

Appendix A

Alternative Measure of Corruption

This section shows the results of the augmented Cox regression model implemented in sections 5.3 and 5.4 using the Corruption Perception Index from Transparency International instead of the Control of Corruption Index from the Worldwide Governance Indicators as a robustness check of the obtained results.

As a robustness check of the augmented Cox regression with time-varying effects, we introduced the Corruption Perception Index (CPI) from Transparency International as an alternative measure of corruption. This additional analysis aims to validate our findings using another independent institution's assessment of the perceived level of corruption. Before proceeding, we conducted a correlation analysis between the Control of Corruption Index (CC) used initially and the CPI. The high correlation coefficient of 0.96 suggests that the CPI can be used as an alternative index to check the results obtained initially using the CC in our regression model. By incorporating the CPI, we enhance the robustness and reliability of our regression analysis.

The regression results (Table A1) confirmed the previous findings based on the CC index (Table 11). Our first hypothesis, which focuses on the impact of a corrupted environment on the decision to withdraw from CSR initiatives, has been validated by the significant negative coefficient obtained. This means that with a one-unit increase in the CPI score, the likelihood of delisting is reduced by 19.2%. Moreover, organisations from less corrupt countries (with higher CPI scores) tend to remain engaged longer in CSR initiatives than those from countries with high perceived corruption (with lower CPI scores).

Table A1 Determinants of UNGC disengagement using the CPI

	Coefficient	Robust Std. Error	P> z
Time-Independent Variables			
CPI	-0.192**	0.059	0.001
Company Size			
Micro enterprise	0.456**	0.138	0.001
Small enterprise	0.773***	0.049	0.000
Medium-sized enterprise	0.416***	0.058	0.000

Industry Sector			
Energy, mining, & Utilities	-0.090	0.075	0.232
Financial Services	-0.034	0.074	0.645
Healthcare & Pharma.	-0.042	0.074	0.565
Manufacturing & Const.	0.086**	0.026	0.001
Others	-0.532**	0.058	0.000
Time-Varying Covariates			
Consumer Goods	-0.022	0.014	0.104
Region2 (LATAM)	-0.016	0.029	0.583
Observations:	12,399		
Failure events:	4,078		

Source: Own calculations with information from the Global Compact programme linked with the Transparency International database.

On the other hand, while the CPI is included with the company size and the industry sector variables in the regression model, the initial results for our second hypothesis were confirmed. On the one hand, large enterprises are less likely to disengage from CSR voluntary initiatives than SMEs. This is supported by the positive significant ($p \leq 0.001$) coefficients obtained for the micro (Coeff. = 45.6%), small (Coeff. = 77.3%), and medium-sized (Coeff. = 41.6%) enterprises. On the other hand, the energy, mining, and utility sector remains with a negative coefficient but with no statistical significance (Coeff. = -9.0%, $p > 0.05$). The case of the manufacturing and construction sector also maintained the initial results, showing a significant ($p < 0.001$) negative coefficient (Coeff. = -0.08). This suggests that, compared with the reference Technology and Telecommunications, organisations in the manufacturing and construction sector have an 8.6% reduced likelihood of abandoning the CSR initiative.

The third hypothesis was tested using the Region2 variable in this regression model. However, the findings contradicted the hypothesis and confirmed the previous results. Specifically, the results revealed that compared to organisations from the European Economic Area, companies from Latin America and the Caribbean are less likely to disengage from CSR initiatives (Coeff. = 0.02). Despite the negative coefficient of the Region variable, it is not a predictor variable that significantly influences the organisational behaviour of disengaging from CSR initiatives. Notably, the p-value was non-significant ($p > 0.05$) at conventional levels. Our analysis suggests that the Region

variable may not play a significant role in shaping organisational behaviour regarding disengaging from CSR initiatives.

