

THE ROLE OF MNCs IN SUSTAINABLE DEVELOPMENT: A DYNAMIC AND SUSTAINABLE VIEW ON BALANCING PROFITS AND THE PLANET. TOWARDS A MORAL CAPITALISM IN WESTERN WORLD

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Abstract:

MNCs play a critical role in addressing the sustainable development issue. The traditional profit-maximizing strategy of MNCs has frequently resulted in sustainability problems. This has had a detrimental effect on long-term economic growth, as well as the environment and society. The article will focus on MNCs' contributions to sustainable growth and how they may achieve a healthy balance between profits and the environment to ensure a dynamic future. The research approach focuses on the development of sustainability and the role of MNCs in sustainable development and uses the research methods like systems analysis, comparative analysis, and interpretation of the findings as outlined in the literature. The article acknowledges that MNCs can both cause and address environmental and social issues. It acknowledges that MNCs must strike a balance between economic, social, and environmental issues in order to achieve a sustainable future in a complex and continuously changing global context. A "triple bottom line" strategy, which evaluates success in terms of the environment and social effect in addition to financial performance, is the manner in which MNCs may accomplish this balance. One of the contemporary manifestations of capitalism is "responsible" or "moral" capitalism. Moral capitalism is also described as the constitutional principle of regulating capitalism in order to protect citizens from corporate predators and to prevent economic exploitation based on one's class or financial condition.

Key words: sustainable development, MNCs, innovation, technology, strategy

JEL classification: Q01, Q56, M14, M16, M19

INTRODUCTION

Our planet is currently facing an important issue: sustainable development. The demand for resources, energy, and goods rises in line with the increase in the global population. This has become most evident in the context of the global crisis generated by Covid19, the US-China trade war (2017), and more recently in the context of Russia's war in Ukraine, a conflict that has generated a global energy crisis. Various targets are proposed by the world's leading countries to limit pollution and prevent global climate change.

In September 2015, the United Nations 2030 Agenda for Sustainable Development was adopted, comprising 17 Sustainable Development Goals (SDGs). It provides a framework within which governments can implement measures to achieve specific goals by 2030 and covers areas such as poverty, food security, energy, health and well-being, inequality, gender equality, production and consumption, urbanization and many other environmental issues affecting terrestrial and marine ecosystems, as well as climate change.(Fritz S., et al., 2019) In addition to these 17 goals, there are also 169 global goals, all of which are interconnected and have the ultimate goal of creating a better and more sustainable world. These 17 goals to which the world's major countries would be anchored are: "poverty-free", "zero hunger", "good health and well-being", "education and quality", "gender equality", "clean water and sanitation", "clean and affordable energy", "decent work and economic growth", "industry, innovation and infrastructure", "reducing inequality", "sustainable cities and communities", "responsible consumption and production", "climate action", "life under water", "life on land", "peace, justice and strong institutions" and "Partnerships for the

Goals").(Sousa M., Almeida M.F., Calili R 2021), seem to be extremely difficult to achieve as some countries are reactivating energy production based on fossil raw materials such as coal, oil, etc.

Significant environmental problems, such as climate change, deforestation, and pollution, have resulted from this increased consumption. In addition, social issues like inequality and breaches of human rights are pervasive. Given their substantial economic influence and strength, MNCs play a critical role in addressing these issues. However, sustainability has frequently suffered as a result of their conventional profit-maximizing strategy. Long-term economic growth has been negatively impacted as a result, as well as the environment and society.(Amui et al. 2017) Sustainable development is significantly shaped by multinational corporations (MNCs). They are important players in solving environmental and social issues due to their extensive activities and global presence. MNCs frequently place a higher priority on profits than sustainability, which has negative consequences on the environment and society. The article will focus on MNCs' contributions to sustainable growth and how they may achieve a healthy balance between profits and the environment to ensure a dynamic future.(Cillo et al. 2019) The main objective of our study is to highlight the essential role of MNCs not only for global economic growth, innovation, patenting, jobs, etc. but also for the sustainable development of countries and the global economy. To achieve this research objective our study proposes an original analysis based on international literature and in particular on Corporate Knights' Global 100 Most Sustainable Corporations ranking. In this sense, we have selected only the first 50 companies in the ranking mentioned above, we have taken into account some evaluations made by various researchers on this subject as well as other rankings such as 100 Best Corporate Citizens 2022 and Top 100 ESG Companies, in addition, the 50 companies selected by us have been analyzed evaluated in terms of their innovative capacity in technical terms, respectively in terms of the number of patents obtained annually. At a simple correlation of The Most Innovative Companies of 2022 according to BCG ranking and approximately the 50 companies from our study, over 10 MNCs: Apple, PepsiCo, HP, Cisco, Microsoft, Ford, Siemens, Alphabet, Unilever, SAP are found either in the rankings of the study.

METHODOLOGICAL APPROACH

As it focuses on the development of sustainability and the role of multinational corporations in sustainable development, the research approach corresponds to the theorized type. It has been organized as follows: definition of the research problem, analysis of the state of knowledge pertinent to the research problem, and establishment of the hypothesis. In this context, the authors explore the relationship between sustainable development and multinational companies and their efforts to achieve a balance between obtaining profits and respecting the environment. The authors view these efforts as crucial elements of sustainable development for modern businesses.

