

# Sustainable Development of Russian Companies in Contemporary Geopolitical Realities

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## Abstract

**Objective.** The study examines the current state of sustainable development in the activities of Russian companies.

**Tasks.** The research objectives include: analyzing the evolution of the definitions of “sustainable development”; summarizing the current state of sustainable development in Russian companies; studying changes in strategies and implementation tools; examining methodologies used to assess the effectiveness of applied instruments and implemented projects; proposing approaches to build a system for evaluating the effectiveness of applied tools and implemented projects.

**Methodology.** The study analyzed scientific and popular science articles on sustainable development, including those related to Russian companies, publication materials, results of social impact awards, and a survey of Russian companies regarding current sustainable development practices, with a focus on corporate sports and healthy lifestyles. The research also included materials on existing social impact assessment systems. The methodology relied on empirical methods (observation, comparison, data collection and analysis) and synthesis of theoretical and practical materials.

**Results.** It was found that the changing geopolitical environment since 2022 has influenced the focus of sustainable development practices. Objective evaluation is complicated by the withdrawal of many companies from the public sphere. Sustainable development strategies increasingly emphasize social aspects, including regional development. Systematic evaluation of the effectiveness of applied instruments and methods is not yet widespread. The authors propose approaches for introducing a structured assessment system with segmented and variable criteria.

**Conclusions.** The study shows that the sustainable development strategies of several Russian companies have undergone changes under contemporary geopolitical conditions. It is recommended to implement systematic assessment of applied tools to obtain a fuller picture of achieved outcomes and adjust strategies and activities accordingly.

**Keywords:** sustainable development, ESG, economic security, social responsibility, effectiveness assessment system

The topic of corporate sustainable development is increasingly relevant, primarily driven by stakeholders—employees, the state, and local communities. Strategies aim to satisfy their needs while pursuing economic, social, and environmental goals, ensuring long-term viability and resilience of business in a changing environment and competitive landscape.

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Applying sustainable development principles allows organizations to create a more efficient and resilient business model that benefits both the company and society as a whole. It also prepares companies for potential legal restrictions regarding, for example, corporate carbon footprints or employee benefits.

In the current geopolitical context, which has fundamentally changed since 2022, including sanctions limiting Russian companies' international operations, the proper selection of orientation in sustainable development strategies becomes critical. Delisting of Russian companies from global stock exchanges and near-total cessation of international financing reduce the feasibility of strict adherence to international ESG standards. Simultaneously, when sustainable development principles are genuinely significant for a company, selecting the correct basis for social, environmental, and governance transformations is crucial. This has necessitated a revision of approaches to understanding sustainable development, its goals, and implementation methods for each company.

To determine a unified approach to sustainable development among companies, it is useful to examine existing definitions and their evolution.

In 1987, the report *Our Common Future* by Gro Harlem Brundtland, Chair of the World Commission on Environment and Development, was published. This report is widely regarded as the starting point for the concept of sustainable development, proposing a new type of development that considers both human and environmental interests.

Later, the ESG (Environmental, Social, Governance) concept emerged to provide a concrete framework to measure business progress toward sustainable development. ESG factors were first introduced in the 2004 UN Global Compact report *Who Cares Wins*, encompassing environmental (E), social (S), and governance (G) factors.

In 2021, the Bank of Russia issued information letter No. IN-06-28/96, defining sustainable development as development that meets present needs without compromising the ability of future generations to meet their own [2, pp. 226–227].

Some researchers have extended this concept to include economic and market factors. For instance, Tebekin proposed a new national model of sustainable development for economic entities—EMESG—which includes economic, market, environmental, social, governance, and climate-related blocks [13, 14]. This approach highlights the importance of a strategic approach to sustainable development, focusing not only on stakeholder interests but also on long-term economic resilience.

Currently, no universally accepted definition of sustainable development exists, which complicates its study. Russian companies rely on both international practices (e.g., Global Reporting Initiative, UN Sustainable Development Goals) and national standards, including ISO 26000 on social responsibility. Since 2022, companies increasingly consider national standards and those from “friendly” countries due to geopolitical constraints.

The 2022 study *Openness of Information on Sustainable Development Practices of Russian Companies*, prepared by the Philanthropy Development Center “Soprichastnost” and the media center “Business and Society” [8, p. 10], showed that, under sanctions and lack of participation in Western ratings, companies shifted focus. Russian businesses now examine ESG and sustainable development practices for “friendly” and prospective markets, and expert efforts focus on developing and updating sectoral standards, as well as national and potentially Eurasian ESG standards.

Applying standards alone does not guarantee effective sustainable development. Selecting the most efficient methods to achieve strategic objectives becomes especially critical amid scarce economic and human resources. Effective tools enable organizations to achieve goals with maximum effect at minimal cost. For example, Severstal's *Museums of the Russian North* competition annually awards grants to local museums, with a maximum grant of 500,000 rubles, providing vital support for development [7].

Due to limited disclosure from many companies since 2022, additional information was gathered from awards such as the *Visionaries* prize [4, 5], Russia's first professional award for evaluating sustainable impact. Trends include reduced media presence of foreign companies, increased transparency of medium-sized companies, stronger focus on social aspects (community and employee development), and noticeable innovations from public sector entities like Mosgortrans.

Internal systematic evaluation of applied tools and projects is crucial. Currently, no universally recognized system exists. Two main approaches are used: traditional methods assessing strategic goal achievement (including cost-to-result comparison) and strategic goal-based sustainable development evaluation [1, p. 49]. Many companies still do not apply any evaluation methodology.

To enhance resource efficiency and strategic clarity, the authors propose a structured assessment system segmented by project area: environment, promotion of healthy lifestyles, social support (including workplace safety), and corporate governance improvements. Criteria could include alignment with company strategy, financial and social outcomes, scalability, problem urgency, and stakeholder feedback. Additional criteria may include national standards for environmental, social, and governance indicators [6] and Sberbank's ESG scoring tool [10]. Expert input in the initial years is recommended to calibrate the system for objectivity and effectiveness.

Who conducts the assessment is critical. Internal-only evaluation may cause conflicts of interest, while solely external evaluation can be costly and miss company-specific nuances. A possible solution is developing a company-level or industry-standard assessment involving independent experts, stakeholders, academics, and government representatives. Examples include Sberbank's AI-based ESG scoring [10, 11] and Russia's national ESG standards under development [6].

The study concludes that geopolitical shifts since 2022 influenced sustainable development focus. Companies prioritize less resource-intensive and more effective practices. Prevailing practices in health and sports include employee wellness programs, physical activity promotion, team-building, and engagement in corporate charity. Broader sustainable development emphasis is shifting toward social aspects, including regional development. Not all companies systematically evaluate their sustainable development tools and results. Authors recommend implementing a structured evaluation system segmented by sectors and criteria to improve effectiveness, resource usage, and strategic clarity.

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