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Corporate social responsibility practices of transnational corporations: Examples from Turkey and Italy[1]

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Abstract

As an open system and a social institution, companies' responsibilities have gone beyond the provision of shareholder wealth. Today, companies are expected to conform the principles of good corporate citizenship and corporate governance, and disclose corporate activities in an accountable, honest and transparent manner. In this context, sustainability reporting is an important tool for communicating organizational performance related to economic, social and environmental issues with respect to corporate social responsibility (CSR) practices. The aim of this study is to analyze the annual corporate social responsibility or sustainability reports published by transnational corporations in the context of the triple bottom line (TBL) approach and to determine the similarities and differences of CSR practices applied in Turkey and Italy. The annual corporate sustainability or corporate social responsibility reports of the transnational corporations listed in Forbes CSR ranking were examined to identify the CSR practices in Turkey and Italy. Content analysis and the triple bottom line dimensions developed by Ho and Taylor (2007) and Rondinelli (2006) were implemented to evaluate the CSR reports. The results of the study indicate that the corporations compose their sustainability reports with reference to the triple bottom line approach. Data of environmental issues like water and energy consumption, disposal of waste and CO_2 emissions are given in absolute numbers. Reports also include projections about goals in percentage and tables. Corporate social responsibility projects in Turkey and Italy enabled us to identify and analyze the manner renewable energy, waste disposal, use of global resources, intercultural problems, entrepreneurship and healthy eating issues are being handled in a comparative perspective.

Keywords: Triple bottom line, transnational corporations, sustainability reports, CSR programs in Turkey and Italy;

1. Introduction

Today, the concept of corporate social responsibility (CSR) or sustainability has prominence in the agenda of most corporations and organizations. However, the concepts "corporate social responsibility" and "sustainability" bears on various meanings leading to confusion and contest. The difficulty in maintaining consensus on these concepts has led to a variety of interpretation depending on the national context. Usually, corporate social responsibility refers to a variety of charitable activities, taking initiatives in areas like environment, education or health to create social benefits in addition to the economic activities of a company. However, in a world where economic and political actors operating at the global level identify various behavioral codes, such an approach to corporate social responsibility remains quite shallow. International actors aim to regulate the field of corporate social responsibility and try to ground a consensus through the lenses of sustainable development. According to the

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World Business Council for Sustainable Development (WBCSD) "corporate social responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life" (Holme & Watts, 2000, p. 10). Indeed, contemporary society's sustainable development is considered to be doomed to fail without the support of business. Thus, sustainable development for business implies that corporations must take action to solve various environmental and social issues alongside business activities. Such conceptualization of corporate sustainability in all business units can solely be possible by internalization of afore-mentioned new responsibilities. The performance of the companies in the field of their extra-economic responsibilities is communicated via disclosures known as corporate social and environmental responsibility reports (Suttipun, 2012, p. 70). The social and environmental reporting is an aspect of sustainable development reflecting concerns about natural resources, air and environmental pollution, social problems such as bad working conditions (sweatshops), and corruption. Traditional corporations compelled not only to provide financial information to their stakeholders but to also include non-financial information about social and environmental issues. Some corporations regard CSR as a negative drag on their business because it may entail costs in terms of both budget and time (Suttipun, 2012, p. 70). On the other hand, CSR can be seen as a positive driving force encouraging corporate top management to look more closely at the operations of the business and make it more successful and sustainable over the long term (Luken & Stares, 2005, p.40). The aim of CSR is not to cripple the profitability of the business, but to instigate a new culture of doing well by doing good.

2. Corporate sustainability reporting

The notion of social responsibility started to spread more dramatically towards the end of the 20th century when social and environmental worries were beginning to grow, especially in connection with poor working conditions, climatic changes (Stanislavská et al., 2010, p. 63), pollution, habitat loss, over exploitation of species, and the spread of invasive species or genes (Reddy & Gordon, 2010: 20) which led to the development of environmental reporting (Stanislavská et al., 2010, p. 63). In order to limit the impact of humans on earth, the Living Planet Report emphasized that immediate action need to be taken to formulate and implement strategies that promote sustainable development, in which humans live in harmony with nature, by conserving the world's biological diversity, ensuring that the use of renewable natural resources is sustainable and promoting the reduction of pollution and wasteful consumption (WWF, 2008, p.46). Further it spread the message that "business as usual" is not an option. The report contributes to fostering action, as what gets measured gets managed (WWF, 2010, p.3).

