

GLOBAL BEST PRACTICES IN CORPORATE SOCIAL RESPONSIBILITY (CSR)

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Abstract

The advent of global Corporate Social Responsibility (CSR) indicates a growing realisation that organisations must address the impact of their actions across borders and cultures. To properly implement/execute CSR, organisations need to adhere to several international codes, standards, norms and regulations which have been tested and used by companies successfully and reflects the dimensions of CSR.. This paper explores the best practices in Corporate Social Responsibility (CSR) that corporations can adopt to foster ethical, sustainable, and socially inclusive business operations. It synthesizes globally recognized frameworks such as the Global Reporting Initiative (GRI), the UN Global Compact, and Environmental, Social, and Governance (ESG) reporting standards to provide a comprehensive guide for effective CSR implementation. The study used content analysis as its methodology to achieving the research objectives. Key best practices include establishing board-level CSR committees for governance oversight, integrating CSR strategically into core business objectives, and adopting stakeholder-oriented governance models that balance the interests of shareholders, employees, customers, suppliers, and communities. The paper emphasizes transparency, accountability, and active stakeholder engagement as critical components for authentic and impactful CSR initiatives. Moreover, it underscores the importance of alignment with international CSR principles and Sustainable Development Goals (SDGs) to ensure global relevance and measurable social, environmental, and economic outcomes. Drawing on examples of leading companies, this chapter showcases how adherence to these practices drives not only social value but also enhances corporate reputation and financial performance. This integrated approach fosters responsible business conduct and positions CSR as a transformative tool within contemporary corporate strategy.

Keywords: Best, CSR, Global, Practices

1. Introduction

The 20th Century leading Management Guru, Peter Drucker, once said *business should not only address problems of society but should also ensure that its activities that impact on society negatively are addressed.* (Katamba, D., Zipfel, C., Haag, D., & Tushabomwe-Kazooba, C. (Eds.). (2012). This depicts the reason why a company needs to bear the cost of negative externalities and not the society. A company can implement corporate social responsibility, or CSR, in a number of ways, such as providing for the community, treating employees with respect, encouraging diversity, equality, and inclusion in the workplace, being environmentally conscious and friendly, and making sure that business decisions are morally sound. According to this perspective, businesses' efforts to improve society are referred to as corporate social responsibility, or CSR (Amin & Fachruddin, 2022; Wirba, 2023; Ajayi & Yusuf 2024). However, the implementation of CSR is guided by best practices which could be standards or codes that are universal in the conduct of CSRs by companies operating in a community.

In the US there is no governmental regulation regarding CSR or business best practices. Instead, according to findings from Bennett American, companies have a marked tendency to use codes of conduct. The American CSR perspective could be described as following a principles-based approach, with codes of conduct that prescribe values and principles which company members as a whole should aspire to follow. In contrast, Japanese companies prefer to focus on areas where their contributions can be statistically measured. Interest in social aspects of CSR is significantly less pronounced than in other industrialized countries. In Japan there are no specific provisions regulating CSR. However, the 1988 law that promotes specific non-profit activities is of major significance in this context. Due to the lack of public regulations regarding corporate best practices in most countries, sustainability reporting has become increasingly relevant. Although there is no specific regulation of CSR, according to the Modernisation Directive (2003/51/EC) large companies are obliged to include financial and non-financial key performance indicators in their annual report. Coca-Cola and Walmart have been involved in environmental and social conflicts. Coca-Cola was boycotted in India because the local communities were suffering from droughts. In 1992 Walmart was caught using child labour in factories in Bangladesh. In May 2010 newspapers reported on the suicides at Apple's manufacturer for iPhones and iPads, Foxconn. Overall Canon has a detailed and clear CSR report and has not faced any major scandals such as Coca-Cola, Walmart and Apple. (Cedillo Torres Garcia-French, Hordijk, Nguyen, & Olup, 2012). Best practices has helped Canon to avoid the conflict and problems associated with companies in the implementation of its objectives and CSR. The primary objective of this paper is to provide the Global best practices for CSR to be used by both local and international corporations.

