Communication of CSR in Sustainability Reports in Hungarian Companies

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Abstract
The present research is part of the research project Tendencies of CSR in Hungary financed by the Hungarian Scientific Research Fund (OTKA, No. K68769) between 2007 and 2011. Here, CSR- or CSR-related reports of Hungarian companies will be analysed. First, a ‘database’ of the most relevant articles and methodologies in use were compiled by employing a search process by keywords that combine ‘reporting’ and any of the following terms: ‘social’, ‘sustainable development’, ‘sustainability’, ‘corporate social responsibility’, ‘CSR’, ‘social responsibility’, ‘corporate citizenship,’ and ‘triple bottom line’. Second, paper-based and online reports (sustainability reports, social reports and environmental reports) of Hungarian companies were collected and then analysed applying content analysis methods. The present working paper provides a brief summary of the relevant scientific literature on the theory and practice of CSR-reporting and highlights the main features CSR communication through sustainability and other reports by Hungarian companies. The focus of our analysis will be on what (content), how (in what form) and to whom (to which stakeholder groups) the investigated Hungarian corporations communicate in their CSR-related company reports.

Keywords: communication, CSR, Hungary, reporting, sustainability
Introduction

This paper is the documentation of the first phases of a research project planned for four years (2007–2011). This research project aims to highlight “The tendencies of corporations’ social responsibility in Hungary” and financed by the Hungarian Scientific Research Fund (OTKA, No. K68769). In this research our task is to analyze CSR- or CSR-related reports of Hungarian companies.

The first part of the specific study we are presenting is aimed to summarize the international literature on CSR-related approaches, and to create a ‘database’ of the most relevant articles and methodologies in use. In order to create this ‘database’ we searched by keywords that combine ‘reporting’ and any of the following terms: ‘social’, ‘sustainable development’, ‘sustainability’, ‘corporate social responsibility’, ‘CSR’, ‘social responsibility’, ‘corporate citizenship’ and ‘triple bottom line’. This searching process is documented here, with comments on the gained results, while this also serves as a methodological background for our research.

In the second part of the study we collected reports (sustainability reports, social reports and environmental reports) from Hungarian companies and applied content-analysis on them. Under the heading ‘Hungarian companies’ we listed both Hungarian-owned companies and Hungary-based subsidiaries of multinational firms. In this paper we focus on the analysis of sustainability reports gathered from 10 companies, and we have chosen the year of 2006 as the scope of investigation – as this was the year from which the most reports were collected.

In this paper, besides presenting the international theory and practices of ‘CSR-reporting research’, we also analyse the ‘Communication of CSR in Sustainability Reports in Hungarian companies’, with the focus on what (content), how (in what form) and to whom (to which stakeholder groups) do the investigated Hungarian corporations communicate in their Sustainability Reports.

I. On CSR Reporting – methods and results

I.1. Collecting the relevant literature

We searched for CSR-reporting related articles in the EBSCO databases that include the following: Business Source Premier, Academic Search Premier, Regional Business News, ERIC, MasterFILE Premier, Newspaper Source, Library, Information Science & Technology Abstracts, GreenFILE databases.

When searching we used keywords that combine ‘reporting’ and any of the following terms: ‘social’, ‘sustainable development’, ‘sustainability’, ‘corporate social responsibility’, ‘CSR’, ‘social responsibility’, ‘corporate citizenship’ and ‘triple bottom line’.

We considered „reporting” as an appropriate keyword, because looking at the results of our initial search we could see there are articles related to stand-alone reports (such as social, environmental and sustainability reports) and articles with only so called disclosures, paragraphs on corporate responsibility from companies’ annual reports.

We searched for articles in periodicals we considered as relevant ones. We divided them into three groups: CSR-relevant, emphasised management and other scientific periodicals. Altogether there were 15 periodicals we conducted search in, within the EBSCO databases.
Filter was not used to reduce the results, looked at the whole period of the presented periodicals (see Table 1). However we summarised our results in two groups, one group contained the articles written before 2000, the other included those written after 2000 (see Table 2).

Table 1. The periodicals and their availability

<table>
<thead>
<tr>
<th>CSR-relevant periodicals</th>
<th>Management focused periodicals</th>
<th>Other scientific periodicals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organization Studies (1980-2008)</td>
<td></td>
</tr>
</tbody>
</table>

The results of the searching process are documented in two tables (see: Appendix 1 and Appendix 2). We considered the articles written after 2000 to be relevant for our empirical research. From this year on we have access to almost all the chosen periodicals. However, we thought it was important to document all our searching results.

As it can be seen in Appendix 1 and Appendix 2, we searched for word-combinations, which all had 3 components as following: 1. title of the periodical, 2. either of the terms shown in the horizontal row, 3. „reporting”. The last column of the table shows the amount of relevant articles.

Our searching process lasted from November 2007 to July 2008, we found 135 articles from the period after 2000 and 30 articles before 2000 within the EBSCO databases.

Table 2. The periodicals and the number of articles before + after 2000

<table>
<thead>
<tr>
<th>CSR-relevant periodicals</th>
<th>Management focused periodicals</th>
<th>Other scientific periodicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Ethics: A European Review (1+13)</td>
<td>Academy of Management Journal (1+1)</td>
<td>Accounting, Auditing &amp; Accountability Journal (0+25)</td>
</tr>
<tr>
<td>Business Ethics Quarterly (0+7)</td>
<td>Academy of Management Review (2+2)</td>
<td>Accounting, Organizations &amp; Society (6+4)</td>
</tr>
<tr>
<td>Business &amp; Society (1+11)</td>
<td>British Journal of Management (1+0)</td>
<td>Public Relations Review (0+2)</td>
</tr>
<tr>
<td>Journal of Business Ethics (11+40)</td>
<td>California Management Review (7+4)</td>
<td></td>
</tr>
<tr>
<td>Journal of Corporate Citizenship (0+19)</td>
<td>European Management Journal (0+4)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Journal of Management Studies (0+1)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Organization Studies (0+2)</td>
<td></td>
</tr>
</tbody>
</table>
Table 2 indicates that we found the most articles in CSR-relevant periodicals – more than 50% of our results (90 articles) –, after the year 2000 are from these periodicals. In this group the three “best-performing” periodicals were: Journal of Business Ethics, Journal of Corporate Citizenship and Business Ethics: A European Review, from the management focussed periodicals we highlight Academy of Management Review, California Management Review and European Management Journal as having the most results, from other scientific periodicals Accounting, Auditing & Accountability Journal contained the most articles.

