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An analysis of Shared Value business models around the SDGs

Guiding companies to create sustainable impact through CSV/SDG strategies

verfasst von | submitted by

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"The best way to predict the future is to create it."

- *A. Lincoln*

I dedicate the thesis to my parents, Daniel and Cristina,
to whom I owe the academic opportunities I have received.

Abstract (English)

Companies in the European Union are under increasing pressure to implement sustainable practices due to regulatory requirements and consumer demands. The thesis explores how these demands can be met by integrating the Sustainable Development Goals (SDGs) into business operations through the Creating Shared Value (CSV) model. Combining a literature review with expert interviews from ten companies in Austria and Spain, the thesis identifies a framework for companies to address the SDGs while creating Shared Value. The findings show that a CSV/SDG approach can improve business performance, ensure business survival, increase employee satisfaction and generate significant social impact while legitimising sustainability efforts. Critical processes for implementing this strategy include sustainable governance, environmental impact management, stakeholder engagement, and pursuing new ventures. The thesis advances the understanding of corporate sustainability and provides actionable insights for companies aiming to achieve the SDGs in the context of the European Single Market.

Abstrakt (Deutsch)

Unternehmen in der Europäischen Union stehen unter wachsendem Druck, nachhaltige Praktiken einzuführen, sowohl aufgrund gesetzlicher Bestimmungen als auch aufgrund der Nachfrage seitens der Verbraucher. In der Masterarbeit wird untersucht, wie diese Anforderungen durch die Integration der Ziele für nachhaltige Entwicklung (Sustainable Development Goals, SDGs) in die Unternehmenstätigkeit mit Hilfe des Modells der gemeinsamen Wertschöpfung (Creating Shared Value, CSV) erfüllt werden können. Durch eine Kombination aus Literaturrecherche und Experteninterviews mit zehn Unternehmen in Österreich und Spanien identifiziert die Masterarbeit einen Rahmen, der es Unternehmen ermöglicht, die SDGs zu berücksichtigen und gleichzeitig Shared Value zu schaffen. Die Ergebnisse zeigen, dass ein CSV/SDG-Ansatz die Unternehmensleistung verbessern, den Fortbestand des Unternehmens sichern, die Mitarbeiterzufriedenheit erhöhen und signifikante soziale Auswirkungen haben kann, während gleichzeitig Nachhaltigkeitsbemühungen legitimiert werden. Schlüsselprozesse für die Umsetzung dieser Strategie sind eine nachhaltige Unternehmensführung, das Management von Umweltauswirkungen, die Einbeziehung von Stakeholdern und die Suche nach neuen Geschäftsmöglichkeiten. Die Masterarbeit trägt zu einem besseren Verständnis der unternehmerischen Nachhaltigkeit bei und liefert umsetzbare Erkenntnisse für Unternehmen, die die SDGs im Kontext des europäischen Binnenmarktes erreichen wollen.

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List of Abbreviations

A/Res/71/313	United Nations General Assembly Resolution 71/313
AG	Aktiengesellschaft
CEO	Chief Executive Officer
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
CSV	Creating Shared Value
ESG	Environmental Social Governance
ESM	European Single Market
EU	European Union
GmbH	Gesellschaft mit beschränkter Haftung
GRI	Global Reporting Initiative
LLCs	Limited liability companies
MDGs	Millenium Development Goals
MNCs	Multinational Corporations
NFRD	Non-Financial Reporting Directive
NGOs	Non-Governmental Organizations
PLCs	Public Limited Companies
SDGs	Sustainable Development Goals
SMEs	Small and Medium-Sized Enterprises
UN	United Nations

1. Introduction

Due to new regulatory frameworks, businesses operating within the European Union (EU) are under increasing pressure to embrace sustainability practices. Key regulations, such as the European Green Deal, the Non-Financial Reporting Directive (NFRD) and the Corporate Sustainability Reporting Directive (CSRD), mandate these sustainability actions (Dinh, Husmann and Melloni, 2023). Alongside institutional demands, there is an increasing consumer desire for ethical and environmentally friendly products. A substantial 76% of consumers, including those in the EU, have significantly increased their purchases of sustainable products, with 8% making significant lifestyle changes for environmental preservation (Tighe, 2024).

In light of these growing demands from organisations and customers, EU companies must incorporate sustainability practices into their day-to-day operations. Large multinational enterprises (MNEs) face increased demands, as they must also assess and disclose their adherence to the guidelines (Dinh, Husmann and Melloni, 2023). In this regard, the UN Sustainable Development Goals (SDGs) can provide a compelling framework for EU-based companies of all sizes that advocate sustainability. Companies adopting this framework can reap benefits in several ways.

First, there is a growing number of firms adopting SDG-related targets. According to PWC (2019), among a global sample of 1410 firms, more than 70% acknowledged interacting with the SDGs in some capacity. This acknowledgement offers a valuable framework for dialogue among many stakeholders, acting as a common language that promotes discussion and cross-sector cooperation (Günzel-Jensen et al., 2020; Florini and Pauli, 2018). Specifically, the SDGs allow companies to explain their social and environmental performance in a language that regulators, governments, and the media easily comprehend (Schönherr et al., 2017).

Second, the SDGs can support the monitoring of sustainable performance because they provide tangible targets that are well-established and actionable. According to van Zanten and van Tulder (2018), 126 of the 169 SDG targets have a numerical and quantitative component, which can facilitate direct monitoring of sustainable outcomes (Lashitew, 2021).

However, despite the promising advantages of the SDGs, numerous EU businesses encounter difficulties when trying to implement them. A study by Günzel Jensen et al. (2020) found that while some EU companies acknowledge the merits of incorporating the SDGs into their business strategies, a larger segment perceives them merely as "symbolic". This perception originated due to the SDGs' non-binding nature and finding little practical utility in their everyday operations. Additionally, criticism surrounds the SDGs for facilitating greenwashing practices, where companies utilize sustainability as a marketing tactic without committing to substantial actions (Lashitew, 2021; Schiemann and Guenther, 2017; Guenther et al., 2016).

Given these challenges, it is crucial to reconsider how businesses can support and address the SDGs. Since for-profit companies rely primarily on revenue for their operations (Holt and Littlewood, 2018), they must find lasting, sustainable solutions that match their business interests (Lizama and Royo Vela, 2023). Businesses are more likely to adopt sustainable practices when they can also contribute to their long-term financial prosperity (Lizama and Royo Vela, 2023). In this scenario, the Creating Shared Value (CSV) model presented by Porter and Kramer (2011) presents a promising approach. The model proposes that companies can make profits and create sustainability simultaneously by aligning their core activities with social needs and incorporating environmental factors into their strategies.

This strategic approach encourages EU companies to integrate SDG targets into their business models, moving beyond philanthropy and corporate social responsibility to view sustainability as a core business strategy (Porter and Kramer, 2011; Menghwar and Daood, 2019; Camilleri et al., 2022). CSV promotes the notion that addressing societal needs can drive innovation (Camilleri et al., 2022), enhance brand reputation (Porter et al., 2011), and contribute to long-term profitability while advancing progress towards the SDGs (Kim, 2018; Noh, 2020; Saenz, 2023). Thus, aligning economic incentives with sustainability goals is crucial to incentivizing meaningful action from companies to achieve the SDGs while ensuring business success.

Despite the potential synergies between the SDGs and CSV, no known study combines the two frameworks. The thesis aims to fill that gap by developing a framework that integrates SDG targets with the CSV model, promoting sustainability measures within companies. The research methodology includes analyzing ten companies from two EU countries, Austria and Spain, which address one or more SDG targets while following a CSV model. Expert interviews are conducted to explore three key aspects:

First, the thesis establishes a framework that connects the SDGs and the CSV model, referred to as the CSV/SDG framework. It investigates how companies operating in the European Single Market (ESM) can align their business interests with sustainability initiatives. The first research question is formulated as follows:

RQ1: What framework can companies in the European Single Market (ESM) use to tackle the Sustainable Development Goals (SDGs) while Creating Shared Value (CSV)?

Second, the thesis focuses on uncovering the benefits of implementing a CSV/SDG framework for companies in the ESM. It examines how embedding sustainability into core business strategies can lead to competitive advantages, financial benefits, and positive societal impacts. This forms the basis of the second research question:

RQ2: What are the benefits for companies in the European Single Market (ESM) to address the Sustainable Development Goals (SDGs) with a Creating Shared Value (CSV) approach?

Finally, the thesis aims to identify the processes companies can use to effectively develop and implement a CSV/SDG strategy. This includes identifying actionable and practical steps for implementing the CSV/SDG framework. Thus, the thesis posits the final research question:

RQ3: What processes can companies in the European Single Market (ESM) follow to tackle the Sustainable Development Goals (SDGs) while Creating Shared Value (CSV)?

Through expert interviews with representatives from ten selected companies, the thesis aims to provide valuable insights into the feasibility, benefits, and practicalities of adopting a CSV/SDG framework within the ESM. These findings will enhance the understanding of corporate sustainability and serve as a foundation for future actions to address the SDGs.

To develop and comprehend a CSV/SDG framework tailored for companies in the ESM, it is crucial to define the framework's components first. The following section will clarify the characteristics of firms operating in the ESM. It will then examine the current state of the literature on sustainability frameworks in European organizations, followed by an assessment of the existing literature on the SDGs and CSV.

2. Theory and Background

Environmental deterioration and climate change have become major global issues, demanding immediate action from all parties, including the private sector (SDG Compass, 2015). In this sense, businesses are becoming increasingly aware of their role in causing these problems. This notion stems from reports, such as the Intergovernmental Panel on Climate Change, highlighting the urgent need to reduce carbon footprints emitted by businesses and protect natural resources (IPCC, 2018). As a result, an increasing number of companies are choosing to adopt business frameworks that prioritize environmental sustainability (Eccles, Ioannou, and Serafeim, 2014).

In addition to their efforts to become environmentally sustainable, businesses can also address social objectives to enhance their societal welfare and reputation. Corporate strategies, such as TBL, CSR, ECG and Stakeholder Theory (discussed in section 2.1.2.), focus on worker rights, social equity, and community development (Eccles, Ioannou, and Serafeim, 2014; Carroll, 2008; Freeman, 2010; Elkington, 1997). These sustainable business efforts can also include programs that improve local communities' health, education, and economic opportunities (Carroll and Shabana, 2010). Such initiatives are essential for building strong stakeholder relationships and promoting long-term sustainability (Porter and Kramer, 2011).

Besides enhancing the positive social impact of a company, there are also practical business benefits to becoming sustainable (Eccles, Ioannou, and Serafeim, 2014). For instance, investors increasingly consider environmental, social, and governance (ESG) factors when making investment decisions. According to Eccles, Ioannou, and Serafeim (2014), companies with strong sustainability policies are more likely to attract socially conscious investments. Such a rise in sustainable investment underscores the financial benefits of implementing sustainability frameworks.

Additionally, sustainability can provide companies with a competitive advantage. Companies can meet the growing consumer demand for ethical products by innovating and adopting sustainable practices that comply with government regulations (van Zanten and van Tulder, 2018; Porter and Kramer, 2006). In this regard, the ethical motivations and competitive advantages of sustainability are fundamental in the EU due to intense institutional and social pressures (Dinh, Husmann, and Melloni, 2023).

However, before further exploring sustainability frameworks that companies can use in the EU, it is important to understand the market and regulations in which they operate. The following section provides a brief overview of what constitutes a company in the ESM, followed by a discussion of the current state of corporate sustainability regulation.

2.1. The European Single Market (ESM)

The EU is an association of 27 countries that encompass political and economic dimensions (European Parliament, 2020). Within the EU, individuals or organizations can establish and register entities in each member state, provided they comply with the laws and regulations of those respective countries (European Commission, 2024). At the core of the EU's economic framework lies the ESM (also referred to as the Internal Market or the Single Market.), which is a unified trading zone that expands the competitive landscape for businesses across all member states (Gnath et al., 2019).

Operating within a single market offers significant advantages for businesses. Regardless of which EU country they are registered in, companies can benefit from the free movement of goods, services, capital, and people throughout the Single Market (Gnath et al., 2019). In addition, foreign companies can establish a presence within the EU by setting up subsidiaries or branches in any Member State (Bishop, 2009). This establishes a local EU-based entity, allowing these companies to conduct business within the Internal Market freely. Thus, in the thesis, the term "companies in the ESM" refers to all companies operating within its jurisdiction, including foreign companies with establishments in the EU. This clarification is crucial for selecting companies for the analysis, as described in the methodology section (see Chapter 3.3.1.). It is important to note that companies operating in the ESM, regardless of their origin, must adhere to a standard set of regulations, particularly those related to sustainability. The following section provides an overview of how EU sustainability regulations affect companies in the current EU landscape.

2.1.1. Sustainability Regulations for Companies in the ESM

The EU has made considerable progress in establishing itself as a global leader in promoting climate neutrality (Dinh, Husmann, and Melloni, 2023). Building on the foundational principles outlined in the 2019 European Green Deal, key policy initiatives implemented include the Non-Financial Reporting Directive (NFRD) and the Corporate Sustainability Reporting Directive (CSRD) (Fetting, 2020). These directives require companies to provide detailed information on their operations' environmental and social impacts. In addition, the EU introduced the EU Taxonomy in 2020. This regulation classifies economic activities according to six core ecological objectives, which clarify for investors which economic activities can be considered environmentally sustainable (European Commission, 2021).

As a result, these regulatory frameworks impact the financial landscape of companies in the ESM. They underscore the need for timely compliance and sustainability practices to maintain competitiveness. It is worth noting that these EU sustainability reporting regulations are primarily aimed at MNCs. Small and medium-sized enterprises (SMEs) in the EU face less regulatory burden, especially when compared to larger, publicly traded companies (Dinh, Husmann, and Melloni, 2023). Nevertheless, SMEs are not exempt from external pressures to adopt sustainability measures, including demands from financial institutions and customers prioritizing sustainability standards (Tighe, 2024; Dinh, Husmann, and Melloni, 2023). Therefore, participation in sustainable activities can also give SMEs a competitive advantage as they strive to establish a strong position in the market (Dinh, Husmann, and Melloni, 2023).

Given this increasing institutional and societal pressure on company sustainability, EU companies have been increasingly implementing new sustainability concepts, exemplified by frameworks like Corporate Social Responsibility (CSR), Stakeholder Theory, Triple Bottom Line (TBL), B Corporations (B Corps), and Economy for the Common Good (ECG). These concepts are closely related to the evolving understanding of the role of business in a changing social and environmental context (Eccles, Ioannou, and Serafeim, 2014; SDG Compass, 2015).

Given their importance in tackling sustainability within the EU, the following section briefly reviews these concepts and outlines their benefits and limitations for corporate sustainability.

2.1.2. Existing Sustainability Frameworks in ESM Firms

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is one of the most widespread frameworks for business sustainability in the EU today. The origins of CSR can be traced back to the early 1900s, during the Industrial Revolution, when companies began to realize that their social responsibilities extended beyond profit maximization (Carroll, 2008). However, it wasn't until the 1950s and 60s that CSR became widely accepted. Academics such as Howard Bowen, known as the "father of CSR," urged companies to consider how their decisions would affect society (Bowen, 1953; Caroll, 2008). Over the past few decades, CSR has expanded from a primary focus on charitable giving and regulatory compliance to a broader range of actions that provide social and environmental value (Aguinis and Glavas, 2012).

In addition, adopting sustainable practices and participating in CSR initiatives can significantly increase a firm's value. Aguinis and Glavas (2012) found that companies that demonstrate a commitment to social and environmental responsibility are better received by consumers, with some achieving higher levels of consumer trust and loyalty (Maignan and Ferrell, 2004). In addition, Zollo et al. (2013) found that incorporating CSR initiatives into basic business plans significantly improves financial performance.

Despite these benefits, CSR is often criticized for being superficial and merely a public relations tool, a phenomenon known as "greenwashing" (Delmas and Burbano, 2011; Lyon and Montgomery, 2015). As defined by Delmas and Burbano (2011), greenwashing involves presenting a company or product as more environmentally friendly than it truly is through deceptive advertising. With increasing consumer demand for sustainable products and services, Dahl (2010) argues that greenwashing has become a significant concern due to inadequate environmental oversight. In response, opposing movements, such as Porter and Kramer's (2011) CSV model, emphasize the importance of genuine commitment and alignment with sustainable goals. The thesis discusses the differences between CSR and CSV further in Chapter 2.3.1.

Stakeholder Theory

Building on the foundations of CSR, Freeman (1984; 2010) developed Stakeholder Theory, which argues that companies should consider the interests of all stakeholders, not just shareholders. Stakeholders include people or organisations such as employees, customers, suppliers and the community that are affected or potentially affected by a company's activities (Freeman, 2010). This strategy emphasises the importance of considering and balancing the interests of all stakeholders in a company's decision-making processes rather than focusing solely on maximising shareholder value (Jurgens et al., 2010). The benefits of stakeholder theory include more sustainable business practices, better stakeholder interactions and increased trust (Freeman, 2010; Harrison and Wicks, 2013).

Stakeholder Theory argues that companies need to integrate the needs and expectations of different stakeholders into their core strategies to achieve long-term success and ethical legitimacy (Freeman, 2010). This broader perspective goes beyond the traditional focus on shareholders to include all those who may be affected by business decisions, ensuring that diverse interests are considered and managed. By fostering transparent and inclusive decision-making processes, companies can build stronger relationships, enhance their reputations and create a more resilient business model that can adapt to changing societal expectations (Harrison and Wicks, 2013; Schaltegger et al., 2019).

However, implementing the Stakeholder Theory is not without its challenges. Measuring the effectiveness of stakeholder engagement initiatives and balancing the often conflicting interests of different stakeholder groups remain significant hurdles (Mitchell, Agle and Wood, 1997). Determining whose interests should be prioritised in decision-making can be complex, particularly when stakeholder demands are diverse and sometimes conflicting. Furthermore, assessing the impact of stakeholder-oriented strategies on overall business performance requires robust metrics and long-term monitoring, which can be resource-intensive and difficult to standardise across different industries and contexts (Jones et al., 2018; Schaltegger et al., 2019).

Despite these challenges, recent research suggests that stakeholder engagement can effectively drive corporate sustainability and performance (Jones et al., 2018; Schaltegger et al., 2019). Companies that successfully implement Stakeholder Theory tend to demonstrate improved social and environmental outcomes, as well as better financial performance, by aligning their operations with broader societal values and expectations (Schaltegger et al., 2019). This approach helps companies mitigate the risks associated with ignoring stakeholder concerns and opens up new opportunities for innovation, collaboration and market differentiation (Harrison and Wicks, 2013; Schaltegger et al., 2019).

Triple Bottom Line (TBL)

Stakeholder theory and the development of CSR paved the way for Elkington (1997) to introduce the Triple Bottom Line (TBL) model, which extends the traditional focus on financial success to include social and environmental aspects. TBL can arguably help companies operating in the ESM to comply with mandatory sustainability reporting requirements such as the CSRD and the NFRD (European Parliament, 2021). According to Elkington (1997), TBL enhances long-term viability by promoting corporate accountability and sustainable development. Similar to the previously discussed frameworks, TBL improves stakeholder relationships and provides long-term financial benefits (Slaper and Hall, 2011).

Moreover, the TBL model encourages companies to assess their performance against three key dimensions: economic, social and environmental (Elkington, 1997). By doing so, companies can gain a more holistic view of their impact and make informed decisions that benefit their bottom line and society. This comprehensive approach aligns with the growing demand for corporate transparency and accountability, which is critical in today's regulatory and consumer environment (Milne and Gray, 2013).

