



Sustainable Development Goals And Corporate Social Responsibility: Driving Responsible Business For A Sustainable Future

Dr. Deepa. V¹, Ms. Aalira Ummer Bishriyah², Mr. Manoj H R³, Mr. Medamoni Naresh⁴, Mr. Monnappa⁵, & Ms. Ruhan Tabbasum⁶.

¹Associate Professor, Yenepoya School of Business, Yenepoya (Deemed to be University), Bengaluru, Karnataka, India.

^{2,3,4,5,6} 1st Year MBA Student, Yenepoya School of Business, Yenepoya (Deemed to be University), Bengaluru, Karnataka, India.

Email ID: deepav@yenepoya.edu.in¹, aubishriyah77@gmail.com², manojgowda1322@gmail.com³, nareshnani70325@gmail.com⁴, samarmonnappa10@gmail.com⁵, rruhantabasum@gmail.com⁶.

Abstract

Background: The integration of the Sustainable Development Goals (SDGs) into Corporate Social Responsibility (CSR) strategies has emerged as a critical pathway for promoting responsible business practices and long-term sustainability. As global environmental, social and governance (ESG) challenges intensify, corporations are increasingly expected to align their operations with the SDGs to contribute meaningfully to inclusive growth, environmental stewardship and social equity. This study examines how CSR initiatives aligned with SDGs can drive sustainable business transformation. **Methods:** The study adopts a quantitative research design using survey data collected from corporate managers and sustainability professionals across diverse industries. Structured questionnaires measured SDG integration, CSR practices, stakeholder engagement and sustainable performance outcomes. Data were analyzed using Structural Equation Modeling (SEM) to assess direct and indirect relationships among constructs. **Results:** The findings indicate that strategic alignment between CSR initiatives and SDGs significantly enhances organizational sustainability performance, stakeholder trust and long-term competitive advantage. SDG-oriented CSR practices positively influence environmental performance, social responsibility outcomes and governance transparency. Furthermore, stakeholder engagement mediates the relationship between CSR alignment and sustainable business performance. **Conclusion:** The study concludes that embedding SDGs within CSR frameworks strengthens responsible business conduct and fosters sustainable value creation. Organizations that systematically integrate SDGs into their CSR strategies are better positioned to achieve long-term resilience and contribute to global sustainable development agendas.

Keywords: Sustainable Development Goals, Corporate Social Responsibility, Sustainable Business, Stakeholder Engagement, ESG Performance.

1. Introduction

The accelerating pace of global environmental degradation, social inequality and governance challenges has intensified calls for businesses to assume greater responsibility in advancing sustainable development. The adoption of the Sustainable Development Goals (SDGs) by the United Nations in 2015 marked a pivotal moment in global sustainability governance, establishing a comprehensive framework of 17 interconnected

goals aimed at promoting inclusive economic growth, environmental protection and social equity (United Nations, 2015). Unlike previous development agendas, the SDGs explicitly recognize the private sector as a critical actor in achieving sustainable development outcomes. Consequently, corporations are increasingly expected to align their strategies, operations and reporting mechanisms with these global priorities. Corporate Social Responsibility



(CSR) has evolved significantly over the past decades, transitioning from philanthropic and compliance-oriented initiatives to strategic frameworks embedded within corporate governance and value creation processes (Carroll, 1991; [1] Porter & Kramer, 2006). Modern CSR emphasizes the integration of environmental, social and governance (ESG) considerations into business models, reflecting stakeholder demands for transparency, accountability and long-term sustainability (Freeman, 1984; Aguinis & Glavas, 2012). As stakeholder theory suggests, firms that effectively address the interests of diverse stakeholder groups—including investors, employees, customers, communities and regulators—are more likely to achieve sustainable competitive advantage (Freeman, 1984). The convergence between the SDGs and CSR frameworks presents a strategic opportunity for businesses to operationalize global sustainability objectives within corporate practice. [2]SDG-aligned CSR enables organizations to structure their sustainability initiatives around internationally recognized targets, thereby enhancing coherence, comparability and impact measurement (van Zanten & van Tulder, 2018). By embedding SDGs into corporate strategy, firms can move beyond symbolic commitments toward substantive integration that influences decision-making, innovation and performance outcomes (Bebbington & Unerman, 2018). Empirical research increasingly suggests that integrating sustainability into corporate strategy can enhance organizational performance, reputation and stakeholder trust (Eccles, Ioannou, & Serafeim, 2014). However, the mechanisms through which SDG-oriented CSR contributes to sustainable business transformation remain underexplored. In particular, stakeholder engagement may serve as a mediating mechanism, strengthening the relationship between CSR alignment and sustainable performance outcomes. Engaged stakeholders can provide legitimacy, knowledge and collaborative partnerships that amplify the effectiveness of corporate sustainability initiatives (Aguinis & Glavas, 2012). Despite growing theoretical discourse on SDG–CSR

