



**UiA** University  
of Agder

## **What are the drivers behind corporate social responsibility for transportation companies operating in Norway?**

An analysis of the CSR-activities of three major companies operating on Norwegian roads.

FILIP BEKKEVANG

SUPERVISOR

John Arngrim Hunnes

University of Agder, 2022  
Faculty of Business School  
Department of Economics



**AACSB**  
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## **Preface**

This master thesis projects the end of my degree in Civil economics here at the University of Agder. The journey has been both fun and challenging, and more importantly, very educational. I want to thank my university for allowing me to develop myself, both educationally and maturely. Furthermore, I must also extend my gratitude to the uttermost talented and professional professors that have taught me. Through them, I have grown both professionally and individually. I must also thank some of my fellow students who have shared their knowledge and the journey with me. Lastly, I want to thank John Arngrim Hunnes for supervising me during this whole process. Without all this help, my thesis could not have been conducted to such a level it has now.

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Filip Bekkevang

## Norsk Sammendrag

**Bakgrunn:** De siste årene har både nasjoner og enkeltpersoner blitt påvirket som en konsekvens av klimautslipp. Norge har bestemt at de ønsker å kutte ned omtrent halvparten av utslippene innen 2030. Gitt at over 30 % av Norges totale utslipp i dag kommer fra transport, vil transportbedrifter nå både frivillig og med makt bli presset til å gjennomføre bærekraft (CSR) for å kutte utslippene deres.

**Hensikt:** Dette studie tar sikte på å 1) Måle i hvilken grad transportselskaper som opererer i Norge i dag driver med bærekraft. 2) Analysere hvilke fokusområder selskapene retter seg mot når de gjennomfører CSR. 3) Identifiser graden av obligatorisk CSR-engasjement som skjer utelukkende på grunn av lover og regler. 4) Måle legitimiteten til frivillig CSR-engasjement selskaper hevder å gjøre av altruistiske grunner.

**Forskningsspørsmål:** Hva er årsakene som bidrar til bærekraft for transportselskaper som opererer i Norge?

**Metode:** For å svare på forskningsspørsmålet har jeg analysert både års- og bærekrafts rapporter til de tre selskapene: ASKO, Posten Norge, og FREJA, fra årene 2018, 2019, og 2020. I kombinasjon med dette har jeg også gjennomført en litteraturgjennomgang, basert på flere artikler tidligere publisert om bærekraft, bærekrafts modenhet, modenhetsmodellen, omstridte bransjer og det generelle termer knyttet til miljø/bærekraft. Til slutt tildelte jeg hvert selskap et individuelt bærekraft-modenhetsnivå, der de ulike nivåene representerer i hvilken grad deres engasjement mot bærekraft var motivert av miljøinteresser eller økonomisk gevinst.

**Funn:** De ulike områdene som hvert selskap valgte for å fokusere sin CSR hadde mange lignende aspekter. Spesifikt observerte vi en likhet i hvordan bærekraft ble presentert i de ulike bærekrafts rapportene, der de tre selskapene alle knytter sterke forbindelser til CO<sub>2</sub>-utslipp. Imidlertid varierte de ulike mengden faktisk engasjement drastisk innenfor de forskjellige selskapene.

**Konklusjon:** Når det gjelder grad av modenhet i bærekrafts, viser studiet at ASKO har størst engasjement for bærekrafts-aktiviteter sammenlignet med Posten Norge og FREJA. Spesielt FREJA bør sterkt øke deres engasjement i bærekrafts-aktiviteter. Når det gjelder nivåene av bærekraft modenhet, viser studiet at ASKO er den mest modne, etter å ha presentert det

høyeste engasjementet for bærefrakt av de tre selskapene. FREJA scoret lavest av de tre. Selv om de presenterte mye positivt engasjement i sine bærekrafts rapporter, klarte de ikke å vise til like mye faktisk engasjement for bærekraft i samfunnet sammenlignet med de to andre selskapene.

**Stikkord:** Bærekraft, Modenhetsmodell, Omstridte bransjer, Årsrapporter, Bærekrafts rapporter, Miljø, Sosiale Initiativer, Klimaendringer, Grønnvasking, Utslipp, Forurensning, Fornybar Energi og FNs Bærekrafts mål.

## Abstract

**Background:** In recent years, both nations and individuals have been affected by the consequences of greenhouse emissions. Norway has decided that they want to cut down nearly 50% of its emissions by 2030. Since over 30% of their total emissions are from transport, many transportation businesses are now voluntarily and forcefully engaging in so-called corporate social responsibility (referred to as CSR) with the intent to cut their emissions and better preserve the environment.

**Purpose:** This study aims to 1) Measure to what degree transportation companies operating in Norway today conduct CSR. 2) Analyze which focus areas the companies target when conducting CSR 3) Identify the degree of mandatory CSR engagement that happens purely due to laws and regulations. 4) Measure the legitimacy of the voluntarily CSR engagement companies claim to do for altruistic reasons.

**Research question:** What are the drivers behind corporate social responsibility for transportation companies operating in Norway?

**Method:** To answer the research question, I analyzed both annual and sustainability reports of the three companies: ASKO, Posten Norge, and FREJA, from the years 2018, 2019, and 2020. In combination with this, I also conducted a literature review based on articles previously published about CSR, CSR Maturity, the maturity model, contested industries, Stakeholders, and general terms related to environment/sustainability. Lastly, I assigned each company with an individual level of CSR maturity, where the different levels represent to which degree their CSR engagement was motivated by environmental interest or financial gains.

**Findings:** The different areas that each company chose to focus their CSR had many similar aspects. Specifically, we observed a similarity in how CSR was presented in the different sustainability report, with the three companies all tying strong connections to CO2 emissions. However, the different amount of actual engagement varied drastically within the different companies.

**Conclusion:** Regarding the levels of CSR maturity, the study shows that ASKO is the most mature, having presented the highest engagement towards CSR of the three companies. FREJA scored the lowest of the three, although presenting a lot of positive engagement in their

sustainability reports, they failed to show equally much legitimate involvement towards CSR compared to the other two companies.

**Key Words:** Corporate Social Responsibility, CSR, CSR maturity model, Contested industries, Annual reports, Sustainability reports, Environment, Social Initiatives, Climate Change, Greenwashing, Emissions, Pollution, Renewable Energy, and UN Sustainable Goals.

# Table of contents

<b>1.0 Introduction</b> .....	<b>8</b>
1.1 Research Problem.....	10
1.2 Research Question.....	11
<b>2.0 Literature Review</b> .....	<b>11</b>
2.1 Corporate Social Responsibility .....	11
2.2 Laws applying to transportation companies operating in Norway .....	13
2.2.1 Regulations as a results of the EEA agreement .....	14
2.3 Stakeholders.....	15
2.4 CSR in contested industries.....	15
2.5 Voluntary and Mandatory CSR.....	16
2.6 CSR maturity model.....	17
2.7 CSR Maturity.....	20
<b>3.0 Method</b> .....	<b>22</b>
3.1 Methodological approach .....	22
3.2 Data collection methods .....	23
3.3 Analyzing method.....	24
<b>4.0 Findings</b> .....	<b>26</b>
4.1 Annual/CSR reports .....	26
4.1.1 NorgesGruppen (ASKO) .....	26
4.1.2 Posten Norge .....	28
4.1.3 FREJA .....	30
<b>5.0 Discussion</b> .....	<b>33</b>
5.1 Reaction to laws?.....	33
5.2 Differences in Sustainability and Annual Reports .....	34
5.3 CSR maturity in each company.....	35
5.3.1 ASKO .....	36
5.3.2 Posten Norge .....	37
5.3.3 FREJA .....	38
<b>6.0 Conclusion</b> .....	<b>39</b>
6.1 Limitations and future research.....	40
<b>References</b> .....	<b>40</b>
<b>Appendix</b> .....	<b>47</b>
Discussion paper.....	48
References (Discussion paper).....	52

## 1.0 Introduction

Nature has always been a huge focus area in Norway's history. Going back to our old ancestors, its rooted deep in our biology to have a strong connection with nature. From old Nordic mythology talking about apocalypse day through environmental disaster, to mountain peasants and fishermen being nourished by "fjord" fish and wild berries (Anker, 2020, p. 9-14). Most of Norwegian activities have revolved around outdoor activities. Whether it may be hunting, camping, harvesting, walking or simply cross-country skiing. Although the industrial revolution, alongside the discovery of oil have contributed to an urbanization, we still experience that the right to these activities is being maintained. A great example of this is the implementation of the outdoor recreation act back in 1957 (Friluftsloven, 1957, § 1-10.) This law granted every Norwegian citizen the right to set camp, harvest and walk wherever they wanted, both publicly and privately.

Evidently, statistics show that the love for nature is still present in the much more industrialized Norway we see today. An examination by Statistisk sentralbyrå published back in 1970 showed that out of the total of 3,7 million Norwegians citizens, there existed 190 000 cabins divided between them (Statistisk Sentralbyrå, 1971). In the same study, statistics from a survey measuring outdoor activities were also published, showing that only 16% of the people in the survey didn't partake in any form of outdoor activities. Having had a steady growth for the last 50 years, the amount cabins have today increased to 445 513 (Statistisk Sentralbyrå, 2022).