Finally, similar to the previous section, the individual region results were tested to confirm the obtained insights. Table A2 shows the results for the European Economic Area. For this region, the perceived level of corruption, company size, and the manufacturing industry sector held significance at conventional levels with p-values lower than 0.05. These results confirmed that for this region, in countries with lower levels of perceived corruption (higher scores in the CPI score), the likelihood of disengaging from the UNGC is reduced. On the other hand, the company size is also confirmed to be a significant determinant for CSR disengagement. The results indicated that micro and SMEs are more likely to withdraw from the UNGC programme than big enterprises. Lastly, the industry sector hypothesis could not be confirmed. The manufacturing and construction sector partially denied the second hypothesis (H2) by showing an increase of 9% in the likelihood of abandoning the CSR initiative compared with the reference group.

Table A2 Determinants of UNGC disengagement in the EEA using the CPI

Variables	Coefficient	Robust Std. Error	P> z
Time Independent Variables			
CPI	-0.358***	0.085	0.000
Company Size			
Micro enterprise	0.461***	0.099	0.000
Small enterprise	0.767***	0.071	0.000
Medium-sized enterprise	0.462***	0.060	0.000
Industry Sector			
Energy, mining, & Utilities	-0.058	0.106	0.586
Financial Services	0.013	0.075	0.859
Healthcare & Pharma.	-0.073	0.138	0.595
Manufacturing & Const.	0.090*	0.038	0.019
Others	-0.456***	0.055	0.000
Time Varying Covariates			
Consumer Goods	-0.011	0.012	0.362
Observations	8,567		
Failure Events	2,703		
Countries	31		

* $P < 0.05$; ** $P < 0.01$; *** $P < 0.001$

Note: Calculations for the Cox regression model with time-varying covariates consider cluster effects by Country. (CPI) corresponds to the Corruption Perceptions Index. The analysis includes observations spanning ten years (2011 to 2021).

Source: Own calculations with information from the Global Compact programme linked with the Transparency International database.

The findings from the Latin American case (Table A3) underscored the nuanced interplay of cultural, institutional, and contextual factors in shaping CSR disengagement patterns. Analysis revealed that the perceived level of corruption (CPI) did not reach statistical significance (p-value > 0.05) in influencing withdrawal decisions among organisations in this region. Notably, company size emerged as a significant determinant, with small and medium-sized enterprises exhibiting a heightened likelihood of withdrawal (78.7% and 31.2%, respectively) compared to big enterprises. However, there was insufficient evidence at conventional levels to suggest that organisations in the hypothesised mining, energy, and utilities or construction and manufacturing sectors had a significantly decreased likelihood of withdrawal compared to the reference group.

Table A3 Determinants of UNGC disengagement in Latin America using the CPI

Variables	Coefficient	Robust Std. Error	P> z
Time Independent Variables			
CPI	0.091	0.063	0.147
Company Size			
Micro enterprise	0.082	0.277	0.768
Small enterprise	0.787***	0.063	0.000
Medium-sized enterprise	0.312**	0.109	0.004
Industry Sector			
Energy, mining, & Utilities	-0.183	0.109	0.093
Financial Services	-0.168*	0.074	0.024
Healthcare & Pharma.	-0.075	0.050	0.137
Manufacturing & Const.	0.040	0.035	0.247
Others	-0.688***	0.109	0.000
Time Varying Covariates			
Consumer Goods	-0.047*	0.021	0.027
Observations	3,772		

Failure Events	1,375
Countries	23

P < 0.05; **P < 0.01; *P < 0.001*

Note: Calculations for the Cox regression model with time-varying covariates consider cluster effects by Country. (CPI) corresponds to the Corruption Perceptions Index. The analysis includes observations spanning ten years (2011 to 2021).

Source: Own calculations with information from the Global Compact programme linked with the Transparency International database.

Appendix B

Figure A shows the timeline of participants joining and withdrawing from the UNGC from 2011 to 2021, the interval studied in this research.

