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Maksym YERMAKOV,
Student of PhD, specialty 073 «Management»,
Higher Educational Institution «Academician Yuriy Bugay
International Scientific and Technical University»
ORCID ID: 0009-0009-5670-8626

ANALYSIS OF GLOBAL EXPERIENCE IN IMPLEMENTING THE PRINCIPLES OF SOCIALLY RESPONSIBLE ACTIVITY

In today's globalized world, socially responsible activity is becoming one of the key factors in the sustainable development of individual businesses and national economies. It helps to strengthen public business confidence and increase social justice and environmental sustainability. The article provides a comprehensive analysis of the global experience of implementing the principles of social responsibility and identifies the main trends and best practices of leading international companies. The role of corporate social responsibility (CSR) in forming sustainable business models that contribute to long-term competitiveness, improve reputation, and attract investment is investigated. The key international CSR standards, remarkably the UN Global Compact, ISO 26000, GRI standards, and ESG criteria that define the development directions of socially responsible business, are considered. The main mechanisms of CSR implementation in different countries are analyzed, including government regulation, tax incentives, voluntary initiatives of companies, and the influence of civil society. The main challenges enterprises face in implementing the principles of social responsibility are outlined, including insufficient awareness, lack of uniform evaluation criteria, and the need for financial support. Particular attention is paid to adapting the international experience to Ukrainian realities, particularly the need to develop effective mechanisms to support socially responsible businesses at the state level. Based on the analysis, it is concluded that the active implementation of CSR in Ukraine will contribute to forming a sustainable economy, improving the social climate, and increasing the attractiveness of the national business environment for foreign investors. Taking into account global trends and implementing innovative approaches in the field of social responsibility can become key factors of positive changes in the national economic space.

Keywords: *corporate social responsibility, socially responsible activity, management, enterprise, sustainable development.*

Максим Анатолійович ЄРМАКОВ,
здобувач третього (освітньо-наукового) рівня вищої освіти,
спеціальність 073 «Менеджмент»,
Заклад вищої освіти «Міжнародний науково-технічний університет
імені академіка Юрія Бугая»

АНАЛІЗ СВІТОВОГО ДОСВІДУ ВПРОВАДЖЕННЯ ПРИНЦИПІВ СОЦІАЛЬНО ВІДПОВІДАЛЬНОЇ ДІЯЛЬНОСТІ

У сучасному глобалізованому світі соціально відповідальна діяльність стає одним із ключових чинників сталого розвитку як окремих підприємств, так і національних економік. У статті здійснено комплексний аналіз світового досвіду впровадження принципів соціальної відповідальності, визначено основні тенденції та кращі практики провідних міжнародних компаній. Досліджено роль корпоративної соціальної відповідальності (КСВ) у формуванні стійких бізнес-моделей, що сприяють довгостроковій конкурентоспроможності, покращенню репутації та залученню інвестицій. Розглянуто ключові міжнародні стандарти КСВ, зокрема Глобальний договір ООН, ISO 26000, стандарти GRI та ESG-критерії, що визначають напрями розвитку соціально відповідального бізнесу. Проаналізовано основні механізми реалізації КСВ у різних країнах світу, включаючи державне регулювання, податкові стимули, добровільні ініціативи компаній та вплив громадянського суспільства. Особливу увагу приділено адаптації міжнародного досвіду до українських реалій, зокрема необхідності розробки ефективних механізмів підтримки соціально відповідального бізнесу на рівні держави. На основі аналізу зроблено висновок, що активне впровадження КСВ в Україні сприятиме формуванню стійкої економіки, покращенню соціального клімату та підвищенню привабливості національного бізнес-середовища для іноземних інвесторів.

Ключові слова: *корпоративна соціальна відповідальність, соціально відповідальна діяльність, управління, підприємство, сталий розвиток.*

Statement of the problem. In the modern world, social responsibility is becoming an integral part of the activity of enterprises, governments, and public organizations. Successful development of society is impossible without integrating the principles of socially responsible activity (SRA) into all spheres of economy and management. This is due to the growing environmental, social, and ethical challenges that require a comprehensive approach and effective use of global experience.

Scientific research and practice show that implementing SRA contributes to sustainable development, enhancing the level of trust in organizations and their competitiveness. Developed countries already have considerable experience in this area, particularly in applying international standards, regulations, corporate strategies, and social initiatives. However, this process faces several challenges in developing countries, including the lack of appropriate incentive mechanisms, insufficient government support, and low business and public awareness.

The importance of analyzing global experience lies in studying best practices, adapting them to national conditions, and developing effective mechanisms for integrating social responsibility into business processes and public policy. This, in turn, will increase social cohesion, ensure environmental sustainability, and promote economic growth.