However, implementing TBL is often a complicated and resource-intensive process that requires significant adjustments to reporting procedures and business activities (Norman and MacDonald, 2004). Companies must invest in new systems and practices to accurately measure and report their social and environmental performance. This can be particularly challenging for smaller companies with limited resources. In addition, the lack of standardised metrics for social and ecological performance makes it difficult for companies to benchmark their progress and compare their performance with their peers (Norman and MacDonald, 2004; Milne and Gray, 2013).

The Global Reporting Initiative (GRI), one of the most recent innovations in sustainability reporting standards, seeks to accelerate these processes and increase comparability and openness (Milne and Gray, 2013). The GRI provides a comprehensive framework for sustainability reporting that helps companies communicate their ESG performance to stakeholders. By adhering to GRI standards, companies can increase transparency, build trust with stakeholders and demonstrate their commitment to sustainable development (Milne and Gray, 2013).

B Corporations (B Corps)

The creation of B Corporations (B Corps) is a notable advance in the growing understanding of corporate responsibility. B Corps are companies that meet rigorous accountability, transparency, and social and environmental performance standards. These companies receive a B-label certification from B Lab, a non-profit organisation that promotes businesses that benefit society and the environment. The thorough and rigorous B Corp accreditation process helps companies gain credibility and attract investors and customers who value ethics and sustainability (Honeyman and Jana, 2019; Parker et al., 2019).

According to a study by Parker et al. (2019), B Corps outperforms other companies in sustainability innovation and stakeholder engagement. This superior performance is attributed to the rigorous standards that B Corps must adhere to, which encourage continuous improvement and transparency. By meeting these high standards, B Corps can differentiate themselves in the marketplace, gain a competitive advantage, and build stronger relationships with stakeholders who prioritise ethical business practices (Parker et al., 2019).

However, for smaller businesses with fewer resources, the certification process can be expensive and challenging to acquire (Parker et al., 2019). The costs associated with the certification process and the ongoing commitment to maintaining high standards can be a significant barrier for SMEs. Despite these barriers, the B Corp movement continues to grow, in line with a more significant European trend towards purpose-driven business structures (Stubbs, 2017). This growth reflects a broader shift in business priorities, with companies increasingly recognising the value of aligning their operations with social and environmental goals (Stubbs, 2017).

In addition, employee engagement and retention are often higher in organisations that prioritise sustainability and social responsibility. Employees who believe their work advances more essential causes are more likely to be engaged and motivated, contributing to higher productivity and job satisfaction (Parker et al., 2019). This alignment between personal values and organisational goals can foster a positive workplace culture and reduce turnover, which benefits organisational stability and growth (Parker et al., 2019).

Economy for the Common Good (ECG)

Alongside the emergence of B Corps, Economy for the Common Good (ECG) has emerged as an economic paradigm that prioritises human and environmental well-being over financial gain. Conceived by Felber in 2010, ECG encourages companies to actively contribute to the common good through a Common Good Matrix that assesses their impact on social justice, ecological sustainability, human dignity and solidarity, and democratic participation (Felber, 2019). This matrix provides a comprehensive framework for assessing how companies contribute to the well-being of society, guiding them to make decisions that are not only profitable but also ethically and socially responsible.

The ECG promotes moral business conduct and societal well-being by aligning economic success with social progress. This approach challenges the traditional profit maximisation model and advocates a business philosophy that balances economic goals with the broader needs of society and the environment (Felber, 2019). European businesses are adopting ECG principles, particularly SMEs, to differentiate themselves from competitors and attract customers who care about ethics and sustainability (Sharonova, 2017).

Adopting the ECG framework can help companies build stronger relationships with stakeholders, enhance their reputation and promote long-term sustainability. By focusing on values such as social justice and environmental sustainability, companies can appeal to a growing segment of consumers who prioritise ethical considerations in their purchasing decisions (Sharonova, 2017).

Limitations to the existing sustainability frameworks

These existing sustainability frameworks share the common goal of addressing sustainability through the three pillars: economic, social, and environmental. They emphasize stakeholder engagement, transparency and accountability. However, these frameworks are often subject to significant criticism:

CSR is often seen as superficial, sometimes merely a public relations tool rather than a genuine commitment to sustainability (Delmas and Burbano, 2011; Lyon and Montgomery, 2015). Stakeholder Theory, while comprehensive, struggles with balancing the interests of different stakeholders and measuring the effectiveness of its initiatives

(Mitchell, Agle, and Wood, 1997). TBL and ECG, while considering all three pillars of sustainability into one unifying framework, are complex and resource-intensive, creating significant barriers to implementation (Norman and MacDonald, 2004; Sharonova, 2017). At last, while beneficial for company marketing and image, B Corps certification can be costly and challenging to acquire, especially for smaller companies (Parker et al., 2019).

The limitations of these individual frameworks highlight the need for a broader, more integrated approach to corporate sustainability. One such framework could be the CSV/SDG model. In the following sections, the thesis analyzes each component, beginning with the SDGs and followed by the CSV model. This integrative approach aims to address the limitations of existing frameworks and provide a comprehensive strategy for achieving sustainability goals while creating economic value.

2.2 The Sustainable Development Goals (SDGs)

2.2.1. Understanding the SDGs

In order to understand the CSV/SDG framework, the thesis reviews first the background and significance of the SDGs for corporate sustainability. The SDGs, also known as the 2030 Agenda, consist of seventeen goals adopted by the United Nations General Assembly in 2015 with a target date of 2030 (United Nations, 2015). These goals replace the Millennium Development Goals (MDGs) and include new dimensions such as climate change, economic inequality, innovation, sustainable consumption, peace and justice (United Nations, 2015).

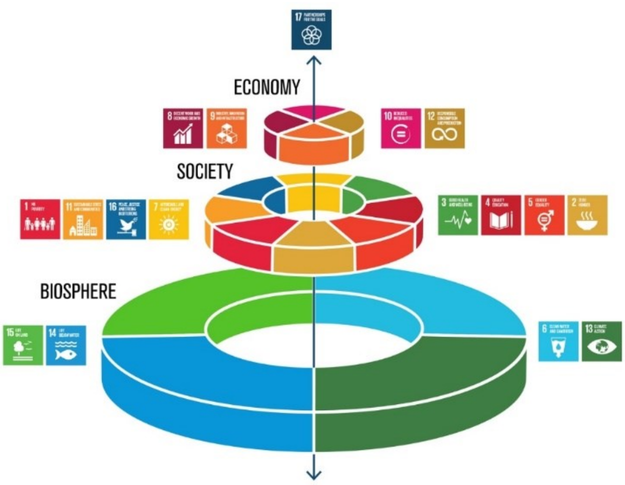

Figure 1: The 3 Dimensions of the Sustainable Development Goals (Credit: Azote Images for Stockholm Resilience Centre, 2017)

Figure 1 categorizes the SDGs into three dimensions: Biosphere, Society, and Economy (Stockholm Resilience Center, 2017; Raith and Siebold, 2018). This comprehensive approach is consistent with the TBL and ECG models by addressing the three pillars of sustainability within a single framework. In addition, each goal is supported by specific targets and indicators, totalling 169 targets and over 200 indicators (United Nations, 2015), which refine the objectives into measurable and time-bound actions (Holt and Littlewood, 2018). These targets call for action from governments, civil society organizations, and the private sector (Raith and Siebold, 2018), each having a distinct role in achieving the goals (Lashitew, 2021). Governments are tasked with establishing national frameworks, while civil society organizations contribute through advocacy and monitoring progress (SDG Compass, 2015). Notably, the private sector is assigned specific targets, such as ensuring decent work and economic growth, highlighting its responsibility to promote sustainable practices. Former UN Secretary-General Ban Ki-moon underscores the importance of business engagement in achieving the SDGs, highlighting the potential for companies to leverage their core strengths in this initiative. As such, the UN calls on companies worldwide to assess their impact, set rigorous sustainability standards, and transparently communicate their results (SDG Compass, 2015: 4).

However, due to differences in scale and scope of operations, not all private sector organizations can address the SDGs in the same capacity (SDG Compass, 2015). The following section briefly identifies critical private sector players advancing the SDGs and highlights their contributions to sustainable development initiatives.

2.2.2. Relevant SDG Business Actors

Several studies point to the critical role of business in advancing goals (Kim, 2018; Littlewood and Holt, 2018; Rahdari, Sepasi, and Moradi, 2016; van Zanten and van Tulder, 2018). However, the dominant discourse on the SDGs in the business literature focuses primarily on companies that integrate sustainable goals into their daily operations (Raith and Siebold, 2018; Holt and Littlewood, 2015). Often referred to as "social enterprises" or "hybrid ventures," these entities are characterized by coordinated efforts to address social or environmental challenges through their business operations (Nicholls, 2009; Holt and Littlewood, 2018; Raith and Siebold, 2018). A common characteristic of social enterprises is their distinctive approach to solving social problems through entrepreneurship. Holt and Littlewood (2018) recognize that social businesses have the potential to significantly impact society and the environment through their value chain operations. Raith and Siebold (2018) also highlight that some social enterprises adopt a bottom-up approach by selecting specific SDG targets and developing new business models to address those sustainability challenges. These characteristics make social enterprises valuable actors in advancing the 2030 Agenda. However, due to their smaller size and scope, social enterprises frequently encounter challenges when it comes to expanding, thus reducing their impact on more complex sustainability issues (van Tulder, 2018).

In contrast, the emerging literature on the SDGs often overlooks "conventional" for-profit enterprises. These enterprises do not explicitly target sustainability issues but may nonetheless aim to act responsibly and mitigate harmful business activities (van Zanten and van Tulder, 2018; Lashitew, 2021). Despite receiving less attention in the SDG literature, conventional enterprises, particularly MNCs, play a significant role. They have a remarkable capacity for innovation and scalability of sustainable solutions (van Tulder, 2018). However, they often struggle to adapt quickly to short-term challenges, and the precise methods by which these companies should contribute to the SDGs remain unclear. Their approaches range from philanthropic efforts and CSR to integrating sustainability principles into their core business models (van Zanten and van Tulder, 2021; Jimenez, Franco, and Smith, 2021; Cordova and Celone, 2019). Therefore, the combination of sustainability-oriented and conventional businesses seems to be crucial to addressing the SDGs effectively.

Overall, the promotion of sustainability by companies can significantly advance the SDGs. However, the advantage is mutual, as businesses can benefit from aligning with these targets (Lashitew, 2021). In the subsequent section, the thesis will explore the advantages companies can derive from adopting SDG targets.

2.2.3. Benefits of the SDGs for Businesses

As noted in the introduction, regulatory pressures on sustainability, particularly in the ESM, are increasing (Dinh, Husmann, and Melloni, 2023). According to Schönherr et al. (2017), this has led many companies to adopt the SDGs. This adoption provides companies with a structured approach to communicate their social and environmental performance in a way that regulators, governments, and the media can easily understand. Additionally, companies benefit from aligning with the SDGs by simplifying performance tracking with concrete targets and indicators. Van Zanten and van Tulder (2018) highlight that 126 of the 169 SDG targets have numerical and quantitative aspects, which could be seen as an improvement over Stakeholder Theory, which often struggles with measuring the effectiveness of its initiatives (Mitchell, Agle, and Wood, 1997). However, while the SDG targets and indicators enhance monitoring at a broader scale, it remains challenging to identify the specific impact of individual companies (Lashitew, 2021).

On another note, the SDGs help meet the growing consumer demand for more sustainable products, with over 76% of global consumers preferring to shop sustainably (Tighe, 2024). Baldassarre and Campo (2016) highlight the importance of integrating sustainability into consumer communications. They argue that companies that transparently communicate their sustainable efforts can achieve ethical and economic goals by capturing demand for sustainable products. This aligns with the benefits of attaining B Corps certification, which can improve a company's perceived image (Parker et al., 2019). However, companies can still claim compliance with the SDGs without obtaining any certification (Dinh et al., 2023), which poses the risk of greenwashing (Günzel-Jensen et al., 2020). This issue is further discussed in section 2.2.4.

Furthermore, other benefits of the SDGs are underscored by customers' different sustainability priorities. Anwar Abdou et al. (2022) suggest that various population segments prioritize different aspects of sustainability. Some consumers look, for instance, for recycled packaging, while others prioritize sustainable sourcing or ethical labour practices. Recognizing this diversity in consumer preferences is critical to marketing strategies. Companies can tailor their messages to specific consumer segments based on SDG targets and priorities.

Overall, the SDGs provide a common language and framework for stakeholder dialogue, facilitating discussion and collaboration across sectors (Florini and Pauli, 2018). This creates a mutually beneficial relationship between the SDGs and the private sector, as both can leverage each other's strengths. However, despite these potential benefits, the SDGs face significant criticisms and challenges regarding business implementation. These issues will be discussed in the next segment of the thesis.

2.2.4. Criticism of the SDGs for Businesses

Despite their benefits for businesses, the SDGs face significant criticisms and challenges. Due to their non-binding nature (Dinh et al., 2023), some authors see the SDGs as a platform for superficial marketing efforts (Günzel-Jensen et al., 2020), often associated with "greenwashing" (Johnsson et al., 2020) a problem also faced by CSR initiatives (Delmas and Burbano, 2011; Lyon and Montgomery, 2015). As a result, companies genuinely committed to sustainable impact may perceive the SDGs as another failed attempt that allows for business as usual (Günzel-Jensen et al., 2020). To combat greenwashing and ensure genuine adherence to sustainability, companies must adopt CSV business models that enhance their sustainability and financial success (Porter and Kramer, 2011). The thesis further explores the link between CSV and the SDGs in Chapter 2.3.4.

Another challenge facing the SDGs is their limited operationalization. In a case study of EU companies, Günzel-Jensen et al. (2020) found that many organizations perceive the SDGs as irrelevant and impractical for their day-to-day operations. This issue is closely related to the lack of specificity in the goals. The top-down approach (Carant, 2017) of the SDGs, combined with limited stakeholder input (Swain, 2018), has resulted in targets that are difficult to implement and not conducive to business goals (Günzel-Jensen et al., 2020; van Zanten and van Tulder, 2018). Moreover, the 169 SDG targets outlined in the UN resolution document A/RES/71/313 (Assembly, 2017) suffer from imprecise classification, mixing goals intended for governments, institutions, and businesses (van Zanten and van Tulder, 2018), contributing to the challenge of SDGs operationalization (Günzel-Jensen et al., 2020).

In response to this issue, van Zanten and van Tulder (2018) address the lack of operationalization and the actionability of the SDG targets by creating a table of objectives specifically tailored to the private sector. The following segment explores their work and its significance for a CSV/SDG framework.

2.2.5. SDG Targets Relevant for Businesses

	SDG target	Nexus of relevant SDGs	Actionability	Ethical duties
Economy	Fair payment to small-scale suppliers	1	Internal	Doing good
	Goods and services for those on low incomes	1	Internal	Doing good
	Access to financial services for all, including the most vulnerable	1 - 8 - 9 - 10	External	Doing good
	Agricultural productivity of small-scale suppliers	1 - 2	External	Doing good
	Small-scale producers' ownership over land and other property	1 - 2	External	Doing good
	Economic growth and productivity, particularly in developing countries	8	External	Doing good
	Employment for all, particularly young people and people with disabilities	8	Internal	Doing good
	Investment (e.g., FDI) in developing countries	10 - 17	Internal	Doing good
	Responsible finance	10	External	Doing good
	Access to affordable and sustainable transport for all	11	External	Doing good
	External reporting on sustainability	12	Internal	Avoiding harm
	Access to information and communication technology for all	9	External	Doing good
Society	Healthcare services and medicines for all	3 - 5	External	Doing good
	Mental health and well-being	3	External	Avoiding harm
	Education to promote sustainable development	4 - 12 - 13	External	Doing good
	Children's access to education	4	External	Doing good
	Labour rights and practices in the supply chain	8	Internal	Avoiding harm
	Elimination of forced labor and child labor	8	Internal	Avoiding harm
	Employee training and education	4 - 8	Internal	Doing good
	Access to information and communication technology for all	9	External	Doing good
	Access to affordable and safe housing for all	11	External	Doing good
	Cultural and natural heritage and diversity	11	External	Doing good
	Equal pay and opportunities for men and women, at all levels	5 - 10	Internal	Avoiding harm
	No discrimination and anti-discrimination laws and policies	5 - 8 - 16	Internal	Avoiding harm
	No workplace violence and harassment	5 - 16	Internal	Avoiding harm
	Childcare services and benefits	4 - 5	Internal	Doing good
	Social protection systems for all	1 - 10	External	Doing good
	Protection of privacy	16	Internal	Avoiding harm
	Healthy and sufficient food for those on low incomes	2 - 3	External	Doing Good
	Actual and potential impacts on local communities	1 - 2	External	Avoiding harm
	Water, sanitation, and hygiene	6	External	Doing good
	Goods and services for those on low incomes	1	Internal	Doing good
	Occupational health and safety	3 - 8	Internal	Avoiding harm
	Labour rights and practices in the supply chain	8	Internal	Avoiding harm
	Cultural and natural heritage and diversity	11	External	Doing good
	Collective bargaining for wages and benefits along the supply chain	1 - 8	Internal	Avoiding harm
Environment	Socially responsible and environmentally sustainable sourcing	1 - 2 - 8 - 12 - 14	Internal	Doing good
	Sustainable food production	2 - 13 - 15	Internal	Doing good
	Water use efficiency	6	Internal	Avoiding harm
	Energy efficiency	7 - 8	Internal	Avoiding harm
	Energy infrastructure	7	External	Doing good
	Renewable energy	7	External	Doing good
	Access to energy for all	7	External	Doing good
	Resilient and sustainable infrastructure	9	External	Doing good
	Sustainable technologies and sustainable industrial processes	9	External	Doing good
	Greenhouse gas emission reductions	13	Internal	Avoiding harm
	Funding for developing countries' climate change actions	13	Internal	Doing good
	Transfer of (sustainable) technologies to developing countries	12 - 17	Internal	Doing good
	Resilience to climate-related hazards	13	External	Avoiding harm
	Disaster and emergency planning	1 - 11 - 13	Internal	Avoiding harm
	Reducing air, water, and soil pollution	3 - 6 - 12	Internal	Avoiding harm
	Sustainable waste management	3 - 6 - 8 - 11 - 12	Internal	Avoiding harm
	Marine, coastal, and other water-related ecosystems	6 - 14	External	Avoiding harm
	No overfishing and illegal-, unregulated-, and destructive-fishing	2 - 14	External	Avoiding harm
	Ecosystems and biodiversity on land	15	External	Avoiding harm
	Halt poaching and trafficking of protected species	15	External	Avoiding harm
	Halt or reverse deforestation and/or desertification	15	External	Avoiding harm
	Tools to monitor impacts on sustainable development	12 - 17	Internal	Avoiding harm
	Partnerships with the public and civil society sectors	17	Internal	Doing good

Table 1: SDG Targets Relevant to the Private Sector (Adapted from van Zanten & van Tulder, 2018: 218-219 and Raith & Siebold, 2018: 71)

Table 1 shows the authors' refined list of SDG targets relevant only to the private sector. Starting with the 169 official SDG targets, they excluded those primarily aimed at government action and summarized similar targets (van Zanten and van Tulder, 2018: 217). This process resulted in a condensed list of 59 SDG targets, improving upon the original United Nations (2017) A/RES/71/313 resolution. This refined list provides companies with clear guidance on actionable targets. In addition, the targets are grouped into three main categories: Economy, Society, and Environment (Raith and Siebold, 2018: 71). The thesis identifies the table as the first element of the CSV/SDG framework, as it addresses the operationalization issue of the SDGs for companies (Günzel-Jensen et al., 2020; van Zanten and van Tulder, 2018).

