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Company's Social Performance Reporting Based on International Standards: A Comparative Analysis Across Central and Eastern Europe

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Abstract:

Purpose: *This paper aims to accomplish a comparative analysis of the social performance reporting, based on international standards in Central and Eastern Europe, thus, an image of companies' active involvement in achieving sustainability goals and of their commitment towards social performance reporting.*
Design/Methodology/Approach: *The main tool utilized as part of this analysis is the international GRI (Global Reporting Initiative) - Social indicators reporting, and it is being approached in a comparative manner across CEE countries.*
Findings*: GRI social indicators reporting for selected companies in Central and Eastern Europe provides both a quantitative and a qualitative approach and based on it, we can propose a scoring grid that would later be useful in evaluating the overall financial and social performance.*
Practical information: *The bi-dimensional approach to financial performance versus social performance is a current one in the context of the global economy currently when economic developments are increasingly challenging pre-existing business models. There is a need for a new approach, a re-conceptualization of the classic business model, but also, for the clear evaluation and identification of company's both financial and social performance.*
Originality/Value: *As a result, this paper develops, based on the GRI standard methodology and a comparative analysis and a scoreboard aiming to test a potential assessment of a company's social performance.*

Keywords: *Social performance reporting, GRI (Global Reporting Initiative), sustainability standards.*

JEL Classification: *M14, L20, Q01, G39.*

Paper type: *Research article.*

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1. Introduction

The financial value is no longer the single relevant perspective upon a company, given the current evolutions and the ever more important and emphasized aspects concerning the social side of a business, corporate responsibility and social acts and projects. Leaving from this very assessment, we aim to provide an insight into multinational companies' social GRI indicators within their sustainability reports with a focus on Central and Eastern Europe. Furthermore, based on the most representative quantitative social indicators, a score-board can be developed and later tested in order to provide an enhanced company evaluation.

2. Literature Review

In the context of the contemporary economic evolutions - globalization, technological and demographic development, the classic business model passes through fundamental transformations given the changes in structures, processes and behavior within the internal organization. Environmental, social and governance issues become extremely powerful means of gaining a competitive edge on the global market. The modern company, anchored in the realities of the new knowledge-based economy, must constantly adapt and automatically subscribe to the principles of sustainable economic development, not just to profit-related goals.

A first principle of sustainable development is that resources and opportunities should be widely shared in society. According to Adger and Winkels (2007), at the point where this does not happen, the individuals, communities and ecosystems on which they depend, become vulnerable to external shocks, government failures and social crises. In the context of globalization and the latest social and political tensions on an European level and beyond, the issue of multinational companies' contribution to these objects, to "social welfare" and to the sustainable development of different regions is becoming increasingly stringent.

According to Skare and Golja (2012), the separation of management and ownership - the "managerial revolution" - led to inadequate behavior of managers with the fragmentation and limited liability of thousands of small owners, each responding only to the share of primary investment. Even in the eighteenth century, Adam Smith warned that separating property and leadership could not be a good step for allowing managers to engage in relentless activities to get significant rewards. The recent crisis of the global economy has shown that the classic business model is no longer up to date.

In the modern era, the debate is centered on the role of companies in their social influence from the perspective of the fact that they take up something in the local, regional or global community (labor force, production factors, etc.) and, on the other hand, gives some social benefits to the community in which they operate.

The debate on the relationship between corporate social performance (PSC) and corporate financial performance (PFC) is an ongoing topic, which has been open for over five decades, including by Alexander and Buchholz (1978).

Earlier in 1970, Milton Friedman launched a sustained public debate in the New York Times, which is still under discussion. By overlooking his arguments, Friedman seems to think that companies should not adopt corporate social responsibility programs because they are out of profitable and unnecessary spending. But by looking at his argument more deeply, Friedman supports the integration of social programs into business operations, as they have a positive effect on long-term profitability. Even before, there were opposing views of introducing corporate social involvement, arguing that the sole objective of a corporation should be to legitimately pursue profit for the benefit of its shareholders, following the growth theory of the firm (Penrose, 1959). More widespread responsibility for the general well-being of society was to come exclusively to governments, elected (or not) democratically, and not to companies. Governments make laws to improve the well-being of society and to which companies must comply (Arnold 2008). Contrary to these arguments, John Mackey, like many of Friedman's critics, is a supporter of the social action of the company with direct effects on social stakeholders, even if this responsibility implies a negative impact on profits.

