"Do European Mid-cap firms disclose enough non-financial, specifically CSR-related information to their stakeholders?"

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Abstract

It would appear that the various stakeholders of the firm are increasingly concerned with access to non-financial information related to Corporate Social Responsibility (CSR). Although such information has a positive impact on the reputation and legitimacy of the firm and helps investors gauge financial risk, different kinds of organization have different approaches to non-financial, CSR-related information. This study highlights the impact of two factors – the size of the firm in question and the sector in which it operates – on corporate attitudes to the publication of non-financial, CSR-related information. Our research reveals that the CSR communication strategy of large caps is more effective than that of mid-caps and that there are marked differences in firms' approaches to the publication of such information depending on the sector of activity in which they are involved. These results will raise questions about the influence of non-financial, CSR-related information on the funding of corporations in general and of mid-caps in particular.

Key words: Non-financial information, CSR, risk to the firm, international

I. INTRODUCTION

Political decision-makers, citizens and firms are paying increasing attention to questions of Corporate Social Responsibility (CSR), expressing an ever-greater desire for information. Such a desire generates a pronounced demand for corporate managers to publish non-financial information. In order to react to this demand, firms divulge, voluntarily and extensively, information on human resources, the environment, and the community (Marino 1995; Stanton and Stanton 2002; Zéghal and Sadrudin 1990).

The interest displayed by researchers in the communication of non-financial information is based on the hypothesis that it is the most direct expression of the attitude and behaviour of firms in regard to Corporate Social Responsibility (Perrini, 2005).

CSR has been the object of numerous definitions, notable amongst which is that given by the European Commission in its Green Paper of 2001, according to which, for a firm to be socially responsible, it “should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders.”

In this study, we consider CSR as a generic term applied in analyses of the relationships and interactions between corporate activities and society, and of the means deployed by managers to address public, social and environmental problems (Windsor, 2006; Scherer and Palazzo, 2007; De Bakker et al., 2005; Garriga and Melè, 2004).

The purpose of our study is to define and compare approaches to the publication of non-financial, CSR-related information in the annual reports of listed European multinationals and mid-caps. We have focused on firms from the European countries with the highest market capitalization, namely the United Kingdom, France, Germany and Italy. As well as manually elaborating and analyzing an original database, the main contribution of our research concerns a comparison of the behaviour of listed European mid-caps with that of large groups in terms of their approaches to publishing non-financial, CSR-related information.

The first part of the article presents a review of the literature and describes the reasons why firms choose to become involved in and publicize their involvement in socially responsible activities. In the second part of the article, the elaboration of the sample and the research methodology are described. The third and last part of the article focuses on presenting and discussing our results.

II. Literature review and hypotheses

Publishing non-financial, CSR-related information is, by and large, a voluntary activity underpinned by a variety of motivations. The publication of such information can have a substantial impact on the reputation and legitimacy of the firm (I.1). It also makes it possible to develop a clearer idea of the risks by which firms are confronted and makes it easier to subject them to financial analyses (I.2). However, the scope and nature of financial information published varies from one firm to another.

I.1 The publication of non-financial information: impact on the reputation of the firm and on its legitimacy in regard to stakeholders

Firms are encouraged to become involved in socially responsible activities for two main reasons: philanthropy and economics. According to the normative argument, the firm must act in a socially responsible way because this is the morally correct thing to do. The economic argument is based on the idea that firms take an interest in CSR because it is, potentially, a way of improving their economic performance.

While the moral values of the head of firms exert a degree of influence over corporate attitudes to CSR, it is unlikely that managers will knowingly take decisions that are likely to have a negative effect on the firm's financial performance (Branco and Rodrigues, 2006). For this reason, only motivations of an economic and financial nature revealed by academic researchers will be examined here.

Two main perspectives can be distinguished. The first is a resource-based approach that associates the firm's involvement in CSR with the creation of value (Hart, 1995; Bansal, 2005). The second grounds decisions about socially responsible activities and the publication of non-financial information in the socio-political context in which the firm operates.

According to the resource-based perspective, the involvement of the firm in socially responsible activities is largely determined by questions of reputation (Surroca et al., 2010) and represents a key factor for the firm in terms of competitiveness.

Firms that portray a socially responsible image improve their relations with external actors such as investors, banks, suppliers, consumers and competitors (Berman et al., 1999; Surroca et al., 2010). A good reputation enables firms to boost their attractiveness in terms of human resources (Backhaus et al., 2002), to motivate employees and ensure that they remain loyal, and to appear more attractive to consumers (Lev et al, 2010) and reinforce customer loyalty (Brown and Dacin, 1997). In the long-term, all these factors have a positive impact on financial results.

CSR practices affect the financial performance of firms and their value through different channels. For example, voluntarily responsible behavior can help firms avoid falling foul of regulations and reduce compliance costs. Overall, CSR activities and the publication of information about those activities enable firms to improve their reputation and increase sales while reducing running costs, thereby improving financial performance.

Several researchers have demonstrated that socially responsible activities have a positive impact on firms by facilitating their access to resources (Cochran and Wood, 1984; Waddock and Graves, 1997), attracting the best personnel (Turban and Greening, 1996; Greening and Turban, 2000), improving the marketing of services and products (Moscowitz, 1972; Fobrun, 1996), and creating new business opportunities (Fombrun et al., 2000).

Some authors have also highlighted the fact that CSR activities can serve exactly the same function as advertising by increasing the volume of demand and reducing price sensibility (Dorfman and Steiner, 1954; Milgrom and Roberts, 1986; Navarro, 1988; Sen and Bhattacharya, 2001), and by enabling the firm to develop high-value intangible assets (Gardberg and Fombrun, 2006; Hull and Rothernberg, 2008; Waddock and Graves, 1997).

The publication of non-financial information helps firms manage and protect their reputation (Fombrun et al., 2000; Bebbington et al., 2008). It also helps them to construct a positive image vis-à-vis stakeholders (Toms, 2002; Hasseldine et al., 2005;

Orlintsky et al., 2003). The diffusion of CSR-related information is thus part of a global communication strategy.

According to a separate school of thought, firms' approaches to publishing non-financial, CSR-related information depends to a substantial degree on the socio-political context in which they operate. Advocates of this approach argue that the firm cannot be thought of as an economic entity isolated from its social context. On the contrary, the firm is seen as being embedded in the social environment in which it operates, an environment that defines what is expected of it and affects its performance (Branco and Rodriguez, 2008).

This principle is at the heart of legitimacy theory, an institutionalist approach according to which firms publish information in reaction to environmental pressures in order to guarantee their economic wellbeing, or sometimes even their survival (Suchman, 1995; Hooghienstra, 2000; Quairel, 2004). In this perspective, the firm must obtain the support and approval of its stakeholders (Suchman, 1995), be they, according to Clarkson (1995), their primary stakeholders (those on which the survival of the firm depends, including consumers, suppliers and providers of work and capital), or secondary stakeholders (those who influence the results of the firm without threatening its survival, for example regulatory bodies and the media).

The firm focuses on meeting the expectations of its stakeholders with a view to shoring up its social legitimacy, or, in other words, the degree to which it is accepted by the social environment and external actors. Legitimacy is understood as a social judgment regarding what is appropriate, acceptable and desirable (Zimmerman and Zeitz, 2002).

The concern with legitimacy, which is necessary for access to resources and obtaining social support, is linked to the degree of visibility of the firm, measured in terms of its size and level of media exposure (Dowling and Pfeffer, 1975).

