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REPORTING OF NON-FINANCIAL PERFORMANCE INDICATORS – A USEFUL TOOL FOR A SUSTAINABLE MARKETING STRATEGY

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Abstract

The current research has as objective to identify the reporting practices of non-financial information through the indicators proposed by the Global Reporting Initiative (GRI) and the degree in which, for marketing purposes, there is a preference for the communication on positive aspects. In this respect we used the information published into the non-financial reports of 19 organizations that had adhered to the pilot programme of the International Integrated Reporting Council (IIRC). We selected a number of 30 environment and social indicators reflecting both positive and negative aspects, and we analysed the manner in which they are presented within the reports published by the organizations, following the activities to be taken into consideration for the development of a sustainable marketing strategy: supply – production – distribution. The results of the study emphasized the fact that, regardless of the sector where the organizations run their activity, though there is no homogenous display, they report mainly the indicators presenting positive information (53 %), whereas the indicators presenting negative information are reported only in proportion of 33%. The organizations holding information regarding suppliers' sustainability emphasize this aspect in order to create a brand value whereas the rest of the organizations state that they shall proceed to such evaluations in the future. Interpreting these results through the agency of the institutional theory leads to the conclusion that certain organizations' option to voluntarily report according to a certain referential is carried out mainly in order to obtain rightfulness. Moreover, the sustainable conduct adopted by the main market competitors generates a mimetic-type isomorphism.

Keywords: sustainable marketing, sustainability, sustainability reports, non-financial indicators, GRI, institutional theory.

JEL Classification: M 31, Q 52, M 49

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Introduction

The economic activity enhancement, doubled by the conventional technological progress, as well as the demographical advance have consequences upon the natural capital and social welfare. In order to counteract these damages, the organizations should develop a sustainable conduct in respect of optimizing the relationship between the economic, social and environmental dimensions, conduct exhibited both at business level and upstream relationships level (supply), respectively downstream level (distribution).

Considering that the primary objective of each organization is to generate profit, in the traditional marketing vision, the accent fell on satisfying the customers' needs and therefore on optimizing the distribution activity. In the context of the existing modifications within the economic environment towards the adoption of a sustainable conduct, there took place the transition from the conventional marketing to the sustainable marketing. According to Beltz and Peattie (2012, pp.16) sustainable marketing offers solutions to the existing solutions, taking into account: an ecological direction (satisfying the current needs in the context of the limited resources), viability (technical feasibility and economic competition), ethics (social equity and avoidance of unjust actions), relationships (with the customers and other parties interested).

Gathering information useful for shaping a sustainable marketing strategy was done based on the information published by the organizations lined up to the IIRC pilot programme. This guides the organizations towards the development of integrated reports, including both financial and non-financial data. At present, the information related to sustainability are mainly displayed into the sustainability reports but there are also cases where the required information is displayed into the annual reports, integrated reports or other types of reports. According to a common action (GRI and IIRC, 2013), given that at the level of the international integrated reporting framework there are not forecast specific key performance indicators, IIRC encourages the organizations to use the guidelines of Global Reporting Initiative (GRI) sustainable reporting.

The sustainable reports including various non-financial information, drawn up by the organizations to satisfy the informational need of the stakeholders, were often considered a way to promote the organization image, to reduce the informational asymmetry, respectively to increase rightfulness (Duchon and Drake, 2009; Higgins and Walker, 2012; Hahn and Lülfs, 2014). One way of communicating the information through the agency of these reports is represented by the social and environmental indicators displayed by the organizations. By displaying these indicators, there are emphasized both positive and negative aspects in respect of the organizational activity, part of them being considered useful instruments for the sustainable marketing. Although within the classical view marketing is intended mainly for obtaining a brand value, the organizations should not avoid displaying the negative information in order to ensure the ethical feature and rightfulness.

Starting from the aspects presented above, our research tries to answer the question: to what extent the non-financial reporting could be considered a useful instrument for establishing a sustainable marketing strategy?

1. Literature review

The degradation of the natural capital as a result of the resource consumption acceleration represents a challenge with regard to the attention that an organization has to pay to the non-financial reporting. GRI has an important role in the improvement of the non-financial reporting by elaborating various reporting guides, the last version being G4 (2013). On the other hand, IIRC (2013) developed an International <Integrated Reporting> Framework which is used by the organizations which want to publish integrated reports. Analysing the two bodies from the perspective of the materiality principle (the strategy adopted by an organization and the way to report the most relevant challenges and opportunities regarding sustainability), Allison-Hope and Morgan (2013) notice the fact that the IIRC analyses the materiality from the perspective of what is meaningful to investors, while GRI analyses this principle from the perspective of what is relevant to investors *and* other stakeholders. Even though the two bodies act independently, there are convergence points between them.

