

Chapter 2

Integrating Best Reporting Practices for Enhancing Corporate Social Responsibility

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Abstract The importance of the current research lies in its contribution to international accounting literature in the field of accounting and corporate reporting. The study should hopefully become a starting point for future research debate on integrating reporting practices to enhance corporate social responsibility. By amplifying the advantages of developing CSR practices, we similarly seek to increase awareness about *integrated reporting* in order to hopefully increase the number of companies that would voluntarily adopt corporate social responsibility accounting. Which we believe this action would create value and benefit stakeholders and companies which choose to adopt this type of reporting. The main objective of this chapter is to present the coordinates of corporate social responsibility practices and ultimately to perform an analysis of the insights of corporations' practices, by determining the level of their CSR disclosures.

2.1 Introduction

CSR concept is generally defined as actions taken by an organization that aim to achieve sustainable results by employing best practice and standards in its dealings with issues relating to Social, Economic and Environmental (SEE) impacts of its activities. Although the notion of corporate responsibility is relatively new, the affiliated practices and policies have been around for over 200 years Idowu (2011). The main roles and responsibilities are always discussed within the context of the corporation, society and environment.

While companies measure their performance based on criteria such as the price of goods and services, quality of service, and how competitive they are in terms of

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their rivals, the not for profit organizations often use the three Es. (efficiency, effectiveness and economy) or simply the ‘value for money’ (VFM). How can the corporation perceive the supplemental advantages, of economic, environmental, and social nature, that would make the company better off in the eyes of its stakeholders? Such elements would comprise community support, better trademark identity, reduced costs by eliminating wastes or improved working conditions. Nowadays, customers, investors, governments and employees understand the need for a corporate social responsible behavior. Within the business environment, reputation has become a primary quality, and CSR practice represents its prerequisite.

The positive CSR experiences build trust and understanding from stakeholders’ side. Corporate social responsibility is perceived as an important and integral part of the day to day activities of a company. Therefore, a responsible business leads to an enlargement of its activities ending with a sustainable result.

This chapter presents the context within which corporate social responsibility practices operate in the global business environment. We start from the various definitions of the concept of CSR, and then describe its main elements, as well as the international guidelines regulating the field. Further on, we highlight the reasons behind the practice corporate responsibility and the benefits that derivable from it. On the background of CSR overview, we perform a literature review on the most relevant studies on CSR disclosure and then we introduce the notion of integrated report as the link between financial and non-financial information.

2.2 Corporate Social Responsibility: Definition, Core Elements and International Guidelines

International literature discusses three visions on CSR, namely (Benabou and Tirole 2010): (1) increasing profit as a result of incorporating a socially responsible behavior; (2) sacrificing profit in favor of sustainability as a result of stakeholders’ pressure, and (3) engaging in socially and environmentally beneficial activities in priority to profit targets as a company initiative. *Corporate social responsibility* represents the responsible behavior of corporations that generate welfare and profit for stakeholders. Hopkins (2003) defines CSR from the perspective of both social and economic dimensions, focusing on stakeholder equality. Through CSR, organizations have become aware of the impact of their operations on society and environment. Dahlsrud (2008) and Marsden (2001) argues that corporate social responsibility means achieving profit by employing a socially responsible behavior that demands accountability and transparency towards stakeholders and future generations (Andersen 2003). Therefore, corporate social responsibility should be undertaken on a voluntary basis (Dahlsrud 2008; Piacentini et al. 2000). CSR contributes to sustainable development by enhancing economic, social and environmental benefits for stakeholders. In addition, by reducing the negative effects

and increasing positive contributions on society (Pinney 2001) and environment, corporations actually engage in a socially responsible behavior. Dahlsrud (2008); Lea (2002) and Van Marrewijk (2003) define CSR as the process of integrating both social and environmental elements into business operations and stakeholders needs.

CSR implementation varies by company and country. Incorporating many additional subjects- *organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues, community involvement and development*—corporate social responsibility has the main purpose of maintaining the path to sustainability (Financial Times Lexicon, Corporate Social Responsibility CSR—Global Executive MBA). Please see a pictorial form of CSR and its core elements in Fig. 2.1.

The field of social responsibility has a generally recognised and used set of guidelines *ISO 26000* issued in 2010. According to the standards, CSR is derived from the notion to re-affirm that our future as a sustainable society can be only be achieved through a general respect for human rights, sustainable environmental operating practices, consumer issues, community involvement and development, organizational governance.

