

Advancing Sustainable Development through Corporate Sustainability: case of the United Kingdom

Imen Kerroucha *, Rafika Sebbagh **

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Abstract: *The research goal is to identify corporate sustainability and how it can promote sustainable development, by showing the case study of the United Kingdom, given that accomplishing sustainable development goals is nearly linked to improving the performance of institutions, which adopt an integrated business model for institutional sustainability, accordingly with the best practices, and ensure the application of a balanced and sustainable approach to realize economic activities, environmental and social responsibility, also the efficiencies consumption of resources, certainly during the current challenges. We have concluded that the UK has made great pace towards attaining corporate sustainability by enhancing its commitment to environmental, social, governance and sustainable development standards, and this is evident in its enactment of laws, setting visions to achieve social, environmental and economic sustainability.*

Keywords Corporation sustainability system ;social and environmental responsibility; sustainable development.

JEL Classification: Q01 ; Q56 ; O44.

ملخص : يهدف هذا البحث إلى تحديد مفهوم الاستدامة المؤسسية وبيان كيفية مساهمتها في تعزيز التنمية المستدامة، مع الإشارة إلى دراسة حالة المملكة المتحدة، باعتبار أن تحقيق أهداف التنمية المستدامة يرتبط بتحسين أداء المؤسسات التي تتبنى نموذج عمل متكامل للاستدامة المؤسسية وفقاً لأفضل الممارسات، وضمان تطبيق نهج متوازن ومستدام في لتحقيق الأنشطة الاقتصادية والمسؤولية البيئية والاجتماعية، إضافة إلى الكفاءة في استهلاك الموارد، خاصة في ظل التحديات الحالية. خلصت الدراسة إلى أن المملكة المتحدة حققت تقدماً نحو تحقيق الاستدامة المؤسسية من خلال تعزيز التزامها بمعايير البيئة، المجتمع، الحوكمة والتنمية المستدامة، وتجلى ذلك في سنّها للقوانين ووضعها للرؤى التي تهدف إلى تحقيق استدامة شاملة على المستويين الاجتماعي والاقتصادي والبيئي .

الكلمات المفتاحية : نظام الاستدامة المؤسسية؛ المسؤولية الاجتماعية والبيئية؛ التنمية المستدامة.

* University of Djillali Liabes (ALGERIA), imen.kerroucha@univ-sba.dz

** University of Djillali Liabes (ALGERIA), rafika.sebbagh@univ-sba.dz

1.Introduction

Sustainable development is considered as a pattern of development characterized by rationalization, and having to deal with economic activities with the goal of achieving an economic growth by environmental preserving and optimizing the exploitation of natural resources, and therefore achieving economic growth and at the same time eradicating backwardness and ensuring access to a better lifestyle in the present and future. On this basis, it was adopted by all countries joining the United Nations in 2015 and set the Sustainable Development Goals, as it is considered a global invitation to achieve a better and more sustainable future, in which these goals tackle the various global challenges facing the world.

The term social responsibility and corporate sustainability has become one of the most important concepts related to sustainable development, as countries consider it one of the general engines of the economy, because it meets the needs of current generations without compromising the ability of future generations to meet their own needs.

In light of the economic, social and environmental changes and challenges facing our world, sustainability has become a good thing for organisations, and focusing on social and environmental impacts has now ensured their ability to create long-term value. This is because sustainable economic growth is no longer just necessary in business, but rather it is extremely crucial.

Corporate sustainability can't be overlooked by organisations anymore but had been integrated into their daily operations, given the positives aspects that sustainability provides to businesses that make it a fundamental goal for any organisation. By adopting better practices and making sustainability a core value, organisations can pave the way to a more sustainable future. Moreover, they must have a corporate sustainability strategy to address climate variability, create a better world for our communities and ensure long-term economic growth.

Thus and from what have been said, the research problem addressed in this study is: What is the role of corporate sustainability in supporting the trend towards sustainable development?

This research paper is based on the descriptive approach, by addressing concepts related to corporate sustainability, and highlighting the experience of the United Kingdom in adopting the principles of sustainable development

The study reviews the following axis: Starting in the first axis, we will discuss the conceptual framework of the study, and then in the second axis we will present the policies and path of the United Kingdom in moving towards corporate sustainability.

2.The theoretical framework of the study

Before discussing the theoretical framework of corporate sustainability, we will try to define sustainable development and social responsibility.