Table 2 shows the results before 2000 and after 2000 (after the titles the numbers given show the results before and after the year 2000). From these numbers we can see that in almost all cases we have much more results after 2000 than before. We think our basic assumption to focus on the articles after year 2000 is validated by these factors.

Within the CSR-relevant periodicals we can definitely see an increasing number of articles on CSR-reporting. Appendix 3 (which lists all the articles found, adjusted to the year of publication from the newest to the oldest) we can also see that the increasing number of articles was linked to the enrichment of covered topics: methodological background of the researches became diverse, questions contained more themes and the acquired scientific knowledge gained deeper insights.

We can also see an increasing number of articles about CSR reports within the management focused periodicals, although we cannot talk about the overwhelming abundance of these themes, still the presence and the recurrence of the topic is a sign for the fact that in the mainstream of management-literature this kind of thinking exist.

From the other scientific periodicals we chose those we had assumed to „touch” the topic of CSR reports. Considering these factors we investigated 3 periodicals indicated in the third column of Table 1 and Table 2, these periodicals cover the accountability of corporate activity toward stakeholders. Based on this assumption we included some relevant periodicals related to performance-management, accounting, management and public relations. In these fields we can see, after 2000 studies and researches have been conducted on corporate social responsibility.

The collected articles served as the database for our research from which we selected the most relevant ones according to their abstracts. Some of these studies focus on CSR reporting patterns, practices and their evaluation in a single country (Thompson – Zakaria, 2004; Karen et al, 2006; Daub, 2005) or on European-level (Perrini, 2005), while others compare two or more countries’ practice of CSR reporting (Golob – Bartlett, 2006; Hartman et al.,2007). There is a study we found that focuses partly on Hungary’s neighbour-country, Slovenia (Golob – Bartlett, 2006) we paid more attention to, since this country has a lot of similarities concerning geographical distance, political heritage, etc.

Our purpose was to build and conduct our research – to analyse the communication of CSR in sustainability reports in Hungarian companies – using former empirical research patterns.
I.2. Research methods and empirical findings

We focus on researches at national level that is why we sorted the relevant articles from a geographical point of view. We listed studies on national level, on European level and comparisons on country level. The importance of these studies is that we also conduct a country analysis in Hungary. Our research practice has some similarities with Daub (2005) in using quantitative and qualitative (in a later phase of our research) methods at the same time. Similar to Thompson – Zakaria (2004) we also presume to observe lack of drivers in motivating CSR reporting, especially by the government.

I.2.1. Research on national level

Researches on national level are aimed to analyse one country’s CSR reporting practices. The most relevant studies we found investigate CSR reporting in Mexico (Karen et al., 2006), in Malaysia (Thompson – Zakaria, 2004) and in Switzerland (Daub, 2005). We introduce these studies focusing on their methodology and their results.

Karen et al. (2006) assessed the situation of corporate social reporting between 2000 and 2003 in Mexico. They identified 10 companies with sufficient social reporting that showed the most CSR-readiness, which indicates the extent to which a company understands and accepts CSR-standards and is willing to communicate this understanding.

Karen et al. (2006) included publications such as social, sustainability and environmental reports, pages mentioning social performance in annual reports, in general or specific reports published by headquarters outside Mexico. They considered both Spanish and English materials.

To define social reporting they used the definition of corporate social responsibility provided by two Mexican business organisations, CEMEFI\(^1\) and CESPEDES\(^2\).

As the result of their comparative case study Karen et al. (2006) gave a summary of the 10 companies including the following dimensions:

- Reporting type (stand-alone publication, unit within annual report, etc.)
- Frequency (one-time only or more than once)
- Format (anecdotal, one-time measures, longitudinal measures, etc.)
- External verification (audited by responsible third parties)
- Mention of stakeholders (reference to the concept, reference to a list of stakeholders, reference to a dialogue process with stakeholders, etc.)
- Mention of internationally recognised standards (GRI\(^3\), AccountAbility 1000, ISO 9000 or 14000, Responsible Care, Cement Sustainability Initiative, etc.)
- Mention of international organisation or industry association (Global Compact, World Business Council for Sustainable Development, etc.)
- Awards
- Topics (environment, health/safety, community, arts, philanthropy, etc.)
- Language and availability of report

Thompson – Zakaria (2004) assessed the state of corporate social responsibility reporting (CSRR) and corporate environmental reporting (CER) in Malaysia, including

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1 CEMEFI= Centro Mexicano para la Filantropia (Mexican Centre for Philanthropy, an NGO)
2 CESPEDES= The Mexican chapter of the World Business Council for Sustainable Development (WBCSD)
3 GRI= Global Reporting Initiative,
the country’s top 250 companies. They looked at the extent, nature and form of such disclosures made by Malaysian companies.

Summarising their results Thompson – Zakaria (2004) say that CSRR is still in its infancy stage in Malaysia. This applies to CER practices more. The researchers were looking for the possible reasons for this poor state of social responsibility and environmental reporting, which may be for example: lack of a recognised reporting framework, cost of reporting and fear of how readers will react. According to them the low level of CER can be a consequence of a lack of drivers, especially a lack of government and societal pressure to report environmental issues. This pressure seems to increase step by step, but it can not be compared to how strong it is in Europe and in the US.

An interesting motivating factor we found in Thompson – Zakaria’s (2004) study is an initiative called ACCA Malaysia Environmental Reporting Awards (MERA). It was launched in 2002 with the objective to encourage voluntary environmental reporting practices among organisations in Malaysia, and was endorsed by the Malaysian Department of Environment. However none of the frameworks for company reporting (legislative, corporate legal, KLSE listing requirements or the Malaysian Accounting Standards) includes strong and explicit requirements for environmental reporting, the Malaysian government seems to be taking CER seriously and expects firms to tell the public more about their environmental performance. (Thompson – Zakaria, 2004)

Daub (2005) investigated the quality of sustainability reports in Switzerland by an alternative methodological approach. His research is among the first ones that analyses the practice of sustainability reporting in a country by quantitative and qualitative methods. The sample included the top 100 Swiss companies and some others (altogether 103 companies), that issued a “real” sustainability report between 2001 and 2002.

While developing the important research aspects, Daub (2005) used GRI guidelines, which is referred by a lot of previous studies and it is the most commonly used reporting guidelines by Swiss and international companies, too.