It is worth noting that van Zanten and van Tulder (2018) also introduce two key dimensions: ***Actionability*** and ***Ethical Duties***. Actionability distinguishes between goals that can be addressed independently by a single company (***Internally Actionable)*** and those that require collaboration with multiple entities (***Externally Actionable)***. The second dimension, ethical duties, addresses the extent of contribution to the SDGs from a normative and ethical perspective (van Zanten and van Tulder, 2018: 214). According to the authors, society expects a minimum level of commitment to sustainability from companies (cf. Campbell, 2007: 951). Thus, in this dimension, businesses can distinguish between two approaches: ***Avoiding Harm*** and ***Doing Good***. Avoiding Harm means that companies mitigate negative impacts, as society expects, and adhere to minimum standards of conduct in their stakeholder relationships (cf. Campbell, 2007: 951). For example, stakeholders expect oil refineries to safely manage and dispose of crude oil waste to prevent environmental damage. In contrast, Doing Good requires exceeding minimum stakeholder expectations. SDG targets in this category address issues beyond a company's internal operations. In the example of the oil refinery, Doing Good might include investing and transitioning into renewable energies.

Overall, van Zanten and van Tulder's (2018) updated list of 59 Business SDG Targets constitutes a significant step forward in making the SDGs more actionable. The table addresses a considerable concern expressed by businesses Günzel-Jensen et al. (2020) surveyed. Nevertheless, two significant challenges still require attention. First, it is arguably necessary to clarify how companies can effectively use van Zanten and van Tulder's simplified list of goals to develop coherent business models and strategies around them. Currently, there is no structured process for implementing these sustainability goals. Second, and of similar importance, is the persistent problem of companies using the SDGs for greenwashing. Some companies, lacking a genuine commitment to sustainability, may still use the SDGs as a marketing tool while making minimal efforts to improve their sustainability performance (Johnsson et al., 2020). To address this challenge, exploring methods to incentivize companies to adopt sustainable practices that provide tangible financial benefits is necessary. Therefore, the following section explores Porter and Kramer's (2011) concept of CSV to demonstrate how companies can effectively leverage the SDGs to drive business growth and sustainable development.

2.3. Creating Shared Value (CSV)

Porter and Kramer (2011) introduced CSV as a response to the perceived limitations of CSR in promoting business sustainability. Companies widely use CSR to address sustainability, encompassing economic, legal, ethical, and philanthropic responsibilities (Fallah Shayan et al., 2022; Lindgreen and Swaen, 2010). CSR contributes to sustainability by encouraging business investment in the environment, community, and transparency (Oduro, Bruno, and Maccario, 2021). Companies that align CSR initiatives with social and environmental goals can gain a competitive advantage and build trust (Lindgreen and Swaen, 2010; Porter and Kramer, 2006). However, CSR often fails to integrate sustainability into the core business strategy and typically adopts a reactive approach to environmental and social issues, unlike CSV (Siddique, 2023). The following section outlines CSV's critical differences from and extensions of CSR.

2.3.1. CSV vs CSR

While CSR is often defined as 'sacrificing profits' for the benefit of society (McWilliams and Siegel, 2001; Reinhardt et al., 2008), it's also perceived as a strategic tool, referred to as 'enlightened self-interest' (Porter and Kramer, 2006), as it allows companies to improve their image and stakeholder engagement through CSR initiatives strategically. Similarly to the SDGs, CSR is criticized for allowing greenwashing (Delmas and Burbano, 2011; Lyon and Montgomery, 2015; Sheehy, 2015). For example, an oil refinery's sustainability report may suggest a commitment to an increase in green energy. However, continuing to increase environmental damage (such as CO_2 pollution) in its day-to-day operations would imply a business-as-usual approach (Balluchi, Lazzini and Torelli, 2020). Thus, some researchers argue that companies use CSR for image enhancement rather than real impact (Porter and Kramer, 2011; Balluchi, Lazzini and Torelli, 2020).

CSR	CSV
> Value: doing good	> Value: economic and societal benefits relative to cost
> Citizenship, philanthropy, sustainability	> Joint company and community value creation
> Discretionary or in response to external pressure	> Integral to competing
> Separate from profit maximization	> Integral to profit maximization
> Agenda is determined by external reporting and personal preferences	> Agenda is company-specific and internally generated
> Impact limited by corporate footprint and CSR budget	> Realigns the entire company budget
Example: Fair trade purchasing	Example: Transforming procurement to increase quality and yield

Table 2: Differences and Improvements Between CSR and CSV (Porter and Kramer, 2011: 16)

Table 2 illustrates the main problems with CSR and how CSV aims to address them. Porter and Kramer (2011: 16) identify two critical issues with CSR. First, CSR often treats business and sustainability objectives as opposing forces, leading to ineffective integration. Second, CSR tends to focus on mitigating harm rather than preventing it. The CSV model addresses these issues by integrating sustainability into business operations and advocating proactive approaches to environmental and social challenges.

Kramer (2011) further clarifies the distinction between CSR and CSV. He argues that while CSR is often seen as a financial burden, CSV creates new business opportunities, improves profitability, and strengthens a company's competitive edge. Thus, whereas CSR is about responsibility, CSV is more concerned with generating new value (Kramer, 2011: p.1). By highlighting the link between corporate strategy and social goals, CSV facilitates the transformation of social issues into financial opportunities (Menghwar and Daood, 2021).

Integrating sustainability to enhance a company's competitive advantage is central to the thesis, providing a compelling rationale for genuinely addressing the SDGs. Sustainable business models can be a source of competitive advantage if they are distinctive, difficult to replicate, and operationally effective and efficient (Teece, 2010). This notion applies to CSV as it is tailored to address the most relevant sustainability issues facing a company or industry (Porter and Kramer, 2011) rather than an arbitrary selection of philanthropic causes.

The thesis selects CSV as the second dimension of a CSV/SDG framework because it allows companies to pursue financial gain while benefiting the environment and society. This approach has several advantages. First, it can minimize the risk of greenwashing, as companies have a genuine incentive to become sustainable by improving competitiveness. Second, it enables companies to build new CSV business models around the SDGs, effectively addressing sustainability concerns. To further understand how CSV fits into this framework, the following segment explains the three strategies companies can use to implement CSV.

2.3.2. Three Strategies for Implementing CSV

1. Reconceiving products and markets	2. Redefining productivity in the value chain	3. Enabling cluster development
> Design products and services that address societal needs. > e.g. Tackling new markets by serving unmet needs in poor communities.	> Improving the value chain to increase productivity and reduce sustainable inefficiencies > e.g. Energy saving, resource re-use, procurement, distribution, employee productivity and location.	> Supporting local suppliers and improving local communities > e.g. improving community education, infrastructure, supplier relationships, etc.
Example	**Example**	**Example**
Revolutionfoods provides healthy food in high schools in poor communities. It meets a social need and helped the company find a new market opportunity.	Walmart has reduced packaging and transportation. This has lowered the company's costs and reduced its environmental impact.	Nestle transfers know-how to farmers and suppliers. This has improved the company's income for them and their suppliers.

Table 3: The Three Strategies for CSV (Adapted from Porter and Kramer, 2011: 7-13)

Table 3 outlines Porter and Kramer's (2011) three strategies for companies to create shared value. First, companies can address social needs by ***Reconceiving Products and Markets***. T[1]his method involves matching what a company sells (products) with the needs and challenges in the community or society (markets) to make a profit while making a positive social or environmental impact. For example, Revolution Foods sells healthy, affordable food to schools and communities in the poorest parts of the US, improving children's diets and supporting sustainable practices (Porter and Kramer, 2011:7). This

[1] This segment is supported by ChatGPT's verbal clarity assistance (with no raw content creation).

strategy allows companies to target existing markets better, enter new markets or innovate to reduce costs.

Second, the authors suggest creating shared value by ***Redefining Productivity in the Value Chain*** and seeking better and more efficient ways to produce and deliver products that benefit both the company and the community. By doing so, companies can improve efficiency, cost, reliability, and sustainability. For example, Walmart has reduced carbon emissions and saved money by optimizing packaging and truck routes (Porter and Kramer, 2011: 9). This approach aims to minimize 'externalities' (e.g., CO2 emissions) while focusing on cost-cutting measures, thereby making societal issues financial within the value chain.

Third, companies can create shared value by ***Enabling Cluster Development***. This strategy involves companies supporting nearby businesses, organizations, and communities. Porter and Kramer (2011) argue that such collaboration benefits companies and local clusters. In order to operate, businesses need a healthy environment - thriving communities with a skilled workforce and robust infrastructure. This approach exemplifies Nestlé's initiative to transform coffee sourcing by working with smallholder farmers in impoverished areas. By providing advice and resources for improved farming, Nestlé has increased the quality and number of yields and boosted farmers' incomes while creating a more reliable supply of quality coffee (Porter and Kramer, 2011: 10). This example shows how empowering local clusters can strengthen local suppliers and promote coffee industry productivity, innovation, and competitiveness. Functioning communities with local suppliers, infrastructure, access to skills and a consistent regulatory framework are essential for business success. Without supportive clusters, production declines and businesses fail.

Although not explicitly mentioned, the authors allude to two CSV dimensions: ***CSV Internally*** and ***CSV Externally***. From an internal standpoint, CSV aligns with the concept of value capture as outlined by Brandenburger and Stuart (1996). This involves enhancing a company's operational efficiency and profitability within its value chain, such as reducing waste, optimizing logistics, or implementing sustainable practices within its core operations. Companies can enhance their financial performance by capturing a larger share of the value created through these internal improvements. For instance, Walmart's efforts to minimize packaging and streamline transportation costs exemplify internal value capture in CSV. These initiatives reduce operational costs, leading to a larger share of the value pie being captured by Walmart itself (Porter and Kramer, 2011)

External value capture in CSV extends beyond internal optimization. It leverages the concept of value creation to expand the total value available. Companies achieve this by addressing the needs of external stakeholders, such as customers, communities, or the environment (Brandenburger and Stuart, 1996). Value capture focuses on claiming a larger share of this expanded value pie. Revolution Foods serves as an example of external value capture in CSV. Their commitment to sustainable food production improves the well-being of underserved communities, creating social value. This, in turn, can lead to increased customer loyalty and brand reputation, translating into a larger market share and higher profits for Revolution Foods (Porter and Kramer, 2011).

2.3.3. Benefits and Limitations of CSV

Bridging business and societal needs through CSV strategies offers numerous benefits, including increased uniqueness, new business opportunities, improved efficiency, and market growth (Yang and Yan, 2020; Lizama and Royo-Vela, 2023). Adopting a CSV strategy can enhance companies' competitive advantage by addressing social issues and turning them into profitable ventures (Awale and Rowlinson, 2014; Hills et al., 2012; Jin, 2018; Lizama and Royo-Vela, 2023). These benefits are exemplified by successful CSV implementation in significant MNCs such as Toyota, Intel, and Coca-Cola (Lizama and Royo-Vela, 2023; de los Reyes and Scholz, 2019; Hills et al., 2012; Kramer and Pfitzer, 2016; Porter et al., 2012). Several EU SMEs have also implemented one of Porter and Kramer’s strategies (WKO, 2020). In general, CSV can enhance various business components, such as restructuring value chains, fostering clusters, and innovating new products and markets (Porter and Kramer, 2011). Like TBL and ECG, CSV initiatives generate outcomes that address social, economic, and environmental goals (Porter et al., 2012; Norman and MacDonald, 2004; Sharonova, 2017). Therefore, it can be argued that addressing the three pillars of sustainability creates a compatible aspect between the CSV and SDG frameworks.

However, it is worth noting the criticisms that emerged following the publication of the CSV model. In addition to claims that CSV lacks originality and merely synthesizes existing literature without proper credit (Crane et al., 2014), it is also criticized for oversimplifying the relationship between Corporate Social Responsibility (CSR) and profit maximization. Critics argue that CSV overlooks the complexities inherent in balancing social and economic goals, presenting an overly optimistic view of win-win situations while often neglecting potential challenges (Crane et al., 2014). Furthermore, despite its potential to enhance business and sustainability agendas, many CSV business cases lack thorough practical analysis, indicating a need for further empirical research (King and Pucker, 2021). Empirical studies are essential for developing measurement tools, understanding consequences, and enriching the CSV literature (Lizama and Royo-Vela, 2023; Dembek et al., 2016; Ham et al., 2020).

As noted above, both CSV and the SDGs aim to strengthen all three pillars of sustainability: Economy, Society, and Biosphere (Porter et al., 2012; Raith and Siebold, 2018). However, a lack of studies establishes a clear framework linking CSV to the SDGs. The thesis argues that developing such a framework could address sustainability issues while aligning them with concrete business objectives, enriching the CSV literature and advancing the field. As such, the following section explores the connection between CSV and the SDGs.

2.3.4. Connection Between CSV and SDGs

Researchers have explored the relationship between the SDGs and CSV, presenting case studies that highlight their mutual synergies. For instance, Kim (2018) investigates how CSV aligns with the SDGs in East Asian companies, contributing to sustainable development in the region. Noh (2020) suggests that while the SDGs and CSV models resonate with Australian values, there is a need for improved frameworks and metrics for their implementation. Saenz (2023) also demonstrates how highly polluting companies, such as mining firms, can advance the SDGs through CSV strategies. However, these studies overlook the need to develop complementary frameworks (Dembek et al., 2016; Ham et al., 2020), such as integrating CSV with the SDGs. Moreover, they focus on Asia and Australia, leaving a gap in understanding how a CSV/SDG framework could impact the European context.

Despite the limited literature on the topic, one can argue for the similarities and compatibility between the SDGs and the CSV framework. Both models advocate that companies go beyond mere compliance and actively address social and environmental challenges (SDG Compass, 2015; Porter and Kramer, 2006), recognizing their importance for long-term business sustainability. Both frameworks also emphasize the interconnectedness of economic, social, and environmental issues, highlighting the need for stakeholder collaboration to achieve sustainable progress (SDG Compass, 2015; Porter and Kramer, 2011). Furthermore, they emphasize the importance of measuring and reporting progress toward these goals to ensure transparency and accountability (SDG Compass, 2015:19; Porter et al., 2012). While sharing commonalities, the SDG Compass provides specific indicators for SDG-aligned reporting, increasing its effectiveness in monitoring sustainable business practices.

What is arguably more important is that a CSV/SDG framework could address the limitations of current sustainability frameworks in the EU, such as CSR, Stakeholder Theory, TBL, B-Corps, and ECG.

First, a CSV/SDG framework should eliminate the need for greenwashing, which is common in CSR (Delmas and Burbano, 2011; Lyon and Montgomery, 2015). This is because it can create a legitimate need for companies to address sustainability concerns to generate profit, become more competitive, and ensure survival (Porter and Kramer, 2011).

Second, utilizing SDG metrics, including targets and indicators, could avoid the difficulties in measuring the effectiveness of sustainable activities, a problem often encountered with Stakeholder Theory (Mitchell, Agle, and Wood, 1997).

Third, while TBL and ECG also focus on addressing the three pillars of sustainability, these frameworks are considered complex and resource-intensive, creating significant barriers to implementation (Norman and MacDonald, 2004; Sharonova, 2017). In contrast, a CSV/SDG framework would target the most crucial sustainability concerns within value chain operations, potentially enhancing its effectiveness.

Finally, although B-Corps can enhance their image and marketing by offering sustainable solutions, obtaining such certifications can be costly and difficult for SMEs (Parker et al., 2019). A CSV/SDG framework could provide similar benefits for improving the business image towards customers and stakeholders without requiring costly certifications.

As such, the thesis aims to improve the understanding of the private sector's sustainability by investigating the rationale behind a CSV/SDG framework. This integration creates a new framework that companies can use to develop business strategies that address both profit and sustainability concerns. The following section outlines the methodology to address three research questions and construct this unified CSV/SDG framework.

3. Methodology and Methodological Approach

The thesis examines the contribution of CSV initiatives to sustainable development, focusing on their alignment with the SDGs. As such, this section discusses the underlying methodological assumptions, justifies the chosen methodology, and explains the approach.

This approach includes interviews with ten companies, serving as case studies to illustrate how EU companies can implement CSV/SDG strategies. Additionally, it outlines the rationale for the chosen methodology, which involves conducting a literature review and using deductive codes to address the first research question while employing inductive codes for the remaining two research questions.

3.1. Methodological Assumptions

The thesis's methodological assumptions are grounded in Berger and Luckmann's (1966) assertion that reality is not an objective given but a socially constructed concept shaped by human interpretation. Consequently, reality must be understood contextually and subjectively. Punch (2016) further emphasizes that perceptions of reality vary among different groups or individuals, leading to diverse interpretations and explanations (Punch, 2016, p. 64). Therefore, qualitative analysis is the most appropriate approach for this study. This method allows for a subjective yet methodologically sound understanding of social reality (Zhang and Wildemuth, 2009).

The aim is to examine how companies effectively implement CSV strategies to address the SDGs. Without a predefined framework, this implementation process may differ from one company to another. Thus, qualitative research is the best option as it facilitates the subjective interpretation of textual data through systematic categorization, coding, and identifying themes or patterns (Hsieh and Shannon, 2005). Furthermore, Elo and Kyngäs (2008) assert that qualitative research is a versatile approach that allows researchers to draw reliable conclusions from data, reveal new insights, characterize phenomena using concepts or categories (also referred to as codes), and enrich the understanding of communicated meanings in terms of objectives, outcomes, and context.

Several qualitative methodological techniques can be used to achieve this goal. However, as a general framework, Mayring's (2022) qualitative content analysis is used for the thesis. Such an approach allows the creation of new concepts and categories for the topic, as Elo and Kyngäs (2008) argue. The interviews will be supported by secondary literature, which will complement the necessary information generated in the interviews.

3.2. Choice of Method

The thesis utilizes a combination of approaches to interpret and analyze the interviews. Initially, a deductive approach is employed to address the first research question derived from the literature review and the theoretical framework established earlier. Chapter 4 provides more details on the process and the deductive codes used.

Subsequently, an inductive approach is applied to address the remaining research questions, allowing for new insights from the data. The sections below further detail the criteria, parameters, and methodology choices.

First Research Question: Literature Review - Deductive Analysis

As mentioned in the introduction, the first research question aims to establish a ***framework*** linking the SDGs and the CSV model (the CSV/SDG framework). Given our understanding of the SDG 2030 Agenda and Porter and Kramer’s (2011) CSV strategies, a deductive analysis is the most appropriate approach. Mayring (2022) describes deductive analysis as identifying a specific structure within the collected material. A vital aspect of this method is the prior establishment of a category system, which can be nominal or ordinal. The thesis opted for a nominal system because the categories in the thesis have equal weight (Mayring, 2022, p. 96). Defining each code in advance and adhering to specific code guidelines is essential. These definitions are provided in Chapter 4.1. Additionally, the deductive analysis is supplemented by insights gained from the literature review, further enriching the interpretive framework applied to the interviews.

It is worth noting that deductive research involves establishing theoretical categories before conducting interviews (Mayring, 2022: 97). This approach requires setting parameters before constructing the questionnaire to derive and analyse questions effectively. These parameters should facilitate a comprehensive exploration of the research topic. As such, in the first stage, the thesis describes the most critical components of CSV and SDGs for developing the framework based on the theoretical foundations discussed in the literature review. Table 4 summarizes the findings for creating a CSV/SDG framework:

Dimension	Parameters
Company Context and Industry	• Industry sector and specific market dynamics. • Company size, structure, and geographic scope. • Competitive landscape and market positioning.
Position and Tasks within the Company	• Job title and role description. • Responsibilities related to sustainability initiatives. • Decision-making authority and influence within the company.
Sustainable Issues and Solutions	• Identify specific sustainability issues addressed by the company. • Timeline of when sustainability efforts began. • Integration of sustainability into day-to-day operations.
Guidance from SDGs and Challenges	• Use of SDGs as a framework or guidance for sustainability initiatives. • Challenges encountered in balancing financial success and sustainability goals. • Strategies to overcome challenges and barriers.
Measurement and Financial Impact	• Methods used to measure sustainability success. • Financial opportunities are identified through sustainability efforts. • Impact on revenue and costs due to sustainability changes.
Motivation and Business Strategy	• Reasons for choosing specific sustainability issues to tackle. • Alignment of sustainability efforts with internal business needs or challenges. • The perceived value of integrating sustainability into business strategy.
Marketing and Customer Perception	• Marketing benefits derived from sustainability efforts. • Impact on brand image and reputation. • Customer attitudes towards products/services with sustainability credentials.
Employee Satisfaction and Engagement	• Personal satisfaction derived from involvement in sustainability initiatives. • Perception of colleagues regarding sustainability efforts. • Integration of sustainability into company culture and employee engagement.