This article aims to find the contextual factors that mediate and impact the link between multinational corporations and sustainable development in industrialized economies, as well as to highlight the research that is currently accessible in this area. The hypothesis, which is based on the results of the literature review, states that sustainable consumption is one of the fundamental pillars of sustainable development. Additionally were used during the research: systems analysis, comparative analysis, and interpretation of the findings as outlined in the literature.

LITERATURE REVIEW

Business began to change its traditional ideology in the early 1980s, when the sustainable development paradigm began. Businesses began to make adjustments to sustainability because of environmental and societal changes. In the 1980s, Drucker was among the first authors to argue that social innovations are just as important as technical innovations for a company's internal growth, profit-making, and fulfillment of the social/economic role of firms.(Drucker 1985) There are no "poor countries" argues the same author but only "ignorant countries" in the context of what we call "knowledge society" and the revolution brought by the internet and other disruptive

technologies.(Drucker P 2001) Moral capitalism should be sustained and built over time, Young argues, by investors and managers who aim to achieve sustainable profit and at the level of ethically behaving corporations that invest in their own "social capital" and that of the country or countries in which the organization operates.(Young St 2003)

In essence, one can state that the central/core element of any organization is given by the "values" in which all or most members of the organization believe; this means, in particular, a set of fundamental values by which the individual distinguishes between: right-wrong; right-incorrect; true-false; ethical-nonethical, etc. The choices that owners, shareholders, investors and managers have are extremely numerous when it comes to choosing between individual/group good vs. social good or good at the level of country, region, global economy, planet, etc. What are the concrete directions that the CEO and his team in large multinational corporations should follow in order to achieve moderate but sustainable GDP growth in time? According to the arguments made by Atkinson and Lind, over the last 3 decades especially large MNCs in all sectors of the global economy are the organisations that have started to determine trends or different directions regarding the application of KM, innovation, social stability, organisational climate, employee qualification and motivation.(Drucker P 2001)

From the perspective of our study, we also recall that a relatively well-known concept of "social capital" has become extremely present in all studies/analyses on economic growth at the level of countries and the nature of capitalism being built in the Western world; the connection between the values and national culture of a country and the social capital it builds over time is quite evident.(Fukuyama F., 2001) Values such as knowledge, trust, fair competition and individual freedoms are at the heart of concepts such as social capital, national culture and organisational culture. Therefore, the basic idea around which our proposed study is structured is the analysis of the values in relation to which/how hierarchically structured social groups manage to govern themselves, to remain in competitive and cooperative relationships and to opt for a balance between profit and planet. All organisations in the world have certain values at the centre of their culture, argues Drucker, just as each individual is formed, educated and affirmed as a member of society around key values he believes in.(Drucker P 2001) The same values around which a person is formed/educated before entering the labour market become essential when that person is a member of an organisation or part of a stakeholder group; the values he/she believes in will then be reflected in the person's behavioural pattern in his/her daily working relationships with others. The values and ideals to which employees/members of various organisations relate may be inspired by religion but they are only relevant in relation to the individual's own consciousness; our ideals, aspirations and vision of the common good are not dependent on religious affiliation, Young argues; the various world religions only suggest a general ideal towards which great civilisations/cultures should be oriented.(Young St 2003)

Business good practices, ethical behaviour of companies, respect of principles related to human rights, working conditions, employee rights, continuous motivation, anti-corruption, etc., are guidelines for action under the UN since 1989. From the beginning The Global Compact launched 9 principles to which multinational corporations are urged to adhere. These are: "to support and respect the protection of internationally proclaimed human rights in their sphere of influence", "to ensure that they are not complicit in human rights abuses", "to support freedom of association and the effective recognition of the right to negotiate collective", "promote the elimination of all forms of forced and compulsory labour", "promote the effective abolition of child labour", "support the elimination of discrimination in employment and profession", "support a preventive approach to the challenges of environment", "undertake initiatives to promote greater environmental responsibility", "encourage the development and diffusion of green technologies".(Taylor M.A 2001) ; the orientation of corporate behavior on the basis of social norms of the kind invoked does not preclude the achievement of profit provided that a balance is maintained between sustainable development of the planet and competitive relations with other firms.(Young St 2003) As we show later there are already various rankings on the sustainable development of a company, which would be a first step towards building a moral capitalism at the country level. By definition large MNCs also hold

increasing financial power; the lack of principles in ethical behavior and the excess of power that some companies have shown has been highly visible in the context of the global crisis in 2008-2010. Therefore, the hypothesis of building moral capitalism at the MNC level and balancing profit-plan based on a set of rules/principles imposed by law/assumed voluntarily by managers/investors would provide a way for contemporary capitalism to evolve that would attenuate or prevent similar crises in the future in major countries of the world.

