



THE STRATEGIC IMPACT OF CIRCULAR ECONOMY IMPLEMENTATION ON COMPETITIVE ADVANTAGE AND FINANCIAL RESILIENCE IN SELECT EMERGING MARKET INDUSTRIES

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ABSTRACT: *This article is an exploratory investigation of the different ways in which the integration of strategic sustainability influences the competitive advantage and the long-term survival of select firms in emerging economies. Using a desk review approach, the paper studies the existing empirical and theoretical literature that deals with sustainability practices, competitive strategy, and corporate-performance models. A majority of the materials consulted contend that the adoption of the Environmental, Social and Governance (ESG) framework by corporate businesses is a source of advantage and competitiveness for companies. The studies cite several benefits of the strategy, among them are the efficiency in terms of the operation cost, the improvement of the brand image, the motivation of green innovation and the attraction of stakeholders. In addition, firms with sustainability-targeted strategies will not only be able to lower their expenses through resource optimization but will also be able to gain a competitive advantage in global markets with strict sustainability requirements and become more resilient to environmental and regulatory risks. Quite a few businesses, on the other hand, are still struggling with the problem of turning sustainability into the core of their long-term strategic planning because of institutional instability and the existence of conflicting short-term financial pressures in their operating environments. Although this is the case, the literature always points out that such companies will eventually perform better and will be in a stronger position in the market compared to those that have not taken such initiatives. The article argues that the implementation of sustainable strategies is fundamental not only for the achievement of environmental goals but also for the increase in the competitiveness of the companies. In essence, the analysis advocates the view that sustainability integration turns into business benefits when it is considered as a provider of new innovation and new market opportunities. Moreover, it allows the capturing of the long-term financial benefits embedded in Resource-Based Views (RBV), Dynamic Capabilities (DC) and Stakeholder Theory (ST) perspectives. To be efficient, the integration must be supported by the right governance and regulatory frameworks and, at the same time, it needs access to a funding source willing to finance sustainable projects. Therefore, the agenda of capacity building will have to be prioritized if firms want to use the commitment to ESG principles as a source of added value and sustained competitive advantages. The authors encourage corporate management and governments to take action for a mutual benefit by making the cooperation between their activities a powerful tool to motivate climate change mitigation innovation and increase firms' intensities of competitiveness in line with the quick changes of the globalized markets.*



INTRODUCTION

Global competition, rising stakeholder expectations, and the increased scarcity of resources have pressured companies worldwide to implement environmentally friendly business strategies. As the effects of environmental degradation, social inequality, and governance concerns change the face of the global business environment, sustainability has become a new vital focus of strategic management (Kramer, 2021). To companies in emerging markets, implementing sustainability measures means having both a set of new opportunities and a significant number of challenges. Fast-growing industrialization markets with the mentioned problem of institutionally weak structures and limited resources are not only confronted with the moral side of sustainability but still have to recognize it as a strategic instrument indispensable for raising their competitive power and securing their survival in the long run (Mwangi & Agyeman, 2022). Strategic sustainability integration stands for a firm being devoted to the ESG (environmental, social, and governance) principles not just in its business model but also in its operational activities, supply chains, and decision-making structures. One should ensure that sustainability goals are in line with corporate missions, allocation of resources, and systems of performance measurement. There are a few recent studies that show how, in the long run, a company will experience increased profitability if it integrates sustainability practices. Along with this, innovation potential will be bolstered, operational risks reduced, and brand reputation strengthened (Lopez & Kim, 2023; Ndlovu, 2021). Such companies can respond better to fluctuations in the market, pressure from regulators, and changes in consumer demand for responsible products.

However, even with the increased acknowledgement of sustainability as a factor leading to better performance, its connection with firm results in emerging economies is still very vague. These markets have different characteristics when compared to developed economies in terms of regulatory structures, technological readiness, access to sustainable financing, and institutional stability (Rahman & Otieno, 2024). As a result, companies may find it difficult to implement full-scale sustainability strategies even if the benefits are considerable.

