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THE FACTOR OF WAR AS A THREAT TO SUSTAINABLE DEVELOPMENT AND A CHALLENGE FOR CORPORATE SOCIAL RESPONSIBILITY

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Abstract. The purpose of the study is to analyze the practice of involving multinational companies in achieving the Sustainable Development Goals (SDGs), in general, and the response to SDG 16 "Peace, Justice and Strong Institutions".

The research methodology involves a comparative analysis of the attitude towards the SDG leaders of sustainable development and MNCs that currently continue to work on the Russian market is presented. The conducted research showed that MNCs mostly recognize their impact on achieving SDG 16, but at the same time (1) they put it at a medium or low priority level; (2) emphasize justice and strong institutions. As a result of the study, it was proven that the existing approach to assessing the level of achievement of SDG 16 does not take into account modern conditions of warfare and needs to be revised.

The novelty of the study lies in the further development of scientific approaches to assessment of international business contribution to SDGs achievement and promotion of sustainable peace, opposition to military aggression, as well as substantiating the need to change approaches (criteria) to assessing the achievement of SDG 16.

Keywords: sustainable development goals (SDGs), corporate social responsibility (CSR), multinational enterprise (MNE), transfer pricing (TP), military aggression, SDG 16, business risks.

JEL Classification: A13, E70, M14, M16.

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1. Introduction

The future of humanity requires sustainable development. The key landmarks on the chosen path are seventeen SDGs, each of which provides solving global problems by 2030. The vast majority of SDGs in the short term are directly aimed at solving specific and real social or environmental problems, at protecting the interests of society and guaranteeing the future of civilization. Deeper analysis allows to claim that "ecological goals" in the future should ensure the achievement of those that today are "social" due to the creation of better conditions for solving, for example, the problem of hunger and/or health preservation and ensuring the well-being of future generations. And vice versa, quality education and decent work, modern innovations and infrastructure cannot be presented without proper attention to environmental issues, for example, access to clean water, sanitation, clean energy, responsible consumption and production.

Let us note that in general The Sustainable Development Goals 2015 are a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. In Resolution adopted by the General Assembly on 25 September 2015 "The 2030 Agenda for Sustainable Development" it is stated that: "there can be no sustainable development without peace and no peace without sustainable development". However, on the way to the global goal, there are threats to which society in the 21st century was not ready to respond. For example, starting in 2019, all (or the vast majority) countries of the world were forced to act to protect society from the COVID-19 pandemic. Now because of Russia's military aggression against Ukraine we are currently facing a threat, the impact of which on sustainable development has not yet been adequately assessed.

For many years, the Russian Federation carried out specific activities, which in international practice are recognized as the object of sanctions, primarily it concerns terrorism, cybercrime, foreign interference in elections and human rights violations. For various reasons, such numerous facts were ignored and the attitude towards

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the country that violated the norms of international law remained loyal. As a result, in February 2022, the military aggression of the Russian Federation against Ukraine gained wide scope. Thus, a situation arose in the center of Europe, which has terrible not only regional, but also global consequences. Assessing the scale of the tragedy and the damage caused by it, of course, requires careful study. However, it is already possible to state with confidence that as a result of the war in Ukraine, not only military facilities were affected, but to a greater extent the sphere of peaceful life of people became the object of destruction. Thus, UNESCO recorded the destruction of 237 cultural institutions and 3051 educational institutions in Ukraine, as of 25th January 2023 since 24th February 2022 (UNESCO, 2023).

At the same time, new studies are appearing, which are aimed at determining the risk factors, the nature of the consequences and the scale of the impact on the environment or, in other words, "the environmental cost of the war in Ukraine" (Hrytsku & Derii, 2022; Omelchuk & Sadohurska, 2022). The first studies already indicate that "Russia's war on Ukraine will have dire consequences for the environment and public health, not just in Ukraine, but also in Russia, Belarus, Moldova and larger parts of Eastern Europe. The long-ranging effects of environmental harm from war can range from persistent pollution, the loss of ecosystems, fertile soil, and livelihoods to large-scale and regional consequences of industrial disasters highly likely in a country as industrialized as Ukraine" (Averin at al., 2022). Experts (Omelchuk & Sadohurska, 2022) record the impact on the landscape and habitat (in particular, wild lands occupied by forests and conservation areas) due to the advancement of heavy machinery, construction of protective structures and mining of territories, forest fires caused by war, chemical pollution due to missile attacks, as well as soil and sea pollution by oil products, consequences of fires at industrial facilities, waste water emissions, loss of biodiversity and danger to species, that are under threat of extinction. As a result of the damage caused to dangerous industries (seizure of nuclear power plants, thermal power plants and industrial enterprises with dangerous facilities), the threat of an ecological and medical disaster has increased dramatically.

The military aggression unleashed by Russia directly negates the possibility of achieving not only SDG 16, but also endangers the life, health and well-being of people in the region of military actions and beyond, causes hunger even in remote countries of the world, makes quality education and decent work in Ukraine inaccessible/difficult to access (SDG 1, 2, 3, 4, 8). The destruction by Russian bombs of urban and transport infrastructure, industrial facilities in occupied and unoccupied territory affected the availability and quality of water in Ukraine, clean energy, formation of sustainable cities and communities, etc. (SDG 6, 7, 9, 11).

