

Corporate social responsibility (CSR) in the annual reporting of oil companies worldwide – modern business management

Adam Lulek[✉], Beata Sadowska

University of Szczecin, Faculty of Economics, Finance and Management
8 Cukrowa St., 71-004 Szczecin, Poland
e-mail: adam-lulek@wp.pl, beata.sadowska@wziewu.pl
[✉] corresponding author

Key words: corporate social responsibility, reporting, oil companies, financial statements, investors, CSR

Abstract

Corporate social responsibility (CSR) is the process of finding out the changing expectations of stakeholders and including them in a business management strategy. CSR is a concept of the optional incorporation of social and environmental aspects into the operations of a business entity. The objective of this article is to: (1) present the historical determinants of CSR and its practical dimension; (2) characterize the activities of fuel companies in the light of the publication of CSR information in reports; (3) indicate the information and contents of the annual reports of oil companies – in particular taking account of the information about corporate social responsibility; (4) provide proposals for the structure of a model annual report including information about corporate social responsibility which could be used for the selected oil companies that were investigated. The methods of inductive and deductive reasoning and descriptive analysis, as well as desk research were used in the writing of this article.

Introduction

There are many definitions of corporate social responsibility (CSR) in the literature on this subject; however, there is not one which is universal.

CSR is a philosophy about conducting business activities which enable positive relationships to be developed with all the stakeholders. The concept of CSR prompts organizations to not only take responsibility for the positive results of their activities, but also their social and environmental impact. The idea of CSR is considered to be “a response of business entities to the challenges of sustainable development and combines elements of economics, philosophy and social sciences. CSR is a result of disseminating the principles of democracy” (Wójcik-Jurkiewicz, 2016). There is more on the concept of sustainable development in the literature (Rogall 2010; Sadowska, 2016, p. 393; Sadowska, 2017, p. 137).

Currently, the activities enterprises undertake as part of CSR are often comprehensive, systematic and

organized, and encompass the use of a wide range of instruments. CSR strategies are built at various levels: an organization, a sector, a region, a country, and their main objective is to encourage organizations to take up many challenges; such as activities concerning social exclusion, climate change, environmental degradation, professional ethics, and employment protections (Rasche, Morsing & Moon, 2017).

Business entities are increasingly declaring that the concept of CSR is an integral part of their strategies and are promising to observe its principles. This idea is becoming more significant and has been confirmed by an increasing number of companies that devise reports on CSR, as well as amendments to international and national regulations in that regard. CSR is a permanent obligation for a company to act ethically and contribute to economic development and, at the same time, improve the quality of life of their employees and their families as well as their local communities and society (Holme & Watts, 2000).

The objective of the article is to: (1) present historical determinants of CSR and its practical dimension; (2) layout the information and contents of the annual reports of selected oil companies – in particular taking account of the information about corporate social responsibility; (3) provide proposals for the structure of a model annual report including information about corporate social responsibility for oil companies. The thesis of this study is as follows: “A properly devised annual report provides access to non-financial information, including information about corporate social responsibility, to a wide group of stakeholders”.

Research methodology and research process

The methods of inductive and deductive reasoning and descriptive analysis, as well as desk research were used when writing this article. The authors posed the following research question: “What measures should be taken to ensure that reporting on oil companies will generate information concerning the disclosure of information in terms of the social and environmental activities of oil companies worldwide, and what form should the report take?” The research involved the analysis of financial statements, as well as the websites of selected oil companies with the largest market capitalization in the world; as listed in the Financial Times Global 500. The final research stage was commenting on the issues raised in this article. Finally, on the basis of the above criteria, conclusions were then drawn.

Historical determinants of corporate social responsibility and its practical dimension

Historically, CSR dates back to ancient times; A.B. Carroll (Carroll & Buchholtz, 2003) defines a responsible business as one which “generates profits, observes the law, acts ethically and supports society (is a good citizen)”. Therefore, the levels of corporate social responsibility make up a pyramid, which refers to Maslow’s hierarchy of needs where

moving to the higher levels is determined by fulfilling the obligations from the lower levels, as shown in Figure 1.

Economic responsibility involves maximizing profits, minimizing costs, making good operational and strategic decisions, following the profit distribution policy diligently, as well as creating innovation and competitive advantage, along with efficiency and effectiveness, and constant development. Legal responsibility constitutes observing the law, following all regulations, including those regarding environmental protection and consumer rights, observing labor laws, fighting corruption, fulfilling obligations, recognizing warranties, and providing products or services which comply with legal requirements; thus following the social contract.

Ethical responsibility involves avoiding doubtful conduct, complying with the letter and spirit of the law, treating laws as an absolute minimum and undertaking activities above this minimum standard, thus ensuring ethical leadership which can be a model for the whole business entity, as well as acting in compliance with social expectations, customs and morality, and ethical consistency in an enterprise. Philanthropic responsibility means being a good citizen, seeking improvement in their social life, engaging in voluntary and charitable activities, supporting the arts and education, and supporting local communities.

The concept of CSR has been discussed worldwide for over 4000 years, but sources of this idea can be found in the USA. Social responsibility originated in the USA at the end of the eighteenth century. A significant growth in CSR took place after the events related to the Great Depression between 1929 and 1933 (Śnieżek, 2016, p. 37–38).