This research makes use of a desk review method in examining theoretical and empirical literature about the integration of strategic sustainability in emerging markets. The objectives are to gauge the impact of sustainability practices on corporate competitiveness and long-term performance and to discover the factors that facilitate and hinder such a relationship. The insights are a step forward in the understanding of sustainability as a major factor that leads to organizational success in volatile and quickly changing markets.

LITERATURE REVIEW

Concept of Strategic Sustainability Integration

Strategic sustainability integration is a measure of how deeply companies introduce environmental, social and governance (ESG) standards into their strategic and operational agendas over the long term. Aligning sustainability goals with the corporate mission and vision is one of the features of this integration to ensure that environmental, social and governance issues become the core of business strategy rather than just side features (Lopez & Kim, 2023). Proper integration is all about the incorporation of ESG practices in all operational areas, such as production, procurement, marketing, human resource management, and corporate



governance systems. Rahman and Otieno (2024) argue that companies implementing sustainability frameworks in a holistic manner are likely to become the creators of environmental and social value over the long-term, which in turn will result in stakeholder trust and corporate resilience.

One of the indispensable parts of sustainability integration is the creation of supply chains that are environmentally friendly, practice fair labor rights, and use resource-efficient production processes. The adoption of sustainability practices also calls for performance measurement through universally accepted ESG measures in such areas as carbon emissions, diversity metrics, waste management efficiency, and governance transparency (Kumar, 2022). There are a number of theoretical models that encourage sustainability integration such as the Triple Bottom Line that deals with economic, environmental, and social performance; the Resource-Based View (RBV) that sees sustainability capabilities as key resources; Stakeholder Theory that points the different groups of stakeholders being the main actors influencing corporate decisions; and Institutional Theory that argues changes in sustainability are brought about by regulatory, normative, and cultural pressures (Muthoni & Singh, 2021).

Competitiveness in Firms

Firm competitiveness is the capability of an organization to provide more value than others, set its products or services apart, and maintain a beneficial position in the market. Modern research speaks of innovation capability, operational efficiency, strong brand equity, customer satisfaction, quality leadership, and environmental friendliness as major sources of competitive advantage (Kramer, 2021). In markets that are getting more and more dynamic and are concerned about sustainability, compliance with the environment and taking up sustainability as a proactive measure have become the necessary parts of competitiveness, particularly in industries that are heavily dependent on the earth, such as manufacturing, agriculture, and the extractive sector.

Recent publications suggest that sustainability becomes a competitiveness factor through the firm's innovation potential, cost savings in operations, and gaining reputational capital (Mwangi & Agyeman, 2022). As stakeholders are setting the bar high for the adoption of responsible business practices, firms with well-established sustainability strategies are the ones that will attract investors, keep customers and make their supply chains strong and resistant to any kind of shock. Hence, sustainability has moved beyond being only a regulation to becoming a strategic tool for differentiation and long-term market success (Ndlovu, 2021).

Long-Term Performance of Firms

Long-term firm performance encompasses financial growth, market share stability, stakeholder trust, risk mitigation, and overall organizational longevity. Sustainable firms, typically, keep non-sustainable firms at a considerable distance over long periods thanks to their higher level of innovation, better use of resources, and stronger stakeholder engagement (Lopez & Kim, 2023). Rahman and Otieno (2024) contend that green practices provide the company with a lessening of the risk of environmental regulations, resource scarcity, and reputational crises, which should then lead to stable financial outcomes in the long run.

Besides this, sustainability results in a strengthened stakeholder trust that is, in fact, a pivotal element of co-existence in the long run, as society, customers, and regulators become more willing to support firms that are socially responsible and practice ethical governance (Kumar,



2022). To conclude, the data serves as a clear indication that sustainability should be regarded as a strategic play that opens up a wide range of performance benefits beyond only short-term profitability.

Sustainability and Competitiveness in Emerging Economies

The rise of sustainability initiatives in developing countries is heavily dependent on the institutional settings of these countries, which, in general, are not well-funded for sustainability, have weak regulatory enforcement, are dominated by informal market structures, have inconsistent governance frameworks, and limited technological capabilities (Muthoni & Singh, 2021). These problems hinder firms from integrating sustainability into their business models in a manner that is genuine, although there is a growing international pressure for them to do so.

