

## **Corporate Social Responsibility Reporting: A Descriptive Study across Industries**

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*Corporate Social Responsibility (hereafter, CSR) reporting has become an international trend. We examine the CSR reports of ten S&P 500 companies across different industries in the U.S. We find that while these CSR reports share many commonalities, differences in structure and content exist. These differences may make it difficult for financial statement users to compare firms’ social performance according to their CSR reports, especially firms from different industries. Our findings suggest that it might be helpful to promote a universal standard for CSR reporting to ease the cross-industry comparison of corporate social performance.*

### **INTRODUCTION**

According to the shareholder theory, the sole social responsibility of a company is to increase its profits and shareholders’ value (Friedman, 1970). However, the stakeholder theory states that a company owes the social responsibility to a wider group of stakeholders (Donaldson & Preston, 1995). Stakeholders refer to any person or group who are involved in the actions of a business, such as employees, customers, suppliers, creditors, competitors and the wider community. Around the world, more and more firms are increasing their engagement in corporate social responsibility (hereafter, CSR) and exploit CSR as the focus of their corporate strategy to build and maintain strong relationship with stakeholders and to improve firm performance (Bauman & Skitka, 2012; Siegel & Vitaliano, 2007).

CSR is defined as “context-specific organizational actions and policies that take into account stakeholders’ expectations and the triple bottom line of economic, social, and environmental performance” (Aguinis, 2011, p.855). Companies use CSR to help recognize their stakeholders’ needs, understand the needs’ risks and opportunities, and respond to those needs publicly and consistently (PwC, 2015). McWilliams and Siegel (2001) argued that CSR actions are beyond the companies’ interests and over the requirements by law. Most firms tend to improve social conditions and protect environment through CSR practices (Mackey, Mackey, & Barney, 2007).

To promote positive customer experience, make great workplace, and support communities, Target Corp. created 1.17 million volunteer hours, increased 26 percent of the offered organic food, and

decreased 13 percent of water from year 2009 to 2014 (Target, 2015). Sony Corp. collects end-of-life products every year all over the world to maintain a sustainable environment for future generations. In year 2014, Sony Corp. collected approximately 23,853 tons of used consumer electronics through the Take Back Recycling Program. As of March 2015, Sony Corp. collected 158,128 tons of electronics equipment scrap through the Recycling Program Website and 64 tons of used electronics through the Green Glove Program (Sony Corporation, 2015).

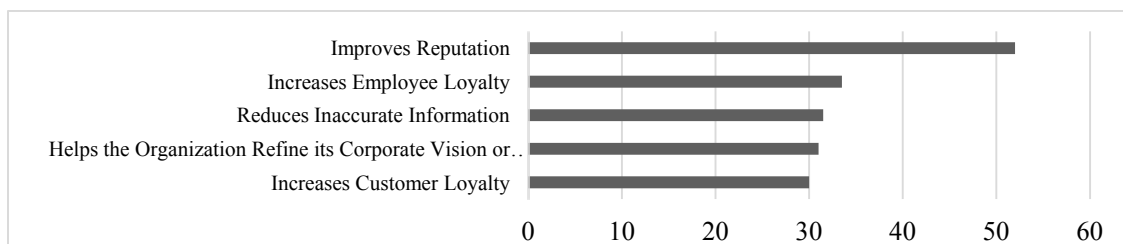
CSR reporting has become a global trend. Covering 4,100 firms across 41 countries, the 2013 KPMG Survey of Corporate Responsibility Reporting suggested that the Americas has become the leading CSR reporting region (KPMG International, 2013). To report CSR practices, companies use different terms, such as CSR Report, Corporate Responsibility (CR) Report or Sustainability Report. As of year 2013, 76 percent of companies from the Americas, 73 percent from Europe, and 71 percent from Asia Pacific reported their CSR activities. Besides, 93 percent of the largest 250 corporations in the world reported their CSR activities (KPMG International, 2013). According to the Ernst & Young Value of Sustainability Reporting, 39 percent of U.S. companies reported their CSR activities compared to 61 percent of companies from the rest of the world (EY, 2013).

