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Transitioning reporting in private vs. state-owned enterprises: A comparative content analysis from the oil and gas industry

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Abstract

This study inductively explores and studies the differences in transitioning reporting between state-owned enterprises (SOEs) and non-state-owned-enterprises (non-SOEs) in the oil and gas industry. Using the Gioia methodology, CSR reports from 32 major oil and gas firms were analyzed to identify distinctive strategic and non-strategic transitioning reporting behaviors. Exemplary findings of the content analysis reveal that SOEs align reporting with national policies, focusing on generalized statements, while non-SOEs highlight compliances with international standards to attract global investors. Furthermore, SOEs emphasize direct corrective action and punishment, while non-SOEs focus more on fail safes, scenario planning and risk assessments. This research emphasizes the essential role of ownership structures and institutional contexts in shaping transitioning reporting differently. The insights gained from this study are to be used for better understanding CSR reporting behaviors and developing better CSR guidelines and policies, in order to advance global sustainability efforts in the oil and gas industry. Future research could further build on these implications to enhance the understanding and implementation of CSR reporting.

Table of contents

1. Introduction

Recent decades have been increasingly defined by environmental awareness, concerns regarding climate change, and the imperative for corporations to report on their sustainable practices (Hahn, 2012). Corporate Social Responsibility (CSR) reporting has become a substantial aspect of business practices and management studies (Hahn et al., 2023; Alizadeh, 2022). CSR reporting involves disclosing information on all dimensions of doing business to benefit society overall (Costa & Menichini, 2013). CSR reporting, as per the GRI guidelines, is supposed to provide a balanced picture of a firm's sustainable performance (Hahn & Lulfs, 2014). However, ongoing debates revolve around the definitions, interpretations and voluntary nature of CSR reporting, making it prone to greenwashing (Hahn & Lulfs, 2014; Alizadeh, 2022; Toppinen et al., 2012). Additionally, some argue that CSR reporting favors business priorities over societal benefits, offering business opportunities to stakeholders (Vedula et al., 2022).

There has been increased pressure by governments and institutions for firms to focus more on transitioning to achieve net zero emissions by 2050, as per the Paris Agreement (Cruz & Krausmann, 2013; Falkner, 2016; Green et al., 2022). This is particularly the case for the oil and gas industry, which plays a critical role in driving the global economy, due to its widespread infrastructures and dependencies of global communities (Alazzani & Wan-Hussin, 2013; Mitchell, 2009). In context, transitioning involves processes by which firms shift from fossil-fuel based energy systems to renewable energy and low carbon emissions (Gasparatos et al., 2017). Furthermore, transitioning includes integration of alternative energy sources such as hydrogen fuels, investment in carbon capture and storage technologies, and the implementation of sustainable practices throughout production and supply chains (Hartmann et al., 2021). Consequently, understanding reporting behavior on transitioning is crucial for understanding firm motivations and achieving a faster and just energy transition (Held & Roger, 2018). Transitioning reporting includes strategic and non-strategic aspects, such as achievements, challenges and progress (Junior et al., 2017). Strategic reporting might revolve around intentional ways of reporting information to gain stakeholder support, whereas non-strategic reporting can involve reporting on legal compliances (Garanina & Kim, 2023; Fiechter et al., 2022). Understanding these different reporting behaviors become more important when realizing that the dependencies on oil and gas infrastructures create significant obstacles in transitioning to renewable energy paradigms, as these firms invest heavily in community development (Frynas, 2009). The industry also poses notoriously high environmental risks with the exploration, production, transport and storage of petroleum (Lulek & Sadowska, 2020).

The oil and gas industry is arguably unique in stakeholder management due to the prevalent presence of state-owned enterprises (SOEs) (Alazzani & Wan-Hussin (2013). The prevalence of SOEs results in potential conflicts of interest in strategic and non-strategic CSR reporting, as opposed to private enterprises (non-SOEs) (Garanina & Kim, 2023; Ismail et al., 2018; Orazalin & Mahmood, 2018). Also, there has been an increasing shift in focus on analyzing reporting behaviors of both SOEs and non-SOEs (Ervits, 2023; Li & Sasaki, 2023; Marquis & Qian, 2014). The economic prowess of these firms, collectively accounting for around ten percent of global GDP, resulting in large research interests (Bruton et al., 2015; Garanina & Kim, 2023). Different manners of state ownership arguably influences CSR reporting to stakeholders, with SOEs being more bound by regulatory frameworks, while non-SOEs adhere more to international mandates and voluntary CSR reporting (Cardoni et al., 2014; Ervits, 2023; Marquis and Qian, 2014). Research reveals that firms characteristics such as state ownership, political ties, financial resource access, pressure from international institutions might all influence strategic and non-strategic reporting behavior differently in the oil and gas industry (Alazzani & Wan-Hussin, 2013; Comyns, 2016; Garanina & Kim, 2023; Ismail et al., 2018; Marquis & Qian, 2014). For understanding these differences in transitioning reporting between oil and gas SOEs and non-SOEs, the study is focused around the following research question: How do oil and gas SOEs and non-SOEs differ in their strategic and non-strategic transitioning reporting in their CSR reports?

This study recognizes the global impacts of the oil and gas industry, and despite the extensive literature on CSR reporting, the nuances of strategic and non-strategic transitioning reporting between oil and gas SOEs and non-SOEs remains arguably limited. To address this gap and answer the posed research question, this study uses a literary background to explain expected differences in strategic and non-strategic reporting between SOEs and non-SOEs. Furthermore, this study uses the Gioia methodology and the software of Atlas.ti for qualitative research, to conduct a comparative content analysis of the most recently available CSR reports from prevalent SOEs and non-SOEs in key oil-producing regions worldwide, including the Americas, Europe and Asia. The sample selection of firms was based on annual revenue and market capitalization from CompaniesMarketCap (2024).

This study argues that it is imperative to understand strategic and non-strategic transitioning reporting differences between SOEs and non-SOEs in one of the most polluting industries in terms of CO2 emissions. This study hopes to some extent bridge the gap between differing definitions of CSR for SOEs and non-SOEs, and to help policymakers, stakeholders and politicians align these conceptions more towards more sustainable solutions for all firms in the oil and gas industry, for better accountability and responsibility. Moreover, the findings of this study aims to add in to the body of literature, in order to improve CSR reporting for firms in the oil and gas industry. Ultimately, this study utilizes a comparative content analysis of prevalent oil and gas SOEs and non-SOEs, to unravel key differences in strategic and non-strategic transitioning reporting.

2. Literature review

2.1. CSR theory and reporting

Economic theory does not provide one clear definition of CSR reporting, however multiple studies offer conceptualizations (Costa & Menichini, 2013; Carroll, 1991; Wood, 1991; Vedula et al., 2022). The most widely accepted is Carroll's (1991) framework, which includes disclosing information regarding the economic, legal and ethical responsibilities of doing business to stakeholders. Caroll's model is valuable for its' comprehensive approach, emphasizing legal compliance, ethical standards, philanthropic contributions and broader societal impacts of business activities. Also, CSR can be considered as initiatives that extend beyond profit-making and legal compliance, focusing on creating long-term value for both stakeholders and shareholders, varying by the firm's corporate narrative (Li & Sasaki, 2023; Tschopp & Huefner, 2015). This perspective highlights the complicated nature of CSR reporting. CSR reporting also benefits a firm's information environment, boosts investor confidence and demonstrates commitment to long-term sustainability (Garanina & Kim, 2023). These benefits are arguably crucial for building corporate reputation, working towards long-term goals and enhancing legitimacy, as it reduces the likelihood of unethical and opportunistic behavior (Kim et al., 2012). CSR reporting also acts as a control mechanism for managerial opportunism (Harjoto & Laksmana, 2018), promoting legal and moral behavior by managers, and lowering fraud risks (Carroll, 1979; Cheng & Kung, 2016; Harjoto, 2017). Additionally, such firms more often have lower debts, reducing financial manipulation risks (Kim et al, 2012). These arguments explain why firms engage in CSR reporting, expecting a variety of content to be observed in the content analysis on transitioning in different sizes and detail.

