Exploring CSR in Sweden, Thailand and Brazil

Insights from the Construction Industry
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Sincerely,

Dalinee Sastaruji & Vanessa Hastenpflug Wottrich
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Umeå University, Sweden
Summary

Corporate social responsibility (CSR) has recently been the subject of increased attention, both in the academic and the corporate arena. In general, definitions of CSR seem to have in common the idea that businesses make a decision to commit to social and environmental issues and go beyond their legal obligations. In practice, corporations define their approach to CSR by using their own lenses, being influenced by factors at regional, national, industrial and corporate levels.

Although there is an increasing pressure on corporations to play a more explicit role in the welfare of society and the importance of behaving socially responsibly is well accepted in the literature (Falck and Heblich, 2007), there have been very few attempts at identifying how companies from different geographical regions themselves define and interpret CSR (Baughn et al, 2007; Maignan and Ralston, 2002). Most of the cross-national studies on CSR have focused on the situation within Europe (Aaronson, 2002; Perrini, 2005; Silberhorn and Warren, 2007) or between Europe and the U.S. (Maignan and Ralston, 2002). Besides, CSR researchers usually focus on industries acknowledged as problematic in environmental issues. Although construction industry has a bad reputation of “poor quality and service, a bad safety record, and a history of broken promises and sharp practice” (Wood et. al, 2002:4), it is one of the less approached industries in the CSR literature.

Such theoretical considerations led to the interest in exploring how top companies in the Construction industry of Sweden, Thailand and Brazil approach CSR. The authors aim to contribute to fulfill the gap of CSR theories by exploring cross-national similarities and differences based on the nature of motivations underlying CSR practices, CSR processes, stakeholder issues as well as the main factors shaping such similarities and differences.

In the empirical part, a three way cross-national CSR study was conducted. The top construction companies from Sweden, Thailand and Brazil were chosen, totalizing twelve firms. The study was carried out using a qualitative approach, employing as the research method the analysis of corporate disclosure through organizational documents. The results for each country were then analyzed and compared in order to reveal similarities and differences in CSR approaches.

Results suggest a predominant CSR value-driven approach, which might indicate that CSR has come a long way from its early roots of charity to become a strategic business practice inserted in corporate values. Although the cross-national differences were apparently mainly shaped by regional factors, the industry sector has emerged as an important factor shaping the areas of cross-national agreement. Swedish companies are strongly focused on environmental issues and stress the idea of sustainability, whereas Thai companies use Corporate Governance to group CSR activities, denoting a focus on legal compliance. Brazilian companies show high concern for social issues, which can be perceived in the nature of CSR processes the companies present, the stakeholders addressed and in the role companies seem to take as social agents, fulfilling the gap left by the national government.

Keywords: Corporate Social Responsibility (CSR), Cross-national CSR, Construction Industry, Sweden, Brazil, Thailand
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1. Introduction

This chapter will serve as an introduction to the subject of our thesis, and here we will present the purpose and objectives of our study. In this chapter we will also present the disposition of the thesis.

1.1 Research background

Nowadays, there has been a worldwide proliferation of CSR concepts and initiatives. In 2000, the United Nations (UN) initiated a social and environmental supporting program called “Global Compact” aiming to create international cooperation among private companies, UN and the general public (Global Compact, 2008). On the other hand, in 2002, the European Commission released its first communication on CSR which included the definition of CSR, the fundamentals of a European Multi-stakeholder Forum on CSR and how European Commission relates CSR to specific European policies (CSR Europe, 2008).

According to Fox (2004), stakeholders’ expectations play an important role in influencing the approach of companies to CSR. In the research of Net Impact in 1997 (see CIOB, 2008), fresh graduated students claimed that they would accept a lower remuneration to work for a socially responsible company. In the case of shareholders, a study of GlobeScan (2004) reveals that more than one third of the shareholders have traded the stock based on CSR performance of the company. In order to serve this increasing demand, the Down Jones Sustainability Index and Ftse4good, a ranking system for assessing the performance of companies based on CSR criteria, have been established (DJ, 2008; FTSE, 2008). Interestingly, in a research performed by Dawkins and Lewis (2003), the number of customers who value ethical parameters had doubled when compared to the previous five years. With this recent demand from the employees, shareholders, consumers, government and the public, many companies are striving to run their companies in a socially responsible way.

However, meeting stakeholders’ requirements is just a basic acknowledged contribution of CSR. CSR can also help companies in gaining access to new funding sources (e.g. financial institutes that adopted “The Equator Principles” include social and environmental as main considerations for project finance (Freshfields, 2006)). Further, by adopting leading CSR practices, companies can demonstrate their industry leadership and increase their competitiveness (CIOB, 2008). As noted by Panwar et al. (2006), CSR has also been considered relevant as a risk management and marketing tool.

Therefore, it is quite clear that companies may have diverse motivations which influence the decision to implement CSR. Similarly, CSR approaches also vary from company to company. Companies such as Marks & Spencer focus on community welfare programs which give the opportunity of work experience to a wide range of social groups, including people with disabilities, young unemployed, parents returning to work, the homeless, and students (Article 13 and CBI, 2005a). In contrast, Unilever created a sustainable agriculture program in order to secure a sustainable supply of raw materials necessary to deliver its brands and the business (Article 13 and CBI, 2005b).

As one of the several industries adopting CSR practices, the Construction is also recognized a one of the most important industry sectors in the globe, accounting for one-third of gross capital formation worldwide, and amounting to between five and seven percent of GDP in most countries (Kenny, 2007).
Therefore, CSR is likely to play an important role in the daily practices of such companies, and CSR policies of construction companies should not be neglected. However, in the CSR literature, the construction industry gets less attention from the researchers, who focus mainly on industries that are acknowledged as problematic regarding environmental issues.

As the construction industry faces both social and environmental impact, there are several areas that construction companies usually address in order to become more socially responsible (CIOB, 2008). In well developed countries, “the main CSR concerns for the construction industry are likely to be climate change, community impact and sustainable development techniques” (Freshfields, 2006:1). In Europe, there are many rules and legislations based on social and environmental factors. To date, European public procurement rules and specific national legislations play an important role in the supplier selection process of European construction companies (CIOB, 2008). However, in the view of general public, the construction sector located in both developed and undeveloped countries still produces a negative impact on society and the environment. For instance, Dutch construction sector is recognized for its high absence rates due to sickness and disability (EIB, 2001; see Graafland, 2004) while the majority of construction workers in developing countries are not members of a trade union since most employers do not accept any bargaining (ILO, 2001). Such problems in the industry are linked to the nature of a construction project, which has many specific characteristics such as long period, complicated processes, non-friendly environment, financial intensity and dynamic organization structures (Flanagan and Norman, 1993; Smith, 1999). In the study of CIOB (2008), CSR appears to be one solution for the mentioned problems. It claims that with more socially responsible practices, construction companies not only can change their bad image but also can improve staff shortages which is a new issue raised since the 2002 publication.

Although companies are increasingly adopting CSR practices and expecting to be recognized as socially responsible by their stakeholders, it is important to note that “what is regarded as right, just and fair in one cultural setting may not be similarly viewed in another” (Carlisle and Faulkner, 2004:143). Despite such increasing pressure on corporations to play a more explicit role in the welfare of society, there have been very few attempts at identifying how companies from different geographical regions themselves approach CSR (Baughn et al, 2007; Maignan and Ralston, 2002). It becomes therefore relevant to research CSR in a cross-national perspective, and the construction industry appears to be an important sector to be explored, due to its global economic impact and the several social responsibility issues that arise from the nature of the industry.

1.2 Research purpose

As most of the cross-national studies on CSR to-date have focused on the situation within Europe (Aaronson, 2002; Perrini, 2005; Silberhorn and Warren, 2007) or between Europe and the U.S. (Maignan and Ralston, 2002), the primary purpose of this study is to contribute to fulfill the gap of research by addressing the corporate approach of CSR in the top companies of the Construction industry of Sweden, Thailand and Brazil, in the context of CSR practices of Europe, Asia and Latin America. The study investigates CSR self-presentations rather than actual CSR practices.
1.3 Research question

Having in mind the theme background and the research purpose previously outlined, the main research question was defined as: *How do top companies in the Construction industry of Sweden, Thailand and Brazil approach CSR?*”

Other specific questions were outlined, in order to define the research area:

a) What is the nature of motivations underlying CSR practices?
b) What are the processes adopted by companies in order to implement CSR?
c) What are the stakeholders addressed by companies in CSR practices and how are they addressed?
d) What are the cross-national differences and similarities perceived in terms of CSR motivations, processes and stakeholders addressed?
e) What are the main factors shaping cross-national similarities and differences?

1.4 Disposition

Chapter 1 – Introduction
This chapter served as an introduction to the subject of our thesis, and here we presented the purpose and objectives of our study. In this chapter we also presented the disposition of the thesis.

Chapter 2 – Theoretical Methodology
In this chapter, we will describe and motivate the methodological approach that we have taken, and how it relates to our thesis.

Chapter 3 – Theoretical Framework
In this chapter, we will present our theoretical framework, which we will later use as the basis for our analysis of the empirical data collected. We have chosen to focus our theoretical framework on theories related to CSR definitions, corporate perspectives of CSR, factors influencing the scope of CSR and the scope of CSR in different regions. Finally, an overview of the Construction industry of Sweden, Thailand and Brazil will be outlined.

Chapter 4 – Practical Methodology
In this chapter, we will present our research process, how we made preparations and how the collection of the empirical data was conducted.

Chapter 5 – Empirical Study
In this chapter we will present the findings of our empirical study. These are presented as a description of statements from organizational documents for Swedish, Thai and Brazilian construction companies, following de coding scheme previously outlined.

Chapter 6 – Analysis and discussion
In this chapter we will analyze our empirical data and connect the results to our theoretical framework. The focus of analysis and discussion is given to the cross-national differences and similarities found among Swedish, Thai and Brazilian companies, as well as to the factors shaping them.

Chapter 7 – Conclusions
In this chapter, we will present our conclusions and personal reflections of this study, connected to our research aims.
2. Theoretical Methodology

In this chapter, we will describe and motivate the methodological approach that we have taken, and how it relates to our thesis.

2.1 Preconceptions

In general, people have different values and preconceptions because of the particular environment where they belong to. It is likely that they will interpret the situation through their own understanding. In some cases, they do not realize such influence at all. Similarly, in the world of research, preconception is one of the main threats to the validity of qualitative studies (Miles and Huberman, 1994; Shweder, 1980). As preconception varies from person to person, it might affect particular researcher’s choice of topic, methodology, theoretical framework and so on. According to Maxwell (2005), researcher’s own values and expectations can either positively or negatively influence the conduct and conclusion of the study. For example, in a study about risk management, it is necessary to keep in mind that risks might be perceived differently by people facing the same situations, or certain situations might be perceived as riskier than others (Delerue, 2004). Therefore, it is impossible to eliminate researchers’ theories, beliefs or even perceptual lenses (Maxwell, 2005). Instead, it is essential to identify particular researcher’s preconceptions and understand how he or she will deal with these issues productively (Hammersley and Atkinson, 1995; Maxwell, 2005).

In this study, the preconceptions are naturally based on the knowledge that the authors have acquired through 16 months as master students in strategic project management, as well as previous working experiences in international project-based organizations. Apparently, the module called “Perspectives on Management and Strategy” arranged by Umea University helped authors to understand the theoretical foundations of CSR. Basically, the authors understand that, to date, the interest in CSR is growing around the world and many researchers try to define CSR and understand its practices. The authors also realize that having no prior connection with construction industry not only allow the authors to approach the problem with an open mind but also might make them miss some important points. In order to prevent such distortion to the research, the authors did a lot of additional readings in order to get a complete picture of present theories and knowledge relating to CSR and construction industry.

2.2 Choice of subject

Maxwell (2005) suggests that a research is conducted because of three different kinds of goals: personal goals, practical goals and intellectual goals. He also suggests that personal goals and experiences of the researcher play an important role in many research studies and it is impossible and unnecessary to exclude such personal goals from the research design. Similarly, Saunders et. al. (2000) suggests that it is important to choose a topic in which the author is likely to do well and already have some academic knowledge. However, it is necessary to bear in mind that a good research also needs to fulfill the gap of theory and facilitate its development.

With a global mindset and having a strong interest in social responsibility issues, the authors decided to choose the topic relating to corporate social responsibility in international perspective. As introduced in
the first part of this paper, there have been very few attempts at identifying how companies from different geographical regions themselves approach CSR (Baughn et al, 2007 and Maignan and Ralston, 2002). Most of the cross-national studies on CSR have focused on the situation within Europe (Aaronson, 2002; Perrini, 2005; Silberhorn and Warren, 2007) or between Europe and the U.S. (Maignan and Ralston, 2002). Further, most of literature in CSR at the industry level has focused on sectors generally acknowledged as problematic in environment issues, while other industries that have much smaller environmental impact are less addressed (Etzion, 2007). The most notable industries are the forestry, pulp and paper sector (Bansal, 2005; Harrison, 2002), the chemical industry (Hoffman, 1999), the automotive industry (Geffen and Rothenberg, 2000) and the energy sector (Majumdar and Marcus, 2001; Sharma, 2000). As CSR practices might have a much broader scope than only environmental issues, the authors believed it would be interesting to explore the construction industry, mainly because of the nature of such companies as project-based organizations and also because of the several problems that arise in the industry, due to its bad reputation in safety and corruption (Kenny, 2007; Graafland, 2004). In addition to these reasons, the selection of Sweden, Brazil and Thailand was made due to the interest of the authors in cross-national comparisons and was somehow shaped by the language capabilities and background of researchers. Therefore, the authors finally came up with the topic “Exploring Corporate Social Responsibility in Sweden, Thailand and Brazil: Insights from the Construction Industry” as the research topic.

2.3 Research perspective

The purpose of this study is to explore how construction companies in Sweden, Brazil and Thailand approach CSR. The study does not investigate actual social responsibility practices, but rather explores corporate communications about CSR practices. The authors investigated official organizational documents in order to understand companies’ points of view, especially their self-presentation relating to CSR issues. Therefore, the company’s perspective was the one considered for research purposes.

2.4 Research strategy

In the business and management research, qualitative and quantitative approaches are widely recognized. Such methods have different logics and strengths, and are often best used to address different kinds of goals and questions (Maxwell and Loomis, 2002; see Maxwell, 2005). In previous days, qualitative strategy was less accepted by scientific researchers because, in their understanding, it provided less rigor, reliability and verifiability (Berg, 2004; Philips and Burbules, 2000). However, in the case of life-world research which primarily focuses on individuals, there are many elements such as emotions, motivations, symbols, meanings, empathy and other subjective aspects associated with naturally evolving lives of individuals and groups which cannot be neglected (Berg, 2004).

Weiss (1994) affirms that the qualitative approach tends to focus on description of visualizable series of incidents while quantitative approach tends to assess correlations between an earlier incident and subsequent incident in terms of quantifiable data. Based on this fact, it is apparent that the main distinction between qualitative and quantitative research is the way of collection and measurement. However, in general, there is a connection between theory and research, epistemological considerations and ontological consideration so the qualitative and quantitative approach can be taken to form two
distinctive clusters of research strategy (Bryman and Bell, 2003). Therefore, in this paper, the research philosophy, scientific approach and research method are discussed under the same section called “Research Strategy”. Table 1 summarizes the differences between qualitative and quantitative research in these three areas.

<table>
<thead>
<tr>
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<th>Quantitative</th>
<th>Qualitative</th>
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<tr>
<td>Scientific approach</td>
<td>Deductive; testing of theory</td>
<td>Inductive; generation of theory</td>
</tr>
<tr>
<td>Epistemological orientation</td>
<td>Natural science model, in particular positivism</td>
<td>Hermeneutic</td>
</tr>
<tr>
<td>Ontological orientation</td>
<td>Objectivism</td>
<td>Constructionism</td>
</tr>
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Source: Adapted from Bryman and Bell (2003)

Instead of identifying which research approach is better than another, it is essential to choose the research method that best fits with the research aim and questions (Maxwell, 2005; Saunders et. al, 2000). In this case, the research question is “How do top companies in the Construction industry of Sweden, Thailand and Brazil approach CSR?” Thus, it is more appropriate to observe the phenomenon of CSR by using qualitative approach, rather than conduct statistical analysis. The choice of methodology such as interviews, questionnaires or focus groups has been considered, and as CSR relates directly with social desirability issues, the authors were aware that respondents tend to provide positive attitudes even though they do not realize the relevance of CSR practices (Salzmann et al., 2005). Therefore, in this case, the authors decided to use organizational documents as a main source in order to minimize such bias, and taking into account also time and budget issues. Similar to previous CSR researches, the empirical information for this paper is drawn from the CSR organizational documents and information posted on official companies’ websites.

Regarding the scientific approach, deduction and induction are rational processes used regularly by scientists (Graziano and Raulin, 2004). With deductive approach, the researchers aim to test their developed theory and hypothesis by exploring the abstract or general idea (Saunders et. al., 2000; Graziano and Raulin, 2004). Therefore, it is normally used in scientific studies focusing on quantifiable data. In contrast, for inductive approach, the empirical data will be observed and analyzed in order to develop new theory or make predictions (Saunders et. al, 2000; Graziano and Raulin, 2004). Even though it is useful to consider the relationship between theory and research in terms of deductive and inductive approach, the line between these two options is not always clear-cut (Bryman and Bell, 2003). Consequently, it can be assumed that it is possible to design the research based on both deductive and inductive approaches, if it is more appropriate.

In order to understand how CSR plays its role in the construction industry of the selected countries, in the initial phase the data was collected based on the framework adapted from the study of Maignan and Ralston (2002). Thereafter, the empirical study has been carried out and the framework was revised according to real findings. Apparently, this research is trying to test a theory as well as develop a new theory from empirical data. Consequently, its nature is in between deductive and inductive approaches.
Regarding the epistemological consideration, there are two views about the research philosophy that dominate the literature: positivistic and hermeneutic. Although the principle of positivism is extremely difficult to pin down and not easy to outline in a precise manner (Bryman and Bell, 2003; Saunders et al., 2000), positivism is widely recognized in the way that “working with an observable social reality and the end of product of such research can be law-like generalizations and similar to those produced by the physical and natural scientists” (Remenyi et al., 1998:32). In contrast with positivism, the various terms such as phenomenology (Saunders et al., 2000), interpretivism (Bryman and Bell, 2003) or even hermeneutics appear in the literature. According to Bryman and Bell (2003), interpretivism is not only a term used in contrast to positivism, but is also influenced by the hermeneutics approach. Based on the fact that interpretivism has the same root as the hermeneutics approach, these terms will be used interchangeably in this paper. In the hermeneutic approach, the researcher tries to analyze the meaning of text based on the perspectives of himself/herself so it usually connects with qualitative studies (Bryman and Bell, 2003). Moreover, the hermeneutic approach prioritizes the importance of a particular set of circumstances and individuals rather than the generalizability; therefore, it is suitable with the social world of business and management situations which are normally fast-changing, complex and unique (Saunders et al., 2000).

As part of business and management researches, this paper is based on hermeneutic considerations and intends to gain a deeper understanding about CSR practices of top construction companies in Sweden, Brazil and Thailand, concentrating on subjective factors such as companies’ behaviors and motivations. The study focuses on companies’ perspectives which are subjective and can change from time to time. Therefore, the context shown in organizational documents serves as an important explanatory variable. The study began with gathering qualitative data through companies’ documents and tried to interpret such context company by company. Thereafter, the findings were grouped and analyzed based on the set framework.

2.5 Criticism of primary sources

Even though it is not frequent that the researcher relies mainly on secondary data, it is still possible to do so (Saunders et al., 2000). Since the technology has been changed dramatically, internet appears to be one potential source of data. As the quality and integrity of all available documents in world-wide-web are not equal (Berg, 2004), this research is based exclusively on documented and official secondary data provided by companies. The documented secondary data include all organizational documents that relate to CSR issues, such as annual reports, written policies and CSR reports. As an increasing number of studies have investigated how CSR is approached from a corporate perspective by looking at the actual notions of CSR that large companies publish on their web sites, the use of such documents as a primary source was proven to be meaningful and valid for research purposes.

As this research relies mainly on the companies’ documents shown in their official websites, it is possible that the data is not up-to-date or the statements are unclear. In the case of Brazil and Thailand, the internet penetration rate is still low so there is a possibility that the corporate webpage is not widely employed by the business units in these countries. In order to minimize these limitations, only top companies in the construction industry of the three countries were selected, and companies that did not disclose enough or updated information were not considered.
3. Theoretical Framework

In this chapter, we will present our theoretical framework, which we will later use as the basis for our analysis of the empirical data collected. We have chosen to focus our theoretical framework on theories related to CSR definitions, corporate perspectives of CSR, factors influencing the scope of CSR and the scope of CSR in different regions. Finally, an overview of the Construction industry of Sweden, Thailand and Brazil will be outlined.

3.1 CSR definition

Over the past several decades, corporate social responsibility (CSR) has evolved from a narrow notion into a complex and multifaceted concept, one which is increasingly central to much of today’s corporate decision making. When performing a review on the literature, a few authors emerge as the main theorists, however the diversity of definitions and studies brought by authors show that there is still no common understanding in the corporate and academic world about how the term should be defined (Dahlsrud, 2006; Lantos, 2001; Sasse and Trahan, 2007).

The first publication on the topic was developed by Bowen (1953), who argues that industry has “an obligation to pursue those policies, to make those decisions or to follow those lines of actions which are desirable in terms of the objectives and values of society” (Bowen, 1953:6). The author suggests that businesses exist at the pleasure of society, therefore their behavior and operations should follow the guidelines set by society; and on the other hand, companies also act as moral agents in society.

Theoretical explorations of corporate social responsibility have been carried out by Carroll (1979), Wartick and Cochran (1985) and Wood (1991), and the CSR literature predominantly focuses on the relation between CSR policies and financial performance (Balabanis et al, 1998; Orlitzky et al., 2003; Walsh et al., 2003), employee motivation (Maignan et al., 1999; Turban and Greening, 1997) and customer perception (Brown and Dacin, 1997; Handelman and Arnold, 1999; Sen and Bhattacharya, 2001).

