

Sustainability is a Key Factor for Businesses

Boniello Carmine – Cuzzo Concetta
University of Salerno
Fisciano (Italy)

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Abstract

Sustainable development is a global challenge that primarily involves national governments and international institutions. Businesses also play an important role and can significantly impact this process by implementing practices that respect these objectives internally and by integrating them harmoniously into the communities in which they operate. In this paper, we will first focus on the importance of the concept of sustainability and its evolution over the years. We will then focus on its importance in corporate management, recognizing the importance of preserving natural resources and adopting responsible business practices to protect the environment and society.

Keywords: sustainability, history, businesses

1. The concept of sustainability

Our current socioeconomic model is unsustainable: we are impoverishing, exploiting, and polluting the planet, causing irreversible changes. Urgent measures are needed to combat climate change, advance the fight against poverty, and invest in human well-being. Today, more and more people are aware of the environmental problems caused by air pollution and the excessive exploitation of natural resources. It is in this context that the themes of sustainability and sustainable development are gaining ground. The concept of sustainability is a widely debated topic, as a unified and precise definition is not yet available, but must be analyzed from an evolutionary perspective. The word sustainability derives from the Latin *sustinere*, meaning to support, defend, favor, conserve, and care for. Sustainability consists of the efficient and respectful use of resources, such as natural habitats, raw materials, energy, and human labor. These are all resources that humanity should exploit in such a way as to preserve them for a longer period of time without depleting them. The key words of sustainability are: equity, respect, commitment, and integrity. In environmental and economic sciences, the term sustainability refers to the ability of a system to endure over time without depleting natural resources, damaging the environment, or compromising the quality of life of future generations. With the rise of global issues, such as climate change, biodiversity loss, social inequality, and the growing scarcity of natural resources, sustainability has become a priority for governments, businesses, and individuals. Hence the need to concretely implement tools that guide current

generations toward sustainable practices, including the 2030 Agenda. Sustainable development has been established as a universally recognized goal among the most advanced nations. It stems from the awareness that infinite economic growth does not exist and that economic activities have a significant impact on ecosystems, demonstrating a connection between the economy and the environment. Sustainable development is not just sustainable growth, but rather a process that leads to the well-being of the population, taking into account life in its complexity and not just economic, production, and consumption indicators. It is a long-term goal as it requires significant and tangible effort, is complex to achieve, and varies depending on the external macroenvironment. Sustainable development is a global challenge that primarily involves national governments and international institutions. Businesses also play an important role and can significantly impact this process by implementing practices that respect these objectives internally, as well as integrating harmoniously into the communities in which they operate.

Humans, too, can take a series of actions in their daily lives to ensure a sustainable future, through a variety of behaviors, such as:

- reducing the consumption of water, plastic, and non-renewable energy;
- choosing energy-efficient appliances;
- using public transportation, cycling, or walking;
- reducing waste by recycling materials such as paper, plastic, glass, etc.;
- support companies that implement concrete sustainability policies;
- learn about environmental issues and share prior knowledge with others;
- actively participate in political and civic life, supporting sustainable practices;
- behave in an inclusive manner, promoting integration and equal opportunities even in small daily gestures.

An early definition of sustainable development is found in the report "Our Common Future," which states that sustainable development must meet the needs of present generations without compromising the needs of future generations. Over the years, many scholars have attempted to personalize the meaning of this term. Another important definition is that of Faber, who defines sustainability as a condition of balance between an artifact and its environment (Faber et al., 2005).

The common thread between these two definitions is the creation of a balance: in the Brundtland Report, balance is created between present and future needs; while in Faber's definition, balance is created between artifacts and the environment.

Sustainability is analyzed in terms of three dimensions: environmental, economic, and social sustainability: environmental sustainability concerns the conservation of natural resources and environmental protection; economic sustainability focuses on a development model that is sustainable and creates value over time, without depleting available resources; Finally, social sustainability promotes inclusion, equity, and human well-being.

The sustainable approach involves an integrated vision that considers the interconnections between these areas and encourages the adoption of responsible behaviours, such as recycling, efficient use of resources, and respect for human rights, in order to meet community needs.

Environmental sustainability focuses on the protection and responsible management of natural resources, reducing the environmental impact of human activities, and preserving ecosystems. The goal is to preserve the environment for future generations by addressing challenges such as climate change, biodiversity loss, pollution, and the unsustainable consumption of natural resources.