The main concept of the methodology was a detailed list of criteria with 33 individual criteria broken down into four main categories which are the following:

A) Context and Coverage
B) Policies, Management Systems and Stakeholder Relations
C) Dimensions of Performance
D) Transparency and General View

Daub (2005) handled category C (performance indicators) as the most important from the 4 categories, it was weighted with a factor of 2, because it contained the hard factors of the company’s sustainability performance.

Daub (2005) investigated a total of 124 reports then made interviews with representatives of middle and top management from top 25 Swiss companies and appointed the following:

- Concerning the methodology it was important to include companies’ annual reports, too, because there were some companies, that did not issue a stand-alone social, environmental or sustainability report, but included information on social performance in their annual report.
- Performance indicators performed low in the assessment, the 76 reporting companies only achieved 33% (beside the double weight; other categories achieved 40%, 43% and 52%)
Interviews with the managers pointed to some critics about sustainability reporting. The interviewed representatives said companies still had a lot to do in order to satisfy the demand they were facing (more detailed and more frequently published reports) which ensured Daub (2005) and his research team that improving sustainability reporting must be demonstrated more heavily to companies in the future.

I.2.2. Research on European level

Perrini (2005) investigated CSR-related corporate social, environmental and sustainability reports among European companies. He compared the CSR reporting practices of 90 European companies, focusing on the amount and quality of the information disclosed.

The main objective of Perrini’s (2005) study was to demonstrate the current prioritization in terms of CSR behaviour. He tried to determine whether a univocal CSR portrait existed and what its dimensions and related prioritization were.

The selected 90 European companies already had advanced experience in CSR practices. They have been sorted by industry according to the FTSE™ Global Classification Systems and all of them were publicly listed medium/large size companies that published a social, environmental or sustainability report.

The research focused on European companies with the assumption that their reports on CSR-related activities are standardized. According to Perrini (2005) social and environmental reporting techniques are tools for internal communication, primarily to support the relationship between the company and trade unions (which are key players of the European workforce).

The analysis was conducted by using a checklist instrument which was harmonised to the stakeholder theory and the triple bottom line approach.

As a unit of the analysis Perrini (2005) used sentences, which were classified into the following stakeholder-based categories:

1. Human resources (e.g.: staff composition, turnover, equality of treatment, training, wages, etc)
2. Shareholders and Financial Community (e.g.: capital stock formation, shareholders’ pay, corporate governance, investor relations, etc.)
3. Consumers (e.g.: market development, customer satisfaction, ethical & environmental products and services, privacy, etc.)
4. Suppliers (e.g.: supplier management policies, contractual conditions)
5. Financial Partners (e.g.: relations with banks, insurance companies, financial institutions)
6. Public Authorities (e.g.: taxes and duties, relations with local authorities, codes of conducts and compliance with laws, etc.)
7. Local and Global Communities (e.g.: corporate giving, relations with the media, corruption prevention, etc.)
8. Environment (e.g.: energy consumption, materials, emissions, environmental strategy, etc.)

Within the categories incidence rates of the sentences were classified into three groups, which were:

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4 FTSE is an independent global index company, jointly owned by The Financial Times and the London Stock Exchange. FTSE indices are used by a range of investors such as consultants, asset owners, fund managers, investment banks, stock exchanges and brokers. (www.ftse.com)
5 Triple Bottom Line= the simultaneous analysis of social, environmental and economical impacts of a company, the concept originates from Elkington (1994)
- Consensus: a topic was covered by more than 66.6% of companies in the sample
- Moderate coverage: between 33.3% and 66.6% of companies covered the topic
- Low coverage: fewer than 33.3% of companies covered the topic

Perrini (2005) says the stakeholder-based approach has a lot of benefits, for example it allows all the stakeholders to realise his/her role in the corporate strategy and operations, and their own values became comparable to those of the company. If firms adopt stakeholder-based reporting standards, they can persistently self-evaluate and organise all the aspects of their role in the multi-dimensional environment they are operating in.

The resulting CSR portrait of Perrini (2005) shows that reporting on CSR seems to be restricted to specific themes such as: operational efficiency, maximum safety, environmental protection, quality & innovation, open dialogue, skill development and responsible citizenship.

In the case of our analysis on Hungarian companies’ sustainability reporting practices we faced similar restrictions.

I.2.3. Comparison on country level

The following two studies compare CSR reporting in different countries, one of which seemed to be especially useful to consider and to compare to our research, since it included a neighbour country of Hungary, Slovenia. Based on the geographical closeness and similar historical roots of the two countries we emphasised the article of Golob – Bartlett (2006).

Golob – Bartlett (2006) compared CSR reporting practices in Australia and Slovenia. They aimed to assess where the differences of CSR reporting were coming from and whether there were any similarities despite the different institutional settings of the two countries.

About the state of CSR in Australia, which has one of the world’s most powerful and developed economy, Golob – Bartlett (2006) say that national companies’ CSR reporting activities reflect the expectations of a major part of the world economy. The Business Council of Australia was committed to excellence in managing all three dimensions (environmental, social and economic) of the corporate activities. There are principles about this commitment included in legislation and corporate strategies. The community in Australia emphasises the meeting of social obligations and establishing community partnerships. CSR reporting means a communication tool for organisations, it helps them in fulfilling their obligations and meeting the needs of stakeholders.

In Slovenia, CSR appeared relatively late in the public discourse. There might be two reasons for this: the Slovenian economy was relatively slow in restructuring toward foreign investments. This resulted that international best practices reached Slovenia later than possible, including CSR practices. The other reason is the legacy of the old Yugoslav socialist system, which emphasised the caring with employees and communities. After implementing the market economy, Slovenian companies became more profit oriented, more and more privatised corporations were not willing to conduct socially responsible business practices. Similar to other European countries, Slovenia already regulates some aspects of CSR with legislation (e.g.: employees’ right, environmental protection, consumer protection). (Golob – Bartlett, 2006).
Hartman et al. (2007) conducted a comparative study among European Union and United States multinational corporations. They investigated the communication of CSR activity at altogether 16 companies. They presume to see a significant difference between CSR approaches: U.S. companies tend to justify their CSR activities through economic, bottom line terms, while European firms emphasise language, citizenship-theories, corporate accountability or moral commitment. They apply a theoretical approach with two different types of motivations for engaging in CSR activities, these are economical and ethical motivations. From the “dual motivations of CSR” – as Hartman et al. (2007) wrote –, the economic aspect supports that including CSR in corporate activity can lead to differentiation and competitive advantage for the company. This means that higher level of goods can sublimate the lower. According to Porter and Kramer (2002) this sublimation is not only a halo effect for the companies but it can lead to a real improvement of competitive situation, whether it is the environmental, social, political or economic situation.