2.3 The Key Drivers for CSR Reporting

The practice of CSR is determined by certain factors that inspire corporate entities to exhibit socially responsible behaviors: stakeholder value creation, increase in profit, reputation, efficiency, investments, human and intellectual capital, low risk level and high ethical standards. Investors have become more aware of good practices in terms of social responsibility. They came to the understanding that

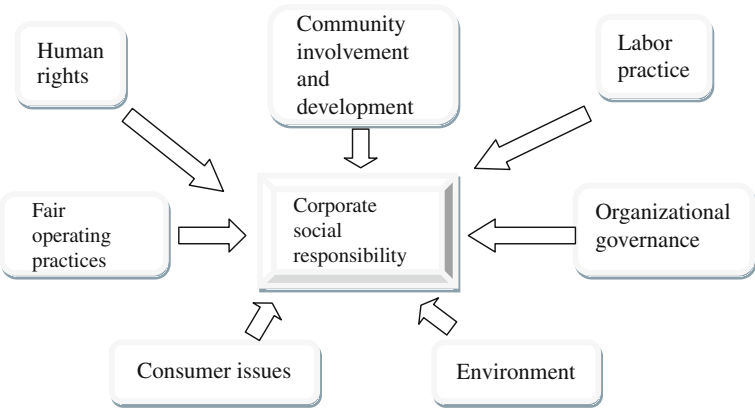


Fig. 2.1 CSR core elements (Source Designed by the authors)

good financial performance is driven by effective corporate social responsibility actions. An organization's CSR practice can determine its positive reputational effects in terms of its relationships with suppliers and clients. In addition, employees feel motivated and proud to be involved with socially responsible corporate entities. From a client perspective, reputation is, indeed, an essential aspect that companies should be aware of. Therefore, corporations need to understand the importance of building a socially responsible image for its selective, sophisticated and sensible clients. Further more, corporate social responsibility contributes to improvements in the efficient use of resources by conserving the environment and recycling, thus adopting an eco-efficient strategy. Cooperation between management and employees is also necessary for enhancing efficient productivity. Along with cooperation, working conditions, training and development, employee engagement in community related issues contribute to employee retention, as motivating factors. Organizations that fail to implement CSR policies are placing themselves in a position of losing their reputation, as they are likely to find it difficult to engage in dialogues with their stakeholders. Effective communication with stakeholders is needed in order to provide information about an organization's commitment to corporate social responsibility practices.

Yongqiang (2011) outlines the main reasons that drive CSR reporting, in the form of stakeholder pressure (Crowther 2003; Idowu and Towler 2004), regulations enforcement (Holcomb et al. 2007), and not at least, reputation (Brammer and Pavelin 2005). Eventually stakeholder pressure resulting from governments and banks that demand corporate disclosure, society that needs to be informed about corporate responsibility practice, and customers that are interested in both social and environmental issues (O'Rourke 2004). Arjaliès and Péan (2009) argue that CSR reporting is determined by both external and internal motivations. In an attempt to study corporate social responsibility integration within organizations' strategy, they found that those internal factors that contribute to the adoption of CSR involve innovation, increase in efficiency, value adding, while the external factors represent customers' needs, environmental organizations, and reputation.

2.4 Background on CSR: Prior Studies

Academics and scholars have developed various research directions in the field of corporate social responsibility. Two empirical studies on UK companies show that some organizations tend to report separately on their CSR practices, while others choose to disclose this type of information within their annual report and accounts (Idowu and Towler 2004), and that small and medium sized enterprises are in line with multinationals in regard to social reporting habits (Parsa and Kouhy 2008).

Employing the methodology of content analysis, Mirfazli (2008) notes that 43 corporations from Indonesia; register significant disclosures about the environment

(14.3 %), society (14.7 %), customer (19.4 %) and labor (51.6 %). A similar study (Thompson and Zakaria 2004) demonstrates that in Malaysia companies maintain a certain interest for disclosing information related to the environment, community involvement, products, customers, and employees. Out of 250 companies, 16 % disclosed environmental information, 22 % presented their initiatives for community development, 24 % provided details about products and consumers, and while a higher percentage (40 %) disclosed human resource aspects. Investigating reports on human resource, Vuontisjarvi (2006) performed an analysis on 205 organizations in Finland. The findings demonstrate relevant disclosures on training, employee involvement and participation, working environment, intrinsic motivation, and other elements related to employees. However, the majority of companies from the sample failed to include quantitative indicators that would have added consistency to their reports. Perrini (2006) studied 90 European companies affiliated to the Ethical Index Euro, aiming to identify the denominations of the reports that presented the corporate social responsibility practices implemented by the organization. The observations generated six different report names: social report, social and environmental report, environmental report, sustainability report, HSE report. In addition, the research highlights the position of various stakeholders.