The first scientific study about CSR can be considered to be “Social Responsibilities of the Businessman” by H.R. Bowen, which was published in 1953. Bowen understood the social responsibilities of a businessman to be implementing policies, making decisions and taking a course of action in accordance with social goals and values. However,

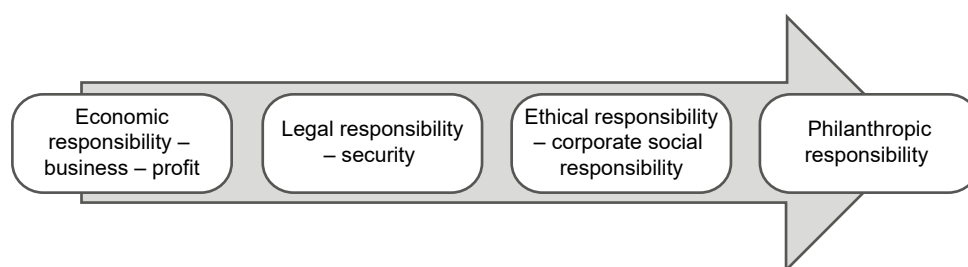


Figure 1. Corporate social responsibility pyramid

the first attempt to establish the rules of corporate responsibility was made by the business community in the form of the so-called Davos Manifesto in 1973 at the third European Management Symposium. Simultaneously, as J. Fijałkowska (2012) observed, the assumption of economic theory, that was applicable in capitalist countries until the 1970s, was changed; namely that enterprises were only responsible for providing goods and services and creating jobs with the simultaneous growth of the owners' welfare. According to the new concept, enterprises had to compensate for imperfections in the market by achieving a compromise between the conflicting interests of the parties. The adoption of social responsibility by organizations was an expression of the expectations of the members of society who perceived enterprises as entities which should protect their employees, consumers, and the natural environment while, at the same time, being honest, transparent and just in their activities".

The Second World War influenced the meaning and concept of CSR through criticism of monopolistic practices. The 1960s and 1970s were periods when the social (consumer) and environmental movements were born. At that time, more and more emphasis was put on companies' ethical conduct. The idea of social responsibility gained recognition in the 1990s, mainly in Japan, the USA and Western Europe. At that time, the institutionalization of CSR took place with the establishment of such standards as: ISO 14001, SA 8000, as well as the social reporting guidelines, GRI. GRI is an international organization that was founded in the USA in 1997. Its main objective was to create a reporting framework that included the economic, social and environmental aspects of corporate operations. The GRI's standards are some of the best in the world, and over 70% of companies prepare their reports on the basis of them (Śniezek, 2016, p. 39–40).

In 2000, during the European Summit in Lisbon, the European Commission presented a 10-year socio-economic plan called the Lisbon Strategy, which demonstrated the significance of CSR in the EU's social policy (Nakonieczna, 2008). In 2002, the European Commission published a document entitled *Corporate Social Responsibility: A Business Contribution to Sustainable Development*, which described a strategy to promote social responsibility. The next important document is the White Paper; this document was addressed to European institutions, the Member States, and social and business partners. In 2010, the European Council replaced the Lisbon Strategy with a new concept "Europe 2020

– A strategy for smart, sustainable and inclusive growth".

One of the key documents concerning CSR and its reporting is a directive with regards to the disclosure of non-financial information. On 15 November 2014, in the Official Journal of the European Union, Directive 2014/95/EU of the European Parliament and the Council of 22 October 2014 was published, which amended Directive 2013/34/EU with regards to the disclosure of non-financial and diversity information by certain large groups and undertakings. The adoption of the aforementioned Directive was the next step in increasing transparency in terms of the reporting of publicly traded companies.

In 2014, the European Commission published a compendium in which it specified the obligations in terms of CSR for the Member States. It includes the joint and individual priorities of the States regarding CSR, as well as their evaluation. It is a great source of information for enterprises in the entire EU to base their reporting on (Williamson et al., 2014). A significant initiative regarding CSR in the international arena is the UN Global Compact.

The concept of CSR has been analyzed in many scientific studies, such as: (Pava & Krausz, 1996; Stanwick & Stanwick, 1998; Verschoor, 1998; Orlitzky, Schmidt & Rynes, 2003). In terms of its practical dimension, CSR is defined, promoted, measured and reported differently by different enterprises.

Oil companies characteristics

Annual reports should include information on corporate social responsibility, especially in the case of oil companies. These enterprises pose a high environmental risk and their activities are connected with the exploration, transport and storage of oil and other petroleum products. They also carry a risk of unexpected events which a management board is not always able to predict. The stakeholders of the reports should be aware of the risk of polluting their local environment and what the company is doing to protect local communities; publishing CSR information is therefore very important to them. This is why users of such reports should read about the activities a company undertakes for local communities, environmental protection and contacts with investors in the companies' annual reports. There is the question of whether oil and gas companies, however, inform the users of these reports about corporate social responsibility in a proper and sufficient manner. There is more on reporting and its role in the concept of sustainable development and corporate social

responsibility in the literature (Lulek, 2014; Lulek & Zielińska, 2015; Flower, 2015; Farrington et al., 2017).

