Mapping the similarities between CSR, Corporate Digital Responsibility (CDR), ESG and SDGs

While each of these frameworks have different characteristics, they all aim to promote corporate sustainability. While CSR and ESG focus on positive business practices and environmentally best-practices in business, SDGs provide a global framework or overarching agenda on sustainability action by governments, civil society organizations and individuals.

Metrics to compare similarities –

1.	**Origin and genesis**
	The origins of these sustainability frameworks vary, reflecting their different approaches and target audiences. The key similarities between these frameworks include their emphasis on environmental protection, social responsibility, and good governance. They all aim to encourage companies to consider the broader impact of their operations and to adopt more sustainable and ethical practices: 1. **SDGs:** The Sustainable Development Goals (SDGs) emerged from the 2012 United Nations Conference on Sustainable Development, aiming to address global environmental, political, and economic challenges.[1] Building on the legacy of the Millennium Development Goals (MDGs), the SDGs are a universal commitment to tackle issues like poverty, gender equality, health, education, and sustainability. They replace the MDGs, which, over 15 years, drove progress in reducing poverty, improving access to basic services, and combating diseases like HIV/AIDS, malaria, and tuberculosis.[2] In *Our Common Future*[3], the WCED highlighted that achieving sustainable development required more than government intervention—it necessitated active involvement from industry. Recognizing that corporations historically drove economic growth but also contributed to unsustainable practices, the authors urged businesses to prioritize social equity and environmental protection. The response from industry unfolded gradually, with significant milestones such as the International Chamber of Commerce's Business Charter for Sustainable Development in 1990 and Stephen Schmidheiny's "Changing Course"[4], which emphasized the economic imperative of sustainable practices. These publications marked the beginning of a shift in corporate mindset, with many leaders and companies subsequently endorsing the principles of sustainable development.

[1] United Nations, Sustainable Development <www.un.org/sustainabledevelopment/sustainable-development-goals/ >
[2] UNDP, Background on the Goals <https://www.undp.org/sdg-accelerator/background-goals#:~:text=The%20Sustainable%20Development%20Goals%20(SDGs,economic%20challenges%20facing%20our%20world.>
[3] World Commission on Environment and Development, *Our Common Future* (OUP 1987)
[4] (MIT Press, 1992)

2. **CSR:**
   The lineage of CSR stretches back through history; as Nicholas Ebserstadt noted, its origins trace back to ancient Greece, where governing bodies established codes of conduct for businessmen and merchants.[5] Some writers trace social responsibility emerging alongside calls for war contributions and donations, often organized by forums like the Young Mens' Christian Organization, against the backdrop of World War II.[6] The modern discourse on CSR gained traction with the publication of Howard Bowen's "Social Responsibilities of the Businessman" in 1953, marking the inception of the contemporary era of CSR.[7] Following this, numerous authors have contributed to the field, initially focusing on the ethical responsibilities of corporate managers toward society.

3. **ESGs:**
   The concept of socially responsible investing (SRI) emerged in the 1970s as a means for investors to align their portfolios with their ethical values. This movement gained traction during the 1980s with divestment campaigns targeting companies involved in South Africa during apartheid.[8] Over time, SRI evolved to resemble contemporary corporate social responsibility (CSR), primarily focusing on social issues like human rights and supply chain ethics.[9] ESG (environmental, social, and governance) considerations started entering mainstream investment strategies in the 1990s. The U.S Social Investment Forum (SIF) Foundation's 1995 report highlighted the increasing investment in sustainable initiatives, reaching $639 billion, indicating a shift towards principle-based investing.[10] Institutional investors recognized the potential for improved financial performance through ESG focus, particularly on issues like greenhouse gas emissions.

