



The Role of CSR in Supporting the SDGs: Business Strategies for Sustainability and Well-Being

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Abstract

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Corporate Social Responsibility has evolved into a fundamental element of modern business strategy, no longer limited to voluntary moral responsibility or charitable activities. Corporate Social Responsibility is increasingly recognized as a comprehensive approach designed to create long-term corporate value, strengthen brand reputation, enhance trust, foster sustainable relationships with stakeholders, and actively contribute to the realization of the Sustainable Development Goals. Implementation of Corporate Social Responsibility can be manifested in diverse initiatives covering social empowerment, community development, environmental protection, and economic innovation, which simultaneously improve quality of life and generate opportunities for sustainable business growth. This study applies a literature review method by synthesizing recent scholarly works that analyze the interconnections between Corporate Social Responsibility, corporate sustainability, and Sustainable Development Goals alignment. The review demonstrates that when Corporate Social Responsibility is integrated with Sustainable Development Goals, companies achieve dual benefits: improved competitiveness and measurable contributions to sustainable development. Nevertheless, major challenges remain, particularly resource constraints, significant costs, and methodological issues in measuring social and environmental impacts. Ensuring effectiveness requires transparency, continuous evaluation, and active collaboration across multiple stakeholders.



1. Introduction

In recent decades, Corporate Social Responsibility (CSR) has undergone a fundamental transformation from being merely a moral obligation for companies to an integrated business strategy for corporate sustainability. This transformation has occurred alongside a growing global awareness that business activities cannot be separated from their impact on society and the environment. CSR is now understood as a holistic approach where companies not only pursue financial profits but also assume social, economic, and environmental responsibility for every operational activity they undertake. In other words, CSR has evolved from a supplementary activity into a core part of modern corporate strategy oriented towards long-term development (Ashrafi et al., 2020). Aligned with this development, various increasingly complex global challenges have also emerged, such as climate change, social inequality, and environmental degradation that threaten human life.

This situation demands that companies not only focus on business profit but also play an active role in finding solutions to global problems. In this context, CSR is positioned as a crucial instrument in supporting the sustainable development agenda. This agenda is embodied in the Sustainable Development Goals (SDGs) launched by the United Nations (UN) in 2015, which contain 17 global development goals to achieve human well-being, environmental preservation, and inclusive economic growth. The relationship between CSR and SDGs is very close, as both are focused on creating sustainable value that benefits across generations. CSR provides an operational framework that can help companies practically support the achievement of SDGs through the implementation of ethical business practices,

measurable social investment, and the development of environmentally friendly innovation. For example, a CSR program that focuses on improving the quality of education and empowering local communities directly contributes to the achievement of SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth) (Fallah Shayan et al., 2022).

A number of studies confirm that integrating CSR into business strategy provides significant benefits for both companies and stakeholders. First, CSR is proven to enhance a company's reputation and strengthen harmonious relationships with various parties, including consumers, investors, regulators, and local communities (Lu et al., 2021). With a good reputation, a company gains the social legitimacy it desperately needs to maintain business continuity. Second, CSR can drive business innovation, because in an effort to respond to sustainability issues, companies are often encouraged to create new products, services, or business models that are more environmentally friendly and have high added value. This innovation, in turn, opens up new market opportunities based on the principles of sustainability. Third, CSR contributes to the long-term stability of a company, because active involvement in social and environmental issues can reduce risks both reputational, legal, and operational that often arise from a company's disregard for the impact of its activities (Cezarino et al., 2022).

It is not uncommon for companies to find it difficult to accurately measure the social and environmental impact of the CSR programs they have implemented, as success indicators are often complex and multidimensional. Another no less important challenge is the continued public skepticism. Some people view CSR as

merely a branding strategy or a company marketing tool, not a form of genuine commitment to sustainability (Bogoviz et al., 2022). This negative perception, if not managed well, can actually reduce the effectiveness of CSR in building public trust. Thus, CSR should no longer be viewed only as an instrument to improve a company's image in the eyes of the public. More than that, CSR is an integral business strategy that has great potential to create shared prosperity. Integrating CSR with the SDGs is a crucial step in building a resilient, adaptive, and future-oriented business foundation. Companies that can internalize the values of CSR into every aspect of their operations will be better prepared to face global challenges while making a real contribution to sustainable development.