This can be verified when analyzing the reports of oil and gas companies; the key to the selection of these reports was the companies' market capitalization on the world's stock exchanges. From time to time, the Financial Times publishes a list of companies with the largest market capitalization in the world; they are listed in the Financial Times Global 500. In May 2017, the largest oil companies in the world by market capitalization were as follows (Figure 2):

- Exxon Mobil (USA),
- Royal Dutch Shell (UK),
- Chevron (USA),
- PetroChina (China),
- Total (France),
- BP (UK),
- China Petroleum & Chemical Corp. (China),
- Reliance Industries (India),
- Petroleo Brasileiro (Brazil),
- Eni (Italy)

The oil and gas companies listed above, which have the largest market value worldwide, formed the

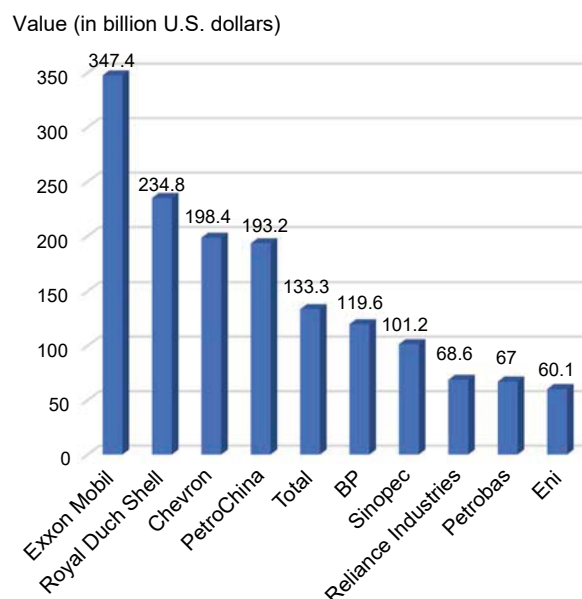


Figure 2. The most valuable oil and gas companies worldwide, based on their market value in May 2017 (on the basis of the Financial Times Global 500 list)

basis of the analysis of the reports. In this study, the annual reports of the ten mentioned enterprises were analyzed in terms of the information and contents

Table 1. The ten largest oil companies and their characteristics

| Company name | About the company |
|---------------------|--|
| Exxon Mobil | ExxonMobil is the largest publicly traded international oil and gas company; it uses technology and innovation to help meet the world's growing energy needs. "We hold an industry-leading inventory of resources and are one of the world's largest integrated refiners, marketers of petroleum products and chemical manufacturers". |
| Royal Dutch Shell | Shell is a global group of energy and petrochemical companies. The operations of the corporation are divided into four businesses: Upstream, Integrated Gas and New Energies, Downstream, and Projects & Technology. |
| Chevron | Chevron Pipe Line Company operates pipelines that transport crude oil, refined petroleum products, liquefied petroleum gas, natural gas and chemicals within the United States. |
| PetroChina | PetroChina Company Limited ("PetroChina") is the largest oil and gas producer and distributor, playing a dominant role in the oil and gas industry in China. It is not only one of the companies with the biggest sales revenue in China, but also one of the largest oil companies in the world. |
| Total | Total is one of the world's largest oil and gas companies, as well as a major integrated player in low-carbon energies. Backed by nearly a century of history, the company discovers, produces, and transforms, as well as markets and distributes energy in a variety of forms to serve the end customer. |
| BP | BP delivers light, heat, and mobility solutions for a changing world. The company tracks, trades and delivers the world's energy in real time, at a scale that only a few organizations on earth can achieve. Almost 75,000 BP employees work day and night to serve millions of energy customers. |
| Sinopec | China Petrochemical Corporation (Sinopec Group) is a super-large petroleum and petrochemical enterprise group, established by the state in July 1998 on the basis of reconstructing the former China Petrochemical Corporation. |
| Reliance Industries | Reliance Industries' activities span hydrocarbon exploration and production, petroleum refining and marketing, petrochemicals, retail and telecommunications. In each of these areas, the company is committed to innovation-led, exponential growth. |
| Petrobras | Petróleo Brasileiro S.A. (Petrobras) is a publicly-held company operating on an integrated basis and specializing in the oil, natural gas and energy industry. The company is present in exploration and production, refining, marketing, transportation, petrochemicals, oil product distribution, natural gas, electricity, chemical-gas and biofuel segments. |
| Eni | Eni is an Italian company that operates in 73 different countries around the globe. In 2016, the company was listed in 65th place. They are present in oil and gas exploration, production, refining and selling operations, electricity and chemistry – the foundations on which their work is based – and the values that inspire their actions. |

concerning corporate social responsibility. It is worth examining the characteristics of the selected enterprises presented in Table 1.

As presented in Table 1, the mentioned companies work to satisfy the world's demand for crude oil, gas and electricity. They are the leaders in the production of petroleum products and among the largest refineries. These enterprises also transport, deliver, and sell refined petroleum products.

Information and contents of the reports, in particular taking account of the information about corporate social responsibility of the selected oil companies worldwide in the light of empirical research

Due to the size of these enterprises, their revenues, value and sector of activity, the reports they publish are very comprehensive; they are anywhere from 100 to over 400 pages. The question is, however, as to whether there is a sufficient amount and quality of information concerning their corporate social responsibility.

