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What Does Corporate Social Responsibility Mean to Fortune 500 Companies and Why? A 2015 CSR audit of the top 25 Fortune 500 Companies.

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Abstract

What Does Corporate Social Responsibility Mean to *Fortune* 500 Companies and Why?

A 2015 CSR audit of the top 25 Fortune 500 Companies.

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Corporate social responsibility has become an essential function in modern business. The purpose of this study was to show the societal benefits and the vast possibility of CSR programs. The top 25 *Fortune* 500 companies were chosen for this study because they were leaders within each industry with business functions worldwide. Lastly, the purpose of this research is to find out how companies translate CSR into business benefits.

This study used a qualitative content analysis to determine the trends of the top 25 *Fortune* 500 corporations. The content that was analyzed were the CSR webpages of each company's website and formal CSR reports where they were available. 15 codes were identified from the content. Coding revealed the grants/foundations had the most participation by the corporations followed by environmental sustainability.   Corporate giving through grants and corporate foundations is one of the original forms of CSR, which explains why that was the code with the most participation. The code with the least participation was the conflict minerals code. Proceeds from the sale of conflict minerals perpetuate unrest in war torn countries, such as the Democratic Republic of the Congo. This code probably had the least participation because most of the businesses reviewed did not need to purchase minerals for business operations. Another reason that this code had the least participation was the likelihood that taking a firm stance against conflict minerals could interrupt business relationships with foreign countries.

The following research questions were addressed:

- RQ1: Are CSR initiatives consistent within each industry?

- RQ2: If applicable, how do companies measure the impact of their CSR efforts?

- RQ3: Where are most CSR efforts concentrated, and in what areas are CSR efforts lacking?

- RQ4: How did the company choose its CSR efforts and why?

The content analysis revealed that the only industries that had consistent CSR initiatives were food and drug stores and general merchandisers. There was no clear or consistent way that corporations measured the impact of their CSR efforts. Most corporations that produced formal CSR reports measured the impact of CSR by comparing the year being reported to the previous year or measuring the year being reported against future goals. Most CSR efforts were concentrated in the areas of grants/foundation, environmental sustainability and education. Lastly, there was no concrete information about why companies chose their CSR efforts, but most companies chose CSR efforts that aligned with their corporate missions and values.

WHAT DOES CORPORATE SOCIAL RESPONSIBILITY MEAN TO FORTUNE-500

COMPANIES AND WHY? A 2015 CSR AUDIT OF THE TOP 25 FORTUNE-500

COMPANIES, IN 2015.

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Introduction

The *Fortune*-500 List represents the largest U.S. corporations each year. The 2015 list consists of household brand names that spawn a full-spectrum of thoughts. The top corporation on the list, Walmart, is a globally recognized bargain super store. People praise the company for their reasonable prices and wide variety of products. However, Walmart has been scrutinized consistently in the media for how its employees are treated and how little they are paid in comparison to the corporations' profits. It is a tremendous effort to maintain a brand, and the landscape where it is to be maintained is constantly evolving. Corporate social responsibility (CSR) has been described as a tactic, a public relations function and even a theory. (See Waddock, 2004; Moura-Leite & Padgett, 2011; Davis, 1967; Heald, 1970; Carroll, 2015 and Brammer & Millington, 2008). CSR has developed into a necessary practice for corporations that want to maintain a positive image, retain employees and improve their brand. (Lee, 2008). This manuscript will discuss the CSR efforts in the Top 25 *Fortune-500* companies.

When I first learned about CSR initiatives a couple of years ago, I was unconvinced about the sincerity that CSR could positively impact a business's bottom line. I could not settle in my mind for-profit corporations freely giving their resources to noble causes. Companies have fiscal responsibilities to their shareholders, must weather the storms through crises and recessions, and must consistently facilitate active employee engagement. I initially found it difficult to believe that companies could diligently tend to CSR efforts.

The qualitative research performed for this manuscript has shown me that my initial reaction was both right and wrong. While some corporations diligently tend to their CSR efforts, and produce formal reports with metrics, others give barely more than a statement about how CSR is handled by the corporation, if its handled at all. Right now, it is completely up to a

corporation to determine its CSR plan. In the course of this research, I determined that there was no business standard for determining, implementing or reporting CSR by corporations. Though there is little insight as to how CSR directly affects a businesses' bottom line, many leaders of corporations have danced around an idea of CSR's circular affect. For example, a landscaping company volunteers to pick up trash in a community, and in turn, people in the community recognize the landscaping company for its good deed and hires the company for their landscaping needs. Other CSR efforts can directly impact a company. An example of this is when a company "goes green" and saves money on its utility bills or receives a tax break from the government. What is clear, is that CSR initiatives promulgated by corporations are not purely altruistic in nature. The company closely ties its CSR initiatives with its brand, goals and corporate vision.

This thesis has six main sections. Section One is a literature review with four sub-parts. The first part encompasses this history of CSR and the second part covers the debate concerning the definition or theory of CSR. The third part is a summation of scholarship on the purpose and benefit of CSR for corporations. The last part of the literature review consists of insights into what professionals and scholars find are the most popular types of CSR initiatives. Following the literature review are Sections Two and Three, a discussion of the purpose of the research and the research questions. Section Four details my research methodology, followed by Section Five, containing the results and discussion of my research. Finally, Section Six will summarize key findings, takeaways for public relations practice and research, the limitations on this research and areas for further research.

Section I: Literature Review

When making decisions, business people should, and arguably have, an obligation to consider social objectives, values and the effects of their decisions. On the other hand, Friedman vehemently denies that corporations have any responsibilities, other than what affects their bottom line. (Fifka, 2009). This literature review has four parts. The first part is a history of CSR, considering both the concept and the frameworks of corporate involvement in CSR. The second part presents the debate between the unsettled definition of CSR and why the definition may never be agreed upon. The next section discusses the purpose of CSR for corporations, and the final section gives examples of popular CSR initiatives.

History of CSR

Early CSR initiatives and involvement by corporations can be traced back as far as 1919. (Moura-Leite & Padgett, 2011). One of the first proponents of the idea that a corporation has responsibilities to the community was Henry Ford of Ford Motor Company. (Moura-Leite & Padgett, 2011). The Dodge brothers, who later branched off and created the Dodge Motor Company, brought suit against Henry Ford and the Ford Motor Company, because Ford decided to significantly reduce or completely suspend dividends and put the profits back into the company. Ford's company had continued to decrease the cost of the automobile and wanted to continue to do so in addition to put more automobiles into production. Lowering the price of the automobile was important to Ford, because he knew of its importance to fostering mobility and even changing people's lives. Ford did not want the automobile to be considered a luxury item only reserved for people of a certain class or stature, he wanted the automobile to be available to all.

This early form of CSR, responsible business or making business decisions that can benefit the community, is very personal to the business itself. This type of CSR finds a way for the business of the business to benefit society at large, or making sure that the business of the business does not increase community hardships.

Between the early twentieth century and the 1950's there was a lull in scholarship, implementation and discussion of CSR practices. There are two reasons for the lack of CSR in the 50's. First, the 1950's were booming, read baby boomers, economic boom and booming suburbs. In the United States, everything seemed to be going well, corporations may not have seen a need for CSR. Second, corporations largely supported the war efforts from World War II, The Korean War and The Cold War, this may have been how they performed CSR in the 40s and 50s.

Additionally, during the 50s, several stakeholders, including upper management and shareholders failed to connect the benefits of CSR to the corporation. That era, where cash was king and shareholders increasingly relied on dividends dictating a company's value, saw significant push back against the CSR strategies. In 1953, Howard R. Bowen published a groundbreaking book about CSR, *Social Responsibilities of the Businessman*. Though Bowen was not the first to publish on the subject several scholars have relayed this text as the foundation to scholarship in the area. (See Madrakhimova, 2013; Moura-Leite and Padgett, 2011; Carroll 1999).

Bowen's book advocated that businessmen should make decisions the same way Henry Ford made decisions, by realizing how those decisions will affect society at large. (Moura-Leite and Padgett, 2011). The following year after Bowen's text was published Peter Drucker listed public responsibility as one of the eight key areas of business objectives in his book, *The*

Practice of Management. (Moura-Leite and Padgett, 2011). His view of CSR was congruent to that of Bowen: make ethical decisions. According to Frederick, CSR in the 1950s meant (1) corporate managers are public trustees; (2) competing claims and corporate resources should be balanced; and (3) philanthropy should be an accepted way for businesses to support good causes. (2006).

The 1960s led to an influx of scholarship focused on CSR. Much of what was written at that time questioned the definition of social responsibility. (Moura-Leite and Padgett, 2011). In 1963, McGuire urged that socially responsible organizations were responsible to society beyond their economic and legal obligations. (Moura-Leite and Padgett, 2011).

Opposing views about CSR practices also emerged in the 1960s. Milton Friedman vehemently opposed CSR and found that the practice went against capitalism. (1962). Friedman argued that the only responsibility that businesses had was to make their shareholders as much money as they possibly can. (1962). Another scholar who opposed CSR practices was Levitt, who believed that CSR did not make any economic sense, found that CSR initiatives should not exist.

CSR began to evolve in the late 1960s. Davis opined that CSR enabled the mutual dependence between society and business, because in order to have a healthy business, it must operate within a healthy society. (1967). At the end of the 1960s, philanthropy, customer relations, employee improvements and stockholder relations dominated the area of CSR. (Heald, 1970). The 60s and 70s sprouted a large amount of government regulation that encouraged companies to be at the forefront of their CSR efforts. By the 1960s the effects of pollution had begun to show in America's water quality. In 1965 The Federal Water Quality Administration (FWQA) was formed, and the National Air Pollution Control Administration (NAPCA) became

a regulatory body in 1968. During the 1960s many Americans believed that the country's

environment was in crisis. The Environmental Protection Agency (EPA) was founded in 1970,

with the mission to protect the public health and restore the natural environment. Organizations

recognized the importance of listening to their stakeholders in the 1980s, which led to a

convergence of social and business interests.

The 80s brought about an increase of research. More definitions were proposed, writings

took different view points and focused on core themes of corporate social responsiveness,

corporate social performance, corporate citizenship, public policy, business ethics and

stakeholder theory/management. (Waddock, 2004). Preston and Post (1981) and Donaldson

(1982) all proposed that the social contract tradition was illustrated by the relationship between

business and society. Drucker found after reviewing his 1954 research, that CSR could improve

earnings and could be considered a business opportunity. (1984). Cochran and Woods found

that there was a positive relationship between the execution of social and financial results.

(1984).