The Natural Step focuses on four types of reduction:

- reducing the extraction of natural substances from the earth's crust (metals, fossil fuels, etc.);
- reducing the production of chemical substances and compounds (plastics, dioxins, etc.);
- reducing the physical degradation of nature and natural processes (marine habitats, forests, etc.);
- reducing obstacles that prevent people from meeting basic human needs (working conditions, health, etc.).

Social sustainability focuses on people's well-being, social equity, inclusion, and improving the quality of life.

Its key aspects include human rights, equality, social justice, access to education, health, and basic services, as well as people's participation in decision-making processes. Social sustainability ensures the cohesion of society and the ability to support members in working together to achieve a common goal while meeting individual needs. Economic sustainability involves creating economic value in a fair and sustainable manner. The goal is to promote an economy that fosters growth, but is also inclusive and does not harm the environment or resources for future generations. From this perspective, competitiveness must be maintained, inequalities reduced, and the efficient use of resources promoted. The new model of sustainable development is based on the creation of an economy that develops responsibly, uses natural resources sparingly, and leverages the benefits offered by technology without harming the environment. Ultimately, sustainability implies increasing environmental, social, and economic well-being with the aim of leaving future generations a quality of life no lower than that of today. However, it is important to consider that sustainability is a constantly evolving concept. Interactions between the ecological and human systems can be influenced by rapidly evolving technological landscapes, which could alter the constraints associated, for example, with the use of energy sources. In short, sustainability is a complex concept that implies a long-term vision of the relationship between humanity and the environment, where a balance must be found between human well-being and the preservation of natural resources.

2. The concept of sustainability over the years

The concept of sustainability has only recently been defined, but its true meaning has ancient origins. Indeed, approaches can be found as early as the 18th century within the context of the Neapolitan Enlightenment. Authoritative figures such as Genovesi, Filangieri, and Dragonetti highlighted the need for businesses not only to maximize profits but also to improve community well-being. Early on, classical economists realized that natural resources were not unlimited.

Adam Smith, in "An Inquiry into the Nature and Causes of the Wealth of Nations" (1776), spoke of zero growth, meaning that when a country fully exploits its natural resources, it has no further room for development. Furthermore, he argued that when the maximum level of development is reached, workers' wages decline and, consequently, economic growth declines. Therefore, Smith held a negative view of economic development. Conversely, economist Malthus emphasized that natural resources, instead of increasing, diminish at ever-increasing levels, representing an obstacle to growth. Furthermore, he emphasizes that population growth is responsible for increasing global production and economic growth.

Stuart Mill, in "Principles of Political Economy," also expresses his concern about living in a world that neglects nature. He hopes that people will be able to contain development before natural resources are exhausted.

The need for sustainable and environmentally friendly economic growth took shape in the early 1970s, when society realized that the traditional development model would lead to the collapse of the Earth's ecosystem in the long run. Initially, the new understanding of the term was ecological in nature, but later it took on a broader meaning.

Numerous economists have explored the concept of sustainability, paying particular attention to the scarcity of production factors and the issue of economic growth.

In the 19th century, with the advent of the Industrial Revolution, the speed and intensity of natural resource extraction increased, leading for the first time to a real concern about resource depletion and pollution. Naturalist George Perkins Marsh, in his book "Man and Nature" (1864), highlighted how human activity was altering the natural environment. Marsh is considered one of the first thinkers to systematically discuss the need for sustainable management of natural resources.

At the beginning of the 20th century, the first environmental movements committed to nature conservation and environmental protection emerged. The founding of the National Park Service in the United States (1916) and the creation of national parks like Yellowstone are examples of how governments began to promote the idea of preserving large areas of pristine nature.

In 1968, the Club of Rome, in its Meadows Report, stated that with the progressive increase in population, industrial production, and the exploitation of natural resources, the only remedy would be an end to growth. Indeed, it emphasized that quantitative and unlimited growth cannot be compatible with the planet's finite resources.

In 1972, the first United Nations Conference on the Human Environment, also known as the Stockholm Conference, represented a milestone for the global environment. It was the first world conference to explicitly address issues related to sustainability and environmental protection. The conference drew attention to the need for an integrated approach between economic development and environmental protection. This event also gave rise to a series of initiatives, such as the United Nations Environment Programme (UNEP), founded in 1973.