   The United Nations Millennium Summit in 2000 laid out principles covering human rights, environmental protection, and anti-corruption, setting the stage for discussions on ESG factors (United Nations, 2000). The global Carbon Disclosure Project (CDP) was founded the same year, encouraging companies to report on climate impacts, thus normalizing ESG reporting (Carbon Disclosure Project, 2000). In 2004, the term "ESG" gained official recognition in the report "Who Cares Wins," delineating its

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[5]Eberstadt, Nicholas N. 1973. 'What History Tells us about Corporate Responsibilities'.Business and Society Review/Innovation, autumn: 76–81.
6 A B Carroll, 'A History of Corporate Social Responsibility' (Oxford Handbooks Online 2009) doi:10.1093/oxfordhb/9780199211593.003.0002
[7] Howard Bowen, *Social Responsibility of the Businessman* (University of Iowa Press 1953)
[8] Daniel C. Apfel, 'Exploring Divestment as a Strategy for Change: An Evaluation of the History, Success, and Challenges of Fossil Fuel Divestment.' *Social Research*, vol. 82, no. 4, 2015, pp. 913–37. *JSTOR*, http://www.jstor.org/stable/44282147. Accessed 16 May 2024.
[9] United States Social Investment Forum Foundation, SIF Trends Report (Report No. 1, 1995)
[10] Tom Krantz, A History of ESG (IBM Blog, 8 February 2024) https://www.ibm.com/blog/environmental-social-and-governance-history/ ; (ibid n 8).
See also, US SIF Reports, published since 1995, on sustainable investing: https://www.ussif.org/trends.

components: environmental, social, and governance (or corporate governance).[11] The report was joint initiative of financial institutions which were invited by the then United Nations Secretary-General Kofi Annan to develop guidelines and recommendations on how to better integrate environmental, social and corporate governance issues in asset management, securities brokerage services and associated research functions.

The establishment of the Global Reporting Initiative (GRI) in 1997 further emphasized the importance of addressing environmental concerns (Global Reporting Initiative, 1997). The year 1998 saw the introduction of the triple bottom line concept by John Elkington in "Cannibals with Forks," advocating for considering non-financial factors like social and environmental impacts in business valuation (Elkington, 1998).[12]

4. **CDR:**

Digitalization shapes contemporary life through the proliferation of new digital products, services, markets, and technologies, ranging from artificial intelligence (AI) applications to advanced social media platforms and information and communication technologies (ICT).[13] While these advancements offer opportunities for value creation, they also raise ethical concerns and threats to humanity.[14] Managers must navigate these complexities to ensure the success of their companies while also benefiting society beyond economic goals. [15] Hence, a responsible approach to digitalization entails understanding both its positive and negative consequences.[16] Amidst these developments in the near past, the concept of CDR emerges as a holistic framework to address digital responsibilities comprehensively.[17] CDR aims to align digital activities with ethical norms and values, thus contributing to human and social value creation.[18] While debates persist regarding its definition and scope, efforts are underway to synthesize

[11] The Global Compact, *Who Cares Wins: Connecting Financial Markets to a Changing World*, (United Nations, 2006)
[12] John Elkington, *Cannibals with Forks: The Triple Bottom line of 21st Century Business* (Oxford University Press 1997)
[13] Sarah Spiekermann-Hoff, Hannah Krasnova, & Oliver Hinz, “Technology for humanity. Business & Information Systems Engineering” (2021) 63(4), 479–481. https://doi.org/10.1007/s12599-021-00710-2
[14] Rainer Alt , ‘Electronic Markets on Platform Dualities’ (2022) 32(1) Electronic Markets 1-10, https://doi.org/10.1007/s12525-022-00542-2 ; Roman Beck, Jens Dibbern and Martin Wiener, ‘A Multi-Perspective Framework for Research on (Sustainable) Autonomous Systems’ (2022) 64 (3) Business & Information Systems Engineering 265-273, https://doi.org/10.1007/s12599-022-00752-0
[15] Sarah Spiekermann and Till Winkler, ‘Value-Based Engineering for Ethics by Design’ (12 May 2020) https://papers.ssrn.com/abstract=3598911 ; Matthias Trier M et al., ‘Digital Responsibility’ (2023) 65 (4) Business & Information Systems Engineering 463-474, https://doi.org/10.1007/s12599-023-00822-x
[16] Trier (ibid)
[17] Lara Lobschat et al., ‘Corporate Digital Responsibility’ (2021) 122 Journal of Business Research 875-888, DOI: 10.1016/j.jbusres.2019.10.006
[18] Trier (n 15)