From the 1990s to today, CSR has been widely accepted and adopted by several

corporations. Key corporate stakeholders such as employees, customers and the government

have come to expect that a company will perform CSR initiatives. *Fortune* performed a

comparison study of the *Fortune* 500 companies' actions toward CSR for the years 1977 and

1990. In 1977, less than half of the *Fortune* 500 companies embraced CSR, but almost 90

percent listed CSR as an organizational goal in 1990. (Lee, 2008).

In the 1990s, three strong CSR trends emerged, grew and have continued: globalization,

institutionalization, and strategic reconciliation and each saw widespread growth in the U.S. and

abroad. (Carroll, 2015). Managers were challenged to find novel and accepted practices and

initiatives that would conform to different cultures abroad. (Carroll, 2015). While many of the social issues abroad mirrored the social issues of the U.S., in both developed and developing countries there was a lack of legal structure and formalized protest groups unlike in the U.S. (Carroll, 2015). Companies, especially those headquartered in developing countries, had to prove their legitimacy to the country and practicing CSR was a path to proving that legitimacy. (Carroll, 2015).

By the mid 1990s, the rise of the internet and technology led to new calls for greater CSR efforts. During this time, goodwill, reputation and human capital were a part of the intangible assets that made up more than half of corporations' assets. (Moura-Leite and Padgett, 2011). Influential CSR can add to these assets by increasing the reputation and promoting the brand of an organization. (Moura-Leite and Padgett, 2011). On the other end of the spectrum, having poorly executed or no CSR initiatives will not increase brand reputation, and may even decrease intangible assets such as goodwill.

In modern times, stakeholder theory has played a monumental role in CSR research. (Lee, 2008). Using stakeholder theory, scholars such as Brammer and Millington have determined the impact that CSR has on an organization's bottom line. (2008). Moura-Leite and Padgett found that the focus of CSR studies has shifted from an ethics orientation to a performance orientation, altering the level of analysis from a macro-social level to an organizational level. (2011). CSR has evolved into an influential core business function that is necessary to fulfill an organization's strategy, mission and vision. There is little chance that a company can continue to be successful and not have a CSR plan.

Moura-Leite and Padgett noted that CSR in the 2000s is about corporations "doing good to do well". (2011). However, in 2010, Carroll and Shabana found that only certain CSR

initiatives, with the proper institutional support in a large market will likely bring profitability or market demand. Carroll also noted that CSR's status as a core business concept fluctuates with the state of the economy. (2015). When there is a time of economic growth and prosperity, the concept of CSR receives wider acceptance more easily, but in times of recession, CSR has less corporate resources and fewer initiatives.

Definition/Theory

CSR has been used as an explicit framework to explain, understand and reveal the relationship between business and society. (Carroll, 2015). Carroll noted that a research paper claimed that there were at least 37 different definitions of CSR, which was proposed by Dahlsrud in 2006. (2015). The definition of CSR is difficult to pin down due to the evolution of the practice. CSR has often been molded by economics, scholarship and society to properly adjust to the times.

In the early stages, CSR was solely considered to be a thought process, where managers kept the needs of society in mind when they made decisions. (Carroll, 2015). The concept emerged into an action that managers took to make the world a better place and further the interests of the business. (Carroll, 2015). Today's CSR practices are seen by key stakeholders as initiatives that are not required by law but are only performed on a condition of fair-to-good profit returns. (Carroll, 2015).

According to Okoye, CSR should be considered a contested concept, "because it has attracted continual arguments about its proper meaning from its different users". (2009). Scholars have failed to agree on one definition for the concept and others have completely failed to recognize how CSR can benefit a business. (Okoye, 2009). The term CSR has been interchanged with several terms including corporate citizenship (CC). (Dahlsrud, 2008). In the

executive world both terms CSR and CC are being used to describe the same activities and initiatives. (Fifka, 2009). Dahlsrud finds that the abundance of CSR definitions are mostly biased toward interests, which prevent the development and implementation of the concept. (2008).

Much of the confusion behind understanding and developing a concrete definition of CSR is the wide variation of titles that belong to CSR activities. For example, Madrakhimova enumerated the popular concepts tied to CSR including corporate social performance, corporate social integrity, business ethics, corporate philanthropy, corporate social policy, management of stakeholders, sustainable development, corporate citizenship, corporate sustainability, corporate reputation, socially responsible investment and corporate social reporting. (2013). Several scholars, Keroll, McGuire, Network and Madrakhimova agree that CSR is a balancing of economic, legal, ethical and discretionary expectations of society, therefore, these factors should be considered in a concrete definition of CSR. (2013). One of the most recent concepts, creating shared value (CSV) purports to show the connections between the advancement of society and economic progress. Of course, this is one of the core components of sustaining modern day CSR: benefits for society will yield benefits for corporations. Therefore, corporations should initiate benefits to society in order to receive long-term capital gains.

Carroll noted that the frameworks of business ethics, stakeholder management, corporate citizenship and sustainability were complementary and overlapping frameworks to CSR. (2015). The variation of concepts, i.e., business ethics, stakeholder management, corporate citizenship and sustainability have contributed to the confusion behind the definition of CSR. (Madrakhimova, 2013). Instead, CSR should be considered an umbrella term that encompasses all of the different previously mentioned concepts.

Carroll argues, that to stay at the forefront of the issue, corporations have adopted different terms as they became popular. (2015). However, each term: business ethics, stakeholder management, sustainability and corporate citizenship is closely related to the framework of CSR.

Purpose of CSR for corporations

Dahlsrud argues that corporations are required to behave socially responsible on a wide variety of issues. (2008). Vital stakeholders have called for corporations to go beyond doing business and obeying the law. (Carroll, 2015). In 2002, PricewaterhouseCoopers conducted a survey that revealed 70 percent of global chief executives believed that CSR was vital to company profitability. (Moura-Leite and Padgett, 2011). Overall, research has shown that there is a favorable relationship between CSR and corporate financial performance, though the relationship is highly variable. (Carroll, 2015).

The typical arguments that have been purported to show the favorable relationship between business and CSR fall into four categories according to Carroll: strengthening business' legitimacy and reputation; reducing businesses' costs and risks; building or strengthening strategic, competitive advantage; and, synergistic value formation. (2015).

Business practitioners have found that the business benefits of well executed CSR policies helped companies earn new business; increased customer retention; improved relationships with suppliers; improved relationships with employees, including increased attraction of skilled candidates, improved employee motivation and improved employee retention; saved money by implementing efficient energy operations; stand out from competitors; provided access to investment and funding opportunities; and generated positive earned media.

(Carroll, 2015). Carroll also noted that CSR policies in corporations could be motivated by wanting to be like other successful organizations. (2015).

There are two views of the business case for CSR: broad and narrow. The essence of the broad view is that CSR activities will lead to economic and financial reward. (Carroll and Shabana, 2010). The narrow view surmises that CSR is justified when CSR initiatives produce a direct link to the financial performance of the corporation. (Carroll and Shabana, 2010). The broad view is advantageous over the narrow view, because the narrow view limits a corporation's opportunities in the area. Additionally, the narrow view only allows CSR initiatives that have proven to be beneficial to a corporation's financial performance to be proposed, thus excluding a corporation from being at the cutting-edge of CSR activities. Furthermore, without being at the forefront of novel CSR initiatives, the company is precluded from the financial profits and addition to their assets such as goodwill in the area.

This review of the business case for CSR by Carroll and Shabana was the premise to RQ1, set out below. Carroll and Shabana suggest that corporations that abide by the narrow view of CSR will only perform CSR that translates into profits. Therefore, I chose to look at the CSR efforts by industry to determine if corporations abided by the broad or narrow view of CSR within its industry.

Critics of CSR have accused the function of being a dangerous distraction for business or a concept that may have no value at all. (Okoye, 2009). Before CSR was widely implemented, executives had to calculate that CSR would benefit their long term interests and not have significant negative effects to the bottom line. (Carroll, 2015). If a corporation's chosen CSR concept fails to achieve the aims of CSR as identified by the corporation, the corporation should

pursue a different concept of CSR. (Okoye, 2009). The new concept should be more relevant to the relationship between the corporation and its society and stakeholders. (Okoye, 2009).

Modern CSR initiatives may have grown from corporate scandals, socio-political and environmental challenges and the increasing gap between government resources and the needs of society. Key stakeholders such as governments, local communities, non-governmental organizations and consumers expect corporations to self-regulate and contribute to the "triple bottom line": people, planet, profits. (Filatotchev & Stahl, 2015). The idea of the "triple bottom line" is closely linked with the framework of sustainability, focusing on the pursuit of economic prosperity, environmental quality and social equity. (Carroll, 2015). With the increase of globalization, there are more diverse groups of stakeholders with a more diverse set of what they desire from CSR practices. The problems of people in the United States are not wholly congruent to the problems of people in Syria. Additionally, the government, customs and norms of countries can vary widely across the globe.

Shim and Yang found that CSR is probably best received when a company has a good reputation with no crisis, but when the reputation of the company is bad or the company is in a crisis then corporate hypocrisy is likely to be perceived. (2015).

Fifka has identified four controversies surrounding CSR. (2009). First, is CSR the business of business or none of its business? Second, should there be a legal obligation contained in CSR or should it be purely voluntary? Third, should CSR be self-serving or does it have to be purely altruistic? Lastly, what is the scope of CSR, does it have to be local, community-oriented or worldwide? Scholars from a wide variety of fields including: business, economics sociology philosophy, theology and law are interested and have contributed to the discourse on CSR. (Fifka, 2009). Maintaining and improving a business' bottom line is

important to the primary stakeholders of the business. Everyone in the C-suite, but especially

CEO's and CFO's have to understand the impact of CSR on a business' bottom line, for they are

the keepers of the company's financials and they are responsible for significant devaluation.

Society and business can benefit through business' social activities, which is why "more

and more businesses are trying to implement diverse forms of social activities into their business

strategy". (Fifka, 2009). Scholars have attempted to argue that CSR should be completely

altruistic or only be performed as far as it can provide measureable benefits to a corporation.

However, CSR efforts should be balanced between both extremes to provide maximum benefit to

the corporation and society and sustainability to the CSR initiative.

Opponents to CSR rely largely on three main arguments that stem from Friedman's initial

argument against CSR: (1) Corporations are artificial and not physical persons, which yields

them from moral responsibility. (2) Managers should only serve their shareholders by increasing

their wealth, and CSR is averse to this duty because it only reduces profits. (3) It is the

government's sole responsibility to promote social justice and social initiatives. Business profits

can be increased through CSR initiatives, because CSR opens businesses to new opportunities.

There has been positive leaning but inconclusive analyses that reveal that CSR may increase

corporate profits, there is confirmed data that failure of a corporation to act socially responsible

can lead to a decrease in profits. Consumers often boycott and protest corporations that they

believe are performing against their social interest. Brand reputation and improvement can

always be cited as business profits stemming from CSR. (Fifka, 2009).