2.2. Strategic reporting for oil and gas firms

Transitioning reporting concerns the disclosing of information on for instance the processes and challenges of working alternative and lower carbon energy sources into the production and supply chains of firms (Hartmann et al., 2021). Strategic CSR reporting in the oil and gas industry is critical, given the sector's environmental impacts (Frynas, 2009). Transitioning reporting is arguably an essential mechanism for improving stakeholder relations (Cheng & Kung, 2016; Kim et al., 2012). However, some studies argue that reporting can be used to mask opportunistic behavior and manage public expectations, namely to maintain legitimacy and stakeholder relations (Anagnostopoulou et al., 2021; Choi et al., 2013; Garanina & Kim, 2023, Prior et al., 2008). For further reference, an SOE can be defined as legally independent firms with some form of direct ownership by the state and a corporate entity recognized by national law as an enterprise, where the state exercises ownership (Cuervo-Cazurra et al, 2014; Ervits, 2023). The OECD (The Organization for Economic Cooperation and Development) specifies that an SOE can be a company with joint stocks, with limited liabilities or a partnership with limited shares. Through these channels, the state is able to exercise control through owning controlling stakes of the company, or through shareholdings in government pension funds, asset management funds and so forth. In summary, an enterprise is considered to be state owned when it is effectively under government control or owns more than half of the shareholdings.

According to Junior et al. (2017), oil and gas firms are found to apply different means of strategic reporting, over differing domains of information and stakeholders for different reasons. For instance, SOEs are observed to focus their efforts more on aligning with national policies and demonstrating contributions to public welfare (Ervits, 2023; Garanina & Kim, 2023). This alignment reflects broader socio-political objectives and the emphasis of the role of SOEs in supporting their respective governments, as highlighted by Russian and Chinese firms for instance (Ervits, 2023; Garanina & Kim, 2023). State ownership is also observed to work towards higher standards in CSR reporting (Marquis & qian, 2014; Ervits, 2023). For example, Cao et al. (2020) illustrate that partial state ownership in China is associated with better access to networking, talent and innovative resources. This is due to the fact that the

Chinese government has committed large funds to subsidize and/or incentivize corporate innovation, and SOEs can gain preferential access to those sorts of funds (Ervits, 2023; Li and Sasaki, 2023; Garanina & Kim, 2023). Moreover, CSR reporting arguably aids in Chinese SOEs overcoming negative news and ligitation risks (Xu et al., 2020). Political affiliations are also found to be coinciding with corporate behavior in SOEs (Garanina & Kim, 2023). Firms might take corporate action to intentionally maintain favorable relations with the government rather than focusing on profit-making (Boubakri et al., 2008; Zu & Song, 2009). In emerging markets like those of Russia and Brazil, financial misreporting buffers firms from adopting strong governance mechanisms, with some studies showing that socialist imprints prove to be non-beneficial for modern business environments (Marquis & Tilcsik, 2013). It introduces rules, but brings about no substantive change, as argued by Kuznetsov et al. (2009) and Meyer and Rowan (1977). Conversely, non-SOEs reportedly highlight more of their compliance with international standards an innovative practices to appeal to a global variety of stakeholders (Cheng et al., 2021). Non-SOEs often use CSR reporting as a tool to differentiate themselves in a competitive market by showcasing their commitment to sustainability and ethical practices. This strategy is designed to attract international investors and costumers who prioritize corporate sustainability (Ohram & Rhamdhony, 2015). Moreover, stakeholder theory provides partial explanations for this phenomenon, as firms employ corporate strategies as commitments to benefit stakeholders (Cheng & Kung, 2016; Freeman, 2010; Kim et al., 2012). Moreover, Cardoni et al. (2019) argue that stakeholders use CSR information to assess firms' performance, aligning their strategies with the firm aim to establish favorable relations. Interestingly, an issue with CSR reporting is that CSR policies in CSR reports that are under pressure from activist groups are often not implemented, which is a sign of symbolic reporting, in order to satisfy a specific stakeholder need (Böhling et al., 2019; Crilly et al., 2012). It is suggested that agency theory might explain that CSR reporting creates agency problems, leading to more aggressive reporting (Cheng et al., 2014; Chih et al., 2008). Agency theory also might explain why firm leadership might use stakeholder relations to hide opportunistic behavior or enhance social reputations in order to reap benefits (Cennamo et al., 2009; Lins et al., 2017). Moreover, Jensen and Meckling (1996) argue that firms who engage in CSR reporting might not fully be committed to providing trustworthy information. At present, many public and private firms incorporate CSR practices into their corporate strategies with long-term perspectives to gain legitimacy, build a strong reputation and earn trust (Garanina & Kim, 2023; Tashman et al., 2019). These differences are expected to be, to some extent, occurring in the content analysis, with intentional different transitioning reporting between SOEs and non-SOEs, as SOEs might be more direct in their reporting and have government ties interwoven into their corporate strategies differently when compared to non-SOEs.

Additionally, firms are observed to use language and communication strategies in CSR reports to build credibility and trust (Higgins & Walker, 2012). Moreover, studies find that firm size, institutional pressures and geographical factors all matter in producing differences in CSR content and that negative CSR-related content are strategically presented in CSR reports (Hahn & Lulfs, 2014; Preuss, 2009; Tate et al., 2010; Touboulic & Walker, 2015). These studies also argue that firms prefer to incorporate stakeholders' interests and expectations over the reporting of objective and factual data. These studies also find that firms aim to come over as credible and trustworthy through language usage. Firms can arguably emphasize positive qualities and achievements to promote their image (Cheng et al., 2021; Ohram & Rhamdhony, 2015; Savage et al., 1991). For SOEs this is expected to be more in terms of reporting on social programs and community investments, in order to align with societal goals (Ervits, 2023). Contrastingly, non-SOEs are expected to more report on factual data, in order to build legitimacy and attract international investors, as part of a corporate strategy (Ismail et al., 2018). Furthermore, dependencies on critical resources of SOEs further influences the strategic reporting. Resource dependency theory aids in explaining this phenomenon, as oil and gas SOEs are often largely dependent on their respective government aid for their survival (Mitchell, 2009). Governments have also significant interests in these firms due to their strategic and geopolitical importances as well as the economic benefits they provide (Frynas, 2009). These dependencies create different motivations for transitioning for SOEs and non-SOEs respectively, in for example the how stakeholders are intentionally prioritized in the firms' transitioning reporting.

2.3. Non-strategic reporting for oil and gas firms

In recent years, there has been a notable increase in both mandated and voluntary reporting on corporate sustainability. There are multiple initiatives that require firms to disclose the impacts on sustainability of their operations, showing a growing influence of institutional contexts on CSR practices (Wang et al., 2018). For instance, the European Union implemented the CSRD, obligating operating firms to comply with reporting standards mandated by their respective institutional and judicial frameworks (Baumüller & Grbenic, 2021; Fiechter et al., 2022). Similarly, countries like China have also enacted legislation requiring firms to report on their environmental impact (Chen et al., 2018; Wang et al., 2018). While varying in the specifics, the overall aims of these mandates aim to promote transparency, cooperation and further sustainable development. In the process, these mandates substantively change corporate behavior (Christensen et al., 2021). For SOEs, their ownership structures make them more bound to regulatory frameworks, ensuring that they adhere more to national regulations and contributions to public welfare. Moreover, they focus less on international standards like the Sustainable Development Goals (SDGs) (Garanina & Kim, 2023). This is also demonstrated by Chinese and Russian SOEs (Ervits, 2023; Garanina & Kim, 2023). Non-SOEs are stated to be more compliant with international standards and highlight innovative practices to comply with a broader and more global variety of stakeholders (Cheng et al., 2021; Ismail et al., 2018). Thus, it is expected that differences are encountered between SOEs and non-SOEs in their non-strategic transitioning reporting in the content analysis in compliance towards their respective authorities.

