Centre for Climate Change Economics and Policy

Sustainability Research Institute

SCHOOL OF EARTH AND ENVIRONMENT

The Governance of Corporate Responsibility

Andy Gouldson, Rory Sullivan and Stavros Afionis

July 2013

Centre for Climate Change Economics and Policy

Working Paper No. 137

Sustainability Research Institute

Paper No. 47

ESRC ECONOMIC & SOCIAL RESEARCH COUNCIL

UNIVERSITY OF LEEDS

LSE THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

The Centre for Climate Change Economics and Policy (CCCEP) was established by the University of Leeds and the London School of Economics and Political Science in 2008 to advance public and private action on climate change through innovative, rigorous research. The Centre is funded by the UK Economic and Social Research Council and has five inter-linked research programmes:

1. Developing climate science and economics
2. Climate change governance for a new global deal
3. Adaptation to climate change and human development
4. Governments, markets and climate change mitigation
5. The Munich Re Programme - Evaluating the economics of climate risks and opportunities in the insurance sector

More information about the Centre for Climate Change Economics and Policy can be found at: http://www.cccep.ac.uk.

The Sustainability Research Institute (SRI) is a dedicated team of over 20 researchers working on different aspects of sustainability at the University of Leeds. Adapting to environmental change and governance for sustainability are the Institute's overarching themes. SRI research explores these in interdisciplinary ways, drawing on geography, ecology, sociology, politics, planning, economics and management. Our specialist areas are: sustainable development and environmental change; environmental policy, planning and governance; ecological and environmental economics; business, environment and corporate responsibility; sustainable production and consumption.

More information about the Sustainability Research Institute can be found at: http://www.see.leeds.ac.uk/sri.

The Governance of Corporate Responsibility

Andy Gouldson, Rory Sullivan and Stavros Afionis

This Working Paper is based on a book chapter, 'Corporate Social Responsibility and the Governance of Business' by Andy Gouldson, Rory Sullivan and Stavros Afionis, to be published in the forthcoming *Edward Elgar Handbook for Sustainable Development (2nd Edition)* to be edited by Giles Atkinson, Simon Dietz, Eric Neumayer and Matthew Agarwala.

Contents

Submission date 01-07-2013; Publication date 09-07-2013

About the authors

Professor Andy Gouldson is Director of the Centre for Climate Change Economics and Policy at the University of Leeds. His work focuses on the influence of different forms of policy and governance on the relationship between the environment and the economy, and on the factors that are shaping the transition to a low carbon economy. Most recently, he has worked on the economics of low carbon cities through a series of city scale mini-Stern reviews. This work has led to the adoption of carbon reduction strategies in various contexts, and it is part of a wider debate on stimulating investment in the low carbon economy.

Dr Rory Sullivan is an internationally recognised expert on responsible investment. He is a Senior Research Fellow at the University of Leeds and Chair of the Ethix SRI Advisers Advisory Council. He was previously Head of Responsible Investment at Insight Investment, where he established Insight as one of the world's leading responsible investment management for the manner in which it integrated environmental, social and governance (ESG) issues into its investment process and the quality of its engagement with companies on these issues. He has written seven books and many papers, reports and articles on investment, climate change, human rights and development issues. His books include Valuing Corporate Responsibility: How Do Investors Really Use Corporate Responsibility Information? (Greenleaf, 2011), and the edited collection Corporate Responses to Climate Change (Greenleaf, 2008).

Dr Stavros Afionis is a Postdoctoral Research Fellow at the Sustainability Research Institute of the School of Earth & Environment since April 2011. His research interests focus on environmental politics and in particular, international climate change negotiations and biofuel policies.