For legitimacy theorists, publishing non-financial, CSR-related information is part of a strategy deployed by the firm to glean social approbation for its activities (Gray et al., 1995). The publication of such information is often viewed as a sign of good behaviour and is an efficient way of communicating with stakeholders and convincing them that the firm is meeting their expectations.

Lastly, underlying legitimacy theory is the idea that there is a form of convergence in terms of corporate behaviours, a kind of normative isomorphy between different firms (DiMaggio and Powell, 1983; Deephouse, 1996) linked to pressures exerted by external actors and to the cultural constraints of the society in which they operate. It also seems that firms imitate one another in regard to strategies for diffusing non-financial information (Cauvin et al., 2006; Holder-Webb et al., 2009).

I.2 The diffusion of non-financial information: for a more accurate measurement of risks faced by the firm

One explanation to be found in the scientific literature for the increase in the amount of non-financial, CSR-related information made available by firms is the potential reduction of systematic risk and, therefore, of capital costs. In effect, this factor plays a critical role in the financing of firms and their investment decisions. According to Graham et al. (2005), business leaders believe that voluntarily publishing CSR-related information can serve to reduce the capital costs of their firms. This reflects a long tradition of research linking the diffusion of information with corporate capital costs

(Diamond and Verrecchia 1991; Botosan 1997; Leuz and Verrecchia 2000; Botosan and Plumlee 2002).

A consensus has emerged concerning the existence of a negative link between the quality of financial information published and capital costs. Publishing more financial information broadens investor knowledge and increases the investor base, which entails more effective risk-sharing and a reduction in capital costs (Merton, 1987). Two recent studies have also examined the link between capital costs and CSR activities, highlighting that firms with high CSR ratings have lower capital costs. Dhaliwal et al. (2010) report that many firms with high capital costs are implementing CSR activities.

Several authors (Frederick, 1995; King, 1995; Robinson et al., 2008; Starks, 2009) claim that firms with little interest in CSR encounter higher levels of risk due to the potential for legal claims being levied against them (Waddock and Graves, 1997). Other researchers (Anderson and Frankel, 1980; Richardson and Welker, 2001) have demonstrated that socially responsible investors are ready to offer a bonus to socially responsible firms.

For Ioannou and Serafeim (2011), the publication of information about CSR activities increases transparency in regard to corporate governance structures and the social and environmental impact of firms. It can also lead to internal changes in terms of managerial practices by encouraging an emphasis on the management of relations with key stakeholders such as employees, investors, clients, suppliers, regulators and civil society.

Similarly, an increase in the amount of information made available can lead to a reduction in asymmetry of information between individual investors, and between investors and heads of companies. In cases in which access to such information is limited, some investors are inevitably perceived as being better informed than others, a situation that can lead to an increase in the bid-ask spread and a rise in financial illiquidity and, finally, to a hike in capital costs (Verrecchia, 2001; Amihud and Mendelson, 1986).

These mechanisms can be applied both to financial and non-financial information. Both kinds of information are "value relevant", as is CSR-related information (Margolis and Walsh, 2001; Orlitsky et al., 2003; Al-Tuwaijri et al., 2004).

The academic literature is also rich in analyses of CSR-based strategies, which can be applied improve firms' profitability and risk-profiles (Mackey, Mackey and Barney, 2007; Ioannou and Serafeim, 2010).

Lastly, it should be noted that an emphasis on CSR has a positive impact on corporate cash-flow. For example, firms that improve the working conditions of their employees and respect the environment are likely to face fewer legal disputes and lower costs associated with environmental externalities.

According to Rodriguez et al. (2006), all these points highlight the importance of non-financial information linked to CSR in reducing asymmetry of information and uncertainty affecting the evaluation of the firm (thanks to a reduction in capital costs).

Increased availability of non-financial information reduces information asymmetry between the firm and investors (Botosan, 1997; Khurana and Raman, 2004; Hail and Leuz, 2006; Chen et al., 2009; El Ghoul et al., 2010) and makes it possible to more accurately evaluate risk.

I.3 Scope and nature of non-financial information published

Many researchers have taken an interest in the content of non-financial information published by firms in terms of its volume, the themes addressed and the public targeted, and the form in which it is delivered.

The kind of information published and the importance accorded that information by firms are influenced by stakeholders, the recipients of the information. Another explanatory factor in this regard is the tendency of firms to imitate one another's approaches to the publication of CSR-related information (Cauvin et al., 2006).

In a study of 51 French companies listed on the SBF250, the authors demonstrate the existence of a link between their various stakeholders and the themes addressed in the non-financial information they publish, and show that the themes addressed echo those used by competitors (Cauvin et al., 2006).

Furthermore, the subjects featuring most often in non-financial information – for example, shareholders, clients, human resources, products and sustainable development –, as described by various researchers (Oxibar, 2003; Quairel, 2004; Cauvin, 2006, amongst others) – do not appear with the same frequency in all media or on all platforms. For example, information on human resources and shareholders is generally published in annual reports rather than on institutional websites. The analysis of various platforms and the distinction between the legal obligation to provide information and a voluntary offer of information sheds light on the situation (Depoers, 2000).

In a study on annual reports and websites based on a sample of listed Portuguese firms, Branco and Rogrigues (2008) demonstrate that firms tended to prefer annual reports to websites as a platform for information on socially responsible activities. In an earlier study (2006), the same authors observed that the choice of platform and the public targeted are essential factors in the publication of non-financial information.

Researchers have highlighted the fact that, in terms of publishing CSR-related information, quantity does not necessarily mean quality (Douglas et al., 2004). In their study of the approaches taken by Australian firms to publishing environmental information, Deegan and Gordon (1996) analyze the annual reports of 197 companies. Their results show that, in an unregulated environment, information published is not objective, and that managers tend to focus on good news and bury bad news. Moreover, the authors point out that there is even less objectivity in sectors of activity in which environmental issues are most sensitive.

The diffusion of non-financial information appears to be linked to the size of firms and the sector of activity in which they are involved. Large companies and firms operating in sectors with strong media exposure publish more non-financial information than other kind of enterprise. For example, in his analysis of 128 annual reports from 1985, Patten (1991) found that, generally speaking, the size of firms and the sector of activity in which they were involved had an impact on the amount of CSR-related information they published.

In an analysis of the content of annual reports published in 1990 in a sample of Fortune 500 companies, Alnaijar (2000) demonstrates that size and profitability were the two most influential factors in terms of the diffusion of non-financial information.

In a study of 50 listed American companies, Holder-Webb et al. (2009) highlight the fact that specific sectors of activity have an impact on the publication of non-financial information in the following areas: content, the kind of information emphasized, and the choice of media support used. Unlike earlier studies, the results concerning the effects of corporate size were inconclusive.

Reflecting previous studies, the results produced by Branco and Rodrigues (2008) revealed a positive relationship between size and media exposure – both considered indicators of social visibility – and the diffusion of non-financial information. These results are consistent with stakeholder legitimacy theory.

Based on the literature review, we have developed a number of hypotheses about the behaviour of firms in terms of the publication of non-financial information. More precisely, and based on the fact that research has shown, consistently, that only the sector of activity and the size of the firm are linked to behaviour concerning the diffusion of non-financial information, we present the following initial hypotheses:

- ✓ H1: The size of the firm has an effect on its approach to publishing non-financial information
- ✓ H2: The sector of activity of the firm has an effect on its approach to publishing non-financial information
- ✓ H3: The level of profitability of the firm has an effect on its approach to publishing non-financial information
- ✓ H4: The level of financial debt of the firm has an effect on its approach to publishing non-financial information

- ✓ H5: The structure of assets (intangible vs tangible) of the firm has an effect on its approach to publishing non-financial information

II. The European "mid-caps" sample and our research methodology

II.1. A marked interest in mid-caps and SMEs

According to Aguilera et al. (2007), and Blombäck and Wigren (2009), multinationals seem to be "omnipresent" in the media and in academic studies on CSR communication strategies. Similarly, Margolis and Walsk (2003), and Jenkins (2004), demonstrate that the existing academic literature on CSR focuses largely on multinational companies.

