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**Article info:**

Received 25.12.2021.  
Accepted 08.07.2022.

UDC – 005.6  
DOI – 10.24874/IJQR17.01-05



## RUSSIAN COMPANIES' ESG INVESTMENTS IN QUALITY OF UNDER THE CONDITIONS OF COVID-19

**Abstract:** *The evolution of the ESG concept of quality management has been developing for more than 60 years. In various historic periods it focused on different aspect of quality from traditional CSR issues to 17 modern SDGs. Depending on the international economic situation in some periods social problems were more important for quality, in others, more often, ecology was more on the agenda. Analyzing the historic path the authors prove that in a normal course of life international community of transnational companies and politicians tends to pay more attention to the ecological aspects of quality. The hypothesis of the paper is that Covid-19 must have changed the ESG investment priorities during quality management. Based on the non-financial reports of the leading Russian companies the authors come to the conclusion that even before pandemic the Russian big companies were more focused on the social sphere during quality management, and now as a result of the new conditions this trends is significantly more vivid. On the other hand, companies from different industries show various ESG strategies during quality management that surprisingly are not correlated with financial losses from the pandemic.*

**Keywords:** *Quality, Corporate Social Responsibility, ESG, ESG-Strategies, Sustainable Development, Russian Business, Covid-19 Pandemic, Socially Oriented Investment, Quality Management.*

### 1. Introduction

The purpose of this study is to analyze changes in the socially-oriented activities on quality management of the largest Russian companies in 2019-2021 in the context of the spread of COVID-19. The authors answer the question of how the pandemic affected the implementation of ESG strategies of quality management by Russian businesses.

Such companies as Lukoil, Uralkali, Rosneft, SIBUR, Russian Railways, Aeroflot and PhosAgro were selected as representative cases, which was due to the leadership of

these companies in the Russian Union of Industrialists and Entrepreneurs Indices for 2020 “Responsibility and openness” and “Vector of sustainable development”. Leading positions in these ratings assert high social responsibility of these representatives of large business, which, first of all, implies a strategy for the mutually beneficial development of companies and the environment in which they operate.

Modern companies in the world develop their strategies of quality management in accordance with SDGs proposed by the United Nations General Assembly which define the companies' development up to

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2030. Developing their strategies of quality management, the companies take ESG factors into account. These factors represent how precisely the companies are committed to such important aspects of their activity on quality management as a) environmental friendliness of their production through such indicators as greenhouse gases, environmental pollution, resources depletion, etc.; b) social development by monitoring working conditions (safety of labour, working conditions, gender equality), investing in social projects and supporting employees' education and skills development; c) corporate governance by fighting corruption inside the company, transparency and openness, attention to the working process of top-management and working with financiers. The authors analyze the evolution of ESG's on its way from ecology-centrist approach to the Triple Bottom Line. In the research the social and ecological aspects of SDG's are emphasized.

As a result, the authors determine how modern companies reach proportions of their ESG investments in quality balancing between social and ecological aspects during the COVID-19 pandemic. Despite the fact that Russian companies carry out their socially oriented and humanitarian services around the world, this study will exclusively consider the activities of Russian companies in our country.

## 2. Methodology

The theoretical and applied issues of ESG Investments in quality, including among Russian companies, are reflected in the works Karanina and Selivanova (2021), Leybert and Vanchukhina (2013), Mitrofanova et al., (2021), Morozova and Popkova (2014), Osipov et al. (2021), Santos and Soares (2021), Steblyanskaya et al. (2021), and Yankovskaya et al. (2021). The concept of sustainable development from the positions of quality originated at the turn of the 60s and 70s of the twentieth century and since then

has significantly transformed several times. This evolution was caused by a regular shift in focus towards one of the components (social or environmental dimensions), depending on the needs of society in a particular historical period.

At the initial stage of the concept formation, the ecology-centric approach to quality management prevailed. And although the social and economic aspects were not rejected by the followers of this approach, they were viewed rather as secondary, and often even as a threat to the ecological sustainability of the planet. Thus, for example G. Daly and R. Costanza (1992) stated that the development of society and economics is within the development of nature itself. Same views were shared by F.B Golly as well as a number of Russian researchers: V. A. Koptyug (1997), I. P. Kulyasov (2005), O. Aksenova (1998) and others.

Analyzing the ecological-centric approach to quality management the concern of politicians in the matter of climate on national and international levels shall be noted. In December 1962, remarkable research for the Club of Rome named "The Limits of Growth" (Meadows et al., 1999) and The Stockholm Declaration (UN, 1972) which included twenty-six principles of preserving the environment were published which marked the beginning of the new economic attitude concept. The pinnacle of acceptance of the ecological-centric approach was in 1992 when 27 core principles were stated on the Earth Summit (UN, 1992b) in Rio de Janeiro in 1992. From this moment "Sustainable Development" appeared on the world's agenda on quality management.

