

COORDINATES OF BUSINESS DEVELOPMENT SUSTAINABILITY FROM THE PERSPECTIVE OF ENVIRONMENTAL MANAGEMENT

Ph.D. Associate Professor Mădălina ALBU

Petroleum-Gas University of Ploiești, Romania

E-mail: malbu@upg-ploiesti.ro

***Abstract:** Integrated in all projects and acting at all levels of an organization, addressing the sustainability of business development from the perspective of environmental management, is the will of managers to build and develop long-term business while maintaining the balance between economic performance, environmental friendliness and a constant search for quality. relationships with people and business partners. In order to achieve the objectives set by the policy of sustainable business development it is necessary for the organization to identify both environmental issues, existing legal provisions, objectives and targets, as well as established responsibilities and deadlines. All these aspects are presented in the case study which illustrates the way in which the social and environmental responsibility of the Michelin group is engaged in the relations with its suppliers and their subcontractors.*

***Key words:** sustainable development, environmental management, business.*

***Classification JEL:** Q01, Q56, O10.*

1. Introduction

Currently in the competitive business environment, the efficiency of operations is mandatory in order to keep overhead costs as low as possible. The difficulties encountered by companies in achieving the objectives and goals set, are often the consequence of a lack of respect for the conditions of quality, environment, safety and health of staff, information security, etc. In order for a company to carry out its operations systematically, it must take into account the laws in force and the conditions for satisfying customer requirements.

An environmental management system (EMS) is a series of policies that determine the continuous improvement of a company's environmental position and performance.

An example is the ISO 14001 Environmental Management Systems. With the growing public interest in environmental protection, it is becoming increasingly clear that companies' attitudes towards the environment determine customers' loyalty to the company. Reducing the impact on the environment, given that society's responsibility, legal requirements, rising energy prices are increasing, becomes a problem for companies.

An already proven possibility to solve it is the ISO 14001 environmental management system (EMS), through which environmental pollution, waste of energy and resources can be minimized. The implementation of an environmental management system within an enterprise is necessary, because each product, process is related to the environment, to the living environment created by man.

2. Synergistic approach to the concepts of environmental protection and sustainable development

More and more organizations have become and are becoming aware that they need to pay more attention to managing the impacts that their activity produces on the environment. To this end, the development of an environmental management system (EMS) that works correctly and efficiently becomes a priority. An environmental management system helps its organization minimize environmental impacts.

The most important improvement that an EMS brings to the business is a systematic and controllable approach to the environmental issues in the organization.

The correct functioning of an EMS ensures the improvement of the organization's performance, through the positive impact it can have on the following:

- cost reduction;

- risk management;
- increasing credibility;
- increasing competitiveness;
- relationship with partners;
- staff motivation

The ISO 14001 standard has the stated general purpose of supporting environmental protection, pollution prevention, in balance with socio-economic needs.

As a specific purpose, the standard aims to provide organizations with all the elements necessary for the effective construction of an EMS, which can be integrated into the overall management of the organization to enable the achievement of environmental and economic objectives. The standard sets out the requirements for an EMS, which would allow an organization to formulate its environmental policy and objectives taking into account the legislative framework and the environmental aspects of its activities. The ISO 14001 standard can be applied by any organization, regardless of type, size and regardless of the types of activities carried out, not only industrial ones. Environmental management, like any management, goes beyond the strict letter of the law and implements its spirit, the principles of environmental protection.

Methods of approaching environmental protection in enterprises can be classified into two broad categories:

- The "reactive" approach seeks solutions to transform the pollution resulting from the production process into a less dangerous form.
- The "preventive" approach, on the other hand, modifies the production process in such a way that the pollution is lower from the very beginning.

The reactive approach leads to the application of end-of-pipe technology, which usually complicates the production process, increases energy and material consumption and risks. After all, they do not reduce the amount of pollutants (sometimes they even increase it), they only transform it.

The preventive strategy (cleaner production) investigates the reason for the pollution and gets involved at the source of the problem.

Practical measures in the case of the preventive strategy:

- changes made to the product (homogeneous, natural basic materials)
- greater involvement (employee motivation, work process organization, saving)
- replacement of basic and auxiliary materials (natural materials, non-toxic chemicals)
- technological changes (technologies with low energy and material consumption)
- internal reuse
- recycling
- neutralization.

All organizations must continually analyze and improve their environmental management system, with the goal of improving overall performance.

