An analysis of CSR online communication

-The case of Shell, ExxonMobil, E.ON, and Vestas

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Abstract

Corporation Social Responsibility (CSR) has been growing in its importance, which makes companies under great pressure with the handling of CSR and making it a useful managerial tool. This thesis tries to answer the questions of whether the E.ON Group, Vestas, ExxonMobil, and the Shell Corporation are using the appropriate CSR communication strategies, and whether or not a company’s relative environmental friendliness affects the CSR communication strategy of said company, and was written to increase our understanding of CSR communication as a concept. We adopted an inductive stance, with a constructionist, interpretivist point of view, and so decided to perform qualitative research by way of a comparative case study.

We then collected our data from the corporate websites of the two companies, and analyzed it according to Carroll’s CSR pyramid, Morsing’ theories on stakeholder communication strategy, and the theory on credibility as defined by Greek philosopher Aristotle. Once analyzed, we compared the data gathered from the two companies to each other in order to draw our conclusions.

In the end, we concluded that E.ON’s and Vestas’ CSR communication strategy are quite lacking, while Shell’s and Exxon’s CSR communication strategy are quite the successes. This then actually seems to answer our second question, as Shell, who is leagues less environmentally friendly than E.ON, devotes a lot more focus towards their CSR communication measures. Moreover, it is through our study that we have discovered a lack of academic theories or model guiding for a successful use of CSR communication.
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Chapter 1 – Introduction

In the first chapter, it is the authors’ goal to provide the reader with a brief introduction to the thesis. The background and the motivations for the authors to take up the topic are outlined. Following this, readers will find the descriptions of the thesis’s goals, purposes, and delimitations. Concluding the chapter is the outline of the chosen paper structure.

1.1. Background

Nowadays, Corporate Social Responsibility (CSR) has become a popular concept among businesses. Without regard of the broadness the definition intends to cover, it is agreed that CSR refers to the fact the corporate is motivated by more than self-interest, but rather the collective self-interest of society, which might be local or global, at large (Theaker, 2000, p.107). In other words, it is no longer enough to simply have a superior quality product if it is not produced in an ethically correct way, as regards employees, environment, NGO’s and other essential stakeholders to the company. Being socially responsible is important, but if the stakeholders are not aware of the fact that the company is socially responsible, the efforts of the company are lost. This is why it can be observed that there are more and more corporations reporting corporate social responsibility and make the task an important one of their operation management these days. As the communication of CSR is becoming more defined as a concept, there is a shift of concern towards the maximization of the effectiveness of the communication of corporations’ CSR strategy. As stated in most of research papers in the field, it is no longer a question of whether or not corporations should communicate their CSR strategy but how; which depends on a number of different factors, including culture, the type and size of the corporation, etc.

Observable in our literature review, a dominant number of articles found in the field are generalized-theoretical-CSR-strategy and less concerned of the constant changing state of social environment.

In 2008, a report on CSR trends was published at CompaniesandMarkets.Com¹, stating that climate change has rapidly gained in importance as a CSR issue, and that a steady increase in public demand for corporations to act in relation to this climate change has been observed. This is especially true for companies whose business is consumption and energy, as 80 percent of Europeans believe that these companies are responsible for the rapid acceleration of the changes in our climate. With regards to this, and the stated nature of CSR being the embodiment of the public’s concerns, it is becoming nigh impossible for any company to ignore the environmental issues of today.
Stakeholders’ expectation is one of the main causes for changing external environment. Especially in the energy sector where there are wavering streams of controversial public opinions.

Also, when it comes to comparative studies, most of them focus on the cultural perspectives; i.e. differences in CSR communicative strategy across different cultures. However, based on our research and personal hypothesis, we think that the communicative strategy should be altered when it comes to corporations with different environmental/ethical reputation. To clarify, within this paper, we consider that corporations can be categorized into two types: environmentally problematic and environmentally friendly ones. From an academic point of view, Ashforth and Gibbs present the following hypothesis: “The protestation of legitimacy will be greatest for organizations with low legitimacy.” (Ashforth & Gibbs, 1990:185). In other words, their hypothesis suggests that corporate legitimacy factors also affect the manifestation of CSR communication. Therefore, according to Ashforth and Gibbs, companies in problematic industries should theoretically be focusing more on appearing credible than companies from more benign industries. Morsing and Beckmann (2006: 14) also recognize the findings of Ashforth and Gibbs, while Bueble (2009: 26) stresses that companies from problematic industries tend to focus so much on projecting an air of legitimacy and desirable qualities that they may actually come across as conspicuous.

Since we are now firmly ensconced in the electronic age, more and more of our communication is being carried out digitally. With the internet becoming such a large part of our day-to-day lives, it is only natural that it would become our number one stop for information on businesses and corporations we might decide to become customers of. In light of this new development in marketing, we have decided on examining the CSR communication performed on the websites of the companies we chose to investigate, rather than their CSR communication strategies as a whole.

When deciding on which companies to investigate for the purpose of this thesis, we narrowed our choices down to four; Shell, Exxon, E.ON, and Vestas. This decision was based on several key points. First, they are all of a similar size, which means comparisons will be as valid as possible. Second, they all operate in an industry where environmental concerns are a hot topic. Third, they have well-established websites, with access to information about the environmental issues related to their operations. Fourth, they possess almost directly opposing reputations; both Shell and Exxon are known for being environmentally problematic corporations, involved in several oilspill scandals, while E.ON and Vestas are generally considered environmentally benign, placing focus on alternative energy sources. We decided to make a cross comparison between these two types of corporation, in order to test the arguments made by Ashforth (1990), and later by Morsing (2006) and Bueble (2009).
We, the authors’ acknowledge that the categorization of these four companies, as laid out in this thesis, is subject to change. A company considered environmentally unfriendly could in ten years’ time be environmentally benign.

1.2. Purpose

In finding gaps between literature and practice, we came to our motivation for writing this thesis. What we desire from this thesis is to increase our understanding of the concept of CSR communication. Its purpose is also to help us develop an increased awareness of CSR communication place in the overwhelmingly environmentally hazardous energy sector, as well as how the environmental issues inherent in the sector affects the implementation of CSR communication strategies.

1.3. Problem statements

From the discussion in the background, we generate our problem statements:

- “How does Shell and Exxon vs. Eon and Vestas translate CSR communication theory into practice in the field of corporate social responsibility in the context of delicate global environmental situation?”

- “Are these corporations using the right strategies with their online materials when approaching the stakeholders and adding value to the products?”

- “And furthermore, does this climate/environmental communication manifest itself differently with their online CSR communications between an environmental friendly corporation and a problematic one (e.g. in terms of stakeholder approach, CSR level, and credibility/persuasion techniques).”

1.4. Limitations

Firstly, the authors are aware that there are only four corporations analyzed; thus, making the comparative analysis less powerful when drawing a general conclusion on the behaviors of the whole energy industry.

Secondly, we also acknowledge that the company websites and reports do not comprise the whole of these companies’ CSR communications, only the most common. We are aware that the CSR communication takes place over several other media, and further study could be undertaken to include these.
Thirdly, it is for the purpose of this paper and the sake of consistency, the term CSR will be used heavily in light as “environmental concerns”. Therefore, other “social” aspects of CSR will not be considered within the scope of this thesis.

Finally, we realize that since our conclusions are drawn from our own observations, and interpretations thereof, there exists the possibility of bias. In the course of the study, we have attempted to be as objective as possible, and not favor any one company unduly in our inferences. But, of course, the possibility still remains.

1.5. Thesis structure outline

The paper is divided into six main chapters, excluding the bibliography and appendix. Readers can find Figure 1 to obtain a clear-cut view of the thesis.

Chapter 2 is going to outline the methodology of our project, which is to be a qualitative comparative case study, as well as state the delimitations we have set for ourselves.

Chapter 3 is then devoted to the introduction of the theories relevant to the subject of CSR communication that will be the theoretical framework for our thesis.

Chapter 4 centers on the overall presentation of empirical observations we have gathered from both companies’ websites.

In chapter 5, the observations made in the previous chapter for each company will be compared and argued against the first two theoretical sets in chapter 3, and the comparison analysis of Shell and Exxon against the other two, E.ON and Vestas will appear at the end of this chapter.

Finally, chapter 6 provides an ultimate discussion on the papers’ topic and put the readers to a wider-ranging view on the subject in relation to the current world-business context.
Figure 1 - Thesis structure (own production)
Chapter 2 – Methodology

In order to achieve our aim of understanding and drawing conclusions on the CSR communication strategies of our chosen companies in particular, and the energy sector in general, the methodology is vitally important. The objective of this chapter is to outline the structure and assumptions of our chosen methodology for this thesis, in order to construct our arguments and direct the readers toward a better understanding, as well as appropriate expectations. This section will start by introducing the Ontological postulations - in other words, what we know about the reality - and then move on to Epistemological postulations - which concerns the question of how we know about reality. In the next step, we will explain our research strategy; since this research follows the inductive process, the qualitative method will be applied. Lastly, we will discuss our ethical considerations. Throughout the text, the authors will justify their decisions, from the choice of data collection process, to the selection of the theoretical framework

2.1. Methodological assumptions

The research method holds an inductive stance. This means that we generate our working theory from the data we collect. You will find the research methodology goes as such:

Inductive ➔ Constructionism ➔ Interpretivism ➔ Qualitative.

Figure 2 aims to give you the first summary of our methodological assumptions. The justification for such choices will be developed immediately following.

Deductive ➔ Inductive
Positive ➔ Constructionism
Objectivism ➔ Interpretivism
Quantitative ➔ Qualitative

Figure 2 - Overview of the thesis' methodology assumptions (Own production)

2.1.1. Preconceptions

It is true that we, the authors, went into this project with some preconceptions about two of the companies we ended up choosing to investigate; Shell and Exxon are, after all, quite famous. E.ON and Vestas, however, are not so well known, and we knew little more than their names going in. In either case, we have done our utmost to not let our preconceptions about the companies unfairly bias our investigation.
As business students, there is another host of preconceptions to deal with, coming from our backgrounds in marketing. Scepticism about “the angle” is a common pitfall, but one we feel we have avoided during the course of the investigation.

2.1.2. Ontological Postulations

For the purpose of this investigation, we assume a constructionist point of view. We hold the view that communication strategy does not exist in a vacuum as a set of unchanging rules, but rather that it is constantly changing; being shaped and reshaped continuously as institutions and individuals exercise it.

2.1.3. Epistemological Postulations

According to Bryman & Bell (2007, p.24), interpretivism is an epistemological concept, which states that culture and society is not just a collection of data, but rather the sum of the individuals they consist of. Interpretivism is concerned with the understanding of human action, and holds the opinion that the social sciences cannot be studied in the same way as the natural sciences, because the natural sciences requires an accurate answer, but the social sciences are concerned with individual human behaviors, which can be random and unpredictable since every person acts according to his or her own personal perception of the world.

When it comes to the field of communication, there are no clear-cut distinctions of “right” or “wrong”. There is not one perfectly applicable communication strategy, and one perfectly inapplicable one. Rather, there is a nigh endless amount of possible permutations, with varying levels of applicability and effectiveness.

Thus, our research is interpretivist in nature. Our research questions all deal with social actors, and their actions and perceptions

2.2. Research method
2.2.1. Research design methodology

Once the topic, purpose and research questions had been decided, it became time for the authors to decide on the matter of research method. Considering our stated purpose and research questions, the most fitting option for us was to adopt the hermeneutic approach within a context of comparative case study. According to Sherratt (2005:59), the hermeneutic approach refers to the act of interpretation and understanding. In specific, it is a humanistic approach which aims to provide suggestions on how different meanings are interpreted and perceived. Nowadays, the approach is well-known and widely used by researchers as it gives the possibilities to comprehend textual and other forms of materials where researchers’ intellectual background is incorporated as the analytical bases (Skinner, 1986:23). This points out to the fact that the core
findings of this thesis are found through means that are interdependent from the authors’ background. As a fact, the authors are aware of this and the materials are selected and interpreted with this approach as the backbones.

As mentioned, the thesis was done from the hermeneutic point of view within the framework as a case study. A case study is defined as a research design that entails the detailed analysis of a single case (Bryman & Bell, 2007), and for the purpose of this thesis subject of study are the four organizations Shell, Exxon, E.ON and Vestas; or, more specifically, their CSR communication strategies. Our reason for choosing to perform a case study is the design’s characteristics and usages. According to the book by Robert K. Yin (1994), *Case Study Research – Method and Design*, a case study method is used typically for:

1. The type of research questions such as “how” or “why”,
2. Situations, where investigators have little or no possibility to control the events
3. General circumstances of the phenomenon to be studied or contemporary phenomenon in a real life context. These three points are also the advantages that come along with this research method.

Having these three points in mind and compared against the thesis’ objectives (See 1.1 & 1.2), it is noticeable that the use of case study enables us to reach the goals of our investigation, which is to understand “how” the communicative strategies are applied at Shell, Exxon, E.ON and Vestas. Through the case study design, the authors are capable of an intensive examination of the cases in point, with a proposed theoretical background within the relevant field. Furthermore, Robert K- Yin, case study research design also is also discussed by Bryman and Bell (2007). First of all, they classify the different types of case, for example: critical case, unique case, revelatory case, etc. As for this comparison between two types of corporations, the authors conclude that it belongs to the representative case category as all four corporations exemplify multinational energy corporations whose operations are directly connected to current environmental issues. Secondly, since there is more than one organization subject to our interest, these representative cases are to be subject to comparative analysis (Bryman & Bell, 2007, p.66). This kind of design is useful with two or more contrasting cases. In this case, the corporations are known for their opposed images when it comes to environmental responsibility: Shell and ExxonMobil are infamous for their scandals of environmental damages while E.ON and Vestas have long-term reputations for being a green corporation.

Choosing this case study design also means that a qualitative research strategy is adopted. Differing from its “sibling”, quantitative research, in many ways, qualitative study emphasizes words and concepts rather than quantifiable data in the collection and analysis of data (Bryman & Bell, 2007, p.28). To provide readers with deeper understanding on this research strategy, Figure 2 is used to outline the main steps covered in a typical qualitative research study.
Our investigation will be conducted according to this 6-step model, as it is our opinion that this kind of qualitative research is eminently suited to the kind of investigation we are performing; studying the data provided on the corporate websites of our four chosen energy companies.

We are going to collect our data by reading all the environmental responsibility information provided to stakeholders on the company websites, and then we will analyze this gathered data according to three important concepts in CSR communication; that is, the Carroll CSR pyramid, Morsing’s theories on stakeholder communication strategy, and credibility theory as defined by ancient Greek philosopher Aristotle.

Then, we will compare the analyses of the four companies, and from that we hope to arrive at answers to our two favored research questions; that of whether the corporations are using the appropriate CSR communication strategies, and that of whether or not the perceived degree of environmental friendliness of a company changes the way that company has to approach the application of CSR communication strategy.
2.2.2. Data collection method

The data collection process is vital within any research design. For the purpose of this thesis, the authors have decided to use only the data gathered from a secondary source, the internet. We believe this may evoke certain doubts from readers, but for us, this is indeed the best option, for three main reasons. The first one is external; as we are now settling ourselves into the electronic age, the internet is becoming more and more important within the communication and information sectors. Large amount of stakeholders receive their impressions of, and information concerning, a corporation from the internet and nowhere else. This fact has not been lost on the great corporations of our day, and they realize that to increase the chances of new costumers and new employees, the quality of their presentation on the internet is vital.

But this age is not only the electronic one, but also the dawning of an environmentalist one. People are more and more focused on the health of our planet, and as such, those corporations and organizations that are seen as more environmentally friendly than their peers have a particular competitive advantage. It follows then, that corporations would stress their environmental friendliness on their corporate web-pages, the place where people go to find their information about them. Moreover, as the websites that have chosen are globally and officially maintained by the company, we reduce the concerns on material quality or credibility as well as the differences in terms of culture. With the advantages of reaching out for more target groups, creating the environmental friendliness impression on stakeholders, credibility, and reducing cultural factors, we believe that there is not better choice than the internet in order to achieve our thesis goals. This is the reason why we chose to analyze webpage content for this project; we figure that the main source of CSR communication for these companies would be their online sites.

Besides the analyzed materials, the discussion on the thesis is made possible with the aid of references and previous works from other researchers. The access to this type of information is through secondary sources including books, universities’ databases, articles, and the World Wide Web. As these resources give the authors a giant pool of information, it is vital to determine the method of sorting out the right data, i.e. using key words such as “corporate social responsibility”, “CSR communication”, “corporate communication”, “website communication”, “credibility”…etc.

