

# A Comparative Study of the Reporting Approach for Corporate Social and Environmental Responsibility Between Iberia and Turkish Airlines



Eliezer José Arellano García, Rubén Pérez Fernández,  
César Montañés Alonso, and Gamze Orhan

## Nomenclature

CSER	Corporate Social and Environmental Responsibility
CSR	Corporate Social Responsibility
SASB	Sustainability Accounting Standards Board
TCFD	Task Force on Climate Related Financial Disclosures
UN	United Nations

## 1 Introduction

Numerous studies have focused on corporate social responsibility, where environmental responsibility is an implicit part of social responsibility. Such studies have examined a wide range of approaches, e.g., what is the definition of CSR (corporate social responsibility), its history, companies' motivations for implementing CSR, among others (Othman & Ameer, 2009).

---

E. J. Arellano García · R. Pérez Fernández · C. Montañés Alonso  
School of Aeronautical and Space Engineering, Universidad Politécnica  
De Madrid, Madrid, Spain  
e-mail: [ej.arellano@alumnos.upm.es](mailto:ej.arellano@alumnos.upm.es); [ruben.perez.fernandez@alumnos.upm.es](mailto:ruben.perez.fernandez@alumnos.upm.es);  
[c.montanes@alumnos.upm.es](mailto:c.montanes@alumnos.upm.es)

G. Orhan (✉)  
Department of Aviation Management, Faculty of Aeronautics and Astronautics, Eskişehir  
Technical University, Eskişehir, Türkiye  
e-mail: [gozsoy@eskisehir.edu.tr](mailto:gozsoy@eskisehir.edu.tr)

Today, a high percentage of companies are aware of the importance of having a committed approach to corporate and social responsibility, so it is no longer a question of whether a company should have CSR (EU, 2011).

Many studies have already demonstrated and justified the benefits that this type of policy has for companies; this study aims to determine how the communication strategies of two companies in the airline industry can vary in terms of CSR, because corporate social responsibility loses much of its relevance if it is carried out but not communicated, and its credibility if the opposite happens.

Iberia in Spain and Turkish Airlines in Turkey operate a large majority of the flights in their respective countries. While these two carriers exhibit certain similarities, they also vary in how they approach management. Both airlines are excellent candidates for the study due to their strategic relevance in the airline industry and in each of their home markets.

Hence, this chapter will analyze what their CSR policy communication strategy is, which indicators they focus on, which part of CSR they give more importance to, how they present the information in their reports. It makes a comparative study of two leading airlines in each country, trying to identify similarities and differences in CSR communication styles, and trying to determine and make a correlation of the factors that may influence these differences. It is worth to mention that this study has been motivated and will follow the CSR reporting framework published by Amin (2021).

## 2 Literature Review

### 2.1 *Defining CSR: Various Perspectives of a Single Aim*

When it comes to define what CSR means we can find a wide range of literature available; however, no universally agreed-upon concept of corporate social responsibility is available. In truth, it has been described in a variety of ways, but they all have one thing in common: the unified company's commitment to methods of responsibility that go beyond economic profit. Corporate social responsibility, in this context, refers to a company's influence on the economic, social, and environmental elements.

The Green Paper of the Commission of the European Communities that aims to advance a European framework for CSR defines it as a concept whereby businesses voluntarily choose to make contributions to a better world and a cleaner environment, as well as the voluntary incorporation of environmental concerns into business operations and relationships with stakeholders. (EU, 2001).

According to World Business Council for Sustainable Development definition, "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large" (WBCSD, 2000).

Even though the vast majority of studies in literature use the term CSR, including (Abbott, 2011; Zivin & Small, 2005; Blowfield & Murray, 2008) and as it is stated by (Lynes & Andrachuk, 2008) the term “environment” is not included in the CSR acronym, environmental responsibility is an assumed aspect of social responsibility under this definition. However, there are also studies consider it another practice called CSER - Corporate Social and Environmental Responsibility (Amin, 2021). As Amin (2021) states it as that firms all over the world are now not only engaging in CSR initiatives, but also utilizing a range of media, including as annual reports, sustainability reports, websites, and integrated reports, to inform stakeholders about them. Companies voluntarily disclose their actions in relation to social issues including socioeconomic inequality, human rights, and environmental issues like pollution.