According to a study conducted at international level by Ernst & Young (2014), a lack of transparency of the organizations regarding the publication of the non-financial information can lead to losing the investors, as they are likely to take into account the information published by an organization to the expense of the ones published by third parties. In this context, the importance that an organization has to grant to the information published in the non-financial reports for the investors of other stakeholders is increasing, these reports being considered marketing tools (Boiral, 2013).

Sheth and Parvatiyar (1995) propose the name of sustainable marketing in the context of pointing out the necessity of a change from the classical paradigm, cast at satisfying the consumers' needs, towards another one taking into consideration aspects related to the environment, too. In time, the approaches became more refined. According to Fuller (1999, pp. 4), sustainable marketing represents the "Process of planning, implementing and controlling the development, pricing, promotion and product distribution in a manner that satisfies the following three criteria: (1) the customer needs are met, (2) the organizational goals are attained, and (3) the process is compatible with ecosystems". In the opinion of Charter et al. (2006, p. 12) sustainable marketing means "creating, producing and delivering sustainable solutions with higher net sustainable value whilst continuously satisfying customers and other stakeholders". Belz and Peattie (2009, p. 31) initially move emphasis from the achievement of the organization objectives towards the social and environmental dimension, in their view the sustainable marketing being given by 'building and maintaining sustainable relationships with customers, the social environment and the natural environment. Further on, the authors offer a more refined approach, the sustainable marketing being considered "an evolution of marketing that blends the mainstream economic and technical perspectives with the emerging concepts of relationship marketing and the social, ethical, environmental and intergenerational perspectives of the sustainable development agenda" (Belz and Peattie 2012, p.17).

Taking into account the social and environmental dimensions in drawing up a marketing strategy stakes on the customers' conduct in relation to these dimensions. In this respect, the approach of sustainable marketing strategies, as well as of the factors influencing these strategies, was performed within a study developed by Belz and Schmidt-Riediger (2010). According to this market partition, the organizations adopt an appropriate strategy. On one hand, the market breakdown in terms of the consumers' affinities related to social and environmental aspects, generates three categories: consumers that gives great

attention to the social and environmental aspects to the detriment of costs, consumers that consider temperately these aspects, respectively consumers that do not take into consideration these aspects, but they insist on low costs. On the other hand, Brown and Dacin (1997), Handelman and Arnold (1999), respectively Williams and Siegel (2001) reached the conclusion that the consumer psychology is influenced also by publishing the information (positive or negative) considering the corporate social responsibility (CSR), in the sense that publishing certain positive information favours the disposition to consumption and vice versa. Also, within the consumer category there is the trend to appreciate the fact that the organizations publishing CSR information are more honest, more credible and they offer higher quality products.

Kumar and Christodouloupoulou (2014) propose a conceptual framework pointing out the manner in which the implementation of certain sustainable marketing practices could contribute to the improvement of the organization performance by: (1) direct benefits, in case the application of marketing strategies contributes to the activity optimization and cost diminution and (2) indirect benefits, generated by the communication of specific information to the stakeholders, fact generating brand value. The link between the existence of certain sustainable marketing practices and obtaining brand value by the organization was brought into discussion by many authors. According to Lantos (2001), Luo and Bhattacharya (2006), respectively Griffith, Cavusgil and Xu (2008), publishing CSR information contributes to the increase of the organization fame and its market value. On the other hand, in order not to affect the image of an organization, the display of negative incidents into the non-financial reports is limited. This trend of priority presentation of positive information to the detriment of the negative ones was emphasized during time within many studies (Deegan and Gordon, 1996; Deegan and Rankin, 1996; Holder-Webb et al. 2009; Hahn and Lülfs, 2014).

The researches on the information displayed into the sustainability reports drawn up according to GRI led to divergent results. On one hand, there are studies demonstrating the fact that the sustainability reports drawn up according to the GRI guidelines, doubled by the assessment of an independent auditor, offer credible information (Dando and Swift, 2003; Gilbert and Rasche, 2007). On the other hand, Boiral (2013) investigates the extend to which the information displayed into the sustainability reports drawn up according to the GRI referential represent only a marketing strategy baring the role of concealing the problems of the organization and favourably presenting its projects and position. He analyzed the extent to which the negative events identified on the basis of the information published into the external sources were displayed into the sustainability reports. The author's conclusion was that the transparency of the published information was limited (only 10% of the significant events given to the public were clearly and explicitly presented into the published reports).