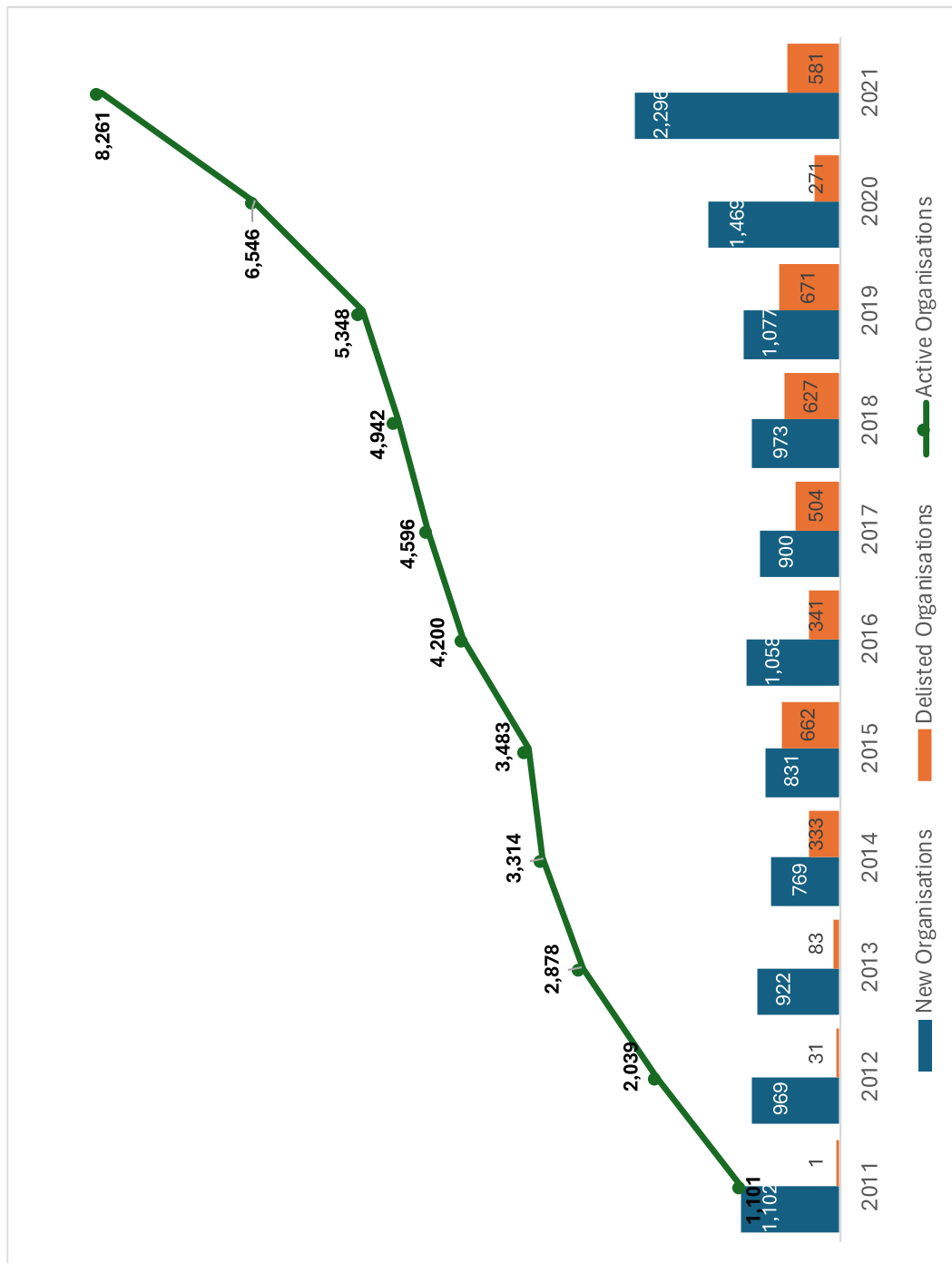


Figure A UNGC Participants Timeline 2011 – 2021

Source: Own calculations from the Global Compact programme database.

Appendix B

Figure B shows the timeline of participants joining and withdrawing from the UNGC from 2011 to 2021, the interval studied in this research for the Latin American sample.

