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INTEGRATED REPORTING – A NEW PARADIGM OF CORPORATE SUSTAINABILITY REPORTING

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Abstract
The framework presents the stage of knowledge regarding integrated reporting, the premises of appearance as well as the development over time. In order to achieve the main objective of the paper, we approached concepts such as integrated reporting, sustainable development, the analysis of long-term value creation process, the business models which are the foundation of the company's business, capital and stakeholder engagement. The research methodology corresponds to the research objective of a study on the content of the annual reports presented by the company. The basis of the research is OMV Petrom, where we have apreciated the level of integration and we briefly presented the content of the sustainable report in order to illustrate the company's significant interest in sustainable development as well as value creation for both shareholders and society. The main result of the research is that OMV Petrom is committed to social, environmental, community involvement that leads to short, medium and long-term value creation. It also provides up-to-date and transparent financial information as well as business model information in order to be a high level of satisfaction among shareholders and investors regarding the information provided. The company is committed to sustainable development, actions on social responsibility, environmental and community involvement, stakeholder engagement compiling sustainability reports.
Keywords: Integrated reporting, Sustainable development, Value creation process, Stakeholders, Business model, Capital.

1. INTRODUCTION

Integrated reporting has been defined by the International Integrated Reporting Council (IIRC) as an evolution of corporate reporting, based on three fundamental concepts. These concepts are as follows: creating value for the company and stakeholders, capital and value creation process. The Integrated Report is defined as a concise communication on how the strategy, governance, performance and prospects of an organization in the business environment are leading to the creation of short, medium and long-term value.

The Integrated Reporting (IR) focuses on creating value, presents the main and transparent information of the business model, strategic goals, performance and holistic governance.

For a comprehensive and clear illustration, we present a study on OMV Petrom SA by which to achieve the proposed objective, namely to present an analysis of the company's annual reports content demonstrating the level of integration approached by the company.

The structure of the paper is designed to achieve the proposed objective. After the introduction, we present the premises of emergence and development over time of the integrated reporting, the internal and external benefits as well as the existing relation between the integrated reporting and the financial reporting. Also these sections are followed by the section dedicated to the OMV Petrom study of the annual reports. Using the content analysis method, the aspects that illustrate the company's level of integration are briefly presented. The final section captures the illustration of the main characteristics for measuring the level of integration, respectively long-term goals and strategy, performance tracking, stakeholder engagement, involvement in the community, its outlook in the context of the external environment and the creation of long-term value.

2. PREMISES OF THE APPEARANCE AND DEVELOPMENT OF INTEGRATED REPORTING

Currently, there is a great concern for sustainability. Innovate solutions are needed in addressing the 21st century main challenges regarding globalization, climate change and resource scarcity. Corporations become more aware of the importance of sustainability information by presenting in a mixed integrated report this information for the different types of stakeholders as a completion of financial information (Dragu and Tiron-Tudor, 2014).

Global economy is constantly changing as companies face global competition, technology innovation and regulatory growth in response to financial and governance crises. The accounting profession disputed the traditional financial reporting model arguing that it does not adequately meet stakeholder information needs for assessing an entity's past and its future performance (Flower, 2015). The society questions the underlying reason for an organization - *to create value* because this limited concentration excludes the creation of value for people, society and the environment (Gray, 2006). In response to these issues, corporate reporting is changing, and voluntary reporting has an upward trend to provide more useful, transparent, and responsive corporate information.

Initially, the idea of managing, measuring and reporting the three elements of an organization, namely the social, economic, and environmental impacts, gained substantial importance in the 1990s, early 2000s. Integrated reporting has recently been promoted as a solution to the deficiencies of financial reporting (IIRC, 2013).

Concerns about integrated reporting system are not recent. In 1995, John Elkington, a global authority in corporate responsibility and sustainable development, formulated the "People, Planet and Profit" trinoma, recognized in the reporting as the Triple Bottom Line. He created a concept on the basis of which were seated the concerns about the preparation of a report on sustainable development by each organization. It concentrates financial and non-financial information on the performance of an entity in a single document. "Triple Bottom Line" reporting was then adopted as the title of the first Sustainable Development Report drafted by Shell in 1997, thus becoming one of the first countries to apply the concept (Dumay et al., 2016).