2. Research methodology

Connelly, Ketchen and Slater (2011) analyse the most important organizational theories that could be used in approaching researches upon the theme of sustainable affaires marketing: the agency theory, institutional theory, organizational ecology, resource dependence theory, signaling theory, social network theory, transaction cost economics, the resource-based

view of the firm, upper echelons theory. From our research view, the institutional theory bares the interest.

Knowing that the organizations want to obtain legitimacy through the voluntary reporting of sustainable practices, we will use as a theoretical framework the institutional theory. Ensuring rightfulness could be done by three mechanisms: coercive isomorphism (legal regulations), mimetic isomorphism (imitating the conduct of the leading organization within the activity sector), respectively the regulatory isomorphism (generated by the pressure exercised through professional bodies or of other nature, respectively mass-media) (DiMaggio and Powell 1983). An important role in generating a regulatory isomorphism is held by the GRI.

In order to offer indications about an organization sustainability, GRI (G4) defined a number of 90 indicators from the following areas: economic (coded EC1-EC9), social (subdivided on three categories codified: LA1 - LA16, HR1 - HR12, SO1- SO11 and PR1-PR9), and environmental (coded EN1-EN34). Each of the organizations that presenting reports in this respect could choose to report the indicators considered relevant. Beginning with the idea that, in order to ensure business sustainability, an organization should take into consideration both environmental and social aspects, we selected 30 indicators (Appendix 1) reflecting both positive and negative aspects. Their selection and classification was done in two steps. In a first step the indicators used to present technical information were eliminated, as they were considered irrelevant from the point of view of the sustainable marketing (for instance EN8: Volume of water used on sources). During the selection 60 indicators were eliminated. During the second step we classified the indicators in: indicators communicating positive aspects (for instance EN2: The percentage of the materials used which are generated in a recycling process in the total amount of materials), and indicators communicating negative aspects (for instance PR6: The number of products sold, considered forbidden or controverted). The classification was made starting from the explanations included in the GRI manual regarding the information to be reported for each indicator (GRI, 2013). 14 indicators were analysed indicating positive aspects and 16 indicators reflecting negative aspects. The analysis was performed following the activities to be considered to draw up a sustainable marketing strategy: supply – production – distribution (Figure no. 1).

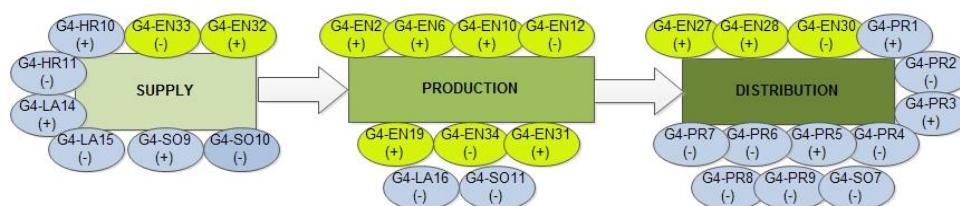


Figure no. 1: Indicators for sustainable marketing strategy

In order to set the analysis sample, we started with a 99 international organizations that entered into the IIRC Pilot Programme, in respect of the integrated reporting, from the following sectors of activity: Basic Materials, Consumer Goods, Consumer Services, Health Care, Industrials, Oil & Gas, Technology, Telecommunications and Utilities (IIRC, 2013). The selection criteria applied and the organizations eliminated after applying each selection criteria are presented in the following table (Table no. 1).

Table no. 1. Selection criteria

Number of organisations before	Selection criteria	Excluded organizations	Number of organisations after
99	The sector of activity should have a significant impact on the environment	Organizations belonging to the sector Financials (34).	65
65	The organization should use for reporting of non-financial indicators the GRI (G4) version. ¹	Organizations which did not report at the end of the study according to (G4) (23).	42
42	The published report (integrated report, sustainability report, annual report or other type of report) should refer to the year 2013 activity ² .	Organizations which did not publish the 2013 report at the consultation date (18).	24
24	The report can be consulted on accessing date	Organizations for which we could not access the report (5).	19

After applying these criteria, a number of 19 organizations remained, belonging to 9 sectors of activity (Figure no. 2).