## ***2.2 The Airline Industry’s Interpretations and Understanding of CSER***

CSR requires businesses to treat their social obligations with the same seriousness that they do their commercial goals, and the aviation sector is no different from other industries in this regard. The four components of CSR include economic, legal, ethical, and philanthropic responsibilities (Pinkston & Carroll, 1996). It is critical to emphasize the need of incorporating environmental considerations into the CSR term, introducing CSER (corporate social and environmental responsibility). The transport sector is the fourth largest polluter of all industries, just after the energy, textile, and food sectors.

Due to the increasing international tension and recent spike in crude oil prices, which is a key source of concern for airlines, fuel economy has become a top commercial goal. CSER programs have become an essential part of airlines’ business strategy as a result of this, as well as increased concern about the environmental impact of air travel. Airlines have begun to employ broader tactics in order to satisfy fuel-saving targets and other CSER goals such as developing biofuels.

In general, there has been a close relationship between the aviation sector and social and environmental challenges. In the current airline business climate, CSR has emerged as a crucial competitive advantage and a strategy for gaining customer loyalty (Inoue & Lee, 2011; Hossain et al., 2012; Gard et al., 2009). As a result, many airlines are dedicated to conducting business ethically, abiding by local laws, implementing best practices where appropriate, and comparing their performance to industry benchmarks (Cowper-Smith & de Grosbois, 2010; Lynes & Andrachuk, 2008).

### 3 Methodology

In the airline industry, there is no standardized method of reporting CSER. Generally, the literature used for articles refers to CSR, but the importance of the environment is remarkable; for this reason, this chapter will consider the term CSER more broadly. CSER reporting framework will cover six areas of great importance: vision, safety and security, environment, community, marketplace, and workforce.

The methodology used focuses on nine core elements of corporate sustainability reporting: general business profile, strategy and policy, results, corporate social reporting policy, relevance of reported measures, clarity of the report, reliability of the report, stakeholder involvement, and contextual consistency (Heeres et al., 2011).

### 4 Results and Discussion

A comparison within the framework of the aforementioned subjects was conducted taking into account the social, environmental, and sustainability reports released by Iberia and Turkish Airlines in 2019, 2020, and 2021 (THY, 2019, 2020, 2021; IBE, 2019, 2020, 2021).

The evaluations of airlines for the general business profile, strategy and policy, results, corporate social reporting policy, relevance of reported measures, clarity of the report, reliability of the report, stakeholder involvement, contextual consistency are presented in Table 1.

### 5 Conclusions

The main objective of this work was to compare the cultural, social, and environmental and responsibility reporting patterns of two flag carriers from different countries. In this case, Iberia and Turkish Airlines were chosen for the study.

After analyzing several key points of both airlines based on the annual reports for the last 3 years, a general insight can be drawn. The reports published by Turkish airlines happen to be remarkably detailed, complete, extensive, and with a visual representation of graphs, tables, and diagrams that help to better understand the quantitative data. It is also worth noting the large difference between the two airlines in terms of size, from the fleet and staff to the entire administrative and corporate area. It should be noted that due to the complexity and the large size of Turkish Airlines, they decided to outsource a third company (PwC Turkey) to carry out the reports, whereas Iberia does so internally, from the sustainability directorate, which lead us to reflect on how beneficial it is for an enterprise to outsource another company for reporting.

**Table 1** Comparative assessment of Iberia and Turkish Airlines within the framework of nine core elements of corporate sustainability reporting