The integrated reporting concept emerged in 1994 in South Africa with the launch of the first Code of Corporate Governance Principles, entitled King I. This code was named after Mervyn King, initially a judge of the South African Supreme Court, King I being designed for stakeholders. The King I report was developed in South Africa as the country was at the beginning of democracy, and the private sector also felt the need for a new governance system (Stewart, 2010) such as more industrialized nations, as United Kingdom has developed corporate governance frameworks. In 2002, the King II report introduced the Integrated Sustainability Reporting concept and also set up a working group to explore new and complex non-financial reporting areas.

According to Dumay et al. (2016) *integrated reporting* in the current period in South Africa is considered as a holistic and integrated representation of the company's performance in terms of both financial and sustainability. In 2009, there was a meeting between Michael Peat, member of the Accounting for Sustainability Organization and Paul Druckman, a member of the Global Reporting Initiative (GRI), focused on the concept of reporting integrated. As a result of this meeting, the International Integrated Reporting Committee (IIRC) was set up in 2010 and issued the first debate paper on integrated reporting in 2011. The main objective of this paper consists in meeting the needs of 21st century by reflecting interdependence regarding financial reporting, governance reporting and sustainability.

The International Integrated Reporting Committee is a powerful representative of corporate, institutional, accounting, financial and civil society leaders. The main scope of this Committee is to create a conceptual framework of integrated reporting that requires organizations to have significant information about their strategy, management, performance and forecasts in a clear, concise and comparable form. This framework sets and accelerates the evolution of corporate reporting, reflecting developments in financial reporting, governance, management and sustainable development (Botez, 2013).

In 2012 the International Integrated Reporting Commitee has been renamed in the International Integrated Reporting Council and developed an integrated reporting work that has gathered stakeholder feedback, materializing through the publication of the international integrated reporting framework in December 2013 (IIRC, 2013). The purpose of this integrated reporting framework is to improve the quality of information available to financial capital providers to allow a more efficient and productive allocation of capital (Dumay et al., 2016).

More and more organizations are willing to adopt integrated reporting for various reasons. While some practice accounting for sustainability and integrated reporting due to legislative pressure (for example in South Africa, where integrated reporting is mandatory), others have understood the benefits derived from it, underpinning effective decisions and capital allocation, maximizing profits on short and long term, engagement of stakeholders, attracting potential customers and employees. Regardless of the application of voluntary integrated reporting, integrated reporting practices offer many advantages, such as: reputation, better understanding of the impact of business on the environment and society or financial correlation with non-financial performance (Dragu and Tiron-Tudor, 2014). The main benefits of applying integrated reporting will be presented in the following sections of this paper.

Integrated reporting features that have the potential to change the thinking of corporate actors in order to better adapt the notion of profit maximization to the well-being of society and the environment focuses on the long-term vision and encouragement of this vision of what is value, the process of creating value and business model. So three fundamental concepts define integrated reporting (Kurochkina et al., 2016):

a. Creating value for the organization and stakeholders;

b. Capital and

c. The value creation process.

The first concept (a) is based on the fact that it has two interdependent aspects, consisting of the following: the value created for the organization that allows earnings to shareholders and value generated for stakeholders and society.

According to Flower (2015) the concept of value is criticezed because it is value to investors and not value to society. The International Integrated Reporting Framework presents the two aspects of value as follows: The value created by an organization over time is manifested in increases, diminutions, and transformations of capital caused by business activities of the organization. This value has two interdependent aspects - value created for the organization itself, which allows financial gains to shareholders and value created for stakeholders and society. Shareholders are also interested in the value created by the company for stakeholders when it affects the creation of value for itself. So the ability of an organization to create value for itself is closely related to the value created for stakeholders.

According to the second concept (b), all organizations depend on different forms of capital, presented in the paper, through which value is created. Concep (c) illustrates how an organization creates value over time, given the impact of internal and external factors and its business model, which is the core of an organization.

The process of creating value is the foundation of the business model that defines the path of value creation. According to IIRC, the business model is the organization's system of an input transformation through its business activities in outcomes that aim to meet the organizational goals of the organization and create value in the short, medium and long term. Both those who invest and those who run the business are therefore referring to a business model.