Engaging in a critical disclosure analysis, Nielsen and Thomsen (2007) referred to 6 Danish companies whose reports diverge from the perspectives of topic and length, while maintaining the particular elements of stakeholder primacy, plans for the future, the information being presented in the right context. Paul et al. (2006) develops a comparative case study on 10 corporations from Mexico, showing that although the percentage of CSR adopters is still very small, information related to stakeholders is disclosed within all the sample reports, and the majority of companies hold ISO 9000 and ISO 14000 certifications, as well as many awards for acting socially responsibly. In addition, organizations mention their concern for the environment, and their initiatives for community involvement, donations and volunteer acts.

2.5 Non-Financial Reporting Initiatives

The most prominent non-financial reporting initiatives emanate from some international organizations located in different parts of the world, for example the Global Reporting Initiative, AccountAbility or Climate Disclosure Standards Board and several others.

Eccles and Saltzman (2011) provide an analysis of non-financial reporting tendencies within the business world. These scholars highlighted large discrepancies between Europe and other continents, as the European Commission highly promotes non-financial information disclosure. Contrary to European countries, Japan, China and the US maintain low disclosure levels of non-financial reporting. In 2009, an estimated number of 1,400 organizations were disclosing non-financial

reports, while in 2010 this number has increased by 29 %. Therefore, we can expect that reporting would eventually shift to a mixture of financial and non-financial elements, being presented in an integrated form (Eccles and Saltzman 2011).

The notion of *integrated reporting* has evolved from the triple bottom line (Elkington 1997, being inoculated by scholars and academics in their studies on corporate reporting (White 2005; Eccles et al. 2010). The IIRC- International Integrated Reporting Committee was set up with the purpose of establishing a common framework for integrated reports: “The goal of the IIRC is not to increase the reporting burden on companies and other entities. Rather, it is to ... help us all make better decisions about the resources we consume and the lives we lead” (Ian Ball, CEO of the International Federation of Accountants and Co-Chair of the IIRC Working Group).

The main benefits derived from publishing integrated reports involve good reputation, engaging with stakeholders, better allocation of resources, meeting investors’ needs of ESG—environmental, social and governance- disclosure, compliance with regulation issued by stock exchanges, standards, guidelines, frameworks (Eccles and Saltzman 2011). However, limitations still exist in the form of low adoption level for integrated reporting, lack of assurance for non-financial information, missing more specific standards, frameworks, guidelines.

2.6 Methodology

The research methodology involves both qualitative and quantitative methods. Our primary purpose was to obtain an image on how corporations report on their CSR practices, and, most importantly, how they integrate non-financial information—mainly CSR—with financial matters. Therefore, we performed a two year analysis of those organizations that publish integrated reports and disseminate the information disclosed in them, in order to obtain an understanding of what corporate responsibility expects from those corporations that choose to report on this aspect of their activities. Issues concerning the length and complexity of the CSR information, peculiarities of the information presented in reports and finally the degree of CSR disclosure were analysed. The qualitative research of CSR information analysis assumes an evaluation of the most relevant CSR coordinates noted by the UN Global Compact as Universal Principles (Selvi et al. 2010): *human rights, labour standards, environment and anti-corruption*.

In order to estimate the level of corporate social responsibility actions taken by a corporation, we performed a quantitative analysis of the information disclosed and therefore determined a disclosure index for the main categories of the Universal Principles. According to the UN Global Compact (Selvi et al. 2010), namely: *human rights, labour standards, environment and anti-corruption*. The formula for the Disclosure Index can be described as follows:

$$DI_{csr} = \Sigma(d_i \text{ effectively disclosed}) / \Sigma(d_i \text{ all possible cases of disclosure}) \quad (2.1)$$

In the function above, we denote with 1 the case when a certain category of each of the issues involved (human rights, labour standards, environment or anti-corruption) is disclosed and with 0 when they are not mentioned. Thus, the minimum amount for DI will be 0 and the maximum 1.