According to Carroll, CSR that promotes the welfare of society and furthers the business'

own interest has two active aspects: protecting and improving. (2015). Protecting society

suggests the companies need to avoid the negative impacts of their operations. Improving the

welfare of society asks corporations to create positive benefits. CSR is expected of corporations because laws are insufficient to completely protect society and uphold morality. Additionally, CSR initiatives could keep government regulation at bay by business regulating self responsibly on its own terms and timeframe.

Popular Dimensions of CSR

The 1950's gave rise to modern CSR practices. In the beginning, nominal practices of corporate giving and supporting education were both desirable and widely accepted community relations practices. (Carroll, 2015). Carroll found that environmental activism grew so strong that it became the "most important precursor to the modern CSR movement." (Carroll, 2015).

Dahlsrud coded CSR definitions into five different dimension: environmental, social, economic, stakeholder and voluntariness. (2008). The environmental dimension invoked CSR definitions that inspired maintaining or improving the environment through CSR. The social dimension found the definition of CSR was to consider society as a whole through business activities. The economic dimension defined CSR as an increase or preservation of profit and economic development through business operations. The stakeholder dimension defined CSR as improving interaction with stakeholders. The last dimension, the voluntariness dimension defines CSR as corporations going above and beyond what is mandated by law, based on its ethical values. Definitions of CSR can encompass one or all of the aforementioned dimensions. "There is a 97% probability that at least three of the dimensions are used in a random definition." (Dahlsrud, 2008).

However, Kolter and Lee found that almost all CSR related activities fall within six categories: (1) cause promotions, (2) cause-related marketing, (3) corporate social marketing, (4) corporate philanthropy, (5) community volunteering, and (6) socially responsible business

practices. (2005). Each of these categories presented by Koulter and Lee are removed from the corporation except for socially responsible business practices, which to an extent is already mandated by the law.

Werder found that the most typical CSR activities included:

"(1) designing facilities to meet or exceed environmental and safety recommendations; (2) developing process improvements; (3) discontinuing product offerings that are considered harmful but not illegal; (4) selecting suppliers based on their willingness to adopt or maintain sustainable environmental practices; (5) choosing manufacturing and packaging materials that are the most environmentally friendly; (6) providing full disclosure of product materials and their origins and potential hazards; (7) developing programs to support employee well-being; (8) measuring, tracking, and reporting of accountable goals and actions; (9) establishing guidelines for marketing to children; (10) providing increased access for disabled populations; (11) protecting privacy of consumer information; and (12) making decisions regarding plant, outsourcing, and retail locations, and recognizing the economic impact of these decisions on communities." (2008).

A key promoter of CSR initiatives is the United Nations (UN). At the World Economic Forum in Davos in 1999, the UN set forth a list of general principles of CSR included in an agreement to comply with the world leading international corporations' social responsibility. The principles included recognizing human rights, including no forced labor or child labor and recognizing workers' rights to form unions and have collective bargaining. (Madrakhimova, 2013). The ecology principle encouraged companies to avoid damage to the environment and be

more environmentally responsible by developing technologies to reduce environmental

footprints. (Madrakhimova, 2013). Anti corruption was another principle touted by the UN to

prevent companies from bribery, and extortion, along with legal responsibility by assisting

enforcement of the law within the territory that the company operates and markets.

(Madrakhimova, 2013). Other principles advocated for by the UN are planetary responsibility,

environmental responsibility, cultural and ethical responsibility, and philanthropic responsibility.

(Madrakhimova, 2013).

In 2008, Waddock noted that the emergence and wide scale implementation of CSR had

brought about "new rules" for large multinational companies, in particular. Large corporations

are expected to have initiatives to produce their products sustainably, abide by the principles and

standards of their industry, be transparent in their business practices and activities, and

participate in two-way communication with stakeholders. (Lee, 2008).

The popular categories of CSR are largely congruent with each other throughout

scholarly works. However, there is still very little written on the effects of CSR efforts by

companies. There also is no critical analysis on why companies have chosen the CSR initiatives

that they choose, or the areas where there should probably be more CSR activities. Additionally,

though the categories of CSR may look largely similar, there is still no agreed upon CSR

definition. Each unique definition will probably have similar content as the popular CSR

categories.

Organizations have practiced CSR in "safe" spaces, only paying attention to certain

social needs, more likely to increase profitability, in areas where there is market demand. A bias

has been created that has resulted in certain social issues going unaddressed and unresolved.

Moura-Leite and Padgett found that often times, organizations will only tend to social needs that

are less costly and potentially profitable and ignore costlier, possibly more attention worthy

initiatives. (2011). Social problems ignored by firms may be more urgent and more detrimental

requiring corporate expertise and resources. (Lee, 2008). Moura-Leite and Padgett noted that

research has yet to address this issue. (2011).

Section II: Purpose of the Research

Research on CSR is vast and diverse, extending across all academic fields. The initial purpose behind this research is to show the societal benefits and the vast possibility of CSR programs. There are CSR initiatives stemming from education to environmental sustainability. CSR has the potential to fill the gaps between the needs of the public and the limited bandwidth of the government. Additionally, well planned, consistently, expertly executed CSR initiatives can have a lasting global impact.

The top 25 *Fortune* 500 companies for 2015 were chosen for this research because their size and influence alone give those companies an ideal platform to participate in CSR. This manuscript was designed to illustrate the strength of *Fortune* 500 companies' global influence through CSR. It should also show the importance of continued *Fortune* 500 participation in CSR. Large company participation in CSR is essential to continuing large-scale CSR efforts and possibly the survival of nonprofit organizations that are partnered with large corporations. Therefore, the *Fortune* 500 companies should continue performing CSR and strive to be leaders in versatile areas of CSR. With large companies as leaders, small and medium sized companies will have a model to follow with their CSR efforts.

Lastly, the purpose of this research is to find out how companies convey that CSR has translated into business benefits. As noted above, many company leaders gravitate toward the full circle approach to explain how the company benefits from CSR initiatives. This approach suggests that companies receive an increase in assets such as goodwill and brand recognition. Other leaders have found that CSR is necessary to maintain their businesses in modern times.

This is a more mimicking approach that does not speak to the spirit of CSR. However, there is research, noted above that indicates that corporations are performing CSR, just to do it

and just because their peers are. Therefore, CSR has become normative, no company wants to be the only one without CSR initiatives. Additionally, this mimicking approach sparked this research because of the need to identify areas where CSR is not being performed adequately. Companies are using CSR initiatives to solve or attempt to slow the affects of global crises. Additionally, CSR is an opportunity for a company to show its best face and build positive brand awareness.

Section 3: Research Questions

- RQ1: Are CSR initiatives consistent within each industry?

- RQ2: If applicable, how do companies measure the impact of their CSR efforts?

- RQ3: Where are most CSR efforts concentrated, and in what areas are CSR efforts lacking?

- RQ4: How did the company choose its CSR efforts and why?

Section 4: Research Methodology

To resolve these research questions, a qualitative analysis was conducted using materials contrived from real organizations from the *Fortune* 500 list from 2015, also known as a document analysis. The *Fortune* 500 list represents the largest and most profitable American companies. The list has been produced annually for 61 years. Specifically, the top 25 corporations were reviewed because they were a mix of different industries as well as global leaders. Each organizations' website was accessed for any information regarding its CSR initiatives and activities. Annual CSR reports were analyzed for corporations that produced them.

Sampling

The sampling used in this research was non-random, meaning that the members of the sample were deliberately selected according to particular characteristics. The characteristics necessary for this sampling were to be a corporation on the *Fortune* 500 list in 2015, and be a leader in the industry it operates. Beyond the first 25 companies a lot of the same industries are not represented. Alternatively, there are a lot of companies that operate in a unique industry beyond the top 25, which were not suitable candidates for industry representation.

The Industries of the Corporations

The 25 corporations differed greatly by industry, but there were at least two corporations within the same industry, except for one holding company and one multinational conglomerate. The industries included in this study were general merchandisers, petroleum refineries, holdings, technology and telecommunications, motor vehicles and parts, multinational conglomerates, food and drug stores, healthcare, finance and banking.

Content Analysis

Content analysis was used to determine the CSR efforts of the top 25 *Fortune* 500 companies. Content analysis is concerned with the words and meaning of what is being studied. (Franzosi, 2008). As a research technique, context or content analysis can be used to contrive logical and replicable inferences from data. (Krippendorff, 2004). Content analysis in this thesis was used to describe communication content to give context to the topic of CSR.

The method can be qualitative or quantitative and used to describe the content of texts. Examples of texts used in content analysis include audio, written, visual or multimedia, such as newspaper clippings, news broadcasts, broadcasts on television and radio, and the text of this thesis: company reports or websites. (Franklin, Hogan, Langley, Mosdell and Pill, 2009). The method became popular in communications research to understand the techniques of persuasion and propaganda. (Franklin, et al., 2009). Content analysis also became popular in popular entertainment research to determine levels of violence and sexual content. (Franklin, et al., 2009).

To use the content analysis method, the unit of analysis must be defined and the units of measurement must be predetermined. The goal of content analysis is to produce replicable and valid inferences from texts. (White and Marsh, 2006). Here, the units of analysis are the CSR pages on the websites of the top 25 *Fortune* 500 companies in 2015, and any CSR reports available on those websites. The unit of measurement is by occurrence of content.

When performing content analysis, the researcher uses rules of inference (analytical constructs) to determine how the text answers the research questions. The researcher derives analytical constructs from three areas: (1) existing theories or practices; (2) the experience or

knowledge of experts; and (3) previous research. (Krippendorff, 2004 as cited in White and

Marsh, 2006).

The author of this study chose to conduct qualitative research. Through the qualitative

approach, the author recognized that limitations include bias and subjectivity. However, the

qualitative approach allowed the researcher to explore in-depth the CSR activities of each

corporation studied. Through qualitative research the entire picture of CSR to the corporations

was able to be conveyed and answered the research questions fully and accurately.

Coding

The Oxford Dictionary of Media and Communication defined coding as a formal process

to classify data according to standardized categories to facilitate the identification of patterns and

is typically associated with content analysis and the analysis of qualitative data. (2011).

This thesis coded for patterns to determine consistencies in the CSR practices of *Fortune*

500 companies. Descriptive coding was used to document and categorize the CSR initiatives,

programs and practices of the top 25 *Fortune* 500 companies in 2015.

The data went through three coding cycles. Open coding revealed 15 codes, to arrange

the data on CSR initiatives. Axial coding showed that mixed internal and external codes had the

highest frequency of occurrence. Selective coding showed that the grants/foundation code, the

original form of CSR, was the core code that was related to all of the other codes. The

grants/foundation code is the core code because CSR began by donating money to non-profit

organizations with notable causes. A lot of the causes taken up by many of the organizations that

originally benefitted from grants and corporate foundations are now in-house CSR initiatives.