However, since the 90-s the three-pronged approach to quality management gained popularity. Within this approach (so-called triple bottom line) all factors received equal attention and sustainable development was viewed as a moderate balance between three equal components. Thus, the second vital document accepted after the Summit in Rio de Janeiro was "Agenda 21" (UN, 1992a).

For the given research it is important to state that alongside with the ecological goals social development goals such as gender equality and reduced inequalities were stated in this Agenda. Moreover, it was stated that different countries are responsible differently. For this reason, developed countries are responsible for the situation in the developing ones. Noteworthy that back then and now Russia has been viewed as a donor country.

Generally, it is this moment when the triple bottom line approach was confirmed and accepted. To be precise, the first attempts to create such complex system are dated back to the 70-s when within The Club of Rome M. Mesarovich and E. Pestel (1974) proposed a model called “Mankind at the Turning Point”. A huge contribution to this direction was made by E. Barbier (1987) who not only recognized the subordination of one element to another but proved that working in three directions the components will only strengthen each other.

Officially the three-pronged approach to quality management was enshrined in 1980 in a document called “World Conservation Strategy” (IUCN, 2021). However, it received the wider recognition in popular research “Our Common Future” by Burtland. Millennium Summit held in 2000 in New York completely enshrined the 3BL approach articulated in 8 Millennium Development Goals. The concept reached its final form in 2015. Among the most active supporters of the triune approach are the economists of the World Bank and the famous economist J. Sachs (2015). Among Russian contemporary researchers the works of S.N. Bobilev (2017) deserve special mention.

Analysis of the information gathered from the latest international conferences and non-financial reports of companies shows that in practice the environmental dimension remains the most developed. Most of the events of recent years are precisely connected with the problems of climate change, increasing energy efficiency and reducing the carbon footprint. Moreover, even during the

years of the three-pronged approach, ecology received much more attention. The World Summit on Sustainable Development in Johannesburg (Rio + 10, 2012) proves it. (Russian Union of Industrialists and Entrepreneurs, 2021).





Nevertheless, it seems that the coming to the fore of one or another dimension of sustainable development was facilitated not so much by theoretical developments or political statements as by the real economic situation. Thus, in the context of the 2008 economic crisis, national governments were more concerned with finding drivers of economic growth and finding new ways to stimulate the economy than with concern for the social well-being of individual groups, especially in other countries. In these conditions, the "green economy" becomes an ideal tool for restructuring the established, but exhausted system of international economic relations.

Originally born at the core of large companies, this message was quickly picked up by national governments, and already in 2009, UNEP's Global Green New Deal report identified the need to reform the international trade system and global financial markets (UN, 2009). And in the report of the same organization from 2010 “Towards a green economy: pathways to sustainable development and poverty eradication”, despite the name “green economy” the environmental agenda is directly mentioned as the main means of bringing the world economy out of the crisis (UN, 2009).

At the UN conference on sustainable development "RIO 20+" the document "The future we want" (United Nations Environment Programme, 2011) was adopted. For this study, it is important that it can be viewed as another attempt to align balance between social and environmental dimensions of sustainable development. It was the decisions of this conference that made it possible in 2015 to formulate the urgent goals of sustainable development.

One of the authors of this paper previously proposed a classification of the Sustainable Development Goals. We shall use it for further analysis.

As we can see, the enumeration of SDG begins precisely with social goals, and if we evaluate them according to the criterion of their number, then one could make an erroneous conclusion that they are priority or at least equal to environmental and economic dimensions Figure 1. However, with a similar comparison of the amount of funding and the number of programs financed by private business, one can clearly see that the environmental agenda is again pushing the social agenda into the background.

| Sustainable Development Dimensions | Sustainable Development Goals (SDGs)  |
|------------------------------------|---|
| Economic                           |    |
| Ecological                         |    |
| Social                             |  |
| Institutional                      |  |

Source: compiled by the authors based on Zavyalova and Starikova (2018).

**Figure 1.** Classification of goals by «dimensions» of Sustainable Development

The analysis of business priorities during quality management is decisive for us, because the main trend of the recent years in the field of sustainable development is precisely the active participation of the business community in this agenda. This trend began at the aforementioned Earth Summit in Rio de Janeiro. However, for the purposes of this study, the keynote is the speech of UN General Secretary Kofi Annan

in 1999 at the World Economic Forum. In particular, he said that globalization without strong social guarantees would be vulnerable to the multiple post-Cold War risks the world faced. Subsequently, this idea materialized in the UN Global Compact (UN, 2012). And in the preamble "Transforming Our World: The 2030 Agenda for Sustainable Development", business is defined as an important subject, capable of changing irrational patterns of consumption and production (UN, 2021a; UN, 2021b).