Some authors highlight the general feeling that multinational companies are more advanced in terms of implementing CSR strategies than SMEs (McWilliams and Siegel, 2001; Campbell, 2007), explaining the discrepancy in terms of the relative lack of financial and human resources of mid-caps and the relative weakness of their management structure.

Although mid-caps account for half the employees in developed and developing countries, and make a major contribution to the growth of the global economy, they tend not to focus on elaborating CSR strategies (Jamali et al., 2009; Murillo and Lozano, 2006; Spence, 2007).

Only Jorgensen and Knudsen (2006), von Weltzien Hoivik and Mele (2009), and de Wickert (2011a and 2011b) have studied the approach taken by mid-caps to the publication of non-financial information. However, these authors have only studied such practices in specific contexts, such as global supply chains.

Our research sheds light on listed European mid-caps, taking into account information communicated in annual reports in 2011.

II.2. The European "mid-caps" and "large caps" samples

In order to compare approaches taken to the publication of non-financial information by mid-caps and large caps in the 2011 financial year, we constituted two samples of firms from the four countries with the largest stock exchanges in Europe: the United Kingdom, France, Germany and Italy. The definition of a mid-caps used in this study is the one outlined in the French Law for the Modernization of the Economy (2008): a mid-cap (ETI, or *entreprise de taille intermédiaire* in French) is a company with between 250 and 4,999 employees, with a turnover not in excess of €1.5 billion, and total assets of no more than €2 billion. To facilitate the task of accessing data – in this instance data in the form of annual mid-cap reports – we decided to limit our research to listed mid-caps. Since data collection had to be carried out manually on the basis of annual reports from 2011, and since we wanted to obtain our initial results within a reasonable space of time, we decided, in an initial phase, to limit the sample to a maximum of 150 companies. We then selected an initial sample of British, French, German and Italian mid-caps using 2011 data from the Thompson ONE Banker database. Table 1 provides a summary of the approach applied to elaborating the sample. We first selected firms according to turnover, before applying the criteria of size relative to number of employees, and to the balance sheet total. Firms for which certain information was missing (balance sheet total, number of personnel) and financial companies (due to their specificities) were eliminated from the sample.

Table 1 - Constitution of the sample

We obtained an initial sample of 889 mid-caps. In order to meet our initial objective of 150 firms, we reduced this sample manually according to the following criteria:

- ✓ We eliminated all firms for which we did not have access to at least 5 studies produced by financial analysts employed by brokers for the period 2007-2011 in the Thomson One Banker database.
- ✓ We then made a random choice of one out of every six firms in the existing sample, ensuring a quasi-identical representation of the initial distribution between, on the one hand, the four countries mentioned, and, on the other, number of personnel, turnover, and average total assets.

We eventually obtained a sample of **148 mid-caps**. Data needed to answer our research questions were then collected manually from the annual reports for 2011 published by each of the 148 firms in the sample.

In regard to large companies, we selected the 200 biggest European firms in the Stoxx Large Indices, then eliminated companies not based in the UK, Italy, Germany or France. Lastly, we excluded all firms active in the financial sector. The sample was thus reduced to **104 firms**. The following stages of the methodology used for mid-caps were then also applied to large firms.

II.3 The methodology applied

The framework of the Global Framework Initiative (GRI) applied to annual reports and sustainable development

In recent years, there has been a lively debate about the poor quality of non-financial information published in the corporate world, a lack of quality that is one of the major reasons for the scepticism of investors in regard to the integration of CSR data in the investment process (Juravle and Lewis 2008; Sullivan 2011). Since 2008, no fewer than 18 structures or organizations have issued non-financial communication frameworks and directives, giving rise to a substantial amount of confusion amongst firms, investors and stakeholders. Nevertheless, according to Foretica (2011), the quality of non-financial information delivered by firms has improved dramatically. A notable example of this development is the growing concern with issues of CSR and governance (Kolk, 2008), a phenomenon linked to the emergence of more rigorous reporting frameworks (Ioannou and Serafeim, 2011; Eccles and Krzus, 2010; IIRC, 2011).

The objective of the Global Reporting Initiative (GRI), established in 1997, is to develop directives that can be applied to sustainable development globally, and to monitor the economic, environmental and social performance ("the triple bottom line"), firstly of corporations, and then of all other types of organization, with a view to ensuring that non-financial information is as rigorous and reliable as financial reporting. Under the umbrella of the Coalition for Environmentally Responsible Economies (CERES) in association with the United Nations Environment Programme (UNEP), the Global Reporting Initiative is supported by firms, NGOs, accountancy bodies, business associations, and other stakeholders from around the world.

The version of the GRI currently in use is known as G3. This version includes four major categories of principles: 1/ The process of writing reports: transparency, dialog with stakeholders, auditability; 2/ Report parameters: exhaustiveness, definition of the context; 3/ Guarantee of the reliability of the data; and 4/ Free access to the report. The Global Reporting Initiative provides a series of indicators for measuring sustainable development programs. The system includes 79 indicators distributed as follows: 49 basic indicators, and 30 so-called additional indicators. The indicators and classified by field: 9 "Economic" indicator (plus 2 additional indicators); 30 Environmental indicators 30 (plus 13 additional indicators); "Human Rights", 9 (plus 3 additional indicators); "Labour Practices and Decent Work", 14 (plus 5 additional indicators); "Product Responsibility", 9 (plus 5 additional indicators); and "Society", 8 (plus 2 additional indicators). In 2000, less than 50 firms included GRI indicators in their annual reports. This figure rose rapidly to 376 firms in 2005 and over 1,860 in 2010 (www.globalreporting.org).

Table 2

Table 3

Annual reports are not the only platform used by firms to communicate CSR information; other platforms include advertising, public relations, bulletins, the media and websites. Nevertheless, annual reports are the only documents produced on a period basis according to strict, transparent and legally binding rules (Gray, Kouhy and Lavers, 1995). Frequently, alongside obligatory information, annual reports also contain information divulged voluntarily (Walter and Lanis, 2009). Lastly, annual reports and the information voluntarily published in them must faithfully reflect the accounting and financial data of the firm as audited by external third parties. The annual report has thus gradually become a marketing and communications tool for non-financial information aimed at various categories of stakeholders, notably shareholders, employees, clients, suppliers, the media, and the government. Lastly, firms also use annual reports with a view to developing a strong brand image (Berkey, 1990; Neu, Warsame and Pedwell, 1998; Stanton and Stanton, 2002).

CSR communication is one of the aspects of the life of the firm that regulators are currently taking an interest in. Sustainable development reports are being encouraged in Denmark and Sweden (Danish Financial Statements Act), and an integrated report (including information from the annual financial report and the sustainable development report) is being developed in France and South Africa (Grenelle II in France and the King Code III in South Africa). Elsewhere, the setting up of the International Integrated Reporting Committee (IIRC), an organization including business leaders, investors, auditors, market authorities and regulators, academics, and representatives of civil society may lead to a convergence in frameworks and directives on non-financial information and the integration of financial and non-financial reports.

