



## ANALYZING CORPORATE SOCIAL RESPONSIBILITY REPORTING IN THE EUROPEAN UNION

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**Abstract:** *In the context of national and international developments, Corporate Social Responsibility is becoming an increasingly important element on national and transnational policy agendas. An ever more diverse range of businesses are adopting CSR strategies as a core part of their business model. Socially responsible business can contribute to restoring trust in the market in the post-crisis context. In last years European Commission encouraging international business development and in same time, CSR instruments development in all types of organizations for encourage responsible business conduct. In this paper our purpose was to analyse the current stage of CSR in the EU. For this, we divided our research in two parts: in first part we analyze the current stage of CSR reporting of the EU members and in the second part, we study the organizational sectors of company wich fulfill their report of sustenability. Our results prove us that are a few factors that influence the current stage of reporting and in last years number of company that report their CSR activity is increasing in all sectors and in all contries. Given the fact that CSR activities are becoming more and more important in any successful business, and taking into account the legislative changes that took place in European Laws, we consider CSR reporting to be even more intense in the years to follow, in EU member states.*

**Key words:** *Corporate Social Responsibility, reports, European Union, organizational sectors.*

### 1. INTRODUCTION

An ever-increasing number of organizations want to make their operations sustainable. Profitability should go hand-in-hand with social justice and protecting the environment. These expectations are only set to increase and intensify as the need to move to a truly sustainable economy is understood by companies' and organizations' financiers, customers and other stakeholders. [1], [2], [3]

CSR reporting helps organizations to set goals, measure performance, and manage change in order to make their operations more sustainable. A sustainability report conveys disclosures on an organization's impacts on the environment, society and the economy. Sustainability reporting makes abstract issues tangible and concrete, thereby assisting in understanding and managing the effects of sustainability developments on the organization's activities and strategy. [1], [4]



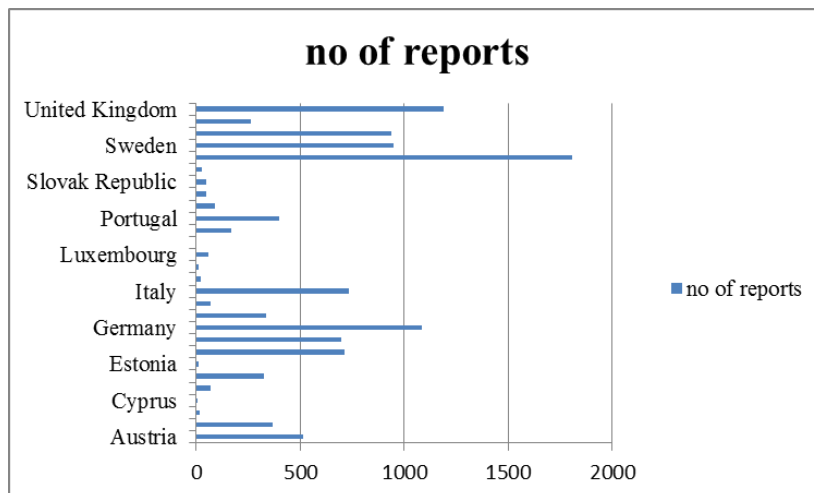
## 2. CURRENT STATE OF CSR REPORTING IN THE EU

In recent years, a series of guides, principles and directing lines have been created for companies that want to formally report their CSR activities. To analyze the situation of EU reporting company, we have studied the Global Reporting Initiative (GRI) database – a non governmental organization that promotes sustainability for companies by combining long term profitability with an ethical behavior towards the environment. [5] GRI provides all companies and organizations reporting framework that is widely used around the world. Through a responsible and transparent reporting, companies can increase their confidence that stakeholders have in them. We mention that more companies update their actions according to GRI standards. [5]

*Table 1: CSR reports*

Crt. No	Country	No of reports	Crt.No	Country	No of reports
1.	Austria	513	15.	Lithuania	9
2.	Belgium	367	16.	Luxembourg	60
3.	Bulgary	17	17.	Malta	-
4.	Cyprus	2	18.	Poland	169
5.	Croatia	71	19.	Portugal	401
6.	Denmark	326	20.	Czech Republic	90
7.	Estonia	9	21.	Romania	48
8.	Finland	711	22.	Slovak Republic	49
9.	France	696	23.	Slovenia	26
10.	Germany	1083	24.	Spain	1809
11.	Greece	335	25.	Sweden	947
12.	Ireland	68	26.	Netherlands	939
13.	Italy	736	27.	Hungary	263
14.	Latvia	20	28.	United Kingdom	1189
<b>Total no of reports</b>					<b>12.562</b>