During the years of the two oil shocks (1974 and 1979) and the economic crisis, the economies of various countries experienced zero growth and the effects of pollution were evident. This laid the foundation for the concept of sustainable development.

The concept of sustainable development was crystallized in 1987 with the report of the UN World Commission on Environment and Development, known as the Brundtland Commission, entitled "Our Common Future." It is the first example of a global agenda as it expresses the objectives to be achieved collectively and defines sustainable development as a development that meets the needs of the present without compromising the ability of future generations to meet their needs (Brundtland Report, 1987). The innovative aspect of this definition is the link between present and future. Two forms of equity are identified: intergenerational and intragenerational. The first refers to equity between generations; while the second occurs within a generation and refers to development that ensures equality between rich and poor countries within the same state.

This document is crucial because it links environmental sustainability to social and economic equity, introducing the need for an integrated approach that addresses global inequalities, promotes social justice, and preserves natural resources. Sustainable development is a process that involves changes in the exploitation of resources, the orientation of technological development, and the direction of investments, in order to make them consistent with future needs. All citizens must actively participate to ensure that the essential needs of the majority of the population are met. To this end, these processes must be guaranteed and protected by laws and regulations, which requires a strategy capable of combining development with respect for the environment and citizens. Furthermore, it highlights how sustainability is linked to the harmony between economic expansion and environmental protection.

The implementation of the principles of the Brundtland Report was redefined with the International Conference on Environment and Development held in Rio de Janeiro in 1992. It was the largest conference in history, with 183 countries participating.

The Rio Conference produced five official documents that still constitute the main framework for sustainable development at the international level. These are the Rio Declaration, Agenda 21, which is a global action plan to promote sustainability, the Convention on Biological Diversity, the Principles on Forests, and the Convention on Climate Change. The conference established the three fundamental pillars of sustainability: environmental protection, safeguarding economic development, and defending social development. Another milestone for sustainability was the 1997 Kyoto Protocol, which developed the international protocol for reducing greenhouse gas emissions. It is linked to the Convention on Climate Change and is the most important international agreement aimed at mitigating the effects of human activities on the climate.

In the same year, the Treaty of Amsterdam was signed, establishing sustainable development as a primary objective of the European Union. From that moment, sustainability began to be gradually applied across all sectors. In 2000, the United Nations adopted the Millennium

Development Goals (MDGs), a series of objectives related to poverty reduction, education, health, and the environment, which, however, did not fully address sustainability in an integrated sense.

In 2005, the Kyoto Protocol came into force, divided into two periods. The first period, from 2008 to 2012, envisaged a 5% reduction in major anthropogenic greenhouse gas emissions compared to 1990 levels. This agreement covered only developed countries, while developing countries were excluded in order to avoid slowing their socioeconomic development. This policy, however, could undermine the efforts of developed countries to reduce their emissions. Between the first and second periods, specifically in 2012, the United Nations World Conference on Sustainable Development Rio+20 was held in Rio. The conference, titled "The Future We Want," renewed the commitment to sustainable development and ensured the promotion of an economically, socially, and environmentally sustainable future for our planet and for present and future generations.

Regarding CSR, several positions were taken. First, private sector companies were required to engage in responsible business practices, while public sector companies were encouraged to consider integrating sustainability information into their reporting cycle, recognizing the importance of corporate sustainability reporting. Finally, companies that adhere to the green economy model were considered favorable. In the second period, which spans from 2013 to 2020, new regulations are introduced regarding the ways in which developed countries must account for emissions.

In December 2015, the Paris Agreement, an international treaty on climate change, was adopted at COP21, involving 197 countries. It was signed with the goal of limiting global warming to below 2°C and, if possible, to 1.5°C above pre-industrial levels.

The agreement will enter into force when at least 55 countries have ratified it and global emissions coverage of at least 55% is achieved. Until 2020, emissions reductions are regulated by the Kyoto Protocol and are mandatory only for industrialized countries. The agreement establishes a monitoring system to verify progress and promotes transparency. Countries must cooperate to adapt to the impacts of climate change already underway and to develop solutions that increase the resilience of vulnerable populations. Furthermore, it provides for a periodic review every five years to increase efforts and achieve, in the long term, climate neutrality (net-zero emissions) by the second half of the century.