Non-strategic reporting is also considered to be essential for maintaining stakeholder relations (Adams et al., 1998). Larger firms arguably require more disclosure to obtain capital investment from financial markets (Adams et al., 1998). These firms are also highly visible to external groups, and more susceptible to stakeholders, facing more pressure to publish information on for instance transitioning strategies (Giannarakis, 2014; Ismail et al., 2018). However, the nature of these differences can differ for SOEs and non-SOEs. For SOEs, the state can intervene directly, making it less complicated compared to non-SOEs, which must manage broader arrays of stakeholders. In Russia for instance, the state is regarded as the key source to market strength and legitimacy (Garanina & Kim, 2023). Managers of SOEs often act in line with government policies, and are reportedly more active in CSR reporting and activities (Cheng & Kung, 2016; Filippov, 2012). In context of state ownership, agency issues can lead to more direct reporting of failures rather than responsibilities, potentially reducing the quality of CSR reporting (Cheng et al., 2014; Chih et al., 2008). Differences in reporting quality is also expected to occur in the content analysis of SOEs. Continuedly, SOEs might engage in CSR activities to achieve personal goals rather than fulfilling policy obligations (Boubakri et al., 2008; Li, 2006; Zu & Long, 2009). Some studies have also found that rates of CSR reporting of oil and gas firms decrease with increasing degrees of state ownership (Ismail et al., 2018). On the other hand, some studies have found a positive relationship between being an SOE and increased CSR reporting (Garanina & Kim, 2023). SOEs in China are more likely to cover state related content and report more on community programs for aiding society in their CSR reports, due to the state being the primary stakeholder (Ervits, 2023). This stakeholder composition of SOEs results in SOEs focusing less on customers and suppliers, as their financial backing come primarily from the government (Marquis & Qian, 2014). Stakeholder theory aids in predicting differences in reported content and focusses between SOEs and non-SOEs based on stakeholder compositions. Despite this refers specifically to Chinese CSR reporting, it can be applied more globally. Institutional theory also helps in explaining potential reporting differences between oil and gas SOEs and non-SOEs. Institutional theory argues that SOEs often operate in unique institutional (Ervits, 2023). In communist regimes like Russia and China, SOEs have extended obligations towards the state, directly impacting CSR reporting practices. Contrastingly, non-SOEs may prioritize reporting that appeals more to international investors and market-driven stakeholders, reflecting different institutional pressures and expectations (Li & Sasaki, 2023). Non-SOEs more often focus on financial reporting of factual data and operations to enhance legitimacy. Legitimacy theory additionally suggests that SOEs might produce less qualitative CSR reports than non-SOEs, driven by the need for external legitimacy. Non-SOEs may be more responsive to government signals, eager to comply with policies in order to be able to operate in off-shore environments and to gain resource access (Ervits, 2023; Marquis & Qian, 2014). Non-SOEs often use CSR reporting to gain political legitimacy and government-sanctioned benefits, while SOEs, having inherent legitimacy from state ownership, might be less detailed in their reporting behavior (Bergman et al., 2015; Dai et al., 2018; Yu & Lee, 2016). These considerations are expected to produce differences in the content analysis between SOEs and non-SOEs in terms of how they address communities in their CSR reports. Concludingly, is expected that each separate type of firm reports differently on their extensiveness of detail on operations. SOEs are expected to report more on the social implications of their operations, while non-SOEs are expected to provide more financial data and statistics.

3. Methodology

3.1. Sample clarification

This study focuses on conducting a comparative content analysis by analyzing and comparing published CSR reports by a select amount of oil and gas SOEs and non-SOEs. This is done by specifically analyzing the language, rhetoric and presentation of information. By conducting this analysis, differences in strategic and non-strategic transitioning reporting between SOEs and non-SOEs are uncovered. This research applies an exploratory research design with an inductive approach, ensuring a thorough analysis of the specific reported information in the selected CSR reports. The research sample contains CSR reports from 32 firms, of which 15 reports are of SOEs and 17 reports are of firms which are privately owned or have some sort of government stake holdings. The firms are sampled CompaniesMarketCap (2024), which lists the firms that rank among the largest oil and gas firms in terms of annual revenue and market capitalization. Moreover, the sample consists of firms from the regions of North and South America, Europe and Asia. There are several reasons for the selection of these firms. Firstly, through this selection, the overall sample is diversified in representing the industry's overall market capitalization. Secondly, the firms are located in and across different political and economic systems, resulting in expected strategic and non-strategic differences in transitioning reporting. Thirdly, these firms arguably have the some of the most notable impacts on global communities (Mitchell, 2009). Next, The division of the amount of firms for both types of organization is a result from the aim to represent the industry as a whole in the most efficient manner possible. For example, out of the 100 most prevalent firms of the oil and gas industry, over 10 of them originate from the United States. Therefore, to be representative of the whole industry, the sample selection consists of three firms from the United States. Consecutively, the sample consists of three firms from China, Canada and Russia. Next, there are countries that only have one significantly large firm present on the list of the 100 most prevalent firms of the industry. This is the case for countries like Brazil, Hungary, France, Spain and more. Additively, there are countries which have mixed or unique stake holding divisions, like India. Here, the firm *Oil and Natural Gas* is a SOE, and *Indian Oil* is a non-SOE, but the government is a significant stakeholder. Concludingly, all of the previously mentioned considerations of the sample selection resulted in 15 SOEs and 17 non-SOEs and/or mixed stake holdings, all of which are shown in Appendix A.

3.2. Data analysis

In order to answer the research question of this study and analyze the qualitative data that is collected from the SOEs and non-SOEs in the sample, this study made use of the Gioia methodology for analyzing qualitative data. The Gioia methodology (Gioia et al., 2013) is built upon interpretive research with the purpose of capturing and modelling qualitative data. In this case, the aim and study is to explore and describe key differences in the strategic and non-strategic transitioning reporting between oil and gas SOEs and non-SOEs. Gioia et al. (2013) have established a specific approach which aims at developing new concepts from inductive research in a qualitative manner. The Gioia method provides guidelines for data collection through among others content analyses, which largely aided in conducting this analysis. The approach in this study's context consists of the following components: the CSR reports as a foundation, followed by coding and analysis of the related content of transitioning reporting to establish first-order concepts, followed by a list of second-order themes, which are grouped into a few aggregate dimensions. The last step consists of creating a data structure to visualize the concepts and themes and the process of arriving at them.

This study implements the guidelines of the Gioia methodology for conducting the comparative content analysis (Gioia et al., 2013). In order to properly conduct the analysis, all CSR reports were transferred into the Atlas.ti software program, which is a software tool which is suited for building data structures around the qualitative analyses of texts (Friese, 2019). All 32 documents were uploaded to undergo a first coding procedure, where all instances of transitioning reporting, potential links to governments on this and failure transitioning were individually reviewed. This resulted in 1,690 quotations. Afterwards, the effort was made to link them to certain types of reporting behavior by making use of the concept of "open coding" as well as the comparison of the initial quotations to aim and categorize them. Moreover, using the information provided by Wood (1991); Wood (2010); Ervits (2010); Li and Sasaki (2023); Moon and Shen (2010), table 1 is used to assess what types of stakeholders are addressed. Using this information, the data was opted to be better analyzed to conduct the process of open coding and arrive at the first-order concepts.

Table 1: Framework for types of CSR information

	CSR content on transitioning strategies							
	Actor							
Domain	Financier	Government	Community	Costumer	Employee	Business	Non-direct stakeholder	Other
Economic								
Legal								
Ethical								
Philantropic								

Additively, through this way of categorizing the data, the analysis provides a better understanding of how ESG integration is performed in the context of the oil and gas industry, which arguably often has a corporate and strategic character (Junior et al., 2017; Ramirez-Orellana et al., 2023). Moreover, in this regard, the analysis provides insight as to how a firm might use reporting and aims to integrate sustainability to create long-term value and how reporting is a part of corporate governance and strategy. It is important to note that in Atlas.ti, the dataset showed initially 21 codes. However, further analysis and comparison resulted in 24 First Order concepts that are displayed and elaborated on in figures 4a and b in the results section in chapter 4. This transition into the from the codes into First Order concepts occurred due to the initial and open coding capturing some broader themes, which were later split again into more specific categories by comparing the quotations. This allowed for better understanding of the data that was not initially apparent.