The companies mentioned earlier follow corporate social responsibility to a large extent. The majority of them repeatedly emphasize in their reports that they support environmental protection and local communities as well as obey corporate governance practices. The enterprises present the international regulations that they observe concerning environmental protection; moreover, health and safety is also important for them. Corporations spend a lot of funds on, among other things, environmental protection and they mention it in their reports. The question is, however, whether oil companies present information about CSR in the same or similar manner. Table 2 presents the most important chapters or subchapters of the annual reports in terms of their information and contents about corporate social responsibility.

It should be noted that the information about corporate social responsibility is presented in the annual reports of the selected companies in very different manners (Świdorska, 2010). It should be emphasized that the tables of contents or the subsections of the given reports differ significantly. There is more about the non-financial information presented in the reports, or the lack thereof, in the literature (Rybicki, 2003, pp. 14–15; Kiziukiewicz, 2007, p. 356; Świdorska & Więclaw, 2012). This can stem from the fact that the companies operate in different countries, thus they have to observe different rules concerning the preparation of reports. The ten largest oil and

gas companies are enterprises from the USA, China, Italy, India, Brazil, the UK and France. Therefore, each element of the reports should be analyzed individually and separately; this analysis is presented in Table 3.

Conclusions and the structure of a model annual report which includes information about corporate social responsibility for oil companies

According to the authors of this article, the majority of the annual reports studied have not been properly devised in order to also provide access to non-financial information, including information about corporate social responsibility, for a wide group of stakeholders (Zimon, 2016). Qualitative information is often lacking in the reports and the scale of the presented information is also insufficient. On the basis of the conducted research and the analysis of the companies' annual reports, the presentation of the information was evaluated according to three categories: information comprehensiveness, accuracy and relevance, as well as availability. Each of these categories was associated with the requirements of the most important recipients of CSR information in the annual reports:

- Management Board – it is worth noting that this body also makes decisions based on the information from the annual reports. However, the management has access to much more information than the other recipients and can make more accurate decisions based on this (Zimon & Zimon, 2019).
- Investors – a group of recipients who make decisions based on the reporting information provided by the company in the annual reports; they do not have access to the other data. Due to the nature of business operations, information about CSR is very important to them.
- Employees – a special group of recipients for whom information about CSR will be very important, due to their safety at work.
- Banks – first of all they look at corporate debt, and then, to a lesser extent, at CSR.
- Media and analysts – due to the risk of operating activities and the possibility of environmental disasters, this group of recipients certainly expects detailed information about CSR.

The annual reports of companies were evaluated on a scale from 1 to 5, where 1 is the lowest grade and 5 is the highest grade. The evaluation of each report is presented in Table 4.

Table 2. Chapters concerning corporate social responsibility in the annual reports of the selected companies – facts

| Company name | Presentation of information about corporate social responsibility in the annual reports – facts |
|---------------------------------|--|
| Exxon Mobil (ExxonMobil, 2016) | In the 2016 Exxon Mobil report, a lot of valuable information concerning corporate social responsibility can be found. There is a chapter entitled Corporate Citizenship where general environmental problems, the impact on local communities as well as economic growth and development are described. The company can be accused of a lack of detailed information in that regard in the 2016 report. On the other hand, Exxon Mobil published a special report entitled 2016 Corporate Citizenship Report which has as many as 46 pages. It is divided into such subchapters as: <ul style="list-style-type: none"> • Safety, health and the workplace, • Managing climate change risks, • Environmental performance, • Community engagement, human rights and strategic investments, • Local development and supply chain management, • Corporate governance. |
| Royal Dutch Shell (Shell, 2016) | Royal Dutch Shell's annual report has as many as 228 pages. On page 53 of the document, there is a chapter entitled Environment and Society. The company thoroughly describes such aspects as: <ul style="list-style-type: none"> • Control framework, • Safety, • Environment, • Security, • Neighboring communities, • Human rights. Moreover, on page 67, corporate governance is described and the data that stakeholders need is presented in detail. Additionally, the company published the Sustainability Report which has as many as 74 pages. |
| Chevron (Chevron, 2016) | Chevron's annual report contains 92 pages. It includes 13 chapters and social responsibility is mentioned in the following ones: <ul style="list-style-type: none"> • Letter to stockholders, • 2017 strategies, • Corporate officers, • Stockholder and investor information. On page 26, there is a chapter entitled Environmental Matters. Additional information on corporate social responsibility is given in the Corporate Responsibility Report. |
| PetroChina (PetroChina, 2016) | PetroChina's annual report starts with the table of contents, including several positions. Information on corporate governance can be found there (p. 56). The report contains 280 pages. Its particular parts include some information on corporate social responsibility, for example: <ul style="list-style-type: none"> • On page 73, environmental risks and climate risks are described, • On page 81, there is a section: Performance of Social Responsibilities and a section entitled Poverty Alleviation. |

