

THE SUSTAINABLE DEVELOPMENT- A BASIC FACTOR OF THE ORGANIZATIONAL COMPETITIVENESS

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ABSTRACT: The concept of sustainable development was defined about 30 years ago as a response to the environmental problems and the crisis of the natural resources. The sustainable development is understood as a new type of economic growth, radically opposed to the actual one which dominated the economy of XIX-th and XX- centuries. It refers to a mode of human development in which resource use aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come. In the present paper the author tries to present the way in which the concept of the sustainable development is applied within the company LUKOIL Romania. Also the way in which this fact contributes to the ensuring and growth of the organizational competitiveness in the actual economic environment.

KEY WORDS: Sustainable development, management, social responsibility, environment protection, quality management

1. INTRODUCTION

The sustainable development refers to a mode of human development in which resource use aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come. The term 'sustainable development' was used by the Brundtland Commission which coined what has become the most often-quoted definition of sustainable development: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs [6].

In the present paper the author tries to present the way in which the concept of the sustainable development is applied within the company LUKOIL Romania. Also how this fact contributes to the ensuring and growth of the organizational competitiveness in the actual economic environment.

Being founded in 1998, LUKOIL Romania is a leader on the Romanian fuel market, having a share of 20% of the total fuel market in Romania.

At present, LUKOIL Romania sells motor fuels through the network of 300 filling stations and 9 fuel depots.

LUKOIL Romania's economic activity creates an impressive impact on the Romanian economy: US\$ 400 million invested over the last 13 years (of which 7.7 million dollars spent on environmental protection only), creation of 3800 jobs within LUKOIL Romania.

Continuous improvement of product quality and environment protection is an ongoing concern of the company management, aiming to fulfil all the obligations in due time and comply with the national and the EU legislation [3].

2. MISSION OF THE COMPANY LUKOIL

The importance of the sustainable development concept for the company is proved by the company's mission definition.

The company's mission is to harness natural energy resources for human benefit. LUKOIL aims to support long-term economic growth, social stability, prosperity and progress in the regions where it operates, as well as caring for the environment and ensuring sustainable use of natural resources. The company wants to achieve a consistent and long-term growth of its business, transforming LUKOIL into a leading global energy company. It wants to be a reliable supplier of hydrocarbons on the international energy market [2].

3. VALUES

The company activity is based on corporate values which allow conducting business in accordance with the highest ethical standards. LUKOIL is aware that its reputation depends not only on the strict observance of Romanian and international laws, but also of human rights.

To a large extent, the company's reputation and success are based on social responsibility and commitment to moral standards and norms.

Company's corporate core values are:

Efficiency - The company is aware of its duty and responsibility towards shareholders and partners, thus the profitability and the efficiency, the expected or better results, have an undeniable value for it. Under fierce competitiveness, LUKOIL will continue to improve the quality and efficiency of its activities. The commitment to innovative growth, achievement of economic benefits and additional production by switching to advanced management techniques and innovative technical and technological solutions is very important for the company.

Staff.

LUKOIL's main value is represented by its employees. Everything the company does is by means of the people and for the people. Quality staff, opportunities to discover talents and skills of employees, the ability to use them for the benefit of the company and the employee are prerequisites for LUKOIL's multilateral achievements in reaching the stated objectives.

Ecology.

LUKOIL is one of the biggest users of natural resources in the world. Its activity consists of the technological extraction and processing of natural resources to meet the human needs of fuel, power and heat, the other products of the refining. However, the achievement of the high performance relates to the rational use of natural resources and compliance with the highest international standards of the environmental protection. The compliance with the legislation is the foundation of sustainable development of LUKOIL. The company strictly follows the rule of law and has set up a complex system of environmental management throughout the vertical line management - from headquarters to each company and object; the environmental tracking procedure of any project, from concept to implementation is clearly defined.

Social Responsibility.

LUKOIL is a responsible member of the international community and a conscientious participant in the market economy. Aware of its responsibility towards stakeholders in the countries and regions in which it operates, the company conducts a responsible social policy in terms of work, employment, production relations, workers aid, the disabled, veterans, charity and sponsorship acts.

Partnership.

The company forms, supports and appreciates at the highest level the existing relationships with business partners, community organizations and consumers. Achieving effective results is impossible without a long-term cooperation and mutual benefit, without interest in the sustainable development of its business partners, without mutual respect and responsibility for commitment fulfilling.

The company maintains within the labour collectives the spirit of partnership and teamwork, motivating the staff to achieve good results in its activity.

Ethics.

Within its various activities, the company does not formally observe the laws and its objectives. It is important for the company how and in whose name it operates. Following its mission, LUKOIL operates on the basis of equity and justice, respect and honesty. It is unacceptable for the company to obtain good results at any costs [3].

4. POLICY IN THE FIELD OF THE ENVIRONMENT PROTECTION

Environmental policy, as a strategic element of the general system of coordination of all processes carried out and the first of the production ones, contains several courses of action including:

- Compliance with national and European legislation;
- Alignment with the concept of sustainable development by linking development with the economic interests of environmental protection;
- Development of processes and technologies that minimize the environmental impact and reduce/eliminate the risk;
- Allocation of necessary resources in order to continuously improve the environmental performance of products and processes in order to reduce the impact on the environment.