To cope up with the globalized challenges, corporations around the world volunteered to consider applying a corporate sustainability plan by addressing their "Triple Bottom Line Reporting" which includes paying close attention to their economic (financial factors), environmental (risk and requirement factors) and social (human factors) issues (Dutta, 2012, p.652). The TBL reporting differs from the traditional reporting frameworks as it includes ecological or environmental and social measures that can be difficult to assign appropriate means of measurement. The TBL dimensions are also commonly called the three Ps: people, planet and profits (Slaper & Hall, 2011, p.4). TBL reporting is one of the most important tools available to support corporate sustainable development goals (Suttipun, 2012, p.70). In similar vein, GRI (2011, p.3) defines sustainability reporting as the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Corporate reporting on a regular basis regarding the impact organizational activities have had on the environment allows: (i) the stakeholders to be informed of the nature of activities the company is engaged in; (ii) the stakeholders to monitor the effect such activities are having on their environment; and (iii) the companies, in consultation with the relevant stakeholders, to implement strategies to minimize negative effects emanating from the production process (Reddy & Gordon, 2010, p.20). Both anecdotal and empirical evidence support the view that increased social and environmental reporting leads to an improvement in the financial performance and value of the company. To some extent, this has provided motivation to companies for releasing social, ethical and environmental reports to stakeholders (Reddy & Gordon, 2010, p.20). Corporate responsibility reporting is now an essential requirement for any company hoping to be seen as a responsible corporate citizen. KPMG International Cooperative reported that 95% of the 250 largest global companies now report on their corporate responsibility activities compared to 80% in 2008 (KPMG International, 2011, pp.6-7).

However, the lack of regulation and consistency in guidelines regarding the structure and quality of sustainability reports have led to the production of various types of reports (Reddy & Gordon, 2010, p.21). There is no universally standardized method for calculating the TBL (Slaper & Hall, 2011, p.5). In recent years, a large range of reporting initiatives, codes and guidelines has emerged (Heemkerk et al., 2002, p.3). Widely accepted approaches to TBL reporting are those outlined by the Global Reporting Initiative (GRI), the AA1000 AccountAbility Standard, and the UN Global Compact.

Table 1. Triple bottom line reporting

Economic	Economic variables ought to be variables that deal with the bottom line and the flow of money.	Information about size and profitability, Market shares, Products or services breakdown, Taxes, Payroll information by countries/regions, Fringe benefits information by countries/regions, Information on major suppliers, Income or expenditures, Income and sales forecasts, Forward-looking information
Social	Social variables refer to social dimensions of a community or region and could include measurements of education, equity and access to social resources, health and well-being, quality of life, and social capital.	Information on social performance, Stakeholder Communication, Corporate behavior, Charitable donations, Health and safety standards, Human rights principles, Developing employee skills, Turnover of workforce, Employee welfare standards, Employee benefits, Product safety, Anti-Corruption policies
Environmental	Environmental variables should represent measurements of natural resources and reflect potential influences to its viability. Ideally, having long-range trends available for each of the environmental variables would help organizations identify the impacts a project or policy would have on the area.	Company's statement of a corporate commitment to environmental protection; Environmental awards; Energy and water usage information; Information concerning the materials that are re-cycled or re-used; Information about the sources, types and remedy procedures of emissions; Policies for preventing anti-competitive behavior; Fines/lawsuits/non-compliance incidents

Source: Ho and Taylor (2007); Slaper and Hall (2011).

Corporations' annual TBL reports may also be published under diverse names such as citizenship report, sustainable value report, sustainability report, corporate sustainability report, social responsibility reporting or creating shared value report. In this paper, we used the term corporate sustainability reports to cover the entire genre.

3. Literature review

Increasing international interest in environmental reporting has spurred research in this field. Although studies of environmental reports cover firms of different sizes, sectors and nationalities, frequent attention is paid to large transnational enterprises. Considering the size of their global operations, their visibility and the potential to affect other firms in their network, the manner they co-ordinate, perceive and communicate about environmental issues may have a crucial impact (Kolk et al., 2001, pp. 15-16). Presented below is a discussion of the research findings from some representative studies.