Next, the list of first-order concepts along with the respective codes was displayed and further analyzed in order to arrive at second-order themes. This analysis was performed by axial coding and linking relationships between first-order concepts. Next, the coding scheme of Wood (1991) and Ervits (2023) are used to help in categorizing the first-order concepts and to arrive at second-order themes, corresponding to the theme of transitioning. Table 2 presents an overview as to what categories and themes information on transitioning reporting might belong to.

Table 2 Coding scheme adopted to "transitioning reporting"

Theme	CSR principles	Processes of reporting information	Outcomes of corporate behavior
Transitioning	Social legitimacy	Strategy assessment	Strategic impact
	Public responsibility	Stakeholder impacts	Stakeholder programs
	Managerial discretion	Issues management	Policy management

Source Adopted from Ervits (2023); Wood (1991)

The coding scheme in table 2 correspond to the “Corporate Social Performance” model, from Wood (1991). This model incorporates three dimensions of CSR. Firstly, these are its’ principles, which entails social legitimacy; public responsibility and managerial discretion. Secondly, the processes involved in responsiveness. And lastly, the observed outcomes in actual corporate behavior. All of this information revolves around organizational, social and industrial values that encompasses all presented information in transitioning reporting. This coding theme aided in arriving at Second Order themes during the process of axial coding. In order to conduct this step of the Gioia method, the importance of the researcher considering themselves as a knowledgeable agent is acknowledged and emphasized. Furthermore, they are urged to be skeptical and dive deeply into the data, in pursuance of being able to understand the data on multiple levels (Gioia et al., 2013; Strauss & Corbin. 1990). Adhering to this information, the second-order themes were established from the data, which are depicted in further detail in figures 4a and b in chapter 4. Here it is also important to note that some of the initial 21 codes overlap in different groups of themes in Atlas.ti. This is due to some of the quotations in the initial analysis first belonged to a code for instance, after which upon further investigation it became apparent that some were found to be of strategic character, and some of a non-strategic character. Consequently, in Atlas.ti, some codes overlap in multiple groups.

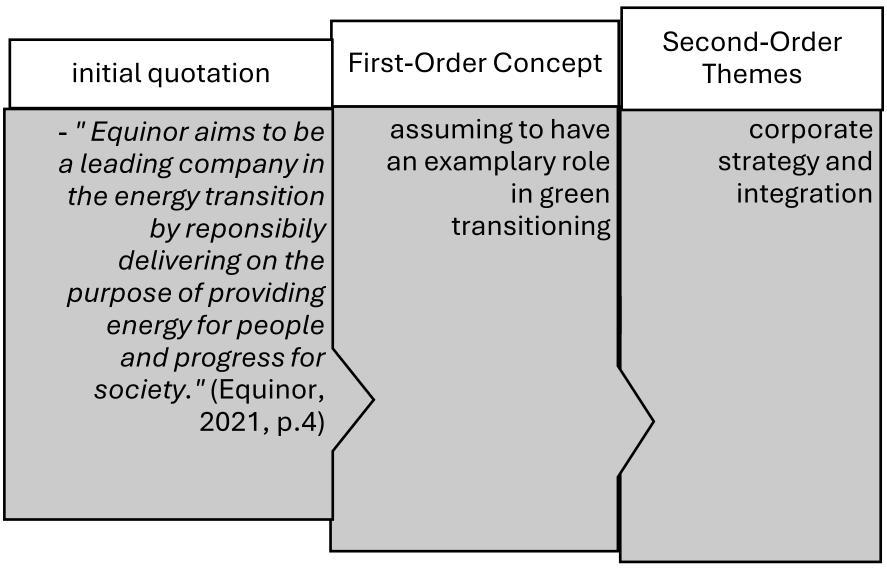

Figure 1: Example of second-order Theme Development

Following the establishment of the Second Order themes, the method specifies the comparison and refinement of these themes into more condensed and appropriate aggregate dimensions, that serve as core categories to summarize the elements of coming to theoretical implications (Langley & Abdallah, 2015). Accordingly, the final step of the Gioia method includes establishing a data structure that visualizes the First Order concepts, Second Order themes and aggregate dimensions and represents the process by which the researcher has been able to develop them (Gioia et al., 2013). The created data structure is presented and discussed in detail in chapter 4 of the results. A short step-by-step summary of the data analysis that was approximately followed on the basis of the Gioia methodology and the respective suggestions for its execution is shown in *figure 2*.

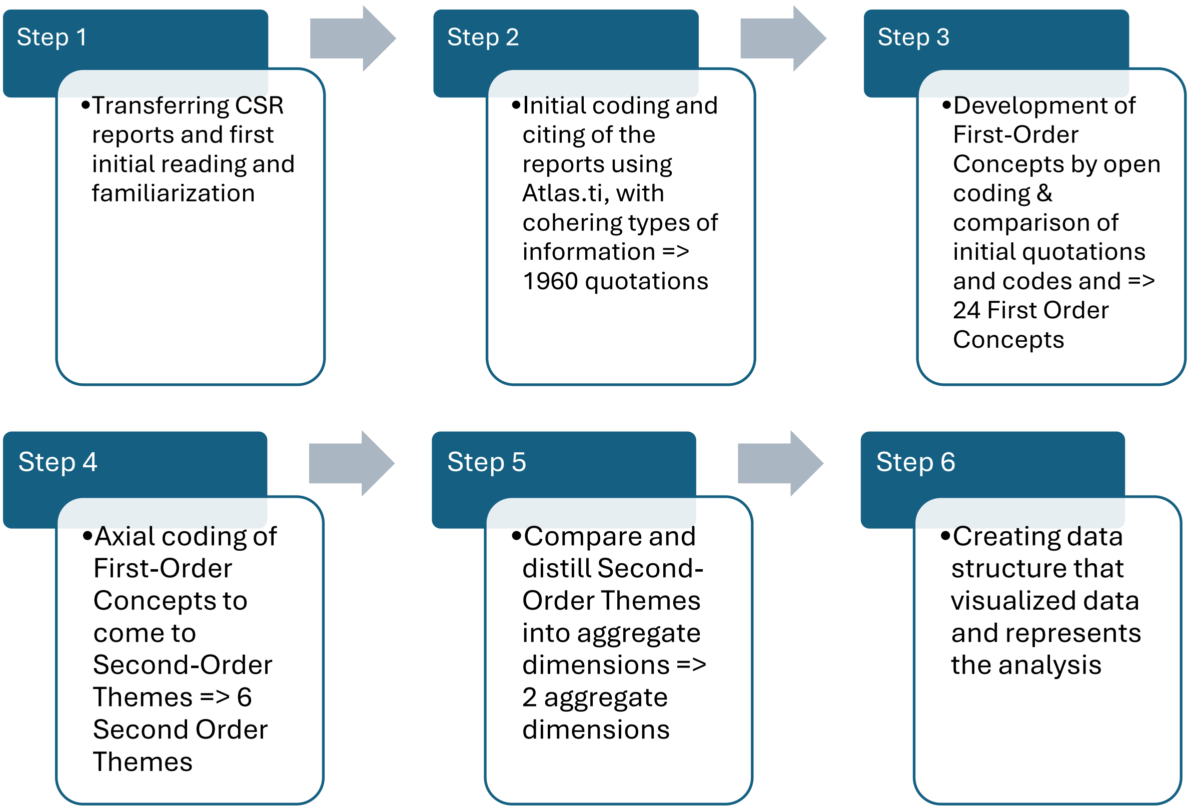

Figure 2: Overview of the data analysis steps, based on Gioia et al. (2013)

4. Results

This section depicts and explains the data structure that has been created from the in-depth comparative content analysis that was conducted with the CSR reports of 32 large oil and gas firms, which is shown in *Figure 3* in summary. *Figures 4a,b* illustrate the First Order concepts and Second Order themes that result in the aggregate dimensions of strategic and non-strategic reporting, of which Atlas.ti has made a separation between those of SOEs and non-SOEs due to the different reports were divided into two document groups. Based on this data structure, differences between strategic and non-strategic transitioning reporting between SOEs and non-SOEs were identified. These findings are further elaborated on in detail in the remainder of this chapter.