In order to achieve the Sustainable Development Goals 2030, public policies and measures taken by national governments, national legislation, as well as the efforts of regional/international public organizations, etc., are of great importance. At the same time, the role of business remains significant. Every company, regardless of its field of economic activity and size, has an impact on the SDGs achievement. However, in our opinion, the priorities of economic activities of international groups of companies (MNEs) are the most important for creating the necessary conditions and promoting sustainable development.

The basis of the research is the following hypotheses: 1) business has a real impact on achieving sustainable development in the region of presence, in particular SDG 16 "Peace, Justice and Strong Institutions"; 2) about the need to change approaches to understanding the impact of SDG 16 on the overall assessment of achieving the goals of sustainable development.

The aim of the study is to analyzing practices of involving socially responsible business in achieving the goals of sustainable development, in general, and SDG 16 "Peace, Justice and Strong Institutions" in particular.

2. Literature review

2.1. A general overview of scientific research on sustainable development and SDGs

Scientists have more actively started research this topic after the recognition of the Millennium Development Goals (in 2000) and especially after the transition to the SDGs 2030 (in 2015). The next sharp increase in the number of publications occurred after 2018 due to the need to monitor progress on the implementation of the UN project SDGs 2030. At the same time, priorities were such areas of research as "Environmental Sciences", "Social Science" and "Energy", as well as "Agricultural and Biological Sciences", "Engineering" and "Medicine and Dentistry" (Figure 1). Thus, the vast majority of research is aimed at an in-depth study of existing problems in the specified areas and the search for approaches to their solution. More than half of the publications are devoted to issues of ecology and the use of natural resources. This state of research corresponds to the origins of sustainable development concept and public concern about the growing exploitation of the Earth's system (Tobler-Rohr, 2011; Greil, 2021; Winterhalter, 2021).

At the same time, during the specified period, the share of publications in the fields of "Business Management and Accounting", "Economics Econometrics and Finance" and "Decision Sciences" together was only 11.2%, and in 2021 – 6.4%, which in our opinion, is clearly not enough. At the same time, it is necessary to recognize the validity of Tobler-Rohr's (2011) remark that "understanding of sustainable development must include a balance of ecological, economic and social aspects to act in a treaty between wealthy and poor societies and towards coming generations". Direct provision of solutions to environmental and social problems at the global and regional levels requires special financing, business accountability and, ultimately, investment in appropriate industrial technologies and business strategies.

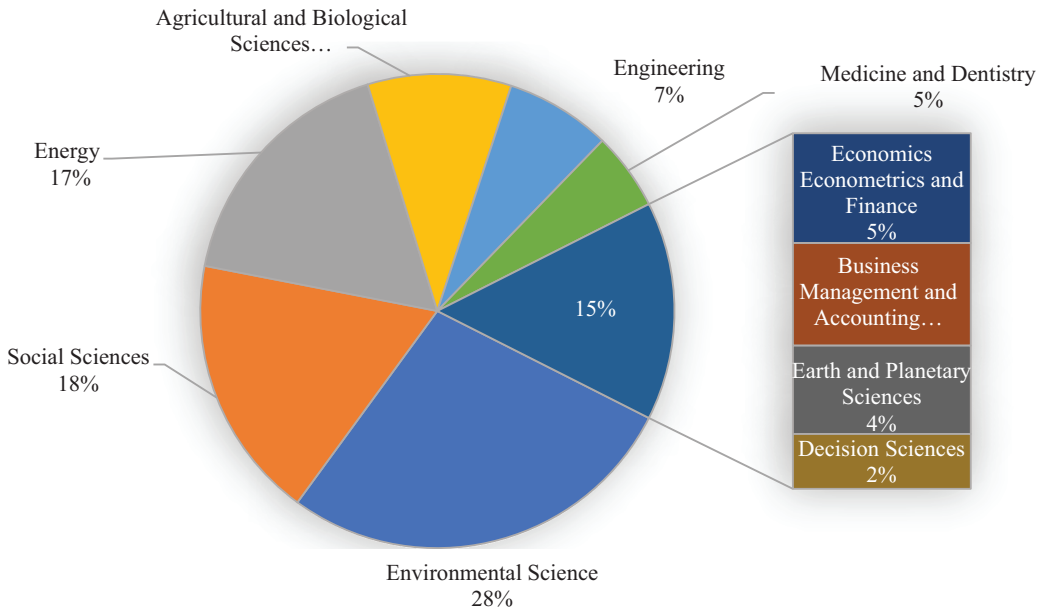

Figure 1. The structure of publications on sustainable development goals by research areas, 1999–2021 (source: constructed by authors from ScienceDirect data (Elsevier) (ScienceDirect, n.d.)

Considering the large volume of scientific research in the field of sustainable development, what is important is the practical result of the general efforts of the world community (and researchers in particular) and the level of approach to the global goal. Tobler-Rohr (2011) identified the following three pillars of sustainable development or key trends that will contribute to its implementation: (a) society becomes aware of a common responsibility, (b) environmental protection becomes an integrated search for solutions, and (c) industry prevents pollution by means of proactive actions. The synergistic effect of these key trends should ensure the achievement of Sustainable Development Goals 2030. At the same time, as Tobler-Rohr (2011) notes, "the equivalent value of the pillars should be a goal".