| | |
|---|--|
| Total (Total, 2016) | Total's annual report has 368 pages; it is divided into two parts. The first part has over 20 pages and includes, among other things, basic data about the enterprise. In the second part of the report, there is another table of contents where the Corporate Governance section can be found, including: <ul style="list-style-type: none"> • Composition and practices of the Board of Directors, • General management • Shares held by the administration and management bodies The table of contents also has a chapter entitled Social, Environmental and Societal Information which contains: <ul style="list-style-type: none"> • Social information, • Safety, health and environment information, • Societal information, • Reporting scopes and method. |
| BP (BP, 2016) | BP's report contains 294 pages; it starts with a fairly detailed table of contents. For the purpose of this article, the most significant chapter is Sustainability, which is divided into the following subchapters: <ul style="list-style-type: none"> • Safety, • Climate change, • Value of society, • Human rights, • Local environmental impacts, • Ethical conduct, • Our people. Moreover, the report has a chapter entitled Shareholder Information. |
| Sinopec (Sinopec, 2016) | The annual report contains 213 pages. There is a table of contents at the beginning of the document which lists several chapters, including Corporate Governance. |
| Reliance Industries (Reliance Industries, 2017) | The annual report of this enterprise contains 460 pages. Such a comprehensive report should provide a detailed description of corporate social responsibility. The table of contents includes such sections as: <ul style="list-style-type: none"> • Letter to shareholders, • Reliance foundation, • People and innovation, • Report on corporate social responsibility, • Business responsibility report, • Independent reasonable assurance on sustainability disclosures, • Corporate governance report, • Shareholder information. |
| Petrobras (Petrobras, 2016) | The report has 405 pages and is divided into chapters. There are the following chapters: <ul style="list-style-type: none"> • Health, Safety and Environmental Initiatives, • Employees and Labor Relations, • Corporate Governance. |
| Eni (Eni, 2016) | The report contains 423 pages. There are such chapters as: <ul style="list-style-type: none"> • Safety, security, environmental and other operational risks, • Environmental matters, • Employees. |

Table 3. Analysis of the reports in terms of the information about corporate social responsibility

| Company name | Analysis of the report in terms of the information about corporate social responsibility |
|---------------------|---|
| Exxon Mobil | In the annual report, information about corporate social responsibility is described in a general way. This can be considered to be a drawback; however, the additional report very thoroughly presents corporate social responsibility in all possible aspects. According to the authors of this article, the company could try to publish an integrated report which would include such information. Thanks to this, apart from financial data, the readers of the report could receive crucial information about CSR in one document. |
| Royal Dutch Shell | Information on corporate social responsibility is described here in a fairly thorough way. The company decided to publish an extensive annual report which enabled a lot of valuable information concerning corporate social responsibility to be included. However, there are drawbacks, namely the lack of graphs and figures. |
| Chevron | Chevron's annual report contains a rather vague table of contents. Readers may have problems finding information about environmental protection and activities for local communities. The table of contents only highlights information for shareholders. The description of activities aimed at protecting the natural environment is general and difficult to find in the text. The report should provide a detailed description of corporate social responsibility in the company. |
| PetroChina | The table of contents in this extensive report does not indicate where information on corporate social responsibility can be found. This is the main drawback of the report which has almost 300 pages. Readers who want to receive information about the company's activities in terms of the natural environment have to read the whole report, which is a major drawback. Information about corporate social responsibility is not evenly distributed in the report. In such an extensive report, there are only a few paragraphs with regard to CSR. However, it is worth mentioning that the company presents these aspects, but only on its website and in additional reports, e.g. Sustainability Report 2016. |
| Total | The presentation of information concerning corporate social responsibility in this report can be deemed to be almost ideal; it is exceptionally detailed and extensive. Moreover, apart from descriptive information, there are also tables and graphs. Therefore, the readers of the report should not have any problems with finding the desired information. |
| BP | BP's annual report can be positively evaluated in terms of the information about corporate social responsibility it contains. Highlighting key aspects in the table of contents means that the readers of the report can find the necessary information quickly. The text should satisfy the majority of the readers of the report. |
| Sinopec | The table of contents does not enable information about corporate social responsibility to be easily found. The company presents it briefly in, among other things, the letter to shareholders, the cash flow description (expenditure on the environment), and the corporate governance section. The report lacks a specific chapter concerning corporate social responsibility. As in the case of the other companies, additional reports dealing with CSR are available on the company's website. |
| Reliance Industries | This is almost an ideal report in which the corporate social responsibility of the company is described very thoroughly. The data includes examples, photographs and tables. Although the report is very extensive, they can be easily found thanks to the table of contents. A considerable part of the report involves the description of the company's impact on local communities, health, education, ecology, the environment and sustainable development. |
| Petrobras | This extensive report does not include a lot of information on corporate social responsibility. However, thanks to the substantial table of contents, it is easy to find. The company could describe its activities for local communities more thoroughly and give more details about how it protects the environment. Additional reports, which present corporate social responsibility in detail, can be found on the company's website. |
| Eni | The report's table of contents does not clearly indicate exactly where the information on corporate social responsibility is; it can be found in several places, however finding it takes time. On the other hand, the information given can be considered to be accurate. The report only briefly described corporate governance. |

As can be seen in Table 3, the best annual reports in terms of comprehensiveness, relevance and availability of CSR information are from Reliance Industries, Total, Royal Dutch Shell and BP. On the other hand, it can be seen that the recipients who are least satisfied with the information about CSR can be employees and investors, and the most satisfied are banks and management. From the data in Table 4, the averages for the three criteria were drawn: information comprehensiveness, accuracy and relevance, as well

as availability, which are summarized in Table 5. Table 4 shows the evaluation of the presentation of information about corporate social responsibility in the annual reports of the selected oil companies on the basis of the analysis of the companies' annual reports. The evaluation was carried out on the basis of three criteria: information comprehensiveness, accuracy and relevance, as well as availability. The companies were evaluated on a scale from 1 to 5, where 1 is the lowest grade and 5 is the highest grade.