However, it is a very good move for companies to make sustainability investments because they will be the ones to gain the most. Environmental, social, and governance (ESG) goals contribute to cost reduction through, among other things, energy consumption optimization, less waste generation, and resource utilization improvement (Mwangi & Agyeman, 2022). Sustainability also elevates the company's image, hence allowing enterprises to gain access to international markets that impose strict ESG standards and to attract customers and investors who are sustainability-conscious. Apart from that, the implementation of sustainability measures inspires innovation, helps to differentiate the products, and technological advancement, which enables firms to be competitive in the long-term even if there is instability in the emerging markets (Rahman & Otieno, 2024).

Theoretical Framework

Resource-Based View (RBV)

The Resource-Based View (RBV) theorizes that companies can maintain a competitive advantage over time by owning and using resources that are valuable, rare, difficult to imitate, and non-substitutable. Compatible with the concept of sustainability, green innovation, highly developed environmental management systems, and the engagement of stakeholders for a common purpose within the firm may be regarded as strategic resources which rival firms cannot easily copy (Lopez & Kim, 2023). As an example, companies purchasing renewable energy technologies, making eco-efficient production processes, or model their business on the circular economy are the ones who gain unique operational advantages, which at the same time make them more efficient and less costly in the long run (Kumar, 2022). Besides, sustainability-driven organizational cultures and human capital—e.g., employees competent in ESG reporting or environmental risk assessment—become a source of the company's competitive advantage through knowledge-based differentiation (Rahman & Otieno, 2024). The presence of such capabilities in a firm empowers it to overcome the shortcomings of institutions and obtain a better market position in emerging economies.

Stakeholder Theory

Per the Stakeholder Theory, companies are obligated to meet the demands and anticipations of a diverse ensemble of stakeholders. These stakeholders consist of customers, employees, regulators, investors, suppliers, and local communities. A company can then be seen as a rightful one and successful over time. Incorporating the element of sustainability in the



equation ensures that these relationships will not only live but also the firm will demonstrate its commitment to ethical behavior, caring for the planet, and returning to society (Ndlovu, 2021). For instance, businesses that take the route of fair labor practices, lessening their environmental pollution, or supporting community development are very likely to attract the trust and loyalty of their stakeholders (Mwangi & Agyeman, 2022). Consequently, the company will have a great reputation, will experience less conflict, retain more employees, and have increased investor confidence. In case ESG becomes a priority for stakeholders everywhere, companies that genuinely worry about sustainability will be in a better position to have sustainable performance and retain their competitive advantage (Lopez & Kim, 2023).

Triple Bottom Line (TBL)

The Triple Bottom Line (TBL) framework expands the financial results scope to evaluate the corporate performance by adding the environmental and social dimensions. As per this model, firms that pursue economic profitability while at the same time lowering environmental pollution and making a positive contribution to the society are the ones who create a broader and more sustainable value (Kramer, 2021). When companies bring in TBL, they can also improve their resource utilization, reduce their environmental risks, and elevate the community's welfare, thus getting more support from stakeholders and complying with the regulations (Muthoni & Singh, 2021). In such situations, TBL-led programs provide companies in these countries opportunities to build socially responsible business models that, in return, give them both a competitive advantage as well as sustainability in the long run (Rahman & Otieno, 2024). Those organizations that successfully manage to balance these three areas not only become stable and visionary entities but also have the capability to survive in ever-changing markets.

