

A Study on China's Petroleum Enterprise Social Responsibility Information Disclosure-Based on the Comparison of Shell and PetroChina Social Responsibility Information Disclosure

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Abstract: Corporate social responsibility information disclosure's late start in China, both in quantity and quality needs to be improved. This shell and PetroChina from 2013 respectively published by the sustainability report for analysis, according to disclosure forms, content, management bodies and the guidelines for the preparation of the report compared the four aspects. Recommended China Petroleum strengthening stakeholder engagement and feedback mechanisms, improve the transparency and accuracy of the information disclosed, and actively carry out third-party tickets, to further improve the index system construction of social responsibility.

Keywords: China petroleum, corporate social responsibility, shell, sustainable development.

1. INTRODUCTION

Corporate social responsibility has become the trend of globalization, corporate social responsibility is becoming an important basis for performance evaluation and the business operations specifications, with the increasing pressure on economic sustainable development of resources and environment, national market regulators and investors on corporate social responsibility information disclosure is more and more stronger. According to KPMG's latest release of the 2013 Corporate Social Responsibility Report survey shows that in the world's top 41 countries ranked 100 among nearly 4100 companies to disclose the ratio of corporate social responsibility report as much as 71%, compared with 2011 compared to an increase of 7%. In the 'Fortune Global 500' before the 250 companies of which over 79% released Social Responsibility Report. It is worth mentioning that in 2013 corporate social responsibility report of the proportion of increase of up to 16% compared to 2011 [1]. Our corporate social responsibility information disclosure research started late, but rapid development. Following the Shenzhen Stock Exchange in September 2006 issued 'Guidelines on Corporate Social Responsibility listing', the SASAC have released a series of documents to guide and encourage enterprises filers Social Responsibility Report, released substantial growth in the number of social responsibility report. But compared with the Western countries, corporate social responsibility report in China remains low, lagging, form a single and many other issues.

Oil companies as part of State-owned enterprises and national energy strategy, to be in the possession of the resources used and assume the corresponding social responsibilities, and also undertake to ensure the country's energy

supplies and strategic responsibility for safeguarding national security. In addition, all sectors of the oil industry operations than the other sectors with greater risk, the slightest mistake would wreak havoc on the local natural environment, thereby enhancing oil corporate social responsibility information disclosure is particularly important. Based on comparative analysis of social responsibility information disclosure for petroleum enterprises at home and abroad, and make recommendations for improvement, and hopes to further improve China's petroleum enterprise social responsibility information disclosure system.

2. SHELL AND PETROCHINA SOCIAL RESPONSIBILITY INFORMATION DISCLOSURE

2.1. China Petroleum And Shell Oil Corporate Social Responsibility Information Disclosure In The Form Of Relatively

2.1.1. Social Responsibility Report Types

Shell and PetroChina information related to social responsibility is mainly uses the sustainability report, annual financial report and corporate disclosure in the form of a Web page. Shell has since 1998 published its corporate social responsibility as the core content of 'the report on the shell', and in 2005 instead of 'the shell sustainability report', while PetroChina will continuously report 2006, 2007, 2008 named 'the social responsibility report', 2009 to be 'the sustainable development report' [2]. Shell has been sustained release of 15 parts separate sustainability report, and in 1999 the first development report released in China, has formed a relatively complete reporting system, divided into the Group's annual sustainability report, prepared for the country's key business sustainable development of the country reports and key projects for the construction of key projects sustainability report released three levels, and provide, including in six languages II, including Chinese and English on its website to download the electronic version of

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the report mode, to a great extent to broaden enterprises with major stakeholder communication channels [3]. In contrast, China Petroleum reporting system is relatively simple, while providing a sustainable development report sustainable development is only supported by a small number of country reports, the download version is only in Chinese and English [4].

2.1.2. Social Responsibility Report Theme

Enterprise through accurate and clear theme in the report, disseminated to stakeholders and society as a whole of its social responsibility. Shell Sustainability Report make the appropriate adjustments to its subject matter every year, according to its business strategy and the transformation of social responsibility practices. From the 'Meeting the Energy Challenge', 'responsible energy', 'create a low-carbon energy future' to the stage of 'building a sustainable energy future', and insisted that the concept of social responsibility into their business year development strategy [3]. China Petroleum and since 2006 has been extended the theme of 'dedicated energy and create harmony', enterprise development policies and business strategies for the year cannot be highlighted [4].

