**CHAPTER 4: Findings**

**4.1 Introduction**

 This chapter presents the findings from the analysis of the Data. Section 4.2 describes the coding process of samples and presents an individual description for one of samples as an example. Section 4.3 explains how codes of each sample were integrated to a final code map for a full analysis of samples.Section 4.4, presents the description about the captured categories. Section 4.5 describes some of relevant emerged categories from the business sector. Then Section 4.6 and 4.7 present the practical aspects of the CSR codes. In Section 4.8, revealed the categories that are related to business practices of samples. Sections 4.9 and 4.10 answer research question of this study. Then Section 4.11 presents further analysis that are related to the quality of CSR Reporting. Section 4.12 represents a summary of the main findings. Finally, Section 4.13.explains the developed theory of this study.

**4.2 Code Mappings for Individual Samples**

 Focused codes were captured through the process of the Grounded Theory method and after categorizing codes based on their similarities within the open coding stage. Then, after the theoretical sampling, code maps of all the samples and their codes were produced in order to be compared with other samples(See Section 3.15for an explanation of how the individual code maps were constructed)**.** For each sample, a folder was prepared that includes: the description, overall information and selected narrative within the annual report. In addition a separate word file was produced that shows written memos and reflected thought for each sample. The description for 'CR' is presented in the following page as an example (Figure 4.1).

**Figure 4.1**

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|  ‘’*I am delighted to report another outstanding set of results. This continued success is testimony to the effectiveness of our strategic focus on market led innovation in fast growing sectors and economies worldwide, and an unrivalled understanding of our customers’’*Listed as a large company in FTSE 100, the company **CR** founded in 1925. It operates across Europe, United states, south America and Asia. They had an outstanding performance in an innovation- led business and; therefore, the company has initiated a strategic approach for expanding its business. This chemical company operates in three divisions; consumer care, performance technologies, and industrial chemicals. The highest margin is related to the consumer care production; however the volumes are low. In contrast, industrial chemical products have a high volume yet extremely low margin and the company has little pricing power. Accordingly, the company’s main business focus is on customer care that as a result it requires high innovation, quality and technology. The company adopts an innovative technological approach to meet customers’ demands in the care products;  *‘’in the longer term, our focus on innovation and technology, and our increasing exposure to the growing economies of Asia and Latin America give me great confidence in the future prospects of the Group...’’*The outstanding performance in the consumer care is in Health Care, though, the company is required to meet the applicable laws, policies and standards in this section.The company focuses on niche markets that needs attention to particular products and market segments that have potential to grow rapidly. Population growth, increasing customers’ spending offer an attractive opportunity for the current focus of the company.The company is innovation- led business and stresses on up to date knowledge and technology. Furthermore, it has a large investment on Research and Development; accordingly, human resources and experts are valuable assets for the company.Recently, the company added sustainable products to its business; *‘’our customers want improved performance from products which are also safe to use and can meet the ever increasing regulatory demands imposed on specific industries and in different countries around the world’’.* The company seeks the long term business success. *‘’ We will only invest in business, current and future, that can be truly global, in which we can create profitable innovation that operate in end markets which have long term growth suspects ...in which we can realistically sustain high operating margins’’* |

**4.3 Overall Code Maps from all Samples**

 According to the research process that is explained in the methodology chapter (Section 3.11.2) the theoretical codes for individual cases were constructed.

 During the process of coding, the focused codes and the theoretical codes were captured. The role of the researcher is to categorize salient codes and find out a common pattern between codes (Charmaz, 2006). For this purpose, the researcher looks for the pattern between codes within one sample, and codes of all samples. The CSR activities include a range of different practices. The research has been carried out in a cross industry samples and the expectation was not that all companies should participate in that particular practice, but instead the aim was to find a salient pattern among CSR participation of the samples. The additional focus was on the common pattern in codes that derived from both CSR and Corporate Strategy.

 A constant comparison during the coding process is essential. During the stages of coding process and sampling, the researcher was required to go back and forth through the data and memos and the reflected thoughts. This was important to reach the theoretical codes and conceptualization.

 In order to organize the theoretical coding, an individual code-map for each case was created. This led to gain the overall code-map from all these individual code. To avoid biasness towards the clear emerged concepts from samples, the researcher only began to construct the code maps after that the theoretical codes from all samples were captured.

 The codes from those samples that several times represented narratives about a particular concept were considered equally to all those samples that only once represented about that concept. The other attention was on those samples that represent narratives about a CSR practice in various formats and numerous times to capture other concepts that explain that repetition.

 After a full consideration and comparison of the theoretical codes in the data set, the categories of all samples were defined. Because of the number of the captured categories and the requirement to set a boundary for findings, the priority was given to the general pattern between the samples.

 It was important to achieve concepts for samples in different business situations; therefore, similarities and differences that could affect the practices were considered. The categories from samples in the same business sectors were considered equally to categories from samples in other business sectors.

 The categories for CSR perspective are listed on the following page. In Figure 4.2**,** the categories and the theoretical codes of the samples that formed these categories are represented.

**Category:**

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| *''Increasing regulatory requirement and uncertain situation''**''Regulation as requirement for Business''**''Good Use of CSR for cost reduction''**''Dual Purpose tools''**''Sustainability: Managing Resource for Business Requirement''**''Sustainability: Future Trends and Opportunities''**''Business Purpose Relationship – Governments and Authorities''**''Relationship with Communities: Doing a Sustainable Business''**'' Employees as Important Assets''**‘’ Community for Business Needs’’**'' Charities that Help Business* *'' Increasing Activities Increasing Emissions and Incidents''**''Avoiding …, Doing a Smooth Business in Community''**"Marketing Sustainability''**'' Start when there is Commercial Advantage''**'' When Safety Issue is a Risk''**'' Attention to Diversity ''**‘’ A Systematic Approach’’**‘’ Operation Efficiency’’* *‘’ Practical Platform for Alternative Energy’’* |

**Figure 4.2 Categories**

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| **Increasing Regulatory Requirement and Uncertain Situation** - Different requirement from country to country, - Increasing Focus, - Impact on the industry, - Affect profit, - Impact on strategic growth, - Further License, - limitation within the license, - Relationship for future license., -limiting operation, - Affect reputation, - limiting potential markets, - increasing social demand, - costly, -limiting resources, - delaying or withdrawing, - affect the business, - affect profitability, - changes , expectations from business, - affect long term strategy, - expecting regulation increase in future, - Open up expectation, Increasing regulation, - Relationship with regulators, Up to date with regulation,- Responding for license. |
| **Good Use of CSR for Cost Reduction,** - Energy reduce, - Video Conference, - Travel Cost, - Packaging, - Electronic Invoice, - Improving process, - Container cost, -Water Consumption, - Bulk Transportation, - New Packaging from waste, -Supporting Suppliers, -Recycling waste plastic, -Natural Gas usage, - 6 Sigma, -Save our money, -Less resource, - Improving packaging system, -Optimizing performance, -Empowering local supply chain, -Health program, - Using management tools, -Reducing transportation cost, - Lowering operation cost for lowering final price, -Reducing travel cost, -Reducing material lost during production process,-Reducing energy use,- Reusing packaging, -Reducing new material consumption, |
| **Business Purpose Relationship – Governments and Authorities**- Engaging for environmental policies, - Adapting with host governments, - For being informed of new regulation, - Avoiding tax increase, - Government can force stopping performance, - Imposing regulations by government, -Regulatory dialogue, - Government impose challenge to business, - Working closely, - Strong link with host government, - Public pressure/ demands for governments, - Intervening in regulatory frame work, - Building trust, - Long-term relationship , - Those who have power, - Cautious about regulation |
| **Employees as Important Assets**- Community engagement for boosting moral , - Developments, - Business Objective Understanding - Health for better performance, - Health program for productivity ,- Training, - Safety Behaviour, -Improving skills, - Satisfaction,- good communication, -Health care, - Treating well, -Motivating, Investment for training - Wellbeing, - Internal communication, - Future Skills, - Two way communication, - Safety awareness - Boosting morale, - Awareness of business objectives, - Improving skills, - Great place to work |
| **Charities that Help Business** - Relevant charities for introducing our business, - Building image, - Facilitate our business, - In the close area, - Encouraging employees, - Instead of tax, - Little donation but to many, - Different way for positive image, - Social engagement, - Based on the country requirement, - In relevant area to business, - Long lasting positive image, - Product donation, - Introducing products, - Building Capacity |
| **Avoiding… doing a smooth business****Communities**- Good Communication, - Control ‘vocal activities, - Rapidly changing environment - Strategic Approach, - Avoid relationship conflict in community, - It can affect project’s production, - Awareness of Concerns, - Nationalization threat , - Some area are prone to ethical issues, - Always not good will of community, - Be prepared for concerns, - Social projects foe understanding concerns**Risks**- Avoid financial penalties, - Various uncertainties in new countries, - Preserving license - Incidents are costly, - Not to lose new license and opportunities , - Impact on new investment opportunity, - Limiting operations, ‘’Out of Territories’’ |
| **Marketing their sustainability efforts**- Different disclosures for different purpose, - Different disclosure of objective, -Justification,- Participating for business objective, - A right way- Passion for doing things |
| **Start when there is commercial advantage**- Priority based on commercial advantage ,- No specific target now, - Following things around the issue, but need commercial application, - Continue until it delivers shareholders value, - Depends on investment support, - Discontinued as it was low margin, - Until delivering value for shareholders- Balance commercial and regulatory aspect |
| **When safety is a risk****-** Protect reputation, - Preventing, - Affects license, - personal responsibility, - Online - Training, - Preventing, - Process Safety, - Regular Assessment, - Priority, - Systematic Approach, - Ensuring safety in process, - High risk industry, -Evaluating safety, - A strategic approach, - Strategic review, -Monitoring, - Evaluating, - A coherent response, - Strategic objective for safety, - Improving safety for our license, - target of zero accident, - Reviewing incident, -Essential process due to nature of work, - Uncertainty, - Nature of work, - Culture, Safe transportation, - Behaviour, - Safe Delivery, - Cost, - Longer-term consequence, - Impact |
| **Sustainability: managing scarce resource for business requirement**- Managing energy usage, - Supplying raw materials, - Resource efficiency, - Securing water resource, - Reducing water usage, - Accessible resources, - Devitrifying resources, - To improve our relationship, - High requirement, - To develop our position, - license, - Valuable resource, - Monitoring consumption, - Strategic approach, - Multi resource |
| **Diversity**- Recruiting director from host country ,- High qualified employees from focused countries - from communities we operate there, - local recruitment |
| **Regulation as a requirement for Business**- Showing Quality , - Adapting for further growth, - Evaluation of operations for license - Need for operation license, - For approving products, -Increasing regulation requirement - Be prepared, -For Building Trust, -Update with regulation, - Imposed by government - Supporting products |
| **Avoiding risks for Shareholders** **-** Outcome of Noncomplying with regulation, - Operational risk, - Using opportunity for environmental projects, - Working on positive reputation, - Environmental projects until the level of delivering value- Affects long term value |
| **Sustainability: Future trend of global market and opportunities****-** A new market, - Transition of business- Customer demands, - Offer potentials new energy sources - Investment in gas team, - Strategic role of gas, - Marketing opportunity, - Growing fast market, -Strives for leader position,-Future profit,-A clear strategy for future, - A growing long-term path, - Offers technology,- Opportunity for working high impact industry, - Opportunities, - Investors’ interest, -Demands for emission control products, - Opening new markets, - Opportunity for developing project in communities, - Operational value, - Customer oriented innovation, - New sources for energy, - Strategic investment, - Basis for future growth- Transition of business, - Customer demands, - Offer potentials new energy sources, -Investment in gas team, - Strategic role of gas, - Market opportunity, - Growing fast market, - Leader position, - Future position, A clear strategy for future. |
| **Increasing activities increasing …****-** Difficult to grow business without increasing emission, - Had significant business performance but…, - Long way to zero harm objective, - More activity more consumption, - Mirror the level of our business activity, - Tried to decrease but still had increase, - Despite our effort…- Reduced activity, reduced emission, - Expecting more with activities, More performance more incident, Not achieved target, Increasing sales, increasing waste |
| **CSR considered in strategy****-** Supporting Business Strategy, - Reshaping CR, - Alignment, - Priority, - CSR benefit - For Strategic Target, - Decision Making, - Mutual Benefit, - ‘’Being a preferred partner’’- Long term business relationship, - For being a world class business, - ‘’Board Commitment’’- Long term business approach, - Overall Strategy, - Prioritizing Safety, - Top Down Approach - Local Authority, - Managing risks of CR,- Relationship, -Local authority |
| **Operation Efficiency****-**Reducing raw materials per bottle , - Cost Saving through operation function- Milk Loss, - Six Sigma |
| **Community for Business Needs****-** Skill Training, - Recruit local people, - Local procurement, - Empowering supply chain - Develop supply chain, - Business Relationship, - Support helpful business, - Lowering cost - Mutual benefit |
| **Practical Platform for alternative energy**- Not enough recognition,- Needs strong investment, - Requires public acceptance, - no enough energy, - For meeting demands in long term, - Lack of appropriate technology |
| **Relationship with communities: doing a sustainable business****-** Social Investment - Return to communities, - Adapting, - Where ‘’we are more active’’, - Benefit for local people, - Building Relationship, - Engage employees, - Long term growth, - Open dialogue - Building supportive environment for business, - Employee feel they are part of business, - Good communication, - Communities are protective for their resources , - Developing communities, - Local supply chain, - Social projects for permitting operation process, - Communities surrounding our operations, - Mutual benefit, - Healthy environment, - Strengthen business infrastructure, -Mutual understanding, - A strategic priority , -Long-term successful relationship, - Supporting long term employment ,- Improving quality of life, - Education development project, - Community engagement for delivering projects, - Minimizing impacts, - Engaging for new license, - Development program that helps business, - Relationship for a sustainable business, -Controlling vocal activities, - Community relationship supports in rapidly changing environment, -Knowing concerns of communities, -Responding,-Infrastructure, -Something that remains, - Supportive external environment, Social License |
| **Dual Purpose (For business purpose)**- Cost saving, - Efficiency of operations, - Need to do (Coal Clean Energy), - Improving Quality for customers, - Voluntary Regulation, - New vehicle |