INTRODUCTION

Companies are hugely important actors in modern society and clearly have a critical role to play if we are to make the transition to a more sustainable economy. To some extent, it is hoped that their contribution to such a transition will be motivated by their commitments on Corporate Social Responsibility (CSR). Such commitments are normally made voluntarily and are delivered through various forms of self-regulation or corporate governance. But companies are also motivated by market opportunities and driven by different stakeholder pressures and policy demands. The climate for CSR therefore encapsulates many dimensions of broader debates on governance in that it emphasises the importance of public, private and civic action in shaping the conditions for the governance of business 'from the outside' and the role that self-regulation can play in enabling the governance of business 'from the inside'.

This paper provides an overview of the literatures on CSR and on the governance of business, and it explores the links between the two frequently separate debates. It concludes that while there is a general recognition in the literature of the factors that encourage companies to adopt a proactive approach to CSR, the specific factors and their relative importance are relatively poorly understood. Whilst we acknowledge that the theoretical literature on CSR and the governance of business is relatively underdeveloped, we also see that there is a growing body of empirical evidence that provides important insights, in particular in terms of the factors that make specific governance interventions more or less effective. Based on recent research into the climate change performance of the supermarket/retail sector, we offer some conclusions on the extent to which different governance interventions or conditions are likely to drive continuing improvements in the CSR-related activities and/or performance of the corporate sector.

CSR: A CONTESTED TERM

Issues of CSR have been the focus of debate for several decades now. It is largely acknowledged that the publication of Bowen's (1953) seminal book *Social Responsibilities of the Businessman* marks the beginnings of the modern debate on this subject (Carroll 1999; Garriga and Melè 2004; Okoye 2009). In his book, Bowen (1953, p. xi) raised a query that academics, policymakers, consultants and corporate executives have been trying to answer ever since: "What responsibilities to society may businessmen reasonably be expected to assume?"

While Bowen was driven by the belief that the far-reaching repercussions of corporate decisions actually obliged businesses to take on social responsibilities (see Lee 2008), other contemporary writers were far more sceptical. For instance, Levitt (1958) and Friedman (1962) argued that businesses should be guided solely by the profit motive, as social concerns and the general welfare were governmental tasks and therefore outside the corporate domain. Despite these critical early approaches, there has since been a growing recognition that corporations have legal and moral responsibilities to conduct their operations in a manner that minimises harm to society and the environment (Falkner 2009). This on-going debate on more ethical, responsible or sustainable ways of doing business has given rise to a landscape characterised by a proliferation of terminology, theories, concepts and approaches that are often controversial, complex and unclear (van Marrewijk 2003).

A good illustration of the academic confusion is provided by Jamali (2008, p. 213) who presents a compilation of statements by different authors describing CSR *inter alia* as “an elusive concept”, “a concept with a variety of definitions” or “a vague and ill-defined concept”. Indeed, Dahlsrud’s (2008) literature review identified 37 different definitions of CSR, while Carroll and Shabana (2010, p. 89) argued that this figure actually underestimated the true number as the methodology employed excluded several “academically derived definitional constructs”. According to Lozano (2012), this overall definitional obscurity stems from the fact that the various definitions that have appeared over time address a multiplicity of social, ethical and environmental issues, address both process and outcome issues, and seek to offer definitions that apply both to specific cases or issues and have general application.

Several authors have argued that seeking an ‘all-embracing’ definition for CSR is like chasing a chimera, as it will by nature be too broad and therefore too vague to inform academic debates (Dahlsrud 2008; van Marrewijk 2003). However, authors generally agree that the multiplicity of CSR definitions not only obstructs the theoretical development of the concept, but also limits its potential for making a significant contribution to sustainability (Lozano 2012; McWilliams *et al*. 2006). Specifically, the lack of clarity or consensus around the definition or the implications (in terms of performance expectations) has meant that it is very difficult for companies to determine what is expected of them (Dahlsrud 2008; van Marrewijk 2003). According to Dahlsrud (2008), while the available CSR definitions describe a phenomenon, they generate more questions than answers as to how best manage the challenges related to this phenomenon. He then goes on to share van Marrewijk’s (2003) position that successful CSR strategies should instead be context specific for each individual business and focused on the specific CSR issues that need to be addressed and the key stakeholders that require engagement with.

