement. As mentioned in Section 2.4.1, it is the most relevant (Moneva et al., 2006) and the best-known multi-criteria framework for sustainability reporting, referenced by 1000 companies in 65 countries in 2006 (Brown et al., 2009).

The GRI bases on the United States (US) financial reporting system and it has been broadened to social, economic and environmental dimensions as well as it was meant to incorporate a wide range of stakeholder typologies (Brown et al., 2009). As a matter of fact, the GRI was created to make it possible for companies and their stakeholders to figure out the business contribution to SD (GRI, 2002 as cited in Moneva et al., 2006).

For what concerns the covered dimensions, the economic aspect treats the organisation's impacts on the economic system within which it operates at the local, national and global levels (Global Reporting Initiative, 2013b) rather than internal financial information. As a consequence, the GRI is meant as a supplement to conventional financial reporting (Lamberton, 2005).

Different indicator typologies are used depending on the characteristics of the aspect: both quantitative and qualitative indicators are present (Brown et al., 2009).

For what concerns stakeholder engagement, several stakeholder groups participated and currently participate to the GRI development. Nevertheless, although the initial idea was to involve the widest stakeholder typologies in order to create a discussion field on BS assessment, the most dynamic and influential actors in the GRI development are big multinational companies and the leading international audit firms (Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers), whereas international civil society organisations, international NGOs and national governments have a minimal role and unions, local NGOs and SMEs are not part of the debate. Acknowledging the importance of the contribution of the latter to the GRI development, the organisation started to run several initiatives to involve local actors (Brown et al., 2009).

Similarly, although GRI is designed to be used by any kind of organisation (Global Reporting Initiative, 2013a), it is mostly used by large companies rather than SMEs. Likewise, civil society organisations, NGOs, consumer organisations and unions rarely use GRI, explaining their choice with a lack of detail and the distance of the proposed indicators from local impacts and specific situations. Concerning the financial sector, a relevant interest to the GRI has been only shown by the growing socially responsible investor groups, while conventional investors demonstrated little attention to the initiative (Brown et al., 2009).

Five GRI versions have been developed over time. For this thesis the last available version (G4) dating 2013 has been used, since G5 should be going to be published soon. G4 is composed by two main parts. The first one presents the General Standard Disclosures: a set of indicators and guidelines which can be used to describe the company and the reporting process. It is divided into seven sections: *i)* strategy and analysis, *ii)* organisational profile, *iii)* identified material aspects, *iv)* stakeholder engagement, *v)* report profile, *vi)* governance and *vii)* ethics and integrity. The second part presents the Specific Standard Disclosures: a set of indicators giving information on the organisation economic, environmental and social management and performance. This second part includes both economic, environmental, social indicators and Disclosure on Management Approach (DMA), which is a narrative description of the process followed by the organisation to identify and cope with its economic, environmental and social impacts. Social indicators are divided in *i)* labour practices and decent work, *ii)* human rights, *iii)* society and *iv)* product responsibility sections (Global Reporting Initiative, 2013a).

The use of GRI is voluntary and every user can decide whether to choose the *core option*, reporting only on the essential elements of sustainability reporting, or the *comprehensive option*, which constitutes a more complete reporting integrating all the indicators referring to the identified material aspects for the company.

Material aspects are aspects which are important for a company decision-making and improvement. For this reason it is important that all material aspects are reported. In the case of GRI, an aspect is considered material to an organisation if it represents a significant economic, social or environmental impact for a company or if it is material and can influence the decision-making of a relevant stakeholder (Global Reporting Initiative, 2013b).

4.4.2 Data synthesis and analysis

This section[7] proposes a synthesis of the main ideas expressed by the *Global Reporting Initiative* G4 and is derived from the content classification according to the identified TBS Principles and Possible

7 As a reference for the quotes in this section the guideline code and page of the correspondent document *Implementation Manual* (Global Reporting Initiative, 2013b) is given.

operational indicators. Moreover the explanation and interpretation of the findings taking into account the context of the document and the main literature on BS and TBS will be presented. This is done in order to assess how far G4 can be considered embedded in TBS.

A first TBS principle taken into account is eco and socio-efficiency. Some key-words concerning the efficiency concept were identified during the analytical process. These are "reduction", "increase efficiency", "intensity", "incidence" and cost-benefit analysis".

Several GRI guidelines invite organisations to monitor and report their material (G4-EN1, p.86), air emissions (G4-EN21, p.119), effluents (G4-EN22, p.122), waste (G4-EN23, p.123), energy requirement of products and services (G4-EN7, p.95), energy (G4-EN6, p.94) and water (G4-EN10, p.99) consumption reduction. Reductions in these fields, as well as a more intensive resource and energy use, bring to an increased organisation eco-efficiency.

Similarly, socio-efficiency is also envisioned, though in less detail, inviting organisations to calculate the lost days of work, work-related fatalities (G4-LA6, p.153) or work-related disease incidence (G4-LA7, p.155).

The concept of eco-efficiency as managing trade-offs between environmental protection, restoration or enhancement and the related economic costs is deeply embedded in the G4.

> *"The combination of direct and indirect emissions provides insights into the cost implications of taxation or trading Systems" (G4-EN15, p.10).*

Therefore, decision-making is subjected to cost-benefit analysis. Costs and risks of acting or non-complying with regulations are taken into account with the risk of keeping organisations in a compliance mind rather than a pro-active approach toward sustainability.

> *"Discharging effluents or process water to a facility for treatment not only reduces pollution levels, but can also lower the organization's financial costs and the risk of regulatory action for non-compliance with environmental regulation" (G4-EN22, p.122).*
>
> *"Measuring environmental mitigation and protection expenditures allows organizations to assess the efficiency of their environmental initiatives. It also provides valuable input for internal cost-benefit analyses. Data on environmental performance measured against environmental mitigation and protection expenditures offers insights into how effectively the organization uses resources to improve performance" (G4-EN31, p.135).*

Even going beyond compliance seems to be a calculated behaviour subjected to a vision of growth and benefit for the organisation.

> *"Reductions* [in air emissions]*, or performance beyond compliance, can enhance relations with affected communities and workers, and the ability to maintain or expand operations" (G4-EN21, p.119)*

However, efficiency is not enough for the TBS paradigm and it has to be combined with effectiveness.

As a matter of fact, G4 seems to acknowledge, within its principles, that in order to actually report for an organisation's sustainability, it has to be put in its local, regional and global context. In fact,

while efficiency keeps the organisation in its individual performance assessment, the relationship with the outside makes clear the business positive or negative contribution to the overall economic, environmental and social development.

> *"Information on performance should be placed in context. The underlying question of sustainability reporting is how an organization contributes, or aims to contribute in the future, to the improvement or deterioration of economic, environmental and social conditions, developments and trends at the local, regional or global level. Reporting only on trends in individual performance (or the efficiency of the organization) fails to respond to this underlying question. Reports should therefore seek to present performance in relation to broader concepts of sustainability. This involves discussing the performance of the organization in the context of the limits and demands placed on environmental or social resources at the sector, local, regional, or global level" (Sustainability Context Principle, p.10).*

The G4 Sustainability Context Principle can be recognised along the G4 guidelines, for instance about water management.

> *"The reduction of water consumption over time through reuse and recycling may also contribute to local, national, or regional goals for managing water supplies" (G4-EN10, p.99).*

The relationship with the outside also passes through the possibility for comparisons with other organisations using the GRI guidelines, for example for what concerns emissions.

> *"This Indicator can also measure the scale of the organization's air emissions and demonstrate the relative size and importance of these emissions compared with those of other organizations" (G4-EN21, p.119).*

However, GRI only suggests possible uses of the proposed guidelines, which could be simply applied to an internal performance assessment rather than compliance or comparison with the outside.

> *"This Indicator may be used [...] to monitor the reduction of GHG emissions with reference to the organization's targets, or to regulations and trading systems at international or national levels" (G4-EN19, p.116).*

Another aspect of effectiveness which can be hinted within G4 concerns the idea of avoiding or preventing negative impacts ex ante together focusing on negative impact management or re-mediation. Although the primacy of the former on the latter is not specified, the terms are always presented in a gradual scale starting with avoidance and finishing with remediation making it possible to interpret the list as a prioritisation of prevention on impact management.

> *"Describe whether the management approach is intended to avoid, mitigate, or remediate negative impacts, or enhance positive impacts" (G4-DMA, p.64).*

The same prioritisation is given both for environmental and social aspects, as shown in the provided examples.

> *"Habitats protected or restored [...] prevention, management, and remediation of damage to natural habitats resulting from the organization's activities" (G4-EN13, p.103).*
>
> *"Significant potential negative impacts for labor practices may be prevented or mitigated at the stage of structuring contracts or other agreements" (G4-LA14, p.169).*

G4 mentions the need for changes in structure and design in order to ensure negative social and environmental impact prevention. This can also stimulate new business markets and products.

> *"Integrating environmental considerations into product and service design may help identify new business*

opportunities, differentiate products and services, and stimulate innovation in technology" (G4-EN27, p.128).

Also, on the social side, G4 proposes prevention by including the reporting of business actions ensuring freedom of association of collective bargaining (G4-HR4, p.181), effective abolition of child labour (G4-HR5, p.183), elimination of all forms of forced labour (G4-HR6, p.185).

A third aspect suggesting G4 going beyond mere eco-efficiency is the inclusion in the reporting of the precautionary principle. In fact, environmental protection could have the priority on high economic costs in case of an environmental risk leading to unknown scenarios. The adoption of the precautionary principle could be also interpreted as a reference to business compliance with the law of nature as envisioned by McDonough & Braungart (2002).

"Report whether and how the precautionary approach or principle is addressed by the organization [...] A response to this Standard Disclosure could address the organization's approach to risk management in operational planning or the development and introduction of new products" (G4-14, p.30).

Nevertheless, there are also aspects suggesting that G4 does not necessarily have the ability to lead organisations beyond efficiency. For instance, it does not specify the action typology which should be carried on in order to address material aspects for an organisations. On the contrary, various actions, such as processes, projects, programs and initiatives (G4-DMA, p.64) are encompassed. As a consequence, some reported actions could be time-bounded, short-term projects with the risk for a time-bounded impact typical of CSR initiatives as criticised in Section 2.2.4.2. Moreover, the GRI framework takes for granted the existence of organisation's impacts on sustainability and stakeholders showing an implicit scepticism concerning the possibility for a company to be sustainable by design.

A second TBS principle is positive environmental, economic and social value creation. According to the model elaborated by McDonough & Braungart (2002) the first step for a business to be sustainable is being profitable. G4 encompasses business economic and financial dimensions inviting companies to report their net revenues and capitalisation in terms of debt and equity (G4-9, p.26) as well as to consider any direct or indirect economic costs and benefits before any decision. This kind of calculation is really frequent in the G4 and sustainability seems to be subjected to a business interest consideration.

"From an economic perspective, ensuring compliance helps to reduce financial risks that occur either directly through fines or indirectly through impacts on reputation" (G4-EN29, p.131).

However, as mentioned in Section 4.4.1, the GRI means the economic dimension as a business contribution to the external well-being. As a consequence, numerous guidelines invite organisations to assess their economic value generation and distribution to employees, investors, governments and communities (G4-EC1, p.69). The impact created by labour issues and job stability (G4-10, p.26), the infrastructural investments made for surrounding communities, the positive local economic impacts deriving from local sourcing and support to the local economy and suppliers (G4-EC9, p.83; G4-12,

p.29) are all included in the GRI. Moreover, it invites to report on those changes in productivity and location that could affect suppliers and the local economy (G4-13, p.29; G4-EC8, p.80).

Contributions to the outside are not only meant in terms of socio-economic consequences of doing business but also as pro-bono initiatives and donations (i.e. G4-EC7, p.79).

Positive social value creation is also envisaged. Organisations are invited to report about wages above minimum (G4-EC5, p.76) and the choice of local senior managers in order to enhance human capital and the benefits for the local community (G4-EC6, p.77). Moreover, a positive health and safety culture is suggested through the creation of dedicated committees (G4-LA5, p.152) together with lifelong learning (G4-LA10, p.160) and human rights training for employees (G4-HR2, p.177) in order to increase business human capital but also empower citizens for a higher life quality and resilience.

The third TBS principle is sufficiency. The G4 seems to be aware of the indirect business responsibility in shaping customer's consumption style sustainably through marketing strategies. Nonetheless, this responsibility seems to be limited to informing people about the sustainability impacts of products and services letting them free to choose. Therefore they indirectly state that unsustainable products can continue to exist.