Dutta (2011) pointed out the necessity of considering the three parameters; namely, people, planet and profit. According to Dutta, TBL reporting reflects a more comprehensive mechanism that integrates the traditional financial information with non-financial information, which can help firms to enhance economic value addition, while putting it on a secure financial footing. Parallel to this argument, Dagiliene (2013) examined the influence of corporate responsibility (CR) reporting on the value of companies listed in Vilnius stock market exchange and found out that society encourages companies to be socially responsible and to communicate these results to its stakeholders. Research results show that CR reporting activity has no important influence for listed company's value in Lithuania. Reddy and Gordon (2010) investigated the effects of sustainability reporting on companies' financial performance of 68 listed companies, in the New Zealand Stock Exchange (NZX) and in the Australian Stock

Exchange (ASX). Results of the empirical study indicate that sustainability reporting is statistically significant in explaining abnormal returns for the Australian companies. The cross-sectional analysis results of the combined dataset for the two countries support the view that the contextual factors of industry type significantly impacts abnormal returns of the reporting companies.

In a comparative study, Ferns and Prakash (2012) analyzed trends in corporate social responsibility-sustainability reporting among western European and North American corporations. Their findings suggest that European companies have a higher rate of publishing social reports compared to companies from North America. The quality of social reports varied from one country to another within Western Europe, but compared to their North American counterparts, Western European companies as a group provided more detail in their social reports. In similar vein, Ho and Taylor (2007) surveyed 50 of the largest US and Japanese companies to study TBL disclosure. Twenty disclosure criteria were developed for each TBL disclosure area. They found that the extent of disclosure was higher for companies of larger size, lower profitability, lower liquidity, and higher profile. Moreover, Japanese firms undertook more TBL reporting than firms in the US.

Another research by Suttipun (2012) investigated the narrative of TBL reporting in the annual reports of the top 50 largest companies listed on the Stock Exchange of Thailand (SET) to inquire the relationship between the extent of TBL reporting and the variety of factors used in previous studies conducted in more developed countries. The findings show that there are statistically significant differences between the TBL reporting scores of high and low profile companies. There are also significant differences in reporting based on industry groups. Although the results did not indicate any relationship between TBL disclosure scores and the various factors considered in previous studies, Suttipun discovered a correlation between the age, type of business, and liquidity of companies and their economic information reporting score as well as between the size, risk, and profitability of the company and the environmental information disclosure score. Mahadeo et al. (2011) examined corporate social disclosures (CSD) in an African developing economy (Mauritius) as provided in the annual reports of listed companies from 2004 to 2007. The results show that size is a significant factor in explaining variations in overall social disclosures, whilst leverage is positively related to changes in environmental, health and safety disclosures. The relationship with profitability and the effects of industrial affiliation on social disclosure were found to be non-significant.

As a result, the link between corporate TBL reporting and profitability has not been firmly proven. However, the trend towards a more systematic reporting is still on the rise.

4. Methodology

This study examines companies' corporate citizenship, corporate sustainability or responsibility reports based on triple bottom line dimensions developed by Rondinelli (2006) and Ho and Taylor (2007). Content analysis is implemented to evaluate corporate sustainability reporting. For this purpose, firms listed in the *Global CSR RepTrak® 100*[2] published by the Reputation Institute, New York, created the universe of this research. Global CSR RepTrak rankings are determined by three reputation dimensions that drive consumer CSR perceptions. These dimensions are citizenship, governance, and workplace. Research by Reputation Institute verifies that for the formation of the companys' reputation, issues about corporate citizenship, governance and workplace conditions are more prominent than the products or the services of the company. In other words, people's willingness to buy, recommend, or say something positive about a company is 60 % based on their perception of the company, and 40 % on the quality of their products or services (Smith, 2013). Consequently, sense sustainability, CSR or TBL reports turn out to be important corporate communication tools. These reports communicate the efforts of the companies in managing one or more of the economic, environmental and social dimensions with their stakeholders (Ekwueme et al., 2013, p.82).

In business world, it is agreed that sustainability reports written in accordance with standards developed by the internationally recognized Global Reporting Initiative (GRI), the AA1000 AccountAbility Standard, and the UN Global Compact positively affect the company's operations, corporate reputation, performance, and sustainability

[2]http://www.reputationinstitute.com/thought-leadership/csr-reptrak-100; 02.12.2013

and help to develop better and more innovative products and services. In this vein, Volkswagen declared in 2012 that *"A 170-page Sustainability Report − packed with examples of corporate responsibility in action … has nothing to do with following trends. It helps us build better cars."* In this context, nine annual reports published in pdf by the top 10 of the *Global CSR RepTrak® 100, crème de la crème* of the business world with RepTrak scores between 72.97 to 69.00, formed our research sample. The report of Google is excluded from the analysis, since it is not available in pdf format.