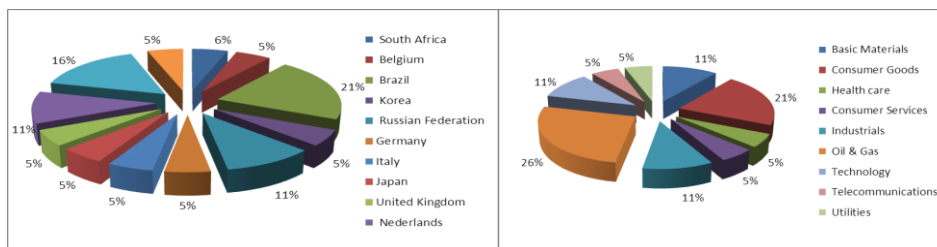


Figure no. 2: Companies' distribution by countries and industries

The information collection took place during the period 1 November 2014 – 1 March 2015. After identifying the existence of the 30 indicators in the GRI index grid, drawn up by each organization, we proceeded to analysing the information published within the report. This was done by comparison of the information declared by the organization as being related to a certain indicator with the existing reporting requirements from the GRI (G4) (GRI, 2013) implementation manual. The investigated indicators were divided into four categories: (a) integrally reported indicators, (b) partly reported indicators, (c) indicators for which the value given is zero (category relevant for the analysis of the indicators reflecting negative

¹ The main novelty in comparison to the prior version GRI (G3.1) is represented by the introduction of new indicators taking into consideration the assessment of suppliers in terms of sustainability, aspect considered relevant for shaping a sustainable marketing strategy.

² Should the reporting period not coincide with the calendar year, the last published report related to this year was taken into account (for example, 1 July 2013 - 30 June 2014).

aspects) and (d) indicators non-reported by the organization (non-existent into the GRI grid drawn up by each organization or about which there is a specification into the report of available information non-existence).

3. Results and discussions

As a result of collecting information on the selected indicators that are useful for sustainable marketing, reporting rate was found as follows: 53% for the positive and 33% for negative aspects. Regarding the negative aspects, a percent of 15% are those who say that they had no events of this nature. The other 18%, after mentioning the negative aspects, provides information in order to justify this situation or presents measures to mitigate environmental and social impact. (figure no. 3)

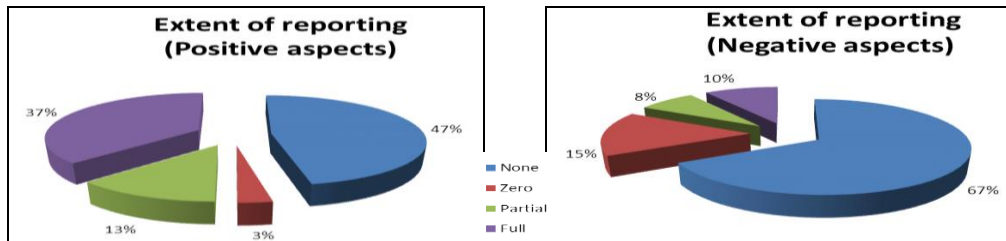


Figure no. 3: Extent of reporting (positive and negative aspects)

Taking into account the fact that the display of the GRI indicators is voluntary, and there was noticed heterogeneousness both at the level of presentation and the content of information for the 30 selected indicators at the level of organizations, we selected the main information published by organisations considered relevant in shaping a sustainable marketing strategy. In this respect, there were emphasized mainly the particular pieces of information regarding sustainability in terms of supply and distribution for each organization within the investigated sectors of activity. The analysis of the organizations grouped on activity sectors is justified by the existence of some differences for each activity (supply, production, distribution) according to the characteristics of the sector (Table no. 2):

Tabel no. 2. Average score at the level of the activity sectors and activities

Sectors of activity	Supply		Production		Distribution	
	Average	Sector	Average	Sector	Average	Sector
Oil & Gas	14.81	11.60	17.76	16	28.87	20.20
Technology	14.81	20.50	17.76	12.50	28.87	25.50
Consumer Goods	14.81	20.50	17.76	22	28.87	30.25
Utilities	14.81	8.00	17.76	28	28.87	28
Industrials	14.81	14.67	17.76	15.33	28.87	22
Basic Materias	14.81	20.00	17.76	19	28.87	37
Telecommunications	14.81	20.00	17.76	19	28.87	34
Consumer Services	14.81	10.00	17.76	14	28.87	32
Health Care	14.81	8.00	17.76	14	28.87	30

- Basic Materias (AkzoNobel, Solvay)

AkzoNobel is an atypical case of reporting the GRI indicators for the year 2013, in the sense that initially GRI (G3.1) was used as a reporting basis (AkzoNobel, 2013a). After

that, another document was published offering further information, pointing out that, by cumulating the information from both documents, a GRI (G4) reporting is ensured (AkzoNobel, 2013b). Nevertheless, the published documents do not contain information on the sustainability of suppliers (EN32, EN33, LA14, LA15, HR10, HR11, SO9, SO10). Complying with the latest reporting standards into the field is an indication that the organization is interested in ensuring rightfulness and possibly obtaining brand value.