According to Botez (2013) the business model is defined in the conceptual framework project as a system of inputs, value-adding activities and outputs that aim to create and maintain value in the short, medium and long term. Business processes are the basis of this model and set of related activities (control, operating and support) to create a particular product or service to end consumers. The external impact is determined by the current business environment (Kurochkina et al., 2016). The business environment includes the legal framework (legal and regulatory environment), commercial (macro and micro-economic conditions), social components (public) and environmental (environmental protection tasks) and political context. Consequently, the importance of integrated thinking leads to the development of integrated reporting.

According to Flower (2015), all organizations depend on a variety of resources and relationships that lead to their success. The extent to which organizations operate, either in a favorable or unfavorable manner, has an important impact on the availability of resources and on the strong relationship that sustains the long-term viability of these organizations. These resources and relationships can be conceived as different forms of capital. Integrated reporting focuses on how an organization generates value rather than impact measurement and accountants and researchers have so far paid little attention to how value creation might be possible within a multiple capital model. Measuring the organization's impact on capital should be issues addressed in its sustainable development report (Adams, 2015).

There are six different capital categories, namely financial capital, productive capital, human capital, intellectual capital, natural capital and social capital. According to Flower (2015) these capitals can be classified as either internal or external to the organization. The concepts on which most of the capital categories are based are reasonably clear. Thus, the financial capital is the common fund of the company and the productive capital comprises the hand-made objects created by man. The most delicate category is social capital - this is based on the fact that the viability of the firm (and the well-being of humaniy) depends, in part, on the relationships between people to function as properly as possible.

According to Botez (2013) the six types of capital mentioned above are defined as follows:

a. *Financial capital* being represented by all available funds for an organization to be used in the production of goods or services obtained through funding, debt, equity, or generated by investment operations;

b. *Productive capital* is available in the organization for use in the production of goods or the provision of services in the form of constructions, equipment and infrastructure;

c. *Human capital* is represented by the skills and experience of individuals and their ability to innovate, aligning and supporting the conceptual framework of leadership and ethical values, loyalty and motivation;

d. *Intellectual capital* represented by intangible aspects that provide competitive advantages in the form of intellectual property (patent, copyright, software, etc.) or associated with brand and reputation;

e. *Natural capital* is usually represented by input into the system and affects all the organization's activities, such as water, land, mineral resources and forests, biodiversity and ecosystem health;

f. *Social capital* represented by the institutions and relationships established within and between each community, interest group, and others, to increase collective and individual well-being, in the form of common values and behaviors, "key" relationships, trust and loyalty an organization builds, develops and protects them with business partners.

The basic idea is that the organization's integrated reporting should indicate how the company through its activities has created value, measured by increasing the value of these capital (Flower, 2015). The IIRC shows that a company's performance is measured as the net increase in the value of its assets. The assets have a broader definition than the definition used in the conventional balance sheet, so it covers all the resources that society depends on for prosperity. Therefore, many of the capital included in the integrated report are not held by the firm. According to the IIRC (2013), the integrated report reflects the use and effect of all the capital that the organization and society need for prosperity and expresses the value that the organization creates for investors, employees, customers and, more broadly, for society. This definition is directly related to the sustainability of the organization.

According to Flower (2015) integrated reporting is not the reporting of sustainability, and in this sense the fundamental framework of integrated reporting explains the differences between these two, namely integrated reporting and sustainability reporting. There are essential differences between the two forms of reporting, especially in the context of capital. Important to note about sustainability reporting is that:

a. Targets a wider audience compared to the integrated report, which mainly focuses on shareholders, especially those with a long-term vision;

b. Focuses on the impact on the environment, society and the economy, rather than the effects of capital on value creation over time, the case of integrated reporting.

Thus, sustainability reporting is less likely to focus on the link between different capital or the strategic relevance of capital for value creation, and is likely to include disclosures that are not material to be included in an integrated report (Adams, 2015).

