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# The sustainable company: new challenges and strategies for more sustainability

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**Abstract.** *The sustainability becomes a model of development only if countries, industries, businesses and citizens become sustainable. The contribution of the business to a promising future should come from a fully integrated sustainability in its DNA and strategies.*

*This paper focuses on the needed sustainable strategies for scaling up the contribution of the companies to sustainable development in the future. At the beginning, we analyze the main theoretical points of view on sustainability. Then, we explain how companies could achieve the sustainability by following the steps of a difficult process and the present performances in sustainability of large companies around the world. Finally, we suggest four strategies that businesses could design and implement in order to scaling up their sustainability in the future.*

*The research has two important conclusions on sustainability in business. One is that the sustainability pays off if it is integrated in the DNA of the companies. The other conclusion says that the companies will succeed to make the needed transformation for achieving a better sustainability in the future only if they design and perform strategies focused on improving sustainability.*

**Keywords:** sustainable company; sustainable strategy; sustainability performance; sustainable management; eco-efficiency; sustainable innovation; sustainable competitive advantage.

**JEL Classification:** L2, K32, M14, Q01, Q2, Q3, Q4, Q5.
**REL Classification:** 14K.

## 1. Introduction

*The sustainability, the only business success strategy of the future.* The awareness of the sustainability in business has increased in the last two decades. The business traditionally focuses on providing goods and services that meet customer demands can be sold at competitive prices, in a profitable way. In a world that is a resource constraint, where the ecosystems are degraded, the climate change is now dearly linked to human activity and where growth has so far been enable to include all citizens on our planet, the traditional role of the business is not good enough to achieve a sustainable development. The United States Report of World Commission on Environment and Development (1987), known as Brutland Commission, judges the sustainable development as "a kind of development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs". The Federal Minister of Environment, Nature Protection and Reactor Safety in Germany suggests that sustainability is a large concept of development which "has as goal what is environmentally consistent, socially fair and economically possible" (Nachhaltige Entwicklung als Handlungsauftrag, Mai 2012). The French approach of sustainability advances the new term of societal/ social responsibility (fr. Responsabilite societale/sociale) along with that of sustainable development (fr. developpement durable). The social business responsibility is the business contribution to the efforts for sustainable development. With that end in view, the businesses have to take into account the social and environmental impacts of their best practices in order to contribute to the improvement of the society and to the environment protection (Responsabilite societale des enterprises, 15 fevrier, 2013). As Entreprise pour L'Environement (octobre, 2005) thinks, the term "responsibilite sociale" has the advantage of being business oriented, but it fail to include the development dimension.

Even if there are some differences about the used terms, there seems to be a consensus on the component parts or dimensions of sustainable development. Von Hauff and Kleine (2009, p. 10), P. Chapuy (2009), Raderbauer (2011) and researches as The SIGMA Project (2001) are among those that have a three interacting dimensions meaning of the sustainability. These dimensions are the environmental, the social and the economic sustainability. The *environmental sustainability* refers to the business ability to use the natural resources in a way that they last longer and to control the waste. The environmental sustainability also means the ability of the business to reduce the negative impact of its actions on the environment. Therefore, the environmental sustainability has as goal to preserve the environmental system which includes the life support system. The *social sustainability* is concerned with the social interaction, relations, behavioral patterns and values between people. The main goal of the social responsibility is maintaining the social peace. The *economic responsibility* of the business means its ability to make profit, in order to survive and benefit the economic systems at local, national and international scale. The goal of economic sustainability is to keep the quality of life. The achievement of such a goal asks for a drastic change of the production methods and the consume style that are not sustainable yet (von Hauff, Kleine, 2009, p.18). All efforts for a sustainable life style should be directed towards the preservation of both material and immaterial conditions of life. In order to get the economic sustainability an ecologic economy is needed. This type of economy needs to bring into life renewable resources if needed, using non-renewable resources when the renewable resources diminish and monitoring the level of emissions with negative impact on the environment (von Hauff, Kleine, 2009, p. 31). The economic sustainability is integrally linked to the environmental and social outcomes a company achieves.

The sustainability of an economy is ultimately dependent on the ability of natural ecosystems to capture and store sufficient quantities on energy to sustain human life on Earth (Ikerd, 2013). At business level, the sustainability is about managing a company in such a way as to ensure it stays around for future generations with social and environmental programs firmly intact (The SIGMA Project, 2001). Broadly speaking, the sustainable business development involves the application of the sustainability principles to business operations. In the business operations, the sustainability calls for using the resources so that the business continues to function over a number of years while consistently returning profits. The sustainability encourages the responsible use of resources. This involves not only making sure that the business is making profit but that the operation is not creating environmental concerns that could cause harm to the balance of the environment. By being mindful of the impact of the operations on the community, the business is able to choose raw materials that are more environmentally friendly and design a waste disposal strategy that does not cause damage (What is Economic Sustainability?...). In financial terms, the three parts of sustainability could be structured as environmental capital, social capital and economic capital. None part of the capital can’t be sustainable by itself. Therefore, the sustainability of the business depends on the contribution of each of environmental, social and economic interacting sustainability dimensions. The sustainability is achieved only if the business succeeds in getting economic efficiency, social equity and environment preservation.