Accordingly, this aspect of sustainable development needs a deeper study. In the context of our research, the role of business is of special interest because businesses remain the perpetrators of the world's most environmental problems, as well as the actor through which sustainable development can be achieved.

2.2. Scientific research on business contribution to achieving the SDGs

The economic, environmental and social consequences of MNE activities in each region of presence have a multifaceted cross-cutting character, with a positive or negative impact on a number of stakeholders.

In examining the impact of CSR on the cost of capital, Prasad et al. (2022) indicate a number of factors, that determine the nature of such influence, namely: research region, state regulation (mandatory or voluntary regulations, involvement of state institutions into the process), investor protection, ranking of key stakeholders, focus on a wide range of stakeholders or exclusively for the interests of financial capital providers. Fedulova et al. (2023) rightly point out the connection between the priorities of sustainable development strategy of the country and individual companies. In other words, the social responsibility policy of certain companies directly depends on the national CSR model (Korol, 2016). Naatu et al. (2022) provide convincing evidence that "context affects decisions, especially where there are no clearly defined norms for appropriate behavior and decisions are sensitive to social considerations".

This is true in general for national companies and is of particular importance for MNCs. The MNEs commitment to sustainable development goals and to their CSR level can be investigated, for example, through the chosen tax policy (Valsecchi, 2022) or transfer pricing strategy (TPS) (Korol & Romashko, 2022; Korol et al., 2022). At the same time, one can agree with Cravens (1997) and Kumar et al. (2021), who consider TPS to be an integral part of corporate strategy. It is obvious that the TPS should be aligned with the strategy of the MNE in the regions of its presence. In this regard, it is of interest how the corporate strategy takes into account (and the TPS responds to) the claims of MNEs recognizing sustainable development priorities and promoting the implementation of the UN Sustainable Development Goals.

A group of researchers (Kumar et al., 2021) conducted a thorough bibliometric analysis of scientific publications in the Scopus database on TP issues during 1968–2019. The authors established that the following areas of research were prioritized: tax policy (29.0%), international business (28.8%), organizational management (23.3%), supply chains (13.3%), institutional environment (3.3%) and business processes (2.3%). However, TP issues in all the noted areas are directly related to CSR and sustainable

development, which is indicated by a number of subsequent studies.

In 1997, Cravens wrote about the multifaceted nature of MNE strategy. The derivative thesis of his research was the statement that MNEs use transfer pricing mechanisms to achieve various goals. Cravens concluded that TP can go beyond simple compliance with tax regulations. Twenty-two years later, this thesis received scientific justification by Kumar et al. (2021).

In 2021, Greil writes about the need to consider aspects of sustainability when distributing profits abroad. It must be admitted that creating value also means improving people's well-being by simultaneously assuming responsibility for the natural environment and social community (Greil, 2021; Winterhalter, 2021). The practice of TP is directly related not only to the issues of taxation, competitive advantages, settlement currency, control of cash flow and inflation (Cravens, 1997; Muzychuk & Fomina, 2021; Sopko at al., 2019) it is already there, but also to the determination of MNE social responsibility policy. According to Winterhalter (2021), Choi et al. (2020) and other researchers, for many years, MNEs have taken advantage of capital markets imperfection, differences in the taxation of commodity exchange operations in different countries (regions). As a result, when forming a transfer pricing strategy, MNEs are guided by the concept of economic loyalty, which is important for profit sharing, is implemented on an arm's length basis and uses a value-oriented approach. At the same time, the aspect of sustainability of economic activity is completely ignored and, according to Winterhalter (2021), it is absolutely irrelevant whether MNEs in a country comply with the environmental standards or employ workers in inhumane conditions. At the same time, the aspect of sustainability of MNCs economic activity is completely ignored (Greil, 2021) and it is absolutely unimportant whether they comply with environmental standards in the country of presence or employ workers in inhumane conditions (Winterhalter, 2021).

Under such conditions, the activity of MNE obviously contradicts their declared desire for sustainable development and social responsibility. Consideration of sustainability aspects of cross-border income distribution can be a basis for countering this and a significant contribution to the UN Sustainable Development Goals by 2030. It should be expected that the fight against tax evasion will indeed allow to achieve the most sustainable economic growth according to the Discover the OECD program "Better Policies for Better Lives" (Organization for Economic Co-operation and Development [OECD], 2023). However, scholars do not idealize companies that report on their CSR and support for sustainable development. Singh and Misra (2021) and Lin (2021) conducted a comparative analysis of corporate reports of UK and Chinese companies, studied the practice of disclosing the negative consequences of activity, as well as the strategy of crisis communication and image restoration. Lin (2021) on the example of CSR reporting show that, despite different cultures, companies in both countries use denial, deflection, mitigation, and acknowledgment tactics to legitimize bad news. Singh and Misra (2021) found that companies practically did not try to deny the existing problems, but sought to justify them with external reasons and switch the attention of readers to other, positive trends and results, to mitigate the negative facts that destroyed the positive image of socially responsible business. Despite certain differences in conclusions, researchers agree on the problem of companies' response to the negative consequences of their activities.