Table 4. The evaluation of the presentation of the information about corporate social responsibility in the annual reports of the selected oil companies based on the requirements of the recipients

| Category Company name | Information comprehensiveness | | | | | Information accuracy and relevance | | | | | Information availability | | | | | Average evaluation |
|--------------------------|-------------------------------|-----------|-----------|-------|-----------------|------------------------------------|-----------|-----------|-------|-----------------|--------------------------|-----------|-----------|-------|-----------------|--------------------|
| | Management | Investors | Employees | Banks | Media, analysts | Management | Investors | Employees | Banks | Media, analysts | Management | Investors | Employees | Banks | Media, analysts | |
| Exxon Mobil | 4 | 3 | 2 | 5 | 4 | 5 | 4 | 3 | 5 | 4 | 5 | 5 | 4 | 5 | 4 | 4.13 |
| Royal Dutch Shell | 5 | 5 | 5 | 5 | 4 | 5 | 5 | 4 | 5 | 4 | 5 | 4 | 3 | 5 | 4 | 4.53 |
| Chevron | 3 | 1 | 1 | 3 | 2 | 4 | 2 | 1 | 4 | 3 | 3 | 2 | 1 | 4 | 3 | 2.46 |
| PetroChina | 3 | 1 | 1 | 3 | 2 | 3 | 1 | 1 | 3 | 3 | 3 | 1 | 1 | 3 | 2 | 2.06 |
| Total | 5 | 5 | 4 | 5 | 4 | 5 | 5 | 4 | 5 | 4 | 5 | 5 | 4 | 5 | 4 | 4.6 |
| BP | 5 | 4 | 4 | 5 | 4 | 5 | 5 | 4 | 5 | 4 | 5 | 5 | 4 | 5 | 4 | 4.53 |
| Sinopec | 3 | 2 | 2 | 4 | 4 | 4 | 3 | 2 | 5 | 4 | 3 | 1 | 1 | 3 | 2 | 2.87 |
| Reliance Industries | 5 | 5 | 5 | 5 | 4 | 5 | 5 | 4 | 5 | 4 | 5 | 5 | 5 | 5 | 4 | 4.73 |
| Petrobras | 4 | 3 | 2 | 4 | 3 | 4 | 3 | 3 | 5 | 4 | 5 | 4 | 4 | 5 | 4 | 3.8 |
| Eni | 4 | 3 | 2 | 4 | 3 | 5 | 4 | 4 | 5 | 4 | 4 | 3 | 2 | 5 | 4 | 3.73 |
| Average evaluation | 4.1 | 3.2 | 2.8 | 4.3 | 3.4 | 4.5 | 3.7 | 3 | 4.7 | 3.8 | 4.3 | 3.5 | 2.9 | 4.5 | 3.5 | |

Table 5. The evaluation of the presentation of the information about corporate social responsibility in the annual reports of the selected oil companies

| Company name | Information comprehensiveness | Information accuracy and relevance | Information availability |
|---------------------|-------------------------------|------------------------------------|--------------------------|
| Exxon Mobil | 3.6 | 4.2 | 4.6 |
| Royal Dutch Shell | 4.8 | 4.6 | 4.2 |
| Chevron | 2 | 2.8 | 2.6 |
| PetroChina | 2 | 2.2 | 2 |
| Total | 4.6 | 4.6 | 4.6 |
| BP | 4.4 | 4.6 | 4.6 |
| Sinopec | 3 | 3.6 | 2 |
| Reliance Industries | 4.8 | 4.6 | 4.8 |
| Petrobras | 3.2 | 3.8 | 4.4 |
| Eni | 3.2 | 4.4 | 3.6 |

Summarizing the profound analysis of the reports in terms of the presented information on corporate social responsibility, the following conclusions can be drawn:

- The annual reports of oil companies differ in terms of their structure and contents,
- it is impossible to compare tables of contents or their division into chapters and subchapters,
- the chapters and subchapters do not often indicate where information on corporate social responsibility can be found,
- only a few companies decided to publish integrated reports which are more comprehensive,
- in several reports, information about corporate social responsibility is either insufficient or inaccurate,

- in the majority of the documents, there is a small amount of numerical data concerning corporate social responsibility,
- there is a clear division between information on environmental protection and corporate governance in the reports,
- it is impossible to compare the data concerning corporate social responsibility from just a few different reports.