One of the founding organizations of the IIRC, the Global Reporting Initiative (GRI) explains the importance of sustainability as follows: the issue underlying sustainability reporting is how a society contributes, or aims to contribute, in the future, at improving or damaging economic, environmental, social conditions, developments and trends at local, regional and global level (GRI, 2013). Sustainability reporting is defined by the GRI guidelines: *A sustainability report provides information on the impact of an organization, whether positive or negative, on the environment, society and the economy. In this respect, reporting on sustainability is concerned with tangible and concrete aspects, thus contributing to the understanding and management of the effects of sustainability developments on the organization's activities and strategy.*

According to Flower (2015), integrated reporting brings together material information about organization strategy, governance, performance and its outlook in a manner that reflects the commercial, social, and environmental context in which it operates. It provides a clear and concise representation of how an organization demonstrates stewardship and how it creates and sustains value. It is further specified that the main result of applying Integrated Reporting is an **integrated report -** a single report that according to the IIRC will become the main report of an organization.

Integrated Reporting (IR) is a set of processes and activities that result in visible and concise reporting on how the organization's strategy, management, performance and forecasts allow for the creation and maintenance of long-term value (Botez, 2013). The objectives of integrated reporting can be summarized as follows:

a. Producing changes in the organization's behavior in order to make decisions aimed at creating and maintaining value in the short, medium and long term;
b. Information on the allocation of resources by investors to support the creation and maintenance of value in the short, medium and long term;
c. Induce a consistent and comprehensive approach to corporate reporting that will lead to the communication of the full chain of factors that significantly affect an organization's ability to create and maintain value over time.

The communication resulting from integrated reporting is primarily intended to support long-term investor's decisions on the allocation of financial capital. They aim to align with the long-term public interest as well as to create and maintain value in the short and medium term. Activities and strategies that are oriented towards optimizing financial performance may hinder the ability of organizations and investors to make long-term investments, research and allocations for long-term innovation and infrastructure needed to respond to global change, including resource scarcity, economic instability and demographic changes (Botez, 2013).

The main purpose of the IIRC body is the need to integrate the following reports: Traditional financial statements; Management comments; Governance and remuneration reports; Sustainability reports. The IIRC presents that integrated reporting combines most of the material elements of the information currently reported in separate reporting directions in a coherent report, illustrating the connectivity between the reports and also explains how they affect the ability of an organization to create and supports short, medium and long-term value.

Further on we present the internal and external benefits of the integrated reporting and also the relationship between the financial reporting and the integrated reporting.

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2.1. Internal and external benefits of integrated reporting

Over the past decades, the trend has changed and people have begun to focus on environmental protection or social responsibility issues. Investors have begun to monitor non-financial reports as there is a positive impact of sustainability reporting on responsible social management practices that lead to setting sustainable development priorities, employee training and growth on ethical implementation by organizations. Companies do not only report to investors, but, as mentioned above, report to other stakeholders, such as customers, suppliers, credit institutions. Due to the growing number of entities operating in the same business area, with similar services and products, organizations are trying to gain a competitive edge by issuing several reports that respond to social responsibility. As the number of reports increases, focusing on them is becoming more and more difficult, and integrated reporting offers solutions to this (Havlová, 2015).

In order to link social, environmental and governance aspects to the standard annual report, an integrated report allows both internal and external benefits. *Internally,* organizations gain a better understanding of value creation while improving data collection with a high quality. On an external basis, simplified financial reporting could better communicate the value of a company to current and potential financial capital suppliers as well as to stakeholder groups.

Thus, the internal and external benefits of integrated reporting are presented.

2.1.1. Internal benefits of integrated reporting

According to Burke et al. (2016) an organization has plenty of internal benefits by integrating its reports, of which the most important are presented below.

The first and probably the greatest benefit is a better understanding of value creation that leads to more appropriate decisions. Organizations recognize the internal benefits of integrated reporting in learning how the elements of their business model are connected. A second internal advantage is a better understanding and communication between the different departments. Is necessary to collaborate at the level of the society as a whole for conceiving the report. Last but not least, another main advantage of integrated reporting is the improvement of measurable elements that were previously unexamined. This new process creates high quality data for use in internal and external reporting decisions.

Integrated reporting allows organizations to know the impact on the social, financial, and how their development and development affect the organization. The transparency of this reporting leads to an increase and consolidation of the reputation of the organizations on investors and shareholders, and also provides complex risk management (Türker et al., 2014).