2. Literature Review

2.1. Digital Transformation and Economic Growth

Corporate Social Responsibility (CSR) in the modern business era is no longer seen as a supplementary voluntary activity but has become an integral and essential part of a long-term business strategy. This paradigm shift has emerged due to increasing demands from society, investors, and regulators for companies to operate responsibly towards social, economic, and environmental aspects. A number of studies emphasize that CSR deeply integrated into a company's strategy can create a sustainable competitive advantage. This advantage is reflected in an improved corporate reputation, the formation of consumer loyalty, and the strengthening of constructive relationships with various stakeholders involved. Furthermore, Lu et al. (2021) confirm that companies that implement CSR based on the Sustainable

Development Goals (SDGs) tend to experience improved long-term financial performance. This is because the concept of sustainability is now viewed as an important factor by investors, customers, and business partners who are increasingly selective in their choices.

Thus, the implementation of CSR integrated with the SDGs provides added value that is not only socially oriented but also relevant to a company's economic interests as a whole (Lu et al., 2021). In addition, CSR also plays an important role in opening up innovation opportunities. Cezarino et al. (2022) highlight that companies, especially those in developing country markets, use CSR to integrate sustainability principles into their supply chains. This integration not only improves the company's image in the eyes of the public but also strengthens its competitiveness in an increasingly tight and dynamic global market (Cezarino et al., 2022). Thus, CSR can be viewed as a strategic instrument capable of driving sustainable growth while building a resilient corporate foundation in the face of various global challenges.

2.2. CSR in the Context of SDGs

Corporate Social Responsibility (CSR) has a direct contribution to the achievement of the Sustainable Development Goals (SDGs) because both focus on important issues concerning social, economic, and environmental aspects. CSR is not only seen as a form of corporate moral responsibility but also as a practical instrument to ensure that business activities have a positive impact on society at large. Research conducted by Fallah Shayan et al. (2022) shows that the SDGs can be used as an effective framework for companies in designing, implementing, and evaluating CSR programs. By using the SDGs as a reference, companies can ensure that every

initiative they run does not operate in isolation but is truly aligned with the global development agenda that has been mutually agreed upon. However, on the other hand, there are quite serious challenges. These challenges arise when companies only use the SDGs as a marketing tool or merely as a branding strategy without a real commitment to making fundamental changes.

ElAlfy et al. (2020) highlight a phenomenon known as greenwashing, which is the practice when companies claim to support sustainability principles but in reality do not make significant transformations in their day-to-day business practices. This phenomenon not only raises public doubt about a company's integrity but also has the potential to damage the credibility of the sustainable development goals themselves. Therefore, the effectiveness of CSR in supporting the achievement of the SDGs is highly dependent on the extent to which a company can demonstrate transparency in reporting, accountability for every program implemented, and a measurable impact evaluation. Without such mechanisms, CSR will lose its strategic meaning. Conversely, if implemented with full responsibility, CSR can become an important bridge for companies in making a real contribution to global development.

3. Methods

This study uses a literature review method with a qualitative approach to analyze the role of Corporate Social Responsibility (CSR) in supporting the achievement of the Sustainable Development Goals (SDGs). The choice of the literature review method is based on the consideration that this approach can provide a more comprehensive and holistic picture of research developments, the main trends

underway, and the latest findings relevant to the topics of CSR and business sustainability. By utilizing a literature review, the research can identify the contribution of CSR more broadly, as well as understand how CSR theory and practice have developed in various industrial and national contexts.

