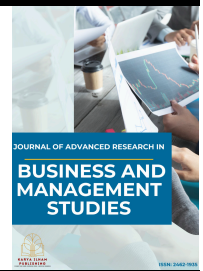




Journal of Advanced Research in Business and Management Studies

Journal homepage:
<https://karyailham.com.my/index.php/arbms/index>
ISSN: 2462-1935



Beyond Financial Returns: Comparing ROSI and SROI as Tools for Valuing Sustainability

Bonifasius Santiko Parikesit^{1,*}, Nur Wahyu May Alfian², Erika Dwi Yulianti¹, Yulianto Triwibowo³, Andromedo Cahyo Purnomo⁴, Reza Faidhil Fitriansyah⁵

¹ Department of Economics, Faculty of Economics & Business, University of Trisakti, Jakarta, Indonesia

² Department of Sociology, Faculty of Social Science & Political Science, University of Gadjah Mada, Yogyakarta, Indonesia

³ Department of Chemical Engineering, Faculty of Engineering, Universitas Sriwijaya, Indonesia

⁴ Department of Mechanical Engineering, Faculty of Engineering, Universitas Negeri Malang, Indonesia

⁵ Department of Social Development and Welfare, Faculty of Social Science & Political Science, University of Gadjah Mada, Yogyakarta, Indonesia

ARTICLE INFO

ABSTRACT

Article history:

Received 9 August 2026

Received in revised form 1 September 2026

Accepted 2 September 2026

Available online 12 September 2026

Keywords:

SROI; ROSI; financial return

This article critically examines how sustainability value is measured by organizations, from the perspectives of both shareholders and society. While Social Return on Investment (SROI) and Return on Sustainability Investment (ROSI) are widely recognized as sustainability measurement frameworks, the distinction between their respective roles and functions remains underexplored. Through a conceptual analysis of both frameworks, this article clarifies the purpose and applicability of each. The findings indicate that SROI measures the social value generated for relevant stakeholders, including the implementing organization, whereas ROSI measures the financial value that sustainability investments generate for the organization itself, through cost efficiency, capital access, and reputational gains. Although the two frameworks differ in focus and target beneficiaries, both translate sustainability impact into financial metrics that speak to their respective audiences. Ultimately, this convergence toward financial return reflects a broader shift in which sustainability value—whether social or corporate—is increasingly legitimized through the language of economic return.

1. Introduction

Measuring the sustainability impact of development programs is becoming increasingly important as corporate investment plays a growing role in advancing the sustainable development agenda. Implementing the Sustainable Development Goals (SDGs) in the global development landscape requires public institutions, nonprofit organizations, and the private sector not only to

* Corresponding author.

E-mail address: bonifasius.parikesit@gmail.com

implement sustainability initiatives but also to demonstrate and account for their impacts [1]. In this context, relevant measurement approaches are needed to establish the relationship between investment, intervention, resulting changes, and value creation for stakeholders and organizations.

Two approaches have emerged as important tools for measuring sustainability impact: Social Return on Investment (SROI) and Return on Sustainability Investment (ROSI). Although both approaches link investment to value creation, they differ in their primary orientation. SROI assesses the social, economic, and environmental value an investment generates for stakeholders. In contrast, ROSI focuses on how sustainability investments generate business value and contribute to organizational performance. Thus, SROI emphasizes stakeholder value, whereas ROSI emphasizes strategic and financial value for the organization (organizational value). These differences suggest that the two approaches are not necessarily substitutes but may represent distinct and complementary perspectives for evaluating sustainability investments. Together, they can provide a broader understanding of both the magnitude of impacts generated and their contribution to strategic value and organizational sustainability.

In Indonesia, SROI is relatively more established and has a stronger position than ROSI, both in academic discourse and in sustainability impact measurement practices. One factor behind this is the growing institutional legitimacy of SROI through government policy. Ministry of Environment Regulation No. 7 of 2025 on the Program for Assessing Corporate Performance Ratings in Environmental Management (PROPER) identifies impact measurement as an important aspect of corporate performance assessment. Within this framework, SROI serves as an indicator of corporate performance beyond compliance. This provides institutional anchoring for SROI, as companies have regulatory and institutional incentives to identify, implement, and report sustainability impacts using this approach.

SROI's development is also supported by its ability to capture non-financial benefits that are difficult to assess through conventional evaluation approaches, such as cost-benefit analysis. SROI expresses social and environmental benefits within a value framework that can be linked to the investments made. In line with increasing global demands for transparency and impact accountability since around 2020, SROI use has expanded across various sectors [2]. This development has also contributed to a broader ecosystem of SROI knowledge and practice in Indonesia. Recent studies on social forestry in Indonesia, for example, continue to use SROI to measure program impact [3]. This indicates that SROI has gained relatively strong acceptance as an approach to measuring social and sustainability impacts in Indonesia.

In contrast, ROSI has not yet achieved the same level of institutional legitimacy in Indonesia. Its development has been driven primarily by the need for companies to understand the relationship between sustainability strategies, changes in business practices, and economic value creation. ROSI was developed to help companies identify and estimate the business value generated by sustainability practices [4]. Accordingly, ROSI is more closely aligned with corporate strategic decision-making, particularly in assessing how sustainability investments contribute to financial performance and competitive advantage.

In practice, ROSI is more widely applied in developed markets, particularly in Europe and the United States. Market infrastructure, data availability, and regulatory environments that are relatively transparent and conducive to measuring and reporting sustainability performance support its development [5]. ROSI is also increasingly linked to integrating environmental, social, and governance (ESG) factors into management decision-making and financial performance assessment. This integration enables companies to view sustainability not only as a social and environmental responsibility but also as a strategic means of creating value and supporting long-term economic growth [6].