alignment, quantitative evidence assessing their interrelationships and performance implications remains limited. There is a need for empirical models that examine direct and indirect pathways linking SDG integration, CSR practices, stakeholder engagement and sustainability performance. Addressing this gap is essential for advancing both academic understanding and managerial practice in responsible business conduct. This study contributes to the literature by empirically examining how strategic alignment between CSR initiatives and the SDGs influences environmental performance, social responsibility outcomes, governance transparency and long-term competitive advantage. Using Structural Equation Modeling (SEM), the research investigates both direct effects and the mediating role of stakeholder engagement in sustainable business transformation. By situating CSR within the broader global sustainability agenda, this study underscores the strategic importance of embedding SDGs into corporate responsibility frameworks to drive resilient and sustainable value creation.

2. Background

The integration of Corporate Social Responsibility (CSR) with the Sustainable Development Goals (SDGs) has emerged as a strategic imperative for organizations seeking to align business performance with global sustainability priorities. Since the adoption of the SDGs by the United Nations in 2015, firms have increasingly been recognized as critical actors in advancing inclusive growth, environmental protection and governance accountability (United Nations, 2015). The theoretical foundation of this alignment is rooted in stakeholder theory [3] – [5], which posits that long-term value creation depends on effectively addressing the interests of multiple stakeholders rather than solely maximizing shareholder wealth (Freeman, 1984). Complementing this view, Carroll’s (1991) CSR pyramid conceptualizes corporate responsibility as encompassing economic, legal, ethical and philanthropic dimensions, while Porter and Kramer (2006) argue that strategic CSR can generate “shared value” by integrating social and environmental



considerations into competitive strategy. Collectively, these perspectives reposition CSR from a peripheral activity to a core strategic function embedded within governance structures and organizational decision-making processes[6] – [9]. Empirical evidence from Scopus-indexed publications further supports the strategic benefits of sustainability integration. Aguinis and Glavas (2012) demonstrate that CSR initiatives positively influence organizational outcomes when embedded within firm strategy, while Eccles, Ioannou and Serafeim (2014) provide longitudinal evidence that sustainability-oriented firms outperform their counterparts in terms of financial and operational performance. Within the SDG context, van Zanten and van Tulder (2018) highlight that meaningful corporate engagement with the SDGs enhances legitimacy and institutional alignment, whereas Bebbington and Unerman (2018) emphasize the critical role of transparency and sustainability reporting in translating SDG commitments into measurable outcomes. However, the literature also suggests that stakeholder engagement functions as a key mediating mechanism through which SDG-aligned CSR practices translate into improved ESG performance, governance transparency and long-term competitive advantage. Despite growing scholarly attention, limited quantitative research has simultaneously examined SDG integration[10] – [12], CSR practices, stakeholder engagement and sustainable performance within a unified structural framework. Addressing this gap contributes to advancing evidence-based understanding of how SDG-oriented CSR drives responsible business transformation and sustainable value creation.

3. Objectives

This study adopts a quantitative research design to examine the relationship between Sustainable Development Goals (SDGs) integration and Corporate Social Responsibility (CSR) practices in driving sustainable business performance.

