

## SUSTAINABLE DEVELOPMENT OF RUSSIAN COMPANIES: SPECIFICS OF INTERPRETATION AND DIRECTIONS OF ACTIVITIES

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### **Abstract**

This article shows results of a research of Russian companies' sustainable development practices. The aim of this study is to identify their specific approaches to the interpretation of the goals and content of company sustainable development, spheres and activities in the field of sustainable development. In the article it is also revealed the conceptual foundations of the company sustainable development, which served as the theoretical and methodological basis for the research.

**Keywords:** sustainable development of the company, corporate sustainability, corporate sustainable development, non-financial reporting

**JEL code:** Q01, Q56, M14

### **Introduction. Research Questions**

Number of companies, demonstrating their engagement with ideas and principles of sustainable development, is constantly growing. The confirmation of this point lays in dynamics of corporate register, in appearance of respective pages on corporate web-sites, in acceptance of standards in the field of corporate development of companies and non-financial reports (British Standards Institution (BSI), 2006, 2009, 2013; National standard of Russian Federation, 2015; Global Reporting Initiative (GRI-4, 2013)); in discussing of sustainable development of companies questions in international and national business conferences<sup>1</sup>. Integration of sustainable development principles into basic activities of companies, key business processes and corporate strategies is worldwide trend and Russia is not an exception.

Our knowledge about publications of foreign and Russian researchers in this area, the practice of companies, allows us to conclude that there is no generally accepted approach to understanding sustainable development, its principles and mechanisms, about different degree of involvement of Russian companies in the transition to sustainable development. Usage of a wide range of concepts reflects this tendency: “corporate sustainability”, “sustainable corporate”, “corporate sustainable development”, “corporate sustainable activity”, “sustainable development at corporate level”, and shows their ambiguous interpretation. We observe a confusion of concepts of “corporate social responsibility” and “sustainable development of companies”; the lack of systematic (“triune”) approach to sustainable development; attempt of automatic, formal transfer of sustainable development principles into micro-level – the level of the business organization.

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<sup>1</sup> Rio+20 (2012). Corporate Sustainability Forum Overview and Outcomes: Summary Report. [http://www.iblfrussia.org/RioCorpSustForum\\_Outcome](http://www.iblfrussia.org/RioCorpSustForum_Outcome); CSR (2017). Forum RBC: Course for Sustainable Business development. Moscow. 22.09.2017.

All this indicates the incompleteness of theoretical foundations of the sustainable development of business organizations formation process, raises a number of questions among researchers. These are questions about: content and relationship between concept of company sustainable development and basic concept of sustainable development, between concepts associated with corporate social responsibility issues; correlation of relevant concepts; necessity to develop generally accepted approach to the interpretation of sustainable development of the company.

Formation of company sustainable development theoretical foundations, a coherent, consistent system of views on the goals and principles of sustainable development, mechanisms for their implementation, corresponding system of concepts, should help to eliminate the conceptual problems and contradictions arising in the process of integration of sustainable development principles into corporate activities, and also to increase efficiency of company activities in the field of sustainable development, to make the results of this activity comparable.

Due to the growing number of Russian companies that declare their adherence to the principles of sustainable development, it is particularly interesting to identify approaches to sustainable development implemented by Russian companies in practice. An analysis of this process allows us to identify its specific features and emerging trends, as well as to determine the degree of Russian companies compliance with international and national Sustainable Development Standards, with the United Nations Sustainable Development goals (Transforming our world ..., 2015, p. 44), to assess the degree of involvement of Russian companies in the process of transition to sustainable development.

To this end, we are conducting a study of practices of Russian companies in the field of sustainable development. The study includes several stages. The goal of the first stage is to define the theoretical framework of the research, to formulate theoretical foundations of the company sustainable development, and to conduct an applied research aimed at identifying (a) specific approaches to the interpretation of sustainable development with regard to Russian companies, (b) spheres and (c) key areas of their activities in the field of sustainable development. The second phase of the study involves a more detailed analysis of Russian companies' practices in the field of sustainable development in order to assess their compliance with Sustainable Development Standards, the objectives of the United Nations goals, the practices of international companies that most consistently implement the principles of sustainable development; to define a degree of involvement of Russian companies in the transition to sustainable development. The relevance of this study is determined by the fact that in Russia an interest to the problems of companies' sustainable development, both from the academic and business communities, emerged only in the second half of the 2000s. At present, researchers revealed first results of the study in this field (EmCo, 2015, EmCo, 2016, IEMS, 2017).