	existing research and apply the concept across various contexts, including AI governance and empirical assessments.[19] However, a deeper understanding of CDR's conceptualization and practical implications is warranted.[20] ***Bottom line:*** While specific contextual developments have shaped the origin of the four different frameworks, much of these changes are rooted in the due importance given to sustainability after the turn of the century and with the replacement of the MDGs.
2.	**Aims of each framework:**
	1. **SDGs:** Developed through a participatory process involving representatives from 70 countries and extensive public consultation, the SDGs represent a collective effort to shape a more inclusive, prosperous, and sustainable future for all. The SDGs are a global agenda set by the United Nations, with 17 specific goals and 169 targets that address a wide range of social, environmental, and economic issues. They are intended to be a universal framework for sustainable development, with countries, businesses, and civil society all working towards these common goals. 2. **CSR:** At its core, CSR addresses the role of businesses in society, asserting that corporate managers bear an ethical obligation to recognize and respond to societal needs, rather than solely pursuing shareholder interests or personal gain. While CSR engenders ongoing debate, it primarily concerns determining the scope of this obligation, rather than questioning its existence. Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line-Approach”), while at the same time addressing the expectations of shareholders and stakeholders.[21] 3. **ESG:**

[19] Valerie K Carl, Cristine Mihale-Wilson, Jan Zibuschka & Oliver Hinz, ‘A Consumer Perspective on Corporate Digital Responsibility: An Empirical Evaluation of Consumer Preferences’ [2023] Journal of Business Economics, https://doi.org/10.1007/s11573-023-01142-y ; Christina J Herden et al, ‘“Corporate Digital Responsibility”’ (2021) 29(1) Sustainability Management Forum, https://doi.org/10.1007/s00550-020-00509-x ; Benjamin Mueller, ‘Corporate Digital Responsibility’ (2022) 64 (5) Business & Information Systems Engineering 689-700, https://doi.org/10.1007/s12599-022-00760-0

[20] Cristina Mihale-Wilson et al., ‘Corporate Digital Responsibility’ (2022) 64 (2) Business & Information Systems Engineering 127-132, https://doi.org/10.1007/s12599-022-00746-y

[21] UNIDO, Our Focus <https://www.unido.org/our-focus/advancing-economic-competitiveness/competitive-trade-capacities-and-corporate-responsibility/corporate-social-responsibility-market-integration/what-csr >; (n 12)

The *Who Cares Who Wins* Report highlights the following broad aims[22]:
Environmental issues:
• Climate change and related risks
• The need to reduce toxic releases and waste
• New regulation expanding the boundaries of environmental liability with regard to products and services
• Increasing pressure by civil society to improve performance, transparency and accountability, leading to reputational risks if not managed properly
• Emerging markets for environmental services and environment-friendly products
Social issues:
• Workplace health and safety
• Community relations
• Human rights issues at company and suppliers'/contractors' premises
• Government and community relations in the context of operations in developing countries
• Increasing pressure by civil society to improve performance, transparency and accountability, leading to reputational risks if not managed properly
Corporate governance issues:
• Board structure and accountability
• Accounting and disclosure practices
• Audit committee structure and independence of auditors
• Executive compensation
• Management of corruption and bribery issues

The COVID-19 pandemic underscored the importance of ESG considerations, with companies demonstrating strong ESG performance proving more resilient to disruption (COVID-19 pandemic).[23]

4. CDR:

The scope of CDR is similarly extensive, encompassing social, economic, ethical, environmental, and technological dimensions. Commentators outlines several major challenges for digitally responsible companies, including regulatory responsibility concerning data protection and GDPR compliance, ethical responsibility regarding AI software, societal responsibility regarding