While the definition of CSR therefore remains contested (and it is certainly not our intention to further complicate the debate by adding yet another definition), we note that a number of definitions have had greater research impact over time. One widely cited definition comes from the World Business Council for Sustainable Development (1999, p. 3), which stated that CSR “is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large”. A second well-cited definition of CSR is a four-part one by Carroll (1999), who argued that companies have economic, legal, ethical and discretionary responsibilities (see also Carroll 1979; Carroll and Shabana 2010). Economic responsibilities refer to the expectation that the business sector generates profit by producing goods and services that are needed by society. Legal responsibilities concern the need for companies to comply with laws and regulations. Ethical responsibilities are those not codified into law but which suggest that companies should behave as ‘good citizens’ and be moral, just and fair (Jamali 2008). In contrast to ethical responsibilities which are *expected* of businesses, discretionary responsibilities are *desired*, such as for instance making philanthropic contributions.

THE GOVERNANCE OF BUSINESS

Within the wider literature, there is a broad acceptance that CSR activities are motivated by a blend of government policies, market opportunities, civic pressures and corporate cultures (see Gouldson, 2008). However, there is little understanding on the relative significance of these factors, or perhaps more importantly on the ways in which they come together to govern corporate activities. We might hope that the wider literature on governance could help us to understand these issues, given its focus on multi-level, multi-actor processes where the interactions between different influences conspire to change behaviour or shape outcomes (Stoker 1998; Bache and Flinders 2004).

Within political science, governance debates tend to focus on the changing role of government. Such governance debates recognise the challenges facing many governments, where globalisation, liberalisation and an increasingly acute awareness of the competitive implications of many policy interventions targeted at business tend to limit their capacity or willingness to intervene (Gouldson and Bebbington 2007). One response from government has been to introduce new policy instruments that instead of relying on the capacities of the public sector seek to mobilise and harness the governing powers of markets and civil society (Jordan *et al*. 2005). Another response has been to somehow enable new private or civic governance measures that exist beyond the boundaries of the state. An increased reliance on CSR initiatives can certainly be seen in this light, but, within political science at least, much of the debate on governance has tended to focus on the governance of business 'from the outside'.

Within business studies, however, governance debates have tended to focus on issues of corporate governance that are more centrally concerned with the governance of business 'from the inside'. Corporate governance can be interpreted narrowly as referring to the essentially private relationship between the owners and managers of firms, or more broadly as the relationships between a firm and its wider range of stakeholders in the public, private and civic sectors. To some extent, corporate governance is private governance largely from the inside of the corporation, but the boundaries with broader forms of governance that are clearly from the outside of the corporation are certainly blurred. Government policy for example plays a central role in setting the legal context for corporate governance. And stakeholder – and particularly shareholder (Sullivan, 2011) – expectations commonly exert a substantial influence on corporate governance processes. We therefore see a blurring of the boundaries between different forms of governance and the diffusion of power away from traditional state-centred or company-centred governance forms and into what have been termed decentred or polycentric forms of governance (Rhodes 2007; Black 2008; Paavola *et al.* 2009; Ostrom 2010).

Further consideration suggests that different forms of governance are likely to co-exist and interact in various ways to shape the context for CSR. One form of external governance is likely to influence another – for example when governments mandate access to information that then enables different forms of market or social pressure to be applied (Gouldson 2004). Moreover, different forms of external governance might have a greater impact when they reinforce one another (Egels-Zanden and Hyllman 2006), e.g. where NGOs and business leaders work together to call for legislation in a particular area.

