

Masteroppgave

To what extent are Airlines communicating their Commitment to Sustainability Issues?

-Investigating Corporate Social Responsibility in the Aviation Industry

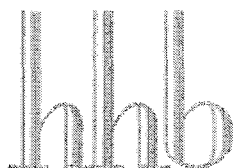
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Abstract

This thesis investigates Corporate Social Responsibility (CSR) in the aviation industry. The aim of the research is to analyse the extent to which these airlines are communicating their commitment to sustainability issues. The central question is essentially whether they are committed to the triple bottom line or to Milton Friedman's view that businesses need only follow the law? It is hard to measure commitment, but the first step in measuring commitment is to look at what these airlines are communicating to their stakeholders.

This study uses a combination of content analysis and semi structured interview. The airlines in this study are Australian Virgin Blue and Qantas, British Silverjet, Asian AirAsia, and Scandinavian SAS. The elements of analysis are the annual reports, web pages, the Code of Conduct documents, an interview, and e-mail correspondence between the author and the airlines. This research uses the findings on these airlines to answer the central question and compares the findings to previous literature in the field of CSR.

In conclusion this research shows that SAS and Qantas are communicating their commitment to sustainability issues to a greater extent in comparison to the other airlines in this study. SAS is in addition the only airline that follows through with its promises and is in addition showing its commitment through its open communication.

Preface

This thesis is written as a compulsory part of the Master of Science in Business program at Bodø Graduate School of Business. The master thesis constitutes 30 credit points and is written in the major International business and marketing, BE309E.

As part of this thesis I investigated SAS' corporate social responsibility. I would like to thank Helge Hafstad, Environmental Director for SAS Norway for his willingness to be interviewed and friendly manner.

I would like to thank my friends and family, and most of all, my partner, Phillip B. Pope, for support and encouragement in the work with this thesis.

I wish to thank Ove Jacobsen, and Jean Jaminon, for their guidance and insight. I would also like to thank Øystein Nystad for introducing me to business ethics in my first year of the master's degree. And finally, thank you to the friendly and always helpful staff in the HHB administration.

Please note that the author of this paper takes full responsibility for any faults or mistakes that may occur in this research.

Tornes, May 14, 2010


Maria Tornes

Summary

Aviation has made possible globalisation, as the movement of people, goods and services are central to a globalised world. People are more connected now than ever before. The Internet is breaking traditional boundaries and today we can keep in contact with friends, go shopping, and order our holidays, and so on, all without leaving our desk. Some of the effect of these trends is that people are becoming increasingly informed, and that the environment is suffering from the emissions of greenhouse gasses produced from economic prosperity. People are increasingly demanding that corporations take responsibility, not only for their profits, but also for the people, and for the environment. The aviation industry is interesting in this view, as on one hand the industry is central to globalisation, but on the other hand it is, at this stage, impossible to fly without emitting CO₂.

Much research has been done in the field of Corporate Social Responsibility (CSR), two central theories are those of Elkington and Friedman. Elkington has coined the term, Triple Bottom Line, which states that businesses have a triple base line: profits, planet and people. In contrast, Friedman has argued that the only responsibility corporations have is to generate profits, as profits have a number of social benefits attached with them, like economic prosperity and the creation of employment.

This thesis investigated CSR in the aviation industry. It focused on five different international airlines, and used the annual reports and web pages to analyse the extent to which these airlines were communicating their commitment to sustainability issues. The central theme revolved around the question: are these airlines committed to the triple bottom line or to Friedman's view that businesses need only follow the law? It is hard to measure commitment, but the first step in measuring commitment is to look at what these airlines are communicating to their stakeholders.

This study used a combination of content analysis and semi structured interview. The airlines in this study were Australian Virgin Blue and Qantas, British Silverjet, Asian AirAsia, and Scandinavian SAS. The elements of analysis were the annual reports, web pages, the Code of Conduct documents, an interview, and e-mail correspondence between the author and the airlines. This research used the findings on these airlines to answer the central question and compares the findings to previous literature in the field of CSR.

There were a number of differences and similarities between the airlines, but the main conclusions drawn from this research was that SAS and Qantas were to a greater extent communicating their commitment to sustainability issues, compared to the other airlines. SAS was also the only airline

that put its actions where its words are and follows through with its promises on open stakeholder communication.

Chapters Overview

Chapter 1 Introduction

This chapter introduces the background for this thesis, and the recent developments that have created the problem of investigation.

Chapter 2 Theory

This chapter introduced the theoretical framework for the purpose of this thesis. The theory is essential for the research questions, and makes the foundation for the analysis which will be discussed in later chapter.

Chapter 3 The Airlines

This chapter introduces the airlines in this study, Virgin Blue, Qantas, Silverjet, AirAsia and SAS.

Chapter 4 Methodology

The methodology chapter will outline the methods utilised for this research. This chapter will describe the process of this research as well as determine the central research question and sub questions. This chapter also discusses the methods in this research.

Chapter 5 Findings

This chapter will outline the data.

Chapter 6 Discussion

This chapter will discuss the findings from chapter 5 in relation to the theory and previous research conducted in the field of business ethics and communications.

Chapter 7 Conclusions

This last chapter will make conclusions on the basis of the discussion in the previous chapter. This chapter also make suggestions for further research.

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1. Introduction

Global warming is a major threat to human society. It changes the climate of our planet in an alarming way by causing natural disasters and therefore human tragedies. Besides the environmental impact, it is also seen as a huge economic problem. According to a report written by the former chief economist of the World Bank Sir Nicholas Stern, the environmental impact of global warming could displace up to 100 million people due to rising sea levels, water shortages could affect one sixth of the world's population, up to 40 per cent of the world's species could become extinct, and droughts could affect the water and food supply of tens or even hundreds of millions of people. (Lederer, 2008).

Recently, public outcry and social concerns regarding the environment, climate change and global warming have sky rocketed, as the quote above demonstrates. This rise can also be exemplified by the release and popularity of the movie 'An inconvenient Truth' by Al Gore, the increasingly expanding market for organic foods, free range eggs, environmentally friendly cars, carbon neutral festival tickets, organic jeans, naked celebrities protesting against fur, Max Havelaar, the Fair Trade movement, green petrol, Toyota Prius, fair coffee, climate change, earth hour and so on and so on.

1.1. The beginnings

Before this a number of events and developments paved the way for the environmental and social movement to grow. It is hard to say when and where the idea was first conceived, but it has developed over perhaps the last 200 years: 1800 to the 1850, civil rights movements demanded the abolition of child workers and slavery in USA, much of the power laid in the hands of successful merchants and owners of industry and companies at this time. In the 1850s to the 1900 the business model shareholders is born, and the business leaders are no longer necessarily the business owners. In 1920 the term CSR is coined, and the responsibility of the business leaders is no longer just to the shareholders, but now also to their stakeholders. In the 1950s the product era of business flourished, as mass production took hold and the hardships after the two world wars were over. The next decade is known as the sales era, and in 1962 John F. Kennedy proposed four basic rights he meant the consumer has: 1) The right to safe products, 2) the right to be informed, 3) the right to choose, and 4) the right to be heard. 1980 to the 1990`s saw a shift from a products focus to a marketing focus: the main focus of businesses was no longer 'how can I get customers to buy my products?', but 'what can I provide that the customers want?', and thus a range of niche markets were born. The 1990 to the 2000 saw a rise in demands for ethical behaviours, and shift in the way business worked towards that which took responsibility beyond the financials. It is now accepted

that consumers in addition have the right to an environment that promotes good life quality (Falkenberg and Nordenstam, p. 147, 1998).

Companies make decisions every day regarding what raw materials to use in their value creation. Should we use wood from the rainforests, or should we not? Should we utilise harmful chemicals in our production? Should we use endangered species? Thereon companies are making decisions regarding their production process and regarding emissions into water and air. Because many companies are burdening the society or the generations to come, this is a political problem, and a problem regarding fair dividing of resources and burdens, and indeed a problem of justice for the people whom have their lives reduced in some way due to lack of resources or pollution. If companies had treated nature in a sensible way, there would be no need for the environmental movement (Falkenberg and Nordenstam, p. 130, 1998).

1.2. Globalisation

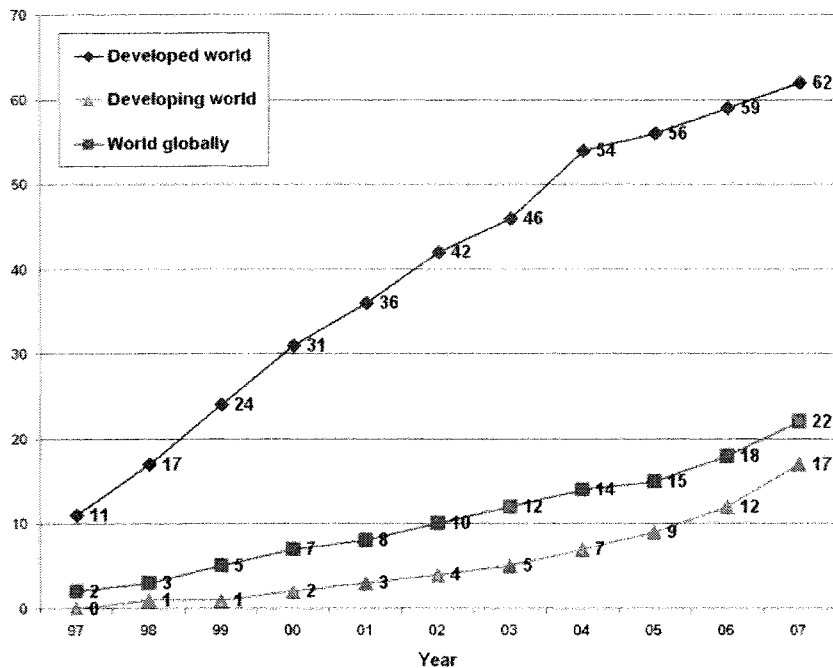
Globalisation made possible the notion that consumers have rights, and that corporations need to answer to their stakeholders on where their raw materials are from, whom they employ in their factories in third world countries and so on. First of all: globalisation is the term describing the fall of geographical boundaries, and the merging of markets, cultures and people. Financial markets are closely linked, regardless of the geographical location. The 2009 Global Financial Crisis affected every economy in the world, even though the crisis had origins in the USA. The Swine flu was detected in Mexico, but its symptoms could be traced all over the planet, with quarantines, heightened airport security, and widespread fear of a global pandemic. People travel far more these days than they did 50 or so years ago. Only 100 years ago it was virtually impossible for a student to go from one continent to the other in order to do a 'student exchange' for one semester, but today, most students will do this at one point or another in their studies. Today, I am a Norwegian student in Australia, sitting in a library designed by a Dane, with a Malaysian man on my right hand side, and an Indian woman on my left hand side. We are writing on computers produced in China, and have notepads from Taiwan. My shoes are designed in the US, but produced in Vietnam. I am drinking a coffee of beans from Venezuela, and reading online about my Irish friends' Safari in South-Africa. None of this would have been possible, or so easy to do if it was not for globalisation.

Globalisation in turn was made possible by another tool, namely the Internet:

1.3. The Internet

The Internet was born from the US military's need to communicate internally, and from there it grew and developed, becoming an everyday tool for millions of people all over the world (Fig. 1.1).

Fig. 1.1 Internet users per 100 inhabitants 1997-2007 (Source: ITU)



Today people use the Internet for everything from keeping in touch with friends, colleagues, and loved ones via social network sites, e-mail and online conference calls, self expression, gossip, activism, shopping, holidays, hotels, concerts and movie tickets, to banking, share trading, information searches, entertainment, news, and research.

The Internet has been crowned the 'information superhighway' (Bolivar, 2007), and is not only being used by individuals. Corporations also utilise the Internet in every step of the business process from sourcing suppliers, to selling the final products. Business tasks such as advertising, selling products/services, finding employees, marketing, nurturing shareholder relations and media relations can all be performed online.

Traditional retail channels connect products and services with a physical environment. The online model has deconstructed the traditional channel, as retailers have restructured physical activities and information to create a unique retailing experience. Traditionally, if a retailer wanted a rich communication with the customer, it would have to be done face-to-face. And, on the other hand, a retailer who wanted to reach many customers would sacrifice richness because only a very simple message could be communicated. The internet has broken down this trade-off, allowing a retailer to reach many customers with a very rich shopping experience (Kerin and Peterson, p. 346, 2004).

1.4 The Aviation Industry

The aviation industry has, as any other industry, been greatly influenced by the developments discussed above. The industry has seen an explosive development in the last 50 years, and it has not shown any signs of slowing as of yet.

The aviation industry is relatively young, as commercial air travel was not introduced until the 1950s, and became more widespread during the sixties and seventies... In little more than half a century, aviation has grown from an infant industry to an integral part of the world economy. Global aviation passenger numbers are approximately 50 times larger than they were 50 years ago and the aviation sector now generates almost four trillion revenue passenger kilometres a year. Analysts believe that the aviation sector will continue to expand in the foreseeable future, driven by strong global economic growth and the rise of low cost carriers (Macintosh and Downie, 2008).

The aviation industry has grown rapidly over the past 50 years. One of the downsides of this growth *including the disturbance caused by aircraft noise*, has been the substantial increase in the aviation greenhouse gas emissions. Flying an aircraft involves the utilisation of non renewable energy, fossil fuels, which is the largest contributor to manmade greenhouse gas emissions. A flight involves emissions of CO₂, carbon dioxide, NO_x Nitrogen Oxides, Water vapour H₂O, and soot. Total emissions of greenhouse gases from the aviation industry constitutes to about 2% of all greenhouse gas emission that come from human activity, this number is however expected to grow as the industry grows. Arguably, CO₂ is the most important greenhouse gas emitted by the aviation industry. Unlike most other aircraft emissions, CO₂ mixes well in the atmosphere and has a relatively long atmospheric lifetime. Due to these characteristics, the effects of CO₂ emissions from aviation are believed to be the same irrespective of altitude, and the climate impacts are not localised (Macintosh and Downie, 2008). The effects of the other non-CO₂ aviation pollutants differ from CO₂ in that they generally have a shorter atmospheric lifespan and tend not to mix as well in the atmosphere. As a result, their impacts can be localised near popular flight routes. The effects of non-CO₂ aviation emissions can also differ considerably depending on the altitude at which they are released (Macintosh and Downie, 2008).

While aviation emissions constitute only a relatively small proportion of total emissions, they have increased rapidly in recent times. Since 1990, world aviation emissions have risen sharply, in some regions by as much as 70 per cent. This growth is a reflection of the growth in air transport, which has been fuelled by the expansion of the world economy, the proliferation of low-cost carriers and the industry's success in new markets (Airbus, 2006; IATA, 2007, in Macintosh and Downie, 2008). Subsequently, concerns about the trajectory of the industry and emissions have led to calls for

measures to be introduced to restrict demand and prompt innovation. In response, the European Union has announced that both domestic and international flights will be included in its Emissions Trading Scheme from 2012 (Macintosh and Downie, 2008). Despite growth in passenger numbers at an average of 5% each year, aviation has managed to decouple its emissions growth to around 3%, or some 20 million tonnes annually. This is through massive investment in new technology and operating procedures. The IPCC forecasts that its share of global manmade CO₂ emissions will increase to around 3% in 2050 (enviro.aero, 2010).

1.5 Chapter Summary

The current trend of green business and green consumption brings about the need for greater and greater levels of transparency, and thus it is only natural for corporations to utilise the internet more and more in order to answer to customer demands. With the aviation sector expected to grow rapidly in the coming decades, there is a concern it will become a major cause of human-induced warming by the middle of the 21st century (Macintosh and Downie, 2008).

So in this landscape, what does the players in the aviation industry do in order to keep their growth steady, but also answer to the environmental criticisms?

The purpose of this thesis is firstly to introduce and outline what CSR means in the aviation industry, and secondly to investigate the extent to which airline companies are using the Internet to communicate corporate environmental reporting - and in this sense as a transparency information policy to manage their corporate legitimacy. To achieve this aim, I propose a methodology of research and investigation into the industry and practices of corporate environmental disclosures of five airline companies from different parts of the world: SAS, Qantas, Virgin Blue, AirAsia, and Silverjet.

1. Chapter Theory

This chapter will outline the theories utilised in this research.

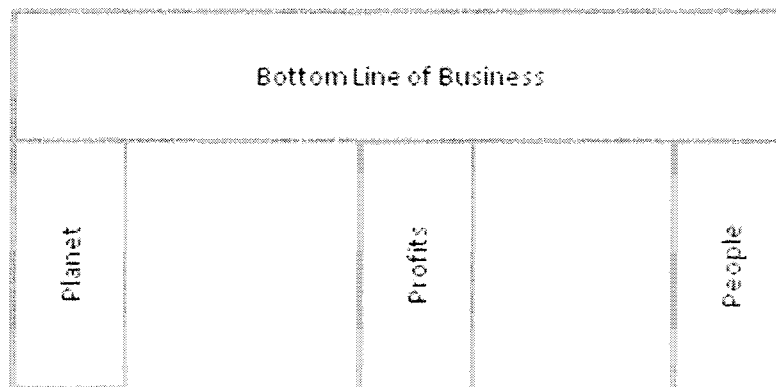
1.1. Corporate Social Responsibility (CSR)

Much of the literature on Corporate Social Responsibility (CSR) has come out of USA. The term is used for the idea that the corporation has a responsibility that exceeds that of the financial obligations. CSR is about contributing to sustainable development, a term coined by the Bruntland commission in 1987. Sustainable Development is about safeguarding the economic development without compromising the legacy we have to future generations.

1.2. The Triple Bottom Line

The term triple bottom line was coined by John Elkington in his book 'Cannibals with forks'. The bottom line of business has been regarded as the economic, but Elkington argued that businesses must, in addition to economics, take environment and people into the equation. This formed the triple bottom line: Profits, Planet, and People. Each of the components of the bottom line must be equal for the business to call itself socially responsible, as demonstrated by Fig. 2.1 below:

Figure 2.1 Triple bottom line of Business



2.2.1 Economic Responsibility – Profits

A business must have a sustainable economy in order to secure the future of the business and the future of the labourers employed with in this business. This responsibility details that the business must utilise the resources of the business in the most effective way possible.

2.2.2 Environmental Responsibility – Planet

According to the triple bottom line businesses are also responsible for a sustainable environment. The environment may be affected by business decisions via production processes, waste, pollutants, or use of raw materials. Many businesses and industries have developed guidelines and principles in relation to their production processes. These guidelines do typically involve processes in regards to waste management, reducing the use of raw materials and energy, a more environmental approach to production and transport, as well as use of environmentally friendly materials.

2.2.3 Social/ Cultural Responsibility – People

The business is also responsible for the people that are affected by their existence, both internally and externally. This may include health, working conditions and safety of the employees, secure a good work environment, not to establish business in conflict zones, following human rights, work against child labour, avoid discrimination, ensure employees with special needs are met, provide opportunities for further education, and so on.

2.3 Milton Friedman

The underlying idea behind this argument is that the corporations have a responsibility to make profits, as profitable businesses are a major contributor to society in terms of creating work places and employment. Some scholars have argued that this is the only responsibility a business should have, like Milton Friedman whom argued that business and ethics should not be mixed (1970).

Milton Friedman is the pioneer of the view that business is not bound by any ethics other than abiding by the law. He held that corporations have the obligation to make a profit within the framework of the legal system, nothing more. Friedman made it explicit that the duty of the business leaders is, “to make as much money as possible while conforming to the basic rules of the society, both those embodied in the law and those embodied in ethical custom”. Ethics for Friedman is nothing more than abiding by 'customs' and 'laws'. Milton Friedman held that corporations are amoral and CEOs have only one duty: to maximize the profits of a company. He also said in an interview that business cannot have social responsibilities.

