

ANALYSIS OF SUSTAINABLE OPERATIONS OF LARGE TRADING COMPANIES IN THE REPUBLIC OF SERBIA IN THE PERIOD FROM 2020 TO 2024

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Abstract: *The essence of the new philosophy of economic development is reflected in the appreciation of the principles on which the concept of sustainable development is based. In such conditions, only business operations of companies that are aligned with the principles and goals of sustainable development are considered socially acceptable. This encourages commercial companies to implement the concept of sustainable development in their daily activities. In order for the application of the sustainable development concept to be adequate, it needs to be comprehensive (based on the simultaneous application of the economic, ecological and social dimensions of sustainable development) and continuous. Accordingly, the subject of this paper is the analysis of sustainable operations of large trading companies in the Republic of Serbia, for the period 2020–2024. The methodology of the paper is based on the analysis of data on the sustainable operations of the companies that are the subject of the research. The Sustainable Development Reports and data on sustainable activities that were available through the website and the media were used as data sources. The aforementioned research is a continuation of research on the socially responsible activities of large trading companies in the Republic of Serbia from 2022, and the goal is to gain insight into the continuity of sustainable operations of trading*

companies, i.e. whether the aforementioned companies continued to implement sustainable activities after 2022. The research showed that the companies that were the subject of the analysis are still committed to socially responsible activities and that they show continuity in their implementation in the observed period. The contribution of the paper is that new information is obtained on the continuity of sustainable operations of trading companies, which can also serve to continue the analysis of sustainable activities of trading companies in this area even after the period that was the subject of the analysis.

Key words: *sustainable development, business enterprises, environment, ecological environment*

JEL classification: *Q56, O12*

1. INTRODUCTION

Sustainability is a concept that provides the opportunity to harmonize economic growth and development with social development, without neglecting the need to protect the heavily degraded environment. The mentioned concept is now of crucial importance for the contemporary social community, as well as for future generations. For this reason, it requires special attention and dedication not only from individuals and

companies but also from the state. Since it is seen as an important topic of modern society, the beginning of this paper will be devoted to the analysis of the importance of sustainable development concept.

On the other side, it has already been said that it is desirable for companies to apply the concept of sustainable development in their operations. For this reason, the remainder of the paper will analyze the application of the concept of sustainable development by large trading companies operating in the Republic of Serbia during the period 2020–2022.

It should be emphasized that like other companies, large trading companies around the world are becoming aware of the importance of the concept of sustainable development. Many researches show that the mentioned companies, as intermediaries between producers and consumers, also have a significant role in the application of the sustainable development concept.

2. SUSTAINABLE DEVELOPMENT AS A CRUCIAL THEME OF THE CONTEMPORARY SOCIETY

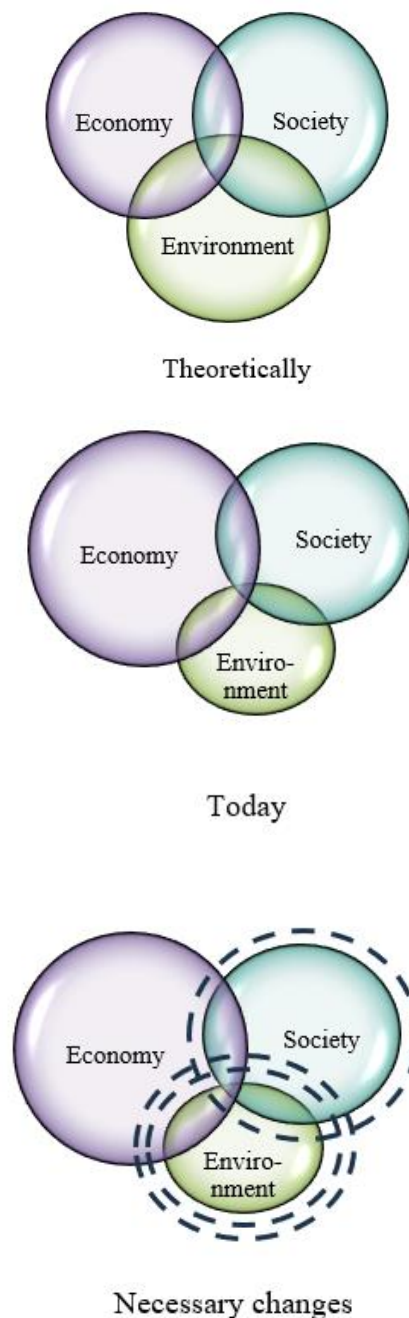
In conditions where environmental degradation is increasing and when various social conflicts and economic changes occur, the concept of sustainable development becomes a very current category and an essential prerequisite for the further survival of the community. The relevance of the mentioned concept stems from its essence, which is reflected in the ability of current generations to meet their needs in a way that will not have any consequences (in the economic, ecological and social sense) on the ability of future generations to meet their needs, when the time comes.