2.3. Criticisms on secondary data

For any decision making, there are pros and cons attached to such choice. With secondary data, there are possibilities that the books or articles are not up-to-date, irrelevant or from unreliable sources. The authors have acknowledged these issues and thus have taken the data collection process with great care. On the whole, all the analyzed data are gathered directly from the corporations’ official website; thus, there should be a guarantee regarding the reliability and
relevancy of the data. In case of articles and books, most of them are retrieved through the university databases; and the ones used are published reasonably current. Therefore, the authors believe that the weaknesses of secondary data are tackled to a great extent.

Also, the authors are aware that data gathered from online sources can be considered to be of questionable quality, and therefore is undesirable. However, since the data in this case is the focus of our study, rather than a tool for the conducting of it – i.e. we are looking at how the companies say what they say, rather than speculate about how truthful it is – this concern is deemed irrelevant for the purpose of this research.

### 2.4. Research criteria

Once the methodology is decided upon, it is time to consider the reliability and validity of our research. To do this, we will make use of the reliability and validity adapted for use with qualitative research as laid out by LeCompte and Goetz (Bryman & Bell, p410):

- **External reliability.** Can our research be replicated? It is our belief that if another group or researchers sat down with the same available materials that we had, they’d come to the same conclusions as we did. The problem here, though, is that the material is very likely to change. CSR communication is not a static thing, but changes as its environment changes, and ten years from now, odds are that environmental issues will have become even more important; this will then definitely have an effect the CSR communication strategies of companies in the energy sector. Their corporate websites are unlikely to remain the same for very long.

- **Internal reliability.** Do all the group members agree on our observations? This we can answer with a firm yes; all our observations were done in tandem, and with a lot of discussions and no disagreements.

- **Internal validity.** Is there a good match between our observations and the theories we develop from it? We feel that there is indeed a good match between the data we have analyzed, and the theories we have based on them.

- **External validity.** Can our findings be generalized across the wider social setting of the energy sector? Here we feel that there might be the possibility for problematic, as our case study compares only four companies. However, we do feel that our results can be applicable, what with our choosing two companies on two opposing ends of the spectrum of environmentally friendly energy companies.

### 2.5. Delimitations

Here follows a number of limits we have set for our investigation:
Firstly, for the four corporations, there are three main channels of communicating their CSR initiatives: websites, sustainability reports, and annual financial reports. However, only two of them are incorporated and analyzed in this paper, which are the websites and responsibility reports. The financial reports therefore will be mentioned but will not actually be a part of the investigation.

Secondly, we have taken into consideration that Shell, ExxonMobil, E.ON and Vestas are vast corporations, which means that their stakeholders are numerous. Thus, the paper will only focus on the end consumer of energy products, being the retail customers of corporations’ products. Other stakeholders named, like governments, investors, NGOs, etc, will play a less central part of the analysis. Even so, the authors believe that these other stakeholders are still subject to similar effects from these communicative strategies due to the fact that websites and CSR reports are mass medium of communication.

Thirdly, when analyzing the similarities and differences between the two set parties i.e. Shell-Exxon vs. Vestas-E.ON), cultural dimensions will be unrelated in discussion. Our central argument for disregarding the cultural perspective has to do with the fact that selected corporations are multinationals, which weakens their link to a single overarching culture.

Finally, unless otherwise stated, throughout the thesis when we are speaking of “stakeholders,” we will be referring to the final consumers of the products; homeowners, car owners – i.e. “regular folk.”
Chapter 3 – CSR and Stakeholder strategy theories

This chapter aims to give the readers a deep and holistic view of the theoretical background we will make use of in the analysis of our gathered data, and ultimately in the answering of our research questions and the fulfillment our thesis’ purpose.

Within the chapter, all the key theories relevant to our topic will be discussed. In brief, there are three main theoretical fields that the authors will cover. The first one (section 3.1) is Corporate Social Responsibility (CSR), as it is the main theme of the thesis. The second package of theory (section 3.2) concerns stakeholder approach and stakeholder theory with a focus on communicative strategy by Morsing (2004, 2006), and Velamuri (2006). As the thesis’ goal is to analyze the communication of CSR in the context of multiple stakeholders’ involvement, this set of theory is crucial as it provides readers with thorough understanding of the stakeholder approach and the difficulties corporations usually face in trying to satisfy all stakeholders.

Incorporated along in this section is also an introduction on website communication, both from academic point of views and practical guidelines extracted from different researches. Finally, the last section (3.3) touches upon the topic of trustworthiness in communication.

3.1. Corporate Social Responsibility (CSR)

3.1.1. General definition

The broadest definition of corporate responsibility is concerned with what is – or should be- the relationship between global corporations, government of countries and individual citizens (Tench, Ralph & Yeomans, 2008, page 101). More specifically, the definition is concerned with the relationship between a corporation and the local society in which it resides or operates. Another definition involves the mutual connection between corporation and its stakeholders. Among the definitions found, we chose to use the one published by the Commission of European Communities (2001) where CSR is defined as:

“A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”

CSR has become an important issue in business management, as it relates to compliance, risk, and reputation (Theaker, 2000, p.6). The practice of CSR can contribute to corporate image and reputation; strengthening the organization’s place in the competitive market. Looking at the objectives of CSR in a more detailed perspective, Tach and Yeomans (2008, p.101) stated in their book:
- It helps others to be more willing to consider the organization’s point of view
- It helps to strengthen the organization’s information structure with society and therefore improve recourses in all areas
- It makes it easier for the organization to motivate and recruit employees – and to promote increased employee morale
- It will enhance and add value to the organization’s products and services

3.1.2. **Carroll’s CSR pyramid**

As we have understood what CSR is, and the concept of its communication, it is time to touch upon another part of the concept, which is “what kind of responsibilities that a CSR-practicing organization has to follow?” Relating to this issue, Carroll (1991) listed four main categories of organizational responsibilities to society, which are economic, legal, ethical and philanthropic responsibility (Tench, Ralph & Yeomans, 2008, p.105). Figure 2 illustrates Carroll’s work.

![Carroll's CSR Pyramid](image)

**Figure 4 - Carroll's CSR Pyramid**

**Economic responsibility**

At the first level, found economic responsibility, which can be interpreted as the profit motive. It was established as the primary incentive for entrepreneurship; before it was anything else, the business organization was the basic economic unit in our society. As such, its principal role is to produce goods and services that consumers needed and wanted and to make an acceptable profit in the process (Tench, Ralph & Yeomans, 2008, p.105).

**Legal responsibility**
Society has not simply sanctioned business to operate solely according to the profit motive; at the same time business is expected to comply with the laws and regulations promulgated by federal, state, and local governments as the ground rules under which business must operate. Firms are usually considered as having a social contract between business and society and expected to pursue their economic missions within the framework of law.

**Ethical responsibility**

Although economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights.

**Philanthropic responsibility**

Philanthropy refers to acts of direct distributions a firm make towards a charity or a cause. The distributions can be in varied types: cash, grants, distribution channels, technological expertise…etc. In general, it includes all active engagements in different programs that promote human welfare or goodwill.

It is important to make a distinction between philanthropic and ethical responsibility. One of the differentiating features between them is that the former are not expected in an ethical or moral sense (Tench, Ralph & Yeomans, 2008, p.106). Communities desire firms to contribute their money, facilities, and employees’ time to humanitarian programs or purposes, but they do not regard the firms as unethical if they do not provide the desired level. Therefore, philanthropy is more discretionary or voluntary on the part of businesses, even though there is always the societal expectation that businesses provide it. This brings home the vital point that CSR includes philanthropic contributions but is not limited to them. In fact, it would be argued here that philanthropy is highly desired and prized but actually less important than the other three categories of social responsibility.

The CSR model of Carroll is considerably a useful tool when assessing the companies’ actions from the social responsibility point of view, which regarding different sets of stakeholders. This model also reveals a shift in perception from the classical economic point of view which stated that “The business of business is simply to increase profits and enhance shareholder value” (Friedmann, 1970) to a better, more comprehensive view on the creation of stakeholders’ values. Relating this idea to our case, the authors find this model greatly important within the field of energy where there are controversial opinions on corporations’ social responsibility-taking.
Despite the widely used, Carroll’s model has been subject to criticisms. Among them are ones from Edward Freeman and Ramakrishna Velamuri whom oppose the divide of CSR into these four levels. These scholars argue that it indicates a separation between business and society which ultimately makes CSR an ‘add-on’ accessory instead of an integrated part within a business strategy. They also point out that companies who is in a “sin” industry often find themselves being more active in the area of CSR, which not always have the desired end result wanted by the company. With corporations who do not have the necessary experiences within the area, they could end up creating the reverse effect and creating hostile stakeholders instead of improving the situations (Freeman & Velamuri, 2006, pp. 9-11). The idea of Freeman and Velamuri will be, however, discussed more in depth in chapter 3.3. For the next section, the concept of CSR communication will take place.

3.2. CSR communication

The section above gives a clear perception on CSR and its benefits. Commonly, the demands for CSR are derived from the external environments, not the internal ones. As a result, with companies practicing CSR, the ‘external environment’ should be aware of it. Naturally, this importance of communicating CSR is confirmed by different scholars. Among them are Morsing (2003:11) who mentions in his paper that if the company wants to profit from its CSR: building a strong reputation as an ethical company, the stakeholders have to know about the CSR activities. In the same way, Coombs W. (1995) suggest that using CSR strategy effectively can become a solution in countering negative impacts of crises or any issue that threaten to harm a corporation’s brand image. However, like other types of communication, CSR communication does not exist in a vacuum. The model below expresses the context where CSR communication usually exists, within the bipolar context between the demand of the stakeholders and the capabilities of the corporations. It is shown as a unity in the relations of three contexts: business operations, social and environmental concerns, stakeholder interactions. This reveals the fact that the communication of CSR requires special attention as all influencing factors need to be considered. Keep in mind that this model will be one of our main foundations for the upcoming analysis.
These three factors can interchangeably refer as the three bottom line concept, which combines of people, planet, and profit. This unity characteristic reveals the challenges for corporations’ CSR communication as companies often found it hard to combine. Thus, many fail to maximize the efficiency in the creation of strategic CSR communication. According to Blowfield & Murray (2008: 28), this bottom line concept exists to encourage corporations to take a more holistic approach when implementing and managing CSR communication.

Due to the restrained scope of this thesis, it is expected that the focus will be on stakeholder interactions from the corporations’ perspective. The other two factors will be included and incorporated as supplementary

3.3. Stakeholder approach
3.3.1. Definition and determination of stakeholders

Before approaching the theory of stakeholders, the authors feel the importance of introducing the definition of stakeholders. A stakeholder is defined as follows: “any individual or group that maintains a stake in an organization in the way that a shareholders posse shares and can affect or is affected by the achievement of an organization’s objective” (Tench, Ralph & Yeomans, 2008, p.97)
To get an overview of the public, we will draw a general stakeholders’ map, figure 3, and determine whom of the stakeholders are more important to communicate with in this section and context (Newsom, Doug & Jim Haynes, 2008, page 384):

![Stakeholders Map](image)

**Figure 6 - Esman’s organizational relationship linkages (Sources: Grunig and Hunt 1984:141)**

### 3.3.2. Stakeholder approach

Being widely used in management today, the stakeholder model was introduced back in 1984 by Edward Freeman. The model has been through variety of modifications before developing into one of the most encompassing concepts in current management theory (e.g. Donaldson & Preston 1995, Mitchell et al. 1997, Stoney & Winstanley 2001). In general, the core focus of the theory is on the importance of engaging stakeholders in long-term value creation, i.e. building a long-term mutual relationship rather than focusing on immediate profit (Andriof et al. 2002). Even so, different scholars do express this core value of the theory from different view set. As the authors discussed prior in section 3.1, this is where CSR comes into the picture as a tool that creates other social values rather than just profit. Also mentioned in the prior text, there have been criticisms of Carroll’s definition of the concept of CSR, for example by Freeman and Velamuri. The scholars’ key argument is that if companies actually take into consideration the
‘creating values for stakeholders’ into their business, or acknowledge that ethics and values are vital in these mutual relationships, then the concept of CSR is just “superfluous”. Continuing the argument, Freeman stated that the division of CSR into ‘economic, social, political…etc.’ makes the concept useless as it separates the social responsibilities of a corporation from its business responsibilities. Moreover, with the word ‘Corporate’ within the concept, it restricts the practice of social responsibilities onto the shoulder of big corporations and not small or closely businesses. As a result, the scholars proposed a new concept called “Company Stakeholders Responsibility” in his work in 2006 (Freeman E. & Velamuri, 2006) in the light of creating a new interpretation of the very purpose of CSR. The detailed interpretation of the concept can be found in Box 1.

“In their work from 2006, Freeman and Velamuri suggest four levels for assessing a corporation commitment toward stakeholder approach. The details are discussed below.

**Level 1 - Basic Value Proposition**

At the most basic level, the entrepreneur of manager are required to acknowledge the strategy on how the firm can make its customer better off, while still providing an adding package of value proposition to the employees, suppliers, communities, and financiers. One important point worth noticing that naturally, it is not possible to sustain making customers better off, without at the same time increasing other stakeholders’ values.

**Level 2 - Sustained stakeholder cooperation:**

Once the basic value proposition has been achieved, it is then a requirement for the entrepreneur or manager to further their knowledge on the fact that the continued survival and profitability of the company rely on the level of efficiency on stakeholders’ cooperation over time. This is due to the fact that the competitive, macro-economic, regulatory, and political environments are so dynamic which make it necessary for the initial stakeholder arrangements to be revised on a constant basis. Each revision though will invariably upset the delicate balance struck in the value propositions of the company to the different stakeholder groups.

**Level 3 - An understanding of broader societal issues**
Today, a manager or entrepreneur is asked to be aware of, and responsive to, the increasing amount of different issues across culture, but without any ethical or moral compass or national guidance. The insecurity caused by the increase in terrorism further compounds matters. Often, companies are caught flat-footed in the face of unexpected developments. What this means is that managers can no longer decline to take positions on issues that apparently are not purely business related.

**Level 4 – Ethical leadership**

In part 4 of the levels of commitment it is evident that Freeman and Velamuri have found inspiration in the top level of Carroll’s pyramid, since they point their focus on the philanthropic moral of the company. Research has showed that companies with strong ethical values is visible on the financial bottom line, and creates a positive setting for innovation and development of the company. The level is split in three parts: **restrictive, philanthropic and generative**. The restrictive is the often seen as a guideline made to avoid destructive behavior, such as sexual harassment and lying. The philanthropic level is the contribution to social causes, and is in its core the same as Carroll’s description, which focus’ on the voluntary deeds of the organization. The last is the generative morality, which is a proactive way of promoting positive moral initiatives.

The four levels of commitment are followed by the *Ten Principles of Company Stakeholder Responsibility*. The principles can be seen in appendix B. The four levels and the principles will be used in the connection with analyzing the commitment of both the corporations in relation to the environmental situation in the world. Since communicating is evidently important to get through to the stakeholders the next section is aimed at choosing a strategy to communicate CSR messages. This section can also be seen as a connection part between the theory of CSR and stakeholders approach.

### 3.4. CSR strategy with the focus on stakeholders’ approach

Continuing on the discussion on CSR communication, an aspect that complicates the process is the fact that the intended receivers are often a broad and diverse range of stakeholders. This makes it important for the company to be aware of what characterizes the different stakeholder groups and to priorities between them. Many researchers have investigated this field and given out some main strategies mostly adopted by companies as well as practical guidelines when it comes to communicating CSR or sustainability initiatives.

In 2006, Morsing and Schultz developed a more sophisticated model of CSR communication that is stronger as regards the multiple stakeholder dilemma. This research was done in the light of Freeman’s work in 1984 where he stated a need for ‘integrated approaches for dealing with multiple stakeholders on multiple issues” (1984:26). A brief overview can be found in appendix
C, which will provide an overview and understanding of the strategies explained in the following sections.

**The stakeholder information strategy**

The information flowing from the company is only one-way. The company supplies the stakeholders with information, and simply tells them about their CSR initiatives. There is not found any form of feedback in form of corporation with third-party endorsement of stakeholders. This form of communication is often seen in magazines, brochures and annual reports, which is are made to inform the general public about facts of the company (Morsing & Beckmann, 2006, p. 142).

The company informs its stakeholders about initiatives, decisions, and intentions, and then the stakeholders can choose to feel whatever way they want about material presented by the company. In this strategy, management is “flying blind”, as they do not include their stakeholders in their decisions and doings, thinking they know best and only efficient way of communicating the message. From the view of stakeholders, the company itself is simply trustworthy enough to communicate their contribution to society (Morsing & Beckmann, 2006, p. 143).