The TBL approach initiated by the Institute for Social Responsibility and Ethics emphasises that companies are responsible for their impact on society. TBL refers to a framework for measuring and reporting company performance against economic, social and environmental metrics.(Kim Suntae., Karlesky M.J., Myers C.G., Schifeling T. 2016) TBL captures the set of values, issues and processes that businesses need to address to maximise the positive impact of their activities and produce economic, social and environmental added value. The corporate landscape is constantly changing. As the 21st century moves forward, the focus is on social concerns. (Kim Suntae., Karlesky M.J., Myers C.G., Schifeling T. 2016)

The term Triple Bottom Line dates back to the mid-1990s when AccountAbility began using the term in its work. The term is noted in the 1997 British edition of John Elkington's *Cannibals With Forks: The Triple Bottom Line of 21st Century Business*.(Norman W., MacDonald C., 2003) TBL's stated aim was also to change the system. (Elkington 1994) The phrase triple bottom line is explained by Elkington, it refers to three bottom lines: economic prosperity, environmental quality and social justice. Elkington argues that TBL shapes corporations not only on the economic value they add, but also on the social and environmental value they add and destroy. TBL is used as a framework for measuring and reporting corporate performance against economic, social and environmental metrics.(Chidiebele O.I., 2014)

According to experts, there are two approaches to sustainability. Firstly the 'top-down' approach which emphasises management, measurement and control. Secondly, there are the "inside-out" approaches that refer to the importance of change and innovation. The triple bottom line is one of the main mobilising strategies for a business trying to address sustainability.(Henriques A., Richardson J., 2004)

TBL has triple reporting, it is a multiple outcome syntax. The concept of TBL is "difficult" for companies because it involves responsibilities in addition to economic ones. Employee wellbeing, customer satisfaction and shareholder value are easy to quantify and measures developed by one company are easy to apply by another. But social and environmental measures are almost unique to each organisation and are difficult to measure.(Hubbard G 2006)

The concept of sustainability is closely linked to the idea of TBL. This idea helps to focus on specific criteria for progress in each area of sustainability (social, environmental and economic components), helping to bring all components into the company's responsibilities. The TBL framework also highlights the relationships between the three areas.(Rogers K. 2011)

The difficulties faced by multinational organisations in implementing sustainability in business are blamed on a general lack of perspective on the environment and society. Businesses that try to circumvent one or more aspects of sustainability cannot claim any validity on ethical claims.(Morland M.P., 2006)

MNCs that are active in a competitive market need to understand TBL activities as opportunities to enhance and strengthen their competitive advantage, thereby sustaining their strategic market position. However, this will only be possible if the adoption of the TBL strategy is embedded throughout the organisation and its business network and not just at corporate level.(Ferro C., Padin C., Hogevoold N.,Svensson G., Varela S., 2019)

RESULTS, DISCUSSIONS AND IMPLICATIONS

A dynamic and sustainable understanding of MNCs is required to overcome these issues. The article acknowledges that MNCs can both cause and address environmental and social issues. It acknowledges that MNCs must strike a balance between economic, social, and environmental

issues in order to achieve a sustainable future in a complex and continuously changing global context. A "triple bottom line" strategy, which evaluates success in terms of the environment and social effect in addition to financial performance, is the manner in which MNCs may accomplish this balance. This strategy urges MNCs to think about how their operations will affect society as a whole and to put sustainability ahead of profitability.

In order to highlight/argue the relationship between MNCs, profit-planet balance and the construction of a moral capitalism, we proceeded to a cross analysis between the 3 mentioned rankings (the 100 most sustainable, those considered "corporate citizens" and those considered the best ESG companies) and the ranking established by BCG for the 50 most innovative companies from 2004 to the present.

In the Table 1 we present a selection made by the authors of the 50 companies considered to be "most sustainable" based on Corporate Knights' Global 100 most sustainable corporations ranking (Anon f.a.-a); is useful to mention that the overall situation of these 50 companies can be found in Annex 1 of our study.

The comparative analysis between the ranking established by BCG for the 50 international companies considered to be the most innovative at the time 2019-2021 (the study was initiated in 2004 and covers a period of almost two decades, but changes in position/ranking occur from one year to another), and the selection of the 50 companies presented by us in Annex 1, according to Corporate Knights' Global 100 most sustainable corporations ranking, shows that only a part of the different MNCs that are ethnically innovative are also simultaneously included in the rankings on sustainable development.

Secondly, the same 'cross-referenced' analysis leads us to the conclusion that even the large American MNCs (Autodesk Inc., Xerox, HP, Cisco, etc.), even if in small numbers, are included in both rankings. Also in this sense it can be stated that there is a more balanced distribution of companies considered to have a sustainable development at international level on the three poles of the economic triad (in the sense that we find a larger number of companies in the sustainability ranking of Finland, U.K., Denmark, Spain, France, the Netherlands, Germany, Norway, Canada, Singapore, Hong Kong, China, Taiwan, Australia, Brazil etc.). Simply put, even some companies that are more anonymous internationally (in terms of turnover, profit, market capitalisation etc.) can still be found in the various sustainability rankings.

Table no. 1. Selection from the Top 50 companies in the 2023 Global 100 most sustainable companies ranking

Rank		Company name	HQ Headquarters	Carbon Productivity	Non-Male Board %	Sustainable Revenue %	Implications for Shaping "Moral Capitalism"
2022	2023						
1	15	Schnitzer Steel Industries Inc	Portland, USA	\$ 15.928	50%	100%	Industry 4R has become a key sector for companies aiming for sustainable development.
2	1	Vestas Wind Systems A/S	Aarhus, Denmark	\$ 222.113	42%	100%	The renewable energy sector is directly connected to SD.
3	10	Brambles Ltd	Sydney, Australia	\$ 156.386	40%	100%	Operates in the same renewable energy sector.
5	3	Autodesk Inc	San Francisco, USA	\$ 456.489	45%	93%	IT remains an attractive industry for innovation and SD
7*	4	Schneider Electric SE	Rueil-Malmaison, France	\$ 142.877	50%	71%	Energy sector grows in importance as SD-oriented sectors

8		Siemens Gamesa Renewable Energy SA	Zamudio, Spain	\$ 514.578	30%	100%	Renewable energy sector
9		Taiwan High Speed Rail Corp	Taipei City, Taiwan	\$ 7.051	23%	100%	Rail transport sector
12	42	Xinyi Solar Holdings Ltd	Wuhu, China	\$ 843	11%	100%	Solar panel industry
27	45	Vitasoy International Holdings Ltd	Hong Kong, Hong Kong	\$ 8.863	18%	91%	Food and soft drinks industry.