Porter and Kramer (2006) emphasise the kind of relationship between a firm’s CSR-goals and the interest of communities in those activities. The characteristic of this interdependence is that companies have to integrate a social perspective into that framework it uses in order to understand the competition and follow the corporate strategy.

The other argument for CSR is the citizenship or ethical approach. According to this, companies reap the benefits while behaving as a community citizen, so they give back something to the community, which means they do the right thing. However neither of the two approaches are universally accepted in CSR practice, they both reveal the most important motivations why companies engage in CSR. This engagement may depend on a lot of variables, for example national culture, geography, social or economic norms about which CSR perspective to adopt. Maignan (2001, in Hartman et al., 2007) found this kind of distinctions such as French and German consumers seem to support responsible businesses more than U.S. consumers, who appreciate corporate economic responsibility.

I.3. Reporting tools and techniques

As it can be read in Golob – Bartlett (2006) there have been several attempts to establish a global framework for CSR reporting. The Global Reporting Initiative (GRI) developed together with the United Nations Environment Program (UNEP) is a well established program which “has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.”

Another initiative, similar to GRI is connected to ISEA (The Institute of Social and Ethical Accountability). They have a standard called “Accountability AA1000 assurance standard”, which is not that strict concerning reporting standards, and stakeholder engagement is also more emphasised in GRI.

There are several other internationally recognised standards and reporting guidelines which the scientific literature refers to, and may strengthen the reports, Golob – Bartlett (2006) grouped them into 3 main categories:

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6 http://www.globalreporting.org
1. codes of conduct (e.g.: OECD Guidelines, ILO Declaration; define standards of corporate behaviour)
2. management standards (e.g.: SA8000, ISO14000; offer frameworks for implementing socially responsible practices)
3. screenings and rankings (e.g.: Dow Jones Sustainability Index, FTSE4Good; provide basis for responsible investing and comparing companies)

In Hungary till 2008 (in different years and with different labels and subjects) 53 companies issued non-financial reports. Thirteen of them already used GRI guidelines and this number is going to increase in the future, since 13 more companies entered the Good CSR program, this means the number of companies using GRI will double. (GOOD CSR, 2008)

II. Focus of our research and the method

II.1. Why sustainability reports? – a short CSR reporting history

There are three main reporting types we found (social, environmental and sustainability reports) while searching for empirical studies, and these are the three types we are planning to investigate in our national-level research. We think it is important to have a look at the history of these reporting types, how they evolved, what their main characteristics were.

Daub (2005) wrote about the premises of sustainability reports in the introduction of his paper. According to his findings there were three main reporting types before sustainability reports became prevalent such as:
- annual reports
- environmental reports
- social reports

From the mid 1990s we can see more and more ethical, social and environmental aspects about the corporate activity in the annual reports (most common terms are: corporate citizenship, corporate social responsibility). This applies to companies that do not issue a stand-alone sustainability report.

The first environmental reports were issued at the end of the 1980s, they spread quickly, especially at multinational companies. In 1998, 35 percent of the top 250 of Fortune Global 500 had environmental reports, 32% of them disclosed environmental issues in their annual reports. Daub (2005) says the integration of social topics and the change of environmental have led to sustainability reports. (Daub 2005)

Companies demonstrate the social aspects of their activity in their social reports. They might have evolved in the 1970s to satisfy the need for introducing 'social accounting' or produce a 'social balance sheet'. Since almost all companies are sticking to the „old” format of reports, it is not surprising, that so many reporting types /formats exist. All of them include the company’s integration in its social and ecological environment, and many of them mention ‘sustainability’. Daub (2005) considers these reports as sustainability reports in a broader sense.

According to KPMG’s survey 7 four main reporting types exist (the percentage figures for each type are given in the brackets):

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7 Daub (2005) refers to KPMG 2002 International Study of Corporate Sustainability Reporting, the first one published by the company, that reviewed the reports issued by the Fortune Global top 250 companies (GFT250) and the top 100 companies in 19 countries.
- Environmental reports [Health, Safety and Environment] (GFT250: 73%, a Top 100: 65%)
- Sustainability reports (GFT250: 14%, Top 100: 12%)
- Combined environmental and social reports (GFT250: 10%, Top 100: 11%)
- Social reports (GFT205: 3%, Top 100: 12%)

From the numbers above we can see companies produce considerably more environmental reports than sustainability reports. According to Daub (2005) the main reason for this is that the European Eco-Management and Audit Scheme (EMAS II) which is based on the 1995 EMAS Directive (EC) 761/2001 and is a leading regulation for environment management systems along with ISO 14001 series of standards, requires companies to publish an environmental statement.

The situation in Hungary can also be characterised by the main conclusions of Daub (2005), annual report were the most widespread among the Hungarian companies by the end of the XX. century and in some cases a small part or an appendix was dealing with the topic of social or environmental responsibility. As we conducted our research in the year 2007 we decided to focus on the companies CSR reporting practices which not only “by the way” are included among the performance measures, but are designated to give a forum for the companies to “discuss” social, environmental and sustainability issues.

II.2. Process of data collection

The construction of the database took place between October and December of the year 2007. Our research group wanted to collect as many CSR reports (social, environmental and sustainable reports) from Hungarian companies as it was possible. The method of the data collection was formalised:

First we decided to search according to industries, after enumerating the relevant companies of a given sector we searched their web pages for reports. In the case we could not find any on the homepages, we sent formalised e-mails to these companies – usually to those e-mail addresses which were indicated on the webpage as “contact person”. If there were no response we approached the companies by phone or personally.

Finally we visited – virtually or personally – 124 different companies, out of which 35 had annual reports; 16 sustainability reports; 22 environmental report and 7 social reports. We decided not to analyse annual reports and for this paper we have chosen the sustainability reports as the foci of our investigation. The list of CSR reports in the sample is shown in the Appendix 4. Here we can see how the different companies moved from environmental reporting towards sustainability reporting, and in the last two years a new wave of social reporting has also approached Hungary.

For a focused research in this paper we decided to analyse sustainable reports, the main reason was that during the data collection we discovered, that in these years (2006-2007) a new boom of sustainability reporting is approaching Hungary, environmental reports are well researched since 2000 (for more information see: Kovacs, 2000 – since this PhD dissertation a research group is investigating this topic at the Corvinus University of Budapest, Hungary); and social reporting is just about to come to Hungary (see Appendix 4.).