External governance interventions may also affect internal governance processes. An example could be the introduction of requirements – this could be through legislation or through alternative routes such as private actors imposing disclosure requirements on their suppliers –for the provision of information on performance which render previously private issues such as the behaviour of a person or a firm amenable to external scrutiny and influence (Weiss 1979; Dean 2009) and . Another example is where external governance pressures such as government policy or investor pressure encourage the take-up of particular forms of corporate governance (Potoski and Prakash 2004; Gillan and Starks 2003; Sullivan and Mackenzie 2006; Sullivan 2011). Similarly, internal governance conditions can conspire to shape external governance conditions – for example when the social values of employees change the ways in which a company behaves (see Hemingway 2005), when corporate cultures alter the ways in which a firm engages with its stakeholders (see Andriof 2002) or when business engagement with government impacts on the nature of policy (see Bouwen 2004).

In all such instances, governance signals ‘from the outside’ of business are generally mediated through a range of conditions ‘on the inside’ of a business before they have an effect. Put differently, companies will respond to public, private or civic pressures for corporate responsibility in different ways depending on their internal governance conditions (Gouldson, 2008). We might expect the greatest influence where different external governance pressures align with each other and where they somehow resonate with or are amplified by receptive conditions within the organisation that is the target of the governance intervention. Conversely, influence is likely to be limited in situations where external governance pressures do not align with each other or where the organisation that is the target of the governance intervention is not receptive to or its internal conditions somehow attenuate the influence of the external governance intervention (see Rothstein 2003).

By distinguishing between external governance interventions and internal governance conditions, the governance literature (as diverse as it is) helps us at least to better structure our understanding of the factors that are likely to shape the context for business activities in general and CSR activities in particular.

UNDERSTANDING THE GOVERNANCE OF CSR: THE CASE OF THE UK SUPERMARKETS’ RESPONSE TO CLIMATE CHANGE

To illustrate the significance of these issues, in the next section we review the UK supermarket sector's approach to climate change, and consider what this tells us about the links between different forms of governance and CSR more generally. The UK supermarket sector is an interesting case-study because, despite the significance of its carbon footprint (with direct, i.e. operational, emissions accounting for almost 1% of the UK's total greenhouse gas emissions, and its indirect emissions estimated to be an order of magnitude higher), there has been relatively little regulatory attention focused on the sector's greenhouse gas emissions as a whole. As a result, we might expect corporate activities to be driven more by non-state governance pressures and voluntary CSR commitments than by government policy.

Recent History[1]

The UK supermarkets' climate change strategies have evolved significantly since the late 1990s. In the period from the late 1990s through to the early-mid 2000s, these companies first started to professionalise their approach to environmental management by publishing environmental (and subsequently CSR or sustainability) reports, reporting on their energy use and greenhouse gas emissions and setting performance improvement targets.

Up to the mid-2000s, the climate change and energy-related targets were primarily short in nature (e.g. over the next 12 months) and process-focused (e.g. to investigate a specific energy saving technology).

From the mid-2000s, companies started to set more ambitious targets for their operations and activities, with more targets focused on achieving specific emissions reductions and performance improvements and being set over three or five years, rather than one year. However, most targets were expressed in relative (e.g. to reduce greenhouse gas emissions per unit of stock transported, to reduce greenhouse gas emissions per unit of floor area) rather than absolute terms.

From 2007 onwards there was a much greater emphasis on absolute emission reduction targets. In addition, many of the supermarkets broadened their focus of action from operational emissions to wider supply chain and value chain-related emissions.

In terms of performance outcomes, the supermarkets have consistently improved their energy intensity, typically by between 2 and 3% per annum since the late

[1] For a fuller account of the sector's historic performance and of expected changes in the sector's greenhouse gas emissions, see Gouldson and Sullivan (2013) and Sullivan and Gouldson (2013). The material in this section is based on a detailed content review of the CSR and other reports issued by the supermarkets since 2000, on interviews with the CSR or equivalent managers at most of the major supermarkets, and on interviews with key stakeholders (NGOs, consumer groups, etc).