Source: elaborated by the author based on Corporate Knights' Global 100 most sustainable corporations ranking, <https://www.corporateknights.com/rankings/>; the full version of the Top 50 companies in the 2023 Global 100 most sustainable companies ranking is to be found in Annex 1.

In Table 2 and Table 3 below we present a selection made by the authors from 100 Best Corporate Citizens 2022(Anon <https://100best.3blmedia.com/>) and Top 100 ESG Companies ranking(Anon f.a.-b), the selection criteria being relevant to these international rankings in relation to the relationship between innovation and corporate power as the basis of the balance to build a moral capitalism (which would mean a balance proposed distinctly by decision-makers in the profit-planet relationship).

The selection made by the authors in Table 2 includes only the top 10 companies in the entire ranking of 100 companies, which includes only US companies (subsequently, when intersecting this sustainable development ranking with the BCG innovation ranking, it is to be expected that the majority of companies in both rankings are US MNCs).

Table no. 2. Selection from 100 Best Corporate Citizens of 2022

Rank 2022	Denumire	Sediu HQ	Overall Weighted Score on ESG transparency and Performance by key pillars	Implications for building "moral capitalism"
1	Owens Corning	Ohio, USA	91.88, Climate Change, Employees, Human Rights,	Ethical and transparent behaviour, a condition for SD.
2	PepsiCo, Inc.	New York, USA	91.01, Climate Change, Stakeholders&Society	Well-known American company, simultaneously oriented and for SD.
3	Apple Inc.	California, USA	90.65, Financial, Climate Change, Governance, Environment,	Most valuable company by market capitalization also oriented towards SD
4	HP Inc.	California, USA	89.95, Stakeholders&Society, Human Rights, Governance, Environment, Employees, ESG Performanceemployees	One of the most valuable companies by market capitalization oriented towards SD
5	Cisco Systems, Inc.	California, USA	88.79, Human Rights, Climate Change, Environment, Stakeholders&Society	One of the most valuable companies by market capitalization also oriented towards SD
6	Merck & Co., Inc.	New Jersey, USA	87.41, Environment, ESG Performance, Climate Change, Stakeholders&Society	Ethical and transparent behaviour, a condition for SD.
7	Microsoft Corporation	Washington, USA	86.69, Climate Change, Human Rights, Financial	The most valuable company in the IT industry by market capitalization also oriented towards SD
8	Public Service Enterprise Group Inc	New Jersey, USA	86.69, Environment	Ethical Behaviour, Humanist Leadership and Environment

9	Ford Motor Company	Michigan, USA	86.54, Human Right, Environment, Climate Change	Automotive industry and SD orientation
10	Intel Corporation	California, USA	85.3, Stakeholders&Society, Rights, Governance, Environment, Human	The most valuable company in the IT industry by market capitalization also oriented towards SD

Source: elaborated by the author based on 100 Best Corporate Citizens 2022, <https://100best.3blmedia.com/>; the full version of the Corporate Citizens of 2022 ranking is to be found in Annex 2.

The largest public U.S. companies on ESG transparency and performance are ranked by a number of pillars of which: Employees, Environment, Climate Change, Stakeholders and Society, Human Rights, ESG Performance, Governance and Financial. The ranking of the 100 Best Corporate Citizens is a significant benchmark for firms trying to enhance their ESG transparency and performance. As the world enters a new decade, we hope that businesses will step up efforts to meet the transformational targets outlined in the Paris Agreement and UN Sustainable Development Goals, as well as handle the societal and racial disparities exposed by the pandemic.(Anon <https://100best.3blmedia.com/>) This ranking is then analysed against the innovation ranking in the BBC study as summarised in Annex 2.

Also in order to achieve our research objective and to suggest some directions/ways to deconstruct a moral capitalism in the Western world, in Table 3 below we present a second selection of companies, in which we have retained only the top 10 companies in the ESG Top 100, this ranking including companies from all developed countries/regions of the world. It should be noted that the companies in this table are also presented later by us in Annex 2 in an attempt to compare/stack which of these companies are also included in the BCG innovation ranking.

Table no. 3. Selection from Top 100 ESG Companies ranking of 2022

Rank 2022	Denumire	Sediu HQ	ESG Score	Temperature Score	Implications for building "moral capitalism"
1	ASML Holdings N.V.	Netherlands	73.13	1.5	Humanist leadership and orientation for SD
2	Check Point Software Technologies	Israel	72.64	3	Humanist leadership and orientation for the IT sector și orientare pentru SD
3	Hermes International SCA	France	71.71	1.5	General goods industry, humanist leadership and SD
4	Linde	United Kingdom	71.26	>2.7	-
5	Kone Oyj	Finland	70.37	1.5	Transparent and modern leadership
6	Shionogi & Co.	Japan	70.04	1.5	-
7	Applied Materials, Inc.	United States	69.77	3	-
8	Beiersdorf AG	Germany	69.70	1.5	-
9	Colgate-Palmolive Company	United States	69.32	1.5	Cosmetics and SD industry
10	L'Oreal S.A.	France	69.30	1.5	Cosmetics and SD industry

Source: elaborated by the author based on Top 100 ESG Companies ranking, <https://www.esgbook.com/insights/esg-insights/esg-book-top100/>, the full version of the Top 100 ESG Companies ranking is to be found in Annex 2.