2. Literature Review

2.1 What does CSR mean

CSR has been defined in different ways by different experts or organisations. The most referenced definition is the one offered by the European Commission who defined CSR as 'the responsibility of enterprises for their impacts on society' in 2002, the Commission further defined CSR as following words : 'CSR is concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. At the most basic level, corporate responsibility is concerned with the relationships that a company maintains with its shareholders, clients, suppliers, creditors and employees, as well as with the communities in which it operates. At its core, CSR is about companies considering the interests of all stakeholders impacted by their operations, not just shareholders. In practice, CSR initiatives often involve: Environmental sustainability efforts Ethical labor practices Philanthropy and community investment Responsible sourcing, Transparency and accountability (UNESCO. 2025). CSR, could also mean the voluntary allocation of business resources to promote social welfare and fortifying ties with a range of stakeholders as a means of fostering social and community development (Paul & Edino 2020). CSR enhanced reputation, increased customer loyalty, and better business performance but is at the same time conditional. Companies should see it as their code role not only for its benefits to the business but also for its benefits to all affected by its actions. Though CSR is conditional and no organisation is under compulsion to do it, all organisations should see it as a profitable win-win obligation. For the sack of this book chapter, CSR is a concept whereby companies integrate legal, economic, social, and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. This definition is an improvement on EU Commission's 2002 definition

CSR analyses economic, legal, moral, social and environmental issues. Hence, there are basically four tyles or dimensions of CSR which are Environmental responsibility, Economic responsibility, ethical

responsibility, Social responsibility and philanthropic responsibility. This is what made Carroll's 1991 "Pyramid of Corporate Social Responsibility" became a foundational model, outlining four key responsibilities of businesses: economic, legal, ethical, and philanthropic (Carroll, 1991) A company is expected to be responsible in protecting the environment and addressing the effects of its activities on the environment that it is operating in. It is expected not only be responsible for protecting and upholding human rights but also been philanthropic and agents of social and economic development. A company's plans to prioritize ethics, philanthropy, and the environment must be backed by funding from programs, donations, or product research and development. This includes creating sustainable products, hiring a diverse workforce, launching social awareness campaigns, and implementing environmental initiatives (Demianchuk et al., 2021). The practice of basing financial decisions on a commitment to social responsibility is known as economic responsibility.

Investing in alternative energy sources, supporting local charities in their endeavors, and increasing financing for educational programs are all ways to exhibit common economic responsibility (Ar, 2022). To maintain economic responsibility, business executives are urged to look beyond operational cost savings and focus their financial decisions around their obligation to corporate citizenship.

The modern construct of CSR began to take shape in the mid-20th century, spurred by a growing awareness of a corporation's impact on society. In the 1950s, Howard Bowen, often called the "Father of Corporate Social Responsibility," argued that corporate actions have a tangible impact on society and defined social responsibility as "the obligations of businessmen to pursue those policies... which are desirable in terms of the objectives and values of our society" (Bowen, 1953). The social and environmental movements of the 1960s, fueled by works like Rachel Carson's *The Silent Spring*, further intensified the public and academic discussion around corporate accountability. This period saw scholars like Keith Davis argue that a businessman's social responsibilities should be directly proportional to their social power (Davis, 1960).

2.2 why best practices in CSR

Sarfraz & Iqbal (Eds.). (2024) noted or claimed that global rules and standards are essential for advancing corporate social responsibility (CSR) in all corporate sectors. Firstly, they support moral conduct and openness. These frameworks establish a norm for organisations to follow and aim for greater ethical standards by providing explicit rules and recommendations. Secondly, they also improve stakeholder relations and the reputation of the company. Respecting international standards shows a dedication to ethical corporate conduct, which enhances public confidence and draws in socially concerned stakeholders. Thirdly, by encouraging businesses to reduce their environmental impact and take part in eco-friendly projects, these principles support sustainable environmental practices. Fourthly, international standards guarantee the well-being of workers and their human rights, safeguarding their rights, encouraging ethical work practices, and preventing exploitation, finally, by encouraging partnerships and organisations to give back to society, by supporting social growth and community participation.

2.3 Costs of CSR and where the funding often comes from

Corporate Social Responsibility (CSR) programs incur various costs, typically covered through multiple funding streams:

- i. Corporate Funds:
 - Allocation of part of company profits
 - Dedicated CSR budgets or departments
 - Large-scale investments and specific funds for targeted projects
- ii. Employee Contributions:
 - Employee giving and donation matching programs
 - Volunteering and donation of employee time and expertise

- iii. In-Kind Donations:
 - Provision of goods, services, or expertise instead of cash
- iv. Partnerships:
 - Collaborations with NGOs, governments, and other organizations to share resources and knowledge
- v. Consumer Contributions:
 - Programs where a portion of sales revenue supports CSR efforts
- vi. Government Incentives and Support:
 - Tax breaks, grants, or direct funding aligned with CSR goals

Companies often combine these funding sources to design CSR initiatives that fit their financial capacity and business strengths. For example, a tech firm might focus on donating equipment and training, while a construction company might build community infrastructure. Strategic funding structures help maximize social impact while providing business benefits.