### **Theoretical framework and previous research**

Currently, there is a very wide range of approaches to understanding the essence of sustainable development and the content of relevant concept. At the same time, an analysis of publications on sustainable development issues makes it possible to draw a conclusion about the formation of some general *research approaches* to the phenomenon of sustainable development. *First of all*, these works are talking about understanding objective conditionality of the transition to sustainable development, about interpretation of sustainable development as a new paradigm of socio-economic development and about the response to emerging risks and challenges. *Secondly*, they are researching the formation of so-called *three dimensions* (components, pillars) approach to sustainable development<sup>1</sup>. *Thirdly*, they observe the

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<sup>1</sup> Conception of three dimensions of sustainable development was formulated at Worldwide forum in 2002 (Johannesburg Declaration on Sustainable Development) and later United Nations, World Bank, Organisation for

expansion of the problematic research field by incorporating microeconomic aspects of sustainable development, problems of companies' sustainable development (microeconomic interpretation of sustainable development) and, as a result, the formation of a *multilevel approach* to sustainable development (global level, macro-level (national), regional level and micro-level (corporate)) (Steurer et al., 2005, p. 264). We consider the three dimensions approach to the interpretation of sustainable development, which is based on the idea of its three pillars (components) – economic, environmental and social, – as the most important *methodological basis* for the study of sustainable development problems.<sup>1</sup>

One of the aspects of the formation of the theoretical basis of sustainable development is the definition of its *key principles*. These are, in our opinion, principles of *reproducibility, balance and inclusivity*.

The first principle presupposes the *reproducibility of the resources*, benefits, living conditions, meeting the needs of present and future generations, preservation and accumulation of the society capital (natural, economic, human, social ones). The *balance principle* implies a balance of economic, environmental and social aspects of development; interests of present and future generations, various stakeholders, interests of society and corporations. The *principle of inclusivity* is usually interpreted as an *orientation* on meeting the needs, demands and expectations of society represented by a wide range of stakeholders.

In spite of the fact that the process of conceptualization of sustainable development is not completed, they gradually form an image of orientation to sustainable development, that defines a certain coordinate system, predetermines certain *norms and rules* of business entities *behavior*, corresponding *restrictions*, as well as the formation of another system of values and other criteria for assessing results of economic activity.

*Corporate sustainable development* became a subject of research relatively recently, only in the 1990s. (Business strategies for sustainable development ..., 1992, p. 1). The formation of theoretical foundations of company sustainable development took place, on the one hand, in the evolution of concepts associated with the problem of corporate social responsibility<sup>2</sup>, on the other hand, as a result of the sustainable development concept.

J. Elkington (Elkington, 1994), T. Dyllick and K. Hockerts (Dyllick & Hockerts, 2002), M. van Marrewijk (van Marrewijk, 2003) and R. Steurer (Steurer et al., 2005) were the first who introduced in their works notions of “sustainable corporation”, “corporate sustainability”, “sustainability of business” and “sustainable development of business”. Among foreign publications, where authors attempted to disclose these concepts, to show the connection with notions of sustainable development and corporate social responsibility, to reveal the foundations of corporate sustainability (three foundations of sustainability) and who made a significant contribution to the development of the concept of sustainable development of the company (corporate sustainability), we can mention W. Visser, T. Gladwin, E. Krom, A. Lovins, J. Moon, M. Epstein, I. Montiel, J. Delgado-Ceballos, M. Valente.

The statement of problems of company sustainable development required the search for answers to a number of questions, which determined main directions of studies in this area. First of all, these are questions about the content and correlation of the concepts of “sustainable development”, “corporate sustainability” and “sustainable development of the company”; about goals, principles and factors (grounds) of company sustainable development; about the degree and nature of corporate social responsibility influence on sustainable development and

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Economic Co-operation and Development, European Union, as well as many countries used this conception in many documents.

<sup>1</sup> A number of researchers suggest including forth component – managerial or institutional sustainability (conception of Quadruple Bottom Line) (Skolkovo IEMS, 2017, p. 15).

<sup>2</sup> It's about “corporate social responsibility”, “corporate social performance”, “creating shared values” and “corporate citizenship” conceptions.

corporate sustainability, about possible effects of implementation of sustainable development principles.