**4.4 Presenting Descriptions for Categories**

 It was not possible to represent description of all categories in this section because of the limited space. Selection for representing was made upon the following factors:

-Relevance to the number of codes

-Relevance to the important area of CSR that is not covered in the existing literature

-Relevance to the research question of this study

Each category was contributed to large descriptions. One characteristic related to categories in CSR practices is that, they are linked to the particular type of practices. In addition, CSR practices can vary based on the choice of the companies.

**4.4.1 Relationship with Communities: For a Sustainable Business**

 This category emerged from the description around building a relationship with the communities. How the companies look at their relationship with the communities, and how these relationships are important for the companies, are relevant to each other and are required to be considered in this section.

 In the extract below, **HEO** explains the concentration on the social investment where the company has higher activity.

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| **HEO**… *we spent a total of approximately $700,000 on CSR related activities which community programs focused on areas where we were operationally more active.* |

 **JM** explained that building a good communication with the community is important for the company and the employees have a great role in the community relations.

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| **JM** …*has a string tradition for good community relations and the company and its employees are actively involved in programs worldwide. We have an important contribution to make to the economic development of our local communities, not only as an employer but also through collaboration and investment* |

 **PO** states that the company focuses on the investment in community and build the relationship within the host countries.

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| **PO**… Our *investment is increasingly focused on the development of local capacity and educational initiatives that deliver social and economic returns for both local communities and host governments.* |

….**AA** describes that relationship with the community is important for their operations. They have focused on strengthening local suppliers that help them continue their business operation and improve operational performance through mutual benefits for the company and the community.

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| **AA** ….*Local suppliers strengthen our social license to operate… Significant value exists in managing partnerships with our suppliers to develop new technology, improve operational performance and deliver mutually beneficial commercial outcome* |

 **CR** describes the need for a ‘supportive external environment’ to help their developing business in the near future.

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| **CR** *Operating ethically means being aware of the impact a business has and acting responsibly within the communities in which it is located and where its employees live. This can only be achieved through open dialogue with the community….**As our business grows, it is vital that we develop and maintain a supportive external environment, as well as a strong brand and reputation.* |

 **GSK** explains that the community investment to strengthen the business of the company.

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| **GSK** … *Our community investment strengthens our business by supporting the local economies where we operate,* |

**4.4.2 Increasing Regulatory Requirement and Uncertain Situation**

 Uncertain situation due to the increasing regulation requirement was observed to be prominent for samples from the multinational FTSE listed companies. In the broad terms, the regulatory requirement includes any regulation and standards that companies need to comply with them. In particular, the emerged concept is relevant to environmental regulatory requirements.

 The companies showed their reflection on the regulatory requirement as an uncertain situation **(AGK),** and even expressed the fact that the regulatory requirement can limit their business performance **(CR).** There was a concern about growing regulatory requirement in future years, and monitoring over changes in regulation was expressed **(TG)**

 Some categories from the data represented a repeated representation over some aspects. It was obvious that these categories cannot be ignored. For instance, a particular stress on increasing regulation over environmental issues shows the concern of the companies over the impact of this change.

 Although, companies in their reports state that they comply with the required regulation including environmental regulatory but the company **B** is doubtful that current environmental regulation is effective over carbon emission.

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| **B**- …*While energy is not available to meet demand, action is also required to limit the volumes of carbon dioxide and other greenhouse gases being emitted through energy use… the position set out at the UN's 2010 climate change conference in Cancun that deep cuts are required to hold global temperature rises to 2C, and the commitment by both developed and developing countries in Durban in 2011 to negotiate an agreement by 2015 that requires action from all countries…We project that under known and probable policy and technology, global CO2 emissions may be28% higher in 2030 that they are today*, partly as a consequence of coal use in rapidly-growing economies. |

**DR** expressed its concern over future regulations that will impact things in their business sector.

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| **DR**…. *In July 2011, the Electricity Market Reform White Paper was published. The White Paper represents a major change for the electricity sector. We do, however, believe that reform of the electricity market … (Lines 104- 107)* |

 **AGK** describes their actions are based on the requirement of the particular area or countries that they are working there.

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| **AGK** *… As part of the increasing focus on environmental issues, countries continue to introduce legislation related to permissible levels of emissions and this has the potential to affect our business.* |

 **CR** explains that the company needs to respond the regulations; otherwise, the breach of the regulation may limit the available markets for the company.

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| **CR**…*Violation of these regulations could limit the markets into which we can sell, or subject the Group to fines or penalties…* |

 **TG** describes that resource materials are scarce and the regulatory requirement can limit the company’s access to available resources for doing its business.

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| **TG**- … *Some materials and services may be available from one source only and regulatory requirements make substitution costly, time-consuming or commercially unviable.* |

**4.4.3** **Regulation as a Requirement**

 There is a tendency in the narratives that describes **Regulations as a Requirement.** Two main aspects relevant to this categories are: companies show willingness to follow regulations and standards, and the positive aspect that companies expect from regulations. Therefore, this category was emerged to describe how companies represent their attitude about regulation and standards and the requirement for their business.

 Company **HEO** represents it is prepared to comply with standards and explains about integrating these standards in their managerial process.

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| **HEO** *… We seek to Comply with all relevant legislation and leading international standards to Promote continuous improvement of our management system with the aim of incorporating best practice.* |

 Regulatory requirement and standards can show the quality of performance. In the following extract, **AGK** states that standards mean safety and quality of the company’s equipment.

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| **AGK**  *Our Environmental Policies are managed in a similar way to safety. They comprise:**- ensuring that environmental issues are at the forefront of considerations when we design our fleet;**ensuring that our equipment is built and maintained to the highest standards;* |

 **AGK** expresses that it expanded its business globally and because of emission regulation that is different from country to country this enables the company to use the fleet out of territory to avoid the regulatory limitation.

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| **AGK** :… *if emissions- compliance becomes such an issue that it begin to impact our business in a material way in some territories, our global footprint … gives us numerous options for the re-deployment of our fleet. An example of this is in our North American business … we will have replaced our whole power fleet with the latest level of emissions compliant equipment, with the pervious fleet being re-deployed to other parts of the Group. (Line 582- 587)* |

 Similarly, **GSK** discusses that complying with the regulation shows the quality of products in the company.

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| **GSK** *The number and impact of regulatory agency requirements continue to grow, particularly around aspects of product quality and safety* |

 **B** explains that environmental regulation is a part of operational license in some of the countries that they are expanding their operations. Therefore, continuity of operation licenses in these countries is based on complying with the regulatory requirement and the quality of operations.

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| ***B*** *Applicable laws generally include requirements for dealing with the environmental and socio- economic impacts of oil spills or leaks. In some countries, regulators require as part of our licenses to operate that plans are in place for responding to accidents and unplanned events such as oil spills* |

**4.4.4 Good Use of CSR to Reduce Cost**

 Generally CSR was regarded as providing positive benefits for the operational process in different companies. The importance of CSR to reduce costs and positive outcomes for the companies was expressed by companies. The opportunity for cost reduction mainly was generated through reducing energy consumption, using recycled materials, minimising waste, and optimizing performance. In this section, the relevant disclosures are represented.