2.4 Carroll's Pyramid

Another approach to CSR was termed Carroll's Pyramid by Archie B. Carroll. In this model the economic and legal domains are the most fundamental while philanthropic responsibilities are considered less important than the other three domains (Carroll, 1991: 42 in Schwarz and Carroll, p. 505, 2003). The theory implies that economic and legal obligations of the corporation must be fulfilled before considering fulfilling the voluntary aspect of its responsibility towards society: ethics.

2.4.1 Economic domain

Carroll defines the economic domain of CSR as a manner consistent with maximizing earnings per share, being as profitable as possible, maintaining a strong competitive position and high level of operating efficiency.

2.4.2 Legal domain

Carroll's category of legal responsibility is defined as obeying or complying with the law (1979, 500; 1993: 33). The legal responsibility is depicted as reflecting a view of "codified ethics" in the sense that law embodies basic notions of fairness as established by our lawmakers. It is stressed that it is business's responsibility to comply with these laws.

2.4.3 Ethical domain

Any activities or practices that are expected or prohibited by society members although not codified into law. They are responsibilities which "embody those standards, norms or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights."

2.5 Stakeholder Theory

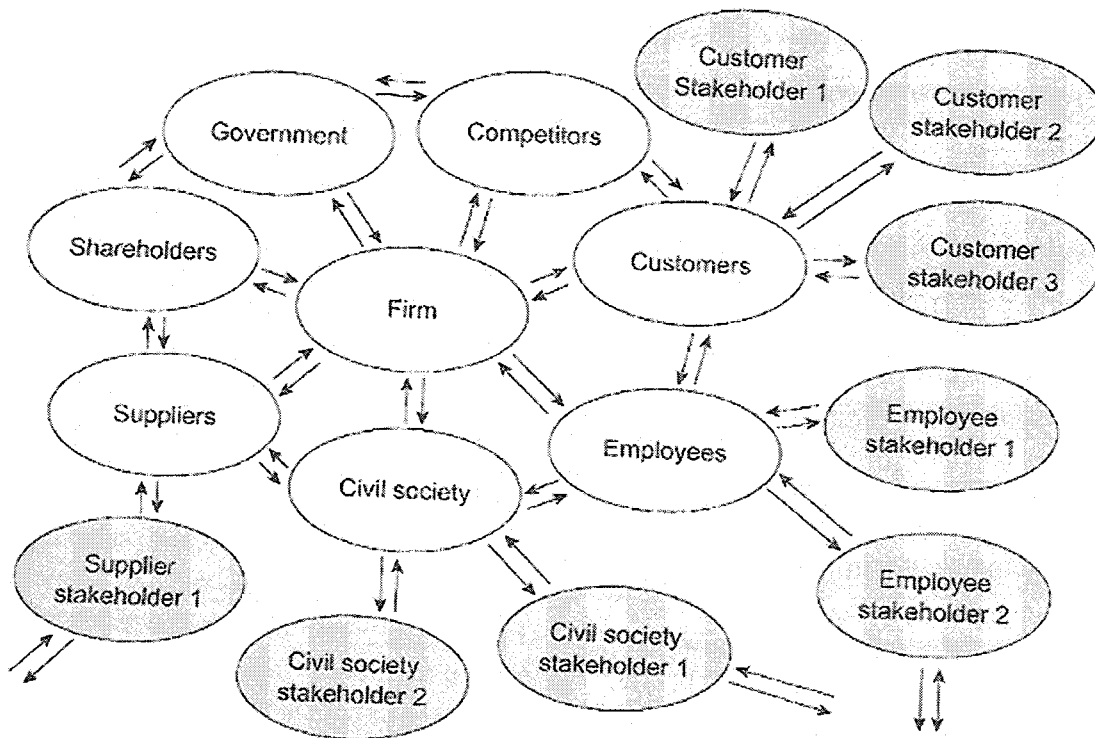
The stakeholder theory was introduced by Chester I. Barnard as early as in 1938. The theory presents a view of the business through the collection of groups whom are connected to the business. This model may look at the business and the way it is dealing with its various stakeholders. The starting point of this model was that Barnard observed that there are fundamentally two reasons why companies cease to exist: Firstly, radical changes in the outside world the company operates in, which is caused by external sources in the surroundings of the company. Secondly, the missing ability to organise the inner organisational processes in regards to processes and cooperation.

The stakeholder theory illustrates what businesses are dependent upon, and also illustrate how an organisation is both an open system as well as a conflicted unit. Each of the stakeholders disposes a certain amount of energy or talent. This may be financial resources, goods, services, knowledge, attitudes or emotions etc that flows through the systems. In this way the business is dependent upon and affected by its surrounding environment. Traditionally corporation were primarily concerned about their responsibility to their shareholders. However, as Fig. 2.2 demonstrates (below), businesses are affected by and have an effect on a much larger group of individuals and organisations than first perceived.

It is important to remember that stakeholders have obligations to their own set of stakeholders, and to the other stakeholders of the corporation. This gives rise to the network model, shown in Fig. 2.2

Stakeholder Network Model. As an example I might be employed by an airline as an air steward, and thus I'm a part of their employee stakeholder group. I might also live near the airport from which the airline operates, and this will make me a part of the community stakeholder group as well. Further on I might be involved in a local environmental group that works to preserve the natural wildlife in area in which I live, and thus become part of the NGO's stakeholder group for the airline. As a part of this group, I have stakeholders to answer to for myself, like other member of the group. The group might receive financial support from the government, be involved with information work in the local community school, perhaps my environmental group is a branch of a national bird life preservation group to which my group has to report to, and so on and so forth.

Figure 2.2 Stakeholder network model.



2.5.1 Employees

Employees are often an important stakeholder: they expect certain work conditions which satisfy their economic, social, and psychological needs. The employees contribute to the company with their labour, and their labour is rewarded with pay, social services and work content.

Management: Management contributes to the company with their managerial behaviour which provide economic, social and psychological rewards. Management is part of the staff, and thus need to be clear about whose goals they wish to follow.

2.5.2 Owners/ Shareholders

Shareholders wish to make a profit on their shares, and measure the company's success thereafter. The owner put in capital into the company, which is meant to lead to profits and recognition in return.

2.5.3 Customers

Customers receive the product/ service and pay directly or indirectly for these. Customer expectations and demand is reflected in their needs and interests. Increased information enables the customer to compare the products of the various producers, and this may encourage environmental and ethical improvements.

2.5.4 Suppliers

Suppliers provide goods and services for which they receive payment or the company may utilise supplier credit, in which case the suppliers would want security.

2.5.5 Government

The Government decides the laws and rules by which the company must oblige. If the company decides to break one of these laws, the government may react with some kind of sanction, like a fine. Companies must oblige to both national and international laws and regulations. The government contributes to the provision of land, concessions, education, and in repay they receive tax and the safety for the workforce (meaning that work will be kept, keeping unemployment down).

2.5.6 Industry

The companies within the same industry provide understanding and strategic information; there may however be competition in the industry.

2.5.7 Non-Governmental Organisations (NGOs)

The environmental flora and fauna are not able to present themselves in a conflict of interest, and so they may be represented by non-governmental organisations such as the WWF, Greenpeace, and so on.

2.5.8 Competitors

When there are several companies operating in industry, this may cause increased competition between them. In order to survive in this environment it is important to have a competitive

advantage. The company may achieve this by being innovative and create a good reputation for itself. One way to do this is being more environmentally friendly than the competition.

2.5.9 Community

The community contributes to the business in terms of labour and culture, and it is required by the company to follow the norms and rules of the community in which it is operating.

2.5.10 The Bank

Banks contribute with capital and by providing finance for projects. Lenders demand security for their resources and require interest on such loans.

In short one may say that the company's stakeholders are those whom affect or are affected by the decisions of the company. A stakeholder is someone the company is interested in and someone whom is interested in the company.

2.6 Teleological versus Deontological ethics

Teleological ethical theory is also known as consequential theory as it is concerned with the outcomes of an action. If the outcome of the action is desirable, then this action is morally correct, the more common phrase for this line of thinking is 'the goal justifies the mean'. Adam Smith (1973) argued that in the economic system, this pursuit for individual self-interest was acceptable because it produced a morally desirable outcome for society through what he termed the 'invisible hand' of the market place. Deontological ethical theories on the other hand is classified as non-consequentiality, as the central thought is in contrast to teleological theories that it is 'the thought that counts'. This means that an action is morally right if the intention behind the action is morally right. The German philosopher Immanuel Kant (1724 – 1804), was one of the major contributors to the 'ethics of duties' as one of the theories within the deontological term belong. His theory is strongly in line with Judaeo-Christian morality, which starts with the divine principles. Kant developed three principles, a categorical imperative, in which could help humans to make ethical decision, and these were consistency, human dignity, and universality.

Corporate philanthropy might be based primarily on economic motives often referred to as "strategic giving" or 'strategic philanthropy'. Whether to increase sales, help improve public image or to improve employee morale, corporate community involvement or corporate giving to charitable organizations can help sustain the bottom line for business in the long-term. When corporations engage in philanthropy for these reasons, they are simply acting out of economic motives, based on their economic responsibility, as opposed to a distinct philanthropic obligation.

2.7 Incentives for Social Responsibility

The company has goals and objectives it wishes to achieve. Efforts that may contribute to the company achieving those goals and objectives are their incentives. A number of incentives may be present for the company to behave in a socially responsible way:

2.7.1 Reputation

Media and advertising are strong influences in peoples' perception of a company, and thus their reputation. If there is negative attention given to the company in the media, for example for behaving in a socially irresponsible way, this can contribute to a negative perception of the company. If a company damages its reputation amongst its customers this may have large consequences on the company's position in the market. It is also harder to 'win back' the customer's trust after it has been broken, than it is to simply maintain it. It is thus an important incentive to behave socially responsible to create or maintain a favourable reputation, and in this way keep a strong market position.

2.7.2 Recruitment

Recruitment may be a competitive market, especially in countries like Norway, where employment rates are high. Getting the best talents on board may be highly competitive. If the values of the company are the same as that of the potential employee, chances are that the company will be viewed favourably, compared to a company that might not have those values. Therefore it is a strong incentive for the company to behave in a socially responsible way, as well as have clearly defined values in order to attract the best employees.

2.7.3 Political signals regarding changes in laws and regulations

The public may prohibit certain products, production, and sales of products and services that are somehow damaging. In addition there are laws regarding employees, what kind of labour can be utilised, and the rights of the labourers. There are also laws regulating competition in the market, and guidelines the companies in that industry must follow. The company must obey the laws and regulation of the country in which it is operating. At the same time it is important to stay updated to what changes may occur in the future, so that the company can be prepared. Being prepared for changes in laws and regulations may be as dramatic as a question of 'to be, or not to be' for the company.

2.7.4 Customer Demands

The customers make demands to which products they wish to consume, and for the customer to choose the product from one particular company, it is important for the company to adjust to the customer's needs and wants. In a world where consumers become increasingly informed, their

demand for quality, price, and environmental friendliness will also increase. In order to stay competitive the company must adjust to the consumer demand.

2.7.5 Government Environmental Fees

The government does sometimes utilise pricing in order to push the market development into a more environmentally friendly direction. This may occur via fees on activities that cause environmental problems or reducing tax and fees on activities that are environmentally friendly. This means that there is a strong economical incentive to behaving in an environmentally friendly manner.

2.7.6 Better use of resources

Better use of resources may include increased energy efficiency, recycling, and critical use of resources. In this way better utilisation of resources may also be environmentally friendly. For example, a company may utilise e-mail rather than paper letter as their main way of communication. This of course reduces the amount of paper this company uses, it also reduces the cost, and it is also more environmentally friendly than using paper.

2.7.7 Financing and Insurance

Some financial institutions offer lower interest to environmentally friendly organisations as these are often more adaptable than other companies. The cost of financing may therefore be reduced as the company is regarded a 'safer bet'. Some insurance companies, like the Norwegian Storebrand Insurance, have introduced an environmental premium on some of their business insurances. This means that companies that have set environmental efforts can pay a lower insurance premium than the companies that have not such set environmental standards. The reason is simply that the risk of having to pay out large sums for example by environmental damage for the insurance company is far less when the company has these set standards.

2.8 Transparency

Transparency is defined as the degree to which corporate decisions, policies, activities and impacts are acknowledged and made visible to relevant stakeholders (Carroll and Matten, p. 61, 2004). Recent development has seen an increase on the focus of the public on corporations to continually disclose information on their activities, not only in terms of environmental issues, but also issues concerning fair employment, safety of employees and customers, and financials. In this respect it is up to the corporation to make efforts to disclose their practices, policies, activities and impacts. A way of doing this is via their annual reports, media releases, corporate web sites, and sustainability reports.

2.9 Communication Theory

In order to get a message across to their customers companies need to utilise the most efficient communication tools available to them. This may include aspects of PR, advertising, and marketing in general. Communication on its most basic level is demonstrated by the figure below:



This might be the correct model to use if we are sending a simple letter in the mail, but research suggests that there is far more involved in communication. Firstly the idea must be conceptualised by the sender, then formed in media, and sent via some medium, at this stage the receptor will receive the message, interpret it and finally assign meaning to the message sent. This trail continues to expand as the media technologies has evolved greatly over the 50 years, and our way of assigning meaning also depend on heavily on factors such as gender, age, location, religion, ethic and cultural background, education and socio economic background. The colour red for example is considered lucky in China, but is the sign of warning in the west.

2.9.1 Corporate Communication

Corporate communication can involve a range of different communication efforts, like internal newsletters, advertising, marketing campaigns, PR releases, annual reports, and websites.

Most middle sized to large corporations publish an annual report. The report is a way for the corporation to communicate to its stakeholders and shareholders the value of their business. It may be used as a tool to keep shareholders happy and ensure 'bang for their buck'. A large part of the annual report is focused on the financial aspects of the corporation as this is traditionally considered the most important part to shareholders.

2.9.2 Environmental Reporting

In the last few years the emphasis on environmental reporting has increased drastically. It is expected by corporations within certain industries to fully report on their environmental impact, and what they are doing to reduce their carbon footprint. This is especially important for corporations within industries that are considered to be especially harmful to the environment, such as the oil, coal, and the transport industry.

Environmental reporting has in some cases been presented as an individual report, or as part of the annual report, where the environment is a single section or somehow included in the report.

2.9.3 Internet Reporting

Corporate reporting is rooted in society, and there are current pressures on corporate reporting to adapt to a more knowledge-based society (Wheeler and Elkington, 2001). Wheeler and Elkington (2001) indicate that in the future, reporting and communicating will require that companies know what their stakeholders want to know and thus be able to mobilize critical information at the right time and in the right format for purchase so that other stakeholder can obtain the benefit or value of information (Bolivar, 2007). The internet offers just this solution, and has been termed the 'information superhighway'. To date, the use of the internet for corporate disclosures has allowed firms to meet most stakeholder needs in an efficient way, offering high flexibility in the presentation and quality of the information supplied. In addition the use of the internet is cost effective, virtually unlimited in capacity, and a very easy way to distribute corporate information.

It is difficult to meet the various needs of the different stakeholders by one standardized corporate environmental report in paper based format, however internet based push and pull technologies could provide efficient and customized environmental reporting (Bolivar, 2007). Disclosing on the internet allows companies to do this instantly, and to numerous stakeholders in one single update.

2.9.4 Risks of Online Reporting

The risks of distributing the environmental report on the world wide web is usually associated with the amount of information disclosed, and the way in which corporate websites are designed. Disclosing on the Internet can quite easily lead to information overload, which may confuse or frustrate stakeholders, and thus the main message of the environmental efforts is lost along the way.

3 Aviation Companies

This chapter will introduce the airlines in this study: Virgin Blue, Qantas, Silverjet, AirAsia, and SAS. It will present the visions, missions, and values as stated by the airlines. This chapter will also outline the reasons for my interest in these particular airlines, as well as the country of origin, and some brief facts about this country in regards to CSR traditions.

Vision, Mission, Goals and Values

It is important for a company to have a plan for how to develop onwards in a favourable, productive, and profitable manner. This is the purpose of the goals and visions. A vision is like a dream of what one wishes to achieve for the company. On the road to achieve the mission one sets goals that are realistic and attainable. As these goals are achieved, the bar is raised, the goals are reviewed, and the vision comes closer. A common vision is like a series of images that the people within an organisation carry with them. They provide a sense of belonging and community, the vision is the common denominator that creates a unity of the various activities (Senge, 1999). Even though this is supported by Senge (1999) it is not the reality for all companies, but it can be used as a direction to where the company is heading.

The employees in a company may have thoughts and ideas of what they wish to achieve, but this might not be correlating to the vision and goals of the company management. For a company to succeed it is beneficial to have a common vision, both for the individuals and groups within the company. It is furthermore important to create goals along the way to contribute to the feeling of community within the company. This feeling is vital for the company development. By creating a common vision one can change the previous relation to the company to the better, and create a sense of ownership. As outlined by Senge (1999): a common vision is the first step towards letting people whom used to be suspicious towards each other, begin to work together. This vision creates a common identity.

In summary the vision, mission, goals and values are statements created by the management in a corporation, The purpose of these statements is to give provide a sort of impression to customers and employees about whom and what the corporation is, stands for, and is aiming to be.

3.1 Virgin Blue

Virgin Blue is part the Virgin Group, headed up by Sir Richard Branson in the 1970's. The Group started off with Virgin Records and today Virgin Group has created more than 200 companies

worldwide ranging from airlines, trains, finance, soft drinks, music, mobile phones, cosmetics, wines, holidays and the soon to be launched space tourism operation, Virgin Galactic. Virgin Group employs more than 35,000 people around the world, 4000 of which are Virgin Blue team members who share the same principles that Richard Branson defined in the 1970's.

Virgin Blue was listed on the Australian Stock Exchange in December 2003, and today is owned by majority shareholder Virgin Group, co-founder CEO Brett Godfrey, Virgin Blue staff and other shareholders. In January 2004, the airline launched Pacific Blue, its New Zealand based leisure focussed international airline which offers flights between Australia, New Zealand, the Cook Islands, Fiji, Tonga and Vanuatu. Virgin Blue is aiming for the corporate market whilst serving the leisure base. Over 75 per cent of the Top 200 ASX listed companies now holding corporate accounts with Virgin Blue.

Vision, Mission, Goals

There is no vision, mission or goals listed on Virgin Blue's web pages or in annual report.

Values

- *Value for Money*
- *Good Quality*
- *Brilliant Customer Service*
- *Innovative*
- *Competitively Challenging*
- *Fun*

I was initially interested in Virgin Blue, as their head office had just moved to my neighbourhood in Brisbane, Australia. I thought it would be beneficial to have a face to face interview and that management would be located in that office as well. The airline's main office is in Brisbane, which is why I initially contacted the airline, as I wanted to go in to do a face to face interview, it would be practical to contact an airline in Brisbane. Virgin is probably the company with the strongest brand image of being young, innovative, and forward thinking.

3.2 Qantas

Qantas operates more than 4,700 flights each week to 72 destinations in Australia and around the world – to every continent but Antarctica. The Jetstar brands operate around 1,900 flights each week to 50 destinations in Australia, New Zealand, Asia and the United States. Qantas freighter services offer wide-body cargo capacity to key ports in Asia, the Pacific and North America. As of the 30th June 2009, the Qantas Group operated a fleet of 229 passenger aircraft and four dedicated freighter aircraft. All Qantas Group consists of the two airlines, Qantas and Jetstar.

Qantas was founded in the Queensland outback in 1920. Registered originally as the Queensland and Northern Territory Aerial Services Limited (QANTAS), Today, Qantas is a long distance airline and has a strong brand in Australia.

Vision

All Qantas Group businesses – from Frequent Flyer to Freight – depend upon the core strength of our two airlines, Qantas and Jetstar.

The Qantas Group's long term vision is to operate both the world's best premium airline and the world's best low fares carrier.

The Group's future will be determined by its capacity to reward shareholders who provide it with the capital to grow and invest.