Surprisingly, business has been very actively involved in the proposed system. The Dow Jones Sustainability Indices were introduced almost immediately. This event reinforced the practice of compiling non-financial reporting on economic, environmental and social parameters. So, already in 2000, the international organization in the field of standardization "Global Reporting Indicators" published the first version of the "Reporting Guidelines on Economic, Environmental and Social Performance" (UN, 2021c). And although this guide is of a recommendatory nature, in practice, this led, on the one hand, to a certain unification of non-financial reports, and on the other, to the accelerated formation of tendencies in business financing of its priority goals.

It seems that it is the active involvement of business in the issues of quality management that has contributed to a 'renaissance' of environmental priority. It is quite obvious that for business the problems of a green economy are closer. First, it is much easier for management to justify to the Board of Directors and shareholders the subsequent financial benefits from financing environmental innovations than from social ones. Second, environmental performance is much easier to measure with econometric tools.

As an intermediate conclusion, let us formulate the following thesis: in the normal course of life, the concept of sustainable development without the influence of supranational structures tends to return to the

environmental agenda on quality management. However, the current situation after COVID-19 can hardly be called normal.

### **3. Results**

It is clear that in the current conditions, both national governments and private companies are more concerned with the social problems: from protecting the health of workers to maintaining consumer demand.

In this regard, now we will answer the question of whether the pandemic influenced the priorities of private companies when choosing goals for sustainable development for financing during quality management. In particular, has the interest of business shifted towards the social sphere? The choice of a Russian business is determined by two important factors. On the one hand, for more than a hundred years, social policy has been the priority of first the Soviet and now the Russian government, which can be judged at least by the share of government spending allocated for these purposes. On the other hand, a specific feature of the Russian business structure is the extreme geographical concentration inherited from the USSR. Most large companies operate in single-industry towns (mono-cities), so it is simply impossible for them to ignore the social sphere. To get a more complete picture, we will analyze companies from different key areas of the Russian economy.

The most important for the Russian economic development is the energy sphere. Thus the analyses should be started here. One of the leading companies in the industry is Lukoil. Like others, the company sets clear goals for sustainable development during quality management. Lukoil is making significant investments in sustainable development. Following global trends among large industrial companies, Lukoil first of all seeks to reduce its environmental impact. As one of the largest energy companies, Lukoil's top priority when choosing a direction for investment has always been in the field of

ecology. The company emphasizes the need to introduce technological, managing and scientific innovations into business for a more efficient and modern production process.

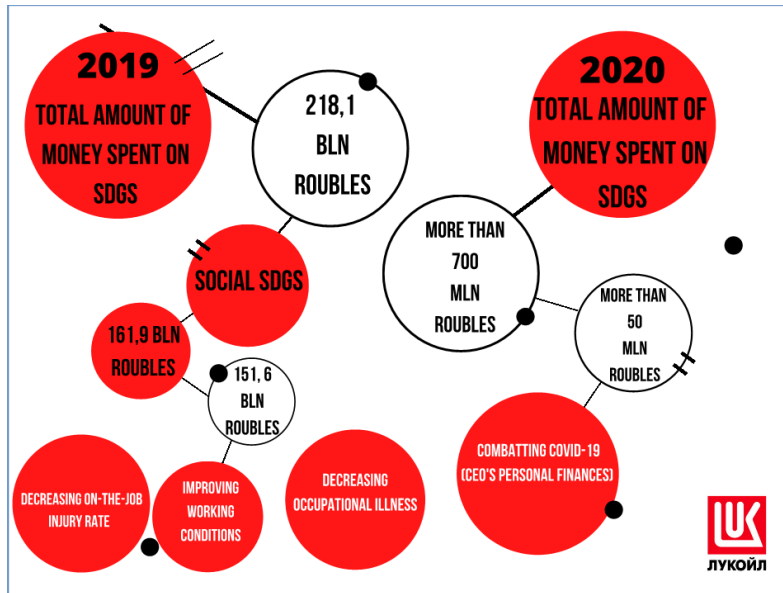
But in its report for 2019 the company emphasized significant shift into directions regarding social SDGs. The company works closely with educational institutions of higher education in the oil and gas, chemical and energy sectors. The company is also involved in charity work aimed at educational institutions, in addition to various programs that are available for the company staff. The problem of gender inequality was separately noted. The company takes this factor into account when working with personnel. To improve working conditions, the level of occupational injuries and occupational decline, the company spent 151.6 million rubles. In total social SDGs cost more than RUB 161 billion, with a total of RUB 218.1 billion spent on the SDGs.