[22] (ibid n 11)
[23] N Fallah Shayan et al, 'Sustainable Development Goals (SDGs) as a Framework for Corporate Social Responsibility (CSR).' Sustainability 2022, 14, 1222. https://doi.org/10.3390/su14031222

	data management and inclusion, and environmental responsibility regarding the environmental impacts of business activities.[24] Isik and Wadeoutline four components of digital corporate responsibility (CDR), covering social, economic, technical, and environmental aspects. Social CDR involves ensuring data protection for stakeholders, while economic CDR focuses on responsible job replacem ent and sharing economic benefits. Technical CDR aims to prevent the harmful production of digital technologies, and environmental CDR promotes responsible power consumption and technology lifespan extension.[25]
3.	**Stakeholders Targetted:**
	The stakeholders targeted by these frameworks vary, but they generally include a wide range of stakeholders beyond just shareholders. CSR, CDR, ESG, and SDGs all aim to address the needs and concerns of employees, customers, local communities, governments, and society at large. Stakeholder theory, originating from R. Edward Freeman's book "Strategic Management: A Stakeholder Approach" is a relatively modern concept in strategic management. Freeman defined stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives."[26] The fundamental premise of stakeholder theory asserts that the strength of relationships with external parties directly impacts a firm's ability to achieve its corporate objectives—strong relationships characterized by trust, respect, and cooperation facilitate success, while weak ones pose obstacles. Unlike Corporate Social Responsibility (CSR), which is predominantly philosophical, stakeholder theory is fundamentally strategic. Its objective is to assist corporations in enhancing relationships with external groups to gain a competitive edge. ESG: As the *Who Cares Who Wins* report notes, successful investment depends on a vibrant economy, which depends on a healthy civil society, which is ultimately dependent on a sustainable planet. In the long-term, therefore, investment markets have a clear self-interest in contributing to better management of environmental and social impacts in a way that contributes to the sustainable development of global society.[27] A better inclusion of environmental, social and corporate governance (ESG) factors in investment decisions will ultimately contribute to more stable and predictable markets, which is in the interest of all market actors. **1. SDGs:**

[24] France Strategie [9] (para. 5)
[25] Öykü Işık and Michael R. Wade, The Four Components of Digital Corporate Responsibility' Brain Circuits (7 October 2021).< https://iby.imd.org/brain-circuits/the-four-components-of-digital-corporate-responsibility/ >
[26] Edward R. Freeman, *Strategic Management : A Stakeholder Approach* (Cambridge University Press 2015)
[27] (n 11)

	The major stakeholders for Sustainable Development Goals (SDGs) across the world are officially called "Major Groups" and they include the following sectors1234: • Women • Children and Youth • Indigenous Peoples • Non-Governmental Organizations • Local Authorities • Workers and Trade Unions • Business and Industry • Scientific and Technological Community • Farmers These stakeholders play a crucial role in the implementation and follow-up of the 2030 Agenda1. They have been actively working towards its implementation, through projects, initiatives, advocacy, knowledge-sharing, and monitoring1. They often work in partnership with other sectors, including governments. The United Nations Department of Economic and Social Affairs (UN DESA) facilitates and promotes the contribution of these stakeholders at the global level, including at special events at the United Nations high-level political forum and at global conferences and events related to sustainable development1. They also provide capacity building opportunities for national governments and stakeholders to support knowledge exchange, identify good practices, and to strengthen stakeholders' engagement in the implementation of the 2030 Agenda.[28] 2. **CSR:**[29] • **Customers**: They expect companies to produce goods and services in a socially responsible manner. • **Suppliers**: They are expected to adhere to the company's CSR policies and can influence the company's social responsibility performance. • **Environment**: Companies have a responsibility to minimize their environmental impact. • **Communities**: Companies have a responsibility to contribute positively to the communities in which they operate.

[28] Department of Economic and Social Affairs, UN, 'Stakeholder Engagement' https://sdgs.un.org/stakeholders
[29] Noam Noked, The Corporate Social Responsibility Report and Effective Stakeholder Engagement, *Harvard Law School Forum on Corporate Governance* (28 December 2013) < The Corporate Social Responsibility Report and Effective Stakeholder Engagement (harvard.edu)>

