

# CSR Disclosure: A Temporal Analysis of Italian Listed Companies Websites

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## Abstract

The aims of this paper is to analyze the information in the field of Corporate Social Responsibility (CSR) available by reading the companies' websites. In this sense, we propose an empirical approach with a temporal analysis of the websites of a group of Italian listed companies and of the information in the field of CSR. Websites are evaluated on the basis of the structure (languages, map site, specific section on the CSR) and the content both for the general aspect and with specific reference to environmental responsibility and relationships with the community This methodology puts in evidence the important use of the Internet as a communication tool, especially in recent years. Many international researches on the topic are a key starting point for this paper. The present research intends to work on in the path outlined by the international studies mentioned in order to develop the analysis with reference to Italian companies, listed on the Italian Stock Exchange, characterized by large size.

Specifically, we arise the following research questions:

RQ1: Do Italian companies communicate information about their commitment to CSR on their websites, fully exploiting the potential offered by the Internet?

RQ2: Do companies that have a specific section devoted to CSR communicate a larger amount of information than companies that offer information in a less structured mode?

RQ3: Are there differences in the CSR information provided in the web in different periods of time (2013 and 2016)?

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**Keywords:** Corporate social responsibility, disclosure, website, Italian companies

## Introduction

Corporate Social Responsibility Disclosure (CSR/D) is the process of communicating the social, ethical and environmental effects of companies'

economic actions with regard to the interest of all stakeholders. The formal commitment to inform and involve stakeholders necessitates an adequate flow of communication through suitable channels, focusing on relevant content.

In recent years, the recognition of a large and various group of stakeholders has required the use of new media and the use of technological platforms and evolved. Internet is, in this sense, the best channel and it is used since 1990.

Several studies have sought to demonstrate the importance of the internet platform for the dissemination of information. The present research intends to work on in the path outlined by several international studies in order to develop a temporal analysis with reference to Italian companies, listed on the Italian Stock Exchange, characterized by large size.

The research examines the websites of a group of Italian listed companies and analyzes the information in the field of CSR. Websites are evaluated on the basis of the structure (languages, map site, specific section on the CSR ...) and the content, both for the general aspect both with specific reference to environmental responsibility and relationships with the community. The research compares the data at two different times (March 2013 and March 2016), highlighting the evolution of CSR' information sharing by web over the period.

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RQ3: Are there differences in the CSR information provided in the web in different periods of time (March 2013 and March 2016)?

### **Theoretical framework**

Corporate Social Responsibility Disclosure (CSRSD) can be defined as “the process of communicating the social, ethical and environmental effects of organizations’ economic actions to particular interest groups within society and to society at large” (Gray et al., 1987. See also Campbell 2004; Gray et al. 2001; Mathews 1997). The formal commitment to inform and involve stakeholders necessitates an adequate flow of communication through suitable channels, focusing on relevant content. CSRSD plays a key role in this commitment, and transparent reliable information is also widely considered important for legitimacy.

Corporate Social Responsibility, in fact, has become a key issue in recent times and the increased consideration for stakeholders implies a change in attitude and communication with them. The commitment to formal involvement by all stakeholders necessitates an adequate flow of communication in terms of channel and information relevance. In other words, disclosing social responsibility involves two key aspects; on one hand the firm meets commitments made to its stakeholders and on the other hand ensures a wider legitimacy through clear and reliable communication (Campbell, 2004; Cho et al., 2010; Deegan and Gordon, 1996; Gray et al., 2001; Hess, 2008; Kaptein, 2007; Morhardt, 2010; Roberts, 1992). Full and reliable information is in fact a basic condition for development of the firm; profits and losses as well as how these are reached are made public knowledge and this creates the consensus necessary for the firm to flourish (Balluchi and Furlotti, 2013).

Companies have always used financial statements and traditional media (press announcements, advertising campaigns on television and radio, newspaper and magazine trailers, bill boards and conferences) as communication channels.

In recent years, the recognition of a large and various group of stakeholders has required the use of new media and the use of technological platforms and evolved. Internet is, in this sense, the best channel and it is used since 1990. Internet has been used in order to make the companies able to meet the needs of the stakeholders in an efficient way, providing great flexibility in the presentation and quality of the information (Bolivar 2009).