 **JM** describes that improvement in internal process can reduce cost

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| JM… *[Our] business driver for sustainability… focuses on our internal operations and on designing and manufacturing our products more efficiently using fewer resources. This approach helps us to reduce our costs and at the same time reduces our impact on the planet.* |

 In the extract by **DV**, it describes that gas power plant reduces costs.

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| ***DV****… In Australia a natural gas powered generation plant has been installed which will reduce energy costs and carbon emission* |

 The description by **AA** explains that empowering the communities and strengthening local supply chain causes reducing costs of the company.

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| ***AA*** *… Local suppliers strengthen our social license to operate and Can lead to significant efficiencies such as reduced delivery and logistics costs.*  |

 Another extract of **AZ** explains that six sigma was a helpful tool to manage costs while also had environmental benefit.

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| **AZ** - *we completed 87 LSS project in total, resulting in annual cost savings of approximately US$5m. In addition, the LSS projects focused on environmental improvement, of which 15 were completed in 2011, have had the effect of reducing waste production, water usage, carbon dioxide emissions and energy consumption….LSS fosters a culture of improvement*… |

 **GK** describes that managing waste and lowering transportation rates are helping to reduce costs as well as decrease emission.

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| GK- …*A pilot project to recycle waste plastic is on track to provide up to £1 million in carbon rebates and reduced shipping cost next year, at the same time as cutting our carbon footprint.* |

 Various examples show that resource management reduce the costs of the company. Therefore, the company in various ways attempts to manage its use of resources. As an example, **TG** explains that bulk transportation was important to lower costs.

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| ***TG****… We aim to transport in bulk where possible and use the most efficient transportation to save money for the Company and reduce our carbon emission…* |

 Similarly, **EC** describes how its operation optimization such as video conferencing resulted in lowering the cost of travel and transportation.

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| **EC**…*new video- conferencing facilities to improve our international communications, which should also reduce overall travel costs and carbon emissions*. |

**4.4.5 Increasing Activities, Increasing Emissions and Incidents**

 This category was emerged from the relevant disclosures about environmental and safety issues in the annual reports. The companies showed the interest in monitoring their carbon emissions, energy consumption, waste material and controlling safety issues. All companies disclosed that increasing business activities have caused an increase in carbon emission and safety issues in companies. In contrast, decreasing business activities results in dropping carbon emissions and safety issues. In the extract bellow, **AF** explains that increasing operational activities resulted in increasing emissions.

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| ***AF*** *…is developing its approach to the issue of greenhouse gases and other atmospheric pollutants. In the first instance we have examined our emissions of the key gases, carbon dioxide, methane, nitrous Oxides, Sulphur Oxides and other volatile organic compounds since the start of operations in 2009. Over this period there has clearly been a significant increase in activity... This increase is directly reflected in an increase in atmospheric emissions* |

 The Company **B** explains its carbon emission was reduced because of decreasing in part the company’s operations.

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| ***B****… This decrease of 3.1 Mte is primarily explained by the temporary reduction in activity in some of our businesses as a result of maintenance work and also by the sale of assets as part of our disposal program. We achieved 0.2 Mte of sustainable emissions reductions in 2011.* |

 **JM** describes that it is difficult to develop the business and reduce carbon emission concurrently.

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| JM …*we are faced with the challenge of driving down our absolute CO2 emission whilst at the same time growing our business.* |

 The company **EC** explains its materials consumption has increased because of sales increasing.

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| **EC** *The quantity of packaging consumed by the business increased significantly during 2010 with a 20% increase in the total used, driven by the sales increases*. |

***4.4.6 Charities that Help Business***

 The concentration of companies on helping charity was in the area of relevance to the business of companies. The positive images were made through helping charities were considered; as well as the purpose, its importance and relation to the business of companies.

 In order to help the charity, **GSK** describes the donation of medicine product for the earthquake in Japan.

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| ***GSK*** *…Following the natural disaster of the earthquake and tsunami in March 2011, we supported people affected by providing substantial financial and product donations ,and establishing teams of volunteers-named ‘’Team Orange who in the initial stage provided critical supplies to the affected areas.* |

 **TG** description shows its employment engagement for donation. That this is an opportunity for giving to charity instead of paying for tax.

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| **TG**  *This enables employees to donate efficiently, so money that would normally be given in tax goes to their chosen charity instead.* |

The extract by***JM*** explains the company makes donation in the relevant area to the business of company.

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| ***JM*** *…The causes we support reflect the areas in which the group’s technologies have a benefit and the issues which strike a chord with our employees. At a group level, JM operates a charitable donations program which includes support for organizations working in the areas of environmental, medical and health, science and education, social welfare and the international development.* |

**AGK** concentrates on a specific donation for books that has a potential to be used by many people and has a long lasting contribution.

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| ***AGK*** …. *We feel a good form of donation; they do not require maintenance; they can be used by many people; they are not open to corruption; they last a long time; and they help directly in the key task of helping people to help themselves.* |

**4.4.7 *Practical Platform for Low Carbon Energy***

 In the current environmental regulation and carbon emission debate, the other tendency was to explore the situation for the companies that invested on the low-carbon energy. An emerged category was captured that was centred on the descriptions of the situation among the companies for alternative sources of energy that are low carbon. Not all the companies invested on other sources of energy or their activities are relevant to energy sources; therefore, the relevant companies were considered.

 **DR** has started to develop new sources of energy and explains there is not enough support for investment on Biomass as the new source of energy.

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| ***DR*** *We were particularly pleased to see recognition in the consultation of the strategically important role that sustainably sourced biomass electricity can play in the future UK renewable energy mix* |

 In another extract, **DR** describes the lack of public acceptance for support the case for Biomass Energy.

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| ***DR****… we firmly believe that robust, mandatory sustainability criteria are vital to maintain and enhance public acceptance, and ensure that sustainable practices are implemented. Assessment of the full life cycle carbon footprint of biomass, that is, from field to furnace, is now well developed, especially in the UK where a mandatory life cycle standard comes into effect in 2013* *We expect that, with an appropriate level of support a strong investment case, we would be able to finance our investment plans and begin the transformation of DR into a predominantly biomass fuelled generator.* |

 **B** describes that the current fuel-based energy cannot meet the increasing demands of the market and low carbon energy is not enough to respond the market demands.

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| ***B****…While energy is not available to meet demand, action is also required to limit the volumes of carbon dioxide and other greenhouse gases being emitted through energy use.* |

**4.4.8 Dual-Purpose Tools**

 This category is closely linked to the dual-purpose activities that have both social and environmental benefits and business achievement for the companies. This includes any action, standards and guidelines and also has contribution to the related activities that other multiple reasons were disclosed to justify their implementation. The descriptions about the CSR activities have been in several sections of the annual report. Sometimes these practices, standards and guidelines have been started to resolve problems or deficiencies in another aspects of the companies' operation. Some of the relevant extracts for clarify the issue have been disclosed.

 In the extract from **AZ**'s report, the reason behind starting Lean Six Sigma was to respond a customer’s demand. However, the connection between Six Sigma and environmental aspects was highlighted in a different section of the annual report.

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| **AZ**- *Our Lean Six Sigma initiative add significant value to our operations by identifying and removing the causes of manufacturing process defects, and minimizing and variability in our manufacturing and business processes. (line 81-85)**Our LSS project team set about finding a solution to meet the customer’s requirements, which also included qualifying any new process within 12 months.* *( Line107- 110)**The outcome was a significant improvement. The conversion cost per drum fell by nearly one-third and the cycle time was cut from seven days to just one. (Line 116- 118).**Waste costs were eliminated and air emissions reduced by 50%. All of this was achieved without impacting our excellent product quality. (Line 119- 121)* …**CSR Segment of the Report:** *As part of our commitment to continuous improvement, some 10% of our workforce is qualified as Lean Six Sigma green and black belts across the Group, running projects to improve efficiency, productivity and cost. (Line 1324-1327)* *Their activities include reducing the production of hazardous and non-hazardous waste and reducing our energy and water consumption. (Line 1328- 1331).* |

 CSR practices have multi-aspects and they can have more than one purpose. For **DC**, the main incentive for new vehicle fleet is operational improvement while it had a contribution to environmental issues.

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| **DC**- *We have introduced a new vehicle fleet into our ex-farm operation with all tankers achieving ‘environmental excellence’ through clean burn engines which have reduced emissions.**…**We are pleased to report that we have reduced the amount of milk lost as a consequence of our processing activities and in 2010/2011 we achieved a year-on-year improvement of 3%.* *And,**At the same time we have seen higher input prices for milk, ingredients, packaging and distribution. By driving efficiencies throughout our business we have successfully reduced the cost increases we have needed to pass onto our customers.**…**We have re-committed to the next phase of waste and resources action programme..., which incorporates targets about reducing packaging impact, supply chain waste and household food waste and as part of that commitment all the labels we use for our own brand milk will be made from recyclable plastic*. |

 **DV** describes that the company uses gas powered plant to lower cost and reduce carbon emission.

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| **DV**…. *During 2011, we installed a natural gas powered co-generation plant in Australia. This generates electricity through a turbine and generator, and provides steam for the manufacturing process. It is expected to reduce energy costs in Australia and in reducing Co2 emissions by 30%.**During 2011, encouragingly, we reduced our emissions per kilometre-equivalent- product by more than 5 %. Not only did sales increase but emissions of carbon dioxide fell (they did not mention six sigma). This put us well on the way to achieving our 2015 target.*…*On the former, continuous improvement projects using techniques such as 5S and Six Sigma have continued to provide benefits. Low cost capital projects in Scotland and Australia have raised productivity and reduced marginal costs on older lines. The commitment and enthusiastic involvement of so many operators and shift leaders has made these continuous improvement projects a valuable contributor to our profitability and it is greatly appreciated by the Board.* |

 **AA** explains its responsibility to ‘promote wellness of employees’. In another part of the annual report, it describes ‘HIV’ has effect on attracting skilled employees.

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| **AA** . *An important element of promoting employee wellness is our focus on addressing HIV/AIDs, particularly at our operations in southern Africa where the epidemic is especially prevalent…*…*We are now in a position where more than 90% of employees in southern Africa check their HIV status every year. Regular HIV counselling and testing ensures that we achieve early diagnosis of HIV infection and timely access to care…**… The recruitment and retention of skilled people required to meet growth aspirations can be impacted by high rates of HIV/AIDs…* |

 In summary, the companies have started a management process like ISO and other standards or initiated a development process to improve particular aspect or relevant business activity of the companies. In addition to the impact of these development process on the business perspective these actions also had a contribution in line with CSR expectations. In many cases the multi-benefits from these actions needed a full comparison between different parts of the annual reports.

