PECULIARITIES OF IMPLEMENTING THE CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY BY RUSSIA'S INDUSTRIAL ENTERPRISES

MOROZOVA, I.A. * VOLKOV S.K.

Abstract

The article analyses the features of implementing the concept of corporate social responsibility by Russian industrial enterprises. As the object of the analysis, the authors chose the Volgograd regional administrative office of OOO Lukoil-ENERGOSETI. Based on a wide range of statistical data on the level of CSR development in the region, the article reveals key features of industrial enterprises' corporate social responsibility.

Keywords: Corporate social responsibility, industrial enterprise, charity, personnel, ecological safety.

1. Introduction

It was not until fairly recently, with the beginning of market reforms, that corporate social responsibility (CSR) has been developed as a strategic direction for Russia's industrial enterprises. As mentioned earlier, Russian industrial enterprises generally realize CSR in the following areas:

- Manufacturing products and services of high quality for their consumers;
- Creating attractive working places, paying legal salaries, investing in the development of personal potential;
 - Complying with legal requirements (tax, environmental, labour legislation, etc.);
- Running an efficient business oriented to the creation of economic value added and the growth of shareholders' prosperity;
- Taking into account public expectations and common ethic norms in conducting business;
- Contributing to the establishment of civil society through partner programs and projects on the development of local communities;

In spite of a short period for the development of the CSR principles and its exclusively. Western methodological origins, the domestic business community demonstrates its own features for the principles of social responsibility, which should be taken into account in both developing individual approaches for companies and designing common CSR principles for the Russian business. Scientists divide these features into three groups: features related to Russia's history and geography; features related to the national mentality and the traditions of corporate management; features related to a social and political situation in the country [4Krichevski NA, et.al.].

2. Literature Review

-

I.A. Morozova, Dr. in Ec.Sc., Professor, Department of World Economy and Economic Theory, Volgograd State Technical University **e-mail:** morozovaira@list.ru **Volkov S.K.,** Ph.D. in Ec.Sc., Associate Professor, Department of World Economy and Economic Theory, Volgograd State Technical University **e-mail:** ambiente2@rambler.ru

The economic and social strategies for their stable development of industrial enterprises on micro- and macro-levels were discussed in the scientific research works by such Russian authors as N.V.Bakulina, Yu.E.Blagov, M.V.Burchakov, O.V.Danilova, E.A.Ivanova, N.A.Krichevsky, V.Yu.Kulkov, L.M.Nikitina, S.A.Rozhkov, Yu.G.Odegov, S.P.Peregudov, Yu.Yu.Petrunin, I.A.Pogosov, I.Kh.Safin, E.N.Stepanov, E.N.Feoktistova, D.P.Frolov, F.E.Shamkhalov, V.N.Yakimets and many others [1,2,3,4,5,6,7,8,9,10]. The problems of interrelations among strategies, enterprises' stability, their social development and implementation of the CSR system in the management of industrial enterprises were studied by Kotler P., Lee N., Jenkins R., Pearson R., Seyfang G., Lei Wang, Heikki Juslin, Reinhard Steurer, Andre Martinuzzi, Sharon Margula, Carlos Noronha, Si Tou, Zadek S., M. I. Cynthia, Jenny J. Guan, and others [11, 12, 13, 14, 15, 16].

2. Methodology

The research was based on such general scientific methods as those of scientific abstraction, economic analysis, comparison and analogy, system approach, the unity of subjective and objective in the development of economic processes, and expert evaluation.

3. Results

Let us discuss a practical application of the CSR principles and mechanisms in industrial enterprises' activity. As the object of the analysis, we chose OOO LUKOIL ENERGOSETI.

LUKOIL-ENERGOSETI, a limited liability company, was established by the decision of OAO LUKOIL's Board of Directors on 1 July 2008 within the scope of implementing the Strategic Development Program for 2008-2017 in OAO LUKOIL, which provided the establishment of a new business sector "Electroenergetics".

000 LUKOIL ENERGOSETI was established on the basis of the allocation of non-core manufacturing subsidiaries of LUKOIL and the displacement of the center of operational responsibility to the specialized power grid company.

A certain number of stuff (over five thousand employees) was transferred to the newly established Company, and both electricity grid and electrical engineering equipment of more than ten and a half single-purpose organizations of the LUKOIL Group was handed over for operation in the whole territory of the Russian Federation.