The objective of this study is to provide some descriptive evidence on CSR reporting practices across ten industries in the United States (the U.S.). We examine the most recent CSR reports of ten S&P 500 companies from different industries and identify their key similarities and differences. Industries are defined as the first two digits of the Global Industry Classification Standard (GICS) codes (Standard & Poor’s Indices, 2008). The study continues as follows. We discuss the benefits and guidelines of CSR reporting, report our sample and methodology, present the empirical results of analysis and conclude.

## BENEFITS AND GUIDELINES OF CSR REPORTING

CSR reporting is an essential business management tool since CSR reporting “has become the *de facto* law for business, enhanced financial value, raised the bar on data integrity, and made the most of assurance” (KPMG International, 2011, p.2-3; Boer, 2013). According to Bob Liodice (2010), the Association of National Advertisers’ president-CEO, ten firms have good CSR performance and business performance, such as Burt’s Bees that has natural personal care products and Whole Foods which supplies sustainable and organic food. These two examples show how CSR can connect to long-term business strategy. However, some companies do not care about CSR. For example, Walmart has been charged with discrimination, human rights violations, and environmental crimes (Troutman, 2015). Comcast’s merger manner would result in monopolizing cable market (Troutman, 2015). These unethical actions cause many criticisms and damage companies’ reputation. Figure 1 shows that CSR reporting provides the most value in five ways such that it improves corporate reputation, increases employee loyalty, reduces inaccurate information, helps companies refine their corporate vision or strategy, and increases consumer loyalty (EY, 2013).

**FIGURE 1**  
**TOP-FIVE WAYS THAT CSR REPORTING PROVIDE VALUE**



Note: This figure shows the top-five ways that sustainability reporting provide value. This figure is adapted from Boston College Center for Corporate Citizenship and EY 2013 Survey.

Although there is no formal laws or specific requirements, some guidelines are generally accepted for CSR reporting. Global Reporting Initiative (GRI) is a global independent organization that assists businesses, governments and other organizations in recognizing and communicating the influence of business on critical sustainability issues such as climate change, human rights, corruption and others (GRI, 2016). The GRI Guidelines are the most popular framework around the world (GRI & ISO, 2014). These guidelines can be used by corporations of any size and any type for reporting on environmental, social and economic performance (GRI, 2016). Most organizations are currently using the G4 version of the GRI guidelines. As of year 2012, 78 percent of 4,100 companies and 82 percent of the world's largest 250 firms referred to the GRI Guidelines (KPMG International, 2013). For example, Target Corp. adopted GRI G4 guideline as the standard for its 2014 CSR Reporting (Target, 2015).

Furthermore, GRI and the International Organization for Standardization (ISO) published a report on how to use the GRI G4 Guidelines and ISO 26000 in conjunction (GRI & ISO, 2014). ISO 26000: 2010 is a guidance on social responsibility. It can help clarify what social responsibility is, aid businesses and organizations in transforming principles into effective actions, and share the best practices regarding social responsibility internationally (ISO, 2016).

Other than the previous two standards, the Sustainability Accounting Standards Board (SASB) also provided sustainability accounting standards, which are primarily used in the U.S. (SASB, 2013). As of year 2016, there exist sustainability accounting standards for 79 industries in 11 sectors” (SASB, 2016).

## **SAMPLE AND METHODOLOGY**

In this study, we compare the CSR reporting practices of exemplary companies from ten industries in the U.S. based on the first two digits of the Global Industry Classification Standard (GICS) codes. The GICS methodology has been commonly accepted as an industry analysis framework for investment research, portfolio management and asset allocation (Standard & Poor's Indices, 2008). The ten industrial sectors in the GICS classification system are: Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, IT, Telecommunication Services, and Utilities. One sample company is chosen from each industrial sector based on the company's reputation and the availability of its CSR report as of December 31, 2015. Table 1 lists the company names and the GICS industrial sectors. All sample firms are S&P 500 companies.