**4.4.9 Sustainability: Managing Resource for Requirement of Business**

 This category refers to the sustainability perspective and how the companies manage their resources that include: energy, water, and raw materials. The category was constructed based on the relevant disclosures and through comparison between the companies with different business requirement have adopted different approaches towards resource consumption. Resource Management is also linked to accessibility of resources that are required for the business purpose and future growth of the companies.

 In the extract below, **CR** talks about raw material requirement and how accessing sufficient materials can cause risk for the company. In the second part of extract, it describes how sustainability is embedded in the whole process of the company’s operation.

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| **CR**… *Interruption in the supply of key raw materials would significantly impact operations and our financial position. Interruption of supply could arise from the implementation of new, more rigorous legislation or from market shortage…( Line 185-189)**… Whenever possible, we try to multi source our key raw materials and/or we purchase them under medium to long term contracts. We manage our raw materials stock levels taking these considerations into account. ( Line 190-193)**…* *we have a history of using renewable raw materials in our products wherever possible, with sustainability being embedded in our product innovations since we launched our very first product (Line 1324-1329)* |

 **AA** describes its effort to reduce water consumption. Later, it explains the scarce of water resource in some areas that the company operates. The company also began a project to solve water requirement for its activities.

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| ***AA*** *Together with safety, our primary sustainability challenges are around climate change, and securing access to water and energy. (line 506- 508)**During 2011, we implemented new technical standards and management tools- the Water Efficiency Target Tool and our energy and carbon management programme, ECO2 MAN- to help operations understand their water and energy requirements, and identify and implement saving projects. (Line 509- 515)**Our plans to develop a desalination plant that will meet 100% of … water needs represent an opportunity to make a real difference in … region. By eliminating our own requirements from the current watershed, we will reduce the demand on this most vital of resources significantly … (Line 537-539).* *We issued a new Group technical standard to manage carbon and energy performance at all our operations, and we developed and implemented our energy and carbon management programme. This programme helps us identify and prioritise energy efficiency and carbon savings project opportunities at the business unit and mine level, and is tied to our internal and external verification and assurance processes. (Line 1738- 1747)* |

**4.4.10 Sustainability: Future Trends and Opportunities**

 The category of **sustainability for opportunity** was constructed from the relevant codes. This category demonstrates the future trend of the market and how sustainability approach can offer an opportunity to the business, and how this approach is considered by the companies. Some relevant extracts in order to clarify the issue have been disclosed.

 The regulations, particularly in the environmental aspect, brings limitation to the companies. However, these regulations can also offer opportunities. **B** describes that the increasing pressure on environmental regulatory requirement affects the business but it gives a great opportunity to develop ‘low carbon technology’ by the company.

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| ***B****…**we expect that additional regulation of GHG emissions aimed at addressing climate change will have an increasing impact on our businesses, operating costs and strategic planning, but may also offer opportunities for the development of low-carbon technologies and businesses.* |

 Similarly, the company **B** looks upon the carbon emission regulation trend and seeks opportunities for a further leading position in the industry.

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| ***B …****Our portfolio of strategic venturing investments aims at putting B at the forefront in terms of innovation, particularly in developing sustainable energy solutions…. we have more than 29 separate investments spanning three broad areas: bioenergy, electrification and carbon solution.* |

The extract from **CR** shows the company is looking for the future opportunity that sustainability approach can offer.

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| **CR**  *It was biotechnology that stood out to us amongst the array of approaches to achieving sustainable product design. It is a path offering many promising opportunities in the future* |

 Companies that this business has a high impact on the environment give a good opportunity to other industries that can offer relevant products to compensate the situation. The extract from **CR** shows that the company has turned the current environmental ‘’challenges’’ to the business opportunities that work for the company.

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| ***CR*** *we have launched a range of green demulsifies to help with the challenge of improving environmental performance in the oil industry.* |

Similarly, **JM** describes that its emission control products is helpful to control emissions in other industries.

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| ***JM*** *we have continued to invest in new, highly efficient manufacturing capacity, for example completing our emission control catalyst manufacturing plants in Macedonia, to supply both light and heavy duty catalysts to the European market*. |

Sustainability demand offers a long term market to some companies. **JM** states, the company expects a long-term growth for its concentration on this market.

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| ***JM*** *given the dedication of our people and the spirit of innovation that is evident throughout the group, I believe that our sustainability efforts will underpin future business growth.* |

**4.4.11 Employees as Important Assets**

 The category was emerged from disclosures in the data set that show the concentration of the companies on the aspects relevant to the employees. Employees are internal stakeholder and the approach of company is important for the future of its business. A category for further investigation about the issue was constructed. The relevant extracts clarifying the category are as below;

 Disclosures include the importance of the employee’s engagement in social practices of the company. The extract from **GSK** explains community investment to enhance employee’s morale.

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| **GSK** *Our community investment strengthens our business by supporting the local economies where we operate … and also boosting employee morale.* |

 Concentration on Health and Safety of employees are being considered by the companies.In another extract, **GSK** explains about embedding safety factors for employees’ work.

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| **GSK**  *To meet our mission and strategy, employee health and safety initiatives focus on the factors that enable employees to perform at the highest level by sustaining energy and engagement and drive towards zero harm in the workplace.* |

 Similarly, the extract from **TG** explains about the programs to boost satisfaction and well-being of employees.

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| **TG** *We operate a number of programming designed to protect and enhance employee satisfaction, mental and physical health* |

 In the extract below, **G** describes its ‘long-term’ approach and specific strategy to develop employees.

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| **G** *The Group continued with long-term plans to ensure it develops talent and diversity to foster leaders across the organization, looking ahead a minimum of five years.* |

Operating Business and undertakingHealth and Safety standards in the companies requires employment engagement. In the extract below, **TO** explains the employees’ engagement to improve safety.

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| **TO** *Our employees feel our strengths are in the areas of safety, responsibility, innovation, empowerment and teamwork. One of our 2012 objectives is to consult widely and to create action plans to further improve our employee engagement and address priority issues. Overall, 71% of employees responded that they intended to stay with the company for four years or more, indicating strong and very encouraging retention* |

 **EC** describes that health and safety of employees are highly considered in overall business process and strategy of the company.

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| **EC** …*We have a strong focus on the health and safety of all our employees and a strategy to ensure their full engagement in the business.**… Building a Great Place to work and so improving our employee engagement is an important area of focus for us across the Group,* |

**4.4.12 Commercial Advantage: New Sources of Energy**

 This category was constructed based on the commercial aspect of investment in new sources of energy. This category adds a better understanding of the issue in relevance to a pervious category in (4.4.7) and how companies deal with investing in new sources of energy.

 **B** explains that stopped its solar industry because of the low margin profit of this section.

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| **B** ….*has been involved in solar for more than 35 years and in the last two years the industry has changed radically into a low margin commodity market. At the end of 2011, B began winding down its remaining solar operations as it prepares to exit the solar business* |

In the following extract**, AGK** describes its Fuel Cell technology that does not see any ‘commercial’ benefit for it yet.

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| ***AGK*** *we keep a close watch on the development of Fuel Cell technology, we do not currently see any commercial application in our business. This may change as technology improves and costs reduce* |

 **JM** explains that future investment in sustainability (human health and health) will be stared when the project can generate commercial advantage.

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| *JM Human health and wellbeing Sustainability is a key element of our strategy for future growth where the resources efficient, environmentally responsible manufacturing of products that deliver sustainability benefits can leverage commercial advantage for the group* |

**4.4.13 Avoiding … Doing a Smooth Business**

The category ‘***’ Avoiding…doing a smooth business’’*** was a prominent in the disclosures of samples. One main aspect associated with this category was working within community that facilitates business operation. The other aspect is based on social and environmental issues management to avoid potential risk for business operation. In addition, building a relationship with the community has been a significant feature in this aspect. The relevant extracts to clarify the issues are disclosed.

 In the extract from **H**, it explains that community conflict can generate loss of production days.

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| ***H***  *Target as Zero ‘ Loss of production days’ resulting from community conflict* |

 In another extract, **H** continues that communities can make problems for exploration and operations of the company. In addition the extract shows the company is doubtful about the positive intention of the communities.

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| ***H*** *…We rely on the goodwill of the members of the communities located close to our assets to be able to operate, whether in early stage exploration or the construction or operation of an active mine.* |

 Stakeholders has been important for some companies in the samples. **G** explains that in some countries that the company operates stakeholders have become ‘’ vocal and empowered’’.

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| ***G…*** *in 2011, stakeholders in certain countries where the Group has activities became increasingly vocal and empowered, underscoring to the Group that no company can take its license to operate for granted.* |

 In an extract from **AA**, it explains that competition has increased in the industry and can encourage the demand for ‘’nationalization’’ in countries the company is operating there.

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| ***AA*** *…Developing nations and developed economies alike are seeking to increase their share of the mining cake through a range of means … and even in some cases threatening to push matters to the point of nationalization of mining assets.* |

 Based on the priorities of the company, the company **S** has concentrated on ‘’Production, development and exploration’’ within its business operation. Consequently, strong necessity to engage with communities is recognized by the group, this can avoid any difficult situation that may impact on developing projects.

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| ***S*** *The Group has a diversified portfolio of production, development and exploration that reduces exposure to failure of any one asset/ project/ well/. Full community engagement occurs through all phases of a project life cycle.* |

 In another extract, **AA** mentions that they reduced their operational growth to reach an agreement with stakeholders. They have worked to find a solution with stakeholders through communication and negotiation.

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| ***AA …*** *we have slowed down progress while we participate in a multi-stakeholder dialogue and work with the local communities to seek to fully understand their concerns and aspirations. In this way, we hope to reach a fair solution for all stakeholders…* |

**4.4.14 When Safety Issue is a Risk**

 Based on the disclosures and codes from reports, the category, **When Safety Issue is a Risk**, was constructed to pay enough attention from the companies’ perspectives towards safety issues.

 **AGK** describes that because of their global business operation ‘’frequent movement of heavy equipment’’ is required. A safety process is necessary because any injury can cause damage to property and reputation.

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| ***AGK***  *Our business involves the frequent movement of heavy equipment which, in its operation, produces lethal voltages and contains thousands of litres of fuel. Rigorous safety processes are absolutely essential****…*** *If we are to avoid accidents which could cause injury to people and damage to our reputation and property* |

 In addition, safety issues of the operations can have further consequences for the business of company. In the **B**’s Extract, the impact on license and future opportunities are considered.

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| ***B***  *the impact of the incident on our reputation and the resulting possible impact on our license to operate including our ability to access new opportunities* |

 Having a good result of safe operation can benefit the future operation permits. **S** explains that previous operations are being evaluated and the result of this evaluation helps to achieve ‘’environmental permit’’.