Table 4: Investigation Parameters (own representation)

Table 4 shows the selection of criteria, grouped into eight dimensions, which are explored as categories for creating a CSV/SDG framework. It is important to emphasize that each of the eight pillars should be given equal weight when creating a CSV/SDG framework. However, it is essential to recognize that not all criteria can be addressed, and adjustments can be made based on expert responses. This adaptability is inherent in a semi-structured qualitative interview approach (Mayring, 2022).

Second and Third Research Questions: Inductive Analysis

An inductive approach is then adopted to address the two remaining research questions. These questions focus on identifying the potential ***benefits*** of following a CSV/SDG framework and exploring the ***processes*** companies can use to effectively develop and implement such a strategy.

While the thesis adopts Mayring's (2022) approach for the overall methodology, it applies Gioia, Corley, and Hamilton's (2013) inductive approach for a more specialized technique within inductive analysis. Gioia, Corley, and Hamilton (2013) propose a systematic inductive analysis method emphasizing building rigour. The thesis begins by closely examining interview segments and assigning initial "exploratory codes" that capture crucial concepts or emergent ideas. These initial codes represent the first level of analysis (first-order themes). The thesis then groups similar or related initial codes into broader categories through refinement and abstraction, forming second-order themes. This iterative process ensures that the themes accurately reflect the patterns and nuances within the data (see Appendix A2 and A3 for the process and results).

3.3. Methodological Approach

3.3.1. Relevant Companies for the CSV/SDG Framework in the ESM

Given that the 27 EU countries include distinct categories and classes of companies, such diversity poses a challenge to the generalizability of the study. However, it is essential to note that the framework is aimed at ***for-profit organizations***, a central aspect of CSV. As discussed in Chapter 2.3., CSV aims to enhance not only the social and environmental factors, but also the company's financial gains (Porter and Kramer, 2011).

For-profit organizations are the most common business structure in the EU (Eurostat, 2023). These companies, also known as commercial organizations, typically prioritize generating financial returns for their owners or shareholders (European Commission, 2023). This focus aligns with the types of companies that perceive pressures to become sustainable in response to social and regulatory demands (Dinh, Husmann, and Melloni, 2023). The following table provides a detailed delineation of the types of companies relevant to the thesis in creating a CSV/SDG framework.

Profit-Distributing Companies **Considered**	Nonprofit Distributing Companies **Not considered**
Focus: ➢ Generate profits for their shareholders or members (Porter and Kramer, 2011: 6).	**Focus:** ➢ Prioritize sustainable objectives. They do not generate profits for owners or shareholders (Holt and Littlewood, 2015: 3).
Examples: ➢ *Public limited companies (PLCs):* Openly traded, with shares bought and sold on stock exchanges. (e.g., Aktiengesellschaft (AG) in Austria) ➢ *Limited liability companies (LLCs):* Owned by a smaller group of shareholders, not publicly traded. (e.g., Gesellschaft mit beschränkter Haftung (GmbH) in Austria.	**Examples:** ➢ *Cooperatives*: Owned and controlled by its members, who benefit from its activities rather than receiving direct profits. (e.g., Genossenschaft in Austria). ➢ *Non-governmental organizations (NGOs):* Work on various social and environmental causes, funded through donations, grants, or membership fees.

Table 5: EU Company Structures: Profit-Distributing vs Nonprofit-Distributing (Adapted from European Commission's, 2023: 9 and Ohr, 2022: 1)

Table 5 outlines the organization types relevant to the thesis. Despite differences in names between countries (Ohr, 2023), companies in the EU share similar characteristics. For example, Public Limited Companies (PLCs) are typically publicly traded, with shares traded on stock exchanges (e.g., Aktiengesellschaft (AG) in Austria). Similarly, limited liability companies (LLCs), which a small group of shareholders owns, are not publicly traded (e.g., Gesellschaft mit beschränkter Haftung (GmbH) in Austria).

In contrast, entities not covered by the thesis and the CSV/SDG framework are nonprofit organizations. This category includes cooperatives owned and managed by their members (European Commission, 2023), who benefit from their activities rather than direct profits (e.g., Genossenschaft in Austria). Another example is Non-Governmental Organizations (NGOs), which work on various social and environmental issues and are commonly funded by donations, grants, or membership fees (European Commission, 2023).

3.3.2. Sampling of Companies and Interview Experts

To effectively address the research questions, the thesis emphasises the strategic selection of expert respondents within the field. By "experts," the thesis refers to individuals with extensive knowledge and experience in a particular field (Ericsson and Charness, 1994).

These experts draw insights from specialized training, formal education, or prolonged involvement in the subject matter. Specifically, the thesis targets experts familiar with a company's sustainability initiatives, including sustainability managers, CSR managers, CEOs, and founders actively involved in sustainable practices.

Thus, this research employs purposive sampling, a non-probability technique. Purposive sampling involves intentionally selecting participants based on their characteristics relevant to the research question. Here, the focus is recruiting participants who can provide unique and insightful perspectives (Palinkas et al., 2015). Unlike random sampling, which aims for a representative slice of the population, purposive sampling prioritizes in-depth knowledge. The thesis seeks experts who can offer valuable insights into efficient and sustainable practices relevant to the research goals.

While purposive sampling does not guarantee generalizability to the larger population, it offers significant advantages for the study. By gathering data from carefully chosen experts, the thesis gains a richer understanding of the topic and explores its nuances in greater detail. Mayring (2022: 127) refers to this as "convenience" or "ad hoc" sampling. This approach allows delving deeper into the research questions and obtaining the most relevant information from those with specialized knowledge (Mayring, 2022: 127).

The first criterion is to select companies that are potential experts on the topic (Helfferich, 2011), especially those involved in SDG and CSV projects. Identifying companies committed to the SDGs is straightforward, as many openly publish their SDG commitments in annual or sustainability reports. However, finding companies implementing the SDGs through a CSV approach is more challenging. This difficulty stems from CSV being less popular than CSR, and most companies are unfamiliar with the term. Yet, the main requirement of CSV is that companies maximize sustainability and profit simultaneously (Porter and Kramer, 2011), as mentioned earlier. Thus, to meet this criterion, the thesis focuses on organizations that follow a profit-maximizing structure, specifically targeting those that meet the requirements outlined in Table 5 above.

Notably, the size of the company does not limit the sampling eligibility. This is because, as highlighted in Chapter 2.2.2, companies of different sizes may be required to effectively address various SDG target needs (van Tulder, 2018; Holt and Littlewood, 2018; Raith and Siebold, 2018). Thus, during the sampling of interview experts, the thesis considers SMEs and MNCs if they adhere to the criteria of Table 5.

However, the thesis restricts the sample to firms in the EU's Single Market to maintain consistency in EU regulations and business practices. This strategy can reduce data collection and analysis variability, leading to a more nuanced understanding of how EU regulations influence firms' operational and decision-making processes. In addition, the focus on EU companies can allow for a more thorough analysis of regional market dynamics, consumer behaviour, and industry trends, all essential for evaluating the marketing benefits of implementing a CSV/SDG strategy.

As such, based on the sampling criteria, the following individuals were interviewed as company experts:

- **Acciona S.A.** - (*Acciona*)
  - Interviewed Expert: Redacted (Zoom-Interview)
  - Company Position: Global Sustainability Manager
  - Location: Madrid, Spain (11.03.2024)

- **Apex Nacional S.L.** - (*Apex*)
  - Interviewee: Redacted (In-Person Interview)
  - Company Position: CEO
  - Location: Madrid, Spain (27.12.2023)

- **Becúbica S.L.** - (*Becúbica*)
  - Interviewee: Redacted (Zoom-Interview)
  - Company Position: CEO
  - Location: Alicante, Spain (06.03.2024)

- **(Anonymous) Consulting Group** - (*Consulting Group*)
  - Interviewee: Anonymous (Zoom-Interview)
  - Company Position: Sustainability Consultant
  - Location: Madrid, Spain (18.02.2024)

- **Hotel Magdas** - (*Hotel Magdas*)
  - Interviewee: Redacted (In-Person Interview)
  - Company position: Management Board
  - Location: Vienna, Austria (07.12.2023)

- **Kapsch AG** - (*Kapsch*)
  - Interviewee(s): Redacted (Zoom-Interview)
  - Company position: Sustainability Manager(s)
  - Location: Vienna, Austria (21.02.2024)

- **Komptech GmbH** - (*Komptech*)
  - Interviewee: Redacted (Zoom-Interview)

    - Company position: CSR-Manager
    - Location: Vienna, Austria (07.03.2024)

- **Lenzing AG** - (*Lenzing*)
    - Interviewee: Redacted (Zoom-Interview)
    - Company position: Sustainability Specialist
    - Location: Lenzing, Austria (12.12.2023)

- **SONNENTOR Kräuterhandelsgesellschaft mbH** - (*Sonnentor*)
    - Interviewee: Redacted (Zoom-Interview)
    - Company position: CSR-Manager
    - Location: Sprögnitz, Austria (28.02.2024)

- **(Anonymous) Pension Fund** - (*Pension Fund*)
    - Interviewee: Anonymous (Zoom-Interview)
    - Company position: CSR-Manager
    - Location: Vienna, Austria (08.02.2024)

The interviews were conducted sequentially, beginning with the first interview in December 2023 and ending with the last in March 2024. This chronological span allowed for a comprehensive exploration of the different perspectives and experiences of the participating companies. Most of the interviews were conducted online using Zoom due to the geographic dispersion of the experts and for accurate recording. However, Apex and Hotel Magdas preferred in-person meetings and were available for physical visits on the interview day. Moreover, all experts agreed to be named in the paper, except for a pension fund and a consulting group. For anonymity, the companies will be referred to as ***Pension Fund*** and ***Consulting Group*** (more on the companies and business models in Chapter 4).

3.3.2. Interview Guide

This section details the interview guide, which includes a reasonable number of questions to ensure efficiency while allowing context-specific conditions (Helfferich, 2011, p. 180). Helfferich's SPSS system, which stands for collecting, verifying, organizing, and condensing, was used in the thesis (In German: Sammeln, Prüfen, Sortieren und Subsumieren) (Helfferich, 2011, p. 182). In the first stage, all factors relevant to answering the research questions were identified and examined from different perspectives in the next step (Helfferich, 2011: 182-185). The questions were then organized according to time points and specific content characteristics. In addition, subsumption or subordination was used to rank questions in order of relevance to each other, resulting in comprehensive inquiries accompanied by follow-up questions depending on the answers (Helfferich, 2011: 185-186). The table below presents the interview questions:

Dimension	Interview Questions
Company Context and Industry	• Can you tell us about your company and the industry in which it operates?
Position and Tasks within the Company	• What is your exact position in the company? • What are your tasks?
Sustainable Issues and Solutions	• What sustainable issues does your company seek to address through your business activities? • When did you start addressing that sustainable issue? • Is solving that sustainable issue a part of your day-to-day business operation? - If so, how? • How did you identify the solution to the sustainability issue?
Guidance from SDGs and Challenges	• Were the SDGs of any help or guidance? • Are there specific challenges your company has encountered when pursuing both financial success and sustainability?
Measurement and Financial Impact	• Do you measure your sustainability success in any way? • If so, how? • Are there specific financial opportunities your company has encountered by incorporating sustainability in the business? • Do you know if the company's revenue has increased because of that sustainability change? • Have the company's costs declined because of that sustainability change?
Motivation and Business Strategy	• Why did you decide to tackle that specific sustainability issue? • Did it come from a specific issue you had internally in the business? • Does your business see the SDG you are focusing on as an essential part of your business strategy? - If yes, why?
Marketing and Customer Perception	• Have you noticed any marketing benefits in your efforts to address specific SDGs? - If so, are any of those benefits also about having a better image? • Do you think your customers are happier to buy your product/service when they know about your sustainability efforts?

Employee Satisfaction and Engagement	• Does having these sustainability efforts inside the company make YOU feel higher job satisfaction? • What about your coworkers?

Table 1: Interview Questions (Own Representation)

Table 6 presents the interview guide, which includes different question approaches to guide the interviews. First, broad questions are used to set the context for the discussion. These are followed by open-ended questions designed to address the research questions, including "how" questions. The following section describes how the dissertation approaches the analysis of the interview data.

3.3.3. Interview Analysis Approach

After explaining how the interviews are conducted, the analysis is presented. The first step is to transcribe the interviews. The procedure was a smooth verbatim transcription (Mayring, 2022: 132). This results in a clear, understandable transcript that maintains the original language and grammatical structure. For simplicity, unimportant utterances were left out. Dialects and slang terms are translated into formal language. To ensure an integral analysis of all interviews, the thesis transcribed and translated interviews into English whenever they were conducted in another language.

As noted above, the thesis uses qualitative content analysis, following Mayring's (2022) methodology, to examine the expert interviews. The first research question is addressed through deductive analysis, while the remaining two are addressed through inductive analysis. Interpreting the data and addressing the research questions involves identifying patterns, relationships, or themes within and across categories. MAXQDA software was used to manage the coding process and handle the large volume of interview data.

Other noteworthy mentions are that the thesis uses artificial intelligence, such as ChatGPT or DeepL Write, solely for language enhancement, with no raw data material creation.

Taking into account the methodology of the thesis, the following section presents the results of the analysis.

4. Analysis

The thesis aims to demonstrate how companies can implement a CSV/SDG strategy. To achieve this, it first outlines the CSV/SDG framework components derived from deductive categories identified in the literature on CSV and SDGs. These categories serve as codes representing various dimensions of the framework. Following this, expert interviews are reviewed and analyzed based on these categories to assess their relevance and applicability.

To this end, the thesis formulates two principal deductive codes, which are (1) ***Business SDG Targets and*** (2) ***Creating Shared Value Strategies***. Business SDG Targets, discussed in Table 1, are categorized into objectives focused on ***Avoiding Harm*** or ***Doing Good*** (van Zanten and van Tulder, 2018: 218-219; cf. Campbell, 2007: 951). The second code, CSV Strategies, outlined in Table 3, is further divided into ***CSV Internally*** and ***CSV Externally***, as described in section 2.3.2. These codes and their related dimensions are essential for developing a comprehensive CSV/SDG framework.

Tables 7 and 8 below present the established codes.

Code 1: Business SDG Targets		
Subcode	**Type**	**Description**
Environment Business Targets	Avoiding Harm	Tackle SDG ***environmental*** targets that meet minimum stakeholders' expectations (van Zanten and van Tulder, 2018: 218-219; cf. Campbell, 2007: 951).
	Doing Good	Address SDG ***environmental*** targets that exceed basic stakeholder expectations (van Zanten and van Tulder, 2018: 218-219; cf. Campbell, 2007: 951).
Society Business Targets	Avoiding Harm	Tackle SDG ***societal*** targets that meet minimum stakeholders' expectations (van Zanten and van Tulder, 2018: 218-219; cf. Campbell, 2007: 951).
	Doing Good	Address SDG ***societal*** targets that exceed basic stakeholder expectations (van Zanten and van Tulder, 2018: 218-219; cf. Campbell, 2007: 951).
Economy Business Targets	Avoiding Harm	Tackle SDG ***economic*** targets that meet minimum stakeholders' expectations (van Zanten and van Tulder, 2018: 218-219; cf. Campbell, 2007: 951).
	Doing Good	Address SDG ***economic*** targets that exceed basic stakeholder expectations (van Zanten and van Tulder, 2018: 218-219; cf. Campbell, 2007: 951).

Table 2: Description of the Business SDG Targets Sub-Codes (Own Representation)

Table 7 outlines the parameters of Code 1 for a CSV/SDG framework, the ***Business SDG Targets***. As previously mentioned, these targets are based on the three pillars of sustainability: Environment, Society, and Economy. They are further categorized into SDG Business Targets that either Avoid Harm or Do Good, as defined by van Zanten and van Tulder (2018; cf. Campbell, 2007: 951). For example, if a company mentions its efforts in reducing CO2 emissions, this would correspond to the Business SDG Target "greenhouse gas emissions reductions," which falls under the category of Avoiding Harm (see Table 1).

Code 2: Creating Shared Value (CSV) Strategies		
Subcode	**Type**	**Description**
Reconceiving Products and Markets	Externally	Aligning company products with societal needs for profitable outcomes (creating value for ***outside stakeholders***) (Porter and Kramer, 2011:7).
	Internally	Aligning company products with societal needs for profitable outcomes (creating value for ***inside stakeholders***) (Porter and Kramer, 2011:7).
Redefining Productivity in the Value Chain	Externally	Seeking more efficient production and delivery methods that benefit both the company and the community (creating value for ***outside stakeholders***) (Porter and Kramer, 2011: 9).
	Internally	Seeking more efficient production and delivery methods that benefit both the company and the community (creating value for ***inside stakeholders***) (Porter and Kramer, 2011: 9).
Enabling Local Cluster Development	Externally	Supporting nearby businesses and communities, fostering mutual benefits (creating value for ***outside stakeholders***) (Porter and Kramer, 2011: 10).
	Internally	Supporting nearby businesses and communities, fostering mutual benefits (creating value for ***inside stakeholders***) (Porter and Kramer, 2011: 10).

Table 3: Description of Creating Shared Value (CSV) Strategies Sub-Codes (Own Representation)

Table 8 outlines the parameters for Code 2, Creating Shared Value (CSV) Strategies. In this framework, a company's activities are categorized into one of Porter and Kramer's (2011) CSV strategies, referred to as subcodes. These strategies are then further divided into CSV Internally or CSV Externally, as detailed in Chapter 2.3.2. The distinction between internal and external CSV strategies is based on which stakeholders capture most of the value from the company's activities.

After analyzing the interviews with MAXQDA, a list of the categories is provided in Table 9 below.

Code 1: Business SDG Targets								Code 2: Creating Shared Value (CSV) Strategies						
	Environment Business Targets		Society Business Targets		Economy Business Targets			Reconceiving Products and Markets		Redefining Productivity in the Value Chain		Enabling Local Cluster Development		
Company	Avoiding Harm	Doing Good	Avoiding Harm	Doing Good	Avoiding Harm	Doing Good	**Total**	Externally	Internally	Externally	Internally	Externally	Internally	**Total**
Acciona	1	10		4	1	3	19	3	2	2				7
Apex		6		1	1		8	2		1				3
Becúbica	4						4	2			1			3
Consulting Group	2				1		3			2				2
Hotel Magdas	1					4	5						3	3
Kapsch	8		3		1		12			5			1	6
Komptech		7				1	8	3						3
Lenzing	5		1		2	1	9				1		2	3
Sonnentor	1	3			1	3	8				1		1	2
Pension Fund					3	1	4		2		1		1	4
Total	22	26	4	5	10	13	80	10	4	10	4	0	8	36

Table 4: Presentation of the Deductive Coding of the Expert Interviews (Own Representation)

Table 9 shows that, based on the predefined deductive codes, a total of 116 codes were identified. Of these, 80 codes correspond to the Business SDG Targets dimension, while 36 correspond to the Creating Shared Value (CSV) Strategies dimension. Despite these numbers, the thesis does not prioritize frequency analysis or broad generalizations.