	• **Employees**: They expect their employers to operate in a socially responsible manner. • **Government Agencies and Regulators**: They set the legal and regulatory framework for CSR and can enforce compliance. • **Shareholders and Investors**: They are increasingly considering CSR performance when making investment decisions. • **Media and Other Influencers**: They can shape public opinion about a company's CSR performance and hold companies accountable. 3. **ESG**[30]: • **Employees**: They play a crucial role in implementing and monitoring ESG goals within the organization. • **Investors**: They are interested in how a company is addressing ESG concerns as it can impact the company's long-term performance and risk profile. • **Customers**: They are increasingly demanding products and services that are produced and delivered in an environmentally and socially responsible manner. • **Suppliers and Business Partners**: They are expected to adhere to the company's ESG standards and can influence the company's ESG performance. • **Government Agencies and Regulators**: They set the legal and regulatory framework within which the company operates. They can enforce compliance with ESG standards. • **Communities and Non-Profit Organizations**: They can be both beneficiaries or victims, depending on the positive/negative and direct/indirect effects of the company's activities. • **Media**: They play a role in shaping public opinion and can hold companies accountable for their ESG performance. **4. CDR:** The stakeholders for Corporate Digital Responsibility (CDR) are as follows: • **Organizations**: These include businesses and corporations that are implementing CDR practices within their operations. • **Individual Actors**: These are the people who are affected by or involved in the digital activities of organizations. This could include employees, customers, and users of digital services. • **Institutional/Governmental/Legal Actors**: These stakeholders include government agencies, regulatory bodies, and legal entities that set the rules and regulations for digital activities.

[30] Tracy Dathe, et al, *Implementing Environmental, Social and Governance (ESG) Principles for Sustainable Businesses. Responsible Leadership and Sustainable Management*. (Springer 2024) Cham. https://doi.org/10.1007/978-3-031-52734-0_9; Ira Kay, Chris Brindisi and Blaine Martin, 'The Stakeholder Model and ESG', *Harvard Law School Forum on Corporate Governance* <The Stakeholder Model and ESG (harvard.edu) >

	• **Artificial/Technological Actors**: These stakeholders include the digital technologies and data that are used by organizations. They play a crucial role in the creation, operation, impact assessment, and refinement of technology linked to digital technology and data. These stakeholders are involved in four life cycle stages of digital technology and data: creation, operation, impact assessment, and refinement[31]. Each stakeholder plays a crucial role in ensuring that organizations are digitally responsible. It's important for organizations to engage with these stakeholders and consider their interests when making decisions related to digital technology and data. This can help organizations to mitigate risks, capitalize on opportunities, and achieve long-term success in the digital age. Herden et al.[32] conducted research on corporate digital responsibility (CDR), highlighting its role in building trust with stakeholders and gaining a competitive edge. They emphasized the importance of tailoring CDR strategies to each company's unique goals and business strategies, stressing the need for regular review and adaptation due to evolving digital technologies. ***Bottom Line:*** These stakeholders play a crucial role in the sustainable success of businesses. By acknowledging and addressing the interests of these key stakeholder groups, companies can create value, contribute to society, and achieve long-term economic success. Stakeholder engagement is a key component of all – SDGs, CDR, ESG and CSR management. It helps companies understand stakeholder expectations, identify risks, and capitalize on opportunities while addressing sustainability concerns. It's important for companies to maintain open and transparent communication with all stakeholders and to incorporate their feedback into strategic decision-making processes.
4.	**Implementation and Enforceability**
	The enforceability of commitments made under these frameworks can vary significantly. ESG reporting often involves more stringent requirements for disclosure and compliance, with potential legal or regulatory consequences for non-compliance. In contrast, CSR and CDR initiatives are typically voluntary, relying on the firm's commitment to uphold its stated principles and values. While SDGs are global goals set by the United Nations, their implementation and enforcement mechanisms can differ across countries and sectors. Some governments may mandate SDG reporting or incorporate SDG targets into their national policies, while others may rely on voluntary adoption by businesses and organizations. **1. SDGs:**

[31] C.J. Herden, et al., 'Corporate Digital Responsibility', Sustain. Manag. Forum 2021, 29, 13–29.
[32] Herden (n 31)