1990s/early 2000s, and there are signs that they have achieved greater improvements in recent years as their focus on climate change has increased (Sullivan and Gouldson, 2013). Moreover, far from the opportunities running out, these companies expect that they will be able to consistently extract more energy savings from their operations, with most companies setting targets that suggest that these gains will continue to be sustained for at least a further five or ten years (Gouldson and Sullivan, 2013), although it is unclear whether efficiency gains will run ahead of business growth and business changes over the longer-term.

Drivers for Action

Financial Drivers and the Business Case

In interviews, the companies in the supermarket sector consistently divided the drivers for action on climate change into those where there is a clear financial case for action, and those where the benefits are 'non-financial' or difficult to capture purely in financial terms.

In practice, most of the actions taken have been driven by the cost of energy; in fact, the majority of actions (in particular, those that involved significant capital investment or significant organisational resources) could be explained simply by considering the costs and the benefits of the actions taken, with the retailers expected these actions to deliver rates of return that are of a similar order to other capital investments (two or three years being the norm). This does not mean that companies do not get other benefits from these actions (e.g. the PR benefits that can accrue from badging energy saving programmes as climate change initiatives), but rather that these benefits were frequently ancillary to the primary driver for action.

Companies that have made strong commitments to action on climate change can be divided into those that have made such commitments without a detailed financial analysis of the available emissions reductions and those that have conducted such an analysis. An interesting corollary to the discussion of the financial case for action is that we could not identify any evidence that the former group were any less focused on financial returns; in interviews, these companies stressed that while they were committed to achieving their targets, any investments needed to be justified in financial terms.

While the manner in which different companies assess the costs and benefits of investments is broadly similar in terms of the returns sought, the details of the business case analysis conducted by companies is clearly affected by their beliefs and values, their views on the current and future business landscape, the investments they made in developing their capacity and options, and their previous experience with energy efficiency and greenhouse gas emissions reduction efforts. There are a number of different elements to this. The first is that all of the companies we interviewed were assuming that energy prices would remain high and, in fact, were more likely to increase rather than decrease, thereby underpinning their business case for action.

The second is that a number of companies were defining their responsibilities as extending beyond their own operations, with a number having started to engage with their supply chains on climate change and energy issues. Companies that had previously made significant reductions in energy consumption and greenhouse gas emissions noted that they expected similar reductions to be achievable through their supply chains, thus providing benefits to them in terms of reduced costs and reduced risk.

The third is the availability of opportunities. When companies make decisions to invest to save money or reduce emissions, the range of options they have reflects the technologies that are available and their own internal knowledge, skills and capacities. Companies that have experimented with energy saving technologies and have tested different approaches to energy saving and emissions management are likely to have a greater range of tested and proven options available to them. This is very clear in the case of the UK supermarket sector, where a number of the large supermarkets have dedicated significant time and resources in developing green stores and intensively testing a wide range of energy saving technologies. This testing and pursuit of efficiency has seen them develop significant competence and knowledge in energy management, as well as detailed cost curves for a whole variety of technologies and approaches. Such experimentation also means that there is a consistent trajectory of energy saving, emissions reductions and performance improvements that these companies can expect to achieve year after year, even if they decide not to invest more time and resources in testing new technologies. It is striking how this phenomenon is much less common in smaller retailers. It is not that they are not interested in climate change, but the potential for them to invest in energy efficiency is so much more limited because this cannot be deployed across a range of properties or the personnel costs are, proportionally, much more significant. Put differently, the transaction costs (for testing, research, capacity development, etc) on a per building or per unit of sales basis would be proportionally much higher compared to those of the larger retailers.

To conclude, the manner in which companies engage with climate change and energy issues is a critical determinant of the decisions taken. Those companies that have had the longest focus, the broadest scope and the most explicit focus on innovation and research and development seem to be those that have the greatest number of opportunities available to them.