**The stakeholder response strategy**

Stakeholder response strategy is partially seen as a two-way process in communication flow. The model is based on a two-way asymmetric communication model. The communicated message is not just from the corporations’ side, but stakeholders can send their feedback backwards. This can be done through in different methods though the most popular ones can be opinion polls and a market surveys. The received information aim to help improving the quality of message transactions, as the company can react on the opinions of the stakeholders. One of the weaknesses of this strategy derives from the fact that most outflow of information (from the corporations’ side) intends convincing the stakeholders to trust what the corporations want them to trust (e.g. an example can be that the company wants their stakeholders to believe in the company’s sustainability, social responsibility, and attractiveness). In this sense, the company is accounted for only reacting to feedbacks but not actively engaging in the process of mutual understanding, where CSR strategy can be revised and altered if necessary.

**The stakeholder involvement strategy**

Moving on from the stakeholder response strategy, the involvement strategy assumes dialogue as an important tool of creating sustainability and progress in the corporations CSR communication. The communication is not one-way persuasive, but rather the persuasion can go both ways. The sense-making process in seen in the response strategy is now moved to a sense-making and
sense-giving approach, since both stakeholders and the corporation are interacting in a dialogue giving sense to each others. The stakeholders have an influence on the corporation, as the both parties should be willing to change, when they have agreed on a common understanding of the CSR strategy. The corporation should engage frequently and actively in a dialogue with the stakeholders, and make changes when it is necessary. The top management should make it a priority to check if the corporation is indeed interacting with the stakeholders, and not just following their own agenda (Morsing & Beckmann, 2006, pp. 144-145).

The stakeholder involvement strategy is the most pioneering strategy by Morsing and Beckmann; while for Gruning and Hunt, the one-way information strategy is preferable since they believe that company itself knows what is best to communicate (Morsing & Beckmann, 2006, p. 146). Overstating the corporation’s good doings and the legitimacy of their business can end up doing more harm than good, which technically termed as the self promoter paradox (Morsing & Beckmann, 2006, p. 147). Again, it is evident that companies who are in a “sin” business are operating on a knives edge, as overstating their CSR efforts can be misinterpreted by the stakeholders, if they have no influence on the corporations acts and doings in society. Avoiding this can be done through more implicit forms of communication.

3.5. Website Communication

Today’s market is characterized as competitive and diversified. The term “diversified” can be referring to the conflicts between different social demands which derive from the increasing number of stakeholders. This, in turn, presents a challenge to companies, as their operations have to be ‘approved’ by a large amount of stakeholders. In the field of communication, this means that the company’s messages (or CSR initiatives in this case), should reach and be perceived by different stakeholders in order to maximize the effort. This is the rationality behind the ultimate popularity of World Wide Web. As said by Guimaraes-Costa & Cunha (2008, p. 44), the internet permits interaction between senders and receivers, and is seen as a primary “pull medium” of PR for the companies promoting their CSR communication (Inch, 2008, s. 141). They associate a corporate website as an “Atrium”, i.e. entrance hall of a house, which functions to give first impression of the corporations and what it has to offer. This impression is often last throughout the visit (Guimaraes-Costa & Cunha, 2008, pp. 43-44).

Among many researchers, Coope (2004) has worked in the field of website communication, mostly seen in his article in 2004, where the Fortune 100 companies’ websites were analyzed with the focus on level of accessibility, information reading, interactions, and also the prominence of CSR information in comparison with other corporate information. The outcome of the research is a practical checklist for online CSR communication which companies can make use of and improve the quality of their websites’ communication. Since this thesis relies solely on online communicative materials from the corporations, the authors found this checklist vital in order to answer the question on communicative efficiency. The detailed checklist is illustrated in Appendix C.
Becoming an effective communicator has a similar meaning of being credible and be able to evoke trustworthiness in receivers. In our case with social responsibility and stakeholder responsibility, credibility turns into a vital factor when evaluating the efficiency of the communicative strategy. The theoretical framework for credibility is the topic for discussion in the next section.

3.6. CSR communication and Credibility

Instinctively, we understand the importance of credibility. Intuitively, we know we rely on being perceived as credible in our everyday lives. Hence, the concept of credibility is a very basic and central societal parameter referred to as Pistis or “society’s concrete” by rhetoricians. In fact, credibility is as important to achieve success in the corporate world, as it is on the personal level. From the scope of this thesis, it is observable that both of our corporations CSR theme is on environmental issue. Thus, it should be clarify that the concept of credibility is strongly rotated around the issue of climate communication within the social context of climate change. If we look at Shell as an example, the corporation has gone through many critiques on environmental damaging actions, e.g. the case of Nigeria (see link #5, reference list).

Aristotle is well known for his work on the concept of persuasion. As the idea of persuasion refer to the concept of convincing others which also is the heart of credibility. Though there may be criticisms that Aristotle’s three modes of persuasion is timeworn for the date, the authors believe in the feasibility of the idea

**Ethos**

The concept of credibility was long-ago referring as ‘Ethos’ by the famous rhetorician Aristoteles (1983). At that time, the focus was mainly on the speech’s quality and the ability to persuade the audience through rhetoric. He argued that the ability of persuasion is determined through the speakers’ character, i.e. ethos (Ibid). If, for example, a successful manager of a large company expresses his views on CSR, the trustworthiness and trenchancy of the communication is greater than if the same words are uttered by a salaried worker (see link #6, reference list).

Many modern scholars within the field, like McCroskey & Young (1981), still recognize ethos as a powerful tool for persuasion, convincing…etc. There are researches that go great length on constructing ethos model where different dimensions of ethos are discussed. However, due to the scope of this thesis, the authors choose not to make the analysis fall significantly deep in this field. Instead, this concept will be used as an indicator/ theoretical background when evaluating Shell and E.ON’s attempts at making their CSR communication credible. Even though credibility connects strongly to ethos; there are two other modes of persuasion which we found also relevant: pathos and logos. These two modes are considered as an “add-on” or instruments for ethos. The description of these two concepts comes right next.
Logos

The Greek word ‘logos’ is related to ‘logic’. When a communicator uses the logos appeal, he argues logically and bases the persuasion of the receiver on facts and statistics. Consequently, logos communication is normally objective and honest (Osborn et al. 1993: 455).

Pathos and environmental appeals

When using the pathos appeal, the communicator tries to persuade the receiver by affecting his emotions. As Aristotle puts it, pathos is about ‘putting the audience into a certain frame of mind’ (Aristotle c. 350 BC, ‘Rhetoric’). Thus, pathos is the contrast to logos, which is a much more rational appeal. Pathos differs from ethos in appealing primarily to spontaneous feelings in the given communication situation, where ethos is more about long-term credibility (Jørgensen et al.1999: 64).

Especially for this case, the authors have selected an additional concept called environmental appeals, which due to the fact that Shell and E.ON are both relate their communication towards climate issues. The idea of environmental appeals is limitedly discussed by world researchers. Among the available investigations lie the work of communication scholar Joel J. Davis (1995) and marketing professor Carl Obermiller (1995). These scholars’ research was focus on communication strategies for environmental communication or social marketing as a whole. From Obermiller’s research, it reveals that there are two types of appeals using in social marketing or environmental marketing in specific, i.e. “the sick baby appeal” and the “well baby appeal”. The “sick baby” appeal is applied when focus is on the importance of the issue and the severity of the need to help (Ibid). In other words, the appeal is used as an emphasizing tool on the problem and evokes the impression of acute and threatening upon readers. Looking at this from an environmental perspective, the “baby” represents the climate issue or the ecological balance depending on different frame used. In contrast to this appeal is the “well baby” which according to Obermiller, (1995: 55) works by increasing the confidence or beliefs that one has the ability to solve the problem. Eventually, the reader may notice the severity of a problem; his/her focus is on overcoming the problem. Thus, this leads to a constant existence of positive tone in communication. The concepts of “sick baby” and “well baby” sometimes can be referred as hope versus fear approach.

The conclusion obtained from Davis’s research is somewhat similar. As he examined how message framing was carried out in environmental communication, the scholar argued that environmental issue are either framed as positive or negative. This argumentation is illustrated through the quote: “A surgical technique, for example, can be described as resulting in an “80 percent cure rate” or a “20 percent mortality rate”.” (Davis, 1995: 286).

The authors are aware of the fact that this appeal is made use of in the context of environmental communication within the field of marketing. Therefore, it should be acknowledged that there is
a difference in terms of initiative interest. While social marketing focuses on changing the behaviors or attitudes of the messages receivers, CSR communication stresses more the distribution of corporate’ ideas or reputation. However, the authors still believe in the feasibility of the concept within this thesis context as well. The first argument for that is any company, despite of self-interest, also must acknowledge climate change as a societal problem to come across as credible and thus to take this universal responsibility and relate it with the corporate one as well. Furthermore, the authors are convinced that all environmental communication must rely on some sort of appeal in order to be perceived as convincing, and the sick/well baby appeal is likely the one that could be used in this case.

3.7. Chapter summary

Recall the Figure 5 that was presented in the chapter; the authors believe that it is the starting point for summarizing the theoretical framework used within this thesis, which aims to analyze the data we’ve gathered from the company web-pages. Within the model, there are three listed factors that are considered to have the most significant influences on a company’s CSR’s communication; namely business operations, stakeholder interactions, and social/environmental concerns. In other words, the effectiveness of a company’s CSR communication strategy is dependent on how well that company touches upon these three factors.

As concerns the last of the three, social and environmental concerns, it was mentioned in the background that there is a rising concern regarding environmental issues. Theoretically, this should create a significant pressure on the companies’ operations together with their communicative strategies, in order to provide the right corporate image to stakeholders. By this determination of the social/environmental concerns, the remaining two factors are left for stronger investigation.

In reflection of the business operations strategy from the CSR perspective, the authors are required to make use of the CSR theories. This will be the foundation for the entire investigation since readers are expected to sufficiently fathom the concept of CSR in order to be able to properly understand the later discussion chapter. As the concept of CSR is well defined, Carroll’s Pyramid of corporate social responsibility is introduced as a fundamental background to analyze the content of all the CSR materials communicated online by Shell and E.ON. According to Carroll’s hierarchy, there are four possible level of CSR that a corporate can reach to; economical, legal, social, and philanthropic. While philanthropic responsibility is greatly desired, it is fairly rare among the other three levels, legal responsibility is a great interest to us as we are now dealing two companies who have controversial image on environmental friendliness in comparison with world legal standards.

Though the use of Carroll’s theory is extensive in analyzing the CSR communication of corporations; it is considered quite subjective as it focuses more from the corporations’ perspective rather than the external stakeholders. In other words, corporations may be able to
cover all four levels of responsibility through their communication, it may still not be as effective as anticipated if the communication does not reflect the stakeholders’ opinions and concerns. This leads the authors to the consideration of the second factor in the model, which is stakeholder’s interaction. In order to evaluate the bond between Shell and E.ON, and their stakeholders, the stakeholder approach was used. Similar to the CSR pyramid, there are four levels of stakeholders approach, constructed by Freeman & Velamuri (2006), and levels are reached differently from company to company.

In addition to the stakeholder approach, the authors chose to use Morsing’s theory on stakeholders’ communication strategy. The reason for this decision is because it is very relevant to our subject of inquiry as CSR communication is a flow of data between company and its stakeholders. Together with the stakeholder approach, it is the authors’ belief that we will be able to properly evaluate the commitment of the companies towards their stakeholders through their CSR communication.

Finally, in section 3.5 we discuss the issue of credibility in corporate communication. Though this is not one of the factors mentioned in Figure 5, but the authors feel that it is yet relevant as goes towards whether or not the communication towards the stakeholders will be perceived as honest and credible. This is obviously very important for our question of whether or not their CSR strategies are indeed effective.
Chapter 4 – Empirical observations

The aim of this chapter is to present the textual CSR communication taken from the corporate websites of our chosen companies. This is the data that will later, in Chapter 5, be analyzed and discussed according to the theoretical framework we specified in Chapter 3, in order to answer our research questions.

For each of the companies, we will begin by going briefly into the history of the company, before comprehensively discussing their CSR communication initiatives. This will be quite rich in textual presentations, i.e. summaries on all the environmental topics the authors believe to be relevant to the thesis goal. Citing all the information within the scope would be incredibly excessive, and therefore much of the data will be presented in the appendix section instead.

ENVIRONMENTALLY PROBLEMATIC COMPANIES

4.1.Royal Dutch Shell Group

4.1.1. Group’s background

“Shell is a global group of energy and petrochemical companies. Our aim is to meet the energy needs of society, in ways that are economically, socially and environmentally viable, now and in the future.”

-Extracted from Shell’s Global Homepage (4)

The general statement above, which was extracted from the Shell global website, gives us a glance at the group’s background. In brief, the history of the Shell Corporation started all the way back in 1833, when it was simply a freighting company. The business has been subject to change, and a merger in 1907 joined the Shell transport company and the Royal Dutch Petroleum Company, giving birth to the Royal Dutch Shell Corporation. Since then, the group has rapidly expanded across the world. Marketing companies were formed throughout Europe and in many parts of Asia. Exploration and production began in Russia, Romania, Venezuela, Mexico and the United States. Today, the Shell Group is a one of the biggest multinational corporations in the world, engaging in several industries with focus on oil, gas and chemical production (5). The corporation is without doubt complex and ever expanding globally, which is evident in its core principles.

4.1.2. CSR development and websites communication focus
"As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making."

-Extracted from Shell Business Principles

Back in 1997 Shell was one the first in the industry (and quite early in the market), to publish their sustainability-initiatives. In 1998, Shell issued the first sustainability report and has since then been voluntarily reporting their CSR measures yearly.

Besides the sustainability report, Shell’s website is another powerful tool in presenting an ethical image towards a wide range of stakeholders. The following section will give you a greater picture on what types of information Shell has on its global website in the field of climate communication. This set of data gathered from the websites and presented here will also be our analyzing focus.

On Shell's homepage, the very first link in its navigation list is "Environment & Society," the pages dealing with the organization's contributions towards sustainable development.

The first section under "Environment & Society", called "Taking an integrated approach," Shell describes their commitment to sustainable development thusly:

"Contributing to sustainable development for us means helping meet the world’s growing energy needs in economically, environmentally and socially responsible ways. It is the right thing to do, and it is good for our business."

-Extracted from Shell’s Global Homepage

The section describes, in general detail, how Shell contributes to sustainability through reducing the impact of their operations, and delivering benefits with their portfolio and products. It also outlines the business motivation for sustainable development as concern their organization, and provides a timeline of their sustainable development since 1997. Finally, the section presents the company's Commitments & Standards, which we will be making use of in our discussion later.

The second section, "The New Energy Future," describes Shell's future plans in the market. Included here are the company’s plans to reduce their CO\textsuperscript{2} emissions through Carbon Capture & Storage technology, coal gasification, and the development of new and effective bio-fuels. It also deals with Shell's plans for increased energy security, efficiency, and diversity.

It is, however, the third section that is of most interest to us, and shall be given the greatest focus; "Environment." The first sub-section under the heading of "Environment," is "Climate Change." In this section, Shell describes the six ways they're working towards reducing emissions. The first three deals with their own operations; working to find ways of using energy more efficiently, building their capability to store produces CO\textsuperscript{2}, and investing yet further in R&D to
increase efficiency and reducing emissions. The fourth and fifth deals with what they're doing to help their customers reduce emissions; developing lower CO$_2$ sources of energy (f.ex. more efficient transportation fuels and bio-fuels and opening new sources of natural gas), and provide products that consume less energy and produce less CO$_2$. The sixth and final way is to influence the policy debate by working with governments and advocating more effective CO$_2$ regulation.

The second sub-section is "Biodiversity," and deals with Shell's impact on biodiversity, and what they do to reduce it. Here, Shell states that they take biodiversity into consideration early on in their new projects; biodiversity is included in their impact assessments, and they work with local communities and experts to make plans and set goals to minimize their effect on the local ecosystems. They state that while some areas are too sensitive to enter - f.ex. They will not exploit oil or natural gas resources in World Heritage Sites - the company can operate in areas of high biodiversity without negative impact, if holding to their strict operating procedures in combination with transparent processes and working with biodiversity experts and organizations dedicated to the protection of wildlife. They also state that they have developed biodiversity plans for all their operations in areas of high biodiversity, to improve the way they operate.

Shell states that the work with and learn from "from more than 100 scientific and conservation organizations in 40 countries," and that they have signed partnerships with the International Union for the Conservation of Nature, with Wetlands International, and with The Nature Conservancy, which lets Shell work closely with biodiversity experts. They also state that they've been partners with the organization Earth-watch for over ten years.

The third sub-section is "Product stewardship," and is well summarized on the webpage thusly:

"We take a responsible approach to our products, from development and production to transport, sale, use and disposal. Product stewardship for us includes working at each stage in a product’s life cycle to keep it safe for people and the environment."

-Extracted from Shell’s Global Homepage (8)

The fourth sub-section is "Preventing spills." In this section, Shell states that it is their aim to prevent spills, and properly contain and clean up any spills that happen anyway. To aid them, they have their environmental standard and their ship quality assurance standard that set out measures for all the companies Shell controls and all the ships they make use of in transporting their goods.