2.1.2. External benefits of integrated reporting

On an external basis, integrated reporting leads to the improvement of corporate relations by simplifying the presentation of relevant value information. The report can be used for interactions with most stakeholders, including current or potential employees, potential clients, and the Board of Directors. In this way, integrated reporting reduces the information asymmetry between the organization and its shareholders by disclosing information that has not been previously disclosed to the public. Integrated reporting organizations consider that financial capital providers better understand the organization's strategy and are more confident about the sustainability of the organization's business model.

Although financial capital providers are the main public of integrated reporting, various stakeholder groups can benefit from the information in these reports. Thus, an involuntary, external, integrated reporting benefit is to improve external engagement with stakeholders. In fact, as has been shown in recent studies, most organizations consider integrated reports as useful for responding to stakeholders.

2.2. The relationship between financial and integrated reporting

Understanding the relationship between financial performance as well as sustainable strategies is also important for long-term business objectives. Sustainability reports are generally considered to be the framework of social responsibility, environmental management, corporate governance that highlight the requirement for integrated and complex reporting (Türker et al., 2014).

The differences in financial reporting and integrated reporting are highlighted in the definition of this, as follows:

Financial reporting - The preparation of statements such as balance sheet, profit or loss account, cash flow statement define financial reporting. The cash flow from investors and creditors is received under the assurance provided by financial reporting. It is therefore essential that financial reporting provides accurate, verifiable, impartial and credible information;

Integrated reporting - Integrated reporting according to the IIRC is not a new report but rather an evolution of corporate reporting (Druckman, 2013). The integrated report focuses on creating value, presenting the main and transparent information of the business model, strategic goals, performance and holistic governance (Türker et al., 2014).

The financial report is expected to include these previously mentioned factors. However, financial reporting focuses on past performance of the organization, which has led to the need for a new approach. Integrated reporting is not just focusing on the past but also on the future of the enterprise,

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being an approach that meets the requirements of the 21st century. While providing information to increase transparency and communication, integrated reporting also eliminates the differences between investor expectations and management (Hutton, 2004).

Integrated reporting has as distinct feature unique structure. Each report presents a unique structure and these are presented taking into account the business model of the organization. The report is prepared with the satisfaction of stakeholders by providing the desired information (IIRC, 2013).

Organizations provides to stakeholders reports on sustainability, social responsibility, environmental management and corporate governance. However, these reports cannot demonstrate compliance with the business model or strategies. Thus, these reports only show positive aspects of business ignoring certain stakeholders. In view of the above, the need for integrated reporting has been assessed and used by organizations to achieve a long-term business outlook. On the other hand, integrated reporting is not another report but only an evolution of current reporting, being differentiated from sustainable reporting as presented in this paper. Financial reporting has become inadequate to meet the needs of stakeholders and provided only past information for them (Türker et al, 2014).

3. FROM THEORY TO PRACTICE IN OMV PETROM SA

3.1. Research methodology

According to Dragu et al. (2014) research has shown that the most common methods used for research in case of integrated reporting involve case study, content analysis, studies or comparative analysis. The most common technique in research is the literature review in which the researcher summarizes and interprets previous contributions in a subjective manner (Dumay et al., 2016).

According to Mio et al. (2016), the case study methodology is useful in providing an in-depth understanding of a specific context (integrated reporting), focusing on analysis (findings specific to the research context) rather than statistical generalizations.

This research is based on systematic literature review because integrated reporting is a relatively new concept and the unique study (adoption of integrated reporting by OMV Petrom) in order to apply the presented concepts. The study conducted at the level of OMV Petrom SA aims to illustrate the main features to highlight the level of integration, respectively the mission and strategy, management approach, performance tracking, stakeholder engagement, public reporting format. Another objective of the study presented is to identify whether OMV Petrom meets the requirements of integrated reporting.

Corporate Social Responsibility (CSR) analysis for OMV Petrom SA, environment and sustainable development are based on content analysis method.

3.2. OMV Petrom SA study

3.2.1. Overview of the OMV Group

OMV Petrom (2015) is the largest integrated oil and gas group in Southeast Europe. In Romania, the company is the largest player in Upstream and an important player in Downstream, through two business segments. Downstream Oil, which refines all of its own crude oil production in Romania and markets it through its extensive distribution network and Downstream Gas, which markets its own gas production of the Upstream segment in Romania, as well as the electricity generated by the Brazi power plant.