Despite the growing use of SROI and ROSI, both approaches face methodological challenges. For SROI, these include subjectivity in valuing outcomes, inconsistent selection of monetary proxies, limited standardization of global reporting, and potential bias in attributing outcomes to specific interventions [7]. These challenges may affect the consistency, comparability, and validity of SROI results across programs and organizations.

ROSI, meanwhile, faces methodological challenges primarily because of its stronger emphasis on financial value creation. This orientation may reduce attention to social and environmental dimensions that cannot be directly translated into economic value. Furthermore, ROSI does not necessarily require explicitly measuring social and environmental changes or outcomes [8]. Although ROSI is useful for explaining the relationship between sustainability investments and business performance, it may therefore provide a more limited understanding of the sustainability value experienced by stakeholders.

These differences in orientation, institutional legitimacy, academic development, and methodological challenges highlight an important gap in understanding the respective roles of SROI and ROSI in sustainability impact measurement. SROI focuses on identifying and quantifying value created for stakeholders, whereas ROSI emphasizes the contribution of sustainability investments to organizational value creation. Therefore, comparing these two approaches is important for identifying their respective characteristics, strengths, limitations, and contexts of application, as well as for examining their potential complementarity in developing a more comprehensive framework for measuring sustainability impact.

2. Methodology

This study employs a conceptual analysis approach to compare two frameworks for measuring sustainability value: Social Return on Investment (SROI) and Return on Sustainability Investment (ROSI). This approach was selected because the study focuses primarily on theoretical and methodological frameworks rather than on primary empirical data. Conceptual analysis enables the study to clarify the objectives, purposes, and appropriate contexts for applying both methodologies, thereby addressing the uncertainty practitioners and academics face in selecting the most appropriate measurement approach. The study adopts a descriptive qualitative design based on secondary data obtained from official documents of the NYU Stern Center for Sustainable Business (CSB) on the ROSI methodology [9], [10], academic literature on SROI published in leading scientific journals, and industry case studies documenting the application of both frameworks across various sectors.

To systematically compare SROI and ROSI, the study applies a multidimensional conceptual analysis covering six dimensions: (1) measurement objectives and targets; (2) objects of measurement; (3) monetization methods; (4) operational analysis processes; (5) underlying data and assumptions; and (6) critiques and limitations of each framework. This analytical framework follows the approach commonly used in comparative studies of impact measurement methodologies, examining frameworks not only individually but also in terms of their fundamental similarities and differences. Data were collected through a systematic literature review of academic databases and institutional repositories, including NYU Stern and Deloitte, using the keywords “Social Return on Investment,” “SROI methodology,” “Return on Sustainability Investment,” “ROSI,” and related combinations [11,12].

To strengthen the validity and reliability of the findings, the study applied source triangulation by comparing information from official documents, academic literature, and industry reports. This study has several limitations. First, its reliance on secondary data restricts the analysis to information

documented in the available literature. Second, both frameworks continue to evolve through ongoing research and industry applications. Third, each framework's effectiveness is context-dependent and may vary across industries and organizational settings. Finally, this study acknowledges that conceptual analysis is not entirely value-free, as the interpretation of both frameworks may be influenced by the researcher's analytical perspective.

3. Literature Review

The SROI methodology guide defines SROI as a framework for measuring and quantifying a broader concept of value. It seeks to reduce environmental degradation and inequality and improve well-being by integrating social and environmental dimensions into economic cost-benefit analysis [13]. SROI is a process for understanding, measuring, and reporting the social, economic, and environmental value created by interventions, programs, policies, or organizations. SROI has two types: evaluative SROI, which measures outcomes retrospectively, and forecast SROI, which prospectively estimates the value that may be generated if an intervention is implemented and achieves its intended outcomes [14].

The Roberts Enterprise Development Fund (REDF) initially developed the SROI framework in 1996 and later revised it by integrating REDF's original methodology with principles and processes commonly used in economic evaluation and financial return-on-investment analysis. These developments produced a framework that captures the broader social, economic, and environmental impacts of interventions [11]. This approach is commonly associated with the "triple bottom line" concept and is fundamentally based on blended value accounting. Its implementation consists of six stages: (1) establishing scope and identifying stakeholders; (2) mapping outcomes; (3) evidencing outcomes and demonstrating their availability; (4) establishing impact; (5) calculating the SROI; and (6) reporting and embedding [15,16]. SROI is also based on seven core principles: engaging stakeholders, understanding what has changed, valuing what matters, including only material aspects, avoiding overclaiming, being transparent, and verifying results. More recently, an eighth principle has been introduced: being responsive and focusing on managing social value [17].

Methodologically, SROI commonly combines qualitative and quantitative approaches. Qualitative methods help understand social change through in-depth stakeholder engagement and capture narratives of change that cannot be directly quantified, while quantitative methods measure the resulting social impacts [18]. SROI emphasizes the importance of a theory of change as its methodological foundation. This requires establishing a clear logic of change—what changes, why it changes, and how the change occurs—to determine the indicators to be measured. This approach enables researchers to assess impacts that are material and relevant to stakeholders while avoiding the measurement of non-essential variables [19].

In contrast, the Return on Sustainability Investment (ROSI) methodology emerged in response to challenges in integrating sustainability into business decision-making and assessing the feasibility of sustainability investments. These challenges include: (a) difficulties in identifying and tracking the multiple ways in which value is created through sustainability programs and initiatives; (b) the simultaneous implementation of multiple sustainability projects, which complicates the attribution of specific benefits to individual investments; and (c) the tendency of conventional business feasibility analyses to focus on a limited number of direct and tangible benefits while overlooking less tangible benefits. As a result, companies may miss opportunities or underinvest in sustainability practices and programs, even though a substantial proportion of the value generated by sustainability investments may take less tangible forms [20].

