

ROLE OF CORPORATE SOCIAL RESPONSIBILITY IN SUPPORTING SUSTAINABLE DEVELOPMENT

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Abstract

The paper examines the role played by the corporate social responsibility in promoting sustainable development. The first part of the paper takes into consideration the theoretical approach. The second part is dedicated to the analysis of corporate social responsibility in Romania. From the methodological point of view, the research is based on desk research of main international and national regulations as well as the specialised literature and available data. Research results highlight the progress made lately in our country in promoting corporate social responsibility by large companies.

Keywords: social responsibility, corporate social responsibility, sustainable development

JEL Clasification: D64, D63, P52

Introduction

The concept of social responsibility and the ensuing one of corporate social responsibility are not new. It was shaped formally by the beginning of the 20th century in the United States of America. The first mentions in specialised literature date back to the fifties when Bowen (regarded as the father of social responsibility) formulated the first definition: “Businessmen have the duty to pursue those polities, and take the decisions, or follow the directions of actions that are desirable as regards the objectives and values of our society” (Bowen, 1953, p. 6). In 1960, Keith Davis introduced the concept of “Iron Law of Responsibility” by which he underpins that “the responsibility of businessmen must be measured by their social power” (Davis, 1960, p. 71). Much later, Carroll gives a much more comprehensive definition: “Corporate social responsibility includes all economic, legal, ethical, and discretionary-philanthropic expectations that the society has from the organisation at a given time” (Carroll, 1979, p. 500).

1. Corporate social responsibility

At world level, the United Nations Organisation, and the subordinated institutions adopted strategic documents that contributed to promoting corporate social responsibility. Thus, in the working session of the International Labour Organisation from 1977, a document was adopted that aimed at the principles operating between multinational enterprises and social policies in the context of economic globalisation. The changes brought in the framework of the sessions from 2000 and 2006 led to the final statement from 2017. Substantiated by a series of international conventions and recommendations in the field of labour, the statement submits to the attention of all decision factors with responsibilities in the field (employers’ and trade union organisations, governments and international companies) four major field: labour force employment, vocational training, living, and working conditions, and industrial relations. Particular emphasis is laid on the corporate responsibility regarding the observance of human rights (International Labour Organisation, 2017, p. 6, 11-12). In this respect, as fundamental principles, the companies, irrespective of their characteristics as regards structure, size, field of activity and organisation, commit to compliance with the Universal Declaration of Human Rights in all carried out activities. The operational principles in this regard include a commitment assumed at the level of the

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company's policy, and available publicly to all interested parties (United Nations Human Rights, 2011, p. 14, 21). The largest international initiatives concerning CSR is UN Global Compact build around ten principles concerning human rights, work, environment and anti-corruption (UNGC, 2015, p. 11). Launched in 2000, it is based on 9.500 companies from all over 160 countries. According with the survey conducted by UN Global Compact, 90% of analysed companies declared that they have policies and practises towards promoting the ten principles (UNGP, 2018, p. 6).

Based on the evaluation of the Millennium Development Goals, among the most recent UN initiatives we mention the 17 goals assumed in the framework of the Sustainable Development Agenda 2030. Among the objectives that intertwine with social responsibility we mention to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" and "build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation" (United Nations, 2015, p. 14).

The Organisation for Economic Cooperation and Development (OECD) is one of the international strategic partners of the initiative UN Global Compact. Based on the international standards and regulations enforced in 2011, OECD adopted guidelines for multinationals applicable based on the support of the national points of contact in accordance with the Declaration on International Investment and Multinational Enterprises (2010). The fields taken into account are human rights, labour force employment, and industrial relations, environment protection, combating bribery and soliciting bribery, consumers' interests, science and technology, competition and taxation (OECD, 2011, p. 5-7). According to the report from 2017 as regards the implementation of these guidelines at national level, Romania did not adopt a national action plan regarding businesses and human rights (OECD, 2018, p. 51). Closely linked with the OECD document about multinational companies, OECD adopted a set of guidelines regarding businesses responsibility from the perspective of labour standards, the social field, environmental protection, and human rights (OECD, 2017, p. 5). As regards the measures that would support the internationalisation of the small- and medium-sized enterprises, the data gathered in the year 2015¹ highlight the following ranking: grants, subventions and advantageous loans (30%), fiscal incentives (28%) and support by identifying business and network partners (27%) (European Commission, 2015, p. 104).