In the Top 100 ESG Companies ranking, companies are assessed on their overall ESG score, comprised of Environmental, Social and Governance sub-scores. The Temperature Score indicates a company's climate effect and level of climate ambition over a 'Near-term' (2030) and a 'Long-term' (2050) time horizon. It is ESG Book's one-of-a-kind statistic that assesses how much firms

throughout the world are contributing to global warming. The Temperature Score recognizes firms who are leaders in climate action by converting their GHG emissions into a score based on sector-specific emissions pathways. (Anon f.a.-b)

- a) In annex 1 of the study we present the top 50 companies in the ranking, the ranking being done according to the 3 criteria indicated (Carbon Productivity, Non male Board,, Sustainable revenue). In the same appendix we have indicated some characteristics/aspects about each company in this ranking, aspects that suggest quite well the direction in which the companies that intend to apply a clear strategy for sustainable development should be oriented. In order to ensure consistency in the interpretation of the results of our study, we present in Annex 2 only the names of the 50 companies considered under BCG as the most innovative during the last two decades. In the same annex, we present the "cross-cutting" analysis between the three rankings on sustainable development vs. the BCG stability ranking for innovation). The cumulative assessment of the data presented by us in table 1-2-3, as well as in appendix 1 and 2 shows us some aspects that are of direct interest to understand/manage the relationship between sustainable development, innovation and profit at MNC level, in which sense we mention the following:
- b) The data presented by us show that there is obviously an intrinsic relationship of content between the hypothesis of building a moral capitalism of the main countries of the world and the different strategies of knowledge acquisition, technical and social innovation and the type of leadership applied in the main MNCs operating in various international markets. Also in this sense, it appears that many of the most innovative companies have gradually become global economic and financial "powerhouses" in certain industries and/or markets and that they determine a large part of the trend of the global economy (economic growth, recession, crisis, etc.). Therefore, it is natural that certain realities deriving from KM and innovation strategies at the level of these entities condition the very public policies promoted by countries regarding the SDGs, energy crisis management, respect for individual rights, building moral capitalism, etc. Most of the companies that are prioritized as ethnically innovative, socially and/or SD-oriented are among the more or less well-known American companies (business ethics, SD orientation, humanistic leadership, most of the theories in humanistic management have had American companies and American universities as their initial source in the last century).
- c) The criteria/indicators according to which the main companies considered "most sustainable" are ranked show that there is a connection/content link between the type of development a company opts for and the various "out-puts" that this organisation then generates in the industry, on the market or in society. The values around which a country's culture develops and evolves over time, Young points out, are transmitted over time and across all organisations including the business world. In other words, the education system and the way in which future investors, shareholders, managers, policy-makers, etc. are trained becomes an essential aspect in ensuring the transition from a type of "wild capitalism" to a "moral capitalism".
- d) Among the 3 rankings on the "moral orientation" of a company, the data shows that the top 100 most sustainable companies ranking would be the most appropriate to highlight the main MNCs that manage to balance annual profit growth with the necessary protection on the Planet. It is true that some of these companies: Schnitzer Steel Industries Inc, Brambles Ltd, Vestas Wind Systems A/S, Owens Corning, Merck & Co. Inc., ASML Holdings N.V., Check Point Software Technologies, Linde, Kone Oyj, Shionogi & Co., Applied Materials, Inc., Beiersdorf AG are relatively more anonymous internationally, as their owners, shareholders and senior managers are not permanently in the media spotlight. This does not mean that such companies would be less profitable (compared to those that are extremely well known and achieve year-on-year increases in market capitalisation, dividend paid per share, etc). Investors/shareholders in well-known MNCs (Apple, Intel, PepsiCo, HP etc.) are often associated with non-economic behaviour.

- e) As mentioned, the innovative capacity of a company can be given by technical innovations and social innovations, so the number of patents obtained annually by a company remains an indicator of its performance, but it should not be absolutized as important. Even when certain companies, by the very nature of their business and the field in which they operate, do not obtain a significant number of patents per year (e.g. Walmart, Merriot, etc. see BCG*), they can remain extremely innovative in terms of their use of digital technologies and the way they communicate with the market, consumers and the general public. Therefore, any company, regardless of size or business, may or may not adopt a relatively more ethical behaviour that is in line with the UN SDG strategy.

Returning to the issues shown in Table 1,2 and 3 we present below a graphical diagram of the distribution of these companies across the three poles of global power.