**TABLE 1  
SAMPLE FIRMS**

<b>Company Name</b>	<b>GICS Industrial Sector</b>	<b>First Two-digit of GICS</b>
<b>Chevron Corp.</b>	Energy	10
<b>Dow Chemical</b>	Materials	15
<b>3M</b>	Industrials	20
<b>Target</b>	Consumer Discretionary	25
<b>P&amp;G</b>	Consumer Staples	30
<b>Johnson &amp; Johnson</b>	Health Care	35
<b>JPMorgan Chase</b>	Financials	40
<b>Microsoft</b>	Information Technology	45
<b>AT&amp;T Inc.</b>	Telecommunication services	50
<b>Duke Energy</b>	Utilities	55

Note: This table lists the company names and GICS industrial sectors.

## **EMPIRICAL FINDINGS**

By comparing their CSR reports, we identify key similarities and differences among the ten firms with regard to a number of aspects, which are discussed as below.

### **Letter from CEO**

All of the ten CSR reports include a letter or statement from CEO or chairperson. These letters or statements commonly highlight the company's vision, discuss its attitude towards CSR, and summarize its CSR efforts. For example, Microsoft's CEO letter mentions business ambitions, innovative technology, brighter future, and CSR activities. Duke Energy's CEO letter discusses the firm's connection to environment, safe operations, customers and communities, and business plans. Both letters help shareholders better understand the CSR reports.

### **Guidelines**

Nine out of ten companies use GRI guidelines. The only exception is Chevron Corp. Chevron Corp belongs to the Energy sector and thus uses the IPIECA/API/OGP Index as its CSR reporting guideline, which is a specific reporting guidance for the oil and gas industry. Except for AT&T Inc., all of the other companies include a brief introduction of their guidelines of CSR reporting.

### **Highlights**

All companies highlight their awards, recognitions and achievements of social responsibility in volunteer time, donations, environmental sustainability, and diversity. For instance, in year 2013, AT&T Inc. highlights its achievements in three main categories – people & communities, environment, and technology, such as more than 5.3 million volunteer hours and \$130 million total giving (AT&T Inc., 2014). Moreover, 3M's CSR report features six awards in year 2014, including ENERGY STAR Sustained Excellence Award, Dow Jones Sustainability Index, BUILDINGS Magazine Money Saving Products, Edison Award, The World's Most Ethical (WME) Companies, and Aon Hewitt's 2014 Top Company for Leaders (3M, 2015). Highlighting awards, recognitions and achievements of social responsibility is a simple and easy way to recognize a firm's CSR efforts. Besides, all companies mention their products to present the achievements on CSR activities. Microsoft provides students with free Office 365 to support their education. Johnson & Johnson discusses the products that received Earthwards recognition of its CSR engagement in year 2014.

### **Concerns**

GRI index have three major categories - environment, society, and economy. There are a number of common concerns across industries in each category.

In the environment section, the ten CSR reports mainly focus on the efforts on water, waste, energy, climate change, supply of materials, and emissions. As shown in Table 2 Panel A, except for JPMorgan Chase, which is the only sample firm that does not involve in any physical production, all of the other firms mention water, sourcing materials and supplier as a concern.

In the society section, all companies care about their employees, customers, and community. To improve employees' loyalty and professional skills, most companies provide employees with great educational opportunities and focus on diversity and inclusion. For example, Dow Chemical hires employees from different countries to create a diverse workplace. Johnson & Johnson leads a dynamic and growing business responsibility by offering more product options to improve suppliers' diversity and inclusion. Other than caring about employees, companies also strive to satisfy customers with quality products and services. Dow Chemical is responsible for customers' health, safety, and privacy by focusing on product stewardship. Furthermore, companies are willing to make social investments and encourage their employees to serve as volunteers in community. Chevron Corp. spent over \$240 million universally on social investment in year 2014 (Chevron Corporation, 2015). Target Corp. achieved their

goal of “maintaining one million volunteer hours annually, with total of 1,177,079 hours” in year 2014 (Target, 2015, p.7).