The Company functions as the sole grid operator of the LUKOIL Group transmitting electric power, operating, managing, maintaining, constructing, renovating, modernizing, conducting running repairs and overhauling electricity grid and electrical engineering equipment.

The main business functions of OOO LUKOIL-ENERGOSETI include:

- transmitting electricity through the grid lines being under a long-term rental;
- operating the electricity grid and electrical engineering equipment of the LUKOIL Group and outside organizations;
 - building new energy facilities and reconstructing the existing ones;
- working with the Federal Tariff Service, Ministry of Industry and Energy, and regional energy commissions for electricity transmission pricing;
- representing the interests of the LUKOIL Group in federal executive authorities for regulating natural monopolies, which control prices (rates) in the electric power industry, as well as in the RF's Ministry of Industry and Energy, OAO FSK EES, interregional grid companies and other infrastructural organizations on the electricity power market;

- cooperating with regional administrative agencies on electricity assets;
- cooperating with grid enterprises (Federal Grid Company FGC, Interregional Grid Company IRGC, AO-Energo) on improving the safety of power supply services for the LUKOIL Group;
- maintaining both the quality and parameters of electric power within the proper limits of balance and operational responsibilities in accordance with certain regulatory acts.

The operational responsibility of OOO LUKOIL-ENERGOSETI covers the regions of the Far North, Western Siberia, Middle and Lower Volga, Caspian steppes, and the Caspian Sea shelf.

In the present time, the structure of OOO LUKOIL-ENERGOSETI comprises five regional management offices (Fig.1), i.e. those in Voglograd, Western Siberia, Nizhny Novgorod, Perm and Usinsk. The Western Siberian office comprises four service centers (Kogalymenergoneft, Uraienergoneft, Pokachevenergoneft, Langepasenergoneft), and the Volgograd office comprises five of them (Volgogradenergoneft, Saratovenergoneft, Zhirnovskenergoneft, Budyonnovskenergoneft, Astrakhanenergoneft).

Let us discuss the activities held by the Volgograd regional office of OOO LUKOIL-ENERGOSETI within the concept of socially responsible business.

OOO LUKOIL-ENERGOSETI is the Volgograd regional management office established by the decision of OAO LUKOIL's Board of Directors on 1 July 2008. The Volgograd regional office is the 2nd largest branch of OOO LUKOIL-ENERGOSETI in terms of the number of employees: it employs more than 1,000 people including 13% of top managers, 12% of experts and other staff members, 75% of the workforce. All the employees are highly-skilled professionals – 35 % with higher professional education and 65% with secondary or primary vocational education.

The Volgograd regional management office of OOO LUKOIL-ENERGOSETI is systematically implementing the concept of socially responsible business in its operation areas. The company regularly holds CSR activities, which add to its competitive abilities, experiencing different success rates. Let's view the main directions of the activities on implementing the CSR concept: internal corporate social responsibility (workplace safety (fire safety)); stable payment of wages; supplemental medical and social insurance for the company's employees; training of its personnel, using different programs; executive training; necessary help in stressful situations; external corporate social responsibility (sponsorship and corporate charity; ecology policy including those aspects, which exceed the national ecology standards; cooperation with local communities; the company's readiness to participate in critical situations; production of premium-quality products). We shall note that the function of the CSR concept is fulfilled by the collective agreement between the employer and employees of the Volgograd regional office of OOO LUKOIL-ENERGOSETI, which encompass all the aspects of socio-economic relations both inside and outside the company.

A stable payment of wages is one of the key indexes of the CSR strategy. The analysis of the employees' average remuneration at the Volgograd regional office of OOO LUKOIL-ENERGOSETI shows that the average wage per employee in the Volgograd regional office was 10% higher in 2012 as compared with that in 2011 (Table 1). The level of the employees' wages in the Volgogradenergoneft Service Center is 49.2% higher than the nominal imputed average monthly salary of those working in the regional economy, which amounts to 16 396 RUB. This fact evidences a high social responsibility

demonstrated by the Volgograd regional office of OOO LUKOIL-ENERGOSETI to its employees as far as the payment of wages is concerned.