To encourage greater corporate action on sustainability, the NYU Stern Center for Sustainable Business and ALO Advisors collaborated to develop and refine ROSI as a framework for evaluating sustainable business practices. The framework is based on documented relationships between improved corporate market value and changes in intermediary factors, including customer and employee loyalty, reduced intervention from stakeholders and regulators, improved risk mitigation, energy savings, and other operational efficiency improvements resulting from sustainable business practices [21].

The ROSI methodology consists of five main steps: (1) Identify: identify the financially material environmental, social, and governance (ESG) issues facing the company and the strategies that can be adopted to mitigate related risks or capture opportunities; (2) Assess Practices: determine the practices implemented to execute sustainability strategies, including their effects on ROSI intermediary factors; (3) Define Benefits: identify the types of economic benefits that may be generated; (4) Quantify Benefits: estimate the magnitude and timing of these benefits through ROSI value drivers; and (5) Monetize: translate the identified benefits into economic value by collecting relevant data and converting changes in business performance into monetary values or projected returns on investment [22].

4. Results

The difference between SROI and ROSI

To systematically compare SROI and ROSI, this study identifies six dimensions of comparison: (1) the purpose and objectives of measurement; (2) the object of measurement; (3) the monetization method; (4) the operational analysis process; (5) the underlying data and assumptions; and (6) the critiques and limitations of each framework. The following six dimensions are used to compare SROI and ROSI, as presented in Table 1.

Table 1

Six dimensions for comparing SROI and ROSI

No	Dimension	SROI	ROSI
1.	Objectives and Goals of Measurement · Measurement Objective	- Measurement Objective: To measure and quantify the social, economic, and environmental value generated by an intervention by comparing it to the investment made. - Measurement Targets: outcomes and changes experienced by stakeholders - Program interventions and the resulting changes for stakeholders. The focus is on the relationship between inputs, activities, outputs, and outcomes.	- Measurement Objective: To identify sustainability strategies and resulting changes in practices. - Measurement Goal: To measure and quantify the benefits that contribute to business performance through ROSI as a mediating factor.
2.	Measurement Object	Program interventions and the resulting changes for stakeholders. The focus is on the relationship between inputs, activities, outputs, and outcomes.	Sustainability strategies and the resulting changes in business practices. The focus is on identifying and assessing the extent to which changes in business practices generate benefits through the nine ROSI value drivers.

Table 1 (Continued)

No	Dimension	SROI	ROSI
1.	Objectives and Goals of Measurement · Measurement Objective	■ Measurement Objective: To measure and quantify the social, economic, and environmental value generated by an intervention by comparing it to the investment made. · Measurement Targets: outcomes and changes experienced by stakeholders ■ Program interventions and the resulting changes for stakeholders. The focus is on the relationship between inputs, activities, outputs, and outcomes.	■ Measurement Objective: To identify sustainability strategies and resulting changes in practices. ■ Measurement Goal: To measure and quantify the benefits that contribute to business performance through ROSI as a mediating factor.
2.	Measurement Object	Program interventions and the resulting changes for stakeholders. The focus is on the relationship between inputs, activities, outputs, and outcomes.	Sustainability strategies and the resulting changes in business practices. The focus is on identifying and assessing the extent to which changes in business practices generate benefits through the nine ROSI value drivers.
3.	Monetization Methods	Using financial proxies to estimate the monetary value of outcomes that are not reflected in the market. These values are then adjusted through impact-adjustment processes such as attribution, deadweight, drop-off, and displacement.	Quantify sustainability benefits through ROSI mediating factors, then translate those benefits into monetary value. Monetization encompasses risk management, stakeholder engagement, operational efficiency, talent management, supplier relations, media coverage, customer loyalty, sales and marketing, and innovation.
4.	Operational Analysis Process	1. Establishing scope and identifying stakeholders; 2. Mapping outcomes; 3. Evidencing outcomes and then availability; 4. Establishing impact; 5. Calculating the SROI; 6. Reporting and embedding.	1. Identify; 2. Assess Practices; 3. Define Benefits; 4. Quantify Benefits; 5. Monetize.
5.	Database and Basic Assumptions	Relying on data obtained from stakeholders. The basic assumption relates to the process of determining the impacts and changes that would occur in the absence of intervention.	Relying on data provided by companies or sourced from academic or industry studies. The basic assumptions relate to the magnitude of the benefits and the timing of their realization.
6.	Implementation Challenges (Criticisms and Limitations)	1. Limited resources and technical capacity; 2. Lack of standardization and subjectivity; 3. Manipulation of indicators to align with the funders or investor's desired outcomes; 4. Overreliance on SROI ratios;	a) The issue of reliable data and the difficulty in quantifying hidden values and intangible benefits; b) Limitations in capturing the complexity of sustainability value

No	Dimension	SROI	ROSI
		5. Weak integration with the ESG/SDGs framework.	

The six-dimensional comparison results indicate that SROI and ROSI differ substantially, reflecting the distinctive characteristics of each methodology. The first dimension of the analysis shows that SROI aims to identify and measure social, economic, and environmental impacts and monetize them to generate a social return-on-investment ratio [23]. SROI adopts a stakeholder-centered approach, in which stakeholders involved in a program or intervention serve as important sources of information regarding their experiences and the impacts of organizational interventions [24,25]. Within the SROI framework, stakeholders are also subjects of measurement. Unlike conventional accounting, which primarily focuses on business owners, SROI recognizes that multiple stakeholder groups contribute to social and economic value. Therefore, SROI assesses an organization's impact on stakeholders and incorporates these findings into the final report. The SROI framework generally combines a narrative based on a theory of change to explain how value is created with numerical ratios to demonstrate the magnitude of the social impact generated [26].