Interestingly, multiple occasions points to Norway serving as a pioneer for the rest of the world regarding safeguarding the natural environment. Another great example from Norwegian history would be back in 2008, when the Prime minister Jens Stoltenberg introduced the Global Seed Vault, a vault that was intended for preserve the worlds food crops against environmental disasters, climate change and wars (Anker, 2020, p. 1).

Today, the nature is currently facing extreme amounts of global warming. Pollution like CO2 emissions have taken a huge toll on our environment, and it's not sustainable to continue in the same patterns as we are currently used to. Being this pioneer of environmental



sustainability, Norway has also taken responsibility by announcing that they wanted to reduce greenhouse emissions by around 50% within 2030, as a result of the Paris agreement arrangement that happened in 2016 (Regjeringen, 2021). Alongside this, they have also set goals to co-align with the Sustainable Development Goals set for 2030 introduced by UN. In total there are 17 sustainable goals who all focuses on different areas, with the intention of maintaining the globe, alongside improving the overall global standards of living. Multiple of these goals are connected to fighting CO2 emissions, some of the more relevant being:

7. Clean Energy to everyone

11. Sustainable cities and local areas.

12. Responsible consumption and production

13. Stop the climate change

(United Nations, 2022)

Although a small factor in comparison to global destruction, greenhouse emissions are also quite expensive. Following the information published in May 2021, “Climate quotas or the carbon price has risen sharply this year, setting another record the 30<sup>th</sup> of April, at around 49 euros per ton. This is twice as high as the average price in 2019 and 2020, showing an increase of 50 percent from the beginning of the year.” (Brenna, 2021). Another study also showed that Norway’s emissions were estimated to be roughly 49 million tons in 2020 (Statistisk Sentralbyrå, 2021).

There are plenty of reasons as to why Norway wants to reduce their CO2 emissions. However, if they want to realize the goal of reducing their CO2 emissions by 50% within 2030, we must look to the areas where most of these pollutions happened. Following this information, a study done by Statistisk sentralbyrå showed that in 2019, transportation was the cause of 30% of Norway’s greenhouse emissions, whereas over 50% of that again was conducted in traffic (Engedal & Bothner, 2019). This implies that over 15% of Norway’s total greenhouse emission is coming from transportation on wheels. Put into perspective, that percentage would amount to a sum of 360 000 000€ in CO2 tax that Norway must pay every year.

Naturally, as a result of Norway continuing to regulate their laws and legislations to

align with UN's sustainable goal, they have had quite the impact on companies that operate in such contested industries. Research has found that companies under such conditions also experience pressure from their stakeholders regarding Corporate Social Responsibility (Hereby referred to as CSR) (Aqueveque, Rodrigo & Duran, 2018, p. 222). "Customers increasingly expect businesses to consider human rights in their employment practices and demonstrate stewardship toward the natural environment. Individual and institutional investors have begun considering "citizenship programs" as a factor in their investment decisions. Job seekers are gravitating toward firms that demonstrate a strong social portfolio. And employees are showing greater loyalty toward companies that work for the betterment of society" (Brønn & Vidaver-Cohen, 2009, p. 1).

This implies that even without political regulations, due to public expectations there already exist certain motives as to why such a company would want to engage in such activities. However, historically it has never been mandatory for companies to engage in CSR-activities or to report such actions. Thus, there are no guarantees that a company is engaging in CSR to the same degree as they would promote it.

However, more recent research could point to this not necessarily being such a big problem. Studies show that in addition to the rise in produced sustainability reports, actual CSR engagement has also become more common over the current years (Chan, Watson & Woodcliff, 2013, p. 60). This progression has led to stricter/more significant expectations from companies, and as a result, CSR-activities will appear less voluntarily. This, however, brings forth another potential problem area. Waagstein argues that as a result, the view on CSR has now also shifted from a voluntary basis to a more mandatory response to laws and legislation (2011, p. 1). As this makes it difficult for both stakeholders and the public eye to determine to what degree a company is already engaging in CSR, the expectations around the company can become unclear, and to lenient.

To solve this problem, a man by the name Wayne Visser introduced a tool to better help the stakeholder approach this issue. He called it the "Maturity model", and with it one should be able to identify the different motives behind CSR engagement within companies. This tool allows us to measure the extent to which company is acting on a philanthropic level, instead of just selfish reasons (Visser, 2014).

## **1.1 Research Problem**

We can see why certain companies in the transportation industry would find it very beneficial to engage in CSR, but how can we know for certain that their actions really reflect what they are promoting? With all this in mind, I naturally saw the need to study to what degree different factors contributed to CSR engagement within the companies. Whether it's due laws and regulations, avoiding negative reputations towards stakeholders, for financial reasons (green benefits vs Co2 tax), or preserving the environment. Considering how transportation on wheels has such a high contribution towards Norway's greenhouse emissions, the Norwegian government should really address this topic. To realize the goals set out by the UN for 2030, understanding how the transportation industry thinks and acts would make it easier to pave the way for them towards the green shift.

## **1.2 Research Question**

What are the drivers behind corporate social responsibility for transportation companies operating in Norway? This thesis will look at three major transportation industries operating within the Norwegian border. First, we want to measure to what degree each company contributes to the green shift today. Furthermore, with the help of their annually published financial and sustainability reports, we will figure out why, where, and when the companies choose to engage in social responsibility. To analyze whether the companies behave proactive or just reactive, I will utilize the CSR maturity model by Visser presented in his article (Visser, 2014). Furthermore, by using the maturity model, I also want to determine whether the companies are actively working towards bettering the environment, or if they only act according to their own best interest.

## **2.0 Literature Review**

### **2.1 Corporate Social Responsibility**

The term CSR was first presented in 1953 by the businessman Howard Bowen. In his published article, the American economist coined the term and thus is often referred to as the father of CSR (Bowen, 1953). Ever since its origin, multiple people have shared their interpretation of the word CSR and what corporate social responsibility represents. Today it is captioned under many names, strategic philanthropy, corporate citizenship, and social

responsibility being a few. As the names imply, each carries a particular perspective on the role of business in society (Rangan et al., 2012, p.1).

One of these interpretations can be found in Carroll's article and might be regarded as one of the most famous. In the article, Carroll presents the idea that CSR-activities can be divided into four different dimensions: legal, economic, ethical, and philanthropic (Carroll, 2016, p. 3). Carroll found that CSR is a way for companies to give back to the societies they operate in (2016, p. 4). In his article, he describes the four-part definitional framework for CSR. "Corporate social responsibility encompasses the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time" (Carroll, 2016, p. 2). A philanthropic approach is natural for companies that would like to give back to the environment on a higher level than expected. "The primary difference between the ethical and philanthropic categories in the four-part model is that business giving is not necessarily expected morally or ethically. Society expects such gifts, but it does not label companies as "unethical" based on their giving patterns or whether the companies are giving at the desired level" (Carroll, 2016, p. 4). This results in the philanthropic approach being more discrete and voluntary, as it seems like something extra. Hence, the category is essential for companies that aim for "Good corporate citizenship." Philanthropy has been one of the crucial elements of CSR through time, and still is to this day (Carroll, 2016, p. 4).

Legally companies are not only sanctioned by their economic function, but society has also set minimal ground rules that they are expected to abide by (Carroll, 2016, p. 3). These laws reflect society's view on "codified ethics," or a shared opinion on fair business practices. These regulations consist of written rules and apply to every business operation within a given area without expectation. These requirements are the bare minimum that businesses must abide by.

In addition to what's expected by law and regulations, society holds that the essentials are the bare minimum, thus insufficient. In addition to laws and regulations, certain expectations exist towards a business conducting its business ethically (Carroll, 2016, p. 3). One way to interpret it is that companies must abide by the law in letter and the law in spirit, embracing numerous social norms existing outside written law. The legal and ethical dimensions go hand in hand and may be hard to differentiate. Still, it is important to recognize that they each have their own distinct segment.

As mentioned earlier, the philanthropic aspect of conducted CSR is an essential and natural approach for most businesses. “Philanthropy or business giving may not be a responsibility in a literal sense, but it is normally expected by businesses today and is a part of the everyday expectations of the public” (Carroll, 2016, p. 4). As higher expectations arise regarding legal and ethical aspects of a company, a philanthropic approach is a way for the company to give back on a more voluntary basis. These voluntary actions are guided by the business’s desire to partake in activities outside of what’s already expected by law, norms, and ethical views. One way of doing this is to engage in donations, employee volunteerism, social work, community development, and other similar activities (Carroll, 2016, p. 4).

As the core function of any business, they all share equal social responsibility of being profitable. This is the fundamental requirement for their existence. Although it might seem weird to view a business condition of being profitable as a social responsibility, society both expects and requires a business to be self-sustainable and provide a “shared value” to the community (Carroll, 2016, p. 3). The role of a company is to create value for its shareholders, but in such a way that it also makes value for society, manifesting itself as a win-win proposition (Rangan et al., 2012, p.1).

Regardless of the modern interpretations of CSR, the core value has always focused on creating a so-called “Shared value” for society (Rangan et al., 2012, p.1). With shared value, we are talking about measures businesses take to create additional value in their surroundings on top of pre-existing expectations. Following this information, we get a better understanding of what CSR is.

## 2.2 Laws applying to transportation companies operating in Norway

For us to be able to analyze the CSR that businesses conduct outside of what’s being regulated by laws and legislations, we need to address the different laws that are currently affecting the transportation industry. Being extremely nature orientated, Norway has a strict policy regarding environmental pollution, and maintains a tight grip on specific market segments.