Nowadays changes are much faster, more radical, more powerful than ever before in our history. Therefore, it can be said that a new era has arisen and brings new questions that affect the necessity to change the business philosophy (Mitrovic & Mitrovic, 2019, p. 230). Under such conditions, economic and social development should not be separated from ecological principles. This imposes the need to establish a balance between the economic, ecological and social areas. However, research shows that the current situation is slightly different.

The current situation, in relation to the desired theoretical relationship between the economy, society and the environment shows a significant lag in environmental protection, as well as lower level of social engagement than required (Rajkovic, 2020) (Figure 1). Continuous implementation of environmental protection would provide an opportunity to bring the relationship

between society, the economy and the environment closer to an optimal balance.

Picture 1. The movement of the relations between the areas on which the concept of sustainable development is based.



Source: adapted to Rajkovic, 2020., <https://vts.edu.rs/wp-content/uploads/2020/03/Osnovi-odr%C5%BEivog-razvoja-skripta-IV-PIM.pdf>

The sustainable development concept is based on the concept of development (socio-economic development in line with ecological limitations), the concept of needs (redistribution of resources in

order to ensure a better quality of life for all) and the concept of future generations (the possibility of long-term use of resources to ensure the necessary quality of life for future generations) (Klarin, 2018, p. 68). In essence, the concept of sustainable development does not limit economic development, but tends towards development that will serve to improve the living conditions of current and future generations.

It creates the conditions for the economy to develop smoothly while respecting economic and social principles. Its importance is based on that. Sustainable development implies reducing poverty, pollution, as well as preserving biodiversity. The threats brought by climate change, the way we manage waste and our relationship with nature, affect the availability of natural resources. On the other hand, there is a constant aspiration to live in a world without poverty, without hunger, in a world where everyone has access to education, clean water, sanitation and other basic conditions that are essential for people's existence (<https://www.activity4sustainability.org/odrzivirazvoj/>). These are just some of the reasons why the idea of living "sustainably" is becoming accepted by companies. Many large companies at the global level, faced with numerous challenges caused by scientific and technological progress, strengthening of global competition, more intense demographic, social and climate changes, observe sustainable business not only as a moral issue but also as their obligation to current society and future generations. Sustainable development has become the main topic of numerous trading companies, especially to market leaders. Accordingly, the following paper gives an analysis of sustainable business operations of trading companies in the Republic of Serbia.

3. SUSTAINABLE OPERATIONS OF LARGE TRADING COMPANIES IN THE REPUBLIC OF SERBIA IN THE PERIOD 2020–2024

In the modern era, the dynamic nature of businesses, increasing consumer awareness and innovative technologies play a significant role in reshaping the way organizations do business (Hussain et al., 2018, p. 1-2). Under such conditions, decision-making is not a simple process for trading companies managers. The business activities of trading companies can no longer be focused on revenue, price and range of products, but must also intensively monitor changes in the environmental and social spheres. The benefits of socially responsible operations can be numerous. On one hand, the social community receives higher quality, better products and a

cleaner environment, and on the other, the trading company also benefits. The engagement of trading companies in the field of applying socially responsible activities can have a positive impact on strengthening its market position.