2.6.1 Sample Selection

Our sample was made up of integrated reports and our choice was based on the fact that companies which publish integrated reports have also adopted CSR reporting. We selected 24 corporations that produce integrated annual reports. Data gathering was been performed for the period 2009–2010. At the stage of collecting the information and implementing our analysis, the reports for 2011 were not available. We obtained the annual reports for years 2009 and 2010 directly from the companies' websites, and actually downloaded our primary data from the section on investor relations. We also considered the report denomination that could explain a tendency for the volume of corporate social responsibility information. Each report was been double checked by the authors for the aforementioned CSR elements, namely: human rights, labour standards, environment and anti-corruption. Besides the information quantity, was also analysed for its consistency and complexity. The relevance of our research derives from conveying an image with regard to CSR disclosure that should illustrate how companies understand the benefits of corporate responsibility acts in terms of its consequential effects on reputation and corporate performance. The companies cover 10 activity sectors, namely: banking and insurance, chemicals, telecommunications, cosmetics, energy, electricity and electronics, medicine, mining, entertainment, metals and platinum, retail, information technology. When studying the perspective of international organizations upon integrated reports, we discovered that this reporting trend has emerged from corporate reporting practices. The document presented by PwC "11 Reporting Tips", provides examples of companies that successfully implements integrated reporting elements. The South African Institute of Chartered Accountants (SAICA) presents a list of companies that publish integrated annual reports, South Africa itself being a state in which integrated reporting is already mandatory, while Sweden, Spain, US, Brazil, Australia, UK, and even China, are intending to regulate this field (Eccles et al. 2010). The chosen sample provides the opportunity to observe the evolution of CSR practices, as well as new emerging trends in reporting, as there are more and more corporations which are embedding the use of integrated annual reports into their reporting practices.

2.6.2 Results

Our study in this area has revealed a series of interesting results that are summarized below, in a number of tables. There are a few *caveats* to note. First, it must be mentioned that some reports were not available in a pdf format, and so were excluded from the analysis (RB Platinum annual report 2009 and UTC 2009 and 2010 annual reports). Secondly, for the other remaining companies, we performed the disclosure analysis by searching for each of the CSR elements and extracting the corresponding information from the report and the page source. This detailed overview conveyed the opportunity to prepare a qualitative study that focuses on the complexity and relevance of the information as well as disclosure extension.

Further on, our examination starts with report denomination. This perspective of the methodology has also been used by Perrini (2006) in his study. Unlike Perrini (2006) whose observations revealed six different report names: social report, social and environmental report, environmental report, sustainability report, HSE report, we found that corporations following integrated reporting trends choose various titles for their integrated reports, from the simple *annual report*, to *report*, *annual report and accounts*, *sustainability report*, *corporate accountability report*, *integrated annual report*, or *sustainable development report*.

Previous research studies in the field of corporate social responsibility have involved CSR disclosure (Mirfazli 2008; Thompson and Zakaria 2004; Vuontisjarvi 2006). Considering the background literature in the field of CSR and accountability, we were intending to add to knowledge in the field of CSR and integrated reporting, a pioneer segment that has not been debated yet by academicians and scholars in their research. Therefore, we analyzed corporate disclosure of corporate responsibility elements- *human rights*, *labour standards*, *environment* and *anti-corruption*, in order to establish whether or not non-financial information was able to integrate well with the financial information in a single, integrated report.

Moving further, we were also intending to discuss our results. It appears that the shift to integrated reporting has generated a great amount of environmental related information, as corporations have chosen to reserve reasonable number of pages in their annual reports to issues concerning the environment. Therefore, environmental and accountability issues are put in priority to others. The elements of anti-corruption and human rights are put next to environmental data and information. We noticed that when these elements are disclosed, organizations provide detailed explanations for their policies and practices. Issues relating to labour standards are disclosed last and therefore are not given extended coverage as the previous elements in the reports. We can add that organizations can still improve their CSR reporting, as we detected variations in the disclosure levels from one year to another. If the first two parameters- human rights and labour standards, have shifted backwards, for environmental and anti-corruption related information we

found this action to say that some sound progress appears to have been made in this regard.