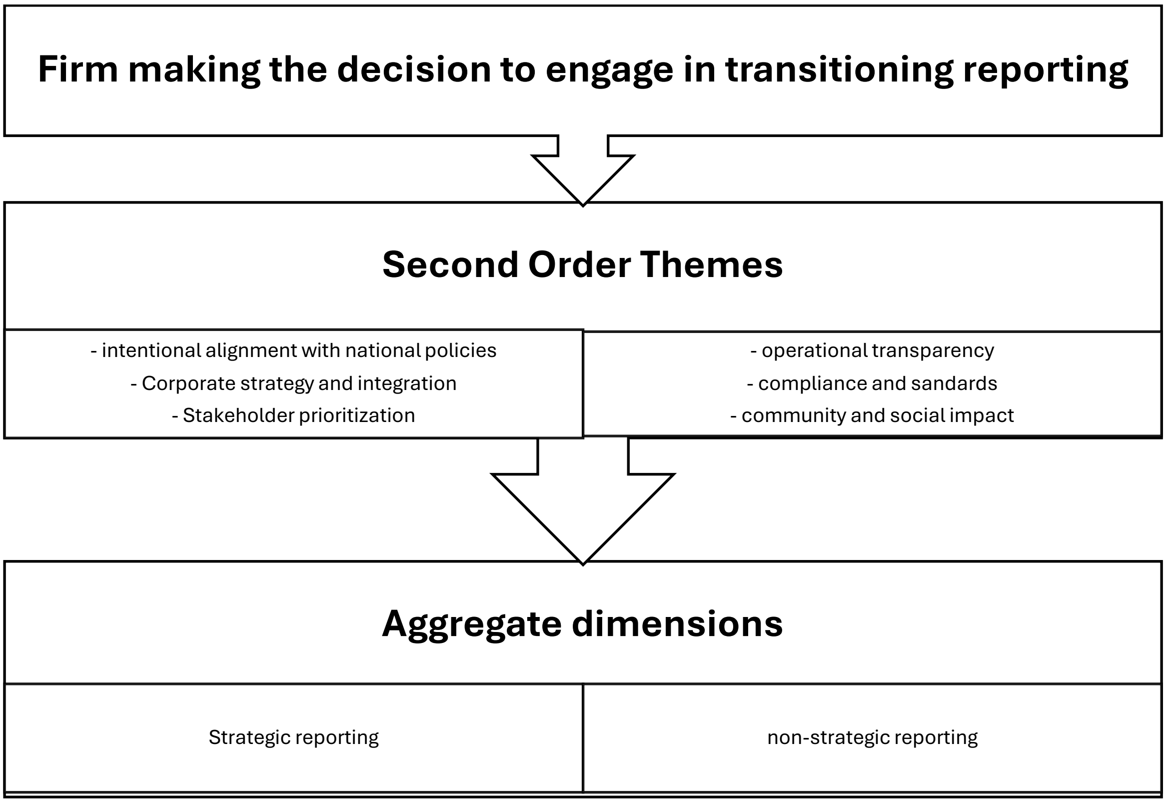

Figure 3: Influencing factors for transitioning reporting (overview of aggregate dimensions and Second Order themes)

4.1. Strategic reporting

The first aggregate dimension that had to emerge from the data analysis is strategic reporting. The identified reporting strategies that both types of firms generally apply are presented as well as the three Second Order themes that apply to this dimension. After that, differences in these strategic applications are presented between SOEs and non-SOEs are presented.

4.1.1. Intentional alignment with national policies

Firstly, alignment with national policies is labelled as a Second Order theme as to why firms engage in transitioning reporting. Some SOEs report strategically to align with national policies due to their ownership structure, and report that they adhere to broad governmental goals and policies whilst avoiding details that might reveal sensitive information on transitioning, which falls under the proposed strategy of abstraction (Hahn & Lulfs, 2014). They do this by providing more generalized statements, as exemplified through the following: *" It is managed under strict government rules for nature development by three local farmers"* (TAQA, 2022, p.126). Non-SOEs on the other hand were more observed to apply the strategy of endorsement (Higgins & Walker, 2012), where these firms use reporting to build credibility and demonstrate compliance with international GRI guidelines, and for the EU, towards reporting mandates. They also use this to appeal to global investors and stakeholders. This is shown through the following: *"Maintained positive relationships with government agencies, industry groups, and local stakeholders through more than 300 dialogues"* (INPEX, 2022, p.22). They discuss achievements here with respect to wanting to solve material sustainability issues in combination with Sustainable Development Goals (SDG). Reporting on this information displays adherence to international standards.

4.1.2. Corporate strategy and integration

The second theme concerning the dimension of strategic reporting as to why firms choose to engage in transitioning reporting is due to corporate strategy and integration. Many SOEs and non-SOEs tend to report on transitioning in that this reporting is integrated in overall corporate strategies and long-term planning. Startingly, both types of firms are observed to implement the strategy of corrective action, as proposed by Hahn & Lulfs (2014), but in a different regard. They judge the extent of negativity an issue has and state that they take responsibility and action for it through different means. Interestingly, SOEs tend to take more direct action against instances of failing of reaching transitioning goals and mention specific failings. This is arguably due to the high level of public and governmental scrutiny they face. An example is shown through the following: *" Suppliers who fail the annual performance evaluation were removed from the supplier list."* (CNOOC, 2023, p. 37) and *" An employee who fails to adhere to these policies is subject to reprimands up to termination."* (WOQOD, 2022, p. 15). Some non-SOEs also report on failures, however do this in a more economic manner, with risk assessments and scenario plannings, exemplified through the following: "

However, spills still occur for reasons such as operational failure, accidents or unusual corrosion." (Shell, 2023, p. 17). Also, there is the strategy of attribution and/or self-centering (Cheng et al, 2021). This entails that SOEs and non-SOEs are observed to report in a manner that that information is presented as a unique achievement, special virtue of feature that is exclusively applicable to the firm itself. The firms aim to present themselves as being unique and stand out in their respective industry. This is exemplified through the following quote: *" Plan 2030 that places the global acceleration of the energy transition and TAQA's ambition to become a champion for low carbon power and water at its core."* (TAQA, 2022, p. 22). Another strategic aspect of integration of corporate strategy is that firms tend to report on transitioning to present confidence in their corporate strategy. Non-SOEs tend to apply this strategy significantly more often, by stating specific technologies and programs they use to reach their goals in transitioning, as exemplified through the following: *"The Energy Transition material topic focuses on reducing the carbon footprint of energy supply, specifically through increasing sales of zero-carbon energy products such as renewable mobility fuels and renewable power."* (OMV Austria, 2023, p. 59). This additionally presents more of the economic aspects of transitioning, building more foundation behind operations of the firm(s), through presenting notions of cost savings, efficiency improvements and competitive advantages, as stated before.

4.1.3. Stakeholder prioritization

The third theme concerning the dimension of strategic reporting as to why firms choose to engage in transitioning reporting is due to specific stakeholder prioritization. This entails how different stakeholders, like governments, investors and communities are prioritized and engaged in the analyzed reports. As was observed in the data analysis of all the CSR reports, it was observed that SOEs remarkably more often opt to use the morality strategy, where they frame their efforts on transitioning strategies within the contexts of ethical and social responsibilities, highlighting commitment to public welfare, national development and stewardship, all connected towards the government. This is exemplified through the following quotes: *" We pay close attention to policies, laws, technology, and market changes related to the global and China's transition to a low-carbon economy."* (Petrochina, 2022, p.38) and *"Our corporate strategy is based on producing hydrocarbons that have one of the lowest upstream production costs and carbon intensities in the world, and supporting a global orderly energy transition towards a lower carbon emissions future through investing in technologies and offering lower carbon products, including e-fuels.* (Saudi Aramco, 2022, p.22). Adversely, non-SOE are more oriented towards reporting using the fact-indicating strategy, presenting factual and concrete data to underscore adherence to transparency and build trust with stakeholders and investors by providing verifiable and objective information. This is exemplified through the following: *"In Germany, we launched Hydrogen Pay-Per-Use, through which truck operators can hire hydrogen-fueled trucks to explore transitioning their fleet from diesel to hydrogen and reduce their carbon emissions."* (Shell, 2023, p.38). Concludingly, *Figure 4a* shows the data structure of arriving at the first aggregate dimension of strategic reporting.