For example, education, health, safety and human rights, are all CSR initiatives proposed by

corporations, but are also addressed by non-profit organizations. Data screening revealed two

outliers, (1) the conflict minerals code, which was only present in two of the corporations' CSR reporting and (2) having no CSR reporting at all. Berkshire Hathaway was the only organization reviewed for its CSR initiatives that had no information about CSR on its website. This anomaly is explored in depth below.

Coding revealed three categories of CSR: external and internal, with some codes overlapping into both categories. The *external* category included the codes that had initiatives designed to benefit the public at large. The *internal* category consisted of codes that were meant to improve the internal structure and business of the organization. The *internal* and *external* category included initiatives that could directly benefit the organization and benefit society in general.

Grounded Theory

The researcher of this thesis used a grounded theory methodology approach in the data collection, content analysis and coding. According to the Encyclopedia of Communication Theory (2009), grounded theory, a qualitative research methodology, is often used to develop interpretive theories. The theory was created by Bernie Glaser and Anselm Strauss and emphasizes emergent patterns as opposed to a predetermined research design. Grounded theory runs afoul of traditional scientific methods and notions. Scholars using this theory often delay writing a literature review, collect data and analyze it simultaneously and develop novel categories for data collected. Grounded theory is easily coupled with content analysis and coding, creating data and analysis rooted in organic discovery. This theory has wide use in the area of communication research by scholars.

The Data

The data unmasked several trends, but what stood out most distinctly was the consistency between, what in this manuscript will be titled CSR codes. From the data I derived that there were 15 unique codes that manifested themselves in each of the CSR initiatives from each company. The codes are: Grants/Foundation; Education; Health; Employees; Environment; Supplier Diversity; Supplier Standards; Human Rights; Conflict Minerals; Partnerships with Organizations; Children; Economic Growth; Volunteerism; Safety; and Military Support.

Table 1: Codes for CSR Performed by the Top 25 *Fortune*-500 companies of 2015

	Code		*Code*
0	Environmental Sustainability	8	Economic Growth
1	Grants/Foundation	9	Supplier Standards
2	Education	10	Military Support
3	Employees	11	Human Rights
4	Partnerships with Organizations	12	Supplier Diversity
5	Volunteerism	13	Conflict Minerals
6	Safety	14	Children
7	Health		

Grants/Foundation – This code includes any philanthropy done by the organization in the form of giving funds to a non-profit foundation, or an individual for a noble cause, such as continuing his or her education. The primary purpose of a foundation is to grant funds to unrelated organizations for charitable purposes. Corporate foundations often create and bestow scholarships as well as fund research and development. Foundations also have a number of tax

benefits that can be taken advantage of by a parent corporation. Any grants, scholarships, or charitable giving by a corporation or a corporate foundation was included in this code.

Education – The education code covers a wide range of initiatives, including awarding scholarships, employee education, and other education initiatives. If a corporation mentioned education nationally or abroad it was included in this code. Aside from scholarship awards, the most mentioned education initiative was increasing the presence of STEM education, especially at an age before college.

Health – This code encompasses all initiatives directed at improving health by the companies. The health code covered anything from innovative technology that monitors physical health to providing gym memberships to employees. In the form of CSR initiatives health manifested itself in two sub-categories: prevention and healing. The data was not coded for these sub-categories, but there was a range of initiatives present in both categories.

Employees – The employee code is a standout code, because employees have a direct connection to the companies that they work for. CSR efforts aimed at employees are not purely altruistic (arguably no CSR effort is altruistic), the company receives easily measurable benefits from improving the lives of its employees. Nonetheless, this code was prevalent across almost all of the companies CSR initiatives. Common CSR initiatives geared towards employees included fitness programs, employee training and scholarships for higher education.

Several companies also wanted lower-level employees to participate in the companies' other CSR initiatives. Some of the companies have employee donation matching programs and give employees paid time off of work to volunteer. Therefore, the employees code has two lineages. The first, company CSR initiatives that are meant to benefit employee's welfare. The

second, is company CSR initiatives aimed at motivating employees to participate in other CSR activities.

Environment – Almost all of the corporations included CSR activities that were designed to help the environment, or promote environmental sustainability. The environment code was very broad. Corporate activities listed in the CSR area of the websites that concerned the environment included efforts that went above and beyond government regulations. Initiatives that included in this code were recycling, energy conservation, reduction of e-waste or e-recycling, water preservation, land preservation, and managing climate change.

Supplier Diversity – The supplier diversity code includes CSR initiatives by corporations that make it a point to acquire its supplies from diverse suppliers. Some corporations emphasize buying supplies from companies in different countries, managed by people of color or led by women. This is another standout code, companies' commitment to supplier diversity should not be housed in the CSR section of their websites, it should be embedded in the corporation's values.

Supplier Standards – This code contains corporations who list the standards or expectations that they have for suppliers. Efforts in this code include supplier checklist, inspections on suppliers' facilities, a supplier code of conduct and sanctions against suppliers that do not meet the standards.

Human Rights – The human rights code is closely tied to the supplier standards code. However, every company that posited supplier standards did not include advocating for or being mindful of human rights in its standards. Human rights CSR efforts of the companies included making sure that there are fair work hours, wages and environments for the companies'

employees and the employees of the suppliers. Additionally, efforts to prevent child labor are also considered a part of the human rights code.

Conflict Minerals – Conflict minerals are minerals that when purchased, the funds are used to fund militant groups. Companies that participate in this CSR initiative try to ensure that the minerals they purchase from suppliers are not funding militant groups. Many countries in Africa, specifically Democratic Republic of the Congo are perpetually war plagued and the funds from the sale of conflict minerals to wealthy nations, such as the United States, helps keep those countries in a constant state of war and civil unrest. Conflict minerals are often less expensive, therefore, companies choosing not to buy conflict minerals may cut into profit. However, the price difference is most likely marginal.

Partnerships with Organizations – This code encompasses the CSR initiatives where corporations have partnered with non-profit organizations or non-governmental organizations to further each, organization and company's CSR efforts. Partnership initiatives range from sponsoring events to fundraising to donating a percentage to an organization based on purchases.

Children – The children code included company CSR initiatives that were meant to directly benefit children and children only. Initiatives included in this code ranged from combating childhood obesity to childhood education.

Economic Growth – This code used CSR initiatives to promote the growth of the economy in neighborhoods where the corporations did business. Some companies perpetuated that providing telecommunications infrastructure will help promote economic growth in rural or underdeveloped places. Other companies promised to increase lending or have favorable lending terms to business that develop in struggling economies, such as Detroit. Conveniently, CSR initiatives as noted above benefit the corporations promoting them as well.

Volunteerism – The volunteerism code encompasses the CSR initiatives of companies that encourages its employees to volunteer. As noted above some companies give employees paid time off to volunteer. Other volunteer CSR activities included weeks where the entire company volunteers. Most of the companies that had volunteer initiatives allowed employees to choose where they wanted to volunteer.

Safety – The safety code included internal and external emphasis on safety. The internal emphasis was on employees and reducing and eliminating workplace accidents. Employee training and facility functioning were a large part of the internal safety CSR initiatives. External safety included helping customers use products correctly to eliminate safety risks. External safety also included educating customers on the inherent risk with the use of certain products, such as radio wave exposure.

Military Support – This code includes activities by companies such as hiring veterans and supporting military families.

Excluded codes include business ethics and governance. When the data was gathered, any CSR initiatives that pertained to business and governance were not taken into account because of their close legal ties. Additionally, the focus of this writing was to shine a light on CSR practices that contribute to fostering a better world, without being forced to do so. Arguably business ethics and law abiding governance is the bare minimum or very least that a corporation can do for its stakeholders.

As noted above, the definition of CSR has evolved from making business decisions with society in mind to taking an active role in solving societal issues. Therefore, following the law is not taking an active role in solving societal issues, it is merely prevention of causing more issues

for society and the corporation itself. Furthermore, the importance of business ethics is touted in every business class, to the point where it is assumed that business people know business ethics.

Mentioned previously, each unique code was categorized into three major categories: *external, internal* and *internal and external*. The categorization of the codes is shown in Table 2 below.

Table 2: Categorized Codes.

Category	*Code*
External	Grants/Foundation
	Human Rights
	Conflict Minerals
	Children
	Volunteerism
Internal	Supplier Standards
	Supplier Diversity
Internal & External	Education
	Employees
	Environment
	Partnerships with Organizations
	Economic Growth
	Safety
	Military Support

Since the industries of each corporation on the list vary widely, the categories and codes were also analyzed by corporate industry. The industry categories were taken directly from some of the categories of the *Fortune* 500. Other categories were derived to reflect the actual business of the corporation. For example, Apple's listed industry on the list is: Computers, Office equipment. Apple's business has transformed to technology and telecommunications and that is the industry category it placed in this thesis.

Industries were analyzed because the expectations of different key stakeholders can differ greatly between each industry. For example, the expectations of the government for the oil industry are different from the expectations of the public from the banking industry. The results of the additional analysis by industry are presented in the table below.

Table 3: Industry categories

Industry	Rank	Name of Corporation	Code
Finance/Banking	17	Fannie Mae	3, 4, 5, 9
	21	JP Morgan Chase	1, 2, 4, 8, 10, 14
	23	Bank of America	0, 1, 2, 3, 4, 5, 14
Food & Drug Stores	10	CVS	0, 1, 2, 4, 6, 7, 9, 11, 14
	20	Kroger	0, 1, 2, 4, 7, 9, 10, 11, 12, 14
General Merchandisers	1	Walmart	0, 1, 2, 3, 5, 8, 9, 10, 11, 14
	18	Costco	0, 1, 2, 7, 9, 11, 12, 13
Healthcare	11	McKesson	0, 1, 2, 3, 4, 5, 6, 7, 12, 14
	14	United Health Group	0, 1, 2, 4, 5, 7, 14
	16	AmerisourceBergen	1, 3, 5
	22	Express Scripts Holding	1, 2, 3, 4, 5, 7, 10
Holding Company	4	Berkshire Hathaway	*None*
Motor Vehicles & Parts	6	General Motors	0, 1, 2, 5, 6, 14
	9	Ford Motor Company	1, 2, 4, 6
Multi-national	7	General Electric	0, 1, 3, 4, 5, 6, 7, 8,

Industry	Rank	Name of Corporation	Code
Finance/Banking	17	Fannie Mae	3, 4, 5, 9
	21	JP Morgan Chase	1, 2, 4, 8, 10, 14
	23	Bank of America	0, 1, 2, 3, 4, 5, 14
Food & Drug Stores	10	CVS	0, 1, 2, 4, 6, 7, 9, 11, 14
	20	Kroger	0, 1, 2, 4, 7, 9, 10, 11, 12, 14
General Merchandisers	1	Walmart	0, 1, 2, 3, 5, 8, 9, 10, 11, 14
	18	Costco	0, 1, 2, 7, 9, 11, 12, 13
Healthcare	11	McKesson	0, 1, 2, 3, 4, 5, 6, 7, 12, 14
Conglomerate			11
Petroleum Refining	2	Exxon Mobil	0, 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12
	3	Chevron	0, 2, 4, 6, 7, 8
	7	Phillips 66	0, 1, 2, 6, 8, 12
	13	Valero Energy	0, 1, 2, 3, 4, 5, 6, 7, 10
	25	Marathon Petroleum	0, 1, 3, 6, 7, 8
Technology & Telecommunications	5	Apple	0, 2, 3, 4, 6, 7, 9, 11
	12	AT&T	0, 2, 4, 5, 6, 8, 10
	15	Verizon	0, 1, 2, 3, 6, 7, 9, 10, 12, 14
	19	HP	0, 1, 3, 4, 6, 7, 8, 9, 11
	24	IBM	0, 1, 2, 3, 4, 9

Results and Discussion

The forthcoming section details the results of the qualitative research performed. The results section will focus on identifying trends in the data. Following a synopsis of the results section will be a discussion the findings in relation to the research questions presented above. The discussion section will focus on deriving conclusions from the trends identified in the results section.