Therefore, it should be emphasized that, according to the authors, it is crucial that oil and gas companies publish exhaustive integrated annual reports with a uniform structure. As indicated, the best access to information on corporate social responsibility was provided in the integrated annual report by Reliance Industries. This served as the basis for devising a table of contents that could be applied to the annual reports of oil and gas companies. The authors suggest that a table of contents of a model report for an oil and gas company should include:

1. Corporate Review
 - Basic Information,
 - Key Financial Data Summary,
 - Board of Directors,
 - Business Model,
 - Review of Operations,
 - Main Brands and Products,
 - Key Performance Indicators,
 - Creating Newer Experiences,
 - Awards and Distinctions.
2. Corporate Social Responsibility
 - People, Innovation and Communities,

- Relationships with Employees,
 - Environment,
 - Report on Corporate Social Responsibility,
 - Reasonable Independent Assurance on Sustainability Disclosures,
 - Corporate Governance.
3. Financial Statements
- Balance Sheet,
 - Statement of Profit and Loss,
 - Statement of Changes in Equity,
 - Cash Flow Statement,
 - Notes on the Financial Statements.
4. Information for Shareholders
- Letter to Shareholders,
 - Shareholders' References,
 - Notice of the Annual General Meeting.

This simple solution could considerably increase the transparency of the published information concerning companies' environmental and social activities, and thus close the information gap for the information's users. The possible implementation of this concept could have a lot of advantages. Publishing integrated reports with the structure of the table of contents presented by the authors could:

- improve availability of all the information by combining it in one document;
- increase the quantity and quality of the information, including that concerning corporate social responsibility;
- increase the usefulness of the information for the readers of the report;
- save time spent searching for information;
- increase order in the documents or information that are collected by the stakeholders;
- make it easier and quicker to search for and obtain information about social responsibility that has not been previously reported;
- provide the possibility of comparing each report subjectively with other reports from similar entities;
- provide the possibility of gaining more knowledge of an enterprise's activities in terms of various aspects and fields, including social acceptance.

Conclusions

A socially responsible enterprise is one which in its business activities, aimed at producing profit, takes its stakeholders' views on economics, law, ethics and philanthropy into account. Being responsible does not only mean fulfilling all the formal and legal requirements they are subject to, but also the entity's voluntary engagement and increased investment in human resources, environmental protection and its

relationships with stakeholders. Corporate social responsibility can be narrowed down to three main principles:

1. Sustainable development (resource management which does not limit the possibilities of future development).
2. Responsibility for the effects of the company's activities on the people who are affected by them (employees, competitors, clients, local communities).
3. Transparency, that is: informing stakeholders of the company's activities and their effect.

It is a good thing when an enterprise is socially responsible; however, CSR is a determinant of business success when an organization reports its activities to a wide group of interested users of the information. Therefore, it seems significant that, in the contemporary world, reporting should have a proper structure (annual reporting, integrated reporting) which includes information about corporate social responsibility that is presented in a clear and understandable manner.

It is worth adding that in today's world, CSR reports should be confronted by reality. Often companies present information about CSR in a positive light, while in fact polluting the environment. However, this is an issue that could be the subject of another study.

References

1. BP (2016) *Annual Report and Form 20-F 2016*. [Online] Available from: <https://www.bp.com/en/global/corporate/investors/results-and-reporting/annual-report.html> [Accessed: January 05, 2018].
2. CARROLL, A.B. & BUCHHOLTZ, A.K. (2003) *Business & Society. Ethics and Stakeholder Management*. South-Western College, USA: Thompson Learning.
3. Chevron (2016) *2016 Chevron Annual Report*. [Online] Available from: <https://www.chevron.com/-/media/chevron/annual-report/2016/2016-Annual-Report.pdf> [Accessed: July 20, 2019].
4. Eni (2016) *Form 20-F Annual Report*. [Online] Available from: https://www.eni.com/docs/en_IT/enicom/publications-archive/publications/reports/reports-2016/Annual-Report-On-Form-20-F-2016.pdf [Accessed: January 15, 2018].
5. ExxonMobil (2016) *2016 Summary Annual Report*. [Online] Available from: http://cdn.exxonmobil.com/~/-/media/global/files/corporate-citizenship-report/2016_CCR_full_report.pdf [Accessed: January 15, 2018].
6. FARRINGTON, T., CURRAN, R., GORI, K., O'GORMAN, K.D. & QUEENAN, C.J. (2017) Corporate social responsibility: reviewed, rated, revised. *International Journal of Contemporary Hospitality Management* 29, 1, pp. 30–47.
7. FLOWER, J. (2015) 'But does sustainability need capitalism or an integrated report' a commentary on 'The International Integrated Reporting Council: A story of failure'. *Critical Perspectives on Accounting* 27, pp. 18–22.