Another relevant document for a common understanding of CSR is the ISO 26000 Standard dedicated to social responsibility. Without representing a standard management system and without being applicable for certification, ISO 26000 approaches social responsibility from the viewpoint of six topics: organisational governance, human rights, labour practices, environment, and proper operational procedures, along with aspects regarding consumers and community involvement, and development (International Organization for Standardization, 2018, p. 9).

The importance of advancing the concept of corporate social responsibility in elaborating common strategies of the member-states drew the attention of the European Commission representatives. We mention in this respect the definition of social responsibility as "the companies integrating social and environmental concerns in their activities, and the interaction with the interested parties on a voluntary basis" (European Commission, 2001, p. 6). Later on, together with publishing the new European Strategy 2011-2014 regarding Corporate Social Responsibility, the European Commission launched a new definition: "The responsibility of companies for the impact they have on the society" (European Commission, 2011, p. 6).

The constant concerns for developing and enforcing the CSR concept continued so that by 2013, the European Commission adopted the Directive 34/2013 regarding yearly

¹ The questionnaire was applied in the 28 EU member-states, with the participation of the following non-EU countries: Albania, the Former Republic of Macedonia, Island, Moldova, Montenegro, and Turkey.

financial statements. This directive was in its turn changed by the adoption of Directive 95/2014 that provides for the obligation of large enterprises to disclose non-financial information, and information about diversity. The statement submitted accordingly must contain aspects related to environment (the use of renewable and non-renewable energy, glasshouse gas emissions, water use, and air pollution), and social and personnel related aspects (ensuring gender equality, enforcement of International Labour Organisation directives, working conditions, social dialogue, compliance with trade union rights, health, and workplace safety, combating corruption and bribery, etc.) (European Parliament, 2014).

In view of identifying best practices in the field, several specific codes were identified for integrating social responsibility policies in company strategies and in the results' reporting process. At international level best known are the United Nations Global Compact, Global Reporting Initiative (GRI), the Accountability Framework and the Standard ISO 26000.

2. Sustainable development

The concept of sustainable development was used for the first time in 1992, in the framework of the Rio de Janeiro Conference, in Brasilia, as an outcome characterised by sustained economic growth, improvement of human condition, social justice, and environmental protection. From the scientific viewpoint, the concerns for such sustainable development were induced by the emergence of the humanitarian crisis, the deterioration of living conditions for very many people, the diminishment, and/or exhaustion of some natural resources, and other phenomena and processes generated by the current model of development.

The adoption of the sustainable development objectives was based on decades of joint action of the representatives of all countries of the world under the coordination of the United Nations Organisation (UN) for Economic and Social Affairs. We mention, in brief, the main stages of this process:

in 1992, in the framework of the Earth Summit organised in Rio de Janeiro, Brasilia, over 178 countries adopted the Agenda 21;

in September 2000, within the Millennium Summit organised at the UN headquarters from New York, the member-states adopted unanimously eight goals for reducing extreme poverty with the achievement deadline in 2015;

by the adoption of the Johannesburg Declaration, South-Africa in 2002, the member-states reasserted the commitment of the global community for eradicating poverty and for environmental protection;

in 2012, in Rio de Janeiro, Brasilia, the member-states adopted the document "The Future We Want" by which was launched the development process for the millennium goals and the High-Level Political Forum of the UN was set-up;

in 2013, the UN General Assembly established an Open Working Group with 30 members in order to draft a proposal on the sustainable development goals;

The year 2015 was a reference year for shaping the international policy towards sustainable development. Thus, on 26 September 2015, in the framework of the UN Private Forum, New York, the General Secretary Ban Ki-moon underpinned the role of private companies in achieving the sustainable development goals. "Achieving the sustainable development goals will improve the business environment, and will build markets. Trillions of dollars from public and private funds must be redirected towards the sustainable development goals, creating huge opportunities for responsible companies to provide solutions". The UN General Assembly began the negotiation process regarding the development agenda post-2015 and for the adoption of the Agenda 2030 on Sustainable Development with 17 goals for sustainable development. According to them, the eradication of poverty and of other deprivation forms must be accompanied by improvement strategies in

fields such as health, or education. Other approaches in this respect were represented by the adoption of the Paris Agreement on Climate Change (2015), and the set-up of the UN High Level Political Forum on sustainable development. Romania's delegation to the working meeting from July 2018 presented the results from the National Voluntary Report¹.