Thus, studying the principles of socially responsible activity and their application in the international context is an urgent scientific task with significant practical significance. The study of global experience will help to develop recommendations for improving the situation in Ukraine and other countries seeking to integrate social responsibility into their economic and governance models.

Analysis of the latest research and publications. Socially responsible activity is actively studied in academic circles and international organizations. Many scholars emphasize the role of CSR as a tool for improving business sustainability and its integration into global economic processes. In their studies, European and American scholars [1,2] have shown that social responsibility contributes to long-term financial stability and a positive company image.

In recent years, domestic and foreign researchers [3] have analyzed CSR's impact on enterprises' competitiveness in developing countries. In particular, they note that effective implementation of the CSR principles is possible only with the support of the state, business community, and civil society. Some authors consider corporate social responsibility in the context of sustainable development and point out its close connection with achieving the UN Sustainable Development Goals.

International organizations, such as the OECD, the World Bank, and the European Commission, have published analytical reports highlighting best practices in implementing CSR in developed countries. Their documents emphasize that companies that adhere to the principles of social responsibility have a higher level of investor attraction, customer loyalty and resilience to crises. However, despite many studies, the question of adapting international experience to the specifics of emerging economies remains open. The impact of regional factors, regulatory conditions, and cultural peculiarities on the effectiveness of the implementation of SRA has not been sufficiently studied. That is why further study of this topic is essential for developing effective strategies for socially responsible activity in different countries.

The article aims to analyze international standards and experience for implementing the principles of socially responsible activity in Ukraine.

Summary of the primary research material. Modern business is shifting from financial gain to strategies combining efficiency with a positive societal impact. Companies that pay attention to the environment, social impact, and responsible management have better long-term growth and investment prospects. ESG investing prioritizes sustainable value creation while preserving natural resources and human capital. A system of standards and annual CSR reports has been introduced to support socially responsible businesses to help companies assess their performance against key indicators. The most prominent ESG frameworks and standards used by companies doing global business are shown in Table 1.

A characteristic of international business activity, especially in large businesses, is the growing importance of mandatory CSR reporting. This reflects a global shift toward greater transparency and accountability in markets. The standards used for social responsibility reporting are intended to ensure disclosure of environmental, social, and governance factors that affect companies' operations. It is worth noting that different countries may use their standards. For example, since April 2022, the UK has introduced mandatory ESG disclosure rules that require specific categories of companies to include climate-related financial information in their strategic reports [4]. These rules apply to:

- companies that are required to report on non-financial information, including companies with more than 500 employees and that are listed on a UK-regulated market or that operate as a banking or insurance company;
- companies listed in the UK on the London Stock Exchange with more than 500 employees.
- companies registered in the UK that do not fall into the above categories but have more than 500 employees and a turnover of more than £500 million.
- large limited liability companies without trading or banking activities with more than 500 employees and a turnover of more than £500 million.
- trading or banking companies with more than 500 employees [4].

Table 1. Global system of standards and frameworks o support corporate sustainability

Title of the standard	The essence of the standard	Purpose of the standard	Impact on the company's operations
CDP (Carbon Disclosure Project)	The most widely used database on the environmental impact of organizations, such as global greenhouse gas emissions	Increase transparency of environmental impact data and support sustainable business by helping companies measure, track, and reduce environmental damage.	Helps companies disclose environmental data and track progress
Sustainability Accounting Standards Board (SASB)	The SASB, a nonprofit, provides industry-specific guidelines for disclosing financially relevant sustainability information to investors.	Helping companies worldwide report on the sustainability issues that matter most to their investors will likely impact their ability to create long-term value for shareholders.	Improving the effectiveness and comparability of corporate disclosure on environmental, social, and governance (ESG) issues
Global Reporting Initiative (GRI)	The Global Reporting Initiative is an international non-profit and independent initiative in which many participants develop rules for companies concerned with sustainability.	The Global Reporting Initiative helps to demonstrate the specific and targeted actions taken to reduce the sometimes harmful impacts on companies. The defined guidelines make it possible to measure the effectiveness of the various measures.	Encourages transparency across all ESG factors, which is widely used globally
Task Force on Climate-related Financial Disclosures (TCFD)	An international initiative established in 2015 by the FSB at the G20's request to help companies transparently report climate risks and their business impact.	To inform investors and stakeholders about the climate-related risks and opportunities facing companies, and to contribute to a more sustainable, low-carbon global economy through informed investment decisions.	Helps companies align their reporting on climate-related risks and opportunities
Annual corporate social responsibility (CSR) reports	Report on the integration of environmental, social, and economic values into business operations	Align business operations with societal goals by pursuing financial success while making a positive impact. Set specific goals, build community partnerships, and enhance supplier codes of conduct to address social and environmental issues.	CSR reports demonstrate how a company complies with its social and environmental obligations

Source: [4-8]

The rules described above apply to large companies and financial institutions and include numerous businesses with their supply chains, emphasizing the importance of ESG reporting in the country represented.