**Table 2. Norwegian laws relevant to transportation industries.**

Pollution Control Act: (Pollution control act, 1981, § 1-5, § 7.)	Protect the outdoor environment against pollution
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	<p>Reduce the existing pollution</p> <p>Reduce the quantity of waste</p>
<p>Regnskapsloven: (Regnskapsloven, 1999, § 1-1 – 1-10)</p>	<p>Holds every company performing any activities on Norwegian soil responsible for providing a financial report every year.</p> <p>The exception from this rule are non-partner companies with less than 5 million NOK in sales revenue and an average number of employees of less than five each year.</p>

Regulations around pollution will naturally sway transportation industries activities to some degree. Another key factor here is to notice that although annual financial reports are mandatory from every business with very strict regulations, there is nothing about CSR reports. As environmental issues have gained a lot of traction recently, it's been more and more common for businesses to conduct so called "Sustainability reports" along side their annual reports, some even combining the two. However, as there exist no regulations around whereas how these reports should be written/judged, it opens the possibility for the company to present data in an overwhelmingly positive manner.

### **2.2.1 Regulations as a results of the EEA agreement**

Norway also has an economic collaboration agreement with the EU called the European Economic Area (EEA). This has introduced several regulations, some holding Norwegian companies to a higher standard than what currently exists within official Norwegian law.

"Environmental cooperation is part of the EEA agreement, and almost all EU environmental legislation is implemented in Norwegian law. Topics covered include pollution control, water, air, chemicals, waste, environmental impact assessment, and genetically modified organisms."

"Norway is not bound by EU legislation related to nature conservation, natural resource management, agriculture, and fisheries, but how the EU regulates them influences Norway indirectly."

“The volume of legislation and policies makes the EU a critical factor in developing Norwegian environmental policy. Norway works actively to ensure the best possible decisions on environmental issues within the EU.” (Norway and the EU, u. å.).

## **2.3 Stakeholders**

Evidence points to stakeholders being heavily affected by CSR-activities. In an article published by Sachs, Rühli, Maurer & Hoffman, they state that CSR principles, alongside a company’s implementation of these practices, are directly related to stakeholders (2006, p. 5). Identifying the different stakeholders in a company differs from case to case. However, in his book Clayton explains that a stakeholder can be anyone who has any form of interest in your company (2014, p.6-10). Following this information, a stakeholder can be “any individual or group, with the word any drawing the net as widely as possible. With interest in the company, it can be about what you are doing, how you are doing it, or its outcome” (2014, p.6-10). Alternatively, you could define a stakeholder as anyone who would ruin your day. Therefore, it is no surprise that a firm’s environmental performance enhances the view of stakeholders. This coincides with another study published by Miles, showing a significant correlation between the return of assets and CSR reputations (Miles, 2000, p. 6). This invites the possibility of CSR only being a means for companies who want to be viewed more positively.

## **2.4 CSR in contested industries**

The term contested industry can be defined as industries that suffer from “public challenges to the nature and accountability of corporation and industries.... typically take the form of contests over the societal appropriateness and evaluation of industry practices, strategies, and forms” (Galvin et al., 2004, p. 3). Tobacco, oil and gas, nuclear waste, guns, and drugs would be some categories these industries would fall under. Transportation would also be put under that category. Transportation is highly responsible for all the greenhouse emissions Norway produces each year, making pressure on industries working in those sectors exceptionally high. Thus, it is not rare to see those companies taking measures to better themselves in the eyes of both the media and their closest peers.

Although “the term corporate social responsibility or corporate citizenship is re-defined

and implied differently in each corporation” (Kirat, 2014, p. 440), observations show that CSR-activities are usually conducted in such a manner that directly compensates for the toll they have on their surroundings (Du & Vieira, 2012).

## **2.5 Voluntary and Mandatory CSR**

Although corporate social responsibility is the idea of giving back to society (Rangan et al., 2012, p.1), it is not always done with an altruistic motive. Sometimes companies act as a reaction to laws. According to Waagstein, the increased focus on the environment has shifted the view on CSR-activities, going from something a company usually would conduct voluntarily to a more mandatory response to laws and expectations (2011, p. 1). For stakeholders, this complicates the process of separating good and bad companies.

Rather than analyzing whether specific actions are based on altruistic motives or not, a good way for stakeholders wanting to identify good companies would be to measure the different amounts of mandatory and voluntary CSR-activities. Carroll argues that although there might be an altruistic motive behind certain business activities, most companies choose to demonstrate their “good citizenship” by engaging in philanthropy. (Carroll, 2016, p. 4).

Due to increased CSR-activities, more prominent companies are now expected to publish their conducted CSR alongside the lawfully required annual report (Regnskapsloven, 1999, § 3-3c). Some companies chose to do this with a separate “sustainability report,” whereas others have combined the two into one extensive report. Regardless of the solution, the reports give an insight into how the companies handle CSR. Jain, Kenely, and Thomson (2015) state that voluntary CSR reporting increases due to public expectations of companies being held responsible for all their actions towards society. Thus, it is natural for the CSR reporting to continue to grow as it alters how stakeholders view the business.

However, it is worth mentioning that the counterargument can also be made around CSR reporting. In 1980 a common concern was reported regarding the usefulness of voluntary CSR disclosure, as it incentivizes stakeholders to further the credibility issues (Ingram & Frazier, 1980). This concern is also supported by more modern research. Ruka and Rashidirad state that it can be viewed as a limitation when information about a company is written and published by its associates. It is natural to assume the report will be overwhelmingly positive (2019, p. 441). Not only does this undermine the CSR-activities happening voluntarily, but also



the mandatory. The simple reason is that mandatory involvement in CSR-activities takes away from the situations where a company willingly gave back to society (Waagstein, 2011). This statement is further supported by Reid and Toffel (2009), who found implications that mandatory CSR reduces the effectiveness of general CSR programs.

## 2.6 CSR maturity model

Visser (2014) created a maturity model regarding how devoted a company is to CSR. In this model, we find five different stages regarding the level of CSR involvement. Visser's model can be divided into two separate categories: CSR 1.0; explained as the current form of CSR from companies today, and CSR 2.0; described as a more dynamic form of CSR emerging from more mature companies (Visser, 2014, p. 9). Whereas the first four stages are found under CSR 1, the fifth and last stage falls under CSR 2.0. For this model, Visser also introduces new areas of responsibility to be valued. Value creation, good governance, societal contributions, and environmental integrity (Visser, 2014, p. 3).

In the table below, you will notice that the different stages also have paradigms and other factors in combination with them. This is to provide a better explanation for stakeholders that wish to evaluate the companies and measure their different levels of CSR maturity.

**Table 1. Visser's maturity model**

<b>Dominant paradigm</b>	<b>Stage of CSR</b>	<b>Modus operandi</b>	<b>Key enabler</b>	<b>Stakeholdertarget</b>
<b>Greed</b>	Defensive (1)	Ad hoc interventions	Investments	Shareholders, government, and employees
<b>Philanthropy</b>	Charitable (2)	Charitable programs	Projects	Communities
<b>Marketing</b>	Promotional (3)	Public relations	Media	General public

<b>Management</b>	Strategic (4)	Management systems	Codes	Shareholders and NGO's/CSOs
<b>Responsibility</b>	Systemic/ Transformative (5)	Business models	Products	Regulators and customers

### Stage 1

The first stage in Visser's maturity model is defensive CSR. In this stage, the dominant paradigm is greed. The idea of greed is often justified through statements like "bigger is better" and "the invisible hand" that will perfect the market according to its ever-growing needs. However, in practice, the incentives, profits, inheritances, and "traders' bonuses" persevere, leading to extreme wealth in the hand of a few stakeholders (Visser, 2014). This runs the risk of leading to an economic catastrophe, as previously witnessed with the great market crash back in 2008 (Farmer, 2012). You would think that an event like this would have taught us everything we needed to know about the results of extreme greed, but this was not the first economic crisis society experienced, and yet, nor will it be the last. Corporate greed tendencies have manifested themselves as something found naturally in society.

Although its destructive tendencies, it is not to say that greed is purely bad. It does, for one, serve as one of the most significant incentives for both individuals and companies to strive for success. Visser summarizes it perfectly in his article, stating that: "After all, a certain measure of selfishness is natural, but it needs to be moderated by norms, rules, and cultural taboos that keep its destructive tendencies in check" (Visser, 2014, p. 17).

### Stage 2

The second stage in the model is charitable CSR, with the dominant paradigm being philanthropy. As an argument previously made by Carroll, it is very natural for companies to engage in philanthropy when trying to demonstrate their willingness to give back to society (Carroll, 2016, p. 4). Therefore, it might seem surprising that Visser considers this to only be the second stage toward CSR maturity. Yes, donations and other charitable work are a way for a company to give directly back to the community. However, Visser dives even deeper, questioning certain motives. "Their charitable activities are funded out of their personal wealth, usually through a foundation bearing their name; their donations are highly public acts, communicated as a legacy statement; and the emphasis is on post-wealth generosity, rather than

the ethics (or otherwise) of how they made their money in the first place” (Visser, 2014, p. 19).