In February 2009, shareholders demonstrated their confidence in the Group by providing more than \$500 million to strengthen the balance sheet and support fleet renewal.

(Qantas Annual Report 2009)

Mission

There is no mission statement available for viewing on the web site or in the annual report.

Goals

Short term (up to 12 months): Preserving revenues and reducing costs; maintaining balance sheet strength; and preparing to emerge stronger from the economic downturn.

Medium term (up to three years): Returning profitability to pre-crisis levels and generating strong cash flow to enable investment in fleet renewal and growth.

Longer Term (beyond three years): Generating sustainable returns through the economic cycle.

(Qantas Annual report 2009)

Values

- *Safety – demonstrates and drives genuine commitment to safety*
- *Customer Focus – always puts the customer first when making decisions*
- *Transparency and Honesty – is open, listens and speaks honestly*
- *Collaboration and Teamwork – works with others to create success for all*

- *Enjoyment – enjoys work and being part of a successful team*
- *Ownership and Accountability – takes responsibility for delivering agreed outcomes*

(Qantas Fact File, 2009)

3.3 Silverjet

Silverjet was the only airline to offer a private passenger terminal at London Luton Airport. The airline also had a private check-in area at Newark Airport located in the Arrivals area and separated from the other check-in desks, and used the executive terminal at Dubai International Airport for arrivals and departures. Prior to the suspension of operations on 30 May 2008, Silverjet operated services to Newark Liberty International Airport and Dubai International Airport. A proposed rescue package fell through on 13 June when staff were laid off and it was announced that the airline's assets would be sold.

Silverjet claimed to be the world's first "carbon neutral" airline. From launch all ticket prices included a mandatory carbon offset contribution to be reinvested in climate-friendly projects. In an interview with the Financial Times on 25 January 2007, Lawrence Hunt said: "It's no use people just sitting around thinking about climate change and pretending it is someone else's problem. That is what the airline business has done to date." In October 2007, however, their offset scheme was altered to give customers the choice on whether to accept the recommended carbon offset after the United Kingdom doubled the Air Passenger Duty.

Silverjet was a British all-business class airline headquartered at London Luton Airport, Luton, Bedfordshire, England

Vision, Mission, Goals, and Values

Vision, mission, goals and values could not be found.

3.3.1 My interest

In January 2007, Silverjet was awarded by The Institute of Transport Management as "Environmentally Aware Airline 2007" in recognition of the stance the company has taken regarding carbon emissions.

3.4 AirAsia

Since 2001, with a route network that spans through 20 countries, AirAsia together with associate companies, AirAsia X, Thai AirAsia and Indonesia AirAsia, AirAsia is a low-cost airline operating under the slogan: "Now Everyone Can Fly". Focusing on the low-cost, long-haul segment - AirAsia X was established in 2007 to provide high-frequency and point-to-point networks to the long-haul business. AirAsia X's cost efficiencies are derived from maintaining a simple aircraft fleet and a route network based on low-cost airports, without complex code-sharing and other legacy overheads that weigh down traditional airlines without compromising on safety. Guests continue to enjoy low fares, through cost savings that we pass on to guests. AirAsia's destinations are in Australia, China, India, Middle East and Europe.

Vision

To be the largest low cost airline in Asia and serving the 3 billion people who are currently underserved with poor connectivity and high fares.

Mission

- *To be the best company to work for whereby employees are treated as part of a big family*
- *Create a globally recognized ASEAN brand*
- *To attain the lowest cost so that everyone can fly with AirAsia*
- *Maintain the highest quality product, embracing technology to reduce cost and enhance service level*

Values

Safety *Adopting a zero tolerance to unsafe practices and strive for zero accidents through proper training, work practices, risk management and adherence to safety regulations at all times.*

Valuing Our People *Committing to our people's development and well-being and treating them with respect, dignity and fairness.*

Customer Focused *We care and treat everyone in the same manner that we want to be treated.*

Integrity *Practicing highest standards of ethical behaviour and demonstrate honesty in all our lines of work in order to command trust and mutual respect.*

Excellence in Performance *Setting goals beyond the best and reinforcing high quality performance standards and achieving excellence through implementing best practices.*

3.5 SAS Group

SAS was founded in Denmark in 1946. SAS Group is an airline company with 20,496 employees, 1,167 daily departures to 176 destinations over 30 countries; in 2008 the company flew approximately 29 mill passengers. SAS Group consists of Scandinavian Airlines, Widerøe, Blue1, cargo, SAS Ground Services, and SAS Technical Services. SAS Scandinavian Airlines was Europe's most punctual major airline during 2009. The groups revenue for 2008 was 53,195 mill. SEK. SAS keeps its focus on the home market, namely Scandinavia. SAS Group's head office is in Sweden, the Group has strong ties in both Norway and Denmark even so.

Mission

SAS Group Business concept

Through cooperating airlines the SAS Group will offer flexible and value-for-money air travel with a focus on products and services that meet the needs of business travelers in the Nordic region.

Vision

The obvious choice

Goals

Create value for its owners

Achieve a 7% EBT margin, equivalent to a CFROI of at least 25 % or earnings of approximately SEK 3.5 billion

Values

SAS's overarching shared values underlie our actions.

Consideration

We care about our customers and employees and acknowledge our social and environmental responsibilities.

Reliability

Safe, trustworthy and consistent in word and deed.

Value creation

A professional businesslike approach and innovation will create value for our owners.

Openness

Open and honest management focused on clarity for all stakeholder groups.

(SAS Group Annual and Sustainability Report, 2009)

3.5.1 My Interest

I was particularly interested in SAS as this was the airline in which had already disclosed a large amount of information in regards to their CSR online.

3.6 Chapter Summary

This chapter has introduced the airlines in this study. It has outlined the key numbers, vision, mission, goals, values, home country and my interest in each of the airlines. The vision, mission, goals and values are extracted from the companies' corporate communications, like annual reports, web sites, or other corporate documents. These airlines come from various countries with different strategies, business goals, market segments and destinations. Qantas is Australian, SAS is Scandinavian, Silverjet is (was) British, Virgin Group is American, though Virgin Blue is located in Australia. This chapter has also outlined key figures and traits of the countries in which the airlines were founded. As the last chapter will show, the geographical location might be an important predictor of CSR and thereon their relationship to communicating their CSR efforts.

4 Chapter - Methodology

This chapter will outline the research methodology. It will explain the choice of research methods, a mixed method of content analysis and interview, and evaluate it in terms of its usefulness, strengths and weaknesses, for the purpose of this research.

The method is a means of creating credibility of the findings in the research. The method is a tool for collecting data, and sorting the data in a sensible way. The purpose of the method is to have a tool to collect data, organise, reorganise, and analyse the facts in such a way that conclusions may be drawn, and tested.

In order to investigate the central research question, to what extent the airlines are communicating their commitment to sustainability issues, I utilised content analysis and interview. The data analysed consisted of annual reports, sustainability pages on the corporate web pages, code of conduct documents, and e-mail correspondence. The interview was conducted on SAS environmental director, and the in-depth interview was used to close the gap of information after reviewing the secondary data.

4.1 Considerations

4.1.1 Why Utilise a Research Method?

Regardless of the method used when undertaking research, one must be aware that the results may at some stage get biased, either by the researcher or by the view of the research object. Researchers acknowledge the need for rigor, logic, and coherence in their methodologies, which are subject to peer review. When conducting a data collection, two conditions must be in place:

- The data must be valid and relevant
- The data must be credible and believable

4.1.2 Ontology, Epistemology and Method

Ontology is the philosophical study of being, existence, and reality in general. It is the study of what exists, the basic categories of being and their relations. Ontology asks the questions about which entities exist, or can be said to exist, and how such entities can be grouped, and organised within a hierarchy. Your ontology is shaped by your view of the world and humanity. Different worldviews and different views of humanity will to a large extent affect how you limit and conduct your research.

Epistemology is the theory of knowledge. It belongs in the branch of the philosophy concerned with the nature and scope of knowledge. It addresses questions like:

- What is knowledge?
- How is knowledge acquired?
- What do people know?
- How do we know what we know?

Giddens's (1976) in Aldert, Adler, Adler and Detzner (1995) claim that concept of the "double hermeneutic" is useful in that it clarifies the fact that researchers (re)construct what the actors they are studying have said or done. In this vein, researchers must be aware of the effect of their understanding—that is, knowledge production on the social world.

Some people claim that research is about discovering the truth, but on the contrary one might argue that research is about widening the spectre of what things may or may not be, via looking at something we know through a new theory, or just a different view of what we have done before. Our worldview and our view on humanity take the research in the direction of the methodology.

As supported by Nyeng (2004), the research method is about how to gather the data and knowledge in the best possible way. There needs to be a consistency between the epistemology (knowledge, what we know), ontology (reality, what is) and the method (questioning what we know of what is), and in this way there will be close connection between the researchers worldview and the research method.

4.2 Phases in the Research Process

4.2.1 Phase 1 Developing a research question

The starting point for undertaking a research project is often a question, or a series of questions about a known phenomenon. This first phase also includes a focus and deciding on the limitations of the phenomenon. The limitation helps eliminate parts of the problem, and decide what not to include.

There are two kinds of document research: 'source-oriented' and 'problem-oriented'. Source-oriented documentation research is undertaken when the investigation of the source material motivates the research. In this kind of research, one would begin from the position of having access to an archive or set of resources which one wishes to investigate. The 'problem-oriented' approach to document research takes as its starting point a problem which one has developed out of reading

other accounts or secondary sources. Here the documents are the object of analysis, but the research question has been generated as a result of reading secondary sources, and not the documents themselves. The problem oriented approach involves formulating questions by reading secondary sources, reading what has already been discovered about the subject and establishing the focus of the study before going to the relevant primary sources (Duffy, 1999).

This research is a problem oriented approach. I first decided on the field of study, which was very close to my personal interests, business ethics, communication and the aviation industry. From there on I took some time to get to know the research that had already been done in these fields. My initial interest was to observe if there was any difference between what was being communicated and what was actually followed through into policies and procedures in the everyday running of the airline companies, but measuring this difference can be problematic in terms of access, and thus I decided to limit my research to the communication part of this initial question. I tried and tested a number of research questions before I came up with the final version of the research question:

To what extent are the airlines communicating their commitment to sustainability issues?

The choice of the central research question is the first and a very important phase of the research development, where it works together with our own assumptions, knowledge, theories, and previous research, in summary, the project should bring together the academic and the personal interests, so try to match a personal experience with to the research (Stokes, p. 8, 2003). In order to get to the final version of the research question the researcher has to work through a process of clarification until the final version is unveiled. This is supported by Stokes (2003) where he states that once you have decided on a subject area you need to work on developing your research question. The research question is what will guide your project, so it is crucial that you define it very carefully. In my own work with this research, the research question has developed, changed and evolved, grown out of proportions and then changed again. It has been a long and sometimes frustrating process where I have had to makes changes and additions as I've learned more and more about the subjects and theories of my chosen field.

4.2.2 Phase 2 Choice of Research Design

After deciding on the central research question the next step is choosing the research design that is best suited. The research design will greatly influence the validity and reliability of the research. The research design needs to collect the relevant data for the research within the limitations that is imposed on the researcher, such as time and resources. The choice of research design will further

influence the research strategy. The strategy is determined by researcher's approach to the research and how the research will be conducted.

This research has utilised content analysis and interview. Content analysis is a highly flexible research method that can be applied to many problems in information studies, either as a method in itself or in conjunction with other methods (White and March, 2006). The research method is applied in qualitative, quantitative, and sometimes mixed modes of research frameworks and employs a wide range of analytical techniques to generate findings and put them into context. Content analysis is a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use" (Krippendorff, p. 18, 2004).

The value of the content analysis strategy to review scientific and professional literature has been addressed by Bubolz, Miller and Williams in Berrios and Lucca (2006), among others. According to these authors, several elements can be considered while conducting content analysis, these are the questions that inspired my research questions, as the point of the research is in basis the same, but the texts are different in nature, scope, purpose etc. From here on I looked further into the areas of corporate sustainability communications, and thus came up with the following sub-questions:

- 1. *Why are the airlines communicating their commitment to sustainability issues?***
- 2. *How much attention is given to sustainability issues in the texts?***
- 3. *What areas/issues are included in the texts?***
- 4. *What areas/ issues are excluded from the texts?***
- 5. *To what areas / issues do the texts give most attention?***
- 6. *How clearly is the material presented so that it may be accessible to stakeholder?***
- 7. *Are these airlines committed to sustainability issues?***

Content analysis allows rendering the rich meaning associated with organisational documents combined with powerful quantitative analysis. In that content analysis differs from hermeneutics or other purely qualitative procedures. Duriau, Reger and Pfarrer (2007) also add this positive side to the methodology: Also longitudinal research designs can be implemented because of the availability of corporate information through time, such as annual reports or trade magazines. Multiple sources of data can serve as inputs to content analysis, both internal and external to the firm.

And in addition costs can be kept low and the method can easily be used for small scale studies with minimal requirements (Duriau et al, 2007).

The research design is closely knit to the research question, as this question is aiming to understand and explain what happens in a given situation or phenomenon, namely CSR communication efforts. This is why, for the purpose of the central research question, that this research is utilising a mixed method research design.

4.2.3 Phase 3 Choice of Methodology

According to Nyeng (2004) a methodology is a planned way of conducting a research, but of course no one methodology can suit all researches. It is common to divide between qualitative and quantitative research methods, even though it is not always necessary to decide on one or the other, it is useful for the researcher to make a conscious choice of methodology. The overall consistency between ontology (reality/ what is), epistemology (knowing/ what do we know), and methodology needs to be present. By combining two or more methods of research, you can often achieve a more textured understanding of your object of analysis. The idea 'triangulation' is that one method confirms or reinforces another. Thus, interviews can provide a reinforcement of what one suspects from reading texts (Stokes, p. 27, 2003). The key to combine methods is to know why you are doing it; you need to think about what this adds to your study (Stokes, p.28, 2003).

This research has utilised a mixed method, of content analysis and interview. In this research the interview was intended to supplement the content analysis. As gathering text will give me as a researcher an understanding of what the airlines are trying to convey, an interview can confirm or reject my assumptions, and provide further insights into the phenomenon. Guthrie and Abeysekera (2006) stresses that the key to combination of research methodologies is to use dissimilar research methodologies that do not share the same methodological weaknesses (i.e. errors and biases) to increase the confidence in results (Singleton and Straits, 2005, p. 382 in Guthrie and Abeysekera, 2006).

Scholars within the cultural studies tradition, who may come from a background in the humanities, would be more likely to use hermeneutic methods of analysis typical of those employed in literary analysis (Stokes, 2003). Whatever our background, we all aim to prove a point in our research: we have to have something to say, and we use our analysis to support our claims.

The content analysis method may be used both as qualitative and a quantitative research method. Qualitative content analysis refers to the analysis of text, where text can mean actual words on a page, it may be a combination of words and pictures, a dialogue, a photo. The point of qualitative content analysis is not to make a generalised assumption, but rather to explore in depth the phenomenon at hand. Quantitative content analysis, on the other hand, is about counting the

occurrence of words, sentences, letters or expressions within a context, and makes assumptions on how much importance is given to a theme on the basis of exposure. This technique became popular in the 1950 in media research, where it would be utilised to explore the importance of certain themes within popular TV show or magazines. This research utilises a mix of the two methods. Firstly, it is qualitative in that it explores paragraphs and meanings in sentences in the documents, and secondly it uses content analysis to count the number of times certain words are utilised within the reports. Duriau, Reger and Pfarrer (2007) explains that content analysis can be conducted on two levels, firstly the manifest content of the text can be captured and revealed in a number of statistics. At a second level the research is interested in the latent content and deeper meaning embodied in the text, which may require more interpretation.

Furthermore word frequency has been considered an indicator of cognitive centrality. Scholars also have assumed that the change in the use of words reflect at least a change in attention. If not in cognitive schema. In addition content analysis assumes that groups of words reveal underlying themes, and that, for instance, co-occurrences of keywords can be interpreted as reflecting association between the underlying concepts (Duriau et al, 2007).

Qualitative research is based on the interpretation of the world according to concepts which are typically not given numerical values (Stokes, p.18, 2003). The purpose of a qualitative methodology is to gather qualitative data. The data may be collected in the shape of texts, interview transcripts, or meeting minutes (Nyeng, 2004). This data is not for counting, but for analysing. The qualitative methodology is built upon the hermeneutic science and research ideal.

4.2.4 Phase 4 Data Collection

In conducting a research project it is important to select a data collection method that will grasp the relevant data for the purpose of that particular research.

Internet searches: Most important for data in content analysis is that it can be useful in answering research questions. Another key factor is that the data is communicated i.e. they convey a message from a sender to a receiver (White and Marsh, 2006). In data collection for this research I decided to utilise key stages in corporate communication: The annual report is a very important communication tool for the corporation, where the corporation is sending a message to its stakeholders. The web pages are communication and so are the code of conduct, and the email correspondence. The content of these communication efforts will be outlined in further detail later in this thesis.

White and Marsh (2006) stresses that pragmatism determines the sampling and data collection unit, as in content analysis it is useful to let the research question determine the unit of analysis. The central research question in this research is: *To what extent are the airlines communicating their commitment to sustainability issues?*

The most obvious and logical way to start data collecting for answering this question is through the main communication channels the airlines are using, and given the limitation, the most accessible channels, which led this research to the airlines' corporate web pages, and annual reports.

As mentioned previously this research intended to stipulate the data from the content analysis with data from interviews. I contacted the airlines from my sample, and received two rejections, one interview, and two of the airlines did not reply. These emails (and one phone call) became part of the data I have utilised in this research. I intended to investigate the extent to which companies were committed to sustainability issues, in which transparency is key, and so I had to treat the e-mails as data, though this was not my original plan. This data satisfied the two key factors to data, as outlined by Marsh and White (2006): Firstly that they could provide a part of the answer to my research question, and secondly, that this was communication, conveying a message from the airlines to the researcher.

The interview: I also conducted an in-depth interview, this is often time consuming and extensive, but for the purpose of this research it was useful to get the input and understanding of the interview object and his understanding of the situation and phenomenon. I chose to do a semi-structured interview with the questions prepared in advance. When an interesting point came up, the semi-structured interview process allowed me to ask the interview object to explain further. It also gave me the freedom to strike some questions if the interview object had answered that question in answering another question. I also sent the questions to my interview object in advance for him to gauge an understanding of what kind of information I was after, and also prepare answers for questions that may require anything but a straight forward answer.

The interview was conducted over the phone. A tape recorder was utilised to record during the interview, as well as notes. I wanted to record the interview to be able to go back to the interview in case I was unsure of the answer, or to utilise direct quotes from my interview object. My interview object had no objections to the interview being recorded.

The differences in communication between telephone and face-to-face modes are more subtle and involve not only perceptual mechanisms but also social custom. Communication by telephone may be less intimate than in-person dialogue. The inability to see conversational partners (their facial expressions, gestures, and so forth) may lead to heightened uncertainty about the affective meaning behind their words and whether they understand what we are trying to convey (Miller and Cannell, 1982). In addition, nonverbal cues in face-to-face interaction, has to be maintained by verbal or paralinguistic utterances in telephone conversations.

The purpose of the interview is to gain as much relevant data from the interview as possible. Therefore the interview started with the more general questions, as to lead the interview object as little as possible. Because the interview was conducted over the phone I would miss out on things like body language, nods and facial expressions. These gestures can be of benefit in analysing what the interview object is communicating. The interview might feel more like a casual relaxed conversation if it is face to face as the interview object can see the interviewer and her body language as well. This would be beneficial as the interview object is more likely to share in this setting. I did however, given the constraints of conducting the interview over the phone, make sure to say the reassuring 'mhm' and 'yes' to make the interview object realise that I was listening with great interest. The interview went really well and the conversation had a natural flow throughout the interview. The authors Chareles, Fletwood-Walker, and Luck (1985) state that the qualities of the good listeners include flexibility, denoting an open-minded approach and avoidance of pre-set judgements, and listening carefully to unfamiliar as well as familiar ideas, which I was trying to do throughout.