Wood (1991) expanded the ideas proposed by Bowen (1953) proposing three driving principles of CSR: (1) Businesses are social institutions and therefore obliged to use their power responsibly; (2) Businesses are responsible for the outcomes of their involvement with society and (3) Individual managers are also moral agents, who should exercise discretion in the decision making process. Opposing this view, Friedman (1970) argues that businesses have only one social responsibility which is to maximize the profit of their owners. According to this economic model, a manager who uses a firm’s resources for non-profit social purposes is thought to be diverting economic efficiency and levying an “illegal tax” on the organization. Some scholars such as Frederick et al (1992), Freeman (1984) and Lodge (1977) contradict the economic view proposed by Friedman (1970) claiming that the role specialization of institutions is not working as the economic model suggests, due to the separation of ownership and management, the rise of oligopolies and the interactions and influence of governments and the society. According to this group of authors, businesses should be seen not only as private institutions, but as social institutions instead. This way, companies should be considered responsible for any of their actions that affect people, communities and the environment.
Freeman (1984) was the creator of the “stakeholder theory of the firm” which addresses the corporation and its responsibilities by looking at various groups that have a legitimate interest in the corporation (its stakeholders). Freeman argues that companies are not simply managed at the interests of their shareholders, but also of stakeholders, which are defined as “any group or individual who can affect, or is affected by, the achievement of the organization’s objectives” (Freeman, 1984:46).

Also opposing the economic model, Elkington (1999) coined the term “triple bottom line” (TBL) to represent the idea that businesses don’t have the addition of economic value as one single goal, but they also aim at adding environmental and social value, in order to achieve sustainability. Such triple bottom line is formed by the following concepts (Crane and Matten, 2004):

- **Environmental perspectives.** Concern the effective management of physical resources so that they are conserved for the future, and suggest a need to address a number of critical business problems, such as the impact of industrialization on biodiversity, the continued use of non-renewable resources such as oil, steel and coal, as well as the production of damaging environmental pollutants.

- **Economic perspectives.** The concept of economic sustainability comprises the economic performance of the corporation itself, and also the company’s attitudes towards and impacts upon the economic framework in which it is inserted.

- **Social Perspectives.** Comprises the issue of social justice, aiming at developing a more just and equitable world, whether between customers, workers, or man and women. This perspective on sustainability is relatively new and have emerged during the 1990s.

One of the most established and accepted models of CSR was coined by Carroll (1979) and subsequently refined in later publications (Carroll, 2000, Carroll and Buchholtz 2000). According to the author, corporations have four responsibilities or “four faces” to be fulfilled in order to be good corporate citizens: economic, legal, ethical and philanthropic. He represents these responsibilities as consecutive layers within a pyramid (Figure 1), that should be fulfilled in total to achieve ‘true’ social responsibility. The first two levels of the pyramid are said to be “required” of all corporations, whereas the fulfillment of ethical and philanthropic responsibilities are considered “expected” and “desired” by society respectively. Carroll and Buchholtz (2000:35) therefore state the following definition for CSR: “Corporate social responsibility encompasses the economic, legal, ethical and philanthropic expectations placed on organizations by society at a given point of time”.

![Figure 1 – Carroll’s four-part model of corporate social responsibility](image-url)
As shown above, opinions seem to differ in terms of the basis or scope of CSR and even the very definition of the term. In an attempt to categorize available definitions for CSR, Dahlsrud (2006) has studied differences and similarities in definitions through an extensive review of the literature. The author identified five categories or dimensions into which the definitions of CSR usually fall (Table 1): environmental, social, economic, stakeholder and voluntariness. The analysis of definitions shows that they are to a large degree congruent, thus it is concluded that the confusion is not so much about how CSR is defined, as about how CSR is socially constructed in a specific context.

**Table 2 – Five Dimensions of CSR**

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Dimension it refers to</th>
<th>Example phrases</th>
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</table>
| The environmental dimension | The natural environment                                     | “a cleaner environment”  
“environmental stewardship”  
“environmental concerns in business operations” |
| The social dimension  | The relationship between business and society                | “contribute to a better society”  
“integrate social concerns in their business operations”  
“consider the full scope of their impact on communities” |
| The economic dimension | Socio-economic or financial aspects, including describing CSR in terms of a business operation | “contribute to economic development”  
“preserving the profitability”  
“business operations” |
| The stakeholder dimension | Stakeholders or stakeholder groups                          | “interaction with their stakeholders”  
“how organizations interact with their employees, suppliers, customers and communities” |
| The voluntariness dimension | Actions not prescribed by law                               | “treating the stakeholders of the firm”  
“based on ethical values”  
“beyond legal obligations”  
“voluntary” |

Source: Dahlsrud (2006:4)

Definitions of CSR seem to have in common the idea that businesses make a decision to commit to social and environmental issues and go beyond their legal obligations. The Commission of the European Communities (2001) defines CSR as “a concept whereby companies integrate social and environmental concerns in the business operations and in their interactions with their stakeholders on a voluntary basis”. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs.

The World Bank (2004) states that “corporate social responsibility is the commitment of businesses to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve their lives in ways that are good for business and for development”.

Therefore, the debate on CSR definition has been based mainly on two key questions (Crane and Matten, 2004): (1) Why might it be argued that corporations have social as well as financial responsibilities? (2) What is the nature of these social responsibilities? The understanding of these two questions has shaped research on the topic and underpins different views of the corporations and their responsibilities.
3.1.1 Corporate perspectives of CSR: motivations, processes and stakeholder issues

Besides looking at CSR from the perspective of its main theorists, it is useful to analyze how corporations define their approach to CSR. A number of studies have been carried out with this aim, by looking at which aspects are prioritized or emphasized by companies when defining CSR. Aupperle et al. (1985) carried out one of the first studies using a definitional construct of CSR, operationalizing Carroll’s (1979) four-part model, and the respondents confirmed economic responsibility as their highest priority, followed by the legal, ethical and the discretionary CSR components. In the following years, some European studies suggested that the organizations’ perceptions of their social responsibilities changed internationally. Cowton (1987) stated that the economic component continued to be stressed in the UK, with the main responsibilities stressed by corporations being the production of goods and services and obeying the law. Pinkston and Carroll (1996) observed that economic and legal responsibilities were perceived by corporations as almost equally important, and ethical responsibilities had become more important at the expense of philanthropic responsibilities.

When analyzing the motivations behind the acceptance of corporate responsibilities, O’Dwyer (2003) identifies three partially overlapping rationales, which he calls proactive enlightened self-interest, reactive enlightened self-interest and obligations/duties. Swanson (1995) outlines three main types of motivations for companies to carry out CSR activities. First, from a utilitarian perspective, corporations might see CSR as a tool to achieve their objectives in terms of return on investment, sales volume or profitability. The second motivation comes from the “negative duty approach” in which companies are compelled to adopt social responsible processes in order to conform to stakeholder norms. Third, companies might adopt a “positive duty view” and be self-motivated towards a positive impact in the society and the environment, regardless of social pressures. When following a negative duty view, corporations use CSR initiatives as legitimacy instruments in order to show compliance to stakeholders expectations and norms, whereas the positive duty view implies that organizations have CSR principles as components of the corporate identity. Hooghiemstra (2000) affirms that both the utilitarian and the negative duty perspectives suggest that CSR can be used by companies as a tool to influence stakeholders’ perceptions. The ideas proposed by Swanson (1995) were used in further studies (Silberhorn and Warren, 2007; Maignan and Ralston, 2002) to categorize the motivation of companies in engaging in CSR activities into value-driven, stakeholder-driven and performance driven, which corresponded respectively to the positive duty, negative duty and utilitarian approaches. Besides these general motivation principles, O’Dwyer (2003) and Esrock and Leichty (1998) argue that companies coming from sectors with a high-environmental impact usually have to react more to external pressures and therefore emphasize more the environmental preservation, and such pressure usually increases when codified by legislation.

In order to bring their CSR motivational principles into practice, organizations make use of processes, procedures or tools. Wood (1991) mentions three types of CSR processes used by organizations: environmental management, issues management and stakeholder management. Maignan and Ralston (2002) identified processes that are narrower in scope and linked to specific activities performed by companies as stated in their web pages: philanthropic programs, sponsorships, volunteerism, code of ethics, quality programs, health and safety programs and management of environmental impacts. Silberhorn and Warren (2007) added another processes to these, named stakeholder engagement and communication, business operation, corporate governance and compliance with law, human resources
processes, risk management, supply chain management, employee community involvement and corporate benchmarking. Additional studies in the retail industry (Jones et al, 2005a; Jones et al, 2005b) grouped the CSR activities and processes performed by companies into four headings, namely Environment; Sourcing; Employees; and Customers and Communities. Jones et al (2006) examined the websites of top construction companies in the UK and grouped their activities into environment, health and safety, human resources, supply chain management, customers and communities and governance and ethics.

Companies also implement CSR practices by approaching different stakeholders. Some authors have investigated which stakeholders were addressed in corporate CSR communications, and mentioned community, customers, employees, shareholders and suppliers as the main groups (Maignan and Ralston, 2002; Silberhorn and Warren, 2007). The stakeholder theory of the firm proposed by Freeman (1984) suggests that the range of stakeholders might differ from company to company, and even for the same company in different situations, tasks or projects. Since it is not possible to identify a definitive group of relevant stakeholders for a given company at a given situation, Crane and Matten (2004) propose a typical representation of stakeholders, which includes shareholders, government, competitors, customers, employees, civil society and suppliers. The authors offer a more precise definition of stakeholders than the one proposed by Freeman (1984), by stating that a stakeholder is an individual or group which either (a) “is harmed by, or benefits from, the corporation”; or (b) “whose rights can be violated, or have to be respected, by the corporation” (Crane and Matten, 2004:50).

An increasing number of studies have investigated how CSR is approached from a corporate perspective by looking at the actual notions of CSR that large companies publish on their web sites (Esrock and Leichty, 1998; Esrock and Leichty, 2000; Maignan and Ralston, 2002; Snider et al., 2003, Silberhorn and Warren, 2007). Such studies focused on the number of CSR statements, the activities or processes carried out by different companies or sectors, the stakeholders addressed, and the variations between countries or companies. Most studies that have performed cross-country CSR comparisons focused on differences between European countries or between Europe and North America, as the concept of CSR itself has emerged from the USA. Because European interest in CSR is a relatively recent phenomenon, there are not many continental European studies on the subject (Falck and Heblich, 2007).  

3.1.2 Factors influencing the scope of CSR

From literature, it is possible to note a high level of diversity in the implementation of CSR, and there seem to be still substantial skepticism and uncertainty in CSR approach (Walley and Whitehead, 1994). Therefore, it can be implied that literature on influencing factors behind such differences is still in its infancy as well. In general, the differences of CSR approach noted in the literature can be grouped in four different levels: region, nation, industry and company. For example, in the regional context, the incidence of policies on CSR reporting in North America was lower than Europe since the European region tends to have more forceful regulatory environment than North America where CSR favored in a voluntary form (Baughn et al., 2007). However, the relationship among these four contexts is not independent. For example, at the firm level, the intensity of commitment to CSR is not only influenced by individual and organizational but also national and transnational actors and agencies (Aguilera et al., 2005). In Graafland’s research (2004), for example, the author found that the level of ethics in construction companies derived from both industry culture and the perception of the company itself.
At a national level, there is substantial variance in cultural, economic, environment and political country contexts, which will be reflected in the level of endorsement of CSR and the types of activity promoted by firms in particular countries (Chapple and Moon, 2005; Welford, 2005). For example, Singapore has amplified concerns about environmental policy because of its small size and dense population (Kimber and Lipton, 2005). On the other hand, in Norway, company policies regarding indigenous population are reflected by the local condition that there is a large minority indigenous population in the northern part of the country (Welford, 2005). However, not every country creates its own CSR system. Even though the difference in national level is due to the different role of litigation in the business culture of the respective countries, codes of ethics used within Australia have been developed with an Australian focus but the influence of US corporations is still obvious (Wood, 2000).

As a unit of analysis for environmental issues, industry level has received substantial attention from researchers (Etzion, 2007). Most of literature at the industry level has focused on sectors generally acknowledged as problematic in environment issues, while other industries that have much smaller environmental impact are less addressed. (Etzion, 2007) The most notable industries are the forestry, pulp and paper sector (Bansal, 2005 and Harrison, 2002), the chemical industry (Hoffman, 1999), the automotive industry (Geffen and Rothenberg, 2000) and the energy sector. (Majumdar and Marcus, 2001 and Sharma, 2000). Some researches also highlight social issues in the level of industry. For example, Araya (2006) found that social and environmental reporting is more common in internationally oriented and socially and environmentally sensitive industries in Latin America. However, firms within the same industry may gain unique competitive advantages by implementing different CSR as the resource and positioning of each company is still different within the same industry (Godfrey and Hatch, 2007). In the study of Kraisornsuthasinee and Swierczek (2006), findings show that within Thailand construction materials sector, the CSR approach is still different. On one hand, one company emphasizes environment issues by having its own green procurement guidelines, proactive community support initiatives, and annual release of environmental and social reports whereas another one adopt CSR model of its European partner and publishes one environmental report.

At the company level, there are several factors influencing CSR practices such as internal conditions; strategic attributes and contingency attributes and stakeholder pressure (Henriques and Sadorsky, 1996; Etzion, 2007). For example, firm size has been found to be an important influence on corporate environmental (Brammer and Millington, 2002) and community (McElroy and Siegfried, 1985) responsiveness. On average, larger firms give more to charity (Brammer and Millington, 2002). However, this idea contradicts Vives’s work (2006) which found that many managers in SMEs companies might never have heard of CC or CSR but a large number of those firms have a long tradition of practices that could be considered one kind of CC.

3.1.3 The scope of CSR in different regions

To date, a number of studies have addressed differences in CSR between countries, most focusing on the situation within Europe (Aaronson, 2002; Perrini, 2005; Silberhorn and Warren, 2007) or between Europe and the U.S. (Maignan and Ralston, 2002). Some comparisons have been drawn among Asian countries (Ang and Leong, 2000; Chapple and Moon, 2005) and notable exceptions have explored differences between countries in Europe, Asia, North America and other regions (Welford, 2005; Baughn et al, 2007).
Maignan and Ralston (2002), for example, found that companies in different countries differed in the managerial practices and stakeholder issues that were emphasized, as well as in the level they reported CSR activities on their web sites. Companies in the UK and the US tended to discuss CSR principles and to mention codes of ethics in web cites more than companies from France and the Netherlands. In contrast, companies from the U.S. generally emphasized giving resources to the community with philanthropic programs and volunteerism. Welford (2005) noted that within North America, Canadian companies tended to engage more in CSR activities, followed by companies in the U.S. and Mexico. “Doing the right thing” seems to have different meanings around the world, and patterns of activities seem to differ despite most of the academic literature on CSR tended to focus on ethical and environmental issues (Baughn et al, 2007). Therefore, although there are not many cross-country comparisons addressing CSR practices in Europe, Asia and Latin America, the existent studies suggest different regional patterns concerning the way CSR is viewed and implemented.

In Europe, the concept of CSR has never been as influential as in the US (Crane and Matten, 2004). The authors state that the dominating model of capitalism in much of continental Europe tends to define economic responsibility far more widely and focus. Legal responsibility is also seen differently, as in the Anglo-American worldview, governmental rules are more likely to be regarded as an interference with private liberty, whereas the European thinking tends to see the state in the role of enforcing the accepted rules. Most of the social issues on the corporate agenda in Europe are located in the field of ethical responsibility, and corporations feel the need for constant reaffirmation of their social legitimacy. Similarly, philanthropic activities in Europe are mostly implemented compulsorily via the legal framework. According to Perrini (2005), corporate ideas of socially responsible behavior in Europe are mainly still linked to protecting environment and community, while to a lesser extent taking care of customers and workers. Therefore, companies tend to converge on specific CSR issues – those more related to health, safety and environment – considering them strategic. In the policy-making arena, both the EU Parliament and the EU Commission developed policies to promote CSR at the EU-wide level, and as a consequence, companies operating in the EU have to publish independently verified environmental and socially reports alongside their annual financial reports (Aaronson, 2002).

Maignan and Ralston (2002) have compared CSR self-presentations of companies located in the US and Europe and concluded that countries located in both regions hold substantially different perspectives on how important it is to be publically perceived as socially responsible and about which CSR issues are more important to emphasize. Few European companies used organizational values to justify their commitment to CSR, and a potential explanation for this could be that European businesses may not have had the time to incorporate their emerging role as community-involved social institutions into their organizational cultures. European corporations often presented CSR as an activity enhancing the firm’s success and survival, whereas companies based in the U.S. introduced CSR practices as part of their organizational culture. Another finding was that U.S. companies focused their CSR processes in terms of philanthropic programs and volunteerism, while European firms focused much of their attention on processes aimed at reducing the negative impacts of their activities on the environment and environmental protection in general, which reflects the high political influence of the environmental movement at the national and European Union levels.
With regard to countries of northern Europe, studies conducted by Welford (2004, 2005) show that there is more CSR activity in Northern than in Southern Europe, and the most philanthropic companies were found in Norway. Juholin (2004) found that in Finnish global companies CSR appeared to be both value-driven and top-management driven, which places the concept in a high priority position in such companies. CSR was understood by companies as linked to long term profitability and risk management. In Swedish companies, the processes involved in business ethics seem to have begun to be recognized and acted upon at an organizational level. Evidence (Svensson et al, 2004) shows that codes of ethics, for example, are well developed in many of Sweden’s largest corporate organizations.

As for the CSR conceptualization in Latin America, there is a long tradition of corporate philanthropy in where the private sector has had a paternalistic view of its role in society (Peinado-Vara, 2006). Schmidheiny (2006) affirms that there is no generally agreed definition of CSR in the region, and different organizations in various countries offer diverse definitions. It can be stated, however, that CSR in Latin America and the Caribbean has always been more focused on social issues than on environmental issues, perhaps because social issues have always been more acute. The author also states that a lot of the encouragement of CSR in the region has come from the US and Europe in terms of norms and vocabulary, but more importantly in terms of big companies improving their supply chains in the region or their regionally based projects (such as in mining and oil). This is especially true for companies that export from Latin America, whether they are multinationals or local companies. Many of these have promoted CSR as a risk management tool, decreasing the risks of a scandal in the end market owing to bad behavior by themselves, their subsidiaries or their suppliers. It seems that the increase of democracy in the region has created opportunities for people to speak out, and, as governments fall behind in meeting social needs, pressure increases on the private sector. Latin American companies feel somehow cornered and without recourse because of inefficient government. They see CSR as a smart way to help them in this situation. Puppim de Oliveira (2006) affirms that even though CSR movements have evolved over time in the region, there is still a narrow focus on social action. According to the author, the biggest challenges in the region are in dealing with SMEs and particular issues such as informality, gender and corruption.

Schmidheiny (2006) also states that Brazil has become the regional powerhouse of CSR, with around 500 companies issuing citizenship reports and following the guidelines of Brazil’s Ethos Institute, which has been a leader and a driver of the CSR movement in the country. The motivation for the development of CSR in Brazil comes from a combination of factors: a huge division between rich and poor, an eagerness from companies to distance themselves from the reputation for corruption and a fairly healthy economy.

According to Chapple and Moon (2005), apart from some notable exceptions, today not only has much research on CSR in Asia been under-theorized but also the empirical research has not been addressed to the task of theory-building. Many of the CSR concepts and tools derive from western ideas and practices, but Asian businesses have a variety of their own norms and practices for CSR. Some are long-standing and embedded, and others relatively new, reflecting adjustments to globalization. Asian societies also face some very different CSR contexts and challenges, such as poverty and wealth distribution, labor rates and standards, educational disparities, civil society organizations, bases of governmental power and legitimacy, corporate governance challenges, access to water and a vulnerability to natural disasters. Welford (2004; 2005) looked across Asian countries and found that there are lower levels of CSR activities.
in Asia than western counterparts, with the exception of Japan. Another interesting finding is that CSR was very much tied to localized issues, cultural traditions at a country level, and historical events, resulting in heterogeneous CSR activities. The influence of religion in CSR practices has also been mentioned by some authors (Chapple and Moon, 2005; Baughn et al, 2007) and the values associated with the Asian business (e.g. the importance given to the cultivation of relationships and a strong distinction between ‘outsiders’ versus ‘insiders’) seem to be important factors that influence CSR practices (Ang and Leong, 2000).

When CSR activities in Asia are compared to those in Europe and the U.S., strong contrasts emerge in regard to policies regarding fair wages, freedom of association and equal opportunities for employees (Baughn et al, 2007). The author also notes that here is an increasing institutional pressure towards environmental concerns in Asia, for example regarding pollution in the Chinese and Indian economies. Concerning the nature of CSR practices in Asia, Chapple and Moon (2005) affirm that they are mostly concerned with traditional community involvement, but newer forms of CSR activities such as the concern for socially responsible products and processes and socially responsible employee relations, are also being addressed. The authors noted many differences in CSR practices among countries in Asia. For example, they noted a stronger emphasis in community involvement than in production processes in Thailand, India and Malaysia, while production processes were emphasized in South Korea. Japan is the leader in of CSR activities adoption in Asia, and most CSR activities in the country are linked to environmental programs rather than social issues (Tanimoto and Suzuki, 2005).

A study carried out by Kraisornsuthasinee and Swierczek (2006) suggests a slow emergence of CSR practices in Thailand with different priorities and interpretations. According to the authors, CSR activities in the country are motivated mainly by current events (i.e. driven by temporary public relation concerns). None of the companies interviewed in this study had written policies on CSR, which might reflect the nature of Thai business practice, in which there is more reliance on corporate values than actions to foster CSR. In contrast, a study performed by Ratanajongkol et al. (2006) found a strong trend of increasing corporate social disclosure among the top 40 Thai companies, which was proven by the 45 percent increase in total words of corporate social disclosure from 1997 to 2001.

3.2 Construction industry overview

Construction industry is considered to be one of the most important industries in the globe. In terms of economic relevance, it accounts for one-third of gross capital formation worldwide, amounting to between five and seven percent of GDP in most countries (Kenny, 2007). Nowadays, the international construction industry is dominated by few very large firms such as Bechtel, Skanska AB and Taisei Corporation which are active in both original regions and developing countries (Datamonitor, 2006a). In turn, within most developing countries, the domestic construction industry is made up of a few larger firms, often state-owned, and a large number of small firms (Kenny, 2007).

In 1998, 77 percent of construction output worldwide was in the high income countries in Western Europe, North America, Japan and Australia while China and India, despite its huge size and rapid economic growth in recent years, lagged a long way behind with only 6 percent and 1.7 percent of total output respectively. (ILO, 2001). According to FIEC (2007), European construction industry now accounts for 10.4 percent of European GDP and there are 2.7 million relevant enterprises, of which 95
percent are SMEs with fewer than 20 operatives. This industry is claimed as the biggest industrial employer in Europe as 15.2 million operatives (7.2 % of Europe’s employment) is in this sector.

The construction industry tends to have a reputation of “poor quality and service, a bad safety record, and a history of broken promises and sharp practice” (Wood et. al, 2002:4). The industry accounts for around 17 percent of fatal accidents or around 60,000 deaths per year at work worldwide (Kenny, 2007). As the industry involves complex, non-standard production processes that foster asymmetric information stocks between clients and providers, and because of its many close ties to government, it is unsurprising that construction is frequently held up as one of the most corrupt industries worldwide (Kenny, 2007 and Graafland, 2004). Together with some other labor-intensive sectors (like hotels and restaurants, and the repair of consumer goods), the construction sector is associated with the avoidance of taxes and social premiums (Graafland, 1990, see Graafland, 2004).