2.1.3. The Disclosure Way Of Social Responsibility Report

In order to enhance the reliability and readability, the companies have adopted the disclosure of qualitative and quantitative methods in two to demonstrate the views and facts show. And by further comparison can be clearly found that Shell tend to use charts and indicators for quantitative analysis of data, its 2013 sustainability report, covering the 21 charts and highlighted the 21 data, the report makes clear and intuitive focused, achieve comparability and rigor of information disclosure [3]. In contrast, the PetroChina is more adept at using qualitative description and interspersed with case approach to analysis, the 2013 Sustainable Development Report distributed in economic, social and environmental performance of the size of the case nearly 15, in support of his argument views while increasing the readability of the report. Meanwhile, reports from the previous month in terms of PetroChina also increased the introduction of key data and charts disclosure attention select critical data also tends to be more international, but in the collation of data and statistical analysis somewhat lacking, comparability is not strong [4].

2.1.4. Social Responsibility Report Feedback Mechanisms

Shell insists regular contact with its stakeholders, respect and consider their views and needs, treat different stakeholders to develop and refine the appropriate code of conduct. For example in fulfilling security responsibilities, Shell developed a HSSE (Health, Safety, Security, Environment) management system to regulate its safe and responsible business model, and require all employees of Shell and its joint ventures must strictly comply with the safety standards, intervention unsafe behavior, respect for community neighbors and the environment [5]. And in fulfilling community responsibilities, Shell developed a 'social performance plan' to help evaluate all major projects and facilities to build a negative impact on local communities may bring [3].

It is worth mentioning that, since 2003, shell began to target seat of stakeholder feedback on key businesses responded publish key reports, and make publicly available the many feedback channels such as mail, telephone and online contact [3], reflecting its perfect feedback mechanism. In contrast, China Petroleum report mainly focused on how to improve communications with stakeholders on the mechanism to ensure that stakeholders value maximization, but does not say how stakeholder feedback is influence business decisions and thus promote the company's development [3], feedback mechanisms have yet to be improved.

2.2. Comparison of Corporate Social Responsibility Information Disclosure

2.2.1. Social Responsibility Report Framework

The core of Shell Sustainability Report 2013 is divided into four sections: Introduction, methods, operations, performance, reporting in accordance with the 'development philosophy set - behavioral norms - to take concrete action - an overall improvement in performance', the shoe guidelines for responsible behavior and strategic planning route design, and stressed that 'adhere to the safe, responsible, effective, profitable way to carry out operations, and actively share the proceeds with the business location, to help build a sustainable energy future', in business the decision-making process to fully consider and take into account the good economic, environmental and social responsibilities of the three, focusing on sustainable development into their business development strategies [6].

PetroChina reports published in recent years on the screening and grasp the key information content are increasingly tended to international oil companies. The 2013 report mainly from sustained and effective energy supply, safe and clean production operations, customer-oriented marketing services, people-oriented staff development as well as contribute to social welfare contributions to these five aspects of the system discussed in the performance of its annual progress of economic, environmental and social responsibility [4]. Each part was roughly in accordance with the concept of goals, management practices, take action and get results frameworks were written, clear thinking and reasonable structure.

2.2.2. Companies to Disclose Information on Economic, Social and Environmental Performance

2.2.2.1. Economic Performance

'The sustainable development report' (G3) guide to understanding about the oil industry economic performance, including not only the production and supply and marketing of the direct economic benefits, also including the new energy and unconventional energy investment [7]. Shell by income, net capital investment and tax and other economic indicators, showing the good economic performance and sustainable development trend. The report shows that in 2013 Shell paid a total worldwide corporate tax \$ 20.3 billion, royalties \$ 4.1 billion, and on behalf of the government to levy a fuel and other goods consumption and sales tax \$ 80.9 billion, up 51% effective tax rate. In addition Shell has invested \$ 1.3 billion in emerging markets as it thinks have the potential to carry out R & D projects, such

as oil sands mining in Canada Carmon Bay, Gbaran Ubie and oil pipe line construction region of Niger [3]. Also reported its objective to disclose the fact that when the oil and gas resources to cut its long-term development and the impact caused. In terms of diversification of energy sources, Shell Development Report, nearly half of the space with a detailed description of how to develop natural gas, tight oil and gas formations, deep water, liquefied natural gas and biofuels to promote renewable energy capacity; how to increase natural gas production, the development of carbon capture and sequestration technologies, low-carbon biofuels production process so as to enhance operational energy efficiency.