Many foreign researchers note the ambiguity in the interpretation of the concepts of “corporate sustainability” and “corporate sustainable development” (Montiel & Delgado-Ceballos, 2014; Reinecke J. et al., 2012; Valente, 2012). At the same time, the analysis of publications allows to draw a conclusion that these concepts, as a rule, are interpreted as microeconomic interpretation (at the company level) of the ‘sustainable development’ notion. However, in some works there is an attempt to transfer the classic term “sustainable development” mechanically (Our Common Future, 1987, p. 41) from a macro-level to a corporate level (Dyllick & Hockerts, 2002, p. 131). A number of authors emphasize the management aspects of sustainability and define “corporate sustainability” as “a corporate guiding model, addressing the short- and long-term economic, social and environmental performance of corporations” (Steurer et al., 2005, p. 274).

In later work, J. Elkington states that “corporate sustainability” can be interpreted not only as a business approach to its long-term survival, but also “as the field of thinking and practice by means of which companies and other business organisations work to extend the life expectancy of: ecosystems (and the natural resources they provide); societies (and the cultures and communities that underpin commercial activity); and economies (that provide the governance, financial and other market context for corporate competition and survival)” (Elkington, 2010, p. 115).

M. Epstein proposed a model of business sustainable development in which corporate sustainability is seen as a result of company's activities, including the field of corporate sustainability performance, and implies achievement of economic sustainability (sustainable financial results) (Epstein & Roy, 2001, 2003).

In our opinion, this approach is absolutely legitimate and allows us to consider notions “corporate sustainability” and “corporate sustainable development” as interrelated, but not identical. In the framework of this approach, sustainable development of the company may be treated as a development that has a certain orientation and direction, that implies adherence to ideas and principles of sustainable development. Corporate sustainability can be defined as a result of company's activities, as well as in the area of sustainable development, as company's ability to adapt to the dynamically changing business environment, achieve sustainable financial results and create sustainable competitive advantages.

This approach is increasingly supported, which is confirmed by the use of the notion “sustainable development of organization” in international documents, international and national standards for sustainable development (BSI, 2006; BSI, 2013a, b; National standard of Russian Federation, 2015). Companies that demonstrate their commitment to the principles of sustainable development are also increasingly using notions “sustainable development of the company”, “corporate strategies for sustainable development”. However, the content of this concept is treated differently.

Thus, for example, in BS 8900: 2006 “Guidance for managing sustainable development”, the notion “sustainable development” is defined as “an enduring, balanced approach to economic activity, environmental responsibility and social progress” (BSI, 2006, p. 1). Global Reporting Initiative (GRI-4, 2013) do not describe the concept of sustainable development, however, it uses the notion of sustainable activity of the company, meaning a stable yield, the achievement of which should be combined with social justice and environmental protection. A National standard of Russian Federation “Enterprise management. Guidance for managing sustainable development” interprets sustainable development as “a way of managing an organization that provides a long-term economic efficiency of the organization's activities in meeting requirements of environmental protection and social development of the organization” (National standard of Russian Federation, 2011, p. IV).

Theoretical and applied aspects of sustainable development of organizations are reflected in the works by Russian researchers such as K. Belousov, Y. Myachin, E. Korchagina, A. Kanaev (Kanaev & Kanaeva, 2016), O. Kanaeva (Kanaeva, 2013), A. Kostin, N. Pakhomova (Pakhomova, Richter, 2013) et al. In domestic publications, there dominates a point of view, according to which the company's sustainable development is considered as a 'microeconomic interpretation' of the basic concept of sustainable development. However, this approach should not mean that the interpretation of the concept of company' sustainable development, its goals and principles, as well as a range of considering aspects and problems, is transferred from the macro-level to the micro-level in a constant form. Simple extrapolation of understanding a content, goals and principles of sustainable development from a macro-level to a company level can lead to normative arguments, making it difficult to find business arguments that can increase an interest of companies in the transition to sustainable development.

Being guided by formulated propositions, the company's sustainable development can be defined as a *development with a certain orientation and direction that meets principles of reproducibility, balance and inclusivity and assumes three dimensions: economic, ecological and social ones.*

The multifaceted nature of sustainable development allows us to consider this process as a *response* to emerging challenges, risks and public's demand for sustainable development, as a new *managerial philosophy* that assumes rethinking of business role in social and economic development, a high level of corporate social responsibility, the transformation of "dominant worldviews" (Transforming our world ..., 2015), as a *strategy* aimed at building long-term competitive advantages of the company, enhancing corporate sustainability and promoting sustainable development of the society as an *activity* of business organization focused on the reproduction of economic, intellectual, human, social capital of the company and carried out on the basis of principles of sustainable development; as a *form of social responsibility* of business, *contribution* to global sustainable development.