The last few years, have also been marked by the notable diffusion of technologies that will support sociability and relationship: social networks, aggregators multimedia content created by users and blogs.

Several studies (i.e.: Porter and Kramer, 2006; DiPiazza and Eccles, 2002) have sought to demonstrate the importance of the internet platform for the dissemination of information. Other studies have focused on the limitations of the instrument; for example, Esrock and Leichty in 1998 revealed how the websites are not being used fully exploiting the their possibility: although 80% of Fortune 500 companies have webpages that deal with at least one CSR question, sites are not used fully exploiting the potential of communication, in particularly with regard to CSR issue (Esrock and Leichty, 1998). In 2000, another survey by the same authors showed that this percentage has risen to 85% (Esrock and Leichty, 2000). On the same topic, a study of Coope (Coope, 2004), which highlighted how useful information are often hidden in the webpages and they are hard to find for the reader. Other studies have attempted to correlate some company characteristics (such as size, sector of activity, profitability, ownership structure, etc.) to CSR disclosure and, in particular, CSR by the web.

With reference to the general aspects of social communication on the web, very interesting are the contributions of Sousa Filho and Wanderley (2007) and Morsing and Schultz (2006). There are also studies specifically dedicated to the identification of some key variables that inspire the scope and content of CSR information on company websites (Tagesson et al., 2009). We recall, in this sense, Ersrock and Leichty (1998) and Adams (2002) with reference to companies' size; Knox et al. (2006), Zeghal and Ahmed (1990) and Xiao et al. (2004) for the sector of activity to which companies belong; Belkaoui and Karpik (1989), Inchausti (1997) and Ng and Koh (1994) for companies' profitability; Adrem (1999) and Secci (2005) with reference to the ownership structure of the companies.

In the light of this brief literature review, the present research intends to work on in the path outlined by the international studies mentioned in order to develop a temporal analysis (years 2013 and 2016) with reference to Italian companies, listed on the Italian Stock Exchange, characterized by large size which will be analyzed.

## **Empirical research**

### **Aims and methodology**

The empirical research aims to analyze the information in the field of Corporate Social Responsibility (CSR) available by reading the companies' websites. Specifically, we arise the following research questions:

RQ1: Do Italian companies communicate information about their commitment to CSR on their websites, fully exploiting the potential offered by the Internet?

RQ2: Do companies that have a specific section devoted to CSR communicate a larger amount of information than companies that offer information in a less structured mode?

RQ3: Are there differences in the CSR information provided in the web in different periods of time (2013 and 2016)?

The starting universe consisted of firms quoted on the Milan Stock Exchange, belonging to the STAR segment on 28 December 2012 and present also in March 2016, as listed on the website [www.borsaitaliana.it](http://www.borsaitaliana.it). Firms suspended from quotation and firms quoted on overseas markets were excluded and this yielded a sample of 64 firms, signed in the follow table (see Table 1).

Table 1 – Listing of companies.