It also goes into the subject of spills in bodies of water, and stresses their rarity; they point to the fact that no such spills occurred at all in 2008, despite ships carrying a total of 40 million tons of cargo throughout the year. It also brings up the Elbe spill, and inform that the ship was not one they actually managed, but which was only on a short-term lease; furthermore, since then, they've been phasing in double-hulled boats for their river transports, and calculate that all their
single-hulled boats will have been removed by 2011 (seven years before EU Law actually demands it).

Then it goes into the subject of spills at their facilities, and divides those spills into two categories; spills they can anticipate and prevent, like those depending on factors of corrosion or operational failure, and those that they cannot control, like those resulting from force majeure and sabotage. They point out that spills of the first kind has lessened steadily since 1998, while spills of the second kind remain a serious problem, and increased for the fourth consecutive year in 2008 with the sabotage in Nigeria that year.

The fifth sub-section is "Cleaner air," and goes into what Shell does to reduce emissions from their operations and their products. As concerns their own operations, they have been working hard to reduce their emission of noxious pollutants like SO2, NOx, and VOCs (volatile organic compounds), and state that between 1998 and 2008, they cut their total SO2 emissions by almost 40%, their VOC emissions by almost 70%, and NOx emissions by over 20%, despite using more energy as they've been refining cleaner lower sulfur fuels (9).

Which brings us to their efforts to lower their consumers' emissions by producing cleaner fuels; Shell was the first company to produce diesel with a particularly low percentage of sulfur in the early 90s, and have invested over 1 billion USD between 1998 and 2008 in making their refineries capable of producing lower sulfur levels. They also want governments to push harder for lower sulfur levels in fuels. Finally, the section states that in their mission to produce more energy while still reducing emissions, Shell intends to invest steadily in natural gas, promote coal gasification technology, and to keep operating their existing wind farms.

The final sub-section of "Environment" is "Reducing water use," and this section goes into the efforts Shell makes to reduce their use of water in their operations, as several of their water-intensive operations can sorely tax an area's water resources, and lists a few examples of solutions employed around the world today, like using waste water and cleaning water produced with oil with reeds so that it can be immediately used for irrigation by local farms.

Readers can find the illustrative demonstrations of Shell’s website in Appendix E.

4.2.EXXON
4.2.1. Group’s profile

Being in the market for a surpassingly long period of time, approximately 125 years, makes Exxon “the world largest publicly traded international oil-and-gas company” (10). Going back in history, Exxon started as a regional marketer of kerosene in the U.S. and gradually evolved in size as well as brand image. Nowadays, ExxonMobil has operations in most of the world’s countries under different three brand names: Exxon, Esso, and Mobil.
Being the world largest corporation in the energy industry means that ExxonMobil is constantly under great social pressures. ExxonMobil has been infamous world-wide for the Exxon Valdez Oil Spill scandal, which occurred in 1989. The spill is considered as one of the worst human-caused marine environmental disasters to ever occur. The severity of the incident manifested through the fact that hundreds of thousands of birds, fishes, and animals were killed right after the spill. Even 18 years after, in 2007, researchers at National Oceanic and Atmospheric Administration (NOAA) found that there is still more than 26,000 gallons of oil remained trapped in the sand along the Alaska shoreline.

With regards as to this incident, ExxonMobil is considered as one of the companies with environmental problematic background within the energy sector.

4.2.2. CSR/CSR communication development

Their brand image being affected by the company’s environmental problematic background has forced ExxonMobil to take lead in both CSR initiatives and CSR communication, in order to reverse as much as possible any unfavorable viewpoints of its stakeholders.

At first glance, there is a remarkable amount of information categorized as “non-financial” or similarly CSR related presented on the website. Furthermore, at the ExxonMobil Global Official Homepage, the two headings “Energy & Environment” and “Community & Society” stands out as there is a total of only four major headings.

The vast information of these two sections mainly focuses on ExxonMobil’s initiatives in solving hot current world issues, from climate change to health and gender issues.

Apart from the excessive amount of CSR data demonstrated on the website, ExxonMobil has a supplementary source for even more involved stakeholders, which is its Corporate Citizenship Report (11).

From this point onwards, the Corporate Citizenship Report 2009 will be referred as CCR09.

A glimpse of the homepage can be found in Appendix G, while the summary of all the vital sections are found below.

Under the heading of Energy & Environment, the second heading of the ExxonMobil website, there are six sections, whereof two are relevant within the scope of our thesis, these being "Climate Change" and "Environmental Performance"

Managing Climate Risks

This section deals with the challenge of achieving stabilization, as regards CO2. It defines the scope of the challenge, which is reducing CO2 emissions to zero, addresses the global nature of
the challenge, and outlines the costs of deploying the new technology that will have to be developed and deployed in order to reach the goals of the challenge.\(^{(12)}\)

The section also supplies readers with ExxonMobil's views and principles on policies to manage long-term risks to climate change.

According to these, near-term objective should include:

- Promoting energy efficiency,
- Deploying existing technologies that reduce greenhouse-gas emissions cost-effectively,
- Supporting research and development of new low-emissions technologies, and
- Supporting climate research to help inform the ongoing policy response.

And ExxonMobil evaluate policy options based on the degree to which they meet the principles they have for how long-term policy must align to national priorities:

- Ensure that any cost of carbon is uniform and predictable across the economy
- Let market prices drive the selection of solutions
- Promote global participation
  - Consider priorities of the developing world
  - Recognize the impacts of imbalances among national policies
- Minimize complexity to reduce administrative costs
- Maximize transparency to companies and consumers
- Adjust in the future to developments in climate science and the economic impacts of climate policies\(^{(13)}\)

Furthermore, the section outlines what ExxonMobil's actions to reduce the emissions from their own operations, including their efforts to improve efficiency, their use of cogeneration, their efforts to reduce gas flaring, and informs readers about ExxonMobil's participation in the "Global Energy and Climate Project."\(^{(14)}\)

1. **Our Operations**

This section deals with the different efforts ExxonMobil make to reduce greenhouse gas emissions from their own operations. It outlines what the corporation has done to reduce flaring, their investments in new technology, their use of cogeneration (generating electricity for their own operations, while harnessing heat to make steam needed for production), their work into increasing energy efficiency, their use of CCS (carbon capture and storage) technology, their work to develop new gasification technology, and their investment into a test facility for the development of cheaper and more efficient CCS technology.

2. **Climate Change Impact**
This section deals with the business risks of climate change; the technological, political, regulatory, social, environmental, and even physical ones, as severe weather can influence the operations of a corporation working in a multitude of environments.

It also discusses the public policy debate, as well as the idea of carbon tax, and their possible effects on the company, and the market as a whole.

3. Consumer Energy

This section details what ExxonMobil is doing to improve their consumers' use of energy, and deals with their efforts in advanced vehicle and fuel technology, such as algae biofuels, lithium-ion battery technology, tire technology, plastic vehicle part technology, motor oil technology, hydrogen fuel cells, and general advancements in vehicle technology.

It also touches briefly on ExxonMobil's involvement as a founding sponsor in the "Global Climate and Energy Project" at Stanford University, and its research into technologies aimed at:

- Lowering the cost and increasing efficiency of solar photovoltaic devices
- Studying fuel cells and bioelectric conversion of energy
- Increasing the energy capacity of lithium-ion batteries for applications in vehicles
- Applying thermodynamic principles to design engines that produce higher efficiency and lower emissions
- Producing biodiesel fuel from bacteria to achieve a 20-fold increase in energy yield
- Increasing knowledge of hydrogen bonding to create new strategies for using hydrogen to power vehicles
- Improving the performance and lowering the cost of carbon capture and storage

Environmental Performance

1. A Sustainable Approach

This section details ExxonMobil's four-step approach to sustainable operations:

1. Assess
2. Design
3. Operate
4. Restore

a) Assessing our surroundings: Conducting environmental, socioeconomic, and health assessments, to identify possible impacts a project might have.
b) **Designing our facilities and operations**: Designing their facilities and operations to comply with local regulatory requirements and, where there are none, perform to standards that are protective of the environment, as laid down in ExxonMobil's Environmental Standards.

c) **Operating with integrity**: Operating within the framework of Operations Integrity Management System, and striving to continuously improve environmental performance.

d) **Restoring the environment**: Remediation and restoration activities

### 2. **Protecting Biodiversity**

This section deals with ExxonMobil's efforts to protect biodiversity.

First, it lists three projects globally that ExxonMobil invests in; the Save The Tiger Fund, Conservation of the Leuser Ecosystem, and Equatorial Guinea's Bioko Island. Secondly, it discusses briefly ExxonMobil's development of mitigation activities. The company uses a five-step process to ensure that:

1. Potential environmental impacts are identified and characterized;
2. the natural, social, and regulatory setting is understood;
3. other applicable and relevant criteria are considered;
4. alternatives are identified; and
5. significance is assessed.(16)

### 3. **Reducing Our Physical Footprint**

In this section, ExxonMobil discusses briefly how new technology like directional drilling and Multi-Zone Stimulation technology help to reduce the pure physical impact on surface acreage and wildlife habitat. (17)

### 4. **Spill Prevention**

In this section, ExxonMobil states that in 2009, the company undertook 27,000 marine vessel voyages, and that there was only one leak of trace amounts of oil and that from a leased vessel. This they attribute to the corporation's rigid screening process and high criteria for all their marine vessels.

It also points out how non-marine spills have in general decreased over the years, but that the company is of the opinion that it hasn't lived up to its expectations for continued improvement of their spill reduction in the year 2009, and will therefore further increase their efforts in the year 2010. (18)

### 5. **Air Emissions From Operations**

This section outlines the exponential decrease of the emission of volatile organic compounds (VOCs) from ExxonMobil's operations since 2005, and points out that this puts them on track for their commitment to reduce their emission of VOCs by 70% from their 2000 levels by 2012. (19)

### 6. **Freshwater Management**
This section states that ExxonMobil, in all the places where they operate, assess the impact all their activities may have on the availability of freshwater, and that they make use of many several approaches to reduce the use of freshwater in their operations and preserve water quality; like, for example, on-site recycling and water reuse, use of purchased wastewater, and technological improvements to reduce water demands in operations. (20)

7. Waste Management
This section deals with ExxonMobil's handling of waste, which is a tiered approach; first, they work to reduce waste at its source, then recycle and reuse where possible, and any remaining wasteproduct is then either treated to leave it nonhazardous or disposed of in accordance with local law and policy.

It also states that since 2005, ExxonMobil has recycled on average 37% of its hazardous waste, and that while it produced 816,000 metric tons of hazardous waste in 2009 - an increase of 430,000 tons from 2008 - 696,000 tons of that was produced water, which is non-dangerous and only considered hazardous waste by one local authority. Excluding this water, their operational hazardous waste was 120,000 metric tons, a 10% reduction from 2008. (21)

8. Regulatory Compliance and Expenditures
In this section, ExxonMobil states that in 2009, their worldwide environmental expenditures came out at around 5.1 billion USD, which includes around 2.5 billion in capital expenditure and around 2.6 billion in operating expenditure.

They also state that fines and settlements paid in 2009 amount to less than 0.1% of their total environmental expenditures.

9. Site Remediation
In this section, ExxonMobil states that in 2009 their employees, contractors, and subcontractors worldwide worked 8 million hours on remediation projects, like rehabilitating eroded coastal marshland into high-quality wetlands.

10. Natural Land Management
In this section, ExxonMobil states that they work to create opportunities for beneficial use of their no longer active properties.
ENVIRONMENTALLY BENIGN COMPANIES

4.3.E.ON

4.3.1. Group’s background

E.ON is one of the world's largest investor-owned power and gas companies. According to the E.ON 2009 report, the corporation has roughly 88,000 employees currently, and has generated just under EUR82 billion in sales in 2009. Most of E.ON’s operations are on the European and Russian markets. Also, E.ON operates electricity, gas utility, and renewable-source generating assets in North America. E.ON’s general corporate statement is to “pursue a value-oriented management approach aimed at enhancing our competitiveness and delivering profitable growth”. (E.ON Global Website)

4.3.2. CSR development and websites communication focus

We are responsible to our colleagues, customers and suppliers, the environment and the communities where we live and work. We seek to improve lives everywhere we operate, aiming for a healthy, safe and sustainable environment. We consider the needs of the present generation and also anticipate the needs of future generations.

- Extracted from E.ON Global Official Website

On E.ON's homepage, the section called "Responsibility" is second in the page's link list and under this heading; one can find the section called "Environment."

Under the heading of "Environment," there are four sub-sections.

The first sub-section is "CO₂ Reduction," and here E.ON discusses what they do to reduce their emission of CO₂ into the atmosphere; such as supporting the development of new technology for reducing CO2 emissions, making use of nuclear energy which is emission free, increasing thermal efficiency in their existing fossil fuel plants, investing in the development of clean coal technology which ideally will lead to a reduction of 90% in emissions from coal-generated energy, and investing in helping their clients be more energy efficient.

Further on, in "Renewable Energy," they discuss the application of renewable energy technology on a massive scale. For example, they've already built large scale wind-farms - both on and off shore - and have plans for more, but they're also looking into biomass power like biomethane, and solar-power projects to bring into industrial scale. They do point out, though, that they work with IUCN to investigate the environmental impact on offshore power production.

They go on to discuss CCS technology under the heading of "Clean Coal," and what they're doing to further it. They're actively promoting the CCS debate, getting people to look at the technology in a serious way. They also point out that the development and adoption of CCS technology is a huge undertaking, and will require the cooperation of both the energy industry
and society as a whole to achieve. They are heavily involved in experimenting with CCS methods, and are currently conducting seven projects, in cooperation with innovative technology companies. They state that they're taking the long view of these projects, and are taking them into account when planning their new plants, building them to be retrofitted with CCS technology when said technology becomes available. They're also planning facilities and methods for CO2 storage, which has already been tested in several nations.

In the final sub-section, "Nuclear Power," E.ON discusses the place of nuclear energy in the lower carbon future. It is the one of the cleanest ways of producing energy, and the current methods for final storage are safe and secure. Therefore, E.ON states, rather than close down safely operating nuclear power plants, they should be kept running to help tackle climate change. E.ON is determined to play an active role in the development of next generation nuclear power plants in Europe, and have entered into partnerships with two nuclear plant manufacturers, as well as dedicated themselves to building plants in both Finland and the UK.

The second section under "Environment" is "Emissions Trading & Offsetting." Here, E.ON discusses the upcoming EU regulations for CO2 emissions and Carbon Credits trading, and point out that since greenhouse gases are a problem for the entire world, such a system should ideally incorporate the entire world.

The third section is called "Environmental Impacts," and discusses E.ON's commitment to operating responsibly, and its focus on environmental protection on both organizational and individual levels.

The fourth section is "Biodiversity."

The first sub-section is "Renewable Energy and Biodiversity." First off, it discusses the possible effects of offshore wind energy on local biodiversity; here, E.ON states that changes to flora and fauna and the disturbing of habitats by the bases and the cables cannot be ruled out, but adds that biodiversity may even be aided by the wind farms, as reef-like structures develop, changed sea currents leads to algae blooming which increases the amount of food in the area, and the prohibition of fishing in the wind farms gives species a place to regenerate their numbers when they're being hard fished.

Secondly, it discusses bird protection, and the possibility that birds might hit the rotor blades when flying, or be prevented from their migratory path by the offshore wind farms. While the first is thus far unsubstantiated, E.ON recognizes that the second concern may be valid. However, no conclusive research exists, as large scale wind farms is a relatively new phenomenon.

In the end, research into the effects of offshore wind energy on biodiversity is essential, and E.ON went into cooperation with IUCN in 2008 for this purpose.
The second sub-section is called "Protecting Biodiversity," and discusses the Pilot Project led by Jörgen Ransmark in investigating the effect of E.ON operations on biodiversity, and the action plans that stems from that research.

The thirds sub-section, "IUCN Cooperation," predictably deals with E.ON's cooperation with IUCN. Currently, IUCN researchers combined with E.ON experts and scientists are information gathering in order to be able to make informed decisions and provide reliable criteria regarding effects on biodiversity when dealing with offshore development. E.ON holds is imperative that they know exactly what is the best and least disruptive way of undertaking their operations if they are to be able to work transparently and responsibly. Moreover, they are hoping that the results found by the researchers will let them set a high environmental standard on offshore wind energy.