These concerns are part of the development of economic and legislative policies, measures to encourage environmental protection, increasing stakeholder concern and the sustainable development of the environment. In order to achieve such goals, environmental analyzes and audits alone are not enough. In order for some companies to meet the legal requirements and their own environmental objectives, they must perform these analyzes within a structured environmental management system that is integrated into the overall management activities.

This structured environmental management system is the target of international standards included in the ISO 14000 series, standards that synthesize the specific elements of an environmental management system. The provisions of this management system can be integrated into the structure of any management requirements, in order to achieve environmental objectives or set economic objectives.

The main purpose of an environmental management system is to ensure environmental protection; pollution prevention; ensuring a balance between these elements and social and economic needs.

The application of the environmental management system allows the organization to establish and evaluate the efficiency of the procedures used for the elaboration of its environmental policy and at the same time to submit to them and to demonstrate this conformity.

The management of the organization must ensure the allocation of resources so that the environmental management system can begin its activity to be maintained, to define and communicate the responsibilities of the environmental management system.

Appropriate training needs are also needed to ensure the implementation and operation of an environmental management system.

At the same time, the organization must develop a procedure for internal communication, reception, documentation and response to relevant information and requests from stakeholders. In order to promote an environmental management system, it is necessary to develop documents, maintain and train a control system.

The organization must establish, analyze, and review emergency preparedness procedures. Any organization promoting an environmental management system must establish and maintain procedures for defining responsibilities for decision-making steps, as well as treating and analyzing non-compliance, taking measures to reduce the impact produced, initiating and completing corrective and preventive actions.

3. Integrating the environmental management in the business development strategy from the perspective of MICHELIN ROMANIA

The company MICHELIN ROMANIA SA - The working point «Floresti Anvelope» has implemented an Environmental Management System according to ISO 14001-2015, certified by UTAC - France, according to certificate no. SME / 1830-12.

Under the impetus of its founders, Michelin has taken on the mission of responsibly contributing to the progress of mobility expressed through its brand signature "A better way to move forward". The Group has chosen to do this through innovation and quality basing its development on the following values: respect for customers, respect for people, respect for shareholders, respect for the environment and respect for facts.

Integrated in all projects and acting at all levels, this structured and global approach represents Michelin's will to build its long-term development while maintaining the balance between economic performance, respect for the environment and a constant search for quality in its relationships with people and partners. the company.

Michelin works with suppliers who will meet its requirements for quality, cost, delivery time and reliability and who are committed to making progress in terms of respect for people and the environment.

The Michelin Group's corporate social and environmental responsibility (CSR) is engaged in relations with its suppliers and their subcontractors. For many years, Michelin has been pursuing a responsible procurement process with its suppliers through the integration and operational decline of sustainable development principles.

In order to build beneficial relationships with our suppliers for everyone, we expect them to adhere to the following principles of our sustainable development policy and to apply them in their own supply chain.

With regard to environmental protection and to limit environmental risks through the supply chain, the company requires suppliers and subcontractors to:

- compliance with the rules and regulations in force in their country, but also in any country where Michelin sells and distributes the products supplied; at our request, more stringent Michelin standards may also apply to certain projects and certain geographical areas,
- implementation of an environmental management system to measure the possible negative effects generated by their activities on the environment,
- reduction and management of waste, toxic / hazardous substances and packaging throughout the life cycle of their products,
- reduction of greenhouse gases,
- preserving natural resources and ecosystems but also maintaining biodiversity,
- the development of products / services with low impact on the environment in order to reduce their impact throughout the life cycle, while maintaining and improving their quality,
- their collaboration in the life cycle analyzes performed by Michelin.

These procedures will not only cover the supplier's own activities, but he will have to engage in the promotion of these good practices by his own suppliers. Particular attention will need to be paid to reducing the CO2 footprint of transport to or from the supplier's plant. A natural rubber manufacturer and processor, Michelin respects and wants to promote five commitments made in the Michelin Procurement Principles in the field of natural rubber.

I. Respect for people

- Favoring the resolution of conflicts related to land ownership.
- Improving working conditions and living environment.

II. Environment protection

- Fight against deforestation.
- Managing the potential impact of cutting down rubber trees in relation to fauna, flora and the environment.

III. Improving agricultural activities

- Promoting best agricultural practices to its suppliers, professional organizations, local cooperatives or planter groups.
- Actions to increase agricultural yields.

IV. Proper use of natural resources

- Increasing the effectiveness of natural rubber.

V. Correct behavior

- Fight against any form of corruption.
- Dialogue with local and international participants in order to contribute to the development of the sustainable natural rubber chain.
- Transparent actions.