No matter the approach on sustainability within the business context, this should be guided by the appropriate principles that support the right understanding, developing and implementing the sustainability as an integral part of the strategy of the company (Ikerd, 2013). A first principle that must be followed is *holism*. The sustainability is a system which has the environmental, social and economic as components and they need strong relationships in order to correctly work the system. In the case of sustainability, ignoring the holism has critical consequences. The most important challenges of the sustainability are ecological, social and economic where the relationships matter. The *diversity* of sustainability suggests the variety of its different or dissimilar elements, strategies and solutions. The diversity gives the sustainability of business its capability to generate, produce and reproduce and evolve. It allows business to adapt and evolve to accommodate its ever changing environment and society. The principle of diversity in sustainability is entropy related. The entropy is the process of degrading or rising up the usefulness of energy and matter (Ikerd, 2013). The entropy of a system shows the conditions of its development; that means that the more unbalanced becomes the system its entropy will increase accordingly (Danciu, 2006, p. 8). The systems completely lacking in diversity are incapable of supporting life, that meaning that they are highly entropic and their transformation has become irreversible. Here comes the role of sustainability in preserving the diversity of the whole environmental, social and economic system by keeping its entropy under control. That means the changes and transformations of the system are reversible. The sustainable way of functioning of the business can have a particular contribution for maintaining and improving the quality of life due to its initiatives and activities that ensure the resources needed by future generations. The principle of *interdependence* refers to the reward of pay off for respecting the principles of holism and diversity. In other words, between the component parts of the ecosystem establish interdependent relationships which give mutual benefices for all and a win-win situation arise. People and businesses are interdependent with their external ecosystem. They have a choice between continuing to exploit and extract from nature or instead renewing and regenerating, maintaining it sustainable for the future generations. The sustainability has also a *long-term* characteristic. The people and the businesses have act non-appropriately for a long period of time and this way of action has unbalanced and degraded the ecosystem. These outcomes will continue with a more accelerated pace in the future if sustainable initiatives, strategies and solutions with long-term benefits are not put in place. Slowing and reversing the trend of life and environmental degradation are a matter of time. All efforts aiming at the scale up of the sustainability must be driven on a long-term period of time in order to keep the business alive while returning profit without endangering the wellbeing of future generations.

*The need of sustainability in the future*. Each generation has the same goals which are the technologic, economic and social growth and development which means a better life. The achievement of these goals has brought the humankind at the present state of development. Even if the progress remains a constant characteristic of the humanity evolution, the side-effects interfere with the favorable effects. More resources become scarce, climate is changing, damages of the environment grow for the worse. The society becomes more and more non-balanced, the rich become richer, the poor become the poorer and numerous countries have serious troubles in having enough food, money or other resources. Under the increased pressure of environmental, social and economic constraints, the humanity began to understand that if it continues to consume, waste and ignore the signals of this lifestyle it will destroy itself. The present crisis is only a hard evidence of the negative effects of bad habits and overconfidence. The prolonged prosperity from the last thirty years bred these bad habits and overconfidence and this does mean that one promise of modern economics can create the conditions for its own failure (Samuelson, 2012). The low inflation, high employment, rising stock and real estate prices drove economic growth and the economy seemed less risky. The confidence becomes foolish optimistic and people took more risks (Samuelson, 2012). Hundred of studies and books has advanced theories about the causes of the crisis, but we agree with T. Palley (2012) which thinks that the root explanations of the global economic crisis are the following three hypothesis that are government failure, market failure and shared prosperity. The discussion of these hypothesis show that the crisis is the outcome of the undesirable effects of a non-sustainable way of life and underline the need of a new development model. This new model is that of sustainable development (Weisberg, 2010) which is a systematic tool for our future welfare by respecting the limits of the Planet as Wijkman and Rockstrom (2013) think. The companies are more and faster interested in becoming sustainable due to the pressure of several reasons and “mega-forces” as a study performed by KPMG having as title “Expect the Unexpected: Building Business Value in Changing World” (Ten Sustainable Mega-forces, March 6, 2012) and ADP Total Source White Paper (2010) have found how the environmental forces may impact the business. A company must integrate the sustainability in its overall strategy as reaction to the trends and behavior of external forces of the macro and micro environment with global coverage.

*The climate change* is maybe the force that at the most impacts the business. It has a qualitative and quantitative impact on the entire planet. The predictions of annual output losses from climate change range between one percent per year, if strongly and early actions for slowing it are taken, to as much as five percent a year if policy makers fail to act.