However, numerous studies confirm (Valsecchi, 2022; Avhustova et al., 2022; Zuzek & Mickiewicz, 2016; Knapp et al., 2021; Jastram & Klingenberg, 2018; Korol, 2008; Korol, 2016), that CSR does not contradict the economic interests of MNEs, but opens up new opportunities for them. Thus, Zuzek and Mickiewicz (2016) see the role of separate links of the supply chain not only in creating added value, but also the common good for current and future generations, compliance of products and services offered by companies with certain social or environmental criteria. He et al. (2021) prove that CSR can serve companies to achieve both social and marketing goals. In any case, all components of MNE activities have an integrated impact on society and the environment (Korol, 2016). At the same time, the motivation of CSR can be a sincere response to social problems or the economic interests of the company itself.

Among the factors that force MNEs to take care of the environmental and social aspects of their activities in the region of presence, the most important are the relevant state institutions (Korol, 2016; Lin, 2021). Thus, in recent years there has been an increase in the influence of international institutions and public opinion, which determine the ratings of MNEs, their investment attractiveness and competitiveness. This is confirmed by the analysis of an interesting phenomenon described by He et al. (2021) – a business boycott of Facebook's policy of using its platform to spread and amplify racism and hatred, and how consumers have reacted to the suspension of such businesses advertising by Facebook. We are observing a similar reaction today in connection with Russia's military aggression against Ukraine.

Currently, a situation has arisen that is actually a catalyst for CSR and requires the adjustment of the business strategy in the regions of presence, taking into account those goals of sustainable development that MNEs have recognized as priorities. Most previous research on the theory and practice of both TP and CSR has been conducted without considering such precedents.

2.3. Context of war and peace in sustainable development research

The direct meaning of peace, as a condition for achieving goals of sustainable development according to Jastram and Klingenberg (2018), remained outside the scope of scientific research until recently.

The researchers examined SDG 16 "Peace, Justice and Strong Institutions" in the context of the fight against

corruption, access to justice for older persons (Knapp et al., 2021), elimination all forms of violence (Bastos et al., 2020; Gibbs et al., 2019), the role of government institutions and institutional stakeholders like NGOs and civil society in achieving the overall SDGs (Mombeuil, 2020), Legal identity and Digital identity (Manby, 2021) and more profitable investments for local development (Zoomers & Otsuki, 2017).

Only a few researchers consider SDG 16 directly in the context of war and peace. Amadei (2020) emphasizes: "Although countless studies have demonstrated its value proposition in terms of human and economic development, social justice and stability, the promotion of human rights, and wellbeing in general, peace, like other related community development concepts such as sustainability or resilience is difficult to conceptualize, let alone quantify for different scales and contexts". Instead, to determine the level of achievement of SDG 16 concerning war and peace, the UN uses the traditional indicator – the number of conflict-related deaths per 100,000 population (United Nations, 2022; Sustainable Development Goal 16, n.d.; United Nations Human Rights Office of the High Commissioner, n.d.).

In light of this, we reviewed the results of contemporary research on war and peace issues (Kalyvas & Balcells, 2010; Kalyvas, 2020; Kordun, 2020; Davis, 2017, 2019; Roser et al., 2016; Fazal & Poast, 2019; Czupryński, 2021, etc). Specifically, Kordun (2020) concludes that 'modern armed conflicts are distinguished by the fact that the boundaries between internal and international confrontation are blurred. As a result, any formally insignificant local conflict can potentially have serious consequences on a regional and even global scale'. Kalyvas (2020), Fazal and Poast (2019) and Czupryński (2021) are of the opinion that it is necessary to change approaches to characterizing of modern armed conflicts, because they do not take into account changes in the technologies of waging war and overcoming its consequences, the development of medicine in the period after the end of the Second World War. Therefore, new approaches are needed to assess their consequences and impact on achieving the sustainable development goals.

3. Materials and methods

3.1. SDGs priorities of sustainable development leaders

To illustrate the general attitude to sustainable development, data from a joint study of the UN Global Compact and DNV GL (2030) were used, which provides an assessment of the current state in achieving the Sustainable Development Goals by 2030 (United Nations, 2021). Forty-one MNEs participated in the study. For our research, the attitude of participating companies to SDGs and their assessment of own impact on progress is of interest.

DNV GL & UN GC research results indicate that none of the SDGs has a high enough priority for MNEs (Figure 2). However, the seven SDGs have an average priority in the range of 34–66%. Regarding SDG 16, it has a low priority at 24%, and only 24% of MNE's recognize its importance for their own business or the possibility of their own contribution to its achievement.

Assessments by companies of their own impact on achieving goals of sustainable development are also interesting (Figure 3).

Most of the companies in the sample (91%) recognize their positive impact on SDG 10 "Reduced Inequalities" and the least (35%), in their opinion, they have a positive impact on the achievement of SDG 4 "Quality Education". In general, it should be noted that companies recognize their negative impact on sustainable development mainly in terms of SDGs 3, 13, 14 and 15 at a maximum of 7%. Regarding other goals, estimation of negative impact is within 1–5%.