Moreover, Rappaport (1998) describes an evaluation model based on a simplified cash flow assessment principle. He proposes seven fundamental factors for creating shareholder value: Sales growth rate; Operating profit margin; Tax rate; Fixed capital investment; Investment capital investment; Planning period / forecasting period; Required ROI. According to this, if the company's somatic strategies act and to provide improvements to these value factors, then a shareholder value will be created, also allowing improved performance.

Specialized literature presents quite variated empirical results - starting from positive relations, negative relations, not even curvilinear (even represented graphically in the form of U). In spite of this diversity, Margolis, Elfenbein and Walsh (2007) and Orlitzky, Schmidt and Rynes (2003) concluded that the positive relationship is more frequent than other types. One of the main causes for this variety of empirical results is how the PSC and PFC concepts are operationalized and measured. PFC is typically measured with profitability indicators extracted from the financial statements that are relatively standardized and available.

According to Dahlsrud (2008), the first issue to be considered is the lack of consensus of the literature on the operationalization of the PSC concept and the issues related to its measurement, given that the information required for quantification is non-financial and there is no standardization of company reports (Tschopp and Nastanski, 2014). Beyond these aspects, although the transparency of the company's financial statements is mandatory, reporting from the social performance area is not mandatory, and the extent to which this information is disclosed is strictly within the company's discretion, depending on its availability.

Galant and Cadez (2017) aim to review operationalization and measurement approaches through a systematic synthesis of the advantages and disadvantages of alternative approaches implemented in the existing empirical literature, and develops a case study on the standardization and transparency of CSP information.

The instrumental theory of stakeholders is based on two theories and suggests that there is a positive relationship between PSC and PFC. Firstly, instrumental theory is an economic theory that predicts results obtained as a result of managerial decisions. The second theory is an ethical one that proposes managers to take on the task of putting the stakeholders' needs in the first place to increase the value of the firm. This theory is broader than the theory of shareholders, which states that managers have a duty to maximize the value of shareholders, as Milton Friedman claims. The instrumental theory of stakeholder states that stakeholder satisfaction influences financial performance (Jones, 1995). Moreover, this theory affirms that managers can increase the efficiency of their organizations by aligning the company with the satisfaction of stakeholder wishes. Previous empirical evidence highlights that stakeholders as a whole identify value in social programs of companies.

The importance of quantifying the social performance of the company is highlighted by Harrington (1987), who notes that "*if you can not measure something, you can not understand it, if you can not understand it, you can not control it, if you can not control it, you can not improve it*." Carroll (2000) questioned whether it is possible to develop valid and reliable quantification tools, and the literature highlighted how difficult it is to introduce performance measures that focus on corporate outcomes from a social perspective. However, Graafland *et al.* (2004) indicates that performance measurement cannot be correlated with the results of the company's social activities, because their results are entirely dependent on the company.

Based on the literature on this topic in the last decade, the following points can be synthesized: most of the studies on this topic focus on British or American businesses; the results obtained are contradictory and heterogeneous due to the use of rather heterogeneous quantification modalities for social performance and, as a result of the research, resulted in differences in the relationship between the social performance of companies and the short and long term financial performance.

Apart from the aspects related to correlation of time intervals, in the study of the correlation between financial performance - social performance, there are aspects related to the dimensions of the companies. Most of the existing studies, adapted to the environment under consideration, concern multinational companies. There are, however, punctual, national or regional approaches to small and medium-sized companies. Choi and co-workers (2018) conduct such a study on SMEs and conclude that this correlation is overwhelmingly dependent on the field of activity of firms, being an extremely heterogeneous environment that is hard to characterize as a whole.

Kappou and Oikonomou (2016) investigate the "social index effect" and find that although the deletion of stocks from a socially responsible index (caused by various social, environmental or ethical controversies) is associated with abnormal economic and statistical returns, surpluses that could be quantified as a measurable financial result.