We opted to use GRI reporting norms and apply the same analytical approach to all the firms in our two samples. We used annual reports and, when they were available, sustainable development reports, but chose not to use information presented on corporate websites since we were unable to transfer the CSR information published by the 250 firms in our sample onto a .pdf in a single day and thus unable to ensure that that information was derived from the same time period. Information displayed on websites is modified on a regular basis and in an unpredictable way and is less credible than the information published in annual reports. In effect, “the annual report has a degree of credibility than cannot be found in any other type of publication" (Neu et al., 1998).

Content analysis

In order to address the various issues raised by academics working on the problematic of CSR communication, we analyzed the content of the annual reports and sustainable development reports produced by the firms in our samples. Content analysis involves categorizing elements of textual and narrative content into groups in function of certain criteria with a view to transforming data into quantitative units capable of analysis (Weber, 1988). This method has been widely applied in articles examining approaches to the divulgation of non-financial information (Gray et al., 1995a; Deegan and Gordon, 1996; Deegan and Rankin, 1996; Milne and Adler, 1999; Campbell, 2000; Holder-Webb, 2007; Holder-Webb et al., 2007). Kolk and Pinkse have also carried out a content analysis to determine the degree to which corporate governance is integrated into the publication of CSR information by multinational companies. Their analysis was based on CSR reports published by Fortune Global 250 companies (the first half of the Fortune 500 list made up of the world's top 500 companies in terms of turnover).

The aim of our research is to develop quantitative scales for the diffusion of non-financial CSR-type information. The analysis focuses on the most recently available annual reports and reports on sustainable development dealing with environmental and/or social questions, issues of health and safety, corporate responsibility, sustainability, as well as social and other types of information associated with CSR. It should be noted that non-financial information may be integrated into financial reports or dealt with in separate reports.

A list of CSR variables was developed on the basis of the major categories outlined in the GRI.

In order to obtain precise data about firms' approaches to CSR communication, we constructed a scale in which all elements of information are evaluated independently. The coding schema takes into account phrases and words and the level of precision of each element of information communicated. Each document was studied closely and each variable coded using a 7-point Likert scale:

- 0 = No mention of the variable
- 1 = The variable is mentioned but only in reference to another document
- 2 = A brief mention of the variable will few if any details
- 3 = Discussion of the variable accompanied by a few details
- 4 = Detailed discussion of the variable
- 5 = The discussion of the variable accounts for over 50% of the text
- 6 = The document is entirely dedicated to a discussion of the variable

We coded all the measures of all the GRI indicators, then added up the points of all the indicators for each firm in our two samples. In order to ensure that the data collected by the two researchers responsible were comparable, we carried out a double collection on 7 firms in each sample and analyzed the correlation coefficients of the two coding methods. According to Frey et al. (2000) and Neuendorf (2002), if the correlation coefficient exceeds 70%, the coding is reliable. For our two tests on 7 firms, we obtained correlations of between 76% and 89%.

III. Results and discussions

In order to test our two hypotheses, we studied three categories of information published by firms according to the sector of activity in which they operate and whether they are mid-caps or large caps.

The three categories of information can be outlined in the following way:

- ✓ The quantity of CSR communication, including the respect of GRI norms measured by the existence and size of a CSR report, by the existence and size of a separate governance report, by the application of GRI norms, and by the existence of certification provided by a third party external to the firm

- ✓ Quality of general information, including profile, strategy, organization and governance

- ✓ Quality of CSR information, including economic and environmental performance, product responsibility, social practices, respect of human rights, and civil society

III. 1. The size of the firm still highly influential in 2011

Our analysis of the two samples reveals that the annual report is not the only platform used by large companies to diffuse CSR-related information. Indeed, 79% of large companies produce separate reports dedicated to CSR issues. In contrast, only 9% of mid-caps publish separate CSR reports and, consequently, most information on matters of social responsibility published by mid-caps is to be found in annual reports.

The results of our different regressions for ETI and STOXX samples show that the number of employees and the total asset are two significant factors explaining the quantity of GRI general and CSR related information.

Table 12

Table 13

Our results also lead us to the conclusion that the quantity of information published varies substantially depending on the size of the firm in question. This observation validates Hypothesis 1.

For example, while the CSR reports published by large companies run to an average of 57 pages, mid-caps publish only three pages of CSR-related information. (It should, however, be noted that when mid-caps do publish CSR reports, they are considerably longer; however, most such companies do not publish reports of that kind).

Lastly, our initial results concerning the application of GRI norms by companies are fairly eloquent:

- ✓ While 68% of large companies apply GRI norms, only 4% of mid-caps do so

- ✓ Similarly 79% of large companies publish a CSR report (independent from the annual report), only 9% of mid-caps do so
- ✓ Finally, 36% of large-caps, but only 1% of mid-caps use an external auditor to certify the information they published

It thus clearly emerges at this stage that mid-caps publish a relatively low volume of CSR-related information, which is, moreover, of a relatively poor quality. Very few mid-caps apply GRI norms, and the CSR-related information that they do publish often appears confused to stakeholders.

In regard to the general quality of information published by firms in our two samples, it transpires that the various indicators provide values that are between 2 and 8 times higher for large-caps than for mid-caps. In effect, the indicator for information on governance published by mid-caps is 18.84, while the indicator value for large-caps is 32.45, a ratio of almost 1 to 2. In terms of information concerning Stakeholder Engagement, the indicator value for mid-caps is 1.1, while large caps achieve 9.4, giving a ratio of over 1 to 8.

These results reveal that there are substantial differences in the quality of non-financial information published depending on the size of the firm. Nevertheless, in spite of the fact that mid-caps perform less well than large-caps, they nevertheless appear to focus on three specific areas, namely governance, strategy and corporate organization.

More or less the same observations can be made about CSR-related information. Mid-caps tend to publish economic information of a relatively high quality (12.57), even if its quality is not as high as the information published by large companies (24.71). Likewise, product information published by mid-caps is of a relatively high quality (10.85), although large caps score an average of 21.03. On the other hand, mid-caps publish considerably less information than large caps about other aspects, and that information is of a distinctly inferior character. For example, the mid-caps indicator for Environmental information is 1.47 (compared with 55.9 for large caps), while their Human Rights is 1.3 (compared to 10.7 for large caps).

From our analysis of the impact of the size of the firm it transpires that mid-caps do not apply GRI norms and published relatively little CSR-related information, and that what information they do publish is of relatively poor quality.

In order to ensure that our results were reliable, we used SPSS software to test the comparability of the indicators used in our mid-caps and large caps samples. It transpires that all the averages are statistically different. The hypothesis that well established that large companies publish a greater volume of more reliable CSR-related information than mid-caps is thus validated.

Table 4: ANOVA Table

Table 5: ANOVA Table

III.2. A sectorial impact throughout the STOXX sample

In this second part of the article, we will analyse for both samples (STOXX and ETI) the impact of the sector of activity in which firms operate on the quantity and quality of non-financial information published.

We study the degree to which the sector of activity in which firms are involved impacts the quantity and quality of information published in terms of either general or CSR-related information.

It transpires from this study that there are marked differences between sectors in terms of the publication of non-financial information for the STOXX sample (with very significant results). This validates Hypothesis 2 for the STOXX sample. Thus, firms in certain sectors publish more CSR-related information than others. This is the case, for example, for the consumer goods, materials, and energy sectors. However, firms in the IT and health sectors publish relatively little information. Our study suggests that firms in the energy, telecommunications, and utilities sectors are those most likely to have their data verified by an external auditor, while firms in the IT sector are those least likely to.

Table 6

Similarly, the sectors in which firms publish the most precise and fullest information concerning almost all GRIs are utilities, consumer goods, and energy. On the other hand, firms in the IT sector and the industrial (goods and services) sector published much less in the way of non-financial information than their counterparts in other sectors. The study reveals small sectorial differences in terms of the publication of information about Organization, Strategy and Governance. On the other hand, very pronounced differentials were observed in the Stakeholder Engagement category.