On the process of data analysis we decided to narrow the focus of our research to the year of 2006, in many cases these reports were the most recent ones, and instead of making a longitudinal research – comparing the reporting practices in
certain companies in a given time span – we opted for giving a picture of sustainability reports published by different companies in the very same year. From the collected 16 sustainability reports we found 10 which had electronic (pdf format) reports on their webpage (see Appendix 5. for the list of companies in the sample and also the sources to download – in Hungarian – the analysed reports are indicated there). Companies are coming mainly from different industries and are the leading corporations in their field (for information on their market share, profit after taxation, number of employees, etc. see: Appendix 6.)

II.3. Process of content analysis
After identifying the preliminary list of corporations (see in Appendix 4. – the list of companies with sustainability reports), we compiled the publicly, electronically accessible sustainability reports for the year 2006. Those corporations which did not have reports for this year or their documents were not accessible were excluded from the current study. Finally we stayed with 10 companies’ sustainability reports, downloaded from the companies' homepages in pdf format.

We conducted key word and word combination searches, focusing on the stakeholder communication. First a list of stakeholders (Table 3.) was established which were searched (with their synonyms used in the reports) throughout the 10 sustainability reports. In this searching process major themes and topics were identified in the case of each corporations’ grouped under the given stakeholder-list.

Table 3. List of stakeholders – terms used for arranging the content of the reports

<table>
<thead>
<tr>
<th>Internal stakeholders</th>
<th>External stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners, shareholders</td>
<td>Costumers, consumers, clients</td>
</tr>
<tr>
<td>Managers, chief executive officer, executives, leaders</td>
<td>Suppliers</td>
</tr>
<tr>
<td>Employees co-workers, staff, workers</td>
<td>Strategic partners, partners</td>
</tr>
<tr>
<td>Trade unions</td>
<td>Banks and creditors</td>
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<tr>
<td></td>
<td>Competitors</td>
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<td></td>
<td>State, government</td>
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<tr>
<td></td>
<td>Foreign countries</td>
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<tr>
<td></td>
<td>Media, mass media, press</td>
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<tr>
<td></td>
<td>Civil organisations</td>
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<td></td>
<td>Local communities</td>
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<td></td>
<td>Future's generation</td>
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<td></td>
<td>Natural environment</td>
</tr>
</tbody>
</table>

In the following the findings of the research are presented in order to answer the research questions namely to whom, what and how do the companies in the sample communicate to their stakeholders in their sustainability reports in the year 2006.

III. Findings of the research
In examining the different sustainability reports we were aware of the fact that our method of simple searching for the stakeholders and the grouping of relevant themes
for each “member” of the list preliminary set stakeholder-list, will give us only a
descriptive data as an answer to our research questions. However in this phase of
our research this was one of our main objective – as in the later phases of this four
year long research program we are planning “to validate” these result in the everyday
practices of the selected companies. In this sense now we are investigating the
“exposed theory” of the firms – on how / what / to who and why are they
communicating CSR in their sustainability reports –; and in the next phase –
qualitative interviews and focus group discussions with different stakeholder groups,
etc. – we hope to detect their actual “theories in use”.

III.1. To who, to which stakeholder groups do the investigated Hungarian
corporations communicate in their Sustainability Reports?

To answer the question to who these Sustainability reports are addressed we used
the stakeholder-list based on the literature review. This is a “complete” list of
stakes but we try to avoid putting the expectation on the companies of fulfilling
the requirements of the stakeholder management literature (Freeman, 1982), still we
know that in this case we are not working only out of these reports but putting our
models of reference as a framework on them.
Table 3. shows the number of topics under which the different stakeholder groups
were addressed in some issues related to social responsibility in the sustainability
reports.
Far more the employees are the most often referred stakeholder in all cases,
seemingly they are the most important stakeholders for all the companies.
Environmental-conscious behaviour is also widely published in these reports – on the
second place – which can be thanked also to the EU directive (2003/51/EC).
Costumers were less than a half times mentioned as employees. In soma cases it
may also mean that the target audience of this sustainability reports are on the first
place the employees?

Table 4. The appearance of stakeholder groups in the Sustainability reports in the sample

<table>
<thead>
<tr>
<th>Stakeholder groups</th>
<th>Employees</th>
<th>Natural environment</th>
<th>Costumers</th>
<th>Suppliers</th>
<th>Managers</th>
<th>Owners</th>
<th>Strategic partners</th>
<th>Trade unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>frequency</td>
<td>161</td>
<td>135</td>
<td>71</td>
<td>35</td>
<td>28</td>
<td>24</td>
<td>23</td>
<td>21</td>
</tr>
<tr>
<td>Stakeholder groups</td>
<td>State</td>
<td>Civil organisations</td>
<td>Local communi- ties</td>
<td>Foreign countries</td>
<td>Competitors</td>
<td>Future generation</td>
<td>Media</td>
<td>Banks and creditors</td>
</tr>
<tr>
<td>frequency</td>
<td>21</td>
<td>21</td>
<td>14</td>
<td>14</td>
<td>10</td>
<td>10</td>
<td>8</td>
<td>2</td>
</tr>
</tbody>
</table>

Financial institutions like banks were only twice mentioned (at Hocim and Magyar
Telecom), but even in these cases only technical data were supported.
However the internal stakeholders were addressed in 234 times, while the external
ones 366 times – and if we compare the specific number of stakeholder groups under
the two label we can conclude that may the internal stakeholders are of grater
importance for the analysed firms.
Usually in the different sustainability reports the companies gave different names to
their stakeholders (for a detailed description of the so called “most important”
stakeholders by the companies and its name-variations see: Appendix 7.).
In some reports it occurred that a company which in the first place distinguishes a few of its stakeholders as of crucial importance, and then in the following pages not mentions the name again. For instance: Pannon called the government as key stakeholder for its activities and later it is not mentioned once; TVK put local governments as stakeholders on its list, but fails to discuss their importance. MÁV Cargo was the only corporation which differentiated among stakeholders affected by their everyday activities and the target audience of their sustainability report – from this distinction we can conclude that not all the affected stakeholders are taken into account as readers.

III.2. On what (content) do the investigated Hungarian corporations communicate in their Sustainability Reports?

Several different topics were touched by the reports in the following we highlight the most common or exceptional ones under the heading of the different stakeholders which they refer to.

Owners (shareholders)
In most cases the owners were mentioned as someone who beside the need for information, orientation and reference is mainly interested in the increase of the shareholder value (CIB; MVM; TVK). However the theme on regular meetings, general meetings and the continuous contact was the most common issue raised in connection with the owners.