The Paris Agreement represents a historic step towards a global commitment to combating climate change, but its success will depend on collaboration between countries and concrete actions taken in the coming decades. On September 25, 2015, the summit was held to adopt the 2030 Agenda, signed by 193 member countries of the United Nations.

The Sustainable Development Goals (SDGs) were adopted with a global vision that integrates environmental, social, and economic issues, and are expected to be achieved by 2030. The SDGs

are 17 objectives that aim to address major global challenges, such as poverty, hunger, inequality, pollution, and climate change. They are based on five key concepts representing the 5Ps:

- **people:** improving social well-being, gender equality, education, health, and community safety;
- **planet:** protecting the natural environment and sustainable management of natural resources through biodiversity conservation, ecosystem protection, water management, combating climate change, and reducing pollution;
- **prosperity:** promoting a sustainable and circular economy that fosters the creation of decent jobs, technological innovation, reducing economic inequality, and the equitable distribution of resources;
- **peace:** combating poverty and caring for the most vulnerable segments of the population, promoting inclusive policies with particular attention to migrants, combating all forms of discrimination, combating violence in all its forms, corruption, and organized crime;
- **partnership:** supporting international cooperation and collaboration between governments, the private sector, civil society, international organizations, and other stakeholders to address the challenges of sustainable development effectively and inclusively.

The 2030 Agenda represents a decisive response to the challenges of sustainability in its three dimensions. This will be a far from simple challenge, and therefore the involvement of all segments of society is necessary: businesses, institutions, universities, and individual citizens.

In January 2020, the European Commission presented the European Green Deal 2050.

It outlines the path to achieving zero carbon emissions by 2050, aiming to make Europe climate-neutral. To this end, the Commission proposed the European Climate Law, which sets a new and ambitious target: reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

It also includes a climate change adaptation mechanism, which includes protecting cities and infrastructure from climate challenges, and green financing, with funds dedicated to green projects, including those for the energy transition and the circular economy.

It includes the creation of policies and incentives for the transformation of the most polluting industrial sectors, such as the automotive and construction sectors, to become more sustainable. It promotes biodiversity, with a plan to protect and restore natural ecosystems. Furthermore, it aims to create new economic opportunities by creating jobs in green sectors and investing in sustainable technologies. Key actions include promoting the use of renewable energy, energy efficiency, the adoption of new sustainable agricultural practices, and innovation in the transport sector, with a push towards electric mobility.

This plan not only aims to combat climate change but also to create a more equitable and inclusive society by supporting the people and communities most affected by the ecological transition. To achieve these goals, the EU intends to strengthen cooperation with international partners, pushing for global action against climate change.

In June 2021, the G7 summits in Cornwall committed to reducing CO2 emissions by 50% by 2030. That same year, the COP26 Climate Conference was held, where experts analyzed the challenges needed to achieve climate goals.

It focused on strengthening global commitments to limit warming to 1.5°C. Countries updated their commitments to reduce emissions, but the overall plan was insufficient to meet the goal. Progress was made on reducing coal, with many countries promising to phase it out. Commitments were also made to halt deforestation by 2030 and promote the use of renewable energy, with agreements to eliminate fossil fuel subsidies. The need for a transition to electric vehicles was reaffirmed. Although progress has been made, COP26 demonstrated that major challenges remain and that faster action is needed to avoid irreversible climate damage.

During the 21st century, climate change, natural resource scarcity, social justice, and pollution have become central to global politics, driving the adoption of stricter environmental laws and regulations. Practical solutions to address sustainability challenges include the circular economy, the green economy, and decarbonization. A series of key events are scheduled for 2025, including the UN Conference on Finance for Sustainable Development in Seville, the Social Development Summit in Doha, and the first G20 summit in an African country, amid a global landscape marked by conflict, authoritarian regimes, and human rights violations.

In conclusion, over the last two centuries, we have witnessed a metamorphosis in the concept of sustainability. It has moved from an implicit and local concept to a global issue, recognized as one of the greatest challenges facing humanity.

Today, sustainability is a value shared by governments, international institutions, businesses, and citizens, and is at the heart of global policies and everyday choices aimed at ensuring a more equitable and balanced future for all.