However, the results show that corporate social responsibility information is generally presented in high proportion. In addition, the figures demonstrate medium and high levels of disclosure for CSR related issues. We believe that by disclosing corporate social responsibility related information, corporations are better placed to respond and address to a more than obvious stakeholder pressure for CSR practices.

Tables 2.1 and 2.2 present the information we have extracted from the annual integrated reports and show how corporations have chosen to present their CSR views. Being knowledgeable of what a good reputation means, organizations are able to respond to the needs and expectations of their stakeholders.

The next section of our study covers the analysis on CSR disclosure levels. Further more, we present our findings for the main CSR coordinates: human rights, labor standards, environment, and anti-corruption. In 2009, most of the integrated reports of the sample companies (95.45 %) disclosed environmental information, 68.18 % was attributed to human rights disclosure, anti-corruption was presented in 50 % of the cases, while for labor standards we noted that, that was only 45.45 % disclosure level. The disclosure index proves that corporate social responsibility information is represented by at least one of the four items, as the index receives the values of 0.25; 0.5; 0.75; or 1. Six out of our sample firms have presented all the required elements and obtained a disclosure index of 1, while five disclosed just one element. The others are medium-level or above medium form the perspective of CSR disclosure (0.5 or 0.75) (Table 2.3).

In 2010, we noted full disclosure for environmental elements, while labor rights and anti-corruption incorporate similar levels (65–70 %) and labor standards present only 40 % disclosure. Seven companies out of the total sample have complete disclosure on the four elements of CSR. Four corporations imply a value of only 0.25 for the disclosure index meaning that they mention just one item out of four. Five organizations maintain a medium disclosure of 0.5 and the remaining six sample companies register a disclosure index of 0.75 being situated above medium (Table 2.4).

2.7 Conclusions

This chapter focuses on corporate social responsibility disclosure practices. The study incorporates best practice examples from corporations that produce integrated annual reports. In essence, we try to estimate how companies have managed to integrate CSR information with their traditional main report. We analyzed four main dimensions of the corporate social responsibility behavior, namely human rights, labor standards, environment and anti-corruption. These items have been used in previous research to test the level of CSR disclosure (Selvi et al. 2010). After evaluating a sample of 24 annual integrated reports, we note evidence of

Table 2.1 CSR disclosure within 2009 annual reports

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
AEP	Annual report	–	–	Pages 6–134	–
Altron	Annual report	<i>Human rights in operations outside of South Africa, page 68</i>	<i>Relevant employment legislation, the basic conditions of Employment Act, The Labour Relations Act, The Employment Equity Act and the Skills Development Act, AR, page 64</i>	<i>Managing the environmental impact of its businesses, page 77</i>	–
Amlin plc	Annual report	<i>South African Human Rights Commission, page 18</i>	–	Page 52	–
Anglo Platinum	Annual report	Page 6	–	Page 33	–
BASF	Report	Pages 15–98	<i>Labor standards and laws, page 16</i>	Page 91	Pages 15, 16, 120, 121
Capita Group	Annual report and accounts	<i>Diversity, inclusion and human rights, page 37</i>	<i>UK, European and Indian employment law as well as international human rights legislation, International Labour Organisation standards, page 37</i>	<i>Controlling our environmental impacts, page 38</i>	–
Eskom	Annual report	Pages 22–26	<i>The United Nations Global Compact—we will continue to demonstrate leadership in the 10 principles relating to labour standards, the environment and anti-corruption, page 17</i>	<i>The United Nations Global Compact—we will continue to demonstrate leadership in the 10 principles relating to labour standards, the environment and anti-corruption, page 17</i>	<i>The United Nations Global Compact—we will continue to demonstrate leadership in the 10 principles relating to labour standards, the environment and anti-corruption, page 17</i>

(continued)

Table 2.1 (continued)

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
Gold Fields	Annual report	Page 59	–	Page 71, 75–82	Page 64
Great Portland Estate	Annual report	–	–	Pages 35–36	–
Implats	Annual report	Pages 76–79	–	Page 73—improving environmental sustainability	–
Logica plc	Annual report and accounts	–	–	Page 7	–
Massmart	Annual report	–	–	Pages 6–27	–
Metso Corporation	Sustainability report	Page 11, the foundation of our code of conduct is the UN’s Universal Declaration of Human Rights, the UN’s Global Compact initiative, and the International Labor Organization’s (ILO) declaration on Fundamental Principles and Rights at Work.	International Labor Organization’s (ILO)	–	SO3 Employees trained in organization’s anti-corruption policies SO4 actions taken in response to incidents of corruption GC 10 work against corruption in all its forms, including extortion and bribery, pages 8–9, 147, 148
National grid	Annual report and accounts	The Human Rights Campaign’s Equality Index in the US, page 35; human rights issues- page 90;	–	The environment and climate change—page 90; safety, health and environment; Changing our energy landscape- pages 8-10	–