> *"Accessible and adequate information on the sustainability impacts of products and services (positive and negative) is necessary for customers and end users to make informed purchasing choices, and for these preferences to be reflected in the market [...] This Indicator discloses the degree to which information and labelling addresses a product's or a service's impact on sustainability" (G4-PR3, p.226).*

Furthermore, the GRI framework invites to report the incidents of non-compliance with marketing regulations (G4-PR7, p.231), suggesting a passive approach of organisations rather than business pro-action toward true sustainability.

The fourth and fifth TBS principles are intra and inter-generational environmental, economic and social equity.

Concerning intra-generational equity, G4 provides organisations with tools to report about their direct and indirect environmental impacts in order to identify and manage them. Examples are the guidelines on impacts of biodiversity and of protected areas (G4-EN12, p.102; G4-EN14, p.104). Although numerous indicators highlight the GRI environmental attention, there is little evidence for affirming that the business is invited to be safe and just to the entire eco-system. G4 suggests organisations to preserve the integrity of natural habitats (G4-EN13, p.103 IM) and, as mentioned above, albeit the precautionary principle is included in the guidelines, environmental negative impacts are envisioned together with the the organisation's decision-making subjected also to economic convenience.

G4 also raises organisations awareness on their direct and indirect social impacts, for instance on

indigenous communities (G4-HR8, p.189), human rights (G4-HR9, p.191) and local communities (G4-SO2, p.202).

Moreover, G4 proposes few indicators to check whether companies' wealth is fairly distributed. One of them controls for the wage difference between the highest-paid employee and the others (G4-54, p.58), while another assesses for the presence of anti-competitive behaviour, anti-trust or monopolies and could be useful to check for wealth accumulation (G4-SO7, p.212).

Intra-generational equity is also about people being equally treated. G4 seems to have a specific attention to this issue suggesting to report some socio-economic indicators by region, gender, employment contract and age (G4-10, p.26; G4-55, p.59; G4-LA6; G4-LA9; G4-LA11; G4-LA12). Moreover, G4 suggests reporting on the composition of the organisation's labour force since

> *"an uneven pattern of turnover by age or gender can indicate incompatibility or potential inequity in the workplace" (G4-LA1, p.146).*

Furthermore, a specific attention is given to the use and return after parental leave, by gender (G4-LA3, p.148), to the remuneration differences between women and men (G4-LA13, p.166) and to the existence of discrimination and the initiatives organised to cope with it (G4-HR3, p.179).

Concerning inter-generational equity, the guidelines do not explicitly refer to long term environmental sustainability, whereas long term economic sustainability is largely encompassed. As a matter of fact, long term financial performance and risks and opportunities consequent to sustainability issues and investments are often referred to within G4, mainly as a relevant information for investors together with a long term business strategy (G4-2, p.23) leading to long term business success (G4-PR5, p.228). Moreover, long term well-being is also mentioned concerning the reporting on the typology of retirement plan for the workforce, aware of the fact that this choice influences both the workers and the business itself (G4-EC3, p.73 IM).

Similar to the environmental dimension, long term welfare sustainability is not explicitly mentioned and is not evident.

The sixth identified TBS principle is the outside-in perspective which states business existence to solve global issues. G4 does not seem to understand the revolutionary repercussions of this principle completely. In fact it limits to mention the opportunities for companies and new business markets deriving from addressing sustainability issues, for instance greenhouse gas emission reduction (G4-EC2, p.71). Moreover, limits to unsustainable products seem to be put by regulation and public concern rather than by a business responsibility and sustainability pro-activity.

> *"a. Report whether the organization sells products that are: banned in certain markets; the subject of stakeholder questions or public debate; b. Report how the organization has responded to questions or concerns regarding these products" (G4-PR6, p.230).*

Lastly, concerning value creation for the common good, this is never mentioned within the G4 text,

though a large range of stakeholders is taken into account. However, this is not enough for affirming that the business ultimate purpose is value creation for the common good.

The GRI refers to some Possible operational indicators for TBS as well. First of all, a new kind of production and consumption cycle is mentioned with a specific attention to life-cycle analysis of product and service performance in order to design more efficient products (G4-EN4, p.91). Additionally, G4 seems to suggest closed-loop systems by proposing material conversion, reuse and recycle (G4-EN28, p.129). Nevertheless, the issue is not addressed in great detail and no guidelines are envisioned in order to figure out whether an organisation goes through mere down-cycling or up-cycling paying attention to keep separated natural and man-made systems as proposed by McDonough & Braungart (1998).

Secondly, G4 gives a lot of space to governance and leadership. As a matter of fact, numerous indicators and guidelines are dedicated to describe governance mechanisms (G4-2, p.24), structure (G4-34, p.52) and composition (G4-LA12, p.163). Particularly, the guidelines focus on the governance structure for managing economic, environmental and social impacts and try to make evident at what level sustainability decisions are made as well as the degree of interest of the highest bodies and chief-executives about sustainability and their formation on the topic (G4-33, p.51; G4-35, p.52; G4-36, p.52; G4-39, p.53; G4-42, p.54; G4-43, p.54; G4-45, p.55; G4-48, p.56). This suggests that the GRI is aware of the importance of leadership and the address of sustainability at the highest organisational levels in order to shape a sustainable business strategy and culture behind it. Interestingly, the guidelines also invite to assess whether organisational values and principles are developed and implemented conjunctively with stakeholders and if these actors are trained according to the organisation's culture (G4-56, p.60).

Furthermore, G4 guidelines propose to report about the level of inclusion of stakeholders in the highest governance level nomination process (G4-40, p.53) as well as composition, comprehending under-represented social group inclusion (G4-38, p.53). An indicator is also provided for what concerns local community engagement (G4-SO1, p.200). Additionally, organisations are invited to report about the kind of consultation, discussion and negotiation processes between stakeholders and the highest governance bodies (G4-37, p.53; G4-45, p.55; G4-LA4, p.150).

Collective bargaining is seen as a form of stakeholder engagement contributing to sustainability but separated from corporate governance (G4-11, p.28).

Interestingly, organisations are also asked to describe their ownership structure (G4-7, p.25; G4-9, p.26), which suggests that the type of ownership does have an impact on business sustainability according to the GRI.

Another Possible operational indicator of TBS which can be found in the GRI is sustainability

implementation through cooperation and partnerships with other organisations. The framework asks organisations to list the type of stakeholders engaged (G4-24, p.43) and membership to associations (G4-16, p.30) as well as to describe the process used to identify stakeholder groups (G4-25, p.43) and the type of relationship with them (G4-26, p.44). Specific partnerships are envisioned with governments (G4-EC4, p.74), participating to public policy development and lobbying (G4-DMA-b, p.209).

Nevertheless, it can be observed that the majority of these guidelines see the organisation as the centre and partnerships as closer to a mere stakeholder engagement to answer an internal interest rather than seeing the organisation as one among many actors cooperating together to achieve sustainability. This is in line with the critique by Crane et al. (2014) presented in Section 2.2.4.2.

However, guidelines concerning the relationship with suppliers seem to be more sustainability-centred. In fact, partnership with suppliers seem to be really important in order to prevent, mitigate and remediate negative environmental impacts by the organisation and stimulate suppliers to deal with their own environmental negative impacts (G4-DMA-b, p.136).

Being a BS assessment framework, the GRI provides some guidelines about reporting which can be arguably considered in line with Muff & Dyllick (2014) envisioning a reporting focused on social and environmental value creation. In fact, as reflected by the G4 materiality definition as presented in Section 4.4.1, the framework invites organisations to focus on those topics relevant for the organisation since they represent its main economic, environmental and social impacts as expressed by the firm itself and its stakeholders (G4-18, p.32-33). Moreover, some criteria are identified in order to prioritise the most relevant aspects to be reported such as the likelihood and severity of the impact. Nonetheless, some other criteria, namely

> *"how critical the impact is for the long-term performance of the organization, the opportunity for the organization to grow or gain advantage from the impact [...] Current and future financial and non-financial implications, impacts on the strategies, policies, processes, relationships and commitments of the organization, impacts on competitive advantage/management excellence" (G4-18, p.37),*

make it evident that the focus of the reporting organisation keeps being its internal performance and growth opportunities rather than value creation for the common good.

However, a step toward TBS can be acknowledged as far as G4 invites organisations to take into account their stakeholders' expectations while reporting (G4-2, p.23; G4-27, p.44). Stakeholders are meant in a really broad way which also includes also future generations, fauna and ecosystems (G4-18, p.36). Moreover, monitoring is suggested through external auditing, benchmarking and stakeholder feedback (G4-DMA, p.65; G4-33, p.51), though none of them is mandatory, and social indicators are assessed through participatory processes (G4-SO1, p.200).

Marketing definition and positioning is another TBS Possible operational indicator. Although a

specific section of the G4 social dimension is dedicated to product responsibility, what can be found among those guidelines is more about labelling, regulation compliance and product sustainability information rather than a focus on the creation of innovative markets and products deriving from putting sustainability at the business core. Nevertheless, G4 guidelines envision the necessity of assessing community needs before supporting its development (G4-DMA-b, p.78; G4-SO1, p.200) as well as customer's needs and preferences, though these are taken into account to ensure business long term success rather than to contribute to SD (G4-PR5, p.228). Lastly, organisations are asked to report about their product and service assessment for improvement (G4-PR1, p.223), but no relevant space is given to the creation of new products and services to answer identified needs.

The last Possible operational indicator for TBS, sustainability at the core of the business strategy, does not seem to be the priority of the GRI framework as it has already been underlined analysing marketing definition and positioning point, the main reasons for cooperation and partnership and the outside-in principle. In fact, all these aspects made it clear that, albeit sustainability investments can help the final goal, long term existence of the organisation keeps being the business core and ultimate purpose.

4.5 RobecoSAM's Corporate Sustainability Assessment

4.5.1 Framework description

CSA has already been roughly presented in Section 3.2.2, thus this section serves as a complement to the information already given.

CSA was developed by the international investment company RobecoSAM in 1999 in order to complete business financial reporting with sustainability information and identify the readiest companies to take advantage from sustainability challenges (RobecoSAM, 2014a).

CSA is open to the 2,500 publicly traded companies by invitation since the framework is the test for being included in the Dow Jones Sustainability Index which is a list of sustainability leaders by industry (RobecoSAM, 2014a).

CSA is thought to give information both to investors and companies themselves in order to focus on the most material sustainability aspects for the firm (RobecoSAM, 2014a).

CSA is based on the three sustainability dimensions: economic, environmental and social. Each dimension is expressed by a number of criteria presented through different questions. Every question, criterion and dimension have a different weight on the final score which is out of 100. As a consequence, questions are mainly closed, though some qualitative descriptive indicators exist. Indicators are industry-specific but some of them are common to all (RobecoSAM, 2014a). The

manual analysed for this thesis (RobecoSAM, 2015) focuses on the aspects in common with all the industries. It presents indicators divided into 11 sections: corporate governance, risk and crisis management, codes of conduct, supply chain management, tax strategy, environmental and social reporting, operational eco-efficiency, labour and human rights, human capital development, talent attraction and retention, corporate citizenship and philanthropy.

Lastly, according to RobecoSAM a sustainability issue is material to a company if it affects its long term financial performance (RobecoSAM, 2014a).

4.5.2 Data synthesis and analysis

This section[8] proposes a synthesis of the main ideas expressed by the *Corporate Sustainability Assessment* and is derived from the content classification according to the identified TBS Principles and Possible operational indicators. Moreover the explanation and interpretation of the findings taking into account the context of the document and the main literature on BS and TBS will be presented. This is done in order to assess how far CSA can be considered embedded in TBS.

A first TBS principle taken into account is eco and socio-efficiency. Also within RobecoSAM's CSA the principle can be recognised thanks to the frequent use of key-words such as “reduction”, “cost savings”, “cost-benefit analysis” and “efficiency” itself.

CSA uses the traditional definition of efficiency: producing more with less material as a consequence of the growing scarcity of natural resources and in order to reduce costs (9, p.52).

Although in less detail in comparison with the environmental dimension, socio-efficiency emerges with indicators such as employee turnover and absence rates as proxy of social cost savings (8.1, p.48) underlining the gradual improvement approach.