At the end of 2018, Romania adopted the National Strategy for Sustainable Development of Romania 2030 which details Romania's approach to the Millennium Goals and its goals towards 2030. The last chapter establishes national implementation and monitoring structures, as well as reporting to both EU and UN. The National Institute of Statistics is responsible for updating the national set of indicators. However, it is surprising that "by 2030, Romania intends to present at least two reports" (Departamentul pentru Dezvoltare Durabilă, 2018, p. 109).

3. Corporate social responsibility in Romania

The Directive 95/2014/EU was transposed in Romania by the adoption of the Order no. 1938/2016 regarding the alteration and addition to accounting regulations issued by the Ministry of Public Finances. According to item 2, from Article 1 the filling in of a non-financial statement is provided for as regards "entities of public interest that, at the date of the balance statements exceed the criterion regarding an average number of 500 employees". The information refers to "environmental, social, and personnel related aspects, compliance with human rights, fight against corruption and bribery". The Order of MPF details the aspects mentioned above as taken into account according to the information included in Annex 1.

In accordance with the National Voluntary Report from 2018, presented by the Romanian representatives at the working meeting organised within the aforementioned UN summit, in our country are 29 companies submitting non-financial reports compliant with the regulations included in the EU Directive 95/2014. These total 90 reports that cover the period 1999-2017 (Ministry of Environment 2018, p. 67). In comparison with this moment, the current webpage contains information about the same 29 companies but 100 reports are available. Among these, the majority (72) were elaborated before the launching of the international directive. Only 13 reports are available after the transposition of the European directive into domestic legislation by adopting the 2016 Romanian order. The first date since 2003 (Orange Romania). Latest reports are from 2017 (GSK Romania, OMV Petrom, Raiffeisen Bank and Transelectrica). No 2018 report is available in this database. Most annual reports (2009-2017) were prepared by Raiffeisen Bank. 10 out of 29 companies have submitted a single report although they have continuous activity in Romania.

In the year 2015, The Azores Sustainability & CSR Services realised the CSR Index Romania, by analysing 100 companies and realising a top about the most transparent and involved companies in corporate social responsibility. The starting point in elaborating the working methodology was represented by the Top 100 companies published by Ziarul Financiar (Financial Paper) based on the turnover realised in 2014. If in 2015, were taken into account nine categories with 36 indicators, in 2017 an evaluation fiche was drafted with 43 indicators. These were selected based on four international references: the Directive 95/2014/EU, the Sustainable Development Goals, the Global Reporting Initiative Standards, and the Dow Jones Sustainability Index. The 43 indicators were divided into nine categories covering the sustainable development field: corporate governance, diversity, economic impact, environment, human rights and Anti-Corruption policy, employees, marketing and Creating Awareness, community investments, and the supply chain. The report from July 2018 used a measurement tool with 49 indicators grouped in 9 categories, as well.

¹ <http://dezvoltaredurabila.gov.ro/web/news/participarea-delegatiei-romaniei-la-forumul-politic-de-nivel-inalt-al-onu-privind-dezvoltarea-durabila/>

Out of the nine categories used in the CSR Romania Index 2018, the lowest scorings were registered for the categories: supply chain, environment, and corporate governance that show that several companies are lacking management as regards corporate sustainability. Moreover, in 2017 only six companies published a non-financial report in the database GPI (Database Global Reporting), as compared with other countries, like Italy 98, Germany 108, and France 151.