2.4 Key CSR Standards

Rampersad & Skinner(2014) discussed several standards which are outlined and further discussed below:
The Equator Principles : this principle offer a framework for environmental and social risk assessment of project finance, based on the Environmental and Social Standard of the IFC.

• **Extractive Industries Transparency Initiative (EITI)**: this is a global standard that promotes revenue transparency. It provides a robust yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. The process is overseen by participants from the government, companies and national civil society.

• **Forest Stewardship Council**: this was set up in 1993 is an international non-governmental organization dedicated to promoting responsible management of the world's forests. It runs a global forest certification system that allows consumers to identify, purchase and use timber and forest products produced from well-managed forests.

• **The Global Reporting Initiative**: this was set up in 2000 develops, stewards and encourages adoption of generally accepted guidelines for public reporting on sustainability performance.

• **The International Council for Mining and Minerals (ICMM) Sustainable Development Framework**, developed by an industry group, provides a framework of principles for sustainable development, reporting and independent assurance for mining companies.

• **The Kimberley Process (KP)**, launched in 2003, certifies diamond supply chains to ensure that legitimate supplies can be distinguished from 'blood diamonds' that finance conflict.

• **UN Global Compact (UNGC)** establishes 10 broad principles covering environment, human rights, labor, and anti-corruption, and provides guidance, tools, learning and collaboration networks to assist companies in meeting and communicating on these principles.

• **Voluntary Principles on Security and Human Rights (VPs)** launched in 2000 sets out a standard to ensure that security forces protecting extractive projects do not intimidate or harm local people.

2.5 Importance of corporate responsibility:

Several studies (Weber, 2008, pp. 248-249; Carroll and Shabana, 2010, pp. 97-100) have summarised benefits derived from CSR as captured by UNESCO, 2025, These includes

- a. Positive effects on image, reputation and legitimacy. Communication messages of CSR actions can improve the image of a company. Moreover, CSR can support a favourable perception from the company's stakeholders, enhancing its reputation and strengthen its legitimacy through the validation of its social licence to operate. The cause marketing and

the company's performance reports on social and environmental issues are instruments used to develop and maintain such image, reputation and legitimacy. These instruments seek to promote that the company's actions have been appropriate within the social norms and values of the system and that the company met the expectations of the different groups.

- b. Positive impacts on the motivation, retention and recruitment of the employees. CSR can contribute to a more motivated workforce who participate in volunteer activities with a higher commitment to the company. Likewise, there may be the possibility of attracting employees who identify with the social principles and values that the company promotes and practices.
- c. Cost and risk reduction. CSR can lead to a decrease in cost. In addition to the cost reduction associated with employee's turnover, the following examples are cited: the philanthropy can generate a tax advantage; the promotion of sustainable environmental practices (e.g. recycling and energy efficiency) can contribute to cost-saving, and being proactive responsible reduces the cost of the present and future regulation imposed on the firm. Also, CSR reduces the risk of opposition from stakeholders, thereby mitigating potential treats (e.g. boycotts and lawsuits).
- d. Revenue increase. CSR can contribute to higher sales and market share through the improvement of the brand, to the development of new (green) products or market segments, and the increase in customer loyalty. Additionally, the attract of socially responsible investors can bring funds to expand the business.
- e. Strengthen a competitive advantage. The company can use CSR practices to differentiate the company from its competitors, where the philanthropic activities align economic gains and social benefits. In this sense, Cone Communications/Ebiquity (2015) in its Global CSR Study, concludes that consumers (91%) believe that companies are more than entities to make profits; thus, companies that operate responsibly and support social and environmental issues have a better positive image (93%), trust (90%), and loyalty (88%) from consumers. Additionally, PwC (2016) determines in its Global CEO Survey that 64% of CEOs believe that "the corporate social responsibility is core to their business rather than being a stand-alone programme". Moreover, KPMG (2017) states in its. Survey of Corporate Responsibility Reporting that the reporting rate of a worldwide sample of 4,900 companies, increased from 12% in 1993 to 75% in 2017; therefore, the companies perceive a value in communicating social responsibility information
- f. fight poverty Employees and the society at large can both participate in CSR initiatives to fight poverty (Riyanti & Raharjo, 2021). According to Medina-Muñoz & Medina-Muñoz (2020), local poverty can be decreased through initiatives like skill development. Assistance from the community is needed, including donations and volunteer labor to help the impoverished, financial support for schools and hospitals, and participation in programs to eradicate hunger (Kunyanti & Mujiono 2021).
- g. Conflict minimization : To minimize conflicts that could impede the company's ability to achieve its goals, businesses and organizations should focus more on corporate social responsibility (Abebe Mamo et al., 2024). Furthermore, recognizing that workers are a resource that should be valued, that ethical considerations are important to the business, and that suppliers and customers need corporations' cooperation, many countries have

turned to corporate social responsibility (CSR) as a way to promote socioeconomic development (Purnamawati, Yuniarta, & Jie, 2023).