The above propositions should be considered as initial theoretical and methodological foundations for sustainable development of the company. They formulate principles and criteria for sustainable development of the company, identify parameters that allow assessing the compliance of companies' practices in the field of sustainable development with the United Nations Sustainable Development goals, international and national standards, leading companies in this field.

### **Empirical Research. Data Sources**

In accordance with the research objectives, we set the following *tasks*: to show dynamics and structure of non-financial reporting of Russian companies; to show dynamics of reporting by Russian companies on sustainable development; to assess the level of formalization of activities in the field of sustainable development; to identify approaches to the interpretation of goals and content of sustainable development; to identify areas and key trends of Russian companies activities in the field of sustainable development; to assess the corporate practices in the field of sustainable development compliance with the principle of balance and the triune (systemic) approach to the interpretation of sustainable development.

The *object* of the study was Russian companies, declaring their adherence to ideas and principles of sustainable development. The sample (focus group) included 12 companies of various industry affiliations, publishing corporate reports on sustainable development on a regular basis. These were two companies in each industry – oil and gas, energy sectors; metallurgical and mining industry, chemical industry; finance and insurance, telecommunications (PJSC "Gazprom", PJSC "Oil company Rosneft", PJSC "FGC UES", PJSC "RusHydro", PJSC "EuroChem Group AG", PJSC "Sibur holding", PJSC "UC Rusal", JSC "Suek", PJSC "Mobile TeleSystems", PJSC "Rostelecom", AFK "Sistema", GK

“Vnesheconombank”). For the period 2006–2017 these companies published 63 sustainable development reports (9.6% of total number of sustainable development reports published by Russian companies).

The *subject* of the analysis was the activities of these companies in the field of sustainable development, the results of which are reflected in corporate reports on sustainable development for 2015 and 2016, which have undergone external verification procedures (non-financial audit or public confirmation procedures of the Russian Union of Industrialists and Entrepreneurs) and published their reports in the databases of the Russian Union of Industrialists and Entrepreneurs (National Register, 2017). The choice of corporate reports on sustainable development as a source of information is determined by the fact that at present they are the only reliable source of data on the company's activities in the field of sustainable development, the main tool for informing stakeholders about the their work in this area. In our research we used methods of quantitative and qualitative analysis.

### Results and conclusions

1. *Dynamics and structure of non-financial reporting of Russian companies.* The number of Russian companies engaged in non-financial reporting is increasing every year. At the same time, one should note that the character of this dynamics is unstable. During the crisis, the companies' activity in the sphere of non-financial reporting decreased.

In the National Register of non-financial reports of the Russian Union of Industrialists and Entrepreneurs (RSPP), as of October 30, 2017, there are 165 companies that during 2000–2017 published 797 non-financial reports. These include both Russian and international companies operating in the Russian Federation.

The number of Russian companies that published more than one non-financial report in the Register during the reviewed period is 111 (67% of the total number of companies that published the reports). They prepared 676 reports (85% of the total number of non-financial reports). Dynamics of non-financial reporting of Russian companies is shown in Fig. 1. The decrease in the number of non-financial reports registered in the National Register in 2016 is explained by different reporting periods of companies (annually or once every two years) and by the fact that the period for publishing and registering 2016 reports continues.