*Energy and fuel challenges*. The main challenge is about the higher volatility and unpredictability of fossil fuel markets because of higher energy demand. The changes in the geographical pattern of consumption, supply and production uncertainties and the increasing regulatory interventions related to climate change are other strong trends. *Water scarcity* becomes progressively effective since the predictions show that by 2030, the global demand for fresh- water will exceed the supply by 40 percent. The businesses may be vulnerable to water shortages, declines in water quality, water price volatility and reputation challenges. *Deforestation* will increasingly contribute to the decline of material resources. The OECD projects that forest areas will decline globally by 13 percent from 2005 to 2030, mostly in South Asia and Africa. The timber industry and downstream industries such as pulp and paper are vulnerable to potential regulations to slow or reverse the deforestation. The companies may also find themselves under increasing pressure from the customers to prove that their products are sustainable through the use of certification standards. Business opportunities may arise through the development of market mechanisms and economic incentives to reduce the rate of deforestation.

*Population growth* is a constant force for sustainability because the pressures it puts on the entire planet Earth. The world population is expected to grow to 8,2 billion by 2032 and to more than 9 billion by 2050. This trend will place intense pressures on the ecosystems and the supply of natural resources such as food, water, energy and raw materials, and all these are threats for the business.

*Wealth dynamics*. The middle class is predicted to grow 172 percent between 2010 and 2030. The challenge for businesses is to serve this new middle class market at a time where the resources are likely to be scarce and more price-volatile. The advantages many companies experienced in the last two decades from "cheap" labor in the developing countries are likely to be eroded by the growth and the power of global middle class.

*Urbanization trends* will act for a growing majority of the population living in cities. In 2009, for the first time ever, more people lived in cities than in the country-side. By 2030, all developing regions, including Asia and Africa, are expected to have the majority of their inhabitants living in urban areas. Virtually, the population growth over next 30 years will be in cities. These cities will require extensive improvements in infrastructure, including construction, water and sanitation, electricity, waste, transport, health, public safety, and Internet and cell phone connectivity.

*Food security* will be an increasing challenge in the next two decades under increasing pressure on the global food production from mega-forces including the population growth, water scarcity and deforestation. The global food prices are predicted to rise 70 percent to 90 percent by 2030. In water- scarce regions, the agricultural producers are likely to have to compete for supplies with other water-intensive industries and with consumers.

*Ecosystem decline* will continue because historically the main businesses ask for declining biodiversity and ecosystem services has been to corporate reputation. At the same time, as the global ecosystems show, increasingly sign of breakdown and stress, more companies are realizing how dependent their operations are on the critical services these ecosystems provide. The decline in ecosystems is making the natural resources scarcer, more expensive and less diverse, increasing the costs of water and escalating the damage caused by invasive species to sectors including agriculture, fishing, food and beverages, pharmaceuticals and tourism. *Government regulations* will become more demanding and numerous. As public and government concern about climate change, industrial pollution, food security, and natural resources depletion, they will intervene with unprecedented levels of new regulations and policies.

*Consumer concerns and employee interest.* The consumers and the employees are increasingly demanding for the companies to produce goods and/or services in a more eco-friendly and socially responsible way and are rewarding such companies through greater loyalty, embracing new products and some willingness to pay higher prices for premium products and services.