- h. Environmental protection: CSR contributes to environmental protection (Lu et al., 2019). By taking steps to lessen their environmental impact, for instance, several of the biggest corporations in the world have demonstrated their strong commitment to corporate social responsibility (CSR) (Wirba, 2023). These businesses adopt the stance that social reputation and company success may be influenced by both environmental and financial performance. As “going green” becomes more fashionable, this kind of thinking will only help to improve the employment value proposition (Al Amosh, Khatib, & Ananzeh, 2023).

2.6 Role of CSR in community development

The role of CSR in CD used in this paper is any direct and indirect benefits received by the community as results of social commitment of corporations to the overall community and social system. The common roles of CSR in CD are as follows:

1. To share the negative consequences as a result of industrialization..
2. Closer ties between corporations and community.
3. Helping to get talents.
4. Role in transfer of technology (TOT).
5. CSR helps to protect environment.
6. CSR is for human right corporate sustainability.
7. Interdependency between a corporation and community.
8. A CSR program can be seen as an aid to alleviate poverty.
9. A CSR program helps in data gathering for other public organization function.

3. Methodology

This study adopted a qualitative content analysis design to examine global best practices in Corporate Social Responsibility (CSR) as reported in formal corporate and policy documents. Content analysis is a systematic, rule-guided technique for describing and interpreting both the manifest and latent meanings of text, and it is particularly appropriate here because CSR best practices are primarily communicated through written disclosures such as sustainability reports, CSR policies, and international guidelines.

The research design is anchored on content analysis as the main methodological approach. In this study, content analysis is used to identify, categorize, and interpret how organizations and standard-setting bodies conceptualize and operationalize CSR. By systematically examining textual material from multiple regions and institutional contexts, the method enables the researcher to detect recurrent themes, dominant emphases, and innovative practices that together constitute “global best practices” in CSR.

All gathered materials were downloaded, studied, reviewed and synthesize to come up with the best practices. The CSR instruments and standards explain below were also used in coming up with the best practices in relation to the experiences of multinationals.

3.1 Key international CSR instruments

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Human Rights

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 Make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 The elimination of all forms of forced and compulsory labour;

Principle 5 The effective abolition of child labour; and

Principle 6 The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7 Businesses should support a precautionary approach to environmental challenges;

Principle 8 Undertake initiatives to promote greater environmental responsibility; and

Principle 9 Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10 Businesses should work against all forms of corruption, including extortion and bribery.

3.2 CSR best practice codes, standards or principles

- a. Universal Declaration of Human Rights: Adopted by United Nations, this declaration paved way for many international human rights standards for all sectors entities.
- b. UN Global Compact: An international multi-constituent, voluntary initiative based on internationally accepted ten principles in pursuit of a more sustainable inclusive global economy. The ten principles covers human rights forced labor, child labor, environmental challenges and responsibility, non discrimination, freedom of associations, collective bargaining, corruption, etc. This point shall be discussed further after this subtitle.
- c. Global Reporting Initiative (GRI): Since its founding in 1997, the GRI has been addressing the need for standardized approaches to corporate sustainability reporting. In 2006, GRI published Version 3.0 (G3) of its Sustainability Reporting Guidelines emphasizing performance indicators, which contain a separate section titled “Human Rights” with nine performance indicators. Organization for Economic Co-operation and Development (OECD): OECD guidelines contains recommendations on core labor, environmental standards, human rights, competition, taxation, science and technology combating corruption and safe guarding, consumer rights.
- d. Social Accountability 8000: ‘SA 8000’ standard for social accountability, created in 2000 by the Council on Economic Priorities Accreditation Agency (CEPAA). SA8000 developed by an international coalition of businesses, trade unions and non-governmental organizations (NGOs) on the basis of International Labor Organization (ILO) conventions - the Universal Declaration of Human Rights and the UN convention on the Rights of the Child. The SA8000 code of practice is broken down into nine key areas child labor, management systems, working hours, compensation, disciplinary practices, forced labor, health & safety, freedom of association & collective bargaining and discrimination.