Sustainable development refers to the development that is planned and implemented considering the protection of the environment and sustainability (Ikouta Mazza, 2021, p. 106) , it is also defined as the paths of social, economic and political progress that meet the needs of the present without compromising the ability of future generations to meet their own needs.

It is worth noting that in business management research, sustainable development is viewed as an extension of environmental management, and one of the fundamental aspects of environmental management deals with the efficient use of energy and materials (eco-efficiency). (Baumgartner, 2006, p. 2)

On the other hand corporate social responsibility is defined by the world business council for sustainable development as firms commitment to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve their quality of life (Mahmoudi, 2016, p. 479) , therefore, it is based on developing mutual and beneficial relationships between the organisation and all the forces surrounding it, during the implementation of its activity and strategy.

2.1 The concept of corporate sustainability:

The International Institute for Sustainable Development defines corporate sustainability as a business implementing various strategies and activities that opt to achieve the organisation and its stakeholders aim and simultaneously protecting, sustainability and attaining the human and natural resources that are crucial for next generations use. (Afzal, Lim, & Prasad, 2017, p. 203)

It can be concluded that a firm or an organisation is affirmably sustainable only if its level of performance is attained in the different aspects which are social, economic and environmental and all of it is finding a balance between these three aspects. It's a brand new model of corporate sustainability that focuses on getting the highest profit while still recognising the vitality of corporate growth and profitability unlike traditional growth; in addition, this model obliges a company to achieve social goals related to sustainable development, environmental protection and social justice Equity, and economic development.

Organisations that adopt principles favouring sustainability will hand them a major advantage and simultaneously reduce its drawbacks over environment and improve their strategies therefore contributing to their competitive advantage. (ŚMIGIELSKA, 2018, p. 55)

2.2 The relationship between social responsibility and sustainability:

By presenting both the concept of corporate sustainability and social responsibility, we notice that there is a close and integrated relationship between them, as they both share in the goal of achieving three major aspects, which are social, economic and environmental, among which are: (سلطان، 2020، صفحة 212)

- Preserving the environment through efficient use of inputs and optimal waste management;
- Commitment to transparency and management ethics;
- Integration into society through local development and dialogue with stakeholders;
- Encourages innovation and development in technological fields.

Social responsibility leads to contributing in sustainable development over its embodiment and adoption of sustainable development's principles. We can describe and illustrate the difference between both of these terms as social responsibility are many decisions taken by multiple organisations and implemented which eventually gives us successful outcomes achieved that would result in sustainable development therefore sustainable development is a result of social responsibility. Therefore, social responsibility focuses on the social and environmental impact of organisations' activity, while corporate sustainability is concerned with achieving a balance between the environmental, social and economic dimensions of organisations' activity in a sustainable manner in the long term.

2.3 Foundations of Corporate sustainability:

Corporate sustainability is based on four elements:

- Sustainable development is defined by what's required by firms in some areas which they should develop by improving socially related aims that should be accomplished by the company it may be listed as environmental protection, social justice and equity, and economic development;
- Corporate Social Responsibility: Its premise is that corporate managers are committed and obligated morally to take into account society's needs and address them in various ways, and not merely act solely but also to achieve shareholders' interests or their own self-interest;
- Stakeholder theory: This theory suggests that the stronger company relationships are with other external parties, the easier it is to achieve your company's business goals, and the worse your relationships are, the more difficult it is. Strong relationships with stakeholders are characterized by on trust, respect, and cooperation. The goal of stakeholder theory is to help companies strengthen relationships with external groups in order to develop a competitive advantage;
- Corporate Social Responsibility: Corporate accountability provides the rationale and based conclusion behind the reason of companies releasing reports to society on their performance in these areas. (Wilson, 2003)

Therefore, corporate sustainability focuses in its essence on planning for the better usage of the resources available to the company so as to attain the continuity of the benefits of

those resources and realize the goals of the company and of society overall effectively. It is also based on fulfilling the continuity in the effective relationship with customers and applying different types of management methods such as environmental, social and economic management, safety and risk management (شليبي، 2022).

2.4 The importance of corporate sustainability:

The importance is based on two main axis:

- Organisations Perspective: Corporate sustainability provides companies with important positive aspects in terms of risk management, cost savings, access to capital, customer relationships, human resource management, sustainability of operations, ability to innovate and ultimately attain considerable profits;
- Society perspective: corporate sustainability allows companies to be more sustainable and innovative, which contributes mainly into improving a sustainable economy. In Addition to that it provides a set of values that enable the construction of a more cohesive society that helps the transformation into a sustainable economic system.