The operational analysis of SROI consists of six practical steps based on the SROI principles [27]:

1. Establishing scope and identifying stakeholders. This initial step defines the boundaries of the SROI analysis, including its scope, relevant stakeholders, and analysis methods.
2. Mapping outcomes. Stakeholder engagement develops a theory of change that illustrates the relationships between inputs, outputs, and outcomes.
3. Evidencing outcomes and assessing their availability. This step involves collecting data to demonstrate the outcomes generated and assigning values to those outcomes.
4. Establishing impact. This step assesses whether the identified outcomes resulted from the intervention or activities undertaken. This step is essential to minimize overclaiming and develop a credible impact narrative.
5. Calculating the SROI. The total benefits are calculated, negative impacts are deducted, and the resulting value is compared with the investment.
6. Reporting and embedding. The results are communicated to stakeholders and relevant experts. This process also supports verification by gathering stakeholder feedback and embedding practices that generate positive impacts.

Despite its strengths, the SROI methodology has several limitations. Its implementation requires substantial resources and technical capacity. An SROI analysis generally involves comprehensive data collection, extensive stakeholder engagement, and considerable time and financial resources [28]. Leighton and Wood highlight the significant resource requirements associated with SROI, particularly for training, data collection, analysis, and communication [28]. Data collection is also time-consuming, which may limit an organization's ability to collect impact data consistently over time [29].

Another limitation concerns the lack of standardization and the high degree of subjectivity in SROI analysis. Considerable variation exists in the procedures and methods used to assess social impact because such assessment involves inherently subjective judgments [30]. These challenges are particularly evident when monetizing non-financial or "soft" outcomes [31]. No universally accepted standards exist for assigning financial proxies to outcomes such as increased self-confidence or community well-being. Consequently, the resulting estimates of social value may be highly subjective [32]. Subjectivity appears not only in selecting financial proxies but also in estimating deadweight, attribution, and drop-off. Research by Krlev et al. found that only approximately one-fifth of 114

studies employed robust methods for calculating deadweight, such as comparisons involving pre- and post-intervention control groups [33].

The substantial scope for subjective judgment in SROI analysis also limits the comparability of SROI ratios and organizational results. Even when researchers or practitioners use the same data, they may produce different SROI ratios [34]. This limitation reduces the usefulness of SROI results for strategic decision-making and external reporting [35].

Furthermore, the SROI process may encourage a social value measurement approach that places excessive emphasis on the interests of funders and investors, potentially shifting attention away from broader accountability to stakeholders [36]. This may lead evaluators to select or adjust indicators based on outcomes particular stakeholders, such as policymakers or funders, consider important. Several studies have also shown that SROI application rarely leads directly to additional funding, although it may help prevent funding reductions [37]. Therefore, SROI results should be interpreted within their broader political and institutional context, considering stakeholder interests and the objectives of those conducting the measurement, as these factors may influence both the valuation process and its outcomes [38].

Another challenge is the tendency of internal and external users to rely too heavily on the SROI ratio. Although the simplicity and clarity of a single ratio may be attractive to policymakers, fundraisers, and investors, reducing social impact to a single numerical value risks overlooking the complexity of impact creation [39]. A meta-analysis of SROI studies published between 2002 and early 2012 found that 54% of studies provided limited insight into how social impact is created beyond the outcomes monetized in the SROI ratio [40]. Therefore, SROI analysis should not be limited to calculating a ratio but should also examine the processes of change underlying the measured outcomes. This enables organizations to use the findings to improve or replicate interventions more effectively [41].

A further challenge is integrating SROI results into global sustainability frameworks, particularly ESG (Environmental, Social, and Governance) and the SDGs (Sustainable Development Goals). Landoni and Moratti found that SROI-generated social value has not yet been directly incorporated into ESG indicators or systematically linked to specific SDG targets [42]. This limitation constrains SROI's use as a comprehensive sustainability reporting tool and makes it harder for organizations to align their social impact measurement results with internationally recognized sustainability standards and frameworks.

The results of the SROI study conducted on the CSR program (BERBISIK's Program stands for Berdaya, Berkolaborasi, Inklusif, Inovasi, dan Karya, reflecting a commitment to empowerment, collaboration, inclusion, innovation, and meaningful creation) of PT Patra Niaga Refinery Unit VI Balongan indicate that the company did not work alone; rather, numerous stakeholders were involved in waste management efforts. In the waste management activities and inclusive spaces for friends with physical/other disabilities (tuna), the primary stakeholder involved was the Environmental Agency of Indramayu Regency. A similar situation occurred in sign language service issue activities, where the involvement of Kelurahan Lemahmekar became a major factor in the success of resolving inclusive service issues.

The main findings show that the BERBISIK Program intervention generated social and economic impacts felt by the community of Desa Balongan, Kelurahan Lemahmekar, and deaf friends. This is reflected in the SROI calculation result of 1.87, which indicates that every Rp1 invested in the program generates Rp1.87 in social and economic value. This value primarily stems from increased income, the creation of new income sources, production and repair cost savings, as well as cost savings in internship learning activities for persons with disabilities and organic waste management.

Nevertheless, the SROI analysis of the Berbisik program conducted by PT Patra Niaga RU VI still has limitations in capturing the overall impact generated by the program. The findings of the SROI study reveal that there are strong intangible impacts that cannot yet be monetized. Consequently, broader social changes cannot be fully accommodated within the SROI study nor are they fully reflected in the SROI value of 1.87. Thus, unmonetized intangible outcomes have the potential to cause the SROI analysis results to represent only a portion of the social value generated by the Berbisik program.

Unlike the previous SROI section, the ROSI methodology also possesses different characteristics. The second part of the findings regarding ROSI indicates that ROSI is used to identify both favorable and adverse financial implications of corporate sustainability strategies and practices [43]. ROSI measurement is useful for improving corporate decision-making and performance [44]. Furthermore, this measurement is essential for demonstrating to investors and stakeholders that sustainability is part of the corporate strategy supporting long-term success while strengthening internal support and its integration into business operations. A survey by The Conference Board shows that ROSI measurement can strengthen the corporate sustainability narrative and integrate sustainability further into business activities [45].