Table 7

A variance analysis reveals a strong link between the quality of overall quality of information published by European companies in the sample, encompassing all significant indicators, and the sector in which those firms operate.

We were able to observe that the highest quality CSR-related information was published by firms in the energy, telecoms, utilities and materials sectors, while the lowest quality CSR-related information was published by firms in the IT sector.

It is also interesting to note that differentials between sectors are wider in the Society, Human Rights and Environment categories, and this in spite of the fact that information concerning data social practices at work, product responsibility, and performance have been subjected, to some degree at least, homogenized.

Similarly, a variance analysis reveals that the sector in which firms operate has a significant impact on all these indicators.

Table 8

On the contrary, this study cannot statistically demonstrate that there are marked differences between sectors in terms of the publication of non-financial information for the ETI sample (with the exception of the Environment indicator which is significant). This invalidates Hypothesis 2 for the ETI sample.

But, even if, the results of our study are not significant, we can observe the same statistics for both samples (ETI and STOXX) on the quantity and quality of general and CSR related information by sector. Some sectors like Materials and Healthcare seem to publish more non-financial information than sectors like Information technology for both samples (STOXX and ETI):

	STOXX	ETI
Sectors publishing many CSR information	Materials + Healthcare +	Materials ++ Healthcare + Industrial +
Sectors publishing very few CSR information	Information technology -	Information technology --

Table 10

Table 11

Table 12

Table 13

III.3. Some factors seem to influence the publication of non-financial information for both samples (ETI and STOXX)

It transpires from this study that some factors like Ebit and profit margin but also the level of intangible have clearly an influence in terms of the publication of non-financial information for the STOXX sample. This validates Hypotheses 3 and 5 for the STOXX sample but invalidates the Hypothesis 4 for the STOXX sample.

Table 14

Table 15

This study also shows that factors like Ebit and net margin but also the leverage ratio have clearly an influence in terms of the publication of non-financial information for the ETI sample. This validates Hypotheses 3 and 4 for the ETI sample but invalidates the Hypothesis 5 for the ETI sample.

Our results on the Ebit, profit and net margins, are consistent with previous studies on large caps in other regions. There are two explanations for these results. First, the more profitable the firm is, the more money the firm can spend to maintain CSR activities and to collect and report such data to the stakeholders. Secondly, firms with higher financial results will be pushed by the stakeholders to act in a more socially responsible attitude to justify the firm's high level of results which comes from high prices towards its customers. The external pressure on the firm will push the firm to do more CSR activities.

Our results for the ETI confirm this tendency for the mid-cap firms, which is clearly a new result in the academic literature.

Our 4th hypothesis is validated for the ETI sample but not for the STOXX sample, which may tell us that mid-caps are more dependent for their financing activities on banks than on other investors. For mid-caps, the bank seems to play the role of the unique stakeholder which asks and obtains CSR related information on the firm. This hypothesis is not validated for the STOXX sample because large caps can obtain the most part of their financing on the market.

Conclusion

Modern firms belong to a complex socio-economic system within which they play an active and involved role. In the name of this involvement, the various stakeholders of those firms demand to be informed about their social and environmental actions and interactions, and insist on being kept up to date on issues relating to corporate social responsibility. Like all responsibility, CSR implies a subtle dose of transparency and, consequently, necessitates the communication of previously confidential or unexploited information on the part of firms and their managers.

Some firms have anticipated these needs and adopted a communication strategy based on a wealth of dynamic CSR-related information, while others have chosen to remain silent about CSR concerns. Nevertheless, previous research on CSR reveals that it may well be in the interest of firms to publish more non-financial, CSR-related information. The publication of such information has a favourable impact on the reputation of the firm and on its legitimacy in regard to stakeholders, while at the same time making it easier to measure corporate risk. Thus, differences in approaches to the publication of non-financial, CSR-related information are linked to the size of the firm concerned and the sector in which it operates.

In our study we have sought to highlight the importance of the factors of size and sector of activity of firms in their approaches to publishing non-financial, CSR-related information. We have applied the norms of the Global Reporting Initiative to the study of non-financial information linked to CSR in 148 listed European mid-caps and 104 listed European large caps. These mid-caps and large caps are based in the main stock exchange trading areas in Europe, namely the United Kingdom, France, Germany and Italy.

Firstly, the results clearly show that the large caps in the sample communicate more effectively than the midcaps not only in terms of CSR communication approaches, but also of the quality of both general and CSR-related information.

Secondly, the results reveal marked differences for the STOXX sample in terms of the sector of activity in which firms are involved, notably a low level of CSR-related communication in the IT and a high level for materials and health sectors. The same kind of behaviour exists for the ETI sample, but is not significant.

Thirdly, our study shows that some factors have a real influence on the publication of CSR related information by the mid-caps and large caps (profitability, debt and intangible).

These initial results, gleaned from an original sample which includes European mid-caps, prompt us to conclude that mid-caps do not publish enough CSR related information for the stakeholders and still in 2011, do not comply to any well known references like GRI.

This paper should conduct us to examine the role that the publication of non-financial, CSR-related information plays in terms of investors' and lenders' perceptions of financial risk. Do the wide disparities in CSR communication between large caps and mid-caps do a disservice to these last?

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Appendices 1: Tables

Table 1 – Constitution of the sample

Selection phases:	ETI Sample after selection
French, Italian, German and British companies with a turnover of less than €1.5	1,510
Firms about which information is lacking	1,412
Firms in the financial sector	1,202
Firms with more than 250 and less than 4,900 employees	905
Firms whose total assets are in excess of €2 billion	889
Firms eliminated manually (according to the procedure described)	150
Firms for which no annual report is available	148

Table 2 : Details of general informations collected on large and mid caps (GRI methodology)

Profile			
Strategy and Analysis			statement, impacts, risks, opportunities, stake
1,1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.		environment targets, strategic, environmental sustainability, engagement..
1,2	Description of key impacts, risks, and opportunities. The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities.		challenges of sustainability,progress,improving,risk management,target newly, future target, impact on,
Organizational Profile			presentation, organization
2,1	Name of the organization.		
2,2	Primary brands, products, and/or services.		product, service,brand mission, brand value, activity, sale
2,3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.		executive board, structure, subsidiaries, supervisor board, composition, organization, joint ventures
2,4	Location of organization's headquarters.		location, headquarters
2,5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		outsource,manufacturing partners.
2,6	Nature of ownership and legal form.		ownership, structure, control system, status
2,7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		geographic market, consumer segment, international
2,8	Scale of the reporting organization		employee, net sales, capitalization
2.9	Significant changes during the reporting period regarding size, structure, or ownership		change, size, methodology, policies
2.10	Awards received in the reporting period.		awards
Report Profile			
3,1	Reporting period (e.g., fiscal/calendar year) for information provided.		reporting period, methodology, front cover fiscal, financial calendar
3,2	Date of most recent previous report (if any).		
3,3	Reporting cycle (annual, biennial, etc.)		
3,4	Contact point for questions regarding the report or its contents.		contact