Petro China reported on 'sustainable energy supply' disclosed in the performance of their economic performance, including that year's supply of oil and gas resources, product structures, pipeline construction, non-conventional energy development and establishment of overseas projects, after the report attached 12 relevant economic indicators [4], but the content still comparatively broad disclosure, both of which have positive messages.

2.2.2.2. Environmental Performance

'Sustainability reporting guidelines' (G3) clearly pointed out in the environmental performance, environmental indicators covering inputs (raw materials, energy, water) and output (waste gas, waste water, waste) related to performance. In addition, it should also include biological diversity, environmental protection and other relevant information performance. Shell insisted early in the project planning and decision making will include measures to protect the environment, controlling carbon dioxide emissions and increase the reuse of water resources as well as waste, preventing oil spills and reduce operational process vent emissions from burning, the conservation of biological diversity. Environmental indicators in 2013 quantization as many as 33, conduct a detailed comparison with previous data [3].

PetroChina to disclose their environmental performance in " safe and clean production operations " and " customer-oriented market services ", the emphasized its safety, energy conservation, to address climate change, and optimize product quality and service water products, strengthen research efforts other aspects of the performance [4], in terms of information related to the previous month report was complete refinement, basic amount to information required by the GRI covering, but quantitative indicators are still lacking.

2.2.2.3. Social Performance

Shell development report serious statement in the code of conduct for antitrust, anti corruption, pay attention to the business philosophy of human rights and the right of local residents. Disclosure of the contents of social performance report includes a life of labor safety, equipment operation safety, social contribution, local procurement, staff recruitment diversification that several major aspects, and with respect for the contents of the detailed data and comparative analysis of each year, the quantitative social performance indicators up to 28 [3].

PetroChina in the 'people-oriented staff development' and 'contribute to the community's welfare contribution' to

respect detailed disclosure of their social performance, when the report was significantly increased for the human rights of the degree of attention, emphasizing the equal employment and democratic communication, focus on employee mental health, focusing on cultural inclusiveness, strengthen security and other interests of employees overseas issues. Meanwhile, the oil emphasize people's livelihood and social progress, and to participate in donations to schools, to carry out volunteer activities, to promote community building, to build a harmonious society of due diligence [4].

2.2.3. Social Responsibility Report Negative Information Disclosure

Reporting is not only positive aspects of enterprise information, there should be negative information [2]. Shell strictly follow this principle, the report concentrated on the negative impact of the company's operations brought to disclose information to the environment and society. For accidents that year occurred in the course of production operations are transparent attitude to be taken by the notary detailed disclosure, and also attach an independent third party for the incident handling mechanism related comments, making fair and objective report [3].

In contrast, China Petroleum attitude towards negative information is slightly taboo, despite the 2013 report referred to when the company overcapacity, environmental constraints and other deep-seated contradictions and structural issues highlighted, but did not fully disclosed in detail, and accidents of describing arrangements to enforce safety and environmental protection management, described only a coping mechanism and lessons, the lack of integrity of the event description [4].

2.3. Comparison of Corporate Social Responsibility Management Agency

One of Shell's important to set up a performance that is relatively sound corporate social responsibility management organization, which consists of a dedicated Social Responsibility Committee, peripherals, external evaluation committee. Social Responsibility Committee visited the site in South Africa as well as American and Alaska [3], with major local stakeholders for communication to ensure the implementation of the relevant social responsibility guidelines. It is worth mentioning that Shell sustainable development performance indicators to occupy 20 percent of its annual scorecard rating for the index score of assessment directly affects their employees year-end bonuses as well as members of the Executive Committee. In addition, shell has for nine consecutive years, organizing a team of business associations and trade organizations from all sectors of the built by authorities of the external independent review board, their reference to AA1000 audit standards with the social responsibility Committee, to evaluate the company's sustainability report, pointing out that deficiency and improvement [3]. In contrast, although China Petroleum set up safety and environmental protection committee, with reference to relevant standards enterprise production and operating activities, but always lack of independent third party objective inspection, the quality of the report report lack of reliability.