The main factors, which have changed the growth of wages, include:

- Indexation in 2012 from 1 February rather than from 1 April as in 2011;
- Compensation paid to the employees when reducing the personnel at the Zhirnovskenergoneft Service Center (the dismissal of 90 employees incl. 31 temporary workers on 01 April 2012 from the heat supply shop);
- Changes in local regulations in 2012: the possibility to make a lump-sum payment for leave after 6 months of employment rather than 11 months, as was previously the case. Twofold increase in a lump sum amount paid for leave to the employees of the Saratovenergoneft Service Center.

Occupational safety and health issues are the essential component of the CSR concept for the Volgograd regional office of OOO LUKOIL-ENERGOSETI. A significant attention is paid to the employees' safety because of the company's high occupational injury risks. The company's policy on industrial safety management, health and environment issues is based on the following principles and obligations:

- Priority of the employees' life and health;
- Maintenance of a favourable environment;

To realize these principles, the Volgograd regional office of OOO LUKOIL-ENERGOSETI established the following targets:

- To implement all the available and practically possible measures on preventing injuries, accidents and environment contamination;
- To guarantee compliance with the requirements of the current legislation, industrial and corporate HSE regulations;
- To guarantee the employees' workplace safety and health protection;
- To improve the HSE situation;
- To provide necessary resources in order to improve the working conditions, to ensure a proper performance and improvement for the systems of both occupational safety management and eco-management with the involvement of all the employees;
- To provide the employees with training and development programs aimed at raising the level of their knowledge, competence and awareness of personal responsibility for the HSE issues;

To fulfill the aforementioned targets, the company developed and approved the Program for the Improvement of Working Conditions, Health and Industrial Safety, Emergency Response and Prevention at the Volgograd regional office of OOO LUKOIL-ENERGOSETI for 2012 and the Environmental Management Plan at the Volgograd regional office of OOO LUKOIL-ENERGOSETI. In compliance with these regulations, the following aspects are taken into account when identify hazards and assess occupational risks at the Volgograd regional office of OOO LUKOIL-ENERGOSETI:

- Occupational risks;
- Professional risks;
- Ecological aspects.

According to the Program for the Improvement of Working Conditions, Health and Industrial Safety, Emergency Response and Prevention at the Volgograd regional

office of OOO LUKOIL-ENERGOSETI for 2012, the planned expenditures on carrying out the measures amounted to 21,799.58 thousand RUB (as compared with 17,660.0 in 2011). In accordance with the Program, the real expenditures of 2012 totaled 33,163.4 thousand RUB (as compared with 22,390.0 thousand RUB in 2011) (Table 2).

The Volgograd regional office of OOO LUKOIL-ENERGOSETI informs the employees of structural units including service centers, as well as its contractors, about risks and the HSE Management System.

To provide control over compliance with the requirements of the HSE legislative and local regulations of both OAO LUKOIL and OOO LUKOIL-ENERGOSETI in 2012 in accordance with the schedule approved by Order #206-0Д dated December 23, 2011, the Volgograd regional office of OOO LUKOIL-ENERGOSETI checked ten of its service centers (as compared with nine service centers in 2011).

According to the results of these checks, they developed a plan of activities for liquidation and further prevention of the detected violations (Table 3).

Here are basic causes of violations committed by the employees of the service centers:

- Ignorance of the regulatory documents for industrial and occupational safety and, as a result, incompliance with their requirements;
- Insufficient control by the managers of the service centers over the arrangement of activities conducted by their immediate supervisors to provide occupational safety and to comply with the industrial safety requirements.

The results of the conducted checks in 2011-2012 show HSE improvement in the reporting year.

In the Volgograd regional office of OOO LUKOIL-ENERGOSETI, voluntary health insurance depends on the employee's position category (Table 4); the cost of VHI programs depends on both a package of services and list of medical establishments.

Voluntary health insurance (VHI) is medical insurance which is provided on basis of voluntary health insurance programs (Table 5) and guarantees additional medical services and other extra services, in addition to the compulsory health package, to employees (Table 7,8).

Insurance premium is the amount of money, which is paid for insurance and which depends on a voluntary health insurance program, insurance period, insurance tariff and amount of insurance coverage.

Insurance coverage is the amount of money, which is stipulated by a voluntary health insurance policy and which provides for the payment of benefits by an insurance company under such a policy.