8. HOLME, R. & WATTS, P. (2000) *Corporate Social Responsibility: Making a Good Business Sense*. Conches-Geneva, Switzerland: World Business Council for Sustainable Development.
9. KIZIUKIEWICZ, T. (2007) Financial Reporting. In: Sawicki, K. (Ed.) *Financial Accounting of Polish Companies after Accession to the European Union Part 1*. Wrocław: Expert Publishing House.
10. LULEK, A. (2014) Significance of Corporate Social Responsibility for Stock Investors' Decision-making Process. In: Depta, A. (Ed.) *Contemporary Management Issues and Corporate Social Responsibility*. Monographs from the Łódź University of Technology, Łódź, pp. 215–224.
11. LULEK, A. & ZIELIŃSKA, D. (2015) The Role of Financial Reporting of the Companies from the Energy Sector in Supporting Sustainable Development. In: Adamek, J., Zuchewicz, J. (Eds) *Finances and Accounting for Sustainable Development – Responsibility, Ethics, Financial Stability. Volume 2: Accounting*. Wrocław: Wrocław University of Economics Publishing House, pp. 96–104.
12. NAKONIECZNA, J. (2008) *Corporate Social Responsibility of International Companies*. Warsaw: Difin.
13. ORLITZKY, M., SCHMIDT, F.L. & RYNES, S.L. (2003) Corporate Social and Financial Performance: A Meta-Analysis. *Organization Studies* 24, 3, pp. 403–441.
14. PAVA, M.L. & KRAUSZ, J. (1996) The association between corporate social-responsibility and financial performance: The paradox of social cost. *Journal of Business Ethics* 15, 3, pp. 321–357.
15. Petrobras (2016) *Form 20-F Annual Report*. [Online] Available from: <http://www.investidorpetrobras.com.br/en/annual-reports/form-20f> [Accessed: January 15, 2018].
16. PetroChina (2016) *PetroChina Company Limited. Annual Report*. [Online] Available from: <http://www.petrochina.com.cn/ptr/ndbg/201704/6b8ec9312f76499e9f06d14a02323417/files/7053dfccb53642b48af5dafb1aae4897.pdf> [Accessed: January 15, 2018].
17. RASCHE, A., MORSING, M. & MOON, J. (2017) *Corporate Social Responsibility: Strategy, Communication, Governance*. Cambridge University Press.
18. Reliance Industries (2017) *Integrated Annual Report 2016–17*. [Online] Available from: http://www.ril.com/getattachment/eb54f023-334f-4763-9f4a-dde72d315edb/AnnualReport_2016-17.aspx [Accessed: January 15, 2018].
19. ROGALL, H. (2010) *Economics of Sustainable Development. Theory and Practice*. Poznań: Zysk i S-ka.
20. RYBICKI, P. (2003) *Financial Statements as the Source of Information about a Company*. Warsaw: Poltext Publishing House.
21. SADOWSKA, B. (2016) The Strategy of the State Forests National Forest Holding and Sustainable Development. In: Dziawgo, L., Patrzalek, L. (Eds) *Finance for Sustainable Development. Economy – Ethics – Environment*. Research Papers of Wrocław University of Economics No. 437, Wrocław University of Economics Publishing House.
22. SADOWSKA, B. (2017) The Role of Accounting in Supporting Sustainable Development on the Example of the State Forests National Forest Holding. In: Adamek, J., Kogut, J., Krawiec, W. (Eds) *Finance and Accounting for Sustainable Development. Education – Ethics – Innovation. Accounting*. Research Papers of Wrocław University of Economics No. 479, Wrocław University of Economics Publishing House.
23. Shell (2016) *Annual Report. Royal Dutch Shell plc. Annual Report and Form 20-F for the year ended December 31, 2016*. [Online] Available from: https://reports.shell.com/annual-report/2016/servicepages/downloads/files/entire_shell_ar16.pdf [Accessed: July 20, 2019].
24. Sinopec (2016) *2016 Annual Report and accounts*. [Online] Available from: <http://www.sinopec.com/listco/en/Resource/Pdf/201703267e.pdf> [Accessed: January 15, 2018].
25. ŚNIEŻEK, E. (2016) *Reporting on Corporate Social Responsibility. A Case Study of National Forests*. Łódź: University of Łódź Publishing House.
26. STANWICK, P.A. & STANWICK, S.D. (1998) The Relationship Between Corporate Social Performance and Organizational Size, Financial Performance and Environmental Performance: An Empirical Examination. *Journal of Business Ethics* 17, 2, pp. 195–204.
27. ŚWIDERSKA, G.K. & WIĘCŁAW, W. (Eds.) (2012) *Financial Statements in Accordance with Polish and International Accounting Standards*. Warsaw: Difin/MAC sp. z.o.o.
28. ŚWIDERSKA, G.K. (2010) *How to Read Financial Statements. Manager's Guide. Third Edition*. Warsaw: Difin.
29. Total (2016) *2016 Edition Form 20-F*. [Online] Available from: <https://www.total.com/en/investors/publications-and-regulated-information/reports-and-publications> [Accessed: January 15, 2018].
30. VERSCHOOR, C.C. (1998) A Study of the Link Between a Corporation's Financial Performance and Its Commitment to Ethics. *Journal of Business Ethics* 17, 13, pp. 1509–1516.
31. WÓJCIK-JURKIEWICZ, M. (2016) The Notion of Socially Responsible Company and Company's Financial Results. *Economics Studies, Scientific Papers of the University of Economics in Katowice* 253, p. 140–150.
32. ZIMON, G. (2016) Accounting tools vs logistics costs control in a trading company. *Logforum* 12, 2, pp. 155–164.
33. ZIMON, G. & ZIMON, D. (2019) An assessment of the influence of nominalized quality management systems on the level of receivables in enterprises operating in branch group purchasing organizations. *Quality – Access to Success* 20 (169), pp. 47–51.