Environmental and social issues have been treated historically as peripheral concerns to business. “Social responsibility” and “environmental management” have been framed as added costs driven primarily by guilt or regulation. At best, companies have felt compelled to “give back” to society in the form of philanthropy or other good deeds directed at the natural environment or the community.

Increasingly, however, the institutions of global capitalism find themselves under siege. Following the fall of communism in the late 1980s, a decade of economic globalization, privatization, and free trade has produced mixed results at best: While developed countries have grown richer, the vast majority of nations and people in the world have not benefited from these momentous changes. Furthermore, the underlying natural systems supporting human economies—forests, fisheries, soils, ecosystems, and climate—have all experienced continuing decline. A rising tide of “anti-globalization” has emerged which combines concerns about environmental degradation, inequity, human rights abuses, and loss of local autonomy.

As we enter the 21st century, therefore, the historical separation between competitive strategy and social contribution is breaking down. Rather than treating social and environmental issues as expensive luxuries, many companies are now fusing social mission with competitive strategy. Indeed, a form of “new capitalism” is emerging where environmental and social performance is embedded in the competitive strategy of the firm. Just as the creation of shareholder value requires performance on multiple dimensions, the global challenges associated with sustainable development are also multifaceted, involving economic, social, and environmental concerns. Indeed, these challenges have implications for virtually every aspect of a firm’s strategy and business model.

Accordingly, this presentation develops a sustainable-value framework (SVF) that links the challenges of global sustainability to the creation of shareholder value by the firm. Specifically, I show how the global challenges associated with sustainable development, viewed through the appropriate set of business lenses, can help to identify strategies and practices that contribute to a more sustainable world while simultaneously driving shareholder value—and a superior competitive position.