Report Scope and Boundary			
3,5	Process for defining report content		content, topics, approach
3,6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.		front cover, performance
3,7	State any specific limitations on the scope or boundary of the report.		report principle
3,8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.		report principle, joint venture
3,9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.		measurement tool, report principle
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers / acquisitions, change of base years/periods, nature of business, measurement methods).		key data
3,11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		changes
GRI Content Index			Gri content index
3,12	Table identifying the location of the Standard Disclosures in the report.		Indicators version, back cover, standard disclosures
Assurance			Assurance
3,13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).		assurance, front cover
Governance			Governance
4.0	Dans quelle partie ces informations ont-ellles été traitées?		
4,1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.		corporate governance, governance structure, committee.
4,2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).		Chief Executive Officer, top management
4,3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.		independent, non-executive, board
4,4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		recommendations, supervisory board,
4,5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).		compensation system, compensation components,performance bonus
4,6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.		conflict interest,coporate governance.
4,7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.		expert committees,rules of procedure, examination, cooptation, nomination
4,8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.		statements, code of conduct, principles, corporate governance code
4,9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.		procedures, mechanisms,management and measurement
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		Efficient committee work, control, evaluation

Commitments to External Initiatives			commitment, support, iniatives, impact
4,11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.		precautionary approach, operationnal planning
4,12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.		charters,subscribe, endorsment, initiative
4,13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic.		index membership, association, comitee
Stakeholder Engagement			stakeholder, community
4,14	List of stakeholder groups engaged by the organization.		stakeholder partnership, communities
4,15	Basis for identification and selection of stakeholders with whom to engage.		stakeholder dialogue, methologu stakeholder
4,16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.		Stakeholder engagement
4,17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.		topics, stakeholder dialogue, discussions, concerns

Table 3 : Details of CSR informations collected on large and mid caps (GRI methodology)

Economic

	ECONOMIC PERFORMANCE
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.
EC3	Coverage of the organization's defined benefit plan obligations.
EC4	Significant financial assistance received from government.

Environmental

	MATERIALS
EN1	Materials used by weight or volume.
EN2	Percentage of materials used that are recycled input materials.
	ENERGY
EN3	Direct energy consumption by primary energy source.
EN4	Indirect energy consumption by primary source.
EN5	Energy saved due to conservation and efficiency improvements.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.
	WATER
EN8	Total water withdrawal by source.
EN9	Water sources significantly affected by withdrawal of water.
EN10	Percentage and total volume of water recycled and reused.
	BIODIVERSITY
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13	Habitats protected or restored.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

EMISSIONS, EFFLUENTS, AND WASTE

EN16	Total direct and indirect greenhouse gas emissions by weight.
EN17	Other relevant indirect greenhouse gas emissions by weight.
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19	Emissions of ozone-depleting substances by weight.
EN20	NO, SO, and other significant air emissions by type and weight.
EN21	Total water discharge by quality and destination.
EN22	Total weight of waste by type and disposal method.
EN23	Total number and volume of significant spills.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

PRODUCTS AND SERVICES

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.

COMPLIANCE

EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.

TRANSPORT

Human Rights

INVESTMENT AND PROCUREMENT PRACTICES

HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.

HR2 Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

NON-DISCRIMINATION

HR4 Total number of incidents of discrimination and corrective actions taken.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

HR5 Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be voilated or at significant risk, and actions taken to support these rights.

CHILD LABOR

HR6 Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

FORCED AND COMPULSORY LABOR

HR7 Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

SECURITY PRACTICES

HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

INDIGENOUS RIGHTS

HR9 Total number of incidents of violations involving rights of indigenous people and actions taken.

Labor Practices and Decent Work

EMPLOYMENT

LA1	Total workforce by employment type, employment contract, and region, broken down by gender
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.
LA15	Return to work and retention rates after parental leave, by gender.

LABOR/MANAGEMENT RELATIONS

LA4	Percentage of employees covered by collective bargaining agreements.
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

OCCUPATIONAL HEALTH AND SAFETY

LA6	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region and by gender.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
LA9	Health and safety topics covered in formal agreements with trade unions.

TRAINING AND EDUCATION

LA10	Average hours of training per year per employee by gender, and by employee category.

Society

LOCAL COMMUNITY

SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.

SO9	Operations with significant potential or actual negative impacts on local communities.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

CORRUPTION

SO2	Percentage and total number of business units analyzed for risks related to corruption.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.
SO4	Actions taken in response to incidents of corruption.

PUBLIC POLICY

SO5	Public policy positions and participation in public policy development and lobbying.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

ANTI-COMPETITIVE BEHAVIOR

SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.

COMPLIANCE

SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

Product Responsibility

CUSTOMER HEALTH AND SAFETY

PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

PRODUCT AND SERVICE LABELING

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

MARKETING COMMUNICATIONS

PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

CUSTOMER PRIVACY

PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

Table 4:

	1. **Approaches to CSR communication**					
Sample	Application of the GRI	Existence of an independent CSR report in the annual report	Existence or otherwise of an independent governance report in the annual report	No. of pages of the independent CSR report	No. of pages on CSR in the annual report	Certification by GRI
MID-CAPS	0.04	.09	.16	3.13	3.03	.01
STOXX	0.68	.72	.19	56.92	11.44	.36
	2. **Quality of general information**					
	Profile	Strategy and Analysis	Organizational Profile	Report Scope and Boundary	GRI Content Index	Governance
MID-CAPS	44.19	1.72	12.72	5.97	.11	18.84
STOXX	106.37	7.44	29.71	17.01	1.80	32.45
	3. Quality of CSR-related information					
	Economic (EC)	Environment (EN)	Product Responsibility (PR)	Labor Practices and Decent Work (LA)	Human Rights (HR)	Society (SO)
MID-CAPS	12.57	14.709	10.85	13.10	1.31	2.18
STOXX	24.71	55.91	21.03	30.41	10.67	11.65

Table 5: ANOVA Table

According to the mid-caps or Large Stoxx sample		**Sum of Squares**	**F**	**Sig.**
Profile	Intra	236,125,452	251,91	0
	Inter	937,339		
Strategy and Analysis	Intra	1,997,954	368,546	0
	Inter	1,355,296		
Organizational Profile	Intra	17,642,224	160,89	0
	Inter	27,413,427		
Report Scope and Boundary	Intra	7,449,036	105,261	0
	Inter	17,691,821		
Governance	Intra	11,309,418	87,159	0
	Inter	32,439,185		
Commitments to External Initiatives	Intra	1,849,572	155,218	0
	Inter	2,978,984		
Stakeholder Engagement	Intra	3,544,660	177,763	0
	Inter	4,985,086		

Table 6 : ANOVA Table

According to the sample		**Sum of Squares**	**F**	**Sig.**
Economic Performance Indicators (EC)	Intra	8,997,721	46,192	0
	Inter	48,697,529		
Environment (EN)	Intra	103,892,384	174,96	0
	Inter	148,451,266		
Product Responsibility (PR)	Intra	6,326,686	39,538	0
	Inter	40,003,643		
Labour Practices and Decent Work (LA)	Intra	18,306,045	130,904	0
	Inter	34,960,701		
Human Rights (HR)	Intra	5,353,730	101,147	0
	Inter	13,232,587		
Society (SO)	Intra	5,487,108	111,681	0
	Inter	12,282,971		