	The enforceability of Sustainable Development Goals (SDGs) is not traditional in the sense that there are no formal sanctions or consequences if States fail to implement the SDGs1. This is unless they overlap with existing national or international legal obligations.[33] The SDGs operate on a model of 'soft' governance, which emphasizes the role of targets, indicators, institutions, and norms2. The accountability for the 2030 Agenda tends to focus on the "answerability" element of accountability, meaning that governments must be answerable to the people whose lives are affected by their actions and decisions.[34] **2. CSR:** The enforceability of Corporate Social Responsibility (CSR) is more formalized compared to SDGs. In some countries, CSR has been made a legal mandate. For instance, in India, the Companies Act, 2013 introduced CSR as a legal obligation for qualifying companies. Section 135 of the Act outlines CSR obligations, necessitating eligible firms to allocate a percentage of profits toward socially responsible initiatives. Non-compliance with these provisions results in penalties, emphasizing the enforceability of CSR obligations. The Ministry of Corporate Affairs (MCA) is responsible for enforcing CSR compliance in India[35]. However, it is important to note that the enforceability of CSR varies by country and is often dependent on the local laws and regulations.[36] Despite this, many companies globally adhere to CSR principles voluntarily, recognizing the benefits it brings in terms of reputation, customer relations, and long-term sustainability.[37] **3. ESGs:** ESG ratings and indices, such as those offered by Morgan Stanley Capital International (MSCI), have gained popularity among investors seeking to integrate ESG factors into their portfolios (Morgan Stanley Capital International). As the world faces mounting challenges related to climate change and social issues, ESG considerations are expected to play an increasingly critical role in shaping corporate and investment practices (Challenges related to climate change and social issues). ESG has become a mainstream concept, with data used to evaluate companies' performance on specific ESG issues. Asset managers continue to develop various ESG strategies and metrics, while regulations like the European Union's Corporate Sustainability Reporting

[33] SDG Accountability Portal, 'Introduction and Background' < https://www.sdgaccountability.org/background/>

[34] Long, G., Censoro, J. & Rietig, K. The sustainable development goals: governing by goals, targets and indicators. *Int Environ Agreements* **23**, 149–156 (2023). https://doi.org/10.1007/s10784-023-09604-y

[35] Arghya Sen, CSR in India: Compliance, Enforcement & Future Directions (*TaxGuru* 11 March 2023). https://taxguru.in/company-law/csr-india-compliance-enforcement-future-directions.html.

[36] CA Abdullah Fakih, Corporate Social Responsibility (CSR) under Companies Act, 2013. https://old.wirc-icai.org/images/material/CSR-under-Companies-Act-2013.pdf.

[37] Jan M. Smits, Enforcing Corporate Social Responsibility Codes Under Private Law: On the Disciplining Power of Legal Doctrine *Indiana Journal of Global Legal Studies*, vol. 24, no. 1, 2017, pp. 99–113. https://www.jstor.org/stable/10.2979/indjglolegstu.24.1.0099.

Directive (CSRD) and potential mandatory ESG reporting by the Securities and Exchange Commission (SEC) in North America further underscore the significance of ESG considerations (European Union, Securities and Exchange Commission).

The enforceability of Environmental, Social, and Governance (ESG) standards in Europe is becoming increasingly robust due to the European Union’s (EU) commitment to sustainable finance.[38] The EU has introduced a series of ESG regulations, including the Sustainable Finance Disclosure Regulation (SFDR), Corporate Sustainability Reporting Directive (CSRD), and others. These regulations require investment firms to demonstrate the provenance of their ESG claims with robust data and analytic disclosures. Such enforceability is likely to contribute to enhancing the culture of transparency about the impact of companies on people and the environment, reduce greenwashing, and promote sustainable investments1.

4. CDR:

Although only a few major companies have fully embraced Corporate Digital Responsibility (CDR), many have acknowledged and addressed some of its aspects, reporting on them in their Corporate Social Responsibility (CSR) or Environmental, Social, and Governance (ESG) reports. For instance, Ahold Delhaize includes a section on data privacy in its ESG report, outlining five principles guiding how the company manages personal data. It emphasizes the importance of safeguarding personal information entrusted by customers, associates, and business partners.[39] Broader issues intersect between CDR and CSR**,** including the environmental impacts of digital technologies and ethical considerations associated with their deployment. Tesco's privacy centers exemplify efforts, yet few firms integrate these into a unified CDR strategy.[40] While some companies have CDR policies, few consolidate them into an integrated strategy.[41]