The measurement objective of ROSI is to approach sustainability practices and monetize tangible and intangible assets [46]. In this sense, ROSI seeks to measure and monetize the benefits that contribute to business performance through the ROSI mediating factor [47]. There are nine mediating factors to explain that when companies resolve sustainability challenges, financial performance can change. These factors include customer loyalty, stakeholder engagement, innovation, employee relations, risk management, operational efficiency, sales and marketing, supplier relations, and media coverage [48]. To monetize the benefits of sustainability actions and practices, the ROSI framework proposes methods including: a) identifying material sustainability actions; b) identifying benefits associated with practice changes and classifying benefits based on mediating factors; c) measuring costs and benefits associated with sustainability actions. Measuring costs and benefits can be done by gathering cost inputs; estimating input benefits; modeling future market behavior; and establishing probabilities for the occurrence of specific events [49]. In general, in the operational analysis of the ROSI measurement methodology, there are 5 steps that can be undertaken, namely: [50].

Step 1: Identify. This step involves identifying material sustainability strategies and actions. Information on sustainability actions can be gathered from corporate sustainability ratings, reports, or assessments, as well as interviews across the organization to produce a complete and comprehensive list of actions, benefits, and metrics.

Step 2: Assess Practices. This step is carried out by listing potential benefits that can drive the growth of financial and social value derived from sustainability actions through the lens of ROSI mediating factors. Note that some benefits may be related to more than one mediating factor. The list of potential benefits can be compiled by gathering specific data, inputs, and assumptions for each benefit.

Step 3: Define Benefits. Determining the types of economic benefits obtained. Net benefit calculation requires costs, which sometimes take the form of investments from sustainability actions. Each benefit can be project- or company-specific.

Step 4: Quantify Benefits. Quantifying the costs and benefits associated with each action taken and/or planned by the company to address targeted risks and opportunities, whether evaluating expected past sustainable benefits or potential future investments.

Step 5. Monetize. This step is very important because every benefit needs to be linked to an appropriate equation and supported by data that allows changes in business performance to be measured and translated into monetary figures.

The ROSI measurement methodology also has several limitations or challenges. ROSI implications require accurate, complete, and comparable data to determine sustainability ROI. However, a study conducted by Accounting for Sustainability revealed that nearly half of the barometer respondents consider the availability of reliable data as a major constraint, a figure nearly identical to the previous year at 47% [51]. In fact, the ROSI analysis process requires reliable data to support each benefit obtained, so the lack of reliable data makes determining sustainability ROI difficult. In addition, the difficulty in measuring hidden values and intangible benefits affects the monetization process. Consequently, there is a lack of evidence to show that changes in financial performance are definitively caused by a specific sustainability investment. In fact, the premise of the ROSI framework—which states that embedding sustainability as a core business does not automatically drive improvement solely through a set of established mediating factors—can also be influenced by market conditions, regulations, and other business strategies. Therefore, ROSI analysis often experiences data gaps and difficulties in quantifying avoided risks [52].

Another challenge is the limitation in capturing the complexity of sustainability value. The ROSI methodology only answers questions regarding the financial value generated by sustainable business strategies and practices [53]. Consequently, social and environmental impacts that do not directly generate business value have the potential to be less visible in the analysis. Meanwhile, ROSI is associated with the creation of sustainable value over time by connecting sustainability to mainstream finance, which can weaken the social and environmental dimensions if sustainability is interpreted solely in financial terms [54,55]. In other words, ROSI has a business-oriented tendency because its ultimate driver is an increase in revenue, profitability, or business value.

The findings of the ROSI study, conducted through a collaboration between Deloitte and the NYU Stern Center for Sustainable Business, indicate that sustainability is increasingly viewed not merely as a cost but as a strategy that can generate measurable financial value. The study of the food and agriculture sector provides empirical evidence that sustainability practices can align social and environmental objectives with business interests through revenue growth and cost efficiency. The application of the ROSI framework in a survey of 350 global executives across five value chain segments shows that sustainability investments are not necessarily a financial burden but can contribute to improved economic performance.

The findings indicate significant financial returns from sustainability investments. A total of 99% of the surveyed companies reported revenue growth associated with their sustainability investments. In addition, 79% of executives reported revenue growth of at least 2%, while 74% reported cost reductions of at least 2%. These findings suggest that sustainability initiatives can generate economic benefits through two main mechanisms: revenue growth and cost efficiency [56-58].

However, the magnitude and nature of the value generated by sustainability investments vary. Instead, they depend on a company's position in the value chain and its industry characteristics. For example, in food processing companies, improvements in food waste management and energy efficiency were identified as the primary drivers of revenue growth. In the retail sector, meanwhile, revenue growth was more closely associated with adopting sustainable packaging and selling products with verified sustainability claims [59].

Overall, the ROSI study demonstrates that the financial value of sustainability is context-dependent. The effectiveness of sustainability investments depends not only on the amount invested but also on how well sustainability initiatives align with a company's position in the value chain and

its operational characteristics. These findings reinforce the view that sustainability can be an integral component of corporate value creation rather than merely an obligation or additional cost.

4. Conclusions

Measuring sustainability value presents a complex challenge for modern organizations, particularly when they must navigate competing expectations from profit-driven shareholders and societal demands for social justice. In this context, two frameworks—Social Return on Investment (SROI) and Return on Sustainability Investment (ROSI)—have emerged as widely recognized measurement tools. However, this paper highlights that despite their popularity, the specific roles and functions of each framework remain underexplored. Through a conceptual analysis, this study maps the objectives, targets, and appropriate application contexts of both methodologies, aiming to resolve the confusion practitioners and academics face when selecting the most suitable measurement tool for their needs.