Table 2. Top 10 companies with CSR reputation and their sustainability reports

Rank	Corporation	Report Examined	Pages[3]	Used Standard
1	Microsoft	Citizenship Report	104	Global Reporting Initiative
2	The Walt Disney Co.	Citizenship Performance Summary	128	Global Reporting Initiative
3	Google	Google Green[4]	---	---
4	BMW	Adding Value Sustainable Value Report	129	Global Reporting Initiative, UN Global Compact
5	Daimler (Mercedes Benz)	Sustainability Report	104	Global Reporting Initiative, UN Global Compact, UN Global Compact LEAD
6	Sony	CSR Reporting	416	Global Reporting Initiative, Environmental Reporting Guidelines
7	Intel	Corporate Sustainability Report	126	Global Reporting Initiative
8	Volkswagen	Sustainability	170	Global Reporting Initiative, AA1000 AccountAbility Standard
9	Apple	Apple Supplier Responsibility	37	---
10	Nestle	Nestlé in Society: Creating Shared Value	309	Global Reporting Initiative

5. Findings

Many parts of the sustainability reports show comprehensive and detailed information of the applications. The reports vary significantly in their size and content (pages vary between 37 and 416). Eight of nine reports were prepared in accordance to the standards developed by the Global Reporting Initiative. Prepared in line with these standards, the reports include information on specific economic (economic performance, market position, sustainable management, customer satisfaction, sustainability in supplier relations, economic stability, compliance, risk management, business sectors, and brand), social (stakeholder communication, labor, human rights, welfare of employees, interest of community about social responsibility activities, customer satisfaction, diversity, equality of opportunity for women), and environmental (efficient and effective use of energy and water resources, energy savings activities, biodiversity, emissions, liquid and solid waste, climate protection, efficient production, effective transportation) variables.

5.1. Economic information reporting

Economic dimension of TBL reporting contends that profitability as the main responsibility of business firms cannot be ignored. The main elements that reinforce profitability are product and/or service quality and shareholder relations. Factors that are expected to be reported are categorized into 18 main items developed by Ho and Taylor (2007) and by Rondinelli (2006). Table 3 presents the results for economic disclosure.

Table 3. Information about economic dimensions

	List of items	A	B	C	D	E	F	G	H	I
1	Information about size and profitability	+	+	+	--	+	+	+	+	+
2	Contact person, e-mail address or web page providing additional	+	+	+	+	+	+	--	+	--

[3]Number of pages in pdf formats

[4] No pdf format available;

	information									
3	Product and service breakdown	+	---	+	--	+	+	+	+	--
4	Market shares by regions/Production sites	---	---	--	--	+	+	+	--	--
5	Financial accountability/transparency	+	--	+	--	+	+	+	+	+
6	Membership	+	+	+	+	+	+	+	+	+
7	Mission	+	+	+	--	+	--	--	+	--
8	Risk management	+	--	+	+	+	+	+	+	--
9	Crisis management	--	--	--	--	--	--	+	+	--
10	Number of employees	+	+	+	--	+	+	+	+	+
11	Payroll information by countries or regions	--	--	+	+	+	+	--	--	--
12	Information on major suppliers	+	+	+	--	--	--	+	+	--
13	Profit share distributions	--	--	--	--	--	+	--	--	--
14	Taxes	--	--	--	--	--	+	+	+	--
15	R&D investment	+	--	+	--	+	+	+	+	+
16	Investments in information technology	+	--	+	--	+	--	+	+	--
17	Earnings or sales forecasts	+	--	+	--	+	+	+	+	--
18	Other forward-looking information	+	+	+	--	+	+	+	+	+

Concerning the economic dimensions all reports disclose information about “membership”. This is followed by information about “size and profitability” (88.9%), “future-oriented information” (88.9%), and “number of employees” (88.9%). Minimum explanations are made for “profit share distributions” (11.2%), “crisis management system” (22.3%), “market shares by region and production sites” (33.4%), and “taxes” (33.4%). In some cases, another web site link or report name is referred for a detailed description of certain variables. For example, BMW (2012) notes: *You will find more information online about our 2012 measures and results in the separate report “Objectives, facts and figures”*.

5.2. Social information reporting

Information about social dimensions of corporate responsibilities emanate from stakeholder approach to business organizations. Accordingly, the content analysis items focus on information about the relationship of the firm with its main stakeholders, namely employees, minority groups, customers, neighboring communities and local administrations. Table 4 presents the content analysis results for social disclosure.