OMV Petrom has strengthened its position on the oil and gas market following a comprehensive modernization and sustainability program supported by total investment of over 12 billion Euro over the past 11 years. During this period, OMV Petrom was a pillar of stability for the Romanian economy, as an energy trust provider, an important employer and a major contributor to the state budget.

During 2015, OMV Petrom faced a multitude of challenges: a steep decline in global crude oil prices, overcapacity on the European markets, as well as increased downstream competition and fiscal and regulatory uncertainty at local level. The fundamental transformation OMV Petrom has undergone since its privatization helped the company to be resilient in the context of a marked volatility market and be well prepared to adapt to this context.

3.2.2. Strategic objectives and directions 2016-2021

By capitalizing on the capabilities and expertise in Romania, OMV Petrom is committed to maintaining and consolidating leadership in the region, ensuring long-term growth through organic growth based on the opportunities Romania still has to offer, improving customer experience and developing portfolio through regional expansion.

The strategy will generate performance being built around three pillars:

- Improving the competitiveness of the existing portfolio;
- Development of growth options;
- Regional expansion.

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Further on, based on our content analysis, we present the main features to highlight the level of integration, respectively information about company performance (annual reports containing key financial information for shareholders and other stakeholders), stakeholders engagement - the company's relationship with investors, aspects of sustainable development, environment, community involvement and social responsibility.

3.2.3. Financial information

Since 2010, OMV Petrom reports consolidated results to the capital markets, prepared in accordance with International Financial Reporting Standards (IFRS). From 2012, the individual results of OMV Petrom S.A. are also prepared in accordance with IFRS, in accordance with the provisions of the Order of the Minister of Public Finance no. 1286/2012 on the reporting of listed companies. Starting January 2017, the presentation of the Consolidated Income and Expense Situation was restructured in line with industry best practices in order to better reflect the Group's operations and increase transparency for investors. Thus, as we can see, OMV Petrom constantly seeks to provide investors and shareholders with up-to-date and transparent information in order to satisfy them from the perspective of the information provided.

OMV's integrated report contains a wealth of information about its financial activity. Although basic information such as the consolidated statement of comprehensive income, the statement of comprehensive income, the cash flow statement, the statement of changes in equity and the financial statements are presented, the company comes up with an in-depth analysis to understand their position in the respective year and presents the favorable and unfavorable aspects in order to improve them in future work.

The company analyzes the financial results and the factors that have had an impact on them. So it gives details on how consolidated results are influenced by the work done in each country and therefore analyzed the impact of each department to see which is the most profitable segment and where it would be necessary to work to improve consolidated results.

3.2.4. The relation with the investors

The company has a department - Investor Relations that acts as an information and communication interface between company management and capital markets, ensuring a good communication of strategic, financial and operational information to the financial community.

The company's objective is to provide shareholders and the financial community with up-to-date and complete information about their financial results, providing a fair view of OMV Petrom's business. In this respect, OMV Petrom presents annual and quarterly reports and reports as well as information on shares, dividends and financial events that are of great interest to shareholders and other stakeholders.

3.2.5. Sustainable development

The issues of sustainability, sustainable development, environmental management, competition, professional competence chain, modern strategies and services that may respond to global environmental problems have been discussed in the last years by many Romanian authors (Corbos et al., 2013; Corbos, 2005, 2011; Croitoru and Zamfir, 2014; Plumb and Zamfir, 2011; Zamfir, 2010, 2011, 2013a, 2013b, 2014; Zamfir and Popescu, 2011).

OMV's sustainability report prepared for 2014 year sets an example in favor of a clear form of communication on social, economic and environmental responsibility for the oil industry. The report was prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines. This report proves to be comprehensive with issues that are considered to be the most important for OMV's business through stakeholder consultation and materiality and by pursuing the G4 Guidelines. OMV has a long history of environmental and social action as well as a history that reflects the interest of responsibility towards stakeholders, society and the environment.

Being an integrated international oil and gas company with a presence in more than 30 countries, it gains sustained growth through understanding and attitude towards how the activities carried out have an impact on stakeholders, people and the environment.