3. Sustainability as a key factor for businesses

Sustainability has become an increasingly central topic in public discourse and corporate governance, as the importance of preserving natural resources and adopting responsible business practices to protect the environment and society is recognized.

Sustainability is recognized as a key factor for businesses. This depends not only on ethical or social responsibility grounds, but also on strategic, economic, and long-term competitiveness considerations. Companies currently face environmental, social, and economic challenges that require them to adapt their traditional business models. A sustainable company is committed to managing resources responsibly, aware that its impact extends beyond offices, production lines, and digital markets. Therefore, the transition to sustainability is not just a matter of risk mitigation or compliance, but represents an opportunity to stand out and ensure a sustainable future for future generations.

Adopting sustainable practices not only enhances a company's reputation, but also offers a range of benefits in terms of efficiency, innovation, customer loyalty, and access to global markets.

In this process, corporate decisions and actions can have significant impacts on the environment and society as a whole. For this reason, they integrate ESG (Environmental, Social, and Governance) principles into their daily operations, examining various factors, including the impact of corporate activities, local community involvement, worker health, and transparency in management practices.

Many investors have decided to direct their capital toward companies that embrace sustainability principles. This has led to the growth of socially responsible investing (SRI) and environmental, social, and governance (ESG) criteria.

Companies that integrate environmental, social, and governance (ESG) criteria into their operations tend to have lower risk and offer superior long-term financial returns.

Stakeholders are rewarding companies that are actively decarbonizing their operations, reducing their use of fossil fuels, and investing in renewable energy. Green finance is becoming increasingly relevant, with growing demand for green bonds and other sustainable financial instruments, driving a transition to low-carbon economies.

It's clear that these challenges are significant not only for large companies with a strong international presence, but also for small ones that operate primarily at a national or local level. Every business in its operations is influenced and influences other businesses, given that today's business system is increasingly globalized. Sustainability is a driver of corporate social responsibility (CSR). The latter is a concept that reflects companies' commitment to operating ethically, contributing to social and environmental well-being. More and more companies are integrating sustainability into their CSR policies, adopting practices that promote the well-being of employees, local communities, and society as a whole.

Companies must ensure safe and fair working conditions, fully respecting human rights throughout the supply chain. Social sustainability also involves improving people's quality of life through policies of inclusiveness, diversity, and gender equality.

Furthermore, they focus on initiatives that improve the community, such as investments in education, health, and human development, thus contributing to the progress of the societies in which they operate.

In this regard, companies have decided to incorporate social and environmental aspects into their business, in addition to the economic ones. Based on this, we begin to talk about corporate sustainability, drawing on the concept of sustainable development proposed by the 2030 Agenda. From the analysis of the 17 SDGs, companies are projecting their choices into a long-term perspective, stimulating a cultural shift in their business model by virtuously integrating the three dimensions of sustainable development.

To ensure a sustainable business model, companies must strategically manage their available resources, be they natural, financial, human, and relational. In addition to contributing to the generation of value for the company, these policies also contribute to the socioeconomic growth of the community in which the company operates as well as of the stakeholders participating in the value chain. Making your business sustainable is not easy. Indeed, companies must commit to finding innovative solutions capable of concretely responding to the complexity of the context in which they operate, as well as building an engaged relationship with their stakeholders.

To ensure the achievement of these objectives, a systemic, inclusive, and transparent approach is necessary, with a strong focus on innovation in both the short and long term.

In recent decades, sustainability has also become a priority at the regulatory and legal levels. Countries and international organizations have introduced regulations and laws that require companies to reduce their environmental impact, respect human rights, and ensure fair labor practices.

Among these environmental regulations, for example, are laws on carbon pricing, CO2 emissions, waste management, and renewable energy, which require companies to monitor and reduce their environmental impact. Failure to comply with these regulations can result in financial penalties and reputational damage.

Furthermore, companies are facing increasing risks related to climate change, such as extreme weather events, floods, and droughts, which disrupt supply chains and disrupt business operations. Adopting sustainable practices and climate resilience helps companies proactively manage these risks.

To integrate sustainability practices into the company, it is crucial to engage multiple stakeholders. First, management, including executives and boards of directors, must actively engage in guiding the company toward a sustainable future. In this context, it is essential to create a dedicated sustainability team to coordinate and monitor all sustainability initiatives. Human resources also play a key role in promoting sustainability through training programs and employee engagement, as their role is crucial in achieving sustainability goals.