### **Stage 3**

Promotional CSR is the third stage in the model, and the dominant paradigm here is marketing. As Kotler points out in his article, research points to corporate social responsibility as a vital marketing driver (Kotler, 2011). Particularly for companies operating in contested industries, greenwashing is not uncommon. As for greenwashing, it can be defined as “the intersection of two firm behaviors: poor environmental performance and positive communication about environmental performance” (Netto et al., 2020, p. 2). Several studies vouch for the idea of greenwashing. Miles has presented a table consisting of multiple studies comparing environmental and financial performance, showing a significant correlation between the return of assets and CSR reputations, including the firm’s environmental performance (Miles, 2000, p. 6).

Visser also criticized this idea, saying that the reputational benefits of CSR can lead to corporates being stuck on platforms where the focus is to perform “promotional CSR” (Visser, 2014, p. 20.). The idea is that companies get so caught up in promoting an image of responsibility that they fail to meet the requirements to be just that. However, the point of this stage is not to undermine the social benefits of CSR but rather to close the gap between projected vs. actual performance (Visser, 2014, p. 22).

### **Stage 4**

Being the fourth stage of the model, strategic CSR has management as its dominant paradigm. In his article, Kotler points out that companies who embrace sustainability need to make fundamental changes in their production and marketing practices (Kotler, 2011).

Put to the extreme, we assert traditional businesses with these values:  
The world’s resources are infinite. Pollution’s current toll on the environment is nothing it can’t handle, and quality of life increases as consumption rises. Companies who want to transition away from this classic business mentality must acknowledge that: The world’s resources are scarce and finite if not handled sustainably. Wants and needs do not necessarily improve quality of life, as they are strongly shaped by culture, social markets, and other forces. The current toll on earth regarding pollution and waste is too heavy (Kotler, 2011).

This realization is an essential step toward complete/transformational CSR. Recognizing

the need for specific improvements, while simultaneously adapting to them is the key strength of strategic CSR. However, Visser argues that this is also the most significant weakness; as companies react to social issues aligning with their core, they seldom act proactively, rarely ever changing their core (Visser, 2014, p. 23-24).

## **Stage 5**

The fifth and last stage is transformative CSR, or CSR 2.0. In this stage, responsibility is the dominant paradigm, and it marks the end of the journey towards complete CSR maturity. Taking on full responsibility, a company engages in activities that recognize, identify, and tackle the cause of current issues regarding irresponsibility or unsustainability—usually doing so by innovating their business models, improving their production and marketing operations for the benefit of both national and international policies (Visser, 2014, p. 24). This is backed up in an article published by Caiado, stating that incorporating social responsibility in strategic planning, economic, ethical, legal, and philanthropic responsibilities become the entire organization's responsibility (Caiado et al. 2018, p. 5). Whereas strategic CSR focuses on a micro-level (responding, but not necessarily engaging), CSR 2.0 addresses the bigger picture, including optimizing their business to align with shareholders, customers, the general public, and naturally, the environment (Visser, 2014, p. 24).

## **2.7 CSR Maturity**

To most accurately measure the level of CSR maturity in a company, we need to combine the different tools presented to us. Carrol gives us the premise of which dimensions CSR can be divided into, whereas Visser's maturity model help us analyze different motives existing within these dimensions. This allows us to find a correlating factor between the multiple paradigms, giving more validity to the analysis. However, with all this available data, we also complicate the analysis process. Therefore, we also include a third interpretation of the CSR dimensions, giving us more options when will analyze the data.

In an article questioning the Corporate Motives for Social Initiative, Brønn narrows the reasons for social down into two different perspectives: Strategic and moral (Brønn et al., 2009). Taking a closer look at each of the different approaches, for so to combine them makes it easier to characterize a company's level of CSR Maturity.

### **Strategic**

In some instances, CSR stems from laws and regulations through government enforcement. Specific issues have been addressed formally, presenting some requirements for the company. This creates a similar type of CSR in the different companies, as they conduct the same practices in response to the law. The same can be said about ethical motives. Some requirements may not be formally written down, but the expectation is still imprinted in society through norms. The company receives multiple demands from stakeholders and other interest groups about its responsibility to conduct “fair business.”

This is also found in the *corporate social responsibility: Motives and Financial Performance* article. Based on the stakeholder theory, it is argued that by investing in CSR to meet the expectations of various stakeholders, a firm’s reputation and image are enhanced, which eventually affects its financial performance positively (Atmeh et al., 2020, p. 3). Extrinsic motives, or economic motives, are recognized among the main reasons why managers may choose to engage in CSR (Atmeh et al., 2020, p. 3). This pattern creates a similarity in the different companies, further addressing them with all the same levels of CSR maturity.

Carroll argues that for a company, being profitable is a social responsibility. They are put under the expectation of being self-sufficient. Still, they also hold the responsibility of creating value for different stakeholders and other interest groups, providing the surrounding environment additional value (Carroll, 2016, p. 3). Therefore, this approach to CSR may not only be fueled by selfishness and greed. Instead, it can show elements of both the first and third stages in Visser’s maturity model, indicating a higher level of maturity within the company.

## **Moral**

Companies can also approach CSR from a moral standpoint. Social initiatives are guided by a business’s desire to participate in social activities that are not mandated, not required by law, and not generally expected of a business in an ethical sense (Carroll, 2016, p. 4). Having satisfied both the requirements and expectations of the environment, a company can act freely, allowing them to operate on a solely voluntary basis. To act upon the moral wish of being a good citizen, companies engage in a variety of giving forms— gifts of monetary resources, product and service donations, volunteerism by employees and management, community development, and any other discretionary contribution to the community or stakeholder groups that make up the community (Carroll, 2016, p. 4). Some companies still engage in these activities as a social statement, but if not wholly transformative, the CSR still maintains a high level of maturity.

We can see similarities between this interpretation and Wayne Vissers approach, as they both put more focus on the motives rather than the activities. However, Brønn narrows it down to just two separate parameters.

### **3.0 Method**

“Business research can today be defined as organized, systematic, data-based, critical, objective, inquiry or investigation into a specific problem undertaken with the purpose of finding answers or solutions to it” (Sekaran & Bougie, 2016, p. 28). In short, research provides the necessary information for a party to make informed decisions to best solve a problem. The information provided in the research could either be a result of analysis of primary data like interviews (gathered first-hand) or secondary data already available, like literature reviews (Sekaran & Bougie, 2016, p. 28). This data can be the form of numbers gathered through more structured questions/surveys, also referred to as a quantitative data analysis. However, suppose the data is presented in the form of words we are talking about a qualitative data analysis, where the data is usually generated from more broad questions that can’t necessarily be presented in the form of statistics (Sekaran & Bougie, 2016, p. 28).

As the process is quite technical, I will divide it into four different steps, as it should make it easier for the reader to follow all the information.

#### **3.1 Methodological approach**

This study aims to answer the research question: “What are the drivers behind corporate social responsibility for transportation companies operating in Norway? Thus, this thesis aimed to research whether transportation companies operating in Norway are actively working towards bettering the environment or if they only act according to their own best interest.

As it’s difficult to present just one concrete answer to my research question, I figured that rather than having to specify different factors, as to so measure to what extent each one contributes through surveys/interviews a qualitative analysis would be the best approach. However, in my study, no form as primary data was utilized. Although I explored the possibility in the earlier stages, I quickly gave up on the idea. There were multiple reasons for this, one being that retrieving and, more importantly, storing personal data today is very strict,

and as a result the process takes a lot of time. The other big fact was about data validity. Firstly, the introduction of interviews with the company's respected managers introduces the risk of multiple biases. Specifically, I was afraid of Social Desirability Bias, alongside the Response/Nonresponse biases.

#### **The Social Desirability Bias:**

This bias occurs when the person being interviewed responds according to what they themselves think will portray them in the best possible way (Scribbr, 2022). As I would ask the companies about topics like sustainability and climate change, that all have a very big focus both in the eyes of the media and of stakeholders, the risk of the companies feeling inclined to answer in such a way to not attract negative attention was too prominent.

#### **The Nonresponse biases:**

This bias refers to the scenario where the contestant who wants to conduct a study is different from those who aren't (Scribbr, 2022). Again, as I would be asking very controversial questions about pollution and CO2 emissions, it's likely to assume that those who know they are doing poorly would want to avoid such an interview. The opposite argument can be said about those wanting to do the interviews, as they probably see it as beneficial to participate.

Ultimately, I therefore chose to rather utilize the company's annual reports alongside their sustainability reports. As for the annual reports, Norway has strict policies to have they should be presented, so they are hard to temper with. Sustainability reports on the other hand is a different story. Regarding the available literature review for information regarding corporate social responsibility, there were enough published studies available to compare multiple, and finding validity in the same arguments reoccurring in different articles.

### **3.2 Data collection methods**

This study's research is based on literature previously published about CSR, explaining the different interpretations through history while also providing different views on the adaptation of such CSR for modern companies. In addition to the literature review, both annual and sustainability reports were used to measure each company's different amounts of conducted CSR and the maturity level in those given activities. Visser's maturity model, alongside Carroll's framework of the four-dimensional CSR, is the core of this thesis. Using the tools

published in their articles in combinations with existing laws and regulations, we were able to measure the legitimacy of the CSR engagement the different companies promoted in their annual reports. The most relevant laws and regulations also provided an insight into which areas the companies most likely would conduct their social initiatives.