The variance in the number of codes between Business SDG Targets and Creating Shared Value (CSV) Strategies can be clarified by recognizing that while some Business SDG Targets were addressed through specific SDG Business Targets, not all Business SDG Targets were addressed through Creating Shared Value Strategies. It is worth noting, however, that each identified Creating Shared Value (CSV) Strategy code is aligned with at least one Business SDG Target code, while the reverse is not always true. The focus is on interpreting each code, which will be addressed in the following segment discussion.

4.1. The CSV/SDG Framework

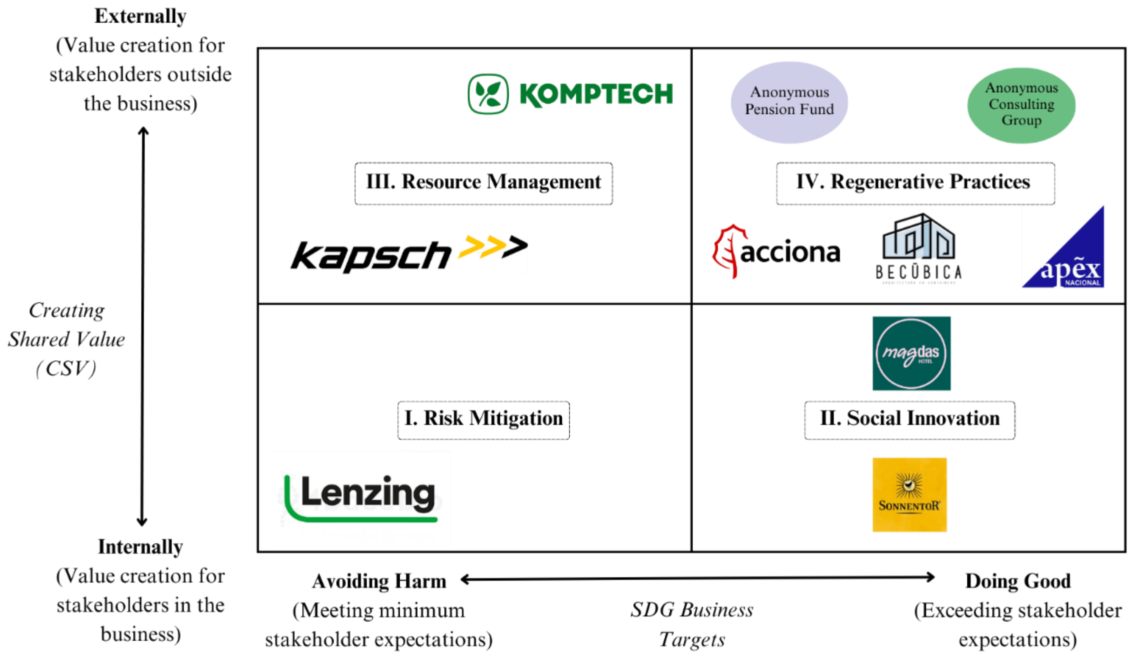

Table 5: CSV/SDG Framework Overview (Own Representation)

Table 10 presents the initial results of the interview categorization process. The companies were classified into one of four distinct categories, which are named the following: ***I. Risk Mitigation***; ***II. Social Innovation***; ***III. Resource Management***; and ***IV. Regenerative Practices***. Each company interviewed was assigned the strategy best aligned with its operations. It is essential to acknowledge that some companies could fit into more than one strategy; however, they were placed in the strategy that most closely reflected their primary focus on sustainable business efforts (see Appendix A1). The following section describes the four strategies and company activities that constitute the framework.

4.1.1. Risk Mitigation

The ***Risk Mitigation*** strategy, the first identified in the CSV/SDG framework, aims to reduce negative impacts and risks associated with sustainability challenges. This strategy has two main dimensions: leveraging Business SDG Targets, which focus on ***Avoiding Harm*** and promoting ***CSV Internally***. As such, this strategy seeks to align with stakeholder expectations across environmental, social, and economic sustainability (van Zanten and van Tulder, 2018; cf. Campbell, 2007: 951).

Companies that adopt this strategy prioritize reactive measures to mitigate adverse environmental, social, and economic impacts. ***Risk Mitigation*** is relevant for organizations in polluting industries seeking to improve sustainability. It is also effective for companies with inflexible operations that prevent innovation. Here, "inflexible" refers to operations that are rigid or resistant to change, making it challenging to implement new and innovative practices. Nevertheless, this strategy helps ensure long-term business resilience and sustainability. Through targeted initiatives and policies, companies can address sustainability concerns critical to internal stakeholders. Lenzing is a practical example and serves to explain this CSV/SDG strategy further:

Case 1: Lenzing

Lenzing, an Austrian company with 8,000 employees, specializes in producing wood fibers for textiles used in clothing, furniture, and speciality fabrics (Lenzing: 3). The company faces "rigid" operations because the production of their textiles consistently requires the same amount of woody materials for each unit of output. This constraint limits the company's ability to act sustainably, making the environment-related SDG targets particularly relevant to them.

However, to strengthen environmental sustainability and sustainable sourcing, Lenzing has implemented policies aimed at reducing negative impacts throughout its value chain (Lenzing: 51). Special emphasis is placed on biodiversity conservation, given Lenzing's heavy reliance on wood-based materials (Lenzing: 11). For instance, given the critical role of forests in their business model, Lenzing actively participates in afforestation projects, such as one in Albania, aimed at expanding forested areas (Lenzing: 33). In addition, the company prioritizes the sustainable management of resources such as water, energy, and chemicals to minimize negative impacts (Lenzing: 53). For example, the company drives innovation in waste management by integrating dye into fibres directly, resulting in a significant reduction in water and energy usage (Lenzing: 51).

These objectives are in alignment with the Business SDG Targets "Ecosystems and biodiversity on land" and "Sustainable waste management" (van Zanten and van Tulder, 2018: 218-219), both aimed at ***Avoiding Harm*** (refer to Table 2).

Moreover, such a sustainability approach reflects Porter and Kramer's (2011) CSV strategy of ***redefining productivity in the value chain***, benefiting both the environment and the company's profitability (Porter and Kramer, 2011: 9). Since these measures are primarily directed at providing value to the company, by making it more resilient and profitable, they fall into the category of ***CSV Internally***. Thus, the company is improving the synergy between its operations and the environment by optimizing processes throughout its value chain and building future resilience through reforestation efforts.

4.1.2. Social Innovation

The second category in the CSV/SDG framework is named ***Social Innovation.*** Like in the previous strategy, Social Innovation also promotes ***CSV Internally***. However, the critical difference is that the Business SDG Targets in the ***Doing Good*** category indicate that the company exceeds stakeholder expectations by creating sustainable solutions that go beyond traditional practices. Companies incorporate innovative solutions to tackle social challenges while improving their business operations in this approach. This strategy is particularly relevant for companies where dealing with people and managing communities is vital. By implementing these solutions, companies can enhance people's lives while strengthening the company’s resilience. As such, this creative approach can drive positive social change while ensuring their long-term business viability. Their goals include fulfilling ethical obligations, promoting social inclusion, and enhancing community well-being. Following the ***Social Innovation*** strategy can position a company as socially responsible within their respective industries. The thesis explores two company examples that exemplify this strategy:

Case 2: Hotel Magdas

Hotel Magdas operates as a subsidiary of Caritas (Hotel Magdas: 3). While Caritas functions as a non-profit organization, its subsidiary, Hotel Magdas, adopts a profit-oriented approach. This notion aligns with Holt and Littlewood's (2018) research, which indicates a trend among social enterprises shifting towards profit-making ventures to decrease dependency on donations.

The primary mission of the hotel is to offer employment opportunities to individuals encountering challenges in the job market, particularly those with a refugee background (Hotel Magdas: 3). Acknowledging the obstacles refugees with asylum status face in securing employment due to negative perceptions, Hotel Magdas is committed to addressing this issue (Hotel Magdas: 3).

Regarding the Business SDG Targets delineated by van Zanten and van Tulder (2018: 218-219), Hotel Magdas aligns with the objective of "Employment for all, particularly young people and people with disabilities." This objective falls under the ***Doing Good*** category (see Table 2), exceeding stakeholders' expectations of sustainable corporate practices.

Furthermore, Hotel Magdas recognizes the positive impact of its sustainable practices, as evidenced by the increasing demand from consumers for stays in certified sustainable hotels (Hotel Magdas: 23). This aligns with Tighe's (2024) observation that consumer preferences are shifting towards sustainable products and services. Therefore, as part of its CSV approach, Hotel Magdas adopts the strategy of ***reconceiving products and markets*** by offering sustainable accommodation alternatives to its customers. As such, by providing employment opportunities to individuals facing disadvantages in the job market, the hotel enhances the lives of refugees and enriches its workforce with diverse talents and hospitable cultures (Hotel Magdas: 5; 37). This improves the hotel's competitiveness and revenue potential (Hotel Magdas: 21). Hence, like the previously discussed approach, this strategy centres on ***CSV Internally***.

Case 3: Sonnentor

Similarly, the Austrian company Sonnentor also adopts a ***Social Innovation*** approach. Specializing in herb and spice retailing, Sonnentor has upheld 100% organic farming practices for 36 years (Sonnentor: 27). The company places significant emphasis on its CO2 balance and environmental management initiatives (Sonnentor: 19). However, its most substantial impact lies in its relationships with its suppliers, particularly the farmers. Sonnentor is currently sourcing from up to 50 countries worldwide, and maintaining the well-being of these relationships for mutual growth presents a complex challenge (Sonnentor: 31-33).

Nevertheless, the thesis identifies several distinctive, sustainable practices that set Sonnentor apart. Firstly, Sonnentor approaches partners on equal terms, irrespective of whether they are micro-farmers or big traders (Sonnentor: 29). They prioritize close, transparent communication with partners, often visiting them regularly (Sonnentor: 29). Instead of merely purchasing raw materials, they engage with suppliers by inviting them to Sonnentor's facilities and observe how their products are utilized. Crucially, they address potential farmers' problems together, recognizing the importance of mutual support for long-term collaboration (Sonnentor: 29). During the interview, the CSR Manager was on route to visit a farm and interact with the farmer's family in the Czech Republic (Sonnentor: 81), highlighting the company's commitment to personal engagement and relationship building.

Another significant aspect of Sonnentor's social initiatives is its "direct supply" movement, avoiding traditional food retail channels (Sonnentor: 23). Sonnentor products are exclusively available in their stores or at organic outlets, bypassing mainstream retailers. This strategy reduces costs and facilitates fair pricing for small-scale suppliers (Sonnentor: 23).

These approaches closely align with two of van Zanten and van Tulder's SDG Business Targets: "Agricultural productivity of small-scale suppliers" and "Fair payment to small-scale suppliers" (2018: 218-2019). Both targets emphasize ethical obligations toward ***Doing Good*** (Table 2). In terms of the CSV strategy, Sonnentor focuses on ***Enabling Cluster Development*** (Porter and Kramer: 2011: 10). By actively collaborating with farmers, providing education, and offering improved payments, Sonnentor mirrors Porter and Kramer's example with Nestle, which emphasized educating coffee farmers to enhance crop yields, thereby benefiting both parties in a win-win scenario (Porter and Kramer, 2011: 10). This CSV strategy is categorized as ***Internally CSV***, as it primarily generates value for Sonnentor by building corporate resilience (Sonnentor: 21) while strengthening relationships with farming partners (Sonnentor: 33).

4.1.3. Ressource Management

The third category in the CSV/SDG framework is ***Resource Management***, where companies strategically manage resources to minimize environmental harm efficiently. This approach is characterized by using ***CSV Externally*** and Business SDG Targets, which focus on ***Avoiding Harm***. By integrating innovative technologies and processes, these companies aim to achieve sustainable resource use, thereby contributing to environmental protection and long-term business sustainability for external stakeholders.

Like in the Risk Mitigation strategy, Resource Management aims to reduce negative environmental impacts in industries with significant ecological footprints. The primary difference, however, is how companies apply the solutions: in this strategy, companies offer solutions to stakeholders outside the organization rather than for internal purposes. Resource management underscores the importance of responsible resource management in addressing global sustainability challenges. It generates and captures value by enhancing the resilience and competitiveness of other organizations. Two Austrian family businesses, Kapsch and Komptech, exemplify this category.

Case 4: Kapsch

Having a global presence, Kapsch operates in the intelligent transportation industry, primarily focusing on toll and traffic management systems (Kapsch: 8). The company places significant emphasis on its software products, which not only generate substantial revenue but also hold considerable potential for reducing CO2 emissions and pollution for customers (Kapsch: 21). By optimizing traffic systems with their software products, the company estimates a potential reduction of up to 30% in CO2 emissions. Currently, they are working to substantiate this claim with their solutions (Kapsch: 21). One example provided by an interviewee is the effort to minimize the frequency of starting and stopping a car's engine when coming to a halt. By reducing the frequency of stops, vehicles can save gas and thus reduce CO2 emissions (Kapsch: 106). These efficiency improvements in traffic management mitigate environmental damage and save drivers time and gas money when improving traffic flow.

Most of Kapsch's clients are governments or states seeking efficient solutions to improve traffic and pollution management (Kapsch: 100). Overall, Kapsch addresses two different Business SDG Targets with its innovative technologies: "Access to affordable and sustainable transport for all" and "Reductions in greenhouse gas emissions." These sustainability targets fall under the ***Avoiding Harm*** category (van Zanten and van Tulder: 218-219). Their contribution is significant, considering that 20% of global CO2 emissions originate from vehicles (Kapsch: 106).

Regarding the CSV strategy, Kapsch aligns with Porter and Kramer's (2011) concept of ***redefining productivity in the value chain***. Improving software and other tools to enhance traffic and reduce CO2 emissions is integral to infrastructure development, particularly in constructing new roads. Consequently, Kapsch's customers, primarily governments and states, capture most of the value created by reducing pollution and enhancing citizens' living standards. According to the thesis, this strategy, where stakeholders outside the business capture the value, is classified as an ***Externally CSV***.

Case 5: Komptech

The following example in the ***Resource Management*** category is the Austrian company Komptech. Komptech specializes in environmental technology, focusing on mechanical engineering and biological treatment of woody biomass and waste (Komptech: 3). The company provides tailored recycling solutions to customers worldwide, ranging from individuals to municipalities, cities, and governments (Komptech: 21).

According to the interviewee, Komptech's recycling machines are costly (Komptech: 20). Consequently, the company offers personalized solutions for each client (Komptech: 28). Due to the high cost, there is a growing demand for rental or used machines. Aligning with the principles of a circular economy (Komptech: 9), Komptech retrieves used machines, refurbishes them, and resells them, enabling customers to purchase them at significantly lower prices while still benefiting. Additionally, they maintain a rental machine pool to accommodate customers who only need equipment temporarily, offering these at reduced rates (Komptech: 9-15).

Regarding Business SDG Targets, Komptech promotes the goal of "Sustainable waste management," which falls under the ***Avoiding Harm*** category (van Zanten and van Tulder: 218-219). Through refurbishment and rental services, Komptech allows customers to access recycling machines at more affordable prices, facilitating sustainable waste management in regions where it might otherwise be impractical. This approach aligns with the ***reconceiving products and markets*** CSV strategy (Porter and Kramer, 2011: 7).

As in the previous example, Komptech's customers, primarily cities and municipalities, derive most of the value created as they can effectively manage waste and enhance living standards for citizens. Therefore, as value is realized externally, this strategy is classified as an ***Externally CSV*** approach in the thesis.

4.1.4. Regenerative Practices

The final strategy, ***Regenerative Practices***, is the most frequently adopted by the companies surveyed. It is characterized by prioritizing ***CSV Externally*** and exceeding stakeholder expectations (***Doing Good***). This approach goes beyond traditional sustainability efforts to restore the environment for future generations actively. Companies adopting this strategy prioritize initiatives holistically addressing environmental, social, and economic challenges.

By adopting innovative practices and technologies, Regenerative Practices can be relevant for organizations with a high degree of flexibility to adapt processes and activities within their value chain without significant constraints. It is also appropriate for start-ups and companies in the early stages of development, as they can more easily select Business SDG Targets to address and build new business models around them (Raith and Siebold, 2018). This strategy underscores the importance of proactively engaging with stakeholders and the broader community and embodies a holistic approach to business sustainability. The following five corporate cases serve as prime examples of the strategy in action.

Case 6: Acciona

The first case discussed in Regenerative Practices is the Spanish firm Acciona. As a longstanding family business, Acciona's goals lie primarily in infrastructure. Still, it has notably diversified into renewable energy since the late 1990s. The company takes pride in never having ventured into fossil fuels (Acciona: 3).

Despite its energy focus, Acciona operates across various sectors. Key divisions include Acciona Infraestructuras, which encompasses Acciona Agua for water-related infrastructure and Acciona Construction for civil works projects (Acciona: 4-5). Additionally, the company engages in waste management, industrial projects like high-voltage lines and photovoltaic parks, and real estate development. Acciona also manufactures electric motorcycles for the consumer market and participates in cultural endeavours such as exhibitions and museums. Consequently, the company stands out as the most diversified in sustainable endeavours among the firms interviewed, spanning renewable energies, sustainable mobility, investment, and culture (Acciona: 3-9).

Acciona's sustainability reach is considerable, and its activities can be categorized into several Business SDG Targets. However, the SDG business target that best encapsulates its operations is "Resilient and sustainable infrastructure," which encompasses its entire scope of operations. This target falls under the ***Doing Good*** category, as it exceeds stakeholder expectations by addressing sustainability concerns (Campbell, 2007: 951).

Regarding their customers, Acciona's clientele ranges from individual people renting electric motorcycles (Acciona: 155) or building sustainable houses (Acciona: 69) to governments seeking more extensive infrastructures such as metro lines (Acciona: 76) and highways (Acciona: 34). Consequently, these efforts align with the **reconceiving**

products and ***markets*** CSV strategy, providing tailored solutions to diverse customer demands. As discussed earlier in the Resource Management category, this strategy also delivers ***CSV Externally,*** providing value by offering individualized solutions to various sustainability challenges worldwide.

Case 7: Becúbica

The second example of Regenerative Practices is Becúbica, a Spanish company based in Alicante. The company repurposes metal shipping containers that have reached the end of their product life. They customize these containers for events or marketing purposes, allowing them to be rented or sold as event spaces like event stands (Becúbica: 3).

This practice offers several advantages over traditional event stands. Typically, companies incur significant costs for materials and structures when advertising at fairs or events. Traditional stands, constructed from materials like wood or fabric, are often expensive and discarded after use, resulting in waste and increased assembly and disassembly costs (Becúbica: 11). Becúbica provides a more sustainable approach by offering refurbished containers that can be recycled or reused for future events. This preserves the initial investment in materials and significantly reduces the cost of exhibiting at future events. This approach minimizes waste and lowers overall client expenditure, making it a more cost-effective and environmentally friendly solution (Becúbica: 11).

Regarding the alignment with a Business SDG Target, the most fitting one for describing the company's activities is "Socially responsible and environmentally sustainable sourcing," falling under the ***Doing Good*** category. Like Acciona, Becúbica adopts a ***reconceiving products and markets*** CSV approach, offering customers a cheaper and more environmentally friendly alternative. This strategy is also identified as ***CSV Externally***, as the customer captures the primary value of this sustainable practice—in this case, companies hiring Becúbica's services.