The best scoring in 2018 was achieved for the category economic impact, by 25.8%, because companies communicated information as regards the amounts invested for contributing to communities' development (32% out of all companies) (The Azores, 2018). Within the policy of promoting the concept of corporate social responsibility were identified some fields of interest: supporting vocational and technical education, financial education, entrepreneurial education, and for children, green buildings, the environmental fingerprint of goods, internet security, waste gathering, CO2 emissions management, sustainable transportation, supporting culture providers and tourism (see Table 1). According to it, we notice that the companies in the top as regards economic growth are involved also in improving human condition, environment, and social situation.

Table 1. The field of interest, the company involved and the projects carried out, 2017

The field of interest	Company and program
Vocational and technical education	OMV Petrom - "Petroleum School"(Www.taraluiandrei.ro) Dacia - Partnership with Mioveni Machine Building Technological Highschool (www.daciagroup.com) HeidelbergCement- "The Apprenticeship School" (www.heidelbergcement.ro)
Financial education	BCR- "School on Wheels" and in 2016 "Wheelchair School" for adults (www.bcr.ro)
Education for children	Orange- "SuperCoders" (www.orange.ro) Romgaz - "Safety on the Internet"(www.rogaz.ro)
Education for entrepreneurs	ING- "Startarium" (launched in 2016 and has 3 pillars: education, funding and support-www.ing.ro)
Green Buildings	Lidl - "The Greatest Shop in the Portfolio" (www.lidl.ro) Henri Coanda International Airport Bucharest - "Carbon Reducing" (www.bucharestairports.ro)
Environmental footprint of products	Coca-Cola HBC Romania - "PlantBottle Technology" (www.coca-colahellenic.ro) Ursus Breweries - "Using Recycled Packaging" (www.ursus-breweries.ro) Mol Romania - "Every Can Counts" (www.molromania.ro)
Sustainable transport	Kaufland Romania and Raiffeisen Bank - "i'veco Urban - the first automated bicycle-sharing stations in Bucharest" (www.iveco.ro)
Supporting Romanian producers	Kaufland Romania-"National Support Program for Romanian Producers"(www.kaufland.ro) Mega Image - "Romanian tastes from households" (www.mega-image.ro) Carrefour - "Carrefour Vacaresti. Agricultural Cooperative" (www.carrefour.ro) Lidl - "Cultivated in Romania, specific Romanian" (www.agricultura-romaneasca.eu)
Responsibility for culture and tourism	Coca-Cola HBC Romania - "Bogăr Falls" (www.coca-colahellenic.ro) BRD - "Investments in culture" (partner in the International Festival in Sibiu and the National Theater Festival in Bucharest, and Young in Alexandria); Scena9.ro (cultural journalism platform) Smithfield Romania - "Be one of us", (www.smithfield.ro) National Airport of Bucharest (CNAB) - "On the Wings of Romanian Culture" (www.bucharestairports.ro)

Source: <https://www.slideshare.net/theazores/romania-csr-index-2017-detailed-report>

Following the analysis of the companies from Romania, The Azores Sustainability & CSR Services, a realised the top of industries where activities are found that are related to promoting the CSR concept. Thus, the highest weight was obtained by companies active in the beer industry (74.42%). These companies were followed by industries for consumption goods (36.23%), but these scored at double distance against the beer industry, which shows also the rather high weight of the company Coca-Cola HBC Romania (94.57% in 2017 and 94% in 2018) and Ursus Breweries (82.56% in 2017 and 72% in 2018). Last in the ranking were placed companies in the energy industry (10.48%) and the car industry (6.49%), and a weight around 20% was obtained by companies in the constructions' industry (26.36%), oil and gas (2.65%), IT&C (24.65%), banking system (22.55%) and agriculture (20.49%).

In granting the CSR related scorings 2018 emphasis was laid on Key Performance Indicators (KPIs) so that for each indicator a point was given if the respective indicator was mentioned and, respectively, two points when the information was accompanied by KPIs.

In order to show the companies' involvement in CSR, we have created an econometric model based on the assumption that there is some correlation between the business model and the CSR strategies and if so, what kind of correlation exists? In this respect, we have analyzed three indicators: net income, community investment and number of employees over a period of 3 years (2015, 2016, 2017), for Coca-Cola HBC, Kaufland Romania, Raiffeisen Bank, OMV Petrom, Telekom, Lidl Romania, Electrica, GSK Romania, Siveco, Ursus Breweries, BRD Bank, Pharmacies Dona, Rompetrol Rafinare, CEZ Romania, ArcelorMittal Galati, Vancart Group.