4.4. Vestas
4.4.1. Company's profile

Vestas was founded in 1898 by H.S. Hansen in the small town of Lem in Denmark. In the beginning, the company was named VestjyskStålteknik A/S, which was later shortened to Vestas. At the initial point, Vestas’ main products were comprised of household appliances and agricultural equipment. With the oil crisis in 1970s, Vestas began to pay interest in the potential of wind power and making use of wind turbines as an alternative source of clean energy. Being the pioneer in the field, from 1979 to 2007, Vestas has delivered and installed a total amount of 35,000 wind turbines in 65 countries and on 5 continents. The company’s operation is rapidly expanding, especially in the current era of rising environmental concerns.

For the year of 2010, Vestas aims to surpass the plan of wind energy supplying 10% of electricity. (Vestas’ Official Homepage)

4.4.2. CSR /CSR communication development

From the company profile, it is clear to us that the business objectives and operations which Vestas claims to pursue have strong connection with global environmental improvement. This signals that the development of CSR has started as soon as Vestas initiated its operation.

In the case of Vestas, the major section that we will have our focus on is “Sustainability”, which can be found under the main heading “About Vestas”. All minor sections under “Sustainability” including “Safety”, “Suppliers”, “Wind turbines and the environment”, “Policy” …etc are subjects under investigation. A summary of all the sections and subsections can be found from the next paragraph onwards.

In the chapter “Sustainability”, the company raises a question regarding the sustainability of our currently in-used fuel sources. In specific, the company is significantly certain that the fossil fuels will not be enough for our consumption in the future. By bringing such a “threat” to
readers’ awareness, Vestas takes the opportunity to introduce the importance of renewable and sustainable energy such as biofuels, the sun, and hydrogen and finally stresses the wind energy as the most outstanding among all. Several reasons are put forward in complement to such consideration: most importantly, it is the fact that wind is an unlimited but competitive in comparisons with fossil fuels. Besides, wind power enhances energy independence, makes it possible to establish a large number of MW in a relatively short time, and is a CO2-neutral form of energy and is proactive in reducing greenhouse gas emissions. (26)

Within this chapter, Vestas also expresses its operational goal as a company:

“We have a three-cornered vision for the future for our energy-hungry world – wind, oil and gas. We want to establish wind on a par with fossil fuels – and as the preferred supplement to oil and gas.”

- Extracted from Vestas’ Official Website (27)

The next section is “Safety”. Generally in the section of “Safety”, Vestas primarily acknowledges the possibility of risks that comes along with employees who are working with turbines. Secondly, the company stresses strongly on its actions, which regard as top priority, to prevent any accidents.

“Central to this is our zero tolerance approach towards actions or decisions that could undermine any aspect of safety, no matter how small”

- Extracted from Vestas website (28)

According to the information provided, Vestas is currently working with “the standards of OHSAS 18001 certification” as the base of continuous measurement of their safety level. It is also stated on the website that the issue of workers’ safety will be carried out as the core focus in CSR towards the future operation. In specific, the company’s goal is:

“For the end of 2010 we have set an attainable target of reducing this to a maximum of seven – and lowering it further still to a maximum of three by 2012” (29)

The next subsection is “Suppliers”. With regard to both the issues of sustainability and operational goals, suppliers or business partners (i.e. customers, sub-suppliers of components and raw materials for the manufacturing of wind turbines, transportation companies and etc. (29)) are chosen to be the vital stakeholder of Vestas. Due to the complex and deep involvement of all the stakeholders mentioned above, it is important for Vestas to apply a set of common behaviors for all of the stakeholders. This common set of behavior is referred to as a Code of Conduct, which claimed to be made in accordance with the UN Global Compact, the International Bill of Human Rights and the International Labour Organization conventions. The aims of issuing the Code of Conduct are similar to the common operational and CSR goals that Vestas desire to achieve such as safety insurance, environment protection, etc.
As Vestas realizes that the set goal can be too broad, the firm decides to break down into more concrete fundamental principles, including:

- Competence development
- Segmented approach
- Focus on dialogue and continuous improvement

After the section regarding Suppliers comes the one of “Wind turbines and the environment”. Though the company is working with renewable and sustainable energy, the wind, it is to the concerns of Vestas that there are still environmental impacts involved base the act of “the production, transportation, erection and eventual disassembly of the turbines”. However, it is to the company’s personal assessment that the benefits of wind energy is far exceed the impact of that a turbine may have on the natural environment. This is confirmed through the presentation of two of these assessment tools, which is illustrated below:

- **Environmental Impact Assessment (EIA)** (38)

  Stated by Vestas, the first condition that prevents the company from creating negative impact on the environment is done through the well-established rules, which regulate the requirement for “initial assessment of the proposed location and the surrounding environment”. This EIA tool takes into consideration objects and issues as landscape and visual impressions, flora and fauna, noise, shadows, and birds.

  In this small section, Vestas also provides an exemplified case of Horns Rev Reef (Denmark) where the corporation has done studies on environmental impact a turbine project had on local wildlife of birds, fishes, and etc.

- **Life Cycle Assessment (LCA)** (31)

  The tool Life Cycle Assessment (LCA) is referred to as ‘cradle to grave’ evaluation technique for the environmental impact of Vestas’ products and activities. In essence, the technique focuses on two key factors: “documenting the environmental performance of Vestas wind turbines” and “analyzing the results to develop wind turbines that have less impact on the environment than current models”.

  Within this section, Vestas identifies the issues connecting to wind-turbine industry that supposedly have impact on the environment, such as manufacturing of raw materials, production of components, the wind turbine’s energy production, decommissioning of the wind turbine. Among the mentioned factors, it seems to be that usage of raw materials is the most influential one. However, as compromises for its negative effect, eighty per cent of “some” turbines are recyclable and also that there are significant positive impacts obtained from renewable wind power.
The third section within the Sustainability chapter is “Policy - Our twin concerns: the environment, and health and safety”. According to Vestas, there are two main focuses that it takes into heart when designing policies regarding Corporate Social Responsibility. The entire chapter is devoted to carefully list the company principle points of their policy, which from their perspective will help Vestas to reduce its impact on the environment and improve the quality of occupational health and safety.

To demonstrate the company commitment to these two core concepts, the authors decided extracted some but not all key principle policies and brought it here for further investigation:

- To give highest priority to safety
- To achieve continuous improvements in the environment and occupational health and safety
- To devote the necessary care to development, manufacture, service procedures and disposal
- To integrate consideration for employees and surroundings in the planning and performance of activities
- To ensure an open-minded and honest communication with employees and other stakeholders
- To use resources as efficiently as possible
- To encourage suppliers to deliver environmentally safe products and services
- To ensure that, as a minimum, our activities comply with national legislation concerning the environment and occupational health and safety

The forth section is “Management system”. Considered as the follow-up section of “Policy”, Vestas continues to further its communication on how the policies mentioned above have been implemented into the practical management system of the firm. For Vestas, the most useful tools that have been applied for ensuring the transfer of ideas into practices are databases, IT systems and catalogues of ideas. In general, it is the process of regular and concise communication across all departments within the firm that makes all the transferring of ideals possible.

The figure below summarizes the structure of different steps in the management system.
The next section, “Statements”, is the shortest but most concise in information since it introduces the existences of the annual reports, statistics on environment and occupational safety performances, and site descriptions of the company. Within this section, there are links and files available for direct downloading in case the stakeholders are interested in digging more into the company’s performance and reporting regarding CSR. The authors, though, chose to step aside from summarizing all the information from the reports and others files since it will be too overwhelming for readers to take in. However, that does not infer that the author will entirely disregard this extra piece of information but instead carry it intuitively into the analysis later on.

The fifth section found is “The UN Global Compact”. As one of the standards used to ensuring and creating credibility regarding different social responsibilities of the firm, Vestas chose to be partially committed to the UN Global Compact. In short, the UN (or United Nation) Global Compact is “a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.” (34)

Once again, the author chose not to go any further in describing the actual principles of this Compact but instead will regard the act of commitment as a showcase of legal/social responsibilities of Vestas, which in turns will be mentioned in the coming chapter.

Last but not least, the final chapter is “Code of conduct”. Being a global company makes it difficult for Vestas to hold a full control on every aspect of its operations or every person acting on behalf of the firm. This brings about the vital need for having a Code of Conduct, which is essentially a set of principles for ethical behaviors in various areas. This principle set is applicable for all Vestas employees or any external people who is acting on behalf of Vestas. The goal of this is to “uphold Vestas’ reputation as a company with a high level of integrity and trustworthiness”. (35)

For the Codes of Conduct to be successfully implemented, Vestas has claimed to support its employees through inductive training courses and constant information providing. Finally, the fully detail of the firms’ principle set is available for stakeholders with higher interest.

Readers can find the illustrative printed screens of the website in Appendix H.
Chapter 5 – Analysis and Discussions

As the readers have now covered both the CSR theoretical framework and the empirical observations, it is now time to move onto the part where the two of them are brought together, and the later is argued against the former.

The analysis starts out with a general discussion on the CSR initiatives from the business operational point of view. In other words, we will look at the companies’ current stated working principles and values through the lens of Carroll’s pyramid model.

The second step in the analyzing process is when we add the influence of stakeholders’ interactions into the CSR communicative strategy. Thus, both the stakeholder approach and stakeholder communication strategy is reviewed, which then will be our standpoint for further conclusion on the corporations’ commitment in stakeholders’ involvement.

The third step of this chapter revolves around the manifestation of credibility in the CSR communication of the companies. Here we will discuss our observations through the lens of Aristotle’s logos, ethos, and pathos. This, it should be noted, stands somewhat separate from the other theory used, as it is not specific to the field of CSR communication, but it is still very relevant as it goes to how honest and credible their information comes across to their stakeholders.

A brief conclusion separately for first environmental problematic (Shell and ExxonMobil) and secondly environmental benign E.ON and Vestas is the fourth step.

Finally, a cross-analysis between the two company types is made on all these mentioned factors.

ENVIRONMENTALLY PROBLEMATIC COMPANIES

5.1. Royal Dutch Shell

5.1.1. CSR analysis through business operations

We start out by scrutinizing Shell’s sustainability report from Carroll’s CSR pyramid standpoint. In general, Shell states their understanding on different CSR levels while communicating their initiatives. Thus, Carroll’s pyramid is visibly manifested within the text though the levels are worded differently as People, Planet and Profit by the corporation.
As part of the Business Principles, we commit to contribute to sustainable development. This requires balancing short and long term interests, integrating economic, environmental and social considerations into business decision-making.

(Shell, 2009, p. 4)

In terms of economic responsibility, it is Shell who agrees on the vital role of economy. The focus is evident as it mentioned as one of Shell’s very first business principle: "Without profits and a strong financial foundation, it would not be possible to fulfill our responsibilities".

(Shell 2009, p.6)

This strategy of Shell confirms Carroll’s theory that corporation must establish a solid economic base before further engagement in supporting others social responsibility. It is then followed by the second principle, the legal responsibility, which likewise also found itself an abundant cover throughout the text. An example can be extracted from the same page 6 in the 2009 report: "We seek to compete fairly and ethically and within the framework of applicable competition laws; we will not prevent other competing freely with us”.

(Shell, 2009, p. 6)

It is a clear indication that law must be obeyed and the corporations would go against any obstructions of justices. Being ‘loudly’ vocal in legal fulfillment is an interesting point for us to take into consideration as it reveals part of the manifestation of legitimacy mention by Ashforth & Gibbs (1990:185). However, this issue will be cover in the later part of rhetoric analysis.

Moving up one level of the pyramid, we reach the social responsibility of the company. In specific, the concerns are revolving around the topic of climate damages that business as Shell like as not cause. This ethical climate concern reveals through the last principle in Shell’s business strategy:

*Shell companies aim to be good neighbors by continuously improving the ways in which we contribute directly or indirectly to the general wellbeing of the communities within which we work.*

(Shell, 2009, p. 8)

As for the highest stage of Carroll’s CSR pyramid, *philanthropic*, it is the authors’ point of view that this level is missing. Though it is arguable that the social concerns above can partly be considered as philanthropy; we find this not sufficient to view so. However, this conclusion is only valid in terms of communication. In other words, we can only conclude on Shell lack of significant communication on their philanthropic initiatives, which does not equivalent to say that the corporation fails to act philanthropically in reality.

As we now understand the ‘what’ and to ‘which level’ Shell claims in its CSR communication, it should be the next step to understand the ‘who’ the company has been trying to communicate...
towards as well as ‘how’ these communication have done. This will be the topic for the next two sections.

5.1.2. The stakeholder communicative strategy with focus on CSR

“Remember, people will judge you by your actions, nor your intentions”.
Cicero (106 BC - 43 BC)

In section 5.1.1, we came to notice that Shell has put a strong focus on the communication of both legal and social responsibility, which of which are parts of Carroll's pyramid. This pyramid division, however, was criticized by Freeman and Velamuri, who claim that the responsibilities are proposed for the sake of corporations and not their stakeholders. This argument has resulted in a newborn definition of the abbreviation “CSR”, created by Freeman, namely Company Stakeholders Responsibility (See section 3.1.2). This reveals the scholars' intention on merging the stakeholders' expectations into the firms' operational values. With this in mind, this section will be devoted to analyze in depth this 'merger', and to gauge Shell’s commitment in terms of stakeholder approach.

First of all, the authors want to discuss the primary stakeholders in the case of Shell, i.e. who they are in particular, before going into any further. There seems to be six vital stakeholders (consumers, business customers, future employees, investors, general medias, and motor sports fans), according to their special placement in the left side of the web site, just right under the headings About Shell. As a result, the corporation’s communicative strategy is and will be directed intensively towards these six stakeholders groups. Although rational, we found that current employees and NGOs are missing in this ‘special’ section. Appendix E can be used for website observations on stakeholders' presentation.

Freeman and Velamuri’s approach to engage stakeholders openly and monitor movement is visible in the approach of Morsing & Beckmann. The three strategies will make it visible how Shell is interacting and communicating with their stakeholders on the website. In the analysis, it will also be investigated if Shell is pursuing one specific communication strategy or integrating all three, which is the recommended strategy, according to Morsing & Beckmann.

Stakeholder information strategy

Clicking through the website of Shell it is evident that the amount of information is enormous. The global website is extensive covering many aspects from motors sport to the sustainability report. As the focus of this thesis is on the global environmental situation and how it is communicated to the stakeholders, the sub site Environment and Society is interesting to look at, and can found in Appendix E. When entering the sub site, eleven sections are visible, were information is easily accessible to the stakeholder. The information ranges from reporting to actual models for collaboration with neighbors for the sake of sustainability at Shell. Having a
diverse group of stakeholders to consider. Shell is trying to cover all of them on the global website, and on the sub sites. Having the end consumers in focus, the sections like Our performance data, Shell in Society, Working safely and securely and Respecting the Environment should come to great interest for the end consumers caring about their well being as a customer and as a citizen caring for the environment. The consumers can find a lot of information from Shell’s global engagement on how to prevent the environment from being affected as much from oil spills and carbon dioxide. The information flow is from Shell to the stakeholders.

**Stakeholder response and involvement strategy**

In the prior section it was evident that the information given to the stakeholders is wide and deep information and explaining the extensive CSR initiatives of Shell. In Appendix F it is visible that Shell pays attention to reader surveys, reviews in media and is aware of how many visitors the website has. The model also illustrates that the web is the main medium of communication, as the sustainability report is also posted on the website.

The dialogue is by Morsing and Beckmann described as differentiating responding theory and actually cooperating with the stakeholders. Sense-giving and sense-making is visible on the sub site Shell Dialogues Appendix F. It is possible for all stakeholders to send questions to Shell about the energy debate, and questions are answered by an employee. Communication is specifically centered on the environmental debate, and there is no information on how stakeholders can contribute to the future sustainability of Shell and how Shell can improve their environmental efforts with help from the stakeholders. This fact limits the sense-giving, as the communication is centered on a specific area of interest, being the environment.

Searching through the entire web site it is not possible otherwise to see any dialogue with the stakeholders. It is possible to contact Shell by email or see FAQ’s answered. A truly devoted sub site where Shell and the stakeholders are engaging in mutually beneficial communication is not visible. The large amount of information accessible is very informative about how Shell is engaging with employee safety, seeing the future problems of fossil fuels and how the world can make a difference. Shell is promoting a lot of diagrams, facts of the world’s increasing energy consumption and even scenarios on what will happen if the world does not react now, and act as a responsible citizen. The scenarios can be seen in appendix F together with a statement by the CEO, who states Shell is trying to become pioneering within managing the climate risk and how Shell’s innovations should lead to a better environment.

From the findings it is apparent that Shell’s communication strategy primarily is stakeholder response strategy. Shell is responding to the trends and stakeholders opinions, but is not engaging explicitly with all stakeholders on the website. It is assumable that Shell simply does not post the interaction with the stakeholders on the website, as it would be too much information to post. The studies presented in section 6 made it visible that Shell spends many
resources on mapping their stakeholders, and interaction must in some form take place, but evidently it is not presented or communicated on the website.