In the economy section, companies create many job opportunities for the society. In year 2014, Johnson & Johnson spent \$3.7 billion on additions to property, plant and equipment, offering more job opportunities (Johnson & Johnson, 2015). Most companies report company profile and corporate governance clearly. For example, 3M mentions that the company profile helps stakeholders learn its culture of innovation and how the company is “applying science to improve lives” (3M, 2015, p.125). Also, 3M “believes that good corporate governance practices serve the long-term interests of stockholders, strengthen the management, and further enhance the public trust” (3M, 2015, p.131). 3M’s corporate governance is effective and efficient for its management and social supervision.

Despite these common concerns, some sample firms also express firm-specific and/or industry-specific concerns (as shown in Table 2 Panel B). For example, JPMorgan Chase concerns about supporting small businesses, expanding global financial capability, increasing economic competitiveness, and career mobility. Chevron concerns about the volume of petroleum spill. Dow concerns about valuing ecosystems and corruption.

In addition, there are some concerns in main categories that are not commonly shared among the majority of the sample firms (as shown in Table 2 Panel C). For example, in the environment section, two companies (P&G and Target) concern about packaging. In the society section, two companies (JPMorgan and AT&T) concern about military and veterans. In the economy section, three companies (3M, Johnson & Johnson, and Target) concern about financial performance and summarize how to improve business in their CSR reports.

**TABLE 2**  
**SIMILARITIES AND DIFFERENCES OF CONCERNS IN CSR REPORTING**

**PANEL A. CONCERNS IN MAJOR CATEGORIES**

Categories	Concerns	Companies Names (Number of Companies)
<b>Environment</b>	Water	Chevron, Dow, 3M, Target, P&G, JNJ, Microsoft, AT&T, Duke (9)
	Waste	Dow, P&G, JNJ, Microsoft, Duke (5)
	Energy	Chevron, Dow, 3M, Target, P&G, Microsoft, AT&T, Duke (8)
	Climate Change	Chevron, Dow, P&G, JNJ, Duke (5)
	Sourcing Materials & Supplier	Chevron, Dow, 3M, Target, P&G, JNJ, Microsoft, AT&T, Duke (9)
	Emissions	Dow, 3M, Target, P&G, JNJ, Duke (6)
	Recyclability & Renewable	Dow, P&G, Microsoft, AT&T, Duke (5)
	Innovation & Technology	JNJ, Target, 3M, Microsoft, AT&T (5)
<b>Society</b>	Health & Safety	Chevron, Dow, 3M, P&G, JNJ, Microsoft, AT&T, Duke (8)
	Stakeholder Engagement	Chevron, Dow, Target, P&G, JNJ, Microsoft, Duke (7)
	Diversity & Inclusion	Dow, Target, P&G, JNJ, JPMorgan Chase, Microsoft (6)
	Human Rights	Chevron, Dow, 3M, P&G, JNJ, Microsoft (6)
	Community	Dow, Target, JNJ, JPMorgan Chase, Microsoft, AT&T, Duke (7)
	People	Chevron, Dow, 3M, Target, P&G, JPMorgan Chase, Microsoft, AT&T, Duke (9)
	Ethical, Integrity, Code of conduct & Compliance	Dow, 3M, P&G, JNJ, Microsoft (5)

	Social Investment, Corporate Giving, Charitable Giving and Philanthropy	Chevron, Duke, Target, JNJ, Microsoft (5)
	Political Contributions & Public Policy	3M, JNJ, JPMorgan Chase, Microsoft, Duke (5)
<b>Economy</b>	Hiring, Recruitment, Employment & Job Creation	Chevron, Dow, 3M, JNJ, Chevron, AT&T (6)
	Governance	Dow, 3M, P&G, JNJ, JPMorgan, Microsoft, Duke (7)
	Profile	3M, P&G, JNJ, JPMorgan, Microsoft, Duke (6)

Note: This table reports the concerns in the three major categories: environment, society and economy.