## 2. Sustainability, a long march for the company

### 2.1. The process of sustainability as challenge for success

The contribution of the company to a promising future should come from the increased positive impact of the business in society and this could be achieved only if it becomes sustainable. In order to assume such a challenge, more and more companies should fully integrate themselves the sustainability in their strategies and operations. But the sustainability is not easy to achieve. Nidumolu, Pralahad and Rangaswami (2009) and Willard (2012) suggest that the sustainability may become an integral part of the business strategy and operations only if the company overpasses the different challenges at each stage of the process for sustainability and develop new capabilities to tackle these challenges. The French author Pierre Chapuy (2009) has an environmental approach on the sustainability but includes its all three dimensions during a four stages process of achievement of the environmental sustainability. According to Chapuy (2009, p. 66), the sustainability is achieved in the last stage that is the sustainable development which has economic, social and environmental content with a long-term vision within a total confrontation of interests which are fundamentally political. Willard (2012) proposes a five stages process which are pre-compliance, compliance, beyond compliance, integrated strategy and passion and purpose. These stages can be identified in a more expressive and lucrative earlier concept proposed by Nidumolu, Pralahad and Rangaswami (2009) who advance also a five stages process of sustainability which are compliance, sustainable value chain, design of sustainable goods and services, development of new business model and creation of next-practice platforms. *The compliance* is considered as an opportunity that usually arise from the law, but companies feel pressed to abide by voluntary codes, in addition to legal standards. It's tempting to adhere to the lowest economic, social and environmental sustainability standards, but the companies that focus on meeting the most stringent even emerging rules and norms gain more time to experiment with materials, technologies and processes and the first-movers yield substantial advantages in terms of fostering innovation. The companies in vanguard of compliance naturally spot business opportunities first and save money, contrary to the popular perception of using them. Once the companies have learned to keep the pace with regulations, they become more proactive about the environmental issues. The drive to more efficiency extends from manufacturing facilities and offices to *the value chain.* In order to make it sustainable, the companies work with suppliers and retailers to develop eco-friendly raw materials and components and reduce waste. They develop sustainable operations by analyzing each link in the value chain. First, the companies make changes in the obvious areas such as returned products. The operational innovations are central to building a sustainable supply chain. They lead to greater energy efficiency and reduce the dependence of the companies on fossil fuel. Other sources of scaling up the sustainability are the reduction of the workforce costs and the reuse of returned products aiming at recapturing some of the lost value. When they create environmental friendly value chains, the companies uncover the monetary benefits that energy efficiency and waste reduction can deliver. They also learn to build mechanisms that link the sustainability initiatives to business results. A new step towards sustainability is *the design of sustainable goods and services.* At the beginning, the companies start waking up the fact that a sizable number of consumers prefer the eco-friendly offers, and that they can score over rivals by being the first to redesign existing products or develop new ones, if they use the competencies and tools they acquired at earlier stages of their sustainability revolution. In order to design sustainable products, the companies have to understand the consumer concerns and carefully examine the product life cycles. They must combine the marketing skills with their experience in improving the raw materials supplies and distribution. In the fourth stage, the company becomes able to develop *new business models.* Many companies are tempted to assume that creating a sustainable business model entails simply rethinking the customer value proposition and figuring out how to deliver new one. But the existing models should be questioned and act entrepreneurially to develop new mechanisms. Designing and developing a new business model requires exploring alternatives to current ways of doing business as well as understanding how the company can meet consumers' needs differently in a key of sustainability. As the company over-cross the previous stages it becomes able to create *new sustainable business practices known as next-practice platforms.* The next practices change the existing business paradigm. As a new assumption, the sustainability can lead to interesting next practice platforms. One such a platform is emerging at the intersection of the Internet and energy management. This is called “the smart grid” and it uses the digital technology to manage the power generation, transmission, and distribution from all types of sources along with the consumer demand (Nidumolu et al., 2009). The smart grid will lead to lower costs as well as the more efficient use of energy. The grid will also enable the development of cross-industry platforms to manage the energy needs of cities, companies, buildings, and households.

### 2.2. Present performance of sustainability in business

More and more companies take steps to tackle the sustainability challenges they face as pressures for better sustainability in business mounted. Their sustainability performances are estimated by well known consulting organizations such as Deloitte, and EIRIS or studies performed by different researchers. The researches are using methodologies such as Environmental, Social and Governance (ESG) and EIRIS Global Sustainable Ratings and are based on various surveys.

The information from EIRIS Sustainability Report 2012 correlated with the results of a study performed by Eccles, Ioannou and Serafeim (2012) provide evidence on sustainability performances of global and multinational companies, some of them US originated. The EIRIS Sustainability Report 2012 (Robertson, 2012) assesses the sustainability performance of 2063 global large cap companies from different sectors and countries world-wide. The report shows that globally the companies are demonstrating positive sustainable impacts and there are good volumes of leadership on ESG issues overall. At a global level, United Kingdom (UK) and continental European companies outstrip their United States and Asian counter parts on sustainability performance. Thus, a fifth of UK companies score the highest grade in EIRIS Global Sustainability Ratings based on environmental, social and governance issues. They are followed by 12 percent of mainland European companies. By contrast, only 2 percent of US companies and 1 percent of Asian companies achieve the highest grade according to EIRIS methodology. The smaller companies generally lag behind larger ones on sustainability performance. The investors in smaller businesses should therefore closely monitor ESG performance or engage on sustainable issues. The greatest sustainability has those industries that provide goods and services with a sustainable benefit. They include healthcare with 21 percent highest grade of sustainability, alternative energy-20 percent and food and drug retailers-14 percent. The above findings are consolidated by the Top ten global sustainability leaders 2012 from Table 1.

**Table 1.** *Top 10 global sustainability leaders 2012*

| Company | Country | Sector |
|---|---|---|
| Puma | Germany | Personal goods |
| First Group | UK | Travel & Leisure |
| National Australia Bank | Australia | Banks |
| GlaxoSmithKline | UK | Pharmaceuticals |
| Roche | Switzerland | Pharmaceuticals |
| Novartis | Switzerland | Pharmaceutical |
| Philips Electronics | Netherland | Leisure goods |
| Deutsche Boerse | Germany | Financial services |
| Novo Nordisk | Denmark | Pharmaceutical |
| The Go Ahead Group | UK | Travel & Leisure |

**Source:** Robertson, 2012.

In order to better understand why a company is positioned at the top, one could assess its sustainability using the "sustainability strengths analysis". Puma, the global sustainability leader in 2012, has as sustainability strengths its exceptional environmental management systems and practices in place which is bolstered by their significant improvements in environmental performance; industry leading supply chain policies, systems and disclosure in place; meaningful disclosure regarding its stakeholder engagement opportunities the company provides; a comprehensive policy on equal opportunities for its employees information about workplace health and risk management systems; and programmes designed to train and develop the work force of the company. These sustainability strengths provide a balanced economic, social and environmental sustainability.