The research stages were carried out through a systematic process. First, literature was collected from various academic databases, one of which is Google Scholar, which provides access to thousands of scientific articles, reputable journals, and previous research results. Literature selection was carried out by considering the relevance, recency, and quality of sources so that the data analyzed truly supports the research objectives. Second, the analysis was conducted by identifying several main themes that recurred in the literature, namely: CSR as a modern business strategy, CSR's contribution to the SDGs, the benefits of CSR for companies and society, and challenges in implementing CSR. Each theme was then analyzed in more depth, compared, and synthesized to find patterns of similarity and difference between studies, resulting in a richer understanding.

To maintain the reliability of the literature review results, this study used a source triangulation method. This step was carried out by comparing the findings of research conducted in various contexts, both in developed and developing countries. Through the triangulation approach, the researcher can obtain a more objective picture, avoid a single bias from one source, and ensure that the analysis results have strong validity. Thus, the literature review method not only presents a summary of the literature but also provides a critical analysis of the effectiveness of CSR in supporting the achievement of the SDGs. This analysis can ultimately become an important

foundation for subsequent research that wants to deepen the relationship between CSR and sustainable development. In addition, the results of the study are also expected to be useful for business practitioners in designing sustainability strategies that are more effective, measurable, and capable of providing a positive impact, both for the company and for society at large.

4. Results

Corporate Social Responsibility (CSR) has evolved into one of the most important strategies in modern business practice. The orientation of companies today is no longer solely pursuing short-term economic gains but also paying attention to the social and environmental impacts resulting from all their business activities. This paradigm shift is influenced by increasing global awareness of sustainability issues, ranging from climate change, environmental degradation, social inequality, to the need to create more responsible corporate governance. Therefore, CSR is now viewed as an integral part of corporate strategy that cannot be separated from efforts to build a resilient, adaptive, and relevant company that meets the demands of the times.

Companies that integrate CSR into their business strategies tend to gain various strategic advantages. By integrating CSR into their business strategies, companies can build a better reputation, increase customer trust and loyalty, and attract and retain the best talent (Fandos-Roig et al., 2020). By helping businesses recognize and reduce risks associated with social and environmental challenges, corporate social responsibility (CSR) can strengthen a company's sustainability and resilience.

Companies must take proactive steps to mitigate the negative impacts of these risks and seize opportunities by being aware of these risks (Rentizelas et al., 2020).

A company's reputation improves because the public sees a real commitment to social responsibility and sustainability. A good reputation then has an impact on increasing customer loyalty, because consumers tend to trust and choose products from a responsible company. In addition, relationships with stakeholders, whether investors, regulators, or the surrounding community, become stronger and more harmonious. This is in line with the research of Lu et al. (2021), which shows that CSR based on the Sustainable Development Goals (SDGs) can improve long-term financial performance. Companies that care about sustainability issues are considered more attractive to investors because they see environmental, social, and governance (ESG) risks as important factors in investment decisions. Thus, CSR not only impacts non-financial aspects but also has direct implications for a company's economic performance.

Furthermore, CSR is also a key driver in creating business innovation. When companies internalize sustainability principles, they are encouraged to seek new ways of production, distribution, and marketing that are more efficient and environmentally friendly. Cezarino et al. (2022) highlight how companies in developing country markets use CSR to integrate sustainability into their supply chains. This strategy not only improves the company's image but also strengthens its global competitiveness. In the context of international competition, a sustainable supply chain becomes an added value because many consumers and business partners in developed countries demand transparency and environmental care from the products they consume. For

example, environmentally friendly products produced through sustainable supply chains are increasingly in demand by consumers in various parts of the world. This shows that CSR plays a dual role: on one hand, it drives business growth, and on the other hand, it makes a direct contribution to the achievement of sustainable development.

