

## SOCIAL RESPONSIBILITY AND BANK REPORTING IN REPUBLIC OF MOLDOVA

### RESPONSABILITATEA SOCIALĂ ȘI RAPORTAREA BANCARĂ ÎN REPUBLICA MOLDOVA

CIOBANU Daniela, studentă, Specialitatea: FB  
MOLDOVANU Anastasia, studentă, Specialitatea: FB

Academia de Studii Economice din Moldova  
Republica Moldova, Chișinău, str. Bănulescu-Bodoni 61

e-mail autor: [ciobanu.daniela.pbc2@ase.md](mailto:ciobanu.daniela.pbc2@ase.md)

[moldovanu.anastasia@ase.md](mailto:moldovanu.anastasia@ase.md)

**Rezumat.** *Responsabilitatea socială corporativă (RSC) este un concept relativ nou pentru Moldova, dar cu tradiții în Uniunea Europeană, unde a fost introdusă în legislație și este obligatorie pentru fiecare companie. Astăzi, pentru majoritatea companiilor din Moldova, RSC a devenit o carte de vizită care vorbește despre atitudinea față de societate și provocările cu care acestea se confruntă. Responsabilitatea socială este o teorie etică conform căreia o entitate, fie ea o organizație sau un individ, are obligația de acțiune în beneficiul societăților în general. Aceasta exprimă o datorie pe care fiecare individ sau organizație trebuie să o îndeplinească pentru a menține un echilibru între economie și ecosistem. Exista patru tipuri de responsabilitate socială corporativă pe care bancile le pot practica: RSC de mediu, etic, filantropic și economic.*

*Obiectivul acestei lucrări este familiarizarea cu conceptul de responsabilitate socială, analizarea caracteristicilor acestuia și implicarea băncilor din Republica Moldova. Responsabilitatea socială a băncilor în Republica Moldova a devenit mai dezvoltată, având ca scop participarea la diferite probleme sociale, protecția mediului, educația financiară, creșterea nivelului de trai al persoanelor, promovarea și implementarea programelor umanitare. „Caritate VB”, organizația de caritate fondată pe ideea personalului Victoriabank, se numără printre cele mai bune organizații filantropice din țară, participând la nenumărate acțiuni caritabile și susținând proiecte sociale esențiale. În 2021, s-a clasat pe locul 38 din 665 de ONG-uri care au beneficiat de desemnarea procentuală, persoanele fizice redirecționând 45.890 de lei în contul companiei. Al doilea exemplu este BC „ProCredit Bank” SA, care a reușit să-și reducă emisiile de gaze cu 56% în ultimii 4 ani. În plus, banca și-a scăzut consumul anual de energie cu 76%, consumul de apă cu 79% și consumul de hârtie cu 94%. Acest lucru demonstrează angajamentul băncii față de responsabilitatea de mediu, care este o parte integrantă a modului în care își desfășoară activitatea.*

**Cuvinte cheie:** *responsabilitate, bancă, acțiuni, societate, caritate, sustenabilitate, voluntariat.*

**JEL CLASSIFICATION:** A13, Q20, Q40, Q50

#### INTRODUCTION

*Importance.* The value placed on corporate ethics correlates directly with how developed a nation is. Businesses are paying more attention to social responsibility, if it's advancing equality between men and women, preserving the environment, or working to end poverty at all levels. A company's reputation is affected by an array of factors, including how it conducts its business, how it uses natural resources, how its employees are used, and how it affects the growth of the community. These factors include not only economic and financial indicators, but also customer satisfaction, new locations formed, and how the organization is perceived by the societal structure, which shapes specific standards.

*The objective of the research paper.* The objective of this paper is to get familiar with the concept of social responsibility, analyse its features and the involvement of banks from Republic of Moldova.

*Research methods and analysis of bibliographic sources.* The research was conducted using the qualitative, logical, descriptive, observational data methods, among others. The research's findings are based on information from credible sources, including data from Victoria bank and Procredit bank.

## CONTENT

To preserve an equilibrium among the economy and the environment, it is everyone's responsibility to engage in social responsibility. According to an ethical philosophy, every person or organization has a responsibility to behave in the best interests of the community as a whole. The morality serves as the foundation for social responsibility, requiring that choices and course of action be honestly justifiable prior to getting taken. It would be regarded as socially irresponsible if the activity done or choice that was made harmed society or the ecosystem. A self-policing corporate strategy that enables an organization to be ethically responsible is known as corporate social responsibility (CSR). Companies can enhance their branding whilst helping society via corporate social responsibility activities, charity, and voluntary activities. A firm must first be honest to itself and its stockholders before it can be socially responsible. Organisations that implement CSR initiatives frequently expand to the stage that they're able to support the community. Thus, CSR is often a technique that big businesses use. After all, a company has a greater need to provide an example of moral conduct for its associates, rivals, and industry the more prominent and powerful it becomes.