Moreover, after the pandemic, the company paid even more attention to social goals during quality management. The main expenses went to the purchase of ventilation systems, monitors for patients, functional beds and other high-tech medical equipment, and protective equipment for medical personnel. The company focused its efforts in the Komi Republic, the city of Kogalym, where, in addition to financial support, it repaired a hospital. The company also works in other regions of Russia, for example, an infectious diseases hospital was built in the city of Saratov, in six regions of Russia, Lukoil provides free fuel for ambulances and other vehicles of healthcare organizations.

In total, the company allocated more than 700 million rubles to fight coronavirus in 22 regions of Russia, as well as almost 900 thousand dollars in the countries of presence. Abroad, Lukoil provided financial and medical support in the following countries: Azerbaijan, Belarus, Bulgaria, Iraq, Italy, Kazakhstan, Macedonia, Mexico, Moldova, UAE, Romania, Serbia, Turkey, Uzbekistan and Croatia.

Another fact that has become noticeable in the course of studying the issue deserves special mentioning. Above in the text are examples of how the company reacted to the complicated situation with the coronavirus. This could be learned from the official press releases issued on behalf of the company. However, with a more detailed study, the authors noticed that in addition to humanitarian aid from the organization, the head of Lukoil V. Alekperov allocated money

to fight the coronavirus from his personal funds. With the investments to support social projects in the regions, he organized a whole program to support medical centres fighting COVID-19, in which he spent more than 50 million rubles for his own expenses. The shifts in the company's ESG investment under pandemic conditions are presented below. The evolution of Lukoil's approach to ESG investments in quality under the conditions of COVID-19 is shown in Figure 2.



Source: authors.

**Figure 2.** Evolution of Lukoil's approach to ESG investments in quality under the conditions of COVID-19

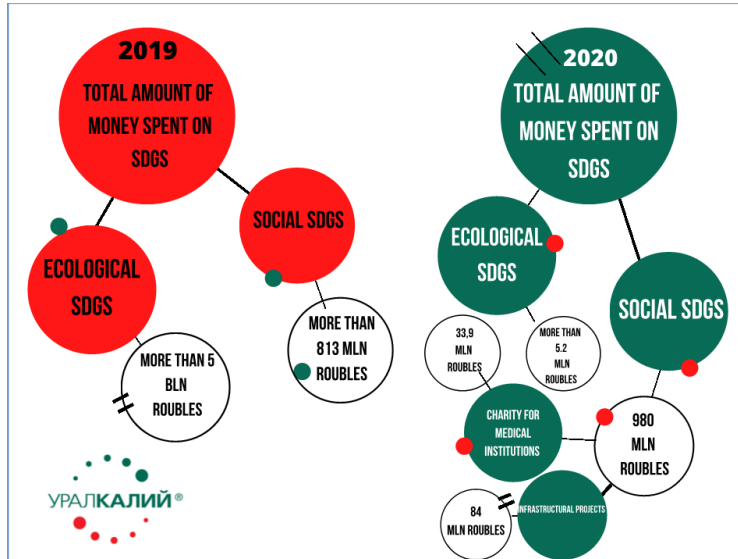
Another resource producing company in this study is Uralkali. Like other large industrial companies, Uralkali strictly controls its environmental impact during quality management. However, traditionally the company focuses on the social sector, in particular at the local level. On an ongoing basis, the company conducts such events as targeted recruitment from schools, equipment for kindergartens, and sponsorship of sports events. The company also hosts numerous forums and conferences both for young scientists and experienced specialists. The achievements in this area can be

highlighted by the fact that the company received a high point in the SAM ESG rating. In the 2020 report, the company notes that a total of 5,243,297 thousand rubles were spent on environmental protection. Taking into account the increase in production volumes, compared to 2019, this figure increased by 5%. Also, while generating 30,528,754 tons of waste, 23,647,810 (approximately 75%) of them were disposed of and reused. Air emissions decreased by 2% compared to 2019 (from 7,457 to 7,312). Returning to the social aspect, the report indicates that 12,737 employees of the

company are covered by the health and safety management system of the company. This is evidenced by the reduction in the number of accidents, among which there are no deaths in 2020.

After the outbreak of the pandemic, Uralkali took a number of measures to counter the coronavirus. The company sponsored the

construction of a PCR laboratory, supplied medical equipment to hospitals and vehicles for ambulance services. Below the comparison is presented. Evolution of Uralkali's approach to ESG investments in quality under the conditions of COVID-19 is shown in Figure 3.



Source: authors.