Manager (chief executive officer, executive, leader)
Management allowances, bonuses, carrier possibilities and other privileges what a manager could have – were the most commonly raised topics in relation to the management. OTP emphasised the importance and the high ratio of the locals in the management; while MVM and MOL referred to the high percent of male managers among their executives.

Employees (co-workers, staff, workers)
The longest part was of the all reports were dealing with this stakeholder group – especially in the case CIP, OTP, Pannon and MOL. The importance of Code of Ethics – which is usually a system of norms at the workplace – was mentioned in all cases (except from MVM). Professional development of workers, trainings, bonuses, safety regulations, regular health care examinations and the continuous information exchange and dialogue were the topics for all firms very crucial. To secure equal rights and chances for all employees – apart from Pannon – all corporations raised this issue. The importance of social responsibility can be captured also by the employees (CIB, Pannon) if they take part in voluntary work. (From the reports it was not clear whether it is a must or a possibility for these workers.) Worker-satisfaction is regularly measured in the case of four companies (AÁK, MOL, MVM, OTP), at TVK the employees commitment is measured regularly.

Trade unions
Eight companies kept continuous discussions with trade unions – OTP for instance before important decisions consult with the representatives of the trade union, TVK
supported its activities on a larger scale than it is ordered by law. In 2006 CIB and Pannon did not have trade unions.

**Costumers (consumers, clients)**
The consumers’ need for information is evoked in the reports, but still not all firms found it important to inform and even to engage or involve its costumers about their activities. However MÁV Cargo kept forums for its costumers to discuss the new trends of the industry and to find way how to create mutually beneficial agreements. Even to transmit values to costumers (such as family ethics, reliability) was mentioned in relation to costumers, but still the issues on market research and the need for costumers to consume in order to create profits was the most widespread reason to refer to this stakeholder group.

**Suppliers**
Behind the increasing role of suppliers is the recognition how the corporations indirectly affect the natural and social environment via their suppliers. In the case of MOL for instance a supplier had to fulfil strong environmental and safety requirements, at Telekom they even expected the acceptance of their Code of Ethics. Only MÁV Cargo did not mention its suppliers in their sustainability report.

**Competitors**
Besides the importance of the continuously keeping an eye on the competitors, the importance of pure and clear market conditions, transparency, to obey to the rules of the competitions’ law were by all firms raised. Besides competing a cooperation on environmental issues, ar for a common representation of the industries rights were also mentioned. (OTP)

**Strategic partners (partners)**
Mutually beneficial agreements are discussed here were the link to sustainability is made, how these companies choose their strategic partners – environmental-conscious behaviour and to share common values and norms (TVK, MVM). To support civil organisations with the strategic partner (CIB) or The National Gallery (Pannon) is also common.

**Media (mass media, press)**
Although the importance of the media is recognised of the firms only six (MÁV Cargo, Magyar Telekom, MVM, Pannon, CIB ÁAK) mentioned it as an important stakeholder – as tool of information exchange and a forum for influence.

**Natural environment**
The key word discussing natural environment as a stakeholder is the “sustainable development” by which partly the reduction of the negative externalities is meant, bit still a “healthy”, stable, calculable business environment was also mentioned. The corporations usually highlighted how they took care of the natural environment throughout their everyday activities: MÁV Cargo emphasised the environment friendliness of travelling, transporting on railroads. The corporations from constructing or raw chemical or energy sectors are working on the reduction of their polluting activities. The reduction of noise, the creation of selective waste collection islands, supporting of nature protecting organisations and even printing the sustainability reports on reused papers – are only a few topics mentioned by the firms.
Future’s generations (next generations)
Although the role of future’s generation is of great importance the half of the investigated companies had not even mentioned them. OTP only put them on their stakeholder map – without explanations. The Magyar Telekom – in comparison to the other firms – addressed to future’s generation in three themes: emphasizing the responsibilities for their aims and interest (in general), and the importance of the internship programs for the students – the possible future workers of the company. (This last issue was also raised by MÁV Cargo) TVK – as one of the most pollutant companies in the sample – while discussing its environmental policy added a few words on their responsibilities for the sustainable development of the economy and the environment while taking into account the need of the future’s generation, for whom they are responsible.

III.3. How (in what form) do the investigated Hungarian corporations communicate in their Sustainability Reports?

Sustainability reports in the sample had the length of 68 pages on average, but they are largely scattered behind this average. (Table 5.) MOL had the longest report with its 101 pages – the question could be is there any ideal length for a report, is there anyone – besides the researchers – who reads through all these pages (these questions can also be answered in a later phase of our research). Without judging or evaluating these reports – in some cases we found pages, paragraphs with hardly any information, highly generalised topics without any connections to sustainability or even CSR reporting.

Table 5. The length of sustainability reports in the sample

<table>
<thead>
<tr>
<th>Name of the company</th>
<th>Number of pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>ÁAK</td>
<td>66</td>
</tr>
<tr>
<td>CIB</td>
<td>63</td>
</tr>
<tr>
<td>Holcim</td>
<td>48</td>
</tr>
<tr>
<td>Magyar Telekom</td>
<td>84</td>
</tr>
<tr>
<td>MVM</td>
<td>71</td>
</tr>
<tr>
<td>MÁV Cargo</td>
<td>61</td>
</tr>
<tr>
<td>MOL</td>
<td>101</td>
</tr>
<tr>
<td>OTP Bank</td>
<td>59</td>
</tr>
<tr>
<td>Pannon</td>
<td>43</td>
</tr>
<tr>
<td>TVK</td>
<td>83</td>
</tr>
<tr>
<td>Mean</td>
<td>67,9</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>16,6219734</td>
</tr>
</tbody>
</table>

90% of the corporations in the sample had used the framework of Global Reporting Initiative – which was the first step for the Hungarian companies to fulfil the “requirements” of the EU.
In the year 2006 however it was not obvious for all the companies what was meant under social responsibility or even sustainability reporting. As MÁV Cargo put it in its sustainability report: “In our corporate strategy the strategy of social responsibility is crucial that is why a significant role is given to sponsorship” (p. 54.). Sponsorship as a business motivated activity is generally excluded from CSR activities – MÁV cargo put it as an excuse for its lack of financial founds.

Five out of the ten companies worked with Hungarian consulting companies to create its sustainability reports (CIB, Magyar Telekom, MVM, MÁV Cargo, OTP). In all of the reports in the sample a certain interaction is asked from the readers: either on an “Opinion sheet” (TVK) or just a brief question serves as encouragement to share their opinion on how to make the firm to a better actor of its environment.