Results

This section will provide a brief analysis of the results. The content of the results section includes the number of corporate initiatives prevalent in each code. The results section also includes information about when corporations began CSR initiatives. First, the section includes a summary of the results.

Overall, the results showed that all of the top *Fortune* 25 companies had detailed ways that they are performing CSR, except for one. A little more than half of the companies produced formal reports detailing their CSR efforts. As expected almost all of the companies had CSR initiatives in the area of environmental sustainability and the most company CSR involvement came from the grants/foundation code. The environmental sustainability code actually had the second largest number of involvement from the corporations. The code that held the least participation by the companies was the conflict minerals initiatives code.

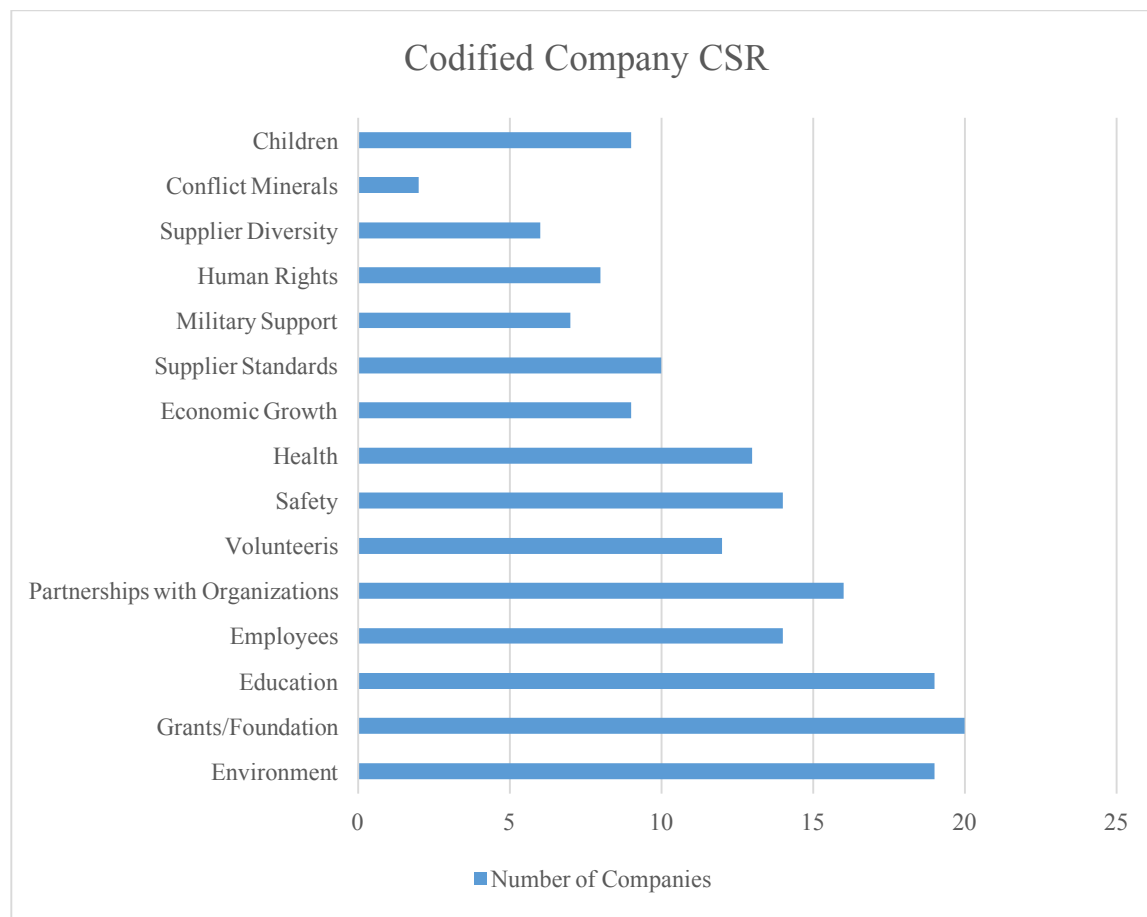*Figure A:* Number of companies in each code.

Figure A shows the categories revealed by open coding. As shown above in Figure A, the code that had the broadest participation by the companies was the grants/foundation code. Every code except for one (conflict minerals) had at least five corporations that had initiatives in the categories. The reasons behind the conflict mineral category having the least participation could be vast.

Two of the notable reasons are (1) the conflict mineral code only pertains to corporations who purchase minerals to operate their business; and (2) the concept of conflict minerals may be too politicized. Some companies may fear the negative repercussions of choosing a side in any war. By taking a stand against conflict minerals, it could be assumed that the corporation is

against the war. By openly opposing conflict in war torn countries, corporations could be

placing their business relationships in foreign countries at risk.

When available, the years when a company officially began its CSR efforts, via official

CSR reports or statements on company CSR web pages, were recorded. Of the 25 companies

analyzed, 15 of the companies, or 60 percent, had information about when it began CSR

initiatives. *Figure B* below shows the years and the amount of companies that began CSR in

those years.

Figure B: When companies began CSR

As shown, almost all of the companies had implemented formal CSR initiatives, besides

corporate foundations, by 2009. Only 3 of the 15 companies organized CSR activities after

2009, with the latest being implemented in 2011.

Additionally, the number of formal reports issued by companies was counted, which

showed that only 13 of the top 25 *Fortune* 500 companies produced formal CSR reports. The

formal CSR reports included messages from the CEO, awards for CSR participation, specific

initiatives for each CSR category, corporate governance and performance summaries. Since only a little more than half of the corporations analyzed produced formal CSR reports, comparison of CSR reports was by passed.

Research Questions

RQ1: Are CSR initiatives consistent within each industry?

- In the finance/banking industry, each corporation had partnerships with non-profit organizations.

- In the food and drug store industry, the corporations had several codes in common. The common codes were environment, grants/foundation, education, partnerships with organizations, health, supplier standards, human rights and children.

- The general merchandisers industry had two corporations which had a few codes in common: environment, grants/foundation, education, supplier standards and human rights.

- There were several healthcare corporations on the list, but across the four companies, there were only two codes in common, grants/foundation and volunteerism.

- In the motor vehicles and parts industry the two corporations had three codes in common. The common codes were grants/foundation, education and safety.

- The five companies in the petroleum refining industry had three codes in common: environment, grants/foundation, and safety.

- The second largest industry category, technology and telecommunications, had the fewest codes in common, with one code for environment.

    Overall, the only industries that showed consistency in coding were food and drug stores, and general merchandisers. The food and drug store and general merchandiser industries are

very similar, both sell food, clothing, office supplies and electronics. Comparing the two

industries they had a majority of the same codes in common: environment, grants/foundation,

education, supplier standards and human rights. Therefore, not only are the food and drug store

industry and general merchandiser industry consistent within themselves, there is consistency

across the two industries with similar business. However, these were the only industries with

significant consistency.

RQ2: If applicable, how do companies measure the impact of their CSR efforts?

Companies measured CSR impact by comparing progress on initiatives from prior years,

and comparing the present years' progress with long-term goals especially in the areas of

environment, volunteerism, health and safety. Only the companies that produced formal CSR

reports provided tangible data to show the impact/progress on its CSR efforts. Additionally,

measuring the impact of arbitrary categories, such as education is very difficult; there are too

many factors that could influence the results.

RQ3: Where are most CSR efforts concentrated, and in what areas are CSR efforts

lacking?

The data showed that most of the CSR efforts were concentrated in the three codes of

grants/foundation, environment and education. There are a few possible explanations for almost

all of the companies having CSR efforts in these areas. The grants/foundation code is a simple

CSR effort. Companies do not have to create campaigns or new standards to participate in

grants/foundation. Furthermore, giving out grants and corporate foundations have tax incentives

for corporations. The government will reward companies who donate a portion of their profits to

worthy causes, by decreasing the amount the corporation has to pay in taxes.

Additionally, the environment code includes CSR initiatives that are subject to regulation. In order to avoid fines corporations are going above and beyond the government regulations, which gives them the ability to call their environmental conservation tactics CSR. Therefore, it is possible that almost all of the corporations had CSR efforts in the area of environmental sustainability, because they are under pressure to do so by the government.

The education code included CSR activities that benefitted the outside public as well as corporate employees. It is very beneficial for corporations to have CSR initiatives that include additional education and training for employees. Investing in the education of employees can increase employee satisfaction and lead to additional employee retention. Furthermore, employee education and training leads to better employees, which directly benefits the company.

Education CSR initiatives outside of the company can lead to acquiring greater employee talent. Initiatives in higher education especially, can lead to more interest in working for the corporation by talented and successful students. Also, the outside CSR education initiatives increase brand awareness and appreciation by promoting an initiative that virtually everyone agrees with: education.

RQ4: How did the company choose its CSR efforts and why?

Companies stated that they chose CSR efforts that aligned with their corporate values and mission. Additionally, corporations such as CVS focused most of their CSR efforts on health initiatives. Other corporations have participated in and focused their CSR efforts on particular areas since the corporation started doing business. For example, Ford Motor Company stated that its number one CSR focus was on education. The company places most of its initiatives in the area of STEM education in schools. Furthermore, corporations such as CVS and HP surveyed their key stakeholders to determine what areas of CSR are important to them.

Choosing CSR efforts that align with corporate values and the mission help to add legitimacy to the corporations' CSR program. It would be odd and slightly alarming if the finance company Fannie Mae had CSR initiatives in the area of supplier standards. In that instance, the CSR would probably just be a "front."