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| ***S*** *…the Group finished its re-evaluation of the previous operators’ work program, completed requisite upgrades to the rig and obtained the outstanding environmental permit* |

 **H** describes that Mining is a ‘’high risk’’ industry sector and the company embedded the safety process within the corporate strategy.

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| ***H***  *Mining has an inherently high risk profile and we therefore consider safety to be our highest priority…The Board and management are committed to ensuring employee safety is an integral part of measuring the successful implementation of corporate strategy* |

**4.4.15 Operational Efficiency**

 The category of **operational efficiency** is achieved to illustrate the benefit of CSR practices for operational process and business tasks of companies. The category is relevant to either a particular CSR practice or the overall CSR approach of the company, and consequent operational impacts. In addition, the link between CSR and concentration of companies on a particular business task were considered in this category. The following extracts are disclosed.

 In the extract by **DC**, it describes the effort of the company to reduce milk lost during the operational process.

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| ***DC***  *we are pleased to report that we have reduced the amount of milk lost as a consequence of our processing activities and in 2010/2011 we achieved a year-on-year improvement of 3%.*  |

According tothe extract of **AF**, CSR helped ‘’operational efficiency’’ and ‘’financial discipline’’ that are required to develop oil discovery projects at current situation of the company.

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| ***AF*** *Strategic priorities… Operational efficiency and financial discipline of Corporate responsibility… Optimizing production and maximising oil recovery: We achieved first oil in just two years from entry and output at the field has constantly remained ahead of pre start-up expectations* |

 In the extract from **AZ**, it explains that Six Sigma project improved operations efficiently.

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| ***AZ***  *Our Lean Six Sigma initiative adds significant value to our operations by identifying and removing the causes of manufacturing process defects…**Lean Six Sigma green and black belts across the Group, running projects to improve efficiency, productivity and cost**We completed 87 LSS project in total, resulting in annual cost savings of approximately US$5m. In addition, the LSS projects focused on environmental improvement, of which 15 were completed in 2011, have had the effect of reducing waste production, water usage, carbon dioxide emissions and energy consumption* |

**4.4.16 A Systematic Approach**

 This category represents the internal approach for CSR practices of companies and how are they embedded in the strategic system of companies. In addition, any prioritization of CSR perspective with the annual reports are reflected in this category.

 **EC**’s extract describes that company encourages CSR practices that facilitate ‘’the business strategy’’.

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| ***EC*** *The policy and our implementation programs support the Group’s business strategy. Our aims are to promote greater efficiency and progressively reduce our environmental impacts per unit of turnover…* *…We encourage areas to gain certification to ISO14001:2004 Environmental Management Standard where this supports our business objectives* |

 **AS** explains that ‘’CSR priorities’’ and ‘’Stakeholders’’ are required to be considered into strategy of company.

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| ***AS****We reviewed and reshaped our corporate responsibility priority action plan during the year, taking into account our strategy, insights gained from dialogue with stakeholders, and our internal risk assessment….**…The Responsible Business Plan's objectives are closely aligned to our business strategy.* |

A combination of business perspective and the relevant CSR practices have been important for companies**. GSK**’s extract represents that the company have embedded commercial aspects and CSR practices in the health care domain.

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| ***GSK*** *Another priority is to align our commercial success with forming new partnerships to tackle the healthcare needs of people in developing countries.* |

 **TG** describes the precise direction of company for CSR decisions within the organization.

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| ***TG …*** *we have passed stringent criteria and can be considered a company that demonstrates a clear strategy towards corporate responsibility.* |

 **AF** describes that as the business is growing, alliance between CSR and strategy is required for the efficient use of organizational resources.

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| ***AF*** *… Having expanded the business significantly over the past three years, we feel it is important to set out our business targets for the next three years, in alignment with our strategic vision and objectives. Targets to 2015 are therefore to…* *…Ensure that available capital is deployed in the most efficient way and in alignment with our full cycle business requirements Continually improve CSR performance* |

**4.4.17 Securing Shareholders’ Value**

 The category of Shareholders’ value has been captured through various disclosures. Understanding shareholders’ profit is considered in organizational decisions is of relevance to both CSR and business practices of companies and the aim of current study.

 **DR** describes that it considers shareholders’ value to continue biomass energy supply.

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| ***DR*** *We have enhanced our technical and commercial expertise in the emerging biomass energy sector and we are ready to increase greatly our electricity generation from sustainable biomass. However, we will only do so if the regulatory regime, including the economics of the support offered, is attractive for our shareholders* |

 **AA** asserts that they meet regulatory needs to protect shareholders’ value.

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| ***AA*** *We always act within the law wherever we operate, and we always seek to protect shareholder value. This approach has been applied by our Board* |

 **AZ** describes that CSR implementation can generate positive reputation that create value for shareholders.

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| ***AZ …*** *recognizes that a positive approach to corporate sustainability and responsibility can have a positive contribution to its reputation and the ability to create and maintain long term value for shareholders…* *This is why the Board, led by the Chief Executive officer, takes CSR seriously and is committed to advancing our related policies, systems and initiatives across all areas of the business* |

 **GSK**’s extract explains about managing and minimizing risks for shareholders.

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| ***GSK …*** *The Board will continue to focus on strengthening governance and compliance procedures to help reduce future litigation and minimize other risk for shareholders. In 2011, for example, we completed a thorough review of the Anti-Bribery and Corruption program and associated training developed so as so ensure compliance with the 2010 UK Bribery Act.* |

**4.4.18 Relation with the Government**

 **Relation with the Government** is another category that was emerged from the data analysis. The importance of this relation for companies and their CSR practices were considered.

 **HEO** describes the company works on its relation with government, and applies appropriate tools such as participating in community projects for its organizational objectives.

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| ***HEO*** *The Group maintain close contact with governments in the areas where it operates and, where appropriate, invests in community projects. Considerable work is undertaken before commencing operations in any new territory* |

 In the extract below, **S** explains that the company desires strong relations and ‘’regular interaction’’ with governments in the host country.

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| **S** *The Group seeks to foster and maintain strong links with all external stakeholders. Regular interaction occurs with host country governments, regulators, industry partners, shareholders and local community representatives* |

  **PO** describes that the company focuses on the community program based on the national program of the host government.

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| ***PO*** *Our community investment program continues to be guided by the national socio- economic plan, with goals and programs related to economic growth, poverty reduction, job creation, education and vocational skills development. …* |

 Similarly, in the extract by **TO**, the company plans its community programs according to the ‘’development goals’’ of host countries.

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| ***TO*** *Specific projects under way include opening enterprise centres in Ghana and Uganda in 2012 and running a pilot vocational training scheme for selected trades as a learning exercise. Central to the success of any initiatives is to ensure that they are aligned with host country development goals* |

 **HEO** describes the importance of its relationship with the government in the host countries.

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| ***HEO****Relationships with national and regional governments are a key focus within the business.* These relationships provide the company with the ability to assess risk and provide a competitive edge versus its peers. |

**4.5 Considering Categories in Business Sector**

 In this section, some categories that were emerged within a particular business sector are represented. It was important to look at categories that reveal specific situation within the business sector and can affect CSR practices. As any relevant and important categories are needed for later comparison with other categories to consider the final concepts.

 These categories are ***Learned the Lesson*, *Safe Exploration***from *Oil industry* and ***Building Trust*** from *Pharmaceutical* Industry. The category ‘*Learned from lesson’* is relevant to the experience of the environmental incident happened in the oil industry. The other category as ***Safe Exploration*** shows a tendency in the oil industry to avoid risks and concentrate on low-risk operations. The category ***Building* *Trust*** emerged from the pharmaceutical companies and their tendency to build trust through quality, performance and regulations.

 The codes relevant to each category and the extracts from the companies are disclosed as below;

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| **Learned The Lesson*****-*** *Ensure never happen again, - Embedding as a priority, - Restructuring Standards, - ‘’From others in the industry’’, - Assessing impact of performance, - Incident affect reputation and revenue, - Affect relationship with host , - Impact on competitive position, - Limit new opportunities, - Raise doubts about operations, - Payable taxes, - More regulation, - Affects* *financial position* |

**G**

 *…the Group also continued acting on industry lessons learnt from the 2010 Deep-water Horizon incident in the Gulf of Mexico and continued its training to raise awareness of process safety and major accident hazard*

***TO***

 *…Leading indicators will build on the 2011 performance with a refined focus on action tracking, safety critical equipment, contractor management, toes and EHS leadership. A more significant change was undertaken with lagging indicators because of a concern that these focused too much on statistics and incidents rather than learning and improving*

**HEO**

 *Community projects were implemented through health and safety program investments in our main areas of operation… There were no environmental incidents during the year and Environmental Impact Assessment were conducted for all major work program in line with local regulation*

**…** *Environmental incident could lead to a loss of reputation and/or revenue*

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| **Safe Exploration*****-*** *Expanding, - Focus on areas we have knowledge, - Focus on low risk area, - Increasing operation, increasing safety process, - Strategic Approach* |

**PO**

 *Our exploration program is focused on areas where we have a spread of acreage and a deep understanding of the geology*

 *This is being achieved by focusing on geographical themes in which PO has demonstrable knowledge, skill and expertise*

*… today is in the strongest position in its history…We seek to develop the full potential of our operated position in the Natuna Sea and Nam Con Son Basin bringing relationships, knowledge and technical skills to bear and developing new business opportunities in related technical or geographical*

**PO**

 *The successful and safe delivery of ... demonstrates our ability to operate to the highest standards throughout the cycle. We now look to recreate this achievement with Dua, a tie-back to [...] which achieved project sanction in December 2011. We will also appraise the new accumulation at […] as a near field tie-back opportunity in 2012.''*

**S**

*… The 2012 drilling program will see S directing its resources to operating in its core focus areas where it has discoveries, is looking to progress field developments and conduct low risk step out exploration*

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| **Building Trust*****-*** *Delivering product, - Embedding in core value, - Prone to ethical issues, - Essential for attracting customers, - Through Relationship, - Society Demand, - For business relationship* |

**GSK**

 *We believe that being a responsible business is good for GSK and society. It helps us to create the products that patients and healthcare payers need and value. It also helps us to operate efficiently, to gain the trust of our stakeholders and to foster the right conditions for the growth of our business*

**TG**

 *This makes good business sense, building reputation and trust with our customers and driving more efficient business processes.*

 *'' Our business is all about people, the business partners we execute deals with, the colleagues with whom we work every day, and the investors who support our growth. Most of all, it is about our customers, the patients who are treated with our medicines and the specialist healthcare physicians who serve them*

 *All of these people depend on us and we recognize our responsibility to them'' (Chief Executive Officer)*

**4.6 Business Content Categories**

 For a full investigation of CSR practices, analysis of business content that is represented in the annual report is necessary. This is in the domain of the research purpose to find out the interrelation between two broad aspects of business perspective and CSR approaches of the companies.