It is necessary to recognize the fairness of experts' remark that "by researching the current state and role of business contribution in sectors that correlate to systems,

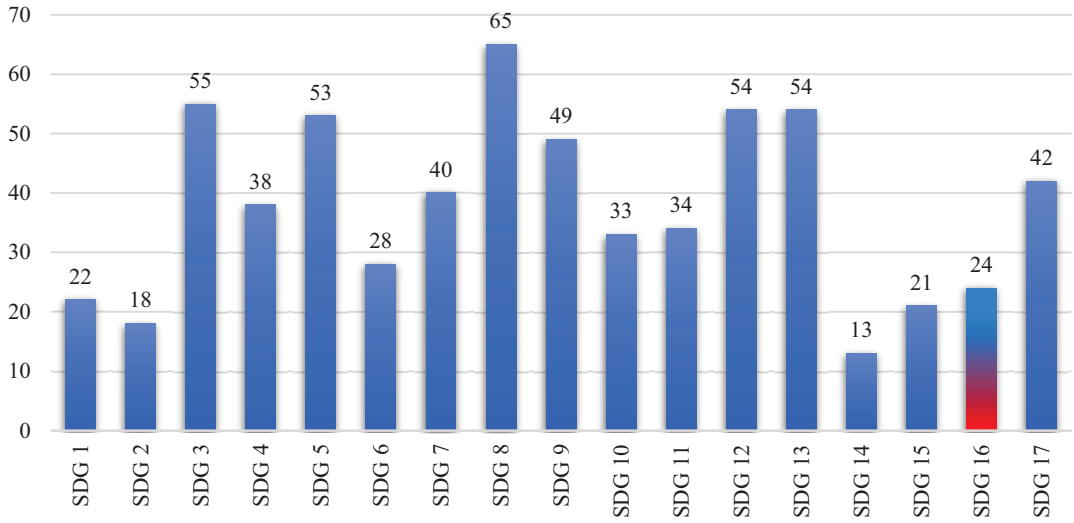

Figure 2. SDG ranking chosen by MNE leaders, % (source: compiled by the authors according to United Nations, 2021)

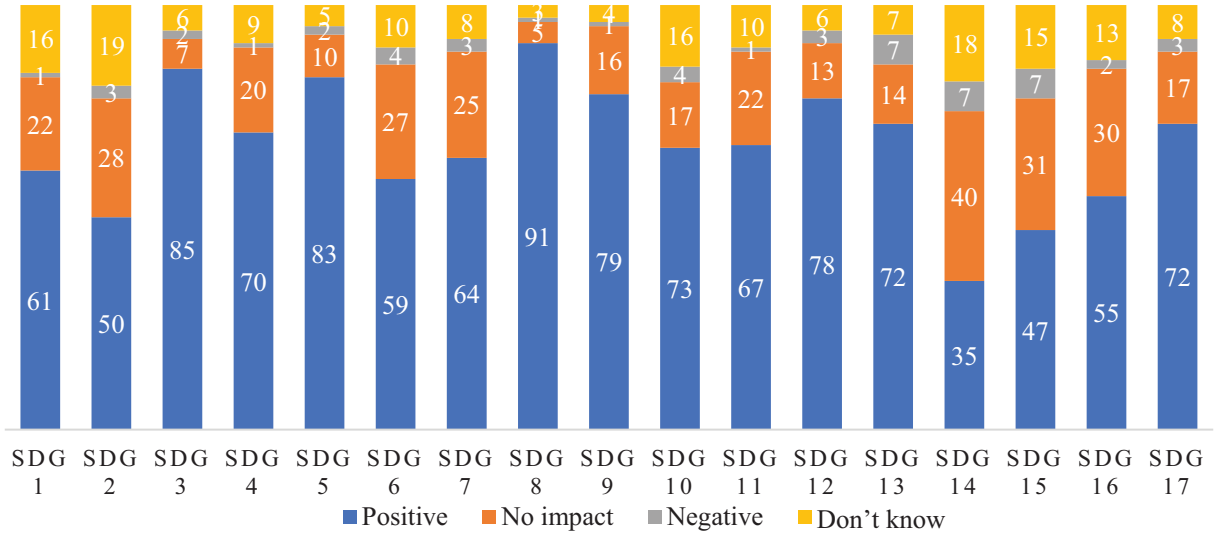

Figure 3. The impact of business on achieving the SDGs according to MNEs estimates (source: compiled by the authors according to United Nations, 2021)

we can get new and more business relevant insight into the current status, the action required and associated barriers and enablers" (United Nations, 2021). Accordingly, in the research represented by DNV GL & UN GC, the companies are presented in terms of sectors that are aligned with the Industry Classification Benchmark taxonomy, which the UN Global Compact has used. The data in Table 1 show that, with the exception of three sectors, companies rate the priority of SDG 16 as medium.