Non-financial drivers and governance pressures

Turning to the non-financial drivers for action, the importance of the alignment of pressures and of stakeholder views is seen as a critical determinant of whether or not companies would take action. In interviews, the companies we interviewed noted that the pressures from individual stakeholders for them to take action on climate change have remained relatively modest over the past decade. They also noted that when the views of different stakeholders align (i.e. where they have a consistent message, when they express their views at the same time, when they maintain the pressure for a significant amount of time), the pressure they can exert is frequently much greater than that of each of the stakeholders in isolation. For a number of retailers, the period 2005-2007 was critical. This period saw *inter alia* significant media, consumer and NGO attention being paid to the issue of climate change, as well as the publication of both the Stern Review on the Economics of Climate Change and the fourth Assessment Report of the Intergovernmental Panel on Climate Change. This alignment of pressures was critical in encouraging the companies to significantly strengthen their focus on climate change.

In addition to the political, social and economic context within which stakeholders act, attention must also be paid to the interaction between stakeholders. The ability of different actors to exert influence is compromised and influenced by others. For example, while NGOs are seen as having the potential to influence corporate behaviour and performance, this influence is contingent on the wider conditions and circumstances within which they operate. For example, the media could amplify and lend credibility and profile to their campaign efforts, or it could undermine these campaigns. For example, while the media has played an important role in raising the profile of climate change and defining climate change as a business as well as an environmental issue, it has concurrently given significant profile and attention to the scientific controversies around climate change and has encouraged consumption patterns and lifestyles that run counter to those that might be implied by a low carbon, low impact world.

Influences on Company Responses

Pressures (or governance interventions) do not automatically or inevitably lead to responses. The pressures exerted on companies are mediated and moderated by factors such as which stakeholders are seen by management as most important, which actions are seen as more or less important, which business impacts are more or less important. That is, there isn’t necessarily a linear relationship between the pressures exerted on companies and how companies perceive these pressures. However, our research identifies a number of common themes that are relevant to the supermarkets and to other business sectors.

First, reiterating a point made above, companies delineate between those pressures that impact on costs and those that impact on non-financial aspects such as brand and reputation. Pressures that influenced costs are generally seen as hugely important by all companies.

Second, the importance of non-financial factors depended on individual companies’ business strategies and market positions. For example, the UK supermarket sector has companies who see themselves primarily as being a low cost business (where pressures that impact on costs are seen as significantly more important than those that impact on non-financial aspects of the business) and companies seeking to position themselves as leaders on sustainability issues (and so tend to assign more weight to non-financial pressures). Even in companies seeking to position themselves as leaders, however, impacts on costs remain of the highest importance and it is relatively unusual for non-financial aspects to trump the business case for action.

Third, companies' views on climate change do influence the actions taken. Those companies that acknowledge climate change as an important issue are more likely to respond to pressures related to climate change. Moreover, past experience with action on environmental and energy issues is a critical determinant of companies' willingness to do more on these issues, with companies that have successfully extracted cost savings or other business benefits more likely to take further action on these issues.

Fourth, the actions of competitors are important. In the supermarket sector, the commitments made by Marks and Spencer and Tesco to taking a leadership position on climate change (and the need to at least match – or be seen to be matching – these actions)

was cited by many other retailers as an important reason for their decision to take action on climate change.

Fifth, having the capacity (skills, expertise, etc) to take action is critical. Companies with a limited history of managing environmental issues have limited knowledge among employees or managers regarding the importance of environmental issues to the business. This lack of awareness may translate into inaction (e.g. through not recognising the existence or significance of particular pressures) or inappropriate responses (e.g. through over-reacting to a particular source of pressure). A related point is that the availability of options strongly influences the specific actions that are taken. One of the most striking features of the UK retail case-study was how the retailers have so deliberately and explicitly focused on developing green stores and intensively testing a wide range of energy saving technologies. This resulted in them developing significant competence and knowledge in energy management, as well as coming up with detailed cost curves for a whole variety of technologies and approaches. In other words, organisations that had developed the required skills in energy management and greenhouse gas emissions reduction tended to have a much greater variety of options available to them than those that have not developed such competencies and skills.