According to the obligations established within the integrated environmental license, an important part of the planned and implemented measures resulted in air quality improvement. The Tail-Gas, Claus II and Wastewater Stripper plants have been installed, meeting the requirements of the best European technology in the field. The commissioning of these objectives has ensured the advanced recovery of sulfur from gas and a 20% reduction in sulfur dioxide emissions. Also, the continuous emission monitoring systems ensure the compliance within the accepted limits of pollutant emissions from major sources.

Another main direction of the environmental policy is the work of emptying and cleaning oil waste pits, to eliminate historical pollution and to comply with the European directive on waste treatment. There are also ongoing works, aiming a 50% reduction of fresh water consumption and wastewater discharges.

All the works under the Action Plan for 2007-2011 have been fulfilled according to the set deadlines, some of them even before the deadline. Other works are planned, which will result in improved environmental quality and compliance with environmental requirements. The implementation of the Action Plan measures, included in the integrated environmental authorization, involves significant costs to the company, of about USD 80 million.

Lukoil Romania considers that the quality of petroleum products and services provided to the customers in its filling stations is extremely important and the issues of environmental compliance with the European standards in force represent a permanent priority. Thus, all the depots and the whole LUKOIL fuel distribution network have facilities to recover volatile organic compounds from tanks, and LUKOIL filling stations are equipped with volatile organic compound recovery systems. [4].

5. PRODUCTS QUALITY

Lukoil Romania has three laboratories for physical-chemical tests of petroleum products: two fixed laboratories and a mobile one. These laboratories are accredited according to EN 17025/2005 and provide quality control of petroleum products in all LUKOIL filling stations. The staff of the Quality – Laboratory Department includes eight persons, highly trained in the oil field. The motor fuels sold in the LUKOIL filling stations meet the requirements of the current European Union standards.

Fuel filling stations and oil depots provide LUKOIL Romania customers and partners following fuels and oil products:

- Gasoline EUROLUK 95
- ECTO 98 Gasoline
- EURO L DIESEL Diesel (10ppm)
- SUPER DIESEL Diesel ECTO
- LPG

LUKOIL Romania's filling stations and fuel depots provide customers and partners from Romania the following grades of motor fuels and petroleum products:

- Gasoline EUROLUK 95
- ECTO 98 Gasoline
- EURO L DIESEL Diesel (10ppm)
- SUPER DIESEL Diesel ECTO
- LPG

All LUKOIL fuels fully observe the national standards in force as far as quality requirements are concerned.

The quality assurance process is carefully monitored throughout the supply chain activities of petroleum products up to their marketing. Thus, LUKOIL acquired the image of a company renowned for the undisputed quality of the sold petroleum products.

Being constantly concerned with human health and environment protection, LUKOIL initiated an extensive program of petroleum product quality control, in strict compliance with European requirements. [3].

The first mobile test laboratory was acquired for the Western part of Romania. Now the company has two fixed laboratories and a mobile one.

By creating a true network of fixed and mobile laboratories, strategically located throughout the country, it creates the possibility of implementing strict programs:

- Supervision of filling stations in terms of sold product quality;
- Surveillance of terminals and territorial depots at receipt, during storage and delivery of petroleum products;
- Monitoring the observance of the law, regarding the reduction of noxious pollutants from flue gases by limiting sulfur, benzene and aromatics content in gasoline and diesel;
- To prevent contamination and stealing of any kind by dosing the content of dyes and markers.

Equipped with last generation equipment, based on instrumental methods of analysis, fast and accurate, able to be supplied both from the power grid and from the transport vehicle battery, the mobile laboratories can move anywhere they are required to perform analysis of petroleum products,

both gasoline and diesel fuels, according to current regulations, avoiding unnecessary waste of time and money when sending samples to a normal (fixed) laboratory.

Test results can be quickly communicated in order to take adequate decisions.

In order to limit environmental pollution, LUKOIL Romania also takes other preventive measures regarding the air and water pollution level in the area near the filling stations and fuel depots, through an internal control system, using mobile laboratories specifically for this purpose.

6. OBJECTIVES IN THE FIELD OF THE SUSTAINABLE DEVELOPMENT

The LUKOIL strategic objective is to ensure dynamic sustainable development corresponding to that of global oil majors in terms of their efficiency and competitiveness.

In order to ensure and grow organizational competitiveness, LUKOIL pays great attention to the social responsibilities, which consist in an adequate working environment and appropriate remuneration, environmental safety and preservation of the cultural heritage.

LUKOIL top priority objectives include creation of a safe working environment for its employees, health protection of LUKOIL Group personnel and local communities in the areas of LUKOIL Group operations, and environmental protection.

To ensure accomplishment of the aforementioned tasks, the Company has developed and is successfully running its Health, Safety and Environment Management System which includes compliance with fire safety and emergency response requirements. It is in line with the applicable Russian law, is based on the best Russian and global practices and has been certified to comply with ISO 14001 and OHSAS 18001 standards.