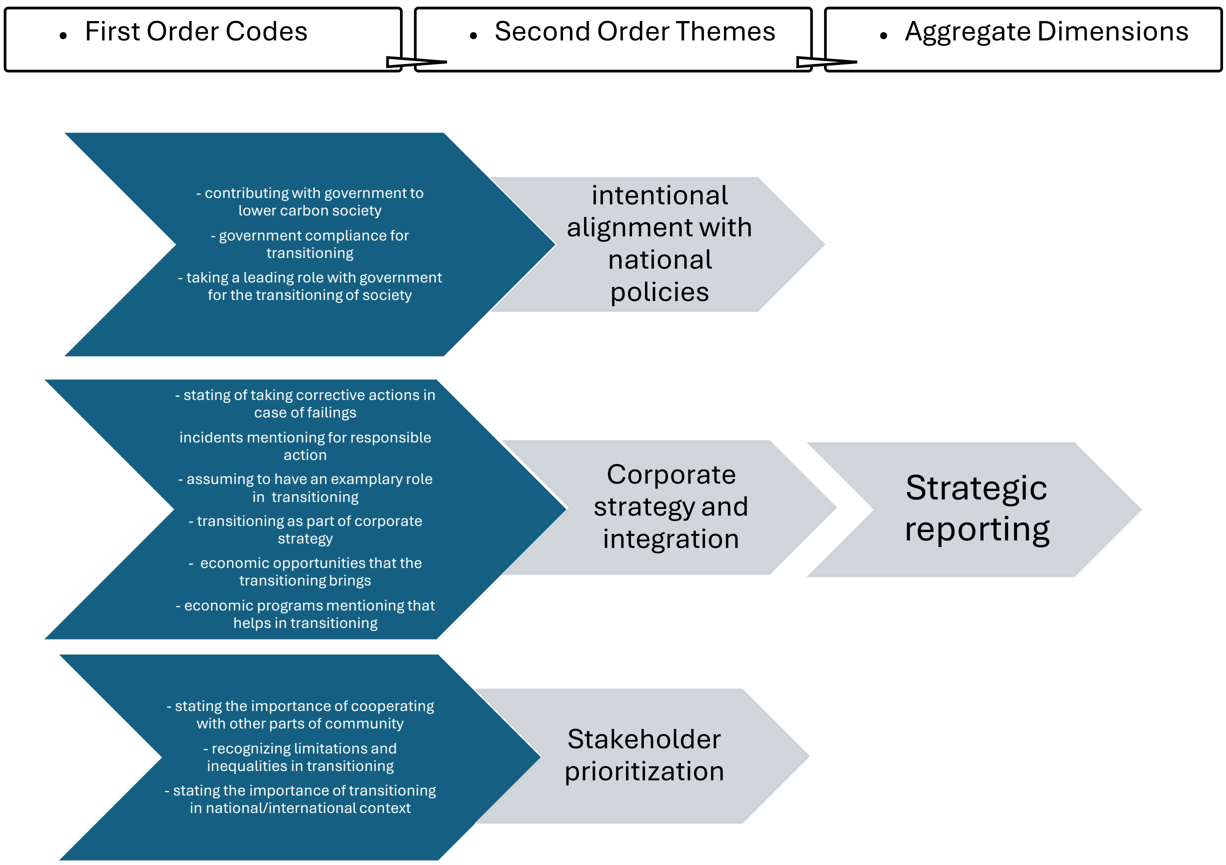

Figure 4a: Data structure showing first aggregate dimension

4.1.4. Differences between SOEs and non-SOEs in strategic reporting

Based on the previously discussed information, there are a number of observed significant differences in the strategic reporting between oil and gas SOEs and non-SOEs. Firstly, SOEs generally utilize the reporting strategy of abstraction to mention government control and more shallow reporting (Böhling et al., 2016), whilst non-SOEs more generally implement the strategy of endorsement for gaining legitimacy. This is in line with the discussed literature back in chapter 2. Secondly, the manner that SOEs and non-SOEs distinctly report on failures and risks is observed to be different. As discussed, SOEs report on failures and risks in a more direct manner, mentioning instances of failings and types of corrective action taken in order to solve these issues. On the other hand, non-SOEs report on this more in an economic manner, with risk assessment and failsafe strategies. Moreover, non-SOEs are significantly more observed to report corporate strategies to their approach on transitioning, and apply more objective fact-indication and program statements, applying the strategy of fact-indication by presenting more objective and factual data in order to attract investors (Touboulic & Walker, 2015). Summarizing, these are the most important differences in strategic reporting between SOEs and non-SOEs in the oil and gas industry.

4.2. Non-strategic reporting

The second aggregate dimension that emerged from the data analysis and structuring is that of non-strategic reporting. The three Second Order themes that apply to this dimension are elaborated on, after which differences in this non-strategic reporting between SOEs and non-SOEs are discussed. However, as opposed to chapter ***4.1.2.***, in these instances, reporting on this entails objective statements of compliances to international standards and regulations in order to be able to conduct their operations. This is often for the reason due to these firms' respective mandates. However, all Second Order themes are dealt with in more detail below.

4.2.1. Operational transparency

The first Second Order theme concerning the dimension of non-strategic reporting focuses on operational transparency. This theme explores how SOEs and non-SOEs report on their day-to-day operations, including challenges, failures, corrective actions as part of their commitment to voluntary and mandated transparency in transitioning. Firstly, it is important to note that to some extent all SOEs and non-SOEs report the same on transitioning, which was one of the most prevalent First Order concepts that many quotations belonged to, namely "operational management in transitioning". This type of transitioning reporting can be exemplified by the following: *"However, the supply chains needed to deliver these minerals are significantly underdeveloped and undercapitalized; there is a projected $2 trillion investment gap over the next 15 years for the minerals needed to limit climate change — the world is underprepared for the risk of surging transition-related mineral demand."* (Saudi Aramco, 2022, p. 33) and *"We also plan to triple the refinery's production of biofuels to help meet the growing demand for low carbon fuels such as sustainable aviation fuel".* These are instances of both a SOE and a non-SOE objectively reporting on impact data and stating facts in terms of programs and challenges of what needs to be done for the mission of achieving transitioning goals. Another exemplary First Order concept that belongs to this theme is "transparency in supply chain practices", which included instances of firms disclosing their supply chain practices, including sourcing and labor standards. An example of this is the following: *"Transitioning from natural gas-driven pneumatic devices to solar or grid-powered electrical chemical injection pumps when feasible."* (Cenovus, 2022, p. 31). These First Order concepts are some of the factors that influence the theme of operational transparency as to why oil and gas firms engage in transitioning reporting. However, it is observed that the amount of times and detail that non-SOEs present and put forward is significantly more extensive and prevalent in their CSR reports, as opposed to SOEs, who are observed to report on these concepts less extensively and less frequently.