In addition to being a driver of innovation, CSR also functions as a strategic instrument in supporting the achievement of the SDGs. Fallah Shayan et al. (2022) emphasize that the SDGs can be used as a practical framework for designing and evaluating CSR programs. By adopting the SDG indicators, companies have a clear guideline to assess the extent of their contribution to global goals, such as poverty eradication, improved quality of education, gender equality, and environmental protection. This confirms that CSR is not just a form of philanthropy or a temporary donation but a measurable strategic commitment, with real impacts that can be systematically evaluated.

However, the implementation of CSR does not always go smoothly. The challenges often faced by companies are limited resources, both in terms of funding and human resources who have special competencies in program planning and evaluation. High implementation costs are also an obstacle, especially for small and medium-sized companies. In addition, the difficulty in measuring the real impact of CSR programs often makes their effectiveness questionable. Bogoviz et al. (2022) note that some companies even face the risk of losing profits when they focus too much on integrating the SDGs into their business strategies without being balanced with mature planning. On the other hand, the public is often skeptical of CSR initiatives

that are considered a form of greenwashing or mere branding without providing significant change. This phenomenon is reinforced by the findings of ElAlfy et al. (2020), who explain that the practice of greenwashing can damage public trust and reduce a company's legitimacy in the eyes of the public. Therefore, transparency and accountability in CSR reporting are the main keys to building public trust while maintaining program effectiveness.

Despite being full of challenges, CSR has a significant impact on community well-being. A well-designed CSR program can improve the quality of life of the community through the provision of access to education, health services, and economic empowerment. For example, job skills training initiatives can help local communities increase their income, while health programs can improve overall quality of life. Sudirman and Upé (2021) found that in Southeast Sulawesi, the contribution of CSR in supporting the SDGs provides real benefits for the local community, especially in capacity building and economic empowerment. These findings show that CSR implemented participatively, by involving the community as a partner, can create long-term prosperity and strengthen the social bond between the company and the surrounding community.

In addition to social benefits, CSR also provides strategic advantages for the company itself in the long term. Companies that are active in running CSR gain stronger social legitimacy, making it easier to build good relationships with regulators and the government. This is important because social legitimacy often becomes a determining factor for the smooth operation of a business, especially in sectors that are directly related to natural resources. Mishra (2021) in his research in India found

that CSR that is directly linked to the SDGs helps companies increase social legitimacy while strengthening relationships with regulators. Thus, CSR can be seen as a strategic investment that not only reduces regulatory risks but also strengthens a company's competitive position in the domestic and global markets. Corporate sustainability not only refers to the company's own survival but also to the company's ability to contribute to social welfare and environmental preservation in a sustainable manner.

Companies can achieve long-term sustainability if they integrate business strategies that are not only economically profitable but also pay attention to social and environmental factors. Business ethics plays an important role in underlying strategic decisions that consider all these aspects. Companies that apply good business ethics tend to be better able to adapt to market and regulatory changes, and are more trusted by the public and consumers (Kuokkanen & Sun, 2020). Ultimately, CSR can be viewed as a bridge between the interests of the company and the interests of society at large. Social CSR involves various initiatives aimed at making a positive contribution to society, such as philanthropy, education, health, community development, and human rights protection (Rowe et al., 2019). The effective implementation of these initiatives not only helps improve social conditions but also strengthens the company's image as a socially responsible agent of change. One of the main positive impacts of social CSR is the increase in consumer trust and loyalty. Consumers today are increasingly concerned with social issues and are looking for companies that show a commitment to community well-being.

When implemented with a real commitment, CSR can create a win-win situation, where the company gains financial and reputational benefits, while society

gains social and environmental benefits. However, to achieve optimal results, CSR implementation is not enough with temporary initiatives. It requires continuous evaluation, transparency in reporting, and collaboration with various stakeholders. Companies must ensure that every CSR program has a clear goal, measurable achievement indicators, and an objective evaluation mechanism. Only in this way can CSR truly function as an integral business strategy that supports the achievement of the SDGs and global sustainability.