|    |                                   |    |   |
|----|-----------------------------------|----|---|
| 1  | ACOTEL GROUP                      | 33 | FALCK RENEWABLES                          |
| 2  | AEFFE                             | 34 | FIDIA                                     |
| 3  | AMPLIFON                          | 35 | FIERA MILANO                              |
| 4  | ANSALDO STS                       | 36 | GEFRAN                                    |
| 5  | ASCOPIAVE                         | 37 | MUTUIONLINE                               |
| 6  | ASTALDI                           | 38 | IGD – IMMOBILIARE GRANDE<br>DISTRIBUZIONE |
| 7  | BANCA FINNAT                      | 39 | IMA                                       |
| 8  | BANCA IFIS                        | 40 | INTERPUMP GROUP                           |
| 9  | BANCA POP ETRURIA E LAZIO         | 41 | IRCE                                      |
| 10 | BIANCAMANO                        | 42 | ISAGRO                                    |
| 11 | BIESSE                            | 43 | IT WAY                                    |
| 12 | BOLZONI                           | 44 | LA DORIA                                  |
| 13 | BREMBO                            | 45 | LANDI RENZO                               |
| 14 | CAD IT                            | 46 | MARR                                      |
| 15 | CAIRO COMMUNICATION               | 47 | MONDO TV                                  |
| 16 | DAMIANI                           | 48 | NICE                                      |
| 17 | CEMBRE                            | 49 | PANARIAGROUP INDUSTRIE<br>CERAMICHE       |
| 18 | CEMENTIR HOLDING                  | 50 | POLIGRAFICA S.FAUSTINO                    |
| 19 | CENTRALE DEL LATTE<br>TORINO      | 51 | PRIMA INDUSTRIE                           |
| 20 | DADA                              | 52 | RENO DE MEDICI                            |
| 21 | D'AMICO INTERNATIONAL<br>SHIPPING | 53 | REPLY                                     |
| 22 | DATALOGIC                         | 54 | SABAF                                     |
| 23 | DEA CAPITAL                       | 55 | SAES GETTERS e SAES GETTERS RSP           |
| 24 | DIGITAL BROS                      | 56 | SERVIZI ITALIA                            |
| 25 | EI TOWERS                         | 57 | SOGEFI                                    |
| 26 | EL.EN.                            | 58 | TAMBURI INVESTMENT PARTNERS               |
| 27 | ELICA                             | 59 | TERNIENERGIA                              |
| 28 | EMAK                              | 60 | TESMEC                                    |
| 29 | ENGINEERING                       | 61 | TXT                                       |
| 30 | ESPRINET                          | 62 | VITTORIA ASSICURAZIONI                    |
| 31 | EUROTECH                          | 63 | YOOX                                      |
| 32 | EXPRIVIA                          | 64 | ZIGNAGO VETRO                             |

We have to observe that in 2013 the group of examined companies was composed by 66 companies, but in 2016 Cobra and Poltrona Frau are not present in the list of company belonged to STAR Segment of Borsa Italiana, so the final group of companies analyses is composed by these 64 firms.

### Data collection

The research examines the websites of the 64 companies on February 2013 and March 2016. The time is an important aspect of the research for the

strong dynamics and for the immediacy of information and updates. Data was surveyed using the grid shown in Table 2

Table 2 – Survey grid for the analysis of the companies websites.

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**WEBSITE STRUCTURE**

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Information in different languages  
Site map  
Navigation panel  
CSR section  
Direct link to the CSR section on the home page (among the companies that have a specific section)  
Number of clicks to access the CSR section  
Operating hyperlinks  
Format of presentation about CSR (text, audio, video, interactive resources)  
Mistakes

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**WEBSITE CONTENTS**

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**General aspects**

Codes of ethic or guidelines  
Social, environmental sustainability or intangible reports (social report)  
Social performance indicators  
Awards  
FAQS section on CSR  
Collaborations with external parties on CSR projects  
Establishment of organizations that are dedicated to social responsibility in general  
Projects about CSR (success or failure)  
Commitments of social responsibility for the future

**Environmental Responsibility**

Environmental unit  
Environmental Performance Indicators  
Environmental Policy statement  
Certification (ISO 14000, other)

**Responsibility towards community**

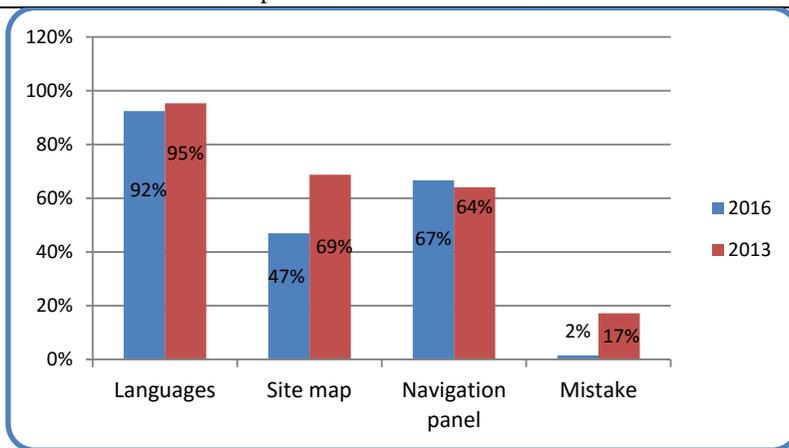
Welfare Policies  
Document statement of ethics policy