 The study of business content focuses on the whole disclosures from different segments of the annual report including Chairman Statement, Business Operation, Strategy and Risks. This was to achieve insight about business operations of the companies, and how companies deal with CSR. In other word, is there any relationship between CSR and Corporate strategy? If yes, how these two perspectives are connected to each other, and how this can help a wider understanding of CSR communication of companies. Additionally, this stage adds another dimension to a further comparison between codes and reached a full multi-level comparison that is required for the purpose of this research.

 The categories have been captured through a multi-perspective analysis of narratives about practices and their explanations in the annual reports. For achieving the categories not only going back and forth to the data, but also getting closer to one aspect in a time and getting distant from other perspective was required for the aim of achieving relevant concepts related to the each domain. For business context section, therefore, the grouping presented in figure 4.3 meant that the following categories represented the data.

 **Category:**

*- Reducing Cost for Supporting Business Growth*

*- Long-term Business Growth*

*- Emerging Market Opportunity*

*- Relationship with Special Stakeholder, Suppliers*

*- Attracting Employees*

*- A systematic approach*

*- Our Customer focus affects our Overall Process and Strategies*

*- Transforming Business*

*- Niche Market/ Quick-Action Required*

*- Considering Shareholders’ Value*

*- Fast Changing Business*

*- Evaluating Business Trends*

*- Expanding Market*

*- Good Business Progress*

*- Sustainability Approach based on Business Path*

*- GAS Opportunity*

*- Demands of Business Sector*

*- Expand wherever is Great Performance and Opportunity*

*- Constant Review of Strategy*

*- Focus on the Quality of Supply Chain*

**4.7 Theoretical Codes for Full Data Set**

 **Theoretical codes** for a full consideration of business situation of the selected samples are disclosed as below;

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| **Reducing cost for Supporting Business Growth**- increasing demands for lower cost technology, R&D development requirement, controlling cost, Reducing cost during recession, Managing costs, For adding value to brand, lower final price, Reducing cost in supply chain, New projects according to costs, production price can affect sales and affordability, faces with increasing operational costs, cost increasing affect future performance, increasing cost in industry, Safety issue cost in the industry, Cost inflationfocus on lower price products, Reducing cost for more investment, Reducing fixed costs, Focus on lower cost courtiers outside Europe, Evaluating process for cost saving, Competing with those with strong financial resource, tight cost control, keep balance between performance and cost, Cost management for new line, Monitoring Cost, Various projects for reducing costs, Removing unnecessary cost, lowering costs for competition situation, Financial position for further development, Disciplined resource allocation |

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| **Long-Term Business Growth**- supporting the sustainable growth, Investing in core drivers for future success, guidance for long-term business, Focus on long- term growth, Appropriate strategy for long term value, A growing long-term market, Delivering high growth for long term, Long-term opportunity, Risk controlling for long-term growth, prospects and future of the business, long- term business sustainability, Investing on long term value, Robust Business, Changes for being successful in long term, Looking for long term growth, Market that offers long term growth, Sustainable sales growth, Following sustainable growth in changing market, Affordability to help long- term growth, Investing in people and community for long term growth, CR helps long term growth, A strategic objective, A consistent strategy, Through our strength and relationships, Responsibility of Board for long term development, To give shareholders value, Replacing reserves…,Area with future progress, Long- term demand, What is essential for long term business, Secure future growth, Growth Ambition |

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| --- |
| **Customer Focus**Relationship, Demand, Geographical area close to customer, Customer oriented, Close to Asia , Sustainability demand |

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| **Supply Chain**Cost, relationship, sustainable supply, Relationship |

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| **Emerging Market Opportunity**Growth Strategy, Energy demand, Relationship, Investment, Fast –growing, Energy demand, Future Growth.  |

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| **Attracting Employees**Cost, vital for success, Competition, Project delivery, Strategic approach |

|  |
| --- |
| **GAS**Expanding operation, Securing place, Market Knowledge, Strategic role |

**4.8 Presenting Categories from Business Context of Annual Reports**

 In this section, the description of categories that are derived from business segments of the annual reports are represented**.** Selection for representing the categories was made upon the relevance to the number of codes and their links with CSR practices.

**4.8.1 Reducing Costs**

 **Reducing costs** has been a prominent category originated from disclosures. Cost management has been essential for companies in their related actions, operations and investments. In addition to this, based on business focus and activities, reducing cost can be of particular concentration in a company.

 In extract below, **AZ** explained about its Research and Development costs that emphasizes financial management for the purpose of business growth that relies on research and development.

|  |
| --- |
| ***AZ*** *…R&D costs are a measure of investment in the growth of our business. Costs are analyzed against our priority to maintain an sustain our leading-edge R&D capability* |

 The companies struggle to manage operational cost by using various tools. **AZ** explained Six Sigma helped the company find solution for an industrial customer’ requirement and cut the cost.

|  |
| --- |
| **AZ** ...*Our LSS project team set about finding a solution to meet the customer’s* *requirements, which also included qualifying any new process within 12 months. The outcome was a significant improvement. The conversion cost per drum fell by nearly one-third and the cycle time was cut from seven days to just one*. |

 Furthermore, managing resources utilization is another way for companies to reduce costs. For **DV,** cutting cost in the energy consumption is important for lowering operational costs.

|  |
| --- |
| ***DV*** *There is a risk that significant additional costs may be incurred in future as a result of increased energy prices. Energy costs currently represent approximately 8% of the group's total operating costs.* |

**4.8.2 Attracting Employees**

 **Attracting Employees** has been captured through disclosures. Skilled Employees are important for companies. Even human resource is more crucial for companies in some industries because of shortage of skilled employees in the industry and how it is associated with seeking competitive position, managing cost for companies. Considering companies’ approach towards employees as internal stakeholders is on relevance to present study.

 In the extract below **CR** explains about aiming for recruiting skilled employees in the area of its current business focus in the emerging market.

|  |
| --- |
| ***CR****…HR strategy has provided the business with a clear framework of the areas on which we need to focus. In relation to recruitment and retention, we will ensure that by the end of 2013 emerging markets have programs of regional graduate and trainee recruitment to support future business needs. Building on our experiences in Asia, we will utilize this knowledge and expertise to develop a program suitable to the Latin American market.* |

 **AA** describes that at this stage of the company’s concentration for delivering business projects, the company needs skilled employees. Weak function in retaining employees can cause increasing costs.

|  |
| --- |
| ***AA*** *Failure to retain skilled employees or to recruit new staff may lead to increased costs, interruptions to existing operations and delay in new projects* |

**4.8.3 Customer focused**

Depending on the type of business, in some companies their work are closely related to customers’ need. **Customer focused** category shows centring of companies’ business on customers. Therefore, direct relations to business customer or consumers have been considered through disclosures.

 **AZ**’s business is based on meeting the demands of industrial customers. These customers are the few companies that work in the particular Electronic market, and need products of **AZ**.

 **AZ** explains that R&D and working close with these industrial customers help the company produces ‘next generation’ of products.

|  |
| --- |
| **AZ ….***Through our strong customer relationships and leading technologies**… Our business model is focused on collaborative and integrated research and development, working in partnership with customers to develop critical materials that enable the manufacture of next generation devices*. |

 **CR** explains the company needs to monitor customers’ ‘current and future’ demands constantly.

|  |
| --- |
| ***CR*** *….all share an overriding commitment to putting our customers first, through their focus on identifying and meeting customers' current and future needs.* |

 **DV** describes that the company needs to have a lower price than competitors to sell products in the emerging markets.

|  |
| --- |
| ***DV*** *we increase volumes sold to emerging markets. Pricing, as always, will be a challenge, with customers under pressure from retailers, and competitors taking the opportunity to offer lower prices* |

**4.8.4 Emerging Markets Opportunity**

 **Emerging Markets** **Opportunity** has been of concentration for companies in different business sector in various forms. Therefore, a category for more investigation of the issue was constructed.

 In the examples below, **JM** describes there is a growing opportunity for the new products of the company in ‘Environmental Technologies’ market; **G** explains the growing demands for energy and in particular gas in emerging market. **AS** notes the growing demands for medicine in the growing market;

|  |
| --- |
| ***JM*** *Environmental Technologies Division is well placed for continued growth. For the year as a whole, Emission Control Technologies should benefit from higher global car production* |

|  |
| --- |
| ***G*** *it is anticipated that China will become the second largest LNG importer (after Japan) and India will be third. In many emerging economies, structural drivers such as urbanisation, population growth, rising incomes and increasing consumption should lead to continued economic growth an even stronger growth in gas demand.* |

|  |
| --- |
| ***AS*** *Faster- developing economies, such as China, India and Brazil, offer new opportunities for the pharmaceutical industry to help an expanding number of patients who can benefit from innovative medicine. Emerging Markets now represent approximately 85% of the world population* |

**4.8.5 Long term Approach**

The category of **Long Term Approach** is achieved through major trends in various disclosures across the reports. In this section, some relevant disclosures have been selected for demonstrating the approach of companies.

 In the extract from **AZ**, it explains that the company takes a long term approach for the business success and appropriate basis through innovation, cost management and ‘cash generation’.

|  |
| --- |
| ***AZ****…**the strong fundamentals behind AZ’s business model; fundamentals such as our leading market positions, a culture of innovation, tight cost control and high cash generation. In the past 12 months, we have built on these foundations and implemented a number of developments which support the Group's position for sustainable long term growth…**We therefore remain committed to investing in our business and technologies, developing leadership positions and growth in line with our long term guidance* |

 The extract from **AF,** describes the concentration of the company on the long term value of shareholders and strategic alignment for the business purpose.

|  |
| --- |
| ***AF…*** *In alignment with our strategic priorities, our business model is designed to create and preserve long-term shareholder value through the development of a financially set-sufficient portfolio of assets spanning the full-cycle E&P value chain.* |

 In another extract, **AF** explains the long term strategy of the company and concentration on attractive geographical markets.

|  |
| --- |
| ***AF …****We are an entrepreneurial Company and take a long-term view of growing our business. We play to our strengths by leveraging our relationship and enterprise to access new basins in areas where we can gain a strategically and competitively advantageous position-always willing to move ahead of the curve for the right opportunities. AF is now the most active international independent E&P in Nigeria, and also in East Africa where we have assembled a highly attractive acreage position* |

 In another extract, **TO** describes that the company takes a long-term approach by concentrating on relationships and considering aspects.

|  |
| --- |
| ***TO*** *…The company takes a long-term view in conducting its business, which ensures we put fostering relationships and protecting the environment ahead of short-term gains* |

**4.8.6 GAS Opportunity**

 The **Gas** category has been taken after noticeable disclosures in the relevant companies showed concentration of companies on this aspect and its link to other categories. Therefore, this category constructed through investigating approaches and aims of the companies. Some extracts from samples are disclosed in this section.