In well established construction companies, firms usually use project-based approach. Each project forms a significant proportion of the company's overall turnover so the failure of a single project can trigger the failure of the whole company (Kangari, 1988). In its nature, a construction project is one-off endeavor with many unique features such as long period, complicated processes, abominable environment, financial intensity and dynamic organization structures (Flanagan and Norman, 1993 and Smith, 1999). With the diverse interests of project stakeholders, construction project further exacerbate the unpredictable and complex risk (Zou et. al, 2006). While each sector of construction activity has its own internal business and technical general issues which bring construction into the wider social realm, construction companies still face the common problems about nature and status of construction employment, health and safety, environmental concerns, relationships with communities, supply chain relationships, partnering, international ventures and public relations (Jones et. al, 2006).

In some big construction companies integrating corporate social responsibility into company strategies appears to be one solution for these problems and are many times driven towards enhancing the firm’s reputation (Wenblad, 2001; Graafland, 2004). One way to improve reputation after a scandal is integrating corporate social responsibility policies in the company’s strategy. However, some writers in CSR literature stress the importance of the different national and regional systems in which firms are embedded (Baughn et al., 2007 and Welford, 2004). Studies in construction projects are context-specific and the implications are usually limited to the countries where such studies have been conducted; therefore, it is essential to study the nature and structure of the local construction industry, scale of construction projects, procurement strategies, maturity of the concerned organizations, and local cultural values and norms in each country in order to assess the activities performed (Toor and Ogunlana, 2007).

### 3.2.1 Construction industry in Sweden

The construction industry is one of the largest components of Swedish economy. Since 1985, the construction investment has accounted for eight to ten percent of GDP (BI, 2007a). Swedish construction industry is engaged in the construction of residential, other housing and infrastructure (BI, 2007a). In 2005, Stockholms län, Malmo and Goteborg appear to be top 3 regions of construction investment. The Swedish construction and engineering industry (excluding housing sector) currently generates 2.5% of total industry’s value for Europe (Datamonitor, 2006a).
According to the report conducted by Economist Intelligence Unit (EIU, 2007c), in the early 1990’s, an economic recession occurred and many construction activities collapsed. This difficult condition led to a phase of consolidation, bankruptcy and mergers around the industry. As a result, the number of construction companies declined sharply. Over the past decade, a small number of large companies such as Skanska, NCC, Peab and JIM have dominated Swedish market in every segment; commercial, residential and particularly civil construction (EIU, 2007c; BI, 2007a). Furthermore, they have expanded their international activities significantly.

Similar to other developed countries, Swedish construction industry embraces a wide range of businesses including site preparation contractors, building and civil engineering contractors, building installation contractors, building completion contractors, property management and building held for resale (SCB, 2007).

Estimates suggest that now there are 60,000 companies with over 450,000 staff in the construction and housing sector, of which 250,000 are employed in pure construction. (BI, 2007a). Regarding construction laws, the level of Swedish regulation is stringent and complex (Datamonitor, 2006a). The government and community strongly believe that high quality of buildings is important since poor quality of construction is not only costly to the owner but also potentially hazardous to the owner and community (Datamonitor, 2006a and European Commission, 2001). Generally, residential areas should be planned from the point of view of the consumers (Sweden, 2005/2006). For example, both design and construction must make it easier for children, the elderly and people with disabilities to live decently (Sweden, 2005/2006).

Moreover, construction companies have to follow 15 national environment objectives adopted in 1999 (European Commission, 2001). The most relevant in this context is the one concerning a good urban environment which is expressed as: “Urban areas must provide a good, healthy living environment and contribute to improvement of regional and global environment. Natural and cultural assets must be protected and developed. Building and amenities must be located and designed in accordance with sound environmental principles and in such a way as to promote prudent long- term management of land, water, energy and other natural resources”. (European Commission, 2001:75)

Recently, in order to become sustainable in long run, energy efficient consumption is one of relevance bills that construction companies need to follow. For instance, both renovation and new construction should be performed in energy efficient and cost-effective manner based on the proper choice of building materials and the conversion of existing energy systems for greater long-term sustainability.

In addition, all large Swedish construction companies have embraced the environment as a strategic issue since 1995. Swedish construction sector committed to reduce waste by 50 percent. There were two main reasons for this strategic approach; Government’ concern and growing market demand from public, property owners and public agencies (Wenblad, 2001).

3.2.2 Construction industry in Thailand

According to EIU (2007b), the construction sector in Thailand was hit in 1997 financial crisis, suffering four years of contraction up to and including 2000. However, over the past five years, the sector has generally recovered (EIU, 2007b and AUSTRADE, 2007). Annual average growth in construction (in
GDP terms) stood at around 5% in 2002-2006 (EIU, 2007b). Since the crisis a number of large developers and contractors have restructured their debts, and there has been considerable consolidation in the industry. Consequently, private construction organizations in Thailand are mainly joint ventures with foreign companies (Hossain and Kusakabe, 2005).

Nowadays, construction projects are mainly in new housing unit and public-sector. Even though most of the public-sector projects in Thailand are funded by the State (Hossain and Kusakabe 2005), the government has still pledged US$1.6 billion in 2005-2008 on new housing to accommodate 1.5 million slum-dwellers (AUSTRADE, 2007). The number of new housing units being constructed in Bangkok and its suburbs reached 72,723 units in 2006, more than twice as many as in 2002 (EIU, 2007b). In August 2005, Thailand's Government also approved a US$40 billion infrastructure program that will boost economic growth.

Based on National Statistic Office’s survey (2003), there are around 20,766 construction companies of which 55.2% are micro SMEs with fewer than five employees. 70.2% of these companies are private-owned and 24% of them have worked with government project (National Statistic Office, 2003). According to AUSTRADE (2007), Italian-Thai Development (ITD), Ch Karnchang and Sino-Thai Engineering and Construction (STECOn) appear to be three of the strongest performing construction companies in Thailand. They are well placed to capitalize on increased infrastructure spending. These three companies topped the market performance of all 81 listed Asian construction companies in 2003 (AUSTRADE, 2007).

In terms of direct labor, in 2003, construction industry employs 1,880,700 (6%) of the total workforce in the country (33,841,000). As a result, it is the fifth largest group by profession. (National Statistic Office, 2003). On health and safety issues, construction work accounts for 14% (almost 1 in 6) of deaths at work, and 24% of permanent total disability. In other words, construction workers are 2.7 times as likely to face occupational death as other occupations (Ministry of Labor, see ILO, 2007). Moreover, about 86% of construction workers do not have social security coverage (Ministry of Information and Communication, see ILO, 2007).

Regarding the regulations influencing the construction industry in Thailand, there are mainly two groups: Code of Design of Building and Factory and Code of Construction. For example, all building designers need to take fire protection, minimum airflow and energy requirements into account. Furthermore, the contractor is usually responsible for safety, health, and environment management in construction areas by controlling airflow and providing safe transit. However, in reality, safety management and control are observed only in large companies (Tapanawat 2007). Moreover, it is worth mentioning that the majority of listed Thai companies indicate little CSR commitment or activities (Kraisornsuthasinee and Swierczek, 2006) and for the ones that adopt CSR practices, there is a greater emphasis on community involvement than in production processes, and employee relations generally received much less emphasis (Chapple and Moon, 2005).

3.2.3 Construction industry in Brazil

Brazil's construction industry is defined by the local Government (CBIC, 2007a) in two ways: one approach considers this industry as a “macro sector”, which includes all the chain of activities related to
construction from suppliers to service providers, and another sees the construction industry as formed only by companies directly linked to civil engineering and infra-structure activities. The construction macro sector represented 18.4% of the country’s GNP in 2004, and the construction industry direct labor totalized 3,771.400 employees in 2003.

From ILO’ s report (ILO, 2001), in São Paulo, one of the most developed states of Brazil, a great number of small firms specialized in specific construction works, such as foundations, forms, masonry, steal implementation, etc., had appeared recently. Besides this factor, most construction firms in São Paulo only have a few workers registered, and the rest of them are subcontracted per project. The principal problem with this new kind of suppliers is that they do not have qualified personnel to carry out the services. Given these circumstances, construction firms are beginning to work with a high number of companies per project. These subcontractor companies are heterogeneous in nature. While some are well organized firms with many years in the market, others are new firms, with a non traditional organizational structure formed by few workers that sometimes get together in order to carry out a determined service.

Normally, workers in the construction industry in Brazil have a lower educational level than the national average (ILO, 2001). In 1999, 14.6 per cent of the construction workforce was illiterate and 57 per cent had less than four years of schooling (PNAD, see ILO, 2001). However, nowadays, Brazil is the ninth largest economy in the world at purchasing power parity as of 2006. The country possesses well-developed agricultural, mining, manufacturing and service sectors. In 2001-2003, construction industry contracted by 12.5% (EIU, 2007a). The industry has rebounded, mainly owing to a gradual decline in interest rate since September 2005 and strong recovery in real income (EIU, 2007a). In 2006, civil construction output grew faster (4.6 %) than overall GDP of 3.7 % (EIU, 2007a). To date, Brazilian construction industry is growing at a fast pace owing to strong government investments (Business Monitor, 2007). In January 2007, Programa de Aceleração do Crescimento (PAC, 2007) was planned to unlock the country’s economy and boost its growth rate from average of 2.6% seen since 2000 to 5% by 2010 and aim to spur BRL500bn (US$235bn) (PAC, 2007). For example, government has earmarked US$ 128.4 billion for the energy sector, US$ 27.2 billion for transport, US$ 79.8 billion for housing and sewage and will also develop several projects of social inclusion. (Profilecenter, see IC 2007). Many of these projects will use Public Private Partnership as the financing model (IC, 2007).

According to Business Monitor (2007), Odebrecht, Andrade Gutierrez, Companhia Brasileira do Projetos e Obras (CBPO), Camargo Corrêa and Construtora OAS are ranked in the top 10 construction companies that long established and are key players in the Brazilian construction industry. Most companies are dominant in the domestic market, and are also expanding their market shares in other countries. In 2004, Camargo Corrêa purchased Argentine company Loma Negra for US$1bn. Votorantim has invested about US$900mn in international expansion since 2001. According to the Brazilian Chamber of Construction Industry (CBIC, 2007a), there are about 118,993 construction firms registered in Brazil, and around 94% of such companies are SMEs. In addition, the privatization of infrastructure services has created opportunities for foreign firms to partner their Brazilian counterparts (Business Monitor, 2007).
4. Practical Methodology

In this chapter, we will present our research process, how we made preparations and how the collection of the empirical data was conducted.

4.1 The rationale for methodology selection

When selecting a qualitative approach to investigate CSR issues, the researchers had to choose among different methods to collect data. Interviews, questionnaires, case study, focus groups and document analysis appear to be famous alternatives for researchers who follow this approach. In the case of investigation of CSR, there are some special barriers that might reduce the reliability of research findings. For example, case study methods are widely used but often valid for a specific sector or company so their applicability is limited (Salzmann et al., 2005). On the other hand, in the case of interviews with managers, respondents tend to express proactive attitudes about CSR which are obviously due to social desirability bias (Salzmann et al., 2005).

Having in mind those limitations, time constraints and the main objective of this research which is “to identify how the top companies in the Construction industry of Sweden, Thailand and Brazil approach CSR”, the researchers chose the analysis of corporate disclosure through organizational documents as the main method to perform the study. It is important to emphasize that the researchers were interested in analyzing how companies in the construction industry publicly approach CSR issues, that is to say, how CSR is approached from their perspective.

4.2 Analysis of organizational documents

Organizational documents are known as a heterogeneous group of sources that are of particular importance to the business and management researchers (Bryman and Bell, 2003). Some of these documents are in the public domain, such as annual reports, mission statements, reports to shareholders, press releases, advertisements and public relations material in printed form or on the World Wide Web. Other documents may not be in the public domain, such as company newsletters, organizational charts, memos and correspondence.

Corporate social disclosure can be considered as the most direct expression of attitudes and behaviors of companies regarding CSR (Perrini, 2005) and one of the common ways used by companies to disclose information about their CSR activities are the corporate signature web sites. An increasing number of studies have investigated how CSR is approached from a corporate perspective by looking at the actual notions of CSR that large companies publish on their web sites (Esrock and Leichty, 1998; Esrock and Leichty, 2000; Maignan and Ralston, 2002; Snider et al., 2003, Silberhorn and Warren, 2007). Such studies focused on the number of CSR statements, the activities or processes carried out by different companies or sectors, the stakeholders addressed, and the variations between countries or companies.

Corporate web sites can be considered a valuable source of information because (1) they are common channels through which large companies communicate CSR perspectives to their stakeholders (Snider et al, 2003), (2) they are targeted at a variety of stakeholders, offering therefore a comprehensive perspective on the topic (Esrock and Leichty, 2000), (3) their content is not dictated by government regulations, as it
happens with annual reports (Maignan and Ralston, 2002) and (4) they provide a variety of organizational documents such as reports, press releases, corporate policies and strategies, that are valuable sources in demonstrating how companies approach CSR.

Thus, by analyzing corporate websites, as well as annual reports, financial reports, sustainability and corporate governance reports, press releases, public relation material and additional documents provided by companies through websites, it is possible to understand the corporate perspective of the issue, or, in another words, how businesses perform self-presentations on this topic concerning CSR approaches, motivations, processes and stakeholders addressed. In addition, a comparison among several self-presentations is valuable for identifying their differences and similarities, as well as the underlying issues shaping them.

4.3 Selection of companies

In order to perform the study, the largest companies in the Construction Industry from Sweden, Brazil and Thailand were selected. Different local rankings were used for this selection, and companies that did not provide updated information on the websites concerning CSR issues were excluded. In Sweden, the ranking in terms of turnover provided by the Swedish Construction Federation (BI, 2007b) demonstrates that there are four main players that dominate the Swedish construction market, accounting for 74% of the total group turnover (Appendix 1).

In Thailand, the ranking in terms of market share provided by Stock exchange of Thailand (see Kasikorn Securities, 2007) shows that there are three leading companies that account for 69.8% of Thailand construction sector (Appendix 2). In Brazil, the ranking provided by the Brazilian Chamber of Construction Industry (CBIC, 2007b) outlines the fifty largest construction companies in the country, according to the gross revenue (Appendix 3). The first six companies in the list account for 46% of the total gross revenue for the group and lead the market in Brazil. One of the six companies did not provide updated information on the website; therefore, five companies were selected for analysis.

The Table below shows the companies selected, as well as additional data obtained about each company.

<table>
<thead>
<tr>
<th>Company</th>
<th>Regions of operation</th>
<th>Nr. of Employees</th>
<th>Revenues (in million USD)</th>
<th>Established (year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skanska [<a href="http://www.skanska.com">www.skanska.com</a>]</td>
<td>South America, North America, Europe</td>
<td>56,000</td>
<td>19,736</td>
<td>1887</td>
</tr>
<tr>
<td>NCC [<a href="http://www.ncc.se">www.ncc.se</a>]</td>
<td>Mainly Scandinavia</td>
<td>22,000</td>
<td>8,787</td>
<td>1875</td>
</tr>
<tr>
<td>PEB [<a href="http://www.peab.com">www.peab.com</a>]</td>
<td>Scandinavia</td>
<td>12,655</td>
<td>4,195</td>
<td>1959</td>
</tr>
<tr>
<td>JM [<a href="http://www.jm.se">www.jm.se</a>]</td>
<td>Scandinavia and Belgium</td>
<td>2,200</td>
<td>1,897</td>
<td>1945</td>
</tr>
<tr>
<td>Ch Karnchang (CK) [<a href="http://www.ch-karnchang.co.th">www.ch-karnchang.co.th</a>]</td>
<td>Asia (consolidated)</td>
<td>5,061</td>
<td>838</td>
<td>1972</td>
</tr>
<tr>
<td>Sino-Thai Engineering and Construction (STECON)</td>
<td>Asia</td>
<td>958</td>
<td>480</td>
<td>1962</td>
</tr>
<tr>
<td>Country</td>
<td>Region</td>
<td>Leading Companies</td>
<td>Year of Incorporation</td>
<td></td>
</tr>
<tr>
<td>---------------------------------</td>
<td>------------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>-----------------------</td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>South America Central America</td>
<td>Norberto Odebrecht (Odebrecht)</td>
<td>1944</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and the Caribbean</td>
<td><a href="http://www.odebrecht.com">www.odebrecht.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North America</td>
<td>Asia 30,686</td>
<td>1958</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Africa</td>
<td>Brazil 1,311</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td>Brazil 1,311</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Middle East</td>
<td>Brazil 1,311</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>Latin America</td>
<td>Andrade Gutierrez</td>
<td>1948</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Europe</td>
<td><a href="http://www.andradegutierrez.com.br">www.andradegutierrez.com.br</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Asia</td>
<td>Latin America 6,629</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Africa</td>
<td>Europe 827,5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazilian</td>
<td>Africa</td>
<td>Camargo Corrêa</td>
<td>1939</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.camargocorrea.com.br">www.camargocorrea.com.br</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brazil 9,080</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Africa 808,7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazilian</td>
<td>Africa</td>
<td>Queiroz Galvão</td>
<td>1953</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.queirozgalvao.com">www.queirozgalvao.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brazil 9,305</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Africa 699,3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazilian</td>
<td></td>
<td>Construtora OAS</td>
<td>1976</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.oas.com.br">www.oas.com.br</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>South America 10,198</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Africa 378,5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: BI (2007); CBIC (2007b); Kasikorn Securities (2007) and companies’ webpages.

As most cross-national studies on corporate perspectives of CSR focused on differences between European countries or between Europe and North America (Falck and Heblich, 2007), the intention was to enrich the research by comparing different regions of the globe. Sweden, Thailand and Brazil were selected because they belong to quite different geographical regions (Scandinavia, Southeast Asia and South America), bringing therefore potentially diverse perspectives in CSR approaches. The selection of countries also took into consideration the language abilities of the researchers, which enabled the search of information in the countries’ native languages.

The construction industry was chosen due to three main factors: (1) its relevance to the global economy, accounting for one-third of gross capital formation worldwide, and amounting to between five and seven percent of GDP in most countries (Kenny, 2007), (2) the several social responsibility issues that arise from the nature of the industry (e.g. health and safety, corporate governance, environmental concerns) which show a bad record in the industry (Kenny, 2007; Graafland, 2004; Wood et. al, 2002) and (3) the interest of the researchers in project-based companies, as large firms in the construction sector operate mainly through projects.

### 4.4 Data collection and processing

In order to collect the data, the analysis of CSR statements from twelve companies’ organizational documents provided through their official websites was performed. The sections of websites that addressed clearly the relationship between the company and stakeholders as well as the CSR practices were analyzed and the annual reports, codes of conduct, financial reports and documents regarding
corporate policies provided by companies were examined in detail. Therefore, the research was not undertaken only in the statements from the websites, but also in all relevant organizational documents provided.

The coding scheme for content analysis was developed by modifying and existing conceptualization proposed by Silberhorn and Warren (2007). The authors analyzed and compared the content of corporate websites of British and German companies in different industries concerning CSR. The conceptualization of CSR followed by the authors improved the coding scheme proposed by Maignan and Ralston (2002) and comprised CSR principles, processes and stakeholder issues. As this coding scheme was applied to several industries in their study, some categories were not suitable to address only the construction industry, and were therefore removed after the content analysis. Similarly, other categories were added to obtain a more comprehensive view on the CSR issues. An overview of the coding scheme for CSR principles, processes and stakeholder issues can be viewed on Table 4. A statistical analysis of statements’ frequencies was performed to explore the differences and similarities among countries, as well as the relationships between frequencies and organizational characteristics. As one of the aims of the research was to understand how factors influencing CSR shape the local CSR motivations, processes and stakeholder issues, it was relevant to analyze the data in the context of CSR in Europe, Asia and Latin America. Therefore, the analysis was supported by the previous literature review on the topic.

Table 4 – Categorization of CSR Perspectives as Mentioned by Companies

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PRINCIPLES MOTIVATING CSR</strong></td>
<td></td>
</tr>
<tr>
<td>1. Value-driven CSR</td>
<td>CSR is presented as being part of the company’s culture, or as an expression of its core values.</td>
</tr>
<tr>
<td>2. Performance-driven CSR</td>
<td>CSR is introduced as part of the firm’s economic mission, as an instrument to improve its financial performance and competitive posture.</td>
</tr>
<tr>
<td>3. Stakeholder-driven CSR</td>
<td>CSR is presented as a response to the pressures and scrutiny of one or more stakeholder groups.</td>
</tr>
<tr>
<td><strong>CSR PROCESSES</strong></td>
<td></td>
</tr>
<tr>
<td>1. Community engagement and communication</td>
<td>The company presents formal channels through which community stakeholders can be informed about or involved in projects and register complaints.</td>
</tr>
<tr>
<td>2. Management of environmental impact</td>
<td>The company discusses activities aimed at diminishing the negative impact of productive activities on the natural environment.</td>
</tr>
<tr>
<td>3. Code of ethics and business conduct</td>
<td>The company discusses the content and/or implementation of a code of ethics or conduct.</td>
</tr>
<tr>
<td>4. Philanthropic programs</td>
<td>The company presents a formalized philanthropy program made of a clear mission and application procedures to allocate donations, grants, time and/or efforts.</td>
</tr>
<tr>
<td>5. Business operation</td>
<td>The company offers socially responsible products/services to clients as part of its service portfolio.</td>
</tr>
<tr>
<td>6. Corporate governance and compliance with law</td>
<td>The company discusses corporate governance issues and/or the way in which it aims at complying with laws and regulations.</td>
</tr>
<tr>
<td>7. Human Resources processes</td>
<td>The company discusses issues and activities related to the welfare of its staff, regarding equal opportunity, learning and development and employee care.</td>
</tr>
<tr>
<td>8. Risk Management</td>
<td>The company introduces risk management activities aiming at diminishing the negative impact of productive activities on the natural and social environment.</td>
</tr>
<tr>
<td>9. Health and safety programs:</td>
<td>The company introduces formal health and safety programs aimed at one or more stakeholder groups as a form of responsibility initiative.</td>
</tr>
</tbody>
</table>
10. **Supply chain management** | The company presents activities and/or issues related to its social responsibility in the service value chain.

11. **Employee community involvement** | The company presents programs that allow employees to work for a good cause during paid working hours.

12. **Sponsorships** | The company introduces sponsorships as a type of responsibility initiative aimed at providing occasional assistance either financial or in-kind to a cause.

13. **Quality programs** | The company describes a formal product/service quality program and related certifications as a form of responsibility initiative.

14. **CSR Report** | The company presents a formal CSR report comprising CSR activities.