The expenses of the Volgograd regional office of OOO LUKOIL-ENERGOSETI under the voluntary health insurance policies grow annually. This obviously evidences a high level of the company's social responsibility to its employees. Thus, the premium expenses of the Volgograd regional office under the voluntary health insurance policies increased by 14.43% in 2012 as compared with 2011 (Table 9).

The main factors that provoked the increase in the expenses for voluntary health insurance are as follows:

- Changes in the number of the insured employees under policies (Table 8);
- Changes in insurance premium per insured person (Table 7,8).

The Volgograd regional office of OOO LUKOIL-ENERGOSETI is making methodical and purposeful efforts on *training and development programs* for the company's employees in compliance with the developed schedule within the approved training budget (Table 10).

Staff training is generally practiced in the following areas:

- Staff retraining program (more than 500 hours) "Master of Business Administration" (MBA);
- Compulsory training in occupational safety (new employee orientation, personnel development, both managing and other staff training and enforcement of occupational safety requirements, pre-certification training of managers and professionals in safety rules at enterprises and organizations operating hazardous industrial facilities);
 - Development of the industry-based skills of managers and other staff (72 hours);
 - Training services practiced as consulting seminars;
- Staff training at the Corporate Training Center (Astrakhan) in the Sea Survival Program.

To realize the *occupational safety and environment* policy, the Volgograd office of OOO LUKOIL-ENERGOSETI took responsibilities for engaging all staff in the activities on eco-management. To achieve this goal, it is necessary to perform a systemic staff training, staff competence and motivation development, as well as to implement measures on environmental administration.

In 2012, the following environmental measures were implemented:

- 1) Providing a professional training in:
 - a) safe disposal of production and consumption waste;
 - б) ecological safety.

The expenses for environmental training and development amounted to 86.0 thousand RUB (in 2011) and 117.9 thousand RUB (in 2012).

- 2) Developing the system of prime records for production and consumption waste management in the structural subdivisions;
- 3) Obtaining the environmental permit and waste disposal limit for the Budyonovskenergoneft Service Center at the territorial administration of the Federal Service for Supervision of Natural Resources Usage;
- 4) Transferring the wastes for its further dumping, detoxification, utilization, including spent mercury-containing wastes (luminescent lamp) and spent oils at the service centers on basis of the contracts with relevant organizations licensed for these activities.

The expenses for detoxification and disposal of wastes of III-V hazard class amounted to 216.73 thousand RUB (in 2011) and 286.97 thousand RUB (in 2012);

- 5) Fulfilling the repairs of the interim storage sites at the service centers;
- 6) Adopting the Provision on Industrial and Technological Control at OOO LUKOIL-ENERGOSETI by the Volgograd office to fulfill Oder #103 of OOO LUKOIL-ENERGOSETI dated 09.04.2012. The Program on Industrial Ecological Control was developed and accepted for execution at the Volgograd office of OOO LUKOIL-ENERGOSETI.

The Volgograd office of OOO LUKOIL-ENERGOSETI actively participates in charity events and provides sponsorship assistance in the region (Taable 11), realizing the CSR

concept step by step. In Volgograd, it regularly patronizes the Krasnoarmeisky Rehabilitation Center "Podrostok" with 30 inmates. Besides a traditional patronage, the Volgograd regional office has been organizing a big family festival coinciding with the Children's Day; e.g., in 2011, 250 employees of the company took part in the festival, which the inmates of the Rehabilitation Center were invited to, with their children and family members.

Also, the Volgograd regional office patronizes the Physical Education and Sports Institution "Sudostroitel". The company funds equipment, pool lanes, boards, safety belts, and life jackets, as well as football apparel for teams of different ages, goalkeeper clothing, football nets, and children's balls.