Natural rubber, due to its environmental and social impact, is subject to a special process. Drafted with the help of all participants, and in particular with that of NGOs specializing in environmental and human rights protection, the Sustainable Natural Rubber commitment drafted in 2016 is a contractual reference for the Group's suppliers.

In addition to quality audits, with the help of a rating company, Michelin measures the level of CSR maturity of its suppliers. This assessment triggered by an analysis of potential risks is presented in the form of an online questionnaire to be submitted by the supplier. The analysis of strengths and weaknesses in the environmental, social and ethical fields can lead, if necessary, to the implementation of action plans, or according to the level of criticality in a more special audit in the plant.

Michelin regularly organizes performance review meetings with its main suppliers. The frequency and content of these meetings shall be determined by agreement with the provider.

The purpose of these meetings is to:

- recapitulate and reach agreement on:
 - the complete and factual balance of the supplier's performance (quality, compliance with commitments, competitiveness of commercial offers, dynamic progress, innovation and value creation, Social and Environmental Responsibility, Business Continuity Management),
 - the plan for continuous progress, with the definition and planning of improvement objectives,
 - evaluation by the supplier of the quality of relations with Michelin in terms of payment conditions, relationship management, supply chain management, etc.
- share your vision on our technical and business relationships

The methodology is based on international CSR standards (Global Compact, ISO 26000). It is divided into 4 themes. Only the specific criteria of the stakes in the sector of activity of the respective supplier are taken into account.

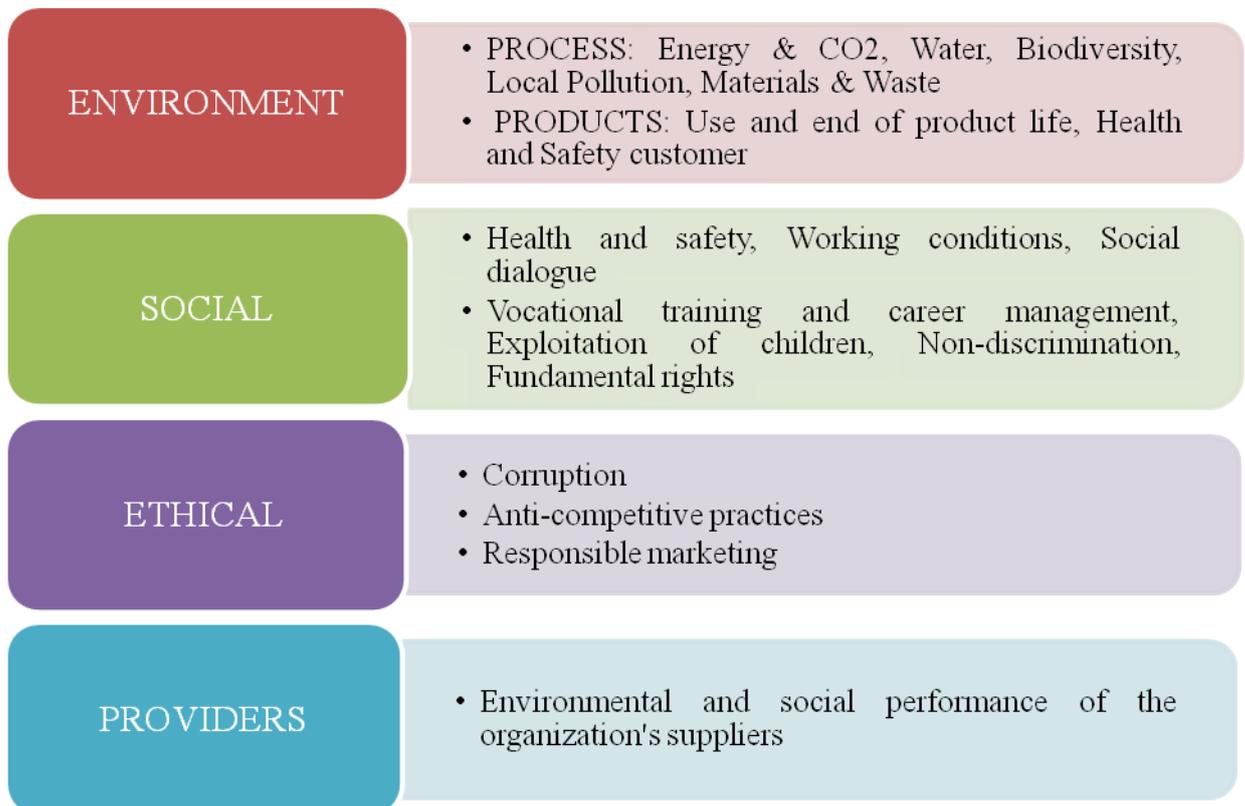


Figure no. 1. Topics of the meetings within Michelin Romania

Source: Processing after <https://michelin.com/>

Materials management is monitored through the integrated Management System ISO 9001, ISO 14001, using the Procedure for procurement of materials / consumables, spare parts and fixed assets and control of suppliers of materials, spare parts and services Safe handling of substances dangerous comply with the legal requirements in force.