15. **International CSR activities**<sup>1</sup> | The company presents CSR activities that are developed outside the country of origin.

16. **Anti-corruption policies** | The company states clearly its position against corruption through corporate policies and/or guidelines.

17. **Independent CSR organization:**<sup>2</sup> | The company creates and maintains an organization such as an institute or foundation, aimed at carrying out CSR activities.

### STAKEHOLDER ISSUES

#### 1. **COMMUNITY STAKEHOLDERS**

| a. **Quality of life**<sup>3</sup> | The company expresses its dedication to improving the quality of life and well-being of the community in which the firm operates, or of society as a whole.

| b. **Protection of the environment** | The company shows concern for the preservation of the natural environment either in general or in the communities where the firm operates.

| c. **Education** | The company presents its support of activities aimed at improving educational opportunities and the quality of education received by populations outside the firm.

| d. **Human rights** | The company shows concern for human rights issues in the community in which it operates.

| e. **Arts and Culture** | The company discusses its support of organizations, activities, actors and objects linked to the arts and the national culture.

| f. **Safety** | The company displays concern for the safety of the persons in the communities surrounding its productive operations.

| g. **Animal welfare** | The company shows concern for animal welfare in the communities where it operates or in surrounding areas, through specific projects or activities.

#### 2. **CUSTOMER STAKEHOLDERS**

| a. **Quality** | The company presents the achievement of high product/service quality as part of its commitments to stakeholders.

| b. **Safety** | The company displays concern for the safety of its customers in relation to its production activities or products/services.

| c. **Data protection** | The company shows concern for the protection of data from clients.

#### 3. **EMPLOYEE STAKEHOLDERS**

| a. **Health and safety** | The company expresses its concern for protecting the safety of employees in the workplace along with their overall health level.

| b. **Equal opportunity** | The company expresses its commitment in giving the same chances to recruitment and promotion to all employees regardless of race, gender, age or handicap.

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<sup>1</sup> International CSR activities identified in this category were not considered in other CSR processes, as the aim of the research was to identify national approaches to CSR.

<sup>2</sup> Activities carried out by the independent CSR organization were not included in the “Philanthropic programs” and “Sponsorships” categories in the CSR processes.

<sup>3</sup> This category excludes activities which are included in other categories, such as educational programs and the protection of the environment, which may also result in the increasing well-being of the community.
c. Learning and development  The company shows concern for the training and development of its employees.

d. Employee care  The company shows concern for the welfare of employees that go beyond the usual salary and benefits policies.

| 4. SHAREHOLDERS/INVESTORS | The company displays concern for its shareholders or investors through the statement of equal treatment policies, value creation and provision of relevant and updated information. |

| 5. SUPPLIERS | The company discusses responsibility issues related to suppliers. |

| 6. COMPETITORS | The company discusses responsibility issues related to competitors. |

| ADDITIONAL CSR THEMES | The company stresses additional terms such as “accountability”, “sustainability” and “transparency” as part of its CSR approach. |

4.5 Researcher bias

When performing the qualitative analysis of corporate disclosure through organizational documents, the researcher can be biased by the previous knowledge on the topic or by his/her background, as the analysis involve interpreting and coding data.

In order to avoid such bias, the researchers performed an extensive literature review on the topic, getting familiar with CSR issues and main theories, as well as previous similar studies. The coding scheme used as a framework for collecting data (Maignan and Ralston, 2002) was studied and discussed in order to increase the understanding of how CSR issues should be categorized.

4.6 Source critics

Although documents deriving from private sources like companies are likely to be authentic and meaningful, people who write organizational documents, such as managers, are likely to have a particular point of view that they want to get across (Bryman and Bell, 2003). In this particular study, the researchers were interested in identifying how corporations presented their view of CSR through the organizational documents, therefore the way of performing a self-presentation was itself relevant for the research. Company reports, policies and guidelines made available to different stakeholders are likely to be approved and reviewed, especially in the case of large companies such as the ones selected for this study. By performing the data collection in several documents and sections of the corporate websites, the researchers aimed at minimizing the inconsistencies that could arise from the biases of individual writers. As the main data source for the research were organizational documents, the researchers were somehow limited to the information disclosed by companies through these means. Considering the aim of the research and the relevance of CSR disclosure in representing CSR beliefs and behaviors, the data obtained was considered sufficient and relevant in providing interesting insights into the nature and the differences in CSR approach among countries. Therefore, such limitation did not influence negatively the outcome of the research.
5. Empirical Study

In this chapter we will present the findings of our empirical study. These are presented as a description of statements from organizational documents for Swedish, Thai and Brazilian construction companies, following the coding scheme previously outlined.

We would like to point that since the primary source of data for this research has been obtained from organizational documents, many statements have been collected directly from companies’ websites. We have made all possible efforts to quote statements and indicate the company who mentioned them. Statements were accessed from the websites indicated on Chapter 4 on pages 22 and 23, and documents provided through them. Websites were accessed from November 1st to December 4th, 2007.

5.1 CSR in Swedish construction companies

Findings reveal that CSR approach in Swedish construction companies varies from company to company. However, the information about CSR activities provided by companies’ websites is quite mature in the case of large companies such as Skanska NCC and Peab. Instead of Corporate Social Responsibility or CSR, the term Sustainability and Social Responsibility are widely used.

Table 5 – Summary of Findings in Swedish Construction Companies

<table>
<thead>
<tr>
<th>SWEDEN</th>
<th>Companies Mentioning</th>
<th>Skanska</th>
<th>NCC</th>
<th>Peab</th>
<th>JM</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principles motivating CSR’</td>
<td>1. Performance-driven CSR</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>2. Value-driven CSR</td>
<td>x</td>
<td>X</td>
<td>X</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Stakeholder-driven CSR</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>X</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>CSR Processes</td>
<td>1. Community engagement and communication</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Management of environmental impact</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>3. Code of ethics and business conduct</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4. Philanthropic programs</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>5. Business operation</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>6. Corporate governance and compliance with law</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>7. Human resources processes</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>8. Risk management</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>9. Health and safety programs</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>10. Supply chain management</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>11. Employee community involvement</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Sponsorships</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>13. Quality programs</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>14. CSR Report</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

4 Sample statements from the studied companies regarding each category of the coding scheme are provided on Appendix 4.

5 The “X” (marked in capitals and bold) indicates the main CSR principle identified for a given company. This applies also to Thai and Brazilian companies.
5.1.1 Principles motivating CSR

Findings reveal that all studied companies undertake CSR because of more than one motivation. Generally, the stakeholder-driven principle derives from government pressure, customers’ demand and growing social concern while performance-driven CSR derives from company’s aims of long-term growth and economic sustainability. Although Skanska, NCC and Peab have more than one principle of motivation, CSR is deeply rooted in their business and values. For Skanska, “Sustainability is at the very heart of Skanska’s actions and aspiration” as shown in its “4 zero visions” (comprising zero loss-making projects, zero environmental incidents, zero work site accidents and zero ethical breaches) and “triple bottom line” principle. On the other hand, NCC perceives that building environments for the future and contributing to sustainable social development is a main responsibility. Therefore, such responsibility is a natural value within the NCC Group. In contrast, JM shows a high level of concern about stakeholders’ demands especially from its direct customers and shareholders. Environmental issues and measures are of particular importance to JM’s customers. For example, JM gives value added product and service to customers by offering energy-efficient houses, installations that conserve water and logical spaces for
sorting waste, helping this way to lower operating costs for households. Moreover, by addressing urgent environmental problems and accepting responsibility for future environmental issues, JM states that it intends to create long-term shareholder growth continuously.

5.1.2 CSR processes

Findings indicate that CSR approaches also vary company to company. Nevertheless, there are six main CSR processes emphasized by all four companies while another two processes are not mentioned by any company. Table 6 shows the most and least addressed processes in Swedish companies, as well as their frequencies.

<table>
<thead>
<tr>
<th>Most mentioned processes</th>
<th>Freq</th>
<th>Least mentioned processes</th>
<th>Freq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of environmental impact</td>
<td>4</td>
<td>Employee community involvement</td>
<td>0</td>
</tr>
<tr>
<td>Corporate governance and compliance with law</td>
<td>4</td>
<td>Community engagement and communication</td>
<td>0</td>
</tr>
<tr>
<td>Human resources processes</td>
<td>4</td>
<td>Independent CSR organization</td>
<td>1</td>
</tr>
<tr>
<td>Health and safety programs</td>
<td>4</td>
<td>Risk Management</td>
<td>1</td>
</tr>
<tr>
<td>Supply chain management</td>
<td>4</td>
<td>Anti-corruption policies</td>
<td>1</td>
</tr>
<tr>
<td>Quality programs</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Community engagement and communication

In order to provide a real sense of ownership to all stakeholders, Skanska involves in the local communities at an early stage. During the design phase of school building projects, Skanska brought children and teachers to discuss about the way their school will be designed, built and used. However, the information obtained is not sufficient to conclude that Skanska promotes community involvement continuously.

Management of environmental impact

All studied companies show high level of concern for environmental problems. Skanska, NCC and Peab are certified to the ISO 14001 international standard for environmental management. Surprisingly, JM claims that back to 1994, it was one of the first construction companies in Europe to adopt an environmental policy. It describes that its operational systems meet the standards set by ISO quality and environmental management requirements but does not indicate the term of ISO 14001. The findings also reveal that high-priority environmental issues of these companies are low energy consumption, hazardous substances especially chemical products and eco-based construction. As part of its environmental strategies shown in its Code of Conduct, Skanska commits to prevent, minimize adverse environmental impact and conserve resources continually. On the other hand, Peab’s environmental management system forms an integral part of the company management system.

Code of ethics and business conduct

Both Skanska and NCC name their ethical principles as “Code of Conduct” while JM calls it as “Ethical Guidelines”. In addition to the environmental policy and the overall environmental objectives, NCC has stated the direction for company’s environmental efforts through the Code of Conduct. In contrast, in JM
there are many governing documents such as Articles of Association, Rules of Procedures for the Board of Directors, Instructions for the Allocation of Duties between the Board and the President, Instructions for Financial Reporting, JM’s Authorization Regulations, JM’s policies (Quality and Environmental Policy, Employee Policy, Information Policy, Financial Policy and Purchasing Policy).

**Philanthropic programs**

NCC, Peab and JM carry out similar types of philanthropic projects. Their main initiative is to support education and develop skills of local people especially for the ones that are facing the obstacle in getting a job. Peab, together with UVS Gymnasium AB set up craftsman course which intends to provide practical work experience for local pupils who have finished their basic secondary education without obtaining passes in certain core subjects or are not qualified to continue to the national high school program. This program is quite positive and attracts the attention of some Swedish local authorities, which wish to make contact with and set up long-term educational collaboration with Peab. Similar to Peab, NCC has started an occupational training program for unemployed immigrants. At the end of the course, students will be assigned to NCC workplaces together with their teachers. At JM, a new education initiative offer secondary school engineering students the opportunity to combine theory with on-the-job experience. Each student has a personal advisor at JM who serves as mentor during the three-year program.

**Business operations**

Skanska, NCC and JM intensively focus on environmental considerations in their operations. In addition to choosing sound building materials and energy-efficient vehicles, all of them provide purely environmental projects such as energy-efficient construction (Skanska, NCC and JM), depots for secure storage of waste (NCC) and the suction dredging of polluted sea floors and harbors (NCC). JM also emphasizes that it will use energy-efficient approach throughout its logistic chain. Skanska claims that during 2006, the number of eco design projects has risen for the fourth consecutive year. During 2006, BREEAM and LEED (assessment tools and green building rating systems) were used in over 120 Skanska projects.

**Corporate governance and compliance with law**

All Swedish companies hold a section on their websites emphasizing corporate governance issues, and providing information on how the company is managed, as well as the financial results for shareholders. In such sections, companies stress the way they comply with Swedish regulations regarding corporate governance. According to the listing agreement from the Stockholm Stock Exchange, all researched companies apply the Swedish Code of Corporate Governance. JM also states that its corporate governance is “regulated not only by the listing agreement with the stock exchange but also the Swedish law, corporate by-laws, other rules and recommendations”. Peab group’s governance, for example, is based on the “Swedish Companies Act and other relevant legislation, the Articles of Association, the listing agreement with stock exchange, the recommendations of the Swedish Industry and Commerce Stock Exchange Committee and the Swedish Code of Corporate Governance”.

**Human Resource processes**

Overall, the studied companies thoroughly focus on learning and development (emphasizing on training programs) and equal opportunities (especially gender equality and diversity). For example, in Skanska
HR, professional development and retention of employees are high-priority tasks for both group executives and local business units.

**Risk management**

Skanska states that since the construction business is largely about risk and project-based in nature, risk management is one of the cornerstones of the company’s success. As shown in the website, it also has a high level of project management knowledge. Skanska claims that a well-executed project can mean that the gross margin in the project may increase by a couple of percentage points but a large loss-making project may result in a considerably larger downturn in earnings. Skanska also believes that operational risks are substantially higher than financial risks. To ensure a systematic and uniform assessment of construction projects, it uses Operational Risk Assessment (ORA) system for identifying and managing potential risks throughout the Group. As part of such ORA, risks relating to ethical, social and environmental aspects are analyzed in conjunction with planned projects from time to time.

**Health and safety programs**

All researched companies express the importance of health and safety programs. Health and safety are also equally addressed. However, results show that the level of health and safety concern of JM is still limited. JM generally mentions that it always checks its building supplies to ensure that neither customers nor employees are exposed to any health or environmental risks. NCC states that preventive work-environment and health efforts are crucial and an example of how it puts its social responsibility into practice. Consequently, in Sweden, NCC claims that it has a low rate of sickness absence and few accidents compared with both other industries and other construction companies. Similar to NCC, Skanska provides a safe and healthy working environment and is committed to continued improvement. So far, 57 percent of Skanska's employees are currently included in third party certified/registered occupational health and safety management programs as in accordance with OHSAS 18001. In the case of Peab, operational action plans with clearly measurable objectives have been drawn up under the group name of Health and Work Environment Year 2007. The objectives particularly include an entirely new type of learning work environment review, risk, health and safety rules at its workplaces, cooperation with suppliers to ensure the safety of employees, preventive measures to reduce repetitive strain injuries and commitment to managerial training in the work environment.

**Supply chain management**

All studied companies realize that much of impact on the environment occurs via the company’s external partners such as subcontractors and materials suppliers. All of them believe that they should have an influence on the entire value chain in order to mitigate the potential negative impacts of their activities. NCC and Skanska adopt BASTA requirements which are applied to construction materials and chemical products that are being used in the construction work. JM’s strategic partners undergo an environmental assessment in order to ensure that they only use products that meet environmental standards, that they have reliable procedures for waste management, and that they also have their own in-house environmental program. Peab has close collaboration with its suppliers in order to reduce sales costs for the suppliers that result in reduced purchase prices for Peab and increased safety at workplaces. By communicating widely on social, environmental and ethical issues with employees, suppliers and NGOs, Skanska also
hopes to improve the overall level of sustainability of the construction industry. For example, Skanska is now campaigning for improved transparency of information throughout the supply chain.

**Sponsorships**

JM shows high level of interest in sponsorships as there is a section called “Sponsoring” under the company profile in its website. For JM, it is important that a sponsored activity is brand-building and has a linkage to its own operations. Sport, culture and social responsibility are its main interest areas for sponsoring. Although Skanka shows less concern about sponsorship, it committed funds to the combined relief efforts of the Disaster Resource Network and International Relief and Development. The donation focused on the provision of temporary sanitation and water facilities for fifteen schools that were damaged or destroyed in Indonesia.

**Quality programs**

There is a consensus on quality management among studies companies. The quality issue is normally presented in relation to companies’ environmental concerns. In addition, all companies are likely to have definite plan or objectives in order to handle quality issues. For example, JM’s focus is on high quality and eco-compliant homes and workplaces with a high customer value and in attractive locations. Their operational systems are certified in accordance with ISO standards. In Peab, its quality objectives for construction and civil engineering activities form part the business plan determined by the management. Peab’s quality objectives are intended to produce satisfied customers, improvements in the company's procedures and to achieve sustainable development within the area in question. The objectives are incorporated in the respective business plans and are followed up on at division. Similar to Peab, as part of its values, NCC presents quality policies which aim to fulfill customers’ needs and expectations for the products and services offered throughout operations. Skanska also claims that its large size enables it to compete for large, complex projects for international customers with strict standards of quality and execution.

**CSR report**

Findings reveal that the CSR Report of Skanska is comparatively better structured while JM holds a small section on the website about Corporate Governance Report. Skanska has issued a “Sustainability Report” to replace of the old “Environmental Report” since 2002. Also, in 2006, it started using the Global Reporting Initiative (GRI) as its guiding Sustainability framework. Using this generic agenda, Skansa has developed its own Sustainability Agenda to better focus strategies and actions that balance the never-ending trade-off between Economic, Social and Environmental considerations; the so-called “Triple Bottom Line.” JM states on its Code of Corporate Governance that a “Corporate Governance Report” should be always enclosed to the annual report. Moreover, the Board of Directors must describe how the internal controls that refer to financial reporting are organized in a separate section of the corporate governance report.

**International CSR activities**

Although NCC decided to discontinue all operation in Asia, Africa and Central America since 2004, there is some evidence that NCC still develops some activities related to international CSR. For example, in all
of its operations, NCC strives continuously to reduce climate impact, focusing primarily on the energy and transport areas, and to conform to or surpass the requirements of both national and international regulations/agreements concerning the reduction of emissions and discharges to air, land and water. On the other hand, Skanska highly focus on cooperation with international organizations such as the World Economic Forum, UN Global Compact and UNEP Sustainable Building and Construction Initiative, in order to promote their CSR initiative, support international cooperation, share experience with other companies and learn from them. Moreover, Skanska is in the process of developing ISO 26000-Guidance on Social Responsibility with 60 countries and 30 organizations. This ISO 26000 tends to be completed in 2009.

**Anti-corruption policies**

Interestingly, Skanska claims that its efforts to improve ethical performance in the construction industry are well documented. As one of the leading construction companies of the world, it always appears to be one of the first movers in drawing up the Engineering and Construction Business Principles. For example, it was one of the 10 founder members of the task force that drew up Engineering and Construction Business Principles relating to transparency and governance. Nowadays, Skanska has a zero tolerance approach to any form of bribery and corruption. The company states that if an incident occurs, it is dealt with rapidly, without regard to cost or commercial consequences, and full disclosure is made to the appropriate authorities. It has been influential in developing the first set of industry principles for combating bribery and corruption for the World Economic Forum (WEF). These principles have subsequently been widely applied as the WEF’s Partnering against Corruption Initiative (PACI).

5.1.3 Stakeholder issues

All studied companies claim to act in ways that are sustainable and responsible in the long term and meet the demands of shareholders, customers and employees, as well as society at large. However, JM provides less information in all aspects compared to other Swedish companies.

5.1.3.1 Community stakeholders

**Quality of life**

The improvement of life qualify of local communities is not so addressed by Swedish companies, and in the case of NCC and Peab, creating a job for local people appears to be their main activity under this category. In order to reach this goal, they create their own occupational training program or cooperate with local institutions. As part of its business operation, Skanska provides schools, hospitals, and road infrastructures that are often badly needed to local populations. In the U.K., under the Private Finance Initiative (PFI), Skanska completed the largest hospital funded through a bond raised by Skanska Infrastructure Development and its partner Innisfree. On the other hand, JM works within the framework of a drug prevention alliance with the Mentor organization to strengthen relationships between adults and young people, including immigrant students.

**Protection of the environment**

All studied companies are highly concerned in protecting environment and reducing their operation impact. As climate changes form a growing risk for flooding and an increase in the level of the ocean’s
surface which will require greater caution for positioning and design of built-up areas close to water, JM claims that it will carefully monitor the Government’s climate and vulnerability survey and other studies and directives related to this issue. As an example, Skanska mentions that green areas have been incorporated around each crossing to suit the species’ natural habitat and over 30,000 sq. m of waterproof membrane is being laid and oil separators are being installed to ensure that rainwater runoff does not pollute neighboring lands.

**Education**

While NCC, Peab and JM develop well-known professional programs for local people, Skanska participates in numerous education projects but normally based on provisional basis. During the national construction week in 2006, future students of the new Speedwell School being built by Skanska took part in numerous workshops. The students learned about the principles of design and construction, and professional career advisors talked about the opportunities in the building industry.

**Human rights**

Skanska is the only Swedish company that mentions about human rights as part of its CSR practices. It claims that it respects the United Nations Universal Declaration of Human Rights and recognizes its responsibility to observe those rights that apply to its performance toward its employees and the communities where they work and live in.

**Safety**

Skanska claims that apart from the safety of company’s employees, subcontractors and suppliers, the safety of general public around its projects is of paramount importance.

**Animal welfare**

Skanska claims that it normally calls for careful environmental planning, particularly with regard to protecting habitats and encouraging biodiversity. In a project between Gdansk and Nove Marzy, the company stated that seventy eight kinds of animal crossings were incorporated into the design. Passing beneath the roadways and special fencing were developed in order to provide safe passage for large animals such as deer and wild boar, while the remainder was being constructed to ensure that the gene pools of smaller mammals are maintained.

5.1.3.2 **Customer stakeholders**

**Quality**

As explained in quality program section, all studied companies are concerned with the quality of products and services. They aim to meet the customers’ satisfaction as much as possible.

**Safety and health**

JM claims that that it checks its building supplies to ensure that neither customers nor employees are exposed to any health or environmental impact.

5.1.3.3 **Employee stakeholders**
Health and safety

As stated previously, health and safety are promoted equally by companies. For example, NCC claims that the operations and the projects in which it is involved shall be characterized by a safe, healthy and hygienic work environment for all employees. Its activities regarding work-related accidents and personal injuries are also subject to a zero vision. Similar to NCC, Skanska has “zero job site accidents” approach as one of its four qualitative targets. For example, one of Skanska’s health and safety initiatives is the Safety Week, which has been carried out group-wide each autumn for the past three years. Its purpose is to improve safety activities and achieve zero-accident work sites. Another initiative is group warm-up gymnastics, which takes place at the beginning of the working day at many projects. On the projects, where “stretch and flex” exercises have been introduced, back problems have decreased by 80 percent. In addition to a zero vision for industrial injuries, Peab has a unique preventive healthcare concept to promote good health among its employees - this involves comprehensive action within Peab Leisure whereby employees on their own initiative and with the support of Peab themselves make up activities to boost job satisfaction and solidarity within the company. Moreover, a crisis management organization of Peab will be set up to deal with serious circumstances such as on-site accidents.