One of many reasons is that consumers prefer to choose companies that behave responsibly towards the social community and the environment. The same is the case with employees and other stakeholders. In addition, as the trading companies play intermediary role between production companies and consumers, they are able to influence the strengthening of awareness of the importance of the concept of sustainable development. Taking into account the interests of the social community as well as environmental problems in the territory where it operates, the trading company sets a good example for producers, consumers and other business partners.

When it comes to sustainable operations of trading companies in the Republic of Serbia, (Lukic, 2012, p. 574) in his research, *Lukic* points out that the implementation of the concept of sustainable development of trading companies in the Republic of Serbia is at a lower level in comparison to countries with a developed market economy. On the other hand, the research conducted by *Lovre* and *Brankov* (Lovre & Brankov, 2016, p. 133), which refers to the sustainability of the retail sector in the Republic of Serbia until 2013, shows that the retail sector was on the way to sustainable business, but that further improvements were necessary in this regard. *Staletovic*, 2022, also discussed the application of the concept of sustainable development in trading companies in the Republic of Serbia and the research shows how and to what extent trading companies operate in accordance with the concept of sustainable development and provides insight into the factors that limit the application of the concept of sustainable development in trading companies in this area. The aforementioned research shows that the concept of sustainable development is applied in the practice of trading companies; however, its implementation remains an initial, relatively low level (not all companies publish reports on sustainable development, large companies operating in the Republic of Serbia generally inform the public about their sustainable activities through their websites, there is not a sufficiently developed awareness of the importance of sustainable development and the benefits that sustainable activities can have for business operations among smaller commercial enterprises in the mentioned area, a large number of respondents were not sufficiently familiar with the concept of sustainable development, etc.). Also, the aforementioned research shows that large

companies are more committed to the application of sustainable development concept, compared to smaller companies. This is not a surprise because large companies are in a better financial position compared to smaller companies, and consequently, they are expected to behave responsibly. On the other hand, it often happens that the media also follows the socially responsible segment of market leaders, which is one more reason for them to take care of the application of sustainable development concept in their operations.

The subject of this paper is based on the analysis of sustainable operations of large trading

companies in the Republic of Serbia in the period 2020–2024. As the research (Staletovic, 2022) shows that large trading companies in the period before 2022 were committed to the application of the concept of sustainable development, this analysis continues the mentioned research, and is based on the question of whether the practice of responsible behavior towards the social community and the environment has been maintained after 2022.

The table shows the sustainable activities of trading companies after 2022.

Table 1. Sustainable activities on trade companies in 2022 to 2024 period

Trading company name	Sustainable activities
<i>Lidl</i>	<ul style="list-style-type: none"> - Beneficiaries of the Serbian Red Cross were provided with a donation of more than 6.5 million dinars. - New Year's gifts were provided for the youngest. - A trademark called "recipe without microplastics" was introduced for cosmetic and body care products. - Cleaning action was organized throughout Serbia during April and May 2024. - New standards have been set for the responsible use of water in the production of fruits and vegetables. - 150 parking spaces have been marked for people with disabilities. - Promotes the principles of "healthy nutrition".
<i>Dis</i>	<ul style="list-style-type: none"> - Support for athletes and nature lovers. - Valuable gift vouchers were provided for long-term employees. - Aid provided to the most socially vulnerable families in Kosovo and Metohija.
<i>Delhaize Serbia</i>	<ul style="list-style-type: none"> - "Top employer" certificate introduced. - Education of preschoolers about the importance of recycling. - The company was awarded The "Benefactor 2023" recognition for its social responsibility.
<i>Mercator</i>	<ul style="list-style-type: none"> - In 2024, Mercator-S became the first "green" trade chain in Serbia. - The campaign "Serbia is loved with trees" was launched. - The project of composting fruit and vegetable residues was launched. - Awarded the "Best places to work" certificate. - Encourages the employment of young people.
<i>Gomex</i>	<ul style="list-style-type: none"> - The Christmas "solidarity basket" was implemented. - Gift donations for the youngest. - 200,000 dinars donated to MNRO Association in Novi Pazar. - The "Solidarity Easter Basket 2024" project was held.
<i>Dm drogerie</i>	<ul style="list-style-type: none"> - In 2024, 5,000,000 dinars were donated to "Nurdor". - Over 2,000,000 dinars were donated to socially vulnerable families and children. - Donations provided for 10 safe houses throughout Serbia. - Fostering a special relationship with employees through salary increases, monetary rewards, personal and professional development.