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Table 2.1 (continued)

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
Natura	Annual report	<i>Our essence integration program, Page 43—the new employees are taught Natura's relationship principles, which are inspired by the Declaration of Human Rights... programs on human rights for the security personnel; raise awareness on human rights, violence, peace culture and of responsibility, pages 41, 45, 50, 55, 59, 61, 62, 139</i>	–	<i>pages 19-92</i>	<i>Although there are no specific training courses on issues related to corruption and human rights, in the Integração Nossa Essência program, page 43; pages 17, 41</i>
Novo nordisk	Annual report	<i>Pages 28–31</i>	<i>Page 90</i>	<i>Pages 8, 9</i>	<i>Pages 28, 90</i>
Philips	Annual report	<i>Maplecroft Human Rights Risk Indexes; human rights, labor, the environment and anti-corruption, page 215, 232</i>	<i>International Labor and Civil Society Organizations, page 215</i>	<i>Human rights, labor, the environment and anti-corruption., page 215</i>	<i>Human rights, labor, the environment and anti-corruption. Page 215</i>

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Table 2.1 (continued)

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
Potash group	Sustainability report	<i>Human rights issues and policies, page 24, 67, 84, policies and practices of HR (page 94) compliance with human rights policies (page 95) human rights performance (page 182)</i>	<i>Provincial labor legislation, page 92</i>	<i>Environmental overview (pages 100–104), environmental performance (pages 105–123)</i>	<i>Risks related to corruption, page 183; anti-corruption policies and procedures and actions taken in response to instances of corruption (page 184)</i>
RB platinum Standard bank	Not available in pdf format Annual report –	–	–	<i>Our environmental impacts, page 65</i>	<i>Has a “zero tolerance” approach to fraud and corruption, Page 154</i>
UTC	not available in pdf format				
Vodacom	Annual report –	–	<i>Industry standards; the relevant labour legislation, page 87</i>	<i>Containing our impact on the environment, page 91</i>	<i>Corruption, money laundering and terrorism, page 239</i>
Wolesely	Annual report – and accounts	–	<i>Relation to labour standards, Page 48</i>	<i>The group’s approach to environmental measures is set out in the corporate responsibility report on pages 39–49.</i>	<i>Prevention of fraud and corruption, page 41</i>
Xstrata plc	Annual report	<i>Page 39</i>	–	<i>Environmental incidents, greenhouse gas emissions, page 33</i>	–

Source Designed by the authors, based on the information extracted from the annual integrated reports

Table 2.2 CSR disclosure within 2010 annual reports

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
AEP	Corporate accountability report	Page 42	–	Pages 22–27, 30	Pages 42–44
Altron	Integrated annual report	<i>Human rights and fair labour practices</i> , page 74	<i>Basic Conditions of Employment Act, The Labour Relations Act, and The Employment Equity Act</i> , page 60	Pages 68–74	<i>The company's policies on bribery, fraud, corruption and ethics</i> , page 75
Amlin plc	Annual report	–	–	Pages 49, 81	–
Anglo Platinum	Sustainable development report	Page 102	–	Environmental footprint page 108	–
BASF	Annual report	<i>Human rights; Universal Declaration of Human Rights</i> , page 19; <i>security, observance of human rights</i> , page 92	<i>Adherence to internationally recognized labor standards</i> , page 204	Pages 91–101: <i>Environment and safety</i>	Pages 19, 120: <i>corruption</i>
Capita group	Annual reports and accounts	–	–	<i>Controlling our environmental impacts Continue to measure and assess our carbon footprint (tonnes CO₂ eq.</i> , page 42	–
Eskom	Integrated report	<i>Social performance indicators: human rights (HR)</i> , page 82	<i>About laws</i> , page 87	<i>Environmental compliance—Minister of Water and Environmental Affairs</i> , page 88	<i>Anti-corruption clause</i> , page 293
Gold fields Great Portland Estate	Integrated annual report Annual report	Pages 146, 147, 175	Pages 142–154	Pages 67–90 148 h of environmental and sustainability training, Page 40; <i>environment and the Portfolio</i> , page 41	Page 172
Implats	Integrated annual report	Page 112	–	<i>Environmental review—entire section</i> , page 118	<i>Corruption and fraud—entire section</i> , page 140
Logica plc	Annual report and accounts	–	–	Pages 9, 14, 25	–