4.2.5 Phase 5 How to chose objects/ documents

The sample size for the number of airlines for this study was based on the fact that I wanted data from different airlines, from different market segments, from different parts of the world. The research ended up with a sample of five airlines with differences in the basic geographical locations and market segments. I wanted at least one in the business class, one in economy and one in cattle class in order to observe differences and similarities in the way they were communicating their commitment.

Annual reports are used because organizations commonly signal what they perceive as important through the reporting mechanism. Important issues are featured, reported and discussed, whereas less important items are absent or relegated to low profile sections of the report (Gibson and Guthrie, 1996). Furthermore, what organizations choose to include in (and omit from) their annual

reports is a conscious decision that communicates a significant message to stakeholders (Guthrie and Abeysekera, 2006). In this research terms of choosing documents I had organisational communication (code of conduct) and mass communication in the annual reports and web sites. It can also be argued that the code of conduct is part of the mass communication, as it is publicly available and somewhat posing as an internal document.

An informant is a person that does not represent a group, but has extensive knowledge of the phenomenon. For the purpose of this research it was necessary to find an informant. A respondent is a person whom has direct knowledge about the phenomenon from experience. The respondent provides information about him or herself within the context of the phenomenon, and this will provide the researcher with primary data. In qualitative research one does typically not have the opportunity to interview many objects, and picking the exact number and the 'right' objects for producing representative data can be very challenging. The number of interviewees also needs considering. The research question should be the first consideration one must take to make this decision, but time and resources also determine how many interviews the research will include. A small number of interview objects may create a difficulty in answering the research question, and on the other hand a large number of interviewees may create too much data and the researcher drowns in data without being able to make the necessary analysis and organising of the data.

The data collection had to change to focus more on the e-mail correspondence and document analysis. I wanted to explore the communication efforts in the various airline companies, and so exploring the web pages became a natural choice for the analysis. I decided to concentrate on a small number of airlines, from various geographical locations. The reason for this was that I was to gain a further understanding of the geographical differences, even though all the airlines in this study are international in scope of flights. "The researcher must determine the significance of the documents being investigated (Stokes, p. 25, 2003)".

Access to informants can be an issue in research and researchers cannot always chose whom is willing to be interviewed. In this research I felt very lucky to get access to the environmental director for SAS Norway. On the other hand an in depth interview with SAS will perhaps give me further insight into SAS' case, but it is important to keep in mind that this is clearly a biased view. Providing information to this thesis gives SAS the chance to have a say in what is going to be published about them, and may also set them in a more favourable light with the researcher as they were the only cooperative airline in this study. For me as the researcher it is important to keep this in mind. In addition to having some control with what information to supply me with, I also sent my interview

object the questions on beforehand. This may have provided me with more elaborate answers in cases where the object had to do some research, but on the other hand it gave my research object the time to prepare answers and as a researcher I missed out on the objects natural reaction to the questions. This may have contributed to providing me with more 'polished answers' than if I had asked the questions directly.

4.2.6 Phase 6 How to Analyse Qualitative Data?

After conducting the interview and downloading reports from the web pages, I had an enormous amount of data, and hence some of the complexity of the data needs to be reduced. The data must be organised in such a manner that it can easily be analysed by the researcher for the purpose of the research. The analysis of qualitative data can be divided into three parts: 1.) To describe 2.) to categorise and organise, 3.) To establish links.

White and Marsh (2006) state that using computer software – primarily the search function in adobe PDF and noticing the context in which the word would come up. This research utilised to a large extent document analysis, the documents were public documents published on the airlines' web pages. For example the environmental report from SAS Brathens, annual reports, code of conduct documents and so on. The documents are important tools for the airline companies in order to communicate with their stakeholders; the documents are one of their most important form of self representation. When analysing documents it is very important to keep in mind that these are put together with an audience in mind, and may not be an accurate representation of how the companies operate. The documents were all available for downloading on the airline companies' web pages. When conducting document analysis there is always a risk of the company publishing only the data that puts them in a favourable view, it is therefore the researcher's task to keep a critical view of the information gathered from the documents. One way of keeping perspective is to always keep in mind to who the document may be aimed at, who has produced the content, and for what purpose the document was produced. Duriau, Reger and Pfarrer claim that computers can remove some of the tediousness of the methodology and facilitate collaborative work on a project. This research utilised the word search function in the adobe PDF to locate the location and number of occurrences of a word.

4.2.7 Phase 7 How Valid are the Conclusions?

This study used content analysis as a technique to identify and describe patterns in web sites, annual reports, and specified social responsibility reports for the identified hotel companies. According to Neuman (2003, p. 219) in Holcomb et. al. (2007) "content analysis is a technique for gathering and

analyzing the content of text. The content refers to words, meanings, pictures, symbols, ideas, themes, or any message that can be communicated". There are three ways of determining how successful the findings of the research have been:

Internal validity: Did the research gauge what it intended?

External validity: Can the findings be transferred to other studies?

Reliability: Is the data collected trustworthy?

Duriau, Reeger and Pfarrer (2007) states that central to the value of content analysis as a research methodology is the recognition of the importance of language in human cognition.

Content analysis can be non-intrusive, and therefore, does not suffer from researcher demand bias. This benefit is only applicable to existing texts or other source materials and not to interviews etc, where access to informants can be an issue (Duriau, et al, 2007).

Steenkamp and Northcott (2007) outline some of challenges with this method: The need for inference-making presents practical challenges. As Weber (p.62, 1990) notes that key issues in content analysis is that it is partly an art and depends on the judgement and interpretation of the investigator. Texts do not speak for themselves... the investigator must do the speaking. The role of the researcher in determining what data emerge from a content analysis is therefore crucial. The researcher has chosen the texts and the phenomenon and the questions to answer regarding these texts and thus the researchers own perceptions may greatly influence the way of the research.

First, the categories of classification must be clearly and operationally defined, that is, the units of analysis. Second, data capture must be systematic – it must be clear that an item either belongs or does not belong to a particular category. Third, content analysis must demonstrate some characteristics for reliability and validity. The interviewee is affected by the interviewer and the interview situation. What clothes the interviewer is wearing, his or her body language and so on can affect the interview object. This is called the interview effect. In my interview with SAS Braathens I tried to keep my language as neutral as possible as not to affect the response of my interview object. The interviewee was also not able to see my face or my appearance, which may have influenced the wording or nature of the information he provided. Human memory can be imprecise and thus register data incorrectly. Humans do not always remember the past correctly and may add their own perceptions and thoughts to the memory without being aware. In this research I have tried to be aware of the fact that my interview object is a human being that has subjective opinions at times.

There is also the risk that my own memory was coloured by my own perceptions when making notes after the interview.

“We talk about a project being valid if it is a well-designed piece of research which does what the researcher wants it to. Roger Sapsford puts it neatly when he says:

To ask whether a study is valid – or rather, the extent to which it is valid – is to ask about the status of the evidence. We are asking whether what is presented as evidence can carry the weight of the conclusions drawn from it, or whether there is a logical flaw (in measurement, in sampling, in comparison) which makes the conclusions doubtful or at least detracts from our belief in them (Sapsford, p. 9, 1999)”.

Keeping in mind that the documents are produced with the purpose of creating a favourable image of the company, may help when conducting the document analysis, as mentioned before: Just because it says so in the document does not mean that actual business policies and practices have been set in place to reinforce this.

4.2.8 Phase 8 The Discussion

The most common mistakes in the discussion phase will be discussed, along with the results of this research.

Large and small Mistakes

Small mistakes includes the mistakes that are damaging to the research’s credibility, but not catastrophic, like the selection of interview objects, small mistakes can however be avoided by consulting literature. Large mistakes can be much more devastating, by for example asking questions in such a way that there is only one correct answer: ‘What is the reason for the black labour market? Is it that their wage is too low? Is it that there are no consequences if they are caught? Etc. If you isolate and reduce an issue to being caused by only one factor, this is considered a large mistake. If the respondent says that the cause of the black labour market is that the labourers do not wish to pay tax, then this is the correct answer. The other factors also influence the black labour market, and the researcher needs to be aware that these factors are linked (Nyeng, 2004).

Background Knowledge

Data is dependent upon the background knowledge, and data involves dependency upon theory. This means that observations are not interdependent of our own terms and theories. There is always a factor of uncertainty related to the data we have collected as our expectations are flavoured by

our own view. Data is defined as claims that are inter-subjectively available and relevant in relation to the research question. The requirement of relevance contributes to the dependency upon theory.

Understanding Text and Actions

When understanding a text one draws upon your background knowledge. From these simple facts we have a tendency to create a story on the basis of our background knowledge. One assumes that there is a relation between simple facts, without there actually being one. Background knowledge plays a positive role in rationalising as we can read between the lines of a text.

Communication and Background Knowledge

Conversations between human beings are based on background knowledge. The cause of this is that a large proportion of what we wish to convey is not said directly, but between the lines. Therefore the ability to evaluate what background knowledge may be relevant important for a successful analysis.

Research on Commission

Research should be free and independent and not bound by any parties interests. Some research is commissioned by a third party. None of the airline companies in this thesis are commissioning this research. The interviews and all contact have been initialised by the author of this paper. There is however in any case a risk of the party the researcher comes into contact with will take on the role as a commissioning party. The researcher needs to be aware of this risk, and avoid it.

4.3 Validity and Reliability

Validity can be defined as legitimacy, and this revolves around how relevant the data and the analysis is in relation to the research question, this means that one is measuring what one intends to measure (Østbye, Helland, Knapskog and Larsen, 2002). Validity by definition says something about how well one manages to capture the concepts one is using on the theoretical level in the collection of data.

In conducting meaning oriented research the researcher must acknowledge and reflect on how he or she act to interpret and make the research data from the text: what forms of text will be included in the analysis, and the context the research questions affect the perceived relevance of texts and their meanings. If these issues are appropriately managed, content analysis has the potential to take the research behind the text as presented, to explore it meaning and significance in relation to a research question of interest (Steenkamp and Northcott, 2007).

A valid piece of work should demonstrate the relationship between the object of analysis and the method: the researcher should show that the choice of method was the correct one to make the desired point (Stokes, pp. 19-20, 2003).

The reliability of a research project says something about the reliability or accuracy of the measurements that have been made, and how well the quality of the collection is, as well as the analysis and the labour of the data (Østbye et. al., 2002). The validity and reliability of the data is also dependent upon the accuracy of the work associated with the interview and documents. The data from my interview with SAS would have been of higher accuracy if the tape recorder had worked as planned.

The concepts validity and reliability are used mostly in qualitative research methodology, but in this research the concepts are closely tied to the interview guide. I have tried to form my interview guide in such a way that finding the information I require from the interview is uncomplicated. The guide was made with the theories and the research questions in mind. It was not the intention of this research to draw generalisable conclusions, as may be problematic when conducting case studies. If I wanted to make conclusions that are generalisable I would have chosen a different approach. The purpose of doing this research in the form of a case study is to view the theories in the light of how actual companies communicate.

4.4 Further Limitations to the research

For the purpose of this research I initially chose to utilise semi structured in depth interviews, but as the willingness to be interviewed was somewhat mixed, I had to refer to the communication via e-mail, as well as one in-depth interview, and document analysis. The research may have produced further insights if my original plans of interviewing leaders in all the different companies had worked, it would also have been easier to make comparisons between the airlines, but not all were willing to be interviewed.

The recorder was however not as successful as I would have wanted, due to the phone line and the poor speaker on the phone it was virtually impossible to hear the recording after the interview was conducted. So instead of relying on the tape I made further and more detailed notes as soon as the interview was over. The semi structured interview would also have been very useful if my original plan of interviewing several airlines had gone through, as I would have the opportunity to compare the answers of the different airlines. Ideally I would have interviewed one informant for each of the airlines companies. In this research the idea was to interview one informant from each of the airline

companies, one informant would ensure my understanding of the phenomenon, without producing an information overload. However the unwillingness to be interviewed was not expected.

4.5 Chapter Summary

This chapter has outlined the research methodology utilised for the purpose of this study. The main ingredients in this chapter were a semi-structured in depth interview and extensive content analysis of secondary data. The data utilised for the content analysis were documents published by the airline companies on their corporate web sites. When conducting research it is important to keep in mind that biases can occur at almost any stage of the research process, and thus damage the credibility of the research. The way to avoid this is for the researcher to be aware of the pitfalls and take the appropriate measures to avoid these.

Chapter 5 - Findings

After conducting the data collection and methodology, I had a large amount of data. This chapter will present this data under the headings 'Facts', 'WebPages', 'Annual Report', 'CEO Statement', 'Code of Conduct', and 'My Query' for each of the airlines investigated in this research. 'Facts' refer to the set list of facts I found regarding the airline company; 'Web Pages' refer to the environmental or sustainability pages on the airline's corporate web pages, 'Annual Report' refer to the findings found from the latest available version of the company's annual report available for downloading on the corporate web pages; 'CEO statement' refers to a section within the annual report named either 'CEO Statement', CEO Comments or something similar; 'Code of Conduct' refers to a document stating the expected behaviour from the company employees, management and sub contractors, this document had to be available for downloading from the corporate web pages in order to be included in this study; 'My Query' refer to the way in which the airline company responded to my query in regards to this research.

5.1 Virgin Blue

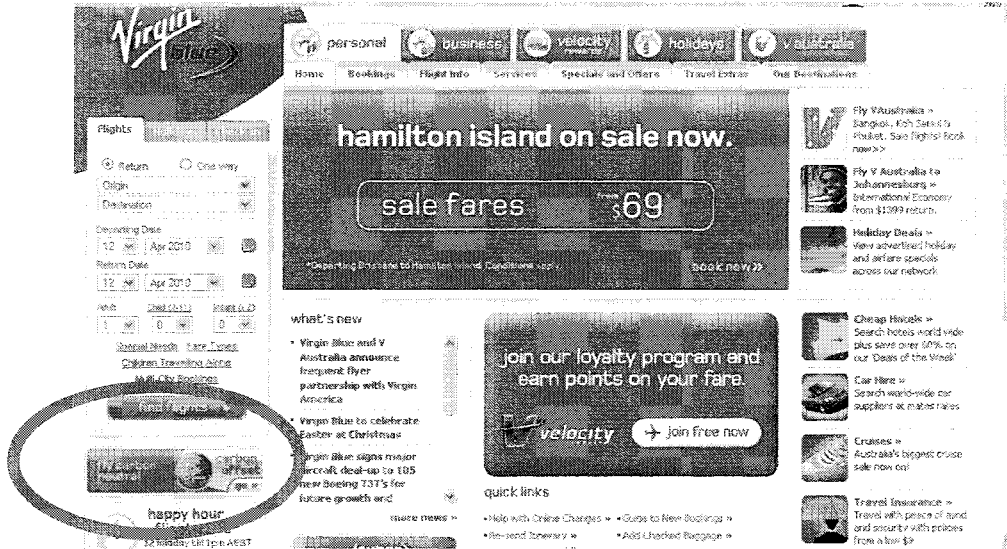
Virgin blue is in the smaller end of the scale in relation to the other airlines with its 5,952 employees, and revenue of approximately 14,229 mill NOK* in the last year (*based on exchange rate AUD to NOK as of April 8, 2010). The Group emitted 2,200,640 tonnes –e CO2 last year, the 2008 emissions are not disclosed. About 18,2 million passengers flew with Virgin Blue in 2009, which averages to approximately 120 kilos of Carbon per passenger. Virgin Blue does not seem to have any environmental certification, through the sustainability pages in the annual report list various memberships and associations which are related to environmental efforts. These are Greenhouse Friendly Australia, national packaging Covenant, Sustainable Aviation Fuel Users Group (SAFUG), and the Aviation Global Deal (AGD). The details on findings regarding Virgin Blue is outlined in Table 5.1.1 (Appendix)

5.1.1 Web Pages

Virgin Blues web pages can be viewed on www.virginblue.com.au, where the Carbon Neutralising pages are the head seat for the environmental information the group has decided to disclose. The pages are easy to navigate, and the environmental pages are centrally located and easily accessible from the very first page, see Fig. 5.1.1, where the access to the environmental pages is highlighted. The pages further on list Virgin Blue's environmental efforts, memberships and certifications. There is no reference to environmental failures or to the GRI Guidelines. The pages do not list carbon emissions from the last year, or from 2008. The Code of Conduct is available for downloading from

the web site under the Investor Information section of the pages. See Table 5.1.2 (Appendix) for further details on the web page findings.

Fig. 5.1.1 Virgin Blue's first web page



5.1.2 Annual Report

Virgin Blue does not publish an environmental report or a sustainability report. Of the 60 pages in the annual report for 2009, 2 were dedicated to the environment. Virgin's most recent annual report, 2009, is available for downloading on their web site. The report has a section dedicated the environment, with environmental efforts listed. The certification icons are pictured on the environmental pages. There is not any reference to environmental failures in the annual report either. The report discloses the Group's emissions for last year, as opposed to the web pages, but fails to list the emissions for 2008. See Fig. 5.1.2 below for the visual expression of the Environmental pages and to gage an impression of the amount of information disclosed on these pages. The annual report does not mention the following stakeholders: Suppliers, Industry, NGOs, or Competitors. It does however mention the environment, community, Government, Employees, Shareholders and Passengers. See Table 5.1.3 (Appendix) for further details regarding the Annual Report Findings.

Fig. 5.1.2 Pages with environmental information in Virgin Blue's Annual Report 2009



5.1.3 CEO's Report and Chairman's Report in the Annual Report

Virgin Blue's annual report contains both a CEO's report and a chairman's report. Each of the reports is one page and both feature a large photo of the CEO/ chairman on opposing page of the report, see Fig. 5.1.3 and 5.1.4. Virgin's report can be downloaded in Adobe PDF. There are no subheadings in the reports. None of the reports mention the community, or the environment. Table 5.5.1 (Appendix) shows full details of the findings in the CEO's Report and Chairman's Report in the Annual Report.