Table 4. Information about social dimensions

	List of items	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
1	Social performance oriented awards and recognition	+	+	+	--	+	+	+	+	+
2	Dialogue with stakeholders/stakeholder groups	+	+	+	+	+	+	+	+	+
3	Corporate governance	+	+	+	--	+	+	+	+	+
4	Code of ethics/corporate behavior	+	+	+	+	+	--	--	--	--
5	Supplier behavior codes/code of conduct	+	+	--	+	+	+	+	+	+
6	Charitable donations	+	+	+	--	+	+	+	+	+
7	Human rights principles	+	+	+	+	+	+	+	+	+
8	Health and safety standards	+	+	+	+	+	+	+	+	+
9	Employee job satisfaction	+	+	+	+	+	+	--	+	--
10	Labor turnover	--	--	--	--	+	+	--	+	+
11	Number or percentage of women and minorities in the corporation	+	+	+	--	+	+	+	+	+
12	Employee benefits concerning health care, disability, or retirement	+	+	--	+	--	+	+	--	--
13	Employee benefits in retirement	+	+	+	+	+	+	--	+	--
14	Employee health and safety information, injury, accident, lost days	+	--	+	--	+	+	+	+	+
15	Reward programs for employees	+	--	+	--	--	+	+	--	+
16	Developing employee skills	+	+	+	+	+	+	+	+	+
17	Supporting diversity	+	+	+	--	+	+	+	+	+
18	Support for employee community voluntary services	+	+	+	--	--	+	+	+	--
19	Policies addressing workplace harassment and discrimination	+	--	+	+	+	+	--	--	+
20	Policies for preserving customer health and safety	--	+	+	--	+	--	+	--	+
21	Policies for prioritizing local employment	--	--	+	--	+	--	+	+	+
22	Policies for bribery and corruption	--	--	+	--	+	+	+	+	+

23	Anti-corruption training	+	+	+	--	+	+	--	+	+
24	Encouraging fair competition	--	--	+	--	+	--	--	--	--
25	Policies for consumer privacy	+	--	--	--	--	--	--	--	+

As seen in table 4, four items are common in all the reports examined. These are "dialogue with stakeholders/stakeholder groups", "human rights principles", "health and safety standards" and "developing employee skills". Microsoft (2013) *"regularly communicates with thousands of stakeholders, including global human rights experts, environmental nongovernmental organizations (NGOs), and parents concerned about their children's safety and education. Those conversations help inform and guide our citizenship strategies and programs". "21 international experts from various areas accepted our invitation to enter into a European dialogue. Some of the topics of discussion were: What are the main sustainability trends in the coming years? How can we better implement our vision of becoming the most sustainable carmaker?"* (BMW, 2012).

The major finding concerning social dimensions is that all reports disclose information on stakeholder groups, employee training, human rights principles, and health and safety standards. However, the plurality of the criteria and the detailed description concerning employees emerges as a distinctive feature in most reports. The emphasize on employees reveals that they are the primary stakeholder group for most companies. When mentioning employees, Microsoft (2013) says "*Our People*", while Volkswagen (2013) announces that "*Everyone Counts".* These expressions indicate that companies value, care and maintain strong relationships with employees. Sony (2012) *"recognizes its employees to be one of the most crucial aspects of its corporate foundation"* and Intel (2012) asserts that *"success relies on their employees' ability to create and innovate — in technology, in business, and in their communities".*

Disclosures about employees affirm that companies feel responsible to employees, and thus they strive for improving communication between the management and the employees, while motivating and guiding employees to develop their capacities. When we analyze the training programs offered to employees, we encounter topics such as competition law, workers' rights, occupational health and safety, employee benefits, prevention of bribery and corruption, e-learning. Concurrently managers receive trainings in labor-management communication, fair competition policies and implementation of effective management. Volkswagen (2012) says: *"…we foster each one of them. It's a responsibility we take seriously by focusing on our employees' health, skills and commitment. And we are aware that our responsibility is growing – for ourselves as a company and for each individual within it."*

Companies also conduct surveys on employee motivation, satisfaction, and identification. Daimler (2012) says that *"employee surveys are an important instrument of organizational and management development. As a result, we conduct a global survey every two years in order to find out more about our employees' commitment and identification with the company and about their satisfaction with their working conditions and their supervisors."* Nestle (2012) states: "*every employee is invited to take part in improving the way we do business – through the personal reporting line, local initiatives and taking part in our global, 'Nestlé and I' employee survey. This survey gives us insights into the key enablers and barriers to employee engagement; and informs the measures we take to raise our performance*."