**Figure 3.** Evolution of Uralkali's approach to ESG investments in quality under the conditions of COVID-19.

Rosneft is another prominent example. In the report for 2019, Rosneft notes that it spent a total of 34,554 million rubles on environmental protection, in addition, over the year the company managed to reduce the total amount of emissions into the atmosphere by 3% (from 1,835 to 1,773 thousand tons)

But the company is known for its high social activity on quality management. This is manifested in the active support of education, cultural and sports activities, as well as in the protection of the surrounding environment. Rosneft actively cooperates with Russian universities. According to data from the 2019 report, Rosneft cooperates with 61 universities and 38 colleges, of which over 80 thousand students are included in the company's Youth Policy.

The same report indicates that industrial safety and labour protection. The company spent about 55 billion rubles, and more than 90 thousand employees were trained in the field of industrial safety and labour protection in 2019.

In matters of personnel management, Rosneft provides the following indicators. With a total staff of more than 300,000 people, over 18.5 million rubles were paid in the form of preferential payments and one-time bonuses. It is important to note that the share of women in the state is more than 30%, while 23.9% of them are occupying the managing positions.

With all the aforementioned merits and achievements of the company, one more factor remains uncovered. Rosneft has spent significant resources on the fight against

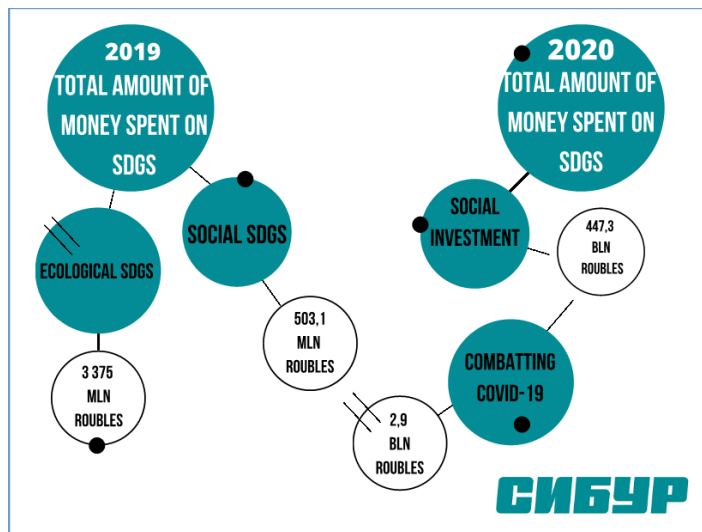
coronavirus. In addition to raising safety standards for employees, by tightening regulations and adding new procedures for shift workers, the company has assisted healthcare providers. Among the examples, health workers received cards worth 2 million rubles, which they could spend on fueling their personal vehicles and buying goods at Rosneft gas stations. In addition, the company provided medical suites and equipment for medical institutions and allocated funds to purchase expensive equipment. Evolution of Rosneft's approach to ESG investments in quality under the conditions of COVID-19 is shown in Figure 3.

Finally, another mining company that is rapidly developing in the field of social responsibility is Sibur. This petrochemical holding emphasizes the problems of gender equality, physical and mental healthcare,

working conditions, etc. during quality management.

Undoubtedly the pandemic has set a challenge for gas industry as a whole. However, the efficiency of the means of supporting the personnel such as timely vaccinations, new corporate events (physical education events, business education, various webinars, polls to determine if the employees are satisfied with their working conditions). This all proved the Sibur's sustainability during the coronavirus crisis.

In total in 2020 more than 2.9 billion rubles were spent on employees healthcare, including the expenses on personal sanitisers, observation and charity. Evolution of Sibur's approach to ESG investments in quality under the conditions of COVID-19 is shown in Figure 4.



Source: authors.

**Figure 4.** Evolution of Sibur's approach to ESG investments in quality under the conditions of COVID-19

Considering the main trends in the implementation of ESG practices of quality management in the transport sector we should start with the leading company RZD. Russian Railways is one of the leaders in the area of corporate social responsibility among transport companies. Traditionally, the

company sets goals for numerous ESG-indicators of social, economic and environmental focus. An ambitious project is an approved in 2021 by Russian Railways and the Ministry of Natural Resources and Ecology "Plan of measures for environmental protection in the Baikal natural territory



during the construction and reconstruction of infrastructure facilities of the "Baikal-Amur and Trans-Siberian railways" to increase their throughput. Within the framework of the initiative, 144 objects are planned, 47 of which at the time of August 2021 are under implementation. After ecological and technical examinations 69 now objects were approved and a wait to be given the ecological passports.

Investment costs for environmental protection amounted to about 4 billion rubles in the field of ecology in 2020. The company has shown promising results. So, thanks to the implementation of the Environmental Strategy of the Russian Railways, emissions of harmful substances into the atmosphere from stationary sources in 2020. decreased by 13%, and with the help of the energy-saving program in 2020. it saved 5.3 billion rubles.