Equal opportunity

Skanska, NCC and JM show high interest in diversity and equality. Basically, these companies promote that the company will treat employees equally regardless of ethnic or national origin, skin color, gender, sexual orientation, religion, political opinion, nationality or social origin. For instance, during 2006, NCC also initiated a project intended to ensure that more people with an immigrant background enter the construction industry. Skanska aims to increase diversity, especially focusing on the share of women both among skilled workers and senior executives. In conjunction with equal opportunity concern, Skanska and NCC also mention that discrimination or harassment is prohibited. As the first company in the industry, NCC has joined the Swedish network “Fritt Fram”, whose primary goal is that those who wish to be open about their sexual preferences shall be able to be so. Therefore, all employees are able to be themselves when at work, which for NCC is closely linked to the value of respect. In contrast, JM believes that diversity of employees will strengthen JM’s performance. Increasing diversity among employees is therefore a top priority for the company, which is particularly reflected in the recruitment of new employees.

Learning and development

All researched companies have well-established training programs in order to increase knowledge and awareness of employees in all levels. For some companies, it is extremely important in a project-oriented environment that staff within the organization conforms to the growth brought by new projects and activities. Given Peab’s continuing eagerness for growth, the company claims that it is quite natural for resources and skills to be of crucial strategic importance. In Skanska, training includes both skill-enhancing, specialized training programs and steps to safeguard employee health and safety. Every Skanska business unit also has its own human resource development programs adapted to its specific needs. In contrast, Peab describes only the training programs of white-collar workers and tradesmen while Similarly, JM’s top priority is leadership development program for managmers. Further, JM conducts a large number of training programs under both company's own management and in association with outside partners.
Employee care

All studied companies refer to the importance of employee care; however, the findings reveal that such activities vary company by company. For example, NCC claims that it values a healthy balance between work and leisure and works actively to ensure that the employees achieve this. Also, employees’ rights to organize themselves in optional employee organizations and to negotiate collectively must be respected. On the other hand, Skanska recognizes employees’ rights to form or join trade unions in accordance with each country’s laws and principles. Also, it conducts employee surveys covering all white collar employees and certain categories of skilled workers in order to better understand employees’ demands and to enable them to increase employee motivation to remain in the company. In contrast, JM mainly focus on employees’ extra remuneration. For instance, it compensates employees for loss of income during parental leave and offers pension plan with improved retirement and insurance benefits for employees. Interestingly, the challenge Peab is facing in the personnel care area is to meet the incipient generation change with new well trained and motivated employees. By establishing a method of working involving the drawing up of annual personnel care plans based on market terms at all organizational levels, annual stocktaking of potential managers and performance appraisal interviews with individual self improvement plans, Peab claims that it ensure high levels of personnel care in the future.

5.1.3.4 Shareholders/investors

All studied companies hold a particular section in the website in order to provide financial and corporate governance information to shareholders. Basically, shareholders’ rights and procedure for notifying shareholders of meetings and other activities are addressed under corporate governance. Skanska's overall goal is not only to generate customer value but also shareholder value. Similarly, JM commits to create long-term shareholder growth continuously.

5.1.3.5 Suppliers

As improved logistics will result in more efficient production and a better work environment, NCC, Peab and JM maintain and create long-term relations with carefully selected suppliers who are prepared to accept responsibility and can share their values. Moreover, at Peab, the purpose of cooperation with suppliers is to ensure that employees have safe and ergonomically correct equipment and to ensure it is handled correctly. Skanska is the only company that shows some interest in suppliers care by including the safety of suppliers around its projects as a practice of paramount importance. For instance, Skanska’s development of system for performance follow-up includes accident rates not only of employees but also sub-contractors and suppliers on its sites. By communicating widely on social, environmental and ethical issues with suppliers, Skanska claims that it hopes to improve the overall level of sustainability of the construction industry.

5.1.3.6 Competitors

As part of competition issues and the arrangement of conflict of interests, NCC claims that it does not permit any form of pricing collaboration, cartel building or abuse of its market dominance. It also supports, in all phases of its operations, correct and unrestricted competition in regard to bids, tenders, procurement and purchasing.
5.1.4 Additional CSR themes

**Transparency**

In the case of Skanska, there is limited information about transparency issues. However, the company has worked with WEF, Transparency International in order to develop Engineering and Construction Business Principles for some period of time. JM claims that in addition to high ethical standards, core values, professionalism and contribution to social development, transparency is one of company’s main priority. However, similar to Skanska, the details on how JM monitors transparency issues are not further clarified in any organizational documents.

**Sustainability**

All companies address the importance of sustainability but only Skanska provides a so-called Sustainability Report separately. Skanska claims that it is the industry leader in sustainability, particularly in occupational health and safety, ethics and the environment. However, JM claims that it has been included in the US sustainability fund Portfolio 21 for many years. In general, the terms “sustainable development” or “sustainable construction” are widely used throughout the companies’ documents.

**Accountability**

For JM, social and environment accountability is part of its operation process called sustainable urban planning. Moreover, as part of its purchasing procedure, ethics and accountability issues are addressed.

5.2 CSR in Thai construction companies

Findings reveal that the scope of CSR in Thai construction companies is diverse. The details of CSR activities appear in various categories on corporate websites. None of them use the term “corporate social responsibility” or “CSR” in their organizational documents. Also, CSR policy is not well defined. Even so, CSR is certainly a concern in all companies. Some of them address CSR practices in a section called “social responsibility” (STECON), “responsibility towards environment and society” (CK) or “corporate governance” (CK and ITD). Table 7 summarizes the findings for Thai companies.

<table>
<thead>
<tr>
<th>Principles motivating CSR</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Companies Mentioning</td>
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<tr>
<td>1. Performance-driven CSR</td>
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</tr>
<tr>
<td>2. Value-driven CSR</td>
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</tr>
<tr>
<td>3. Stakeholder-driven CSR</td>
<td>x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CSR Processes</th>
<th>THAILAND</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies Mentioning</td>
<td>CK</td>
</tr>
<tr>
<td>1. Community engagement and communication</td>
<td>x</td>
</tr>
<tr>
<td>2. Management of environmental impact</td>
<td>x</td>
</tr>
<tr>
<td>3. Code of ethics and business conduct</td>
<td>x</td>
</tr>
<tr>
<td>4. Philanthropic programs</td>
<td>x</td>
</tr>
<tr>
<td>5. Business operation</td>
<td>x</td>
</tr>
<tr>
<td>6. Corporate governance and compliance with law</td>
<td>x</td>
</tr>
<tr>
<td>7. Human resources processes</td>
<td>x</td>
</tr>
<tr>
<td>8. Risk management</td>
<td>x</td>
</tr>
<tr>
<td>9. Health and safety programs</td>
<td>x</td>
</tr>
<tr>
<td>10. Supply chain management</td>
<td>0</td>
</tr>
<tr>
<td>11. Employee community involvement</td>
<td>0</td>
</tr>
<tr>
<td>12. Sponsorships</td>
<td>x</td>
</tr>
<tr>
<td>13. Quality programs</td>
<td>x</td>
</tr>
<tr>
<td>14. CSR Report</td>
<td>x</td>
</tr>
<tr>
<td>15. International CSR activities</td>
<td>x</td>
</tr>
<tr>
<td>16. Anti-corruption policies</td>
<td>0</td>
</tr>
<tr>
<td>17. Independent CSR organization</td>
<td>0</td>
</tr>
</tbody>
</table>

**Stakeholder issues**

1. **Community stakeholders**
   a. Quality of life | x | x | x | 3 |
   b. Protection of the environment | x | x | x | 3 |
   c. Education | x | x | 2 |
   d. Human rights | x | x | 2 |
   e. Arts and culture | 0 |
   f. Safety | x | x | x | 3 |
   g. Animal welfare | 0 |
2. **Customer stakeholders**
   a. Quality | x | x | x | 3 |
   b. Safety/Health | x | 1 |
   c. Data protection | x | x | 2 |
3. **Employee stakeholders**
   a. Health and safety | x | x | x | 3 |
   b. Equal opportunity | x | x | 2 |
   c. Learning and development | x | x | x | 3 |
   d. Employee care | x | x | 2 |
4. **Shareholders/investors**
   x | x | x | 3 |
5. **Suppliers**
   x | x | x | 3 |
6. **Competitors**
   x | x | x | 3 |

**Additional CSR themes**

1. Transparency | x | x | x | 3 |
2. Sustainability | 0 |
3. Accountability | x | x | x | 3 |

---

### 5.2.1 Principles motivating CSR

The motivations behind the CSR activities adopted by Thai construction companies are diverse. STECON and CK claim that one of the aims of employing CSR practices is to achieve economic performance, while ITD and CK implement CSR in order to conform to stakeholders’ norms and expectation. However, there is evidence that all companies undertake CSR as part of their corporate values or strategy.
For instance, since 1985, ITD has been the only construction company in Thailand that was awarded Royal Seal of Garuda by His Majesty the King in recognition of its significant contributions to national progress and being a generous corporate citizen. It is also interesting to see that all Thai construction companies included in the study have more than two driven principles for CSR. CK appears to be only one company that is motivated by all three principles. For example, CSR is embedded in CK’s value as shown in its Vision & Mission; “CK will preserve the environment and contribute at the highest levels to the society”. On the other hand, in the environment section, it shows that CK “will strictly inspect and control water, dust and noise etc. in order to not exceed the standards specified by government agencies and relevant authorities”. However, in the safety section, CK states clearly that inclusive and effective safety and accident protection policy is very important since the accident compensation can be reduced and result in the decreasing of overall company budgets. In case of STECON, CSR is deeply rooted in its corporate culture and practice as shown it its brand; “STECON means Safety, Trust, Efficiency, Confidence, Opportunities, Natural Concern” In contrast to CK, for STECON, safety is not only about a law or regulation to be abided by but it is also a matter of righteousness and humanity rights which all co-workers must receive. Therefore, its motivations are grouped in only value-driven and performance-driven section.

5.2.2 CSR processes

Findings indicate that CSR approaches also vary company to company. Nevertheless, there are six main CSR processes emphasized by all three companies while another four processes are not mentioned by any company. Table 8 shows the most and least addressed processes in Thai companies, as well as their frequencies.

<table>
<thead>
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</thead>
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<tr>
<td>Management of environmental impact</td>
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<td>0</td>
</tr>
<tr>
<td>Code of ethics and business conduct</td>
<td>3</td>
<td>Supply chain management</td>
<td>0</td>
</tr>
<tr>
<td>Corporate governance and compliance with law</td>
<td>3</td>
<td>Anti-corruption policies</td>
<td>0</td>
</tr>
<tr>
<td>Human resources processes</td>
<td>3</td>
<td>Independent CSR organization</td>
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<tr>
<td>Health and safety programs</td>
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<td>Philanthropic programs</td>
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<tr>
<td>Quality programs</td>
<td>3</td>
<td>Risk management</td>
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</tbody>
</table>

The details of CSR activities conducted by Thai companies are shown below:

Community engagement and communication

Both CK and ITD express their concern about community involvement and communication. However, findings reveal that their level of concern about stakeholder involvement is still limited. CK implements protective measures of complaints from both local residents and the public, and presents a clear guideline for resolution of such problems. However, ITD focuses more on the local communities affected directly by its construction activities. When the community forwards an enquiry to the company, the representatives of ITD are obligated to investigate the query, ascertain the facts, solve any problems, and provide clear explanations to all concerned parties. In contrast, STECON does not mention about community engagement and communication but there are evidences of its engagement and
communication through employees. For example, in 2005, STECON held two exhibitions on health, safety and environmental condition at Suvarnabhumi International Airport - Airport Rail Link project site. The purpose of these exhibitions was to increase employees’ concern with the fundamentals of health, safety and environmental conditions, increasing this way the awareness of the local community.

Management of environmental impact

The production processes of ITD are assured by international certification ISO 14001 while the processes of CK and STECON are assured by their own principles. CK sets out “guidelines for maintaining the environmental equilibrium in parallel to its business operations”. In turn, STECON highlights the importance of air quality, noises and adjoining community in addition to its solution on the environmental impact and the primary environmental quality checked during the course of construction activities.

Code of ethics and business conduct

All researched companies address “Code of Business Ethics” or “Statement of Business Conduct” under the corporate governance section. All of them show a high level of interest in this issue. The code normally includes guidelines about the responsibility of Board of Directors, the Executive Committee and staff toward clients, partners, creditors, competitors, employees and general stakeholders. The concern about honesty, integrity, equality and transparency is also highlighted.

Philanthropic programs

STECON appears to be only one company to have a long-term donation program with the society. The company has commenced this program since 2002 in commemorative celebration of the company’s 40 years anniversary by donating school buildings, libraries, multi-purpose buildings, scholarships and school supplies to various schools in need and communities nearby worksites, as a continuous practice every year.

Business operation

CK and STECON offer environmental projects such as disposal service (CK) and wastewater treatment (STECON). However, CK shows a higher level of interest and commitment in public infrastructure projects “which are environmental-friendly and aimed at enhancing the quality of life and society”. Mass transit system in Bangkok, Thailand and the Nam Ngum Dam construction project in Laos are examples of its environment-oriented works.

Corporate governance and compliance with law

All companies develop the principle of good corporate governance according to best practice of listed companies promoted by the Stock Exchange of Thailand. In general, all companies focus on the responsibilities of the board of directors and shareholders’ rights. Codes of conduct and best practice are also included in this section (STECON). This process is the most mentioned by all studied companies. Basically, the “best practice of listed companies” consists on a set of rules about the rights of the shareholders, conduct towards shareholders, rights of the stakeholders, disclosure of information and transparency and responsibilities of the directors.
**Human resources processes**

There is a general emphasis on human resources processes in all companies except CK, which shows only some interest in building up the spirit of social responsibility in all employees at all levels on a continuous and sincere basis. It is not surprising that employees’ benefits, employees’ rights and learning opportunities are the most mentioned areas in all companies. Similar to ITD, CK prioritizes the development of employees’ capabilities and potential in management, team building and specific professional learning such as information technology, foreign language and business working skills. STECON adopts a “best practice for employees” which includes nine areas of human resource management (e.g. providing potential consultation to employees, supporting on employees’ conducts in becoming a good citizen and offering proper wages and returns).

**Risk management**

Every company has a procedure for dealing with general risks such as financial or operation risks. Nevertheless, only ITD mentions risk management procedures relating directly to social responsibility issues. In ITD, risk management is part of corporate governance policy which is reviewed every year. In 2005, “Occupational Safety”, “Health”, and “Managing the Working Environment” were added into corporate governance policy in order to encourage all parties to mitigate the risks of construction activities that may affect the safety of employees, communities, and the environment.

**Health and safety programs**

All studied companies emphasize the importance of health and safety programs especially for their own employees. This can be seen from their organizational websites which include health and safety as particular section. CK places “Safety plan” under the company profile while ITD presents “Quality and Safety” under the Award section. However, there is some ambiguity in the case of STECON, since it presents “safety awareness” and “environment awareness” under a same category called “Safety” More precisely, ITD has an experienced in-house training division responsible for maintaining the high level of construction skills and safety which runs throughout the company. Also, it claims it has earned several safety awards on major construction sites such as awards for no lost-time accidents. Similarly, STECON has set safety policies for all staff and also has incorporated the “Health, Safety and Environment Committee” as part of project plans. The key activities under such policy are safety training programs for all job positions, job safety analysis (JSA) program for all major and high risk works, accident statistic and analysis, safety promotion and incentive programs.

**Sponsorships**

CK has “made monetary donations to support a variety of public charity projects, including preservation of good natural resources for the country and national restoration e.g., construction of the Wat Khao Tao dam in Prachuap Khiri Khan Province for preservation and restoration of the coral reef and the beach, as well as donations to those affected by flood”. ITD carries out donations either in terms of money or service to assist social activities. For example, in 2006, ITD supported the National Children’s Day by donating gifts to youth centers and schools in Bangkok and donated 32.5 tons of cement from its cement subsidiary for a temple restoration in Udon Thani province.
Quality programs

All companies perceive quality as a crucial factor for corporate success. All of them are awarded ISO 9001 and customers’ satisfaction is presented as their utmost objective.

CSR report

CK and ITD report their activities related to corporate governance through their annual report. ITD presents a Corporate Governance Practice Report of 2006 which comprises five parts namely: The Rights of the Shareholders, Conduct towards Shareholders, The Rights of the Stakeholders, Disclosure of Information and Transparency and Responsibilities of the Directors. However, most of the companies still publish corporate governance information as part of the annual report, not in a separate document. Furthermore, the reports are typically qualitative in form and self-laudatory.

International CSR activities

CK and ITD show some interest in international CSR issues. As part of CK’s business operation, the hydroelectric power plant in Laos constructed by the company is an example of projects that did not cause any pollution like other types of power plants. In the case of ITD, it states that it will adhere to corporate governance policies in all of its domestic and abroad operations and operate in accordance with the law and local culture of the country in which the company operates.

5.2.3 Stakeholder issues

Findings reveal that the studied companies primary focus on employees, customers and shareholders.

5.2.3.1 Community stakeholders

Quality of life

Since studied companies approach quality of life issues diversely, the processes vary from developing community business and skills (STECON), supporting materials, equipment or funding for either important infrastructure construction or surrounding improvement (STECON and ITD) and “offering a service of burning of narcotics each year at no cost to the Narcotics Control Division, the Office of Food and Drug Administration, Ministry of Public Health” (CK).

Protection of the environment

All companies state a clear aim to avoid causing any pollution to the surroundings. All of them have procedures in order to inspect and control the environment affected by their operations. STECON, especially, stresses its commitment in refraining from undertaking business which will cause harm to natural resources and environment.

Education

In 2006, CK “provided scholarships to youths throughout the country” (e.g. providing financial aid to the Prince Royal’s College, the King Mongkuts Institute of Technology Ladkrabang, and the Royal Thai Army Medical Program in Three Southern Provinces of the Royal Thai Army Medical Department). These activities reflect CK’s thoughts and intention to strengthen education, family and youths. STECON
has a policy called “Sino-Thai Payback Program” which aims at retuning benefits to the society and focuses on youth education and development, which are considered the main factors in the development of the country.

**Human rights**

As shown in its best practices, STECON claims that it will respect to the intellectual rights of the other people or businesses. In contrast, as part of its good corporate governance, CK realizes the significance of rights of all interested groups, whether inside such as staff, executives and the subsidiaries, or outside such as competitors, creditors, government sectors and other relevant authorities.

**Safety**

There is evidence of safety concerns regarding the general public in the three companies’ statements. However, the degree of interest is still low since community’s safety is addressed in conjunction with safety of their operators and staff. However, ITD shows a focus on occupational safety and health in order to mitigate the effects of construction activities on the community and the environment. In operation, ITD’s construction units are in charge of controlling and taking care of their respective working environment such as protection of oil leakage into the soil and water, waste-water treatment, odor control, vibration control, dust treatment, garbage control, and energy saving measures. For that reason, there is a linkage between safety of employees and general public for case of ITD.

**5.2.3.2 Customer stakeholders**

**Quality**

As previously outlined, all companies show concern about quality issues. STECON outlines the relevance of quality in its best practices for clients, and ITD claims that it is committed to offer products and services with agreed upon quality, high standards and reasonable prices. As part of CK’s aims, all customers will receive impressive services and the utmost satisfaction will be achieved.

**Safety/Health**

STECON is the only Thai company that states clearly that safety of customers is taken into account regarding business operations.

**Data protection**

Both CK and ITD mention about confidentiality of data from customers. CK states that “the company also provides care and is responsible to customers, ensuring their total confidentiality” while ITD claims that “the company will strictly protect all clients' confidential information, try to increase benefits to clients continuously, and follow the clients' commitments firmly”.
5.2.3.3 Employee stakeholders

Health and safety

As explained previously, health and safety of employees appear to be main priority for every studied company. Generally, safety is more mentioned than health. In addition to safety, ITD also focus on hygiene in construction activities.

Equal opportunities

Both STECON and ITD commit to treat interested parties in a manner of justice and equity whether they are staff, shareholders, trading partners, creditors and debtors. ITD also claims to reward fair remuneration to employees as well as to give priority to the development of employees' capability equally and consistently. Interestingly, there is no company addressing specifically the gender equality in the workplace.

Learning and development

In the same line as health and safety, learning and development opportunities constitute a major issue in Thai companies, and seem to be conducted on a continuous basis by all studied companies. All of them offer training either with focus on soft skills such as team building (CK) and leadership development (ITD) or hard skills, such as logistics and supply chain management program (ITD) and fundamental knowledge for working in a store (ITD).

Employee care

STECON addresses employee welfare in its best practices for employees. Besides fair remuneration, improved employee welfare and security with the provision of pension funds and healthcare services, STECON provides scholarships for employee’s children who exhibit potential, urgent loans, and enhancements to the workplace environment as employee care practices.

5.2.3.4 Shareholders/investors

All studied companies are members of Stock Exchange of Thailand, so the shareholders issue appears to be a major concern, shown in both the code of conduct and the corporate governance sections. Generally, all companies talk about shareholders’ values and benefits, equal rights and fair treatment as well as processes for annual meetings. STECON also has particular best practices for shareholders.

5.2.3.5 Suppliers

In general, practices related to suppliers are presented in conjunction with corporate governance. However, companies mostly use terms such as traders, debtors, creditors and partners together with suppliers. The major concerns communicated by companies are the fair return for both parties (CK), the avoidance of conflict of interest (CK), the provision of information and accurate report (CK), strictly following agreed terms and conditions (STECON and ITD) and not defrauding the partners and creditors (ITD).
5.2.3.6 Competitors

As part of corporate governance, companies mostly emphasize fair and transparent competition (CK, STECON and ITD) as well as competitors’ confidential rights (CK and ITD). ITD also affirms that it will not destroy the competitors' reputation, while STECON states that it will cooperate with competitors and approach them under the principles of fairness and responsibility.

5.2.4 Additional CSR themes

Transparency

In accordance with the corporate governance philosophy presented by companies, transparency is the result of having good corporate governance. CK mentions that the Board of Directors focuses on compliance with good corporate governance in order to improve transparency and responsibility for duties of directors and executives, and build up confidence for shareholders, investors and all parties concerned. Moreover, STECON affirms that transparency improves the company's effectiveness and the capital market procedures. With transparency, all stakeholders will have a fair chance of auditing the company’s performance.

Accountability

All studied companies take accountability into account. As part of corporate governance philosophy, CK sets out guidelines for staff improvement to ensure that staff would have accountability towards the organization, including all interested persons, so as to minimize and prevent damage which might be caused by such risk. On the other hand, for STECON, accountability is essential towards the Board of Directors and shareholders. For example, the accountability of the Board of Directors should be based on appropriate rules and regulations because the declaration on all reports and company's performance must be accurate. It is also interesting to see that some companies mentioned “integrity”, “fairness” or “responsibility” in their corporate governance practices.