In 2024, the UK government introduced updated Sustainability Disclosure Requirements (SDRs), which outline plans to establish global best practices and leading standards to support the UK's ambition to become the world's first Net Zero Aligned Financial Center.

A Net Zero Aligned Financial Center is an initiative that aims to align the country's financial system fully to achieve Net Zero (zero greenhouse gas emissions) by 2050. Financial institutions operating in such a center (banks, insurance companies, investors, exchanges, regulators) prioritize financing projects contributing to decarbonization, sustainable development, and climate change adaptation. In line with this approach, the UK has announced its desire to make London a world leader in financing the transition to Net Zero. In addition, in 2021, at the COP26 conference, more than 450 financial organizations committed to aligning their activities with the Net Zero concept through the Glasgow Financial Alliance for Net Zero (GFANZ) initiative. Under the Non-Financial Reporting Directive (NFRD), the EU required about 11,000 large companies to disclose ESG information. In January 2023, the Corporate Sustainability Reporting Directive (CSRD) [9] replaced the NFRD, expanding the scope to about 50,000 companies, which is about 75% of the total number of EU companies [4].

The CSRD generally applies to companies listed on regulated markets in the EU, except micro-enterprises, i.e., those with less than 10 employees and/or annual net income of less than EUR 20 million. In addition, the directive applies to large companies that meet at least two of the following criteria:

- 250 or more employees,
- more than EUR 40 million in net income,
- more than EUR 20 million in total assets.

The CSRD strengthens companies' requirements for disclosure of social and environmental information. It entered into force on January 5, 2023; the first reporting will start in 2025 for the 2024 financial year. The Directive covers large and medium-sized companies (excluding micro-enterprises) and some companies outside the EU with revenues of more than EUR 150 million in its market. Reporting is carried out by the European Sustainability Reporting Standards (ESRS) developed by the independent body EFRAG. CSRD's goal is to identify and eliminate the negative impact of business on human rights and the environment.

The United States of America has made significant progress in mandatory ESG disclosure at the federal level. In March 2024, the SEC adopted rules to standardize disclosure of climate risks that could have a material impact on businesses. However, their implementation may be complicated by changes in leadership and political priorities.

In global practice, some companies resort to greenwashing, which creates a false impression of environmental responsibility. To prevent this, ESG labelling rules are used to increase transparency and simplify the comparison of ESG funds. The labelling requirements depend on the company's country of registration, as shown in Table 2.

Table 2. Features of ESG labelling in the EU, the UK, and the USA

Country	ESG labelling regulations
United Kingdom	**Greenwashing Rule:** Since mid-2024, FCA-authorised firms must ensure sustainability claims are accurate and not misleading. **Sustainability Labels:** ▪ Sustainable Focus – 70%+ in high-sustainability assets. ▪ Sustainable Improvers – ESG performance must improve measurably. ▪ Sustainable Impact – Targets specific environmental or social issues with measurable outcomes.
European Union	▪ Article 6 funds: Fail to integrate sustainable development into their investment processes ▪ Article 8 funds: Promote environmental or social performance but do not focus on sustainable development ▪ Article 9 funds: Have sustainability as a primary investment objective.
United States of America	▪ ESG-integrated funds: Take into account ESG factors as part of broader investment considerations, with detailed disclosure of methodology ▪ ESG-oriented funds: ESG factors play an essential role, requiring detailed disclosure of emissions and standardized asset selection criteria ▪ Impact-oriented funds: Funds designed to achieve specific ESG outcomes, with transparent measurement of qualitative and quantitative progress ▪ 80% rule: Funds that have ESG in their name must allocate at least 80% of their assets to meet their stated ESG focus

Source: [4-8]

It is worth noting that the EU's updates to corporate social responsibility reporting include stricter requirements for the names that companies can use to label their socially responsible activity. In particular, companies that use terms such as "green" or "sustainable" must meet stricter criteria to avoid misleading investors. Exceptions are allowed for green bonds from issuers with a high level of issuance under certain conditions. The new reporting rules also provide for certain simplifications. For example, experts have proposed replacing the current classification (Table 2) with three categories - Sustainable, Transitional, and ESG Collection - to increase transparency for investors and reduce the complexity of grading companies.

In early 2024, the USA Securities and Exchange Commission (SEC), the primary regulator of the US financial market, finalized climate disclosure rules requiring public companies to disclose data on climate risks and emissions. However, reporting emissions for Scope 3 remains voluntary for most companies.

Their partners and investors rely on several indices to evaluate companies' sustainability and social responsibility performance. The most significant among them are:

- Dow Jones Sustainability Index (DJSI),
- Morgan Stanley Capital International (MSCI ESG),
- Financial Times Stock Index for the Common Good (FTSE4Good Developed),
- ISS ESG Solutions.