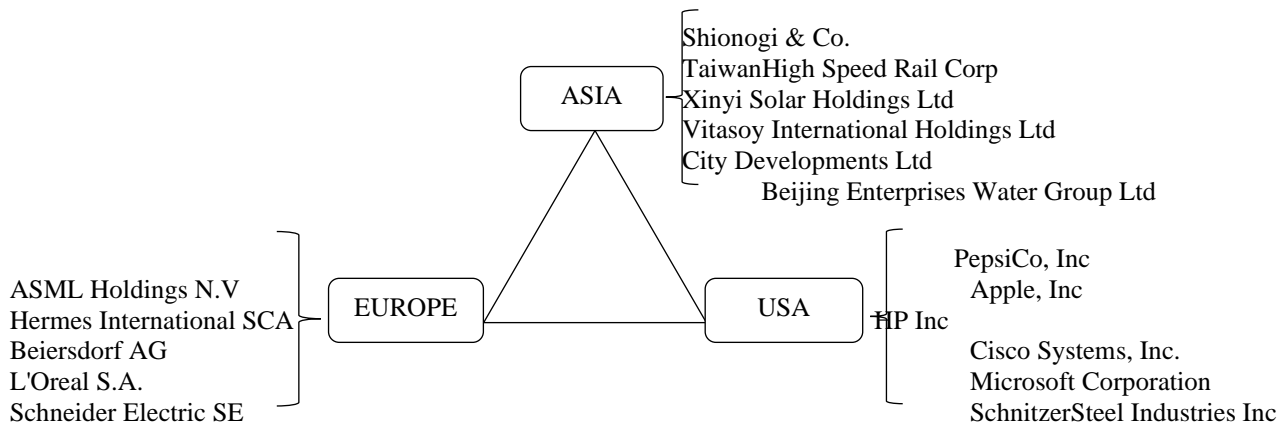


Figure no. 1. The distribution of the most sustainable companies across the three poles of global power

Source: elaborated by the author based on Top 100 ESG Companies ranking, 100 Best Corporate Citizens 2022, Corporate Knights' Global most sustainable companies 100 ranking

MNCs can also implement a circular economy strategy that emphasizes minimizing waste and resource efficiency optimization. This entails adopting ethical supply chain management procedures that prioritize environmental and social norms and developing items for durability, reuse, and recycling. Furthermore, by forming alliances and working together with stakeholders like governments, non-profit organizations, and local communities, MNCs can use their influence and resources to promote improvements in social and environmental sustainability.

CONCLUSIONS

MNCs are essential to sustainable development. While MNCs' conventional focus on maximizing profits has frequently had detrimental effects on the environment and society, a dynamic and sustainable perspective of MNCs acknowledges their potential to make a positive contribution to sustainability. MNCs can contribute to the creation of a more sustainable future through engaging with stakeholders, using a triple bottom line strategy, the circular economy principles, and balancing profits and the environment. This paper aimed to highlight an important and topical issue, namely the link between MNCs and sustainable development. At the same time, the paper has shown that the SDGs are not just about adopting an agenda but rather the SDGs provide a sustainable framework to transform the world in a sustainable way.

The United Nations Sustainable Development Goals (SDGs) call for the full involvement of MNCs. They can contribute to the implementation of the SDGs globally through their scale and scope, access to resources, transfer of cutting-edge technologies, knowledge transfer, etc. One of the most important roles that MNCs take on through sustainability reporting, initiatives such as Business Reporting on the SDGs, led by the United Nations Global Compact and the Global

Reporting Initiative, is MNC transparency. Our analysis shows that U.S. MNCs have a higher share of sustainability than other companies.

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ANNEX 1. Global most sustainable companies based on Corporate Knights' 100 ranking,

Rank		Company	Sedi HQ	Carbon Productivity	Non-Male Board %	Sustainable Revenue %	Implications for building "moral capitalism"
2022	2023						
1	15	Schnitzer Steel Industries Inc	Portland, USA	\$ 15.928	50%	100%	Schnitzer is a global leader in the metal recycling industry.
2	1	Vestas Wind Systems A/S	Aarhus, Denmark	\$ 222.113	42%	100%	Vestas is the energy industry's global partner for sustainable energy solutions.
3	10	Brambles Ltd	Sydney, Australia	\$ 156.386	40%	100%	Brambles' purpose is to connect people with life's essentials every day. Through its share and reuse model, Brambles moves more goods to more people in more places than any other organisation.
4		Brookfield Renewable Partners LP	Hamilton, Bermuda	\$ 21.806	33%	99%	Brookfield Renewable operates one of the world's largest publicly traded platforms for renewable energy and decarbonization solutions. Their diversified portfolio consists of hydro, wind, solar, distributed energy and sustainable solutions across five continents.
5	3	Autodesk Inc	San Francisco, USA	\$ 456.489	45%	93%	Autodesk is an American software company founded in 1982. The company develops 2D and 3D software that is used in architecture, engineering, construction, manufacturing, media, and the entertainment industry. The company is headquartered in San Rafael, California.
6	19	Evoqua Water Technologies Corp	Pittsburgh, USA	\$ 25.868	33%	100%	Evoqua is the global leader in helping municipalities and industrial customers protect and improve the world's most fundamental natural resource: water.
7*	17	Stantec Inc	Edmonton, Canada	\$ 95.950	33%	53%	Stantec designs with community in mind—whether that's in engineering, architecture, energy, water, or project management.
7*	4	Schneider Electric SE	Rueil-Malmaison, France	\$ 142.877	50%	71%	Schneider Electric is a French company that is one of the leading suppliers of energy equipment and solutions globally.
8		Siemens Gamesa Renewable Energy SA	Zamudio, Spain	\$ 514.578	30%	100%	Siemens Gamesa is a leader in the renewable energy industry, working to provide the world's best offshore and onshore wind turbines and services.
9		Taiwan High Speed Rail	Taipei City, Taiwan	\$ 7.051	23%	100%	Taiwan High Speed Rail (THSR) is Taiwan's high-