III.4. Why do the investigated Hungarian corporations communicate in their Sustainability Reports? – Motivation for reporting

Important to compare why companies engage in CSR practices and reports, what are the motivating factors for that. We already mentioned some possible reasons, such as an encouraging award like MERA (Malaysia Environmental Reporting Awards, Thompson – Zakaria, 2004), the role of reports in internal communication (Perrini, 2005) or legislation, market expectations or partnership with communities (Golob – Bartlett, 2006).

Hungarian practice of awarding companies for their efficient activities towards stakeholders is very diverse. A lot of our investigated companies received such kind of -either internationally or locally recognised -awards Just to mention some examples, there are awards for brand image, best corporate website, awards from different PR committees, for workers’ equal opportunities, for best corporate giving, etc. These are all in connection with the companies’ stakeholders, their expectations and the way they communicate their activities to people and other organisations.


When talking about mandatory, solicited and voluntary reports, we have to mention the influence of political factors. Hartman et al. (2007) wrote that U.S government support for voluntary reporting mechanism is not sufficient. Despite U.S signed the OECD Guidelines that cover human rights, environment, corruption, labour standards and other issues of corporate behaviour, little has been done to publicise this.

On the other side, European governments try to motivate the CSR initiatives (beside the EU Commission). The Belgian government is trying to create a social labelling program, the Danish government founded the Copenhagen Centre to generate CSR-based partnerships between business, society and government. France formed requirements for reporting social and environmental issues, the U.K. has a minister devoted to CSR (Brum, 2003 in: Golob – Bartlett, 2006). The Slovenian government issued a national report on CSR in 2006, which was a part of an EU report on
member states’ CSR policies and a plan to support CSR on a national level. (Golob – Bartlett, 2006)

In Hungary CSR is not regulated by governmental policy, EU directives are set which are also valid for the Hungarian companies, however these directives are more proposals without real executive body supporting them.

IV. Conclusion – on further research

As we indicated in the introduction this paper documents the first phase of a longer research. In this paper we only wanted to summarise the theoretical background for our research, and start with the description of the sample we selected. The next phase will be to “validate” the findings of this research: namely how these companies act in their everyday practices.
References


Kovács, Eszter (2000) A környezeti jelentések szerepe a vállalatok környezeti és társadalmi felelősségének előmozdításában. PhD dissertation, Corvinus University of Budapest, Hungary; Faculty of Business Administration. (The role of environmental reporting in enhancing the corporations’ social and environmental responsibility)

KPMG International Survey of Corporate Responsibility Reporting 2008

Paul, Karen; Cobas, Elisa; Ceron, Raul; Frithiof, Mattias; Maass, Angel; Navarro, Ivan; Palmer, Lina; Serrano, Loretta; Deaton, Lori Zalka (2006) Corporate Social Reporting in Mexico. Journal of Corporate Citizenship, Summer2006 Issue 22, p67-80, 14p


Appendix 1. Documentation and results of the keyword-research – number of articles published before the year 2000 in the EBSCO databases

<table>
<thead>
<tr>
<th>EBSO</th>
<th>Results before 2000</th>
<th>&quot;reporting&quot; AND &quot;social&quot;</th>
<th>&quot;sustainable development&quot;</th>
<th>&quot;sustainability&quot;</th>
<th>&quot;corporate social responsibility&quot;</th>
<th>&quot;csr&quot;</th>
<th>&quot;social responsibility&quot;</th>
<th>&quot;corporate citizenship&quot;</th>
<th>&quot;triple bottom line&quot;</th>
<th>All (excluding multiple results)</th>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business Ethics: A European View</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
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</tr>
<tr>
<td></td>
<td>Business &amp; Society</td>
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<td>Journal of Business Ethics</td>
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<td>0</td>
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## Appendix 2. Documentation and results of the keyword-research – number of articles published after the year 2000 in the EBSCO databases

<table>
<thead>
<tr>
<th>EBSCO</th>
<th>Results after 2000</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>&quot;reporting&quot; AND &quot;social&quot;</td>
</tr>
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<td>Business Ethics: A European Review</td>
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<tr>
<td><strong>All</strong></td>
<td><strong>135</strong></td>
</tr>
</tbody>
</table>
**Appendix 3.** List of overall results (articles sorted by date of publishing and periodicals)

**CSR-relevant periodicals**

*Business Ethics: A European Review*


*Business Ethics Quarterly*


Business & Society


Dierkes, Meinolf; Coppock, Rob (1978) Europe Tries the Corporate Social Report. Business & Society Review (00453609), Spring78 Issue 25

Journal of Business Ethics


Journal of Corporate Citizenship


Paul, Karen; Cobas, Elisa; Ceron, Raul; Frithiof, Mattias; Maass, Angel; Navarro, Ivan; Palmer, Lina; Serrano, Lorelta; Deaton, Lori Zalka (2006) Corporate Social Reporting in Mexico. Journal of Corporate Citizenship, Summer2006 Issue 22, p67-80, 14p


28
Management focused periodicals

Academy of Management Journal


Academy of Management Review


British Journal of Management


California Management Review


*European Management Journal*


*Journal of Management Studies*


*Organization Studies*


Other scientific periodicals

*Accounting, Auditing & Accountability Journal*


Campbell, David; Moore, Geoff; Shrives, Philip (2006) Cross-sectional effects in community disclosure. Accounting, Auditing & Accountability Journal, 2006, Vol. 19 Issue 1, p96-114, 19p, 3 charts, 2 graphs


Abstracts and Keywords. Accounting, Auditing & Accountability Journal, 2003, Vol. 16 Issue 4, p521-522, 2p


*Accounting, Organizations & Society*


*Public Relations Review*


Appendix 4. List of CSR reports in the sample

**Sustainability reports**
- IKEA (2003-2006)
- MÁV Cargo (2006)
- OTP Bank (2006)
- Pannon GSM (2006, 2007)

**Environmental reports**
- Dunapack Rt. (2000-2006)
- Waterworks of Budapest
- Hungarian Post

**Social reports**
- Coca Cola HBC (2003-2006)
- E.ON Hungary (2007)
- Exxon Mobil (2006)
- Vodafone Hungary (2000-2007)

Appendix 5. List of documents and sources of the Sustainability Reports used in the analysis

Abbreviation of the companies used in the sample
(all document accessed during autumn/winter 2007)

Állami Autópálya Kezelő Zrt. – National Motorway-Maintenance Company

CIB Bank Zrt – CIB Bank Ltd.