Fig. 5.1.3 Virgin Blue's CEO Report

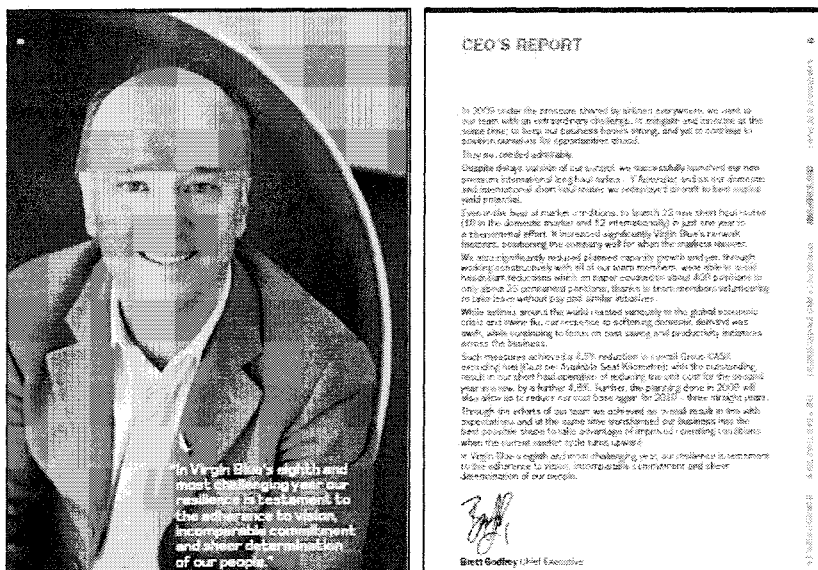
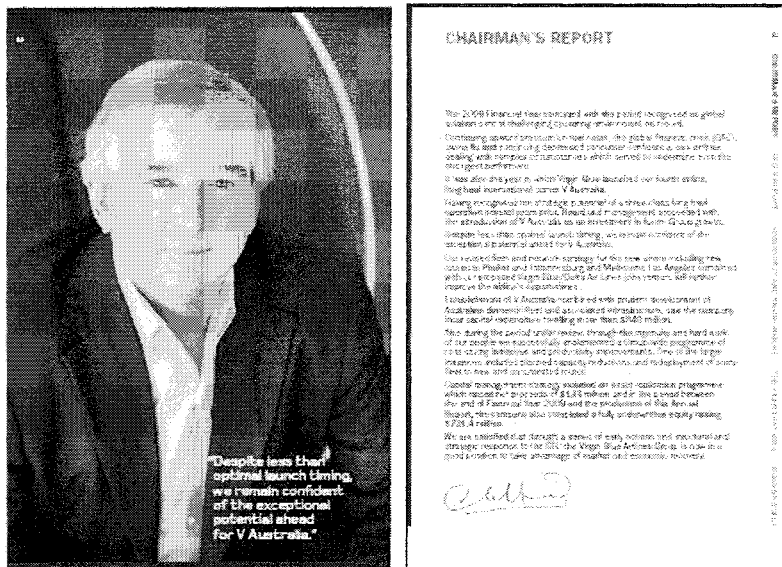


Fig. 5.1.4 Virgin Blue Chairman’s Report



5.1.4 Code of Conduct

Virgin Blue’s Code of Conduct is available online where it can be found under the Investor Information section. The document has a specific section dedicated to the environment, but does not mention the word ‘stakeholder’ or ‘passengers’/ ‘customers’ anywhere in the report. The report does however mention Employees, Management, Shareholders, Suppliers, Industry, NGOs, Competitors and the Community. Virgin Blue has two Code of Conduct documents: The first is named ‘Code of Conducts for Directors and Senior Executives’, and the second one is named ‘Virgin Blue Guide to Business Conduct’ which is aimed at all other employees, suppliers, contractors, and licensees. None of the reports mention the word transparency or encourage their employees to communicate openly. Under the ‘Community’ section in Virgin Blue’s Guide to Business Conduct the text reads as follows:

We strive to be trusted corporate citizen and to operate in a manner which encourages lasting, beneficial, and interactive relationships with the communities in which we operate.

See Table 5.1.5 for full details on the findings regarding the Code of Conduct.

5.1.5 My Query

I contacted Virgin Blue initially as I thought it would be handy to interview an airlines located in Brisbane, where I was writing my thesis. I contacted Virgin Blue on the e-mail listed on their web

pages, and requested an interview, my contact with Virgin Blue is outlined in Table 5.1.6 (Appendix). Virgin Blue declined on the interview request, Fig. 5.1.5 is a copy of the e-mail I received.

Fig. 5.1.5 Response from Virgin Blue

Hi Maria

Thank you for your email which has been forwarded to me. As you can understand we get many hundreds of requests similar to yours and because of this large volume we have a policy of not conducting these interviews - there are just too many! Also, some of the information you are requesting is commercially sensitive for us and therefore we are not able to discuss it with external people.

I hope you understand our situation. We wish you the very best with your studies.

Kind regards

Laura

5.2 Qantas

From the time I started to write my thesis to when I was wrapping it all up, Qantas is the airline that seems to have expanded their environmental focus the most. Qantas' head office is located in Sydney, Australia. Qantas carried approximately 27,7 million passengers in 2009, and emitted about 11,905, million tonnes of CO₂, which averages to about 429 kilos of carbon dioxide per passenger. Qantas Group employs 27, 636 people across their operations. The group's total revenues for last year was about 63,234 million NOK* (*as per exchange rate April 8, 2009). Qantas environmental memberships and certifications are the FTSE4GOOD, and the Dow Jones Sustainability Index. Table 5.2.1 (Appendix) outlines the complete findings in regards to Qantas Group facts.

5.2.1 Web Pages

Qantas Group's web pages can be accessed online on www.qantas.com.au, one can easily offset your ticket when purchasing it online with Qantas, as one can either access the 'Carbon Neutralising' pages from the first pages, as shown in Fig. 5.2.1, where the link 'Fly Carbon Neutral' is highlighted, or when you order a ticket, the option to carbon neutralise comes up on the payment page. Qantas' web pages has a specific section dedicated to the environment, under the 'Our Company' link from the first page. These pages disclose the CO₂ emissions from the past five years, Table 5.2.2 (Appendix) further outlines findings in regarding Qantas' web pages.

Fig. 5.2.1 Qantas home page



5.2.2 Annual Report

Qantas releases its annual report in two formats: firstly there is an online version, and secondly a PDF version. The annual report has a specific section dedicated to the environment, this section have been cut back in the PDF version, this report is however referring to the online version on the contents page where it says “An online version of this Report, plus additional sustainability and investor information, is available at Qantas.com/annualreport”. Qantas’ annual report mentions all of its relevant stakeholders at some stage in the report. This report is also third party reviewed by KPMG. Table 5.2.3 (Appendix) outlines the full details of the findings.

5.2.3 CEO’s Report and Chairman’s Report

There are both a CEO’s report and a chairman’s report in Qantas’ annual report for 2009. The reports are approximately one page each and feature large photos of the CEO and the chairman respectively. The main focus of the reports seems to be the 2009 Global Financial Crisis, and how the airline coped. Both of the reports use sub headings, but no one section is dedicated to the environment or sustainability. The sub headings read as follows: ‘Highlights’, ‘Global and Australian context’, ‘Qantas Group Response’, ‘People, Outlook’, ‘Restoring our reputation’, ‘Managing for the Long Term’, ‘Two Brand Strategy’, and ‘Transforming for Sustainable Success’. The last section ‘Transforming for sustainable success is outlined in Fig. 5.2.2. The CEO and Chairman’s reports do not mention stakeholders, the environment or the community. See Table 5.2.4 (Appendix) for full details on the findings of Qantas’ CEO and chairman’s reports.

Fig. 5.2.2 'Transforming for Sustainable Success' in Qantas' annual report

Looking ahead, the leadership team is focused on creating a lean and responsive organisation. We have stripped back management layers to speed up decision making and to give our frontline people more power. We are working internally, and with suppliers, to lower our cost to serve, and to streamline business processes. We are listening to our customers, and engaging our people to deliver consistently excellent service. In these challenging times, we are seizing the opportunity to transform for sustainable success.

5.2.4 Code of Conduct

The Qantas Code of Conduct is available online. The report has a section dedicated to the environment, and the report mentions all the relevant stakeholders, with the exception of NGOs. In the Code of Conduct there is a section on stakeholders, Fig. 5.2.4 shows the groups code for stakeholder communication. Fig. 5.2.5 shows an excerpt from the environmental section. See Table 5.5.2 (Appendix) for further findings on the Code of Conduct.

Fig. 5.2.4 Qantas on Stakeholder Communications

The Qantas Group is committed to facilitating effective communication with its external stakeholders.

Fig. 5.2.5 Qantas on the Environment

The Qantas Group's long term strategy is based upon:

- robust measurement and transparent reporting of its environmental footprint.*

5.2.5 My Query

My initial contact with Qantas was through phone, as I could not find an e-mail or a specific person to contact on the web pages. I called the airline office, introduced myself and my query. I was put through from one person the next, reintroducing myself and my query to all in all 7 different people over the course of about 47 minutes. I ended up talking to someone in corporate communications who provided me with an e-mail address, media@qantas.com.au, and instructed me to send my query there. I sent my request the same day, see Fig. 5.2.3 Interview request to Qantas. I did not receive a reply. I tried resending the e-mail a number of times, but with no other outcome. Table 5.6.2 (Appendix) outlines my contact with Qantas.

Fig. 5.2.3 Interview request to Qantas

Hi,

I am referring to a conversation today, Monday March 17, with Lloyd at Corporate Communications, where I was enquiring about an interview. My name is Maria Tornes. I am an international student from Norway writing my master thesis about the airline industry and corporate social responsibility. I would like to interview someone who could tell me about the company, the Qantas values, social responsibility, code of conduct, the sponsorships, the carbon off setter and so on?

Kind regards,

Maria Tornes

5.3 Silverjet

Unfortunately, Silverjet closed its operations in June 2008, and I was not able to do any further research on this airline. This is the reason why the data collected on this airline is rather scarce. Silverjet did not have any environmental certifications memberships in organisations that promote environmental behaviours, but it did however receive an award for being the 'Environmentally Friendly Airline of 2007'.

5.3.1 Web Pages

The web pages were available on www.flysilverjet.com. There is no annual report available or code of conduct.

5.3.2 Author's Query

Silverjet won an award for being the environmentally conscious airline of 2007. I sent an e-mail to the e-mail address on their web site, Table 5.3.2 (Appendix) contains the details of my contact with Silverjet, and Fig. 5.3.1 contains the response.

Fig. 5.3.1 Response from Silverjet

Dear Maria,

Thank you for your email and your interest in Silverjet and our Carbon Neutral scheme. We unfortunately have no such appointed person that would be able to speak with you, but please check our website, <http://www.flysilverjet.com/>, for more info on our carbon neutral

scheme.

Kind Regards,

Nicole Mitrovic

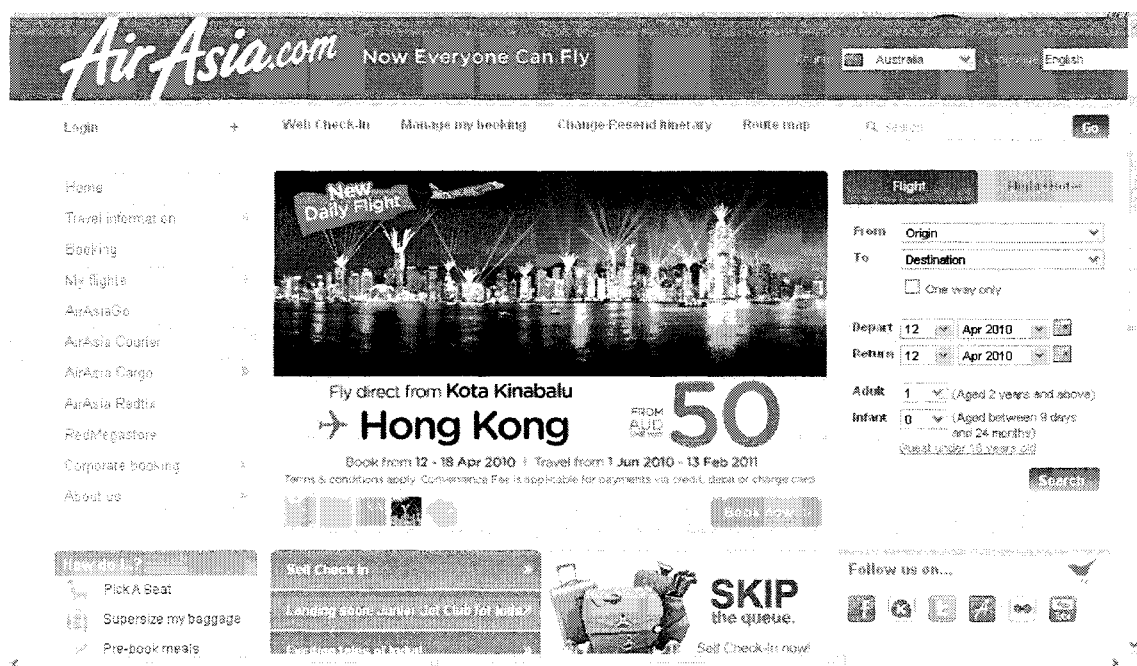
5.4 AirAsia

AirAsia is the only Asian airline in this study, and also the only airline with a purely low-cost market focus. The airline's head quarter is in Singapore and employs approximately 3,800 people. In 2008 AirAsia carried approximately 11, 8 million passengers and generated about 4,744 million NOK. The airline does not disclose CO2 emissions. AirAsia has no environmental certifications or memberships. Table 5.4.1 outlines the facts findings in regards to AirAsia.

5.4.1 Web Pages

AirAsia's web pages is available on www.airasia.com. There is no specific section or page dedicated to the environment or sustainability in these pages. Fig. 5.4.1 show the first page on AirAsia's web pages, and it is apparent that there is no reference to sustainability or carbon offsetting, as there is no option to offset your carbon contribution by flying with Airasia's tickets. When I first stared analysing the web pages of the airline there were a portion of the pages dedicated to sustainability, where the airline's environmental efforts were listed. These pages have however been removed. Table 5.4.2 outlined further findings regarding AirAsia's web pages.

Fig. 5.4.1 AirAsia.com first page



5.4.2 Annual Report

AirAsia's annual report is available for downloading on the company's corporate web sites. The most recent annual report is 2008. In the annual report there is a section dedicated to sustainability, on a first glance it looks as if the airline is making environmental efforts. The headline reads 'Red heart, green mind', is colourful in look and features AirAsia employees getting involved with endangered animals, see Fig. 5.4.2. However the text reveals that AirAsia's view of helping the environment does not involve sponsorship or support for the sanctuary in any way, but 'educating the staff'. Reading further along it is evident that 'green mind' is about recycling paper. Table 5.4.3 (Appendix) outlines the findings regarding the annual report.

5.4.3 CEO and Chairman's Reports

In AirAsia's chairman's three-page statement there is one mentioning the environment, the 'external environment'. Most the pages are filled with photos, and I cannot help but notice that there is one photo of the aircrew, which are all young, slim, beautiful women. Table 5.4.4 (Appendix) provides further findings in regards to the CEO statement and chairman's report for AirAsia.

5.4.4 Code of Conduct

There is no Code of Conduct available for downloading or viewing on the airlines web pages.

5.4.5 Author's Query

I contacted AirAsia through their contact form on their webpage, but never received a response. Table 5.4.5 (Appendix) outlines the contact I've had with AirAsia in regards to this research. Fig. 5.4.5 contains the query I sent through to AirAsia via their web pages.

Fig. 5.4.5

Dear Mr. Aziz,

my name is Maria Tornes, I am a Norwegian student, writing my master thesis on the aviation industry and Corporate Social Responsibility. After looking on AirAsia's websites I noticed the many awards and the promising future the company has, and so I was wondering what the company does in terms of Corporate Social Responsibility? Does it support the local community? How about fairness within the company? Is the company planning to adopt 'green strategies' to reduce it's carbon emissions?

May I have a quick interview with you regarding AirAsia's corporate social responsibility? An interview or a e-mail response to my questions would be greatly appreciated.

Thank you,

Maria Tornes

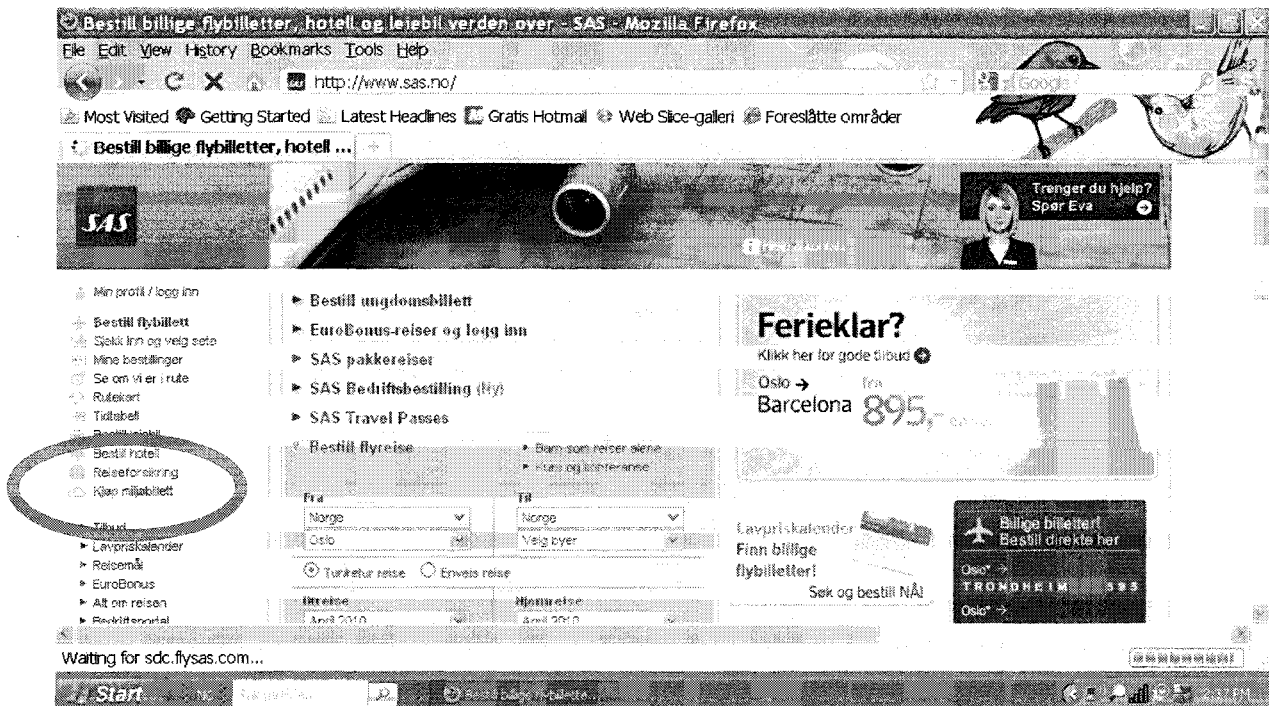
5.5 SAS

SAS is the only Scandinavian airline in this study. The company's head office is located in Sweden, and it employs 18,768 people. SAS is ISO certified. Table 5.5.1 (Appendix) outlines the SAS Group findings.

5.5.1 Web Pages

SAS Group's web pages are available on www.sasgroup.com or through the individual airlines' web pages, like www.flysas.no. A large portion of the group's web pages are dedicated to the environment, and there are numerous links from the country sites to the group sites for further information. There is an option to carbon offset your tickets with SAS, see Fig. 5.5.1 where the carbon neutralising option is highlighted.

Fig. 5.5.1 SAS Norge's first page



5.5.2 Annual Report

SAS publishes an annual report as well as a sustainability report that are available for downloading on their web pages. The 2009 annual report is named 'SAS Annual and Sustainability Report 2009'. It

consist of 128 pages, out of which 19 are dedicated to the environment. These pages list the airline's environmental efforts, failures, and impacts. The annual report mentions all the relevant stakeholders. The entire report has been reviewed by Deloitte. The CO2 emissions are available in the sustainability section where they can be compared to last year's emissions. The contact person for the annual report is listed with full name and phone number. Table 5.5.3 (Appendix) outlines the full findings of the SAS Group annual report.