4. Conclusion

The analysis of the CSR concept practice at industrial enterprises enables one to make the some general conclusions and reveals the following peculiarities:

- 1) The CSR strategies of most Russian industrial enterprises are aimed at the inside target audience (internal CSR), despite the idea, which is proved in this paper, that, in order to maintain its competitive advantage, an industrial enterprise needs aim its marketing CSR strategies at outside stakeholders.
- 2) Fragmentary use of the CSR methods and tools. Most of industrial enterprises lack both a common clearly-formulated CSR strategy with a set of relevant instruments and mechanisms for its realization, and have no practice in establishing a special Committee for CSR Development and Realization.
- 3) Unification (inflexibility) of the CSR strategies. Most of the regional subdivisions of large industrial enterprises realize a general CSR strategy, which is developed by a parent enterprise, rather than have an own strategy. We believe this approach is not complex and fails to take into account the regional (territorial) peculiarities of industrial enterprises' operational environment, thus affecting the efficiency of cooperation between enterprises and concerned stakeholders.
- 4) Realizing the CSR strategy, industrial enterprises don't use modern marketing instruments (e.g., e-marketing) to the full extent. The Volgograd office of OOO LUKOIL-ENERGOSETI doesn't have its own web-site. All information on the regional subdivision's performance can be found in the web-site of OOO LUKOIL-ENERGOSETI that adds an information dissonance to the CSR strategy, as the outside stakeholders aren't informed about the activities of a definite subdivision functioning in a definite territory.
- 5) The SCR strategy of an industrial enterprise is primarily a dialogue between a company and all groups of concerned parties. This means a particular attention should be paid to such marketing instruments as PR and relationship marketing. Using these instruments should be aimed at long-term and trustful relations between an enterprise and stakeholders in order to gain loyal attitudes from outside concerned parties. Besides, most of industrial enterprises fully ignore these marketing instruments in realizing the SCR strategy.
- 6) All the aforementioned peculiarities of realizing the CSR concepts in practice by industrial enterprises must be taken into account in developing and implementing the marketing strategies for the development of industrial enterprises.

References:

Bakulina NV. 2007. Corporate social responsibility (as exemplified by Russia's enterprises). *Finances, Cash, Investments* **3** : 26-38.

Blagov YE, Ivanova EA. 2009. Corporate social responsibility in Russia: lessons of the national report on social investments. *Russian Journal of Management* **1**(7): 3-24.

Burchakov MA. 2009. Establishing the system of corporate social reports: international experience and Russia. *Economic Analysis: Theory and Practice* **8** : 36-43.

Krichevski NA, Goncharov SF. 2008. Corporate Social Responsibility. M.: Pashkov i K.

Kulkova VY, Safin IKh. Implementing corporate social responsibility in socio-economic regional development. *National Concerns: Priorities and Safety* **36**: 72-80.

Nikitina LM. Corporate social responsibility of Voronezh enterprises in the context of international and Russian tendencies of its development. *National Concerns: Priorities and Safety* **23**: 91-100.

Stepanova EN. 2012. Corporate social responsibility of businesses in Northern regions (as exemplified by Murmansk Region). *National Concerns: Priorities and Safety* **47**: 20-25.

The Structure of OOO LUKOIL-ENERGOSETI. 2013. http://www.es.lukoil.com/main/static.asp?art_id=2011 [21 December 2013]

Frolov DP, Rozhkov SA. 2013. Evolution of business social responsibility in Russia: logics, formats, factor of the World Trade Organization. *National Concerns: Priorities and Safety* **21**: 2-12.

Kotler P, Lee N (eds). 2005. Corporate Social Responsibility: Doing the Most Good for your Company and your Cause. Wiley.

Jenkins R, Pearson R, Seyfang G (eds). 2002. *Corporate Responsibility and Labour Rights*. Earthscan.

Wang L, Juslin H. 2013. Corporate social responsibility in the Chinese forest industry: understanding multiple stakeholder perceptions. *Corporate Social Responsibility and Environmental Management* **20**(3): 129–145. DOI: 10.1002/csr.286

Steurer R, Martinuzzi A, Margula S. 2012. Public policies on CSR in Europe: themes, instruments, and regional differences. *Corporate Social Responsibility and Environmental Management* 19(4): 206-227 DOI: 10.1002/csr.264

Noronha C, Tou S, Cynthia MI, Guan JJ. 2013 Corporate social responsibility reporting in China: an overview and comparison with major trends. *Corporate Social Responsibility and Environmental Management* **20**(1): 29-42. DOI: 10.1002/csr.1276

Zadek S. et al. 2005. Responsible Competitiveness: Corporate Responsibility Clusters in Action. AccountAbility.