Hocim Hungária Zrt. – Holcim Hungary Ltd.

Magyar Telekom Csoport Nyrt. – Hungarian Telecom Group Ltd.

MÁV Cargo Zrt. – Hungarian Railways Cargo Ltd.

Mol Olaj- és Gázipari Nyrt. – Hungarian Oil and Gas Company Ltd.
MOL: http://www.mol.hu/repository/356327.pdf

Magyar Villamos Művek Zrt. – Hungarian Electricity Works Group

OTP Bank

Pannon GSM Távközlési Zrt – Pannon Ltd.

Tiszai Vegyi Kombinát Nyrt. – TVK Ltd.
TVK: http://www.tvk.hu/repository/367821.pdf
### Appendix 6. Some basic data of the analysed companies (Sources: Companies’ annual reports, 2006)

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Net revenue (HUF million)</th>
<th>Balance sheet total (HUF million)</th>
<th>Profit after Taxation (HUF million)</th>
<th>Number of Employees</th>
<th>Nationality</th>
<th>Owner</th>
<th>Industrial sector</th>
<th>Market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>ÁAK</td>
<td>192 440,10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Hungarian State-owner</td>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>CIB</td>
<td>99 595,00</td>
<td>1 874 000,00</td>
<td>28 616,00</td>
<td>2 878,00</td>
<td>Italian</td>
<td>Intesa Holding International S.A.</td>
<td>Financial Institution</td>
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<td>Holcim</td>
<td>33 009,82</td>
<td>27 761,00</td>
<td></td>
<td>572,00</td>
<td>Swiss</td>
<td>Holcim Ltd.</td>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Magyar Telekom</td>
<td>1 131 595,00</td>
<td>75 453,00</td>
<td>12 341,00</td>
<td>Hungarian</td>
<td></td>
<td>MagyarCom Holding GmbH 59.21% Foreign institutional investors 33.65% Domestic institutional investors 3.70% Others 1.66% Domestic private investors 1.24% Own shares 0.24% Municipalities 0.30%</td>
<td>Tele-communication</td>
<td>0.45</td>
</tr>
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<td>2 757,76</td>
<td>3 170,00</td>
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<td></td>
<td>MÁV Zrt. (State-owner)</td>
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<td></td>
</tr>
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<td>2 891 100,00</td>
<td>2 136 000,00</td>
<td>295 000,00</td>
<td>13 861,00</td>
<td>Hungarian</td>
<td>Foreign investors 58.6% OMV 10% BNP Paribas 8.2% Magnolia Finance 5.5% Domestic institutional and private investors 7.7% MOL Nyrt. (own shares) 10%</td>
<td>Raw chemical</td>
<td>0.76</td>
</tr>
<tr>
<td>MVM Group</td>
<td>224 748,00</td>
<td>383 984,00</td>
<td>1 795,00</td>
<td>8 889,00</td>
<td>Hungarian</td>
<td>ÁPV Zrt. (Ministry of Finance)</td>
<td>Electricity</td>
<td></td>
</tr>
<tr>
<td>OTP Bank</td>
<td>4 470 600,00</td>
<td>186 187,00</td>
<td>8 169,00</td>
<td>Hungarian</td>
<td></td>
<td>Foreign investor 87.6% State-owner 0.3% Managers &amp; employees 3.0% OTP Bank Nyrt. 0.8% Other domestic investors 8.3%</td>
<td>Financial Institution</td>
<td>0.19</td>
</tr>
<tr>
<td>Pannon</td>
<td>38 515,00</td>
<td></td>
<td></td>
<td></td>
<td>Norwegian</td>
<td>Telenor</td>
<td>Tele-communication</td>
<td></td>
</tr>
<tr>
<td>TVK</td>
<td>17 271,00</td>
<td>212 302,00</td>
<td>15 895,00</td>
<td>1 200,00</td>
<td>Hungarian</td>
<td>MOL 44.55% CE Oil &amp; Gas AG 31.56% Slovnaft, a.s. 8.06% Others 15, Other domestic institutional investors 1.61% Other foreign institutional investors 13.18% Domestic private investors 0.77% Foreign private investors 0.02% Other shareholders 0.25%</td>
<td>Raw chemical</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 7. The most important stakeholders for the companies in the sample quoted from their Sustainability reports

<table>
<thead>
<tr>
<th>Company</th>
<th>Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>ÅAK:</td>
<td>Our most important stakeholders: consumers (travelling audience), owner (state), trade unions, media, strategic partners, suppliers, people living close to railroads, employees, authorities</td>
</tr>
<tr>
<td>CIB:</td>
<td>Our most important stakeholders: employees, costumers, owners</td>
</tr>
<tr>
<td>Holcim:</td>
<td>Our partners of interest: costumers, suppliers, employees, trade unions, owners, competitors, creditors, banks, local communities, state/local authorities, non-profit organisations</td>
</tr>
<tr>
<td>OTP:</td>
<td>Our most important stakeholders: shareholders, costumers, employees, suppliers</td>
</tr>
<tr>
<td>Pannon:</td>
<td>“We turn to them with a special care”: costumers (clients), employees, civil organisations, media, government, broader community</td>
</tr>
<tr>
<td>MVM:</td>
<td>Our most important stakeholders: owner, other member companies of the MVM Group, employees, suppliers, consumers of the competitive market, people living close to the facilities, social organisations, trade associations, government, authorities, media,</td>
</tr>
<tr>
<td>Magyar Telekom:</td>
<td>Stakeholders on the market: clients individuals, groups, organisations, companies, shareholders, owners, managers, employees, suppliers, other members of the telecom industry, trade unions; Non-market stakeholders: state organisations, local governments, industrial and business trade associations, research collaborations, local communities, natural and local environment</td>
</tr>
<tr>
<td>MOL:</td>
<td>Most important partners of interest: shareholders, costumers, employees, business partners, civil organisations, authorities, local communities</td>
</tr>
<tr>
<td>TVK:</td>
<td>Due to our activities the following stakeholders are effected: shareholders, costumers, employees, subcontractors, civil organisations, local governments and communities</td>
</tr>
<tr>
<td>MÁV Cargo:</td>
<td>Due to the interaction of the society and our company the following stakeholders are with great importance: our employees, clients/costumers, authorities, trade unions, civil society</td>
</tr>
<tr>
<td></td>
<td>Target audience (readers): our future investors, clients, employees</td>
</tr>
</tbody>
</table>