### PANEL B. DIFFERENT CONCERNS OF COMPANIES

Company	Concerns
<b>Chevron Corp.</b>	Petroleum Spill Volume
<b>Dow Chemical</b>	Chemistry
	Valuing Ecosystems
	Corruption
<b>P&amp;G</b>	Zero Manufacturing Waste to Landfill
	Truck Transportation
	Palm Oil
	Eliminating Research Involving Animals
	Advertising and Promoting to Consumers Appropriately
	Notices of Violation
<b>Johnson &amp; Johnson</b>	R&D and Clinical Trials
	Ingredients
	Lobbying
	Quality & Safety of Products
<b>JPMorgan Chase</b>	Supporting Small Businesses
	Expanding Global Financial Capability
	Increasing Economic Competitiveness
	Career Mobility
<b>Microsoft</b>	Humanitarian and Disaster Response
	Global Network Initiative
	Design for Green Devices
	Productivity
<b>AT&amp;T Inc.</b>	Fleet (reached AFV goal halfway milestone)
<b>Duke Energy</b>	Carbon
	Satisfaction Scores Improve; Rankings Still Sluggish
	New Natural Gas Pipeline
	Nuclear: Present and Future
	Ash Management

Note: This table reports the different concerns of companies.

**PANEL C. DIFFERENT CONCERNS IN MAJOR CATEGORIES**

Categories	Concerns	Company Names (Number of Companies)
<b>Environment</b>	Biodiversity	Chevron, Dow, JNJ (3)
	Packaging	P&G, Target (2)
	Resources	P&G, Duke (2)
	Hygiene & Clean	P&G, Target (2)
<b>Society</b>	Military and Veterans	JPMorgan, AT&T (2)
	Transparency	Chevron, Target, JNJ, Duke (4)
	Culture	Dow, P&G, JPMorgan Chase, Microsoft (4)
	Partnerships	Dow, 3M, Microsoft (3)
	Compensation	3M, JNJ, Microsoft (3)
<b>Economy</b>	Financial Summary & Performance	3M, JNJ, Target (3)

Note: This table reports the different concerns in the three major categories: environment, society and economy.

**Setting Goals**

Except for JPMorgan, all of the other companies set explicitly short-term goals, long-term goals or both for sustainable development. Most companies report the progress toward achieving these goals. Chevron states its primary goal as “zero incidents” and describes the five operational excellence objectives: safety, health, environment, reliability and efficiency. However, besides these general descriptions of what it aims to achieve, Chevron does not provide specific action plan and timeline for these goals. P&G focuses only on the long-term 2020 goal. Microsoft focuses only on the 2015 and 2016 annual goals. All the other six companies describe both short-term goals and long-term goals and report if they exceeded, achieved, or are on track to achieve these goals in detail. For example, Dow states its 2015 goal as “achieve at least three breakthroughs that will significantly help solve world challenges” (Dow Chemical, 2015, p.14). Dow also sets seven 2025 sustainability goals, aiming at magnifying its impact around the world. Duke sets short-term and long-term goals in four aspects: customers, growth, operations, and employees. Target sets a mix of 20 short-term goals with different timelines ranging from 2015 to 2017, with regard to environment, team member well-being, education, and volunteerism.

**Major Issues**

Table 3 provides information on major issues discussed in these reports. One major issue that many firms face is globalization. Globalization provides new opportunities of benefiting from CSR efforts, but also presents great challenges. Seven out of the ten sample firms either discuss their CSR activities at the global level or major global challenges they are going to deal with. For example, Johnson & Johnson and P&G report their CSR efforts on global medicals to promote global safety and health. Dow Chemical reports several global conservation activities in its CSR report, such as “The Nature Conservancy/Dow Pilot #1 at Freeport, Texas, US” and “Habitat restoration at Mozzanica, Italy” (Dow Chemical, 2015, p.99).