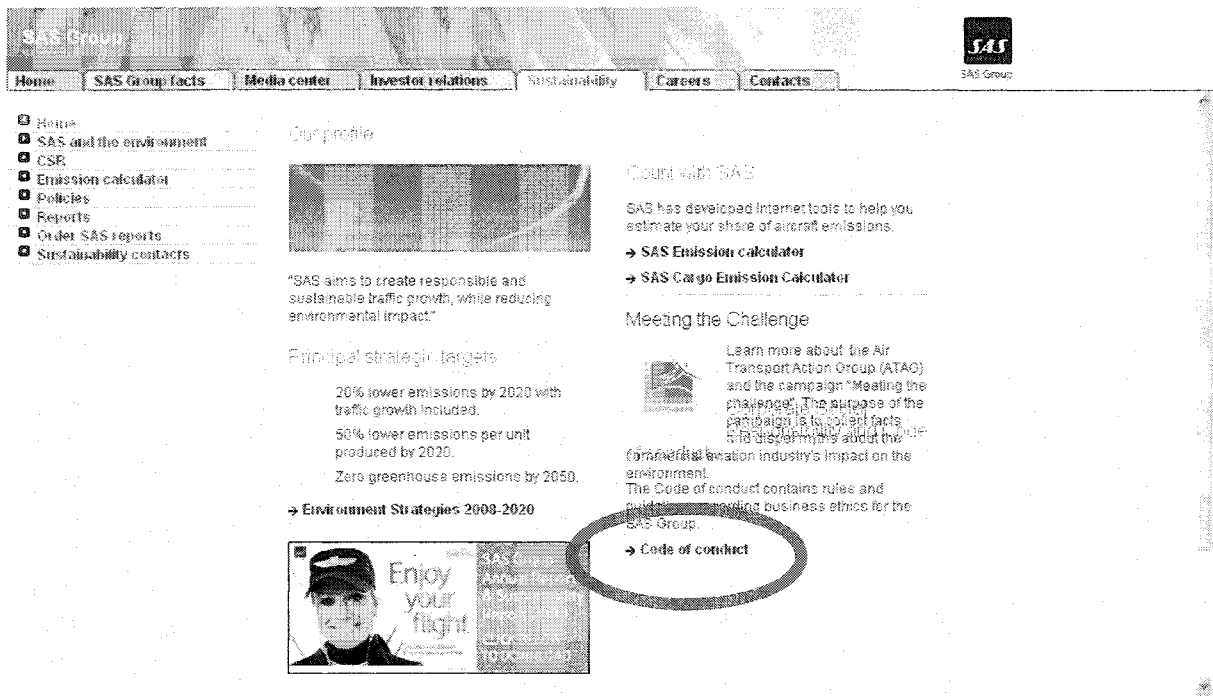
5.5.3 President's Comments

SAS's annual report has a 'President's comments' section, which is two pages long, and a third of the first page is a photo of the president, and a quote "A lot of energy is going into finding the best solutions." The headings in the section is as follows: '2009 in brief', 'Market and competition', 'we take care of your time', 'our commercial initiatives', 'our employees', 'climate and the environment', 'further optimization and a stronger financial position', 'rights issue proposed', and 'a leaner SAS is an assurance for the future'. As the subheading suggest, the 'climate and environment' section is dedicated to the environmental impact. The environment, in terms of 'natural environment' is mentioned three times in the President's comments, all three are however limited to the 'Climate and Environment' section. The 'President's Comments' further on mention all relevant stakeholders of the company, with the exception of suppliers, the community, and NGOs. Table 5.5.4 (Appendix) outlines the further findings in the 'resident's comments'.

5.5.4 Code of Conduct

The Code of Conduct is available for downloading on the Group web site, where a link can be found in the Sustainability section, see Fig. 5.5.4 SAS Group Sustainability pages where the link to the Code of Conduct is highlighted. The Code of Conduct document is 20 pages with guidelines to the SAS employees, suppliers, management, and sub contractors. The document outlines the expected behaviour for these. The SAS Group Code of Conduct mentions all of the relevant stakeholders for the airline, and although there is no contact person listed for this specific document, there is a section on how to progress if one feels like the code of conduct is no being maintained.

Fig. 5.5.4 SAS Group Sustainability web pages



5.5.5 My Query

I initially contact SAS via the e-mail that was listed on the Group’s Sustainability pages. I received a reply very soon afterwards, Fig. 5.5.5 contains the response from SAS. One can always just call the environmental director, Helge Hafstad, as his number is available on the web pages. On my initial contact with SAS, this was the very positive response I received:

Fig. 5.5.5

Hei Maria,

Vi er åpne for å delta på slike oppgaver, og har allerede i år deltatt med informasjon til flere oppgaver.

Du må gjerne kontakte meg på telefon, så kan vi diskutere litt rundt dette og hva du trenger. Om det er SAS konsortiets arbeide du er ute etter så anbefaler jeg at du kontakter Niels Eirik Nertun, mens jeg kan svare for SAS Norges implementasjon av dette. Det er klart stor grad av samstemthet her, så i første omgang kan vi sikkert avklare omfang gjennom en samtale.

Og, ja takk - vi setter pris på å motta en kopi av oppgaver vi deltar med informasjon til.

Maria Tornes

Vennlig hilsen

Helge A. Hafstad

Chapter 6 Discussion

In today's modern climate, passengers and other stakeholders of the aviation industry are being increasingly informed and enlightened about sustainability issues. This has subsequently increased pressure on the aviation industry to respond to the challenges of climate change and to address the impact their operations have on the environment. One key aspect of their response to environmental criticism forms the focus of the project, namely:

To what extent are the airlines communicating their commitment to sustainability issues?

This thesis has so far introduced the problem at hand and the theory at the base of this research: business ethics theory and communication theory. Secondly this thesis has introduced the airlines, and briefly their home countries. This thesis then went on to outline the methodology: content analysis and interview, and in the last chapter it presented the findings of the research in words tables and figures.

This chapter will aim to investigate the main research question through addressing the possible answers to the sub-questions posed in the methodology chapter:

- 1. Why are the airlines communicating their commitment to sustainability issues?***
- 2. How much attention is given to sustainability issues in the texts?***
- 3. What areas/issues are included in the texts?***
- 4. What areas/ issues are excluded from the texts?***
- 5. To what areas / issues do the texts give most attention?***
- 6. How clearly is the material presented so that it may be accessible to stakeholders?***
- 7. Are these airlines committed to sustainability issues?***

The central dilemma seems to be similar to the dilemma between Elkington and Milton's view on CSR: One of the scholars is saying that business must keep all three aspects of business intact when conducting business, and the other one is saying that the only part of business a company must consider is that of profits. The dilemma is the same for the aviation industry, should they take all aspects into account, or is their only focus to maximise profits and also keep helping the international business society to do so. On one hand one might argue that flying is not sustainable at all, full stop. And on the other hand one could argue that the international business world, and thus economic and social prosperity, relies on this industry in particular.

The question is then, are these airlines committed to the triple bottom line or to Milton Friedman's view that businesses need only follow the law? It is hard to measure commitment, but the first step in measuring commitment is to look at what these airlines are communicating to their stakeholders.

6.1 Incentives for Corporate Social Responsibility

In order to answer the first of the sub questions, *why are the airlines communicating their commitment to sustainability issues*, it is useful to look at the theory on incentives for CSR on why companies might choose to behave in a socially responsible manner. This theory assumes that corporations are adopting a consequential view of ethics, where the goal justifies the means. This next section will discuss the elements of the incentives for CSR in relation to the findings.

Business is often talked of as a selfish interest, as it is revolving around how to maximise profits. Ethics revolves around doing the right thing, and is most often perceived the good for the masses. On this basis it could be discussed whether it is possible to unite ethics and business. It could be useful to discuss if ethics and business are equal values for the airlines in this study, and then on if the three components of the Triple Bottom Line are equal. The Triple Bottom Line expresses which areas of responsibility need to be covered for the company to call itself socially responsible.

The airlines in this study, Virgin Blue, Qantas, AirAsia, Silverjet and SAS, are all dependent upon society in order to continue to grow and be the market leaders in their segments. The airlines are dependent upon trust from their passenger in order to maintain their customer masses. In order to maintain a good reputation it is important to step up to the social responsibilities. A positive reputation is of great importance for the growth in passenger numbers, and the airlines are all dependent upon their customers in order to maintain their positions in the market. SAS, Qantas and to a certain degree, Silverjet, promote their environmental efforts as if they were intended to promote the wellbeing of society at large, but at the same time, fulfilling these responsibilities are in the interest of the airlines themselves. The airlines need to fulfil their social responsibilities and thus the airlines are achieving what they intend, and in this way one might argue that behaving in a socially responsible manner is purely self interest. SAS, Qantas and Silverjet's social responsibilities therefore function as necessary efforts in order to maintain a strong position in the market. Simultaneously this self interest will be beneficial to society. These airlines create employment, the governments earn on taxes and fees, the passengers get safely from one destination to the next, etc. Airlines are, as previously outlined, a major contributor the global economy and provide vital transport for people, goods and services. The airlines' self interest means a great deal for the common good in society.

6.2 The Airline as a Corporate Citizen

A good social citizen is more sensitive to the interests of others than to self interest and make ethical evaluation of what is the right course of action in various situations. The company is dependent upon society in order to exist, and in this way a corporation may be viewed as part of society, or as a

corporate citizen. Many companies regard social responsible strategy a necessity in order to safeguard a stable corporate environment and a good reputation. As a corporation, these airlines are part of the greater society and could be viewed as corporate citizens. A citizen thus has an interest in the common good of society, in this way the airlines are acting also out of an interest in the common good. As a citizen the social responsibility is important to these airlines and the other actors in society.

6.3 Reputation

The media has a strong influence, and thus it is necessary for companies to maintain a positive media profile. A positive media profile means good advertising for the airlines in this study. If unfortunate events should occur, this will quickly receive negative media coverage. An event such as this would be against the general norm and society, and would in this way harm the company's reputation. Such an event would thus influence the company's market position and customer base. This would also be the case for the airlines in this study; it is therefore an important incentive for socially responsible behaviour.

6.4 Recruitment

The competition for the best employees is hard, and with the airline industry expecting to grow it is reasonable to assume that the airlines will need to expend their operations and number of employees, however last year's global financial crisis was tough on the industry. In order to recruit and attain the best employees these airlines need the competitive advantage of having the same values as the applicants.

6.5 Adjusting to the market

It is important that the airlines adjust to their passengers' needs. We live in a time where technology is continually developing and the world is increasingly informed. Thus passengers' demands to quality, price and comfort are increasing as the customers gain access to more information and knowledge. It is important for the airlines to adjust to this market before their competitors in order to maintain their market position. If the airlines focus on innovation, and provide new and better solutions, they have a much better opportunity to gain a competitive advantage.

6.6 Better use of Resources

As outlined in the findings, some of these airlines are listing their waste management as an environmental effort. Effective waste management and recycling is an important environmental effort, which is at the same time cost reducing. The waste management efforts are probably economically motivated. SAS is ISO 14001 certified, which shows that SAS' environmental

management system has been measured up against an international standard for good environmental management, and it is certified thereafter. This certification also demands that the company set goals in relation to the environment. This certification is also performed by an independent third party, who checks numbers and efforts, and thus it is easier to trust that SAS is actually reducing its environmental impacts to the minimum.

6.7 About the Airlines

6.7.1 Size and location

The previous section looked at why the airlines might be communicating their commitment to CSR. It did so through the previous research on incentives for behaving in a socially responsible manner. This section will explore this question further, but rather than incentives for CSR, it will look at the facts about the airlines as found via the research, and compare these to previous findings in relation to communicating commitment and size and location of corporations.

SAS and Qantas are the largest airlines in this study: SAS employs 18,786 people, carried 24,9 million passengers in 2009, and made a revenue of approximately 36 million NOK. Qantas' revenue was nearly twice as much. The airline has about 27,500 employees, carried 27,7 million passengers in 2009. In comparison Virgin, Silverjet and AirAsia employed approximately 6000, 420, and 3800 employees consecutively, and are clearly smaller companies than SAS and Qantas. SAS and Qantas are also the two companies that stand out in this study as the two companies that disclose a far greater amount of social and environmental information overall. Qantas and SAS were for example the only airlines in this study that disclosed both the 2009 greenhouse gas emissions as well as the 2008 emissions. Previous research suggests that the amount of information disclosed is positively linked size (Crane and Matten, 2004). It would therefore make sense that the largest two companies in this study are disclosing more sustainability information than the smaller companies.

A lot of research has also been focused on geographical differences of Corporate Social Responsibility. This research has in short found that economies like the US and UK, where shareholders traditionally hold a lot of power, there is a tendency for more secrecy and companies tend to blame things like competitive sensitive information in order to not disclose on their social and environmental performances. Qantas is Australian, and Australia has traditionally had close ties with the UK economy as well as the US, and this would indicate that Qantas should be more secretive and disclose less information than for example Scandinavian Airlines, SAS. However, Qantas is a much larger company than SAS, and it is not certain that a company of SAS' size would

disclose as much information as SAS, due to the geographical differences. In revenue terms, SAS is closer to Virgin Blue, but in terms of sustainability disclosure the two companies are worlds apart.

6.7.2 Environmental Certifications

In order to answer the sub question, *are the airlines committed to sustainability issues*, it was useful to look at the environmental certifications these airlines were communicating their commitment to. An environmental certification is a standard of which the airline needs to be certified in order to use their logo and certification. This certification can only be done by an independent consultant, and the idea is to ensure that corporations are following up on their environmental promises. This section looks at these in relation to the findings in further detail.

The environmental certification listed on Qantas' webpage the Dow Jones Sustainability Index has been criticised as it makes its judgements based solely on the information supplied by the corporation itself (Crane and Matten, 2004). The idea is third party checking, but if the information provided from the company is in fact not checked, then the point of having a 'sustainability index' is lost.

On the other side of the argument there is the third party check, an initiative suggested by the GRI in order to ensure credibility and validity, an independent third party, like an accounting firm, will check the information and write a report on their findings in relation to what the company is claiming to do. Both SAS and Qantas' reports were third party checked.

6.8 Web Pages

This section will discuss the findings the methodology produced from analysing the corporate web pages, and discuss these in light of previous research in the field. It will address the following sub questions:

How much attention is given to sustainability issues in the text ('text' is here referring to the web pages)?

Which areas / issues are included?

Which areas / issues are excluded?

How clearly is the material presented to that it may be accessible to stakeholders?

In recent trends shareholders are relying on more immediate information sources to assess company performance and to make investment decisions. The continuous disclosure regime (for listed

companies), the Internet and websites, and even print and television news media are now preferred sources of information because of their immediacy (Grey, 2004).

6.8.1 Web Pages Dedicated to the Environment and Environmental Efforts

This section will aim to answer how much importance is given to sustainability issues in the text. In order to determine how much attention is given to sustainability issues on the web pages, which is the 'text' in this instance; it is necessary to look at the sustainability pages on the web.

All of the airlines in this study, but AirAsia, had a section of their corporate web pages dedicated to the environment. Showing no commitment to the environment may be harming the company's reputation. As mentioned before, SAS and Qantas' web pages were more elaborate than that of Virgin Blue's. AirAsia was also the only airlines that did not offer a carbon neutralising option or mention any environmental efforts on their web pages. If firms do not express commitment to the environment, stakeholders can act on their perceptions of the firm's legitimacy. This may contribute to a negative image of the company. A lack of commitment can also make investors believe that a company's management practices are inadequate or inaccurate, in sort of a 'if they cannot even handle this, what else can they not handle'- way of thinking. As a result companies may see their reputations founder, with a negative impact on market shares and profitability (McIntosh, Leipziger, Jones and Coleman, 1998, in Bolivar, 2007). In contrast, if firms express commitment to the environment and sustainability issues and is found breaching this commitment, for example by causing natural disasters via oil spills, or utilising child labour in their overseas factories, the reputation and stakeholder trust in that company will founder even further. However, if the company 'comes clean' and admit the ethical failure, before it gets blow up by the media, it will most likely not harm the company's reputation. Out of the airlines in this study, SAS was the only company to mention any environmental failures and discuss it openly. Overall it is therefore up to the company to make sure it is not making promises it cannot keep, but at the same time express commitment to sustainability issues. These findings imply that SAS and Qantas want to communicate a stronger commitment to sustainability issues, in comparison to Virgin Blue and AirAsia.

When this research first began, all of the airlines had pages dedicated to the environment among their web pages; however in the last stages it was becoming clear that AirAsia had removed all of the environmental and social information from their web pages. That AirAsia has not dedicated any web pages to the environment, as mentioned above, may be damaging to the company reputation amongst their stakeholders, or it might indicate that AirAsia has a different view on CSR than that of the triple bottom line. Carroll's pyramid (see chapter two) implies that both legal and financial domains must be fulfilled before the company can move on to fulfil the ethical domain at the top of

the pyramid, in this sense it is AirAsia's responsibility to fulfil their promise of return on investment to their shareholders first and foremost, before satisfying the demands of other stakeholders. Out of the airlines in this study AirAsia had the smallest revenue numbers in their latest annual report. It is difficult to say, but this may possibly indicate that AirAsia is following the Carroll's pyramid view on CSR. If this was the case the company will go back to showing commitment to sustainability issues once they have increased their revenue, and fulfilled the two first domains of the pyramid.

6.8.2 Carbon neutralising option

In order to further answer the sub question on whether airlines are committed to sustainability issues, it is useful to look at the efforts they are actually making, like the carbon calculators. This section will discuss the findings in regards to the carbon neutralising option on the web pages.

Upon observation of CO₂ calculators there is significant variance; the amount of carbon to offset for a flight booked through one booking tool will almost certainly differ from that suggested by another. To try to bring some standardisation to the market, the International Civil Aviation Organization (ICAO) has launched a carbon calculator on its website, which it claims is "impartial and internationally approved". ICAO's calculator uses publicly available and verifiable information, such as aircraft type, route-specific data, passenger load factors and cargo carried, in its calculations. However, the calculator does not make any comparisons to how much one would emit if for example you would not fly, and take the train instead. The ICAO methodology, which is now being recommended by international airline trade body IATA to its members as a global standard, is the use of the great circle distance between the origin and destination airport, modified to take into account deviations from this shortest route such as practical routings and stacking. The carbon calculator responds to the wish of many travellers for a reliable and authoritative method to estimate the carbon footprint of a flight, so they can choose the programme best suited to offset the impact of their trips on climate change according to the amount of CO₂ they are responsible for, but as mentioned this calculator does not take into account how much less one would emit greenhouse gases if travelling via more environmentally friendly transport. When a payment is made to reduce the carbon footprint of your flight, this payment is invested in a project intended to off-set the carbon you have emitted on the flight. This is usually outsourced to a company that specialises in finding these projects to invest in. The carbon neutralising companies have been criticised for not being serious actors. What projects to invest in and how they are going to reduce the carbon footprint have been widely discussed and is subject of much criticism.

Similarly, voluntary programs like carbon offset schemes are unlikely to reduce the sector's contribution to global warming (Macintosh and Downie, 2008). This contributes to the view that the

airlines' stance on ethics is consequential rather than non-consequential, as the means of creating a favourable image overthrows the means. What stakeholders believe, are willing to pay for, and how the company is viewed seems to be more important than actually reducing greenhouse gas emissions.

6.9 Annual Reports

This section will aim to provide further insights into the central research question, ***to what extent are the airlines communicating their commitment to sustainability issues***. It will do so by exploring the findings produced from the methodology from analysing the annual reports. In order to answer the sub questions, ***which areas/ issues are included, which areas/ issues are excluded, and how clearly is the material presented so that it may be accessible to stakeholders***, as well as ***how much attention is given to sustainability issues in the text***, it was useful to utilise the search function in Adobe PDF, as well as analyse the text and look of the reports. This discussion will largely exclude Silverjet, as the company is closed down, and no annual report could be found online.

An annual report is a comprehensive report on a company's activities throughout the preceding year. Annual reports are intended to give shareholders and other interested people information about the company's activities and financial performance. Most jurisdictions require companies to prepare and disclose annual reports, and many require the annual report to be filed at the company's registry. Companies listed on a stock exchange are also required to report at more frequent intervals (depending upon the rules of the stock exchange involved).

The majority of the airlines had their 2009 annual report available in English on their web pages. The reports come in PDF format and are thus easy to read and print if necessary. Adobe PDF is free to download on the Adobe website, and is relatively easy to use. AirAsia had published their 2008 annual report, and Silverjet's annual report was not to be found as the corporate web pages had been closed down, along with its operations. When it comes to reporting clearly the issues of availability and relevance are central, the information in the annual reports needs to be available and relevant to the stakeholders. It would perhaps also be relevant for Silverjet's previous stakeholders to see the latest annual report.

AirAsia was the airline with the least focus on their environmental impact as an airline. In their sustainability pages in the annual report, their CSR efforts were green and colourful in look, but a closer look made it apparent that their view of helping the environment was to take their staff to visit an animal sanctuary. It did not mention any sponsorship or any other kind of support for the sanctuary, simply 'educating their staff'.

6.9.1 Number of pages to Sustainability

This paragraph will aim to provide further insight into the discussion by addressing the sub question ***how much attention is given to sustainability issues in the text.*** In order to answer this question it was useful to collect data on the number of pages dedicated to the environment in the annual reports.