According to International Standards Organization (ISO), was establishes an international standard for social responsibility, which consists of the six core subjects:

- Community Involvement and Development
- The Environment
- Fair Operating Practices
- Labor Practices
- Consumer Issues
- Human Rights

Generally, there are four types of corporate social responsibility that banks can practice:

1) Environmental CSR practices- Environmental CSR can be demonstrated by socially responsible banks being environmentally friendly as feasible through all aspects of their company. This is one of the most significant ways in which non-traditional banks are embracing CSR policies today.

Banks can begin to be more environmentally conscious by decreasing waste in their daily operations. This includes things like decreasing paper waste by giving paperless statements and invoices, not to use single-use plastic and other wasteful products in their workplaces, and managing energy-efficient facilities. True socially conscious banks also aim to offset the negative environmental impacts of other large corporations by allocating deposits in green projects like clean energy, sustainability analysis, and reforestation.

2) Ethical CSR- Ethical CSR entails incorporating ethical labor standards and treating all stakeholders equally, from leaders and employees to consumers and shareholders.

For example, a bank that practices this sort of CSR may opt to pay all of its employees much more than the minimum wage, especially if it works in multiple regions with differing labor and wage laws. By doing so, the commercial bank assures that each of its workers are paid a living wage rather than simply the minimum.

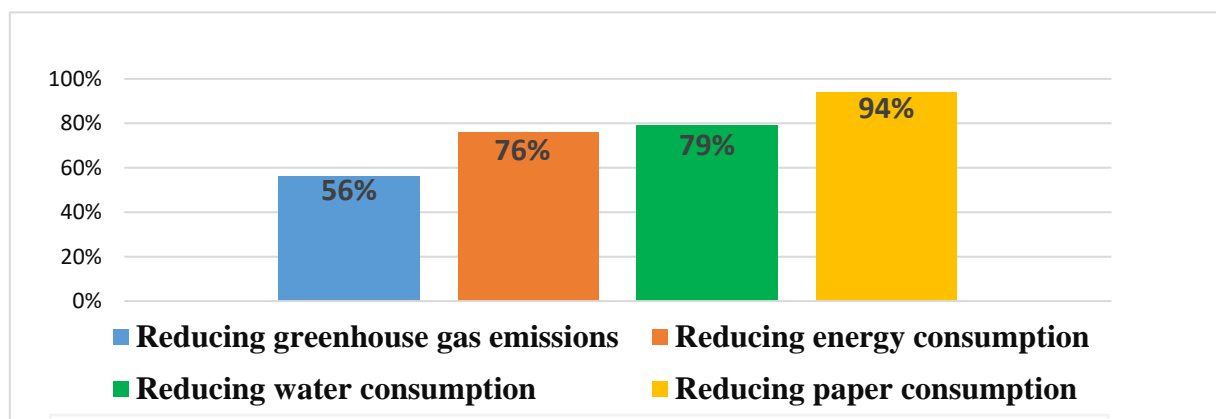
3) Philanthropic CSR - A financial company can participate in philanthropic CSR by funding to charity organizations or NGO's and offering back to communities in other relevant ways that help society as a whole.

A bank, for example, could be philanthropic by assisting community members seeking to enhance low cost housing. Alternatively, they could provide free financial advise to schools and universities, people, or non-profit organizations. A bank can also be more charitable by creating volunteer opportunities for its staff. They could, for example, meet once a month to build new houses for poor families or to tidy up city parks.

4) Economic CSR- Economic CSR is the final category of corporate social responsibility on our list. This essentially means that all financial decisions taken by a bank must support its goal to positively influence population. In other words, instead of making financial choices based on profit maximization, the bank must guarantee that it does not invest in or lend cash to programs that cause environmental damage, encourage unethical business practices, or harm society. This could involve implementing the three Ps by attempting to provide a good return for People, Planet, and Profit.