- e. Principles for Responsible Investment (PRI): A set of global best practice principles for responsible investment. It provides a framework for achieving better long term investment returns and more sustainable markets.
- f. Equator Principle: Equator principle is a set of environmental and social benchmarks for managing environmental and social issues in development project finance globally. They were developed by private sector banks- led by Citigroup, ABN AMRO, Barclays and WestLB and were launched in June 2003.
- g. Role of International Labor Organization (ILO): ILO seeks the promotion of social justice and internationally recognized human and labor rights. It formulates international labor standards in the form of conventions and recommendations setting minimum standards of basic labor rights. International Organization for Standardization (ISO) 26000: ISO an International Standard setting body is developing a new standard on Social Responsibility namely ISO 26000 to be published in Nov., 2009. ISO 26000 is intended for use by all types of organizations and in all countries and to assist organization to operate in a socially responsible manner.
- h. Occupational Health & Safety Advisory Services (OHSAS) Standard: OHSAS 18001 is applicable to any organization which aims to establish a health and safety management system at work.

The core principles such as accountability, transparency, and sustainability. It discusses how CSR has become prominent due to issues like poor business behavior, environmental impact, and social concerns, including climate change and supply chain ethics. Thus CSR is based on three main principles which are

1. Sustainability
2. Accountability, and
3. Transparency

The principle of sustainability is concerned with the effect of current use of resources (non-renewable resources) on the options available in the future. When non-renewable resources are utilized today, they won't be available in the future and hence the need for sustainability.

The concept of sustainability implies that society must use no more of a resource than can be regenerated. Raw materials of extractive nature such as coal, oil and iron are finite in quantity and once used, are not available for future use and hence the need for alternative resources that will fulfill the functions currently provided by these resources at a constant and low price to avoid raising the operational cost of business. In other words, Sustainability is concerned with the effect which action(s) taken in the present has upon the options available in the future,

Accountability involves an organisation quantifying the effects of its activities on the current and economy and society and reporting the effects to all affected by those activities/actions and taking responsibility in a way that the benefits of mitigation exceed the costs.

The Transparency principle means that an organisation report should contain the external impact of its actions apparently/clearly.

4. Results and Discussions

Global Compact Of The United Nations (UNGC)

In 2000, the United Nations launched the voluntary UN Global Compact, which encourages companies all over the world to implement sustainable and socially conscious practices. United Nations Global Compact

urges businesses to match their actions with widely recognised values by presenting ten guiding principles that address labour, human rights, the environment, and anti-corruption. Reiterating sustainable development goals, fostering collaborations, and promoting good governance are all made possible for enterprises that follow UNGC standards. Companies who sign up for the Global Compact pledge to respect and advance the 10 principles, which are drawn from several international agreements and declarations. These principles are discussed in detail below in the work of Sarfraz, M., & Iqbal, K. (Eds.). (2024):

1. *Human rights*—Companies should make sure that they are not involved in violations of human rights and that they support and uphold the protection of internationally recognised human rights within their area of influence.
2. *Labour*—Companies should protect the freedom of association and the realisation of the right to collective bargaining. They should also do away with child labour, all types of forced or compelled labour, and discrimination in the workplace.
3. *Environment*—Companies should stimulate the development and adoption of environmentally friendly technologies, support the adoption of a precautionary approach to environmental concerns, and take proactive measures to promote environmental responsibility.
4. *Anti-corruption*—Companies should take steps to prevent corruption within their own organisation and fight corruption in all of its manifestations, including bribery and extortion.
5. *Sustainable Development Goals (SDGs)*—Through partnerships and ethical business practices, businesses can help accomplish the SDGs by aligning their operations and plans with their more general goals.
6. *Human rights in supply chain*—In their supply chains, businesses should uphold and defend human rights. They should also take action to stop and resolve violations of these rights, such as child labour and forced labour.
7. *Labour in supply chain*— Companies should make efforts to guarantee that workers are treated fairly and have safe and healthy working conditions, as well as to eradicate child labour, forced labour, and other types of labour exploitation within their supply chains.
8. *The environment in supply chain*—Companies ought to encourage eco-friendly activities in their supply chains, such as cutting greenhouse gas emissions, preserving resources, and managing environmental hazards.
9. *Anti-corruption in supply chain*— Companies should take steps to stop corruption in their supply chains, such as putting anti-corruption rules into place, educating suppliers on moral business conduct, and cultivating open and honest communication.
10. *Collaborations for the Promotion of Sustainable Development*—To achieve sustainable development objectives, companies should form cooperative alliances. These alliances should involve working with civil society organisations, governments, and other stakeholders to address common social and environmental issues.

Challenges For CSR Practices

Scholarly works like those of UNESCO, 2025, and , Ajayi & Yusuf. (2024) discussed the following challenges in implementing CSR globally which includes:

1. Stakeholder engagement and prioritization

Stakeholder engagement and prioritization present ongoing difficulties. Organizations often struggle with balancing diverse stakeholder needs and interests, as there is no universal solution for prioritizing different stakeholders. Effectively engaging a wide range of stakeholders, from employees to local communities to policymakers, requires ongoing, tailored communication and collaboration.