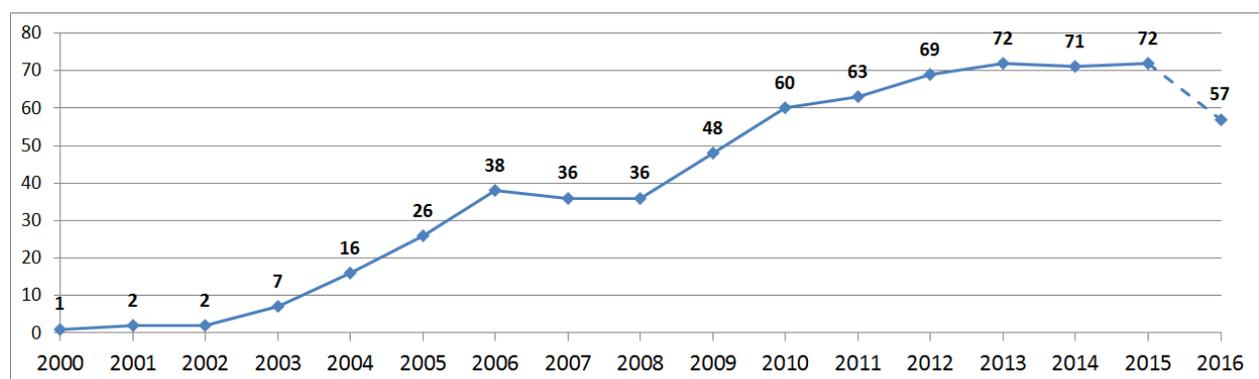


Figure 1. Dynamics of non-financial reporting of Russian companies

An analysis of the *industry* affiliation of *Russian* companies performing non-financial reporting shows that the largest number of reports belongs to energy companies (162 reports, 24%), oil and gas (125, 19%), metallurgy (91, 14%). The sectoral structure of non-financial reporting of Russian companies is presented in Fig. 2

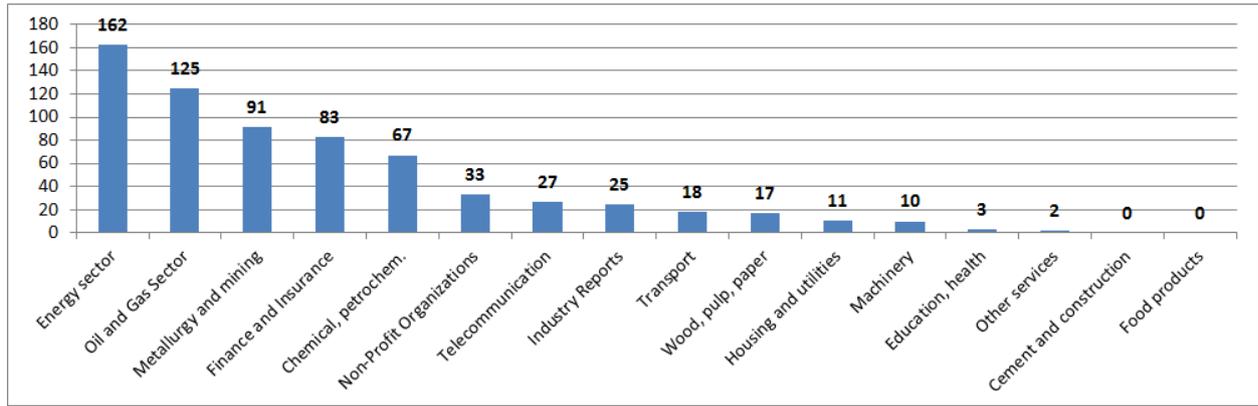


Figure 2. Sectoral structure of non-financial reporting of Russian companies

An analysis of the structure and dynamics of non-financial reporting *by reporting type* allows us to conclude that the structure of non-financial reporting has changed significantly over the past period. Despite the fact that social reports of companies (social responsibility, corporate social responsibility) continue to be the main type of report (327, 41% of the total number), the number of reports on sustainable development (265, 33%) is growing, the number of integrated reports is rapidly growing (134, 17%), while the share of environmental reports is declining (71, 9%).

The structure and dynamics of non-financial reporting of Russian companies (by type of reporting) is shown in Fig. 3. Analysis of the data suggests that until 2013, the main type of non-financial report was the one on corporate social responsibility. Since 2013, reporting on corporate social responsibility is beginning to be replaced by reports on sustainable development. At the same time, since 2009 there has been a trend towards the transition of Russian companies to integrated reporting. The number of environmental reports remains steadily small, which indicates the dominance of triune approach to interpretation and corporate social responsibility and sustainable development. Thus, corporate reports, which are positioned by companies as sustainable development reports, are currently the main type of non-financial reporting by Russian companies. There is a clear trend in the replacement of corporate social responsibility reporting by sustainable development reporting (Fig. 4).