**TABLE 3**  
**MAJOR ISSUES IN CSR REPORTING**

Company	Sustainability	Globalization
<b>Chevron Corp.</b>	Not mentioned.	Global Economic Impact
<b>Dow Chemical</b>	The Economic Impact of Sustainability; Sustainable Chemistry.	Selected Global Conservation Activities
<b>3M</b>	Economic Sustainability; Sustainability Governance.	Global Challenges; Globally Diverse Workforce; Global Code of Conduct; Public Policy and Engagement Worldwide
<b>Target</b>	Sustainability Engagement	Not mentioned.
<b>P&amp;G</b>	Environmental Sustainability; Sustainable Forestry.	Worldwide Health, Safety and Environment Systems; Global Medical.
<b>Johnson &amp; Johnson</b>	Citizenship & Sustainability Materiality Assessment Process	Global Health
<b>JPMorgan Chase</b>	Sustainable Finance	Expanding Global Financial Capability; Global Cities Exchange: 28 Cities in a Learning and Action Network.
<b>Microsoft</b>	Environmental Sustainability; Sustainable Manufacturing.	Global Network Initiative; Global Diversity and Inclusion.
<b>AT&amp;T Inc.</b>	ICT-based sustainability solutions	Not mentioned.
<b>Duke Energy</b>	Financial Stability (Sustainability)	Not mentioned.

Note: This table provides information on the two common concepts (sustainability and globalization) discussed in the CSR reports.

While most sample firms commonly discuss the impact of globalization on their business and CSR initiatives, only some firms discuss efficiency and affordability in their CSR reports. According to the Merriam-Webster's Learner's Dictionary (2016), efficiency is "the ability to do something or produce something without wasting materials, time, or energy". Affordability means "the extent to which something is affordable, as measured by its cost relative to the amount that the purchaser is able to pay" (Your Dictionary, 2016). Although these two issues are closely relevant to CSR strategy, only three sample firms (Chevron Corp., Microsoft, and Duke Energy) mention energy efficiency, and two firms (Johnson & Johnson and Duke Energy) mention affordability in their CSR reports.

Many people view CSR, CR, corporate citizenship and sustainability as interchangeable terms describing the same thing. However, sustainability is more like the end achieved by the means of behaving in socially responsible ways or being a good corporate citizen. While sustainability is a common theme in CSR reporting, not every firm uses the term explicitly. In our sample, six firms use "sustainability" in the title of their CSR reports. Three firms use "responsibility" and two firms use "citizenship". Except for Chevron, all other sample firms include discussions specifically on "sustainability" in their CSR reports.

### **Format**

To effectively convey the information of their CSR efforts to stakeholders or the mass public, firms need present this information in appropriate ways and ensure the CSR report to be well formatted and eye-catching. All sample companies use reader-friendly figures and tables to clearly present key facts and statistics. Except for Microsoft, all of the other firms use photos in their CSR reports. Some companies



use short articles to show their actions and opinions in details. For example, in the article “*SIRTURO® Research Team Wins European Inventor Award*”, Johnson & Johnson summarizes its achievement in R&D and Clinical Trials field (Johnson & Johnson, 2015). Shareholders can learn P&G’s efforts in the renewable energy field from the article “*Albany Plant to Receive 100% Renewable Steam from Scrap Wood*” (Procter & Gamble, 2015).

In addition to the common elements such as figures, tables, photos, and short articles, some companies report their CSR practices in unique ways. For example, some companies summarize their CSR efforts in specific cities or states. JPMorgan Chase reports its CSR activities in cities such as Detroit and Chicago. Duke Energy commits to the economic vitality of its community by states, such as North Carolina, South Carolina, Florida and so on (Duke Energy Corporation, 2015). Some companies include critical conversations or Question and Answer (Q&A) section to respond to the most important CSR issues and show plans about CSR activities, such as JPMorgan Chase and Dow Chemical.