In terms of the object of activity, part of the products sold by Solvay carry risks for consumers due to a high reactivity and several toxic peculiarities, for this fact being presented the PR6 indicator, absent from most of the grids belonging to the other organizations under investigation (Solvay, 2013, pp. 107). In order not to be perceived as a negative message by the consumers, this information is counterbalanced by pointing out the rightfulness and it is mentioned the fact that they are to be replaced by safer alternatives in ecological and social views. There should be noticed the fact that this organization did not performed surveys in respect of client satisfaction. Moreover, the organization reports partial information regarding the suppliers' sustainability (EN32, LA14, HR10, SO9).

• **Consumer Goods (Coca Cola Company, Marks and Spencer, Inditex, Natura)**

The indicators displayed by Coca-Cola Company are limited, for the supply activity being displayed only one indicator partially (HR10). In respect of the production activity, only two indicators are reported: decrease of the power consumption (EN6), respectively undertaking to decrease the greenhouse gas emissions (EN19). For the distribution activity it is noticed that none of the indicators included by GRI is not displayed under specific aspects for the section "organization responsibility in respect of the supplied products" (PR1 - PR9), implicitly the indicators which are included under subsection "communication through marketing" (PR6, PR7) (Coca-Cola Company, 2014).

Since 2010, Marks & Spencer classify suppliers (category of gold, silver, bronze). Although in the GRI grid related to the organization is not mentioned the fact that the EN12 indicator, reflecting the impact of the organization activity upon the biodiversity, is reported only partially, by comparison with the GRI implementation manual it is noticed that the negative aspects which should have been described are not pointed out (Marks & Spencer, 2014, pag. 29, 39). In respect of the survey on the client satisfaction, the organization increased these studies, moving from survey organized mnthly (client satisfaction degree of 81%) to more frequent surveys organized into stores and ended by prizes (Marks & Spencer, 2013, pp. 13, 24).

Inditex (2013, p. 55) presents information combined on the four directions (EN32, LA14, HR10, SO9) about the supplier audit, their acceptance degree being of 2 out of 3. Since 2012 there has been adopted the strategy "zero discharge" for dangerous chemicals. As a result of the suppliers audit in respect of labour practices (LA15), human rights (HR11) and impact on society (SO10), the emphasize of negative situations (for example, labour conditions, compliance with the working hours and appropriate payment) is presented in comparison with the positive situations, being mentioned the fact that there were taken actions in respect of remedying the defficiencies (Inditex, 2013, pp. 58-59). In terms of negative impact on biodiversity, there are displayed only the actions taken to attenuate it (Inditex, 2013, pp. 75, 84, 86, 287). In respect of the distribution activity, respectively the client relationship, we emphasize the fact that the organization turns to an Integrated Systems for Packaging Management (EN28). In terms of the consumer satisfaction

assessment (PR5), the organization takes an inventory of the number of intimations received in respect of the traded products, pointing out the fact that they are on average only 3 per store.

The Natura organization informs the stakeholders in respect of the new suppliers' audit (EN32, LA14, HR10, SO9). It is mentioned that though they were verified only in a percentage of 2.3%, they cover 70% of the procurement volume. Also, there were assessed the risks arisen within the supply network (EN33, LA15, SO10, HR11). Displaying the intimations related to environment, labour practices and society (EN34, LA16, SO11) was performed numerically, in comparison with the prior years, pointed out the fact that they were entirely solved (Natura, 2013, p. 72). In order to assess the consumers' satisfaction (PR5), there was carried out a survey testing the consumer loyalty (51.6% of the local consumers, respectively 54.2 of the international consumers gave the maximum rating), the preference over the company products (43.8% of the local consumers and 16.6 of the international consumers), respectively the intention to recommend the company products (77.5% of the international consumers) (Natura, 2013, p. 105).