With all this exposure, it is clear that CSR has grown far from being a supplementary activity into a core corporate strategy oriented towards sustainability. Companies that are able to integrate CSR well will gain social legitimacy, strengthen competitiveness, and make a real contribution to the achievement of the SDGs. Meanwhile, the community gets direct benefits in the form of an improved quality of life, economic well-being, and environmental preservation. Therefore, CSR today must be understood as a long-term investment that brings dual benefits: the sustainability of the company's business as well as sustainability for the planet and humanity.

5. Discussion

The results of the literature review show that Corporate Social Responsibility (CSR) has evolved into an important business strategy that is not only oriented towards branding but also plays a direct role in supporting the achievement of the Sustainable Development Goals (SDGs). This transformation shows that CSR can no longer be viewed as merely a supplementary activity but a strategic instrument inherent

in modern corporate policy and practice. However, this discussion also emphasizes that although the benefits of CSR for companies and society are very significant, its implementation is still not free from complex challenges that must be seriously overcome.

CSR is proven to strengthen a company's social legitimacy and improve the quality of relationships with stakeholders. This is in line with Mishra's (2021) research, which found that companies in India use CSR to build public trust while increasing compliance with applicable regulations. In other words, CSR can function as an important instrument to reduce reputational and regulatory risks. CSR plays a vital role in driving business innovation as well as supply chain sustainability. Companies operating in developing country markets often face great pressure to remain globally competitive. In this context, CSR can be used as a competitive advantage by encouraging the birth of environmentally friendly products, technological innovation, and more inclusive and sustainable business models (Cezarino et al., 2022). However, in reality, not all companies are able to utilize the potential of CSR optimally, due to limited capital, limited technology, and a lack of special expertise needed to implement sustainability strategies consistently.

What is specifically focused on the achievement of the SDGs is proven to make a real contribution to community development. Research by Sudirman and Upe (2021) shows that CSR directed at community capacity building can increase economic independence, strengthen local empowerment, and improve overall quality of life. Thus, CSR not only has a positive impact on a company's image but also expands the corporation's role in social development. However, the main challenge that arises is

related to the aspect of impact measurement. Many companies experience difficulty in determining the most appropriate indicators to evaluate the success of their CSR programs (Bogoviz et al., 2022).

Some studies show that on the contrary, sustainability can strengthen profitability in the long term because sustainability creates consumer trust, market loyalty, and a stronger competitive edge (Lu et al., 2021). Thus, this discussion emphasizes that CSR has great potential as a catalyst for global sustainability. However, the success of CSR implementation is highly dependent on a company's commitment to carrying it out consistently, transparently, and measurably. Companies must ensure that CSR does not stop at symbolic activities but becomes a core strategy that truly supports the achievement of the SDGs, strengthens business competitiveness, and has a real impact on society at large.

6. Conclusion

Corporate Social Responsibility (CSR) in the context of modern business is no longer just a moral obligation or philanthropy but a fundamental strategy integrated with a sustainable business model. CSR is proven to be able to improve a company's reputation, strengthen relationships with stakeholders, encourage innovation, and make a real contribution to the achievement of the Sustainable Development Goals (SDGs). Through well-targeted programs, CSR can improve the quality of life of the community, reduce social inequality, and strengthen local economic independence. However, the implementation of CSR is not free from challenges such as limited resources, high costs, public skepticism, and the difficulty of measuring impact. The

risk of greenwashing can also reduce the effectiveness of CSR if companies do not carry out their programs with real commitment.

Therefore, transparency, accountability, and continuous evaluation are key to ensuring that CSR truly provides measurable social, environmental, and economic benefits. CSR integrated with the SDGs can create a win-win situation between business interests and sustainable development. Companies that consistently implement CSR with a strategic approach will have long-term competitiveness, while also making an important contribution to global sustainability. Thus, CSR can be positioned as a main pillar in building a business that is resilient, adaptive, and future-oriented.

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