5. Challenges:

Adopting sustainability frameworks offers firms various advantages, including enhanced reputation, improved access to capital, and heightened employee engagement and retention. However, challenges arise in navigating the complex and sometimes conflicting demands of these frameworks. While they share the overarching aim of promoting corporate sustainability, differences in metrics, reporting requirements, and enforcement mechanisms can create confusion and complexity for companies. Balancing short-term financial performance with long-term sustainability objectives presents another significant challenge, as pressures from investors may conflict

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38 European Commission, ESG Rating Activities https://finance.ec.europa.eu/sustainable-finance/tools-and-standards/esg-rating-activities_en

39 Ahold Delhaize. ESG Reporting-Data Privacy (2023) <https://www.aholddelhaize.com/sustainability/our position-on-societal-and-environmental-topics/data-privacy/>

40 Martin Wynn and Peter Jones, Wynn, ‘Corporate Responsibility in the Digital Era’ *Information* 2023, 14, 324. https://doi.org/10.3390/ info14060324

41 Ibid

	with sustainability goals. Despite these obstacles, aligning CSR, CDR, ESG, and SDG initiatives could lead to a more comprehensive and effective sustainability strategy. Integrating these initiatives can involve developing a unified reporting framework, streamlining data collection processes, and aligning sustainability goals across frameworks.
6.	**Developments in India**
	One key development in India has been the introduction of mandatory corporate social responsibility (CSR) requirements for certain companies. In 2013, the Indian government passed the Companies Act, which requires companies above a certain size to spend at least 2% of their average net profits on CSR activities. This has led to a significant increase in CSR initiatives by Indian companies, as they work to comply with the new regulations. Additionally, the Indian government has also taken steps to promote the adoption of environmental, social, and governance (ESG) practices. The Securities and Exchange Board of India (SEBI) has issued guidelines for the top 1,000 listed companies to adopt and disclose their ESG practices. This has helped to raise awareness and drive the integration of ESG considerations into corporate decision-making. While the implementation and enforcement of these frameworks may vary, the overall trend in India has been towards greater corporate sustainability and social responsibility, albeit, in the case of ESG, CSR-CDR, most corporate commitments remain voluntary.
7.	**Reflections on potential harmonization (Preliminary)**
	• The harmonization of these frameworks could take various forms. One potential approach is the creation of a centralized, standardized reporting system that allows companies to consolidate their CSR, CDR, ESG, and SDG-related data and disclosures into a single, comprehensive report. This would streamline the reporting process, reduce redundancies, and provide stakeholders with a more holistic view of a company's sustainability performance. • Another possibility is the development of a common set of key performance indicators (KPIs) that align with the objectives of these different frameworks. By establishing a shared set of metrics, companies can more effectively track and communicate their progress towards sustainability goals, while also enabling better cross-comparison and benchmarking across industries. • Regulatory bodies and policymakers could also play a role in harmonizing these concepts, by developing integrated guidelines or mandates that require companies to consider the interconnections between CSR, CDR, ESG, and the SDGs. This could involve incorporating specific SDG targets into ESG reporting requirements or incentivizing the adoption of comprehensive sustainability strategies that address the full spectrum of these frameworks.

Overall Conclusion: Despite the differences in scope, scale, and enforceability, there is a significant opportunity to harmonize CSR, CDR, ESG, and the SDGs into a more comprehensive and aligned approach to corporate sustainability. By recognizing the interconnectedness of these frameworks and integrating their key principles and metrics, companies can develop a holistic sustainability strategy that addresses the needs of a wide range of stakeholders, from investors and employees to local communities and the global environment. All four frameworks share a common goal of promoting corporate sustainability and responsible business practices, with a focus on environmental protection, social responsibility, and good governance. Additionally, many companies are integrating these different frameworks into their overall sustainability strategies, recognizing the value in aligning their efforts across multiple sustainability initiatives.

There is however, more notable difference between SDGs as compared to the other three frameworks. One fundamental distinction between the SDGs and other frameworks lies in their scope and enforcement. The SDGs, established by the United Nations, encompass 17 specific goals and 169 targets, addressing various social, environmental, and economic issues globally. They serve as a universal blueprint for sustainable development, engaging countries, businesses, and civil society. In contrast, CSR, CDR, and ESG primarily operate at the corporate level, with companies voluntarily adopting these frameworks to address sustainability and social responsibility. Although these frameworks may complement the SDGs, they primarily cater to the needs of individual companies and their stakeholders.