- **Consumer Services (Melia)**

Meliá Hotels International presents visibly (oversized letters, variously coloured, centrally positioned) information regarding the audit of suppliers in respect of the sustainability criterion (EN32, LA14, HR10, SO9) (Meliá Hotels International, 2013, pp. 48-49). The same display manner is used also for the EN19 indicator, regarding the decrease of the greenhouse gas emissions. Moreover, the organization emphasises the fact that it is situated on the first place (83 points from 100) into a classification where there are present 125 hotels from Spain, classification regarding the transparency extent in terms of CO2 emissions (Meliá Hotels International, 2013, pp. 84-85). Testing the satisfaction of the customers is performed both by individual surveys on each brand within the group, the degree of satisfaction varying between 80.9% and 86.1% and by on-line testing (81.3%) (Meliá Hotels International, 2013, p. 63).

- **Health Care (Takeda)**

Takeda Pharmaceutical Company Limited is one of the pioneer organizations within the integrated reporting domain. Although according to the GRI (G4) index issued by the organization, most of the indicators regarding the sustainability of suppliers appear as non-reported (EN32, LA14, LA15, HR10, HR11, SO9), the content of the report discloses the fact that it is practised a form of suppliers' evaluation by completing a questionnaire taking into account all four criteria (Takeda, 2013, p. 53). In respect of EN33 and SO10, indicators that should point out both the significant negative impact and its counter actions, the organization displays only the measures to avoid such impact, the negative impact not being mentioned. A particular aspect in the view of the sustainable marketing is offered by the fact that the organization indicates into the report that it promotes among suppliers the application of the same policy, included into the guidelines related to the sustainable procurement. By displaying the EN12 indicator, the organization points out its involvement into biodiversity preservation internalizing the growth of plants used as raw material. Although they did not report negative incidents in respect of PR2 and PR4, we notice the fact that, unlikely most of the organizations reporting these indicators as zero value, the organization presents detailed information in terms of the adopted policy in the two directions (Takeda, 2013, pp. 58, 68, 69).

• **Industrials (BAM Group, Votorantim)**

BAM Group does not display information in respect of the sustainability indicators related to the supply process, respectively distribution. In terms of impact on the environment of the organization activity, in the GRI grid there are displayed only two of the selected indicators for analysis within this study: EN6 and EN19. According to the GRI (G4) reporting guidelines, the EN6 indicator displays quantitative information, detailed on types of energy, manner of calculation and presentation, respectively the used calculation methodology. The organization displays only a general information in terms of setting up objectives to diminish power consumption, without specifying their level, respectively the fact that the power consumption increased as compared to the previous year (BAM Group, 2013, p. 38).

Votorantim offers information on the suppliers' assessment in respect of the their sustainability (EN32, LA14, HR10, SO9), 82% of the suppliers being approved further verification (Votorantim, 2013, pag. 113). With reference to the negative impact associated with the supplier assessment criteria (EN33, LA15, HR11, SO10), such information is not displayed. It is worthy of note that in respect of the indicators related to the distribution activity, there is given information only for three of them (EN27, EN31 and SO7).

• **Oil & Gas (NIAEP, Petrobras, Rosatom, Sasol, Snam)**

NIAEP is an atypical case in respect of reporting the indicators selected for analysis within this research, in the sense that within the GRI grid there are only three indicators. Out of these, PR1 representing the weight of products and services assessed in order to improve their impact upon the users' health and security is reported as 100%. The indicators PR2 and PR9, representing the number of incidents in terms of product impact and population health and security service impact, respectively the value of fines paid for non-compliance with the regulations within the health and security domain, are presented as bearing zero value (NIAEP, 2013).

For Petrobras, the information display in respect of supplier sustainability (EN32, EN33, LA14, LA15, HR10, HR11, SO9, SO10) is not accomplished. A specific situation is given by the fact that the power consumption increased (EN6), stating the cause which generated the increase. According to GRI (2013), the EN12 indicator should embody predominantly negative information, whereas the organization should present only preventive aspects: mounting obstacles to prevent animal access within the exploitation areas, personnel training for clearing off animals within the dangerous areas, respectively offering emergency treatment in case of endangered species (Petrobras, 2013, p. 52). For the distribution activity, respectively the relationship with the customers, none of the specific indicators is displayed into the GRI grid.

ROSATOM does not report indicators related to supplier sustainability. In terms of the distribution activity, the organization presents only part information related to the PR1 and PR5 indicators. Practically, the result of an investigation carried out at the level of 57 partner organizations in respect of the development of activities related to the nuclear power supply is the following: 39.5% are for maintaining the same level, and 30.8% for developing this activity. In terms of power sources that could be used when the conventional sources would be exhausted, the organization promotes the idea that 39.9% of the respondents opt in favour of the nuclear power (ROSATOM, 2013).