As a result of the statistical survey, using the nonparametric correlation and the correlation coefficients of Spearman and Kendall ranks, there is a slight, inverse and insignificant correlation between net income and community investment (see Table 3), as well as net income the number of employees (see Table 4), which shows that the correlation does not verify the hypothesis from which we left. The correlation is weak and insignificant because, due to lack of data, the analysis period is very short.

If we look at the statistical data collected for the three mentioned indicators, from a quantitative point of view (statistical data provided by each company through the annual social sustainability report), it is noticed that with the increase of the net income, the investments in the community have increased, as well as the number of employees, not in all cases but on the whole, a significant correlation can be seen. In this sense, we can argue that the economic activity of companies influences the amount allocated to programs and projects of social responsibility, so the more profitable the company, the more financially it will get involved through projects and programs at the community level.

Between the net income and the number of employees, the relationship is direct and significant, a correlation observed, on the one hand, with the statistical data provided by each company, through the annual social sustainability report, and on the other hand it is a logic If business is prosperous and economic efficiency increases, in the first stage (short term), jobs remain, and in the second (long term) if I want to produce more, or expand economic activity, obviously will require more workforce (see Annex 2).

4. Which are the companies at the top of the CSR Index Romania ranking?

In the years 2015, 2017 and 2018, the companies ranking on top positions in the CSR Index Romania were Coca-Cola HBC Romania, Kaufland, Raiffeisen Bank, OMV Petrom, CEZ, Telekom, all registering scorings over 90%, as they were involved in initiating and developing some programmes/projects in view of sustainable development. Hereunder we present the detailed situation for the first companies listed according to the ranking, respectively Coca-Cola HBC, Kaufland Romania and OMV Petrom.

Coca-Cola HBC Romania supporting social responsibility?

Coca-Cola HBC Romania is involved in four major directions for developing the social responsibility promoting programmes that are linked with environment, community, working environment, and market. Thus, in the period 2009-2017, high investments were made in the factories from Ploiesti and Timisoara (Combined Heat and Power Plants), as these have energy efficiency by using natural gas, for which the emissions are reduced by 20-40%, and the consumed energy is renewable (water consumption and energy), especially in the production and warehousing area. The raw materials (beginning with sugar beet), equipment, coolers are purchased from Romanian suppliers (90% out of all suppliers are from Romania), and comply with the emission reduction standards, just as the largest part of the goods are manufactured and sold in Romania.

Thus, in 2018, Coca-Cola HBC Romania was acknowledged, for the third consecutive year, as the most responsible company from the country as regards the initiation and development of some programmes that support social responsibility. The company obtained 94%, according to Romania CSR Index (index realised by the agency The Azores, by taking account of all 696 companies from Romania with over 500 employees). Irina Ionescu, Head of Communication & Public Affairs with Coca-Cola HBC Romania stated, “For us it is very important to develop the economy of the country where we are, as this is how the Coca-Cola system works in the world. You do not produce in a country and sell into another. The largest part of our products is sold in the country”.

Coca-Cola Company is involved in supporting social responsibility as follows:

După Noi (dupanoi.ro) (**Follow Us**) is a project initiated in 2015, consisting in creating a sustainability programmes’ platform of the company. Coca-Cola HBC Romania organised a series of workshops in Tara Dornelor (Dornelor Country) with local handicraftsmen who learned to use social media for marketing their products.

In the year 2017, **Coca-Cola HBC with the support of the Association Viitor Plus (Future Plus)**, of the company CON-A, and of local authorities, joined under the umbrella of the sustainability platform Dupa Noi, rearranged and restored the Bigar cascade regarded as one of the most spectacular from the world. The company contributed thus to doubling the number of tourists (Project Think Bigar).