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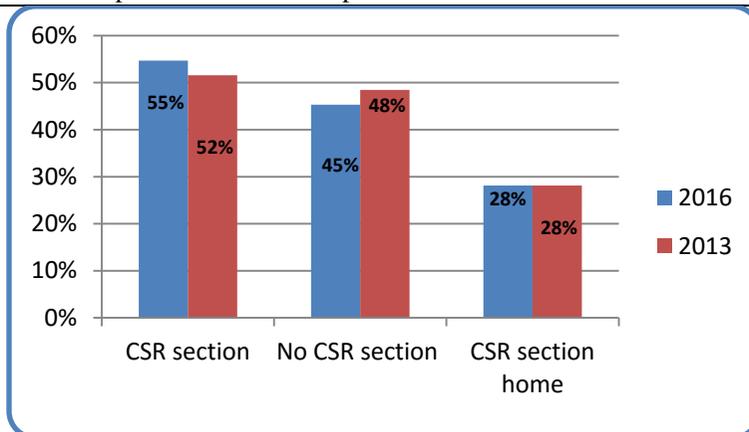
## Results

As far as RQ1 (Do Italian companies communicate information about their commitment to CSR on their websites, fully exploiting the potential offered by the Internet?) is concerned the data show (see Graph 1) that companies exploit the website tools in order to communicate to their stakeholder: almost all the companies use multiple languages (only the 8% have a single language (Italian or English) and the 34% in 2016 and 30% in 2013 make available information in more than 2 languages). In a relevant majority of the companies' websites (67% in 2016 and 64% in 2013) is available a navigation panel and there are few mistakes in websites operating link (2% in 2016 and 17% in 2013).

Graph 1 - Structure of the website.



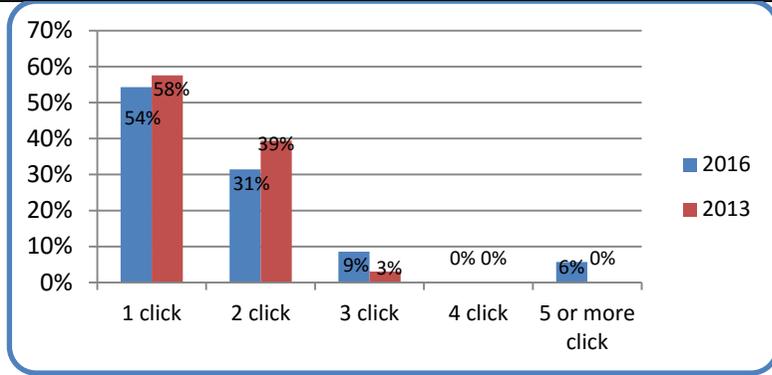
Graph 2 - Presence of a specific section dedicated to CSR.



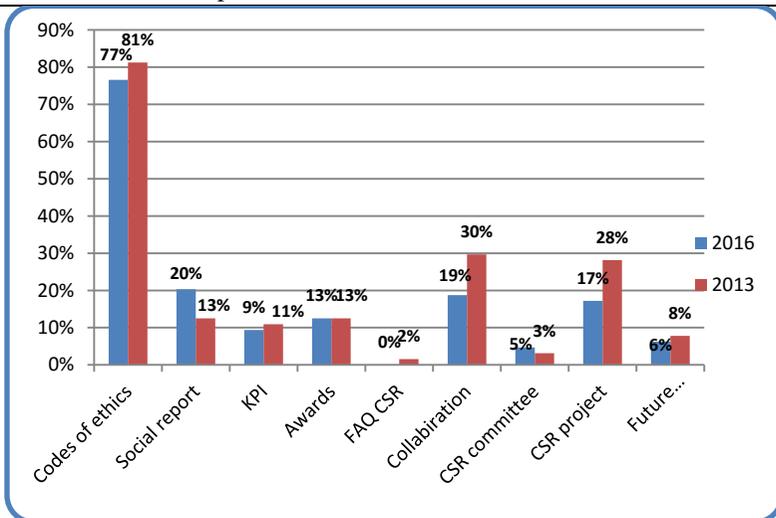
With regard to the CSR disclosure, however, only about 50% of the companies has a specific section devoted to CSR in the website (see Graph 2).