5.3. Environmental information reporting

In the CSR literature, major externalities emerge as environmental damage caused during the production and consumption processes. TBL perspective invites corporations to develop policies for lessening environmental impacts, for energy saving and for developing environmentally responsible products. Table 5 presents results for environmental disclosure.

Table 5. Information about environmental dimensions

	List of items	**A**	**B**	**C**	**D**	**E**	**F**	**G**	**H**	**I**
1	Company's statement of a corporate commitment to environmental protection	+	+	+	+	+	+	+	+	+
2	Involvement of environmental experts in business operations	+	+	+	+	+	+	+	+	+
3	Environmental audit	+	+	+	+	+	+	+	+	+
4	Environmental awards	--	+	+	--	+	+	+	+	+
5	Energy usage information	--	+	+	--	+	+	+	+	+
6	Encouragement of renewable energy consumption	+	+	+	--	+	+	+	+	+

7	Water usage information	--	--	+	--	+	+	+	+	+
8	Minimize water consumption/commitments on water	+	+	+	+	--	+	+	+	+
9	Information concerning the materials that are re-cycled or re-used	+	+	+	--	+	+	+	+	+
10	Information about the sources, types and remedy procedures of emissions	+	+	+	+	+	+	+	+	+
11	Pollution impacts of transportation equipment used for logistical purposes	--	--	+	--	--	+	+	+	+
12	Environmentally responsible product development	+	+	+	+	+	+	+	+	+
13	Discussion on the amount, types of waste and methods of waste management	+	+	+	--	+	+	+	+	+
14	Mention of environmental accounting policies	+	--	+	--	+	+	+	+	+
15	Environmental expenditures	--	--	--	--	+	+	+	+	--
16	Fines/lawsuits/non-compliance incidents	--	--	--	--	+	+	--	+	+

All reports disclose information about “company’s statement of a corporate commitment to environmental protection”, “involvement of environmental experts in business operations”, “environmental audit”, “information about the sources, types and remedy procedures of emissions” and “environmentally responsible product development”. We see that all these items are about the positive contributions of the companies. All companies made statements to protect and regulate the environment, the participation of environmental experts in business activities and conducting environmental audits. They also made disclosure about emission sources and types and the solution processes, initiatives to mitigate environmental impacts of products. BMW reported that *“Improvements that have been effective at one location are implemented at other locations wherever possible. Our six competence centers (for water, waste, energy, emissions, training and environmental management system) are staffed by environmental experts from the different plants and by specialists from Corporate Environmental Protection. They discuss legal requirements and best-practice solutions with technology experts from the production plants and develop reference systems on which to base future planning and process improvements.”* Volkswagen asserted that *“Many further examples of real improvements in efficient production were presented during practice-sharing at the Group Environmental Conference in mid-2012, where they were discussed by more than 400 experts from all brands and regions.”*

Most companies made systematic explanations about "renewable energy consumption”, “waste types and waste management methods”, “recycled or re-used materials”, “minimization of water consumption”, and “information promoting renewable energy consumption”. In Europe, Sony (2012) “*has been using renewable energy since 2002, and has been promoting the use of electricity supplied by renewable energy sources … used in Europe a total of approximately 116 million kWh of renewable energy, accounting for 100% of total electricity consumption by Sony’s European sites (excluding those sites with fewer than 100 employees)”*. Microsoft (2013) states: *“Be green: More renewable energy, less waste.”* Similarly, Walt Disney declared (2012) *“a long-term vision of achieving zero waste. Meeting that goal will require minimizing waste, increasing and improving recycling and other disposal mitigation programs, and sourcing high-recycled content and highly recyclable products”.*

These companies made their disclosures about environmental issues such as CO2 emissions, consumption of water, use of energy, disposal of waste not in general explanations. They used absolute numbers with also placing data from previous years as in the case of BMW’s 2012 report:

- *Water consumption per vehicle produced (in m3/vehicle):*
  2.56 (2008), 2.56 (2009), 2.31 (2010), 2.12 (2011), 2.1 (2012)