 In the extract, **G** explains the growing demand for Gas market and future need of countries to this resource.

|  |
| --- |
| **G …***Looking to the longer term, Group continues to expect gas demand growth to strengthen across all regions. The Group anticipated that many countries will be unable to meet rising demand from domestic supplies alone and will need increasing imports of pipeline gas* |

 Similarly, S in its extract describes the strong market for Gas and justifies the company’s operation in certain areas relevant to Gas.

|  |
| --- |
| ***S…*** *the demand for new gas-fired power projects in Indonesia remains strong. This is an important market for the Group as it explores for gas...Demands for gas remains exceptionally strong in the ..., (Indonesia) , where the presence of the […] LNG plant has led to the growth of a number of local markets for gas, including petrochemicals, fertiliser, power and LNG* |

**4.9 Answering Research Question 2: The Relation between CSR and Corporate Strategy**

 After analysis and comparison between categories, it was decided to start from answering question two. The reason was based on the categories emerged from data set that made explanation and this way of answering more straightforward. In addition, it allows responding the question from the business perspective and core tasks of organization.

 According to Strauss and Corbin 1998, the core category from the existing categories helps integrate categories and move towards a conceptual system and build the theory. **Reducing Cost** and **Using Emerging Market** were the most significant categories that were identified in the main data set through exploring business perspective of samples. These two categories were considered as contributory factors to the corporate strategy.

On further analysis, based on judgment of the researcher, the name of the categories were considered as broad that still express little about the nature of what is happening in data. Furthermore, the nature of categories is multidimensional and each category showed a relation with another category or multiple categories. As a result, additional comparison between categories was performed in order to reach the conceptualized categories.

 Two categories **Long-term market position in ‘new era of business competition’** and **Securing Shareholder’s Value** were considered for contribution to the analysis of business perspective.

 After the researcher compared categories, she considered the categories need precise categories for contribution to CSR perspective and give explanation of relevant categories in that aspect. **Helping Business Growth** and **Offering Market** **Opportunity** were regarded as two major categories, and the categories presented earlier contribute to these categories.

**4.9.1 Further Analysis:**

 This section presents clarification and explanation for the categories in answering question 2 in the previous section (4.9).

 Firstly, all focused codes made up for categories of each sample. Then, through comparing between samples, categories for all samples were defined. Due to nature of research, the categories grouped together to generate significant categories that present in-depth picture of the analysis. These recent categories represent a deeper meaning of the data set, and the multi- dimensional characteristic of the data and previous categories.

**4.9.1.1 Long term Market Position in ‘new era of Business Competition’**

 Several categories are related to this. **Emerging market opportunity (**4.8.4**)**, **Global trends and Sustainability opportunity** (4.4.10) and **Energy demands** have main contributions to this category.

**4.9.1.2 Securing Shareholder’s Value**

 A sustainable shareholders’ values was prominent through various disclosures and identified categories. Two other categories **Avoiding…, Start when there is commercial benefit**(Section 4.4.13)**, and When Safety is risk** (Section 4.4.14)were contributed to this category. It illustrated that as well as corporate strategy for securing shareholders’ value, other practices that help this purpose are being considered through various organizational actions.

|  |
| --- |
| **B-** *Ethical misconduct or breaches of applicable laws or regulations could be damaging to our reputation, results of operations and shareholders’ value and could affect our licence to operate.* |
| H … *I firmly believe that this strategy will deliver profitable long-term production growth to our shareholders* |
| **AF** … *In alignment with our strategic priorities, our business model is designed to create and preserve long term shareholders’ value* |

**4.9.1.3 Helping Business Growth**

 Several sub-categories have contribution in this category. **Seeking Strong Position, Performance Efficiency** (4.4.15)**, Exploration Quality,** and **Meeting Regulation Demands** (4.4.3). **.**

**4.9.1.4 Offering Market Opportunity**

Monitoring market trends and business opportunities of the companies are of main focus of companies. The sub categories related to this category are **Emerging Market** (4.8.4), **Long-Term Approach** (4.8.5), **Gas Opportunity** (4.8.6), and **Sustainability Resources for Requirement of Business** (4.4.10).

**4.9.1.5 Systematic Approach in Strategy**

 This section focuses on the category as systematic approach in strategy. That includes how major decisions of companies are systematically integrated within companies’ strategy and business process.

 In the Extract by JM, it describes the support of board for generating shareholders’ value and the concentrated strategy for this purpose.

|  |
| --- |
| ***JM*** *As a result of this review process, the board agreed a ten year strategy to deliver superior growth in value for JM shareholders.**Importantly, the key elements of our strategy remain unchanged. Continued focus on leading edge catalysis, maintaining differentiation through technology, recognition that our strong position in platinum group metals remains an intrinsic part of the group and the maintenance of a primary focus on organic growth*. |

 In another extract by JM, it explains sustainability has a potential for generating value and is considered in the corporate strategy.

|  |
| --- |
| **JM …** *Human health and wellbeing Sustainability is a key element of our strategy for future growth where the resources efficient, environmentally responsible manufacturing of products that deliver sustainability benefits can leverage commercial advantage for the group.*  |

 AF focuses on CSR aspects that is related to the communities and included this consideration in the ‘’operational’’ system.

|  |
| --- |
| **AF** *We have successfully worked with the host communities in the areas in which we operate. A key strategic priority is the effective management of CSR policies across all operational areas.*  |

 The extract of AF indicates long term strategy plan and how the company operates according on it.

|  |
| --- |
|  **AF** *Having expanded the business significantly over the past three years, we feel it is important to set out our business targets for the next three years, in alignment with our strategic vision and objectives. Targets to 2015 are therefore to* |

 In its extract, B describes its constant monitoring of development and various aspects that can affect ‘’long-term strategy’’.

|  |
| --- |
|  **B …** *We actively monitor development and continually assess a range of potential outcomes and their implication for our long-term strategy* |

 The main aspect of strategy is that until the time it works for the business it is ‘’unchanged’’.

|  |
| --- |
| **TO** …*The company’s core strategy is unchanged. We are still focused on consistently growing our reserves and production, balancing quality high impact exploration with development, pursuing selective acquisitions and ensuring rigorous capital allocation and portfolio management.* |

**4.10 Answering question 1: What are CSR Practices, and Why Companies are interested in particular CSR Practice?**

In this section, categories that were emerged from CSR perspective and business approach for each company were compared**.** To answer question 1, the concentration was on CSR perspective and the relation between CSR Categories and Business Categories to reach the final categories. This section also includes attention to the type of CSR practices.

 **Relevant to Business Sector challenges** and **Business Advancement** are two categories that are related to all of the samples in this study. These two categories are relevant to each other. However, the challenging situation of some companies and better-position of some other companies led to a separate category to clarify the issue and to see the role of CSR practices.

 In this section, the relevant disclosures for each category are disclosed.

**4.10.1 Relevant to Business Sector Challenge**

 A comparison between disclosures indicates that companies disclosed CSR practices relevant to their challenges in business aspect. Therefore, this section provides relevant extracts to clarify this connection.

|  |
| --- |
| **DR …** *The UK electricity market is characterised by six large vertically integrated companies and a number of smaller ‘’independent’’ companies. DR is an example of an independent company, which until 2009 was solely focused on the generation of electricity (****Line 330-334).*** |

|  |
| --- |
| **DR**…*We aim to provide a low carbon, low cost and reliable power generation business well into the future....our intention is to grow a significant retail business providing us with a valuable alternative to trading through the wholesale electricity market* ***(Line 115-119)****.* |

|  |
| --- |
| **DR …***We are exposed to the effect of fluctuations in commodity prices, particularly the price of electricity and gas, the price of coal and sustainable biomass (and other fuels), and the price of CO2 emissions allowances****. (Line 511-514)*** |

|  |
| --- |
| **AA…** *During 2011, we implemented new technical standards and management tools- the Water Efficiency Target Tool and our energy and carbon management programme, ECO2 MAN- to help operations understand their water and energy requirements, and identify and implement saving projects***.(Line 1106-1113)** |

|  |
| --- |
| **AA** Securing a safe and reliable water source in one of the driest regions in the world presents some obvious challenges. At our ... copper operation in Chile’s Atacama Desert, we’re doing our best to overcome these by reducing the strain on an already stretched watershed **(Line 1212- 1217).** |

**4.10.2 Business Advancement**

 In the extract below, AZ explains that a strong supply chain is of advantage for its business improvement.

|  |
| --- |
| **AZ *…*** *AZ is at the interface between the chemicals and electronics industries. Our suppliers are chemical companies and our customers’ electronics companies. AZ’s strength in the supply chain is that we understand and bridge both worlds*. |

 In addition to operation efficiency, CSR practices can help improve business with customers. In the extract by AZ, because of the importance of supply chain for the company, it expects suppliers meet regulatory demands.

|  |
| --- |
| **AZ** *which means that substandard products could damage our reputation and our customer relationships. The importance of our supply chain means that we operate a robust supply chain and procurement policy. We require our suppliers to meet all applicable laws and regulations and expect our major suppliers to take part in quality audits and business continuity planning audits* |

 **DV** is establishing the company’s position in the emerging markets. In so doing, the company needs to manage its cost for lowering the final price of products and compete with rivals.

|  |
| --- |
| **DV…** *continuous improvement projects using techniques such as 5S and Six Sigma have continued to provide benefits. Low cost capital projects in Scotland and Australia have raised productivity and reduced marginal costs on older lines****. (Line 135-138)****…During 2011, we installed a natural gas powered co-generation plant in Australia. This generates electricity through a turbine and generator, and provides steam for the manufacturing process. It is expected to reduce energy costs in Australia and in reducing Co2 emissions by 30%.* ***(Line 237-241)*** *Pricing, as always, will be a challenge, with customers under pressure from retailers, and competitors taking the opportunity to offer lower prices****.(Line 381-382)*** |

**4.11. Further Analysis of CSR Reporting in the Annual Report**

 Three Categories of ‘**’Dual Purpose Tools’’**, **‘’Increasing Activities, Increasing Emissions and Incidents’’** and **‘’ Marketing Sustainability ‘’**, **‘’start with a commercial advantage’’**, **‘’Practical platform for Alternative energy’’** are considered to indicate CSR perspective within the annual reports. Therefore, a particular attention has been performed to explain it in this section.

**4.11.1 Quality of CSR Reporting Content**

 The way that companies report their practices and the quality of reports could not be ignored and it was a part of conceptualization in the research (4.12). In this section an overview of reporting quality within the annual reports is represented. During the coding and analytic process some characteristics of CSR reporting were appeared. The investigation of CSR reporting was considered important because it expands the knowledge of CSR practices in the samples under study and was crucial to develop concepts in the Grounded Theory method and fulfil a deep study of the phenomenon as far as possible.