<p><i>Jysk</i></p>	<ul style="list-style-type: none"> - The implementation of the "Jysk for my green city" project continued. - 30 Jysk employees participated in the "Serbian Business Run" 2024, in Belgrade (the largest sports and business event in Serbia). - All single-use plastics have been removed from the assortment.
<p><i>Forma ideale</i></p>	<ul style="list-style-type: none"> - Winner of the special award "Digital Industry leader". - The project related to reforestation throughout Serbia continued. - Awarded the Silver Badge of the Red Cross of Serbia for activity and achieved results in strengthening and improving the financial situation of the Red Cross Kragujevac. - Donor activities to health, educational and cultural institutions continued.
<p><i>Nis</i></p>	<ul style="list-style-type: none"> - More than 144.5 million dinars were allocated for the construction of solar power plants on buildings of public importance. - The mobile app Drive.Go was awarded with a special award from RS Press magazine. - Top 50 best online content in the Digital Innovation category. - The implementation of a series of activities with the aim of preventive health care for employees in Nis continued. - Responsible attitude towards resources, environmental protection and work safety are the key priorities of every business process in NIS during 2023 and 2024. - Solar power plants have been built at NIS facilities, primarily at SSG, which, in addition to saving energy, also reduce carbon dioxide emissions. - In 2024, in cooperation with external partners, 4,703 trainings were organized in which a total of 13,343 participants took part. In total, 311.4 million dinars were invested in employee training.

Source: <https://kompanija.lidl.rs/odrzivost-u-lidlu>; <https://www.dis.rs/drustvena-odgovornost/podrska-sportistima-i-ljubiteljima-prirode>; <https://karijera.delhaizeserbia.rs/novosti>; <https://www.mercator.rs/Mediji/Vesti>; <https://gomex.rs/novosti>; <https://www.dm.rs/kompanija/mediji-i-odnos-s-javnoscu/trenutna-saopstenja-za-stampu>; <https://jysk.rs/drustvena-ukljucenost-jysk-podrzava>; <https://www.formaideale.rs/vesti>; <https://www.nis.rs/odrzivi-razvoj/>

In the previous table, only some of the socially responsible actions implemented by large trading companies in the period from 2022 to 2024 are listed.

Based on this, it can be concluded that the listed trading companies, despite the unstable environment (the instability which was significantly caused by Covid-19 and war events in the world), continued their commitment to sustainable activities. Based on the available information on the sustainable operations of large trading companies in the Republic of Serbia, it can be noted that, as before 2022, these companies are still committed to the social aspects of sustainable development (through various in-kind and monetary donations, personal and professional development of employees, creating better working conditions) and environmental aspects (removing waste from nature, greening areas, recycling, reducing CO₂ emissions, etc.). Therefore, it can be concluded that these companies, apart from the economic aspect, continue to show commitment to solving various

sociological and environmental problems which society in the Republic of Serbia is facing.

CONCLUSION

Climate change, the irrational use of resources, environmental pollution, poverty, the growing consumer interest in quality and organic products, increased attention from consumers and the media to companies' socially responsible activities, represent only some of the factors that significantly put pressure on the business of every company in the current environment. For this reason, the business success of modern commercial enterprises is no longer determined solely by their ability to achieve maximum profit, but also by their ability to create value for the social community while avoiding harm to the environment.

Many market leaders have already recognized this and, to a significant extent, incorporate the principles of sustainable development into their business practices. Based on the analysis of the

sustainable operations of large trading companies in the Republic of Serbia, it can be concluded that these companies remain committed to socially responsible activities and demonstrate continuity in their implementation during the observed period. This conclusion is supported by the data available on company websites and in the Sustainable Development Reports of the listed trading companies.

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