Also, one of its most prominent advantages is maintaining ethical principles and compliance with laws, and integrating the organisation's strategy with the principles of sustainable development through improving activities related to social, environmental and economic performance. (الجنابي و ابو شعالة، 2020، صفحة 544)

The World Economic Forum identifies that four out of the five largest global risks threatening humanity during the next decade will be related to environmental issues , as these environmental risks will affect the weather, supply chains, access to resources, profitability, and much more. This is why the Forum sees the need for planning by businesses proactively in order to successes. (Safane, 2024)

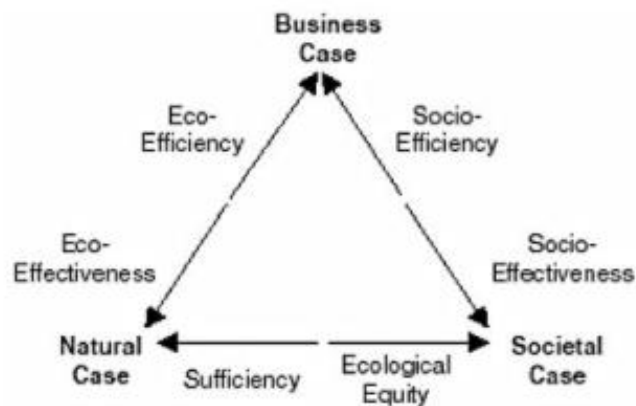
2.5 Models of corporate sustainability:

Through this element, we will focus on the most important models that dealt with corporate sustainability, first represented by the Dyllick and Hockerts model, which focused in its model on six criteria for achieving sustainability (Figure No. 01), which include the following: (Young & Tilley, 2006, p. 408)

- Eco-efficiency refers to a company's efficient use of natural resources;
- Social efficiency refers to the relationship between the economic value added to the organisation and its social impact. It requires deducting negative impacts, such as workplace accidents, and maximizing positive social impacts, such as training and health benefits;
- Environmental justice refers to leaving natural resources for future generations;
- Social effectiveness refers to the assessment of the absolute social performance of an organisation;
- Adequacy refers to consumer actions to adapt responsible choices directly through consumers whom They collectively boycott regulatory and marketing strategies believed to be harmful to the environment;

- Eco-efficiency refers to technical effectiveness or a complete alternative to eco-efficiency.

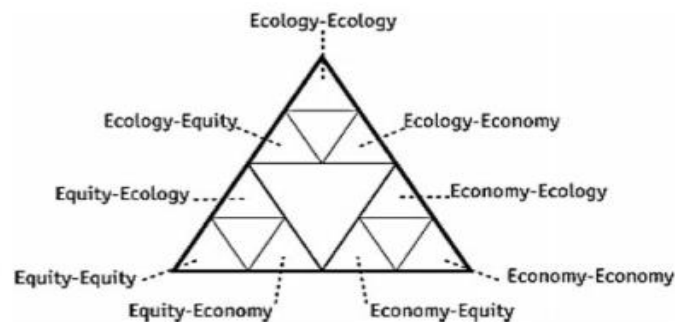
Figure (1): The six criteria's of Dyllick and Hockerts model



Source : William Young , Fiona Tilley ,Can Businesses Move Beyond Efficiency? The Shift toward Effectiveness and Equity in the Corporate Sustainability Debate, Business Strategy and the Environment,vol 15, 2006,p406

Secondly, McDonough and Braungart proposed a different model of corporate sustainability that is based on “triple top line” thinking, which focuses on three value systems: economy, environment, and justice, as shown in Figure 2, where every business decision is linked and has an impact on all value systems. All three, all carrying equal weight and requiring equal study. (Guttermann, 2022, p. 19)

Figure (2): Parameters of the McDonough and Braungart model



Source: William Young , Fiona Tilley , op cit, p407

2.6 Dimensions of corporate sustainability:

The dimensions of corporate sustainability are heavily linked to a tripartite hierarchical model that divides the operational system into three operations: economic, environmental and social dimensions that can be evaluated in performance measures in a balanced manner without giving priority to one over the other. (الجنابي و ابو شعالة، 2020، صفحة 553)