Table 7

Sector		Existence of a separate CSR report in the annual report	Existence of a separate governance report in the annual report	No. of pages of the separate CSR report	No. of pages on the CSR in the annual report	Certification by GRI
Consumer discretionary	N	49	49	49	49	49
	Mean	.27	.06	19,22	7,47	.08
	Std. Deviation	.446	.242	37,105	11,581	.277
	Variance	.199	.059	1376,761	134,129	.077
Consumer staples	N	29	29	29	29	29
	Mean	.59	.17	38,69	6,24	.14
	Std. Deviation	.501	.384	49,939	10,091	.351
	Variance	.251	.148	2493,865	101,833	.123
Healthcare	N	18	18	18	18	18
	Mean	.28	.17	6,39	3,00	.11
	Std. Deviation	.461	.383	12,186	7,170	.323
	Variance	.212	.147	148,487	51,412	.105
Industrials	N	59	59	59	59	59
	Mean	.27	,19	17,17	5,88	.07
	Std. Deviation	.448	,393	38,407	11,797	.254
	Variance	.201	,154	1475,109	139,175	.064
Information technology	N	35	35	35	35	35
	Mean	.09	.20	1,89	2,57	.03
	Std. Deviation	.284	.406	7,806	4,082	.169
	Variance	.081	.165	60,928	16,664	.029
Materials	N	33	33	33	33	33
	Mean	.52	.24	32,48	9,48	,33
	Std. Deviation	.508	.435	42,454	16,878	,479
	Variance	.258	.189	1802,320	284,883	,229
Oil & Gas	N	9	9	9	9	9
	Mean	.89	.22	60,56	15,00	.56
	Std. Deviation	.333	.441	28,571	22,293	.527
	Variance	.111	.194	816,278	497,000	.278
Telecommunications	N	8	8	8	8	8
	Mean	.50	.25	85,00	5,13	.38
	Std. Deviation	.535	.463	136,231	10,973	.518
	Variance	.286	.214	18558,857	120,411	.68
Utilities	N	12	12	12	12	12
	Mean	.50	.25	70,09	9,33	.33
	Std. Deviation	.522	.452	97,606	7,820	.492
	Variance	.273	.205	9526,891	61,152	.242

Table 8

Sector		Profile	Strategy and Analysis	Organizational Profile	Report Scope and Boundary	GRI Content Index	Governance	Commitments to External Initiatives	Stakeholder Engagement
Consumer discretionary	Mean	61,63	3,27	18,00	8,41	,55	22,88	4,73	3,80
	N	49	49	49	49	49	49	49	49
	Std. Deviation	40,057	3,271	13,218	8,787	1,339	12,084	4,066	5,568
	Variance	1604,529	10,699	174,708	77,205	1,794	146,026	16,532	30,999
Consumer staples	Mean	93,14	6,07	26,72	14,10	1,31	30,59	7,03	7,31
	N	29	29	29	29	29	29	29	29
	Std. Deviation	35,186	3,316	10,657	10,421	1,815	10,172	4,289	5,366
	Variance	1238,052	10,995	113,564	108,596	3,293	103,466	18,392	28,793
Healthcare	Mean	70,00	4,56	17,89	11,17	1,11	25,83	4,67	4,78
	N	18	18	18	18	18	18	18	18
	Std. Deviation	45,224	3,650	13,181	10,371	1,779	14,750	4,243	5,579
	Variance	2045,176	13,320	173,752	107,559	3,163	217,559	18,000	31,124
Industrials	Mean	60,05	2,88	16,88	8,64	,32	23,03	4,54	3,75
	N	59	59	59	59	59	59	59	59
	Std. Deviation	37,574	3,509	12,129	9,426	1,025	12,699	4,158	4,855
	Variance	1411,808	12,313	147,106	88,854	1,050	161,275	17,287	23,572
Information technology	Mean	41,26	2,03	12,37	5,86	,26	16,97	2,17	1,60
	N	35	35	35	35	35	35	35	35
	Std. Deviation	35,629	3,024	12,274	7,916	,950	13,798	3,063	3,696
	Variance	1269,432	9,146	150,652	62,655	,903	190,382	9,382	13,659
Materials	Mean	83,91	5,48	22,85	13,18	1,24	26,18	7,27	7,70
	N	33	33	33	33	33	33	33	33
	Std. Deviation	41,616	3,589	13,106	9,853	1,904	12,883	4,237	6,376
	Variance	1731,898	12,883	171,758	97,091	3,627	165,966	17,955	40,655
Oil & Gas	Mean	113,89	7,00	33,22	20,11	2,44	32,44	8,44	10,22
	N	9	9	9	9	9	9	9	9
	Std. Deviation	36,392	2,000	11,388	10,553	1,944	8,413	4,126	6,418
	Variance	1324,361	4,000	129,694	111,361	3,778	70,778	17,028	41,194
Télécommunication	Mean	90,25	5,75	23,75	15,00	1,63	27,75	7,38	9,00
	N	8	8	8	8	8	8	8	8
	Std. Deviation	52,535	4,062	13,594	10,810	2,264	14,907	4,689	7,071

	Variance	2759,929	16,500	184,786	116,857	5,125	222,214	21,982	50,000
Utilities	Mean	93,17	6,67	26,75	14,92	1,17	30,00	7,58	6,08
	N	12	12	12	12	12	12	12	12
	Std. Deviation	49,066	2,902	14,692	11,461	1,749	14,863	4,542	7,025
	Variance	2407,424	8,424	215,841	131,356	3,061	220,909	20,629	49,356

Table 9 : Financial informations on ETI and STOXX Samples

Echantillon	Employees	Assets	Sales
ETI			
Mean	2141	487,2365	415,8243
N	148	148	148
STOXX			
Mean	101185	62573,2903	47357,5699
N	93	93	93

Echantillon	Employees	Assets	Sales	tf.Intangibles	tf.Total Common Equity	tf.Total Debt	Before Interest And Taxes	tf.Net Margin5Yr Avg	Profit Margin5Yr Avg	DebtCommonEqui	IntangibleDebt
ETI											
Mean	2141	487,2365	415,8243	120,8	282,7	112,2	46,9	3,7	5,9	54,2	1407,0
N	148	148	148	105	105	105	104	102	102	104	104
STOXX											
Mean	101185	62573,2903	47357,5699	15088,9	22082,2	16259,5	4816,6	8,2	14,7	89,9	270,7
N	93	93	93	98	98	98	97	96	96	98	98

Table 10 : GRI general informations on ETI and STOXX samples

Echantillon		Profile	Strategy and Analysis	Organizational Profile	Report Scope and Boundary	GRI Content Index	Governance	Commitments to External Initiatives	Stakeholder Engagement
ETI	N	148	148	148	148	148	148	148	148
	Mean	44,19	1,72	12,72	5,97	,11	18,84	3,01	1,82
	Std. Deviation	30 319	2 579	10 729	7 243	,651	12 822	3 298	3 505
STOXX	N	104	104	104	104	104	104	104	104
	Mean	106,37	7,44	29,71	17,01	1,80	32,45	8,51	9,44
	Std. Deviation	31 035	1 915	10 092	9 843	1 913	8 961	3 660	5 556

Table 11 : GRI CSR related informations on ETI and STOXX samples

Echantillon		Economic Performance Indicators (EC)	Environment (EN)	Product Responsibility (PR)	Labour Practices and Decent Work (LA)	Human Rights (HR)	Society (SO)
ETI	N	148	148	148	148	148	148
	Mean	12,57	15	10,85	13,10	1,31	2,18
	Std. Deviation	12 750		12 457	11 193	4 030	4 687
STOXX	N	104	104	104	104	104	104
	Mean	24,71	56	21,03	30,41	10,67	11,65
	Std. Deviation	15 517	299 106 695	12 919	12 673	10 261	9 375

