

MANAGEMENT OF CORPORATE SUSTAINABLE DEVELOPMENT

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Review article

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Abstract

Management of corporate sustainable development integrates economic, environmental, and social dimensions into business strategies, thereby enabling long-term profitability while mitigating negative environmental impacts and enhancing social responsibility. Key components encompass the strategic integration of sustainability, eco-technological innovations, corporate social responsibility, sustainable supply chains, and financial management. Although initial capital expenditures may be substantial, the long-term benefits—such as cost reduction and heightened competitiveness—justify these investments. Enterprises implementing sustainable strategies achieve operational stability, competitive advantage, and a positive societal impact.

Keywords: *sustainable development management, entrepreneurship, corporate social responsibility, competitiveness, long-term profitability.*

Introduction

In today's global business environment, management of sustainable development is becoming a key factor in achieving competitiveness and long-term success of companies. Sustainable development includes economic, social and environmental aspects of business, which enables companies not only to meet market demands, but also to contribute to the preservation of resources for future generations. According to Brundtland's definition, sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Brundtland, 1987). This approach lays the foundation for the integration of environmental and social goals

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into business strategies, whereby companies not only optimize their operations, but also improve their reputation among consumers and investors.

These sustainable development strategies enable companies to recognize new business opportunities and reduce risks associated with environmental and social challenges. The role of management in the implementation of sustainable strategies is crucial, because managers must balance economic efficiency with responsibility towards society and nature. According to Elkington, "prosperity must now be defined in a broader context, in which economic success must be linked to social and environmental responsibility" (Elkington, 1997; Dašić, 2026).

In addition, sustainable management often includes the application of innovations that reduce the negative impact of business on the environment, such as reducing carbon dioxide emissions and energy efficiency (Porter & Kramer, 2011). In this way, sustainable development becomes not only a responsibility towards nature, but also a business strategy that contributes to increasing efficiency and reducing costs. Given global challenges such as climate change and increasingly stringent legal regulations, companies that adopt the principles of sustainable development have a competitive advantage over those that ignore these factors.

In this context, research on the management of sustainable development in companies is of essential importance in order to create strategies that integrate environmental and social goals, while achieving economic profit and long-term stability.

1. Integrating sustainability into corporate strategy

The integration of sustainability into the company's business strategy becomes a key factor in achieving long-term success and competitiveness. Companies that recognize the importance of sustainable development not only minimize the negative impacts of their operations on the environment and society, but also achieve better business results through increased efficiency, cost reduction and brand strengthening. As stated by Elkington (1997), sustainable development requires "the integration of economic, social and environmental dimensions into the daily operations of enterprises". This enables the acquisition of a competitive advantage through a responsible attitude towards all

interested parties, including consumers, employees, shareholders and the wider social community (Zupur, 2024).

One of the key aspects of integrating sustainability into the company's strategy is setting goals related to reducing the negative impact on the environment, as well as improving social and economic conditions in the community where the entrepreneur operates. According to Porter and Kramer (2011), sustainable development is not only a response to regulatory and environmental challenges, but also an opportunity for innovation that can improve competitiveness (Bučalina, Pejović, 2022). By introducing sustainable practices into the business strategy, companies can improve their market position, reduce costs related to energy and resources, and attract an increasing number of investors who favor responsible business.

Sustainable management also includes the development of strategies that favor the efficiency in the use of resources and the reduction of negative impact on the environment. The implementation of green technologies, the reduction of harmful gas emissions and the application of circular economy principles are just some of the tools that companies can use to improve their environmental responsibility (Mishra, 2017). In addition, the inclusion of sustainability in the strategy can also be a response to increasingly strict legal regulations that require the reduction of the ecological footprint of the company. In this sense, the management of sustainable development becomes not only a responsibility towards society and nature, but also a business need to preserve competitiveness in a dynamic business environment (Milojević, Stamenović, 2026).

With increasing consumer interest in environmentally responsible products and services, integrating sustainability into business strategy also contributes to brand building, strengthening consumer trust and creating loyalty. Companies that decide to take this step can also expect an increase in sales, as consumers become increasingly inclined to purchase products that are in line with their values, including ecology, social responsibility and an ethical business approach (Kotler & Lee, 2005).