CONCLUDING COMMENTS

The relationship between governance and CSR remains poorly understood, especially so in the theoretical literature. The particular issue is how exactly governance interventions influence or impact on corporate activities or performance. The empirical evidence from the UK supermarket sector allows us to develop the theory in this area. Specifically, it points to a four important conclusions that have a much wider relevance.

The first is that CSR behaviour is most frequently driven by analysis of the business case, and so governance interventions that alter the economics of CSR-related investment decisions are critical. We should note however that the limits of action based on the business case are continually changing – fluctuating energy prices, advancing technologies and accumulated learning can all shape the business case.

The second is that while there is limited evidence that non-financial interventions alter specific investment decisions (e.g. in terms of the rates of return that are sought), these interventions are hugely important in focusing company attention on relevant issues and in stimulating the development of organisational capacity and potential investment opportunities. Again these impacts can go on to alter the business case, albeit in complex ways that are as yet poorly understood.

The third is that different governance pressures conspire to shape outcomes – and as a result it can be very difficult to predict the influence or impact of specific governance interventions. However, what is clear is that the alignment of different governance pressures can be hugely important. While it may be easy for companies to ignore individual pressures, where different pressures (e.g. from NGOs, consumers, the media) are aligned, the likelihood that companies will respond is significantly increased.

The fourth is that, even with alignment, however, the extent to which different governance pressures can force companies to take actions that are not supported by a business case is not at all clear. Certainly the boundaries of the business case and the limits of incremental change can be extended through learning. But if the business case dries up, or if the opportunities for incremental change are exhausted, then the scope for further progress is likely to be restricted. At present, there are very few signs that any of the retailers are considering radical changes in their business models, and none of them seem to see any alternative to business growth. The power of non-state actors to force them to consider such presumably unpalatable changes would seem to be very limited. At some point, progress on key CSR issues such as climate change may therefore depend again on the powers of a regulatory state.

REFERENCES

Andriof, J. (2002). *Unfolding Stakeholder Thinking: Theory, responsibility and engagement*. Sheffield: Greenleaf.

Bache, I. and Flinders, M. (eds.) (2004). *Multi-Level Governance*. Oxford: Oxford University Press.

Black, J. (2008). Constructing and Contesting Legitimacy and Accountability in Polycentric Regulatory Regimes. *Regulation and Governance*, 2 (2): 137-164.

Bouwen, P. (2004). Exchanging Access Goods for Access: A comparative study of business lobbying in the European Union institutions. *European Journal of Political Research*, 43 (3): 337-369.

Bowen, H. (1953). *Social Responsibilities of the Businessman*. New York: Harper.

Carroll, A.B. (1979). A three-dimensional conceptual model of corporate social performance. *Academy of Management Review*, 4: 497-505.

Carroll, A.B. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct. *Business & Society*, 38 (3): 268-295.

Carroll A.B. and Shabana, K.M. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. *International Journal of Management Reviews*, 12 (1): 85-105.

Dahlsrud, A. (2008). How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions. *Corporate Social Responsibility and Environmental Management*, 15: 1-13.

Egels-Zanden, N. and Hyllman, P. (2006). Exploring the Effects of NGO-Union Relationships on Corporate Responsibility: The case of the Swedish Clean Clothes Campaign. *Journal of Business Ethics*, 64 (3): 303-316.

Falkner, R. (2009). *Business Power and Conflict in International Politics*. Houndmills: Palgrave Macmillan.

Friedman, M. (1962). *Capitalism and Freedom*. Chicago: University of Chicago Press.

Garriga, E. and Melè, D. (2004). Corporate Social Responsibility Theories: Mapping the Territory. *Journal of Business Ethics*, 53: 51-71.