		Corp					speed railway, consisting of a line that runs approximately 350 km (217 mi) along the west coast from the capital Taipei to the southern city of Kaohsiung.
10	9	Dassault Systemes SE	Velizy-Villacoublay, France	\$ 498.736	50%	68%	Through virtual twin technologies, Dassault Systemes' collaborative platform empowers business and people to create sustainable innovations
12	42	Xinyi Solar Holdings Ltd	Wuhu, China	\$ 843	11%	100%	Xinyi Solar is the world's leading photovoltaic glass manufacturer and listed on the main board of the Hong Kong Stock Exchange on 12 December 2013
13	7	Orsted A/S	Fredericia, Denmark	\$ 5.301	50%	66%	The Ørsted vision is a world that runs entirely on green energy.
14	11	Sims Ltd	Mascot, Australia	\$ 45.238	50%	100%	Sims Limited is a global leader in metal recycling and providing circular solutions for technology, and an emerging leader in renewable energy
15	21	Banco do Brasil SA	Brasilia, Brazil	\$ 623.504	38%	24%	Banco do Brasil S.A. is a Brazilian financial services company based in Brazil.
16		Rockwool A/S	Hedehusene, Denmark	\$ 2.350	50%	85%	The Rockwool Group is world leader in stone wool solutions covering building insulation, industrial and technical insulation
17	12	Johnson Controls International PLC	Cork, Ireland	\$ 35.632	27%	54%	Johnson Controls is a world leader in smart buildings, creating safe, healthy and sustainable spaces.
18	2	Chr Hansen Holding A/S	Hoersholm, Denmark	\$ 43.041	50%	20%	It develops and manufactures world-class natural solutions and ingredients in the food, nutritional, pharmaceutical and agricultural industries
19		Kone Oyj	Espoo, Finland	\$ 734.717	38%	67%	They are a global leader in the elevator and escalator industry. At Kone, they make people's journeys safe, convenient and reliable in taller and smarter buildings
20	18	Cascades Inc	Kingsey Falls, Canada	\$ 4.198	50%	92%	Cascades is a Canadian company that manufactures, processes and markets packaging and textile products composed primarily of recycled fibers
21	8	Atlantica Sustainable Infrastructure PLC	Brentford, United Kingdom	\$ 596	25%	84%	Atlantica is a sustainable infrastructure company that owns and manages renewable energy, efficient natural gas, transportation, etc.
22	14	McCormick & Company	Hunt Valley, USA	\$ 65.393	36%	49%	McCormick & Company, Incorporated is a global leader

		Inc					in flavor, seasonings and spices.
23	35	Novozymes A/S	Bagsvaerd, Denmark	\$ 8.853	27%	53%	Novozymes is a world leader in biosolutions. We help grow businesses, protect the planet's resources and improve lives.
24	25	Iberdrola SA	Bilbao, Spain	\$ 3.712	43%	72%	The Iberdrola Group is today a world leader in the field of energy.
25	84	BT Group PLC	London, United Kingdom	\$ 41.583	42%	57%	They are one of the world's leading communications services companies.
26	36	Alphabet Inc	Mountain View, USA	\$ 38.910	27%	89%	Alphabet Inc. is a holding company that gives ambitious projects the resources, freedom, and focus to make their ideas happen.
27	45	Vitasoy International Holdings Ltd	Hong Kong, Hong Kong	\$ 8.863	18%	91%	The aim of Vitasoy International Holdings Ltd is to promote the transformation of the world towards a sustainable future through the amazing power of plants.
28	5	City Developments Ltd	Singapore, Singapore	\$ 19.968	22%	73%	City Developments Ltd aims to be recognized by clients, employees and colleagues as an innovative creator of quality and sustainable spaces.
29	24	Neste Oyj	Espoo, Finland	\$ 9.381	33%	39%	Neste RE is a raw material for plastics and chemicals, that is made entirely out of renewable and recycled materials.
30	33	Ecolab Inc	Saint Paul, USA	\$ 30.832	42%	71%	Customers in more than 40 industries choose Ecolab's comprehensive science-based solutions, data-driven insights and world-class service to advance food safety, maintain clean and safe environments, and optimize water and energy use.
31	12*	Kering SA	Paris, France	\$ 978.971	57%	39%	Kering is a French-based multinational corporation specializing in luxury goods.
32	20	Beijing Enterprises Water Group Ltd	Hong Kong, Hong Kong	\$ 4.526	7%	74%	Beijing Enterprises Water Group Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong Limited, is a large-scale group that provides a wide range of water services and environmental protection services in China.
33		ASM International NV	Almere, Netherlands	\$ 98.187	33%	98%	ASM supplies wafer processing equipment to the leading semiconductor manufacturers, mostly for the deposition of thin films
34	72	StarHub Ltd	Singapore, Singapore	\$ 41.945	23%	47%	StarHub provides entrepreneurs with a simple and unique platform to get their startup rolling.