Therefore, the integration of sustainability into the business strategy is not just a trend, but becomes a key factor for the long-term success and competitiveness of the company. Companies that successfully implement sustainability into their strategies can realize numerous benefits, such as reducing operating costs, increasing market value, strengthening the

brand and meeting the ever-increasing demands of consumers and regulators.

2. Innovations and ecological technologies

Innovations and environmental technologies play a key role in the sustainable development of companies and society as a whole. As the global economy becomes increasingly focused on environmental protection and resource conservation, businesses are forced to implement environmentally friendly technologies that reduce the negative impact of their operations on nature. Environmental innovations not only contribute to the reduction of harmful gas emissions, but also enable businesses to reduce costs and improve resource efficiency, resulting in long-term sustainable business operations. As stated by Porter (1991), environmental innovations can create competitive advantages for companies if they are implemented in the right way, because they enable the improvement of products, services and operations, while meeting environmental and social objectives.

One of the key aspects of ecological technologies is the reduction of negative impacts on the environment, through innovations that enable cleaner production processes, more efficient use of resources and recycling. Technologies such as solar panels, wind turbines, energy-efficient systems and recycled materials allow businesses to reduce their environmental footprint, reduce energy consumption and minimize carbon dioxide emissions. According to research, the implementation of these technologies not only contributes to environmental protection, but can also bring significant savings to companies in the long term (Kemp, 1997).

One of the most significant examples of environmental innovations in industry is the development of technologies for renewable energy sources (Gojkov, 2025). In recent decades, technologies such as solar and wind power have become key factors in the global energy transition, reducing dependence on fossil fuels and greenhouse gas emissions. Also, energy storage technologies, such as batteries with larger capacities, allow energy produced from renewable sources to be available during periods when these sources are not active, thus increasing the stability of the energy system (Jacobsson & Bergek, 2004).

In addition to energy innovations, it is important to mention innovations in the field of production, which include the development of ecological

materials, reduction of waste through the circular economy and the application of technological solutions that enable better management of resources. The use of 3D printing, for example, can contribute to the reduction of waste in the production process, while recycling and the use of renewable materials reduce the need to extract new resources (Bocken et al., 2016). These innovations not only improve the environmental performance of companies, but can also bring economic benefits through reducing production costs and increasing competitiveness on the market (Miljković, Arsić, 2025).

Environmental innovation also enables businesses to respond to increasingly stringent regulations that require the reduction of CO2 emissions, the protection of biodiversity and the sustainable management of resources. In many industries, legislative changes and obligations resulting from international agreements (such as the Paris Agreement) set clear goals for reducing emissions and increasing resource efficiency (Andzic, Nicin, Milanovic, 2026). Businesses that invest in environmental technologies and innovations can better prepare for these challenges, avoiding potential fines and improving their reputation in the market (UNEP, 2019).

Finally, environmental innovations can have a significant impact on a company's competitiveness (Ivanova, Ristić, 2020). Consumers and investors increasingly favor companies that commit to sustainability, as they become increasingly aware of environmental challenges and want to support responsible businesses (Todorović, 2021). According to research, companies that implement green technologies and innovations often experience an increase in demand for their products, as consumers show a preference for environmentally friendly products (Kotler & Lee, 2005). In conclusion, innovation and environmental technologies are key factors in achieving corporate sustainability. By implementing green technologies and innovations, businesses can reduce their environmental footprint, increase resource efficiency and improve market competitiveness. Environmental innovation is not only a responsibility towards the environment, but also a business opportunity for companies that want to position themselves as leaders in the field of sustainable development.

3. Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) is becoming an increasingly important aspect of business, as companies increasingly realize that success depends not only on financial performance, but also on their contribution to society and the environment (Krunić, Stojmenović, Kukolj, 2023). CSR refers to the integration of environmental, social and ethical issues into business strategies and daily company operations, which not only satisfies legal regulations, but actively contributes to the sustainable development and well-being of the community (Porter & Kramer, 2021). According to the latest research, companies that implement social responsibility strategies not only positively affect their reputation, but achieve long-term financial benefits through greater consumer confidence and improved competitiveness (Eccles et al., 2020). Corporate social responsibility covers several key areas, including environmental protection, labor rights, ethical business, human rights and contribution to the community. According to the European Commission's report from 2021, environmental protection becomes one of the main priorities in modern business, because companies recognize the importance of reducing the negative impact of their operations on the natural environment, through the reduction of harmful gas emissions and efficient use of resources (European Commission, 2021). Accordingly, many companies are switching to green technologies and renewable energy sources to reduce their environmental footprint.