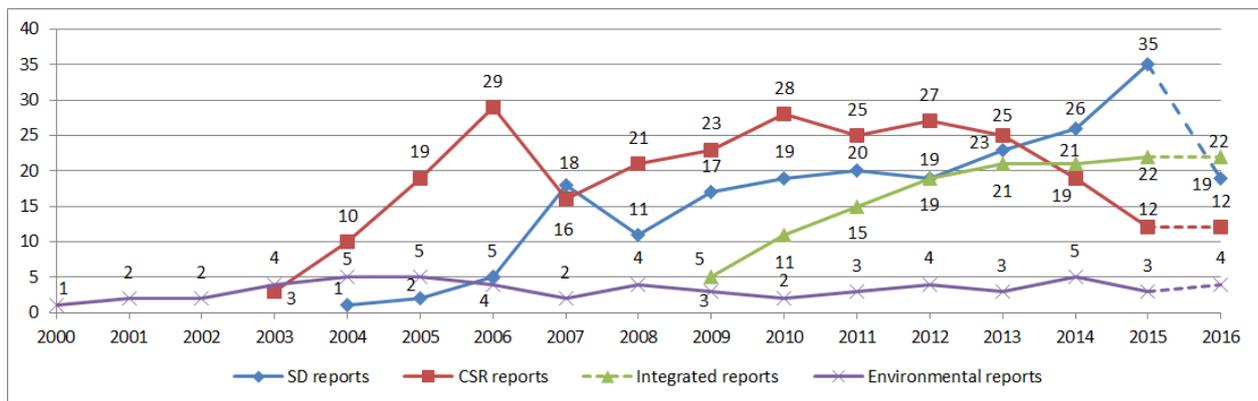


Figure 3. Structure and dynamics of non-financial reporting of Russian companies

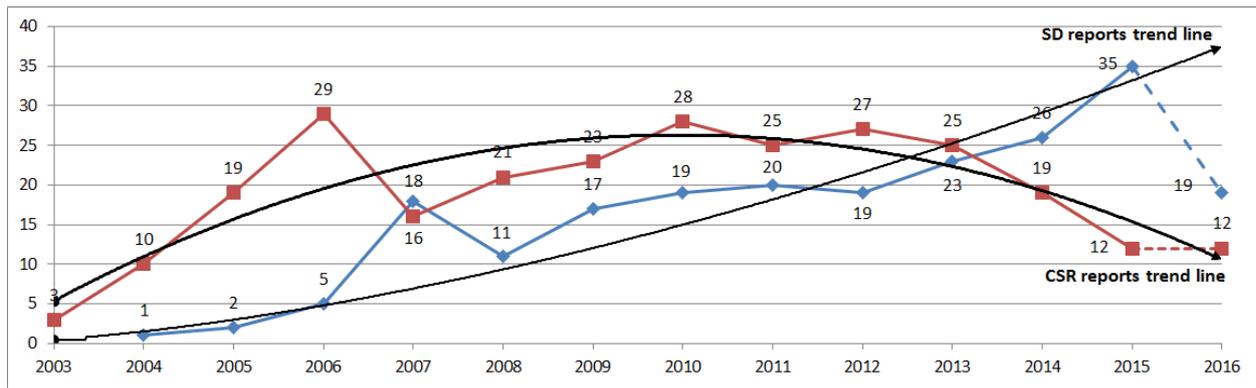


Figure 4. Lines of Russian companies trends in reporting on sustainable development and corporate social responsibility

2. *Dynamics in quantity and affiliation of Russian companies, which are demonstrating their commitment to the principles of sustainable development and publishing corporate reports on sustainable development.* The number of companies which registered more than one sustainable development report in the period from 2004 to 2016 reached 39 (35% of the total number of Russian companies registered in the National Register of Non-Financial Reporting of the Russian Union of Industrialists and Entrepreneurs). In 2015, the share of sustainable development reports reached 49%. As of October 30, 2017 they published and registered 215 reports on sustainable development (81% of the total number of reports on sustainable development). These are large and largest national companies. It should also be noted that most of them fairly consistently implement the principles of corporate social responsibility, an integrated or strategic approach to corporate social responsibility.

An analysis of the industry affiliation of Russian companies performing non-financial reporting shows that the companies of the energy, oil and gas, metallurgical and mining industries demonstrate the greatest interest in the transition to sustainable development. It should be noted that in such industries as food industry, the production of machinery and equipment, timber and woodworking industry, construction and cement production, no Russian company has registered reports in the field of sustainable development. In 2017 a trade company, “Detsky Mir” Group of Companies (goods for children) has published a report on sustainable development for the first time.

The reality when large public companies attempt to integrate sustainable development principles into the company's core business and strategy, whose activities go beyond national borders, who operates in a highly competitive environment and high non-financial risks, suggests that the key driver of the transition to sustainable development is external pressure of non-administrative nature and this reflects the companies' aspiration to follow the global trend of transition to sustainable development. Internal drivers of transition to sustainable development in Russia are only in the process of formation.

3. *Formalization of the companies' activities in the field of sustainable development.* By formalization we mean a clear statement of the company's position regarding the principles, objectives, directions of the company's activities in the field of sustainable development, the interpretation of the relevant concept, which is reflected in the corporate strategy and/or company policy in sustainable development, corporate report, and other corporate documents. We consider formalization as an important tool for managing the company's activities in the field of sustainable development, evaluating its effectiveness, informing stakeholders.