Whereas there was an abundance of recent studies done on CSR, there existed very little information about the different CSR-activities within each company. As I ultimately decided to not collect any primary data, all I had to work with was the company's annual reports. This is also the primary reason for why I chose exactly those three companies. Originally, I wanted to cover as much as possible of the transportation segment. However, as I continued to explore the different data's available for the companies, I realized that it would be very difficult to find a correlation between them. For instance, I wanted to include companies of different sizes. However, I quickly found out that the smaller companies little to no published documentation of their engagement in CSR. Not only that, but another challenge was finding comparable statistics across all the different companies. As there were very little regulations around how a sustainability reports should be constructed, I experienced that there was huge variation from company to company. Lastly, I also think it was important to include a purely Norwegian company alongside one that operated in multiple countries. Specifically, this is the reason for why FREJA was included, as they at least operate throughout Scandinavia. This was done with the intent of measuring whether Norway are further ahead than other countries when it comes to nature engagement. As a result of the data available for the different companies were limited, a lot of my thesis was based on exploratory research. Following this, a qualitative approach seemed most natural, as it often relies on gathering data such as informal discussions, interviews, focus groups, and/or case studies (Sekaran & Bougie, 2016, p. 69). Furthermore, I was also trying to answer a relatively open-ended question, which is typical for this analysis type.

### **3.3 Analyzing method**

When conducting a qualitative data analysis, the process can be divided into three different steps: data reduction (separating the data), data display (presenting the relevant information), and the drawing of conclusions (Sekaran & Bougie, 2016, p. 359).

The data reduction step in this thesis was heavily based on sorting out the relevant



information from the different sustainability and annual reports from the companies between 2017 and 2020. When conducting this analysis, only NorgesGruppen (ASKO) had complete reports for 2021, resulting in the focus on previous years instead. Two out of the three companies had chosen to merge the separate reports into one massive document, proving difficult when looking for relevant data.

I defined different keywords and topics that repeated themselves throughout the reports as I saw relevant to the study. The analysis was based on words like CSR, environment, social initiatives, climate change, emissions, pollution, renewable energy, and greenwashing. With the basis of these keywords, I analyzed different parts of the reports, looking for investments, risk assessment, legal perspectives, and other motives for the involvement in CSR.

The data display step is where I present the relevant data gathered under the findings section. In addition to the text, I chose to show different parts of the data in tables to give the reader a more transparent overview of the information gathered in the reports. Furthermore, I provided sections of information regarding the tables, trying to explain all the information better by elaborating on the different findings in the reports.

The last step in my qualitative analysis was coding the data and concluding. Here the goal is to find a way to label all the information presented in the earlier stages. The label act as a tool to improve the readers' understanding of the different information that is presented. The gathered data from all the reports are provided under the finding section as both text and tables. This data is also more thoroughly discussed later in the discussion part.

Although the qualitative approach was most natural, some negative aspects of this option are present. There are relatively few well-established and commonly accepted rules and guidelines for analyzing qualitative data (Sekaran & Bougie, 2016, p. 332). With that said, it should be mentioned that I did incorporate one practice related to quantitative data analyses in my thesis. This was the deduction of data. The practice is common in quantitative data analysis when separating specific numbers/values. As for me, I used deductive reasoning when separating all the available literature reviews online, starting at 100+ sources and narrowing it down to the most relevant ones.

Having identified these general stages, it should be noted that qualitative data analysis is not a step-by-step, linear process but rather a continuous and iterative process. For instance,

data coding may provide a better understanding of how the relevant data should be separated in the display step. Simultaneously, displaying different data might also help you draw preliminary conclusions (Sekaran & Bougie, 2016, p. 359).

## 4.0 Findings

### 4.1 Annual/CSR reports

With the increased focus on sustainability, CSR reporting has become more and more common over the current years (Chan, Watson & Woodcliff, 2013, p. 60). As a result, most companies have recently decided to combine their annual report and sustainability reporting, effectively merging them into an extensive report. This approach is relatively new, and observation was made about the different levels of structure in the various reports, making some of them more challenging to analyze.

#### 4.1.1 NorgesGruppen (ASKO)

As ASKO is a part of a bigger Norwegian chain called NorgesGruppen, they don't have their individual Annual and CSR reports. This complicates the progress in extracting some exact numbers, but overall, they have listed some statistics separately for ASKO that we can benefit from. As previously mentioned, NorgesGruppen is one of those companies that chose to merge their Annual and CSR report.

**Table 3. Annual/CSR reports ASKO**

<b>ASKO</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Target by 2020</b>
<b>Renewable fuels</b>	34%	34%	39%	43%	100%
<b>Phase-out HFC gasses (compared to 2010)</b>	-53%	-68%	-73%	-83%	-75%
<b>Improvement in productivity</b>	*	*	15,5%	12,2%	*
<b>Renewable Energy</b>	0,6%	4,5%	9%	12%	11%

<b>Emissions in tons from only transport</b>	*	*	46 000	44 000	*
<b>Pages long</b>	25	25	35	168	-

\*\* (Report unavailable)

\* (Particular information not found)

If we take a closer look at the “Renewable fuels” column, we see that ASKO has come up short regarding its set goals for 2020. They explain it as no feasible options currently available to benefit from. Specifically, they wish to exclude palm oil from their fuel, but such sustainable solutions don’t currently exist for colder weather. “ASKO now only uses renewable fuel in its vehicles throughout the warmer months. Alternatives without palm oil that are viable in cold conditions do not exist today. Therefore, ASKO uses an alternative with 10 percent renewable fuel and 90 percent fossil fuel during the winter. The 100 percent renewable fuel target before 2020 will not be achieved in full.” (NorgesGruppen report, 2018). In addition to this, although there are lacking information about their total emissions from recent years, we do have a comparison available from 2010 to 2020. In 2020 ASKO’s total emission from transport was around 50 000 tons in 2010, and it has only sunk around 10% (44 000). This backs up the problem they have stated about sustainable fuel. However, they have set a goal for 2026 where they reach for a zero-emission policy, either by adopting an improved fuel or transitioning over to electrical transportation (NorgesGruppen report, 2020, p. 97).

However, their attempt to phase out HFC gasses has been very successful. “We have been working in a targeted manner for ten years to reduce emissions of HFCs, a group of gases that have been widely used in refrigeration and freezing systems and have a significant impact on the climate. In 2013, we finished testing the first HFC-free systems, and in recent years we have only installed new systems with natural refrigerants. In addition, we have made early replacements of systems that have been vulnerable to HFC leaks. HFCs were one of the primary sources of emissions in 2010 but now account for a relatively small proportion of greenhouse gas emissions” (NorgesGruppen report, 2020, p. 97).

Furthermore, In March 2018, ASKO officially announced the start of their Wind turbines action in Rogaland. Five turbines have been put in motion and operate at Skurveknuten and Tindafjell. They also announced another two would be put up at Lindesnes in 2019. This explains the sudden shift we can observe in the Renewable Energy column in the table. As of

2018, the turbines provide 90% of ASKO’s energy consumption, and they hope to be 100% self-sustained in the nearest future (NorgesGruppen report, 2018, p. 16).

ASKO has also invested in electric ferries for goods transport over the Oslo fjord, and a new ASKO warehouse in Sande with 11,500 square meters of solar panels (NorgesGruppen report, 2020, p. 15). As of 2018, ASKO has already accumulated 90 000m<sup>2</sup> of solar panels covering the roofs of their warehouses and stores. These panels produce enough energy to supply 650 households of today’s standard (NorgesGruppen report, 2018, p. 16).

Their reports also presented social initiatives towards other fields than just emission reduction. In 2017, after employees expressed a need for more formal qualifications, ASKO began working with Kristiania University College to develop a bachelor’s degree in Procurement and Logistics. The solution was a practical bachelor’s degree course, tailored to ASKO’s employees, with course content that would also benefit the company. ASKO naturally covers the cost while also giving their employees time off when attending their course. (NorgesGruppen report, 2020, p. 55).

ASKO also chose to partake in food donations, after a sudden explosion in demand after the pandemic had hit. NorgesGruppen ultimately decided to increase their donations by 20% for the current year, making ASKO the highest contributor (NorgesGruppen report, 2020, p. 63).

#### 4.1.2 Posten Norge

When it comes to Posten Norge, they had separate reports until 2019, when they introduced a merge of both the CSR and the Annual reports, like the NorgesGruppen solution. However, when it comes to statistics, Posten Norge is a standalone business, currently also only operating in Norway, making the comparison of data much more accurate and efficient.

**Table 4. Annual/CSR reports Posten Norge**

<b>Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Number of EV-vehicles</b>	146 (From 0 in 2011)	361	493	511	1197	1139	1577 (including biofuel)
<b>Total CO2 emissions</b>	556 660	530 127	441 730	411 894	398 530	396 779	383 000

<b>(Ton)</b>							
<b>CO2 reduction</b>	19 100	26 454	49 051	26 711	15 850	1 750	13 720
<b>Pages long</b>	-	-	-	-	90	97	95

\*\* (Report unavailable)

\* (Particular information not found)

Before analyzing the data in the table, it is worth noting the anomaly that happened in 2019. Posten Norge never really addressed the reasons behind the poor performance for that year, so one can only speculate that it was due to the pandemic and other factors. Regardless of that, I choose to overlook this data to get a more accurate view of the company's progression.

Looking at the first row in the table above, we can see that Posten show a steady growth of acquiring environmentally friendly vehicles over the year. As of 2020, they chose to also include biofuels trucks in their reports, alongside the electrical ones. Posten has set multiple goals towards the progression of sustainable vehicles. In 2017 they presented that the goal for 2020 was a total share of 24% sustainable vehicles, whereas the actual number in 2020 was 26%. They have also announced that the plan for the next three years is to reach a total share of 43%.