35	39	SunPower Corp	Richmond California, USA		22%	100%	SunPower Corporation is an American supplier of solar photovoltaic power generation systems and battery energy storage products, primarily for residential purchases
36	26	Xerox Holdings Corp	Norwalk, USA	\$ 51.747	25%	75%	Xerox is a US-based IT company with an international presence that manufactures and markets printers, copiers, scanners and other digital products; has sales of about \$15.9 billion annually.
37	49	Telus Corp	Vancouver, Canada	\$ 54.239	40%	62%	Telus Corporation (also shortened and referred to as Telus Corp.) is a Canadian multinational publicly traded holding company and conglomerate, headquartered in Vancouver, BC, which is the parent company of subsidiaries.
38	78	Unilever PLC	London, United Kingdom	\$ 107.250	42%	30%	Unilever PLC is a British multinational consumer goods company headquartered in London, England.
39	50	HP Inc	Palo Alto, USA	\$ 398.038	46%	61%	Hewlett-Packard Company, also known as HP, is an IT company based in Palo Alto, California, USA. The company specializes in the production of personal computers, laptops, servers, printers, software products, etc.
40		VMware Inc	Palo Alto, USA	\$ 184.723	30%	75%	VMware is an American company that develops virtualization software. The company is based in Palo Alto, California and was founded in 1998.
41	55	SAP SE	Walldorf, Germany	\$ 194.558	50%	25%	SAP SE is a company originally from Germany that makes software for other companies and organizations.
42		BCE Inc	Verdun, Canada	\$ 68.365	38%	48%	BCE delivers a wide range of innovative products and services to consumers, businesses and government customers across Canada by leveraging the power of our world-class wireless and fiber networks.
43	83	Coloplast A/S	Humblebaek, Denmark	\$ 55.646	33%	46%	Coloplast develops ostomy, continence, interventional urology, wound and skin care products and services that make life easier for people with intimate healthcare needs.
44	13	Koninklijke KPN NV	Rotterdam, Netherlands	\$ 38.857	43%	55%	KPN is a Dutch fixed and mobile telecommunications company.
45	81	Cogeco	Montreal,	\$	56%	47%	Cogeco is committed to

		Communications Inc	Canada	95.151			serving customers locally in over 1,000 communities across Canada and the US through their Breezeline subsidiary. They have invested billions of dollars in building, expanding and constantly improving their broadband networks.
46		First Solar Inc	Tempe, USA	\$ 5.218	33%	100%	First Solar- A leading global provider of comprehensive PV solar solutions which use its advanced module and system technology.
47	77	Puma SE	Herzogenaurach, Germany	\$ 270.328	33%	29%	Puma is the second largest company producing sports goods in Europe and the third in the world. It was founded in 1948, in Germany, now it is present in more than 40 countries and has 10,836 employees.
48	28	Cisco Systems Inc	San Jose, USA	\$ 82.189	36%	58%	Cisco Systems, Inc. is a multinational corporation and deals with the design and implementation of technologies and services in the field of telecommunications.
49	51	Atea ASA	Oslo, Norway	\$ 652.546	38%	67%	Atea is the leading supplier of IT infrastructure in the Nordic and Baltic regions. Atea is present in 88 cities with over 8,000 employees in Norway, Sweden.
50	53	Konica Minolta Inc	Chiyoda-ku, Japan	\$ 28.739	11%	52%	Konica Minolta is a Japanese manufacturer of office equipment, medical optics and measuring instruments.

Source: elaborated by the author based on Corporate Knights' Global most sustainable companies 100 ranking, <https://www.corporateknights.com/rankings/global-100-rankings/2023-global-100-rankings/2023-global-100-most-sustainable-companies/>

ANNEX 2. A cross analysis between the 50 BCG ranking vs. the three sustainable rankings

MNC * maintaining the position/number in the BCG ranking	Most Sustainable Company according to Corporate Knights' Global 100 most sustainable corporations ranking, 2023 (the number is ranking for each company from BCG study)	Most Sustainable Company according to 100 Best Corporate Citizens 2022 (the number is ranking for each company from BCG study)	Most Sustainable Company according to Top 100 ESG Companies ranking 2022 (the number is ranking for each company from BCG study)
USA (most of the companies, over 20 are american firms)			
1. Apple	73	3	
2. Microsoft		7	
3. Amazon			
4. Alphabet	26		
5. Tesla	86		

7. Moderna			
10. IBM		75	
11. Meta			
12. Nike		39	
13. Walmart			
14. Dell		72	
15. Nvidia			62
17. Target		49	
18. Pfizer	93	59	
19. Oracle			
23. HP	39	4	
27. Johnson&Johnson		12	
28. Cisco	48	5	53
29. GE			69
32. Ebay			
34. Procter&Gamble		82	
36. Coca Cola		26	
37. 3M		69	
38. Pepsi&Co		2	
42. GM		19	
43. Ford		9	
44. Intel		10	
EUROPE (just 4 companies are found in those three rankings)			
20. Siemens			
25. Zalando			
26. Bosch			
35. Adidas	66		
40. SAP	41		
47. Philips			49
49. Nestle			
50. Unilever	38		
ASIA (just 1 company is found in those three rankings)			
6. Samsung	63		
8. Huawei			
9. Sony			
16. L6			
21. Toyota			
22. Alibaba			
24. Lenovo			
30. Jingdong			
31. Xiaomi			
33. Hyundai			
39. Hitachi			
41. Tencent			
45. Bytedance			
46. Panasonic			
48. Mitsubishi			

Source: elaborated by the author based on BCG Most Innovative Companies 2022 ranking, Top 100 ESG Companies ranking, 100 Best Corporate Citizens 2022, Corporate Knights' Global most sustainable companies 100 ranking