PRACTICAL CASES OF CSR IN CONCESSION ARRANGEMENTS

At the current stage of development of society and economy in the world, as well as global environmental changes, there is a close relationship between business, stakeholders and the environment. Successful business management of all forms of organization requires expanding the range of duties and responsibilities of business entities. Such an expansion is particularly relevant for such a form of public-private partnership as a concession, which in its essence already carries a socially important effect. The study of leading foreign experience in the implementation of concession agreements is extremely important in Ukraine due to the need to strengthen the economy and further reconstruction after the war.

The article is devoted to the study of practical aspects of corporate social responsibility (CSR) of leading foreign companies in concession agreements. The paper was prepared by using the methods of analysis and synthesis, systematization and generalization of data practices of concession activities of leading foreign companies. The main directions of effective CSR implementation of such companies include: carbon reduction, waste management, social impact assessment in concession arrangements, community engagement in concessions, ethical sourcing, sustainable agriculture, sustainable tourism as well as partnerships with universities.

Considering this study, the corporate social responsibility is an important concept of concession agreements, the implementation of CSR and the solution of environmental and social problems within concession agreements brings mutual benefit both for business, promoting its image, and for its stakeholders, in particular for governments and local communities On the basis of the leading foreign CSR practices determined in the study, concessionaires and other companies in Ukraine can choose their own way for implementing and expanding corporate social responsibility of their own business and disclosing relevant information in non-financial reporting. While implementing CSR, it is necessary to set clear goals and indicators and participate with stakeholders based on cooperation and transparency.

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FORMULATION OF THE PROBLEM

Under such conditions, businesses cannot be limited just to trading in order to generate profit. The problem is that society expects companies to pay more attention to issues related to ecology, ethics, human rights, equality, and other social issues. The application of corporate social responsibility and the disclosure of relevant information allows business entities to be more open and transparent to consumers, investors, the state, and other interested parties, which, in turn, contributes to the growth of trust in business entities and the improvement of their image.

ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

A lot of domestic and foreign authors’ papers are related to the study of corporate social responsibility (hereinafter — CSR), among which M.A. Latapi Agudelo, L. Johannsdottir and B. Davidsdottir [1], G. Barauskaite and D. Streimikiene [2], A.B. Carroll [3], S. Korol and O. Romashko [4]. In addition, the papers of A. Makarenko [4], H. Tarasiuk, Y. Laguta, and O. Tarasiuk [5] are devoted to the study of corporate social responsibility regarding concession operations. However, the practical aspects of the concessionaires’ activities and their implementation of the CSR concept require further research.

THE AIM

The aim of this paper is to study the information disclosed in the concessionaires’ reporting in order to determine the main directions and trends of CSR in concession operations.

METHODS

This paper is based on an analysis of non-financial reporting and other sources of non-financial information of concessionaires, a synthesis of the main revealed directions of corporate social responsibility, systematization, and generalization of the obtained results. The basis of the study is the CSR experience of foreign concessionaires, disclosed in their non-financial statements.

PRESENTATION OF THE MAIN MATERIAL

In many countries, infrastructure for public services such as roads, bridges, tunnels, prisons, hospitals, airports, water supply systems, energy supply networks, and telecommunications has traditionally been created, operated, and maintained by the public sector at the expense of appropriations from the state budget. In some countries, governments have introduced contractual service agreements to involve the private sector in the

Key words: concession, corporate social responsibility, CSR, sustainability, non-financial reporting.

Ключові слова: концесія, корпоративна соціальна відповідальність, КСВ, сталий розвиток, нефінансова звітність.
setting clear targets and indicators, engaging with local potential ways to address these challenges, such as environmental problems in addition to meeting financial concept whereby companies integrate social and social responsibility, which continues to develop and address the challenges of external stakeholders. However, there are complex regulatory environment and address the task. One of the main challenges is balancing financial interests and priorities, and it is important to interact with government authorities. Each stakeholder has its own interests and requirements of different stakeholders (concessionaire, local community and other stakeholders, and monitoring and reporting on progress.

In general, based on the analysis of actual information disclosed by concessionaires in their non-financial reporting, the main areas of CSR are as follows:

- Carbon reduction
- Waste management
- Social impact assessments in concession arrangements
- Community engagement in concessions
- Ethical sourcing
- Sustainable agriculture
- Sustainable tourism
- Partnerships with universities
- Conservation and biodiversity
- Transparency.

There are many examples of companies that have successfully implemented CSR in their concession operations. The most appropriate practical examples of the mentioned CSR areas are presented in the blocks of the information below.