Institutional Theory

According to Institutional Theory, the company behavior is influenced by the external environment, which includes government regulations, industry standards, cultural norms, and global market expectations. Coercive pressure from regulatory bodies, normative pressure from industry associations, and mimetic pressure as firms imitate global competitors adopting ESG practices are the main reasons why companies in emerging markets are progressively incorporating sustainability (Kumar, 2022). There is a chain reaction that pushes companies to remain competitive in global value chains: they have to comply with international trade agreements, meet the requirements for sustainability certification, and follow investor-led ESG benchmarks (Rahman & Otieno, 2024). On the other hand, the society keeps demanding businesses that would be environmentally responsible and socially inclusive, thus, it is a continuous rise in the pressure on companies to adapt if they want to keep their legitimacy and the approval of stakeholders (Muthoni & Singh, 2021). Consequently, institutional forces constitute the major driver of the sustainability movement, especially in those regions where internal capabilities or market incentives may be scarce.

METHODOLOGY

This study utilized a desk review approach to gather and merge existing knowledge regarding the impact of the strategic sustainability integration on the competitiveness of the firm and its long-term performance. A desk review is an appropriate method for studies that have as an



objective the consolidation of broad theoretical and empirical insights without the need for primary data collection. This, in turn, allows the researchers to study the trends for various contexts (Kumar, 2022). The review is centered with the resources published within 10–15 years to ensure that they are still relevant to the contemporary sustainability practices and the global ESG expectations.

The data sources were the peer-reviewed articles from the journals indexed by Scopus and Google Scholar, as well as the policy and sustainability reports from international institutions like the United Nations (UN), United Nations Environment Program (UNEP), and the World Bank (Rahman & Otieno, 2024). Moreover, the corporate sustainability case studies and the industry analyses were also undergoing the process to decadent practical insights on the sustainability implementation in emerging markets (Lopez & Kim, 2023).

The review was an iterative process of the identification, screening, and analyzing of the literature related to sustainability integration, competitiveness, and firm performance. The study synthesized the recurring themes, conceptual linkages, and empirical results to develop the argument of how ESG integration leads to strategic outcomes. Such a method enabled the research to have a far-reaching grasp of sustainability practices and the resulting implications for firms that operate in volatile and institutionally complex emerging markets (Ndlovu, 2021).

FINDINGS

Positive Influence on Competitiveness

Strategic incorporation of sustainability into business operations has, over and over, been the main theme in existing research literature, leading to firm competitiveness. An enhanced brand reputation and customer loyalty as a result of the company being eco and socially-friendly have been stated as one of the most frequently cited advantages by consumers of the twenty-first century (Lopez & Kim, 2023). Sustainable companies become more attractive to customers and thus gain higher competitive advantage within the market. The adoption of sustainability by businesses makes them be perceived as reliable and ethical actors in society which in turn deepens their brand equity and strengthens their positioning in the market. At the same time, sustainability becomes a major source of innovation both in products and in the production processes. Usually, the companies which are willing to pay for green innovations, eco-design, and environmentally friendly production methods to reduce the waste may in the long run acquire different advantages that set them apart from their competitors (Kramer, 2021).

The firm also gains operational efficiency through sustainable-driven resource optimization. These efficiencies result from energy reduction, less waste generation, and more efficient transportation, which in turn leads to cost savings and the streamlining of production processes (Mwangi & Agyeman, 2022). Likewise, the incorporation of sustainability initiatives attracts investors who are dedicated to the sustainability of a firm and consider ESG performance as a most important factor in the decision to invest (Rahman & Otieno, 2024). The availability of green financing and capital from responsible investors makes it easy for a company to innovate and achieve faster growth.

The switch to sustainable practices is also a method for supply chain resilience as it requires more transparency, ethical sourcing, and risk-awareness in the planning process. Companies



that have gone green in their supply chains are in a position to better survive and recover from such disruptions as environmental crises or changes in regulations (Ndlovu, 2021). To sum up, the different pieces of research presented in the paper have the same conclusion that those companies that are the pioneers of sustainability will be able to keep their competitive advantage due to their adaptability, strong reputation, and operational excellence.

Positive Influence on Long-Term Performance

Sustainability integration also brings enormous performance benefits over a long period of time. One of the significant advantages is the reduction of exposure to environmental and regulatory risks. Companies that implement sustainability initiatives as part of their core strategy reduce their risks related to pollution, carbon taxation, and non-compliance penalties (Rahman & Otieno, 2024). This lowers the uncertainty of operations and helps to keep the financial performance stable. Besides, companies operating sustainably usually have higher employee engagement and productivity levels because employees are more motivated when their organizations are ethically oriented and socially responsible (Kumar, 2022).