Usually, when a section focusing on CSR is present, the page devoted to CSR is right in the homepage of the website or the number of clicks to reach the information is 1 or 2 (see Graph 3).

Graph 3 - Number of click to reach CSR information.



Graph 4 - General CSR information.

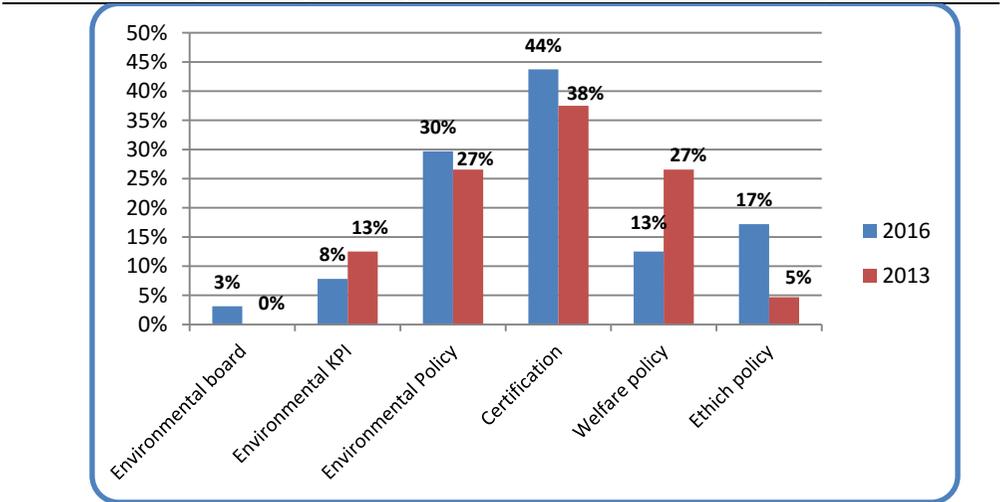


Regarding CSR information presented by the companies, the data show (see Graph 4) that almost all companies have a Code of Ethics, while a much smaller number of companies provides other kind of information such as CSR KPI, awards, collaboration, presence of CSR committee, or information about CSR project or future commitment on CSR.

As far as responsibility towards environmental and community is concerned, we observe (see Graph 5) that many companies have a certification (44% in 2016 and 38% in 2013, usually the certification is related to environment such as the ISO 14000) and declaration of policy with regard to environmental and community, but usually they don't have a

specific board or committee devoted to these topics (only 3% in 2016 and no one in 2013).

Graph 5 - Responsibility towards environmental and community.