Largely focusing on one initiative could create a greater impact in the area. In the case of Ford Motor Company, it is concentrating its funds and corporate resources to the area of education. The extensive work by the company in the area of education should lead to a wider impact by the corporation in that area.

Surveying key stakeholders to determine what CSR initiatives are important to them includes stakeholders in that important decision. However, it could be difficult for a corporation to implement the initiatives in CSR desired by key stakeholders. If key stakeholders choose CSR initiatives outside of the corporations' mission and values, the ability and legitimacy of the CSR in that area may be questioned. Additionally, if the initiatives chosen by key stakeholders are too vast, the corporation may not be able to make any meaningful strides in the area.

Conclusion

I chose this topic for my master's thesis because I saw a clear opportunity to merge the scholarship of public relations and law into a single area through CSR. As a scholar and a consumer, it is important to me to see businesses striving to make lasting impacts in the area of CSR. I was really interested in discovering how CSR efforts can be diligently and successfully maintained in an evolving business landscape. Additionally, I wanted to discover what corporations were considering to be CSR and how they measured their CSR successes.

This manuscript used content analysis to determine the CSR efforts and initiatives of the top 25 *Fortune* 500 corporations in 2015. The analysis revealed that almost every corporation except for Berkshire Hathaway included detailed information about its CSR initiatives on its website or via a formal CSR report. Content analysis revealed fifteen unique codes for the CSR initiatives of the corporations. The codes were: environment, grants/foundation, education, employees, partnerships with other organizations, volunteerism, safety, health, economic growth, supplier standards, military support, human rights, supplier diversity, conflict minerals and children.

The codes were distributed into three categories: internal, external and internal and external CSR efforts. The internal and external category had the most CSR codes. The codes represented areas in CSR that could benefit both the corporation and society at large. Internal and external CSR efforts could possibly represent the modern form of CSR. Additionally, using the business of the business to solve world problems includes internal and external CSR codes. An example of this type of CSR was illustrated by Verizon, which is using the Internet of Things to gather data to solve environmental issues. The company also offers products to leverage the Internet of Things.

The code with the most corporation participation was grants/foundation. The grants/foundation code was considered the core code that connected all of the codes. CSR initiatives in the grants/foundation code operated under the original CSR initiatives. Granting funds to individuals and non-profit organizations is a simple way to participate in CSR. The code with the least corporate participation was the conflict minerals code. In the case of conflict minerals corporations may hesitate to take a political stance in war-torn countries for fear of damaging business operations in the country. Additionally, conflict minerals are not a business concern for some corporations in different industries.

As far as the research questions are concerned each question was answered and explored in-depth by the information on companies' CSR webpages and official CSR reports. The only industries that showed consistency between CSR efforts were food and drug stores and general merchandisers. Otherwise, there was no relevant consistency between CSR efforts within each industry.

The number of companies studied within each industry may attribute to large inconsistencies in CSR across industries. For example, the industries that were the most consistent were general merchandisers and food and drug stores. Each of those industries were only represented by two companies on the list. Going beyond two companies, for example in the technology and telecommunications industry, with three competitors led to increased diversity in the types of CSR being performed.

Additionally, Ford Motor Company and General Motors were both widely different in their approaches to CSR, though they were both in the motor vehicle and parts industry. Industry consistency may have also largely relied on RQ4, how the company chooses its CSR efforts. If the companies within the food and drug store industry both chose CSR efforts that aligned with

their mission or vision, then it is more likely that the codes would be consistent within the industry. On the other side, if one company within the technology and telecommunications industry chose its CSR efforts by stakeholder analysis and another by concentrating efforts in one area and even another by aligning with its mission and values then they codes are likely to be very differentiated.

Concerning RQ2, companies measured their progress in the areas of CSR by comparing the results of its CSR initiatives to the year before. Corporations also compared CSR progress for the year to specific goals set in each area. It is a red flag that every corporation did not report how their CSR efforts are being impactful. This is a problem because it takes away from the legitimacy of their CSR efforts. How can the public know that the corporation is making strides and actually doing CSR in a meaningful way without metrics and evaluation from the company? They cannot.

Additionally, if a corporation is performing CSR without any goals in mind, and simply comparing the results to the previous year there is no pressure for a company to perform. Even marginal improvements from year to year will help a corporations' brand, but setting and consistently trying to reach a CSR goal, shows dedication. Arguably, the corporations that evaluate their CSR through the lens of a goal are performing CSR the best.

Next, in term of RQ3, the data showed that most CSR efforts were concentrated in the codes of grants/foundation, environment and education. The environment and education codes are categorized in the internal and external category. Also, outside influences from the CSR efforts of other corporations could have led to pressure to follow the lead of other corporations. As noted above, the grants/foundation code represents one of the easiest CSR efforts. Efforts in the grants/foundation code probably have the widest participation due to it being the oldest CSR

effort and probably the easiest implemented. Corporations also have the ability to write off on their tax forms CSR in this area.

By donating large amounts of money to non-profit organization that represent different causes, a corporation can ensure (hopefully), that the funds will be put to the best use possible. Additionally, donating to employees, their children, and community members for scholarships can better the corporations' employees and increase the potential employee selection pool.

Furthermore, the environment code is subject to governmental regulation, which provides corporations an additional incentive to perform CSR in that area. Effectiveness of efforts in the education code are difficult to measure but are widely accepted by key stakeholders.

Unfortunately, the study made clear that there was a clean line between CSR efforts that were politically agreed upon and efforts that were not. The conflict minerals code had the least participation, but could possibly be seen as the most impactful. The plights of war torn countries should not be fueled by corporations overseas. While some companies may abstain, but not voice their concerns over issues like conflict minerals, others still engage in purchase and trade of conflict minerals. Both are wrong and counter-productive for war-torn countries that seek peace. However, businesses are often concerned with the relationships that they have with the governments of foreign countries. A sour relationship can lead to being unable to access an entire country's market, which could lead to CSR negatively impacting a business' bottom line.

Companies chose CSR efforts that were closely aligned with its mission and values, which was RQ4. Some companies also chose to focus their CSR efforts around one central category. For example, one company chose to focus on education with all efforts from grants to partnerships with other organizations benefitting education. Lastly, other corporations surveyed key stakeholders to determine what CSR efforts were important to them.

Again, this research question closely aligns with RQ1, as how a company chooses its CSR efforts can directly impact the consistency of efforts within industry. Two of the ways that companies chose CSR efforts are in contention with each other. If a corporation surveyed key stakeholders to determine what efforts were important to them, then the corporation's efforts may not have properly aligned with its mission and value.

More effective is to combine all three ways that corporations chose CSR efforts to produce the largest impact and best executed effort. Specifically, a corporation should pick a few potential CSR efforts that align closely with its mission and vision. After, a corporation should survey the key stakeholders to determine which CSR efforts interest them. Lastly, the corporation should concentrate its efforts on one thing in order to make a large-scale, positive and lasting impact.

Relating the conclusions to the literature review, it is apparent that there is still positive sentiment towards CSR among key stakeholders (Moura-Leite & Padget, 2011), which emerged in the 90s. However, modern CSR has become a necessity for businesses, because of the emphasizes placed on CSR efforts by key stakeholders. (See Lee, 2008 and Brammer & Millington, 2008). This study also showed that there is support for CSR being an umbrella term to encompass many theories. (See Carroll, 2015). Lastly, the study reaffirmed that the most popular CSR efforts, philanthropy and environmental sustainability. (See Koulter & Lee, 2005; Werder, 2005; and Dahlsrud, 2008).

Setting the Tone for Other or Smaller Corporations?

What other companies can learn from the CSR efforts of the companies studied is that CSR is very personal to a corporation. Efforts that are affective in one corporation may not be affective in another. A few takeaways manifested in the research for corporations looking to

start or renew their CSR programs. First, as noted above, a corporation should determine what possible CSR efforts they could perform that properly align with the mission and vision of the organization. Next, the corporation should survey key stakeholders with the possible CSR options. Lastly, the corporation should choose one or two options to concentrate its efforts, paying attention to what competitors are doing and their possibility for impact in the area. The corporation should make a plan to measure the impact of their CSR efforts to ensure legitimacy. Additionally, a corporation should set goals for its CSR efforts that are measureable, impactful and attainable for the corporation. Best practices for maintaining CSR efforts includes, reporting, and evaluation and revision of CSR programs when necessary.

Large corporations have more power and flexibility to perform more external CSR, or CSR where the positive impact to their bottom line may not be as apparent. Smaller corporations will fare better focusing their CSR efforts in the internal or internal and external categories. Initiatives that smaller corporations can perform include "Going Green", as Costco has done, focusing on employee volunteerism, like AmeriSource Bergen or donating scholarships to employees and their children, like a lot of the corporations on the list, including WalMart.

Limitations and Future Research

There were a few limitations to this study. First, the author chose a small nonrandom sampling. Since each company on the *Fortune* 500 list is so unique, it is unlikely that the sampling can be applied to the entire list generally. However, the industries represented by the first 25 companies on the list were sufficient for the purpose of this research.

Furthermore, qualitative analysis as a research method has a couple of limitations. The qualitative research was performed by one researcher who has her own inherent biases which could have led to skewed results.

Additional limitations include the content that was analyzed. There was significant variation between how each corporation reported on its CSR efforts. The wide range of CSR reporting made it difficult to create codes and categories. However, the author was able to derive enough codes tailored to the CSR efforts of each corporation.

Future research should include research on the CSR initiatives of all of the *Fortune* 500 companies. Additionally, the Global 500 list should be analyzed to determine the CSR efforts of the top companies around the globe. Lastly, this qualitative research should set the stage for quantitative research in the area. Research on the effects of CSR on key stakeholders should be done to determine how key stakeholders view the CSR efforts of corporations.

Appendix A

Top 25 *Fortune*-500 companies in 2015

Rank	Company
1	Walmart
2	Exxon Mobil
3	Chevron
4	Berkshire Hathaway
5	Apple
6	General Motors
7	Phillips 66
8	General Electric
9	Ford Motor
10	CVS Health
11	McKesson
12	AT&T
13	Valero Energy
14	UnitedHealth Group
15	Verizon
16	AmerisouceBergen
17	Fannie Mae
18	Costco
19	HP

20	Kroger
21	JP Morgan Chase
22	Express Script Holding
23	Bank of America Corporation
24	IBM
25	Marathon Petroleum

Appendix B

Field Notes

<u>AmerisourceBergen</u>

AmerisourceBergen does not produce a formal CSR report nor do they have any in-house CSR initiatives. There is no information on the company's website about how long they have contributed to CSR initiatives. The company contributes a portion of its profits to communities through the AmerisourceBergen Foundation. In 2015, AmerisourceBergen contributed over $6 million and almost 10,000 hours of volunteer service. The company also encourages its employees to participate in charitable activities, therefore, employees receive up to eight hours of paid volunteer-time-off. AmerisourceBergen also has a fund that provides financial grants to its associates "who are victims of catastrophic events beyond their control."