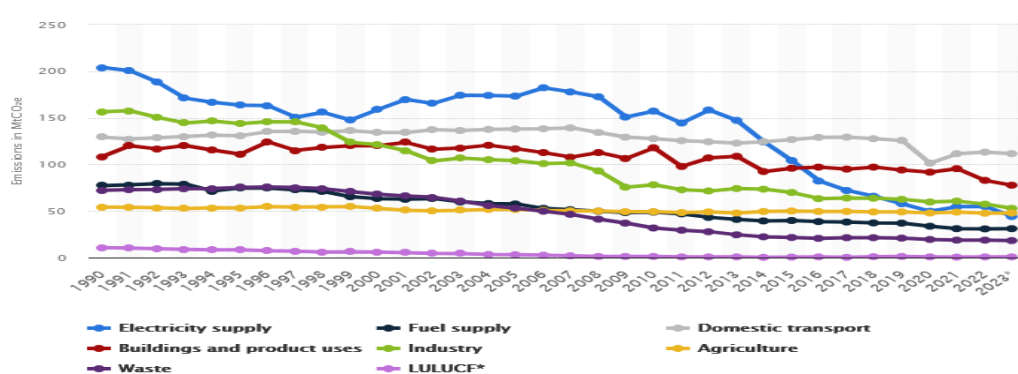
- The economic dimension: which is creating value from goods and services, creating job opportunities and generating income;
- Social: It includes all aspects related to the impact of the organisation's activity on various environmental factors; (غلاب و ميمون، 2014، صفحة 29)
- The environmental dimension: It is the optimal use of natural resources, without causing a disruption in the components of the environment.

3. United Kingdom case for corporate sustainability:

Through this element, we will attempt to provide a general overview of the United Kingdom adoption of sustainable development principles, in addition to highlighting the most important policies and strategies aimed at corporate sustainability.

The United Kingdom has many laws related to corporate sustainability, the overall goal of which is to constantly improve environmental performance and reach net zero by 2050 by reducing greenhouse gas emissions (Lees, 2021, p. 2), as the United Kingdom is considered to be among the countries that attained positive results in reducing emissions of greenhouse gases by an overwhelming 80% between 1990 and 2020, which is shown in figure 03 as we can observe the decrease of both electricity supply and industrial sector by a huge amount.

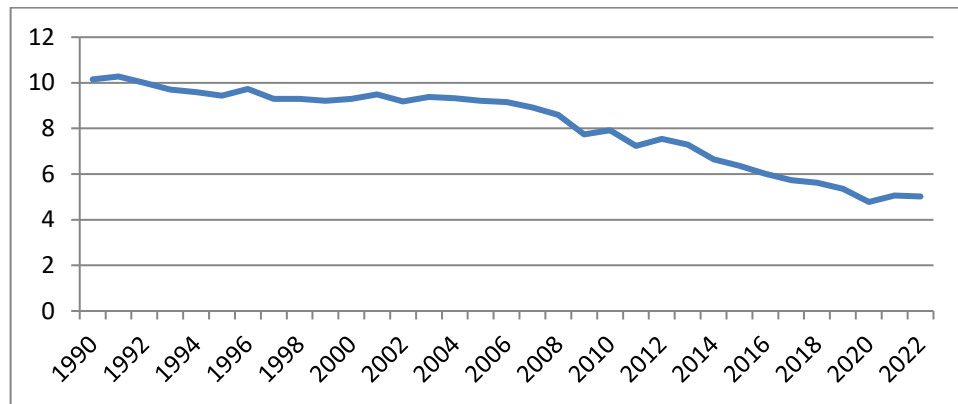
Figure (3): Greenhouse gas emissions in the United Kingdom by sector (in million metric tons of carbon dioxide equivalent)



Source: <https://www.statista.com/statistics/417948/uk-greenhouse-gas-emissions-by-sector/>

And to confirm it we can utilize the Carbon dioxide (CO₂) emissions per capita and it includes agriculture, energy, waste, and industrial sectors; as shown in the following figure, it decreased from 10.14 in 1990 to 5.02 in 2022.