Concerning the more developed eco-efficiency, the CSA framework invites businesses to report their reductions in direct (9.2, p.53) and indirect (9.3, p.55) greenhouse gas emissions, energy consumption (8.1, p.48; 9.4, p.57), waste generation (9.5, p.58) and water use (9.6, p.60). Reductions are always expressed as a ratio, normally using revenues as denominator. As a consequence the trade-off between environmental and economic aspects is underlined. The trade-off between the two dimensions is also highlighted by the use of cost-benefit analysis for decision-making (13.4, p.79).

Another aspect typical of eco-efficiency is the framework focus on performance through the use of key performance indicators. As a matter of fact, the guidelines scarcely refer to the business local, regional and global context and the contribution of the firm to its larger environment. Instead, the focus on corporate performance gives an idea of the extent to which CSA is an organisation-centred

8 As a reference for the quotes in this section the indicator number and page of the correspondent document *RobecoSAM's Corporate Sustainability Assessment Companion* (RobecoSAM, 2015) is given.

framework. Moreover, companies are invited to report their key performance indicators together with their targets (8.4, p.51) suggesting a strategy based on gradual improvements rather than urgent changes by design for sustainability.

However, according to TBS, efficiency is not enough and it should go hand by hand with effectiveness measures. The CSA framework shows to go beyond efficiency suggesting the best practice of resource use reduction and cost avoidance (8.1, p.48) and thus proposing avoidance before reduction. Moreover, improvements in energy efficiency are matched with the instrument of renewables tariff (9.3, p.55), thus suggesting a change in the energy mix as an effective improvement by design.

Moreover, some key performance indicators are also dedicated to measure business contributions to their context through corporate citizenship and philanthropy (13.4, p.79). Community benefits are directed toward individuals, organisations and the environment (13.4, p.80).

A second identified TBS principle is positive economic, environmental and social value creation. Business profit seems to be the core of the framework. At the very beginning of the text it is clearly stated that corporate governance and management have to comply with shareholder interests (3, p.10).

Nevertheless, “other stakeholders” are also mentioned, though only once, as actors on behalf of whom the company should be managed (3.3, p.13).

Additionally, it is clear that addressing sustainability issues is seen merely as a business strategy benefiting the company bottom line financial performance. For instance, question 8.1 (p.46) is meant to assess the impact of sustainability initiatives on the firm's financial performance.

A business case for sustainability exists since addressing sustainability material topics minimise risks and maximise opportunities for business. For instance, the sustainable management of the supply chain is seen in terms of business opportunities, cost and risk reduction and revenues growth (6.5, p.40) rather than a business contribution to achieve global sustainability. Similarly, indicators on human capital investments mainly focus on the return on investment for the company (11.1, p.67; 11.4, p.69; 11.5, p.70) rather than on the value created for the initiative beneficiaries (11.3, p.69). The same happens for environmental initiatives (8.1, p.47).

Also the company tax policy seems to be seen as a trade-off calculation between reputational risk, quality of the relationship with the host country and tax optimisation (7, p.43) which might be interpreted as paying the least possible: another hint suggesting that the priority for the framework seems to invite companies to report how far sustainability supports business profitability.

However, CSA also mentions social and environmental value creation. For instance, companies are

asked to report about their capacity in building initiatives (6.3, p.37). Nevertheless, the indicators, such as non-financial and cost-based indicators (11.1, p.67) still focus on the performance rather than the initiative effectiveness. Anyways, some indicators are more effectiveness-oriented. For instance, the one providing information about the extent to which employees advance in their internal career as a consequence of human capital development (11.2, p.68).

Beneficiaries of value creation are considered to be individuals, organisations, the environment but also employees and actual benefits are measured through ad hoc key performance indicators (13.4, p.80).

A whole section of the CSA is dedicated to corporate citizenship and philanthropic contributions focusing on value creation for external beneficiaries (13, p.75). The framework encompasses both charitable donations, community investments and commercial initiatives as forms of philanthropy (13.2, p.76). Charitable donations suggest that RobecoSAM sees CSR in its most basic and criticised shape: short-term initiatives mainly related to business image (as explained in Section 2.2.4.2). However, community investments and commercial initiatives represent more long term CSR solutions elaborated in partnership with community-based organisations and beneficiaries and able to deliver long term value for communities. Nevertheless, CSR choices seem to be subjected to cost-benefit analysis (13.1, p.75) and community investments and commercial initiatives are still related to a business strategy to improve reputation and have a good relationship with its context in order to minimise risks (13.2, p.76).

The TBS principle of sufficiency does not seem to be embraced in the CSA framework.

The TBS principle of intra-generation economic, environmental and social equity is covered by the CSA. Environmental risks (6.2, p.35) and performance (8.4, p.51) are reported. However, no reference is made to business fairness and safety to the entire eco-system.

Concerning the social dimension, CSA invites firms to assess their social risks (6.2, p.35), which could be interpreted as a recognition of business potential social impacts. Moreover, indicators exist which assess whether companies equally treat their employees. More specifically, the indicators encompass workforce diversity, mainly for what concerns the proportion of women at the board level (10.1, p.62), equal remuneration between women and men (10.2, p.63) and freedom of association (10.3, p.64).

Concerning economic equity, an indicator is dedicated to understanding the gap between manager and other employee compensation (3.9, p.21). Moreover another set of indicators focuses on the economic equity deriving from the firm's tax policy which can give information about the value transferred to the host country (7.1, p.43; 7.2, p.44). Nevertheless, the indicators do not seem to be meant to morally judge tax-compliance or tax-avoidance business strategies but rather ensure that

they are transparent about their tax approach (7.1, p.43).

Inter-generational economic, environmental and social equity is scarcely reflected by CSA. In fact, although references to the long term are numerous, these are mainly related to ensuring long term financial success for the organisation (4.3, p.26). For instance, an indicator investigates managerial variable compensation depending on long term performance in order to stay in line with shareholder interests (3.7, p.19). Another assesses the existence of long term incentive programs to retain the best workers over time in order to ensure organisation permanence in the long run (12.2, p.72). No environmental or social inter-generational equity is referred to, independently from statements about the organisation's strategy for long term success.

Another identified TBS principle is an outside-in business perspective seeing business as a profitable way to solve environmental and societal issues. The CSA framework does not seem to embrace this principle. As a matter of fact, it affirms that corporate citizenship and philanthropic activities should be aligned to the business drivers, that is to say to those aspects that are vital for business success and growth (13.1, p.76). This is an inside-out business perspective since it suggests that the implementation of philanthropic initiatives serve business success rather than business activities serve global needs.

Moreover, although corporate citizenship is also envisioned through commercial initiatives in partnership with charitable and community-based organisations (13.2, p.76), this cannot be interpreted as an outside-in perspective. In fact, although firms could arguably answer to an environmental problem, this is done with the ultimate goal of determining organisational success. Moreover, no indicators assess whether the company bases its activity entirely on commercial initiatives for sustainability or if these are only some initiatives among others.

As a consequence, also the last identified TBS principle, value creation for the common good, is not envisioned by RobecoSAM's framework. In fact, both principles of three-dimensional value creation and outside-in perspective showed that the main focus and ultimate goal of the BS assessment framework is the organisation and its financial long term success through social and environmental investments rather than contributing to the common good.

For what concerns the Possible operational indicators of TBS, the only reference, though not detailed, made about new kind of production and consumption styles, is about the market value of recycled waste which can be used for new processes (9.5, p.59).

Concerning governance and leadership changes, several indicators focus on assessing the governance structure, mainly for what concerns the board, its composition (3.1, p.10; 3.4, p.15) and nomination process (3.3, p.13), size (3.1, p.10) and effectiveness (3, p.10). The framework clearly affirms that the board should be aligned with shareholders' long term interests (3, p.10) and the process for

shareholders to vote the board members is reported (3.6, p.17), while stakeholders are barely nominated. In any case, an indicator checks for the composition of the board in order to check that the diversity of the workforce is represented in decision-making (3.4, p.15).

The framework acknowledges the importance of leadership for addressing sustainability. Many indicators assess at what level sustainability decisions are made and at what extent board members are part of the process (3.5, p.15). Similarly, this happens for environmental, social and governance objective implementation at the operational level (6.4, p.38).

Consultations and negotiations with trade unions are also reported (10.3, p.64) together with the governance structure concerning corporate citizenship management (13.1, p.75), though these seem to be bolt-on rather than embedded in the main governance structure.

Sustainability implementation through cooperation and partnership with other organisations is also mentioned, though briefly, within CSA. For instance, it is envisioned through reporting on collaborative initiatives with NGOs or other companies on supply chain issues (6.3, p.36). Nevertheless, a much detailed reading of point 6.3, shows organisations in the supply chain as passive actors depending on the corrective action plans developed by the reporting company rather than the whole supply chain collaborating together toward global sustainability achievement.

With regards to reporting, social and environmental reporting are proposed in terms of social and environmental issue identification in order to assess impacts on business performance (8.1, p.46) rather than in terms of environmental and societal value creation as suggested by Muff & Dyllick (2014). This is also confirmed by CSA's material aspect for reporting definition concerning long term financial performance, as mentioned in Section 4.5.1.

Additionally, there is no reference in the guidelines concerning the involvement of beneficiaries in the reporting but external verification is compulsory (5.2, p.30).

Marketing definition and positioning, another Possible operational indicator of TBS, is also scarcely reflected within RobecoSAM's framework. More specifically, no explicit reference is made to the identification of environmental and societal needs, while companies are invited to report whether they offer new products and services answering to environmental and social needs. More precisely, an indicator suggests to report the proportion of green product sold out of total sales (8.1, p.48). Nevertheless the document makes clear that CSA does not bind companies to produce 100% of sustainable products eliminating traditional ones, though, by asking to report the proportion of sale of sustainable products, it can be affirmed that the framework recognises the importance of this shift.

Lastly, several hints suggest that CSA framework considers the embedding of sustainability into the business strategy. First of all, organisational values, principles and guideline, with the environment, health and safety among others, are part of the business codes of conduct guiding its strategies and

operations (5.1, p.29). A second example is given by an indicator asking companies to indicate the main environmental, social and governance objectives used for supplier selection (6.4, p.38). Thirdly, the framework invites businesses to describe their sustainability priority in the annual report in order to make evident the strict relationship between sustainability activities and the corporate development strategy (8.1, p.46). Nonetheless, this does not mean that sustainability is at the core of the business strategy but rather sustainability serves as a business strategy which keeps business growth at its core. A last indicator interrogates the firm about the existence of a strategy to guide business philanthropy (13.1, p.75). However, it is not clear whether this strategy should be integrated within the organisational one or if it just represents a bolt-on.

4.6 Common Good Matrix

4.6.1 Framework description

The *Common Good Matrix* firstly appeared in 2010 within the book by Christian Felber *The Common Good Economy* (“Further Development of the Matrix”, n.d.) as an answer to the question of how to make the global economy more human, ecological and democratic. Moreover, these values are seen as opposed to the current pattern based on *efficiency, growth, profit, success, competitive performance and freedom* (“A short history of the ECG”, n.d.).

The goal of the Economy for the Common Good movement is to inspire and start a change in the economic system towards putting the common good at the centre (“The Idea behind the Economy for the Common Good”, n.d.) and focusing on the needs of the entire population. The vision is *to ensure a good life for all living things and for the planet as a whole, supported by a sustainable economic system* ("The Vision of the ECG", n.d.).

Profit is seen as the means to guarantee long term income to employees, owners included, while there is no room for paying interest to external investors. In this way companies can focus on life quality improvement and eco-systemic well-being through business activities rather than profitability through perpetual growth based on maximising economic return on investment ("Our Ten Guiding Principles", n.d.).

As a consequence, although an explicit statement on materiality has not been found in the investigated materials, it can be inferred that an aspect is considered material if it impacts any living entity, either human or belonging to the natural environment.

The matrix was the result of the collaboration between Felber and some entrepreneurs from the Attac business group who proposed to help creating the new framework and make it operational. Later on, Version 1.0 was refined thanks to the contribution of pioneer companies and Version 2.0 was delivered in 2011. This version counted with 50 indicators which were judged too much for the first

implementation. As a consequence Version 3.0 was elaborated in the same year counting 18 indicators. Version 4.0 was created in 2012 (“A short history of the ECG”, n.d.) and version 5.0 should be released by the end of 2015 (“Further Development of the Matrix”, n.d.).