The company provided no information as to whether their initiatives are global or national.

Apple Audit

Apple does not have a formal CSR report. Instead it has six pages on its website dedicated to "Apple Values". The categories include environment, supplier responsibility, accessibility, privacy, inclusion and diversity and education.

Began CSR work in 2000. Began with progress reports in 2007.

Environment

Has product environmental reports that rates each Apple product in four categories: climate change, restricted substances, Energy Efficiency and material efficiency. Wants to reduce their carbon foot print in the supply chain. The company tries to use the forests responsibly and is attempting to run all of their facilities on clean and renewable energy only. Has improved its recycling procedures. The company has also worked to phase certain chemicals that they consider to be toxins, out of their products.

Supplier Responsibility

Has conducted audits of their suppliers in 19 countries so far to ensure that the suppliers are meeting Apple's Supplier Code of Conduct. Has a Supplier Employee Education and Development program where employees are being provided educational opportunities. 92% of its suppliers comply with a 60-hour maximum workweek. Has an emphasis on health and safety compliance for the suppliers.

Accessibility

Tries to make all of its products accessible for people with different abilities.

Privacy

Apple strives to keep all information about users of their products private. Hence, their fight against the FBI to not break into people's phones.

Diversity and Inclusion

Commitment to inclusion that sparks innovation. Strives for ethnic and gender diversity.

Education

Partners with schools and the White House to put Apple tech in the classroom.

AT&T Audit

The Citizenship and Sustainability portion of AT&T's website includes tabs related to CSR in the areas of People, Education Initiatives, Planet and Possibilities. AT&T focuses on how people use technology safely and responsibly, including no texting and driving, using the internet safely at any age, increasing accessibility in rural and underdeveloped areas, supporting the troops by hiring veterans, and hiring a diverse workforce, including the Peace Through Business initiative that supports women entrepreneurs in Afghanistan and Rwanda. AT&T has initiatives in improving the environment, highlighting recycling cell phones, alternative fuel vehicles, and creating energy conserving technologies.

The company also wants to focus on possibilities, which include supporting jobs in technology, mentoring and volunteering, and inspiring people to do one thing that's good for the world.

To support education, AT&T invests in innovative education organizations, tools and solutions to help every student from different backgrounds.

WHAT DOES CSR MEAN TO *FORTUNE*-500 COMPANIES?

Bank of America

Bank of America does not produce a formal CSR report, but the Global impact section of its website guides its global CSR efforts. Bank of America has partnered with American Forests, Ceres, Center for Climate and Energy Solutions, The Chicago Symphony Orchestra, Alvin Ailey American Dance Theater, GivePower Foundation, Vital Voices The Nature Conservancy, Ocean Conservancy, Recycle Across America, U.S. Green Building Council and Water.org. The company's CSR efforts include environmental sustainability, leadership and service, and arts and culture.

There is no information on how long Bank of America has performed CSR initiatives. Bank of America has contributed funds in financing for low-carbon activities since 2007. The company also focuses on water conservation, land use and waste. Bank of America's Neighborhood builders program helps nonprofits address local challenges. The Student leaders program allows students to work with nonprofits and participate in the Student Leadership Summit. The company encourages employee volunteerism and promotes women in leadership with its global ambassadors program. Bank of America supports over 2,000 arts and cultural institutions through grants and volunteerism.

<u>Berkshire Hathaway Audit</u>

Berkshire Hathaway is a multinational conglomerate holdings company. While many of its subsidiaries report CSR there is not conglomerate wide CSR reporting on their primitive website. With over 60 plus companies under its belt and run by the wealthiest man in the world Warren Buffet, you would think that the company would have taken strides to implement a corporation wide CSR approach. Especially with many of the scandals haunting its holding companies. However, this may be because of the hands-off management style that Berkshire Hathaway has adopted in dealing with its companies.

<u>Chevron Audit</u>

"Affordable energy is a catalyst for economic growth and prosperity. Our company's values drive us to provide that energy responsibly while protecting the environment and working with our partners to strengthen communities. Because our success is tied to the success of our communities."

Has case studies on their CSR like Exxon. Has four categories under their Corporate Responsibility umbrella. They strive for safe operations under the approach code. Community category is for improving public health, bolstering education and boosting local economies. Preserving the environment where they operate and Reporting their activities and performance.

Partnered with Project Lead the Way, Liberia's oil company, Monrovia and Niger Delta Partnership Initiative.

Began Corporate Responsibility reporting in 2002 when the company was still ChevronTexaco. The original report covered social issues, including ethics community engagement, human rights, and health and safety. It also covered economic issues (financial performance data and supplier diversity and small business development) and environmental issues.

Costco Wholesale Corporation

Costco produces a formal CSR report every three years starting in 2009. The most recent report is from 2015. In 2013 and 2014, Costco produced a conflict minerals report.

Costco focuses on environmental sustainability by maintaining its carbon footprint, using less energy, and improving recycling and packaging. The company compares its progress on some of its initiatives for every year since 2009. Specific initiatives include property rehabilitation, pollution prevention, a bio-retention rain garden, storm water management, using lower wattage LED lighting, packaging container changes, floor ready packaging and waste to energy generation.

CVS Audit

CVS' CSR is properly housed in the Social Responsibility section of the website. "Our approach to social responsibility ties directly to our purpose: helping people on their path to better health."

The focus is on Giving and CSR. CVS produces a formal CSR report the encompasses sections on health, environment, and "Leader in Growth", which includes safe, rewarding and inclusive workplace, workforce diversity, regulatory compliance and voluntary standards and supply chain responsibility.

CVS has produced a formal CSR report since 2007. The 2007 report had a focus on investor relations and corporate sustainability. CVS has been giving to charity since at least 1999. Has partnered with PGA, St. Jude and ALJ Therapy Alliance. CVS also has a community grants program that awards funds to non profits for programs targeting children with disabilities, focusing on heath and rehabilitation services, and public schools.

As recently as 2013, CVS conducted a materiality assessment with their stakeholders to make sure that they were focusing their CSR efforts on issues that were important to the stakeholders.

<u>Express Scripts Holding Company</u>

Express Scripts does not produce a formal CSR report. The company's CSR primarily focuses on sponsorship and grants to programs that enable access to health and medical services, educating underserved youth, supporting pharmacy education, providing services to the military and their families, strengthening communities with aid and responding with disaster relief. Express Scripts encourages its employees to volunteer and support causes that align with its mission. The company also matches employee donations to eligible schools in addition to supporting employee fundraising campaigns.

<u>Exxon Mobil Audit</u>

Produces the Corporate Citizenship Report, most recent data is from 2014. Very broad definition of CSR. Splits CSR into six categories: Safety, health and the workplace; environmental performance; managing climate change risks; community and social impact; local development and supply chain. Under each category is a wide variety of CSR efforts: Human rights, local economic development, disease prevention and treatment, education (math & science), partnership with Bernard Harris Summer Science Camp, Teacher Appreciation week, women economic opportunity, socioeconomics (cultural diversity, fair treatment, land preservation, transparency and corruption), worldwide giving (employee giving (time off from work to volunteer), Exxon Mobil Foundation etc…)

Started with the Corporate Citizen Report in 2010, most recent in 2014. CSR categories in 2010 included Safety, Health, and the Workplace, Corporate Governance, Environmental Performance, Managing Climate Change Risks, Economic Development and Community Engagement and Human Rights.

Fannie Mae

Fannie Mae does not produce a formal CSR report, but has a 2014 Impact Infographic under its community investment and engagement category. The company focuses on employee volunteerism, with a company-wide week of community service titled 7 Days to SERVE. The company also supports homelessness organizations. Fannie Mae promotes their employees giving to charities as well by matching employee donations. In 2013, the company declared that it would no longer be giving grants to organizations.

Fannie Mae has a list of supplier expectations that comments on ensuring diversity and inclusion.

Ford Motor Company Audit

Ford Motor Company CSR efforts are housed under the Community section of the Ford website. Ford states that their number one CSR focus is on education. Ford has an entire website dedicated to their focus on STEM education in schools.

"*We will continue to focus on education—our number—one priority—creating and implementing innovative new programs that cultivate the skills needed to create tomorrow's innovations.*"

The company provides grants and their efforts are concentrated in three areas: life, education and safety. Ford also has volunteer corps, like GMC and has an extensive driver education class for new classes. Ford also has several community projects including partnerships with schools.

Ford does not produce a formal CSR report and there is no concrete information on their website that shows how long they have been committed to their CSR efforts.

General Electric Audit

GE produces the GE sustainability report; the most recent report was issued in 2013.

There's no official sustainability report available for 2014 available on GE's website, but there

are metrics available. The only thing on the website that speaks to 2015 is the ecomangination

brochure that covers GE's environmental sustainability initiatives. The company's website states

that GE has been producing CSR reports since 2005, but the only reports available online are

from 2007 through 2013. The 2007 report focused on human rights, supplier, environment

health and safety, communities and philanthropy. A large part of GE's sustainability is focusing

on its employees in the 2013 report. The company emphasizes training and educating its

employees, their health and safety, employee diversity. Less than altruistic, GE placed the

category "building things that matter" into its sustainability report. The company is focusing on

being innovative in the healthcare sector, reducing its environmental footprint, along with

greenhouse gas emissions, and water efficiency. GE businesses and corporate resources supports

GE volunteers, which includes employees, retirees, Affinity Groups, family and friends. The

company has initiatives to empower women in the middle east, enable progress in Africa and

combat human rights violations. GE has partnered with the United States African Development

Foundation. The company also invests several billion dollars into research and development,

which could help the company as much as the world.

General Motors Audit

GM does not produce a formal CSR report. It has the GM foundation which helps communities with scholarships and outreach programs. The foundation also bestows grants to support non profits. The company promotes safety by educating awareness on car seat installation and parents of new drivers. GM also focuses on STEM education and sustainability. TeamGM Volunteers participate in numerous projects in the U.S. The company also has student corps that team up with GM leaders to complete community projects. GM focuses on sustainability by reducing its carbon footprint and recycling its products and materials some of which are for wildlife conservation.

HP

CSR at HP has three different functions: society, environment, and integrity, under an umbrella of sustainability.   HP has produced a formal CSR report every year since 2001, the most recent report is 2014. The topics in the 2001 report include workplace, values and community and environment. The contents pertinent to CSR in the 2014 report included human progress, which covers human rights, supply chain responsibility, workers' rights, conflict minerals, privacy, employees, engagement, building careers, diversity and inclusion, wellness, and heath and safety. The economic progress section includes economic impacts across the value chain. The last section, environmental progress covers the company's footprint, supply chain environmental impact, greenhouse gas emissions, water, waste, HP operations, management and compliance, and recycling. HP has partnered with UNICEF and the Chinese government, Conservation International.