When we focus on the least commonly disclosed items, we see that “environmental expenditures” and “fines/lawsuits/non-compliance incidents” are mentioned in only four of the reports. Thus, the information about the factual financial aspect of the environmental responsibilities is barely shared with the stakeholders. Least explanation was made for "environmental expenditure”, “fines/lawsuits/non-compliance incidents" (44.5%). Existing explanations are also not fully informative. Volkswagen conveys that *“During the period under review Volkswagen incurred no fines due to infringement of legal requirements regarding the supply and use of products and services.”* Daimler avows that *“no serious data protection violations occurred in 2012, and no fines were imposed.”*

5.4. Corporate social responsibility practices implemented in Turkey and Italy

CRS programs vary according to the legal context and the development level of the country that the firm is doing business in. In this study, information about the programs conducted in Turkey and Italy are compared in order to see any remarkable differences between an EU member and a non-member country with different legal frameworks and different economic dynamics.
CSR activities implemented in Turkey and Italy of the surveyed companies are shown in table 6.

Table 6. CSR practices in Turkey and Italy explained in sustainability reports of the reputable companies

Corporation	**CSR practices in Turkey and Italy**
A.	Turkey: Invested in 119 wind turbines of the Soma Wind Farm in the Manisa and Balikesir provinces. Italy: No information is given in the report.
B.	No information is given in the report.
C.	Turkey and Italy: Having also branches in Turkey and Italy, the members of Irenia are committed to create a new culture of peace by offering educational projects for responsible citizenship. Irenia actively supports and uses teaching and learning approaches based on both emotional commitment and academic knowledge. To promote peace and intercultural understanding in the Middle East the Jewish-Arab tourist program organizes individually tailored group tours to countries including Turkey.
D.	No information is given in the report.
E.	Turkey: For promoting educational equality "Each girl is a star" program helps young women pursue technology-focused careers Italy: Villa Romana artists' residence sponsoring
F.	Turkey: Road safety awareness program Italy: Solar power plant; Oak forest research project
G.	Promoting the collection and recycling of end-of-life products in compliance with the legislative requirements of different countries and regions; developing recycling systems for global markets that suit local needs and is stepping up efforts to design products that are easy to recycle. Full responsibility is taken for take-back obligations in all those European countries where it has sales (also Turkey and Italy).
H.	Turkey: helps high school and undergraduate students develop ideation and innovation skills by giving them opportunities to work on solving social problems. Italy: No information is given in the report.
I.	Turkey: • In 2012 Kids Athletics events. • In 2011, together with the Fair Labor Association (FLA) assess labour conditions in hazelnut harvesting on Turkey's Black Sea coast. • Healthy Kids Global Programme: In 2012, there were 68 programmes running in 64 countries (also Turkey) • Nestlé Waters launched a community engagement guidebook in 2012 for water plants. Pilot projects have since been launched also in Turkey. Italy: • Levissima bottles: use of 27% of recycled material (2011 data) in its packaging. • Reduced pesticide inputs through the use of 'mating disruption technique' for the control of insect pests in orchards. • Supporting new parents: Support to new and existing parents are offered in a number of ways. For example, young families can use crèches at approximately 10 head Office locations. • Donation of bottled water following the earthquake in Abruzzo in 2009 • 'Hydration toolkits' were produced and information campaigns were held to promote better daily hydration for children.

Social responsibility practices in Turkey and Italy reported in sustainability reports of the companies with positive reputation condenses on issues like renewable energy, less waste, responsible use and protection of the global resources and climate, collection and recycling of end-of-life products, promoting educational equality, intercultural problems, fostering entrepreneurship and healthy nutrition. In practice, there are differences between the two countries. For example, while a company sponsors art and culture in Italy, the same company carries out educational projects in Turkey. Another company carries out a road safety awareness in Turkey and a solar power plant in Italy. Whereas a company is promoting the collection and recycling of end-of-life products in compliance with the legislative requirements of a country, another company carries out educational projects for responsible citizenship. The findings indicate that the choice of field in corporate social responsibility activity depends on the context of the country that the company is doing business in, but sometimes it is determined by the company's global policy and activity agenda. Thus, there is no single formula to explain the differences displayed in Turkey and Italy. However, the frequency of education and awareness rising programs in Turkey corresponds to the fact that Turkey is a developing country.