This thesis will focus on the last available version: 4.0. It is composed of 17 key indicators resulting from the combination of stakeholders (in the rows) and constitutional values (in the columns) within the matrix. Five stakeholder categories are identified: A) suppliers, B) investors, C) employees - including business owners -, D) customers, products, services and business partners and E) social environment - region, electorate, future generations, civil society, fellow human beings, animals and plants -. Five constitutional values of democracy are put in relationship with the five stakeholder categories. These are 1) human dignity, 2) cooperation and solidarity, 3) ecological sustainability, 4) social justice, 5) democratic co-determination and transparency. Lastly, the matrix presents 17 negative criteria for which companies are invited to declare their extraneousness (Economy for the Common Good, 2013a).

Every indicator is scored and the maximum possible sum for all the indicators is 1000. The presence of negative indicators reduces the final score. A company's score is translated into a five-colour common good traffic light positioned on product labels in order to inform customers about the company sustainability and ethics. The movement envisages also the creation of legal advantages for the most performant businesses in the long run (“What is the Common Good Balance Sheet?”, n.d.). The most progressive companies have reached a score between 600 and 700 to date (“Rewarding Common Good Points”, n.d).

The matrix can be used by firms of all sizes and sectors (“What is the Common Good Balance Sheet?”, n.d.) and it will be soon legally binding for the movement's members (“Further Development of the Matrix”, n.d.).

Lastly, it is interesting to mention that the concept has raised the attention of the European Economic and Social Committee, a consultative body of the European Union, who acknowledged the relevance of the model in order to reach sustainable growth and high-quality jobs at the European level (“The Economy for the Common Good...”, n.d.).

4.6.2 Data synthesis and analysis

This section[9] proposes a synthesis of the main ideas expressed by the *Common Good Matrix* and is derived from the content classification according to the identified TBS Principles and Possible operational indicators. Moreover the explanation and interpretation of the findings, taking into account the context of the document and the main literature on BS and TBS, will be presented. This

9 As a reference for the quotes in this section the guideline code and page of the correspondent document *Guidelines for the Common Good Report* (Economy for the Common Good, n.d.) is given.

is done in order to assess how far the CGM can be considered embedded in TBS.

First of all, the efficiency principle has been checked for within the Guidelines for the Common Good Report document (Economy for the Common Good, n.d.). The term "efficiency" never appears within the document. As confirmed in the CGM description (Section 4.6.1), the concept of efficiency alone is seen as related to an economic system which the ECG movement wants to oppose since it is focused on perpetual economic growth for business at the minimum environmental and social costs.

On the contrary, CGM suggests that business activities should not have any negative impacts, thus supporting the effectiveness principle. Although the concept of reducing the ecological footprint (D3.1, p.42) could lead to think about the logic of negative impact minimisation, companies are invited to identify their environmental effects in order to avoid them (E3.3, p.58; A1.1, p.8). Moreover, the framework invites organisations to reflect whether they bring sustainable change or they merely alleviate negative effects (E2.2, p.52).

Furthermore, ECG movement proposes to investigate the availability of indicators to assess environmental aspects both in absolute terms, at the organisational level (E3.1, p.55) and relatively to sectoral performance (E3.2, p.57). The latter helps organisations to avoid focusing only on their performance but rather to take into account their potential for improvement in a wider context which could also lead to shift to better alternatives:

> *"Consideration of regional, ecological and social aspects or superior alternatives. […] Regional, ecological and social aspects / superior alternatives are considered […] in regard to all key purchased P/S* [products and services]*" (A1.1, p.8)*

As described in part E of the guidelines, business vocation as a contributor to overall sustainability is clearly underpinned by the framework which explicitly encompasses the social environment as a stakeholder and beneficiary.

Another aspect underpinning effectiveness within the CGM is the preference given to precaution rather than corrective actions. For instance, some indicators invite firms to assess the opportunities of preventive health care given to their employees (C1.3, p.17-18). Also, by combining these indicators with traditional ones, such as the number of accidents at work (C1.3, p.17-18), the matrix shows to have clear the difference between not killing and taking care of people, as underlined by Muff and Dylllick (2014).

Similarly, effectiveness is implied by the assessment of the existence of sustainable operations by design. For instance, an indicator checks for the design of sustainable employment modes even for short-term contracts (C1.2, p.16), while another focuses on detecting the ecological aspects considered when designing products and services (D3.1, p.42).

A last way to be effective is the consideration of the whole product life-cycle (D3.1, p.42) and the

whole value chain (E1.2, p.51) when considering social and economic impacts in order to responsibly focus on overall sustainability rather than on the performance of the single business.

For the analysis of CGM, the division of the principles of positive environmental and social value creation and value creation for the common good resulted to be useless. As a matter of fact, the latter, which is explicitly mentioned and represents the core of the document, differently from the other analysed frameworks, encompasses the former. The matrix emphasises the business vocation to create benefit through its products and services (E1, p.50). Examples of social and environmental value creation can be found, such as indicators assessing employee training in different domains (C1.1, p.16), including ethics (B1.1, p.11), or a special attention to workers' nutrition based on a majority of vegetarian meals and local food benefiting both the local economy and the environment (C3.1, p.24).

However, a broader meaning and set of beneficiaries of value creation can be noticed all along the document with questions such as:

> *"in what way do the P/S serve the personal growth of human beings? In what way do the P/S help promote the community in the private and professional spheres? [...] Positive impact on human beings / community / earth" (E1, p.50).*

Achievements in delivering value are measured by taking into account the amount of money and resources used to contribute to the common good (E2.1, p.52). This could seem not enough since the means are emphasised rather than the final positive impact.

A last example of the business contribution to the common good is an indicator measuring profit distribution between employees, equity and socio-ecological investments. The most progressive businesses are expected to dedicate at least 50% of the profit to socio-ecological investments, while between 91% and 100% should go to the three categories all together (E4.2, p.60).

Value creation is normally meant also as economic profit for the company. In this case profit is envisioned, though not at any cost. For instance, dumping prices are explicitly forbidden as well as tax evasion (p.7), thus underlining that profit at the expenses of smaller companies or weaker countries is banned. Similarly, concerning the business investment policy, an indicator assesses whether it

> *"exclusively involve ethically sustainable projects with partial/complete waiver of interest" (B1.3, p.13),*

thus highlighting business vocation to contribute to the common good by business activities without speculations and a continuous primary focus on growth (E4, p.59).

As a consequence, the CGM checks also for the kind of banks chosen by organisations as partners inviting them to opt for the ones only offering ethically sustainable financial services (B1.2, p.12).

Another principle to which the document gives higher relevance in comparison to the previously

analysed frameworks is sufficiency. First of all, for the first time the term is explicitly mentioned within the CGM (D3.2, p.43; E1, p.50). Sufficiency is seen as a business responsibility in terms of encouraging higher quality product purchase (A1.3, p.10), promoting sustainable nutrition patterns (C3.1, p.24), raising employee awareness concerning environmental behaviours (C3.2, p.26), dealing with ethical customers through product development, marketing, sales (D1.1, p.35) and transparent product communication (D1.2, p.36).

However, the marketing and communication business responsibility in contributing to a change in the consumption style is largely outdone by the ECG movement. Companies are invited to ask themselves whether their products and services are meant to meet basic human necessities and serve planetary needs or if they constitute a luxury (D1, p.34; E1, p.50). This means that the commitment proposed by the CGM does not limit to shift from consumerism to green consumerism but rather to an ecologically sufficient customer behaviour proposed through price incentives but also reparation and reuse (D3.2, p.43) as well as rejecting planned obsolescence (p.7). Business commitment to sufficiency could also go that far to suggest competitors' better alternatives (D3.3, p.44).

The CGM also takes into account intra-generational economic, environmental and social equity. For instance, companies are invited to incentivise green mobility to the workplace so that it is affordable for all (C3.2, p.24-25). Business is fair and safe to the entire eco-system thanks to the prohibition of massive environmental pollution and of environmental standard violation (p.7).

Social equity is also transmitted by negatively scoring unequal wage by gender, the prohibition of work unions and income inequalities within the organisation (p.7). Also, indicators exist to assess company's social benefit distribution independently of the categories (C1.2, p.17), range between lowest and highest income (C4.1, p.27), diversity (by age, gender...) promotion within the firm, equal pay by gender, proportion of men/women, presence of people with disabilities, anti-discrimination trainings, return quota after parental leave by gender and proportion of women in childbearing age who get a promotion (C1.4, p.19).

Socio-economic equity does not only focus on internal goals but also on external ones. For instance, an indicator assesses if the organisation rations its prices in order to make its products affordable also to low-income people (D4.1, p.45).

Some CGM guidelines also focus on the fair distribution of economic wealth. For instance, firms are invited to report the extent to which minimum income is enough to make a living in the area (C4.2, p.28). Interestingly, the framework also supports profit distribution co-determination with employees (C5.3, p.32). Innovative proposals fostering a fair profit distribution are also envisioned. First of all, the reduction of the normal working time (C2.1, p.21) and an increase of part-time and temporary employment (C2.2, p.21-22) bringing to new hires and thus to more people making an income.

Secondly, an indicator controls for equal conditions and services proposed both to big companies and SMEs (D4.2, p.46).

Concerning inter-generational economic, environmental and social equity, the expressions "sustainability" or "long term" rarely appear within the guideline document. However, ECG movement's commitment to inter-generational equity can be inferred by several aspects. Firstly, although together with other actors, CGM explicitly considers future generations as a stakeholder and beneficiary (stakeholder category E). The fact that future generations are not considered alone makes the long term commitment less easy to grasp. Secondly, the guidelines often present a new kind of economic system which is no more based on payment of debt's interest but rather on cooperation and partnership with stakeholders (B1, p.11-14) as well on the use of local currencies (p.3). This constitutes a more sustainable financial system since it does not oblige future generations to grow in order to pay current debts. Thirdly, as explained in Section 4.6.1, this kind of system enables organisations to concentrate on serving human and planetary needs rather than making profit. Fourthly, the guidelines affirm that 50% of profit should be invested in socio-ecological improvements (E4.2, p.60) and these can be considered as long term investments for a better future.

Lastly, CGM supports the outside-in perspective typical of TBS. Several indicators presented assess the extent to which products and services are created to answer essential human and planetary needs (D1, p.34; E1, p.50).

> *"Have my products / services been tailored to meet the special requirements of this relevant group of customers?" (D4.1, p.45).*

Moreover, the total business commitment and priority to serve positive value for human beings and the planet is expressed by an indicator measuring the percentage of products and services which do solve societal issues. The guideline explicitly affirms that only if all products and services answer this condition a business can be considered exemplary and receive the maximum score (E1, p.50). Additionally, the guidelines wonder about the goal of the company and rhetorically ask if investment should always base on growth (E4, p.59) implicitly affirming that growth is not the first business purpose.

For what concerns the Possible operational indicators of TBS, CGM envisions a new kind of production and consumption style based on cradle-to-cradle approach (D3.1, p.42) and in general paying attention to the ecological design of products and services (Economy for the Common Good, 2013a).

Moreover, several governance and leadership characteristics are encompassed in the direction of TBS. Firstly, not only indicators ask companies to specify their ownership structure and the share subdivision (p.5), but also the possibility for employees to be owners and the contingent ownership percentage (C5.4, p.33). Furthermore, an indicator is dedicated to the amount of profit distribution to

external owners. From this indicator it emerges that the absence of profit distribution to external owners is considered a strong point for an organisation to be sustainable (E4.1, p.59). As mentioned in Section 4.6.1 this depends on the fact that external shareholders can undermine the business focus on the Common Good in case of a trade-off with profitability.

Secondly, indicators are presented which assess the level of employee co-determination as well as the internal communication structure, the possibilities for mediation (C1.1, p.15-16) and data accessibility to all workers within the organisation (C5.1, p.30). The more the co-determination is high, the higher the business score can be, underlining the importance given by the ECG movement to stakeholder participation to the decision-making.

Thirdly, leadership is addressed with indicators concerning executive personnel legitimation (C5.2, p.31) and the coordinative role responsibility (E2.3, p.54).

Lastly, companies are invited to report their governance structure by explaining which bodies are responsible for which kind of decision and the type of process undertaken for decision-making (C5.3, p.32). Also in this case co-determination and mutual decisions are welcome not only with employees but also with relevant external stakeholders (E5.2, p.63).

No reference is made to the type of CEO wh9o can better bring the changes in this direction.