3. Methodology

Social performance reporting aims to create a useful and adequate tool for measuring company’s' activity against the current needs of society, envisaging flexibility in terms of implementing various changes for the future within the framework of determining their overall value - both from an economic and a social point of view (Hahn and Kühnen 2013). Determining such an overall value of a company may be both versatile and specifically determined by its activity sector. The widest spread methodology for sustainability reporting is the one launched by the Global Reporting Initiative (GRI) that somehow represents a synthesis of previous and also sub-sequent ones, such as CSR Europe - European Business Network for Corporate Social Responsibility, the OECD Guidelines for Multinational Enterprises or the Basic Guide to Communication on Progress of the UN Global Compact 27 under the United Nations Organization as a tool for reporting CSR policies and activities.

The GRI methodology puts together a set of standardized indicators describing a company's activities and providing an appropriate instrument for identifying but not really measuring sustainability and social responsibility. The companies' reports developed based on such a methodology, are useful in dynamically measuring the progress registered in this area according to legal framework in place at a given moment in time (Willis, 2003). Such reporting has also got a significant influence in terms of company's attitude towards sustainability expectation of national and international authorities, but also compared to other similar entities. The GRI reporting consists of three major chapters - economic, environmental and social and the set of indicators, though rather ample, indicators themselves are still concise and easy to depict and report. Their significance is different for both stakeholders and the reporting authority and thus, companies grant them variable weights. "*The determination of the degree of evaluation should be based, among other things, on the internal and external factors, such as corporate management strategy or social aspects*" (GRI 2014). The results for each category of indicators should be clearly presented in the report so that comparisons may arise. Also, the GRI methodology involves three reporting categories: profile, managerial approach and indicators of performance. This last category is the most significant and appropriate form the perspective of the social performance analysis.

Under the "Social" Category, the GRI methodology aims to capture the social dimension of sustainability and the impact of the company on social systems within which it operates. This category includes: Labor Practices and Decent Work; Human Rights; Society; Product Responsibility (GRI, 2015). These indicators of company's social responsibility have been analyzed according to their recording within the yearly reports of 5 big companies in Eastern and Central Europe - Transelectrica Romania, Latverengo Latvia, Magyar Telekom Hungary, Sava Re Goup Slovenia, Nowy Styl Group Poland, CEZ Group Czech Republic.

The aim of the analysis is to find the share of these indicators that are being voluntarily reported by these companies and the extent of their detail in terms of figures. Even if they represent common ground for an integrated financial-social evaluation of the company, unless these indicators and present and quantified in an appropriate manner, an accurate evaluation cannot be achieved.

4. Results and Analysis

According to the envisaged methodology we consider GRI indicators under the social category as indicated in Table no.1, for five major companies in Central and Eastern European Countries, also highlighting the set of indicators reported within their annual sustainability reports with data covering the 2016-2018 time interval. The sustainability reports contain both data concerning the financial side of the business and sustainability indicators - some of them compliant with the GRI methodology, others EU recommended indicators (EU SDG Indicator Set)[2] and even some company's own social indicators.

Table 1. *GRI social indicators*

Social indicator	**Transelectrica Romania**	**Latverengo Latvia**	**Magyar Telekom Hungary**	**SavaRe Goup Slovenia**	**Nowy Styl Group Poland**	**CEZ Group Czech Republic**
401-1 New employee hires and employee turnover						
401-2 Benefits provided to full-time employees that are not provided to temporary or part- time employees						
401-3 Parental leave						
402-1Labor/Management Relations; Minimum						