The analysis reveals a fundamental yet complementary dichotomy. SROI measures the social value generated for all relevant stakeholders—including the implementing organization—making it suitable for evaluating a program's impact on the broader community. In contrast, ROSI is designed more narrowly to measure the financial returns a company gains from its sustainability investments, manifested through three primary channels: operational cost efficiency, improved access to capital, and enhanced market reputation. Although they differ sharply in target beneficiaries (stakeholders vs. the organization) and primary focus (social impact vs. corporate profit), both frameworks share an inescapable common thread: they translate sustainability impact into financial metrics that their respective audiences can understand and accept.

This convergence toward financial return is not merely a methodological coincidence, but reflects a broader and more critically provocative paradigm shift. Today, the legitimacy of sustainability value—whether social or corporate—is increasingly determined by its capacity to be translated into the language of economic profit. This phenomenon suggests that market logic and the language of profit have become the primary gateway to recognizing sustainability efforts in the modern era. Yet beneath this pragmatism lies a fundamental question: does translating social and environmental value into monetary figures risk reducing the very essence of justice and ecological integrity, or is this a necessary pragmatic strategy to ensure that sustainability issues are heard by business decision-makers who have long responded only to the language of profit margins?

Acknowledgement

This research was not funded by any grant.

References

- [1] Margiono, Ari, Tirta Nugraha Mursitama, and Roosalina Wulandari. "The politics of social impact measurement in Indonesia." In *Social Impact Measurement for a Sustainable Future: The Power of Aesthetics and Practical Implications*, pp. 147-167. Cham: Springer International Publishing, 2021. https://doi.org/10.1007/978-3-030-83152-3_8
- [2] Ariza-Montes, Antonio, Antonio Sianes, Vicente Fernández-Rodríguez, Carmen López-Martín, Mercedes Ruíz-Lozano, and Pilar Tirado-Valencia. "Social return on investment (SROI) to assess the impacts of tourism: A case study." *Sage Open* 11, no. 1 (2021): 2158244020988733. <https://doi.org/10.1177/2158244020988733>
- [3] Ridhwan, Dwiki, Tasniah Fauzi, Yozarwardi Usama Putra, Heriza Leni, and Rakhmat Hidayat. "Social Return on Investment (SROI) of Agroforestry and Ecotourism Developments: Case Study of Multi-Stakeholder Support for Social Forestry Communities in West Sumatra, Indonesia." *Environmental and Sustainability Indicators* (2026): 101240. <https://doi.org/10.1016/j.indic.2026.101240>

- [4] Eckerle, Kevin, Tensie Whelan, Bryan DeNeve, Sameer Bhojani, John Platko, and Rebecca Wisniewski. "Using the return on sustainability investment (ROSI) framework to value accelerated decarbonization." *Journal of Applied Corporate Finance* 32, no. 2 (2020): 100-107. <https://doi.org/10.1111/jacf.12409>
- [5] Alshehhi, Ali, Haitham Nobanee, and Nilesh Khare. "The impact of sustainability practices on corporate financial performance: Literature trends and future research potential." *Sustainability* 10, no. 2 (2018): 494. <https://doi.org/10.3390/su10020494>
- [6] Yue, Xiao-Guang, Yan Han, Deimante Teresiene, Justina Merkyte, and Wei Liu. "Sustainable funds' performance evaluation." *Sustainability* 12, no. 19 (2020): 8034. <https://doi.org/10.3390/su12198034>
- [7] Parikesit, Bonifasius Santiko. (2016). Analisis dampak program microfinance di PT X diukur menggunakan Social Return on Investment (SROI) [Unpublished master's thesis]. Universitas Trisakti
- [8] Bodhanwala, Shernaz, and Ruzbeh Bodhanwala. "Relationship between sustainable and responsible investing and returns: a global evidence." *Social Responsibility Journal* 16, no. 4 (2020): 579-594. <https://doi.org/10.1108/SRJ-12-2018-0332>
- [9] Vishwanathan, Pushpika, Hans van Oosterhout, Pursey PMAR Heugens, Patricio Duran, and Marc Van Essen. "Strategic CSR: A concept building meta-analysis." *Journal of Management studies* 57, no. 2 (2020): 314-350. <https://doi.org/10.1111/joms.12514>
- [10] Eckerle, Kevin, Tensie Whelan, Bryan DeNeve, Sameer Bhojani, John Platko, and Rebecca Wisniewski. "Using the return on sustainability investment (ROSI) framework to value accelerated decarbonization." *Journal of Applied Corporate Finance* 32, no. 2 (2020): 100-107. <https://doi.org/10.1111/jacf.12409>
- [11] Atz, Ulrich, Tracy Van Holt, Elyse Douglas, and Tensie Whelan. "The return on sustainability investment (ROSI): Monetizing financial benefits of sustainability actions in companies." In *Sustainable Consumption and Production, Volume II: Circular Economy and Beyond*, pp. 303-354. Cham: Springer International Publishing, 2020.
- [12] NYU Stern Center for Sustainable Business. (2025). The business case for zero waste to landfill by 2030: Working with Owens Corning's fiberglass insulation business. https://www.stern.nyu.edu/sites/default/files/2025-03/FINAL_Owens%20Corning%20Case%20Study_03.06.25.pdf
- [13] Nicholls, Jeremy, Ellis Lawlor, Eva Neitzert, and Tim Goodspeed. "A guide to social return on investment." (2012).
- [14] Scholten, Peter. *Social return on investment: A guide to SROI analysis*. Lenthe Publ., 2006.
- [15] Emerson J, Cabaj M. Social Return on Investment. *Making Waves*. 2000;11:10-4. <https://hdl.handle.net/2149/1028>
- [16] Norman, Wayne, and Chris MacDonald. "Getting to the bottom of "triple bottom line"." *Business ethics quarterly* 14, no. 2 (2004): 243-262. <https://doi.org/10.5840/beg200414211>
- [17] E Emerson, Jed. "The blended value proposition: Integrating social and financial returns." *California management review* 45, no. 4 (2003): 35-51. <https://doi.org/10.2307/41166>
- [18] Social Value International. (2021). *The Principles of Social Value* (2nd). Social Value International.
- [19] Nonica Hidayati, Abdussalam, & Aditya Rahmat Gunawan. (2025). Social Return on Investment on Fishing Facilities Assistance to the Tegalkamulyan Fisherman Group: A Forecast Analysis. *Journal of Social Development Studies*, 5(2), 123-139. <https://doi.org/10.22146/jds.19275>
- [20] Barusman, A. F., & Santoso, N. A. (2023). Analisis Social Return on Investment (SROI) Pada Rumah BUMN Bandar Lampung. *Journal of Economic, Bussines and Accounting (COSTING)*, 13, 131-140. <https://doi.org/10.31539/costing.v7i3.8134>
- [21] Eckerle, Kevin, Tensie Whelan, Bryan DeNeve, Sameer Bhojani, John Platko, and Rebecca Wisniewski. "Using the return on sustainability investment (ROSI) framework to value accelerated decarbonization." *Journal of Applied Corporate Finance* 32, no. 2 (2020): 100-107. <https://doi.org/10.1111/jacf.12409>
- [22] Atz, Ulrich, Tracy Van Holt, Elyse Douglas, and Tensie Whelan. "The return on sustainability investment (ROSI): Monetizing financial benefits of sustainability actions in companies." In *Sustainable Consumption and Production, Volume II: Circular Economy and Beyond*, pp. 303-354. Cham: Springer International Publishing, 2020.
- [23] Nicholls, Jeremy, Ellis Lawlor, Eva Neitzert, and Tim Goodspeed. "A guide to social return on investment." (2012).
- [24] Social Value International. (2021). *The Principles of Social Value* (2nd). Social Value International.
- [25] Graff, L. 2009. Reconceptualizing the Value of Volunteer Work. Unpublished paper. www.lindagraff.ca/Past%20Musings/Musing%20-%20Reconceptualizing%20The%20Value%20Of%20Volunteers.pdf
- [26] Gibbon, Jane, and Colin Dey. "Developments in social impact measurement in the third sector: scaling up or dumbing down?" *Social and Environmental Accountability Journal* 31, no. 1 (2011): 63-72. <https://doi.org/10.1080/0969160X.2011.556399>
- [27] Banke-Thomas, Aduragbemi Oluwabusayo, Barbara Madaj, Ameh Charles, and Nynke Van Den Broek. "Social Return on Investment (SROI) methodology to account for value for money of public health interventions: a systematic review." *BMC public health* 15, no. 1 (2015): 582. <https://doi.org/10.1186/s12889-015-1935-7>