In 2017 as well, was launched also the programme “**La TINERi este Puterea**” (**Youth have the power**) a project dedicated to youths from vulnerable groups (institutionalised youths who did not finalise studies) in Romania with ages between 18 and 30 years intending to enter in the labour market. Together with the NGO Social Incubator, they succeeded in including over 550 youths in the programme in Vaslui, Prahova, and Bucharest-Ilfov. The youths attended two types of courses respectively, personal development (learn what you like to learn) and career support (drawing up a CV, learning efficient communication, how to become entrepreneur). In 2018, the programme continued by launching an e-learning platform, extending the geographical area, and increasing the number of involved institutional partners, as the project aims to involve over 3000 youths.

In 2018, was launched and was implemented the project “**Ziua Buna! – Ziua Voluntarilor Mici**” (**Good Day! – The Day of Little Volunteers**”), together with Tasuleasa Social. The project registered over 23,000 thousand students and teachers from 5 counties who participated in collecting over 50 tons of plastic waste from their households.

The exact number of jobs generated by the entire Coca-Cola system is 19,900, and the money generated within the chain amount to 448 million Euro, from which the contribution to the state budget is 241 million Euro, respectively 0.8% from all incomes to the state budget, as Irina Ionescu (Public Affairs with Coca-Cola HBC Romania) declared.

Kaufland Romania supporting sustainable development

Kaufland Romania is a company supporting the local economy by purchasing from Romanian producers, and by caring and providing vocational training to its employees. They also are caring for the environment and support local communities. In 2016, the company invested over 110 million Euros in modernising and expanding its network. They have over 2000 products under their own brand, and 70 own brand products, representing the ratio between quality and price. The company has a purchasing policy that gives priority to local producers, so that over 70% from the company's suppliers are Romanian, and 50% from the traded goods are domestic.

Kaufland – responsible employer

- 15,478 employees worked with the company on 28.02.2017;
- the average age of the team is 36 years of age;
- the company supports gender equality. For instance, 47 of the middle management positions are represented by women;
- Kaufland believes in the equality of chances for all. For instance, in 2016, 7.89% of the employees were over 50 years of age, and 69 employees were people with disabilities;
- Also over the period 2016-2017, the minimum wage paid by Kaufland was higher than the legal minimum one. Currently, the income provided by Kaufland Romania to commercial workers is 2,800 RON gross per month, including both lunch and gift vouchers that are offered for Christmas and Easter.
- The company provides to employees health insurance, additional holidays, career development opportunities, discount vouchers, and other benefits.
- 1,809 employees benefited from training courses implemented by the company in 2016.

Kaufland is an active supporter of local communities:

- Kaufland invested over 6 million Euro (28,580,183 lei) in the community, based on the projects developed together with NGOs in 2016 for social causes, sport and health, education, culture, and for the environment;
- over 800,000 individuals benefitted from the Kaufland investments in the community;
- Environmental protection is an important aspect for Kaufland. Over 47,000 tons of waste was recycled in 2015, and 2016, respectively plastic, packages, batteries, cooking oil, etc.

The report is part of a vast process of investments in sustainability initiated by the company. In the framework of this process, Kaufland created also its first sustainability team. The team brings together 15 representatives from each department of the company who were trained by experts in business sustainability based on training sessions.

OMV Petrom's strategy regarding sustainable development: Resourcefulness

OMV Petrom - the largest oil and natural gas producer in South-Eastern Europe attempts by its projects to minimize the business risk, to support communities' development, and to protect the environment. The Resourcefulness strategy is focused on three directions: eco-efficiency, eco-innovation, and education for development. Thus, in 2016, over 230 managers have integrated the Resourcefulness objectives into their targets of development and performance.

By eco-efficiency, the company pursues to limit the environmental impact with special focus on energy efficiency, on glasshouse gas emissions' management (GGE), and water management. In the framework of eco-investments were selected three projects for development and implementation, respectively a burning system for fuel, an elimination