[2]**** *EU - Sustainable Development Goals indicators - Eurostat - https://ec.europa.eu/eurostat/web/products-eurostat-news/-/WDN-20170707-1, accessed March 2019.*

notice periods regarding operational changes						
403-1 Workers representation in formal joint management–worker health and safety committees						
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities						
403-3 Workers with high incidence or high risk of diseases related to their occupation						
403-4 Health and safety topics covered in formal agreements with trade unions						
404-1 Average hours of training per year per employee						
404-2 Programs for upgrading employee skills and transition assistance programs						
404-3 Percentage of employees receiving regular performance and career development reviews						
405-1 Diversity of governance bodies and employees						
405-2 Ratio of basic salary and remuneration of women to men						
406-1 Incidents of discrimination and corrective actions taken						
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk						
409-1 Operations and						

suppliers at significant risk for incidents of forced or compulsory labor						
411-1 Incidents of violations involving rights of indigenous peoples						
412-1 Operations that have been subject to human rights reviews or impact assessments						
412-2 Employee training on human rights policies or procedures						
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening						
413-1 Operations with local community engagement, impact assessments, and development programs						
413-2 Operations with significant actual and potential negative impacts on local communities						
414-1 New suppliers that were screened using social criteria						
414-2 Negative social impacts in the supply chain and actions taken						
415-1 Political contributions						
416-1 Assessment of the health and safety impacts of product and service categories						
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services						
417-1 Requirements for						

product and service information and labeling						
417-2 Incidents of non-compliance concerning product and service information and labeling						
417-3 Incidents of non-compliance concerning marketing communications						
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data						
419-1 Non-compliance with laws and regulations in the social and economic area						

Transelectrica is a major Romania company in the field of energy distribution - operating the main transformer power stations in the country, employing a staff of over 2100 people within a central structure and its 8 branches, "*a strategic company at national and regional level, Romania is a strong voice in Europe in terms of energy security. That is why durability, sustainability and innovation are values which we are building our course on and which we embrace in order to ensure the safe functioning of the energy system both in Romania and in the region.*[3]"

Transelectrica reported the following social indicators:
404-2 Programs for upgrading employee skills and transition assistance programs - Company's staff benefited from training in fields such as: technical – 354 persons, acquisitions – 78 persons, financial and accounting – 25 persons, other fields (IMS, HSW, audit etc.) – 81 persons[4].

405-1 Diversity of governance bodies and employees - Here, Translectrica reports the percentage of employees per employee category in each of the diversity categories - gender and age group. Consequently the indicator is only partial as the percentage of individuals within the organization's governance bodies in each of the following diversity categories is not reported and neither are other indicators of diversity where relevant (such as minority or vulnerable groups).

[3] **** - Sustainability Report - Transelectrica 2017 - http://www.transelectrica.ro/documents/10179/6806714/Transelectrica%27s+Sustainability+Report+2017.pdf/42bad6a3-838c-475b-80ea-63dd52d2dfd9, accessed March 2019;*
[4] *Idem, Sustainability Report - Transelectrica 2017, p. 26-27.*

Table 2. *Transelectrica GRI indicator 405-1: Diversity of governance bodies and employees*

	Age				**Gender**	
Type of position	**Number of employees**	**Younger than 30 years old**	**30-50 years old**	**Over 50 years old**	**M**	**F**
Top management personnel	78 (3,8%)	0 (0%)	44 (56,4%)	34 (43,6%)	53 (68,0%)	25 (32,1%)
Leadership personnel	316 (15,3%)	5 (1,6%)	200 (63,3%)	111 (35,1%)	221 (69,9%)	95 (30,1%)
Executive personnel	1661 (80,8%)	122 (7,3%)	961 (57,9%)	578 (34,8%)	1246 (75,0%)	415 (25,0%)
Total personnel	2055	127 (6,2%)	1205 (58,6%)	723 (35,2%)	1520 (74,0%)	535 (26,0%)

Source: *Transelectrica Sustainability Report 2017, p. 26-27.*

413-1 Operations with local community engagement, impact assessments, and development programs. This indicator has not been quantified according to the GRI standards methodology - *"Percentage of operations with implemented local community engagement, impact assessments, and/or development programs"*[5].

Latverengo Latvia also operates in the energy field as the largest power supplier in the Baltic countries handling electric and thermal energy production and trade, distribution systems of energy and leasing of transmission systems and employing over 4000 people, according to its 2017 sustainability report[6]. In terms of the GRI indicators, Latverengo reports as following:

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.