Case 8: Apex

Next, the thesis identifies Apex. Apex's objective is to revolutionize the autonomous communities of Spain by making them sustainable by implementing various green energy generation technologies, such as solar panels, hydrogen generators, and biorefineries (Apex: 3-9). Given the significant investment required for these projects, the company takes on the responsibility of sourcing investors and coordinating the entire project (Apex: 17). This initiative offers autonomous communities the opportunity to upgrade their infrastructure and access renewable energies, which are often more cost-effective for consumers (Apex: 21).

The thesis identifies Apex as contributing to the Business SDG Target "Access to energy for all," as defined by van Zanten and van Tulder (2018: 218-219), falling under the ***Doing Good*** category. As mentioned, these investments in upgrading entire communities to be more sustainable are typically significant and challenging to obtain. Apex facilitates access to greener and more affordable energies for whole communities. Therefore, the thesis categorizes this CSV strategy as ***reconceiving products and markets***. Like the previous examples, the consumers, in this case, the autonomous communities, capture the primary value. Hence, the thesis characterizes it as ***Externally CSV.***

Case 9: (Anonymous) Pension Fund

Among the two companies that wished to remain anonymous for the thesis, the first is the Pension Fund. The Pension Fund is responsible for managing fixed contributions from employers and investing them for future use (Pension Fund: 3). This involves administering pensions for employees of private companies or individuals seeking to allocate funds for retirement.

When managing funds, the Pension Fund prioritizes sustainable investments, primarily focusing on mitigating climate change and improving social impact and biodiversity (Pension Fund: 11). the pension fund carefully chooses where to invest its customers' money, strongly emphasizing sustainable investments. These practices have earned the Pension Fund certifications in EMAS and ISO 14001, highlighting its commitment to sustainability across all areas of operation (Pension Fund: 11).

The company has achieved mutually beneficial outcomes by diversifying pension funds into green and sustainable investments. First, as a stakeholder-oriented entity, it has responded to customer demand for greener and more sustainable investments (Pension Fund: 37), expanding its customer base. Second, the company's green investments have historically outperformed conventional investments for the Pension Fund (Pension Fund: 39), resulting in higher customer returns.

As a result, the company aligns well with the SDG business target "Access to financial services for all, including the most vulnerable," making it a pioneer in addressing the economic pillar of the SDGs (Raith and Siebold, 2018). This target also falls under the category of ***Doing Good***. Furthermore, in terms of the CSV strategy, the company fits under the ***reconceiving products and markets*** strategy by offering customers the option to allocate their pensions to ethically responsible investments. Therefore, the CSV strategy here is categorized as ***Externally CSV***.

Case 10: (Anonymous) Consulting Group

The second anonymous interview partner is the Consulting Group. The Consulting Group operates globally, assisting large companies across various projects (Consulting Group: 7). While their expertise spans a wide array of topics, the company specializes in sustainability, aspiring to become the leading sustainability consultancy worldwide, a strategic objective they have been actively pursuing for several years (Consulting Group: 7). They support clients in launching sustainability strategies, even starting from nothing, if necessary (Consulting Group: 19), by defining ambitions, setting targets, establishing initiatives, and implementing supportive structures like incentive systems and new governance models (Consulting Group: 21).

By helping other companies enhance their sustainability practices, the Consulting Group aligns with the SDG business target of "Resilient and sustainable infrastructure," falling under the ***Doing Good*** category. Similarly to the Pension Fund, the company adopts a ***reconceiving products and markets*** CSV strategy, offering sustainable strategies to companies aiming for greater sustainability. Since their clients (other companies) are the primary value capturers, this strategy also follows an ***Externally CSV*** approach.

4.2 Benefits of Following a CSV/SDG Approach

The previous section explores four strategies for addressing the SDGs through a CSV approach, providing a foundation for the analysis. This segment explains why companies should integrate a CSV/SDG approach into their sustainability efforts by highlighting the benefits they can gain from adopting one of the previously outlined strategies. It is important to note that while companies may not explicitly refer to their approach as a "CSV/SDG strategy," many unknowingly adhere to these principles. Despite the lack of explicit labelling, these companies emphasize benefits that are consistent with the rationale of CSV/SDG strategies.

As explained in Chapter 3.2., there is no existing literature on a CSV/SDG framework, so the thesis identifies the benefits inductively through the interview data. Table A2 (see Appendix) presents the results of the inductive analysis, following the inductive approach of Gioia, Corley, and Hamilton (2013). Table A2 details the inductive analytical procedure used to identify the benefits of adopting one of the four CSV/SDG framework strategies. Following the methodology proposed by Gioia, Corley, and Hamilton (2013), this study analyses interview transcripts and categorises the data into distinct codes.

The results of this inductive process are summarized in Figure 2 below:

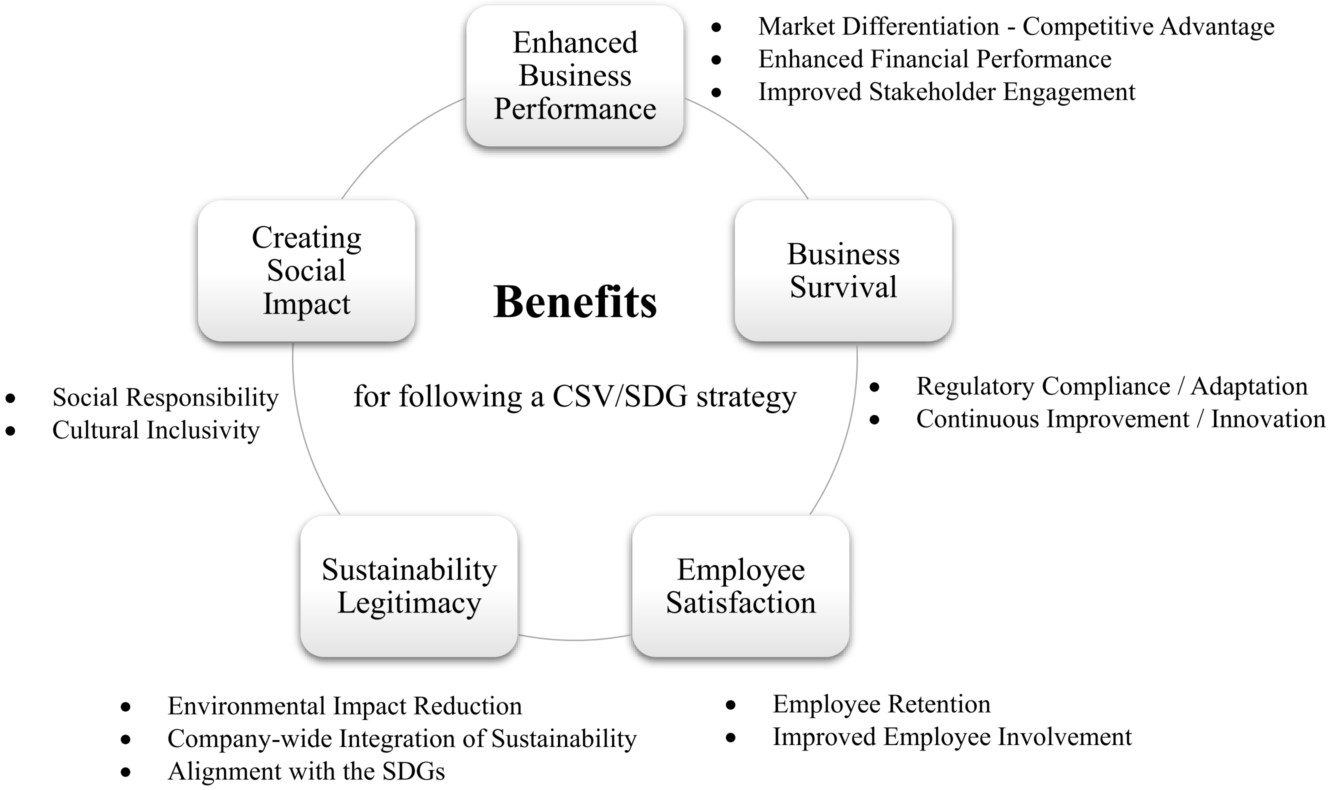

Figure 2: Benefits of Implementing a CSV/SDG Strategy (Own Representation)

Figure 2 shows the results of the inductive analysis. The thesis identifies twelve benefits (codes) associated with adopting a CSV/SDG strategy. These benefits are grouped into five overarching categories, outlined in Figure 2: ***Enhanced Business Performance***, ***Business Survival***, ***Employee Satisfaction***, ***Creating Social Impact***, and ***Sustainability Legitimacy***. The following section elaborates on each of these categories.

4.2.1 Enhanced Business Performance

The first set of benefits identified in the thesis for adhering to a CSV/SDG framework falls under ***Enhanced Business Performance***. Within this group, three distinct benefits are recognized, all of which contribute to strengthening a company's operational effectiveness, making it more robust and financially viable than before.

Benefit 1: Market Differentiation - Competitive Advantage

Greenwashing poses a significant threat to companies working on the SDGs (Consulting Group: 31; Acciona: 48). This is consistent with the conclusions of Günzel-Jensen et al. (2020), who note that companies with genuine sustainability agendas are sceptical of the SDGs due to the prevalence of greenwashing practices. However, companies that pursue CSV/SDG strategies can avoid greenwashing and gain market recognition, as their commitment to sustainability is motivated by the desire to enhance their profits. Here, some organizations are actively transparent about their sustainability efforts, fostering consumer trust (Consulting Group: 31). Effective implementation of sustainable practices, when done with integrity, can lead to improved brand reputation and increased market visibility (Hotel Magdas: 21). This leads some companies to use sustainability efforts to gain a competitive advantage and differentiate themselves in the marketplace. The following quote illustrates this:

> *"If we have a smaller footprint than others, that can be a selling point for them (the customers)."*
>
> (Lenzing: 49)

Thus, a sincere commitment to the SDGs and the implementation of meaningful change promotes market differentiation through sustainability (Consulting Group: 53) and provides a competitive advantage by positioning this commitment as a selling point (Hotel Magdas: 21; Lenzing: 49).

Benefit 2: Enhanced Financial Performance

Following one of the CSV/SDG strategies can also allow companies to improve their sustainability while reducing costs. This is especially true if the CSV strategy ***redefining productivity in the value chain*** (Porter and Kramer: 9). Some companies minimizing adverse environmental impact without reducing production output have found that they are also reducing their operating costs (Becúbica: 62; Sonnentor: 59; Lenzing: 53). For example, Becúbica carefully coordinates transportation routes to optimize truck mileage and logistics movements between venues. This strategy allows them to reduce environmental impact (CO2) and costs by driving less (Becúbica: 62).

In addition, following a CSV/SDG strategy can lead to revenue diversification and financial opportunities. For instance, after responsibly managing the by-products of their biorefinery, Lenzing can sell the by-products to other industries (Lenzing: 53). The same can be said about Sonnentor, which, after having paid to switch to green energy in 1993, was able to withstand the energy crisis in the EU much better because they were more self-sufficient (Sonnentor: 48-50). As a result, some companies following a CSV/SDG approach have become more financially resilient (Kapsch: 113; Sonnentor: 51).

Finally, there are more financial opportunities for accessing government subsidies and financing. Companies that demonstrate their business sustainability are more likely to receive subsidies and financial support in the EU, giving them a competitive edge (Komptech: 61).

Benefit 3: Improved Stakeholder Engagement

Next, stakeholder engagement is also enhanced by adopting a CSV/SDG strategy. In this context, stakeholders include any individual or group connected to the company, such as suppliers, employees, and customers. As previously mentioned, many customers or companies distrust organizations that claim to follow the SDGs due to the risk of greenwashing (Günzel-Jensen et al., 2020). However, this scepticism can work in favour of companies that can demonstrably prove their sustainability impact. Positive feedback from customers who recognize the company's commitment to sustainability can be a significant advantage. This positions committed companies with a CSV/SDG strategy favourably compared to their competitors (Consulting Group: 57).

In addition, stakeholder engagement can be improved by aligning with their sustainability preferences. For example, Hotel Magdas was able to capture a substantial portion of consumer demand by offering a sustainable alternative in the hotel industry (Hotel Magdas: 23). This is in line with the findings of Abdou et al. (2022), who suggest that different segments of the population prioritize various aspects of sustainability, making it crucial to identify the right differentiating sustainability characteristics.

Finally, stakeholder engagement is also enhanced by empowering local communities. For example, Acciona actively involves the local community in constructing the São Paulo metro. They are employing women who would not usually be in the construction sector and setting up training workshops for them. This has enabled them to add social value to the project (Acciona: 153).

4.2.2 Business Survival

The second set of benefits focuses on enhancing long-term ***Business Survival*** by adopting CSV/SDG strategies. This category refers to benefits enabling the company to survive and adapt long-term through sustainability. Here, the thesis identifies two key advantages:

Benefit 4: Regulatory Compliance / Adaptation

As discussed in section 2.1.1., companies operating in the EU face increased regulatory pressure compared to other regions (Dinh, Husmann, and Melloni, 2023). As a result, growing companies proactively seek to comply with these regulations (Acciona: 120; Kapsch: 85; Komptech: 9). Adopting a CSV/SDG strategy can be instrumental in adapting to and aligning with these regulatory frameworks. Larger companies such as Acciona, for example, prioritize aligning 90% of their sustainable projects with the EU taxonomy, seeing this alignment as critical to survival (Acciona: 126). This perspective resonates with the Consulting Group's assertion that sustainability is becoming a significant customer demand, making it relevant for all companies (Consulting Group: 31).

In addition, companies like Komptech are approaching the turnover threshold that requires reporting under the EU CSRD. As a result, they are actively choosing to align themselves with the Business SDG Targets in preparation for this requirement (Komptech: 9). Thus, following a CSV/SDG strategy not only enables companies to adapt to customer preferences but also positions them to meet evolving regulatory demands in the EU.

Benefit 5: Continuous Improvement/Innovation

Adopting a CSV/SDG approach can also lead to ***Continuous Improvement/Innovation***, which is a significant benefit for enhancing a business's long-term survival. Some companies prioritize continuous improvement in sustainability practices. For example, Sonnentor's dedication to conserving resources has spurred innovative ideas, such as reusing shipping boxes. They collaborate with partners willing to collect and return the boxes, improving resource efficiency (Sonnentor: 57-58). Companies focusing on continuous improvement through sustainability initiatives often find that they can differentiate their products. This sustainability aspect is a differentiation criterion for companies offering their products (Kapsch: 9).

4.2.3. Employee Satisfaction

The third group of benefits identified is ***Employee Satisfaction***. This category is one of the most important, as it entails acquiring, training, and retaining employees, which can foster a positive work environment and increase productivity. Two benefits are identified in this group:

Benefit 6: Employee Retention

Every company interviewed reported, either directly or through employee feedback, an increase in job satisfaction due to their sustainability efforts. The following quote captures this sentiment well:

> *"I don't think I would be working for a big company if I didn't feel that sustainability was important. So it is definitely important to me personally. And yes, it was also important for my career choice.*

(Lenzing: 93)

Therefore, adopting a CSV/SDG strategy can enable companies to align their activities with employee values, fostering a sense of purpose and employee satisfaction.

In addition, promoting sustainable initiatives can increase employee engagement and satisfaction. For example, Komptech incentivizes employees to carpool, use public transportation, or cycle to work by offering a daily compensation of 2 euros, a policy that employees have received well (Komptech: 132). Such sustainable initiatives and ideas can improve employee retention (Komptech: 132).

As seen in Chapter 2.1.2, these aspects align with employees working for B-Corps, who believe their work advances more essential sustainability causes, contributing to higher productivity and job satisfaction (Parker et al., 2019).

Benefit 7: Improved Employee Involvement

Another vital aspect of Employee Satisfaction is ***Improved Employee Involvement***. This entails actively engaging employees in comprehending sustainability and contributing to the CSV/SDG strategies. For example, companies that opt to sensitize and educate employees internally through internal communication about their sustainability activities have noticed increased satisfaction. (Pension Fund: 33; Lenzing: 79).

In addition, some companies are initiating grassroots movements to promote corporate sustainability (Kapsch: 36), driven by the increased motivation that results from more significant involvement in sustainability activities.

4.2.4. Creating Social Impact

In the fourth group, the thesis observes that CSD/SDG practices yield significant ***Social Impact***. These practices foster cultural diversity and inclusivity, embodying ethical considerations. The following two benefits characterize the group:

Benefit 8: Social Responsibility

Companies that embrace a CSV/SDG approach not only generate financial value but can also achieve ***Social Responsibility***, which helps to meet the increasing demand for ethical practices among consumers and legislators (Dinh, Husmann, and Melloni, 2023; Tighe, 2024). This additional social impact is particularly crucial for businesses that prioritize societal well-being, exemplified by initiatives like Hotel Magdas, which emerged from Caritas' decade-long observations at counselling centres (Hotel Magdas: 25). Such endeavours closely adhere to Porter and Kramer's (2011) concept of enabling local clusters, where businesses contribute to the growth of surrounding communities, thus enhancing their performance. Moreover, they share commonalities with Freeman’s (2010) Stakeholder Theory, where the company aims to improve the situation for all relevant stakeholders rather than just shareholders.

Similarly, Sonnentor, by tackling the challenges encountered by small-scale suppliers, fosters mutually beneficial partnerships (Sonnentor: 27). This results in Sonnentor securing a resilient supply of farming yield while simultaneously providing farmers with opportunities to learn and receive fairer compensation. Therefore, adopting a CSV/SDG strategy directly benefits the company and enhances its performance by uplifting external communities.

Benefit 9: Cultural Inclusivity

The second aspect within the Social Impact category is the promotion of ***Cultural Inclusivity***. Companies like Lenzing, for instance, strive to meet specific targets for the representation of women in managerial roles to foster inclusivity (Lenzing: 15). Smaller enterprises, such as Hotel Magdas, may prioritize other forms of inclusivity, such as cultural diversity (Hotel Magdas: 3). Like the previously discussed benefit, the enhancement of Cultural Inclusivity contributes to fostering a positive company image.

Some companies recognize that Cultural Inclusivity can be a sensitive topic. However, they also understand the positive impact it can have on their brand marketing efforts, allowing them to appeal to a broader range of customers (Hotel Magdas: 37). Such traits are similar to the objectives of B-Corps, which aim to identify and label organizations committed to sustainable and responsible practices with the B-label, thereby enhancing the company's reputation (Parker et al., 2019).

4.2.5. Sustainability Legitimacy

The final group of benefits derived from adopting a CSV/SDG strategy, known as ***Sustainability Legitimacy***, comprises practices that authenticate a firm's commitment to sustainability. Collectively, these benefits can effectively address the challenge of substantiating a company's dedication to sustainable practices and preventing the perception of greenwashing through genuine sustainability initiatives, a common issue in CSR (Delmas and Burbano, 2011; Lyon and Montgomery, 2015).

Benefit 10: Environmental Impact Reduction

The environmental impact of a company can differ depending on its industry. For example, Kapsch's focused initiatives to decrease CO2 emissions on roads can have a significant effect. Companies can develop innovative products by adopting a CSV/SDG strategy (Kapsch: 21), effectively mitigating environmental harm, such as CO2 emissions.

Additionally, through a CSV/SDG approach, other companies have successfully identified inefficiencies within their value chains. By streamlining processes and activities, companies can reduce resource usage, optimize their value chains, and diminish negative environmental impacts (Sonnentor: 57-58; Becúbica: 62; Kapsch: 49-56; Lenzing: 53).

Benefit 11: Company-wide Integration of Sustainability

Embedding sustainability principles throughout all business areas is crucial to avoid falling into the trap of "business-as-usual" (Balluchi, Lazzini, and Torelli, 2020). Embracing a CSV/SDG strategy can significantly enhance this integration by inspiring companies to develop new business models centred around sustainability. For example, Kapsch's grassroots movement towards sustainable compliance has garnered widespread support throughout the company (Kapsch: 42). Meanwhile, other companies prioritize transparent communication of sustainability efforts across the organization to strengthen the integration of sustainability practices (Lenzing: 43; Pension Fund: 33).