Cooperation and partnership with other organisations are also envisioned by the analysed document. Concerning suppliers, collaboration is suggested only with the ethical ones (p.7) in order to address social and environmental issues (A1.2, p.9). Multi-stakeholder initiatives are also envisioned in order to tackle those problems (A1.2, p.9) and to raise social and ecological standards (D5.1, p.47; D5.2, p.48). Additionally, companies are invited to report about the ways they engage customers in product co-determination and the areas of cooperation with other companies (D2, p.39). Related to this, organisations are asked to report in which occasions cooperation prevails on competition (D2, p.39; D2.2, p.40) and the benefits deriving from cooperative marketing with other firms (D2.3, p.41). A great attention to synergies is given, for instance, through the consideration of know-how sharing and mutual grants and loans between like-minded organisations as well as through the use of local currencies (p.2-3).

Concerning reporting, the whole CGM focuses on reporting business contribution to the common good (p.3). Reporting transparency is ensured by external auditing and cooperation with other organisations (E5.1, p.61). Lastly, an indicator asks to describe which stakeholders are involved and who decide on what and how it should be reported (E5.2, p.63).

Marketing definition and positioning is also encompassed by the CGM. Attention to analysing social and environmental needs is demonstrated by customer engagement in product development (D1.3, p.37). Most of all, it is done by the identification of the customers in greater need for the offered

products (D4.1, p.45). Therefore, specific markets are created to answer societal needs (D4.1, p.45) and indicators are elaborated to assess the quality and life services of products (D1, p.34), to ensure a long lifespan and their positive impact on humanity (p.7).

Lastly, although no direct reference to sustainability being at the core of the business strategy has been detected, this seems to be at the base of the whole framework which sees business as an organisation delivering positive value to different stakeholders and the more general common good and driven by this goal rather than profit maximisation.

4.7 Comparing results from the analysed documents

At the end of the materials' analysis, this section aims at highlighting the main results of the study, finally trying to answer how far the analysed documents are close to TBS.

In order to answer the research questions, the main findings for every document presented in the previous sections have been summarised in Table 4. TBS criteria and their descriptions can be found in the first two columns. It can be noticed that efficiency and effectiveness principles were united since, according to the literature on the topic, efficiency is not enough for a business to be truly sustainable. The other columns contain findings from the five analysed documents.

Figure 5 gives a visual representation of the findings showing the affinity between the analysed materials and the original TBS concept principle by principle. As a matter of fact, only the TBS identified Principles were considered rather than the Possible operational indicators in order to give a synthetic and clear answer to the research questions as well as not to confuse what is considered to be indispensable for TBS and what, instead, could be also found somewhere else.

The seven TBS principles are represented by 7 rays composing a net. Every criterion of every document was given a value of 0, 1 or 2. The value of 0 reflects the fact that the TBS criterion is not present within the analysed document. The value of 1 means that some aspects of the TBS criterion are expressed within the analysed document, though not precisely or with some important aspects still missing. Finally, the value of 2 expresses the total compliance with the TBS criterion. Every material is represented by a coloured line.

The wider the perimeter, the closest the idea of BS transmitted by the document to TBS. Perfect compliance with all TBS criteria is represented by a line encompassing all the criteria axes at the value of 2.

Observing the figure, it can be noticed that the CGM perimeter (in purple) perfectly corresponds to the TBS line, scoring a value of 2 for every TBS criterion. As a consequence, according to this study, the CGM is a valuable framework for assessing TBS.

Table 4: ***Results recapitulatory and comparative table.*** *The table summarises the main results of the analysis of Vision 2050 (WBCSD, 2010), Architects of a Better World (UNGC, 2013), the Global Reporting Initiative (2013b), Corporate Assessment Framework (RobecoSAM, 2015) and the Common Good Matrix (Economy for the Common Good, n.d.) through the identified TBS Principles and Possible operational indicators. The first three columns describe the TBS Principles and Possible operational indicators, while in the next columns the main findings from the analysed documents for each Principle and Possible operational indicator are listed. Source: Autor's elaboration from WBCSD, (2010); UNGC, (2013); Global Reporting Initiative (2013b); RobecoSAM, (2015); Economy for the Common Good, (n.d.).*

TBS principles			**Narrative BS visions**		**BS assessment frameworks**		
N.	**Principles**	**Description**	**Vision 2050**	**Global Compact**	**GRI**	**CSA**	**CGM**
1 2	Socio/eco-efficiency Socio/eco-effectiveness	- Beyond "doing more with less" and "maximising value while minimising impact": new production solution all along the value chain; - Beyond sustainability relatively to the individual organisation: sustainability at the eco-systemic level; - Relative improvements are not enough; - Precautionary principle to protect against irreversibility, non-linearity and non-substitutability; - Both environmental and social dimensions are included; - Businss acts in harmony with nature: idea of abundance and fecundity; - Profit while enhancing social value.	- Abundant resources efficiently used; - Efficiency for gradual improvements waiting for technology allowing sustainability by design; - "Effectiveness" never used explicitly; - Vision of abundance and harmony between the 3 dimensions; - Closed-loop systems, TTL, dematerialisation; - Beyond eco-efficiency: social instances + attention to creation of wealthy society and flourishing nature.	- Not broadly covered; - Prevention, mitigation, accounting of negative impacts: hints suggesting precautionary principle and sustainability by design? - Beyond compliance: contribution to SD achievement; - Social and environmental dimensions are both considered.	- Great emphasis on eco-efficiency and socio-efficiency; - Eco-efficiency as management of the trade-off between the economy and the environment; - Going beyond compliance is subjected to economic calculation; - Effectiveness not explicitly mentioned; - Business performance put in context (though only a possible use of the guidelines); - Avoidance, mitigation, remediation of negative impacts: hints suggesting ex ante prevention and sustainability by design; - Precautionary principle; - Time-bounded, short term CSR actions not excluded.	- Efficiency: producing more with less; - both social and environmental dimensions are present; - Eco-efficiency as management of the trade-off between the economy and the environment; - Organisation-centred framework based on individual performance without much attention to the context; - Gradual improvements rather than urgent changes by design; - No explicit reference to effectiveness; - Avoidance before reduction; - Improvement by design, among others; - Some performance indicators dedicated to business contribution to its context through corporate citizenship.	- No explicit reference to "efficiency"; - Efficiency alone is opposed since it encourages an economic system based on perpetual growth at the minimum social and environmental cost; - No explicit reference to "effectiveness"; - Identification of social and environmental effects to avoid them; - Focus on sustainable change rather than alleviation; - Business potential for improvment looking at the outside; - Business as a contributor to overall sustainability; - Precaution over correction; - Sustainability by design; - Consideration of product life-cycle and the whole value chain: focus on overall sustainability rather than individual performance.
3	Creating positive environmental, economic and social value	- Business acts profitably; - Triple Bottom Line; - In case of trade-off, the financial aspect does not have the primacy on social and environmental aspects; - Economic, social and environmental value to SHs; - CSR initiatives related to the core business activities to create value for direct SHs rather than instrumental philanthropy for reputational reasons;	- Vision of TBL value without trade-offs; - Business economic contribution to society through job creation; - Business case for sustainability; - Would sustainability be prioritised in case of absence of a business case?	- Inclusive economic growth, social equity and progress and environmental protection thanks to corporate sustainability strategies; - Business economic value: revenue growth, more resource productivity and risk mitigation; - Business case for sustainability; - Sustainability could prevail on financial short term profit in case of similar behaviour by competitors.	- Profitability is highly considered and seems to be the priority; - Economic value generation for employees, investors, governments, communities; - Both business and pro bono initiatives; - Social positive value as a consequence of business organisation and training.	- Business profit and financial performance at the core: priority to shareholders' interests; - Business case for sustainability rather than business contribution to global sustainability; - Indicators mainly focusing on financial return of social or environmental initiatives; - Some indicators focus on social and environmental value creation though focus on performance more than effectiveness; - Both short and long term CSR initiatives, though subjected to cost-benefit analysis.	- Encompassed by value creation for the Common Good; - Environmental and Social value are created both by promoting sustainable practises at all organisational level and in terms of final products and services offered; - Profit is envisioned, though not at any cost but rather ethically gained: no speculation or primary focus on growth.
4	Sufficiency	- Societal responsibility for natural abundance; - Indirect business responsibility to promote sustainable consumption; - Basic needs / socially constructed needs.	- No explicitly referred to; - No distinction between need and want; - Need to decrease non renewable resources / person; - Raise customer awareness through labelling; - Awareness of business ability to influence customer's behaviour: vision of mainstreaming sustainable consumption; - Investigation of leverage points for customer's consumption pattern change; - Risk for shift to green consumerism.	- No explicitly referred to; - Consumers influencing business due to increased awareness rather than companies changing customers' consumption pattern.	- No explicitly referred to; - Awareness of business responsibility in shaping customer's consumption style; - Action limited to service and product information; - Indirect suggestion that unsustainable products can continue existing letting customers free to choose; - Business passive approach based on marketing compliance.	/	- Explitly mentioned; - Marketing and communication business responsibility in contributing to a change in consumption pattern; - Are business products and services meant to meet basic needs or luxury wants?; - Sufficient customer behaviour though price incetives, reuse and reparation; - Suggestion of competitors' better alternatives.
5	Intra-generational environmental, well-being, welfare equity	- Social responsibility; - Environmental stability, business is fair and just to the entire eco-system; - Economic equity	- Not explicitly referred to; - Principle of reciprocal responsibility and interdependece; - Incentives for intra-generational solidarity (elderly); - Business opportunities for operations in this domain;	- Inclusive growth based on prosperity and equity; - Environmental protection; - No declaration about safe and just eco-system.	- Environmental attention and precautionary principle, though not enough to report that companies are safe and just to the entire eco-system; - Wage differences; - Employees' equal treatment; - Controls against wealth accumulation.	- No reference to environmental equity; - Workforce diversity, equal remuneration and freedom of association.	- Sustainable behaviours and products affordable for all; - Massive environmental pollution and standard violation are forbidden; - Social equity, diversity and benefit distribution inside the organisation; - Fair distribution of economic wealth.
6	Inter-generational environmental, well-being, welfare equity	- Futurity: responsibility towards well-being of future generations; - Environmental long term sustainability; - Inter-generational economic equity.	- Not explicitly refered to; - Principle of reciprocal responsibility and interdependece; - New financing mechanisms making profitable to invest in the long term.	- Commitment to SDGs; - Long term investors.	- Long term environmental and welfare sustainability not explicitly referred to; - Long term financial performance as a relevant information for dedicated investors and leading to business long term success; - Long term well-being for employees (retirement management).	- Mainly focus on long term financial success of the organisation; - No reference to social and environmental long term sustainability disconnected by financial strategy.	- "Sustainability" and "Long term not frequent within the document; - Future generations explicitly considered as SH; - Vision of a sustainable financial system not obliging future generations to grow in order to pay current debts; - Socio-ecological investments: long term investments.