*The innovation* is a key strategic part of the ceaseless process for improving the sustainability. Deloitte (2010, p. 12) has performed a survey on a panel of CEO from 48 US- originated multinationals, in 2009 and 2010. Within a section on "innovation sustainability", the results show that the innovations were made in products, processes and business models, in order to increase the sustainability of the company. Thus, 25 percent all respondents mentioned they were pursuing the efforts to make their products more efficient mainly by reducing product's energy use. The business processes to become more sustainable have been changed by 44 percent of respondents. These changes focused mainly on reducing operational costs, or the cost of production for their products and capital cost, and educating the workforce on sustainability efforts and goals and changing the employee behavior. Another study on present state of sustainability was based on a comparison between a sample of 90 US-based companies the authors classified as high-sustainability and another sample of 90 classified as low-sustainability (Eccles, Ioannou, Serafeim, 2012). The main conclusion of the research was that the sustainability pays off. The companies that manage their environmental and social performance have superior financial performance and actually create more value for their stakeholders. They do so by attracting and keeping better and more commited employees and have more loyal customers.

The researches and the practices of many companies outline a three dimensions context of present sustainability. First, there are more and more companies that make constant efforts for achieving and improving their sustainability in all economic, social and environmental dimensions. Second, even high-sustainability companies don't always succeed to fully integrate all individual parts into a whole balanced model of sustainability, and this make enough room for future improvements. Third, smaller companies are behind the large ones in terms of sustainability awareness and particularly of sustainability performances. This evidence convincingly shows that a lot remains to be done in the future and the true sustainability business is yet to be invented.

## 3. New strategies for better sustainability in business

### 3.1. The main particularities of the sustainability strategy

The ability of the company to successfully gaining the sustainability depends on its social and environmental sensitivity. In other words, the business must first become an eco-centric one and then it must become a sustainability focused business and all these need many efforts and take time. The strategic sustainability represents a commitment demonstrated by top management that moves beyond compliance and efficiency to avoid risks and minimize costs (Raderbauer, 2011). So, the sustainability strategy must become the company strategy and the company strategy must become the sustainability strategy. That is way the sustainability is to be perceived as a company-wide goal that incorporates every aspect of the business and its relationships. A genuine sustainability strategy of the company should be based on solid and sound *principles or pillars* as Townsend (2013) called them. First of all, the business sustainability strategy needs to mature and shift up a level from the narrow ego-centric pursuits of market domination, becoming the biggest, best or maximizing returns to aligning with higher, more meaning sustainable purposes. Second, if the company are to be genuinely and sustainable successful, its management needs to be the adept of managing both short and long-term perspective concurrently. A third pillar of the sustainability strategy consists in the genuine alignment with all activities of the company and between the business activities and the changing environment. That means a more responsible approach to the key drivers, risks and opportunities impacting on the business strategy, in order to find lasting pathways to sustainable business value. The need of keeping an open mind for exploring the full range of possibilities, particularly the new ones, is another principle. The business can build so on risks management perspectives, considering the likelihood, impacts and consequences, and its key management responses. In the context of falter economies, the customers, the stakeholders and the markets are hurting. The companies need to take into account all strategic options which will permit it to keep them by offering something they continue to need and value and which they con also afford. As pillar of the business sustainability strategy should be also considered a rediscovery of the entrepreneurship. The company should turn the apparent crisis into real opportunities, create genuine advantages for transforming the business model and make legitimate profits from sustainable goods and services.

The above principles can also be found in the *traits* of the sustainability strategy (Azua, www.masi.Net/documents/file) and which are clearly defined and differentiated identity, constant commitment to innovation, decided process of growth and internationalization, use of innovative management mechanisms and a network of collaborators and partners. The company that observes these principles and traits and makes them work can develop a successful sustainable strategy if it complies with the guidelines which are presented as the 4C's by T. Ellis (2011). The sustainability strategy should have a *C*lear purpose. That means the strategy makers must select the social and environmental activities that match the company business sustainable competences and reflect its culture, value, challenges and overall business strategy. Then, the company should engage itself in strategic *C*hanges in the company's "hardwiring" and as well in its "softwiring". That means the changes must be performed in the structures, processes, performances and measurement systems in support of the sustainability ambitions as well as communications, employees, and leadership development programmes design to encourage sustainable value creation, thinking, skills and practices. A third step in the business sustainability strategy is the *C*ollaborative co-creation. The sustainable creation also implies that the external stakeholders are turned into potential strategic partners by inviting them to join the innovation process. They can infuse the mainstream companies with new mindsets, values and energy. Openness, transparency and *C*lear communication of both successes and failures towards internal as well as external stakeholders in order to build trust and mutual understanding that is critical to sustainable business success can be seen as the fourth trait of the sustainability strategy. The company must be interactive if it wants to harvest potential ideas and feedback from external stakeholders and to develop a sustainable adjustment of its strategy accordingly.