5.3 CSR in Brazilian Construction Companies

All researched companies from Brazil presented a specific section in their websites approaching CSR issues, although in different levels. All of them refer explicitly to the term CSR either on a specific section of the website or Annual Reports, in codes of conduct or reports created for the purpose of disclosing CSR information. The level of detail provided by organizations varied widely and there seemed to be no pattern concerning the amount of information disclosed; however, some patterns emerged when the nature of CSR processes were considered. Table 9 summarizes the findings for the Brazilian construction companies.
5.3.1 Principles motivating CSR

In terms of principles motivating CSR, most companies seemed to be value-driven (4) or stakeholder-driven (3). Most of the companies that were mainly value-driven were also stakeholder-driven, since they

<table>
<thead>
<tr>
<th>Companies Mentioning</th>
<th>Norberto Odebrecht</th>
<th>Andrade Gutierrez</th>
<th>Camargo Correa</th>
<th>Queiroz Galvão</th>
<th>Construtora OAS Ltd</th>
<th>Frequencies</th>
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<tbody>
<tr>
<td>Principles motivating CSR</td>
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<td>16. Anti-corruption policies</td>
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<td>1. Quality stakeholders</td>
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<td>2. Customer stakeholders</td>
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<td>3. Employee stakeholders</td>
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<td>a. Health and safety</td>
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<td>b. Equal opportunity</td>
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<td>d. Employee care</td>
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<td>5. Suppliers</td>
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<td>6. Competitors</td>
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<tr>
<td>Additional CSR themes</td>
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<tr>
<td>1. Transparency</td>
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<td>2. Sustainability</td>
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<td>3. Accountability</td>
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</table>
addressed CSR as a main value or part of their culture/strategy, but also emphasized the relevance of CSR as a response to stakeholders’ pressures or requests. In order to identify the principles motivating CSR, it was necessary to look into detail the reports, policies and the websites, for the reason that a company might express a value-driven motivation in a main section, and discuss stakeholder-driven motivations in other sections. Odebrecht, for example, states that CSR reflects a core belief of the company: “that the role of an entrepreneurial organization is not limited to its basic responsibility, which is providing high-quality products and services to its clients. In addition to ensuring its clients’ satisfaction and producing wealth for shareholders – the two sources of life for any business – an organization must also share the wealth and knowledge it produces with its members, the State and the communities in which it operates”. Besides having CSR as a “core belief”, Odebrecht also emphasizes that “Odebrecht members accomplish their social responsibilities by carrying out their work with quality, productivity, and fulfilling legal requirements” which shows a clear focus on stakeholders.

The companies Andrade Gutierrez and Queiroz Galvão addressed only one of the principles in CSR disclosure. Andrade Gutierrez, for example, has a strong focus on performance and stated that “The Andrade Gutierrez Group operates according to a modern vision of corporate responsibility, with high standards of quality in its internal relations, as well as those with clients and the society as a whole. The objectives of the company policy are to plan and execute actions taking into account competitive corporate performance, as well as the continuous improvement of our processes and products, fostering the development of the community”. Queiroz Galvão stresses the value-driven approach throughout the websites and reports, stating that “Concern for the natural and social environment is a fundamental part of the Queiroz Galvão Group business strategy”.

5.3.2 CSR processes

As already mentioned, the level of detail provided on CSR issues varied from company to company. The first four companies on the list provided a much more considerable amount of information on CSR issues than the last two ones.

Table 10 shows the most and least addressed processes in Brazilian companies, as well as their frequencies.

<table>
<thead>
<tr>
<th>Most mentioned processes</th>
<th>Freq</th>
<th>Least mentioned processes</th>
<th>Freq</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorships</td>
<td>5</td>
<td>Anti-corruption policies</td>
<td>0</td>
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<tr>
<td>Quality programs</td>
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<td>Supply chain management</td>
<td>0</td>
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<tr>
<td>Management of environmental impact</td>
<td>5</td>
<td>Philanthropic programs</td>
<td>1</td>
</tr>
<tr>
<td>Corporate governance and compliance with law</td>
<td>5</td>
<td>Business operation</td>
<td>1</td>
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<tr>
<td>Human resources processes</td>
<td>5</td>
<td>Risk management</td>
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<tr>
<td>Health and Safety Programs</td>
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</table>

Community engagement and communication

The Brazilian companies show concern for the involvement of community in projects through similar practices. Queiroz Galvão, for example, states that the communities nearby the construction sites are
presented with awareness programs through investments in the construction and maintenance of Environmental Education Centers. Andrade Gutierrez develops community support programs in order to communicate the objectives and benefits of the projects and register eventual complaints. Construtora OAS mentions the establishment of permanent communication channels with local communities and more specifically with class associations in those communities.

**Management of environmental impact**

This process was addressed by all Brazilian companies and is presented through the concern with international certifications and specific awareness programs carried out within the companies. Presently, all companies hold ISO 14000 or ISO 14001 certifications and mention this fact as an evidence of their environmental concerns. In addition, companies develop environmental awareness initiatives such as the “Environmental Week” in Andrade Gutierrez and the “Environment International Day” in Construtora OAS. Such activities aim at mobilizing employees, families, and communities towards awareness actions. Environmental concerns in Brazilian companies are directed more intensively to employees and communities where projects are undertaken.

**Code of ethics and business conduct**

Construtora OAS and Camargo Correa refer to a “Statement of Conduct” and a “Code of Conduct”, respectively. Such documents are available through the corporate websites as a set of major guidelines concerning ethical and moral aspects. The codes of both companies are similar in the sense that they address issues related to the relationship among employees and between the company and governmental agencies, class associations, press, clients, suppliers, partners, competitors, the environment and communities.

**Philanthropic programs**

Odebrecht appears to be the only Brazilian company that develops philanthropic programs which are carried out apart from the independent CSR organization. Because of the diversity of projects and programs presented in terms of nature and duration, it was sometimes difficult to differentiate “philanthropic programs” and “sponsorships”. For example, Odebrecht carries out many professional qualification projects that are aimed at communities, either in the short and long term. Some programs developed by the company are focused on specific communities and comprise long-term actions in several areas; therefore the specific actions can be named “sponsorships” whereas the set of actions in each community can be considered “philanthropic programs” by taking a wider perspective. For the purpose of this study, philanthropic programs were considered long term commitments to a cause, such as the educational programs promoted by Odebrecht in communities, which are offered every year.

**Business operation**

Odebrecht is the only Brazilian company that incorporates services related to CSR issues in its portfolio. The company owns an enterprise with environmental rehabilitation and restoration objectives, focused on the analysis of environmental impacts and the rehabilitation of Brownfield sites, reuse of wastewaters, implementation and operation of waste treatment stations, and urban and industrial waste management.
Corporate governance and compliance with law

All companies presented concern for this issue, generally stated in annual reports or CSR reports and more focused on the compliance with law than on corporate governance. The companies that refer explicitly to “corporate governance” were Andrade Gutierrez and Camargo Corrêa, and this theme was explored by both companies in terms of its relevance and some specific actions undertaken in order to ensure transparency. The compliance with law was mostly mentioned in corporate policies, for example in the relevance of “accomplishment of legislation in all instances” (Construtora OAS) and “the objective of assuring uniformity and compliance of all its processes, products and services in accordance with present-day legislation” (Queiroz Galvão).

Human resources processes

Brazilian companies mention a strong concern for staff education. Odebrecht, for example, develops educational campaigns and preventive actions dealing with themes related to health and quality of life, such as obesity, smoking, and sexually transmissible diseases (STD). The objective of these actions is to foster the improvement of the conditions of life for the employees. Most companies also offer literacy courses at the work sites throughout the country. In addition, the concern for providing equal opportunities is emphasized in most companies, regarding race, sex, sexual preference, religion and nationality.

Risk management

Although all companies provide some sort of information about risk management in projects, the information disclosed usually is focused on financial risks. Andrade Gutierrez is the only company from the group that states its concern with social and environmental risks management and mentions that project risks are divided into technical, contractual, managerial, project-specific, related to damages to society and environmental categories.

Health and safety programs

All companies mention formal Health and Safety programs directed to employees. Three of the companies hold a specific section on their websites concerning Health and Safety programs, while the other ones disclose information in other sections or through annual reports. Odebrecht, for example, presents an “Accident Prevention Program”, and “Occupational Health and Hygiene” actions which include specific programs in the areas of ergonomy, respiratory and hearing protection and prevention of osteomuscular diseases. Other than that it performs a number of procedures against specific medical preventive procedures such as for work in altitudes and confined environments. In addition, the company promotes immunizations (against flu, hepatitis, tuberculosis, tetanus and yellow fever among others), lectures on oral hygiene and sexually transmissible diseases, anti-smoking campaigns and fighting dengue and monitoring the project sites sanitary conditions.

Employee community involvement

Three Brazilian companies present programs that allow employees to volunteer in social projects during paid working hours. In Camargo Corrêa, employees are encouraged to get involved in activities promoted
by the Camargo Corrêa Institute, which is owned by the group and is focused on social activities in the field of education. In Queiroz Galvão, employees are involved in the collection of food to be donated to institutions, in the support to children, mothers and elderly people of the community, lectures on the environment and selective trash collection and in the organization of activities for children and teenagers focused on awareness of sustainability.

Sponsorships

Sponsorships were mentioned by all companies, always with a strong focus on social or environmental projects. In this category, the so-called “occasional” CSR actions were included, which are carried out by the company independently (i.e. that do not comprise a philanthropic program with a clear mission and allocation rules). Odebrecht, for example, sponsors several projects on the local communities and regions where the company operates, comprising professional qualification, generation of jobs and income opportunities, environmental preservation, education, culture and citizenship actions. One of the projects is named “Ecologically Sustained Development” and promotes sustainability by means of fishing, handcraft or agricultural activities with the rational utilization of natural resources. Other project named “Get into the Net” aims at promoting the digital inclusion of workers living in the construction site residential units and the community schools. Another example comes from Andrade Gutierrez, that sponsors many projects around the construction sites surrounding the Amazon River. Such projects include training of the labor force, rescuing of animal species threatened with extinction and income generation for communities. The donation of money to charities and institutes sporadically was also carried out by Construtora OAS.

Quality programs

Quality Programs were also mentioned by all Brazilian companies as a way of ensuring customer satisfaction, and the five companies are certified with ISO 9001.

CSR report

Three of the researched companies issue annual CSR reports under different names. Odebrecht issues an independent Social Actions Report, which comprises the activities developed through the foundation owned by the company as well as the ones carried out directly by the company, either in Brazil or in international projects. Camargo Corrêa provides information on social investment and social-environmental performance in specific sections of the annual report. Queiroz Galvão issues a Social Report which is part of the company’s annual report and provides details on the projects undertaken, as well as the financial indicators related to such projects.

International CSR activities

The most internationalized companies from the group (Odebrecht and Andrade Gutierrez) are the ones that carry out CSR projects outside Brazil. Odebrecht develops CSR projects in Africa and Latin America, for example through opening work opportunities for war-injured citizens in Angola and partnership with public and non-governmental organizations aiming at the environmental conservation of parks in Ecuador. Andrade Gutierrez develops environmental projects in Ecuador, by carrying out the “Environmental Week” and awareness activities in the country.
**Independent CSR organization**

Odebrecht and Camargo Corrêa own organizations with the aim of promoting and supporting social responsible activities. Odebrecht Foundation is a private, non-profit organization maintained by the Odebrecht Organization, whose mission is to contribute to promote adolescents’ education for life, bearing in mind their education as responsible, aware, productive, and participatory citizens. The foundation has been performing projects for the mobilization of a basic schooling with quality, and has expanded the opportunities for vocational education and competitive insertion in the labor market. Similarly, Camargo Corrêa created an institute named Camargo Corrêa, which is responsible for the group’s social investments, focusing on programs for children and adolescents from low-income families in the fields of education, health and culture.

**5.3.3 Stakeholder issues**

The most addressed stakeholders in Brazilian companies are the community and the employees. A brief description of the corporate approach to each stakeholder issue is given below.

**5.3.3.1 Community stakeholders**

**Quality of life, protection of the environment and education**

Quality of life, protection of the environment and education are fostered in local communities through the development of sponsorships and philanthropic programs previously mentioned, when such programs have these specific aims. Most companies studied develop solutions for protecting the environment and developing the community, associated with construction activities. In many cases, companies develop programs in local communities that comprise all these aspects, by providing opportunities of income generation for families, caring for the environment and providing educational opportunities for adults and children from families surrounding the construction sites.

**Human rights**

The promotion of human rights in local communities is carried out only by Odebrecht. The company has a partnership with the Citizenship and Rights Institute (CRI) which contributes to establishing friendly conditions to the full exercise of citizenship, focusing on the organization and strengthening social and human capitals. For that purpose it develops two programs: education for citizenship, which brings awareness to local communities and opens room for discussion of issues with public officials; and the Rights Counter, which make it easy to the community to benefit from Justice and citizenship by means of issuing basic civil papers and providing social and legal assistance.

**Arts and culture**

Odebrecht organizes several projects related to art and culture. One of them is called “Odebrecht’s Cultural Works” and is structured under four major themes: Cities and Regions, Arts, History and Partnership. The company states that one of the ways it fulfills its corporate social responsibility is “by enriching the educational and cultural processes through initiatives that are aimed at recovering artistic
values and at encouraging the historical heritage preservation”. Similarly, Camargo Corrêa engages in cultural projects through its Institute, in activities that are aimed at children and adolescents. Queiroz Galvão promotes art and culture through the development of a project named “Cinedocumenta”, showing documentary films in local communities.

**Safety**

Odebrecht develops initiatives in local communities with the aim of guiding people toward the sustained utilization of natural resources and stimulating local residents to care about health and safety.

**Animal welfare**

Besides developing environmental projects around the work sites, two Brazilian companies engage in projects focused on the animal welfare of certain regions. Odebrecht develops programs named “Recovering the Fauna” with the aim of rescuing local species, and also inventorizing the local fauna and its special distribution. Camargo Corrêa states that currently 35 socio-environmental programs are being implemented in Amazon. “From July 2006 to January 2007, 4,040 animals, including species threatened with extinction, such as alligators and a very rare green pit viper were rescued from the site”.

5.3.3.2 **Customer stakeholders**

**Quality**

Although all researched companies present concern with quality and engage in quality programs, not all of them present the achievement of high product/service quality as part of their commitments to customers.

**Data protection**

Camargo Corrêa and Construtora OAS state their commitment to clients’ data protection in similar ways. Camargo Corrêa mentions that “the Camargo Corrêa Group has the commitment to maintain the private information received from its clients as confidential. That confidentiality is extended to all the professionals involved with the project”. Construtora OAS mentions that “it’s a Construtora OAS’ policy to treat all information from clients with confidentiality and total respect to privacy rights”.

5.3.3.3 **Employee stakeholders**

**Health and safety & equal opportunity**

All companies show concern for health and safety of employees through the implementation of health and safety programs, as previously mentioned. Equal opportunity in employment regardless of race, sex, age, religion and nationality is also addressed by most companies.

**Learning and development**

All studied companies stress the promotion of opportunities for the employees’ learning and development. Most of the companies offer literacy courses for employees, and technical courses in the field of construction and engineering.


**Employee care**

Odebrecht and Construtora OAS state their concern with employees through the implementation of projects such as labor gymnastics (Construtora OAS) and initiatives towards “social reinsertion of employees’ families living in hazardous dwelling thus ensuring them a better, dignifying life condition” (Odebrecht).

5.3.3.4 Suppliers

Camargo Corrêa and Construtora OAS approach supplier-related issues in their codes of conduct. In the case of Construtora OAS, it states that the supplier’s contracts are based on technical criterions: quality, supplier’s capacity, terms and prices. In addition, the company only contracts suppliers that don’t use child manpower and that obey the country’s labor and environmental legislation. Similarly, Camargo Corrêa states that “the relationship with suppliers or other business partners should always be based on the search of quality, an adequate cost-benefit relationship, technical and financial trust, and integrity with regards to conducting business according to the laws, environment, and commercial, social and contractual rights”.

5.3.3.5 Competitors

Camargo Corrêa and Construtora OAS approach competitor-related issues in their codes of conduct. Camargo Corrêa mentions that “the Camargo Corrêa Group respects its competitors and aims at surpassing them by offering better products, services and adequate conditions to its potential clients” and that it is not acceptable “to defame either the competency or other characteristics of its competitors, either verbally or in writing”. Similarly, Construtora OAS mentions that “the company respects and doesn’t admit any bidding or antiethical commercial practices, as well as the utilization of cartel that may cause losses to boundless bidding”.

5.3.4 Additional CSR themes

**Transparency**

Camargo Corrêa mentions transparency as one of the core company values, while Andrade Gutierrez and Construtora OAS mention transparency as part of their commitments to Corporate Governance practices.

**Sustainability**

Odebrecht addresses its commitment to foster sustainability in the communities where it operates, that is to say, the term “sustainability” is focused on the clients instead of the company itself. Camargo Corrêa is concerned with the corporate sustainability by mentioning in the annual report that “the concern with sustainability is not a rhetorical one. We see it as a factor in ensuring the group’s perpetuation equal in importance to the quest for profitability.”
6. Analysis and Discussion

In this chapter we will analyze our empirical data and connect the results to our theoretical framework. The focus of analysis and discussion is given to the cross-national differences and similarities found among Swedish, Thai and Brazilian companies, as well as to the factors shaping them.

Table 11 summarizes the overall findings for the construction companies in Sweden, Thailand and Brazil. In order to discuss the results obtained and the main differences/similarities among countries, each perspective of CSR (principles, processes, stakeholder issues and additional CSR themes) will be analyzed separately. Finally, an analysis of the factors influencing the differences and similarities will be carried out.

6.1 CSR Principles

The three countries present different profiles on principles motivating CSR practices. As shown in Figure 2, half of the studied companies present their CSR approach as a combination of value-driven and stakeholder-driven, whereas the remaining companies present other motivations. Figure 3 shows the primary CSR principle indicated by companies in each country, which clearly outlines the value-driven approach as the most commonly presented.

![Figure 2 – Profiles of Motivating Principles by Country](image-url)
Table 11 – Summary of Findings in Swedish, Thai and Brazilian Construction Companies

<table>
<thead>
<tr>
<th>Companies Mentioning</th>
<th>SWEDEN</th>
<th>THAILAND</th>
<th>BRAZIL</th>
<th>TOTAL</th>
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</thead>
<tbody>
<tr>
<td><strong>Principles motivating CSR</strong></td>
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<tr>
<td>1. Performance-driven CSR</td>
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<tr>
<td>2. Value-driven CSR</td>
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<tr>
<td>3. Stakeholder-driven CSR</td>
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<td>9</td>
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<tr>
<td><strong>CSR Processes</strong></td>
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<tr>
<td>1. Community engagement and communication</td>
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<td>2. Management of environmental impact</td>
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<td>12</td>
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<tr>
<td>3. Code of ethics and business conduct</td>
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<td>8</td>
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<td>4. Philanthropic programs</td>
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<td>5. Business operation</td>
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<tr>
<td>6. Corporate governance and compliance with law</td>
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<td>12</td>
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<td>7. Human resources processes</td>
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<td>8. Risk management</td>
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<td>9. Health and safety programs</td>
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<td>10. Supply chain management</td>
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<td>11. Employee community involvement</td>
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<td>12. Sponsorships</td>
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<td>13. Quality programs</td>
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<tr>
<td>14. CSR Report</td>
<td>2</td>
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<td>15. International CSR activities</td>
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<td>16. Anti-corruption policies</td>
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<td>17. Independent CSR organization</td>
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<tr>
<td><strong>Stakeholder issues</strong></td>
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<tr>
<td>1. Community stakeholders</td>
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<tr>
<td>a. Quality of life</td>
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<tr>
<td>b. Protection of the environment</td>
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<tr>
<td>c. Education</td>
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<td>d. Human rights</td>
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<td>e. Arts and culture</td>
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<td>f. Safety</td>
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<td>g. Animal welfare</td>
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<td>2. Customer stakeholders</td>
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<tr>
<td>a. Quality</td>
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<td>b. Safety/Health</td>
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<td>c. Data protection</td>
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<td>3. Employee stakeholders</td>
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<td>a. Health and safety</td>
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<td>b. Equal opportunity</td>
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<tr>
<td>c. Learning and development</td>
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<tr>
<td>d. Employee care</td>
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<td>4. Shareholders/investors</td>
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<td>5. Suppliers</td>
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<td>6. Competitors</td>
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<tr>
<td><strong>Additional CSR themes</strong></td>
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<td>1. Transparency</td>
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<td>2. Sustainability</td>
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<td>3. Accountability</td>
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</table>

Note: Number of researched companies – Sweden (4), Thailand (3), Brazil (5)
All Thai companies and Swedish companies present a combination of motivations, whereas two Brazilian companies present CSR activities as only performance-driven and value-driven. These findings differ from the ones of Silberhorn and Warren (2007) and Maignan and Ralston (2002). The first authors studied companies in Germany and the UK, and showed that most companies implement performance-driven CSR practices. The second authors identified that the performance-driven perspective (sometimes mixed with the stakeholder-driven view) was prevalent in the UK, whereas there seemed to be a more differentiated set of motivations in companies from the Netherlands and France. Similarly, the motivations outlined by Thai companies differed from the findings of Kraisornsuthasinee and Swierczek (2006), who stated that the majority of Thai companies have the legal compliance as the basis for CSR motivations. Although the sample used in the present study is small and the findings cannot be generalized to all companies in the countries studied, it can be implied that the notion of CSR has evolved from the economic and legal perspectives on the basis of Carroll’s (2000) pyramid to ethical and philanthropic responsibilities. CSR seems to have come a long way from its early roots of charity to become a strategic business practice inserted in corporate values.

The stakeholder theory proposed by Freeman (1984) is reflected in the way CSR is approached by most companies, since CSR practices are aimed at different stakeholder groups. The concept of “triple bottom line” (TBL) coined by Elkington (1999) to represent the idea that businesses aim at adding environmental and social value is present in most companies, through the wide range of CSR projects implemented. In fact, CSR and business appear to be converging into what is often presented as a sustainable business strategy.

![Figure 3 – Main CSR Principle by Country](image)

When analyzing the relationship between the revenues of companies studied and the main CSR principle outlined by them, there seem to be no direct relation, as the value-driven principle (most mentioned approach) is present in companies with revenues situated in all quartiles (Figure 4). It is possible to infer that from the companies studied, their size in terms of revenues does not influence the nature of motivations underlying CSR practices. These findings are consonant with previous studies carried out by Silberhorn and Warren (2007) in European companies.
6.2 CSR processes

In terms of processes addressed by companies, significant cross-national differences arose, not only in the nature of CSR activities, but also in the emphasis given by companies to certain processes. Figure 5 summarizes the main agreements and disagreements concerning CSR processes. There is cross-national agreement in the processes of “Management of environmental impact”, “Corporate governance and compliance with law”, “Human resources processes”, “Health and safety programs” and “Quality programs”, which were mentioned by all companies. However, some of these processes are approached in different ways in each country. Corporate Governance is used by Thai companies as the main term under which CSR practices are justified and presented, and is the most emphasized process in such companies, with a specific section on the organizational documents referring to the theme. This is consonant with earlier findings from Kraisornsuthasinee and Swierczek (2006), who affirm that most Thai companies perceive CSR as linked to corporate governance. In Sweden, corporate governance is also strongly emphasized, but is usually referred to as part of the company’s commitment to CSR. Swedish companies usually provide a specific section on organizational documents showing compliance with the Swedish Code of Corporate Governance and explaining in detail how such governance practices are implemented, which reflects companies’ response to the stringent and complex set of regulations in the country mentioned by Datamonitor (2006a). In Brazil, the compliance with law is more stressed than corporate governance, and companies usually do not provide specific sections on websites and organizational documents regarding this matter.