Key measures to counter the spread of the COVID-19 pandemic are creation of a hotline, carrying out information campaigns, transferring to remote work more than 115 employees, strengthening security measures and ensuring social distance, the cancellation of all public events and the transfer of production meetings to a remote format and vaccination from the end of 2020. The obligations under the Collective Agreement were completely fulfilled, as well as an additional payment of up to average earnings has been organized for all employees in the Forced Quarantine. Moreover, it was during the pandemic that the Perspective Comprehensive Program to improve conditions and labour protection for 2021-2023.

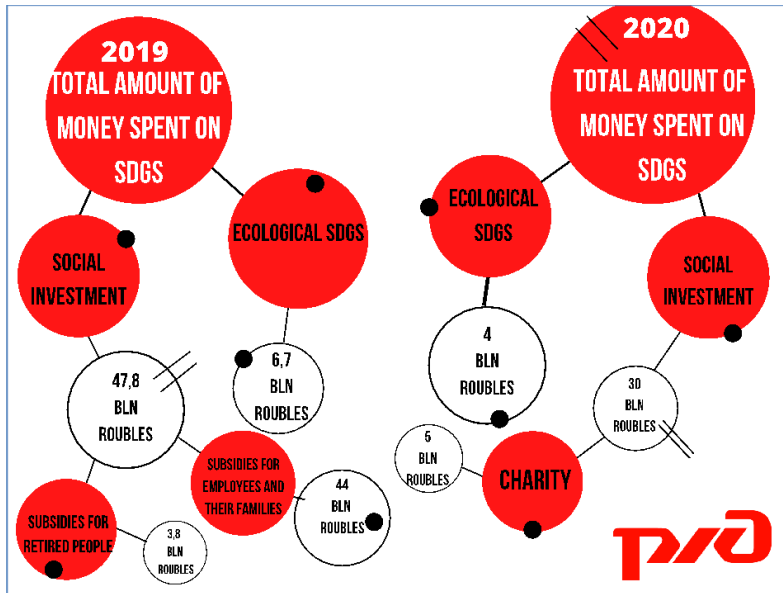
The most important aspect in the direction of the socially oriented activity on quality management of the company has become the support of medical workers during a pandemic. A total of 1,847.9 million rubles were allocated for these purposes. Payments per employee on average increased from 10.3

thousand to 16.2 thousand rubles. per month.

In 2020 Russian Railways holding has become one of the leaders in the field of charity among all Russian companies. For charitable aid, which included financial support for Medical Volunteers, Disabled People, children's organizations, people with low-income, veteran railway workers, financing distance education, support of charitable programs in the field of ecology, mass sports and healthy lifestyles, the revival and preservation of cultural and historical monuments of Russia, restoration of flood-affected areas and other initiatives, about 5.5 billion rubles were allocated.

The Russian Railways holding attaches particular importance to the problem of gender equality. In 2020, when women in the Russian Federation had the opportunity to master the profession of a machinist, Russian Railways announced the recruitment of women for training in the profession of "assistant machinist" (which is the first necessary step on the way to the position of a machinist). In total, 50 girls were accepted, 43 of whom completed their training and started working in January 2021. Also during the COVID-19 pandemic more than 58 thousand women of the company were transferred to flexible hours and remote work.

Large-scale socially responsible activity of Russian Railways in 2020 was dignifiedly appreciated. Thus, Russian Railways took fourth place in the annual ESG rating of sustainable development by the RAEX-Europe agency, having received high scores according to the criteria "Environmental responsibility" and "Social responsibility", and the first place among logistics companies according to the results of the study of career attractiveness for university students on the Changellenge platform. Evolution of RZD's approach to ESG investments in quality under the conditions of COVID-19 is shown in Figure 5.



Source: authors.

**Figure 5.** Evolution of RZD's approach to ESG investments in quality under the conditions of COVID-19

For the sake of reflecting trends, another large transport company is considered - Aeroflot. According to Aeroflot annual reports, the traditionally socially-oriented activities during quality management of this public-private company have contributed to the achievement of a wide range of social, economic and environmental goals, however, priority was given to the first two groups

In 2020 during of the COVID-19 pandemic, the company's passenger turnover decreased by 67.4%. Despite significant financial losses, Aeroflot successfully coped with the key tasks for 2020 (ensuring safe working conditions, preventing corona virus, economic support of personnel) due to the efficiency and multidimensionality of the measures taken, focused on providing employees with the most comfortable conditions for remote work and a favourable psychological climate.