2. Lack of Community Involvement:

When local communities are not actively involved in CSR initiatives, programs may fail to meet actual needs or gain community support. Genuine community engagement is essential for ensuring that CSR activities are relevant, culturally appropriate, and sustainable over time. Without it, CSR efforts risk being perceived as top-down, disconnected, or self-serving.

3. High Level of Corruption:

Corruption undermines CSR by diverting resources, eroding trust, and enabling unethical practices. In environments with prevalent corruption, CSR funds and efforts may be misused or misappropriated, weakening social impact and corporate reputation. Combating corruption requires strong internal controls, ethical leadership, and transparent processes.

4. Lack of Transparency by Implementing Agencies:

When local implementing bodies fail to provide full disclosure about audits, program outcomes, and fund usage, it compromises the accountability and oversight essential to trustworthy CSR. Transparency is crucial for building stakeholder confidence, enabling corrective actions, and ensuring that CSR objectives are genuinely achieved.

5. Political and Social Security Issues:

Political instability, social unrest, or security challenges can disrupt CSR operations, affect the safety of personnel and beneficiaries, and lead to unpredictable project outcomes. These conditions complicate planning, resource allocation, and long-term commitment to CSR goals, especially in vulnerable regions.

6. Misalignment with local needs

Misalignment with local needs can undermine the effectiveness of CSR programs. Without adequate consultation with local stakeholders, initiatives may fail to address the most pressing needs of schools and communities. Furthermore, a lack of cultural sensitivity can lead to clashes with local values or practices, potentially diminishing the impact of CSR efforts.

7. Sustainability and long-term planning

Sustainability and long-term planning are critical challenges in CSR implementation. Many CSR projects provide short-term support but lack long-term sustainability planning, leading to difficulties in maintaining initiatives over time. Organizations must also balance short-term financial goals with longer-term CSR investments, which can create tension in resource allocation.

8. Resource allocation and distribution

Resource allocation and distribution issues can arise in CSR programs. Uneven distribution of resources may exacerbate educational inequalities, with some schools or regions benefiting disproportionately. Even large companies face resource constraints that limit the scope and scale of their CSR initiatives, requiring careful prioritization of efforts.

9. Measuring and demonstrating impact

Measuring and demonstrating impact remains a significant challenge in CSR. Quantifying tangible outcomes and return on investment of CSR activities can be difficult, making it hard to justify and improve programs. The lack of standardization in CSR implementation processes further complicates benchmarking and comparison across organizations and industries.

10. Administrative and operational challenges

Administrative and operational challenges can hinder CSR effectiveness. Managing CSR partnerships often creates additional work for school administrators, potentially diverting resources from other important tasks. Many schools, especially in underserved areas, may lack the capacity to fully utilize or maintain advanced facilities or technologies provided through CSR programs.

11. Dependency risks

Dependency risks arise when beneficiaries become overly reliant on corporate support. Schools/receiving entities may become vulnerable if this support is reduced or withdrawn, highlighting the need for diversified funding sources and sustainable program design.

12. Coordination and integration

Coordination and integration of CSR efforts present ongoing challenges. With multiple corporations engaging in CSR, there is potential for duplication of efforts or conflicting approaches. Organizations also face the challenge of embedding CSR principles across all business functions rather than treating it as a separate initiative.

13. Maintaining authenticity

Maintaining authenticity is crucial for effective CSR. Organizations must avoid 'greenwashing' and ensure their CSR efforts are substantive rather than superficial. Maintaining consistent standards throughout global supply chains and partner ecosystems is an ongoing challenge that requires vigilance and commitment. By being cognizant of these challenges, governments and organizations can take a more informed and strategic approach to CSR implementation. Proactively addressing these complexities through careful planning, stakeholder engagement, and ongoing evaluation is key to successful and impactful CSR programs. Close collaboration with local stakeholders, long-term planning, and a focus on measurable impact are crucial to overcoming many of these obstacles.

Addressing these challenges involves adopting best practices such as fostering strong stakeholder dialogue and community participation, implementing anti-corruption measures, ensuring robust governance with transparent reporting and due diligence, and carefully assessing risks related to political and social contexts before launching initiatives. Strong collaboration between companies, governments, NGOs, and communities is key to overcoming these obstacles and achieving impactful CSR.

Examples of Corporate Responses to Challenges:

- Telefónica addresses anti-corruption and community involvement through dedicated offices and engagement programs, reflecting best practices that counter common CSR challenges.
- Coca-Cola incorporates environmental protection in community projects while focusing on transparent reporting to overcome mistrust.
- Firms adopting ESG reporting standards (e.g., using GRI frameworks) improve transparency and impact measurement, mitigating criticisms of poor CSR evaluation[User-provided].