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Table 2.2 (continued)

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
Massmart	Annual report	–	Page 27	Page 27	–
Metso corporation	Annual report	<i>The foundation of our code of conduct are the UN's Universal Declaration of Human Rights, The UN's Global Compact Initiative, which we have endorsed, and The International Labour Organization's (ILO) declaration on fundamental principles and rights at work, page 15</i>	<i>We comply with the ten principles of the UN's Global Compact initiative in the areas of human rights, labor standards, the environment and anti-corruption, Page 15</i>	<i>Page 18; 26–29—environmental solutions; page 22—environmental technology</i>	<i>We comply with the ten principles of the UN's Global Compact Initiative in the areas of human rights, labor standards, the environment and anti-corruption, Page 15</i>
National grid	Annual report and accounts	<i>In the US, we scored 100 % in the US Human Rights Campaign's 2008 Corporate Equality Index—page 36; security and human rights issues—page 95</i>	–	<i>Significant environmental incidents—page 38; protecting the environment; pages 38–47</i>	–
Natura	Report	<i>Employees—topics related to human rights, page 46; all our new employees learn our relationship principles, which are inspired by the declaration of human rights; page 62, suppliers- aspects related to human rights, pages 63, 97, 139</i>	–	<i>Constantly deliver superior results and relevant value in the economic, social, and environmental dimensions. pages 4; Actions and greater awareness concerning the socio-environmental cause are revealing examples of the emergence of a change in the direction of civilization. We must therefore mobilize society to build an agenda of transformation.- page 6; biodiversity and reduced the environmental impact of our products, pages 7, 10</i>	<i>We have no specific training on issues related to corruption and human rights, page 46; the integrity policy against corruption and bribery—page 74; combating corruption—page 139</i>

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Table 2.2 (continued)

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
Novo nordisk	Annual report	<i>Universal Declaration of Human Rights, page 31, reporting on business strategies and activities on human rights, labour standards, environment and anti-corruption. Danish Financial Statements Act (FSA), section 99a, page 94</i>	<i>Reporting on business strategies and activities on human rights, labour Danish Financial Statements Act (FSA), section 99a, page 94</i>	<i>Reporting on business strategies and activities on human rights, labour Danish Financial Statements Act (FSA), section 99a, page 94</i>	<i>Reporting on business strategies and activities on human rights, labour Danish Financial Statements Act (FSA), section 99a, page 94</i>
Philips	Annual report	<i>Page 48- human right abuses; page 207—sustainability statement</i>	<i>Standards, environment and anti-corruption. Companies that subscribe</i>	<i>Standards, environment and anti-corruption. Companies that subscribe</i>	<i>Page 207—sustainability statement</i>
Potash group	Sustainability report	<i>Pages 67, 84 training in human rights; human rights policies and practices, page 94–181, human rights performance, page 182</i>	–	<i>Page 16, environmental performance—pages 188–194</i>	<i>Risks related to corruption, anti-corruption policies and procedures pages, actions taken in response to instances of corruption, page 184</i>
RB platinum	Integrated annual report	<i>Protecting community human rights (see page 35), protecting employee human rights (see pages 30–34 Ethics and human rights, page 90</i>	–	<i>Environmental performance, page 11</i>	<i>Managing and providing advice on the company's finances, putting in place policies, procedures and systems to protect the company from fraud and corruption, ensuring economic sustainability and managing relations with investors (See pages 52–61)</i>
Standard bank	Annual integrated report	–	<i>National economic development and labour council, Page 112</i>	<i>Environmental report, page 118</i>	<i>Has a zero tolerance approach to fraud and corruption. Page 196</i>

(continued)

Table 2.2 (continued)