According to the CEO's statement, Gerhard Roiss from 2014: Our sustainability strategy "Resourcefulness" aims to create favorable long-term situations that are both for the benefit of OMV's society, the environment and OMV. Our clear focus on Eco-Innovation, Eco-Efficiency and Successful Skills allows us to protect the license to operate, retain and develop the customer base and markets, drive and manage costs. We can also anticipate and manage the risks by offering innovative products that open new markets for the business. Ultimately, sustainability guides our whole approach and provides the solid foundation on which we build a resilient business in the future.

In the case of OMV, a top priority has always been Health, Safety, Security and Incentive Environment (HSSE), and the company's focus on sustainability ensures that it remains a priority for the future. Similarly, diversity, stakeholder engagement, human rights, business ethics and governance are also material subjects managed closely by the company in the sustainability report.

The strategy adopted - Resourcefulness brings together all the company's responsibilities as part of a global strategy. This strategy includes Health, Safety, Security and Incentive Environment, diversity,

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human rights, business ethics and governance and is expressed in the three main areas of interest: Eco-Innovation, Eco-Efficiency and Successful Skills presented below.

Eco-Innovation	The company has invested in research and development of new energy sources and technologies. The focus of OMV Petrom's activities is directed towards improving the efficiency and use of future energy sources.
Eco-Efficiency	To ensure energy supply, the company produces and processes oil and gas in an efficient and secure manner. Particular attention in the field of eco-efficiency is given to carbon emissions and water management.
Successful Skills	The company has initiated several global projects on technical education and training, focusing on entrepreneurial skills among men and women. In addition, key education and skills development projects that have contributed to the economic development of the local community have continued since previous years.

FIGURE 1 THE MAIN THREE AREAS OF INTEREST REGARDING RESOURCEFULNESS STRATEGY

3.2.6. Stakeholders engagement

OMV Company identifies stakeholders (individuals and institutions) in view of their impact on OMV's services, operations and products and the interest in favorable or unfavorable results. In the case of the company, the following groups have been identified as key stakeholders, being critical to the operations and business development capabilities:

- Research and development institutions;
- Authorities;
- Business Partners;
- Competitors;
- Customers;
- Local communities;

- OMV employees;
- Shareholders / Capital Markets;
- Society;
- Suppliers and entrepreneurs.

Because sustainability requires effective internal and external stakeholders, the company can better anticipate and benefit from changing operating conditions and society's expectations, such as civil society, communities, and academia. The stakeholder management process focuses on identifying, prioritizing, interacting with stakeholders and monitoring them.

OMV has demonstrated over time a major interest for action on social responsibility, environment, society, community involvement, as shown as the main focal points in the sustainable report briefly presented below:

a. Health, Safety, Security and Incentive Environment (HSSE)

Within OMV, it is primarily concerned with maintaining high standards at the workplace and implementing health promotion programs, guaranteeing the well-being and safety of employees through robust risk management, safe employment and training, continued improvement of security strategy Based on information to support the business.

OMV's main awareness-raising efforts were:

- Act now. Save a life! Heart attack can’t wait”;
- Health: on!

b. Environmental management

The focus areas of the company were environmental risk management, carbon management and water management. In this respect, the main activities of the company consisted of the following:

- Implementation of a new E and P environment standard with a zero policy of incineration and continuous ventilation;
- Developing flame and air reduction action plans within OMV Downstream Division;
- Identifying impacts on water at high level and making statements about them;
- Energy management systems implemented in Austria, etc.

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c. Employee development and diversity

As part of employee development and diversity, the company has sought to improve international diversity and gender diversity, targeting a situation where senior employees include 30% women and 50% internationally by 2020, encouraging their own employees to - assume responsibility for individual projects and, last but not least, invest in training opportunities, ensuring that talented people at all levels are maintained.