Table 3. *Rates of injury and absenteeism* (2013-2017) - Latverengo Latvia*

						2017	
Unit	2013	2014	2015	2016	2017	F	M
Injury rate (IR) index	0.34	0.23	0.23	0.23	0.23	0.03	0.2
Occupational diseases rate (ODR) index	0.05	0.10	0.03	0.20	0.15	0.09	0.06

[5] *** - *GRI (2015) - GRI Reporting Principles and Standard Disclosures - https://www.globalreporting.org/resourcelibrary/grig4-part1-reporting-principles-and-standard-disclosures.pdf, accessed March 2019.*

[6] *** - *Latvenergo Annual Austainability Report 2017 - https://www.latvenergo.lv/files/news/LE_sustainability_annual_report_2017.pdf, accessed March 2019.*

Lost day rate (LDR) index	15	8	15	8	22	0.2	21.8
Accidents (not serious) number	11	8	5	7	6	0	6
Accidents (serious) number	2	1	2	1	2	1	1
Accidents (fatal) number	0	0	1	0	0	0	0
Occupational diseases number	2	4	1	7	5	3	2
Absentee rate (AR) ** %	3.9	3.5	4.5	4.7	5.1	6.6	4.4

Source: *Latvenergo Annual Austainability Report 2017, p. 69.*

403-4 Health and safety topics covered in formal agreements with trade unions.

According to the sustainability report of Latvenergo Latvia, the Collective Bargaining Agreement formally mentions the aspect of health and safety as following: "*the employer, the trade union and the employees have confirmed their responsibility regarding the improvement of the labour safety system, including the evaluation of work environment risks and minimisation of their impact; agreement on the term of office of trustees, which is five years, and their engagement in the improvement of labour safety; the employer's obligations, including in a situation where an accident at work has occurred. with the trade union must be started no later than one month before notifying the State Employment Agency. Employees must be informed about organisational changes leading to redundancies no later than five days following the decision*[7]".

404-1 Average hours of training per year per employee.

Table 4*. Average hours of training per year per employee - Latvenergo Latvia*

	2017	
	F	M
Average hours of training per year per employee	16	19

Source: *Latvenergo Annual Austainability Report 2017, p. 69.*

"Average rates by position levels were as follows: 29 hours for managers; 17 hours for specialists; 18 hours for skilled workers and 13 hours per employee in other positions"[8].

[7]*Idem *** Latvenergo Annual Austainability Report 2017, p. 69-70 - https://www.latvenergo.lv/files/news/LE_sustainability_annual_report_2017.pdf, accessed March 2019.*

[8] *Idem - p. 71;*

Magyar Telekom Group has a structural approach on sustainable development - environmental - social and economic, leaving from international regulation and getting to the impact of its policies on risks, efficiency, results, market position, brand value and perception. This company is the one reporting all GRI indicators under the GRI 400 Social.

CEZ Group activates in the energy field ranging from coal extraction and selling to electricity, heat and natural gas distribution, generation, trading but also energy services renewable energy sources. The annual sustainability reports of CEZ Group have been developed in accordance with the GRI methodology and subject to an auditing process. This company reports on most GRI social indicators except:

- 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.
- 411-1 Incidents of violations involving rights of indigenous peoples.
- 412-1 Operations that have been subject to human rights reviews or impact assessments.
- 412-2 Employee training on human rights policies or procedures.
- 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.
- 417-1 Requirements for product and service information and labeling.
- 417-2 Incidents of non- compliance concerning product and service information and labeling.
- 417-3 Incidents of non- compliance concerning marketing communications.

SavaRe Group Slovenia is company with business in the financial - insurance/ reinsurance area containing seven insurers based in Slovenia and in the Adratic countries, two life insurance companies but also companies in health services, pensions, marketing services or property renting and management.

401-1 - New employee hires and employee turnover.

Table 5. *New employee hires*

	Arrivals		Departures	
Gender	Number	Structure (%)	Number	Structure (%)
Women	234	52.1	243	52.9
Men	215	47.9	216	47.1
Total	449	100.0	459	100.0

Source: *SavaRe group Sustainability report*

Table 6. *Employee turnover*

	2018	2017	
	Number	Number	Change

Number of employees who left	459	458	1.0
Number of employees as at the year end	2,612	2,622	-10
Employee turnover rate	17.6%	17.5%	0.105%

Source: *SavaRe group Sustainability report.*

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.
404-1 Average hours of training per year per employee.