Table 1. Most and least prioritized SDGs of companies by sector (source: compiled by the authors according to United Nations, 2021)

Sector	Prioritized SDGs		
	Most	Middle	Least
Energy, natural resources and basic materials	13, 8, 7, 3, 12	2, 4, 5, 6, 9, 11, 14, 15, 17	1, *16*, 10
Industrial manufacturing	9, 8, 3, 12, 13	4, 5, 6, 7, 10, 11, 15, *16*, 17	1, 2, 14
Food, beverage and consumer goods	12, 8, 3, 13, 17	1, 2, 4, 5, 6, 7, 9, 10, 15, 17	*16*, 11, 14
Healthcare and life sciences	3, 8, 5, 17, 12	4, 6, 7, 9, 10, 11, 13, 14, *16*	2, 1, 15
Mobility and transportation	8, 12, 13, 3, 4	1, 5, 6, 7, 9, 11, 14, 15, 17	10, 2, *16*
Telecommunications and technology	8, 5, 9, 12, 3	1, 4, 6, 7, 10, 11, 13, *16*, 17	15, 2, 14
Financial services	8, 5, 13, 17, 9	1, 3, 4, 7, 10, 11, 12, 15, *16*	6, 2, 14

At the same time, companies in the energy, natural resources and basic materials sectors; food, beverage and consumer goods; mobility and transportation include SDG 16 as the lowest priority. This attitude towards SDG 16 can be partly explained by the assessment of one's own influence on this goal achievement. As stated in (United Nations, 2021), 85% of MNEs are of the opinion that they have a positive impact or no impact at all on the dynamics regarding SDG 16 "Peace, Justice and Strong Institutions"; 13% were undecided about the assessment and only 2% admitted their negative impact.

Thus, the vast majority of MNEs recognize their ability to influence SDG 16 progress, however, they only talk about it in the context of justice and/or stable institutions.

When summarizing the results of the study on progress on sustainable development, it should also be taken into account that the impact on peace progress is only one of the many tasks in part of SDG 16 "Peace, Justice and Strong Institutions". At the same time, the given data allow to claim that even for sustainable development leader companies, economic interests significantly outweigh the SDGs. With high probability, we can assume that increasing global attention to maintaining peace and preventing the occurrence of military threats in the future will contribute to increasing the priority of SDG 16 "Peace, Justice and Strong Institutions".

3.2. Analysis of MNEs' response to Russian military aggression

It is appropriate to adhere to the opinion that the reaction to Russian military aggression against Ukraine is an indicator of CSR and can be a real contribution of MNEs to sustainable development. That is why data on MNEs that worked on the Russian market as of February 24, 2022 are of interest for the study. As evidenced by the results of continuous monitoring by the Yale Chief Executive Leadership Institute: "over 1,000 Companies Have Curtailed Operations in Russia – But Some Remain". The total number of such companies as of July 19, 2022 was 242 (Chief Executive Leadership Institute, 2022). Their parent companies are registered in thirty-five countries of the world.

The most these parent companies are located in China and the USA (Table 2). However, more than half of all

Table 2. Distribution of enterprises that continue to work in Russia by country of registration (July 19, 2022) (source: compiled by the authors according to Chief Executive Leadership Institute, 2022; Wikipedia, n.d.-b)

	Country	Number of MNE	War in Ukraine		Country	Number of MNE	War in Ukraine
1	China	41	Neutral	19	Iceland	2	No support
2	United States	29	No support	20	Luxembourg	2	No support
3	France	26	No support	21	Mexico	2	Neutral
4	Germany	22	No support	22	United Arab Emirates	2	No support
5	Italy	13	No support	23	Cyprus	1	No support
6	Japan	13	No support	24	Egypt	1	No support
7	Austria	12	No support	25	Kazakhstan	1	Neutral
8	India	12	Neutral	26	Latvia	1	No support
9	Greece	7	No support	27	Portugal	1	No support
10	Slovenia	7	No support	28	Qatar	1	No support
11	Switzerland	7	Neutral	29	Serbia	1	No support
12	Turkey	7	No support	30	South Korea	1	No support
13	Hungary	6	No support	31	Syria	1	Support
14	Spain	6	No support	32	Taiwan	1	No support
15	Netherlands	4	No support	33	Thailand	1	Neutral
16	Israel	3	Neutral	34	United Kingdom	1	No support
17	Poland	3	No support	35	Uzbekistan	1	Neutral
18	Belgium	2	No support	Total		241	–

MNEs (134; 55.6%) are registered in European countries. At the same time, none of these countries officially supports Russia's aggression against Ukraine. From the entire list of countries indicated in the table, eight took a neutral position (68 parent companies are registered in them), and only one country – Syria (1 parent company) openly expressed support for the aggressor.

It should be noted that the process of exit-return of MNEs to the Russian market is ongoing, and therefore the given indicators will change.

According to analysis results of the feedback from almost 1,400 MNEs to the Russian-Ukrainian war in the period until December 20, 2022, the Yale experts Chief Executive Leadership Institute divided these companies into five categories:

Grade F: "Defying Demands for Exit or Reduction of Activities". 227 (16.3%) are just continuing business-as-usual in Russia.

Grade D: "Buying Time". 161 (11.6%) – the company continues its core business, but holding back on new investment/development/marketing.

Grade C: "Reducing Current Operations". 171 (12.3%) Companies are scaling back some significant business operations but continuing some others.