Integrating sustainability practices offers notable advantages. Some companies can justify a "green premium" for their products by minimizing negative environmental impacts across their value chain, enabling them to command higher prices based on their sustainability credentials (Lenzing: 53; Consulting Group: 31).

Benefit 12: Alignment with the Sustainable Development Goals (SDGs)

As highlighted in the introduction, the SDGs provide a framework that enables companies to articulate their social and environmental performance in a manner that regulators, governments, and the media can readily understand (Schönherr et al., 2017). As such, adopting a CSV/SDG strategy can facilitate more transparent communication of a company's sustainable initiatives, enhancing its sustainability legitimacy. This concept is captured in the following quote:

> *"I think it (the SDGs) can be instrumental as a communication vehicle. I think this can also be quite useful in internet communication."*
>
> (Sonnentor: 65)

Furthermore, companies aspiring to tackle sustainability targets can utilize the SDGs as an initial reference point. By examining the goals, they can determine how to structure their activities and identify areas where their contributions can be most impactful (Apex: 3; Komptech: 34-47; Lenzing: 35).

4.3. Processes for Implementing a CSV/SDG Strategy

After discussing the benefits companies can achieve by implementing a CSV/SDG strategy, the thesis outlines the processes involved in developing such a strategy. By processes, the thesis refers to the methods involved in identifying and implementing a CSV/SDG strategy within organizations. As in the previous section, these processes are determined through an inductive analysis of interview data. The results of this analysis are presented in Table A3 (see Appendix), following the inductive approach outlined by Gioia, Corley, and Hamilton (2013). It's important to note that while these are the processes identified, there may be others that are not captured in the interview data.

In addition, companies don't necessarily need to follow all of the identified processes; some may be irrelevant to specific industries, while others may be sufficient on their own to implement a CSV/SDG strategy. Figure 3 illustrates the summary of the findings:

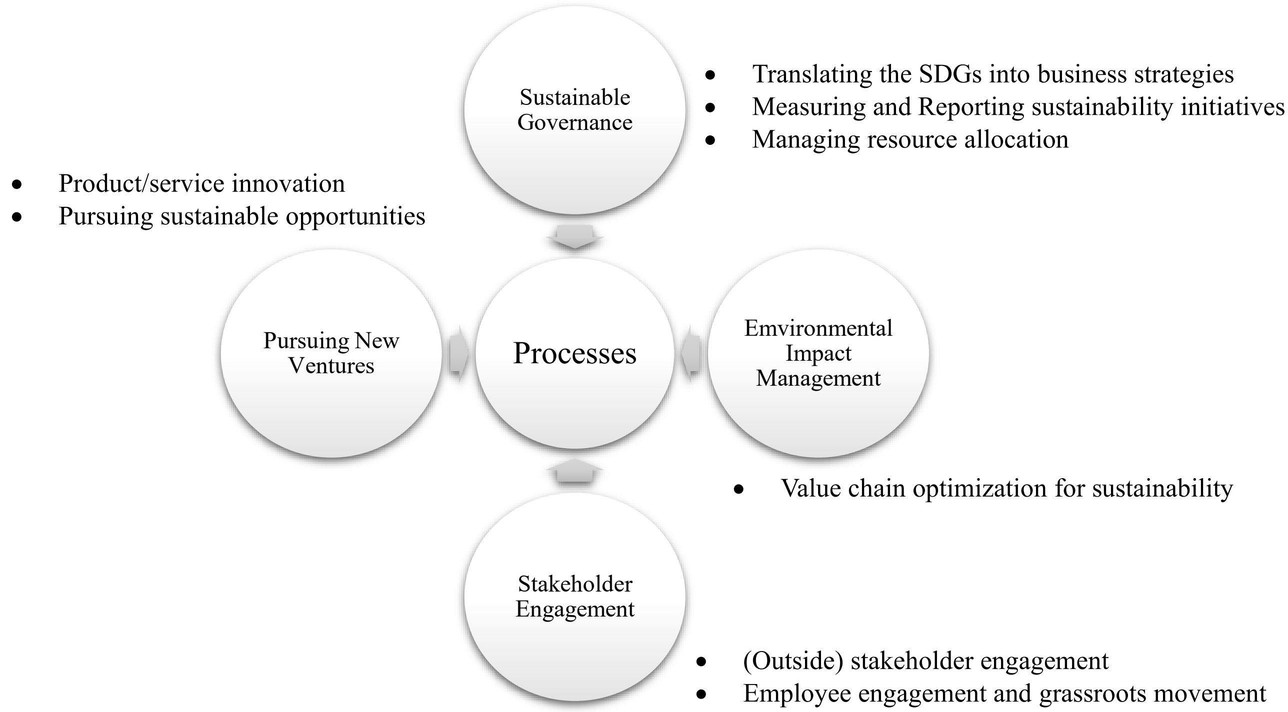

Figure 3: Processes for Implementing a CSV/SDG Strategy (Own Representation)

Figure 3 shows that, in total, eight processes were identified that led to the adoption of a CSV/SDG strategy. These processes are further grouped into four overarching categories: ***Sustainable Governance***, ***Environmental Impact Management***, ***Stakeholder Engagement***, and ***Pursuing New Ventures***. The following section provides a detailed explanation of each of these categories.

4.3.1. Sustainable Governance

The first set of processes companies can use to implement a CSV/SDG strategy is ***Sustainable Governance***. This involves initiating sustainable changes and decisions through a managerial top-down approach. Corporate leadership can play a crucial role by setting precedents and establishing policies and guidelines prioritizing environmental and social responsibility. As such, the thesis identifies three distinct processes in this group that will be further analyzed.

Process 1: Translating the SDGs into a business strategy

As discussed earlier, many companies are utilizing the SDGs as a framework to address sustainability concerns (Komptech: 9; Lenzing: 73; Pension Fund: 33). For some, it is crucial to examine each Business SDG Target and determine which ones are most relevant to the company's activities (Lenzing: 73). This approach differs from traditional CSR activities, which often focus on philanthropic endeavours outside the core business model (Sheehy, 2015). Such an approach may not be as practical since it involves addressing sustainability issues beyond the company's expertise. In contrast, businesses adopting a CSV/SDG approach, in line with Porter and Kramer's framework, prioritize tackling only those SDGs where they can make the most significant contributions and impact through their daily business activities (Komptech: 9; Lenzing: 73; Pension Fund: 33).

Another element reinforcing this initial process is the company's commitment to integrating the Business SDG Targets over the long term. This sustainability is achievable when companies prioritize "actionable" business SDG attainable targets (Pension Fund: 33).

Process 2: Measuring and Reporting of Sustainability Initiatives

The second process companies can establish within a CSV/SDG strategy to address sustainability involves making decisions about measuring and reporting their sustainability activities. For some, this entails setting achievable sustainability goals annually (Hotel Magdas: 35). Others opt for before-after assessments to track their performance, facilitating corrective actions and realignment of sustainability efforts (Apex: 61).

In contrast, the thesis reveals that larger companies often implement this process because of compliance with legal regulations. Many larger firms in the EU, as observed by Dinh, Husmann, and Melloni (2023), are obligated to monitor and report on their sustainability performance (Pension Fund: 41; Komptech: 9; Kapsch: 10). Whether undertaken voluntarily (Komptech: 9) or mandated by law (Pension Fund: 41; Kapsch: 9), the practice of measuring and reporting on sustainable initiatives can enhance the company's sustainable governance.

Process 3: Managing Resource Allocation

The final process of achieving Sustainable Governance involves efficiently managing the allocation of resources to promote sustainability. This entails proactive planning for the future sustainability of the business to maintain its competitiveness (Consulting Group: 13-15). These decisions should be centralized and made by the management team in a top-down manner (Komptech: 33). Moreover, this process necessitates a steadfast commitment to continual improvement for long-term sustainability (Acciona:111-112), even if certain investments may not yield immediate profitability (Sonnentor: 51-55).

4.3.2. Environmental Impact Management

The next category of processes, ***Environmental Impact Management*,** stems from the imperative to optimize processes within the company's value chain (Porter, 1985). As highlighted by Porter and Kramer, companies can "redefine productivity in the value chain" by identifying inefficiencies and optimizing processes to benefit both the business and the environment (Becúbica: 62; Sonnentor: 58). The following process exemplifies this measure:

Process 4: Value Chain Optimization for Sustainability

As part of implementing a CSV/SDG strategy, value chain optimisation can be achieved through various approaches. For instance, companies like Becúbica have built their entire business model around repurposing old shipping containers to create new event stands, promoting the circular economy concept (Becúbica: 3). Others focus on maximizing the efficient use of available resources. Like Lenzing's example, they found that directly applying colour dye to the fibre could save water and energy, demonstrating efficient resource utilization (Lenzing: 51).

This process might be shifting production and sourcing locally. Companies implementing this approach report savings on transportation costs and reductions in resource usage (Kapsch: 24; Becúbica: 51). Overall, optimizing the value chain can entail analyzing each step of the production process, from sourcing to the product. Such practices enable the identification of significant improvements, such as Kapsch's efforts to reduce CO_2 emissions in various road and traffic management processes (Kapsch: 46).

4.3.3. Stakeholder Engagement

Next, ***Stakeholder Engagement***, both internal and external to the business, can be a significant method for implementing a CSV/SDG strategy. This is because input from stakeholders, both within and outside the organization, contributes valuable ideas, perspectives, and concerns, enabling companies to address sustainability more efficiently. Therefore, this aspect will be segmented and examined separately, focusing on engagement with both internal and external stakeholders.

Process 5: (Outside) Stakeholder Engagement

Collaborating with stakeholders external to the business, such as customers, other companies, and investors, can serve as a catalyst for embracing sustainability measures.

Some Business SDG Targets are more challenging to address than others and require the collaboration of multiple organizations. This concept is best described with the following quote:

> *"... when it comes to sustainability, the competition stops because it can only be done together. You have to look for cooperation partners, and you have to look at how to do that. And then, if we're lucky, we can somehow make it work together."*

(Komptech: 39-40)

The quote encapsulates the sentiment that addressing significant sustainability challenges, such as climate change, cannot be achieved alone and requires the assistance of multiple partners (Komptech: 39-40). In this context, companies can develop new business models centred around environmental SDG targets to tackle them effectively, a process often observed in sustainable businesses (Raith and Siebold, 2018; Acciona: 37).

Process 6: Employee Engagement and Grassroot Movement

The thesis underscores employees' significant role in developing CSV/SDG strategies. In some instances, employees within a company, dissatisfied with the current state of sustainability practices, have initiated changes that led to implementing a CSV/SDG strategy. This phenomenon is called a "grassroots movement" (Kapsch: 36).

Similarly, companies can effectively implement CSV/SDG strategies by soliciting and considering employee opinions. This can be achieved through surveys to gauge what sustainability aspects are important to them (Pension Fund: 47; Kapsch: 132; Lenzing: 15). Such initiatives not only enhance employee well-being but also foster greater engagement with the sustainability cause.

4.3.4. Pursuing New Ventures

The last two sets of processes leading to implementing CSV/SDG practices involve ***pursuing new ventures***. This refers to businesses innovating their products or services toward sustainability or seeking new opportunities aligned with sustainability goals. The following two processes describe it in detail:

Process 7: Product/Service Innovation

As observed in Chapter 4.1., certain companies have entirely reoriented their operations towards addressing sustainability issues (Hotel Magdas: 3; Acciona: 3). Others have undergone a more gradual learning process over time. For example, Apex partnered with another company in the energy sector, gaining insights into energy efficiency while sharing knowledge about home rehabilitation to improve housing performance (Apex: 35). This underscores the commitment of some companies to continuous improvement and learning on sustainable practices, which can lead to the implementation of CSV/SDG strategies.

Furthermore, in addition to a willingness to learn, product innovations are also crucial for enhancing sustainability. This stems from creatively rethinking current business systems to address sustainability concerns. The following quote encapsulates this concept well:

> *"I more or less imagine it as when you get ... a package from Amazon or whatever at home and you get a cardboard box. Normally we open the cardboard box, we take out what we have ordered. And this cardboard box, a lot of people obviously throw it away. But there are other people who say, well, maybe it's good for me, I don't know, to store my cell phone cases or anything."*

(Bécubica: 51)

The quote underscores the spirit of reuse and efficient resource management, which are integral to product innovation.

Process 8: Pursuing Sustainable Opportunities

The final process identified revolves around the pursuit of new sustainable opportunities. Here, the thesis encounters companies that approach this pursuit with a financial mindset, recognizing the benefits of charging premium prices for more differentiated sustainable products (Consulting Group: 31; Lenzing: 53).

Another avenue for pursuing sustainable opportunities involves long-term business growth through collaboration with external partners to advance SDGs (Komptech: 39). However, one of the most critical aspects of this process is identifying future demand for sustainable services and products. Companies that adopt a long-term view can develop new products tailored to meet future sustainable consumer demand, thus implementing a CSV/SDG strategy (Acciona: 125).

5. Implications for Theory and Practice

In this section, the thesis delves into the study's implications, focusing on addressing the SDGs through a CSV approach. By enriching the theoretical framework and deepening the understanding of corporate sustainability strategies, the thesis sheds light on the complex relationship between profit generation and sustainable practices, providing valuable insights for research and practical application.

5.1. Implications for Conceptual Research

The thesis highlights the growing importance of sustainability for businesses in the EU, driven by regulatory demands and evolving consumer expectations (Tighe, 2024; Dinh, Husmann, and Melloni, 2023). Despite criticisms, the SDGs provide a cohesive framework that resonates with consumers, media, and policymakers (Schönherr et al., 2017).

This is significant in the context of existing literature and sustainability frameworks used by EU companies, where the CSV/SDG framework offers potential improvements. For instance, while Stakeholder Theory is comprehensive, it struggles with balancing different stakeholders' interests and measuring initiative effectiveness (Mitchell, Agle, and Wood, 1997). With their specific targets and indicators, the SDGs help measure a firm's sustainability progress (van Zanten and van Tulder, 2018). Notably, 126 of the 169 SDG targets include numerical and quantitative components, facilitating direct monitoring of sustainable outcomes (Lashitew, 2021).

Additionally, although TBL and Economy for ECG frameworks integrate all three pillars of sustainability, they are complex and resource-intensive, posing significant implementation challenges (Norman and MacDonald, 2004; Sharonova, 2017). In contrast, the CSV/SDG framework can be less resource-intensive since it encourages companies to focus on the targets most relevant to their daily operations.

Moreover, while B Corps certification enhances a company's marketing and image, acquiring it can be costly and challenging, especially for smaller companies (Parker et al., 2019). Adopting a CSV/SDG strategy can enhance sustainability legitimacy, potentially equating to B-Corp certification. At last, CSR, widely used in EU firms, is often seen as a superficial public relations tool rather than a genuine commitment to sustainability (Delmas and Burbano, 2011; Lyon and Montgomery, 2015). The CSV/SDG framework mitigates greenwashing by creating a legitimate need for companies to address sustainability concerns, generating profit, competitiveness, and survival (Porter and Kramer, 2011).

However, these benefits need further corroboration, as the thesis relies on interviews with only ten companies, which is a limitation. The thesis introduces the CSV/SDG framework to the literature for the first time. While previous studies have explored the compatibility between SDGs and CSV through case studies, they often overlook the need for complementary frameworks. This proposed approach extends the literature by illustrating successful adoption among companies in the ESM, from MNCs to SMEs. The thesis suggests replicating the model in other global regions could underscore its broader applicability.

5.2. Implications for Entrepreneurs in Practice

While existing literature provides descriptive insights into the role of business in achieving the SDGs by 2030, the thesis takes a different approach. It focuses on offering actionable insights to companies, examining how they can integrate Business SDG Targets into their Shared Value strategies. The thesis highlights the potential benefits of adopting a CSV/SDG strategy and provides practical guidance on effective implementation processes. Its overarching goal is to motivate companies to consider the CSV/SDG framework as a fundamental component of their business strategies, addressing sustainability challenges while pursuing financial benefits.

Moreover, the thesis addresses concerns Günzel-Jensen et al. (2020) raised about the potential lack of operationalism and pragmatism in the SDGs. Using van Zanten and van Tulder's list of Business SDG Targets, companies can identify the most relevant targets and prioritize readily actionable ones. Then, companies can assess their ability to CSV Internally or Externally, identifying opportunities within their operations or extending value to stakeholders beyond the organization.

The framework is complemented by identifying twelve benefits that companies can derive from adopting such an approach. Companies that adopt a CSV/SDG strategy are positioned to gain a competitive advantage over their industry peers. The thesis delineates eight processes that have facilitated the implementation of such methods in other organizations. However, it acknowledges that given the research limitations and the small number of companies involved, further research is needed to uncover additional benefits and processes that can enhance competitiveness, benefiting EU companies and those operating globally.

6. Conclusion

Companies operating in the EU face increasing pressure to become more sustainable due to stringent regulations such as the European Green Deal, the NFRD, and the CSRD. Additionally, consumer demand for greener and more ethical products has significantly increased, leading many to shift their purchasing habits toward sustainable options.

As a result, businesses in the EU must remain agile and responsive to the evolving environmental, social, and regulatory landscape. Companies must foster a culture of innovation and sustainability to meet current requirements and anticipate future challenges. This proactive approach ensures they stay ahead of the curve, maintain their competitive edge, and positively contribute to society and the environment.

To address these pressures, companies often turn to existing sustainability frameworks such as CSR, Stakeholder Theory, TBL, B-Corps, and ECG. However, these frameworks present challenges, including commitments to sustainability outside a company's core competencies, high costs of acquiring sustainability labels, and difficulties in measuring and communicating sustainability efforts to the public. Most importantly, no existing framework addresses the challenge of implementing sustainability in businesses while maintaining or enhancing corporate profits. This aspect is crucial for developing a genuine commitment to sustainable efforts and avoiding greenwashing.

The thesis proposes a new sustainability framework called CSV/SDG to overcome these challenges. This concept aligns business activities with the Sustainable Development Goals (SDGs) through the Creating Shared Value (CSV) model. By adhering to SDG targets, companies can communicate their sustainability activities effectively to consumers, legislators, and the media. Additionally, companies can measure their progress against the SDG indicators. The CSV dimension of the framework enables companies to develop new business approaches that align sustainability values with business objectives. This approach views sustainability and profit maximization not as opposing forces but as complementary goals, allowing companies to create business solutions that enhance societal well-being while generating profits.

To develop strategies within the framework, the thesis combines a literature review with expert interviews involving representatives from ten companies in various sustainability areas in Austria and Spain. The findings highlight four CSV/SDG framework strategies:

Risk Mitigation, Social Innovation, Resource Management, and Regenerative Practices. These strategies are identified using two dimensions: ethical duties and value capture. Ethical duties involve either meeting the minimum expectations of stakeholders (Avoiding Harm) or exceeding them (Doing Good). Value capture refers to the primary beneficiaries of a company's sustainable efforts, which can be stakeholders within or outside the firm.

Implementing one of these four strategies allows companies to address critical sustainability challenges while enhancing their competitive advantage. Here, the thesis identifies five benefit groups: Enhanced Business Performance, Business Survival, Employee Satisfaction, Creating Social Impact, and Enhanced Sustainability Legitimacy. These benefits improve a company's competitiveness and performance throughout its value chain.

Finally, to understand how to implement such a strategy, the thesis identifies four essential processes for implementing a CSV/SDG strategy: Sustainable Governance, Environmental Impact Management, Stakeholder Engagement, and Pursuing New Ventures. Each of these processes enhances the integration of one of the CSV/SDG strategies. By adopting these processes, companies can integrate sustainability into their business models to ensure long-term viability and profitability.