Carbon reduction. Companies can implement carbon-reducing measures as part of their concession agreements, such as using energy-efficient lighting and appliances or implementing renewable energy systems such as solar panels or wind turbines. An example of such a company is the concessionaire of the Heathrow Airport [10, p. 14]. Its activities can be considered in the following ways:

- Energy-efficient LED lighting has been installed throughout the terminals and car parks, which has helped to reduce energy consumption and carbon emissions [11].
- A fleet of electric vehicles has been introduced, including buses, taxis, and luggage trolleys, which are powered by renewable energy sources. This has helped to reduce emissions from transport at the airport [11].
- A range of renewable energy sources has been installed, including solar panels, ground source heat pumps, and a biomass boiler. These sources generate clean energy and help to reduce the airport’s reliance on fossil fuels [11].
- A carbon offsetting scheme has been implemented, which allows passengers to offset the carbon emissions from their flights by supporting sustainable development projects around the world [12, p. 2].
- A comprehensive energy management program has been implemented, which includes regular energy audits, the use of smart building technologies, and ongoing staff training and engagement. This program has helped to reduce energy consumption and carbon emissions across the airport [12, p. 5].

Waste management. In Sweden, waste-to-energy concessions have implemented advanced waste management practices to maximize the amount of waste that is recycled or converted to energy. For example, Oresunds Kraft & Varme AB operates the waste-to-energy plant in Helsingborg and sorts waste into different categories, and uses advanced technologies to convert waste into energy. It helps to reduce the amount of waste that is sent to landfills. At the same time, the concessionaire’s efforts are aimed at resource conservation: the plant recovers valuable resources from waste, such as metals and minerals, which can be reused or recycled. In addition, waste heat is used for district heating of...
neighboring buildings, which helps reduce energy consumption and greenhouse gas emissions [13, p. 31—33].

It should also be noted that the Company actively engages with the local community to promote awareness and understanding of sustainable waste management practices. For example, the plant hosts tours and educational programs for local schools and community groups, and local sustainability initiatives are organized and implemented. Additionally, with strict safety protocols in place and ongoing training and support for its employees, it can be said that the Company prioritizes the health and safety of its employees and visitors. Also, when carrying out concession activities, the concessionaire adheres to the principles of transparency and accountability in its activities and publishes regular reports on the impact of activities on the environment and social problems. The company also engages with stakeholders to gain feedback and improve sustainability performance [15, p. 12—13].

Social impact assessments in concession arrangements. Some companies have implemented social impact assessments in their concession arrangements to identify and mitigate negative impacts on local communities. For example, companies can conduct surveys and engage with stakeholders to identify potential social impacts and then develop strategies to minimize or mitigate potential negative impacts in the concession process. This helps to build trust with local communities and reduce the risk of social conflicts.

In particular, in Great Britain, the government requires transport concessionaires to conduct social impact assessments as part of their concession agreements. For example, in the Crossrail project, which involves the construction of a new railway line in London, the concessionaire carried out a social impact assessment to determine the potential impact on local communities and develop strategies to mitigate this impact. The assessment included engagement with local residents and businesses, as well as the development of a community investment program to support local projects [14, p. 9]. It should also be noted that the Crossrail project implemented measures to promote environmental sustainability, such as the use of low-emission machinery and equipment and the minimization of the use of resources such as water and energy. The project also implemented measures to reduce waste and promote recycling [15].

At the same time, the company expands its social responsibility by applying innovative technologies and solutions to promote the sustainability and efficiency of its operations. For example, within the framework of the project, a system of collection and reuse of groundwater was implemented, which contributes to the conservation of water resources. Additionally, the concessionaire has implemented measures to promote the health and safety of its employees and the public, such as implementing strict safety protocols and providing training and support to employees [16]. Should also be noted, the Crossrail project is committed to transparency and accountability in its operations and has established mechanisms through which stakeholders can provide feedback and engage with the project.

Community engagement in concessions. In the Netherlands, the Dutch government requires energy concessionaires to engage with local communities and stakeholders in the development of wind energy projects. For example, energy company Eneco engaged with local residents and businesses to develop a wind energy project in the town of Dordrecht. The project "Delfzijl Noord" involved the installation of 19 wind turbines, and included community engagement initiatives such as public information sessions and a community fund to support local projects [17].

Additionally, Eneco has already implemented a number of CSR initiatives to promote sustainable and responsible practices in its operations, including:
   - The company aims to produce and provide renewable energy with the goal of achieving 100% sustainable energy production by 2035. It invests in wind, solar and hydropower projects, and also supports the development of innovative energy technologies [18, p. 9].
   - Eneco is committed to reducing its carbon footprint and promoting the sustainability of its operations. The company has implemented measures to reduce energy consumption at its facilities, such as the use of LED lighting and energy-saving appliances. The company also promotes green transportation, such as electric vehicle charging stations and bike-sharing programs [18, p. 7].
   - It is committed to promoting social responsibility in its operations and supply chain. The company prioritizes diversity and inclusion in its hiring practices and has implemented programs to support employee development and well-being. The company also works with local communities and organizations to promote sustainability and social responsibility [18, p. 22-23].
   - Eneco is committed to transparency and accountability in its operations and publishes an annual sustainability report to provide information on its CSR initiatives and impact. The company also engages with stakeholders to gain feedback and improve sustainability performance [18, p. 63—64].
   - The company is committed to promoting biodiversity and conservation in its operations. The company has implemented measures to protect and restore natural habitats and species, and supports research and conservation initiatives [18, p. 35].