### 3.2. Four strategies for better sustainability of the company

*SS1: Sustainability management* has a decisive role for the company strategy success, and it should include all departments and operations. Becoming a sustainable company needs leadership, commitment, stakeholders and employees engagement and disciplined mechanisms for execution with business management supervising and coordinating all. *The risk management* is needed for evaluate and fight against the sustainability risks that may occur. *The sustainability risks* include existing and emerging environmental, social and governance risks. These risks may arise when the corporate behavior or the actions of others in a company operating environment such as suppliers, media, government create vulnerabilities that may result in financial, operational and reputation loses in value (Sustainability Through Risk Management, Asherleaf Consulting, May 2011). *The environmental risks* include carbon emissions due to climate change, drought and flood, constrained resources and their diversity or biodiversity and pollution. As a result of the diversity and the displacement of the population, the lack to access to people healthy safety and cultural changes, lack of availability of resources or lack of access to them cold occur *the social risks*. *The governance risks* could have as sources the corporate policy if not comply, compensation and bribery, lack of compliance to regulations and so on. The risk management has a very difficult task but if it works successfully the benefits are multiple and significant. It also could enhance the decision-making capacity, agility and adaptability of the company, supply a wealth of insight, knowledge and intelligence on emerging and current issues and opportunities, manage the stakeholders' expectations with greater certainty, and provide a framework and principles for innovation (Sustainability Through Risk Management, Asherleaf Consulting, May 2011, p. 4). *The reputation risk management* is one of the most significant parts of the sustainability risk management. As an intangible asset greater than the brand (Kucuk Yilmaz, Kucuk, 2010, p. 229), the corporate reputation is an integral part of the company performance. But the reputation is one of the most vulnerable values the company has to stay sustainable. That's way the company has to have a continue commitment to behave ethically and contribute to the economic development while improving the quality of life of all involved stakeholders, in order to add social, environmental and economic value to its conduct, products and services. The sustainable companies are beginning to understand that the importance of building and protecting their reputation is greater maybe than in the case of traditionally profit-oriented companies. Since the companies can convert the reputation from being an intangible asset to an asset with tangible value to the company, they try to better manage the risks in the case of sustainability. The reputation risk management should also be integrated with sustainability risk management if the company wants to maintain and enhance the value of its reputation. Integrating the risk with the strategy setting helps a sustainable company to manage its risks to protect and enhancing the business value in many ways (Kucuk Yilmaz, Kucuk, 2010, p. 242). First this integration helps to establish sustainable competitive advantage. Second, it optimizes the cost of managing the risks. Third, managing the risks helps the management to improve the performances of the company. The sustainable leading companies ensure that the risk management to corporate sustainability is embedded throughout the whole organization, in order to succeed protecting and enhancing their reputation and, thus, their corporate value.

*The sustainable resource management* should find ways to spare the progressive scarcer resources such as food, water, energy and a wide range of raw materials. A fierce battle is against the constant increase of food and water prices as extreme weather exacerbates the production of food. The mature clean energy sources such as hydro, biomass, solar PV and onshore wind have making good progress. Other sources of clean energy such as offshore wind and concentrated solar power must grow faster as alternatives to fossil resources. *The stakeholder management* refers to sustainable relationships with customers, suppliers, investors and employees. The goals of the sustainable customer management are the education of consumers, their attraction and maintaining them. These could be educated through sustainability communication and they can be attract and maintained by offering sustainable goods and services they can afford and deliver more value to them. *The sustainable supplier management* has a critical role for an effective supply chain. The sustainability successful business strategy needs more resilient supply chains. They can be put in place through new models of dealing with transportations and supply risks, a more comprehensive view, better supplier self-assessment or a more aggressive risk-focused stance given the world is at risk of 6 degrees C warming. The rising fuel costs leads to a rethinking of current approaches of sustainable packing. *The investor management* becomes more critical to sustainable company strategy since the sustainable solutions ask for more resources. In the United States, the sustainable and responsible investing accounted for more one out of every nine dollars under professional management, in 2012.