The next column shows the progression of total emissions done by the company. The period shows impressive results, having reduced their CO2 footprints by almost 200 000 tons (Roughly 30%) in 5 years. I have also presented a column below, showing the total amount of reduction every year, as this was part of Posten's goals. In 2017 they stated that they wanted to have a steady cut of 10 600 tons for the year 2020. They managed to overgo this quite a bit, reaching 13 720 tons instead.

However, as the progression also shows, Posten expects to have a steady decline in pollution reduction, setting the goal for 2023 at 10 200 tons. At first glance, this might come off as something negative, but that's not necessarily the case. Seeing as how they have gotten more efficient over the years, it is natural to see a slower progression, decreasing pollution from 100% to only 90% is much easier than to transition from only 10% to 0%.

Posten is not only focused on cutting their emissions within their company, but they are

also investing resources in the environment around them. In 2020 Posten Norge signed a contract with Oslo commune (Norway's capital city) to establish a charging infrastructure for electric vehicles (Posten Norge report, 2020, p. 18).

Posten is also transporting more of their business over to trains, further reducing the road emissions. They put a lot of focus on transforming their business to become an almost completely renewable energy user. They are going so far as to claim they will be climate neutral by 2025 and only having sustainable vehicles, either electric or bio fueled (Posten Norge report, 2020, p. 25).

It is also important to note other measures they have taken to improve the surrounding environment. Some Initiatives that are not necessarily relevant to the reduction of pollution. An example is the adaptation of one of their buildings in Tromsø. They are raising the warehouse by a meter above the ground to be better suited for the future extreme conditions, and better secure their goods, as the company does not only deliver but also store mail and other packages (Posten Norge report, 2020, p. 20).

Posten has also put a lot of focus on their employees. As of 2020, 40% of their management consists of women. Furthermore, workplace accidents have been cut from over 200 down to 150 due to systematic safety work. Lastly, they have also introduced a mandatory training course for all their employees regarding information security. This is to better secure their employees from online fraud (Posten Norge report, 2020, p. 22-25).

### **4.1.3 FREJA**

The data presented in their reports were both lack lusting and unclear. Thus, a measure was taken to calculate specific values from the available information (These rows are marked in red in the tables below). For the reader to better understand these unclear values, a comparison was included, showing FREJA's best (Denmark) and worst performance (Norway). However, it is worth noting that FREJA operates in all of Scandinavia, thus having a large segment of their transportation happen overseas. Areas regarding this information were also very present in their reports, explaining why data regarding only road transportation were lacking.

Furthermore, in 2019 FREJA included a section dedicated to covid in their annual report, explaining that their activities were expected to decrease due to the pandemic (FREJA

CSR report, 2019, p. 7). However, as for their financial performance, Norway scored an all-time high in 2019. Topping that performance again the following year, questioning the validity of this excuse towards sustainability performance.

**Table 5. Annual/CSR reports FREJA (Norway)**

Norway	2018	2019	2020
Utility Load	*	*	82,8%
Waste recycling	65-70%	61%	59%
Total Driven Km	31 768 428	9 644 222	17 379 944
CO2 emissions in tons (Well to wheel)	26 236	7 965	17 107
Fuel efficiency (Total Km/Co2 emissions)	1210Km/ton CO2 1,2km/kg CO2	1210Km/ton CO2 1,2km/kg CO2	1016Km/ton CO2 1,0km/kg CO2
Freight Weight in tons	627 050	187 697	184 105
Emission efficiency (Ton of Freight Weight delivered pr ton of CO2)	23,9 kg goods delivered pr kg CO2	23,5 kg goods delivered pr kg CO2	10,76 kg goods delivered pr kg CO2

**Table 6. Annual/CSR reports FREJA (Denmark)**

Denmark	2018	2019	2020
Total Driven KM	97 144 143	142 828 868	145 821 122
CO2 emissions in ton (Well to wheel)	80 225	117 954	143 543
Fuel efficiency (Total Km/Co2 emissions)	1210Km/ton CO2 1,2km/kg CO2	1210Km/ton CO2 1,2km/kg CO2	1016Km/ton CO2 1,0km/kg CO2
Freight Weight in tons	4 795 201	4 975 539	5 138 029
Emission Efficiency (Ton of Freight delivered pr kg CO2)	59,77 kg goods delivered pr kg CO2	42,18 kg goods delivered pr kg CO2	35,7 kg goods delivered pr kg CO2

<b>Weight delivered pr ton of CO2)</b>			
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\*\* (Report unavailable)

\*(Information not found)

First off, I will address the last column in the table. I have arrived at these numbers by calculating the relation between total amount of CO2 emissions and freight weight. The total amount of Freight Weight (Goods) was divided by the CO2 emissions in tons for the given year, providing a score on their “emission efficiency” each year. As a company can have a very varied number of traffic/deliveries each year, only measuring CO2 emissions would not provide us with an accurate number to measure. As the global COVID-19 pandemic really slowed down the business for FREJA in Norway, we had to adjust for this with the approach explained above.

The table shows that Norway does exceptionally worse regarding emission efficiency. FREJA does not show any indications of improvement in this area either, as for 2016-2020, FREJA only wanted to reduce the total relative CO2 emissions from traffic by 3% (FREJA CSR report, 2018, p. 30). To add insults to injury, the progression is also going the wrong way in both the countries, with the amount of goods delivered pr kg of CO2 in Norway being halved from 2019-2020. Naturally we must take account for the pandemic once again when validating the credibility of these statistics, but we can with certainty say that compared to their operations in Denmark, more effort could be put in to better reduce their CO2 emissions.

Regarding utility loads, Norwegian scores are also the worst at only 82% compared to the other four countries that all score well above 90% (FREJA CSR report, 2020, p. 30). Why this result is so much lower is not explained, but it might be due to the massive geographical distances in Norway. Data regarding the two previous years was also not displayed in their report.

One area where Norway scores the absolute best though is waste recycling. Having set the goal for 60% recycled waste in 2022, this goal was already reached in 2019 with 61%, crushing the other nations with Sweden only recycling 37% of their waste and Denmark 43% (FREJA CSR report, 2019, p. 29). In the table, we can observe a relatively small decline in their progression, but overall, they have maintained a steady relation to recycling.



In 2020, FREJA invested in 22 new Frigo trailers with solar cell panels installed on their roofs. They serve as a replacement for regular electricity for charging the start batteries in the vehicle. Solar power is a reliable source that is good for the environment, being a step in the right direction.

In Norway, FREJA collaborates with Color Line, and the train operators ECL and Kombiverkehr, regarding daily departures within Switzerland-Germany, and Italy-Germany. Trailers are loaded onto trains and brought from Germany to Oslo and vice versa. The trailers are then transported to a terminal or directly to the customers. This specific solution effectively halves the CO2 emissions (FREJA CSR report, 2020, p. 32).

## **5.0 Discussion**

The thesis started by asking, “What are the drivers behind corporate social responsibility for transportation companies operating in Norway? To best answer this, I narrowed it down by mainly focusing on the social initiatives that would be most relevant for a transportation industry. However, I also chose to include some of the other areas the companies had engaged in, as it paints a better picture of their CSR maturity. I also had to look at the different areas in which companies were obliged to partake and how these activities were represented in their sustainability reports. Finally, I analyzed these contributions to measure whether each of the companies was working proactively toward the betterment of society or if their CSR was simply a result of strict laws and regulations

### **5.1 Reaction to laws?**

Most of the information from the annual/CSR reports focused on cutting emissions and transitioning to a more renewable energy source. As the industries are under tight regulations regarding pollution, it would be natural to assume that we will see CSR focused in these areas. This idea coincides with the recent research done by Lin (2021, p. 3), which states that legislation is the primary driver for companies conducting CSR business, usually taking the form of either environmental law, labor law, and consumer protection or human rights law. However, neither of the companies is putting the focus solely on cutting their emissions.

In ASKO’s case, they have focused on people surrounding their work environment, both

internally and outside of the company, engaging in employee education and donating resources to the local community. The same can be said about Posten Norge, who puts a lot of effort into the quality of their workers regarding safety—also maintaining a focus on female equity in their management. As for FREJA, they are doing an excellent job when it comes to recycling the waste produced from their operations in Norway.

Although the reports all provided different social initiatives, most of the focus revolved around cutting emissions. The high emphasis on the environment could be explained by the companies wanting to be perceived more positively by stakeholders. This would coincide with the argument made by Miles, providing a significant correlation between CSR reputations and the return of assets (Miles, 2000, p. 6). Furthermore, in his article Reverte found that an increase in the CSR reporting also could influence stakeholders. This is especially relevant for the selected companies operating in these contested industries. Findings show that companies in this sector feel highly pressured to include CSR reporting in their operations (Du & Vieira, 2012).

Whether the engagement in CSR-activities is proactive contributions voluntarily or reactive measures of laws and legislations on a mandatory basis is hard to argue from an objective standpoint. However, evidence from my research indicates that the selected companies I analyzed within the transportation industry all engage in a lot of activities revolving around those areas that are strictly regulated by law. Also worth mentioning is that Ruka and Rashidirad (2019) found evidence claiming that companies would write reports positively towards themselves and their associates. This shouldn't necessarily be a problem, as the companies are operating on Norwegian soil, and thus their annual reports are all under the strict obligation of Regnskapsloven. However, the same cannot be said about the CSR reports, which happen voluntarily. More companies have now decided to combine their CSR reporting into their annual report, introducing the possibility of painting the yearly report to look better than it is.