To assess the level of formalization of the company's activities in the field of sustainable development, our group of researchers analyzed reports on sustainable development companies included in the sample, corporate strategies and/or policies in sustainable development, other

documents reflecting the company's position in the considering area and disclosing the company's approach to the interpretation of sustainable development, its goals and principles. We carried evaluation according to the following scale: 1 (low level of formalization) – availability of report on sustainable development, in which the topic of sustainable development is mentioned in the most general, declarative form, in which the company's position does not disclose with respect to the content, purposes and principles of sustainable development; 2 (medium level) – along with report on sustainable development, the company develops corporate strategies and/or policies in the field of sustainable development, but the company's position is disclosed only in respect of certain aspects; 3 (high level) – these documents clearly state the company's position in the field of sustainable development, the content of the concept, principles, objectives and activities.

Despite the fact that all analyzed reports were positioned by companies as reports on sustainable development (4 companies), on corporate social responsibility and sustainable development (7), and on corporate sustainability (1), the level of disclosure of the company's position in this area is different. In general, the formalization of companies' activity in the field of sustainable development can be estimated as average (1.5). The highest indicator on proposed scale (3) can be exposed only to two companies – PJSC “NK *Rosneft*”, PJSC “FSK UES” [Federal Grid Company of Unified Energy System]. Only two companies, in addition to the report, have separate documents describing the company's position in the field of sustainable development (“Rosneft” – Company Policy in the field of sustainable development (2009) and MTS (“Mobile TeleSystems”) – MTS Strategy in the field of corporate social responsibility and sustainable development for 2017–2020 years). In some cases, the sustainable development and corporate social responsibility reports more reveals the company's activities in the field of social responsibility (“Mobile TeleSystems”, state corporation “Vnesheconombank”). The company's position in the field of sustainable development is disclosed in a general way, fragmentarily. The latter may indicate that companies, following rhetoric of sustainable development formally, do not fundamentally change their approaches to their activities.

4. *Interpreting the goals and content of sustainable development of the company.* In general, the analysis showed that approaches to understanding the content of sustainable development of the company are very diverse. 11 companies out of 12 use the concept of ‘sustainable development’, one company (PJSC “FGC UES”) – the concept of ‘corporate sustainability’. However, in both cases it is an attempt to interpret the basic concept of sustainable development at the corporate level. This may indicate the identification of these concepts. A certain problem for companies is the delineation of their activities in the field of corporate social responsibility and sustainable development, understanding relationship between them. Thus, PJSC “RusHydro” report on corporate social responsibility and sustainable development shows that corporate social responsibility is defined as “management practices that implement principles and guidelines for achieving sustainable development” (Report on corporate social responsibility and sustainable development, 2016. p.36). At the same time, corporate social responsibility is interpreted as an instrument of the company's sustainable development.

The key concept of the company's sustainable development is disclosed only in 2 cases out of 12 (PJSC NK “Rosneft”, PJSC “FGC UES”). “Rosneft”, for example, defines the company's sustainable development as a “development aimed at increasing company's shareholder value through improving economic efficiency, developing personnel, maintaining environmental safety, and supporting social environment and economic growth in regions of operation” (Rosneft, Politics ..., 2009).

Determination of key areas of sustainable development of the company requires a clear statement of sustainable development goals. The formulation of the company's goals in the field of sustainable development takes place in the reports of 4 companies. Setting goals, in turn,

involves assessing economic, environmental and social risks and problems, identifying long-term socio-economic and environmental trends, key stakeholder groups, their interests and requests. In this regard, an important aspect of the approaches to the interpretation of sustainable development goals analysis, typical for Russian companies, was identification of such aspects of company's activities as risk assessment and relations with stakeholder groups, identification of key stakeholder groups and their requests.

Reports' analysis shows that companies are increasingly considering the assessment of risks, both financial and non-financial, as a prerequisite for determining the objectives and priorities of companies in the field of corporate social responsibility and sustainable development. The relevant sections are contained in 7 reports out of 12.

All reports reflect the company's position regarding the stakeholder groups. It is emphasized that building relationships with stakeholders, respecting their needs in the company's activities and corporate strategies is an important aspect of their activities. This allows us to conclude that companies, in general, follow the principle of involvement. At the same time, it should be noted that a number of companies define stakeholder groups in general terms. The minimum list of stakeholder groups includes consumers, employees, suppliers and the local community. In all companies, staff is seen as a key stakeholder group, the company's most important asset. In general, we can note the existence of relationship between choice of key stakeholder groups and its objectives and activities.