Fig. 1 The structure of OOO LUKOIL-ENERGOSETI [http://www.es.lukoil.com/main/static.asp?art_id=2011]

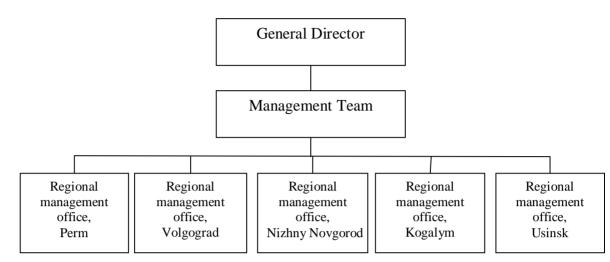


Table 1. Average wages of employees at the Volgograd regional office of OOO LUKOIL-ENERGOSETI in 2011-2012

Name of Branch	Average wage per employee		
	2011	2012	Growth rate
Top-managers	45 243	48 324	1.07
Volgogradenergoneft Service Center	24 476	26 238	1.07
Zhirnovskenergoneft Service Center	19 933	22 361	1.12
Buddyonovskenergoneft Service Center	21 599	23 734	1.10
Saratovenergoneft Service Center	18 476	20 642	1.12
Astrakhanenergoneft Service Center	39 581	40 410	1.02
Total for the Volgograd Regional Branches	23 695	26 071	1.10

Table 2. Expenditures on carrying out the Program for the Improvement of Working Conditions, Health and Industrial Safety, Emergency Response and Prevention at the Volgograd regional office of OOO LUKOIL-ENERGOSETI for 2012

No.	Activity	Sum of money,
		thousand RUB
1	Providing staff training and development programs on occupational safety and health issues; equipping offices for occupational safety; purchasing regulatory documents and software to manage industrial and occupational safety.	3 184.37
2	Providing the employees of the Volgograd office with free- of-charge protective clothing, footwear, and other individual protective gear in accordance with the current regulations.	25 542.97
3	Providing the employees engaged in work with harmful labour conditions with special foods and milk; maintaining medical aid posts; providing working places with drinking water.	2 658.08
4	Conducting preliminary medical examination of the employees; implementing preventive measures for influenza.	749.93
5	Implementing technical and other measures aimed at the employees' occupational safety.	1 028.05
Total:		33 163.4

Table 3. Main types of HSE violation

#	Types of violation	Number of violations	
		2011	2012
1	Industrial safety violations	37	30
2	Occupational safety violations	42	32
3	Environmental safety violations	21	16
4	Fire safety violations	34	24
5	Electrical safety violations 67 56		56
TOTA	L:	201	158

Table 4. Main categories of employees at the Volgograd regional office of OOO LUKOIL-ENERGOSETI

Insurance program categories	Position categories
II	Office director
III	Other managers, heads of departments, chiefs of workshops, chairman of shop-floor unit organization
IV	Professionals, other workers and employees

Table 5. Information on the insured employees of the Volgograd regional office of OOO LUKOIL-ENERGOSETI under the voluntary health insurance policies for 2011-2012

Category of insurance program	Number of insured employees	Insurance coverage per insured person, RUB	Insurance premium per insured person, RUB
	2011 (Contract # 99-	05Ю297-58/11 dd. 12.08.	2011)
II	1	56419	75225
III	38	3522	88714
IV	983	2007	50553
Total	983		
20	2012 (Contract # 99-05Ю406-58/12/ЛС dd. 01.06.2012)		
II	1	6158	133643
Ш	41	4783	103349
IV	957	2340	50562
Total	999		

Table 6. Analysis of changes under the voluntary health insurance policies (in 2012 as compared with 2011)

Category of	Changes in number	Changes in insurance	Changes in insurance
insurance	of insured	premium per insured	coverage per insured
program	employees, %	person, %	person, %
II	0	-89.09	77.66
III	7.89	35.8	16.5
IV	1.38	16.59	0.02
Total	1.63		

Table 7. Information on the insured employees of the Volgograd regional office of OOO LUKOIL-ENERGOSETI under the compulsory health insurance policies for 2011-2012

Category	of	Number of	Insurance coverage	Insurance premium
insurance		insured	per insured person,	per insured person,
program		employees	RUB	RUB
	2	011 (Contract #99-0	5Ю232-58/11 dd. 26/01	/2011)
11		1	9589	399542
Ш		36	7031	55362
IV		993	6552	27969
Total		1030		
	2012 (Contract #99-05I0331-58/12 dd. 30/01/2012)			
П		1	9589	399542
Ш		41	7453	58685
IV		996	3862	30409
Total		1038		