Gillan, S. and Starks, L. (2003). Corporate Governance, Corporate Ownership and the Role of Institutional Investors: A global perspective. *Journal of Applied Finance*, 13 (2): 4-22.

Gouldson, A. (2008). Understanding business decision making on the environment. *Energy Policy*, 36: 4618–4620.

Gouldson, A. and Bebbington, J. (2007). Corporations and the Governance of Environmental Risks. *Environment and Planning C*, 25 (1): 4-20.

Gouldson, A. and Sullivan, R. (2013). Long-term Corporate Climate Change Targets: What Could they Deliver? *Environmental Science & Policy*, 27 (March 2013), 1-10.

Hemingway, C. (2005). Personal Values as a Catalyst for Corporate Social Entrepreneurship. *Journal of Business Ethics*, 60 (3): 233-249.

Jamali, D. (2008). A Stakeholder Approach to Corporate Social Responsibility: A Fresh Perspective into Theory and Practice. *Journal of Business Ethics*, 82: 213-231.

Jordan, A., Wurzel, R. and Zito, A. (2005). The Rise of ‘New’ Policy Instruments in Comparative Perspective: Has governance eclipsed government. *Political Studies*, 53 (3): 477-496.

Lee, M.P. (2008). A review of the theories of corporate social responsibility: Its evolutionary path and the road ahead. *International Journal of Management Reviews*, 10 (1): 53-73.

Levitt, T. (1958). The dangers of social responsibility. *Harvard Business Review*, 36: 41-50.

Lozano, R. (2012). Towards better embedding sustainability into companies' systems: an analysis of voluntary corporate initiatives. *Journal of Cleaner Production*, 25: 14-26.

McWilliams, A., Siegel, D.S. and Wright P.M. (2006). Corporate Social Responsibility: Strategic Implications. *Journal of Management Studies*, 43 (1): 1-18.

Okoye, A. (2004). Theorising Corporate Social Responsibility as an Essentially Contested Concept: Is a Definition Necessary? *Journal of Business Ethics*, 89: 613-627.

Ostrom, E. (2010). Beyond Markets and States: Polycentric governance of complex economic systems. *American Economic Review*, 100: 1-33.

Paavola, J., Gouldson, A. and Kluvankova-Oravska, T. (2009). Institutions, Ecosystems and the Interplay of Actors, Scales, Frameworks and Regimes in the Governance of Biodiversity. *Environmental Policy and Governance*, 19 (3): 148-158.

Potoski, M. and Prakash, A. (2004). The Regulation Dilemma: Cooperation and conflict in environmental governance. *Public Administration Review*, 64 (2): 152-163.

Rhodes, R. (2007). Understanding Governance: Ten years on. *Organisation Studies*, 28 (8): 1247-1264.

Rothstein, H. (2003). Neglected Risk Regulation: The institutional attenuation phenomenon. *Health, Risk and Society*, 5 (1): 85-103.

Stoker, G. (1998). Governance as Theory: Five propositions. *International Social Science Journal*, 50 (155): 17-28.

Sullivan, R. (2011), *Valuing Corporate Responsibility: How Do Investors Really Use Corporate Responsibility Information?* Greenleaf Publishing, Sheffield.

Sullivan, R and Gouldson, A. (2013), Ten Years of Corporate Action on Climate Change: What do we have to show for it? *Energy Policy*. http://dx.doi.org/10.1016/j.enpol.2013.05.025

Sullivan, R. and Mackenzie, C. (eds.) (2006). *Responsible Investment*. Sheffield: Greenleaf.

Van Marrewijk, M. (2003). Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion*. Journal of Business Ethics*, 44: 95-105.

World Business Council for Sustainable Development. (1999). *Corporate Social Responsibility: Meeting Changing Expectations*. Geneva: World Business Council for Sustainable Development.

Zadek, S. (2004). The Path to Corporate Responsibility. *Harvard Business Review*, December.