*SS2: Sustainable innovation.* The sustainable development and the creation of value ask the company for innovating not only in technical area but also in environmental, social and organizational fields. The sustainable innovations are critically dependent of qualified workforce, management systems results and stakeholders oriented, dialog between stakeholders along the value chain, interactions between the actors of economy, state and civil society, changes in business development and jobs creation (Lemken, Helfert, Kuhndt, Lange, Merten, 2010, p. 7). The sustainable innovation has three component parts which are the targets, the mechanisms and the impacts (La production durable et l'eco-innovation, OCDE, 2009). The targets refer to the main areas which are environment, products, marketing methods, organizations, businesses included, and institutions. The environment, the products and the processes is about technologic advance, while marketing, organizations and institutions sustainable innovation belongs to non-technologic changes. The mechanisms of sustainable innovations are about the way of operating the changes in the target-fields. These ways can lead to modify the existing practices, redesign them, replace them by others or create new ones. All these innovation moves should start by respecting minimum requirements for environmental, social and economic parts of the sustainability. A genuine sustainability can't be gained only by observing minimum standards. Every step requires further developments, additional objectives and activities, in order to persuade the company environment, market and target-groups of its philosophy. These impacts show the effects of sustainable innovation on environment, market and society. The improvements of the sustainability depend also on the ethic of the company. It should pull the demand of ethically made products. In order to succeed, the producer should ask the appropriate questions about the sustainable raw materials such as green chemistry, fair-trade, ecologic components, uses them and so get a pull-effect in the market. *The sustainable environmental innovation* is the strategy inspired by the objective of environment preservation. A company can take into account two major types of environmental innovations depending on the scale of change each assumes. One type is the additive environmental innovation which consists in improvements after the negative effects have occurred. The replacement of pieces for the process improvement, management and waste reduction are such examples of reactive techniques. The integrated environment innovation is the second type and this is a proactive step which addresses to the roots of the environment lack of balance. This approach makes easier the production and process innovations mostly by replacing the current practices and creating new ones. They help the reduction of consumption of raw materials, energy and non-renewable resources at the same time with a better quality of the environment. The integrated measures that are targeting the environment protection ease the acquisition cost and competitive advantages and increase the attractiveness of local environment while the additive ones have negative impacts as a result of increasing costs for producers. *The sustainable product innovation* should follow strategies that target the design and the development of products with a reduced amount of non-renewable resources and preferably from renewable resources, reduced costs, zero pollution, zero waste, biodegradable packing and environment neutral, having a more lasting working, reduced consumptions and with non-pollution fuel use at the same time. *The sustainable organizational innovation* can be achieved with the help of the environment management system. This could be done if the management of environment protection is included in the integrated management system. Acting this way, the environment protection can be managed together with quality management, labor protection management and social management (von Huff, Kleine, 2009, p. 58).

*SS3: Eco-efficiency***.** The World Business Council on Sustainability Development (WBCSD) defines the eco-efficiency as "being achieved by the delivery of competitively produced goods and services that satisfy human needs and bring quality of life while progressively reducing the ecological impact and resource intensity throughout the life cycle, to a level at least in line with the Earth's estimated carrying capacity" (Sustainable Practices. The Sustainable Scale Project…). Each company which tries to gain the sustainability should design and use sustainable business practices based on a new way of thinking about meeting the customer needs. One major technique for eco-efficiency is increasing the resource productivity. This issue came forward as the extension of the producer's responsibility beyond the sale of the product had profound changes on how the companies provide goods and services. They became much more interested in the design of their products, because once the useful life of the goods is over these goods come back the producer. This encourages designs that are more durable, allowing the products to be easily dissembled and, once dissembled, to be reused or composted. Their packing being biodegradable or recyclable it leaves no toxic residues to deal with. What was formerly waste and a liability now becomes an asset, a source of new product materials. European automobile manufacturers have agreed the European Union to take back their motor after their useful life is over. Several countries, primary in Europe, Romania included, have also enacted take-back legislation for large home applications, office equipment and electrical and electronic equipment and they organize "sessions" for collecting them. The waste reduction is another procedure that aims at eco-efficiency. It deals with ways of diminishing the financial effort for disposal. Many companies judge the waste as a measure of inefficiency and several set a goal of "zero waste" for their operations trying to change the statute of the output from operations that becomes input for another operation. A way for increasing the eco-efficiency is also the green certification.

*SS4: Sustainable competitive advantage.* A sustainable competitive advantage is that competitive advantage which could be maintained on a long-term period, in opposition with one competitive advantage which results from short-term strategies and operations. The sustainable competitive advantage can leverage the sustainability to increase all business value if it becomes an integrated part of the global sustainable strategy of the business. A study performed by Deloitte (2010, p. 18) suggests improvements in four areas for increasing the ability of the company to achieve the competitive advantage through sustainability. The first area is putting *in line the sustainability strategy with the strategy of the company*. Setting specific goals with set timelines, associated metrics and leadership accountability is an effective way of driving the alignment between sustainability and company strategy. Once set, these goals may be pursued by allocating economic resources, hiring key skill sets, creating new collaborations, and helping the sustainability teams navigate internal organizational boundaries. *Integrating the sustainability into operations and processes across the value chain* is another source of sustainable competitive advantage. The company could build an operational model that takes into account the potential costs and benefits associated to sustainability in four areas: supply chain, demand chain, emerging technology and new regulatory requirements. The company should identify the key metrics for understanding the current and desired sustainability outcomes and evaluate the impact of its operations on the entire value chain. A third source of sustainable competitive advantage consists in *restructuring non-traditional collaborations and extending collaborations*. The collaboration with upstream and downstream value chain partners, as well with external parties such as academics and non-governmental organizations can help the company create innovative solutions to sustainability issues. Up stream collaboration with suppliers can involve formal collaborative practices such as formal supplier requirements and audits, and informal practices such as sponsoring conventions and working groups to share best practices. Downstream collaboration with customers, consumers and waste management organizations may entail activities such as involving customers in the product design process, educating users on appropriate disposal practices, and working with waste management companies or government to bolster the recycle and waste management infrastructure, working with non-governmental organizations as well as the academic, scientific and regulatory communities can spur the development of sustainable solutions that are advantageous to both the company and the broader society. Finally, *setting up a governance structure that is supported by the right infrastructure* can enhance the value of the company and derive sustainable competitive advantage. As the company progress to higher level of maturity in its approach on sustainability and creates substantial competitive advantages, its favorable impact becomes more marked compared to its rivals (Kern, 2011). The company can better meet the customers and suppliers expectations and its informed and significant customers increase. Another competitive advantage the company can achieve is the improvement of its image. The ecologic products are supposed to have a greater value and more consumers prefer the companies and products if they are convinced that they act in a sustainable way. A source of competitive advantage can also be the correct evaluation of the climate change risks and their reduction.