TBS principles			Narrative BS visions		BS assessment frameworks		
N.	**Principles**	**Description**	**Vision 2050**	**Global Compact**	**GRI**	**CSA**	**CGM**
7	Outside-in perspective	- The sense of doing business stays in profitably contributing to solve societal issues and answer to human and planetary needs putting business skills at the service of the Common Good.	- Not explicitly referred to; - Business is called to answer to the world challenges; - Business and market transformation according to societal needs; - Business opportunities from addressing the BoP's needs and sustainability challenges; - No explicit reference to an exclusive focus on societal needs.	- Not explicitly referred to; - increasingly important business role in coping global challenges; - No explicit reference to an excllusive focus on societal needs.	- Not explicitly referred to; - Business opportunities for sustainability; - Limits to unsustainable products put by regulation and public concern rather than business responsibility and pro-activity.	- Business philanthropic activities should be linked to aspects necessary for business growth and success; - Inside-out perspective: philanthropy serves business success rather than business serving global needs; - No explicit reference to an excllusive focus on societal needs.	- Products and services tailored to meet societal needs; - 100% of offered products and services should answer to societal needs; - Growth is not the first business purpose.
8	Value creation for the "common good"	- Business exists to serve human beings; - Inclusion of SHs only indirectly affected by business activities; - Society as a whole, future generations, the health of the planet.	/	- New opportunities can bring benefit to all; - Common good is incidental rather than business final purpose.	- Not explicitly referred to; - Numerous SHs considered; - Not enough for affirming that value creation for the common good is the business purpose.	/	- Explicit reference to the Common Good; - Positive impacts on human beings, communities and the planet; - 50% of profit to social and environmental investments; - 91-100% of profit to employees, equity and social and environmental investments.
TBS possible operational indicators							
N.	**Indicator**						
A	New kind of production-consumption cycle	- Triple Top Line: sustainability by design; - Cradle-to-cradle; - Closed-loop systems (natural and man-made).	- Closed-loop systems; - Products sustainable by design; - Dematerialisation; - Waste elimination.	/	- Life-cycle analysis to design more efficient products; - Closed-loop sysytems (no great detail)	- Existence of a market for recycled waste.	- Cradle-to-cradle approach; - Ecological product design.
B	Changes in governance and leadership	- Relevant stakeholders permanently in the board; - Type of CEO.	- No reference to oermanent presence of relevant SH in the board; - No reference to specific CEO typologies; - Changes involving business culture and company decision-makers at the highest level; - SHs have a value for business.	- Governance and leadership to tackle sustainability at all levels; - Sustainability managed at the highest level in order to inform the business strategy and culture leading to real change.	- Governance role to manage economic, environmental and social impacts; - Decision-making about sustainability at the highest level; - Values and principles developed with SHs; - Inclusion of stakeholder in the board nomination process; - Community engagement; - Consultation, negotiation and discussion between SHs and the board; - Collective begaining considered but not included in the main governance structure; - Ownership typology can have an impact on business sustainability.	- Board involvement in sustainability decision-making; - Corporate citizenship management governance structured separated from the main one; - Trade unions considered but not included in the main governance structure.	- Ownership is reported and employees's ownership seems to be positively welcomed; - No profit for external shareholders: they can undermine the business focus on the Common Good; - Co-detemination and mutual decisions: importance of SHs in decision-making; - Data accessibility to all and communication structure; - Executive personnel legitimation process.
C	Sustainability implementation	- Cooperation and partnership with other organisations to achieve SD.	- Need for strong cooperation and partnerships for sustainable development; - Cooperation and partnership lead to business learning occasions and long term innovation.	- Cooperation and partnership with SHs, even competitors, to implement sustainability; - Forums, platforms, public-private partnerships; - Cooperation and partnership to manage the supply chain toward sustainability; - Cooperation and partnership are learning occasions; - Cooperation can overcome on competition in case of sustainability implying trade-offs.	- Cooperation and partnership with SHs; - Partnership closer to mere SH engagement for internal interest: organisation at the centre rather than one among many actors cooperating toward SD.	- Collaborative initiatives with NGOs and other SHs on supply chain issues; - Supremacy of the organisation on suppliers rather than equal collaboration.	- Collaboration with ethical suppliers; - Multi-SH initiatives to tackle sustainability issues and increase sustainability standards; - Product co-determination with customers; - Cooperation with other companies; - In which occasions does cooperation prevail on competition?
D	Reporting	- Focus on societal value creation; - Involvement of beneficiaries.	- GDP not enough to measure sustainability; - Progress involves economic, social and environmental aspects; - No reference to beneficiary involvement.	- Focus on value creation and depletion; - transparency and accountability; - No reference to SH involvement.	- Materiality focuses on economic, environmental and social aspects relevant for the organisation and its relevant SHs; - Still focus on internal performance and growth opportunities rather than value creation for the common good; - SH involvement in the process.	- Social and environmental issue identification to assess impacts on financial performance; - No reference to beneficiary engagement; - Compulsory external audit; - Materiality focuses on long term financial performance.	- Reporting business contribution to the Common Good; - External auditing and collaboration with other organisations; - SH involvement.
E	Marketing definition and positioning	- Analysis of environmental and social needs; - New products and services answering those needs.	- Business invited to re-think their products; - Make sustainability an easier choice for customers; - Analysis of societal well-being in order to address it.	- Importance of understanding local needs and business model adaptation; - Creation of new markets, new product development...	- Focus on labelling, regulation compliance and product sustainability regulation; - Assessing community needs before intervention; - customers' needs taken into account to ensure business long term success rather than for contributing to SD; - No reference to new product and market creation to answer identified needs.	- No explicit reference to needs identification; - Reporting on products and services answering environmental and social needs (proportion of sales of sustainable products out of the total product sales).	- Customer engagement in product development; - Identification of customers more in need for specific products; - Specific markets created for answering societal needs.
F	Business strategy	- Sustainability at the core of the business strategy.	- No explicit reference; - Business case for sustainability and business addressing societal needs.	- Connect strategies, standards and targets to broader development goals to contribute to SD.	- Long term existence of the organisation is at the business core.	- Codes of conducts and internal criteria for suppliers selection consider environmental, social and governance criteria; - Report sustainability priorities; - Link between sustainability activities and business development strategy; - Existence of a strategy guiding philanthropy; connected to the main one?	- No explicitly referred to; - Sustainability and Common Good value creation seem to be the base of the framework.

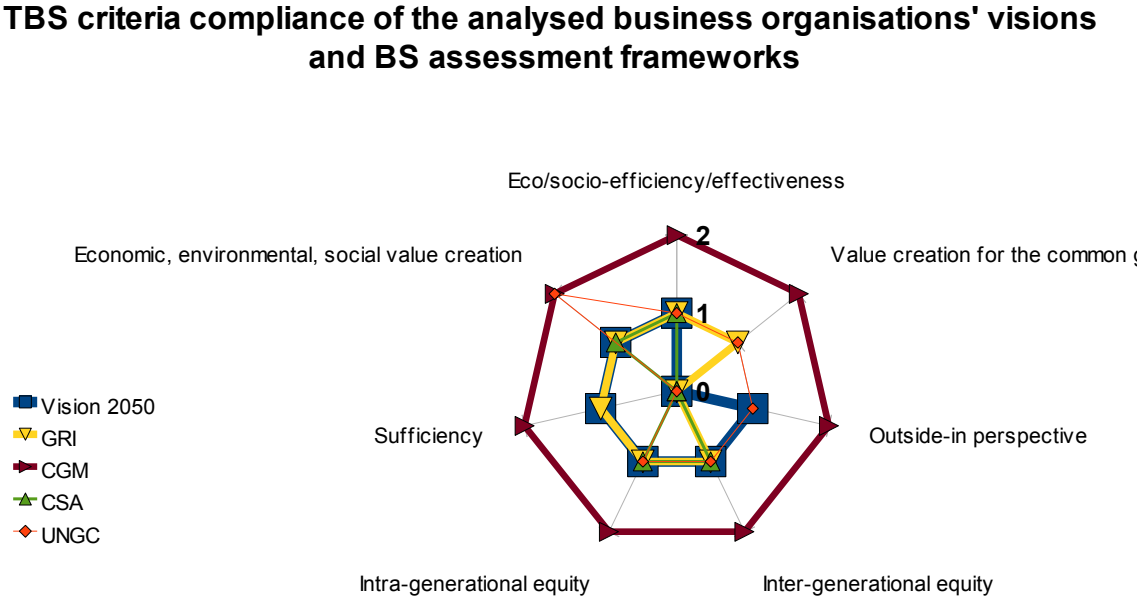

Figure 5: ***TBS criteria compliance of the analysed business organisations' visions and BS assessment frameworks.*** *Every coloured line represents one analysed document. Every ray is a TBS principle. Every line intersects the seven TBS Principles at a value of 0, 1 or 2, depending on the level of affinity to the TBS Principles. 0 means that the TBS Principle is completely absent in the document, 1 means that the TBS Principle is partially present in the document and 2 means that the TBS Principle is present with the same interpretation in the document as the TBS concept. Source: author's elaboration.*

Concerning the other analysed documents, they all present at least one TBS criterion extraneous to their BS interpretation. For instance, no reference can be found to the criterion of value creation for the common good neither in *Vision 2050* nor in the RobecoSAM'a CSA. Both the GRI and CSA do not show any hint suggesting a shift from an inside-out to an outside-in perspective. Lastly the sufficiency principle is not acknowledged both by the UNGC and CSA. However, all the materials encompass the majority of TBS criteria, though incompletely.

As a consequence, according to this research, it is not possible to affirm that the analysed business organisations' visions will lead companies and the entire world towards TBS. Similarly, the BS assessment frameworks, exception made for the CGM, are not meant to assess TBS.

According to this analysis, CSA results to be the farthest, among the analysed documents, from TBS with 3 criteria completely absent within the framework: sufficiency, outside-in perspective and value creation for the Common Good. Arguably, this is due to the fact that CSA is thought for publicly traded businesses, thus owned by external shareholders whose profit must be the priority for business managers.

4.8 Conclusions

This chapter presented the results of this research. The affinity of each document to TBS was tested considering the TBS Principles and Possible operational indicators identified by the author from the literature. The sections by document focused on describing each context and summarising, explaining and interpreting the main collected data. Later on, the main findings from each document were compared amongst them and to TBS with the help of a table summarising the presence of the different TBS Principles and Possible operational indicators and their interpretation in every analysed material. Moreover, the use of a net graph helped to figure out which documents were more affine to TBS, according to the results of this study. On the one hand, only the *Common Good Matrix* by the Economy for the Common Good movement showed to completely answer TBS principles. On the other hand, *Corporate Sustainability Assessment* by RobecoSAM resulted to be the least affine to TBS, whereas the other three documents showed to have some common aspects, though not sufficiently developed to comply with TBS.

5 Discussion

This chapter will answer the research questions identified at the beginning of this thesis through an inductive process. The empirical results presented in the previous chapter will be put together with other studies and the existing literature. This is done in order to verify their affinity with previous knowledge. In case of conflicts, results will be discussed.

This thesis aimed at answering two questions concerning the relationship between the current discourse on BS and the emerging concept of TBS. The first one, more general, was: *to what extent is the current business discourse going towards TBS?* The second one, more specific, was: *are the analysed BS assessment frameworks designed to measure TBS?* The empirical study run along this essay, based on the analysis of five publicly available written documents, could answer both questions. In order to comply with the inductive approach followed by this chapter, the second and more specific question will be answered first.

According to the results of this research, the most used conventional BS assessment frameworks, the GRI in general and RobecoSAM's CSA for what concerns publicly-traded companies, do not seem to be designed to measure TBS, while, interestingly, a new and less known framework, the CGM, seems to do so.

More precisely, as presented in Sections 4.4.2 and 4.7, the GRI's inability to measure TBS is primarily due to its distance from adopting an outside-in perspective. On the contrary, sustainability seems to be seen merely as a business opportunity and the framework concentrates on the business case for sustainability. As a consequence, although the huge relevance given to stakeholder inclusion, the common good does not seem to be the business purpose. Similarly, long-termism seems to be a matter of dedicated financial investor attraction rather than deep commitment to sustainability and profit seems to have the priority on the other forms of value creation. Sufficiency is merely meant as marketing responsibility while ultimate customer's freedom of choice as well as the distinction between need and greed is not discussed. No appropriate indicators exist to measure the existence of a positive relationship between business and natural health and abundance. Lastly, organisations are

left free, for instance, concerning the consideration of their context or the choice of the type of CSR, including also the short-term one.

Similar results were obtained by Moneva et al. (2006). It has to be premised that their study was done based on a previous version of the GRI. However it still shows to be valid. Moneva et al. (2006) analysed the GRI approach to sustainability by trying to answer five questions elaborated by Gray et al. (1993 as cited in Moneva et al., 2006). These are: *i)* Sustainability for what? *ii)* Sustainability for whom? *iii)* Sustainability in what way? *iv)* Sustainability for how long? *v)* Sustainability at what level of resolution?

Firstly, according to Moneva et al. (2006), the GRI sees sustainability as a way of improving environmental and social context in which the organisation is embedded in order to support business activities (Sustainability for what?). Their findings are in accordance with these thesis results arguing that the GRI focus on sustainability derives from a business case for it.

Secondly, Moneva et al. (2006) affirms that sustainability is meant for the organisation. The authors highlight the lack of strong sustainability indicators, meant as a systemic approach to sustainability based on effectiveness and thus going beyond the organisation alone, toward global sustainability and the company relationship with the macro-level. Their results are in accordance with the obtained findings considering the large focus given by G4 on organisational performance, while benefits to the outside seem to be secondary.