Secondly, there's a disparity in enforceability and reporting requirements with ESG being the most stringently enforced compared to the rest. While the SDGs lack legal binding, their implementation relies largely on voluntary actions by countries and organizations. Similarly, CSR and CDR initiatives are typically voluntary, allowing companies to set their own goals and reporting mechanisms. However, ESG often imposes stricter reporting and disclosure standards, especially for publicly traded firms, as investors utilize these metrics to guide their investment decisions.

Table: 1 CSR Projects spending on SDGs in India (FY 2018)

S. No	Sustainability Goals Projects Name	Corporate Social Responsibility projects name	Fund flow in CSR in INR cr. (fy 2018)	Total % of CSR
1	SDG#4(Quality Education)	Education & skill development	3,502	35%
2	SDG #3 (Good Heath & Well Being)	Healthcare & sanitation	2,355	24%
3	SDG Training to promote rural sports SDG#8,10 Rural Development projects SDG#1,2,3,4,9	Rural development project	1,164	12%
4	SDG#14 & 15:: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	Environment	1,008	10%
5	SDG#9, 11 Protection of Art and heritage culture	National heritage protection	342	3%
6	SDG 5: Achieve gender equality and empower all women and girls	Empowerment	238	2%
7	SDG#8,10 Training to promote rural sports	Promotion of sports	191	2%
8	SDG#1,2,3,4,6,9,15 Contribution to prime minister relief fund	Relief funds	71	1%
9	SDG#9,12,13 Contribution to technology incubators	Funds for technology development	29	0%
10	SDG#3,4,8 Measures for the benefits of armed forces veterans ,war widows and their dependents	Benefits for armed force veterans & families	16	0%
11	SDG#1,2,3,4,6,7,9 Slum Area Development	Slum area development	11	0%
		Others*	1,073	11%
		Total	9,999	100%

*Others includes amounts that are not segregated under defined activities

Tabulated representation indicating the close relationship between CSR and SDGs, with an overwhelming focus of CSR (in India specifically) being on a few SDGs, especially SDG 4 and 3 while others remain neglected.[42]

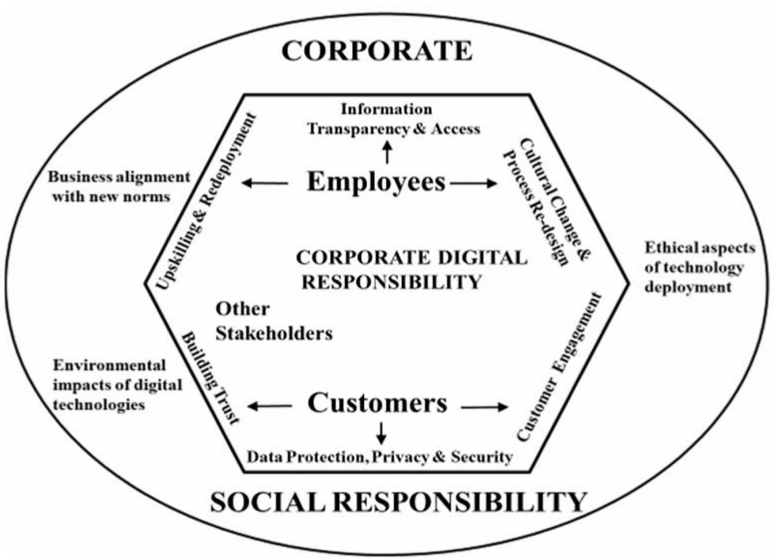

Figure 1. Main parameters of corporate digital responsibility.

Figure representing one conceptualization of CDR as a framework that is conceptually fully subsumed within CSR[43]

[42] Sunita Pachar, 'Role of CSR to Achieve Sustainable Development Goals (SDGs) in India: Opportunities and Challenges' Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(6). ISSN 1567-214x

[43] Martin Wynn and Peter JonesP. Corporate Responsibility in the Digital Era. Information 2023, 14, 324. https://doi.org/10.3390/ info14060324