### Length

Last but not the least, there is no commonly acceptable standard length of CSR reports. The length of our sample CSR reports ranges from 18 to 179 pages. As shown in Table 4, some companies’ CSR reports are comprehensive and lengthy, such as Dow and 3M (over 150 pages). Some are simple and short, such as AT&T (only 18 pages). There are a number of potential explanations of the differences in CSR report length. Firms are exposed to high levels of public scrutiny and social pressure of behaving responsibly might need to provide more information of their CSR practices in the report to satisfy the readers. For example, since more and more people begin realizing the importance of environmental protection, companies in the Materials and Industrials sectors have attracted much public attention. Dow Chemical (in the Materials sector) increased the length of its CSR report from 94 pages in 2010 to 178 pages in 2014. The diversity of stakeholders a firm deals with may also influence the amount of information that needs to be included in the report. Johnson & Johnson (in the Health Care sector) provides considerable details in its CSR report since the company’s products are related to healthiness and penetrate people’s daily life, making almost everyone its stakeholders. In *2014 Citizenship & Sustainability Report*, Johnson & Johnson describes its CSR efforts in advancing human health and well-being, leading a dynamic and growth business responsibility, and stewarding a healthy environment in 122 pages.

**TABLE 4**  
**FREQUENCY, LENGTH AND GUIDELINES OF CSR REPORTING**  
(as of December 31, 2015)

Company	The Most Recent CSR Report	Number of Pages	Guidelines
<b>Chevron Corp.</b>	2014 Corporate Responsibility Report Highlights	30	IPIECA/API/OGP Index
<b>Dow Chemical</b>	2014 Annual Sustainability Report	178	GRI G4
<b>3M</b>	2015 Sustainability Report	179	GRI G4
<b>Target</b>	2014 Corporate Social Responsibility Report	74	GRI G4
<b>P&amp;G</b>	2015 Sustainability Full Report	75	GRI G3
<b>Johnson &amp; Johnson</b>	2014 Citizenship & Sustainability Report	122	GRI G4
<b>JPMorgan Chase</b>	2014 Corporate Responsibility Report	54	GRI G3
<b>Microsoft</b>	2015 Citizenship Report	71	GRI G4
<b>AT&amp;T Inc.</b>	2013 Annual Sustainability Update	18	GRI G4
<b>Duke Energy</b>	2014 Sustainability Report	42	GRI G4

Note: This table reports the length, frequency and guidelines of CSR reporting.

## Timeline and Frequency

All ten companies update their CSR reports annually. Dow Chemical also updates its CSR report quarterly. Different firms release their annual CSR reports at different times. Some firms provide the update in the end of the calendar year while some do so in the end of the financial year. Table 4 shows the most updated CSR reports of the sample firms when we initiated this study. As of December 31, 2015, 3M, P&G, and Microsoft published 2015 CSR reports on their websites; some firms published their 2014 CSR reports. Although AT&T Inc. has been updating its CSR efforts continuously on its corporate website, its most recent formal CSR report was published in 2013.

## CONCLUSION

More and more firms realize the importance of CSR reporting. The U.S. has become the leading CSR reporting region, followed by Europe and Asia Pacific. We examine the CSR reports of ten S&P 500 companies across different industries in the U.S. While these CSR reports share many commonalities, differences in structure and content exist. These differences may make it difficult for financial statement users to compare firms' social performance by reading their CSR reports, especially firms from different industries. Therefore, it might be helpful to promote a universal standard for CSR reporting to ease the cross-industry comparison of corporate social performance.

Even though CSR reporting is not mandated by law or the government, it becomes an international trend. CSR reporting helps companies improve corporate reputation, increase employee and consumer loyalty, reduce inaccurate information, and increase efficiency and long-term profitability (EY, 2013). There may be a formal standard that is amplified, refined, organized and unified based on GRI guideline in the future. Further, there have been some discussions on combining the CSR reports and financial statements in an integrated manner. According to PwC (2013), stakeholders believe integrated reporting can provide additional information to help achieve companies' long-term prospects and help managers think in an integrated way.

While a firm's financial performance is determined by a mix of contextual and strategic factors, effectively communicating with stakeholders on its social responsibility through annual CSR report may contribute to its financial performance. Our study reveals how CSR reports of firms from different industries can differ. It may be worthwhile to explore if corporate financial performance is related to the specific way a firm drafts and organizes its CSR report. We suggest this as a potentially fruitful direction of future research, which may further provide evidence if a universal standard of CSR reporting across industries is necessary.

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