Moreover, according to Moneva et al. (2006), GRI does not have a critical approach to SD but simply relies on the t*riple bottom line* approach for having the broadest consensus. Since GRI's definition of sustainability can change depending on consensus, SD concept can change as a consequence (Newton, 2004 and Springett, 2003 as cited in Moneva et al., 2006). This consideration is in accordance with the assumption adopted for this thesis (see Section 1.2) and based on Gray & Bebbington (2000) affirming that BS reporting is managerialist, meaning that it is used in order to preserve the organisation itself and foster its development. As a consequence, this thesis can affirm that GRI is a weak BS assessment framework, basing its definition of BS and SD on the current consensus rather than inspiring organisations towards a real and systemic change.

Thirdly, according to Moneva et al. (2006) the use of the t*riple bottom line* approach (Sustainability in what way?) does not allow a real integration of the sustainability dimensions. As a consequence, there are risks for financial prioritisation on the other dimensions and for a focus on the single organisation's performance rather than on its economic, environmental and social impacts and its relationship with the outside. These critiques support the results obtained by this research stating that profit seems to give the priority over other value creation and the common good.

The last two questions answered by Moneva et al. (2006) are not touched by this investigation, thus

they are not discussed here.

According to this research, RobecoSAM's CSA is not designed to measure TBS. As presented in Section 4.7, the sufficiency principle, the outside-in perspective and value creation for the common good are completely missing within the analysed framework. Moreover, gradual improvements seem to be given more importance than changes by design, though the urgency for a systemic change is generally supported by the intergovernmental (Ki-Moon, 2015), the business (WBCSD, 2010), the scientific (IPCC, 2015) and the academic (Dyllick & Muff, 2013) worlds. Additionally, business profit and shareholder value creation are at the centre of the business strategy.

No other studies have been found supporting or discussing this thesis view on CSA distance TBS. Nonetheless, these findings were expected since, as described in Section 4.5.1, RobecoSAM's framework focuses on publicly traded companies, which are normally owned by external shareholders. Muff & Dyllick (2014) had already identified in ownership one of the biggest obstacles to TBS. In fact, financial return on investment has a clear priority on any other purpose for companies owned by external stakeholders.

Finally, according to the results obtained by this thesis, CGM is a BS assessment framework designed to assess TBS. As shown in Section 4.7, all the TBS Principles are satisfied by this framework.

No other studies have been found supporting or discussing the results. It must be considered that the CGM is neither as well-known nor as mainstream as the GRI. Notwithstanding, the obtained results were expected since, differently from the previously analysed frameworks, materiality is neither based on sustainable issues linked to long term financial performance (as for CSA) nor on the significant economic, environmental and social impacts affecting the organisation or its relevant stakeholders (as G4). Instead, as specified in Section 4.6.1, an aspect is material for sustainability assessment if it impacts human beings and all living entities.

The CGM had already been identified by Dyllick & Muff (2013) for shaping their TBS concept. However, as far as the author could investigate, no research had been run in order to empirically assess the affinity of this innovative framework with the TBS concept. Therefore, although expected, results are not obvious since the test used for this research was not only based on Dyllick & Muff (2013) and Muff & Dyllick (2014) but also on other authors. Readers are referred to Section 3.3 for a complete list of authors and Section 2.3.2 for a review about the main conceptual contributions by the different authors.

At the end of this thesis it is possible to affirm that the CGM can measure TBS because it is not managerialist, as defined by Gray & Bebbington (2000) and presented in Section 3.1. But rather it is performative since organisations who use it support a real and radical systemic change as described

in Section 4.6.1. As a consequence, being the CGM leading businesses towards a change in the economic system based on the common good, it can also be affirmed that the CGM measures for TBS, meant as that BS which effectively contribute to global SD.

Albeit the numerous arguments in favour of the CGM, drawbacks are still present. In Section 4.6.2 some imperfections are noted which could be the starting point for possible improvements. For instance, future generations are currently aggregated to other broad stakeholder groups in a single category. As a consequence, impacts on future generations are not well-defined in specific indicators and future stakes could be thus undermined. Another example is given by the fact that achievements in value delivery are measured through the amount of money and resources dedicated to the common good, thus weighting more the means than the final impact. This does not seem to be coherent with the purpose of the framework and innovative ways of measuring value creation for the common good could be designed, for instance with the inclusion of direct and indirect stakeholders.

Concerning the extent to which the current business discourse is going towards TBS, according to this research, some steps forward seem to have been made by companies and business organisations concerning the shift from business-as-usual to a commitment to SD. Nevertheless, it does not seem that the current business discourse is going towards TBS.

First of all, the answer given to the previous research questions demonstrates that most mainstream BS assessment frameworks, the GRI and CSA, are managerialist rather than performative, thus keeping organisations stuck in the current unsustainable reality. The analysed frameworks, though proposing some minor improvements, are not able to lead organisations to effectively tackle the global situation in order to definitely transform it into a sustainable one.

Secondly, according to the obtained results, visions from the WBCSD and UNGC, grouping the biggest companies in the world, did not show to be affine with TBS, though some innovative aspects in comparison with business-as-usual can be recognised. As presented in Section 4.7, *Vision 2050* (WBCSD, 2010) lacks any reference to the common good, while *Architects for a better world* (UNGC, 2013) does not encompass the sufficiency principle. Moreover, the other TBS principles are only incompletely embedded.

The thesis deriving from the obtained results is alarming since *Vision 2050* is supported by the most forward-looking companies and CEOs (i.e. Unilever, KPMG), while UNGC is embedded in the UN system and it is taken into consideration by Ban-Ki-Moon for the redaction of the Sustainable Development Goals. As a consequence, this thesis could be hardly accepted and acknowledged because of the prestige and the authority of these institutions.

In general, incompleteness and imprecision can constitute a risk for green-washing. This can benefit the image of a business sector which appears to be innovative and renovated without bringing a real

and good change to the global system. For instance, in the GRI and CSA the main focus is the organisation, its performance and goodness. All what is external to the organisation is only considered for an organisational purpose. This corroborates Gray (2000)'s thesis affirming that sustainability is confused with mere corporate responsibility.

Consequently, despite the momentum, often claimed by business organisations and inter-governmental institutions, for a global and multi-stakeholder partnership for SD, this impulse will arguably end up in another failure with the companies keeping on focusing on their preservation and on financial return with minor exceptions. This will also pass through corporate sustainability policies, but these are far from TBS.

In support of this thesis, as mentioned in Section 2.3.1, Gray & Bebbington (2000) affirm that even the most well-informed transnational companies are likely to act under the sustainability principles in so far as this does not undermine their financial return and, ultimately, their existence.

Lastly, this thesis argues that the ongoing business discourse does not question the current economic model: capitalism. As presented in Section 1.1, a shift in the economic model and consumption pattern is considered necessary by both Dyllick & Muff (2013) and Townsend (2015) and it is strictly interrelated to the business model.

This statement is supported by the obtained results. As a matter of fact, exception made for the CGM which is not considered to belong to the mainstream business discourse, the analysed business organisation's visions and BS assessment frameworks make scarce reference to the consumption pattern or the current economic model and monetary system. As presented in the results on *Vision 2050* in Section 4.2.2, although a lifestyle change supporting human and planetary well-being is wished for in the document, the direction envisioned is the one of green consumerism rather than a consumption pattern considering sufficiency. Furthermore, taking into consideration the financial system distortions highlighted by Brunnhuber et al. (2005) and Lietaer et al. (2012) and presented in Section 1.1, some of them are now acknowledged and weakly tackled.

In particular, an effort against short-termism is observable since the analysed documents highlight the need for long term investments and sustainability information to be in line with a growing presence of forward-looking investors and stakeholders (see results in Section 4.3.2, Section 4.4.2 and Section 4.5.2). Moreover, new financial mechanisms are envisioned to make it profitable to invest in the long term (see results in Section 4.2.2). However, the long term vision acknowledged by business organisations, also when taking into account environmental and social problems, seems to be related to their own interest for a prolonged business success rather than focus on the long term common good. Weak measures are also considered for what concerns wealth concentration. As visible within row 5 in Table 4, measures against wealth accumulation are envisioned in the GRI as well as

measures to control wage differences. Lastly, a new emphasis on cooperation and partnership supported by all analysed documents (i.e. in row C of Table 4), could help re-establish the broken relationship between social capital enhancement and the economic system.

Nevertheless, within the analysed mainstream documents, no reference is made to a shift from growth at any cost. On the contrary, economic growth is always envisioned, though within planetary boundaries. As presented in Section 4.6, a different perspective is the one of the ECG movement. It aims at shifting to an alternative economic system characterised by humanity, ecology and democracy and no more based on interest payment and debt in order to be truly sustainable towards future generations. Similarly, the use of innovative monetary systems, such as local currencies, which are supported by Brunnhuber et al. (2005) in order to complement and correct the dysfunctions of current financial system as well as to help solving environmental and social issues, are only envisioned by the ECG movement.

6 Conclusion

The aim of this thesis has been to investigate whether business sustainability, as it is meant by the current business discourse, can be considered as true business sustainability. In fact, while nowadays the business sector is considered an indispensable actor to achieve sustainable development, citizens and stakeholders often question business sustainability initiatives. They wonder if firms are really committed to global sustainability or if their sustainability initiatives merely answer to reputational and internal risk minimisation strategies.

More precisely, this study has focused on two research questions. The first question, the general one, has been t*o what extent is the current business discourse going towards TBS?* The second one, the more specific one, has been: a*re the analysed BS assessment frameworks designed to measure TBS?*

These questions have been raised by reading Dyllick & Muff (2013) and Muff & Dyllick. (2014). These two authors have recently started to work at the concept of TBS, meant as a business sustainability which does have a positive impact on society and the environment and which shapes the entire business model. While the authors are working at concept definition and test on previous theories, this thesis wanted to make an attempt to use their new concept to empirically test the current business sustainability discourse.

For the second question the statement by Gray & Bebbington (2000) concerning the managerialist approach of business sustainability assessment has been assumed. It means that it is possible to figure out the organisation's approach towards sustainability according to the way an assessment framework is designed.

Before starting the empirical study, Chapter 2 was dedicated to the literature review. The goal was to understand the different interpretations existing behind the business sustainability concept (i.e. triple bottom line, corporate social responsibility, eco-efficiency), deriving partly from the fuzziness of the SD concept and partly from different business focuses and interests. This has been useful in order to understand the reasons for a new development of BS concept: TBS. The TBS concept has also been

explained relying on other authors with similar ideas and with the aim of outlining the criteria for a business to be truly sustainable. Lastly, the literature review has focused on BS assessment and the existence of TBS assessment frameworks in order to create a background for answering the second research question.

After a review on the state of the art, Chapter 3 has been devoted to the presentation of the methodology for the empirical research run within this thesis. Qualitative analysis of existing publicly available written documents was chosen as the method to answer the research questions. Two kind of materials were chosen: visions from business organisations about the future of business and the world in relation to sustainable development and BS assessment frameworks. The materials had been identified during the researcher's internship experience and through the literature review. In order to select the materials, criteria listed in Sections 3.2.1 and 3.2.2 were identified. *Vision 2050* (WBCSD, 2010), *Architects of a Better World: Building the Post-2015 Business Engagement Architecture* (UNGC, 2013), the forth version of the *Global Reporting Initiative* (2013b), *Corporate Sustainability Assessment* (RobecoSAM, 2015) and the *Common Good Matrix* (Economy for the Common Good, 2013) were chosen for the analysis. Although extraneous to the mainstream business discourse, the last one was selected because it is designed on the human-centred premise that business is meant to serve the common good. As a consequence, it could be interesting to observe if changing principles corresponded to a different answer to the research questions. Next, the test used to run the analysis was created from the TBS literature review through the design of two check-lists of TBS Principles and Possible operational indicators. Selected documents have been analysed classifying the relevant contents according to the created TBS check-lists.

Chapter 4 was dedicated to the presentation of the results. Classified data for each analysed document were summarised, explained and interpreted with the help of contextual information from the documents and their authors as well as from the literature review. Results were then benchmarked against characteristics of the TBS principles. Only the CGM resulted to be totally affine to identified TBS principles, whereas RobecoSAM's CSA resulted to be the most distant one with three principles out of seven completely missing. The other documents presented at least one missing principle and other incomplete ones.

With the results available, an answer could finally be given to the research questions, matching the findings with previous research and discussing them in Chapter 5. This research gave a negative answer to both research questions. First of all, concerning the more specific question (a*re the analysed BS assessment frameworks designed to measure TBS?*), the mainstream BS assessment frameworks, the GRI and CSA, did not result to be able to measure for TBS, mainly because of the

managerialist approach to sustainability assessment. The findings were in line with previous researches by Moneva et al (2006) for the GRI and by Gray & Bebbington (2000) in general.