## **5.2 Differences in Sustainability and Annual Reports**

First worth mentioning is that out of the three companies, FREJA was the only one that didn't adopt a merging solution of their different reports. As CSR reporting has been more

common over the current years (Chan, Watson & Woodcliff, 2013, p. 60), it's not uncommon to see businesses taking this approach, Posten Norge being an example of this when they started to merge their reports in 2019.

I observed a significant difference in depth between the different reports regarding Posten Norge's merger. In 2018 the annual report was 201 pages by itself, and the sustainability report was 71 pages. However, in 2019, their combination resulted in the report only being 97 pages. This was also the case for 2020, where the report was 95 pages long. As the reports in 2018 presented a lot of text, the newer ones provided more information in the form of statistics and were generally much clearer for the reader. The correlations between some of their financial results and social initiatives were also more transparent in the merged report.

The same can be said about NorgesGruppen. They started merging their reports in 2017. As a result, they have become very efficient at presenting the different data, also drawing correlations between their financial numbers and their social activities more clearly. However, as ASKO is only one part of NorgesGruppen, not all their data was presented individually. A significant observation was made regarding their report's length following this information. During the years 2018 and 2019, their reports only had an average of 30 pages (25 and 35) dedicated to all the different companies, whereas in 2020, this increased to 168 pages. Information regarding ASKO's activities also became more apparent with this change.

As for FREJA, they still haven't incorporated the merger solution. All the annual reports I analyzed failed to mention any CSR-activities. The only instance I saw any form of CSR was in a small paragraph under the strategy section, citing the existence of a separate sustainability report. However, they had over 40 pages explaining their different CSR-activities in this sustainability report. This could point to Ruka and Rashidirad (2019) being right in their assumption about the greenwashing of information written by internal associates. With the historical concern regarding the usefulness and validity of voluntary CSR disclosure (Ingram & Frazier, 1980), the vast variation in FREJA's reports could limit their legitimacy when reporting their CSR-activities.

### **5.3 CSR maturity in each company**

Combining the different models for CSR allows us to accurately measure the level of CSR maturity in each company. We base the dimensional approach to CSR into four different l

approaches: economic, ethical, legal, and philanthropic (Carroll, 2016, p. 3). Using Visser's maturity model, on the different paradigms for the different dimensions, the companies' CSR-activities can be addressed and put under a maturity stage.

### **5.3.1 ASKO**

When placing ASKO in Visser's model, we need to look at the company's different CSR initiatives. As ASKO is heavily invested in cutting their emissions and producing renewable energy, they can be seen as an environmental leader. Not only has ASKO invested in their employees, but they are also providing yearly donations of food to the community. All these contributions tie well to the philanthropic dimension being a driver. The argument could be made that ASKO belongs in the fifth stage of Visser's maturity model, with the highest level of maturity. Incorporating multiple UN sustainability goals to coincide with their strategy gives the impression that they take responsibility for current and future business. This translates well with Visser's model, as responsibility is the central paradigm for the fifth stage, also referred to as CSR 2.0 (Visser, 2014, p. 8).

However, ASKO's primary focus is unquestionably on cutting emissions and becoming renewable, as reflected by their investments. Simultaneously, Norway has also announced they want to cut their emissions in half by 2030. Norgesgruppen has adjusted some goals accordingly, aiming to be climate neutral by the same time, suggesting that they are acting reactively to laws. This could indicate that the legal dimension is a driving force. This approach to CSR would put them under the first stage in the maturity model, with the CSR being primarily defensive (Visser, 2014, p. 8).

Arguably, most companies wish to maximize their profits; the economic dimension will always be a driver, at least to a certain extent. However, NorgesGruppen also stated that customers increasingly expect reduced CO<sub>2</sub> emissions from the product they sell and deliver (NorgesGruppen report, 2020, p. 19). The perceived expectation from customers might drive ASKO to focus more on the ethical dimension. This would show elements of a more strategic approach to CSR, putting them in the mid-stages like 3 or 4, with the dominant paradigms being Marketing and Management (Visser, 2014, p. 8).

Visser states that while being at a given maturity level, a company may have activities showing elements of multiple stages (2014). This may explain why ASKO seems to be a part of

numerous stages at once. Regardless, their investments in the environment indicate a high level of maturity, ultimately placing them somewhere between stages 4 and 5.

As ASKO is just one of the many companies included in NorgesGruppen's report, one could argue about the likelihood of their image being painted positively and negatively due to the other companies. However, as much of ASKO's information is listed separately, I find this to be very unlikely.

### **5.3.2 Posten Norge**

To understand where Posten Norge places in Visser's maturity model, we need to examine how the company expresses its approach toward CSR. Much of Posten's initiatives are dedicated to the reduction of CO<sub>2</sub> emissions. In their annual/CSR report, Posten expressed the risk of not contributing to the green transition. "New rules and demands are constantly being introduced by customers, while investors are also making new demands" (Posten Norge report, 2020, p. 27). Following this information, both the legal and ethical dimension seems to be a driving force. However, they have shown a clear interest in their surrounding environment. Having incorporated multiple of the UN's sustainable development goals (primarily 8, 9, 11, and 13), Posten Norge aligns their CSR-activities to coincide with their core. Focusing on areas regarding their employees, workplace accidents have been drastically reduced due to safety work. Furthermore, introducing a mandatory training course to protect employees from online fraud better indicates a strong level of responsibility within the company. This shows that the philanthropic dimension is a strong driver for the company and would imply that Posten Norge has reached a level of transformative CSR, or CSR 2.0 (Visser, 2014, p. 8). Therefore, one could argue that they deserve to be put in the final stage of the maturity model. However, it is clear from their reports that CO<sub>2</sub> emissions are their primary focus. Disregarding the reduction of emissions and the measures towards improving their employees, no efforts have been made towards achieving new CSR. Posten Norge has aligned their CSR-activities to coincide with their core values, but they haven't tried to adopt the environmental needs by changing their core. Thus, one could also argue that the company hasn't quite reached the last stage yet, instead being on the fourth stage with strategy being the dominant paradigm. However, one could also argue that placing Posten Norge on the third level is more appropriate, implying that they are trying to benefit from the promotional aspects of CSR. Given as they don't produce any renewable energy themselves, the focus on cutting emissions by adopting more sustainable options could indicate that they are trying to compensate for their toll on the environment.

Regardless, Posten Norge places somewhere between the third and fourth levels in the maturity model.

### **5.3.3 FREJA**

Lastly, as for FREJA, evidence points to them being more of a “law abiding” company. In their annual report, they recognize specific risks regarding CO2 emissions. As the transport sector is responsible for nearly 30% of direct CO2 emissions, they experience stakeholder expectations and regulatory requirements requiring them to reduce their CO2 emissions (P. 14, 2020 annual). This approach to CSR is heavily tied to legal and ethical dimensions being the primary drivers. It could also be argued that their CSR-activities are primarily defensive measures to lower the risk of punishment regarding various laws. This would imply that the economic dimension is the most dominant driver, placing them in the first stage of Visser’s model. This is appropriate, seeing as the dominant paradigm for this stage is greed, and the CSR approach is mostly, if not only defensive. Further supporting this idea is the fact that they never mention anything about their CSR-activities in their annual report. As Ruka and Rashidirad (2019) has pointed out, reports written voluntarily, either internally or by partnering associates, are assumed to be overwhelmingly positive, further questioning the legitimacy of FREJA’s conducted CSR. Ironically, as most of their activities revolve around cutting emissions and recycling waste, every CSR report we analyzed failed to mention goal 13 (regarding climate action) when presenting the incorporation of the UN’s development goal into their strategy. Although they boasted about all the measures they have taken towards the betterment of the environment, very few statistics were provided to back up their claims, forcing me as a reader to manually calculate specific values to better understand the presented information. Whereas FREJA showed some degree of a positive CSR progression in Denmark, their operations in Norway got progressively worse every year.

It is evident that the economic dimension of CSR is the main, if not the only, driver for FREJA. This would explain why they promote their CSR activities to the public eye in their sustainability reports, while still lacking evidence to back up their claim. I would go so far as to say they should be placed solely on the first stage in the maturity model. Since apart from recycling, they fail to present any legitimate data pointing to them conducting CSR-activities on more than just a legislative level.