2.4. Corporate Social Responsibility Information Disclosure Standard Comparison

The 2013 Sustainable Development Report of the two major oil companies are according to the Global Reporting Initiative (GRI) issued the 'sustainability reporting guidelines', the international petroleum industry environmental conservation association (IPIECA) and the American petroleum institute (API) jointly issued the 'guidelines for the oil and gas industry sustainable development report (2010 edition)', published by the International organization for Standardization ISO 26000 Guidance on Social Responsibility and other international standard preparation. Meanwhile, China Petroleum also to the ISO 26000 Guidance on Social Responsibility as a reference base, combined with the industry and with its own characteristics and compiled the same period of the "China National Petroleum Corporation to fulfill their social responsibility guidelines" designed to guide their enterprises to better carry out social responsibility practices, assumed responsibility clearly the scope and content, improve the management level of social responsibility [4]. This is the first attempt to China Petroleum maxims of the specification and the construction of social responsibility content index system and social responsibility performance communication index system.

3. TO IMPROVE THE INFORMATION DISCLOSURE OF SOCIAL RESPONSIBILITY OF CHINA'S OIL ENTERPRISES RELATED SUGGESTIONS

3.1. Strengthen Stakeholder Participation Information Feedback Mechanism

Although domestic oil companies report established a method and system to identify stakeholders for them to respond positively to the questions raised, but less information in decision-making for stakeholders involved in the company, stay on the process examination and feedback level [2]. Recommended that domestic oil companies to build stakeholder engagement framework, standardized stakeholder participation in corporate decision-making process specific, and insert real cases in the report to illustrate the extent of stakeholder participation in corporate decision-making, so that the views of stakeholders can truly integrate strategic management and daily business among enterprises.

3.2. Improve the Transparency and Accuracy of Information Disclosure

Shell's report refers less to corporate profiles, profit levels and other direct economic factors, the more publicity companies through value proposition, vision and commitment, as well as contribution to the social development and other indirect economic factors shaping the positive image of the brand [5]. Social responsibility report released in China's oil enterprises in recent years both in content filtering and the critical information assurance more and more internationally oriented. But there are still vague statements, glossy, information disclosure is not comprehensive, relevant content such as the lack of data to support a series of problems. Recommended that China's petroleum enterprises to actively build API and GRI sustainability reporting guidelines published for the oil industry, refer to shell for notarization and

objective disclosure of negative information, improve the information disclosure mechanism, increase the quantitative information disclosure, improve the quality and comparability of social responsibility information.

3.3. Actively Carry Out Social Responsibility Report of the Third Party Certification

Recommended that domestic oil companies treat third-party audit responsibility report as annual and financial reports mandatory testing, setting up internal and external drive the regulatory assessment organization, expand on responsibility reporting tickets from third parties, in order to improve the quality and reliability of disclosed information.

3.4. Continue to Perfect the Construction of the Responsibility System

Shell is deepening its performance measurement system, key performance indicators have been developed for Shell's management practice of social responsibility provides a practical guide for action and improvement [5]. Recommended oil industry enterprises in China to further improve the performance indicators evaluation system of economic responsibility, social responsibility and environmental responsibility and expand the coverage of indicators, further with the international oil companies social responsibility information disclosure standards.

CONCLUSION

By comparing the systems mentioned above, it is clear to see that there is not much difference between domestic and international oil companies in terms of the choice of report type and content frame integrity. But international oil companies' reports have better content selection, explanation, information transparency and index perfection level. To improve the quality and the normalization of Chinese oil companies' responsibility reports, we suggest that PetroChina should focus more on the participation of relevant parties and feedback system, also increase the information transparency and accuracy; actively carry out third-party verifications to improve social responsibility index system.

CONFLICT OF INTEREST

The authors confirm that this article content has no conflict of interest.

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