The company has implemented over 68 development programs and has succeeded in achieving the following main objectives within this area:

- Implementing a Transparent Human Resources Strategy;
- Maintaining the level of rotation of the workplace in the range of 110;
- Employee involvement on sustainability issues;
- Teaching over 720,000 hours of training and successfully creating the OMV Technical Training Center;
- Agreement on program flexibility and homework.

d. Business ethics

Within this detailed area, the company has achieved the following key performance:

- Development of OMV Petrom Ofisi compliance organization (change of organization by separation of internal and compliance departments, recruitment of a new Director of the Compliance Department)
- Training plan for the certification of OMV Petrom Ofisi's compliance management systems;
- Strong focus on energy market regulation and financial market regulation, etc;

e. Human rights

What the company succeeded in doing to support human rights consisted of the following:

- New entrants to the country supported by the Process of Human Rights Diligence;
- Training in countries with high risk;
- Engagement and recruitment of OMV by other organizations wishing to provide best practices by OMV employees in the pre-gas and gas sector, etc.

f. Involvement in the community

OMV's community involvement consisted of a series of community-based investments such as:

- Implementing school dropout prevention programs, vocational and technical education projects, performance education, and adult qualification courses;
- Development of local infrastructure through the rehabilitation and endowment of public institutions and public spaces, especially the educational and health facilities;
- Supporting the national female gymnastics group in Romania and contributing to the preparation of 200 future champions;
- Volunteering over 1,800 OMV employees in the Volunteer Championship - a OMV Petrom employee project competition;
- Running numerous awareness campaigns about ecology and environmental protection;
- Organizing community prevention and safety courses, medical prevention and hygiene campaigns and first aid, as well as online child safety courses;
- Organizing the "Ideas in the Land of Andrei" sustainable ideas competition, the "Business Made in Andrei Country" social business competition, and supporting the work of 9 Community Resource Centers (CERCs), local NGOs created with the support of OMV Petrom.

Therefore, given the information previously briefly presented, OMV Petrom's activities in non-financial actions, namely aspects that indicate sustainable development (actions on social responsibility, environmental involvement, community involvement, stakeholder engagement), we can conclude that OMV Petrom is a company that has a significant interest in non-financial activities, and has produced a sustainability report to detail this information in detail.

In conclusion, OMV Petrom reported in its reports that its strategy, governance, performance and prospects in the business environment were focused on creating long-term value. By analyzing the content of the annual reports, the company has a significant interest in presenting updated and transparent information about the business model and the financial statements, as there is a high level of satisfaction of shareholders and investors with regard to the information provided. OMV Petrom meets the requirements of integrated reporting, being a company focused on sustainable development.

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4. CONCLUSIONS

Various companies, such as the company under review, respectively OMV Petrom, are compiling sustainability reports based on comparable indicators, providing a quantitative and qualitative assessment of their operations. An in-depth understanding of the main reporting practices provides a valuable tool for better assimilation and understanding of corporate social responsibility practices on a global scale.

This paper is a research for integrated reporting. We started the process by defining the concept of integrated reporting and the integrated report, emphasizing the long-term value creation process, noting the integration of information on social sustainability and corporate responsibility in the annual report. Further on, the origins of integrated reporting and the development of this concept were presented as well as a presentation of the main three fundamental elements, namely the creation of value, capital and involvement of stakeholders.

The paper presents the relationship between integrated reporting and financial reporting as well as the internal and external benefits of integrated reporting, based on the literature review. The paper highlights the case of integrated reports and benefits to organizations and other stakeholders supported by the current integration framework as financial reporting is underdeveloped. Value is the key category for business valuation, issues discussed about the creation process and the importance of creating value for shareholders / associates, stakeholders being discussed in the paper.

Integrated reporting will complement the steps taken over the past few years to ensure comparability of information produced and published by corporations and multinational companies. The complexity of businesses and their functioning structures affect the global, long-term interests of society, which significantly influence the general public interest. It also contributes to the decision-making process to create long-term value by supporting sustainable development.

The study conducted at OMV Petrom in order to demonstrate the level of integration of the OMV Petrom, respectively the way of applying the integrated reporting concept and the basic information presented by it in the annual reports, has shown that OMV Petrom:

- Leads to the creation of long-term value;
- Focuses that the activities carried out should lead to the creation of value for both shareholders, stakeholders and society;

- Provide up-to-date and transparent financial information as well as business model information in order to have a high degree of satisfaction of shareholders and investors with regard to the information provided;
- Is involved in sustainable development, respectively in actions on social responsibility, environmental involvement, community involvement, stakeholder involvement, and sustainability reports.

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