- [28] Wood, Claudia, and Daniel Leighton. "Measuring social value: the gap between policy and practice." *Undercurrent* 2 (2010): 7-9.
- [29] Lingane, Alison, and Sara Olsen. "Guidelines for social return on investment." *California management review* 46, no. 3 (2004): 116-135. <https://doi.org/10.2307/41166>
- [30] Zappalà, Gianni, and Mark Lyons. "Recent approaches to measuring social impact in the Third sector: An overview." (2009).
- [31] Tirado-Valencia, Pilar, Silvia Ayuso, and Vicente Fernández-Rodríguez. "Accounting for emotional value: A review in disability organizations." *Frontiers in psychology* 12 (2021): 741897. <https://doi.org/10.3389/fpsyg.2021.741897>
- [32] Corvo, Luigi, Lavinia Pastore, Marco Mastrodascio, and Denita Cepiku. "The social return on investment model: a systematic literature review." *Meditari Accountancy Research* 30, no. 7 (2022): 49-86. <https://doi.org/10.1108/MEDAR-05-2021-1307>
- [33] Krlev, Gorgi, Robert Münscher, and Katharina Mülbert. "Social Return on Investment (SROI): state-of-the-art and perspectives-a meta-analysis of practice in Social Return on Investment (SROI) studies published 2002-2012." (2013).
- [34] Cooney, Kate, and Kristen Lynch-Cerullo. "Measuring the social returns of nonprofits and social enterprises: The promise and perils of the SROI." In *Nonprofit Policy Forum*, vol. 5, no. 2, pp. 367-393. De Gruyter, 2014.
- [35] Corvo, Luigi, Lavinia Pastore, Marco Mastrodascio, and Denita Cepiku. "The social return on investment model: a systematic literature review." *Meditari Accountancy Research* 30, no. 7 (2022): 49-86. <https://doi.org/10.1108/MEDAR-05-2021-1307>
- [36] Gibbon, Jane, and Colin Dey. "Developments in social impact measurement in the third sector: scaling up or dumbing down?." *Social and Environmental Accountability Journal* 31, no. 1 (2011): 63-72. <https://doi.org/10.1080/0969160X.2011.556399>
- [37] Maier, Florentine, Christian Schober, Ruth Simsa, and Reinhard Millner. "SROI as a method for evaluation research: Understanding merits and limitations." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 26, no. 5 (2015): 1805-1830. [doi: 10.1007/s11266-014-9490-x](https://doi.org/10.1007/s11266-014-9490-x).
- [38] Lingane, Alison, and Sara Olsen. "Guidelines for social return on investment." *California management review* 46, no. 3 (2004): 116-135. <https://doi.org/10.2307/41166>
- [39] Gibbon, Jane, and Colin Dey. "Developments in social impact measurement in the third sector: scaling up or dumbing down?." *Social and Environmental Accountability Journal* 31, no. 1 (2011): 63-72. <https://doi.org/10.1080/0969160X.2011.556399>
- [40] Krlev, Gorgi, Robert Münscher, and Katharina Mülbert. "Social Return on Investment (SROI): state-of-the-art and perspectives-a meta-analysis of practice in Social Return on Investment (SROI) studies published 2002-2012." (2013).
- [41] Arvidon, Malin, Fergus Lyon, Stephen McKay, and Domenico Moro. "The ambitions and challenges of SROI (social return on investment)." (2010).
- [42] Landoni, Paolo, and Angelo Moratti. "Impact Assessment in the Wine Industry: Potential and Limitations of the Social Return on Investment (SROI)." *Administrative Sciences* 15, no. 9 (2025): 346. <https://doi.org/10.3390/admsci15090346>
- [43] NYU Stern Center for Sustainable Business. (2025). The business case for zero waste to landfill by 2030: Working with Owens Corning's fiberglass insulation business. https://www.stern.nyu.edu/sites/default/files/2025-03/FINAL_Owens%20Corning%20Case%20Study_03.06.25.pdf
- [44] Salzmann, Oliver, Aileen Ionescu-Somers, and Ulrich Steger. (2005). "The Business Case for Corporate Sustainability: Literature Review and Research Options." *European Management Journal* 23, no. 1: 27-36. <https://doi.org/10.1016/j.emj.2004.12.007>.
- [45] The Conference Board. (2024). The Sustainability Dividend: A Primer on Sustainability ROI. <https://www.conference-board.org/publications/the-sustainability-dividend-a-primer-on-sustainability-ROI>
- [46] Lev, Baruch, and Feng Gu. "The end of accounting." *Hoboken, New Jersey: Wiley* (2016). <https://doi.org/10.1002/9781119270041>
- [47] Eckerle, Kevin, Tensie Whelan, Bryan DeNeve, Sameer Bhojani, John Platko, and Rebecca Wisniewski. "Using the return on sustainability investment (ROSI) framework to value accelerated decarbonization." *Journal of Applied Corporate Finance* 32, no. 2 (2020): 100-107.
- [48] Atz, Ulrich, Tracy Van Holt, Elyse Douglas, and Tensie Whelan. "The return on sustainability investment (ROSI): Monetizing financial benefits of sustainability actions in companies." In *Sustainable Consumption and Production, Volume II: Circular Economy and Beyond*, pp. 303-354. Cham: Springer International Publishing, 2020.
- [49] Eckerle, Kevin, Tensie Whelan, Bryan DeNeve, Sameer Bhojani, John Platko, and Rebecca Wisniewski. "Using the return on sustainability investment (ROSI) framework to value accelerated decarbonization." *Journal of Applied Corporate Finance* 32, no. 2 (2020): 100-107. <https://doi.org/10.1111/jacf.12409>