Grade B: "Keeping Options Open for Return". 495 (35.7%) Companies temporarily curtailing most or nearly all operations while keeping return options open.

Grade A: "Clean Break – Surgical Removal, Resection". 335 (24.1%) Companies totally halting Russian engagements or completely exiting Russia.

In other words, despite the sanctions, a significant number of MNEs continue their business in Russia. Only less than a quarter of companies have completely severed their relations with this country and do not plan to return in the future. This state of affairs confirms the conclusions of Besedes et al. (2018) regarding the reaction of business to the introduction of sanctions: large companies that do business with countries under sanctions are generally not inclined to reduce business relations with selected partners.

In this regard, it is expedient to consider the reactions of MNCs to Russia's military aggression against Ukraine in the context of sustainable development priorities and their attitude of companies to the SDG 16.

For this purpose, the corporate reports of seventy-five MNCs that continued to work in Russia after the start of its military aggression against Ukraine were analyzed (access to the used reports is available on the corporate websites of the companies) (further on in the text – selective enterprises).

Monitoring showed that only 48 of 75 companies that continue to work in Russia pay attention to the SDGs in their corporate reports (Table 3).

Therefore, SDG 16 is among the four least popular goals. However, according to the scale we adopted in paragraph 2.1, this SDG has a medium level of support (34–66%). This is consistent with the data for sustainability leaders.

75 MNEs of the sample are grouped by seven sectors (United Nations, 2021). The conducted analysis showed

Table 3. SDG-ranking selected by MNEs that continue to work in Russia (July, 18, 2022) (source: compiled by the authors according to the sample enterprises)

SDGs	Number of MNEs that have chosen SDGs	Share of all MNEs that have chosen SDGs, %	SDG-ranking
SDG 1	11	15	16/17
SDG 2	14	19	15
SDG 3	36	48	2/3/4
SDG 4	26	35	7/8
SDG 5	31	41	6
SDG 6	22	29	12
SDG 7	21	28	13
SDG 8	42	56	1
SDG 9	34	45	5
SDG 10	25	33	9
SDG 11	23	31	11
SDG 12	36	48	2/3/4
SDG 13	36	48	2/3/4
SDG 14	11	15	16/17
SDG 15	24	32	10
SDG 16	17	23	14
SDG 17	26	35	7/8
no SDGs	27	36	–

that only 16% of them provide services, others work in various material-intensive and technological sectors. The approach to sustainable development of MNEs sample (Table 4) has certain differences from the results of the research on the priorities of sustainable development leaders (see Table 1). However, such differences are not essential.

Instead, 4 out of 75 MNEs of the second sample, which belong to the Mobility and Transportation (1) and Financial services (3) sectors, did not mention in their corporate reports their commitment to sustainable development goals. And companies from other sectors (with the exception of Food, Beverage and consumer goods) showed high activity in joining the SDGs.

Thus, the comparative analysis of companies-leaders of sustainable development and companies that continued to work in Russia during the war did not reveal significant differences by sectors and priorities of sustainable development.

4. Results and discussion

The analysis of scientific publications on the topic of the study of business statements regarding SDG 16 "Peace, justice and strong institutions" leads to the conclusion that insufficient attention is paid to the relevant issues.

Before the Russian-Ukrainian war, Russia was an attractive port for international business. It was the largest supplier of oil and gas to European and other countries of the world, almost all world brands worked on its market – car

Table 4. Advantages of selected SDGs in the reports of MNEs that continue to work in Russia (source: compiled by the authors based on data from corporate reports (according to the sample enterprises)

Sectors	Sustainable development goals							
Energy, natural resource and basic material	3 GOOD HEALTH AND WELL-BEING	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
	75%	75%	83%	92%	75%	92%	83%	75%
Industrial manufacturing	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION		
	71%	93%	86%	71%	86%	86%		
Food, Beverage and consume goods	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND			
	64%	91%	100%	82%	64%			
Healthcare and life science	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH					
	100%	80%	100%					
Telecommunicate and technology	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND			
	100%	80%	80%	80%	80%			
Mobility and Transportation	not found among the inspected enterprises							
Financial services	not found among the inspected enterprises							

manufacturers, logistics and technology giants, international retailers, oil and gas companies. The activity of more than one thousand two hundred MNCs (OECD, 2023) was an important financial support for Russia and an opportunity to circumvent or mitigate the financial sanctions and other restrictions imposed.

The aggression unleashed by Russia against Ukraine revealed the real attitude to social responsibility of many MNCs. The conducted research showed that the reaction of business to the mentioned events was ambiguous. When making a decision to leave the Russian market or continue working on it, the business was guided by various arguments.