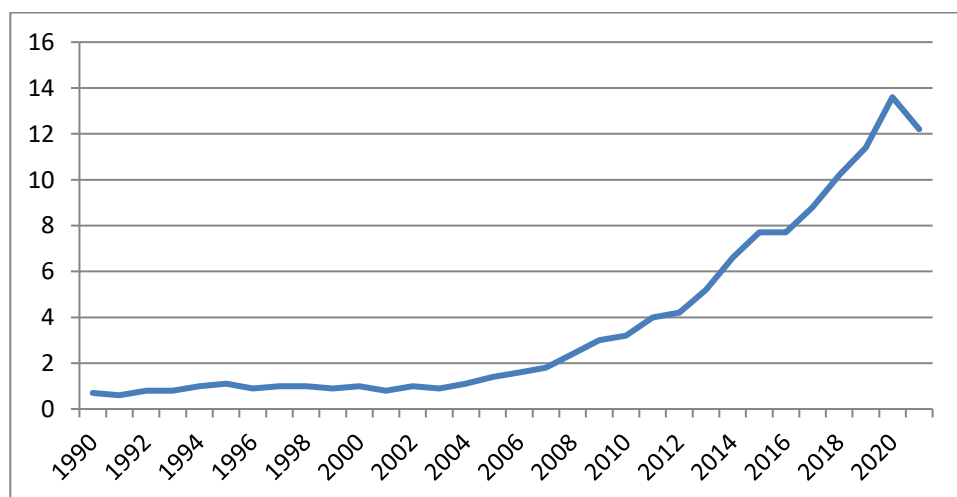
Figure (4): Evolution of Carbon dioxide (CO₂) emissions excluding LULUCF per capita (t CO₂e/capita) in United Kingdom



Source: Prepared by the researchers according to data world bank

In the same context, the United Kingdom is a leading country in following and achieving good results by following the strategy of moving towards clean energy, as it contributed significantly to reducing greenhouse gas emissions. This is what we notice from the following figure, which shows the consumption of renewable energy as a percentage of total energy consumption, as it increased from 0.7% in 1990 to 12.2% in 2022.

Figure (5): Renewable energy consumption (% of total final energy consumption) - United Kingdom



Source: Prepared by the researchers according to data world bank

In addition to that the United Kingdom has been reducing waste while increasing opportunities for recycling and reuse. As well as protecting and enhancing biodiversity and ecosystems, by developing the adaptation to climate change based on a strategy to mitigate any identified risks, and ensuring a more sustainable comprehensive approach to the uses of technology equipment, information and digital services. (Lees, 2021, p. 2)

These strategies also seek to enhance responsibility for the environment within the organisation and to continue implementing this policy at all levels within the workforce, with the need not to give priority to funding needs before sustainability requirements and to provide appropriate resources to fulfil the obligations of this strategy. Promote and encourage participation in local environmental initiatives and plans. (GOV.UK, 2013) Among the most important laws that came in this regard are the following: (brightest, 2024)

- Energy and Carbon Reports issued in 2019: Under which major British organisations disclose their energy use, carbon footprint, and greenhouse gas emissions in their annual financial reports;
- The UK Financial Conduct Authority requires British listed companies and investment bodies to complete mandatory annual climate-related risk disclosure on a specific set of 11 climate-related questions. The aim of this body is to enhance the transparency needs of regulators, investors and other stakeholders in the United Kingdom. In 2022, the UK Financial Conduct Authority made annual climate-related financial disclosure task force reports mandatory for more than 1,300 UK-registered companies and financial institutions;
- A special Ministry of Energy Security was also established in February 2023. Its goal is to reduce the cost of living and provide financial security by reducing energy bills and keeping them low, in addition to better protecting consumers from external influences. It also includes long-term goals of ensuring the a well performing energy markets that provides power supply;
- At the end of 2024, the United Kingdom also seeks to enact and implement a package of measures for sustainability disclosure that are in line with international sustainability standards;
- Energy Savings Opportunities Scheme: All organisations in the United Kingdom follow a mandatory energy assessment that would be carried through every four years this assessment would be an audit for various standards and criteria set by the local government that range from energy used in building industrial processes and transportation to identify saving measures that are cost effective .

4. Conclusion

It can be concluded that all of Environmental concerns, social responsibility, and economic stability play a vital role in nowadays business and culture. In addition to that organisational sustainability has been considered a well comprehensive approach in attaining environmental, social, and economic sustainability.

Corporate sustainability has become a new and developing model in administrating organisation despite having to be profitable Corporate sustainability is still different from other models of growth in consequence of focusing on environmental, social and economic performance, it is also able to achieve a balance between economic, environmental and social factors, therefore making organisations operate indefinitely.

In consequence, achieving optimal corporate sustainability, organisations must address multiple parts of their operations. Organisations focus on generating profits and creating long-term economic value without neglecting the social and environmental dimensions.

Furthermore, sustainable development is contributing to the development of organisations as it assists them in discovering fields and areas that originally would not focus on such environmental, social and economic performance and simultaneously providing common goal for organisations that has a positive effect whether on society or environment and working towards sustainability environmental, social and economic.

Additionally, the British government has been keen about extending and achieving corporate sustainability this is via passing many laws and developing visions to meet with social, environmental, economic interests.

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