- [50] Atz, Ulrich, Tracy Van Holt, Elyse Douglas, and Tensie Whelan. "The return on sustainability investment (ROSI): Monetizing financial benefits of sustainability actions in companies." In *Sustainable Consumption and Production, Volume II: Circular Economy and Beyond*, pp. 303-354. Cham: Springer International Publishing, 2020.
- [51] Accounting for Sustainability. (2024) A4S Finance Leaders' Sustainability Barometer 2024. <https://www.accountingforsustainability.org/content/dam/a4s/corporate/home/KnowledgeHub/Guide-pdf/A4S%20Finance%20Leaders%20Sustainability%20Barometer%202024.pdf.downloadasset.pdf>
- [52] NYU Stern. (2024). GreenBiz: Make the Internal Business Case For Sustainability Investment. <https://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/center-sustainable-business/news-events/news-insights/greenbiz-make-internal-business-case-sustainability-investment>
- [53] NYU Stern. (2025). Instructional Guide to: ROSI Corporate Sustainability Value Creation Assessment Tool. <https://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/center-sustainable-business/research/return-sustainability-investment-rosi>
- [54] Bodhanwala, Shernaz, and Ruzbeh Bodhanwala. "Do investors gain from sustainable investing? An empirical evidence from India." *International Journal of Business Excellence* 19, no. 1 (2019): 100-118. <https://doi.org/10.1504/IJBEX.2019.101710>
- [55] Kumar, Sunil Chenichery Thazhath, Varun Chotia, Swati Soni, and Vinay Khandelwal. "Impact investing in action: A framework for sustainability." *International Journal of Management and Sustainability* 12, no. 2 (2023): 245-258. <https://doi.org/10.18488/11.v12i2.3353>
- [56] Deloitte. (2024a, October). Food processors: How to find returns on sustainability investments. <https://www.deloitte.com/us/en/services/consulting/articles/how-sustainable-food-processing-companies-are-increasing-returns.html>
- [57] NYU Stern Center for Sustainable Business. (2024, March 15). Sustainability strategies generate financial benefits for nearly all surveyed food and agriculture companies, finds new research from NYU Stern Center for Sustainable Business and Deloitte Consulting LLP. <https://www.stern.nyu.edu/experience-stern/about/departments-centers-initiatives/centers-of-research/center-sustainable-business/news-events/news-insights/sustainability-strategies-generate-financial-benefits-nearly-all-surveyed-food-and-agriculture>
- [58] Deloitte. (2024b). ROSI - Return on Sustainability Investment. Deloitte Global. <https://www.deloitte.com/cbc/en/services/consulting/analysis/rosi-return-on-sustainability-investment.html>
- [59] Deloitte. (2024c). Retailers: How to find returns on sustainability investments. <https://www.deloitte.com/us/en/services/consulting/articles/how-food-retailers-find-returns-on-sustainable-investments.html>