Conclusion

The growing public concern on environmental deterioration and pollution resulting from the process of production and consumption put the non-financial performance of companies under scrutiny more than ever. Today publics are more and more interested in issues such as social responsibility, transparency, accountability and sustainability. So companies were forced to operate as good citizens and make contributions to sustainable development while at the same time pursuing financial viability. Today CSR reporting is the dominant trend with 95% of the 250 largest global companies publishing their economic, social and environmental activities, under the title of sustainability report. Companies' self declarations on their CSR performances are the main source of information in analyzing the corporate approach to TBL issues. Sustainability reports of the world's most respected companies reveal a diversity not only in terms of general policies, but also the nature of specific and detailed information on financial and non-financial practices. Although the reports provide extensive information on the companies' culture, code of ethics, and sustainability policies, it is usually quite difficult to compare them due to lack of commonly accepted standards. Consequently benchmarking or ranking CSR reports is yet a complicated task. These reports still serve for the communication about stakeholder rights, employees education programs, health and safety policies, human rights, prevention of discrimination policies, bribery and anti- corruption policies, environmental impact of products and services. These practices in fact, expose the sustainable development vision of companies, which actually developed in response to the rising social expectations. These reports not only answer the public expectations, but also allow monitoring the companys' performance by relevant stakeholders. The reports also motivate and facilitate the employees to be more sensitive and supportive to the projects organized by the company.

The results show that stakeholder dialogue, human rights, safety standards and employee training are at the top of the corporate agenda. The fact that all reports disclose information about "stakeholder groups and communication with stakeholders" maintains that corporate social responsibility has merged with stakeholder theory. Parallel to corporate social responsibility, stakeholder theory, which is developed in strategic management, offers companies a long-term vision of sustainable growth instead of short-term profit-making. Sustainable development perspective underlines the need to be responsible not only to investors, but also, in a broader context to all stakeholders who are defined as any group of people affected by or affect the activities of the company (consumers, customers, suppliers, employees, and non-governmental organizations to name a few). In this context, corporate governance principles and standards, formed under the leadership of the World Bank and OECD in a framework of transparency, fairness, accountability and responsibility correspond to a set of relationships between a company's management, its board, its shareholders and other stakeholders affected directly or indirectly from the company's activities.

Most companies report their triple bottom line activities by applying reporting principles and standards established by external organizations such as the Global Reporting Initiative (GRI), AA1000 AccountAbility Standard or the UN Global Compact. These and other standards offer a systematic presentation of the data collected rather than a simple expression of aims and visions. In particular, environmental issues like water and energy consumption, disposal of waste and CO_2 emissions disclosures are given in absolute numbers and in comparison with the data of previous years. Moreover, the reports contain tangible information about goals in percentages and tables. Such disclosure of goals on social and environmental issues displays the issues the company will focus in future.

Sustainability reports also enable comparison of performance with competitors. However, any sound comparison of data provided in the reports depends on the production of reports according to similar reporting standards. Accordingly, the reports prepared with the standards developed by the Global Reporting Initiative (GRI), AA1000AccountAbility Standard or the UN Global Compact facilitates that comparison. In sections about social and environmental sustainability issues, detailed information is supported with pictures, graphs and tables. The information provided by the reports demonstrates that the practices go beyond routine charity work and evolve into integrated strategic business processes and strategic management.

Increasing disclosure of the non-financial information, such as social and environmental information is an important component of sustainability reports. However, a good sustainability report should not only disclose positive and supportive data such as the targets reached and the awards granted, but also disclose negative aspects. Most of the time, the companies devote the least effort in disclosing information about the complaints against the company, penalties or lawsuits. If the reports are based on a more objective ground, they would serve better as a communicative tool for persuading the public on the good intentions of the companies in undertaking social responsibility as organizational behavior.

Social responsibility practices in Turkey and Italy reported in sustainability reports concentrate on issues such as renewable energy, waste, responsible use of global resources, recycling, education, fostering entrepreneurship and healthy nutrition. We found out that corporate social responsibility policies are determined by a number of factors such as the sector of the company, the industry's environmental impact, the country's economic, environmental and social development, legislation, education, working conditions and culture. Although there are similar programs and practices carried out in both countries, we also discovered striking differences. In determining the grounds for similarities and differences between CSR programs of transnational companies with respect to the countries, more comparative research is needed. Understanding the country-based differences would contribute to our understanding of the dynamics of sustainability in a global context. At this stage, we can conclude that, in sustainability practices, the national social, cultural and legal contexts and dimensions are more effective in the decisions and policies of the business than global strategies.

Transnational companies have widely adopted the concerns of publics as being a good citizenship and operate in a sustainable and reputable way. The practices of the most reputable companies are seen as the best cases in practice. So further studies need to be undertaken that focus on social responsibility and ethical behavior of small and medium size companies because these companies have not received the attention that transnational companies did.

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