For companies, sustainability should be understood as a competitive advantage capable of ensuring stable returns over time. In a 2011 document, the European Commission states that sustainability is an important competitiveness factor. "A strategic approach to corporate social responsibility is increasingly important for competitiveness. It can deliver benefits in terms of risk management, cost reduction, access to capital, customer relations, human resources management, and innovation capacity" (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions, 2011).

Indeed, adopting sustainable strategies in corporate management provides companies with competitive advantages in several respects. Companies that adopt sustainable business models can gain an advantage over their competitors in various ways. Specifically:

- **Operational efficiency:** Using sustainable practices can lead to more efficient use of resources and reduced production costs, as the adoption of energy-efficient technologies and waste reduction can reduce the costs associated with production and waste management. Furthermore, companies that invest in sustainability can access financing on more favorable terms, as investors and financiers increasingly value the sustainability profile of companies.
- **Innovation and new market opportunities:** Sustainable companies are often pioneers in innovation, creating new products, services, and solutions that meet consumer demand, which is increasingly seeking sustainable products. The market for green technologies, organic products, and renewable energy solutions is growing exponentially. Furthermore, sustainability can be a critical factor in choosing suppliers and business partners, as companies increasingly seek to work with companies that share their sustainability values. Finally, sustainability can be a key factor in corporate risk management.
- **Reputation and branding:** Companies that invest in sustainable practices enhance their image and earn the trust of consumers, investors, and other stakeholders. Consumers are increasingly aware of the environmental and social impact of their purchasing decisions and prefer to buy from companies that demonstrate a commitment to sustainability. These companies can build a positive reputation among consumers, improving customer loyalty, long-term profitability, and differentiating themselves in the market. Social sustainability, in fact, has a positive impact on the trust that stakeholders in the production process (workers, suppliers, customers, investors, etc.) have in the company. Therefore, corporate sustainability should be understood as a competitive advantage capable of ensuring a business position with stable returns over time.

Although sustainability in businesses offers numerous benefits, it also requires considering challenges: implementing green technologies and sustainable practices can entail high initial costs. However, these costs are generally offset in the long term through operational savings, efficiency improvements, and reputational benefits.

In some companies, resistance to adopting sustainable practices persists, especially among managers accustomed to a traditional business model. This challenge is gradually disappearing thanks to growing pressure from consumers, investors, and regulations.

To ensure greater corporate competitiveness through sustainability, we can identify five key factors:

1. **Long-term vision:** the company must be oriented towards the medium to long term and not focus on immediate returns;
2. **Know your stakeholders:** It is important to focus on stakeholder needs, adopting management systems to monitor their requirements. To this end, it is necessary to systematically collect performance data on value creation for stakeholders. A variety of feedback loops are available to

the company, including customer satisfaction, competitiveness, the quality of supplier relationships, internal climate, and relationships with local communities and institutions.

3. Quantify stakeholder satisfaction: The relationship between stakeholder satisfaction and business performance must be measured. This can include, for example, customer retention, distributor volatility and loyalty, the level of service provided by business partners and front-end employees.

4. Consider stakeholders in the company's decision-making processes: Every corporate decision must generally manage a trade-off between shareholder maximization and balancing impacts on multiple stakeholders. This management can be carried out in various ways, such as: incorporating the views of other stakeholders into corporate business cases to evaluate key corporate initiatives;

5. Generating value for stakeholders: Management must recognize that generating value for the stakeholder system coincides with the company's mission and, therefore, represents its primary business objective.

Analyzing these elements, it's clear that the concept of sustainability must be embedded in corporate culture. Companies must start with small steps to lay the foundation for a true transformation of corporate culture toward sustainability.

The reason companies decide to implement these policies is that it's cost-effective, as it offers numerous benefits.

According to a report by Nielsen (a leading market research company), 52% of consumers today say they're willing to spend more if a brand adopts sustainability policies. Consumers are increasingly aware of the environmental and social impact of their purchasing choices. All of this has contributed to the rethinking of corporate practices to promptly respond to new consumer demands for sustainability. Sustainable companies use green marketing as a marketing tool, promoting their products and services as "green" or "ethical." This approach not only attracts younger, sustainability-conscious consumers, but also helps build customer loyalty among existing customers.