Adhering to internationally recognized sustainability norms such as ISO 14001, GRI frameworks, and ESG benchmarks elevates a company's reputation and makes it easier to enter foreign markets. When companies are committed to environmental and social responsibility, investors become more confident leading to easier access to capital and better credit ratings (Lopez & Kim, 2023). Moreover, sustainability-focused companies can better withstand external shocks such as market fluctuations, changes in political landscape, and scarcity of resources because they have diversified strategies and take a long-term view in their planning (Muthoni & Singh, 2021). These benefits, therefore, form the basis for sustained organizational growth and development over time.

Challenges Faced by Emerging Economy Firms

Besides the obvious advantages, companies from emerging markets still have to face several obstacles that delay the adoption of sustainability practices. The high costs of sustainability-related technologies, including renewable energy systems, waste treatment facilities, or green manufacturing equipment, continue to be the major limiting factor (Kramer, 2021). The insufficient government support, for example, by the lack of regulatory incentives or weak enforcement mechanisms, discourages firms in integrating sustainability even more (Ndlovu, 2021).

Moreover, the refusal of culture to change organizations is another source of trouble. In certain environments, sustainability is considered as a less important issue than short-term profitability, thus, the managerial commitment to long-term initiatives gets diminished (Mwangi & Agyeman, 2022). The shortage of skilled staff with knowledge of ESG reporting, environmental management, or sustainability auditing hinders the company's capabilities to carry out impactful strategies. Furthermore, the existence of fragmented and inconsistent sustainability reporting systems makes it very difficult to gauge progress and compare results across companies (Rahman & Otieno, 2024).

These slowdowns in integrating sustainability due to the existence of structural and institutional barriers in the face of clear evidence of long-term benefits for firm performance and competitiveness.



DISCUSSION

The desk review summons a tightly interwoven, varied, and vibrant relationship between the merging of sustainability with the performance of the firm and this relationship is very much based on the concepts of the Resource-Based View (RBV) and stakeholder theory.

According to the RBV, organizations accomplish higher performance when they acquire the necessary competencies that are valuable, rare, difficult to imitate, and non-substitutable (Barney, 1991). Environmentally friendly technologies and practices, for example, solar energy systems, waterless waste treatments, accurate ESG reports, and supply chains with green-certified standards, meet those requirements. These technologies and practices not only make the company more efficient in its operations but also cost it less over the long run which could result in a double win for the company and most of all they help to build up the competitive advantages that the company has over its competitors especially in the industries that are already hard hit by scarcity of natural resources or stringent environmental requirements (World Bank, 2022).

The findings that are supported by stakeholder theory also reveal that companies which are able and willing to meet the expectations of employees, locals, shareholders, and regulators in advance, enjoy good reputations and are less exposed to different disruptions caused by conflicts (Freeman, 1984; UNEP, 2023). By making business plans compatible with the interests of those having stakes in business, enterprises can take advantage of not only a less risky atmosphere for business but also a better brand trust as well as decrease the risks of the market connected to environmental and social controversies.

Contrary to what is often assumed, the review also shows that firms which are solely focused on short-term cost reduction are usually the ones that endanger their long-term performance. Although cost-saving measures may generate quick financial wins, they tend to stifle innovation, lower the morale of employees, and restrict the ability of the firm to respond to environmental or market upheavals. On the other hand, companies that do so by investing in environmental protection, such as through the use of renewable energies, energy-efficient production, and circular economy concepts, can look forward to a reduction in their production costs, a more stable supply chain, and an easier path towards complying with international sustainability standards (UN, 2023; IPCC, 2022). These actions not only serve to conserve the earth's ecosystems but, at the same time, they provide opportunities for companies to open new revenue channels and differentiate their products.