system for the burnt gases on the central Petromar platform, and the optimisation of the pumping power of the linear pumping rod (LPR). As regards education and development, the strategic objective is centred on vocational and entrepreneurial education, an initiative in the framework of the programme “Romania Meseriasa” (“Skilled Romania”) was the camp for craftsmen “Andrei’s Country” (the social responsibility platform of OMV Petrom). Thus, in 2016, from these initiatives benefitted 270 students from the counties Gorj, Bacau, Dambovita, and Arges. Fifty-five teachers were trained to develop management skills within the educational system, and 40 scholarships were granted to the best students from the summer camp. Just as well, the “Oilmen Scholarship” was launched which is granted to the best students from the Oil and Gas Faculty from Ploiesti and from the Polytechnic University of Bucharest. Moreover, a contest with money prizes was organised under the name “Manufactured in Andrei’s Country” and which presupposes the creation of ten social businesses that would give economic and social value within the OMV Petrom communities. By taking account of all projects, over 14,000 persons benefitted from the educational initiatives, from whom 250 individuals received scholarships, and 770 individuals gained skills and support for becoming competitive on the labour market.

The key elements identified by OMV Petrom are health, safety, security and resilience, environment (HSSE), human rights, diversity and employees’ development, business ethics and conformity and involvement of stakeholders.

Conclusions

Growth and economic performance have a considerable impact on human and social development. Economic growth has driven, for two centuries, a growing consumption of natural resources, raw materials and energy, which has obviously led to the diversification of goods and services, goods that people did not even dream 100 years ago.

We ask ourselves an important question, economic growth for whose benefit? Thus, with the growth and economic development, certain imbalances have emerged, causing certain crises: economic, ecological, social and human, all of which require a fall in growth rates and, in some cases, even a collapse. The idea that economic growth is the path of human development has proven to be an illusion; in this sense, it is necessary to rethink the current economic activity, so that the economic system harmonizes with the natural system and operates on the principle of sail boats, pushed by the processes ecological and not limited and exhaustible natural resources.

In the context of the act, the concept of sustainable development, which was initiated 27 years ago, has gained significant valences for all mankind, trying to achieve reconciliation between the economic and social environment and on this background, the concept of social responsibility corporate. Corporate social responsibility implies the involvement of companies in increasing the quality of life and living standards of the population, in protecting the environment and promoting green technologies, in the financial and professional education of young people and the most vulnerable on the labor market, ensuring and maintaining the state of health, safety and security at work, combating poverty and social exclusion, reducing inequalities and creating opportunities for all regardless of race, gender, nationality, participation and voluntary involvement in economic and social projects, defense and respect for human rights, fight against corruption, and bureaucracy, etc.

In Romania, in the light of the above, the initiative of companies to get involved in social, professional and environmental life is praised, so from year to year, CSR or diversified CSR projects and the number of beneficiaries increased. Although the European Directive is transposed into national law and large companies have begun publishing their CSR reports since 2003, it is necessary to correlate strategic factors to achieve visible long-term results. Among them we mention: public information and awareness campaigns towards sustainable

development objectives, the adaptation of the financing programs from the multinational companies to the national social needs, the promotion of the public-private partnership in identifying and solving the socio-economic problems, human rights and the protection of the environment. The adoption at the end of 2018 of the National Strategy for Sustainable Development of Romania 2030 represents a favorable framework on medium and long term perspective.

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Annexes

Annex 1. References regarding the non-financial statement according to Order no. 1938/2016 from 17 August 2016 as regards the alteration and addition of some accounting regulations

"Non-financial statement

492¹. – (1) Entities of public interest that, on the date of the balance, exceed the criterion regarding an average number of 500 employees during the financial exercise, include in the report of the managers a non-financial statement. This financial statement will contain, to the extent necessary for understanding the development, performance, and position of the entity, and the impact of its activity, at least information about environmental, social, and personnel aspects, about compliance with human rights, combating corruption and bribery. Here, will be included a) a brief description of the business model of the entity. b) A description of the policies adopted by the entity related to these aspects, including applicable due diligence procedures. c) The outcomes of the respective policies. d) The main risks related to these aspects resulting from the operations of the entity including, whenever relevant, and proportional, its business relationships, products, or services that might have negative impact on the respective fields, and how the entity manages the respective risks. e) Non-financial performance key-indicators relevant for the specific activity of the entity.

(2) If the entity does not enforce policies as regards one or several of the aspects included in para. (1), the non-financial statement provides a clear and motivated explanation about this option.

(3) The non-financial statement mentioned in para. (1) contains, as the case may be, additional references and explanations regarding the amounts reported in the individual yearly financial statements.