When looking at the number of pages dedicated to sustainability/ environment/ CSR in the reports, there was also large gaps between the airlines: AirAsia had dedicated 2 pages, which totalled to 1.46% of the entire report, to sustainability and the environment; Virgin Blue also dedicated 2 pages to the environment, but their annual report was only 60 pages long, making those two pages 3.33% of the total report, more than twice as much as AirAsia. Qantas had 12 pages called sustainability, which was 7.32% of their total annual report, and lastly SAS has 19 pages dedicated only to sustainability and the environment in their annual and sustainability report for 2009, which was 14.84% of the 128 pages. On a first glance it might seem as if Qantas and SAS are actually fulfilling all three components of the triple bottom line, profits, planet and people, as the web site and annual report contain large amounts of information on all three aspects. However, if the triple bottom line was truly fulfilled one could assume that each of the three components would receive equal amounts of attention in the annual report, but when looking at the results of my research it is clear that only 7,32 % of the pages in the annual report for Qantas 2009 was focused on the environment, which is far off one third. The case was better in SAS' case, as the environmental focus accounted for only 14, 84% of all the pages, but this is still not a third. The other three, Virgin, AirAsia and Silverjet does not really compare with the other two in terms of triple bottom line focus, as it is clear that the amount of pages dedicated to the environment was 3.33% and 1.46% respectively.

6.9.2 Content of sustainability pages

In order to further provide insight into what was being communicated through the annual reports, it was necessary to analyse the content of the sustainability pages further. This section will do so and aiming to answer further to the sub questions ***what areas/ issues are included?, what areas/ issues are excluded? Is the material clearly presented?***

The annual sustainability reports are usually a separate report, or a section within the annual report. SAS was the only airline that had called its report ' SAS Group Annual and Sustainability Report 2009'. The other airlines called theirs 'Annual Report'. On Qantas' web pages there is a link to a 'Sustainability Report 2009', but when you press that link it brings you to the first page of their online version of their annual report. Virgin Blue and AirAsia have annual report with pages within that report dedicated to the environment and sustainability. This might indicate that SAS is in fact

more serious about their environmental impact, as according to Hafstad, they have been including information regarding their environmental impact in their annual reports since 1997. This report is their third annual sustainability report. From the web site it seems apparent that Qantas wants to make the impression that they have a separate report dedicated to the environment, although a copy could not be located. Previous research has shown that as many as 50% of the world's largest companies are producing some kind of environmental or sustainability report annually, it is therefore quite surprising that only SAS out of the four have produced one. SAS is not even the largest of the four airlines. Qantas is by far the largest corporation out of the four, both in terms of revenue and employees.

As explained in the discussion above the amount of information and quality of information varied greatly across the four airlines in which the annual report was available. This might be due to a number of reasons. Firstly the business tradition in a country greatly affects the willingness to share and disclose information. Traditionally have businesses in countries such as the US and the UK been more closed in fashion. There are a number of reasons for this as well, but some are the fear of being sued, stealing of competitive information. European businesses have developed in more socialised economies where disclosure and sharing of information is viewed as much less 'dangerous'. Australia's close ties with both the UK and the US might be the reason why both the airlines in this study were resisting the idea of disclosing information to a student.

To further explore the question on whether the airlines are committed to sustainability issues, the research looked at the performance indicators: The performance indicator for economic performance is previous year's performance was present with all of the airlines, however when it comes to environmental performance, and social performance, only a few of them have some indicator on the performance. This might indicate that the airlines do want or be perceived as making an effort for the environment and socials (after all, there are a large number of pages dedicated to this aspects in their reports), but when it comes down to it, they do not really want the stakeholders to be able to make comparisons or such. This is rather negative and conflicting with the central elements of transparency and sustainability.

In the AirAsia report within their pages on Corporate Social Responsibility, the headline reads 'Kuala Gandah Elephant Sanctuary', and the photos are showing AirAsia employees interacting with this endangered species, this might lead the reader to believe that AirAsia is somehow supporting this sanctuary, either via sponsorships, or through employee engagement in the project. It is therefore somewhat surprising as you read on the page that the commitment to the community is actually none of the above, but a visit to the sanctuary to 'educate and inform' their employees .

How clearly is the material presented so that it may be accessible to stakeholder? To further explore this question one may look at previous research in the field: Compared with orthodox methods, online reporting used for sustainability communication overcomes the limitations of paper-based disclosure, such as 'one size fits all' reports, print medium fixation and one-way communication (Isenmann, Bey and Welter, 2007). On the other hand, communicating solely on the Internet may in fact be problematic as not every stakeholder has access to the Internet, and thus information is being disclosed only to the part of the world that has Internet access and can afford a computer etc. In addition the amount of information disclosed on the web pages is also regarded as a risk as it may very well lead to information overload, and the central message gets lost in quantity.

Another benefit with internet reporting is that it provides all stakeholders with all the information, leaving each stakeholder feeling more informed, and leaving a better impression in terms of transparency issues. It is not like the company sends out one set of information to its shareholders and another set of information to its neighbouring residents. This shows the stakeholders that all the information is coherent, they are not telling their shareholders that they are planning to expand, and then turning to their neighbours saying that they are working on reducing the noise, as those two would interrupt with one another. This is supported by Bolivar (2007) where he states that previous commentaries favour making firms provide a higher amount of information to the different stakeholders on their corporate web sites regarding compulsory as well as voluntary disclosures. This increase in the disclosure of information on the web is more necessary when the company is aware of the existence of a gap of information between stakeholders' needs and the information provided by the management of the company (Bolivar, 2007). Regarding the sub question '**how clearly is the material presented so that it may be accessible to stakeholders**' it is worth noticing that recent research shows that many leading corporate web sites are still surprisingly inaccessible and difficult to navigate for non-experts and many provide no useful data whatsoever on environmental and social performance (Wheeler and Elkington, 2001).

In order to further explore the sub question '**why are the airlines communicating commitment to sustainability issues**' it is useful to analyse some of the data collected on AirAsia's annual report: Under the 'Red heart, Green mind' headline on the sustainability pages is 'reduction of paper', and 'a maximum number of pages' imposed on their staff as means to reduce paper waste. Whilst this is beneficial for the environment, the facts are that these efforts also save money, something that is not mentioned, and leaves me wondering if they think their readers are as naive to think that cost savings do not at all play a part. If there is a maximum imposed on their staff to print out paper,

there may be a lack in trust between management and staff, that the staff will do the best for the company and the environment.

6.10 CEO statements in the Annual Report

All of the airlines had a CEO statement in their annual reports, this section will explore the central research question of *to what extent are the airlines communicating their commitment to sustainability issues*, through analysing the CEO statements in the annual reports. Previous research confirms that this is the section most typically used in annual reports.

Though the CEO report is the most widely used section in annual reporting it may however not be an accurate representation of company policy and values. In contrast it is evident that this section is popular as it provides an opportunity to further express who the core people of the organisation are, as if the key management's opinions and values somehow represent the values of all the people in the corporation. SAS' president's comments indicated that SAS is an organisation in which sees their corporate social responsibility as an integral part of their business strategy. It is also mentioned in the comments, "Good environmental work is also good business". The president also claims that SAS had a leading role in working out the industry's environmental goals, a statement that indicates that the company wants to be perceived as being on the forefront in aviation and environmental issues.

From the headline in Qantas' CEO report, 'transforming for sustainable success', one would assume that there would be some reference to sustainable development and/or the environment, as it contains the word 'sustainable', but from reading this section, the transformation for success seems to be more about the business structure and HR than about sustainable development.

One striking similarity is that most of the reports have a rather large photo of the chairman/CEO/President. Photos can serve to make the report seem more personal, as if this is someone you know and can trust. Another striking similarity is that some of these reports end with the chairman/CEO/President's signature on the bottom, which serves as a tool to create more credibility. Like implying that this is honestly speaking from the heart and we the readers should take his word for it. Like this is some personal letter from the CEO to the reader. Traditionally all significant documents need to be signed, and this is the impression this signature is trying to achieve.

6.11 Code of Conduct on the Web Pages

This section will discuss the findings in regards to the code of conduct and compare them to previous research as well as theory from chapter two. The aim of this section is thus to further answer to the questions on what areas/ issues are included or excluded, and what is the importance given to these

issues. This section will also address the issue of accessibility. This section is particularly concerned with the importance of transparency in relation to CSR, and previous research into code of conducts.

Firstly, transparency is the degree to which corporate decisions; policies, activities and impacts are acknowledged and made visible to relevant stakeholder. The 'Code of Conduct' documents were available online for SAS, Qantas and Virgin Blue, and thus made visible for all stakeholders with access to the internet. These documents were also very different, however, when looking at the code of conduct, and code of business conduct by Qantas, available online, it is clear that both Qantas and Virgin Blue claim to deal with stakeholder relations in the most respectable manner etc, one has to ask what this mean if being interviewed by a student is not possible. Are these not documents made to direct the behaviour of the people within the organisation? Whose code of conduct is this if not Qantas employees and management? Qantas code of conduct was in addition not easy to come across on the web sites. Previous research into the field of Code of conduct shows that these documents are no guarantee for ethical or 'right' employee behaviour. Also, not having a code of conduct is neither a predicament for ethical behaviour. What makes a difference is how the code was implemented, and created.

6.12 My Query – Stakeholder relations

This section will address the sub question of ***are the airlines committed to sustainability issues?*** It will do so by analysing the data collected from the e-mail correspondence with the airlines.

One way to evaluate how the companies are dealing with stakeholder demands is by analysing the way in which the companies are responding to direct queries, like my query. I was quite surprised by the mixed response I received from the airlines, perhaps especially the reply from Virgin Blue, which has been working so hard to portray an image of a young, forward thinking organisation, and when it came down to actually responding to a simple stakeholder request their response was 'no, sensitive information, competition, too many requests'. Silverjet got an award for being the most environmentally friendly airline in 2007, which is why it initially caught my eye, and was of particular interest for this research, but when I contacted the airline their response was in short that they had no one appointed person to answer any questions about their environmental strategies. This may indicate that the incentives for acting in a socially responsible manner is perhaps of more interest due to the positive outcomes of such behaviour on the revenue figures, and bettered stakeholder relations, rather than the positive outcomes for the environment. However, as discussed earlier, a company may also want the greater good for the society, as a citizen in this society, and the revenue is a by product. The response I received may indicate that the latter is rather improbable in Silverjet's case. The response from Silverjet indicates that their carbon neutralising efforts and

sustainability efforts listed on their web pages were more for PR and marketing than for a genuine concern for the environment. On the other hand, Silverjet's strategy of having a carbon tax on the tickets may be an idea that perhaps should be adopted by governments and policymakers. Silverjet did however remove the obligatory environmental addition on their tickets and made them voluntary as other airlines. But possibly that the airline did not have one appointed person meant that the environmental concern was such an integral part of their business strategy that it was part of everybody's job? Meaning that sustainability efforts should not belong in just one part of the business, but be part of the entire business.

Firstly, it was very easy to find the contact details for Helge Hafstad, Environmental Director for SAS Norway, as his details were simply listed on the web page, this goes to show that the airline is striving to be as accessible and approachable as it possibly can regarding its CSR efforts. Anyone can e-mail or call the director if they should have any questions. None of the other airlines had such a contact person or even an available e-mail address people could contact the company on regarding their CSR efforts. AirAsia has an online feedback system, where you fill in the information, but what good is this when there is no one to answer the queries? On one hand one could argue that this behaviour indicates a triple bottom line way of thinking by SAS, as they have an environmental director one can contact, in the same way one can contact the company in regards to their shares and revenues. On the other hand, one could wonder if the pyramid by Archie B. Carroll is more appropriate when it comes to SAS. After all it is a highly successful company with steady growth and increased revenues for each year passing. The company is increasing its range and revenue and its fleet. So, now that the company has made its revenues and complied with all legal responsibilities it finally has the resources to look at the top of the pyramid, ethical responsibilities. After all, SAS has given out far more annual reports with focus on the economic and legal compliments, than sustainability reports. When confronted with this question the environmental director told me that SAS has in fact been releasing sustainability reports since 1997, which is far earlier than any of the other airlines in this study. In this sense it may mean that SAS has realised the benefits of social reporting long before its competition, or that the triple bottom line way of thinking may already be well entrenched into their way of business.

6.13 Word Count in the Annual Reports

This section will address the sub question of *to which areas/ issues do the texts give most importance?* It will do so by analysing the data collected from the word count in the annual reports in order to see which words were most often used, or not used at all.

Competitors, suppliers and NGO's are the stakeholders that most often are left out of the reports implying that these are perhaps not considered as important to the airlines as for example customers and employees. In a way this is not very surprising as NGO's are the organisations that represent the stakeholders that are unable to represent themselves, like for example animals and the environment.

Airports and airline companies have often had to respond to angry neighbours due to the considerable noise produced when an aircraft is taking off or landing, as exemplified by the reactions of the Luton airport neighbours when Virgin launched their 'Freedom to fly' campaign: The neighbours response was that they were more concerned with their freedom to sleep than their freedom to fly. All the airlines in this study mentioned their neighbours in their annual reports and on their web pages, a result that might indicate that these airlines and the industry are fully recognising their responsibility to their neighbours.

It is noteworthy that the word 'environment' was most often used by all of the airlines, witnessing to the fact that the industry is recognising its impacts as a first step. However, the word environment was more often than referring to other environments in AirAsia's report, like the competitive environment, the economic environment etc. This was not the case in any of the other reports. As outlined in the tables, the occurrences of sustainability words in the airlines' reports are highly varied. The biggest difference was perhaps in the use of the word 'sustainability', which was used once in a heading in AirAsia's report, once in a sub heading in Virgin Blue's report, 39 times in Qantas' report, and 78 times in SAS' report. Naturally, these reports have different sizes, and when taking size into account, the numbers were as follows: AirAsia used the word 'sustainability' on average 0.007 times per page, Virgin Blue on average 0.016 times per page, Qantas on average 0.238 times per page, and SAS used the word 'sustainability' 0.609 times per page.

The word environment also pointed out major differences. In a standard annual report of about 100 pages, AirAsia 7 times (0.051 average per page), Virgin Blue 12 times (0.12 on average per page), Qantas 25 times (0.152 on average per page), and SAS used the word environment 251 times throughout their report, averaging 1.96 times per page.

6.14 Friedman

Milton Friedman would probably argue that AirAsia was doing a great job in terms of corporate social responsibility, not only because the company follows the law and ensures return on investment for its shareholders, but in addition AirAsia's low prices makes it possible for people in the lower socio economic background to utilise air transport, which has traditionally been reserved

for the wealthier part of the population. In this sense AirAsia is servicing a part of the market that has been largely overlooked by the larger airlines. AirAsia is thus a part of balancing social unfairness. This line of thinking is also clearly what is in the base of the company slogan, 'Now everyone can fly'.

6.15 Contact Person listed – Stakeholder dialogue

In order to determine if the companies in this study was willing to engage in stakeholder dialogue, and find out if they are really committed to sustainability issues, I contacted the airlines, as mentioned above. In addition the content analysis of the annual reports and the web pages revealed that SAS was in fact the only airlines that had consistently a contact person listed on all of their corporate communications. Both Virgin Blue and Qantas had contact details listed, but these details were of a different nature: whilst SAS had the full name and e-mail of the environmental director listed, Virgin Blue and Qantas listed general e-mail addresses, such as contact@qantas.com and info@virginblu.com.au . Recent research suggests that companies are motivated to be involved in stakeholder dialogue to the extent that it can have a positive impact on the profit figure (Bolivar, 2007).

6.16 Chapter Summary

This chapter has summarised and discussed the findings from the previous chapter. It has done so in light of business ethics theory and previous research. This chapter has viewed the findings in the light of the central research question and the sub questions therein.

Chapter 7 Conclusions and Future Directions

This chapter will outline the conclusions drawn on the basis of this research. It will aim to provide answer to the research questions. The central research question of this research is: ***To what extent are the airlines communicating their commitment to sustainability issues.*** As mentioned earlier in this research, it is hard to measure commitment, but the way to begin is by looking at what each of the airlines are communicating in their key corporate communications. This chapter will thus summarize the findings from the discussion in the previous chapter in order to address the central research question.

The reasons why these airlines are communicating their commitment to sustainability issues can be viewed in two ways: Firstly, by a deontological view of business ethics, where the action is the goal, rather than the outcome of the action, or secondly, in a teleological view of ethics, where the end result is the goal of an action. If we assume the latter, a teleological view, the reasons for communicating commitment to the environment is improved reputations, competitive advantage, and enhanced public image, all of which directly or indirectly, may contribute to increased revenues. If we assume a deontological view of business ethics, the reasons for why the airlines are communicating their commitment to sustainability issues is because this is a morally right action in itself. As discussed in the chapter above, any of these views will still contribute to positive outcomes for society. The findings of this research indicate that the airlines are communicating their commitment for revenues, rather than morals. This is however hard to determine.

Virgin Blue

Virgin Blue uses the Internet and annual report to express its commitment to sustainability issues. The airline dedicates a portion of its annual report to the environment, and has pages dedicated to sustainability within its web pages. Virgin Blue's material, such as the code of conduct and the airline's sustainability pages, was easy to access, and to understand. In comparison to the other Australian airline in this study, Qantas, Virgin Blue's communication efforts in both the annual report and within the web pages is however rather narrow: A mere 2 pages were dedicated to the environment in the annual report, and only a total of 35 words relating to sustainability in the entire report. The report used the words 'environment' and 'emissions' more often than any of the other words relating to sustainability. Virgin Blue did, in addition, not want to be interviewed, due to sensitive information. As the research has shown, stakeholder communication is an essential part of sustainability. In conclusion Virgin Blue clearly wants to be viewed as an airline that communicates its commitment to sustainability issues, but in order to be committed to sustainability issues, the

airline needs to open up to stakeholder dialogue. In comparison to Qantas and SAS, Virgin Blue still has a long way to go.

Qantas

Qantas has a great deal of information on their corporate web pages, and in their annual reports regarding their commitment to the environment, almost so much that it is in risk of information overload. Qantas' web pages were harder to navigate and the code of conduct documents harder to come by than the other airlines.

Silverjet

The limited findings due to its closure made it hard to draw any conclusions about this airline. However the obvious is that the airline that was award environmentally friendly airline of the year 2007, but when contacted in regards to this did not have any person that could answer questions about it. This indicates that the award to the commitment this airline was communicating to the environment was more in the words than in the actions.

AirAsia

AirAsia was by far the airline that communicated to a lesser extent commitment to sustainability issues. In their annual report the word environment, was more often referring to the 'economic environment', the 'competitive environment' than the natural environment. In conclusion is AirAsia not communicating a commitment to the environment, not in words, and nor in actions.

SAS

SAS was the airline with the most focus on environmental issues of all the airlines in this study. The annual report and the web pages both had the largest amount of information dedicated to sustainability issues out of the documents in this study. SAS was also the airline that used the words on sustainability most frequently in their annual report. SAS was in addition the only airline that after all put its words where its actions are and keep an open stakeholder dialogue: SAS was the only airline that was willing to be interviewed about their CSR efforts. The contact details of the environmental director on the web pages are a clear indication to the extent to which this airline is communicating this commitment. Wheeler and Elkington (2001) states that communicating effectively with stakeholders is a powerful way of building trust and loyalty and thereby contributing to business performance. Further on Wheeler and Elkington stresses that there is a shortage of information disclosed by firms, few companies use their corporate web-based communications tools to engage stakeholders in a two way dialogue on these issues and it is clear that few companies are

exploiting the potential of the internet to enhance their social and environmental reputations (Elkington, 2001). This gives SAS a strategic advantage.

Suggestions to further research

It would be interesting to further explore the aviation industry through the study of other airline companies. The method utilised in this research can easily be replicated for similar studies. The table system in the Appendix can be utilised for larger research projects, but is perhaps not suitable for other industries as the categories are specifically designed for this research on airlines.