Today's references to business losses due to withdrawal from the Russian market look very serious. However, the business received a warning about the risks of working in Russia in 2014, when a large number of countries, including the United States, Canada, and the European Union imposed sanctions on Russia after its invasion of Ukraine (Wikipedia, n.d.-a). In the absence of data, we do not know how the 2014 sanctions affected MNEs operating in Russia at the time. However, in general, we have to admit that financial sanctions were not effective enough (Global Witness, 2022). Even MNEs whose parent companies are located in countries that initiated/joined international sanctions are looking for an opportunity to circumvent them and justify their behavior with financial and non-financial factors. For example, the management of the Auchan Retail company, which has 903 (more than 45% of all) points of sale in Russia (Auchan Retail, n.d.), refers to the fact that its Russian employees, their families and customers "are not personally responsible for the beginning of this war", as well as the unwillingness to "put them in an unstable position" (Korol & Romashko, 2022). At the same time, precisely because of the active or passive support of these people, millions of peaceful Ukrainians are deprived of the right to life, housing, study, education, access to food, other vital things – right to the future itself. We cannot close our eyes to the fact that almost three quarters of Russians "support the war against Ukraine, feeling such positive emotions as pride, joy, respect, trust and hope" (Jamestown Foundation expert (Jamestown Foundation) with reference to the results of a study by a group of independent Russian sociologists, 2022, March 17) (Independent Sociologists, 2022). Such arguments of an uneconomical nature and an appeal to social responsibility towards company employees, consumers or business partners are questionable (Korol & Romashko, 2022). The question arises about the compliance of the social responsibility of the companies that have remained working in Russia with universal human values. The same can be said about those companies that, after exiting, returned to Russia again, striving to expand their business at the expense of a niche that appeared on the Russian market as a result of the outflow of competitors.

It is necessary to note such an important aspect of the activity of MNEs in Russia. Most of their parent companies belong to countries with a high level of sustainable development. Accordingly, MNEs have experience in socially responsible business practices and promoting sustainable development Potentially, the capacity of their overall economic, environmental and social impact is directly proportional to the size of the investment and the number of involved local workers. MNEs can promote global values by implementing their own CSR policies in relationships with staff, customers, business partners, etc. Not only job creation, but also corporate culture is important, which in everyday practice is able to form in its employees, members of their families and other involved persons a respect for global values and, above all, human life. Therefore, we can argue that MNEs in the region of presence are to a certain extent responsible for its sustainable development and, in particular, achievement of SDG 16 "Peace, Justice and Strong Institutions" (Korol & Romashko, 2022).

The reaction of companies to situations where the realization of their economic interests has negative social and/or environmental consequences for society reveals the real, and not declarative, commitment of MNCs to the Sustainable Development Goals.

MNEs are able to promote not only modern technologies and best business practices, as well as the priorities of sustainable development and to form a socially responsible business environment in the regions of presence.

Therefore, there is a need for a clear understanding of how business (MNCs) should be committed to SDG 16 and how business should contribute to the achievement of peace and the prevention of military aggression as the basis of sustainable development. In our opinion, MNCs should adhere to a single CSR policy in all regions of presence, regardless of their level of sustainable development. At the same time, their transfer pricing strategy must comply with the Sustainable Development Goals and, in particular, contribute to the achievement of SDG 16.

5. Summary and conclusions

Military conflicts generate extreme social and environmental threats and, as a consequence, threats to sustainable development. They are a challenge for business and a test of its social responsibility and commitment to the Sustainable Development Goals.

The conducted research showed that:

- In the last decade, the attention of scientists to sustainable development has increased significantly and, first of all, in the area of environmental sciences, social sciences and energy, which has had a significant impact on society in the relevant areas. However, the practice of sustainable development requires further research in the context of business management, economics, finance and decision-making.
- The commitment of MNCs to the Sustainable Development Goals and their social responsibility in the regions of presence is manifested not only through the chosen strategy of transfer pricing, compliance with the sanctions policy, but also through their reaction to the military aggression of the respective countries.

- In previous scientific publications, insufficient attention is paid to SDG 16 and there is actually no analysis of the contribution of business to its achievement, which does not meet the requirements for creating conditions for sustainable development.
- In practice, most MNCs that declare their commitment to sustainable development goals recognize their positive impact on achieving SDG 16, but for them it has a medium or low priority. At the same time, MNCs talk about SDG 16 only in the context of justice and/or stable institutions.
- The reaction of MNCs, which currently continue business in Russia, to the military aggression unleashed by it against Ukraine testifies to their formal attitude to the announced Sustainable Development Goals and declarative social responsibility.

The above allows us to draw the following conclusion that there are problems with assessing the level of achievement of SDG 16 at the global level and neglecting the existing threat to sustainable development at the macro and micro level due to the violation of peace – military aggression.

There is a need for a clear understanding of how business (MNCs) should be committed to SDG 16 and how business should contribute to the achievement of peace and the prevention of military aggression as the basis of sustainable development. In our opinion, MNCs should adhere to a single CSR policy in all regions of presence and promote the goals of sustainable development in them. At the same time, their transfer pricing strategy must comply with the Sustainable Development Goals and, in particular, contribute to the achievement of SDG 16.

The novelty of the study consists in the further development of scientific approaches to assessing the contribution of business to achieving the SDGs and promoting sustainable peace, countering military aggression, as well as justifying the need to change approaches (criteria) to assessing the achievement of SDG 16 "Peace, Justice and Strong Institutions", which is currently used by UN. The practical contribution of business and, first of all, MNCs, which have significantly greater financial, material and human potential, in achieving the goals of sustainable development, taking into account existing threats and public interests, requires further research.

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