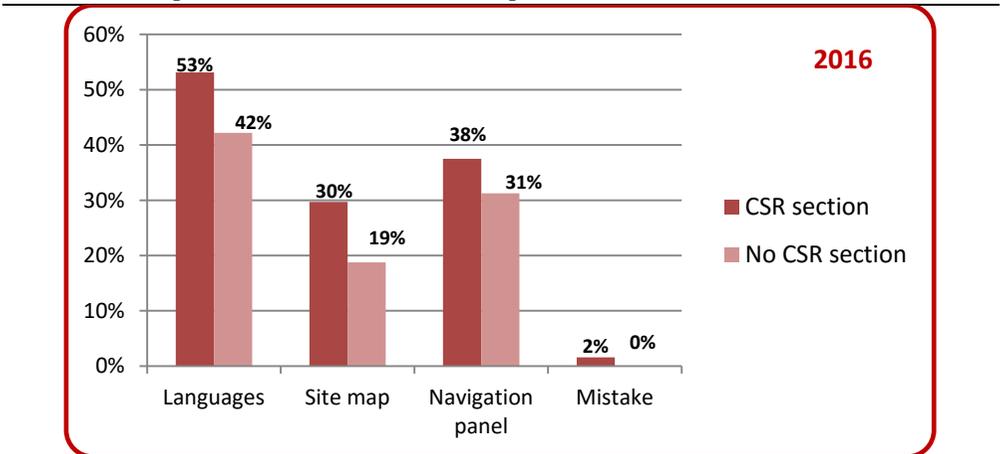


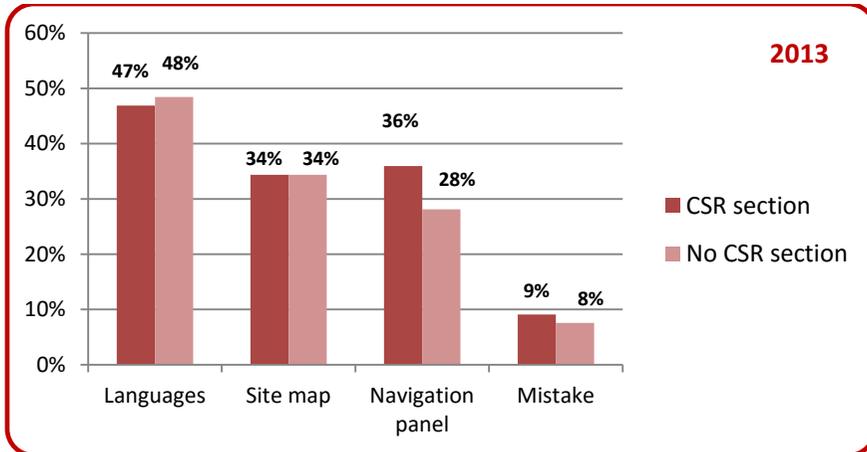
The analysis carried out in the two years does not identify material and significant differences with regard to the observations before exposed.

With regard to RQ2 (Do companies that have a specific section devoted to CSR communicate a larger amount of information than companies that offer information in a less structured mode?) the data are analysed in order to compare the quantity and quality of CSR information between websites with specific section dedicated to CSR and websites without a CSR section, as well as the differences in the two periods 2013 and 2016.

The following graphs (Graph 6, 7 and 8) show the data collected during the two periods analyzed.

Graph 6 - Structure of the website: presence/absence of CSR section.