## 6.0 Conclusion

The research question for this thesis was: What are the drivers behind corporate social responsibility for transportation companies operating in Norway? From my thesis, I have learned that the practice of CSR-activities has majorly increased as the focus on addressing problem regarding the earth's environment are rising. The incorporation of CSR-activities within each company can be viewed as either voluntary or mandatory, and therefore I wanted to explore whether the selected companies were proactive or reactive. I collected relevant information through research and studies from other authors with this goal in mind. Simultaneously I also gathered information in the form of both text and numbers from the companies' annual and CSR reports. The analysis of these findings indicated that all the companies showed different maturity levels regarding their CSR-activities. Evidently, the lack of variation between the companies regarding the area in which the CSR-activities were conducted points to the legal dimension being the main driver for all the companies, as they are likely to perform similar practices in response to the same law. As for FREJA, they lacked credibility, presenting incomplete statistics validating the goals they had set and the results they claimed from their different engagement. The miscorrelation between their annual report and their CSR report also didn't help. Ultimately, FREJA was put in the first stage, with a high certainty of them mainly acting according to laws. However, compared to FREJA, both Posten Norge and ASKO showed signs indicating a higher level of maturity. ASKO can probably be viewed as the leader of the three and, as argued, could be placed somewhere in the latest stages in the maturity model. Their approach towards CSR is proactive and innovative, having incorporated the UN's sustainability into their strategy, also presenting a direct correlation between their financial results and their CSR-activities. Whereas ASKO is not providing an individual report but is one of the multiple companies represented in NorgesGruppen reports, we can't say with 100% certainty that they have achieved what Visser would refer to as absolute CSR, or CSR 2.0. However, placing them in the fourth stage and above is justifiable, as they have shown tendencies of both a responsible and strategic CSR approach. Lastly, as for Posten Norge, they can be placed somewhere in the mid to last stages of the model. Having also shown tendencies of responsibility and strategy, they deserve to be in the respected stages with higher maturity. However, in contrast to ASKO, the lack of initiatives towards new CSR-activities asks the question of them mainly using CSR already aligning with their core as a means of promotion. Regardless, I can say that they at least deserve to be placed in the third stage under promotional CSR, if not stage 4 with a strategic CSR approach.

## 6.1 Limitations and future research

This thesis has certain limitations, and we need to address them for future research. Firstly, I would emphasize that the amount of time I was given to write this thesis has played a big part. Not that the period itself was not efficient, but rather that the existing deadline put a threshold of just how much resources could be put into this study.

Furthermore, I recommend that future research include a higher variation of companies to better understand the different social dynamics. One idea could be to have international companies, as well as domestic. In addition to that, comparing big businesses to smaller local ones could also do for an exciting study.

Finding information about the different companies also proved challenging. I chose three of the current biggest operating companies in Norway, and still, I found their reports to be lacking in certain areas. Ideally, all the information would be available to conduct a more thorough study. This goes along with the period I chose to focus on, as CSR has gained significant attention recently, and sustainability reports weren't as standard. However, this shouldn't be an issue in futuristic research.

Lastly, the possibility of human bias and error is also relevant. Considering I conducted this study alone leaves me receptive to certain human biases. In the future, I would recommend including people of different genders, ages, and nations, as all these factors can heavily contribute to human biases.

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## **Appendix**

### **Wordlist tables**

CSR – Corporate Social Responsibility

KM – Kilometers

HFC – Hydrofluorocarbons

CO<sub>2</sub> – Carbon Dioxide

## **Discussion paper**

**Brief presentation:** In recent years, both nations and individuals have been affected by the consequences of greenhouse emissions. Norway has decided that they want to cut down nearly 50% of its emissions by 2030. Since over 30% of their total emissions are from transport, many transportation businesses are now voluntarily and forcefully pressured to conduct CSR to cut their emissions. In my thesis I wanted to measure to what degree Norwegian transportation



companies conduct CSR. I also wanted to separate their CSR-activities into mandatory vs. voluntary. Lastly, I wanted to measure whether the amount of voluntary CSR is driven by altruistic or selfish factors. Using a CSR maturity model developed by Visser, I will analyze the degree of CSR involvement in three major transportation firms' operating on Norwegian borders. As to provide a guide for the information I should include in the thesis, I chose the research question: What are the drivers behind corporate social responsibility for transportation companies operating in Norway? To answer this research question, I analyzed both annual and sustainability reports of three major companies: ASKO, Posten Norge, and FREJA, mainly from the years 2018, 2019, and 2020. In combination with this, I also conducted a literature review based on articles previously published about CSR, the maturity model, contested industries, Stakeholders, and the general environment.

### **The thesis' correlation to Responsibility:**

A study done by Statistisk sentralbyrå showed that in 2019, transportation was the cause of 30% of Norway's greenhouse emissions, whereas over 50% of that again was conducted in traffic (Engedal & Bothner, 2019). This implies that over 15% of Norway's total emission is from transportation on wheels.

Since transportation is currently responsible for 1/3 of Norway's total emissions, I felt it was relevant to try and tackle this area. As I work in the electrical vehicles sector, I already had a lot of information reading transportation emissions, which might have worked as an incentive when choosing research question. However, as I have witnessed a lot of changes towards transportation regarding private persons, I felt that focusing on the private industry was more important. It's not to say that private transportation in Norway is where it should be, however I have some hope toward the implementation of electrical solutions among others. Regarding the private business industry, I neither knew or nor had heard of any solutions for them regarding a greener shift. Therefore, I chose to try and provide an explanation understandable by every average Norwegian citizen.

As to why I find it so important for Norway to cut their emissions is due to multiple reasons. First, the United Nations has already expressed their concerns regarding the immense pressure put on today's environment. The levels of pollution and toxic waste is way above a sustainable level, and incidents of extreme weather, the melting of ice, and the overall increase in temperature is all events that vouches for the need to change.

Secondly, in my closest network, I do have friends and family that believe that global warming is a lie. Given the fact that I might not ever be able to convince them of otherwise, I hoped that by conducting an analysis of general problem of unsustainability could convert them

into becoming greener. Going so far as to mention exactly how much pollution cost Norway every year, to maybe make them more sustainable based on a financial standpoint.

Lastly, as I am proud to be a Norwegian, and consider this to be one of, if not, the best country to live in, in want that these values are also reflected in our approach towards sustainability. We are one of the best when it comes to recycling bottles. Also, as of today, Norway produces 98% renewable energy (Løvik, 2018). It is true that all that energy is not going strictly towards Norwegian consumption, however, it is still impressive stats. The potential is there. Norway is also the world's leader when it comes to private EV-vehicles, however the same cannot be said for trucks. In my study I found this area to be lacking in basically all the companies, however Posten Norge, and ASKO showed a prominent progression in this field. Out of the three companies, as a private person I also put most of my emphasize was put towards the two companies, as they operated solely on Norwegian ground, whereas FREJA conducts their business in all of Scandinavia. I would however quickly like to note that this preparation is not reflected in the thesis. As I analyzed the data, I found that FREJA also seemed to be doing way worse in comparison. One might speculate to that being the fact that FREJA is mainly not just a Norwegian company, having felt less pressure on adopting the certain norms existing around "good business conduct".

If this is the case, we could present the idea that Norway can serve as a good example, generally showing a high level of responsibility regarding the environment.

It was not only my preexisting knowledge to the private transportation sector that served as an incentive towards my master thesis. The United Nations continuously expressing their concern have affected me to be more responsible way before writing this thesis. With reinforcement through my university, constantly incorporating sustainability into our courses, these values were hard to suppress. Regarding responsibility, either one of the goals could have served as the dominant paradigm, but ultimately, I chose to focus on goal 13, regarding climate actions (United Nations), as I find Norway to be somewhat lacking in this area compared to many others. This is also convenient considering that I already had some information about this, feeling that this would help me to produce a better thesis, resulting in my message reaching more people.

Whereas how the concerns I have just expressed can be managed I have a few ideas. As the analysis in my theses indicated, Laws and regulations serves as a strong driver towards the companies conducting CSR and cutting their emissions. One idea could be to tighten these regulations even further. The benefit of this solution is that companies would be forced to adapt, rather they wanted or not. From a theoretical standpoint, this might be the quickest and

most efficient solution. However, the idea brings multiple trouble areas. First of all it would take away some of the value in conducting voluntary CSR. With regards to that issue, I think that one of the reasons that Norwegian companies are doing so well is the collectively shared perception among the community that Norwegian companies actively want and are giving back to their community. If this is the case, the introduction of tighter regulation would be counterintuitive. Another problem would be that especially for smaller companies, adopting to the new regulations might prove very difficult due to financial reasons. Bigger companies can afford to invest in electrical trucks, or sustainable biofuel, but this isn't necessarily the case for smaller companies. This would result in the given companies either cutting corners in order to maintain their business, or ultimately damaging the quality of the company. Also worth mentioning, is that generally people don't like to face too much resistance. Regarding international companies trying to expand their business over to Norway, they might be discouraged if they find the regulations too hard to achieve. As Norway is already stricter than most other countries regarding pollution, I think this is a justified concern.

A better option could be for the Norwegian government to offer compensations/incentives to those companies who want to invest in the environment. Personally, I think that motivating both companies and individuals towards a greener solution is most effective. For starters, people seem to be more willing to change when it happens on their own initiative. Simultaneously, I think that it would translate well with Norway's current values, focusing on rewarding good behavior rather than punishing the unwanted one. I also think would better benefit the smaller companies, that would need help to more efficiently adapt to the green transitioning.

Furthermore, the contribution towards these smaller companies would also be easier for the Norwegian government to manage. It would also be the fairest, as every company are expected to follow the same regulations, while those who actively engages in society would be provided with compensations. My study also showed that after companies have made their investment in more sustainable solutions, they started saving money on expenditures. Even with the record high energy prices today, gas is still considerably more expensive than electrical energy. The emissions taxes a company pays would also sink as a result.

## **Conclusion**

This argument alone could provide enough evidence towards the motives of wanting to become greener. Even if the companies choose to invest as a means of saving money in the long run, they are still reducing their toll on environment. Yeah, it might not be the relations we want from the companies, but regardless of it would better the Norwegian environment.

### **References (Discussion paper)**

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