Global Best Practices Of CSR

Based on the "CORPORATE SOCIAL RESPONSIBILITY FOR ALL BEST PRACTICE COMPILATION" by the International Organisation of Employers, works of Rampersad & Skinner (2014); Rodrigues & Kurnaz (2023); UNESCO (2025); other scholarly articles and what I

consider best practices based the study of CSR practices across organisations; here are the best practices in CSR;

1. Anti-Corruption

- Establishing a dedicated office, such as Telefónica's Business Principles Office, to promote and reinforce a culture of honesty and integrity.

2. Anti-Discrimination

- Fostering dialogue and understanding between different groups (e.g., Alliance One Tobacco's work on gender).
- Creating educational materials on daily life for people with disabilities (e.g., Ericsson).
- Implementing programs for social mobile inclusion (e.g., Telefónica).

3. Child Labour

- Running specific programs to raise awareness and provide tools to prevent child labor within a company's supply chain (e.g., Telefónica's "Aquí estoy y actuo").

4. Development and Environmental Protection

- Engaging in projects that support community and employee development.
- Implementing initiatives focused on environmental sustainability, such as preserving local natural resources (e.g., Coca-Cola's efforts for the Sava River).
- Creating energy-efficient products and services (e.g., Adora's energy-efficient homes).
- Inculcating green entrepreneurship and environmentally friendly production processes and products.

5. Work-Life Balance

- Providing flexible work arrangements, such as telecommuting programs (e.g., Telefónica and Repsol).

6. Strategic plans and data driven interventions: Businesses should implement a thorough CSR strategy that combines a number of projects and is in line with the goals and needs of the community. Communities should be involved in designing projects or CSR plans to be implemented in their localities via surveys, townhall meetings and radio programs and calls.

7. CSR prioritisation: Companies should not use CSR as an opportunity to promote their brand. They can promote their brand using other means and not through CSR

8. Community engagements and involvement: To ensure the effectiveness of CSR initiatives, businesses should engage with local communities and include them in decision-making. This means conducting needs evaluations, gathering feedback, and collaborating with local leaders. Businesses should prioritize environmental sustainability and social responsibility in their CSR initiatives. In addition to interacting with the community, companies should frequently review and evaluate their CSR initiatives to make sure they are successful. This means keeping an eye on key performance indicators, assessing the results, and making any required adjustments.

9. Development of country specific CSR principles, codes and standards along internationally accepted principles, codes and standards: African governments and organisations have begun to develop their own CSR principles and standards to meet their local development needs and regional goals.

10. Companies should have CSR Objectives and should declare them or make them public for accountability

11. Funding sources: companies should not only set aside funds but should also explore other funding sources for CSR. Businesses can spend a certain percentage of their gross profits on

CSR.: Some countries have implemented legal mandates for CSR obligations. For example, India has implemented one of the most comprehensive mandatory CSR regulations, requiring companies meeting certain financial thresholds to spend 2% of their average net profit on CSR activities. Similarly, Indonesia mandates CSR fund allocation, particularly for companies in the natural resources sector, while Mauritius requires companies to allocate 2% of their chargeable income towards government-approved CSR activities. (UNESCO 2025)

12. **Corporate culture:** codes of conduct, ethical codes and values that are instilled in employees facilitate the creation of a social conscience that allows the work environment to be a space in which promotes cooperation and the collective enrichment of society. This similarly, if there are strong values of solidarity and collaboration rooted in the company, it will be easier for it to redirect its strategy according to the goals established in the SDGs.
13. **Identification and monitoring of the company's impact on society:** once that culture is established, the company will establish a series of mechanisms that facilitate the identification and monitoring of the repercussions of their activity on the society. Thus, depending on its activity, it will establish management systems that make it possible to measure, even indicatively, the positive or negative of their actions in the environment, which will be very useful to measure their impact on the SDGs.
14. **Corporate compliance:** another of the main objectives of CSR is to achieve that the entire company participate and respect the measures that are imposed to achieve a more ethical operation of the company because it is useless develop codes and standards of conduct if they are not to be used. To achieve this, it requires not only a mandatory nature of the measures for employees, but an internal communication system that is fast and direct and facilitates the goal alignment. These needs apply equally to the SDGs, if they are not get everyone's collaboration, it is impossible to achieve it, therefore, both can benefit from the same communication systems.
15. **Dialogue with stakeholders:** one of the main characteristics of CSR is its concern for the well-being of all the agents with whom he is related. The company, whether to a greater or lesser extent, valuing the opinion of all involved, from employees and investors, to suppliers and customers. This quality leads the company committed to CSR to establish mechanisms that allow fluid communication with all these stakeholders, taking into account account their comments when developing their strategies and improving the relationship between them.
16. **Intersectoral alliances:** as it happens at the internal level, it is essential that the companies in the same sector have communication systems that facilitate communication alignment of interests and social and environmental objectives between them, being able to even share resources and knowledge and thus achieve that their impact in society is older. The collaborations that have been established with other companies in the sector based on their CSR initiatives can probably include in its purposes the achievement of some SDG.
17. **Due diligence process and transparency:** the commitment to work well this fact leads companies to take the necessary measures to guarantee that in each phase of the process complies with the standards established both externally as internal. It is common, for example, to carry out a process of due diligence in mergers or acquisitions operations, although the companies that have internalized CSR as a fundamental part of their organism also take this types of preventive measures when carrying out any other operation, which facilitates control by managers and the