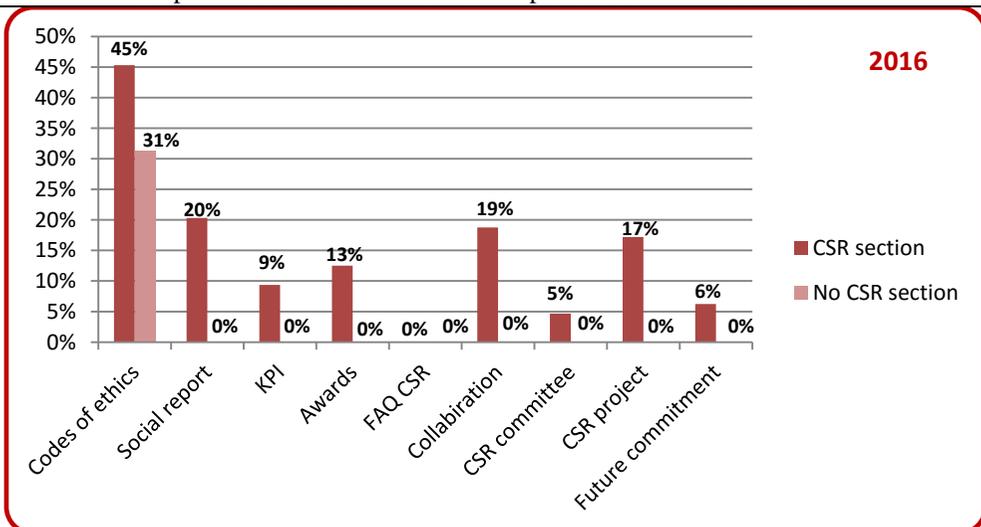


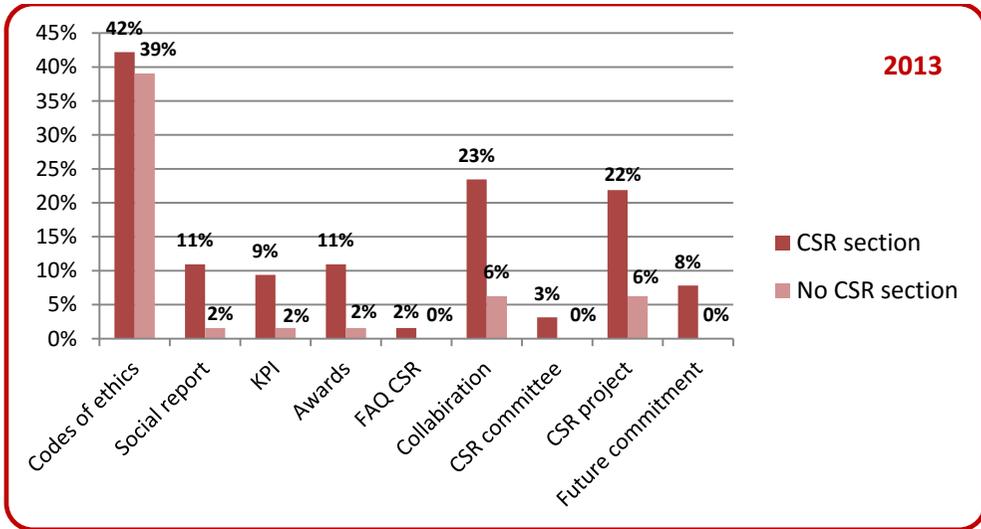


By comparing website with and without CSR section, small differences are notable, in both the years, with regard to the structure and to the functionality of the website; we note, in 2016, a reduction almost total of operating mistakes (see Graph 6). However the websites with a specific CSR sections provide more information regarding both general aspects of CSR both information about environment and community.

Furthermore, in 2016 the amount of general information decreases compared to 2013 (see Graph 7). In particular we can note that, in 2013, when there isn't a CSR section, websites offers more information compared with the same websites in 2016. The disclosure, instead, improves in 2016 compared to 2013 in cases in which there is a CSR section, cases which increase from 52% in 2013 to 55% in 2016 as we observed in Graph 2.

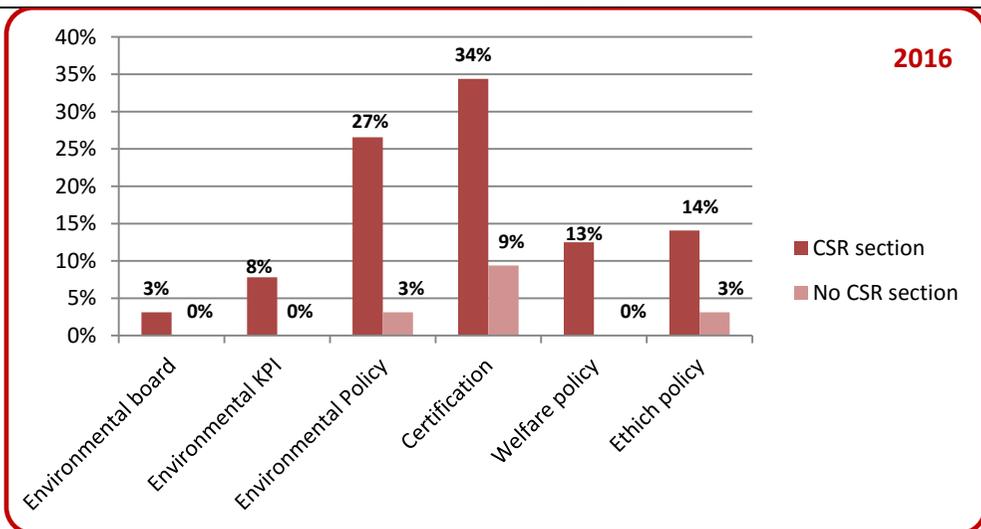
Graph 7 - General CSR information: presence/absence CSR section.