Management of environmental impact is also approached in different ways in the three countries. In Sweden, this process is the most emphasized and companies provide detailed information concerning environmental rules for suppliers and subcontractors, environmental policies and objectives. The strong emphasis on environmental issues in Sweden is in accordance with earlier findings from Perrini (2005), Crane and Matten (2004) and Aaronson (2002). Such authors state that corporate ideas of socially responsible behavior in Europe are mainly still linked to protecting environment and community, and philanthropic activities in Europe are mostly implemented compulsorily via the legal framework, as both
the EU Parliament and the EU Commission developed an increasing number of policies to promote CSR at the EU-wide level. In contrast, the management of environmental impact in Brazilian and Thai companies seemed to be carried out more on a voluntary basis (i.e. activities are usually not developed in order to comply with regulations, as the laws concerning environmental issues in these countries are not as developed and strict as in Sweden). Brazilian and Thai companies tend to stress environmental issues and many of them present a whole set of information about environmental projects, but they are not as emphasized as in Sweden.

![Figure 5 – Cross-national Agreements and Disagreements in CSR Processes](image)

Regarding human resources processes, most companies focus on learning and development and policies regarding equal opportunities. In terms of learning and development, Brazilian companies offer a wider approach by including educational themes related to health and quality of life, such as obesity, smoking, and sexually transmissible diseases (STDs). This approach is consonant with earlier findings from Peinado-Vara (2006) and Puppim de Oliveira (2006) which highlight the paternalistic view of the private sector in Latin America about its role in society, and the role of companies in fulfilling the gap left by governments. Companies from Sweden, in contrast, stress more the equal opportunity policies than Thai and Brazilian companies.

As for health and safety programs and quality programs, the companies in the three countries appear to hold a same understanding and approach. All of them present formal health and safety programs and pursue quality certifications, which seems to be a common ground for companies working in this sector. The similarities between large Swedish, Thai and Brazilian companies generally support Snider et al.’s (2003) observation that global companies act similarly in their development and dissemination of CSR messages. Such similarities are also strongly linked to the fact that all companies belong to the same
industry sector, and therefore tend to share a common characteristic which influences CSR activities (Silberhorn and Warren, 2007).

There were some processes that were not frequently mentioned by all companies (i.e. companies in the three countries demonstrated a general agreement on less frequent presentation of such issues). “Philanthropic programs”, “Risk management”, “Anti-corruption policies” and “CSR report” were the processes included in this group. It is relevant to note the nature of CSR reports available from companies, as Thai companies issue Corporate Governance reports, whereas Brazilian companies issue “Social reports” focusing on reporting all activities developed in the field of CSR, and Swedish companies issue a mix of sustainability and corporate governance reports. Although anti-corruption policies are mentioned only by one Swedish company, it deserves a special attention for the reason that Skanska seems to be a first mover in this aspect, given the willingness to change the reputation of the industry as one of the most corrupt worldwide (Kenny, 2007; Graafland, 2004).

The areas of cross-national disagreement comprise processes that are mentioned with more emphasis or only in one or two of the countries. Such processes are “Community engagement and communication”, “Code of ethics and business conduct”, “Business operation”, “Supply chain management”, “Employee community involvement”, “Sponsorships” and “Independent CSR organization”. The community engagement and communication is mentioned by most of Brazilian and Thai companies, but in contrast only one of the Swedish companies approach the topic. Codes of ethics and the business operation process are more frequently mentioned in Swedish and Thai companies than in the Brazilian ones, which supports the findings of Svensson et al (2004) who affirm that codes of ethics, are well developed in many of Sweden’s largest corporate organizations. The offer of social responsible services in the portfolio is not a common practice in the Brazilian construction industry, as CSR practices in the country are more focused on social issues (Schmidheiny, 2006). It is interesting to note the differences on social responsible services offered by companies, as Swedish companies offer purely environmental projects such as energy-efficient construction and eco design projects, whereas Thai and Brazilian companies offer services for environmental rehabilitation and restoration.

Interestingly, Sweden is the only country whose companies mention supply management processes and anti-corruption policies as part of their CSR commitments. All Swedish companies present their concern in acting responsibly in the value chain and influencing partners, suppliers and subcontractors, and this aspect seems to be strongly linked to the environmental concerns, as most companies aim at influencing the value chain through the establishment of environmental requirements.

Brazil is the only country whose companies mention the employee community involvement and the establishment of an independent CSR organization responsible for CSR investments. Such findings reflect the CSR profile in the region previously mentioned, which appears to be the most notable characteristic of CSR practices in the country and surround most CSR activities. As noted in previous studies, CSR in Latin America and the Caribbean has always been more focused on social issues than on environmental issues, perhaps because social issues have always been more acute (Schmidheiny, 2006). Companies, therefore, take the role of the government in fulfilling basic needs of employees and communities. In a similar way, sponsorships are mentioned more frequently by Brazilian companies than in Thai and Swedish companies. Besides being more frequently mentioned, sponsorships in Brazil are much broader in their scope, comprising initiatives such as professional qualification, generation of jobs and income.
opportunities, environmental preservation, education, art, culture and citizenship actions which are often not related to the nature of companies’ businesses.

Despite the cross-national agreement areas that arise partly because of the industry sector common ground, the profile of CSR processes mentioned by companies differed significantly from country to country, not only in terms of frequency but also in qualitative aspects. This is in accordance with previous findings from cross-national studies (Aaronson, 2002; Perrini, 2005; Silberhorn and Warren, 2007; Maignan and Ralston, 2002; Welford, 2005; Baughn et al, 2007). All in all, results suggest that Swedish companies were more focused on environmental issues, whereas Thai companies focused on corporate governance and Brazilian companies are focused on social aspects such as sponsorships and human resources processes.

6.3 Stakeholder issues

In general, community and employee stakeholders were more frequently mentioned than the other stakeholders. As some of the stakeholder issues are directly linked to the CSR processes previously mentioned and sometimes overlap such processes, it is possible to note similarities in the way processes and stakeholder issues are approached. In general, the conclusions already drawn for the CSR processes can be extended to the stakeholder issues approached by companies.

Regarding community stakeholders, there was cross-national agreement in the following issues, which were mentioned by most companies: “Quality of life”, “Education” and “Protection of the environment”. The way companies approach the first two issues are diverse, and even companies from the same country differ in the way they address these matters; therefore, no national pattern seem to emerge. In terms of protection of the environment, companies from Sweden emphasize this issue the most, through a set of environmental rules for suppliers and subcontractors, environmental policies and objectives.

The main differences among countries emerged in the issues of “Arts and culture” (mentioned only by Brazilian companies), “Safety” (mentioned more frequently by Thai companies) and “Animal welfare” (not mentioned by Thai companies). Three of the Brazilian companies develop projects related to arts and culture in local communities, through sponsorships or through their independent CSR organizations. This aspect is linked to the characteristic of CSR in Latin American companies already mentioned, which is the emphasis on social issues (Schmidheiny, 2006). All Thai companies mentioned the importance of safety practices related to communities, whereas companies from other countries mention safety related only to employees.

Regarding customer stakeholder issues, the most mentioned topic is “Quality”, which is directly linked to the quality programs developed by companies. Almost all companies (11 out of 12) mentioned quality as part of their commitment to stakeholders. The concern about data protection was mentioned by Thai and Brazilian companies only, whereas the concern about safety and health from customers was mentioned only by one Swedish and one Thai company.

The most addressed employee issues were “Health and safety” (mainly through the development of health and safety programs) and “Learning and development” through the development of educational programs already discussed previously, in the section concerning human resources processes. Employee care
activities were more frequently mentioned in Sweden, and the nature of such concern differed from country to country. In Sweden, the employee care was expressed in terms of balance between work and leisure, perks and concern for the motivation of staff. In Thailand, companies addressed healthcare services, scholarships for employee’s children who exhibit potential, urgent loans, and enhancements to the workplace environment, whereas in Brazil the focus was given mainly to improving the living conditions of employees and families.

Interestingly, the concern for shareholders and investors regarding equal treatment policies, value creation and provision of relevant and updated information was addressed by all Swedish and Thai companies, but was not addressed by any company in Brazil. This can be explained by the strong concern about Corporate Governance in Thai and Swedish companies previously highlighted. Responsibility issues related to suppliers are similarly more frequently mentioned by Swedish and Thai companies, although in different approaches. Swedish companies focus on improving the value chain or the wellbeing of employees and suppliers through responsible practices, whereas Brazilian and Thai companies focus on fair trade and transparency. Finally, responsibility issues related to competitors are more frequently discussed by Thai companies (usually under corporate governance practices) and follow the same approach of fair competition and transparency in the three countries.

6.4 Additional CSR themes

“Transparency” was the most frequently mentioned issue, followed by “Sustainability” and “Responsiveness”. Figure 6 gives the overview of themes mentioned by country. Sustainability is a frequent theme in Swedish companies, and seems to replace the notion of CSR, which supports the definition of CSR adopted by the World Bank (2004) and seems to merge the dimensions of CSR mentioned by Dahlsrud (2006). In contrast, the term sustainability is addressed by Brazilian companies in a narrower perspective, which is the sustainable development of local communities and is not mentioned in Thailand.

Figure 6 – Additional CSR Themes Mentioned on Organizational Documents
Note: Number of researched companies – Sweden (4), Thailand (3), Brazil (5)
“Accountability” is mentioned by all Thai companies as a natural component of good corporate governance practices, while in Sweden the theme received less attention and in Brazil is not mentioned by any of the companies. These findings suggest that the notion of relevant CSR themes differ considerably among countries, depending on the context in which companies are inserted. These results are also partly consonant with the previous ones concerning CSR processes and stakeholder issues addressed, as Thai companies seem to stress issues related to corporate governance. When comparing these findings with the ones from previous studies, the profile of Swedish companies seem to follow the same pattern as German companies (Silberhorn and Warren, 2007), while no similarities were found concerning the themes mentioned by Thai and Brazilian companies.

6.5 Factors influencing the scope of CSR

In accordance with the findings from Silberhorn and Warren (2007), conceptions of CSR are evolving constantly in interaction with internal and external influences. The notion of CSR adopted by companies seems to be influenced by a mix of factors, at a regional, national, industrial and company level. The regional and national factors appear to be merged in this study, as the countries’ characteristics are approached from a regional perspective (Latin America, Asia and Europe), partly because the available literature in the regional level enriches considerably the analysis. There is also an overlap when the construction industry of each country is taken into consideration, since there is a clear influence of regional and national factors on the industrial ones.

Supporting the findings of Baughn et al. (2007) who affirm that European region tends to have more forceful regulatory environment, there is a clear focus on the compliance with environmental regulations in the Swedish construction companies. The study also supports the view of Crane and Matten (2004), Aaronson (2002) and Perrini (2005), who affirm that philanthropic activities in Europe are mostly implemented compulsorily via the legal framework. Similar to the findings of Maignan and Ralston (2002), European firms focused much of their attention on processes aimed at reducing the negative impacts of their activities on the environment and environmental protection in general, which reflects the high political influence of the environmental movement at the national and European Union levels.

The findings for Thai construction companies are consonant with the view of Kraisornsuthasinee and Swierczek (2006) who suggest a slow emergence of CSR practices in Thailand with different priorities and interpretations, and that Thai companies tend to disclose limited information regarding CSR. However, the findings contradict Chaple and Moon (2005), who state that there is a stronger emphasis in community involvement than in production processes in Thailand, India and Malaysia. As for Brazil, most findings support earlier studies on CSR in Latin America (Peinado-Vara, 2006; Schmidheiny, 2006; Puppim de Oliveira, 2006) who affirm that the private sector in the region has a paternalistic view of its role in society, and that CSR practices in Latin America are mostly focused on social issues.

The influence of factors at the industry level is evident in this study, and the CSR processes tend to reflect some characteristics of the construction industry, such as the high environmental and social impact, as well as the activities aimed at improving the reputation of “poor quality and service, a bad safety record, and a history of broken promises and sharp practice” (Wood et. al, 2002:4). As a consequence, the focus on quality programs, health and safety programs and management of environmental impact is a consensus in all studied companies. Such results support the conclusions of Jones et al (2006) concerning CSR in the
UK construction industry, in the sense that these were the most mentioned issues. Findings also support Wenblad (2001), who affirms that all large Swedish construction companies have embraced the environment as a strategic issue since 1995, and this is reflected on the emphasis Swedish companies give to the management of environmental impact. As for Thai construction companies, results also support findings from Tapanawat (2007), who noted that safety management and control are observed only in large Thai companies. In the Brazilian construction industry, the workforce’s lower educational level when compared to the national average (ILO, 2001) helps explaining the focus on social and educational issues as part of CSR commitments.

At the company level, findings support previous conclusions from Henriques and Sadorsky (1996) and Etzion (2007) that stakeholders’ pressures and the firm’s strategy play an important role in the development of CSR. The company size mentioned by Brammer and Millington (2002) was also found to have a strong influence on CSR approaches, although all studied companies were considered the largest ones in their industries. The larger and more internationalized the company is within the same country, the bigger seems to be the stakeholder pressure and expectations regarding CSR practices. This conclusion is in accordance with Esrock and Leichty (1998) who argue that the larger companies’ slightly broader notion of CSR could be seen as a response to greater demands placed on big firms.
7. Conclusion

In this chapter, we will present our conclusions and personal reflections of this study, connected to our research aims.

In order to proceed to the main conclusions that arose as the outcome of the thesis, it is relevant to review the research aims proposed in the beginning of the thesis work. The main research question was defined as:

“How do top companies in the Construction industry of Sweden, Thailand and Brazil approach CSR?

Other specific questions were outlined, in order to define the research area:

a) What is the nature of motivations underlying CSR practices?
b) What are the processes adopted by companies in order to implement CSR?
c) What are the stakeholders addressed by companies in CSR practices and how are they addressed?
d) What are the cross-national differences and similarities perceived in terms of CSR motivations, processes and stakeholders addressed?
e) What are the main factors shaping cross-national similarities and differences?

Questions a, b and c were answered in Chapter 5, where the findings for each country were described in detail. Questions d and e were answered in Chapter 6, where the authors carried out a cross-national analysis and discussion of results, linking the findings to the theoretical framework.

The predominant value-driven approach communicated by companies in the three countries might indicate that CSR has come a long way from its early roots of charity to become a strategic business practice inserted in corporate values. This means that top companies in the three countries have adopted a comprehensive CSR notion that is aligned with the fulfillment of all levels of Carroll’s (2000) pyramid, and follows the main ideas proposed by Freeman (1984) in the stakeholder theory and Elkington (1999) in the “triple bottom line” (TBL) approach. Companies generally address a comprehensive set of stakeholders in their CSR approach and give emphasis to social, economic and environmental issues, although some issues are more stressed in one country than in the others.

Although many particular national and cross-national differences have arisen in the way companies communicate CSR issues, some generalizations can be drawn from the analysis previously presented, and taking into consideration the CSR profiles of the three countries. One generalization can be outlined by looking at the way companies present CSR activities, that is to say, the focus given by companies to CSR in each country. Figure 7 shows the national profile that can be noted through the analysis of findings, and that shape the entire study. Swedish companies are strongly focused on environmental issues and stress the idea of sustainability, whereas Thai companies use Corporate Governance to group CSR activities, denoting a focus on legal compliance. Brazilian companies show high concern for social issues, which can be perceived in the nature of CSR processes the companies present, the stakeholders addressed and in the role companies seem to take as social agents, fulfilling the gap left by the national government. Such profiles seem to be shaped mainly through regional and national factors, rather by factors related to the industry sector.
A second generalization can be outlined by using the triple bottom line (TBL) concept (Elkington, 1999), and considering the same profiles but through a different prism. Figure 8 shows how construction companies from each country fit into the perspectives of the TBL, in terms of CSR processes, stakeholders addressed and the factors shaping them. Most companies addressed all perspectives of the TBL, but the CSR focus noticed when the cross-national comparison is carried out leads to the positioning of companies from each country in one of the perspectives of the model. This indicates that although most companies present a comprehensive view of CSR, there are still strong differences in the way CSR is understood and approached by companies.

Although the cross-national differences were apparently mainly shaped by regional factors, the industry sector has emerged as an important factor shaping the areas of cross-national agreement. The CSR profile of companies seems to be determined by a mix of factors, at a regional, national, industrial and company level, that created an interesting set of characteristics and provided meaningful insights into the way CSR is communicated. The differences in CSR approaches and national profiles are noticed more clearly when countries are compared directly, for the reason that when countries are analyzed separately, most companies seem to approach CSR in a comprehensive way and the differences are not so evident.
The analysis and discussion (Chapter 6) showed that most differences and similarities among countries could be explained by the literature review previously carried out. However, because there are no previous studies that compare countries in Latin America, Asia and Europe in terms of CSR approaches, there is no exact basis of comparison in terms of the results concerning cross-national agreements and disagreements. This might be one of the main contributions of this research, by looking at such different regions of the globe and attempting at identifying patterns in CSR approaches, as well as the factors shaping them. In addition, this study added to previous works on cross-national CSR (Aaronson, 2002; Perrini, 2005; Silberhorn and Warren, 2007; Maignan and Ralston, 2002; Welford, 2005; Baughn et al, 2007) by providing information about national CSR profiles and confirming/contradicting previous specific findings from such authors.

There are, however, certain limitations and shortcomings in the research. Since the number of studied companies is limited to twelve in the construction industry, findings cannot be generalized to all companies in the three countries. The findings are also limited to the way companies present themselves in terms of CSR approach, since the aim of the research was to analyze the corporate communication about CSR practices rather than the actual CSR practices. A broader research with the use of alternative research methods such as interview or survey would certainly enrich the analysis by gathering additional data, investigating the actual CSR practices and comparing them to the ones presented in organizational documents. It is believed that such methodological limitations are inherent to the nature of this research, and do not have a negative impact in the study outcomes, or on the achievement of the research aims.

In conclusion, despite the limitations of the study, the research aims could be successfully reached and the analysis provided valuable insights into the way companies approach CSR. The study showed that although CSR is increasingly seen as strategic by companies and there is a common ground in CSR practices that seem to originate from industrial factors, there are significant cross-national differences in the way companies approach CSR issues.

7.1 Suggestions for future research

With the above-mentioned shortcomings taken into consideration, it is likely that a study with similar aims but using alternative research methods would enrich the present findings, by investigating what companies actually do regarding CSR practices. This could be carried out through surveys, interviews or case studies.

In addition, since the findings from the present study suggest that the cross-national differences in CSR approaches are due to a large extent to regional and national factors, it would be interesting to perform a larger study including companies from other sectors in the three countries, in order to check if the same patterns emerge. Similarly, the study could be enriched by adding other countries from the three regions (Latin America, Asia and Europe), in order to gain deeper insights into the regional differences in terms of CSR approach.
References


BI-The Swedish Construction Federation (2007b) The 50 biggest construction companies [online] Available at


**Appendix 1 - The Largest Swedish Construction Companies Ranked by the Swedish Construction Federation (B.I.)**

**The 50 biggest construction companies**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Turnover MSEK in construction activities</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sweden</td>
<td>Foreign markets</td>
</tr>
<tr>
<td>1</td>
<td>Skanska</td>
<td>26,743</td>
<td>98,755</td>
</tr>
<tr>
<td>2</td>
<td>NCC</td>
<td>28,134</td>
<td>27,742</td>
</tr>
<tr>
<td>3</td>
<td>Peab</td>
<td>22,522</td>
<td>3,756</td>
</tr>
<tr>
<td>4</td>
<td>JM</td>
<td>9,392</td>
<td>2,673</td>
</tr>
<tr>
<td>5</td>
<td>Vägverket Produktion</td>
<td>6,675</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Banverket Produktion</td>
<td>2,570</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Vaktelcke Sverige AB</td>
<td>2,194</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Oden Anläggningentrepeder AB</td>
<td>9,996</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Wäst-Bygg Gruppen AB</td>
<td>6,233</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Fö Bygg i Göteborg AB</td>
<td>7,561</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Svenska Byggnads AB</td>
<td>722</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Fastec Sverige AB</td>
<td>682</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Tuwe Bygg AB(1)</td>
<td>671</td>
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<tr>
<td>14</td>
<td>BBS Byggnads AB</td>
<td>631</td>
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<td>Mjöbaks Enköpings AB</td>
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<td>Sveriges Byggnads AB</td>
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<td>17</td>
<td>Tage &amp; Söner AB</td>
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<td></td>
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<tr>
<td>18</td>
<td>MVK AB(1)</td>
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</tr>
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<td>19</td>
<td>Bygg Partner i Dalarna AB</td>
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<td>Arcona AB</td>
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<td>Göteborgs Gatuaktivitäter AB</td>
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<tr>
<td>22</td>
<td>Ahlén &amp; Ekeroth AB(1)</td>
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<td>23</td>
<td>Einar Mattsson Byggnads AB</td>
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<td></td>
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<tr>
<td>24</td>
<td>Anderson Company Byggnads AB</td>
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<td>25</td>
<td>Sn Bygg Sten och Anläggning AB</td>
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<td>26</td>
<td>NIMAB Enköpings AB</td>
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<td>27</td>
<td>Rekab Enköpings AB</td>
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<td>28</td>
<td>Thage Andersson Byggnads AB(1)</td>
<td>427</td>
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<td>29</td>
<td>Beseq AB(1)</td>
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<td>30</td>
<td>Frigo AB</td>
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<td></td>
</tr>
<tr>
<td>31</td>
<td>Camilton Rail Sverige AB</td>
<td>389</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Nybyggnads I Norrköping</td>
<td>383</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Byggmästarna i Skåne AB</td>
<td>372</td>
<td></td>
</tr>
<tr>
<td>Rank</td>
<td>2006</td>
<td>2005</td>
<td>Company</td>
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<td>34</td>
<td>30</td>
<td></td>
<td>HMB Construction AB</td>
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<tr>
<td>35</td>
<td>49</td>
<td></td>
<td>John Svensson Byggnadsfirma AB</td>
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<td>36</td>
<td>37</td>
<td></td>
<td>BTH Bygg AB</td>
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<tr>
<td>37</td>
<td>32</td>
<td></td>
<td>Asplund &amp; Bygg (Falköping och Östbro)</td>
</tr>
<tr>
<td>38</td>
<td>33</td>
<td></td>
<td>Värmdö Byggentreprenader AB</td>
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<td>39</td>
<td>36</td>
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<td>TL Bygg AB</td>
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<td></td>
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<td>Bergleandet AB</td>
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<td></td>
<td>Småa AB</td>
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<td>42</td>
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<td></td>
<td>Jämsström &amp; mellgren AB</td>
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<td>46</td>
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<td>F.O. Peterson &amp; Sörh</td>
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<td>Näiden Bygg AB</td>
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<td></td>
<td>Byggnads AB Ake Sundvall</td>
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<td>45</td>
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<td>50</td>
<td></td>
<td></td>
<td>Järfälla VA- &amp; Byggentreprenad AB</td>
</tr>
</tbody>
</table>

**Basic data:** Annual reports for financial year 2006.

**Turnover:** Measures turnover in construction activities in Sweden, foreign markets and for the group as a whole. Turnover in property development units are not included, neither are sales or real estate.