process of identifying irregularities. For Buhmann, Jonsson, & Fisker (2019) the SDGs institutionalize a new paradigm, in which the market's duty to contribute to sustainable development is recognized, alongside civil society and the State, with emphasis on goal 17.

18. **Creation of dedicated and monitored department/Units for CSR:** Companies can implement CSR in various ways, from creating dedicated CSR departments or foundations to integrating CSR principles throughout their operations and decision-making processes. This departments should be monitored

19. **Quarterly CSR implementations reviews, plannings and meetings:** This should be done to tract progress, identify challenges and collectively design workable solutions.

20. **Global Reporting Initiative (GRI) Standards:**

The GRI provides a globally recognized standard for reporting CSR activities, enabling companies to communicate their social, environmental, and governance impacts transparently. The GRI enhances accountability, stakeholder engagement, and consistent disclosure, supporting sustainable business practices worldwide.

- *Example:* Unilever follows GRI standards rigorously in its sustainability reporting, helping it maintain transparency and drive continuous improvement in its CSR performance.

21. **Establishment of Board-Level CSR Committees:**

Leading companies form dedicated CSR committees at the board level to oversee the development, implementation, and monitoring of CSR policies. Such committees ensure CSR is integrated into corporate governance, improving accountability and effectiveness. Research indicates that firms with board-level CSR committees often exhibit stronger CSR programs and better financial outcomes.

- b. *Example:* Samsung has a board-level CSR committee that guides its sustainability strategies and monitors social and environmental impacts.

22. **Adoption of Environmental, Social, and Governance (ESG) Reporting Frameworks:**

ESG frameworks complement CSR by providing standardized metrics for measuring and reporting a broader range of social, environmental, and governance issues. ESG reporting increases transparency and accountability, attracts socially responsible investors, and drives corporate responsibility. *Example:* Microsoft uses ESG frameworks extensively in its annual reports to track its progress on climate action, diversity, and governance practices.

23. **Stakeholder-Oriented Governance Models:**

Best practice governance models prioritize the interests of all stakeholders—including shareholders, employees, customers, suppliers, and communities—rather than focusing solely on shareholders. This approach enhances reputation, stakeholder trust, and financial performance by aligning company objectives with stakeholder expectations.

Example: Patagonia exemplifies stakeholder governance by integrating environmental and social concerns into decision-making processes that benefit all stakeholders.

24. **Integration of CSR into Business Strategy:**

The most effective corporations embed CSR initiatives into their core business strategies, ensuring CSR is not a standalone department or marketing tool but a fundamental part of corporate objectives and operations. This integration leads to more meaningful, sustainable CSR outcomes and often correlates with better financial performance. *Example:* Danone

integrates CSR into its business strategy with a focus on health, environment, and inclusive growth, which shapes its product innovation and global operations.

25. Adhering to UN Global Compact principles and other internationally recognised CSR documents: Corporations demonstrate their commitment by aligning their operations and strategies with the UN Global Compact's Ten Principles, which cover human rights, labor standards, environmental protection, and anti-corruption. This adherence drives responsible and ethical business conduct globally.

Examples of Companies Adhering to the UN Global Compact:

- Intel Corporation: Actively pursuing climate change mitigation and environmental sustainability, Intel aligns many of its initiatives with the SDGs while engaging partners to enhance collective impact.
- Hitachi: Committed to net-zero emissions by 2050, Hitachi integrates diversity goals and environmental responsibility aligned with UNGC principles.
- L'Oréal: Focuses on sustainable water management, biodiversity conservation, and supports vulnerable communities, guided by the UNGC Agenda 2030 framework.
- Volkswagen AG: Pursues social, economic, and ecological sustainability aligned with multiple SDGs and UNGC principles to ensure fair labor practices and resource conservation.

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