Along with the publication of GRI (G4) which brought as novelty the supplier assessment in respect of the sustainability criteria, Sasol introduced new protocols related to their verification, taking into consideration the labour and environmental practices (EN32, LA14), but it did not offer information on the results of these assessments (Sasol, 2014).

At Snam organization level, the supplier assessment on sustainability criteria follows mainly three directions (EN32, LA14 and HR10) (Snam, 2013, pp. 43,45). The evaluation is performed differentially on types of suppliers (goods or services), the suppliers of goods being classified into four risk categories, taking into account also economic and technological aspects. Certifications are required for the high risk categories (ISO 9001 și ISO14001) in order to ensure rightfulness.

- **Telecommunications (SK Telecom)**

In respect of assessing suppliers according to their sustainability (EN32, LA14, HR10, SO9), SK Telecom proceeded to their verification based on written documents (52.6%), respectively based on the information on the site (8.8%). There were 2 cases of temporary or permanent suspension of suppliers. In respect of negative incidents (EN33, LA15, HR11, SO10), there was not signaled any (SK Telecom, 2013, pp. 133-138). With reference to the activity development, it is worth mentioning the fact that for the EN6 indicator, referring to the decrease of power consumption, the organization registered an increase of 5.4% as compared to the previous year, and for this increase there are given substantiations (SK Telecom, 2013, p. 144). It is worth mentioning that the surveys regarding the satisfaction of customers (PR5) are performed by three independent firms from Korea, the organization emphasizing the ranging on the first place within these surveys for 16 years in a row.

- **Technology (Indra, SAP)**

Since 2013 Indra has changed its strategy regarding the supplier selection process that is the audit of suppliers (EN32, LA14, HR10, SO9). In terms of EN 33 and LA15 indicators, it is mentioned the fact that the supply activity has impact on the environment and at social level, but there are not offered details in this respect (Indra, 2013, p. 70). For expenditure and investment (EN31), the information submitted by Indra (139-140) displays a retrospective analysis of 5 years, relevant in this respect being the waste management. The assessment of customers' satisfaction (PR5) is performed by indicators: global client satisfaction indicator (3.85 out of 5), existing recommendations (7.24 out of 10) and the net promotion score (3) (Indra, 2013, p. 93).

Since October 2013 SAP has been verifying all new suppliers by completing a questionnaire. Similarly, the Snam case, the organization presents information for the related criteria EN32, LA14, respectively HR10. Brand promotion through the agency of customers is an objective for the organization. Within PR5 indicator there is displayed information on the increase of the net promoter score in comparison with the previous year, reflecting the customer availability to recommend the product to acquaintances (Sap, 2013).

- **Utilities (CPFL)**

CPFL Energia does not report indicators in terms of sustainability of suppliers (EN32, EN33, LA14, LA15, HR10, HR11, SO9, SO10). With reference to the organization impact on biodiversity (EN12), it is mentioned the fact that there are social and environmental effects generated by the mounting of hydroelectric power plants, but the organization took

actions in preserving and rebuilding the affected areas (EN27) (CPFL Energia, 2013, p. 103). In terms of client satisfaction (PR5), there were performed studies by two independent organizations, at the level of the eight distributors, being investigated the following directions: information, accessibility, respectively client safety, respectively power supply, communication and information, billing and perception in respect of maintenance.

The analysis of the information at the level of the activity sectors showed the fact that there are differences regarding the indicators reporting. Thus, for the supply activity, the total score granted to the organizations in the sectors Oil & gas, Utilities, Industrial, Materials and Health care was smaller than the average for all the activity sectors. For the rest of the activity sectors analysed the score was higher than the average. For the production activity for the organizations in the activity sectors Oil & gas, Technology, Industrial, Health care and Materials a smaller score than the average was registered, and at the level of the organizations in the activity sectors Consumer goods, Utilities, Telecommunications and Services a higher score than the average was registered. Regarding the distribution activity, the split on activity sectors was made as it follows: for the activity sectors Oil & gas, Technology, Utilities and Industrial the score computed was lower than the average, while for the activity sectors Consumer goods, Telecommunications, Services, Health care and Materials there was a score higher than the average. An analysis of the reporting of the indicators along the entire supply – production – distribution chain shows that in the activity sectors in which the relationship with the customers is a direct one (Consumer goods, Telecommunications, Services) the degree of the indicators reporting is higher than the average, this aspect being justified on one hand by the organizations' wish to assure the legitimacy, and on the other hand by their use as a marketing strategy (most of the information which contributed to a score above the average is information which shows positive aspects). On the contrary, in the activity sectors in which the relationship with the customers is less important (Oil & gas, Industrials) we notice the existence of a contrary situation.