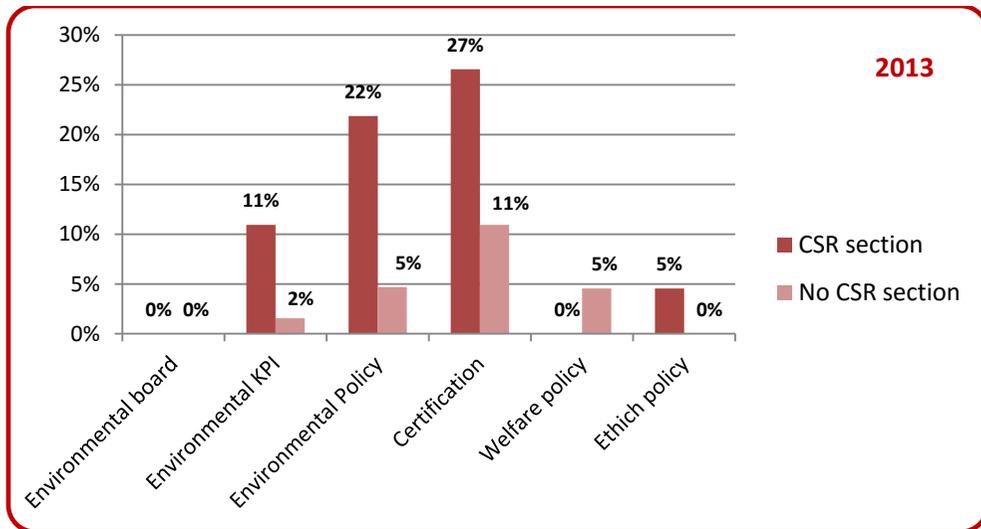




As far as information about environment and community is concerned, we note that (see Graph 8) in 2016 the disclosure of companies with a CSR specific section in the website enhances, in particular with regard to welfare and ethic policy (13%-14% in 2016 and 0%-5% in 2013).

Graph 8 - Responsibility towards environmental and community: presence/absence CSR section.





## Conclusion

The aims of this paper is to analyze the information in the field of Corporate Social Responsibility (CSR) available by reading the companies' websites.

Regarding RQ1 is possible to underline a relevant availability of information regarding the CSR. The majority (92% in 2016 and 95% in 2013) of the companies offers information in both Italian and English language. The simplicity and speed of navigation is accurate in the websites analyzed: 69% in 2013 and 47% in 2016 of the companies contains a site map and 64% in 2013 and 67% in 2016 offers a panel of navigation to facilitate the search of information. Only 2% of website presents mistake in the operating link (17% in 2013).

More than half of websites (52% in 2013 and 55% in 2016) present a special section dedicated to CSR, a relevant percentage (28% both in 2013 and 2016) has a CSR section on the home page and when the section is not in the home are necessary 2 or 3 click to reach the CSR information.

In terms of responsibility towards environmental and community, there are few websites that express these topics in detail. The most significant data are related to the presence of information on the certification (such as ISO 14001) (38% in 2013 and 44% in 2016), environmental policy (27% - 30%) and welfare policies (27% - 13%).

As far as RQ2 is concerned, we can observe that it is fully confirmed. There is clear evidence that the websites that contain a specific section dedicated to social responsibility provide more information. This is because the companies that give much importance to CSR disclosure, usually submit information as complete as possible and easily detectable by the user.

With reference to RQ3, we can note a positive development in 2016 with regard to quantity and quality of information about environment and community in particular in the companies with a specific CSR section in the website and with specific reference to information about environment and ethic policy. In cases in which there is not a specific section we note a small reduction of disclosure.

The research can be developed considering a larger number of companies (for example considering all the listed companies and not only the ones belonging to the STAR sector of Borsa Italiana) and a greater number of information (for example with regard to the relationships between company and different stakeholders such as employees, customers or consumers, and so on). Furthermore, the time variable represents an important limitation of the research. The data, in fact, are related to the month of March 2013 and March 2016; the discussed results are usable for a specific period of time, since the information available can change very quickly with the risk of damaging the conclusions reached. This limit, however, it is difficult to eliminate because of the intrinsic characteristics of the object of analysis.

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