(4) The information regarding the imminent evolutions, or aspects in course of negotiation may be omitted in exceptional cases when, based on the accordingly substantiated endorsement from the members of the administrative bodies, of the management and supervision boards. The latter act within the limits of the competences conferred by the national legislation, and bear collective accountability for the respective endorsement. The exceptional cases are when the disclosure of information would severely prejudice the trading position of the company, provided these omissions do not hinder the clear and balanced understanding regarding the development, performance, and position of the entity and the impact of its activity.

(5). On request of information mentioned in para. (1), the entities might substantiate based on the national frameworks, or on the ones of the Union, or on the international ones. In this case, the entities must specify the substantiation frameworks.

(6) The non-financial statement must contain as regards aspects related to environment, details about the present and predictable impact of the entities' operations on the environment. Moreover, as the case may be, about the present and predictable impact on health and safety, on renewable and non-renewable energy use, and glasshouse gas emissions, water use, and air pollution. As regards social and personnel aspects, the information provided in the non-financial statement may refer to actions for ensuring gender equality, enforcing the fundamental conventions of the International Labour Organisation, working conditions, and social dialogue, compliance with the workers' right to information and being consulted, compliance with trade union rights. Moreover, about the workplace health and safety, the dialogue with local communities and/or actions for ensuring the protection and development of these communities. With respect to human rights, combating corruption and bribery, the non-financial statement might include information about preventing abuses in human rights' matters, and/or regarding tools set in place for combating corruption and bribery.

(7) The non-financial statement includes also the consequences with respect to climate change that the activity of the entity, and the use of its goods and services might have, as well as with respect to its commitments in favour of sustainable development, fighting food waste, and in favour of fighting against discrimination and promoting diversity.

(8) The information requested according to the provisions of the present item is not limitative.

Annex 2

Table 3. Non-parametric correlation: Correlation coefficients of Spearman and Kendall ranks between net income and community investment

		VN 2015	IC 2015	VN 2016	IC 2016	VT 2017	IC 2017	
Kendall's tau_b	VN:2015,2016,2017	Correlation Coefficient	1,000	-,286	1,000	-,286	1,000	-,286
		Sig. (2-tailed)	.	,322	.	,322	.	,322
		N	17	8	17	8	17	8
	IC:2015,2016,2017	Correlation Coefficient	-,286	1,000	-,286	1,000	-,286	1,000
		Sig. (2-tailed)	,322	.	,322	.	,322	.
		N	8	8	8	8	8	8
Spearman's rho	VN:2015,2016,2017	Correlation Coefficient	1,000	-,381	1,000	-,405	1,000	-,405
		Sig. (2-tailed)	.	,352	.	,320	.	,320
		N	17	8	17	8	17	8
	IC:2015,2016,2017	Correlation Coefficient	-,381	1,000	-,405	1,000	-,405	1,000
		Sig. (2-tailed)	,352	.	,320	.	,320	.
		N	8	8	8	8	8	8

VN- Net income; IC - investment in the community

Table 4. Non-parametric correlation: the correlation coefficients of Spearman and Kendall ranks between net income and number of employees

		VN 2015	NA 2015	VN 2016	NA 2016	VN 2017	NA 2017	
Kendall's tau_b	VN: 2015,2016,2017	Correlation Coefficient	1,000	,176	1,000	,176	1,000	,206
		Sig. (2-tailed)	.	,323	.	,323	.	,249
		N	17	17	17	17	17	17
	NA: 2015,2016,2017	Correlation Coefficient	,176	1,000	,176	1,000	,206	1,000
		Sig. (2-tailed)	,323	.	,323	.	,249	.
		N	17	17	17	17	17	17
Spearman's rho	VN: 2015,2016,2017	Correlation Coefficient	1,000	,243	1,000	,243	1,000	,257
		Sig. (2-tailed)	.	,348	.	,348	.	,319
		N	17	17	17	17	17	17
	NA: 2015,2016,2017	Correlation Coefficient	,243	1,000	,243	1,000	,257	1,000
		Sig. (2-tailed)	,348	.	,348	.	,319	.
		N	17	17	17	17	17	17

VN- Net income; NA - Number of employees