In 2020 the key task of Aeroflot Group was to ensure a safe working environment for employees and counteract the spread of COVID-19. During the period of self-isolation, office employees were transferred to online work, which continued to operate

for most of them in the remaining months of the year. Exceptions were made for employees whose presence in the workplace was necessary to support the business processes of the Group's companies. All Aeroflot Group employees, including flight personnel, were provided with personal protective equipment. At all stages of the service (including meeting and placing passengers, moving around the airport building and in the surrounding areas), protective masks and gloves were used. Were introduced procedural changes aimed at ensuring the protection of personnel during flights.

In the socially-oriented activities on quality management of the company, it is important to note that at the end of 2020. Aeroflot kept its personnel employment at the level of the end of the previous year, i.e., within the boundaries of employment retention goals. In 2020 due to difficult life circumstances, 125 current and former employees received material assistance from the company, and the company allocated 100% of the parental pay to 1.9 thousand employees for the

maintenance of children in preschool educational institutions.

The evolution of Aeroflot's approach to ESG investments in quality under the conditions of COVID-19 is shown in Figure 6.

Companies from the industrial sector deserve special attention. As an example consider the leading active socially-oriented chemical holding PhosAgro, engaged in the production of mineral fertilizers and giving key food security issues during quality management.

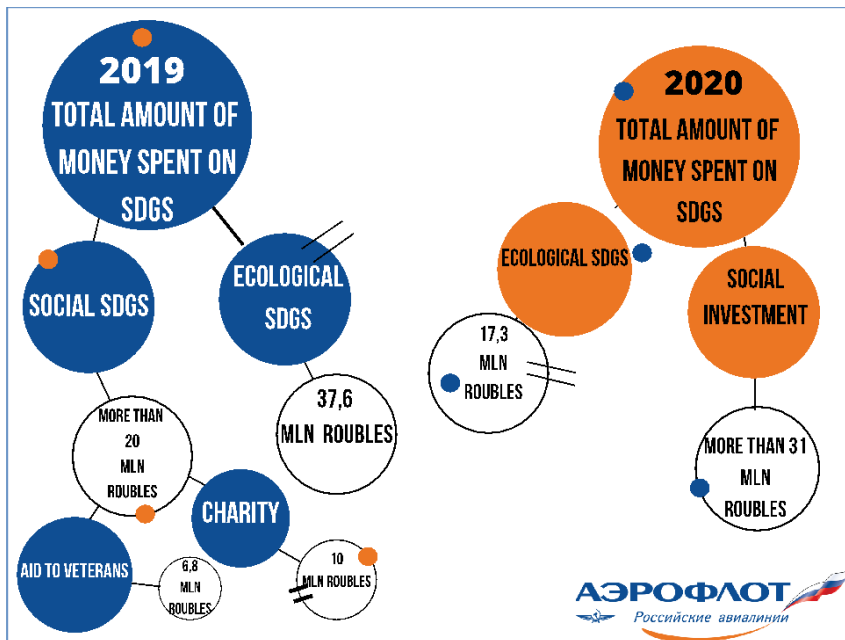
Despite the pandemic and restrictive measures by the government, in order to preserve the chain of agricultural production, the mineral fertilizer market was actively developing throughout 2020, which made it possible to ensure the relative stability of the industry.

Thanks to the set of measures taken to prevent COVID-19, it was possible to ensure the

safety of personnel and adapt to the realities of the pandemic. It should be noted that PhosAgro actively supported the health sector, the opening of PCR laboratories hospitals, purchase of medical equipment, ventilators, providing medical workers with free hot meals and other measures. In total in 2020 3 billion rubles were allocated, and 3.5 billion rubles were allocated to support the country's medical system in the fight against COVID-19.

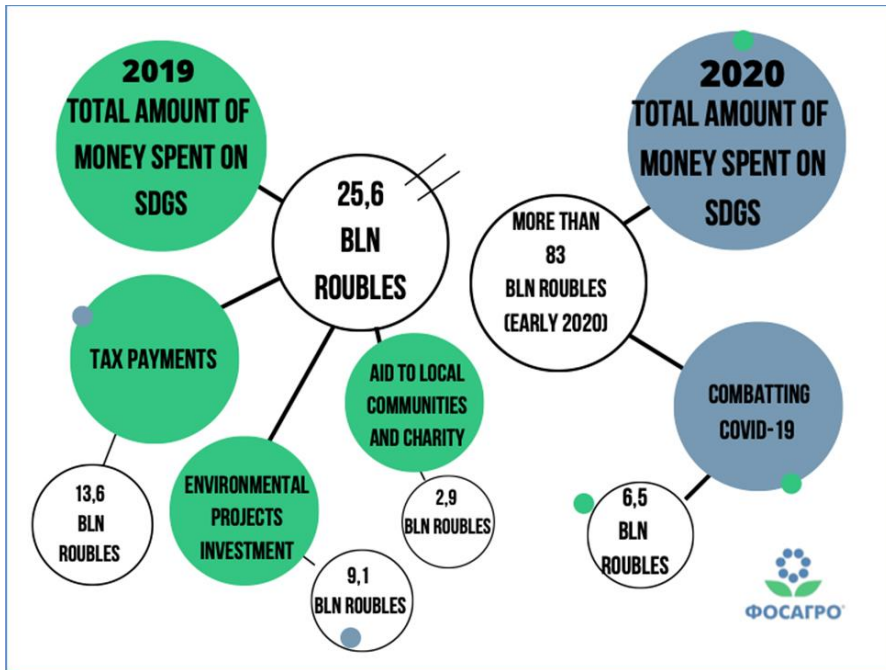
Among the major projects implemented in 2020, it is worth noting the founding of an infectious disease centre in the Saratov region, for the construction of which PhosAgro PJSC spent 100 million rubles.