Many consumers prefer to purchase products made from recyclable, organic, or sustainably sourced materials—so-called eco-friendly products. Companies capable of meeting these demands are able to tap into new market segments, increasing their competitiveness.

Best practices for transitioning to a sustainable business include:

- Waste reduction programs: through recycling and composting initiatives. Companies thus significantly reduce their environmental impact and, by limiting waste, reduce disposal costs;
- Transition to renewable energy: Minimize or eliminate the use of non-renewable materials, replacing them with renewable energy, such as solar or wind;
- Sustainable procurement: Choosing suppliers aligned with sustainability principles ensures that the environmental impact of products is minimized. These practices encourage ethical production, supporting fair labor practices, and promoting a more sustainable supply chain;

- Water conservation measures: Efficient water use, ensured by innovative low-flow technologies and rainwater harvesting, can dramatically reduce environmental impact;
- Green building certifications: Ensure that company facilities are energy efficient. This results in reduced operating costs, increased property values, and a healthy work environment;
- Flexible working: Allows employees to work from home or adopt flexible schedules, reducing the environmental impact of daily travel;
- Energy efficiency upgrades: Investing in energy-efficient technologies is beneficial as it reduces long-term operating costs;
- Eco-friendly product design: This approach can enhance market opportunities, optimize resource use, and actively promote material recovery and circularity;
- Reducing carbon footprint: Adopting environmentally friendly raw materials and engaging in carbon offsetting projects optimizes production processes, strengthening corporate reputation and increasing customer loyalty;
- Employee engagement and incentives: Actively involving employees in corporate sustainability strategies promotes a culture of sustainability that encourages employees to adopt virtuous practices, fostering innovation and creativity, strengthening their sense of belonging to the company, and generating cutting-edge solutions that benefit both the company and the environment.

Sustainability is now seen as a strategic element capable of triggering new competitive dynamics and playing a pivotal role in competition. There are two types of companies in terms of a sustainable approach: pioneers and newcomers. Pioneers, which account for less than 10% of the total, integrate courage and forward-thinking policies into their business strategy. Years after their initial experiences, they have achieved cost reductions, process efficiency, a better reputation, and a competitive advantage.

Conversely, newcomers have only recently begun their journey and are now continuing their journey, encouraged by customers and stakeholders. Adopting sustainability as a business principle allows for the incorporation of environmental and social considerations into strategy, processes, and products, capable of generating long-term value.

The implementation of sustainable strategies increases the efficiency of business activities and processes. Obviously, for this to be a reality, companies must operate with a medium- to long-term perspective and must effectively integrate these policies into their business model with ongoing commitment from everyone. In recent years, more and more companies have decided to integrate sustainable practices into their business model. The managerial practices that must be addressed in this area are: adopting sustainable practices can improve a company's image, reduce operating costs, open up new market opportunities, and manage corporate risk. To ensure all this, several sequential steps are necessary.

To adopt sustainability as a strategic lever for business development, companies must first begin with a thorough assessment of their operations and their environmental and social impact. This may include product life cycle analysis, reduction of greenhouse gas emissions, waste

management, and the protection of human rights. Furthermore, companies must engage their employees, suppliers, and customers in the transition to sustainability, creating a corporate culture based on sustainability and developing collaborative relationships with their partners.

Finally, companies must transparently communicate their commitment to sustainability, providing clear and easily accessible information on their sustainable practices and progress towards achieving sustainability goals.

4. Conclusion

In conclusion, companies must change their corporate culture to achieve sustainability results. Sustainability is not just a moral value; it can be a strategic lever for business development, bringing long-term benefits to both the company and society as a whole.

This topic is emerging as a growth driver for modern businesses. It is no longer an optional choice, but a strategic necessity to ensure long-term resilience, operational efficiency, and access to new markets. Companies that implement sustainability in an integrated, innovative, and responsible manner are better able to address global challenges and contribute to the well-being of society and the planet. Indeed, sustainability, environmental impact, respect for workers' rights, and transparent governance are now essential factors for competitiveness. Over a third of buyers consider sustainability to be at least as crucial as quality and price.

In light of what has been highlighted above, we can affirm that the company of tomorrow must be sustainable to exist and remain stable in the reference market.

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