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption
UTC	Not available in pdf format				
Vodacom	Annual report	Privacy is a fundamental human right, page 54; complying with all applicable human rights, page 57	–	Impact on environment, page 48	Vodacom has established the anti-CMT compliance programme as an explicit process to manage risk associated with corruption, money laundering and terrorism ('CMT'), page 54
Wolesely	Annual report and accounts	–	–	The Group's approach to environmental management is set out in the Corporate responsibility report on pages 37 and 38 Pages 25, 39–40, 44–46	corruption and fraud, page 33
Xstrata plc	Annual report	–	–		A global bribery, fraud and corruption policy that updates our existing Fraud Policy and procedures has been developed, page 8

Source Designed by the authors, based on the information extracted from the annual integrated reports

Table 2.3 Disclosure index 2009 annual reports

Company	Report denomination	Human rights	Labor standards	Environment	Anti-corruption	DI
AEP	Annual report	0	0	1	0	0.25
Altron	Annual report	1	1	1	0	0.75
Amlin plc	Annual report	1	0	1	0	0.5
Anglo platinum	Annual report	1	0	1	0	0.5
BASF	Report	1	1	1	1	1
Capita group	Annual report and accounts	1	1	1	0	0.75
Eskom	Annual report	1	1	1	1	1
Gold fields	Annual report	1	0	1	1	0.75
Great Portland Estate	Annual report	0	0	1	0	0.25
Implats	Annual report	1	0	0	0	0.25
Logica plc	Annual report and accounts	0	0	1	0	0.25
Massmart	Annual report	0	0	1	0	0.25
Metso corporation	Sustainability report	1	1	1	1	1
National grid	Annual report and accounts	1	0	1	0	0.5
Natura	Annual report	1	0	1	1	0.75
Novo nordisk	Annual report	1	1	1	1	1
Philips	Annual report	1	1	1	1	1
Potash group	Sustainability report	1	1	1	1	1
RB platinum	Not available in pdf format					
Standard bank UTC	Annual report Not available in pdf format	0	0	1	1	0.5
Vodacom	Annual report	0	1	1	1	0.75
Wolesely	Annual report and accounts	0	1	1	1	0.75
Xstrata plc	Annual report	1	0	1	0	0.5
		68.18 %	45.45 %	95.45 %	50.00 %	

Source Authors' compilation

integration of CSR information within the annual report. Our arguments are covered by the large quantity of non-financial information allocated for the disclosure of human rights, labor standards, environment and anti-corruption. We have also computed a disclosure index for each of the sample companies in order to estimate the CSR disclosure level. The results show relevant disclosure with boundaries of between 0.25 and 1, meaning that at least one of the four elements is well represented in every corporation from our database.

Table 2.4 Disclosure index 2010 annual reports

	Report denomination	Human rights	Labor standards	Environment	Anti- corruption	DI
AEP	Annual report	1	0	1	1	0.75
Altron	Annual report	1	1	1	1	1
Amlin plc	Annual report	0	0	1	0	0.25
Anglo platinum	Annual report	1	0	1	0	0.5
BASF	Report	1	1	1	1	1
Capita group	Annual report and accounts	0	0	1	0	0.25
Eskom	Annual report	1	1	1	1	1
Gold fields	Annual report	1	1	1	1	1
Great Portland Estate	Annual report	0	0	1	0	0.25
Implats	Annual report	1	0	1	1	0.75
Logica plc	Annual report and accounts	0	0	1	0	0.25
Massmart	Annual report	0	1	1	0	0.5
Metso corporation	Sustainability report	1	1	1	1	1
National grid	Annual report and accounts	1	0	1	0	0.5
Natura	Annual report	1	0	1	1	0.75
Novo nordisk	Annual report	1	1	1	1	1
Philips	Annual report	1	1	1	1	1
Potash group	Sustainability report	1	0	1	1	0.75
RB platinum	Integrated annual report	1	0	1	1	
Standard bank UTC	Annual report	0	1	1	1	0.75
	Not available in pdf format					
Vodacom	Annual report	1	0	1	1	0.75
Wolesely	Annual report and accounts	0	0	1	1	0.5
Xstrata plc	Annual report	0	0	1	1	0.5
		65.22 %	39.13 %	100.00 %	69.57 %	

Source Authors' compilation

Therefore, we predict that integrated reporting trends will lead to the concise and clear presentation of the most relevant CSR information. In addition, more corporations will become aware of their accountability and eventually enhance corporate social responsibility behavior and best practice. By disclosing non-financial information related to CSR organizations provide a clear view of their practice demonstrating stakeholder engagement and aiming to meet stakeholders' needs and expectations.

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