4. Methodology

This study employed a quantitative research design to examine the relationship between Sustainable

Development Goals (SDGs) integration and Corporate Social Responsibility (CSR) practices in driving sustainable business performance[13] – [16]. The target population comprised corporate managers and sustainability professionals across diverse industries who are directly involved in CSR implementation and ESG reporting. Data were collected through a structured questionnaire using validated Likert-scale measures assessing SDG integration, CSR practices, stakeholder engagement, and sustainability performance. A total of 312 usable responses were obtained through purposive sampling. The data were analyzed using Structural Equation Modeling (SEM) to evaluate both direct and indirect relationships among constructs, including the mediating role of stakeholder engagement. Reliability was confirmed using Cronbach’s alpha ($\alpha = 0.802$), and model fit was assessed using standard goodness-of-fit indices (GFI, AGFI, RMSEA, RMR), demonstrating satisfactory model adequacy.

4.1. Statistical Analysis

Table 1 Reliability Statistics (Cronbach’s Alpha)

Cronbach’s Alpha	N of Items
0.802	4

Interpretation Cronbach’s Alpha = 0.802, indicating good internal consistency reliability (>0.70 acceptable). The measurement model demonstrates adequate reliability for SEM analysis.

4.2. Correlation Analysis

Table 2 Correlation Matrix of SDG Integration, CSR Practices, Stakeholder Engagement, and Sustainability Performance

Variables	SDG	CSR	Stakeholder	Sustainability
SDG Integration	1.000	0.638**	0.338**	0.361**
CSR Practices	0.638**	1.000	0.493**	0.571**

Stakeholder Engagement	0.338**	0.493**	1.000	0.621**
Sustainability Performance	0.361**	0.571**	0.621**	1.000

($p < 0.001$)

Interpretation:

- Strong positive correlation between SDG Integration and CSR ($r = 0.638$)
- Strongest relationship observed between Stakeholder Engagement and Sustainability Performance ($r = 0.621$)
- All constructs are significantly correlated ($p < 0.001$).

4.3.SEM Analysis

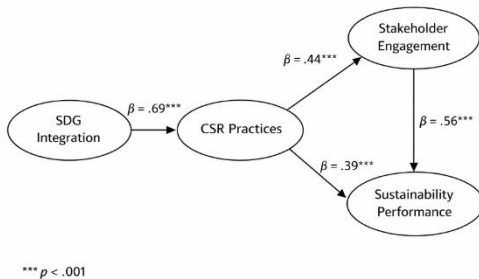


Figure 1 Structural Model Showing the Relationship between SDG Integration, CSR Practices, Stakeholder Engagement, and Sustainability Performance

Table 3 Model Fit Indices and Their Interpretation

Index	Value	Recommended Threshold	Interpretation
GFI	0.941	≥ 0.90	Good Fit
AGFI	0.912	≥ 0.90	Good Fit
RMSE	0.066	≤ 0.08	Acceptable Fit

A			
RMR	0.041	≤ 0.05	Good Fit

Interpretation The structural model demonstrates good overall fit and supports the hypothesized relationships among SDG Integration, CSR Practices, Stakeholder Engagement, and Sustainability Performance.

5. Discussion

This study confirms that integrating Sustainable Development Goals (SDGs) into Corporate Social Responsibility (CSR) strategies significantly enhances sustainable business performance. The findings indicate that SDG integration strengthens CSR practices, which positively influence stakeholder engagement and sustainability outcomes[17] – [20]. Stakeholder engagement plays a mediating role, highlighting its importance in translating CSR alignment into measurable ESG performance. These results support stakeholder theory and strategic CSR perspectives, emphasizing that SDG-oriented CSR contributes to long-term competitive advantage and organizational legitimacy.

6. Recommendations

Organizations should strategically embed SDGs into corporate governance, performance measurement, and reporting systems rather than treating them as symbolic commitments. Strengthening structured stakeholder engagement mechanisms is essential for improving sustainability outcomes. Firms should also adopt standardized ESG metrics aligned with SDG indicators and foster cross-sector collaborations to enhance impact. Leadership commitment and sustainability capacity-building initiatives are critical for successful implementation.

Conclusion

The study demonstrates that SDG-aligned CSR serves as a strategic pathway to sustainable value creation. By integrating SDGs within CSR frameworks and actively engaging stakeholders, organizations can enhance environmental, social, and governance performance while achieving long-term resilience and competitive advantage[20]- [22]. SDG-CSR alignment represents a transformative



approach to responsible business in the pursuit of sustainable development.