Table 12 : GRI general informations by sectors on ETI and STOXX samples

	Sector											Sector				
	Consumer discretionary		Consumer staples		Energie	Healthcare		Industrials	Information technology	Materials		Oil & Gas	Telecommunications services	Utilities	
	Echantillon		Echantillon		Echantillon	Echantillon		Echantillon	Echantillon	Echantillon		Echantillon	Echantillon	Echantillon	
	ETI	STOXX	ETI	STOXX	ETI	ETI	STOXX	STOXX	STOXX	ETI	STOXX	STOXX	STOXX	ETI	STOXX
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Profile	44	102	65	104	38	46	100	97	101	52	110	123	126	23	116
Strategy and Analysis	2	7	2	8	2	2	7	7	8	3	8	8	8	3	8
Organizational Profile	13	30	20	29	5	11	26	25	29	13	31	37	31	4	34
Report Scope and Boundary	6	13	9	16	0	9	15	18	18	8	17	23	22	0	20
GRI Content Index	0	2	0	2	0	0	2	1	2	0	2	3	3	0	2
Governance	18	33	25	33	26	18	35	32	28	22	29	33	37	13	36
Commitments to External Initiatives	3	9	3	8	5	3	7	7	6	4	9	9	10	3	9
Stakeholder Engagement	2	9	5	8	0	2	9	7	10	2	12	12	14	0	8

Table 13 : GRI CSR related informations by sectors on ETI and STOXX samples

	Sector																	Sector
	Consumer discretionary		Consumer staples		Energie	Healthcare		Industirals		Information Information technology		Materials		Oil & Gas	Télécommunication		Utilities	
	Echantillon		Echantillon		Echantillon	Echantillon		Echantillon	Echantillon	Echantillon	Echantillon	Echantillon		Echantillon	Echantillon	Echantillon	Echantillon	
	ETI	STOXX	ETI	STOXX	ETI	ETI	STOXX	ETI	STOXX	ETI	STOXX	ETI	STOXX	STOXX	ETI	STOXX	ETI	STOXX
	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean	Mean
Economic Performance Indicators (EC)	14	19	16	21	6	12	27	15	22	9	25	12	30	24	10	39	1	30
Environment (EN)	154 706	520 000	266 250	506 667	130 000	142 000	610 000	143 409	463 333	64 194	362 500	263 571	780 000	650 000	40 000	516 000	240 000	528 889
Product Responsibility (PR)	10	18	18	21	0	14	28	13	17	8	24	10	20	20	10	29	0	23
Labour Practices and Decent Work (LA)	12	33	20	28	7	10	31	14	28	12	31	14	33	32	14	29	0	28
Human Rights (HR)	1	10	6	8	0	3	9	1	5	0	7	1	14	14	0	12	0	14
Society (SO)	2	12	6	11	2	3	9	2	8	1	16	3	11	21	1	7	0	11

Table 14 : factors influencing general and CSR related informations diffusions by STOXX sample

	Asset		Sales	Employees			R2
Profile	.357	***	NS		.257	***	.277
Strategy & Analysis	.310	***	NS		.329	***	.298
Organisational	.336	***	NS		.218	***	.225
Report Scope Boundary	.391	***	NS		NS		.149
Governance	.336	***	NS		.226	***	.143
Commitments to External Initiatives	.507	***	NS		.269	***	.219
Stakeholder engagement	.295	***	NS		.251	***	.216
Economic indicator	.212	***	NS		.180	***	.107
Environnement	.307	***	NS		.209	***	.194
Product Responsabilty	.180	***	NS		.210	***	.106
Labour Pratice	.230	***	NS		.224	***	.146
Human Rights	.648	***	NS		NS		.135
Society	.389	***	NS		NS		.147

	Model	R2	tf .Intangib es	tf .Earnings Before Interest And Taxes	tf .Operati g Profi t Margin5Yr Avg	tf .Cash Flow To Sales5Yr Avg	tf .Working Cap Pct Capital5Yr Avg	DebtComm onEqui	IntangibleD ebt	tf .Total Common Equity	tf .Net Margin5Yr Avg	tf .Sales5Yr Growth	tf .Total Common Equity
Profile	5	.395	.311	.255	.559	-.429	-0.14	NS	NS	NS	NS	NS	NS
Strategy & Analysis	4	.329	.337	.201	.527	-.318	NS	NS	NS	NS	NS	NS	NS
Organisational	3	.319	.320	.264	.210	NS	NS	NS	NS	NS	NS	NS	NS
Report Scope Boundary	3	.275	.338	.221	.169	NS	NS	NS	NS	NS	NS	NS	NS
Governance	2	.132	.229	.222	NS	NS	NS	NS	NS	NS	NS	NS	NS
Commitments to External Initiatives	2	.214	.353	NS	NS	NS	-0.22	NS	NS	NS	NS	NS	NS
Stakeholder engagement	2	.182	.220	.301	NS	NS	NS	NS	NS	NS	NS	NS	NS
Economic indicator	2	.116	.240	NS	NS	NS	NS	.196	NS	NS	NS	NS	NS
Environnement	3	.228	.209	.282	.190	NS	NS	NS	NS	NS	NS	NS	NS
Product Responsabilty	2	.174	.299	NS	NS	NS	NS	.224	NS	NS	NS	NS	NS
Labour Pratice	5	.221	NS	NS	.645	-.424	NS	.233	-.163	.175	NS	NS	NS
Human Rights	4	.180	NS	.238	NS	NS	NS	.216	NS	NS	.223	-.166	NS
Society	3	.264	NS	NS	NS	NS	-0.24	N	NS	NS	.246	NS	.330
		R2	tf .Intangib es	tf .Earnings Before Interest And Taxes	tf .Operati g Profi t Margin5Yr Avg	tf .Cash Flow To Sales5Yr Avg	tf .Working Cap Pct Capital5Yr Avg	DebtComm onEqui	IntangibleD ebt	tal Common	tf .Net Margin5Yr Avg	tf .Sales5Yr Growth	tf .Total Common Equity

Table 15 : factors influencing general and CSR related informations diffusions by ETI sample

	Asset		Sales		Employees		R2
Profi le	0.666						.204
Strategy & Analysis	0.694						.159
Organisati onal	1.142				0.205		.179
Report Scope Boundary					0.217		.083
Governance			0.268				.255
Commitments to External Initi ati ves							.085
Stakeholder engagement					0.176		.014
Economic indicator	0.807		NS		NS		.103
Environnement	0.136	**	NS		NS		0.01
Product Responsabilty	NS		NS		0.192		.128
Labour Prati ce	NS		0.136		NS		0.228
Human Rights	NS		NS		NS		NS
Society	0.166	**					0.021

	Model	R2	tf.Intangibles	tf.Earnings Before Interest And Taxes	tf.Operating Profit Margin5Yr Avg	tf.Cash Flow To Sales5Yr Avg	tf.Working Cap Pct Capital5Yr Avg	DebtCommonEqui	IntangibleDebt	tf.Total Common Equity	tf.Net Margin5Yr Avg
Profile		0.204			0.65	-0.623		0.289		-0.514	
Strategy & Analysis		0.159			0.576	-0.509				-0.466	
Organisational		0.179					0.253	0.232		-1.021	0.655
Report Scope Boundary		0.083				-0.266		0.25			0.379
Governance		0.255			0.584	-0.661		0.268	0.14		
Commitments to External Initiatives		0.085				-0.591					0.635
Stakeholder engagement		0.014									
Economic indicator		0.103						0.556	-0.237	-0.4	
Environnement											
Product Responsability		0.128	-0.119	-0.364	0.527	-0.403		0.307	-0.255		0.356
Labour Pratice		0.228			0.251	-0.436			-0.229		
Human Rights		NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
Society		0.064							-0.15		
		R2									
			tf.Intangibles	tf.Earnings Before Interest And Taxes	tf.Operating Profit Margin5Yr Avg	tf.Cash Flow To Sales5Yr Avg	tf.Working Cap Pct Capital5Yr Avg	DebtCommonEqui	IntangibleDebt	tf.Total Common Equity	tf.Net Margin5Yr Avg