Evolution of PhosAgro's approach to ESG investments in quality under the conditions of COVID-19 is shown in Figure 7.



Source: authors.

Figure 6. Evolution of Aeroflot's approach to ESG investments in quality under the conditions of COVID-19.



Source: authors

**Figure 7.** Evolution of PhosAgro’s approach to ESG investments in quality under the conditions of COVID-19.

#### 4. Conclusion

It should be stated that the leading Russian companies considered are characterized by a high degree of corporate social responsibility and ESG devotion during quality management. Each of the companies has a significant presence in the Russian Federation, thanks to which it is able to pursue an effective social and ecological policy throughout the country. The studies practice shows a clear trend towards the social spectre of sustainable development in the regions of presence with predominance of ecological obligations only in few companies. In their pre-Covid reports, each of the companies studied reported on a significant contribution to the development of social infrastructure in the regions of presence, which was manifested in the arrangement of leisure centres, reconstruction of damaged buildings, etc. It is worth highlighting the holding of forums both with the participation

of a young audience, mainly students and, therefore, potential employees of companies, and with the involvement of experts recognized in the field of companies' activities. In addition, companies hold similar events in other countries, both for Russian citizens in the country of presence, and for foreign colleagues and honoured guests.

However, the idyllic picture of a measured and versatile social policy ended at the beginning of 2020, when the world faced an epidemic in a global scale. Since the pandemic has affected everyone without exception, large companies were among the first to experience its impact. Prolonged lockdowns and significant reductions in work volumes have prompted companies to look for ways to stay on track and protect the health of their employees. Since the inception of COVID-19, investment in the social sector has shifted towards financing health care activities. Companies began to organize large-scale programs to support health

workers and people affected by the virus.

The companies have made significant investments in the purchase of high-tech medical equipment, funding for companies involved in the development of vaccines, the renovation and construction of hospitals in remote regions, the provision of fuel for ambulances, and many other activities aimed at fighting COVID-19.

However, the pandemic has affected companies from different sectors of the economy in different ways. Thus, for mining companies, with keeping the main focus on environmental projects the new trend is characterized by an increase in the share of social projects. The key areas for these companies are combating the spread of coronavirus infection, ensuring safety and creating comfortable working conditions for workers. A distinctive feature of companies from the extractive sector is the pronounced external focus of the programs, both in terms of the amount of funds spent and in terms of quantity of ongoing projects. They indicate high social responsibility in the regions of presence. Non-manufacturing companies act the same way.

The situation in the transport sector looks different. First, these companies were more financially affected by the COVID-19 pandemic, and objectively had fewer opportunities to carry out outreach activities. That is why they are characterized by the absolute predominance of internally oriented programs, primarily supporting employees

and their families. Among the companies reviewed, Russian Railways should be separately noted, which has experience in working with external stakeholders. However, this does not significantly change the identified trend, since such programs are usually carried out within the framework of charity.

Responding to the main question if the pandemic influenced the companies' priorities on quality management it is safe to state that resource gathering companies' priorities haven't changed much with a slight increase of attention to social-oriented targets. The trend is most noticeable in Rosneft and Sibur. However answering the main question, it was noticed that oil companies have cut the expenses on SDGs. A complete opposite situation is present in transporting companies. In all researched cases a sharp turn towards socially-oriented programs is clearly seen, without compromising SDG investments keeping them on pre-COVID indexes. The trend among transporting companies is of exceptional interest because these companies were the ones that suffered from the crisis the most but increased the social involvement during quality management.

**Acknowledgment:** The study was carried out as part of the research project «Special aspects of realizing and funding Sustainable Development Goals (SDGs) in the Russian Federation in the face of the COVID-19 pandemic.

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