Labor rights also occupy a significant place in social responsibility (Jakšić, Zekić, 2025). According to recent research, companies that respect the rights of their employees, ensure fair working conditions and transparency in all stages of employment, not only increase employee satisfaction and motivation, but also reduce staff turnover, which contributes to better productivity (Smith & Vassallo, 2020). Also, ethical business becomes imperative for companies that want to maintain the loyalty of consumers and investors, because the awareness of business ethics among all stakeholders has increased (Lee, 2021).

Considering all these changes, CSR is proving to be a factor that contributes to the competitiveness of companies on the global market. According to research conducted by McKinsey (2022), companies that apply the principles of social responsibility become recognizable for their positive social and environmental impacts, which helps them create a strong bond with their consumers. For example, many brands that deal in

green products or that have a clear mission related to social justice attract customers who want to support responsible companies (Nadoveza, 2022; Milanović, 2022). At the same time, these strategies often result in higher demand for products and services, which directly affects increased revenue and market position.

On the other hand, although there are many advantages, the implementation of CSR is not without its challenges. Businesses face high initial costs when implementing environmental and social initiatives, as well as potential conflicts among stakeholders. Introducing sustainable practices can require significant investment in technology as well as a change in business culture, which often presents a challenge for management (Grayson, 2020). Also, in some cases, companies face problems of balancing interests between shareholders and other stakeholders, because investments in CSR strategies sometimes cannot be immediately converted into financial gains.

However, the long-term benefits of implementing social responsibility in business outweigh the challenges. Companies that successfully integrate CSR can expect an improved image, greater customer trust, and greater employee engagement. Also, CSR allows them to better position themselves in the market and to achieve competitive advantages in industries that are becoming more and more oriented towards sustainability and ethical business (Porter & Kramer, 2021). According to research conducted by Bain & Company (2021), companies that implement social responsibility strategies achieve multiple benefits, including increasing market share, attracting investment, and increasing employee satisfaction.

As a conclusion, corporate social responsibility is not only a moral obligation, but also becomes a business strategy that contributes to the sustainability and competitiveness of the company. The implementation of CSR in business strategies enables companies to respond to the challenges of the modern market, reduce the ecological footprint and improve the social aspects of business, which leads to long-term sustainability and a greater impact on society. In this sense, CSR becomes a key component in the process of value creation and long-term success.

Conclusion

Corporate social responsibility (CSR) has become a key success factor in modern business, as companies that integrate environmental, social and ethical aspects into their strategies not only contribute to the sustainability and well-being of society, but also achieve long-term financial benefits. Through reducing the environmental footprint, respecting labor rights, transparency in business and engagement in the community, businesses can build a strong reputation and create competitive advantages.

Although the implementation of CSR can be challenging due to high initial investments and the need for changes in business culture, the long-term benefits in the form of increased consumer confidence, employee loyalty and better access to investments overcome these obstacles. Companies that successfully implement social responsibility not only become recognizable for their positive impact on society and the environment, but also achieve a larger market share and long-term financial success.

Therefore, CSR should be a strategic priority for all organizations that strive for sustainability, innovation and social responsibility, as it represents the basis for value creation, long-term growth and success in a competitive market. By integrating sustainability into business processes, companies can positively shape the future and be leaders in creating a better society and environmentally responsible business environment.

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MENADŽMENT ODRŽIVOG RAZVOJA PREDUZEĆA

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Rezime

Menadžment održivog razvoja preduzeća integriše ekonomske, ekološke i socijalne aspekte u poslovne strategije, čime omogućava dugoročni profit uz smanjenje negativnog uticaja na životnu sredinu i doprinos društvenoj odgovornosti. Ključne komponente uključuju stratešku integraciju održivosti, inovacije u ekološkim tehnologijama, društvenu odgovornost, održive lance snabdevanja i finansijski menadžment. Iako početni troškovi mogu biti visoki, dugoročne koristi kao što su smanjenje troškova i veća konkurentnost opravdavaju ove investicije. Preduzeća koja primenjuju održive strategije ostvaruju stabilnost, konkurentnost i pozitivan društveni uticaj.

Ključne reči: menadžment održivog razvoja, preduzetništvo, društvena odgovornost, konkurentnost, dugoročni profit.

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