The other possibility is the opinion of the critical stakeholder groups as NGO’s would depict another picture of Shell, which might not be preferred by the management. It is then questionable for us in terms of the credibility of the response strategy in the long run.

Shell could end up suffering from the self promotor paradox, as Shell is producing oil related products, which is without doubt harming the environment. If Shell only promotes how they perceive the current environmental situation and how it should be solved, using the stakeholder information approach, stakeholders would be more critical in the future. The discussion will be elaborated upon in the next section of the analysis, where Richard Coope will be the main theorists focusing on the website medium and the success of Shells website.

5.1.3. Website credibility

In both the Responsibility report and information presented in the website, it is evident on Shell diligent attempts in creating credibility perception towards stakeholders. From our observation, logos is the most used in comparison with the other two modes of persuasion. One of the obvious examples can be extracted from the report as shown below:

![Figure 8 - Extracted from Shell responsibility report review 2008 (Shell 2009, p.1)](image)

Making use of *logos*, Shell’s marketers attempt to engender good will and credibility through providing facts, while presenting them in a way that makes them look good. Take the eleventh square, for example. The square states that Shell provides wind power to 250,000 homes, which does sound quite impressive. It’s only once one pays it further consideration that one notices that it is less so; 250,000 homes means approximately one-one point two million people. Compare that to the 10 million costumers they provide transport fuel to each day, and the 7200 planes they
fuel in a twenty-four hour period, and suddenly those 250,000 households being supplied green energy seems like a pretty small number.

Though the extensive use of logos diminishes the effects of the other two modes, pathos and ethos are still noticeable within the text lines.

Let us start with the look at pathos, or environmental appeal if you recall from section 3.6. Within the 8-pages-sustainability report and most of the subheadings under ENVIRONMENT (on the website), the well baby appeal approach is evident. In other words, it is found in the communication that Shell is being significantly positive in terms of their attempts in tackling climate issues and a bright future that Shell will bring about for society. The text is used to stress on points like “how many percentage of dangerous substances has been reduced through the Shell’s operation system” or “how these environmental-beneficial programs be improved and yield higher results in future time”…etc (Shell Responsibility Report, 2009, p.3).

Looking back at Figure 1, pathos has also played a part in that; specifically in the design of the figure. The first seven squares in the figure are relatively lightly colored, with the lightest color of all preceding the very dark purple of the eighth square. Combined with the placement of the eighth square in what is pretty much the center of the figure, a viewer’s eyes are inexorably drawn towards it. Should one then assume that it is entirely a coincidence that the eighth square addresses how much money Shell has spent on alternative energy and technology for reducing their carbon emissions in the past five years? Considering Shell’s quite dedicated focus on communicating their commitment to sustainable development, one would guess that it was entirely planned.

Moving on to ethos, Shell makes ample use of the concept all through their communication toward stakeholders; even in communications based on logos and pathos does Shell incorporate ethos in a fundamental way. It seems as if Shell's communications policy at its very core is concerned with convincing stakeholders of the company's moral competence.

A prime example of this occurs in the Sustainability Report of 2008; namely the interview with Jeroen van der Veer, Shell's Chief Executive (See section 4.1.2). Answering questions that were most likely designed to bring about answers that would make Shell look good, van der Veer assures his stakeholders that Shell's commitment to their Principle of sustainable development will not waver even in the face of the worst recession in decades. Despite the harsh economic climate, Shell will not stop its work in developing CCS technologies, nor will they give up their adherence to the strict standards they've set for themselves in all aspects of their operations.

All in all, the interview is a very convincing piece of marketing material, and van der Veer's carefully constructed honest answers inspires confidence in the moral-mindedness of the company as a whole.

5.2.EXXON
5.2.1. CSR analysis

“Balancing economic growth, social development, and environmental protection”

As the world’s largest publicly traded integrated energy company, ExxonMobil’s primary responsibility is to find, develop, and safely deliver reliable supplies of energy to people around the world while providing a return to our shareholders.

(ExxonMobil CCR, 2009)

***

Appearing as the very first sentence in the “Sustainability” section of CCR09, the statements above show the priority ExxonMobil has put in its operational goals. As “economic growth” is mentioned firstly, the company confirms that economic responsibility is the most fundamental responsibility that ExxonMobil should strive to live up to. However, it is interesting for us to see that ExxonMobil is trying to join the economic responsibilities with social and environmental ones in communication. The word “balancing” creates the impression that Exxon’s communication is trying to break free from the Carroll’s pyramid and move towards Freeman and Velamuri’s theories.

When it comes to legal responsibilities, ExxonMobil does try to convey the message in a quite excessive frequency that the corporation is operating according to regulations, rules, and ethical standards.

ExxonMobil complies with all applicable laws and regulations, and where laws and regulations do not exist, we maintain the use of our high standards. Our commitment to high ethical standards, legal compliance, and integrity is reflected in our global policies and practices.

(ExxonMobil Official Homepage)

Based on the information gathered on the website, most of the followed regulations are set by ExxonMobil, but not any third parties (i.e. internationally recognized organizations). The authors believe that this may be the reason why Exxon needs to present such tremendous amount of information, e.g. Section “Corporate Governance”, subheadings “Standards of Business Conduct” (See section 4.2.2) on its compliance towards business standards. With the Business Standards, a complete picture of ExxonMobil set regulations in different areas; including directorships, health, environment, product safety…etc. is available for stakeholders. Similarly to Shell, Exxon seems to have their mind strongly set on manifesting an intimacy of legitimacy in stakeholders.

Climbing up one level in Carroll’s pyramid, we reach social responsibilities; this type, as mentioned above, has been merged with the economic responsibility as to be one of the most fundamental values that ExxonMobil claims to possess.
Finally, at the highest level of the pyramid, found us the philanthropic responsibilities. Being at the top gives philanthropic responsibilities not only the chance to be highly desired by stakeholders but also a challenge for corporations to actually meet such a demand. ExxonMobil, however, does not appear to have difficulties in delivering philanthropic acts. Under the main heading Community & Society and follow up by subheading “Worldwide giving” \(^37\), the authors were impressed by the total communicated investments ExxonMobil has made in different areas and different geographic regions.

*In 2009, Exxon Mobil Corporation, its divisions and affiliates, and the ExxonMobil Foundation provided a combined $196 million in cash, goods, and services worldwide. Of the total, $107 million supported communities in the United States and $89 million supported communities in other countries globally.*

(ExxonMobil Official Homepage \(^38\))

The further details of the ExxonMobil’s investments can be found on their website.

It is considered as strength for Exxon to actually be able to communicate all their responsibilities in accordance with Carroll’s pyramid. Except from the slight merger between economic and social responsibilities, the distinction between the four levels is quite clear.

5.2.2. Stakeholders interaction

From the website, the authors have acknowledged that the main stakeholders whom ExxonMobil aims to reach are governments, Communities and NGOs, shareholders, customers, suppliers, and employees (See section 4.2.2). Though individually touched, we think that each stakeholder is provided with quite little information of their own interest. Thus, this limits the strength of interactions Exxon may want to establish with its stakeholders. The rest of this section will, then, be devoted to the investigation on what type of stakeholder approach strategy is used by ExxonMobil.

**Stakeholder information strategy**

Thoroughly checking Exxon’s website, it is our impression that the amount of provided information is rather plentiful and well-categorized. The information is suited as public information, where Exxon tries to convey certain favourable messages. In other words, it is the one-way communication that Exxon is using in the section of CSR. From a stakeholder perspective, the information is quite shallow with sentences that only state the corporation’s goals, and very little on the actual techniques or working processes. Moreover, it is easily seen that Exxon’s strategic communication task is to apprise stakeholders about favourable corporate CSR decisions and actions. Thus, it is to the stakeholders’ role, especially the general public, choosing to approve or oppose the presented CSR ideas.
From all of the rational arguments above, the authors believe that ExxonMobil has definitely made use of the information strategy to reach their stakeholders. This strategy is best observed in sections regarding the environmental issues.

Stakeholder response and involvement strategy

From our analysis, it is conclusive that Exxon has applied the stakeholder information strategy. Continuing in this section, we will bring our assessing criteria higher in level in order to observe if there is also evidence of the response or even the involvement strategy.

There is a figure that we would like to bring forward as it is strongly related to this discussion. It is the Materiality Matrix (ExxonMobil CCR, 2009) that Exxon claims to use when designing and prioritizing the content of their CCR report.

According to the explanation made on the website, a Materiality Matrix is used for identifying what topics should and should not be covered in CSR communication as well as in daily CSR practices. In theory, the topics are chosen based on the merged assessments of stakeholders and the company. By bringing up this matrix, it is to Exxon’s interest to show its stakeholders that their ideas are valued and integrated by the company. Thus, the communicated topics should make sense to the stakeholders to a certain extent. Relating this to Morsing theory (2006), it is the process of:

\[
\text{Sense-making} \rightarrow \text{Sense-giving}
\]

Moreover, within the section of “Community & Society”, there is a function called “Feedback” where interested stakeholders can express their further opinions about the company CCR report and not only approval or disapproval. The evaluative criteria include clarity, relevant coverage of issues, completeness, etc. These findings point to the conclusion that ExxonMobil has, to a limited extent, applied the strategy of stakeholders’ response.

There are two reasons founding our conclusion that “it is only to a restrained extent does Exxon have used this strategy”. The first reason is that the “Feedback” section is quite short and brief.
From the stakeholders’ point of view, they will automatically be limited when trying to express their thoughts. While from the company point of view, the authors doubt that there will be much of useful information collected from this poll. The second reason regards the Materiality Matrix. It is, in our opinion, too shallow to demonstrate specifically what and how the company integrates stakeholders’ concerns into their actual CSR operations. Thus, the communication flow cannot be considered as two-way.

Following up with the our deduction about ExxonMobil not being able to applied the response strategy to its fullest, we are assured that the company eventually fails to deliver its communication to the highest level, the involvement strategy. As in the case of Shell, this can be considered as an issue that Exxon may want to improve for better communicative efficiency.

5.2.3. Website credibility

In both CCR09 and the information presented on the website, are evident Exxon’s diligent attempts in creating the perception of credibility in their stakeholders. From our observation, logos is the most used, compared to the other two modes of persuasion.

Logos used by Exxon is mostly in the form of textual argumentations with a slight touch of figures and tables. In specific, Exxon uses wording to demonstrate its desired objectives, the process, and the results as of yet. However, there is not much of a mixture between different forms of logos, and lengthened wording can reduce readers’ goodwill and enthusiasm during reading. Hence, in our opinion, the use of logos in creating credibility is notably not effective in this case.

Other than logos, pathos is the second most common tool used by ExxonMobil to improve its communicative credibility. In the environmental section, environmental appeal is scattered through the text, and dominantly it is the “well baby appeal” tactic that was adopted (Carl Obermiller, 1995). The “well baby” refers to the communicative tactic that constantly makes use of positive tone when exchanging messages. By using positive voice, Exxon can be vocal about being increasingly confident that the company has the ability to solve world problems or any other public critiques (Obermiller, 1995: 55).

Considering the fact that Exxon works alone in the “fight” for proving its environmental friendly standpoint, ethos is not a persuasive tool to employ extensively. This is proved by scattered evidences of ethos found along the text. They are majority in relation to a third-party (e.g. Clinton Global Initiative 2009). The lack of ethos seems to point to the same effect as with logos, a reduction of persuasive efficiency.

5.3. Part conclusion

In the opinion of the authors, both the websites have done a good job in being a medium of communication. However, the authors would like to stress that, compared to Exxon, the website
communications of Shell have been a resoundingly more success. Despite the environmental unfriendliness of the business itself, Shell creates an image of their companies that is attractive to stakeholders by focusing on communicating their commitments to sustainable development and their dedications to creating a better, greener future.

If we evaluate Shell’s website based on the practical checklist introduced thoroughly in Appendix C, it fulfill almost all the criteria regard accessibility, availability of different formats (e.g. in PDF for certain key figures and reports), dynamic interaction (i.e. the Shell Dialogue as a strong example). Particularly for CR section, it is well promoted and prominent with tactical designs which bring out the exact message the Shell want to convey.

In terms of the stakeholder approach, both project an appearance of taking stakeholder views and opinions into consideration in their planning and operations. However, the vast majority of Shell's and Exxon’s CSR communication is still very one-sided, and mainly provides information about operations to company stakeholders. And while the information is fairly free-flowing, it is for the most part also quite shallow; most of the information provided to the stakeholders is more about the results, rather than the way they were obtained. It follows, then, that Shell and Exxon give a very good first impression to stakeholders visiting the website, but once they go further in-depth, the webpage communications come up lacking.

As far as persuasion techniques go, the authors find that Shell relies quite heavily on logos; that is, facts and figures, usually combined with a carefully constructed presentation to further the stakeholders’ good will. Shell's website communications also rely on pathos; specifically the use of bright colors and pictures that engender warm or "green" feelings, as well as positive environmental appeals.

Likewise, Exxon uses logos as the dominant mode of persuasion. Nevertheless, the used form of logos is different, which is textual argumentations with a slight touch of figures and tables. In addition to logos, pathos – positive environmental appeals is added for credibility building-up though quite brief in emphasizing. Consequently, Exxon’s CSR communication demonstrates a similar focus, i.e. to evoke sympathy and positive feelings within its stakeholders, but the result is that the sent message is not credibly strong as in Shell ones.

The authors want to stress that, while they do have some criticisms, both the websites have projected as well-structured, informative, and intuitive. Still, Shell's webpage communications are amongst some of the most impressive and convincing ones they have ever encountered.
ENVIRONMENTALLY BENIGN COMPANIES

5.4. E.ON
5.4.1. CSR analysis through business operations

Once again, we begin by looking at the company’s sustainability report (E.ON’s Corporate Responsibility Report) through the lens of Carroll’s CSR pyramid model.

*We behave responsibly towards our colleagues, customers, suppliers, the environment and the communities where we live and work. We seek to improve lives everywhere we operate, aiming for a healthy, safe and sustainable environment.*

(E.ON, 2008, p13)

Thus begins the Board Commitments of E.ON, as laid out by the company’s Board of Management.

“At E.ON, we are responsible for providing our markets with a secure, economic and climate-friendly supply of energy.”

(E.ON, 2008, p.13)

The first point on E.ON’s list of commitments is their responsibility to their markets; i.e. their economical responsibilities, according to Carroll’s CSR pyramid. Interestingly, it is joined by the company’s social responsibility towards the environment, effectively making that responsibility more fundamental than Carroll’s model as is would imply.

Perhaps one should, at this point, consider Freeman and Velamuri’s criticisms of Carroll’s model; namely that the division of CSR into four levels creates an imaginary separation between business and society. It looks, here, as if E.ON lives this criticism, making societal responsibility just as fundamental as economical responsibility.

“We uphold the ten principles of the UN Global Compact on human rights, labor standards, environmental protection and fighting corruption.”

(E.ON, 2008, p.13)

Second on E.ON’s list of commitments is their adherence to the principles laid out in the UNGC; their legal responsibility, then. A dedication to this UN business initiative is a strong statement, as it implies a responsibility even beyond local legislation, once again incorporating social responsibility into the lower sections of Carroll’s pyramid.

“We are committed to successful long-term development of the communities where we live and work.”

“We seek to improve lives everywhere we operate, aiming for a healthy, safe and sustainable environment. We consider the needs of the present generation and also anticipate the needs of future generations.”

(E.ON, 2008, p.13)
Social responsibility, as previously stated, has been made a fundamental part of E.ON’s business practices, and is a responsibility they take very seriously. In fact, one could argue that both the ethical and at least a part of the philanthropically section of Carroll’s pyramid are represented in E.ON’s commitment to give back to the communities where they operate, and their ambitions to make the world a better place.

5.4.2. The stakeholder communicative strategy with focus on CSR

On the most basic level, E.ON has a similar focus group with its website communicative message, including customers, suppliers, media, employees, and financiers. Those can be considered as its primary stakeholders and that they have at least some basic background knowledge on the company operation and values. Besides, it is noticeable that E.ON has a special focus on one target group in specific, the youths. This group is likely to be secondary stakeholders as the attention on them is less shown within the websites in comparison to the other group.

As the stakeholders group is now identified, the authors now turn to the analysis of the communication strategy that E.ON adopted towards these stakeholders.

Stakeholder information strategy

E.ON’s webpage is simply and cleanly designed, easily navigated, and contains a fair amount of information on a number of subjects relevant to company stakeholders. As our thesis is focused on the environmental aspect of CSR, we’re going to focus on the “Environment” sub-section of the section “Responsibility.”

This section contains an additional four subsections for stakeholder perusal. The information here deals with technology for generation of greener energy, current environmental conventions, environmental protection as an E.ON corporate value, and biodiversity and its place in E.ON operations.