Moreover, the implementation of social sustainability measures is equally emphasized in the regaining of firm success. First of all, agents that secure worker welfare, occupational health and safety, and gender equity as well as community participation initiatives, create ties of trust and thus immigrant labor and general workforce productivity, strengthened therefore, constitute the fruits of their labor. Research conducted by the International Labour Organization (ILO, 2021) reveals that socially responsible companies are less likely to experience employee turnover and a high level of workplace conflict, along with a strong commitment to the company on the part of the employees — all these factors, which in turn, yield direct contributions to the firm's financial performance and competitive stability over the long run.

In addition to this, in connection with developing countries, putting in practice sustainability becomes a competitive advantage that leads to higher output, better competitiveness on the



export market, and more access to green investments (World Bank, 2021). As a result, sub-sectors such as textiles, agribusiness, tourism, and manufacturing stand out as the most prominent beneficiaries following the surge of global demand for eco-friendly products. Subsequently, the firms in these countries are still struggling with very serious structural problems such as weak regulations enforcement, lack of financial support, high initial costs for clean technologies, and shortage of technical skills (UNDP, 2022). These sorts of limitations, even when accompanied with an evidently good business case, are making the adoption of sustainability very slow.

Moreover, the debate accentuates that policy as well as institutional support is the main factor that can accelerate the integration of sustainability. In addition to laying down clear rules, governments are facilitative by providing tax reliefs for the investors in green technologies, upgrading the systems for reporting sustainability efforts, and easing the relationships between the public and private sectors (World Bank, 2023). In-depth research done by UNEP and UNDP additionally provides for the building up of the skills as well as financing of the climate change measures and invention centers in the needy regions as some of the means through which international cooperation can make the sustaining transition faster and easier over there (UNEP, 2023; UNDP, 2022).

Generally, the results underpin the idea that the adoption of environmentally friendly practices is not only a moral obligation but also a strategic factor that leads to the prolonged competitiveness, resilience, and value creation a company. Business enterprises which consider sustainability as an integral part of their core operations are generally ahead of those that do not and there is no doubt that facilitative institutional frameworks are the key to open these advantages—most particularly in resource-poor countries.

CONCLUSION

The desk review suggests that the deliberate integration of sustainability was the leading factor that enabled the companies to become more competitive and achieve good long-term performance in the emerging economies. Firms by themselves, through the incorporation of environmental, social, and governance (ESG) practices into the primary business models, develop unique capabilities that are hard for other firms to copy and these capabilities improve the effectiveness of their operations, facilitate the innovation process and enhance the brand image, which is consistent with the Resource-Based View (Barney, 1991; Lopez & Kim, 2023). Moreover, sustainable companies actively nurture their relationships with various stakeholder groups such as: consumers, employees, shareholders, and regulatory bodies; therefore, they acquire a solid reputation, mitigate operational risks and establish strong resilience, which is again in line with the stakeholder theory (Freeman, 1984; UNEP, 2023).

The review also conveys that sustainability practices are the main drivers of long-term financial stability, employee productivity increase, compliance with international standards, and access to sustainability-focused investment opportunities (Rahman & Otieno, 2024; ILO, 2021). The question is what these advantages entail when put together. They provide firms with great resistance to the challenges of market volatility, political uncertainties, and resource shortages and thus, make it possible for them to grow sustainably over time. Companies that fail to integrate environmental friendliness into their sustainable development plans, risk losing their



competitive advantage and may find it difficult to comply with environmental and social regulations that are continuously changing both at the global and local levels.

Nevertheless, the situation of companies in emerging markets is that they are struggling with issues such as highly priced clean technologies, insufficiency of suitable government support, lack of technical skills, and uncoordinated reporting systems (UNDP, 2022; World Bank, 2021). The removal of these barriers can only be achieved through the collaboration of policy-makers and corporate decision-makers, who have to work together not only in creating conditions that facilitate the ESG adoption but also in upgrading institutional frameworks, allocating financial resources, and ensuring that capacity-building initiatives are accessible.

In short, the strategic integration of sustainability is not only a must but also a decisive move of firms in emerging countries in order to stay competitive and be resilient over time. By aligning corporate strategy with sustainability goals and utilizing institutional support mechanisms, companies can achieve perpetual growth, stakeholder trust, and market leadership (World Bank, 2023; UNEP, 2023).