Table 7. *Average hours of training per year per employee*

	2018	**2017**	**Index**
Hours of training	46,796	49,738	94.1
Number of training attendees	2,157	1,425	151.4

Source: *SavaRe group Sustainability report.*

404-3 Percentage of employees receiving regular performance and career development reviews.
405-1 Diversity of governance bodies and employees.

Table 8. *Diversity of governance bodies and employees*

	2018		**2017**	
Gender	Number	As % of total	Number	As % of total
Women	1,502	57.5	1,446	55.1
Men	1,11	42.5	1,176	44.9
Total	2,612	100.0	2,622	100.0

Source: *SavaRe group Sustainability report.*

405-2 Ratio of basic salary and remuneration of women to men - equal basic salary.
413-1 Operations with local community engagement, impact assessments and development programs - Sava Re Group cooperates with the national automobile association (AMZS) aiming to contribute to better road safety.
414-1 New suppliers that were screened using social criteria - "suppliers and service providers are required to deliver proof of proper disposal of waste generated in mutual cooperation[9]".
417-1 Requirements for product and service information and labeling is detailed within a specific sub-chapter of the sustainability report but without providing a quantitative estimate concerning the "percentage of significant product or service categories covered by and assessed for compliance with such procedures[10]".

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[9] **** - Sava Re Group - sustainability Report 2018 - p. 108.*
[10] ****-GRI (2015) - GRI Reporting Principles and Standard Disclosures - https://www.globalreporting.org/resourcelibrary/grig4-part1-reporting-principles-and-standard-disclosures.pdf, accessed March 2019.*

419-1 Non-compliance with laws and regulations in the social and economic area Sava Re Group basis its entire activity on fair business practices, ethics principles including; "fairness and compliance of business operations, transparency, managing conflicts of interest, prevention of money-laundering and financing of terrorism, and prevention of restriction of competition11". Also this indivcator, does not provide quantitative estimates for the total monetary value of significant fines; total number of non-monetary sanctions or number of cases brought through dispute resolution mechanisms according to the GRI methodology.

Nowy Styl Group Poland grew as a European leader company on the comprehensive furniture solutions for office and public spaces, becoming the fastest developing furniture amongst similar companies in Europe. The competitive advantage of Nowy Styl is based on a global approach, a local approach on customers, knowledge and experience, a comprehensive portfolio of products and also production autonomy in both huge volumes and customized orders. According to its 2016-2017 sustainability report, Nowy Styl Group Poland reports the following GRI indicators:

401-1 New employee hires and employee turnover.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employeesety.
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.

Table 9. *Rates of injury*

2016 2017	**Women**	**Men**	**Total**	**Women**	**Men**	**Total**
Nowy Styl Sp zoo	7.63	8.81	8.51	1.19	12.44	9.45
Nowy Styl GmbH	22.73	16.13	18.87	0	16.13	10
Rohde & Grahl GmbH	12.5	52.21	42.55	0	81.4	62.31
Sitag AG	68.97	21.28	32.52	37.04	34.09	34.78

Source: *Nowy Styl Group Poland sustainability report, p. 54.*

403-3 Workers with high incidence or high risk of diseases related to their occupation.
404-1 Average hours of training per year per employee.

Table 10. *Average hours of training per year per employee*

Nowy Styl Group	**Women**	**Men**
2016	10.6	10.1
2017	14.7	10.3

Source: *Nowy Styl Group Poland sustainability report, p. 53.*

[11] *Idem - *** - Sava Re Group - sustainability Report 2018 - p. 103*

404-2 Programs for upgrading employee skills and lifelong learning that support the continued employability of employees and transition assistance programs.
404-3 Percentage of employees receiving regular performance and career development reviews by gender and employment category.
405-1 Composition of governance bodies and breakdown of employees per employee category by gender, age and other indicators of diversity.
405-2 Ratio of basic salary and remuneration of women to men by the position Occupied.
406-1 Total number of incidents of discrimination and corrective actions taken - no incidents of discrimination were recorded.
413-1 Operations with local community engagement, impact assessments, and development programs.
414-1 New suppliers that were screened using social criteria.
416-1 Assessment of the health and safety impacts of product and service categories.
416-2 Incidents of non-compliance concerning the health and safety impacts of products and service.
417-2 Incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling.
417-3 Incidents of non-compliance with regulations and voluntary codes concerning marketing communications.
419-1Non-compliance with laws and regulations in the social and economic area.