4.2.2. Compliance and standards

Another Second Order theme regarding the dimension of non-strategic reporting focuses on compliance and standards, exploring how oil and gas firms report their adherences to regulatory requirements, international standards and internal policies relating to transitioning. Both SOEs and non-SOEs emphasize compliances and relating to standards within their respective business environments and institutional context. Examples of this are shown through the following: *" Eni For 2022 - A Just Transition is prepared per the "Sustain - ability Reporting Standards" of the Global Reporting Initiative, in accordance with the GRI Universal and Sector Oil & Gas Standards published in 2021 and taking into account the 10 principles of the Global Compact."* (Eni, 2022, p. 4) and *" Resolution of the Russian Government No. 504-R, dated 2 April 2014, and the Guidelines for Calculating GHG Emissions approved by Order No. 300 of the Russian Ministry of Natural Resources and Environment, dated 30 June 2015."* (Novatek, 2022, p. 79). These two quotations are examples of quotations that adhere to the First Order concepts of "adherence to international standards" and "obligated statement of compliance with national regulations". These two statements are largely the same in terms of obligated statements that these firms have to make in their reports in order to be able to operate in their respective business environments. However there is a difference to be found in the institutional context as to why they have to report this information, also as to why some SOEs do not state their adherence to international standards. This is elaborated on in chapter ***4.2.4***.

4.2.3. Community and social impact

The third and final Second Order theme with regards to the aggregate non-strategic reporting puts its emphasis on community and social impact. This theme explores how oil and gas firms report their efforts and initiatives aimed at benefitting the communities in which they operate and addressing broader social issues, and relating this to transitioning. Again, both SOEs and non-SOEs highlight community programs and social impacts in their respective reports, however there is one important difference to be explained between SOEs and non-SOEs. Due to the abundantly apparent ties to government bodies and public expectations of these SOEs, they tend to highlight more their contributions to community and social impacts in the respective home regions. This is exemplified by the following: *" As we navigate the energy transition, we will focus on working closely with customers to develop innovative, sustainable and affordable products and services. We will also contribute to the development of sustainable communities by allocating resources that improve human and social capital and investing in the next generation. "* (Hong Kong and China Gas, 2023, p. 50). On the other hand, non-SOEs are observed to more often report on community engagements on social impacts on a more global and international levels. Admittedly, this might also be due to the more international based operating activities that these non-SOEs engage in. An example of this is shown through the following: *" Whilst historically we have focused on socio-economic opportunities related to oil and gas activities, we are increasingly also supporting initiatives linked to the energy transition and the accompanying creation of new employment and supply chain opportunities. "* (Equinor, 2021, p. 59). These are different non-strategical considerations that both SOEs and non-SOEs take into account when reporting on community engagements and social impacts when engaging in transitioning reporting.

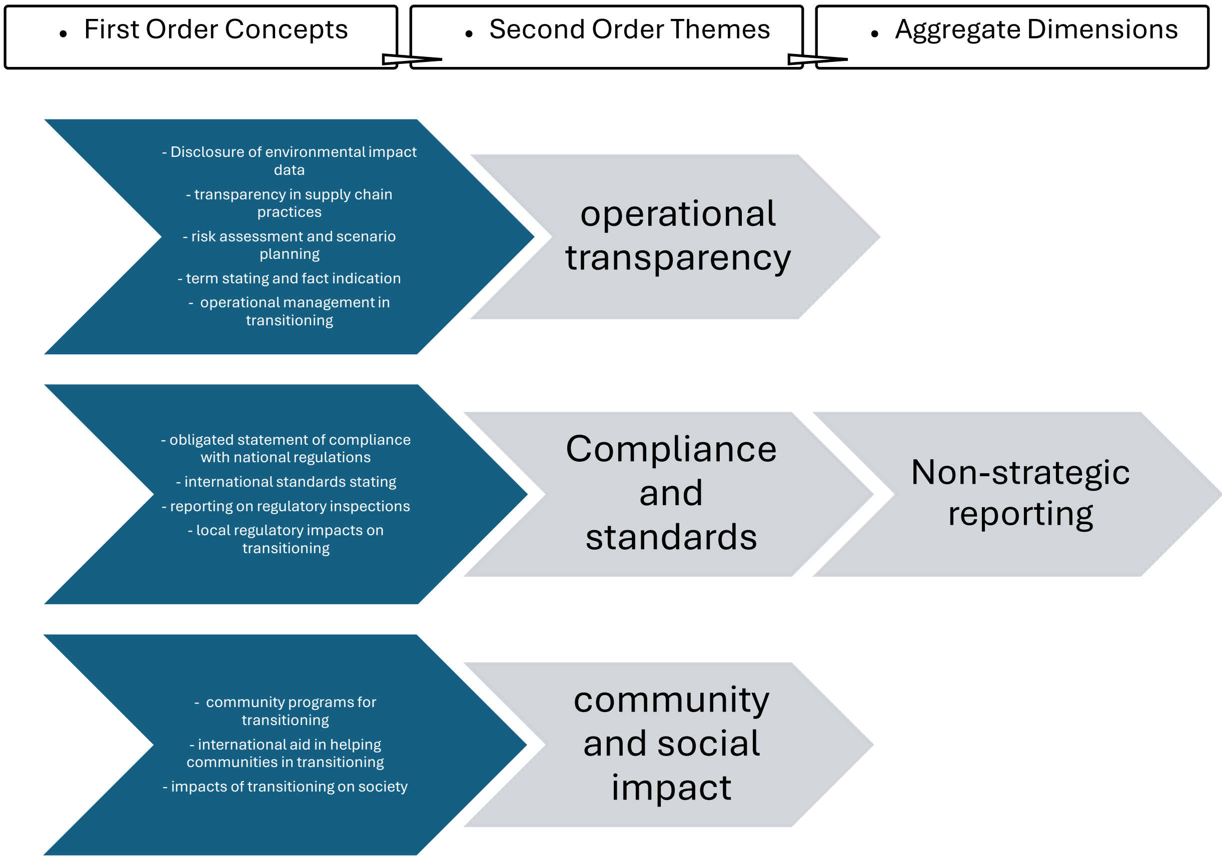

Figure 4b: Data structure showing first aggregate dimension

4.2.4. Differences in non-strategical reporting between SOEs and non-SOEs

Again, based on the discussed information, there are some notable differences between SOEs and non-SOEs in their non-strategical reporting. Firstly, SOEs tend to focus less extensively on operational transparency, providing fewer and less frequent disclosures about the environmental impact data and supply chain practices compared to non-SOEs, who report more comprehensively, extensively and frequently on these aspects of transitioning reporting. Secondly, both SOEs and non-SOEs put emphasis on reporting with compliance to regulatory obligations and standards. However, SOEs predominantly adhere to national regulations, also due to their ownership structures, while non-SOEs highlight their alignment with international standards and mandates in order to perform their operating activities. And thirdly, regarding community and social impacts, SOEs pay significantly more attention to their respective home regions, driven by their government ties and public expectations. Contrastingly, non-SOEs report more on global community engagements and social impacts, reflecting their more international operational structures and global market-driven strategies. Summarizing, these distinctions emphasize the varying mandates and institutional context that build the non-strategical considerations of reporting behavior of both SOEs and non-SOEs in the oil and gas industry.

5. Discussion

The pursuit of this paper was aimed at unraveling and understanding the differences in strategic and non-strategic transitioning reporting between oil and gas SOEs and non-SOEs. Furthermore, the objective of this study was to inductively explore the factors that influence the decision-making of SOEs and non-SOEs to engage in transitioning reporting. To achieve these goals, the Gioia methodology was used as a guide for conducting a comparative qualitative content analysis of 32 prevalent oil and gas firms. Moreover, the use of the Gioia methodology (Gioia et al., 2013) has proven effective in capturing these differences, structuring the data into proper insights. By doing this, this research has revealed six key differences between SOEs and non-SOEs in their strategic and non-strategic reporting transitioning reporting behavior.