 The companies disclosed their relevant CSR practices; however, the quality of information is under question and needs a careful consideration. One reason is that the reports do not disclose necessary information. Therefore, these reports required an investigation to see, whether all the disclosed information for a particular practice in qualitative and statistical for, support each other. For instance, CSR segment in the annual reports represent numerical information, data, and diagrams, the researcher needed to show a further consideration of these quantitative information of social and environmental practices. Further attention has been how narratives and statistical information are matched together.

 In this section, a description of disclosures in ***Water Consumption***, ***Energy Usage***and***Pollution Emission*** are represented. These two themes were considered as they required numerical information. In addition the importance of debates about energy and water consumption in recent years has encouraged majority of companies to present their practices in this aspect.

**4.11.1.1 Water Consumption:**

 From twenty samples of this study, twelve companies reported their water consumption rate. Presenting statistical information in a single diagram or table was common and other forms of qualitative disclosures and narratives were very short and limited in general. Among these samples, the business operations of some companies relied on the water resource; therefore, it was required to consider both types of companies to evaluate their disclosures about water consumption. For instance, the company **AA** asserts that water is a key resource for the industry; therefore, lack of sufficient water significantly affects the business operation of company. Consequently, the company has a shared value approach towards water resource to provide the sufficient water resource for its business.

 *‘’Our desalination plant...will make a real difference by meeting the mine’s total water needs, thereby eliminating our need to compete for water resources in this driest of all the world’s deserts’’*

 *‘’ This desalination plant will help us maintain that position and further develop our ambition to become a champion in responsible water stewardship’’*

 The company **B** is in the first group that needs water resource for its operation. The company presents disclosures about water consumption but does not represent any particular practice in this aspect.

 ‘*’ We are taking a more strategic approach to water use and assessing water-related risks within our businesses, including those associated with the growing global issue of water scarcity. Our focus is on increasing our ability to forecast measure and manage emerging water risks’’.*

 In contrast, the companies from the second group that do not depend on water consumption represent more transparent, tangible and detailed information. For instance the company **CR**;

'' *Whilst our operations are not in regions where water resources are under immediate treat, many of our manufacturing sites and offices operate in communities that are dependent on a shared natural fresh water resource. We therefore have a public responsibility…''*

 Similarly **DV** says;

 *'' Water use is generally not a big issue on our sites; we are still keen to reduce it whenever possible''.*

 The other significant point in the relevant disclosures is that companies disclosed they have a target but there was lack of precise information. The limited statistical data did not clearly show what extent the companies achieve their targets. For instance, the company **DC** states;

 *'’ We are committed to reducing the amount of water used in our manufacturing processes by 20 % by 2015 against 2007''*

 Most of the companies in the sample that reported their water consumption only presented data from the previous year (2010). The disclosures did not present precise information in order to compare and investigate the improvement of the related practice through the years. For instance, the numeric information does not address the water consumption rate during the past few years. Only two companies, **DV** and **AA,** disclose data for water consumption for several years; from 2005 and 2007. Therefore, data help an understanding of water consumption rates over these years. In addition to this the target of companies have been included in these two companies. The company **DV** set the target clearly as 2005=100 and 2015=77.6 and states the amount for 2010, 2011 as 86.3 and 86.9.

**4.11.1.2 Energy Consumption:**

 Ten companies, out of twenty samples of the current study, disclosed qualitative and quantitative information about their energy consumption. Most of the companies reported very brief information; or only focused on representing statistical charts without any further explanation.

 The statistical information was not clear to present the exact amount of energy consumption for 2011, or show energy use rates for the previous years. As a result, reporting did not indicate enough evidence to represent the energy consumption and the companies’ level of performance in order to compare and understand the data.

 For instance, the company ***TG*** discloses statistical information about the energy consumption and describes:

 ‘’*We monitor electricity and gas consumption at manufacturing sites and offices which employ more than 20 people, and we try to reduce carbon emissions and increase energy efficiency wherever possible’’*

 The disclosures did not include energy consumption rate, and the information was not clear to give reduction percentage. The company ***GK*** reports:

 ‘*’ In 2011 we reduced energy consumption from our operations by 5.2%*’’

Similarly the Company ***CR*** states;

 ‘*’ some progress was made towards our target of 25 % energy from non-fossil sources, up from 13.3 % to 14.5 % by the end of 2011’’*

**4.11.1.3 Pollution Emission**

All companies represented disclosures about their pollution emission. Among all these companies the most significant disclosures were for the company **HEO** that express;

 ‘’*Oil and gas operation have the potential to damage the environment but, if managed well, any negative impacts of activities can be minimized’’*

The reporting of company **HEO** includes questions and answers in this section;

**‘’*Has the company considered developing targets for certain aspects of its business such as air emissions, water usage and waste? – ‘’****Currently the company planned activities do not produce material amounts of air emissions, water usage or waste. Consequently, we do not believe that our operations or reporting would benefit from having set targets for these criteria ‘’at this stage.’’*

And;

 ‘’ *During 2011, the company engaged with institutions on the Carbon Disclosure Project’’*

 The disclosed information in the tables is not clear and in front of many indicators it is written that; ‘*’they were not measured’’*. About the indicators for pollution emission, the report only concentrates on presenting information of *Total water withdrawal for Russia* that is 150 m3; Total direct and indirect greenhouse gas emissions and Volume of Flared and Vented hydrocarbon is 3.352000 m3 for Russia.

 Likewise, other companies that disclosed pollution emission, did not include their target or their reduction in the carbon footprint were not clear. Another instance, the company **GK** states that;

 *‘’ As part of the strategy we set ambitious 2020 goals for key impacts, including a 25 % reduction in our carbon footprint.’’*

Or,

 *‘’ By 2050, we aim to be carbon neutral across our entire supply chain’’*

And,

 *‘’ In 2011 we reduced energy consumption from our operation by 5.2%’’*

 The company **S** represents information about the CO2 and Greenhouse emission in statistical and qualitative format; however, the statistical data only include the years 2010 and 2011 and do not disclose earlier year. Moreover, the target for next year, 2012, is not clear enough.

 The company **CR** illustrates the ambitious disclosures in sustainability. However, it did not disclose any details. In addition, the report informs that company has strategy and an energy target for 2015 but these are left without further explanation.

 *''The link between emissions of combustion products such as CO2 and climate change is now well established. It is therefore essential that as a socially responsible company we reduce the impact of our emissions to a sustainable level. The expectation of all our stakeholders is that we continue to make progress in reducing discharges of climate change guess''.*

And;

*'' …we have now carefully measured emissions of gases implicated in climate change for more than 15 years and have consistently set targets for reduction*…''.

 The company PO is the only company among the selected companies that illustrates the numeric and qualitative disclosure understandably.

 The other significant feature among samples was that industries with lower impact on environment presented more disclosures about pollution emission. As an example, the Company **AZ** in the specialty chemical company presents;

‘’*. .. Production processes do not directly result in any carbon dioxide emissions. Our only emissions come indirectly, from the energy we consume,’’*

 *T*he company’s business is not relevant to carbon emission and the company focused on reporting indirect emission and energy consumption. There is significant reduction in the energy consumption during 2009-2011. However, indirect carbon emission diagram shows an increase in the year 2010. The contradiction between these two diagrams were not explained and addressed in the report (Fig. 4.3).

**Figure 4.3 Examples of Energy Consumption Reporting**

**4.12 Summary of Findings**

The applied method in this research helped to explore and compare extensive data. The main challenge was to find a way to encompass findings in order meet the research objectives while being impartial towards either CSR or Business approach and conduct the research upon the disclosures of the annual reports. The nature of data and research aim needed to conceptualize the whole various categories to answer interrelated research questions. The exploration within the data field reveals multiple relationships between categories to reach conceptualization of CSR and business context in the reporting system.

 The research questions were relevant and completed each other to help understand companies, CSR practices and compare the tendency to implement CSR practices within their context. In order to reach an acceptable conceptualization in the Grounded Theory method, various available situations were considered such as: business sectors, market position, year of establishment, and listed either on FTSE 100 or FTSE 250.

 In order to answer research questions the researcher considered ‘’What’’ and ‘’Why and How ‘’ in the whole process of research analysis. ‘’What’’ applies to the information specifies CSR practices; whereas ‘’Why’’ and ‘’How’’ are linked to conceptualization of the CSR practices and the relationships in the business context with the framework that is offered by the structure of annual reports.

 To answer the research question one, the researcher considered the nature of CSR practices that were disclosed by the companies. Answering the research question two was relevant to the first question. In that the question two considers the business perspectives of the companies and explores the strategic approach towards CSR. This helped a deep analysis of CSR categories and the link between these practises and business approach in order to reach a better understanding of CSR reporting of companies.

**Figure 4.4 Summary Map**

Relevant to Business Sector Challenge

Business Advancement

**Research Question 1:**

 What CSR Practices and Why Companies are interested in particular CSR Practice?

Securing Shareholders’ Value

Long Term Market Position

Systematic Approach in Strategy

R**esearch Question 2:**

The Relation between CSR and Corporate Strategy

Offering Market Opportunity

Helping Business Growth

**4.13 Development of ‘the Theory’**

 During the analytic process of the research and through the constant comparison the relationship between categories was developed. Analysis of the categories at a conceptual level helped to build the theory based on the following criteria:

* The reported CSR practices in the annual reports and the impact of these practices on other organizational aspects
* CSR and corporate business approach can be related or unrelated
* What organizational aspects influence CSR practices?

 The conceptual development is represented in the figure (4.5). Categories in answering question 1 and 2 summarized the data. The final category is a theoretical representation of CSR participation of multinational companies that were listed on FTSE and were selected according to theoretical sampling of the Grounded Theory.

 **Rational Decision** was a significant category that substantially emerged from the multiple comparisons between categories in answering the questions. In fact, the categories for answering research questions were contributed to this significant category. Therefore, all categories that were summarised in Figure 4.4 as initial theory development categories contribute to the construct of Rational Decision. The theory is presented in figure 4.5.

**4.14 Conceptual Map- A Theory of CSR Reporting**

 ***Rational decisions*** bring understanding of CSR reporting and are represented by knowing the relevance of business practices to the choice of CSR activities. This was understood as how CSR disclosure are integrated in the business of companies in the reporting to support and link different practices done in the organizational system. CSR practices show two major roles: impact and facilitate that all reported practices were relevant to either categories. Business sector, market position and global economy impact companies and CSR practices are helpful to facilitate corporate strategy or prevent risks and harms to business. Therefore, *Rational decisions* shows CSR disclosures are related to business disclosures.