Due to some minor changes in definition etc., some companies data for the year 2005 has been changed.

* In the previous version the figures for NCC only included NCC Construction. The new figures includes the whole NCC-group.

* In the previous version the figures for Wast-Bygg only included Wast-Bygg AB and Wast-Bygg Entreprenad AB. The new figures includes the total construction activity within the Wast-Bygg group.

* Turnover and employees in the subsidiaries Tuve Betongbyggen and Tuve Fastighetsservice are included.

* Tage & Söner Byggnads AB and Tage & Söner i Varberg AB.

* Mark, Väg och Bygg MVB AB and MVB Ostbergs Bygg AB.

* Ahlin & Ekeroth, Håkan Storn Byggnads AB, NABAB Bygg AB and Saberg & Lonn Byggnads AB.

* Turnover and employees in the subsidiaries Kranexpressen Syd AB, N-E Pensson Byggnads AB and Plåttexpressen AB are included.

* Beskåb projekt och Fastigheter AB and Beskåb Projektutveckling AB.
Appendix 2 - The Largest Thai Construction Companies Ranked by the Stock Exchange of Thailand (SET)

Chart 37: Market shares 1H07

Sector revenue = Bt58,465mn

ITD, 39.1%

Others, 12.2%

SYNTEC, 4.1%

CNT, 4.8%

PLE, 5.7%

STEC, 15.9%

CK, 14.9%

Source: SET

Chart 38: Market shares 2006

Sector revenue = Bt110,225mn

IIID, 36.8%

Others, 11.3%

NWR, 4.3%

SYNTEC, 3.1%

CNT, 4.4%

PLE, 7.1%

STEC, 13.4%

CK, 19.6%

Source: SET
### Appendix 3 - The Largest Brazilian Construction Companies Ranked by the Brazilian Chamber of Construction Industry (CBIC)

#### 500 Grandes da Construção - 2007

<table>
<thead>
<tr>
<th>Ranking</th>
<th>EMPRESA / COMPANY</th>
<th>Estado/State</th>
<th>FATURAMENTO EM R$ X 1.000</th>
<th>GROSS REVENUE EM US$ X 1.000</th>
<th>PATRIMÔNIO EM R$ X 1.000</th>
<th>ASSETS EM US$ X 1.000</th>
<th>% OF REVENUE FROM GOVERNMENT</th>
<th>% OF REVENUE FROM PRIVATE SECTOR</th>
<th>% INCORPORAÇÕES PRÓPRIAS</th>
<th>% OF REVENUE FROM REAL STATE PROJECTS</th>
<th>SEGMENTO DE ATUAÇÃO**</th>
<th>ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Norberto Odebrecht</td>
<td>RJ</td>
<td>2,371,407</td>
<td>1,103,031</td>
<td>1,462,947</td>
<td>58</td>
<td>36</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>Andrade Gutierrez</td>
<td>MG</td>
<td>1,730,624</td>
<td>804,979</td>
<td>2,529,026</td>
<td>52</td>
<td>48</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Camargo Corrêa</td>
<td>SP</td>
<td>1,691,379</td>
<td>786,724</td>
<td>1,037,926</td>
<td>56</td>
<td>44</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>Queiroz Galvão</td>
<td>RJ</td>
<td>1,462,410</td>
<td>680,222</td>
<td>1,247,985</td>
<td>71</td>
<td>29</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
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<td></td>
<td>100</td>
</tr>
<tr>
<td>5</td>
<td>Delta Construções</td>
<td>RJ</td>
<td>1,008,201</td>
<td>468,952</td>
<td>374,340</td>
<td>97</td>
<td>3</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>6</td>
<td>Construtora OAS</td>
<td>SP</td>
<td>823,571</td>
<td>383,074</td>
<td>618,165</td>
<td>88</td>
<td>12</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
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<tr>
<td>7</td>
<td>Galvão Engenharia</td>
<td>SP</td>
<td>542,469</td>
<td>210,460</td>
<td>640,528</td>
<td>65</td>
<td>35</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
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<tr>
<td>8</td>
<td>Rídens Engenharia</td>
<td>MG</td>
<td>449,855</td>
<td>209,245</td>
<td>262,433</td>
<td>44</td>
<td>56</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
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<td></td>
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</tr>
<tr>
<td>9</td>
<td>Construcap CCP(1)</td>
<td>SP</td>
<td>429,654</td>
<td>199,849</td>
<td>241,875</td>
<td>57</td>
<td>43</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
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<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>10</td>
<td>Hochtief do Brasil(1)</td>
<td>SP</td>
<td>378,233</td>
<td>175,926</td>
<td>343,850</td>
<td>55</td>
<td>45</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
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<td></td>
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<tr>
<td>11</td>
<td>Camargo Corrêa</td>
<td>SP</td>
<td>368,704</td>
<td>169,047</td>
<td>209,657</td>
<td>56</td>
<td>44</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>12</td>
<td>Queiroz Galvão</td>
<td>RJ</td>
<td>315,315</td>
<td>148,315</td>
<td>167,000</td>
<td>45</td>
<td>55</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
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<td></td>
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<tr>
<td>13</td>
<td>Estacon</td>
<td>MG</td>
<td>295,160</td>
<td>142,510</td>
<td>302,650</td>
<td>38</td>
<td>62</td>
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<tr>
<td>14</td>
<td>Triunfo</td>
<td>SP</td>
<td>215,931</td>
<td>105,931</td>
<td>110,000</td>
<td>50</td>
<td>50</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
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<td>100</td>
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<tr>
<td>15</td>
<td>Aterpa</td>
<td>MG</td>
<td>160,853</td>
<td>74,819</td>
<td>86,034</td>
<td>57</td>
<td>43</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
<tr>
<td>16</td>
<td>Aterpa</td>
<td>MG</td>
<td>160,853</td>
<td>74,819</td>
<td>86,034</td>
<td>57</td>
<td>43</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>17</td>
<td>Múmia</td>
<td>SP</td>
<td>157,444</td>
<td>73,233</td>
<td>84,211</td>
<td>70</td>
<td>30</td>
<td>ABCDEFGHIKLMNOPQRSTUVWXYZ</td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

1. EMPRESA / COMPANY
2. FATURAMENTO EM R$ X 1.000
3. GROSS REVENUE EM US$ X 1.000
4. PATRIMÔNIO EM R$ X 1.000
5. ASSETS EM US$ X 1.000
6. % OF REVENUE FROM GOVERNMENT
7. % OF REVENUE FROM PRIVATE SECTOR
8. % INCORPORATIONS PROPRIETIES
9. % OF REVENUE FROM REAL STATE PROJECTS
10. SEGMENTO DE ATUAÇÃO**
11. ACTIVITY

Appendix 3 - The Largest Brazilian Construction Companies Ranked by the Brazilian Chamber of Construction Industry (CBIC)
<table>
<thead>
<tr>
<th>EMPRESA / COMPANY</th>
<th>Estado / State</th>
<th>GROS GROSS REVENUE US$ X 1,000</th>
<th>ASSETS R$ X 1,000</th>
<th>% OF REVENUE FROM GOVERNMENT</th>
<th>% OF REVENUE FROM PRIVATE SECTOR</th>
<th>% OF REVENUE FROM REAL STATE PROJECTS</th>
<th>% OF REVENUE FROM OTHER ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paraná</td>
<td>PR</td>
<td>144,955</td>
<td>67,422</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Ival</td>
<td>SP</td>
<td>144,422</td>
<td>67,422</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Hoja</td>
<td>SP</td>
<td>145,616</td>
<td>67,422</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Misp</td>
<td>SP</td>
<td>144,422</td>
<td>67,422</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Gomes Lourungo</td>
<td>SP</td>
<td>150,000</td>
<td>62,121</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Via Empreendimentos</td>
<td>SP</td>
<td>150,000</td>
<td>62,121</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Tonyo</td>
<td>SP</td>
<td>140,000</td>
<td>62,121</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>Terreno</td>
<td>SP</td>
<td>140,000</td>
<td>62,121</td>
<td>66,994</td>
<td>69</td>
<td>100</td>
<td>0</td>
</tr>
</tbody>
</table>

(*) Distribuição por contínuo de faturamento total.
(1) Classificação de atividade/Activity classification.
(2) Segmentação de atividade/Activity segmentation.

### Appendix 4 - Examples of CSR Statements as Defined by Studied Companies

**PRINCIPLES MOTIVATING CSR**

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Value-driven CSR</strong></td>
<td>“CSR reflects one of our core beliefs: that the role of an entrepreneurial organization is not limited to its basic responsibility, which is providing high-quality products and services to its clients”. (<a href="http://www.odebrecht.com">www.odebrecht.com</a>, Brazil)</td>
</tr>
<tr>
<td>2. <strong>Performance-driven CSR</strong></td>
<td>“The objectives of the (CSR) company policy are to plan and execute actions taking into account competitive corporate performance, as well as the continuous improvement of our processes and products, fostering the development of the community”. (<a href="http://www.andradegutierrez.com.br">www.andradegutierrez.com.br</a>, Brazil)</td>
</tr>
<tr>
<td>3. <strong>Stakeholder-driven CSR</strong></td>
<td>“The company also implemented measures for strictly controlling environment quality by inspecting and controlling air, water, dust and noise, etc. not to exceed the standards as specified by government agencies and relevance authorities”. (<a href="http://www.ch-karnchang.co.th">www.ch-karnchang.co.th</a>, Thailand)</td>
</tr>
</tbody>
</table>

**CSR PROCESSES**

<table>
<thead>
<tr>
<th>Perspectives</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Community engagement and communication</strong></td>
<td>Andrade Gutierrez states that “all of its operational units develop relationships and supporting activities in local communities, through which eventual complaints are registered and questions are answered”. (<a href="http://www.andradegutierrez.com.br">www.andradegutierrez.com.br</a>, Brazil)</td>
</tr>
<tr>
<td>2. <strong>Management of environmental impact</strong></td>
<td>NCC introduces its environmental policies and environmental objectives, and states that “NCC's environmental efforts entail structured work to reduce the direct environmental impact arising from the construction process, and influencing the design of buildings and civil engineering structures to ensure that the environmental impact can also be minimized during the period in use”. (<a href="http://www.ncc.se">www.ncc.se</a>, Sweden)</td>
</tr>
<tr>
<td>3. <strong>Code of ethics and business conduct</strong></td>
<td>Camargo Corrêa mentions the “Code of Conduct” which can be downloaded from the website. (<a href="http://www.camargocorrea.com.br">www.camargocorrea.com.br</a>, Brazil)</td>
</tr>
<tr>
<td>4. <strong>Philanthropic programs</strong></td>
<td>“STECON’s Payback Program was set to implement social contribution activities. The program focuses on constructing and donating school buildings, libraries, and educational materials for schools in need. The company has commenced this program in 2002 in commemorative celebration of the company’s 40 years anniversary by donating school buildings, libraries, multi-purpose buildings, scholarships and school supplies to various schools indeed and communities near by job sites as a continuous practice in every year”. (<a href="http://www.stecon.co.th">www.stecon.co.th</a>, Thailand)</td>
</tr>
<tr>
<td>5. <strong>Business operation</strong></td>
<td>NCC states that “in addition to choosing sound building materials and energy-efficient vehicles, we also work on purely environmental projects”. Such projects involve, for example, depots for secure storage of waste, the remediation of polluted areas and recycling of alternative materials”. (<a href="http://www.ncc.se">www.ncc.se</a>, Sweden)</td>
</tr>
<tr>
<td>6. <strong>Corporate governance and compliance with law</strong></td>
<td>“Skanska AB and the Skanska Group are governed in accordance with Skanska AB’s Articles of Association, the Swedish Companies Act, the listing agreement with the Stockholm Stock Exchange and other applicable Swedish and foreign laws and ordinances. Skanska also applies the Swedish Code of Corporate Governance”. (<a href="http://www.skanska.com">www.skanska.com</a>, Sweden)</td>
</tr>
<tr>
<td>7. <strong>Human Resources processes</strong></td>
<td>Andrade Gutierrez mentions several HR activities undertaken by the</td>
</tr>
<tr>
<td></td>
<td>Company's CSR initiatives</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8.</td>
<td>Risk Management: “Business risks are assessed carefully concerning its various perspectives: technical, contractual, political, managerial, project-specific risks, and also the ones related to potential damage to society and the environment.” (<a href="http://www.andradegutierrez.com.br">www.andradegutierrez.com.br</a>, Brazil)</td>
</tr>
<tr>
<td>9.</td>
<td>Health and safety programs: Peab mentions clear targets concerning Health and Safety of its staff. “Operational action plans with clearly measurable objectives have been drawn up under the group name of Health and Work Environment Year 2007.” (<a href="http://www.andradegutierrez.com.br">www.andradegutierrez.com.br</a>, Brazil)</td>
</tr>
<tr>
<td>10.</td>
<td>Supply chain management NCC mentions responsibility issues in the value chain by stating that “We shall have an influence on the entire value chain for products and services by means of a structured review of the products and services we offer”. (<a href="http://www.ncc.se">www.ncc.se</a>, Sweden)</td>
</tr>
<tr>
<td>11.</td>
<td>Employee community involvement Queiroz Galvão presents a program named “Effective Action Volunteer Program”, which “encourages the company’s staff to participate in social inclusion projects”. (<a href="http://www.queirozgalvao.com">www.queirozgalvao.com</a>, Brazil)</td>
</tr>
<tr>
<td>12.</td>
<td>Sponsorships “JM is involved as a sponsor in a number of contexts. For JM to be involved it is important that a sponsored activity is brand-building and has a link to JM's own operations. JM also has a responsibility to contribute to positive social development. JM has made the assessment that sport, culture and social responsibility are appropriate areas for sponsoring”. (<a href="http://www.jm.se">www.jm.se</a>, Sweden)</td>
</tr>
<tr>
<td>13.</td>
<td>Quality programs Construtora OAS introduces its Quality Program and certifications obtained. “Construtora OAS that works in the civil construction areas understands that quality of their services has vital importance in order to assure the company's development. Everyone is responsible for QSMS – Quality, Safety, Environment and Health – and this is present in our activities, attitudes and values”. (<a href="http://www.oas.com.br">www.oas.com.br</a>, Brazil)</td>
</tr>
<tr>
<td>14.</td>
<td>CSR Report “In accordance with the Corporate Governance Principles for a Listed Company, Italian-Thai Development Co., Ltd. has Corporate Governance Practice Report 2006, which comprises 5 parts, namely: - The Rights of the Shareholders; - Conduct towards Shareholders; - The Rights of the Stakeholders; - Disclosure of Information and Transparency; and - Responsibilities of the Directors.” (<a href="http://www.italian-thai.co.th">www.italian-thai.co.th</a>, Thailand)</td>
</tr>
<tr>
<td>15.</td>
<td>International CSR activities Odebrecht carries out CSR activities in foreign countries where it has operations. In Angola, for example, the company maintains a “Comprehensive AIDS fighting program” and “Food supplementary program for children”. (<a href="http://www.odebrecht.com">www.odebrecht.com</a>, Brazil)</td>
</tr>
<tr>
<td>16.</td>
<td>Anti-corruption policies “Skanska has a zero tolerance approach to any form of bribery and corruption. If an incident occurs, it is dealt with rapidly, without regard to cost or commercial consequences, and full disclosure is made to the appropriate authorities”. (<a href="http://www.skanska.com">www.skanska.com</a>, Sweden)</td>
</tr>
<tr>
<td>17.</td>
<td>Independent CSR organization: Odebrecht created the Odebrecht Foundation, which is a private, non-profit organization “especially active in the northeast of Brazil, supporting and carrying out initiatives oriented to adolescents and youths”.(<a href="http://www.odebrecht.com">www.odebrecht.com</a>, Brazil)</td>
</tr>
<tr>
<td>STAKEHOLDER ISSUES</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td><strong>1. COMMUNITY STAKEHOLDERS</strong></td>
<td></td>
</tr>
</tbody>
</table>

a. **Quality of life**
Queiroz Galvão developed a program named “Hope Farm” which “helps young alcohol and drug addicts to reintegrate into society”. ([www.queirozgalvao.com](http://www.queirozgalvao.com), Brazil)

b. **Protection of the environment**
Italian-Thai Development Co., Ltd states that “the production processes of the complex have been certified to ISO 14001 in 2001…” and “…the Company also focused on occupational safety, health, and management of the working environment in order to mitigate the effects of construction activities on the community and the environment. The Company’s construction units are charged with controlling and taking care of their respective working environment (i.e. protection of oil leakage into the soil and water, waste-water treatment, odour control, vibration control, dust treatment, garbage control, and energy saving measures)”. ([www.italian-thai.co.th](http://www.italian-thai.co.th), Thailand)

c. **Education**
Camargo Corrêa created the “Camargo Corrêa Institute” which develops several social projects. For instance, the program Future Profession “aims to help reducing social inequalities by promoting basic professional education as well as support for the entry and retention of young people in the job market”. ([www.camargocorrea.com.br](http://www.camargocorrea.com.br), Brazil)

d. **Human rights**
Odebrecht develops a program in communities named Rights Counter, “which make it easy to the community to benefit from Justice and citizenship by means of issuing basic civil papers and providing social and legal assistance”. ([www.odebrecht.com](http://www.odebrecht.com), Brazil)

e. **Arts and Culture**
Odebrecht states that one of the ways the company fulfills its corporate social responsibility is “by enriching the educational and cultural processes through initiatives that are aimed at recovering artistic values and at encouraging the historical heritage preservation”. ([www.odebrecht.com](http://www.odebrecht.com), Brazil)

f. **Safety**
“The safety of Skanska’s general public around our projects is of paramount importance. Accidents are always avoidable, and preventive training plays an important part in helping Skanska to achieve its goal of zero workplace accidents”. ([www.skanska.com](http://www.skanska.com), Sweden)

g. **Animal welfare**
Camargo Corrêa states that currently 35 socio-environmental programs are being implemented in Amazon. “From July 2006 to January 2007, 4,040 animals, including species threatened with extinction, such as alligators and a very rare green pit viper were rescued from the site”. ([www.camargocorrea.com.br](http://www.camargocorrea.com.br), Brazil)

| **2. CUSTOMER STAKEHOLDERS** |

a. **Quality**
Peab states its commitment to quality and mentions that one of the main objectives of quality programs is to “produce satisfied customers”. ([www.peab.com](http://www.peab.com), Sweden)

b. **Safety**
“The company believes that the perfect success must come along with the safety of the employees and all participating people”. ([www.stecon.co.th](http://www.stecon.co.th), Thailand)

c. **Data protection**
Construtora OAS mentions that “it’s a Construtora OAS’ policy to treat all information from clients with confidentiality and total respect to privacy rights”. ([www.oas.com.br](http://www.oas.com.br), Brazil)

| **3. EMPLOYEE STAKEHOLDERS** |

a. **Health and safety**
“‘The employees’ health, well-being and development constitute
b. **Equal opportunity**

“NCC promotes diversity and equality. Equal treatment and equal opportunities must apply to everyone regardless of ethnic or national origin, skin color, gender, sexual orientation, religion, political opinion, nationality or social origin”. ([www.ncc.se](http://www.ncc.se), Sweden)

c. **Learning and development**

JM holds a “Competence Development Program” and states that “JM conducts a large number of training programs under the company's own management and in association with outside resources. On top priority is leadership development, since managers are primarily recruited from within the company”. ([www.jm.se](http://www.jm.se), Sweden)

d. **Employee care**

Odebrecht develops initiatives “towards social reinsertion of employees’ families living in hazardous dwelling thus ensuring them a better, dignifying life condition”. ([www.odebrecht.com](http://www.odebrecht.com), Brazil)

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4. **SHAREHOLDERS/INVESTORS**

“The Company has performed duties with integrity, honesty and fairness, taking into account both major and minor shareholders, and for the benefit of the group of related persons as a whole”; “The Company has managed its business to ensure prosperity, stability and good return for the shareholders”; “The Company offers opportunity to shareholders to have equal right to scrutinize the Company’s operations, make inquiries and provide comments and suggestions”. ([www.ch-karnchang.co.th](http://www.ch-karnchang.co.th), Thailand)

5. **SUPPLIERS**

“We shall, in collaboration with our suppliers, offer our clients products and services that show consideration for both people and the environment”. ([www.peab.com](http://www.peab.com), Sweden)

6. **COMPETITORS**

“NCC does not permit any form of pricing collaboration, cartel building or abuse of its market dominance, and supports, in all phases of its operations, correct and unrestricted competition in regard to bids, tenders, procurement and purchasing”. ([www.ncc.se](http://www.ncc.se), Sweden)

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**ADDITIONAL CSR THEMES**

1. **Transparency**

It is mentioned in Company’s Good Corporate Governance Policies that “Transparency is obviously shown as a basement for trust amongst stakeholders and the company. Moreover, transparency creates the company's effectiveness and capital market procedures. With transparency, both shareholders and stakeholders or any other related people shall have a fair chance in auditing the company's performance.”([www.stecon.co.th](http://www.stecon.co.th), Thailand)

2. **Sustainability**

“In every project undertaken, Skanska strives to be socially responsible and have due consideration for the environment, while maintaining good economic performance. Examples of sustainable development in action can be found in every one of Skanska’s business units and all of the home markets in which the company operates”. ([www.skanska.com](http://www.skanska.com), Sweden)

3. **Accountability**

The Company adheres to the six following principles of Good Corporate Governance Philosophy:

1) Responsibility  
2) **Accountability**  
3) Fairness and Integrity  
4) Transparency  
5) Creation of Long-term Value to all Stakeholders  
6) Promotion of Best Practices ([www.italian-thai.co.th](http://www.italian-thai.co.th), Thailand)