Conclusions

Beginning by the differentiated analysis of indicators, a first observation is given by the fact that the negative information presentation is limited. Only 15 % of the organizations report zero value for these indicators, whereas 67 % of them omit the display of the indicator referred to. In cases where negative information on sustainability is presented, it is counter-balanced either by a justification, or by the presentation of attenuation or deletion strategies. These conclusions are complementary to the research developed by Boiron (2013), according to which the information displayed within the sustainability reports represents a marketing strategy, respectively the research carried out by Hahn and Lülfs (2014) pointing out the fact that the display of negative information is motivated by the assurance of rightfulness.

Based on the premises according to which the marketing activity aims mainly to satisfy the consumer needs and their training in respect of sustainability tones down the characteristics of these needs, an organization should take into consideration the entire chain supply – production - distribution in terms of adjusting its products and services to the new requirements of the market.

To obtain and promote sustainable products or services, a first step is related to the relationship with the suppliers. The new requirements of the GRI (G4) indicator reporting draw four directions in this respect: verifying the compliance with the environment criteria by the suppliers (EN32), labour practices (LA14), human rights (HR10) and society (SO9). After analyzing the conduct in respect of reporting these indicators by the studied organizations, there was observed the fact that, although not all organizations offered practical data on the supplier assessment, most of them pointed out the existence of a proceeding in this respect, as well as the commencement of this action. The lack of information regarding the indicators concerning the suppliers (EN32, LA14, HR10, SO9) can be caused by the fact that 2013 was the first year in which the organizations use the version G4 of the GRI guidelines. The previous versions did not ask for this type of information. It is worth mentioning case Meliá (2013) which emphasizes this information (oversized letters, variously coloured, centrally positioned), respectively case Takeda (2013) which mentions the fact that the guidelines on the sustainable procurement is offered to its suppliers, in order to apply the same policy.

The indicators related to the procurement and distribution of sustainable products, respectively rendering services within sustainable conditions, are mainly favourable presented. For example, Meliá (2013) emphasizes the positive message (oversized letters, variously coloured, centrally positioned) in respect of EN19 indicator, referring to the decrease of greenhouse gas emissions and adding the fact that it is on first place classification related to the transparency degree in terms of CO₂ emissions. The same type of message, as leader in the domain, is submitted by SK Telecom (2013) in respect of the client satisfaction (PR5): first place in surveys, for 16 consecutive years.

Besides rightfulness procurement, reporting such information on sustainability offers to an organization brand value and, in addition, it represents a useful instrument in developing a sustainable marketing strategy. By mimetic isomorphism, this conduct type could be disseminated towards other organizations, which could represent a new direction of research.

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Appendix 1.

GRI Indicators	Type
EN2: Percentage of materials used that are recycled input materials	+
EN6: Reduction of energy consumption	+
EN10: Percentage and total volume of water recycled and reused	+
EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	-

GRI Indicators	Type
EN19: Reduction of greenhouse gas (GHG) emissions	+
EN27: Extent of impact mitigation of environmental impacts of products and services	+
EN28: Percentage of products sold and their packaging materials that are reclaimed by category	+
EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	-
EN31: Total environmental protection expenditures and investments by type	+
EN32: Percentage of new suppliers that were screened using environmental criteria	+
EN33: Significant actual and potential negative environmental impacts in the supply chain and actions taken	-
EN34: Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	-
LA14: Percentage of new suppliers that were screened using labor practices criteria	+
LA15: Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	-
LA16: Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	-
HR10: Percentage of new suppliers that were screened using human rights criteria	+
HR11: Significant actual and potential negative human rights impacts in the supply chain and actions taken	-
SO7: Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	-
SO9: Percentage of new suppliers that were screened using criteria for impacts on society	+
SO10: Significant actual and potential negative impacts on society in the supply chain and actions taken	-
SO11: Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	-
PR1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement)	+
PR2: Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	-
PR3: Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	+
PR4: Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	-
PR5: Results of surveys measuring customer satisfaction	+
PR6: Sale of banned or disputed products	-
PR7: Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	-
PR8: Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	-
PR9: Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	-

Source: GRI, 2013