Table 8. Analysis of changes under the compulsory health insurance policies (in 2012 as compared with 2011)

Category of insurance program	Changes in number of insured employees, %	Changes in insurance premium per insured person, %	Changes in insurance coverage per insured person, %
II	0	0	0
Ш	13.89	6	6
IV	0.3	8.73	8.72
Итого	0.78		

Table 9. Expenses of the Volgograd regional office of OOO LUKOIL-ENERGOSETI under the voluntary health insurance policies for 2011-2012

Structural subdivision	2011, thousand RUB	2012, thousand RUB	Rate of growth (2012 as compared with 2011), %
Managers	316.1	319.7	1.14
Volgogradenergoneft Service Center	2 061.3	2 240.8	8.71
Zhirnovskenergoneft Service Center	1 843.6	2 004.3	8.72
Budyonovskenergoneft Service Center	732.5	983.8	34.31
Saratovenergoneft Service Center	421.7	563.2	33.55
Astrakhanenergoneft Service Center	356.1	446.8	25.47
Total for the Volgograd branches	5 721.3	6 558.6	14.43

Table 10. Expenses of the Volgograd regional office of OOO LUKOIL-ENERGOSETI for the employees' training

Structural subdivision of the Volgograd regional office	2011	2012
MP + Service Center Volgogradenergoneft	439 960.00	557 790.00
Zhirnovskenergoneft Service Center	1 032 755.3	736 545.00
Astrakhanenergoneft Service Center	3 447 373.51*	498 046.00
Budyonovskenergoneft Service Center	256 133.90	403 300.00
Saratovenergoneft Service Center	129 655.02	198 775.00
TOTAL	4 243 122.43	2 548 000.00

160

_

^{*} In 2011, the staff training expenses of the Astrakhanenergoneft Service Center amounted to 3 447 373.51 RUB including 397 373.51 RUB of the internal funds. Other 3 050 000 RUB were refunded to the Service Center by its key customer OOO LUKOIL-NISHNEVOLZHSKNEFT for the staff training in the Sea Survival Program at the Corporate Training Center.

Table 11. Charity and sponsorship activities, 2011-2012

Type of sponsorship or charity	Amount of	Source of funding		
	funding, thousand RUB			
2011				
Sponsorship assistance to the Juvenile Socio- Rehabilitation Center "Podrostok" (outdoor territorial lighting installation)	300	From the employer's funds		
Sponsorship assistance to KROO FSK "Sudostroitel" (purchase of sports clothing and equipment for the Children's Sports School)	200	From the employer's funds		
Victory Day greetings for veterans	5000	From the funds of the labour organizations		
Creativity competition for children	187	From the employer's funds		
Participation in the Spartakiada Games of the Neftegasstroyprofsoyuz (Labour Organization)	25	From the funds of the labour organizations		
Meeting dedicated to the Power Engineer's Day with the participation of labour veterans "Meeting of three generations"	257	From the employer's funds		
Vobla Festival 2011	10	From the funds of the labour organizations		
New Year's gifts for the disabled children registered with the Krasnoarmeisky office of the Employment Center State Administration (Volgograd)	5000	From the funds of the labour organizations		
District ice fishing competitions, Zhirnovsk	5000	From the funds of the labour organizations		
Participation in flower and wreath laying ceremonies	-	-		
Organization and carrying out of the Children's Day Festival	60 000	From the funds of the labour organizations		
2012				
Sponsorship assistance to the Juvenile Socio- Rehabilitation Center "Podrostok" (building of children's sports field)	300	From the employer's funds		
Sponsorship assistance to KROO FSK "Sudostroitel" (purchase of pool lanes and sports clothing)	300	From the employer's funds		
Victory Day greetings for veterans	5000	From the funds of		

		the labour organizations
New Year's gifts for children by the Volgograd regional branch of the National Union for Social Justice of Russia	21	From the funds of the labour organizations
Vobla Festival <mark>2011</mark>	10	From the funds of the labour organizations
District ice fishing competitions, Zhirnovsk	5000	From the funds of the labour organizations

Revista Galega de Economia / Economic Review of Galicia: http://www.usc.es/econo/RGE/benvidag.htm