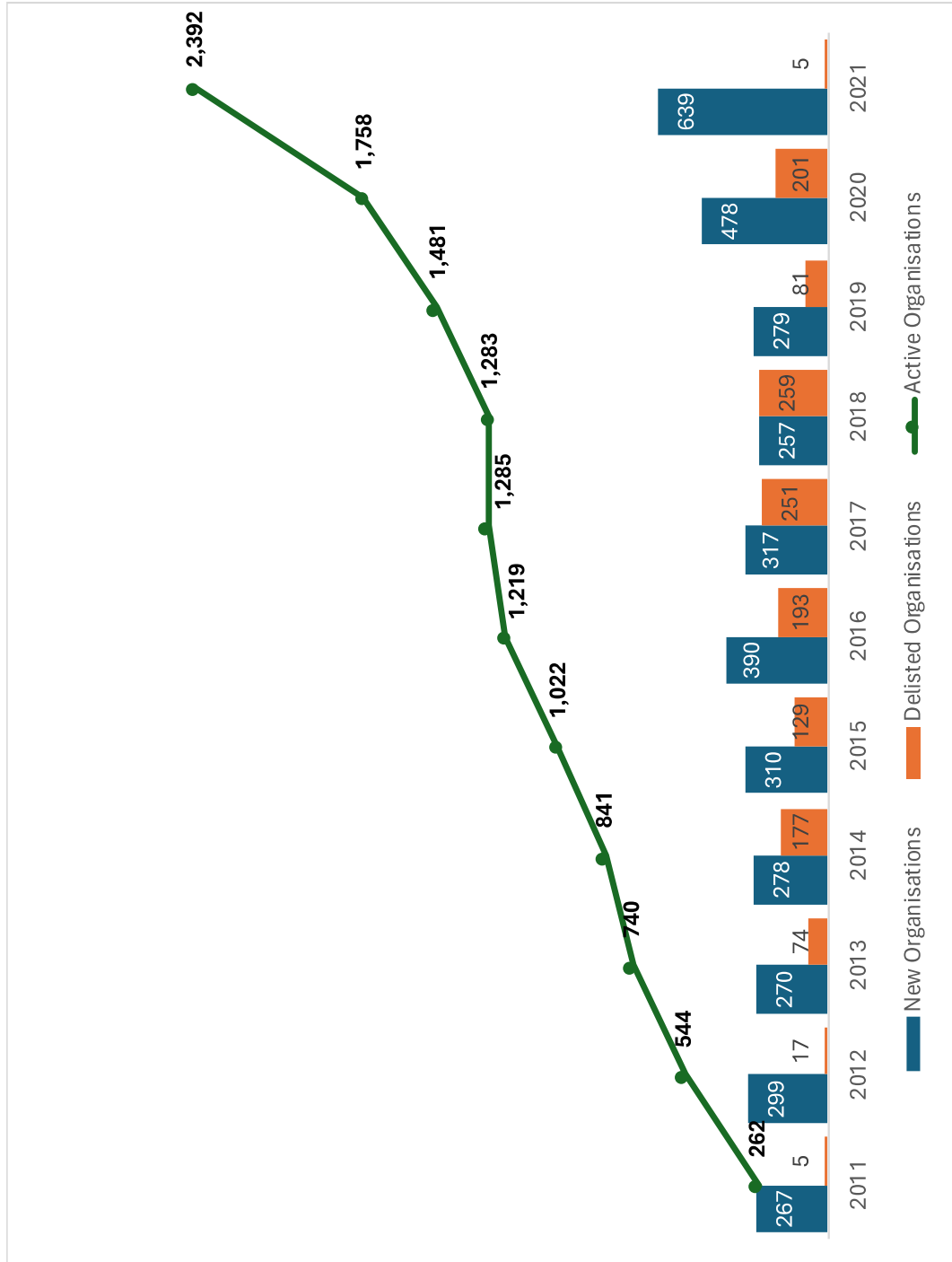


Figure B UNGC Latin American Participants Timeline 2011 – 2021

Source: Own calculations from the Global Compact programme database.

Appendix C

Figure C shows the timeline of participants joining and withdrawing from the UNGC from 2011 to 2021, the interval studied in this research for the European Economic Area sample.