After having screened and analyzed the main categories of social indicators reported by the selected companies according to the GRI methodology, but also, after taking an insight upon the rather quantitative or descriptive assessment of such criteria, we can propose a scoring grid that would later be useful in evaluating the overall financial and social performance.

Within the grid below, average values for main quantitative indicators have been considered in accordance with internationally recognized benchmarks. For indicator 404-1 Average hours of training per year per employee - KPI Institute[12] recommends that "average organizations should aim for 80 h/ year" even though, "benchmarking is common for this measure, generally within each industry." For indicator 405-2 Ratio of basic salary and remuneration of women to men, PayScale[13] has reported for 2019, according to it's survey and analysis, a gender pay gap raging from 0,79 in an uncontrolled environment up to a 0,98 on a similar job and qualification. Thus, we considered 0,79 as a significant benchmark.

Table 11. *GRI selected indicators core-board*

No	**GRI social indicator**	**Measurement**	**Reference value**	**Sco re**

[12] https://www.performancemagazine.org/kpi-hr-training-hours-fte/, accessed May 2019.
[13] https://www.payscale.com/data/gender-pay-gap#section02, accessed May 2019.

1	404-1	Average hours of training per year per employee	a. Average hours of training that the organization's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	< 80h/year	10
				> 80h/year	5
2	404-3	Percentage of employees receiving regular performance and career development reviews	a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	>80%	10
				<80%	5
3	405-1	Diversity of governance bodies and employees	a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	female > 50%, female < 50%,	5; 1
				younger than 30>5%, younger than 30<5%	4; 1
				minority/vulnerable>5%, minority/vulnerable>5%,	1; 0
4	405-2	Ratio of basic salary and remuneration of women to men	Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	>0,79	10
				<0,79	5
5	406-1	Incidents of discrimination and corrective actions take	a. Total number of incidents of discrimination during the reporting period.	0	10
				>0	5
6	413-1	Operations with local	a. Percentage of operations with	>5%	10

		community engagement, impact assessments, and development programs	implemented local community engagement, impact assessments, and/or development programs,	<5%	5
7	413-2	Operations with significant actual and potential negative impacts on local communities	a. Operations with significant actual and potential negative impacts on local communities, including: i. the location of the operations; ii. the significant actual and potential negative impacts of operations.	0	10
				>0	5
8	414-1	New suppliers that were screened using social criteria	a. Percentage of new suppliers that were screened using social criteria.	100%	10
				<100%	5
9	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	a. Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by: i. incidents of non-compliance with regulations resulting in a fine or penalty; ii. incidents of non-compliance with regulations resulting in a warning; iii. incidents of non-compliance with voluntary codes.	0	10
				>0	5

10	419-1	Non-compliance with laws and regulations in the social and economic area	i. total monetary value of significant fines; ii. total number of non-monetary sanctions; iii. cases brought through dispute resolution mechanisms.	0	10
				>0	5

Source: *Author's elaboration based on GRI social indicators*.

Using this scoreboard may prove a useful tool in developing a score for the different GRI social indicators quantified in companies' sustainability reporting. Further development of the present analysis would involve testing this instrument while providing common grounds for corporate social performance evaluation.

5. Conclusion

Given the data analyzed as part of this paper for the 6 major Central and Eastern European companies, using the GRI methodology, we could put together a rather relevant image of the degree and depth of the social indicators (group 4) reporting. All these companies take into account and report a different number of indicators ranging from 3 to 32, but not all of them take the required quantitative shape. Some of them are only being described without the relevant statistical data attached. Thus, an accurate evaluation using an integrated model for both financial and social aspects would still not be covering the entire spectrum of company's activity. The next step in developing this research would be to test the score-based model in assessing the company's value while taking into account both financial and social indicators leaving from awarding significance and an hierarchical stand for each of them.

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