One of the central discoveries are the distinct strategic reporting behaviors observed between SOEs and non-SOEs. SOEs are observed to often align their transitioning reporting with national policies, mostly due to their ownership structures and governmental ties. This alignment is shown through abstraction strategies, where SOEs are observed to provide generalized statements supporting broad governmental goals while avoiding specific operational details (Hahn & Lulfs, 2014). For example, SOEs might state their adherence with national environmental policies without presenting specific actions or challenges to these regards. This approach can be considered as strategic, in order to align with governmental expectations, public pressures and scrutiny (Cheng & Kung, 2016; Garanina & Kim, 2023). Contrastingly, non-SOEs are more prone to adopting endorsement strategies, revolving around building credibility and demonstrating compliance with international standards such as the GRI (Higgins & Walker, 2012). This strategy aims to appeal to global investors and stakeholders through promoting transparency and adherence to widely accepted practices. Non-SOEs are observed to more frequently highlight sustainability achievements, specific technologies and programs, showcasing their efforts to arguably attract investments and improve market reputation (Li & Sasaki, 2023; Ohram & Rhamdhony, 2015). SOEs are also observed to be reporting more directly towards failures in meeting transitioning goals and report more towards taking corrective action as a response. This is a partial result of their higher levels of scrutiny from public and governmental stakeholders (Garanina & Kim, 2023;

Marquis & Qian, 2014). On the other hand, non-SOEs were observed to approach issue management in a more economic manner, through stating risk assessments, scenario planning and failsafe as part of their corporate strategy. They also more often highlight cost savings and efficiency improvements (Ismail et al., 2018). Furthermore, SOEs tend to more use the morality strategy, framing transitioning efforts within context of ethical and social responsibilities (Freeman, 2010; Cheng et al., 2021). Conversely, non-SOEs are observed to prioritize the fact-indicating strategy, providing verifiable and objective information to build confidence with investors and other stakeholders (Hahn & Lulfs, 2014). They focus more on concrete and factual data, enhancing credibility and transparency to these stakeholders (Cheng & Kung, 2016; Kim et al., 2012).

In non-strategic reporting, firstly SOEs are observed to more generally provide less detailed and less frequent disclosures of environmental impacts and other means of providing operational transparency compared to non-SOEs. Non-SOEs provide more extensive transitioning reporting overall. This is partially due to the varying mandates and obligations that both types of firms have to adhere to in their reporting behavior to be able to operate in their institutional environments (Ismail et al., 2018; Marquis & Qian, 2014). Additionally, the emphasis on complying with regulatory requirements and standards is observed to differ between SOEs and non-SOEs. SOEs tend to adhere more to national regulations in their reporting, while non-SOEs more often highlight international standards to help them operate in global markets (Garanina & Kim, 2023). The analysis also revealed that SOEs report more on initiatives aimed at improving local infrastructures, education and public health, whilst non-SOEs emphasize global community engagements, reflecting their international operational structures and market-orientations. They highlight initiatives that create opportunities that align with the Sustainable Development Goals (SDGs) for example, confirming the arguments made by Li & Sasaki (2023) and Wang et al. (2018).

The results of this research emphasizes the important roles that state ownership and institutional contexts play in different applications of CSR reporting practices. SOEs, with inherent government dictates and more national policy-based and abstract reporting approach, are observed to potentially use CSR reporting as a tool for legitimacy and for political power (Garanina & Kim, 2023; Ismail et al., 2018). Their reports are arguably driven by needs of demonstrating compliance and accountability to public and governmental expectations. Non-SOEs on the other hand are far more driven by the need to attract global investors, employing endorsement strategies and providing more detailed and objective reporting to build legitimacy and transparency (Tashman et al., 2019; Preuss, 2009).

This research contributes to the broader understanding of CSR reporting in the oil and gas industry, highlighting the need for differentiated approaches based on different levels of state ownership and institutional contexts. For policymakers and stakeholders of the oil and gas industry alike, these findings help in understanding and developing CSR guidelines and regulations that consider the distinct characteristics of both SOEs and non-SOEs. Future research could potentially further explore implications of these differences between SOEs and non-SOEs on actual corporate behavior and sustainability outcomes. They could also focus on more in-depth analyses of specific oil and gas firms, using the findings of this study. This could provide deeper insights into how CSR practices can drive more effective and sustainable green transitioning, aimed at improving sustainability.

In conclusion, this study has highlighted key nuanced differences in transitioning reporting between oil and gas SOEs and non-SOEs, in order to advocate for a more specified and contextual way of fostering accountability and sustainability. These insights are expected to be helpful for advancing efforts towards a just and effective energy transition globally, ensuring that both SOEs and non-SOEs can contribute to meaningful sustainable development.

6. Limitations

While this study provides valuable insights into the differences in strategic and non-strategic transitioning reporting between oil and gas SOEs and non-SOEs, several limitations must be acknowledged. Firstly, the sample of the qualitative comparative content analysis consists of CSR reports from 32 firms. This amount is considered substantial, however there is the ever-existing possibility that it might not fully capture the diversity or reporting practices within the overall oil and gas industry. The limited sample size potentially limits the generalizability of the findings to the entire industry, particularly within other geographic regions with varying regulatory and cultural context. For example, Oceania and Africa have not been included in the sample, and thus might produce different outcomes. This might be an interesting addition for future research. Next, this research relies on publicly available CSR reports, which might not fully reflect internal practices and policies of the studies oil and gas

SOEs and non-SOEs. For instance, the researcher cannot study and analyze on what has not been reported, so there might always be missing information. Thirdly, the reliance on the Gioia methodology may limit the exploration of other potential analytical frameworks that could offer different perspectives on transitioning reporting. Additionally, future research could expand the scope of the research to other industries to enhance robustness and applicability of the results, however then it might need more of a quantitative approach. And lastly, some of the CSR reports analyzed were published during the COVID-19 pandemic, since this was the most recent available CSR report of the hand-picked firm. The pandemic has had significant impacts on global business operations, and thus potentially also reporting practices. Many firms have had to shift priorities and resources to address immediate health and safety considerations, which can potentially influence a firm's CSR activities and reporting. To inform, multiple instances of COVID-19 related reporting have been observed. This might have resulted in non-standard reporting behaviors and challenges to standard reporting practices from those adapting to crisis conditions.

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Appendix

Appendix A: Oil and gas SOEs and non-SOEs that were used in the data analysis by document:

CSR reporting in forms of published reports
State-owned enterprises (SOEs)
ADNOC (2022). *Environmental, social and governance report 2022*
CNOOC (2023). *CNOOC Limited environmental, social and governance report 2023*
Ecopetrol (2022). *Integrated Management Report 2022*
IndianOil (2023). *Sustainability Report FY 2022-23*
LUKOIL (2022). *LUKOIL Group Sustainability Report for 2022*
MOL GROUP (2022). *MOL GROUP Integrated Annual Report 2022*
NOVATEK (2022). *Sustainability Report 2022*
Petrobras (2022). *Sustainability Report 2022*
PetroChina (2022). *Environmental, Social and Governance Report 2022*
PTT Thailand (2022). *65-1 One Report 2022. PTT Public Company Limited*
ROSNEFT (2020). *Sustainability Report 2020*
Aramco (2022). *Aramco Sustainability Report 2022*
Sinopec (2022). *2022 Corporate Sustainability Report*
TAQA (2022). *Sustainability Report 2022*
WOQOD (2022). *Sustainability Report 2022*
Non-State-Owned Enterprises (non-SOEs)
BP (2023). *Bp Sustainability Report 2023*
Cenovus Energy (2022). *2022 Environmental, social & governance report*
Chevron (2022). *2022 corporate sustainability report*

Enbridge (2022). *2022 sustainability report*

ENEOS Holdings, Inc. (2023). *ENEOS REPORT ESG DATA BOOK 2023*

ENI Italy (2022). *ENI for 2022. Sustainability performance*

Equinor (2021). *2021 Sustainability report*

ExxonMobil (2023). *2023 sustainability report. Executive Summary*

Formosa Petrochemical Corporation (2021). *2021 Formosa Petrochemical Corporation Sustainability Report*

INPEX (2022). *INPEX Sustainability report 2022*

Korea Gas (2023). *2023 KOGAS Sustainability report*

Oil and Natural Gas (2022). *Business Responsibility & Sustainability Report*

OMV (2023). *Sustainability Report 2023. Non-Financial Report*

REPSOL (2023). *2023 SDG Report*

Shell plc (2023). *Shell plc Sustainability Report 2023*

TotalEnergies (2024). *Sustainability & Climate 2024 Progress Report*

Towngas (2023). *Environmental, Social and Governance Report 2023*.