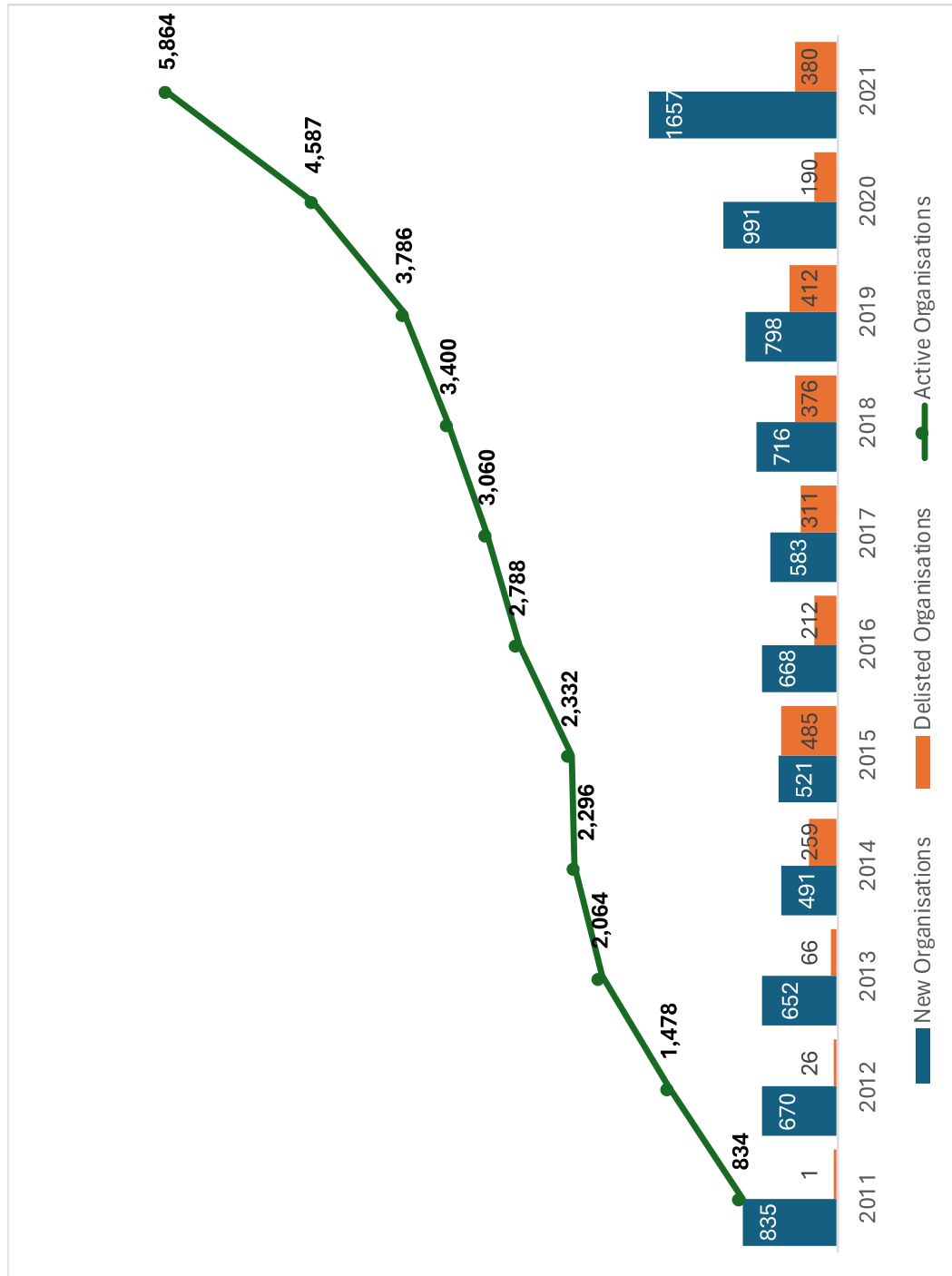


Figure C UNGC European Economic Area Participants Timeline 2011 – 2021

Source: Own calculations from the Global Compact programme database.