The information found here is often-times quite technical, and not particularly deep. It seems designed to provide the reader with a broad, general overview of the company’s environmental efforts, and the green business climate today. Further and more in-depth information can be found in the company's CR Reports, for those stakeholders with an interest. This serves to make the website less "clogged up" with information. Once again, the information flow is from the company, towards the stakeholders.

Stakeholder response and involvement strategy

As we concluded in the previous section, the information E.ON provides on their actual webpage is wide and shallow; a general view of the company's technologies and operations, and their
connections to E.ON's fundamental value of CSR. According to the theory of Morsing (2006), this is method reveal both have the sense-giving and sense making towards customer. It is though fails to create an impression that the process of sense giving and sense making is iterative and progressive. This is, thus, one of the first sign which signal us the inapplicability of involvement strategy within E.ON’s communication.

However, it is also to our acknowledgement that wide and deep information was readily available to interested parties in the form of the CR Report. Nevertheless, the deep information is likewise technically focused which may hinder the process of sense-making in the involved stakeholders.

Contacting the company with questions is a simple endeavor, as the "Dialog" section is easily accessible. Stakeholders can choose from eight over-arching topics that they may feel concern about. This increases the sense-giving nature of the communication process, since the webpage assumes stakeholder concerns a variety of issues; not just the environment specifically.

That E.ON pays attention to stakeholder opinions and concerns is implied in the E.ON materiality matrix, where the company charts issues of importance according to stakeholder relevance versus company relevance in an intuitive matrix, which can be found in Appendix J. This engenders a sense of transparency and honesty, and reduces the risk of self-promoter paradox. Reflect this to the criterion of “Strategic communication strategy” in Morsing model (2006); it fits the idea of demonstrating to stakeholders how the company integrates their concerns when designing their CSR policies.

As in the case of Shell, it is not possible for the authors of this thesis to observe any visible reciprocation in the communication between stakeholder and company on the actual website. However, do know that E.ON has significant communications with stakeholders in person, through conferences, youth forums, and media-based initiatives, where the information is free-flowing and bi-directional.

Our conclusion, then, is that stakeholder involvement strategies are not particularly widely used as regards the website, but that the company rather focuses on real life communication where the information flow is two-way.

5.4.3. Website credibility

From our observations it is a logo that is most widely used in E.ON’s communications towards stakeholders; in the form of graphs, figures, and - most extensively - technical discussion. While occasionally a bit difficult to understand, the information is for the most part concrete and intuitively displayed. The shortness and conciseness with which the information is presented, and the lack of anything that might be perceived as attempts at manipulation, engenders a sense of transparency and good will in the readers.
E.ON does, however, also rely significantly on the other two modes of persuasion. The company is well known for being a very environmentally friendly energy one, and for operating at the highest of current environmental standards. This is a key part of their brand image, and a prime example of how the company uses ethos and pathos in conjunction; inciting both conviction of their moral nature, and positive emotional responses.

Worthy of note, however, is that they do not adopt the most common way of using pathos in their communication; namely, positive or optimistic language. The language used on E.ON’s website is quite neutral and seemingly honest; problems are brought up and discussed without any sense of excuse, and solutions are presented as facts rather than promises.

5.5. Vestas

5.5.1. CSR analysis

Our last company to be analyzed is Vestas. Before going deeply into the analysis of Vestas’ CSR communication, there is a point that the authors would like to bring up, which is that Vestas has incorporated both the financial and non-financial data within one single report. Unlike Shell or E.ON, Vestas does not produce (at least not that can be found online) a separate Social Responsibility statement. The newest environmental statement report found was from 2004. This signals to us two things; firstly, CSR in general is not heavily developed at Vestas; or secondly, that it is Vestas’ line of thought that Social Responsibility should preferably be united with Corporate Responsibility and not stand apart. Relating this to our theory, the idea of incorporation between Corporate and Social Responsibility offset the CSR pyramid of Carroll; it will be our expectation to observe a picture of all four levels (i.e. economic, legal, social, and philanthropic) mixed together. However, to test this statement, we need to go in depth with the wordings and information presented the non-financial section of Vestas 2009 Report.

In terms of economic responsibility, scattered sentences, wordings, and evidences are presented, though nothing that particularly stands out. An example sentence is found in the Annual Report 2009, page 4:

“Strong growth and a higher EBIT margin are prerequisites for Vestas to retain its market-leading position in wind power and thereby create the world's strongest energy brand as the No. 1 in Modern Energy”

(Vestas Annual Report 2009, p.4)

Moreover, as mentioned above, Vestas has put together the financial and non-financial data within the same report, where the previous are presented primarily compared to the later one. This proves that the company understands the importance of being profitable and hence, translates this message to its stakeholders through the choice of reporting order.

Following the economic responsibility, legal duty is the second principle that the authors looked at. As with the prior level, the amount of information regarding legal responsibility from Vestas
is rather modest and compact. The two major statements concerning regulations and legal standard are about the ISO 14001 - OHSAS 18001 and the UN Global Compact, which found under the sections “Policy” and “UN Global Compact”. In specific, Vestas put forward that their operations are in compliance with international standards:

“The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption”

(Vestas Official Homepage – See section 4.4.2)

Within the legal section, interested stakeholders are provided with the alternative of following links for more information. However, the one that presented online is considerably limited from our point of view. Consequently, this complies with the theory about legitimacy which put forward by Ashforth & Gibbs (1990:185), where Vestas, as an environmental friendly company, does not seem to need an emphasis on its credibility.

Moving on to the next level in the pyramid, we look at social responsibility. From the analysis, this is the most mentioned among all four types. However, different from the other three companies, Vestas’ communication on social responsibility does not concentrate heavily on environmental issues. The company, instead, has another focus which is “Safety” for workers. This topic is constantly repeated in both the Annual Report 2009, Environmental statement 2004, and on the homepage. An example found in page 52 of the Annual Report 2009:

“Safety first - Vestas is building a world-class safety culture.”

(Referred to section 4.4.2)

Environment is secondary in priority, where Vestas states that it aims to be as green as possible e.g. “Vestas’ production and products must be as green as possible”. This is very interesting to us since we expect as well a focus on environmental communication from Vestas, based on the ground of both current social concerns (from the model) and the characteristics of the company’s operation. We think that the reason for such difference comes from the individual corporation’s actual assessment of “what is social responsibility comprised of” as well as “what is important for customers’ to know that will bring most benefits to the corporation”. However, this issue will be explored more in depth in at a later point.

Philanthropic, the highest level in the hierarchy is not clearly visible within the communication provided by Vestas. Though this conclusion is purely drawn from the communication perspective, it is to the authors’ knowledge from researching, that Vestas does not seem to engage in many significantly known philanthropic acts. Thus, the absence of this level might be seen as a con in the company’s attempts for having successful communicative strategy.

As we are now done with the analysis of CSR communication based on Carroll’s pyramid, it is now the time to look at the second factor of the model, namely stakeholders’ interactions.
5.5.2. Stakeholders’ interactions

In the case of Vestas, it is observable that there are three main stakeholders that the company wants to focus on, being future employees, investors, and general customers. The last and probably the largest group is mainly reached with section named “Media” and supplemented as well with “About Vestas” heading. In comparison to E.ON, the number of targeted stakeholders which Vestas is trying to communicate with seems to be smaller; though, it does cover the most important ones.

**Stakeholder information strategy**

The fair amount of information on subjects, under sub-heading “Sustainability” which directly interested by stakeholders sufficiently demonstrates the application of stakeholder information strategy by Vestas. Besides, there is other proof that also point to this conclusion; for example, the role of stakeholders when skimming through the website is including approval or opposing on the information presented in front of their eyes. Another example can be that the CSR (or sustainability) decisions and actions given to stakeholders are mostly favorable one.

**Stakeholder response and involvement strategy**

We can confirm that Vestas does apply the information strategy, which is the lowest level in CSR communication strategy according to Morsing (2006). It is now time to analyze whether Vestas has been able to bring its communication up to the second or even third level, stakeholder response, and stakeholder involvement strategy, respectively. Based on the sub-heading of “Customer Loyalty”, we found that Vestas does create an opportunity for stakeholders to react, called Customer Loyalty Survey, in order to “engage in an active dialogue with customers and to ensure that Vestas continuous to measure and improve in serving the needs of the customers”. This suggests that customers do have a role as respondents to the corporation’s actions. Secondly, the choice of CSR focus, which is worker safety, reveals that there is influencing force from stakeholders before such a decision was made. Moreover, the use of easily comprehensible, yet still technically oriented language suggests a two-way asymmetric communication. It means that the information is provided to stakeholders without significant attempts to bias or skew their perception in certain favorable directions. Speaking from Morsing’s point of view, it refers to the process of sense making creating sense giving. From this evidence, it is possible for us to deduce that Vestas does partially reach the level of stakeholder response strategy.

With the highest level of involvement, Vestas seems to be lacking in significant criteria from stakeholders’ role, identification of CSR focus to strategic communication task and third-party endorsement of CSR initiatives. It is not visible for us to catch much spaces where stakeholders’ role are concretely described as well as how Vestas has used the information in designing their CSR current or future initiatives.
5.5.3. Website credibility

In order to evoke readers’ impression of the corporation’s credibility, Vestas seems to make use of logos as the persuasion technique. Logos of Vestas comes in the form of graphs and figures, together with simple but technically oriented texts. The strength of using this type of persuasion is that it can create a strong sense of transparency and intuitiveness in readers. However, the dominance of plain language can easily decrease the eagerness and interest of readers, which may eventually reduce the efficiency of the communicative strategy.

In addition to logos, the authors found that there are traces of ethos and pathos, though the frequency of usage is not as great as for logos. With the corporation’s claimed operations, providing wind turbines, Vestas has the advantage over its competitors regarding the environmentally friendly brand-image. Moreover, the reference to different international standards (See section 5.5.1) can also be seen as a way of using ethos for improving credibility.

Similar to the case of E.ON, the language used on Vestas’ website is quite neutral and seemingly honest; problems are brought up and discussed without any sense of excuse, and solutions are presented as facts rather than promises.

5.6. Part conclusion

Analyzing the websites of E.ON and Vestas according to the checklist in Appendix C, we find that it is exceptionally accessible and easily navigated with its restrained number of topics and sub-topics, and most important figures and data is easily downloadable in different formats.

In our opinion, the Responsibility / Sustainability sections of both the companies do not particularly stand out compared to any of the other topics on the site. This may be because responsibility is such a fundamental part of the companies’ corporate values and the whole of the organization that it cannot stand apart. This will usually not present a problem, as E.ON and Vestas are well-known for their environmentally friendly natures, but if an unknowledgeable stakeholder was to visit the site, they might end up underwhelmed by the presentation of the company's CSR initiatives, especially so in the case of Vestas.

Also, for both companies, the usage of a lot of technical terms may hinder stakeholders from understanding the message inherent in the provided information.

As far as stakeholder approach is concerned, the authors call to notice that the target group of E.ON with their website communication is slightly broader and briefly touched than in Shell and Exxon. The broadness is demonstrated in the sense that more social-concerned topics are covered and not only environmental. In other words, their communicative strategies are less attentive in provoking sympathy or encountering negative publicity, as the corporation has not created significant environmental damages yet. Besides, we notice that E.ON pays particular attention in
another stakeholder group; namely, youths. This is because E.ON sees it as the company's responsibility to educate the new generation, and help them shape their future.

The actual webpage communication still feels very one-sided, but the webpage does allude to several real life initiatives for communicating with stakeholders, like conferences and forums, and we believe that this makes up for the lack of observable meaningful communications online. We also find that the information actually provided does not seem designed to engineer specific responses; rather, it seems that E.ON and Vestas prefer to let stakeholders reflect on the information and draw their own conclusions. This, as far as we consider, is an important factor contributing to the credibility building-up.

In terms of persuasion techniques, we find that both rely heavily on logos, with a focus on technical discussion along with facts and figures. We do see use of both pathos and ethos, however, quite often used in conjunction.

In the end, the authors conclude that the websites, while not very impressive, serves their purpose as general marketing tools, and does so without making the company stakeholders feel manipulated. Also, it serves as a mode of receiving feedback through the Dialog/Survey section, though we feel we cannot draw any concrete conclusion in the efficiency of these systems.

5.7. Comparative analysis between environmental benign and problematic companies

5.7.1. CSR analysis through business operations (Carroll’s pyramid)

In our analysis of the four companies, we observed that all of them mention the first three levels of Carroll’s CSR pyramid in their CSR statements; though only Exxon touches the last one. The presentation, especially with the environmental problematic companies, is even in the same order as in the pyramid; economic, legal, and ethical.

For the economic level, all four companies recognize that their ultimate responsibility is to be economical actors; supplying energy to their markets, and being profitable. However, while Shell and Exxon identify profitability as their ultimate goal, E.ON and Vestas qualify their equivalent statement by adding that it is their intention to only do so in a “green” way.

On the legal level, Shell and Exxon state that they will compete fairly and ethically within the framework of existing laws, and not hinder anyone from competing against them in the markets. E.ON or Vestas, on the other hand, states their dedication to adhere to the guidelines laid down in the UNGC or the UN, which is both a legal and social initiative for fair business practices, created to promote socially responsible behavior in corporations.

It is in comparison of the companies’ approach to their economical and legal responsibilities that one perceives the fundamental difference between the two types of organizations. Shell & Exxon treat their corporate social responsibilities as laid out in Carroll’s model as separate concepts.
Meanwhile, E.ON or Vestas seems to attempt to erase the dividing lines of the model, incorporating their ethical responsibilities in what is considered the more fundamental economical and legal responsibilities. In considering this, one can infer that Shell or ExxonMobil considers its ethical responsibilities more as an accessory to the actual cause of the company, put on display and stressed in an attempt to mitigate their bad reputation, and to foster a sense of legitimacy in the face of their environmentally problematic position, while E.ON and Vestas seem to consider their ethical responsibilities as fundamental to their entire organization, and an integral part of how they do business.

Furthermore, in the companies’ statements of ethical responsibility, one soon comes to notice that problematic companies put a lot more emphasis on communicating what they do to improve their environmental friendliness than the more environmentally friendly companies do. The later communication on their environmental initiatives is technical and quite bland; more like an informational pamphlet than a marketing tool. The primary ones, however, go all out in trying to convince stakeholders of their legitimacy and avoid any suspicion. This, we feel, fits quite nicely in with Ashforth’s hypothesis of “the protestation of legitimacy will be greatest for organizations with low legitimacy.” (Ashforth, 1990:185) Shell and ExxonMobil, with their less than spotless reputation, place more stress on their CSR communication than E.ON or Vestas, who are known for being very socially responsible organizations.

5.7.2. Stakeholder approach strategy

In general, we find that all companies place the same importance on communicating with their stakeholders, and that they face the same limitations; namely, the mainly one-way flow of information from company to stakeholder. Moreover, it is noticeable that all the corporations have implemented the process of sense-giving and sense-making towards their stakeholders though both failed to make the process iterative and progressive. Therefore, neither the problematic nor the friendly ones have yet reached the most desired stage of communication strategy, the involvement strategy.

However, it is to our intuitive judgment that E.ON and Vestas seem to have stronger commitment towards Company Stakeholder Responsibility. It is on the ground of individual’s intention that lead us come to such reflection. The other group has overwhelmingly important task to achieve with its CSR communicative strategy, which is to alter public’ negative thoughts on the company operations; thus, trace the communication away from its true value and core attention, i.e. to interact two-sided with stakeholders. In contrast, E.ON and Vestas, with their position as an environmentally benign, have the same opportunity to coordinate their CSR communication as a tool for mutual understanding with the company’s stakeholders.

Though all fail when getting their communication evaluated against the highest scale in strategy, it is worth mentioned that the differences are distinct between two categories. Shell and Exxon overwhelm with the sheer amount of wide, deep information available to their stakeholders on its
website. The efficiency of such a strategy is questionable, but on the other hand, it could be considered a tactic to avoid close scrutiny of their business practices by their more general stakeholders, as very few individuals have both the time and the capability to take in all that information (i.e. a choice of focus on “friendlier” stakeholders but not all). Meanwhile E.ON and Vestas seem to focus on providing wide, general information about their practices, with an option of more in-depth information in the form of downloadable reports, as well as arranging offline events, like conferences and forums, to communicate significantly with their stakeholders.

5.7.3. Website credibility

As previously stated, all firms rely heavily on the logos mode of persuasion in their communications with their stakeholders; the make extensive use of figures, facts, and charts in their attempts to logically sway stakeholder opinions. The difference in their strategies, though, lie in how they present their facts; Shell and Exxon tend to put their facts forth in a very marketing-minded manner, while E.ON and Vestas simply present them in a quite matter of fact way.

The companies also make use of ethos and pathos in their communications, but while E.ONs or Vestas usage comes off as incidental and matter of fact, Shell seems to have purposefully designed their communications for a desired reaction.