Ethical sourcing. Companies can ensure that their products and services are sourced and produced ethically, without exploiting workers or causing harm to the environment. They can also ensure that their suppliers adhere to ethical standards and practices. For example, Siemens (a German multinational conglomerate) adheres to ethical sourcing principles in its concession agreements. The company has implemented a number of initiatives aimed at promoting responsible and sustainable manufacturing practices throughout the supply chain. Firstly, the Siemens Code of Conduct sets clear expectations for its suppliers regarding ethical sourcing. The Company requires all of its suppliers to comply with applicable labor, health and safety and environmental laws and regulations, and to adhere to its own sustainability standards. Secondly, to ensure that its suppliers meet these standards, the company conducts regular audits and assessments of their business practices. It also provides training and support.
to its suppliers to help them improve their sustainability performance [19].

Siemens has also implemented several specific initiatives to promote ethical sourcing in its concession agreements. For example, the company is a member of the Responsible Minerals Initiative, which promotes responsible sourcing of minerals used in electronic devices [20]. Siemens also works closely with its suppliers to reduce their environmental impact, for example by encouraging the use of renewable energy sources. Overall, Siemens’ commitment to ethical sourcing in concession agreements reflects the company’s broader commitment to sustainability and social responsibility. By promoting responsible manufacturing practices throughout the supply chain, the company works to create a more sustainable and ethical business ecosystem.

Sustainable agriculture. In Italy, Rome-Fiumicino airport is a concessionaire of Aeroporti di Roma. It has introduced a program to promote sustainable agriculture in the airport’s food concessions. The program involves sourcing local and organic ingredients, reducing waste through composting and recycling, and using environmentally friendly packaging [21, p. 138—142]. Additionally, the concessionaire has implemented a comprehensive waste management program to minimize waste and promote recycling. The program provides separate containers for collecting different types of waste, composting food waste, and introducing a system for recycling materials such as cardboard and plastic [21, p. 126—131].

In addition, the airport has implemented energy efficiency measures to reduce its carbon footprint and promote sustainable development. For example, the airport installed LED lighting systems in its facilities, which are more energy efficient than traditional lighting systems. The airport has also implemented a rainwater collection and reuse system that helps conserve water resources [21, p. 123-125]. The airport also implemented several community engagement initiatives to promote social responsibility and interaction with local communities. For example, local schools are partnered to provide educational programs related to sustainable development and the environment, and cultural events and exhibitions are held to showcase local culture and history [21, p. 143].

Sustainable tourism. In some national parks, concessionaires have implemented sustainable tourism practices to minimize negative impacts on the environment and local communities. Particularly, concessionaires have implemented practices such as recycling, reducing energy consumption, and using environmentally friendly products. This helps to minimize the impact of tourism on the natural environment and can also benefit local communities by creating jobs and promoting local products and services. A prominent example of such activity is the concessionaire of the Plitvice Lakes National Park in Croatia, which has implemented a waste management program that includes recycling, composting, and waste reduction. Since 2018, Plitvice Lakes National Park has introduced new lighting using LED technology, which consumes up to 50% less electricity and is better for wildlife, as the light is not scattered in all directions, but only focused on a narrower area around the trail. The lights are programmed to operate at 40% intensity for most of the night when intense light is not needed. In addition, the park also has a visitor center that educates tourists about sustainable tourism practices [22].

Partnerships with universities. Companies demonstrates social responsibility in their concession operations by implementing initiatives such as employee training and development programs, as well as cooperation with universities to advance science. For example, the Italian energy company Enel has established partnerships with a number of universities and research centers around the world to promote innovation and sustainability in the energy sector. These partnerships involve joint research projects and the development of educational programs aimed at educating a new generation of professionals in the field of renewable energy and sustainable business practices.

For example, the company has partnered with the Massachusetts Institute of Technology (MIT) in the United States to establish the MIT-Enel Energy Center, which focuses on developing new technologies and business models for the energy sector. The center brings together experts from both Enel and MIT to work on research projects related to energy storage, renewable energy integration, and smart grid technologies [23]. The company has also partnered with the Polytechnic University of Milan in Italy to establish the Enel Endowed Chair in Energy Economics and the Environment. The chair is dedicated to research on energy economics and environmental sustainability, and aims to provide insights into the challenges and opportunities facing the energy sector [24]. Overall, Enel’s partnership with universities demonstrates the company’s commitment to sustainable development and its belief in the importance of education and research for the development of the energy sector. These initiatives not only promote the development of new technologies and business models, but also support the education and training of future leaders in the field of renewable energy and sustainable development.

CONCLUSIONS

All things considered, should be noted that CSR is an important concept of concession arrangements. By taking action to address social and environmental issues, companies can benefit both themselves and their stakeholders. On the basis of successful practical cases, several directions have been determined on which concessionaires can expand their corporate social responsibility. However, implementing CSR can be difficult. It is important to engage with stakeholders in a collaborative and transparent manner and to set clear goals and metrics. The future of corporate social responsibility in concession agreements is promising. New trends and innovations are emerging that are likely to shape the future of CSR, for example, such as the integration of environmental goals into concession agreements, as well as increased attention to measuring the social impact of concession agreements and minimizing the possible negative consequences of their implementation by concessionaires.


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