The rules for storage / storage of chemicals apply according to the internal instruction, identification of types of hazards, separation of incompatible products, storage of liquid products in retention tanks. Factory level audits were performed.

Each waste generated in the manufacturing flow of tires and rubber membranes has an associated maximum permissible indicator, as% of production. Annually, action plans are established and implemented to reduce the waste generated and implicitly to minimize the use of raw materials. In the factory there is a person responsible for technological losses who ensure the assessment of compliance with the annual targets set for raw materials and waste from the manufacturing process.

Workshop managers and operational group managers ensure the implementation of action plans to reduce waste, respectively the loss of raw materials and associated utilities. No actual audit was performed for the waste. A study is underway on: "Monitoring system for waste, toxic and hazardous substances, software application for waste management".

The minimization of the consumption of raw materials and implicitly of the waste is done by applying the provisions from the technological processes and the consumption norms established for each type of raw material and part of the installation.

These aim, among other things: the use of raw and auxiliary materials with maximum efficiency without compromising the quality of the tires.

The supply and discharge of wastewater is regulated by the water management authorization no. 94/2018. Technological and rainwater are discharged into the Prahova River through the G2 drain. The domestic waters are discharged into the sewage system inside and from here in the treatment plant of Floresti locality.

4. Conclusion

The implementation of an environmental management system in a company influences every aspect, and provides guidance on the operational elements that build its entire activity.

In order to support the actions deriving from this approach, it is necessary to promote communication and prepare all employees. This is an important step because awareness of the benefits and presentation of the implementation plan brings the advantage that employees become receptive to the implementation of the environmental management system.

The strategic approach of integrating environmental management into the sustainable development of organizations' business is based on reducing the impact of their operations on the environment, throughout the life cycle and optimizing processes so as to use natural resources efficiently and reduce waste and emissions. air, water and soil. The employees involved are essential for improving environmental performance.

From the case study presented we can conclude that Michelin Romania has in the organization's strategy as a target to continue implementing Environmental Management, the company's management realized that avoiding environmental accidents has much lower costs than removing the consequences of these accidents.

The integration of the environmental management concept in the business development strategy within the Michelin Romania organization is in full swing and the aim is to improve and refresh the data as the dynamics of the activity bring permanent changes that must be communicated to the authorities and taken for compliance measures such as authorization environmental, waste stock reporting, contracts with specialized and

accredited companies for transport, processing or disposal of waste. Involving all employees in environmental protection activities and rewarding ideas for improving the activity that lead to the reduction of raw material losses and minimizes the risk of environmental accidents.

Environmental management should not be seen as a cost generator, implementation costs will be recovered through energy efficiency, limiting recovery costs in case of environmental accidents.

References:

1. Albu, M., 2010. Integrarea conceptelor de calitate și mediu în dezvoltarea afacerilor. Revista "Quality – Access to Success", 11(113) special/2010, pp. 669-677.
2. Albu, M., 2013. *Integrating Environment Component in Economical*. Proceedings of the 5th International Conference on Applied Economics, Business and Development (AEBD '13), Recent Researches in Applied Economics and Management - Volume II, WSEAS Conference Proceedings, pp. 186-191. [pdf] Available at: <<http://www.wseas.org/main/books/2013/Chania/AEBDb.pdf>> [Accessed 3 March 2021].
3. Albu, M., 2013. *Integrarea componentei de mediu în strategia companiilor petroliere*. Ploiești: Editura Universității din Ploiești.
4. Enescu, M., 2016. *Managementul mediului*. Bucharest: Editura Universitaria.
5. Petrescu-Mag, R.M., 2011. *Protecția mediului în contextul dezvoltării durabile. Legislație și instituții*. Cluj-Napoca: Editura Bioflux.
6. SR EN ISO 14001:2015, Sisteme de management de mediu. Cerințe cu ghid de utilizare.
7. <https://michelin.com/>