The Dow Jones Sustainability Index (DJSI) is a globally recognized indicator that measures companies' sustainability across economic, environmental, and social parameters. Established in 1999, it helps investors evaluate the performance of businesses committed to sustainable development. Being included in the DJSI increases companies' reputation and investment attractiveness. The index sets standards for responsible corporate behaviour and promotes sustainable business practices worldwide. Inclusion in the DJSI is based on several established parameters, including:

- corporate governance,
- risk management,
- climate change strategies,
- environmental performance,
- labor practices,
- human rights,
- stakeholder engagement.

Companies are included in the DJSI list based on their sustainability performance, which is determined by analyzing sustainable practices and their performance and comparing them to industry peers and global standards. It is worth noting that the specific parameters may vary from year to year. Still, the assessment focuses on the economic, social, and environmental dimensions and includes specific industry parameters. [10].

The DJSI incorporates sectoral parameters to evaluate companies in their respective sectors. For example, companies in the energy sector may be assessed on their renewable energy initiatives, while companies in the healthcare sector may be assessed on patient access to medicines. Companies are evaluated based on their performance against each criterion, and scores are compared to industry peers to determine inclusion in the DJSI. The rigorous evaluation process involves data collection, analysis, and verification. [10].

Companies among the top 10% in a particular industry are included in the DJSI World. In 2022, the list consisted of 332 companies; in 2024, there were 321 companies. The DJSI World 2024 list is represented by companies from all continents operating in 25 types of economic activity (Fig. 1).

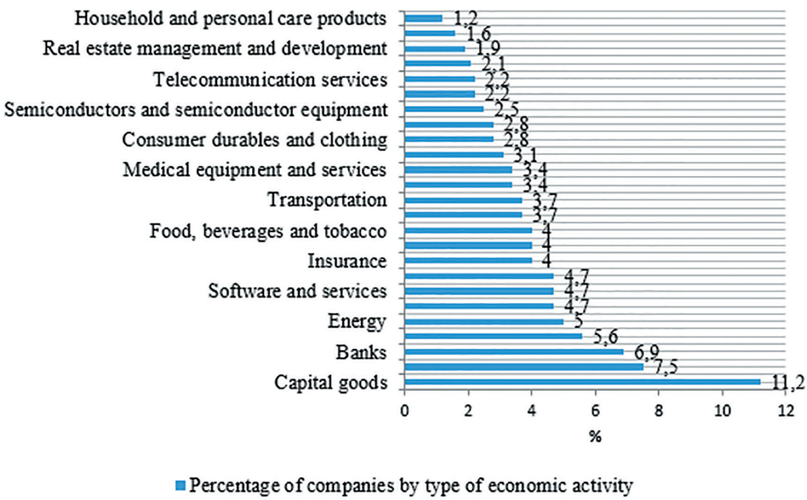

Fig. 1. Share of companies by type of activity included in the Dow Jones Sustainability World Index in 2024

Source: calculated based on [11]. A significant portion of this list (18.7%) comprises companies engaged in such sectors as Capital Goods and Materials. For companies in these sectors, social responsibility is an ethical practice and a competitive advantage that drives innovation, investment, and reputation. They are committed to sustainable development, regulatory compliance, and customer and investor satisfaction, making them leaders in CSR. As capital goods are energy-intensive and generate significant emissions (Scope 1, 2, 3), countries are tightening environmental legislation to require emissions reductions, clean technologies, and responsible waste management. In response, companies are implementing environmental initiatives, such as reducing emissions and using renewable energy and environmentally friendly materials. This helps to minimize environmental impact and meet the growing ESG requirements of investors.

Conclusions and suggestions. The analysis of global experience in implementing the principles of socially responsible activity has shown that social responsibility is an essential factor in the sustainable development of business and society. Successful international practices demonstrate that integrating social responsibility into companies' strategies helps strengthen their reputation, increase their competitiveness, and expand access to financial resources.

It has been found that the world's leading companies are actively implementing environmental initiatives, supporting social programs, and adhering to transparent corporate governance standards. It improves companies' image and contributes to their long-term economic efficiency. Countries with a high level of corporate social responsibility have more stable financial systems, which confirms the need to adopt effective global practices in countries seeking to integrate into the global economy.

One of the main challenges in implementing socially responsible activity is the insufficient level of government regulation and low business awareness of the benefits of such activities. For further development, it is necessary to create incentives for enterprises, mainly through legislative initiatives, tax benefits, and financial support instruments.

Based on the study, it is established that socially responsible activities positively impact business development and play a key role in forming a sustainable society. It is proposed that successful international practices be adopted for national conditions, which will help improve the social climate and economic stability. Further research in this area may focus on mechanisms of state incentives for socially responsible businesses and evaluation of the effectiveness of the implemented initiatives.

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