In the 2014 report the company took an audit of stakeholder engagement to show furtherance of its CSR initiatives.

WHAT DOES CSR MEAN TO *FORTUNE*-500 COMPANIES?

<u>IBM</u>

      IBM does produce a formal CSR report. The most recent report was issued in 2014.

IBM has produced a CSR report every year since 2002. IBM's CSR has a global focus. The

initiatives reported in 2002 were employee well-being, learning programs for employees,

monetary, technical and human philanthropy in communities, environmental protection and

technologies that improve the world. IBM has partnered with Robert Wood Johnson Foundation,

the Institute of Medicine, Centers for Disease Control and Prevention Foundation, Business for

Social Responsibility, Carnegie Endowment for International Peace, Committee Encouraging

Corporate Philanthropy, Center for Climate and Energy Solutions, Corporate Responsibility

Association and many more. In communities IBM has focused on educating students in

technology, health initiatives, employee learning initiatives, comprehensive environmental

programs on energy and climate protection, pollution prevention, chemical and waste

management and more. IBM has also focused on conserving energy in its facilities and sets a

Code of Conduct for its supply chain.

JPMorgan Chase & Co.

JPMorgan Chase has produced as formal CSR report every year since 2010, with the most recent being year 2014. The company focuses its CSR efforts on helping cities find solutions to "key challenges and realize their potential as engines of economic growth and shared prosperity". (JPMorgan Chase, 2014). Each CSR report has a unique title. For example, the 2010 report is titled: The Way Forward. Topics from the 2010 report include: supporting small businesses, serving the military and veterans, serving communities, global giving, supporting environmental sustainability and its workforce. The 2014 report is titled Global Strength: At Work in Cities, the initiative is global. The company has partnered with the Urban Institute to assess the impact of its CSR initiatives. JPMorgan Chase considers approving more loans for small business CSR that supports small businesses.

The focus areas noted in the most recent report are building communities, increasing economic competitiveness, investing in skills, supporting small businesses and expanding global financial capability. JPMorgan Chase has awarded grants to several community development initiatives in the United States. The report largely emphasizes JPMorgan Chase's providing credit and capital. The company partnered with Phipps Neighborhoods to train people living in the Bronx. JPMorgan Chase has committed $5 million in funds to help underserved youth, and has also committed to hiring veterans.

<u>Kroger</u>

Kroger does not produce a formal CSR report. The company notes it "has a long history of bringing help and hope to the communities [it] serve[s]. Since [its] earliest days, Kroger and the Kroger Family of Associates have taken care of [its] neighbors and each other." The company focuses on donations in funds, food and products as CSR initiatives. Kroger is partnered with Feeding America food bank partners, and directly supports Box Tops for Education, The Salvation Army and American Red Cross, along with organizations that promote advancement of minorities and women. The company also supports other initiatives including women's health, members of the military and their families, local schools and grassroots organizations. Kroger is also concerned with sustainably sourcing seafood and works with the Marine Stewardship Council. The company has issued a code of conduct for its vendors and also audits its vendors and suppliers for CSR initiatives including diversity, forced and child labor, environment and compliance.

Marathon Petroleum Corporation

Marathon produces a formal CSR report and has produced one every year since 2011. The 2011 report focused on health and safety of employees, communities the company operates in and contractors. The 2011 report also highlighted the company's commitment to reducing pollutant emissions, waste generation, energy use, preventing pipeline releases, and improving the numbers of minority and women in the workforce. The most recent CSR report for Marathon Petroleum is the 2015 report. In 2015, the company focused its CSR efforts on the social benefits of carbon, commitment to community, heath and safety, environmental stewardship, economic impact and employee development.

<u>McKesson</u>

McKesson produced a formal CSR report for 2015, that included initiatives for better health for employees, a safe, secure and healthy work environment, diversity and continued learning for employees. McKesson's efforts are global, focusing on the U.S., and Canada. The 2015 report also detailed how McKesson is reducing greenhouse gas emissions, recycling and energy conservation, less CO_2 emissions per vehicles, less business travel. The Community section of the 2015 report notes that McKesson encourages employee volunteering and matches employee donations to a certain cap. McKesson offers several scholarships for employees and their children. The report also emphasizes supplier diversity, and partnered with several different organizations. There is no archive available for past CSR reports, however it seems unlikely that McKesson has not produced formal CSR reports in the past.

Phillips 66 Audit

All of Phillips CSR is filed under sustainability. "We know the value of operational, economic, social and environmental sustainability." Under the operational category is safety and asset integrity and preparedness. The economic category includes fiscal strength and foresight, governance and ethics, and supplier diversity. Under the social sustainability category is philanthropy which includes education and literacy, environment and sustainability, safety and preparedness, and grants to non-profit organization. Transparency and accountability and community awareness are also under the social sustainability category. The last category is environmental, which includes environmental investments, technology and research, and partnerships and donations.

Phillips does not produce a formal report on their CSR activities, therefore I could not find information on when they began CSR.

<u>United Health Group</u>

United Health Group produces a formal CSR report, with the oldest report listed on their website from 2009 and the most recent being from 2014. The company performs CSR by giving and volunteering and partnerships through initiatives and grants. United Health Group supports the military and veterans. The company focuses on initiatives to improve the health of Americans, specifically reducing obesity. United Health Group has initiatives for a "healthier environment" including, reducing energy and water consumption, recycling initiatives, paperless solutions and planting trees.

The company donates scholarships to diverse scholars to improve the number of professionals from multicultural backgrounds. United Health Group's benefitting charities include AARP Foundation, American Heart Association, America's Charities, Community Health Charities, EarthShare, Global Impact, Make-A-Wish, UnitedHealthcare Children's Foundation and United Way.

The company's initiatives are global; it has a program to counter-act obesity in Brazil. The 2009 report only included the initiatives on combatting the obesity epidemic, service and giving to foundations. The other areas of the 2009 report largely focused on sustaining the company.

<u>Valero Energy</u>

The Corporate Responsibility section of the Valero website has two sections, Community and Safety and Environment. The company focuses on occupational safety for its workers, process safety and reliability, emergency preparedness, facility security. Valero also has a CSR strategy for the environment through recovering oil, decreasing environmental incidents, energy and water conservation, reduction of greenhouse-gas emissions, reducing spills, and wastewater management. "Valero was the first traditional refiner to enter large-scale ethanol production." Concerning community, Valero donates to and fundraises for charities The company also encourages its employees to volunteer. Sponsors several different events for organizations. The company also advocates for education and contributes to organizations with programs that advocate for education. The charities that Valero supports covers basic needs, education, hospitals/health care and civic/public affairs. The company also supports the military by employing veterans. Valero also recognizes employees, with employee perks and recognition, professional development, health and wellness programs, and an internship program.

Valero produces a formal CSR report and compares its current 2015 report to data from 2009-2014. Valero partners with Habitat for Humanity and is one of America's 50 most community-minded major companies, recognized for its commitment to improve the quality of life in communities where it does business.

<u>Verizon</u>

Verizon produces a formal CSR report as a supplement to the company's annual report. Verizon's most recent CSR report covers year 2015. Verizon has produced a formal CSR report since 2004. The categories in the 2004 report are largely congruent to the categories in the 2015 report. Social innovation, the internet of things, environment, product responsibility, supply chain and employee experience are categories under Verizon's CSR report. The Verizon wireless report produces extensive metrics to show the company's progress with its' CSR activities. The company has global initiatives including health technology initiatives in Brazil.

Concerning social innovation, Verizon focuses on using the company's technology to improve education, specifically education to prepare youths for STEM jobs. The company partners with HBCU's to increase minority male presence in STEM fields. Also under the social innovation category are healthcare initiatives. Verizon is attempting to use mobile technology to improve health. A lot of the initiatives focus on combatting chronic health diseases in children. Another social innovation initiative that Verizon focuses on is domestic violence prevention.

Under the Internet of Things ("IoTs") category Verizon is working with the Global eSustainability Initiative, which is n initiative to use the IoTs to solve environmental issues. The company offers products to leverage the IoTs.

From the IoTs category to the Environment category Verizon is focusing on sustainability and reducing its environmental footprint to combat climate change. Specifically, Verizon has increased recycling, uses less energy, reduced emission in its vehicle fleet, planted trees in support of its Super Bowl partnership, and reduced water usage.

Under the product technology category, Verizon wants to ensure that technology is safe for everyone. The company focuses on privacy and security, online safety, connecting rural

communities to the latest technology, improving accessibility, safe driving, and transparency and protection against radio-frequency emissions.

In the supply chain category, Verizon has a supplier code of conduct, participates in supplier evaluations, tells its suppliers to abstain from buying conflict minerals, and supplier diversity. The employee experience category the company focuses on its core values, health and wellness, promoting a work-life balance, competitive pay, benefits, career growth, training opportunities, employee safety, diversity and inclusion, hiring veterans, and working with labor unions.

Walmart

Walmart's CSR is divided between two categories Community Giving and Global Responsibility.

Community Giving & Global Responsibility

Walmart's community giving initiative is supported by its three pillars of giving: opportunity, sustainability and community. Under the opportunity pillar Walmart and the Walmart Foundation focus on initiatives that create opportunities for women, veterans and small business owners. The sustainability pillar focuses on energy, waste, products and responsible sourcing. The company believes sustainability will lead to a more financially stable and responsible Walmart. The last pillar, community, inspires associates to donate their time and money, donates scholarships to associates and their dependents, attempts to mitigate disaster, and serve local communities. Walmart also supports international giving and local, state and national grants. National and global efforts.

Began in 2005 with ethical sourcing, 141 factories were permanently banned from doing business with Wal-Mart, mostly due to underage labor violations. Another 23 factories were disapproved as a result of multiple instances of non-compliance with the Standards for Suppliers.

Grew the program to include education, sustainability, and still doing responsible sourcing.

2015 10-K filing mentions global responsibility in the note to the shareholders, citing benefits as being a leader in strengthening the communities they serve and facilitating global responsibility. The 10-K filing also informs the shareholders that the Global Responsibility Report is available for the shareholders, for free.

"We believe it is our responsibility to operate in a way that is sustainable for the planet and people who work all along our supply chains, that creates economic opportunity for our associates while growing our suppliers and the economy more broadly, and that strengthens the communities where we operate."

Changed from Report on Ethical Sourcing to Sustainability Progress Report in 2007-08 and then to Global Sustainability Report in 2009 to present.

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Vita

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