There is a tendency to formulate the goals of sustainable development of the company, to focus on the United Nations Sustainable Development program goals (PJSC "RusHydro", PJSC "SIBUR-Holding", United Company "Russian Aluminum", PJSC "Mobile TeleSystems", PJSC "Rostelecom").

*5. Spheres and key directions of sustainable development of Russian companies.* One of the key requirements of GRI-4 (Global Reporting Initiative, 2013) is the requirement to follow the principle of materiality, which involves identification of the most significant and key issues in sustainable development, relevant areas and priorities for the company. Analysis of companies' activities in the field of sustainable development allows assessing the conformity of their activities to the principle of balance and systemic (triune) approach to sustainable development.

Most companies, that have been a subject of the research, declare their adherence to the principle of materiality, but not all companies clearly define areas of activity in the field of sustainable development. It should be noted that companies, using a certain freedom of choice, have formed their own systems of economic, environmental and social indicators and the structure of their disclosure, which makes comparative analysis more difficult and requires more detailed research. We chose the method of content analysis of corporate reports on sustainable development. There we used three groups of keywords related to the economic, environmental and social aspects of companies (three components of sustainable development). When processing the results, as a tool, we applied to the "Gibbs-Rosenbaum triangle" model.<sup>1</sup>

The analysis of 12 Russian companies' activities presented in 63 reports on sustainable development for 2004-2016 showed that, in general, companies follow the three dimensions approach to SD, according to which they carry out their activities and disclose its results in the economic, environmental and social spheres. At the same time, it should be noted that most companies focus on social issues and aspects of activities, affecting, first and foremost, the company's personnel. This indicates that companies identify social aspects of activities and social component of sustainable development as an important (material) issue of sustainable development. With that, it is necessary to note the growing attention of companies to

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<sup>1</sup> This model was used in T. Dillick and K. Hockerts' article (Dyllick & Hockerts, 2002) as applied to the study of corporate social responsibility.

environmental problems and consequences of the companies' activities, the environmental component of sustainable development (Fig. 5).

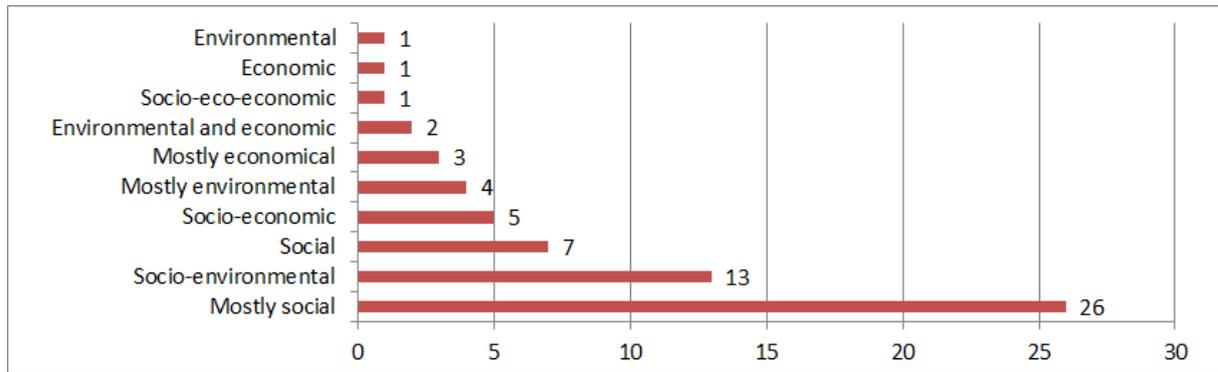


Figure 5. The directions of Russian companies' activities in the field of sustainable development

In general, the results of the first stage of the study make it possible to draw the following conclusions: despite the positive dynamics of a number of Russian companies declaring their adherence to sustainable development principles, the transition of Russian companies to sustainable development is unreasonably slow and largely influenced by external factors; with a general tendency to follow the requirements of International Standards for sustainable development, the three dimensions approach to sustainable development, the principles of balance and inclusivity, Russian companies' approaches to the interpretation of the sustainable development goals and content are still distinguished by a great variety; in many cases there are a haste in the transition to sustainable development and a substitution of rhetoric and reporting in the field of corporate social responsibility with rhetoric and reporting on sustainable development, but at the same time, without fundamental changes in the activities of companies.

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