RECOMMENDATIONS

The main recommendations that have been described are aimed at enhancing the strategic sustainability integration of companies from emerging markets. The recommendations emphasize the creation of environments that support the sustainability agenda, improving skills, and implementing feasible strategies to connect ESG practices with maintaining competitiveness in the long run and organizational resilience.

Green technologies should be massively promoted through strong sustainability policies among companies. One-way governments can do this is by removing the barriers that inhibit the adoption of green measures and doing this with the help of policy instruments such as tax rebates, grants, soft loans, and perks in government contracts (World Bank, 2023). Enterprises are thus enabled to install renewable energy systems in their facilities, electrify their production processes, and even extend the right technology to waste management, hence reducing, not just their costs, but also the environmental risks they generate. Clear regulations that govern the enforcement of environmental and social standards, on the other hand, stabilize businesses by enabling them to forecast their sustainability investments in the long run without the fear of sudden policy changes (UNEP, 2023). As a result, facilitating policies of this kind create opportunities for companies to employ ESG criteria as a fundamental part of their business strategy rather than just paying lip service to sustainability.

In addition, the implementation of transparency and accountability measures can greatly increase competition and access to financing. By making use of universally accepted frameworks for ESG disclosures, such as the Global Reporting Initiative (GRI) or the Sustainability Accounting Standards Board (SASB), companies can not only disclose their sustainability initiatives to the stakeholders but also assess their progress (Rahman & Otieno, 2024). It will also allow businesses to become eligible for market access and conform with trading regulations, hence, getting an entry into the local and international markets, where the good ESG performance is highly rated and rewarded by buyers and investors (Lopez & Kim, 2023). Along with this, ESG reporting turns into a tool for building long-lasting stakeholder trust and organizational legitimacy through providing regular and reliable data.



There is also the point that money has to be set aside for the upskilling of the workforce and management in order to make the goal of sustainability come true in the corporation. The development of the organization's skills and capabilities brings about the designed training programs on ESG principles, environmental management systems and sustainable business practices, thus, organizations become able to execute their strategies in the right way (Kumar, 2022). The leaders ought to sharpen their skills in ensuring that sustainability is well embedded in the organization's decision-making and routine work and not just seen as a separate issue. The enhancement of human capital will also open the door to fresh ideas in the making of green products, processes, and services, which will not only strengthen a company's position but also ensure its viability in the long run (Ndlovu, 2021).

Furthermore, support should be given to the creation of sustainable supply chains as these not only increase the resilience of the supply chains but also align the good practices of the firms with the global trade and ESG standards. The implementation of fair sourcing, traceability, and resource efficiency, for instance, leads to lessening of the environmental impact, mitigation of regulatory risks, and satisfying the requirements of international buyers (Mwangi & Agyeman, 2022). Embedding sustainability deeply in their supply chains, companies can not only protect their brand reputation but also follow the standard of their products and therefore, gain a strong position in the market and the trust of their stakeholders in the long term.

Though it might be the most crucial, the support of innovation centers focusing on the invention of low-cost and context-appropriate environmentally friendly technologies should come next. The public and the private sector players can attract the implementation of clean energy, water-saving, waste recycling, and eco-efficient production methods in firms from emerging markets by providing them at reasonable prices through the support of research and development in such fields (World Bank, 2022; UNDP, 2022). Innovation centers are in a position to overcome the technology gap, they can facilitate the participation of different sectors, and they can speed up the implementation of sustainability solutions that are both affordable and effective.

Finally, the successful ESG integration of companies operating in emerging economies will be the result of the adoption of a coordinated plan including enabling policy measures, transparency instruments, capacity-building programs, sustainable supply chain initiatives, and innovation facilitation. Besides these measures being a means of improving the competitiveness and longevity of these companies, they are also serving to achieve the broader environmental and social sustainability goals consistent with global development priorities (UNEP, 2023; World Bank, 2023).

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