Future Research

Future research may adopt longitudinal designs to examine the long-term impact of SDG–CSR alignment on financial and sustainability performance. Cross-country studies could explore how institutional and cultural differences influence SDG integration. Additionally, incorporating moderating variables such as corporate governance, innovation capability, or digital transformation may provide deeper insights. Mixed-method and sector-specific studies would further enhance understanding of how organizations operationalize SDGs in diverse contexts.

Journal Reference Style

- [1]. Aguinis, H., & Glavas, A. (2012). What we know and don't know about corporate social responsibility: A review and research agenda. *Journal of Management*, 38(4), 932–968.
- [2]. Aras, G., & Crowther, D. (2009). Corporate sustainability reporting: A study in disingenuity? *Journal of Business Ethics*, 87(1), 279–288.
<https://doi.org/10.1007/s10551-008-9806-0>
- [3]. Bebbington, J., & Unerman, J. (2018). Achieving the United Nations Sustainable Development Goals: An enabling role for accounting research. *Accounting, Auditing & Accountability Journal*, 31(1), 2–24.
<https://doi.org/10.1108/AAAJ-05-2017-2929>
- [4]. Brammer, S., Jackson, G., & Matten, D. (2012). Corporate social responsibility and institutional theory: New perspectives on private governance. *Socio-Economic Review*, 10(1), 3–28.
- [5]. Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. *Business Horizons*, 34(4), 39–48.
- [6]. Clarkson, M. B. E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of Management Review*, 20(1), 92–117.
- [7]. Crane, A., Matten, D., & Spence, L. J. (2019). *Corporate social responsibility: Readings and cases in a global context* (3rd ed.). Routledge.
- [8]. Dyllick, T., & Muff, K. (2016). Clarifying the meaning of sustainable business: Introducing a typology from business-as-usual to true business sustainability. *Organization & Environment*, 29(2), 156–174.
- [9]. Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of corporate sustainability on organizational processes and performance. *Management Science*, 60(11), 2835–2857.
- [10]. Elkington, J. (1998). Partnerships from cannibals with forks: The triple bottom line of 21st-century business. *Environmental Quality Management*, 8(1), 37–51.
- [11]. Fatemi, A., Glaum, M., & Kaiser, S. (2018). ESG performance and firm value: The moderating role of disclosure. *Global Finance Journal*, 38, 45–64.
- [12]. Freeman, R. E. (1984). *Strategic management: A stakeholder approach*. Pitman Publishing.
- [13]. Friede, G., Busch, T., & Bassen, A. (2015). ESG and financial performance: Aggregated evidence from more than 2000 empirical studies. *Journal of Sustainable Finance & Investment*, 5(4), 210–233.
- [14]. Hahn, T., Pinkse, J., Preuss, L., & Figge, F. (2015). Tensions in corporate sustainability: Towards an integrative framework. *Journal of Business Ethics*, 127(2), 297–316.
- [15]. Jamali, D., & Karam, C. (2018). Corporate social responsibility in developing countries as an emerging field of study. *International Journal of Management Reviews*, 20(1), 32–61.
- [16]. Montiel, I., & Delgado-Ceballos, J. (2014). Defining and measuring corporate sustainability. *Organization & Environment*, 27(2), 113–139.
- [17]. Porter, M. E., & Kramer, M. R. (2006).



- Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78–92.
- [18]. Sachs, J. D., Schmidt-Traub, G., Mazzucato, M., Messner, D., Nakicenovic, N., & Rockström, J. (2019). Six transformations to achieve the Sustainable Development Goals. *Nature Sustainability*, 2(9), 805–814.
- [19]. Schaltegger, S., Hörisch, J., & Freeman, R. E. (2019). Business cases for sustainability: A stakeholder theory perspective. *Organization & Environment*, 32(3), 191–212.
- [20]. United Nations. (2015). *Transforming our world: The 2030 agenda for sustainable development*. United Nations.
- [21]. van Zanten, J. A., & van Tulder, R. (2018). Multinational enterprises and the Sustainable Development Goals: An institutional approach to corporate engagement. *Journal of International Business Policy*, 1(3–4), 208–233.
- [22]. Visser, W. (2016). Corporate sustainability and responsibility: Creating value for business, society and the environment. *Journal of Business Ethics*, 138(2), 235–248.