As identified by previous research and literature, stakeholders are important to the corporations, and some are viewed as more important than others. This research found that the words 'environment' and 'sustainability' were used often and much in the annual reports, and thus these issues seems to be given much importance. It is however hard to say if this is due to the actual importance or if these words serve as buzzwords in order to make the annual reports seem more committed to sustainability issues. This research also showed that the stakeholders that were most often excluded were NGO, suppliers and competitors. One may perhaps then assume that these stakeholders are viewed as less important by the airlines. Further research into this field could perhaps find out the reasons for why these stakeholders are most often excluded from the texts.

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Appendix

Table 5.1.1

Facts about the Company	Virgin Blue
HO Location	Brisbane, Australia
Market Segment	Budget, Australia
Passengers carried 2009	18,2 mill
Number of employees	5,952
Total revenue 2009	2,635 mill AUD
Approx revenue in NOK*	14,229 mill NOK
Average revenue per employee	2,390,625.00 NOK
Majority of environmental /sustainability information	Annual report and 'Fly Carbon Neutral' web pages
Environmental certifications/ memberships	Greenhouse Friendly Australia, National Packaging Covenant, Sustainable Aviation Fuel Users Group (SAFUG), Aviation Global Deal (AGD)
Greenhouse gas emissions 2009	2,200,640 tonnes co2 -e
Greenhouse gas emissions 2008	na
Difference	na
2009 average emissions per passenger	120.9 co2 -e per passenger

* calculation based on exchange rate as of April 8, 2010

** company size is referring to total revenue

Table 5.1.2

Web pages	Virgin Blue
Contact person listed	no
Carbon Neutralising option	yes
Specific section dedicated to environmental information	yes
Code of conduct disclosed	yes
Environmental efforts listed	yes
Any failures relating to environmental efforts	no
Environmental certifications/ memberships mentioned	yes
GRI Guidelines mentioned	no
Greenhouse Gas emissions mentioned	yes
emissions for this year available	no
emissions for last year available	no

Table 5.1.3

Annual Report	Virgin Blue
Report available online	yes
English version available	yes
Contact person listed	no
Specific section dedicated to environmental information	yes
Environmental efforts listed	yes
Any failures relating to environmental efforts	yes
Environmental certifications/ memberships mentioned	yes
GRI Guidelines mentioned	no
UN Global compact mentioned	no
Greenhouse Gas emissions mentioned	yes
emissions for this year available	yes
emissions for last year available	no
Stakeholders mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	no
Government	yes
Industry	no
NGOs	no
Competitors	no
Community	yes
Report is independently reviewed	no
Reviewer	na

Table 5.1.4

CEO Statement in Annual Report	Virgin Blue
Specific section dedicated to environmental information	no
Environment mentioned	no
Stakeholders mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	no
Customers/Passengers	no
Suppliers	no
Government	no
Industry	yes
NGOs	no
Competitors	no
Community	no

Table 5.1.5

Code of Conduct	Virgin Blue
Report available online	yes
Contact person listed	no
Specific section dedicated to sustainability	yes
Word 'stakeholders' mentioned	no
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	no
Suppliers	yes
Government	yes
Industry	yes
NGOs	yes
Competitors	yes
Community	yes

Table 5.1.6

My query	Virgin Blue
Contact person	Laura Molony
Initial contact	phone HO
Secondary contact	e-mail
Personalised reply from airline	yes
Interview	no

Table 5.2.1

Facts about the Company	Qantas
HO Location	Sydney, Australia
Market Segment	International
Passengers carried 2009	27,7 mill
Number of employees	27,636
Total revenue 2009	11,710 mill AUD
Approx revenue in NOK*	63,234 mill NOK
Average revenue per employee	2,288,102.48 NOK
Majority of environmental /sustainability information	online version of annual report
Environmental certifications/ memberships	FTSE4GOOD, Dow Jones Sustainability Index
Greenhouse gas emissions 2009	11,905,000 tonnes CO2 -e
Greenhouse gas emissions 2008	12,296,000 tonnes CO2 -e
Difference	-391,000 tonnes CO2 -e
2009 average emissions per passenger	429.8 CO2 -e per passenger

* calculation based on exchange rate as of April 8, 2010

** company size is referring to total revenue

Table 5.2.2

Web pages	Qantas
Contact person listed	no
Carbon Neutralising option	no
Specific section dedicated to environmental information	yes
Code of conduct disclosed	yes
Environmental efforts listed	yes
Any failures relating to environmental efforts	no
Environmental certifications/ memberships mentioned	yes
GRI Guidelines mentioned	yes
Greenhouse Gas emissions mentioned	yes
Emissions for this year available	yes
Emissions for last year available	yes

Table 5.2.3

Annual Report	Qantas
Report available online	yes
English version available	yes
Contact person listed	no
Specific section dedicated to environmental information	yes
Environmental efforts listed	yes
Any failures relating to environmental efforts	no
Environmental certifications/ memberships mentioned	yes
GRI Guidelines mentioned	yes
UN Global compact mentioned	yes
Greenhouse Gas emissions mentioned	yes
Emissions for this year available	yes
Emissions for last year available	yes
Stakeholders mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	yes
Government	yes
Industry	yes
NGOs	yes
Competitors	yes
Community	yes
Report is independently reviewed	yes
Reviewer	KPMG

Table 5.2.4

CEO Statement in Annual Report	Qantas
Specific section dedicated to environmental information	no
Environment mentioned	no
Stakeholders mentioned	no
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	yes
Government	no
Industry	yes
NGOs	no
Competitors	yes
Community	no

Table 5.2.5

Code of Conduct	Qantas
Report available online	yes
Contact person listed	no
Specific section dedicated to sustainability	yes
Word 'stakeholders' mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	yes
Government	yes
Industry	yes
NGOs	no
Competitors	yes
Community	yes

Table 5.2.6

My query	Qantas
Contact person	na
Initial contact	phone
Secondary contact	e-mail
Personalised reply from airline	no
Interview	no

Table 5.3.1

Facts about the Company	Silverjet
HO Location	Luton, UK
Market Segment	Business, International
Passengers carried 2009	na
Number of employees	420
Total revenue 2009	na
Approx revenue in NOK*	na
Average revenue per employee	na
Majority of environmental /sustainability information	na
Environmental certifications/ memberships	none
Greenhouse gas emissions 2009	na
Greenhouse gas emissions 2008	na
Difference	na
2009 average emissions per passenger	na

* calculation based on exchange rate as of April 8, 2010

** company size is referring to total revenue

Table 5.3.6

My query	Silverjet
Contact person	Nicole Mitrovic
Initial contact	e-mail
Secondary contact	na
Personalised reply from airline	yes
Interview	no

Table 5.4.1

Facts about the Company	AirAsia
HO Location	Singapore
Market Segment	Budget, Asia-Pacific
Passengers carried 2009	11,808,058
Number of employees	3,799
Total revenue 2009	2,635,977,000 MYR
Approx revenue in NOK*	4,744,758,600.00 NOK
Average revenue per employee	1,248,949.36 NOK
Majority of environmental /sustainability information	Annual Report
Environmental certifications/ memberships	none
Greenhouse gas emissions 2009	na
Greenhouse gas emissions 2008	na
Difference	na
2009 average emissions per passenger	na

* calculation based on exchange rate as of April 8, 2010

** company size is referring to total revenue

Table 5.4.2

Web pages	AirAsia
Contact person listed	no
Carbon Neutralising option	no
Specific section dedicated to environmental information	no
Code of conduct disclosed	no
Environmental efforts listed	no
Any failures relating to environmental efforts	no
Environmental certifications/ memberships mentioned	no
GRI Guidelines mentioned	no
Greenhouse Gas emissions mentioned	no
Emissions for this year available	no
Emissions for last year available	no

Table 5.4.3

Annual Report	AirAsia
Report available online	yes
English version available	yes
Contact person listed	no
Specific section dedicated to environmental information	yes
Environmental efforts listed	yes
Any failures relating to environmental efforts	no
Environmental certifications/ memberships mentioned	no
GRI Guidelines mentioned	no
UN Global compact mentioned	no
Greenhouse Gas emissions mentioned	yes
Emissions for this year available	no
Emissions for last year available	no
Stakeholders mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	no
Government	yes
Industry	yes
NGOs	no
Competitors	no
Community	yes
Report is independently reviewed	yes*
Reviewer	PriceWaterHouseCoopers

* Financial sections only

Table 5.4.4

CEO Statement in Annual Report	AirAsia
Specific section dedicated to environmental information	no
Environment mentioned	no
Stakeholders mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	no
Government	no
Industry	yes
NGOs	no
Competitors	no
Community	no

Table 5.4.5

Code of Conduct	AirAsia
Report available online	no
Contact person listed	na
Specific section dedicated to sustainability	na
Word 'stakeholders' mentioned	na
Employees	na
Management	na
Owners/Shareholders	na
Customers/Passengers	na
Suppliers	na
Government	na
Industry	na
NGOs	na
Competitors	na
Community	na

Table 5.4.6

My query	AirAsia
Contact person	Mr Aziz
Initial contact	online form
Secondary contact	na
Personalised reply from airline	no
Interview	no

Table 5.5.1

Facts about the Company	SAS
HO Location	Sweden
Market Segment	Scandinavian Business and Leisure
Passengers carried 2009	24,9 mill
Number of employees	18,786
Total revenue 2009	44,918 mill SEK
Approx revenue in NOK*	35,934.40 mill NOK
Average revenue per employee	1,912,828.70 NOK
Majority of environmental /sustainability information	Web pages
Environmental certifications/ memberships	ISO40001, IOSA, EASA Part 145 and 147, EMAS, and Air Transport Action Group (ATAG)
Greenhouse gas emissions 2009	3,784,000 tonnes CO2 -e
Greenhouse gas emissions 2008	5,840,000 tonnes CO2 -e
Difference	-2,056,000 tonnes CO2 -e
2009 average emissions per passenger	151.9678715

* calculation based on exchange rate as of April 8, 2010

Table 5.5.2

Web pages	SAS
Contact person listed	yes
Carbon Neutralising option	yes
Specific section dedicated to environmental information	yes
Code of conduct disclosed	yes
Environmental efforts listed	yes
Any failures relating to environmental efforts	no
Environmental certifications/ memberships mentioned	yes
GRI Guidelines mentioned	yes
Greenhouse Gas emissions mentioned	yes
Emissions for this year available	yes
Emissions for last year available	yes

Table 5.5.3

Annual Report	SAS
Report available online	yes
English version available	yes
Contact person listed	yes
Specific section dedicated to environmental information	yes
Environmental efforts listed	yes
Any failures relating to environmental efforts	yes
Environmental certifications/ memberships mentioned	yes
GRI Guidelines mentioned	yes
UN Global compact mentioned	yes
Greenhouse Gas emissions mentioned	yes
Emissions for this year available	yes
Emissions for last year available	yes
Stakeholders mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	yes
Government	yes
Industry	yes
NGOs	yes
Competitors	yes
Community	yes
Report is independently reviewed	yes
Reviewer	Deloitte

Table 5.5.4

CEO Statement in Annual Report	SAS
Specific section dedicated to environmental information	yes
Environment mentioned	yes
Stakeholders mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	no
Government	yes
Industry	yes
NGOs	no
Competitors	yes
Community	no

Table 5.5.5

Code of Conduct	SAS
Report available online	yes
Contact person listed	no
Specific section dedicated to sustainability	yes
Word 'stakeholders' mentioned	yes
Employees	yes
Management	yes
Owners/Shareholders	yes
Customers/Passengers	yes
Suppliers	yes
Government	yes
Industry	yes
NGOs	yes
Competitors	yes
Community	yes

Table 5.5.6

My query	SAS
Contact person	Helge Hafstad
Initial contact	e-mail
Secondary contact	phone
Personalised reply from airline	yes
Interview	yes

Table 6.1

Facts about the Company	Virgin Blue	Qantas	Silverjet	AirAsia	SAS
HO Location	Brisbane, Australia	Sydney, Australia	Luton, UK	Singapore	Sweden
Market Segment	Budget, Australia	International	Business, International	Budget, Asia-Pacific	Scandinavian Business and Leisure
Passengers carried 2009	18,2 mill	27,7 mill	na	11,808,058	24,9 mill
Number of employees	5,952	27,636	420	3,799	18,786
Total revenue 2009	2,635 mill AUD	11,710 mill AUD	na	2,635,977,000 MYR	44,918 mill SEK
Approx revenue in NOK*	14,229 mill NOK	63,234 mill NOK	na	4,744,758,600.00 NOK	35,934.40 mill NOK
Average revenue per employee	2,390,625.00 NOK	2,288,102.48 NOK	na	1,248,949.36 NOK	1,912,828.70 NOK
Majority of environmental /sustainability information	Annual report and 'Fly Carbon Neutral' web pages	online version of annual report	na	Annual Report	Web pages
Environmental certifications/ memberships	Greenhouse Friendly Australia, National Packaging Covenant, Sustainable Aviation Fuel Users Group (SAFUG), Aviation Global Deal (AGD)	FTSE4GOOD, Dow Jones Sustainability Index	none	none	ISO40001, IOSA, EASA Part 145 and 147, EMAS, and Air Transport Action Group (ATAG)
Greenhouse gas emissions 2009	2,200,640 tonnes co2 -e	11,905,000 tonnes CO2 -e	na	na	3,784,000 tonnes CO2 -e
Greenhouse gas emissions 2008	na	12,296,000 tonnes CO2 -e	na	na	5,840,000 tonnes CO2 -e
Difference	na	-391,000 tonnes CO2 -e	na	na	-2,056,000 tonnes CO2 -e
2009 average emissions per passenger	120.9 co2 -e per passenger	429.8 CO2 -e per passenger	na	na	151.9678715

* calculation based on exchange rate as of April 8, 2010

Table 6.2

Web pages	Virgin Blue	Qantas	Silverjet	AirAsia	SAS
Contact person listed	no	no	na	no	yes
Carbon Neutralising option	yes	no	na	no	yes
Specific section dedicated to environmental information	yes	yes	na	no	yes
Code of conduct disclosed	yes	yes	na	no	yes
Environmental efforts listed	yes	yes	na	no	yes
Any failures relating to environmental efforts	no	no	na	no	no
Environmental certifications/ memberships mentioned	yes	yes	na	no	yes
GRI Guidelines mentioned	no	yes	na	no	yes
Greenhouse Gas emissions mentioned	yes	yes	na	no	yes
emissions for this year available	no	yes	na	no	yes
emissions for last year available	no	yes	na	no	yes

Table 6.3

Annual Report	Virgin Blue	Qantas	Silverjet	AirAsia	SAS
Report available online	yes	yes	na	yes	yes
English version available	yes	yes	na	yes	yes
Contact person listed	no	no	na	no	yes
Specific section dedicated to environmental information	yes	yes	na	yes	yes
Environmental efforts listed	yes	yes	na	yes	yes
Any failures relating to environmental efforts	yes	no	na	no	yes
Environmental certifications/ memberships mentioned	yes	yes	na	no	yes
GRI Guidelines mentioned	no	yes	na	no	yes
UN Global compact mentioned	no	yes	na	no	yes
Greenhouse Gas emissions mentioned	yes	yes	na	yes	yes
emissions for this year available	yes	yes	na	no	yes
emissions for last year available	no	yes	na	no	yes
Stakeholders mentioned	yes	yes	na	yes	yes
Employees	yes	yes	na	yes	yes
Management	yes	yes	na	yes	yes
Owners/Shareholders	yes	yes	na	yes	yes
Customers/Passengers	yes	yes	na	yes	yes
Suppliers	no	yes	na	no	yes
Government	yes	yes	na	yes	yes
Industry	no	yes	na	yes	yes
NGOs	no	yes	na	no	yes
Competitors	no	yes	na	no	yes
Community	yes	yes	na	yes	yes
Report is independently reviewed	no	yes	na	yes*	yes
Reviewer	na	KPMG	na	PriceWaterHouseCoopers	Deloitte

* Financial sections only

Table 6.4

CEO Statement in Annual Report	Virgin Blue	Qantas	Silverjet	AirAsia	SAS
Specific section dedicated to environmental information	no	no	na	no	yes
Environment mentioned	no	no	na	no	yes
Stakeholders mentioned	yes	no	na	yes	yes
Employees	yes	yes	na	yes	yes
Management	yes	yes	na	yes	yes
Owners/Shareholders	no	yes	na	yes	yes
Customers/Passengers	no	yes	na	yes	yes
Suppliers	no	yes	na	no	no
Government	no	no	na	no	yes
Industry	yes	yes	na	yes	yes
NGOs	no	no	na	no	no
Competitors	no	yes	na	no	yes
Community	no	no	na	no	no

Table 6.5

Code of Conduct	Virgin Blue	Qantas	Silverjet	AirAsia	SAS
Report available online	yes	yes	na	no	yes
Contact person listed	no	no	na	na	no
Specific section dedicated to sustainability	yes	yes	na	na	yes
Word 'stakeholders' mentioned	no	yes	na	na	yes
Employees	yes	yes	na	na	yes
Management	yes	yes	na	na	yes
Owners/Shareholders	yes	yes	na	na	yes
Customers/Passengers	no	yes	na	na	yes
Suppliers	yes	yes	na	na	yes
Government	yes	yes	na	na	yes
Industry	yes	yes	na	na	yes
NGOs	yes	no	na	na	yes
Competitors	yes	yes	na	na	yes
Community	yes	yes	na	na	yes

Table 6.6

My query	Virgin Blue	Qantas	Silverjet	AirAsia	SAS
Contact person	Laura Molony	na	Nicole Mitrovic	Mr Aziz	Helge Hafstad
Initial contact	phone HO	phone	e-mail	online form	e-mail
Secondary contact	e-mail	e-mail	na	na	phone
Personalised reply from airline	yes	no	yes	no	yes
Interview	no	no	no	no	yes

Table 6.7

Type of report	Virgin Blue		Qantas		AirAsia		SAS	
	Annual Report 2009		Annual Report 2009		Annual Report 2008		Annual and Sustainability report 2009	
Number of pages in report	60		164		137		128	
Environmental/ Sustainability pages	2		12		2		19	
%	3,33%		7,32%		1,46%		14,84%	
Word	Count	Average per 100 pages	Count	Average per 100 pages	Count	Average per 100 pages	Count	Average per 100 pages
Corporate Social Responsibility	1	1.67	0	0.00	2	1.46	3	2.34
Social Responsibility	0	0.00	1	0.61	0	0.00	8	6.25
Stakeholder	1	1.67	9	5.49	2	1.46	17	13.28
Sustainability	0	0.00	38	23.17	0	0.00	78	60.94
Ethics/ Ethical/ Ethic/ Unethical	0	0.00	8	4.88	3	2.19	7	5.47
Emissions (related to gasses)	12	20.00	51	31.10	2	1.46	94	73.44
Greenhouse gas	5	8.33	6	3.66	0	0.00	7	5.47
Carbon Dioxide	1	1.67	19	11.59	1	0.73	16	12.50
CO2	0	0.00	30	18.29	0	0.00	0	0.00
Nitrogen (Oxides of)	0	0.00	3	1.83	1	0.73	9	7.03
Nox	0	0.00	4	2.44	0	0.00	14	10.94
Water Vapour	0	0.00	0	0.00	0	0.00	2	1.56
H2O	0	0.00	0	0.00	0	0.00	0	0.00
Global Warming	0	0.00	0	0.00	0	0.00	1	0.78
Climate Change	1	1.67	4	2.44	0	0.00	2	1.56
Carbon Footprint	2	3.33	1	0.61	0	0.00	0	0.00
Environment (natural)	12	20.00	25	15.24	7	5.11	251	196.09
Total number of words relating to sustainability	35		199		18		509	
Average per page	0.58		1.21		0.13		3.98	