## 4. Conclusions

### 4.1. The present state of the company sustainability

The existing development model that is a on-sustainable one has climate change, eco-system decline, lack of social equity and resource depletion as undesirable effects. A new development model calls for a fully integrated sustainability in all strategies and operations of the company. The sustainability is hard to achieve and the company needs to overpass the different challenges at each stage of sustainability and to develop new capabilities to tackle these challenges. A company that has results under the sustainability principles needs the responsible use of resources so that it not only makes a profit but its operations are not harming the balance of the environment and of the society. All environmental, social and economic parts of the sustainability can be considered as capital of the company.

The awareness of the sustainability in business has increased in the last twenty years. More and more companies take steps to tackle the sustainability challenges and get progressively more sustainability performances that are assessed by well known consulting and research organizations. The researches and the practices of many companies illustrate interesting conclusions. First, there are more and more companies that make constant efforts for achieving and improving their sustainability in all its component parts. These companies have better sustainability performances as they integrate the sustainability in their general strategy and implement concrete progammes and operations. Secondly, even high sustainability companies don't always succeed to integrate all individual parts of the sustainability into a whole balanced model, and this makes enough room for future improvement. Third, the small companies are behind the large ones in terms of sustainability awareness and particularly of sustainability performances. All these show that a lot remains to be done in the future and the true sustainability business is yet to be invented. Even so, the sustainability pays off, as a fourth conclusion. The companies that manage their environmental and social performance have superior financial results and actually create more value for their stakeholders, attract and have more loyal customers.

The contribution of the company to a promising future trough sustainability becomes a realty if the sustainability is judged as a progressive process that begins with the compliance, continues with the sustainable value chain and the design of sustainable goods and services and ends with the development of new business models and the creation of next-practice platforms. In order to overpass each stage of the sustainability process, the company needs a sustainable strategy as business general strategy. That business strategy has as goal a company-wide goal that incorporates every aspect of the company and its relationships.

### 4.2. Future directions for scaling up the sustainability of thecompany

At a global level, the contribution of sustainability to a better future is recognized and the World Business Council on Sustainability Development (WBCSD) has developed Vision 2050 which outlines a pathway to reach a sustainable global society by 2050. This pathway will enable us to live within of the limits of the planet Earth, diminishing the distraction of key ecosystem services, including climate, forest, fisheries and farmland, and easing human hardship trough inclusive growth (UN Global Compact and the Principles for Responsible Investment.Communication of Progress2012/13, 2013, p. 2). Vision 2050 includes a call for a new agenda for the companies. This call has as objective to convince the companies to work for a strong transformation that supports a better sustainability. Considering the requirements and the results in the sustainability theory and practice, the companies will succeed to make the needed transformation for achieving a better sustainability if they implement at least the following four strategies: sustainability management, sustainability innovation, sustainability eco-efficiency and sustainable competitive advantage. Te contribution of the above strategies to more sustainability in the future will be more powerful if the companies will directed them according to a four steps process. More companies are to be inspired to not do harm and compete with integrity and sign up the UN Global Compact standards for responsible behavior and report their sustainability performances annually, in the first place. For more companies achieve a better sustainability performances an involvement of the leading sustainable companies in more sharing best practices to further enhance the business case for sustainability is needed. Then, the companies should integrate the sustainability in their cross-company strategies so that their core business becomes the engine of solutions for the challenges in the environmental and social impact of their business and products. The sustainability should continue to be an integrated and integral corporate aim and strategic factor for success, a windfall in the course of the development process and the ultimate objective of the innovation process. Another step is the need for business and capital markets to formalize the way that sustainability challenges are reflected in the long-term risk assessment of a company. Finally, a system change must aim at the creating of better ways to measure and value the true performance.

The companies which choose sustainable strategies and practices will be in the position to drive value by growing revenues through new products and services, reducing costs through eco-efficiency, managing operational and regulatory risks more effectively and building intangible assets such as brand, reputation and collaborative networks with customers, competitors and suppliers.

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