Overall, the thesis answers the main research question of what framework companies can use to address sustainability in the EU by developing the CSV/SDG framework. This framework bridges the gap between corporate profitability and societal well-being, providing companies with actionable strategies to meet evolving consumer and legislative sustainability mandates. It provides a practical guide for companies wishing to improve their sustainability efforts in the EU by identifying strategies, benefits, and processes for implementation.

However, the qualitative research method used in the thesis poses limitations regarding the generalizability of the findings. The ten expert interviews provide limited evidence of the framework's feasibility, suggesting the need for further research to extend and refine the framework. Future research should explore additional benefits and processes to support the broader adoption of sustainable business practices globally. It should also focus on areas outside the EU to test the framework's validity for sustainability regulations in different economic markets.

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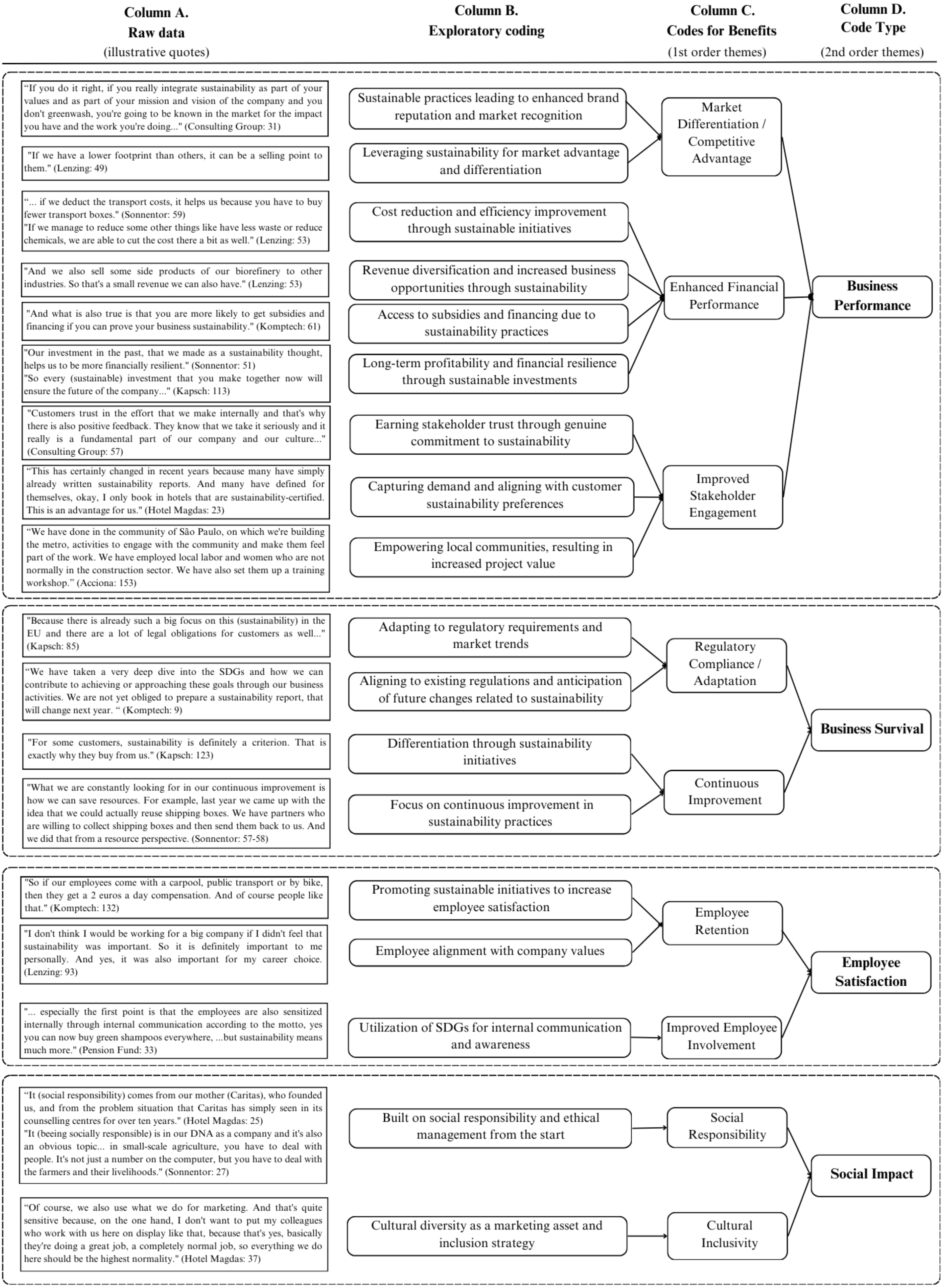
Appendix

Company	Description (Sustainability Focus)	CSV Strategy	Imple-mentation	SDG Business Target	Ethical Duties
Hotel Magdas	Hiring refugees who struggle to find work	Reconceiving Products and Markets	Internally	Employment for all, particularly young people and people with disabilities	Doing Good
Lenzing	Optimising production to reduce waste, resources, and CO2 emissions.	Redefining Productivity in the Value Chain	Internally	Sustainable technologies and sustainable industrial processes	Avoiding Harm
Apex	Creating access to sustainable and cheap energy in urban areas	Reconceiving Products and Markets	Externally	Access to energy for all	Doing Good
Pension Fund	Diversifying pension funds into green and sustainable investments	Reconceiving Products and Markets	Externally	Access to financial services for all, including the most vulnerable	Doing Good
Kapsch	Developing demand management for traffic control to reduce congestion and CO2 emissions	Redefining Productivity in the Value Chain	Externally	Access to affordable and sustainable transport for all; Greenhouse gas emission reductions	Avoiding Harm
Consulting Group	Assisting other companies to become more sustainable	Reconceiving Products and Markets	Externally	Resilient and sustainable infrastructure	Doing Good
Komptech	Facilitating access to recycling machines that contribute to sustainable development	Reconceiving Products and Markets	Externally	Sustainable waste management	Avoiding Harm
Bécubica	Recycling of sea containers for technological spaces	Reconceiving Products and Markets	Externally	Socially responsible and environmentally sustainable sourcing	Doing Good
Sonnentor	Fostering close relationships with farmers, ensuring transparency, and promoting organic food production	Enabling Cluster Development	Internally	Agricultural productivity of small-scale suppliers	Doing Good
Acciona	Supporting governments and civil society in building sustainable infrastructure	Reconceiving Products and Markets	Externally	Resilient and sustainable infrastructure	Doing Good

Table A1: Overview of Case Ventures (Own Representation)


Column A.
Raw data
(illustrative quotes)
Column B.
Exploratory coding
Column C.
Codes for Benefits
(1st order themes)
Column D.
Code Type
(2nd order themes)
"If you do it right, if you really integrate sustainability as part of your values and as part of your mission and vision of the company and you don't greenwash, you're going to be known in the market for the impact you have and the work you're doing..." (Consulting Group: 31)
"If we have a lower footprint than others, it can be a selling point to them." (Lenzing: 49)
"... if we deduct the transport costs, it helps us because you have to buy fewer transport boxes." (Sonnentor: 59)
"If we manage to reduce some other things like have less waste or reduce chemicals, we are able to cut the cost there a bit as well." (Lenzing: 53)
"And we also sell some side products of our biorefinery to other industries. So that's a small revenue we can also have." (Lenzing: 53)
"And what is also true is that you are more likely to get subsidies and financing if you can prove your business sustainability." (Komptech: 61)
"Our investment in the past, that we made as a sustainability thought, helps us to be more financially resilient." (Sonnentor: 51)
"So every (sustainable) investment that you make together now will ensure the future of the company..." (Kapsch: 113)
"Customers trust in the effort that we make internally and that's why there is also positive feedback. They know that we take it seriously and it really is a fundamental part of our company and our culture..." (Consulting Group: 57)
"This has certainly changed in recent years because many have simply already written sustainability reports. And many have defined for themselves, okay, I only book in hotels that are sustainability-certified. This is an advantage for us." (Hotel Magdas: 23)
"We have done in the community of São Paulo, on which we're building the metro, activities to engage with the community and make them feel part of the work. We have employed local labor and women who are not normally in the construction sector. We have also set them up a training workshop." (Acciona: 153)
Sustainable practices leading to enhanced brand reputation and market recognition
Leveraging sustainability for market advantage and differentiation
Cost reduction and efficiency improvement through sustainable initiatives
Revenue diversification and increased business opportunities through sustainability
Access to subsidies and financing due to sustainability practices
Long-term profitability and financial resilience through sustainable investments
Earning stakeholder trust through genuine commitment to sustainability
Capturing demand and aligning with customer sustainability preferences
Empowering local communities, resulting in increased project value
Market Differentiation / Competitive Advantage
Enhanced Financial Performance
Improved Stakeholder Engagement
Business Performance
"Because there is already such a big focus on this (sustainability) in the EU and there are a lot of legal obligations for customers as well..." (Kapsch: 85)
"We have taken a very deep dive into the SDGs and how we can contribute to achieving or approaching these goals through our business activities. We are not yet obliged to prepare a sustainability report, that will change next year. " (Komptech: 9)
"For some customers, sustainability is definitely a criterion. That is exactly why they buy from us." (Kapsch: 123)
"What we are constantly looking for in our continuous improvement is how we can save resources. For example, last year we came up with the idea that we could actually reuse shipping boxes. We have partners who are willing to collect shipping boxes and then send them back to us. And we did that from a resource perspective. (Sonnentor: 57-58)
Adapting to regulatory requirements and market trends
Aligning to existing regulations and anticipation of future changes related to sustainability
Differentiation through sustainability initiatives
Focus on continuous improvement in sustainability practices
Regulatory Compliance / Adaptation
Continuous Improvement
Business Survival
"So if our employees come with a carpool, public transport or by bike, then they get a 2 euros a day compensation. And of course people like that." (Komptech: 132)
"I don't think I would be working for a big company if I didn't feel that sustainability was important. So it is definitely important to me personally. And yes, it was also important for my career choice. (Lenzing: 93)
"... especially the first point is that the employees are also sensitized internally through internal communication according to the motto, yes you can now buy green shampoos everywhere, ...but sustainability means much more." (Pension Fund: 33)
Promoting sustainable initiatives to increase employee satisfaction
Employee alignment with company values
Utilization of SDGs for internal communication and awareness
Employee Retention
Improved Employee Involvement
Employee Satisfaction
"It (social responsibility) comes from our mother (Caritas), who founded us, and from the problem situation that Caritas has simply seen in its counselling centres for over ten years." (Hotel Magdas: 25)
"It (beeing socially responsible) is in our DNA as a company and it's also an obvious topic... in small-scale agriculture, you have to deal with people. It's not just a number on the computer, but you have to deal with the farmers and their livelihoods." (Sonnentor: 27)
"Of course, we also use what we do for marketing. And that's quite sensitive because, on the one hand, I don't want to put my colleagues who work with us here on display like that, because that's yes, basically they're doing a great job, a completely normal job, so everything we do here should be the highest normality." (Hotel Magdas: 37)
Built on social responsibility and ethical management from the start
Cultural diversity as a marketing asset and inclusion strategy
Social Responsibility
Cultural Inclusivity
Social Impact

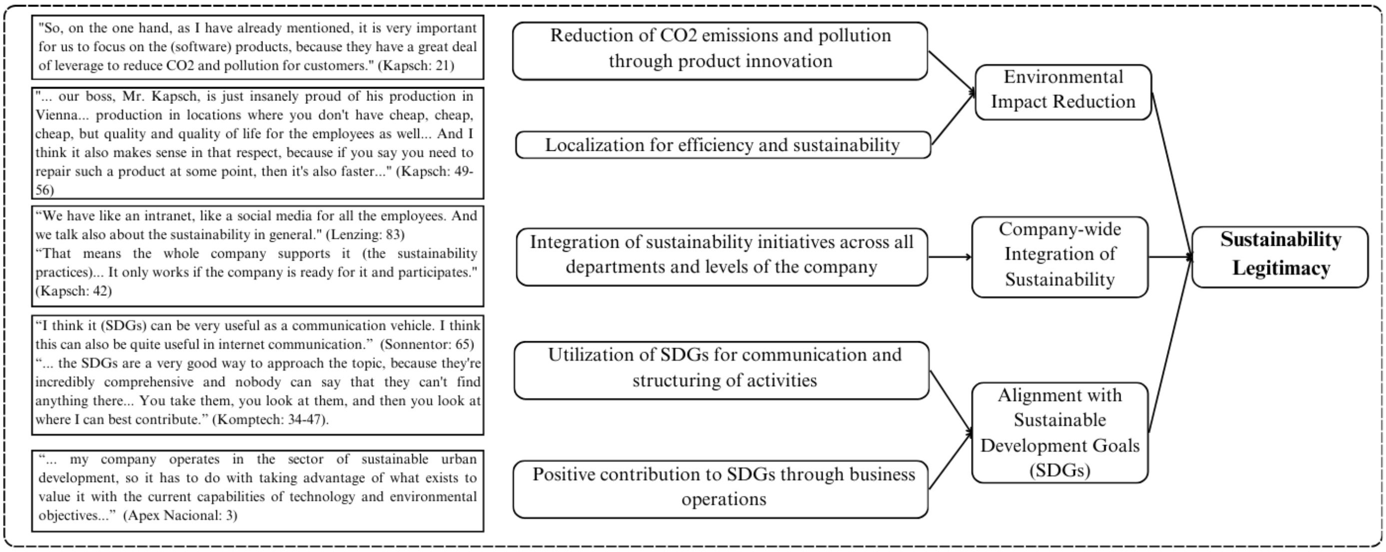


Table A2: Inductive Analytical Procedure: Benefits for Companies in Following a CSV/SDG Strategy (Own Illustration)

Column A. Raw data (illustrative quotes)	Column B. Exploratory coding	Column C. Codes for Processes (1st order themes)	Column D. Code Type (2nd order themes)
"We have taken a very deep dive into the SDGs and how we can contribute to achieving or approaching these goals through our business activities." (Komptech: 9) "The sustainability strategy is also based on or kind of working with the SDGs." (Lenzing: 73)	Goal Setting Based on SDGs	Translating the SDGs into a business strategy	**Sustainable Governance**
"... we want to continue working with the SDGs in the future... I think it definitely makes sense to deal with this in the long term" (Pension Fund: 67)	Long-term Commitment to SDG Integration		
"...we always look at all the SDGs and look at what impacts, risks and opportunities we have with the respective SDGs. This means that it is also a foundation of our strategy that we examine this and then prioritize the SDGs, where we can really make a difference now." (Pension Fund: 33)	Prioritization of Actionable SDG Targets		
"... we measure what we achieve within our framework on a quasi-annual basis. This may also help to set goals for the next year." (Hotel Magdas: 35) "... a before-and-after assessment is measured. ... For example, that building that had an E label... and we jumped to the letter A... which is saying a lot, (it) consumes 40% less energy." (Apex Nacional: 61)	Tracking Sustainability Performance	Measuring and Reporting of Sustainability Initiatives	
"...we are audited every year... there are always suggestions for improvement, which are then always implemented." (Pension Fund: 41)	Compliance with Legal Obligations		
"The goal is to be the number one sustainability consultancy in the world... we believe that there won't be a company in the future that doesn't have to be sustainable..." (Consulting Group: 13-15)	Strategic Planning for Business Sustainability	Managing Resource Allocation	
"A mantra that we have is long-term vision... So, if I have the idea that I want my company to be competitive in 2040, I have to know what the world is going to be like in 2040. Zero emissions, a different social value..." (Acciona: 111-112)	Commitment to Continuous Improvement and Long-Term Sustainability		
"That was a management decision in 2018. It was said that we have to deal with the sustainability issue." (Komptech: 33)	Management Mandate for Sustainability		
"... we are specialists in the customization and production of shipping containers for events or marketing. In the end, we take a used shipping container that is no longer suitable for transporting goods and we give it a second useful life. And we usually use it to rent spaces or sell for events." (Bécubica: 3) "... we made a technology where we put the dye of the fiber, the color directly into the fiber. So you don't need to dye it later, which saves a lot of water and energy." (Lenzing: 51)	Resource Efficiency and Circular Economy	Value Chain Optimization for Sustainability	**Environmental Impact Management**
"... the production is local, i.e. in Vienna and for North America in Canada, which we attach great importance to, because of the high labor standards and so on." (Kapsch: 24) " When we see a container and it enters through a ship, we imagine a lot of things that we could use it for". (Bécubica: 51)	Local Sourcing and Waste Reduction		
"We are in the process of gradually analysing all products and the carbon footprint of them... To what extent could the product evolve to have less CO2 consumption... I would say, until all products are optimized." (Kapsch: 46)	Product Analysis and Optimization for Carbon Footprint Reduction		
"... when it comes to sustainability, the competition stops, because it can only be done together. You have to look for cooperation partners, and you have to look at how to do that. And then, if we're lucky, we can somehow make it work together." (Komptech: 39-40)	Collaboration with stakeholders in pursuit of sustainability goals	(Outside) Stakeholder Engagement	**Stakeholder Engagement**
"... trying to be sustainable in a company is also, let's say, is part of the strategy of the marketing plan." (Bécubica: 69)	Communicate with marketing sustainability efforts to stakeholders		
"Acciona's corporate strategy revolves around sustainability." (Acciona: 37) "Sustainability is definitely a big part of the strategy... working with the SDGs." (Lenzing: 73)	Consideration of Sustainability in Decision-Making		
"Previously, the company had an ISO 14001 environmental management system in place. But it was not tackling core issues in the company. Then, 3 years ago, it started as a grassroots movement in the workforce. Together, we convinced our managers that we wanted to do something about it." (Kapsch: 36)	Role of CSR Manager in Decision-Making	Employee Engagement and Grassroots Movement	
"The employees were also surveyed and it became very clear that the topics, actually all the subtopics of sustainability, that we asked were very important to them." (Kapsch: 132)	Employee well-being surveys		
"We are like communicating within the company. We had the SDG Flag Day in September... we had like an article inside the company talking about SDGs." (Lenzing: 79)	Inside Communication and Education on Sustainability or SDGs		
"And the other was an energy company called ... Naturgy, which has energy... in this case, of gas in Spain... With them we learned about energy, and they learned about rehabilitation with us. (Apex Nacional: 35)	Continuous Improvement and Learning	Product/Service Innovation	**Pursuing New Ventures**
"I more or less imagine it as when you get ... a package from Amazon or whatever at home and you get a cardboard box. Normally we open the cardboard box, we take out what we have ordered. And this cardboard box, a lot of people obviously throw it away. But there are other people who say, well, maybe it's good for me, I don't know, to store my cell phone cases or anything." (Bécubica: 51)	Innovative Product Development		
"If you have a green product and sustainability is fully integrated within your mission, vision, culture... that's going to be seen in the market and that's what you need to do. We call that the Green Premium. With a green product, customers are willing to pay more." (Consulting Group: 31)	Financial Advantage of Sustainability	Pursuing Sustainable Opportunities	
"And then there's Goal 17, which is called Partnerships for the growth... when it comes to sustainability, the competition stops, because it can only be done together." (Komptech: 39)	External Partnerships for SDG Advancement		
"If you know that in 2035 you won't be able to sell diesel cars, then if I'm a car manufacturer, I'm going to stop investing in diesel cars, and I'm going to dedicate all my investment and all my capex to making electric cars." (Acciona: 125)	Identifying Future Demand on Sustianable Services and Products		

Table A3: Inductive Analytical Procedure: Processes for How Companies Implement a CSV/SDG Strategy (Own Illustration)