*Source: made by the author according to the GRI database*



*Fig. 1: CSR reports*

*Source: made by the author according to the GRI database*



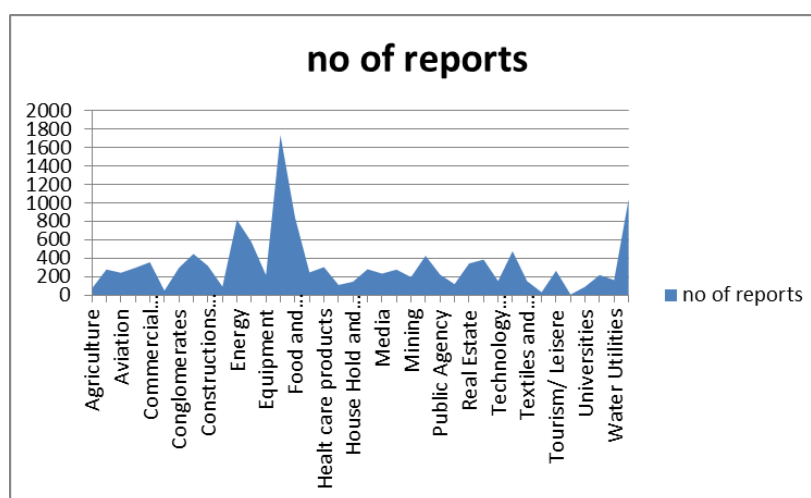
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According to the GRI database, in april 2016, a number of 33.072 CSR reports belonging to 9.047 organizations from accross the world were filed. European Union countries have filed 12.562 reports, and their structure is presented in Table 1 and Chart 1. We can see that the bigger number of reports are Spain, UK si Germany and whit the lowest number of reports are Malta, Cyprus and Lithuania. Romania is in the second half of the order, with 48 sustainability reports. This is based on the fact that some countries joined the EU later (S-E European countries), and this fact had a direct impact on CSR reporting. If in country like UK and Germany, reporting was usually since 1999, in Romania, CSR reporting started in 2007. [6]

*Table 2: No of reports in organization sectors*

Crt.no	Organization Sectors	No of.reports	Crt.no	Organization Sectors	No of.reports
1.	Agriculture	72	20.	Logistics	282
2.	Automotive	279	21.	Media	235
3.	Aviation	244	22.	Metals Products	278
4.	Chemicals	298	23.	Mining	197
5.	Commercial Services	358	24.	Non-Profit /Services	428
6.	Computers	50	25.	Public Agency	225
7.	Conglomerates	298	26.	Railroad	121
8.	Constructions	448	27.	Real Estate	344
9.	Constructions Materials	319	28.	Retailers	387
10.	Consumer Durables	94	29.	Technology Hardware	154
11.	Energy	817	30.	Telecommunications	477
12.	Energy Utilities	577	31.	Textiles and Apparel	153
13.	Equipment	218	32.	Tabacco	33
14.	Financial Services	1736	33.	Tourism/ Leisere	265
15.	Food and Beverage	845	34.	Toys	8
16.	Forest and Paper	248	35.	Universities	93
17.	Healt Care Products	305	36.	Waste Management	220
18.	Healt Care Services	112	37.	Water Utilities	165
19.	House Hold and Personel	147	38.	Others	1041

*Source: made by the author according to the GRI database*



**Fig. 2:** No of reports in organization sectors

*Source: made by the author according to the GRI database*



In graph no. 2 is presented the structure of the number of reports, based on the activity sectors, by companies belonging to all 37 activity sectors, which represents 38% of the total reports filed with the GRI. The reporting period is 1999-2016. [6]

By analyzing the situation of the activity sectors of the companies that file CSR reports, we can see that most of them belong to companies from the financial service, food and beverage service and energy sectors. The number of reports filed by the Textile and Apparel companies is in the second half of the order, with 153 sustainability reports.

### 3. CONCLUSIONS

In this paper we analyse the situation of EU regarding CSR reporting and our results prove us that in last years CSR reporting is growing regardless organizational sectors. The countries that are UE oldest members have the biggest number of organisation that submitt CSR reports. The legislation is an important factor too, and from 2017 the number of companies which reports their activity will increase, because Directive 2014/95/UE [7] regarding the obligation of large companies to report anually a series of nonfinacial aspects and information regarding diversity it will enter into force.

The contries wich became in last ten years member of EU start to submit reports too, and their number is increasing every year. New members of EU have two reasons for increasing their CSR reporting, first, they understand the importance of and the impact of CSR in community, and in same time they have to obey the rules of EU Community.

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