Concerning pathos, for example, E.ONs or Vestas language is rather bland and technical, while Shell and Exxon set a rather optimistic tone, and uses words with positive connotations.

Usage of ethos can be seen quite clearly in all four companies’ communications; Shell stresses it hard, especially in the interview with their Chief Executive, while in E.ON’s communications it seemingly comes across of its own in the information provided to stakeholders.

Also, Shell’s website is a beautiful piece of digital craftsmanship, resplendent in warm colors and pictures that evoke positive emotional responses; the communication may be non-linguistic, but it’s as sure a use of pathos anything. E.ON and Vestas’ sites, though, is simple and clean without much of Shell’s frills, with an easier and more intuitive design, and the authors consider this a non-linguistic use of logos.

Shell and ExxonMobil tend to have ethos in form of speeches from top-level managers of the corporations itself, while Vestas and E.ON relate to the assessment of other internationally known organizations such as the UN.

In conclusion, Shell and Exxon protest a great deal of credibility building-up in accordance with “theoretical approach”, while the other two companies only slightly touches upon such a manner.

5.7.4. CSR communication
From the analysis of the four corporations in separate, it is noticeable that all of their communications reflect the three factors mentioned in Figure 5, namely corporate capabilities, social/environmental concerns, and stakeholders’ interactions. However, the model seems to be insufficient as the main indicator for what to expect on companies’ communicative strategies or as a guideline for corporation in the field of CSR. It is to be said that all the four firms share a similar ground in terms of corporate capabilities (i.e. due to their operational sizes), influences of social/environmental concerns, and expected stakeholders’ interactions. However, their communications turn out to be rather distinctly divergent. This fact leads us to an observation that the concept of historical brand image or corporate credibility. With an opposition in history of credibility, the two groups are required to put forward different strategies in their CSR communication with each other. Shell and Exxon heavily zoom in on their environmental-oriented actions as “better” corporations, while E.ON and Vestas make use of more “general-technical-information-giving” tactics in difference subjects. From such understanding, the authors have realized that existing brand image/credibility seems to have stronger effects that the social concerns. It can even be said that the social concerns, to a certain extent, are shaped by the corporation’s credibility over time.

Moreover, our analysis has shown that environmentally unfriendly companies tend to coordinate their CSR accordingly to Carroll’s pyramid. The friendlier firms, in contrast, seem to follow Freeman and Velamuri’s school of thoughts.

Going besides all these findings which related to our set theoretical background, the authors has learned that there might be a new trend of CSR communication among corporations. It seems that over time, Carroll’s pyramid becomes more and more out of date, and that current practice moves closer to Freeman and Velamuri’s school of thoughts. However, the authors predict that such trend will manifest much stronger in environmental-friendly corporations than problematic ones like Shell and Exxon.
Chapter 6 – Conclusions

In this chapter, we will use the information obtained in the analysis of the four companies’ websites to properly answer the two research questions; whether or not the companies are using the appropriate CSR strategies, and whether or not the relative environmental friendliness of a company affects said companies’ CSR strategies.

Moreover, it is also the chapter where what has been learned from the study is discussed, advice on how the companies can improve their CSR strategies is given, and where improvements that are needed in further studies are outlined.

6.1 Conclusions

Looking at the four companies through the lens of Podnars’s CSR communication context model (see section 3.2), we can conclude that they all tend to reflect – to differing extents – the wider societal environmental concerns in their CSR communication; overwhelmingly so, in the case of Shell and its truly extensive website. Based on the analysis in the previous chapter, we have observed that while CSR initiatives in the environmentally problematic companies are quite impressive, the others are actually quite lacking. The former provides vast amounts of easily comprehensible information, presented in a pleasant package, while the latter instead can unwittingly hinder their stakeholders from being able to properly understanding the information they provide by being needlessly technical and bland in their language. Lastly, in the matter of stakeholder interactions, the two categories come up fairly equal, as both companies have a quite limited online communication with its stakeholders. We also found that credibility is vastly important, as it plays a vital part of CSR communication strategy.

Thus, we have answered the question of whether or not companies are using the appropriate CSR strategies, and have reached our first conclusion; problematic firms are definitely using the right CSR strategies, while benign ones could stand to improve theirs.

Moving on, the authors have observed a distinct difference between the CSR communication strategies of environmentally unfriendly corporations, and very green companies. Environmentally unfriendly companies place a lot of focus on their positive and inundating CSR communications, while environmentally friendly ones are more frugal and neutral with theirs. Based on our analysis, CSR communication initiatives become more important to a company, in order to offset bad press and engender a sense of legitimacy in their operations and products.

And thus, we have answered the question of whether or not the relative environmental friendliness of a company affects said company’s CSR strategies, and therefore reached our
second conclusion; previously existing brand image (in this case, relative environmental friendliness) does factor in heavily in the choice of CSR communication strategy.

6.2. Managerial Implications

The authors would like to offer advice to their chosen companies, on how to better their CSR communication strategies:

For E.ON and Vestas, we advice that they make their provided information more easily comprehensible, through less technical jargon and more layman’s terms. They can also improve the layout of their websites, as they are quite unattractive to visitors.

As for our other two companies, though we find Shell (mainly) and Exxon’s CSR communication initiatives very appropriate and well-crafted, we would still like to issue a word of warning: the sheer vastness of the information they provide can become a liability, as stakeholders might get lost in the very time-consuming task of reading all the information supplied. Also, in the worst case, the credibility of the companies can be called into question, as stakeholders grow suspicious of whether the companies have something to hide underneath their pleasant presentation.

Also, as a general note to all four companies, it is the authors’ opinions that the issue of credibility should be more deeply incorporated in the stakeholder interaction factor of their CSR communication strategies.

6.3. Criticisms on the existing theories

Regarding the assessment on credibility, it is to the authors’ notice that Aristole’s model is no longer truly sufficient to answer a question like “how credible is the communication of this company?” With the help of the three modes of persuasion, it is possible to understand what the choice of persuasion technique is. It is to the authors’ findings that the genre of CSR communication or climate communication seems to stimulate more logos-driven communication and not much of ethos-based one. Based on this, it is the authors’ opinions that Aristole’s model provides too broad a range to properly gauge the effects of the technique, especially in a case dealing CSR such as this one, and that ultimately, there needs to be formed a better, more specific theory for the assessment of credibility.

Having concluded that, the author’s are concerned that the existing models for general CSR communication assessment are suffering from being too broad. The broadness is in form of defining criteria; for instance, social concerns can be defined differently for different corporations based on their operational nature. The model of Podnar thus fails to be a useful tool.
for both parties: the corporations when choosing their CSR communication strategy and the researchers in predicting or understanding any firm’s CSR communication strategy. The authors believe there are more criteria and elements required to be taken into consideration before any profound conclusions can truly be made.

Having said that, we believe the model has at least guided us to pay special attentions to the four firms’ stakeholder interactions before concluding that there is a certain lack. Eventually, this points to the fact that the efficiency of their CSR communication strategies is reduced.

6.4. Further study

The authors acknowledge that this is a comparison between only four companies, in an industry we have observed to be heterogeneous, and therefore we believe – despite the authors’ faith that their generated theory can be quite widely applied – that further study in indeed required. Further studies can be designed to either increase the number of companies within the same or different industries, as well as to increase the number of observers who are, similarly to us, asked to express their evaluation on the companies’ CSR communication on websites.

Also, while we specifically chose to look at just website communication for our study, we realize that a website is only one part of many when it comes to the communication between company and stakeholder. This has made our study rather narrow and therefore, most likely not completely adequate for a successful analysis of the CSR communication strategy of a given company. For a more solid study, future researches would have to take a more holistic view of CSR communication strategy; taking care to include other venues of communication.

Moreover, it is the authors’ suggestion for further research to focus on developing a more sophisticated model to access the credibility criteria in website communication and possibly to other medium of communication as well. With the development of a better fitting theory, which includes more specific criteria, one could possibly be able to design a quantitative research method for this kind of study, allowing for the collection of a greater mass of information.
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### Appendix A

#### Table 1: Three CSR communication strategies

<table>
<thead>
<tr>
<th>Communication ideal: (Grunig &amp; Hunt 1984)</th>
<th>The stakeholder information strategy</th>
<th>The stakeholder response strategy</th>
<th>The stakeholder involvement strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication ideal: sense-making and sensegiving:</td>
<td>Sensegiving</td>
<td>Sensemaking</td>
<td>Sensemaking</td>
</tr>
<tr>
<td>Stakeholders:</td>
<td>Request more information on corporate CSR efforts</td>
<td>Must be reassured that the company is ethical and socially responsible</td>
<td>Co-construct corporate CSR efforts</td>
</tr>
<tr>
<td>Stakeholder role:</td>
<td>Stakeholder influence: support or oppose</td>
<td>Stakeholders respond to corporate actions</td>
<td>Stakeholders are involved, participate and suggest corporate actions</td>
</tr>
<tr>
<td>Identification of CSR focus:</td>
<td>Decided by top management</td>
<td>Decided by top management</td>
<td>Negotiated concurrently in interaction with stakeholders</td>
</tr>
<tr>
<td>Strategic communication task:</td>
<td>Inform stakeholders about favourable corporate CSR decisions and actions</td>
<td>Demonstrate to stakeholders how the company integrates their concerns</td>
<td>Invite and establish frequent, systematic and pro-active dialogue with stakeholders, i.e. opinion makers, corporate critics, the media, etc.</td>
</tr>
<tr>
<td>Corporate communication department’s task:</td>
<td>Design appealing concept message</td>
<td>Identify relevant stakeholders</td>
<td>Build relationships</td>
</tr>
<tr>
<td>Third-party endorsement of CSR initiatives:</td>
<td>Unnecessary</td>
<td>Integrated element of surveys, rankings and opinion polls</td>
<td>Stakeholders are themselves involved in corporate CSR messages</td>
</tr>
</tbody>
</table>
Appendix B

Ten Principles of Company Stakeholder Responsibility

Adapted from: Freeman & Velamuri 2006, p. 17-21

a. Bring stakeholder interests together over time.
b. Recognize that stakeholders are real and complex people with names, faces and values.
c. Seek solutions to issues that satisfy multiple stakeholders simultaneously.
d. Engage in intensive communication and dialogue with stakeholders not just those who are “friendly”.
e. Commit to a philosophy of voluntarism—manage stakeholder relationships yourself, rather than leaving it to government.
f. Generalize the marketing approach.
g. Never trade off the interests of one stakeholder versus another continuously over time.
h. Negotiate with primary and secondary stakeholders.
i. Constantly monitor and redesign processes to better serve stakeholders.
j. Act with purpose that fulfils commitments to stakeholders. Act with aspiration toward your dreams and theirs.
Appendix C

Online CR communication – best practice checklist (Adapted from Coope (2004, p.7))

1. **Content is accessible and easy to use**

According to the Royal National Institute for the Blind, 2 million people in the UK have a sight problem. The internet has made a lot of information accessible for partially sighted and even totally blind users. If the company does not make its CR material accessible, it sends out the messages of the opinion of these people does not matter. Search engines, archives, indexing all help navigation.

2. **Content is available in multiple format**

Most users can access both PDF and HTML formats, but they have different properties. A PDF makes the report available easy for printing. However, navigation in PDF is limited and they often take a long time to download. HTML is quick to download and easy to navigate, but it doesn’t facilitate printing. Different stakeholders will have different preferences.

3. **Content is dynamic and interactive**

The best websites are broken in to sections with links to other relevant material, to keep the users involved and to make it easy to find material quickly. Feedbacks forms are good for encouraging communication. Every site should have email, address or telephone contacts with the name of a relevant person. Online polling, interactive games, online debates and message boards are excellent ways of engaging those stakeholders who have internet access.

4. **CR section is prominent and well promoted**

Raise the profile of CR by placing a prominent link on homepage. Aviva are keen to show up its latest CR report by promoting it clearly from the homepage. Links to other section of the site, such as Investor Relations, are also important to demonstrate that CR is fundamental to the company’s overall identity.

5. **Content has consistent and engaging design**

Sometimes it makes sense to present the CR content in a slightly different way from the rest of a website, in order to draw attention to certain elements. Mostly, good CR sections display a basic consistency with the branding of the rest of the corporate Website. They should at least match the production values of the rest of the website. An engaging design sends out the message that the company is interested in CR, and that it’s an exciting part of the business.
Four-steps process to pick the topic for inclusions in the printed Sustainability Report (2008)

- **Step 1**: Ask readers what matters most to them, using surveys, interviews and media reviews. Also take account of topics that are important for society but attract less media attention.

- **Step 2**: Use our internal risk management systems to determine which environmental and social issues most affect our business strategy.

- **Step 3**: Combine the results. Allowing for legal restrictions, we include all the highest-priority topics in our report. Those at the next level of importance are covered on our website.

- **Step 4**: Check with stakeholders, and our External Review Committee, that our coverage of those topics is balanced and complete.

Can be assessed at:

[http://www.shell.com/home/content/environment_society/approach_to_reporting/our_approach/selecting_topics/selecting_topics_20032008.html](http://www.shell.com/home/content/environment_society/approach_to_reporting/our_approach/selecting_topics/selecting_topics_20032008.html)
Appendix E

Can be accessed at http://www.shell.com/home/content/aboutshell/

a)

b)
Appendix F

Can be accessed at http://www.shelldialogues.com/

a)
Appendix H

Sustainability. The shape of things to come

Estimates show that by the year 2059, the Earth will be home to a population of nine billion people. Can the planet sustain such a growth? Where will the energy come from to fuel the expectations of a modern society and power its progress?

The questions that fossil fuels can’t answer
The world’s energy consumption is expected to double from 2002 to 2030. Yet current demands mean we’re already using significantly more fossil fuels that we are finding. Nobody can say for certain how long these finite resources will last, but it’s abundantly clear that in the very near future we’re all going to become dependent on energy from sustainable sources such as biotools, the sun, and...
Appendix I

a)

b)

Overview of E.ON's CR Strategy

Corporate Responsibility is a fundamental part of the way we do business, and is defined by our Shared Responsibility, which clearly illustrates our firm undertaking to behave responsibly towards everyone involved in and affected by our business - including future generations.

Our CR strategy represents the central approach E.ON takes in deciding what’s important, what’s being done about CR and how it’s managed within our Group. And we want to integrate CR closely into our core business: that’s why in 2008 we updated our CR Strategy on the basis of a comprehensive 2006–2007 review and discussion within the Group. In further developing our CR approach, the results of stakeholder dialogues, expert opinions and CR trends were given just as much consideration as industry benchmarks, or our earlier and earlier results.

Materiality Matrix

Following our 2006–2007 review of CR topics, for 2008 we compiled the results in our Materiality Matrix, which allows us to formulate strategic solutions.

Group-wide Alignment

Aligning our CR Strategy involves facilitating, supporting and monitoring the implementation of our CR Strategy right across the Group, especially in companies and regional markets new to E.ON.
# Appendix J

**E.ON materiality matrix**

<table>
<thead>
<tr>
<th>Relevance to Stakeholders</th>
<th>Important</th>
<th>Very Important</th>
<th>Relevant to E.ON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuclear waste (incl. decommissioning)</td>
<td>· Customer access to energy</td>
<td>· Reliability of energy supply (blackouts)</td>
<td></td>
</tr>
<tr>
<td>Environmental emissions (not GHG)</td>
<td>· Vulnerable customers</td>
<td>· Security of energy supply (sourcing)</td>
<td></td>
</tr>
<tr>
<td>· Electro magnetic fields</td>
<td>· Climate change impacts</td>
<td>· Fair competition</td>
<td></td>
</tr>
<tr>
<td>· Product labeling</td>
<td>· Pricing</td>
<td>· Corruption &amp; bribery</td>
<td></td>
</tr>
<tr>
<td>· Deregulation</td>
<td>· Taxes &amp; subsidies</td>
<td>· Customer energy efficiency</td>
<td></td>
</tr>
<tr>
<td>· Responsible marketing</td>
<td>· GHG emissions</td>
<td>· Customer and product safety</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Renewable energy</td>
<td>· Job security &amp; creation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Nuclear energy</td>
<td>· Occupational Health &amp; Safety</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Efficient energy production</td>
<td>· Process safety</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Energy technology development</td>
<td>· Attractive employer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Coal fired power plants</td>
<td>· Customized products &amp; services</td>
<td></td>
</tr>
</tbody>
</table>

- Biodiversity
- Operational environmental protection
- Land use and planning
- Water use
- Waste
- Human rights
- Employee volunteering
- Charitable donations
- Responsible lobbying
- Biofuels
- Resource use (material & energy)
- Dividends to shareholders
- Executive remuneration
- Diversity & equal opportunities
- Union relations & labor practices
- Community involvement
- Responsible supply chain management