Secondly, concerning the more general research question (t*o what extent is the current business discourse going towards TBS?*), the business discourse demonstrated to be far from TBS. This thesis was firstly supported by the answer to the previous question. In fact, if BS assessment is business-centred, consequently companies are not going towards TBS, since they put the organisation rather than sustainability at the core. Similar conclusions could also be deducted from business organisations' visions, though presenting interesting progresses in encompassing SD in their vision and strategies. In fact, according to the findings and the discussion, they also lack some TBS principle and they do not take into account a change in the economic system, which is also indispensable for a truly sustainable world.

On the contrary, the CGM, created to measure organisation's contribution to the common good, seems to be designed to measure TBS. Moreover, the idea of BS underlying the ECG movement seems to be very affine to TBS. Additionally the ECG movement bases on a shift in the economic system also envisioning a change in the monetary system.

In conclusion, according to this thesis, the current business discourse is not truly sustainable and thus it is not going to lead the world towards SD. As stated in Section 1.2, the direction taken by business can make the difference between failure or success of solutions to planetary challenges. The answers given to the research questions could support or suggest some changes in the path currently followed by the business sector as well as by stakeholders and citizens in general, willing to distinguish green-washing from TBS. As a consequence, the conclusions brought by this thesis are relevant to progress on the above-mentioned issues.

First of all, although the great business interest for SD and BS, it seems that, consciously or unconsciously, the business sector has taken the wrong direction again and there is the risk for a failure of initiatives aiming at bringing about SD. In fact in order to achieve sustainability, change must be systemic and inclusive. The WBCSD (2010) itself recognises that one of the greatest risks to achieve SD is that, considering the scale of change, not everyone might agree. Hence, the impact of the economic system described by ECG movement might be limited precisely because the economic model followed by the mainstream business discourse does not seem to envision a real systemic change comprehending the economic, financial and monetary systems. Until a common ground is found between the two, the world will still be in danger, regardless of any kind of efforts.

Secondly, due to the distance of the current business discourse from TBS and the inability of mainstream BS assessment frameworks to measure for it, major modifications to the current visions and assessment frameworks are suggested in the direction of a model similar to the one envisaged by

the ECG movement through its CGM and thus, also considering a real shift in the economic system.

Lastly, as a consequence of the provided answers, it is possible to affirm that stakeholders and citizens have all the reasons to be vigilant and pay attention to the kind of actions and policies activated by companies in the field of sustainability since there is an high risk for green-washing and, ultimately, for persistent global unsustainability.

6.1 Thesis limitations

As explained in Section 3.5, this research is only based on written, publicly available documents and it was constrained by time and labour issues and material availability. Furthermore, the rightfulness of the results is limited by the correctness of the researcher's interpretation of TBS and of the analysed documents.

The business discourse outlined by this thesis strongly depends on the chosen documents. Therefore, although the maximum attention has been paid in order to design an accurate methodology, a different answer to the research questions could have been resulted from other documents. However, the obtained findings seem to be in line with those found out by other authors such as Gray (2010) and Gray & Bebbington (2000).

Similarly, other results could have been obtained if different TBS principles were identified. However, the principles identified by the different considered authors are reiterated between them, thus suggesting that all the important aspects have been considered. Moreover, even if other principles were found to which the analysed documents were affine, obtained results would not change since the distance from the used principles would persist.

Lastly, it has to be mentioned that literature on business sustainability is quite poor. Moreover, few articles are based on field research, while most of them are working or discussion papers focusing on the theoretical conceptualisation of business sustainability, business sustainability accounting and their critiques. It could be noticed a clear-cut division between academic studies and researches and publications by business organisations. Similarly, during the internship period the researcher experienced difficulties of cooperation with the business world. Consequently to the absence of a rich academic discourse on business sustainability with various points of view and numerous empirical studies, this thesis discussion could only count with few contributions from other authors and almost no counter-arguments to enhance discussion.

6.2 Recommendations and future research

The discussion in Chapter 5 and the limitations in Section 6.1 leads to the identification of three recommendations for future research and a last one for the business world.

First of all, starting from the identified limitations, this study could be repeated using interviews or focus groups instead of relying on already existing documents. Thanks to this methodological choice, material availability constraints could be avoided, thus having more certainties concerning the right representation of the business discourse. Moreover, mis-interpretations could be limited since unclear statements by business organisations could be deepened and better explained. Lastly, focus groups composed by a homogeneous bunches of business leaders could help to derive more sincere answers and less biased by image and reputational caution.

Secondly, the last part of the discussion has focused on the lack of recognition, by the mainstream business discourse, of the need for a real change in the financial system also passing through a change in the monetary system. Nevertheless, the TBS concept itself does not refer to this topic. As a consequence, studying the relationship between the business sector will for real change and its relationship with the monetary system is recommended as well as the integration of this issue within the TBS concept and the operational typology grid elaborated by Muff & Katrin (2014).

In general researchers should broader the study on BS and TBS in order to give birth to a proper research field aiming at leading businesses to TBS as well as following citizens and stakeholders through their struggle for TBS.

Lastly, if the business sector is really interested to be part of the solution for SD, it should take into account the critiques addressed by this and other researches. Above all, the focus of the organisations should shift from business-centred to sustainability-centred. This should involve braver business policies and strategies which could also leave to a diversion from current activities if these show to serve greed instead of need, particular interests instead of the common good. As a matter of fact, being entrepreneurs is primarily an issue of ideas before than money: they are *venturesome individuals who stimulate economic progress by finding new and better ways of doing things, they create value* (Dess, 1998 as cited in Tilley & Young, 2006).

Annex - Comparison of the selected business sustainability assessment frameworks

Table 5: Comparison of the Global Reporting Initiative, the Corporate Sustainability Assessment and the Common Good Matrix frameworks. Source: adapted from Global Reporting Initiative, (2013a); Global Reporting Initiative, (2013b);RobecoSAM AG, (2014a); RobecoSAM, (2015); "What is the Common Good Balance Sheet?", (n.d.); Economy for the Common Good, (2013).

Organisation	Main goals	Sustainability dimensions	Sustainability aspects	Specific characteristics of the guideline	Detailed standard description availability	Principles for selecting the topics	Harmonisation with other accountability efforts	Materiality	Users	Beneficiaries	Score?
Sustainable Accounting Standards Board (SASB)	Complete view of a corporation's performance and value creation, both financial and non-financial, and across all forms of capital; assess sustainability risks and opportunities inherent to investment decisions.	**Environment**; **Social capital** (role of business in society); **Human capital** (management of a firm's HR); **Business Model and Innovation** (integration of social and environmental factors in value creation and related impacts on business); **Leadership and governance** (conflict management between business model and practices and SH groups).	43 generic sustainability issues	Materialiy of the sustainability topics is identified at the industry level (10 sectors and 88 industries); the final materiality decision belongs to the company.	Aspects and metrics available only at the industry level (no global overview on all aspects) in the industry briefs. Registration needed to download indistry standards.	Applicability to investors; relevance across and industry; potential to affect value creation; benefits>costs; actionable by companies; reflective of the view of SHs.	International Integrated Reporting Council (IIRC), Global Reporting Initiative (GRI), Global Initiative for Sustainability Ratings (GISR), Carbon Disclosure Project (CDP)	Material if substantial likelihood that the information disclosure significantly alter the investor's decisions because of the impact of the factor on the company's financial results.	US and foreign companies that engage in public offering of securities in the US securities exchange market; privately-held corporations and foreign corporations publicly listed in other jurisdictions.	Investors investing primary for economic reasons; institutional investors; public.	No
Global Reporting Initiative (GRI)	Understand and communicate the impact of business on critical sustainability issues.	General Standard Disclosure (GSD): **strategy & analysis**, **organisational profile**, **identified material aspects**, **report profile**, **governance**, **ethics and integrity**. Specific Standard Disclosure (SSD): Disclosures on Management Approach (DMA), **economic, environmental**, **social** (labour practices and decent work, human rights, society and product responsibility).	58 (GSD) + 1 (DMA) + 9 (economic) + 34 (environmental) + 16 (labour) + 12 (human) + 11 (society) + 9 (product)	"Core option" (impact of environmental, social, economic and governance performance) or "comprehensive option" (additional standard disclosure on strategy and analysis, governance, ethics and integrity)	Yes	SH inclusiveness, sustainability context, materiality, completeness.	OECD, United Nations Global Compact (UNGC), UNEP, ISO, CDP, UNCTAD, International Finance Corporation (IFC), Earth Charter.	Material aspects are those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders.	Free use. But most of the interest actually comes from socially responsible investment communities, whereas mainstream investors showed little interest. Low use by civil society org. (Brown, H.S. et al, 2009)	Internal and external reporting.	No
Carbon Disclosure Project (CDP)	Disclosure environmental information for companies, cities and economies.	Environmental	Climate change, supply Chain, water, forests.	Businesses are requested to respond to the CDP by investors or investors and customers. There are separated guidances for climate change, supply chain, water and forests reporting.	Questionnaires for climate change, supply chain, water and forests available separately.		GRI-compliant		Business invited to participate by investors and/or customers.	Investors, customers.	Yes
Trucost Environmental Profit and Loss (EP&L)	To identify, quantify and monify Kn dependency across companies, products, supply chains and investments in order to manage risk and, ultimately, build more sustainable business models, products and brands.	Environmental	Carbon, Land Use, Waste, Water, Pollutants, raw materials and supply chain		No		CDP partner	Material aspects are those that have an impact on business risks and opportunities.	Businesses, investors, governments, researchers, academics		No
The Sustainability Consortium (TSC)	Measurement and reporting systems to address sustainability in the supply chain.	Environmental and social		Several toolkits	No				Businesses	Producers, retailers, and users of consumer products.	No
RobecoSAM's Corporate Sustainability Assessment (CSA)	Generating additional insights into the value creating and risk mitigating potential of companies. Companies that are more likely to outperform as a result of their adoption of sustainability best practices are identified.	Economic, social, environmental	General criteria (applied to all industries): corporate governance, risk&crisis management, codes of conduct, supply chain management, tax strategy, environmental and social reporting, operational eco-efficiency, labor and human rights, human capital development, talent attraction and retention, corporate citizenship&philanthropy.	Each of the three dimensions consists of, on average 6 – 10 criteria, and each criterion can contain between 2 – 10 questions, totaling approximately 80 – 120 questions, depending on the industry. Every question, criteria and dimension has a different weight contributing to the final sustainability score. Around 40-50% of the assessment is composed by general criteria for all 59 industries (i.e., Corporate Governance, Human Capital Development and Risk & Crisis Management)	Detailed description of the general criteria and questions (the one applying to all industries).	Financial materiality	The case where there is an alignment of CSA questions to GRI is specified.	Financially material industry-specific sustainability issues that have a link to long-term financial performance.	The world's largest 2,500 publicly traded companies are invited to participate in the annual CSA for possible inclusion in the Dow Jones Sustainability Index (DJSI) identifying sustainability leaders for each industry.	Investors and companies to focus on sustainability issues that are more directly linked to their success as a business.	Yes (/100)
The Common Good Matrix (CG)	Measure business management success based on its contribution to the Common Good	Human dignity, cooperation and solidarity, ecological sustainability, social justice and democratic co-determination and transparency.	Ethical supply management, ethical financial management, workplace quality and affirmative action, just distribution of labour, promotion of environmentally-friendly behaviour of employees, just income distribution, corporate democracy and transparency, ethical customer relations, cooperation with businesses in the same field, ecological design of products and services, socially oriented design of products and services, raising social and ecological standards, value and social impact of products and services, contribution to the local community, reduction of environmental impact, investing profits for th common good, social transparency and co-determination.	Each dimensions is assessed according to the value delivered to suppliers, investors, employees and business owners, customers and the social environment giving birth to 17 key indicators. Several questions are asked for every indicator. Answers are scored and summed. There are also some negative criteria which negatively affect the final score.	Handbook/guidelines for the CG report describe the indicators.			Material aspect if it impact human beings and all living entities.	Companies from all sectors and sizes.	Customers (score appears on business products), business (the hegher the score, the more it will eventually access tax discounts, be preferred for public procurements, access to common-good-oriented money lending…)	Yes (/1000)

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