Talking about the bank's social responsibility in the Republic of Moldova it started to get more developed as it used to be before, B.C. „VICTORIABANK” S.A. is a perfect example in this case. The goal of the bank is participation in different social problems, environmental protection, financial education, increasing the standard of living for individuals, and promoting and implementing humanitarian programs. "Caritate VB," a charity organization founded on the idea of Victoriabank personnel - Banca Transilvania Group, is among the best philanthropic organizations in the country. Throughout its three years of operation, the non-profit association has participated to innumerable charitable actions and supported essential social projects, and in 2021 it ranked among the organizations to whom most individuals would choose to give the 2% of their own taxes. During 2019 - 2020, the "Caritate VB" organization was funded entirely by donations from the bank and its employees. However, the fact that the association gained beneficiary status within the percentage designation (Law 2%) in 2020 permitted Victoriabank workers, as well as any other employees, to donate the 2% of their pay. As a result: "In 2021, the "Caritate VB" Association scored 38th out of 665 NGOs that benefited from the percentage designation, with individuals redirecting 45,890 lei to the company's account." [3]

Second example to be analyzed is BC "ProCredit Bank" SA. The company seeks to make the most sustainable contribution to the nation's economic growth. Throughout this context, green credits are used to finance initiatives that promote ecological sustainability, alternative resources, and energy eco-consumption. The loan, which is designed for very-small, small, and medium-sized businesses, will provide business owners with a number of advantages over their competitors, as well as lower operating costs, more productivity, more efficient technology, and responsible for the utilization of environmental assets. The purpose of the bank is continuing to be the raising of the awareness of the environmental impact and seeking methods to lessen it, which includes creating appropriate strategies to cut back on resource and energy waste as much as possible. ProCredit Bank is regarded as a fundamental and trustworthy partnership for "green" financing because of the knowledgeable experts in the sector. The "green" loan portfolio currently makes up 16.8%, or EUR 28.8 million, of the Bank's overall loan portfolio, showing a growth constituted approximately 9% at the ending of the calendar year. "Energy efficiency investments account for the largest portion of the "green" portfolio, representing 83.1%, preceded by investing in ecologically responsible initiatives and renewable energy showing an indicator of 16.9% overall. The corporation has been successful in reducing its emissions of greenhouse gases by 56% over the last 4 years due to efforts implemented. As a result of this measures, ProCredit Bank Moldova decreased its yearly energy use by 76% / 2.5 million kWh, water consumption by 79% / 3.4 thousand m<sup>3</sup>, and paper consumption by 94% / 16.4 tons" [4], data being represented below (Fig.1):



**Figure 1.** Results of ProCreditBank regarding social responsibility, expressed in percentage.

**Source:** Management Report B.C. "ProCredit Bank" J.S. (2021)

Due to this result, it can be confirmed the ProCredit Bank's commitment to environmental responsibility and that is an integral part of how company conduct business rather than merely a trend. Also, bank made another current step in the social responsibility, by organizing "Green Saturday". At the village of Mardareuca in the Boscana commune, Procredit Bank made its initial move in converting a territory of land on an eroding hill into something like a forest with several species of trees in 2022. "A number of 100 bank staff and their kids participated in the event, planting 2,000 different tree species, including walnut trees, ash, maple, acacia, different bushes and elm." [4] For the villagers, the improving of the environment is really significant.

## CONCLUSIONS AND RECOMMENDATION

Due to its role in ensuring the stability of the economy and its systems, the banking industry as a whole has a fundamental obligation for social responsibility. By CSR, charitable giving, and volunteer work, businesses can improve their reputation while also benefiting society. The initiatives can be done through different method, such as: environmental practice, philanthropic practice, ethical practice and economic practice. The research was done for two banks from the Republic of Moldova: ProCredit Bank and Victoria bank. Both banks demonstrated the increase in their initiatives and results in the last years, by implication in volunteering, charity, decreasing the waste of natural resources and promoting green economy. Per general, all banking sector should imply in their strategy for next years such actions and to put a strong focus on this matter. Social responsibility being a mechanism for both: increasing the productivity of the bank and keeping safe the environment.

## BIBLIOGRAPHY:

1. Social responsibility and features of corporate social responsibility. [online] [accessed 19.03.2023] available on: <https://asq.org/quality-resources/social-responsibility#Core>
2. Types of corporate social responsibility that banks can practice. [online] [accessed 21.03.2023] available on: <https://www.joinatmos.com/blog/corporate-social-responsibility-of-banks#:~:text=Philanthropic%20CSR%20activities&text=For%20example%2C%20a%20bank%20might.institutions%2C%20individuals%20or%20nonprofit%20companies>
3. Social responsibility of Victoriabank. [online] [accessed 22.03.2023] available on: <https://www.victoriabank.md/despre-noi/csr>
4. Social responsibility of Procreditbank. [online] [accessed 22.03.2023] available on: <https://www.procreditbank.md/ro/content/principiile-de-responsabilitate-sociala-ale-procredit>

**Coordonator științific: BUȘMACHIU Eugenia, dr., conf. univ.,**  
Academia de Studii Economice din Moldova  
Republica Moldova, Chișinău, str. Bănulescu-Bodoni 61  
e-mail: [eu\\_busmachiou@ase.md](mailto:eu_busmachiou@ase.md)