The objectives of the Health, Safety and Environment Policy implemented by LUKOIL in the twenty-first century are to:

- increase petroleum gas utilization rate through expansion of gas-processing and power-producing capacities;
- apply the zero-discharge principle while developing offshore fields;
- increase the output of environmentally friendly fuels compliant with the European standards;
- comply with greenhouse gas reduction provisions of the Kyoto Protocol;
- by introducing power efficient techniques and using alternative energy sources ensure efficient management of natural resources in the areas of LUKOIL Group operations and of those used for production;
- by introducing new cutting-edge techniques, equipment and materials and increased process control automation bring under control and gradually reduce both the amount and toxicity of emissions, discharges of pollutants and waste;
- ensure continuous improvement of HSE performance, including without limitation, through increased reliability of process equipment, its safe and accident free operation, introduction of new technologies and automated emergency systems;
- ensure that the management, personnel, rescue services and units of LUKOIL Group organizations are prepared to take accident elimination, fire fighting and emergency response measures, as well as enhance preparedness and provide more advanced equipment to fire-fighting and rescue units;
- ensure more efficient development and implementation of LUKOIL programs aimed at identifying and achieving the most critical health, safety and environment, occupational safety and emergency response objectives;

- reduce anthropogenic environmental load resulting from operation of newly commissioned facilities by ensuring better quality of front end and design documents;

- exercise more efficient production control, corporate supervision and internal auditing to ensure compliance with the Health, Safety and Environment regulations at LUKOIL Group sites based on cutting-edge information technologies, technical diagnostics and remote monitoring techniques in line with ISO 14001, ISO 17020 and OHSAS 18001 international standards.

To achieve the above-specified goals, LUKOIL commits to the following:

- implement the entire range of injury and accident prevention and mitigation measures that are practicable and available to it;
- ensure that scheduled and implemented steps and measures related to prevention of impact upon personnel, population and environment are viewed as those of higher priority than emergency response measures targeting such impact;
- ensure that there is continuous and consistent improvement in terms of how and to what extent the personnel, residents and environment are impacted by the Company's operations, products and services, as well as consumption of natural resources in line with the current level of scientific, technological and social development;
- continuously implement task-specific measures aimed at reducing oil and gas losses, as well as oil and gas processing losses, and preventing them from entering the environment;
- introduce up-to-date scientific developments and technologies to gradually reduce specific consumption of natural resources, materials and energy and yet maintain the maximum possible production levels;
- ensure compliance with the applicable national law, international treaties, industry-specific and corporate regulations governing health, fire and environmental safety and emergency response preparedness;
- assess the impact that the scheduled business activities, products and services may have on the health of the personnel, population and environment;
- assess production, occupational, and fire-safety risks, develop and implement measures to mitigate and offset such unforeseen losses;
- make and implement any managerial and production-related decisions that necessarily take account of substantial environmental issues, as well as production and occupational risks;
- request that all personnel employed by LUKOIL perform their work in compliance with the applicable industrial, fire and environmental safety, health and emergency response rules and regulations; introduce respective incentives, provide training and advanced training to the Company's personnel and LUKOIL employees;
- make best efforts to improve environmental quality in the areas of LUKOIL Group operations;
- request that corporate entities contracted by LUKOIL Group comply with the industrial, fire and environmental safety, health and emergency response regulations adopted by LUKOIL organizations;
- publicly report to the Company's shareholders and personnel on industrial, fire and environmental safety, health and emergency response issues;
- inform on a regular basis all parties concerned (public at large, executive and legislative bodies, etc.) of LUKOIL operations in the field of industrial, fire and environmental safety, health and emergency response;

- continuously improve the Health, Safety and Environment Management System in compliance with ISO 14001 and OHSAS 18001 standards;
- exercise control over compliance with the obligations assumed by the Company as part of the Policy [5].

Also, in order to increase its competitiveness, the company implemented and certified the Integrated Management System according to:

SR EN ISO 9001: 2008

SR EN ISO 14001:2005

SR OHSAS 18001:2008.

This was a strategic decision of the company's management, aiming to confirm the value, in a market strongly influenced by a high growth of the demand and a severe selection of suppliers.

Certification is an assessment of the quality of the management act, of the best practices in the organization, of the organization's focus on quality, of all the areas in which there are activities with an impact on environment, health and safety. Maintaining the certification of the Quality-Environment Integrated Management System and the annual reconfirmation of this performance is an evidence of acquiring an organizational culture that places the customer, the environmental protection and the health and safety at work under the focus of the organization [4].

7. CONCLUSIONS

One of the most actual and important concepts, which has an impact in many fields of the human activity, is the sustainable development. As we saw in the present paper by the example

of LUKOIL Romania company, this concept is not only defined and accepted, but also practically implemented and developed by companies. Within LUKOIL Romania are taken many concrete measures in order to ensure the implementation of the sustainable development concept in the following areas; quality, environment, health, professional security, staff a.o. LUKOIL Romania has a well defined and implemented management system in the above mentioned areas, taking in consideration all aspects of the actual economic, social, legal environment. This fact has a major role in making the company LUKOIL Romania one of the most competitive and powerful companies in Romania.

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