Core element	Iberia	Turkish airlines
General business profile	Iberia describes the ambitions on market recovery of its three principal business activities: air transport of passengers and cargo, airport services, and aircraft maintenance. Also emphasizes the 50 different countries in which it operates while developing the organizational structure within the IAG group and its subsidiary airline (Iberia Express)	Turkish airlines clearly state the large size of the company and its network of flights across 127 countries, informing about its 18 subsidiaries in various fields of aviation, belonging to the star alliance group. It also provides very clear visual information through charts and graphs on the company's emissions, staff, company values, and financial performance
Strategy and policy	Outlines precisely the airline's past and evolution in terms of environmental reporting since 1990s to define the policies followed today in accordance with the United Nations Sustainable Development Goals. Furthermore, it links the sustainability plan with the post-pandemic recovery strategy	There is a strong focus on the importance of bringing the sustainability plan to all units of the organization in short, medium, and long terms in order to decide on improvements that will lead to increase its performance in the organization
Results	Throughout the document, it describes social commitment as one of the basic pillars of its organization and it can be clearly seen how it affects all units of its organization. Likewise, it is described how the pandemic has made a negative impact on the economy of the organization and how they plan to make a sustainable recovery on it	Along the document, it is fully detailed with graphs, tables, and diagrams to aid understanding how the company plans to address its environmental impact, engage stakeholders, and create equal social opportunities for female and male employees
Corporate social reporting policy	According to the document, Iberia follows since 2015 CSR included as part of United Nations sustainability goals	It is clearly defined with clear language and representative aids how they have taken into account the material issues of SASB as well as the working group TCFD
Relevance of reported measures	In general terms, the measures presented by Iberia are reduced, especially in terms of fuel efficiency, greenhouse gases, and number of passengers. In terms of waste, noise, and operational safety, there is an improvement in the quantity and quality of reporting	All the subsections mentioned in the methodology are satisfactorily fulfilled, presenting abundant information, especially on greenhouse gases and fuel efficiency, with very complete and detailed quantitative reports. It should be noted that the airline had its gas measurements verified by a third party in accordance with the TS EN ISO 14064-3: 2007 standard

(continued)

**Table 1** (continued)

Core element	Iberia	Turkish airlines
Clarity of the report	The report starts with a message in large letters, without any background photo as usual, making clear the real reasons for which the report is published, causing a visual impact. Something out of the ordinary and which brings a lot of originality to the report and the way of presenting it. This trend is followed in the rest of the document	The report has a classic structure and way of presenting the information, as we are normally used to. An easy and intuitive structure is defined, being even easier to follow than with the Iberia report. However, at certain times the information and especially the numerical data can make you feel overwhelmed, especially if you are not a user with a technical knowledge base
Reliability of the report	It does not explicitly state the total reliability of the information reported by a third party, but it does state the different audit committees of the organization which are repeatedly exposed The airline has a section in the report where it presents the different certifications it has, the scope and the certifying entity	According to the airline, PwC Turkey conducted an external audit of a subset of the report's metrics under a restricted assurance framework in compliance with ISAE 3000 and ISAE 3410 standards. In the report can be found an Independent Assurance Statement, which includes the list and scope of assured indicators
Stakeholder involvement	Stakeholders are a fundamental part of companies, and Iberia is aware of this. Although it devotes a small section of the report to this, it does so by indicating in the report that an area has been created, "the Shareholder and Investor Relations Office," where direct consultations can be made between shareholders and the highest governing body on economic, environmental, and social matters	Turkish Airlines has an impressive number of references to its stakeholders in the report. The airline is aware of their importance and makes this clear throughout the report, where they are made aware that they are a priority, and their voices are heard and taken into account
Contextual consistency	In general terms and in terms of context, Iberia's report follows the expected guidelines for a report based on the framework of the United Nations Sustainable Development Goals, without providing too much technical data but presenting a very clear and well-defined discursive line. As the years of the reports pass, the change in reporting style is obvious.	Turkish airlines, despite using the GIR framework, characterized by presenting a report with a more technical approach and has managed to present the information in the most didactic and easy to understand way. The airline, despite not belonging to the UN Global Compact, being the world's largest voluntary corporate sustainability initiative, has its own sustainability strategy, which is clearly defined in the reports, and supports the 17 sustainable development goals

Regarding the criteria and structure followed by Iberia, it shows its support to the United Nations Global Compact reaffirming its commitment to the 17 Sustainable Development Goals (SDGs). Since 2015, they have been following the CSR in line accordance to United Nations. Turkish Airlines, in contrast, follows the structure of global reporting initiative that Iberia previously utilized prior to embracing SDGs.

## References

- Abbott, P. (2011). Corporate responsibility: a critical introduction. *Action Learning: Research and Practice*, 8(1), 69–72.
- Amin, A. (2021). Theories of Corporate Social and Environmental Reporting (CSER): An Overview. *The Cost And Management*, 48(05), 39–43.
- Blowfield, M., & Murray, A. (2008). *Corporate responsibility: a critical introduction*. Oxford University Press.
- Cowper-Smith, A., & de Grosbois, D. (2010). The adoption of corporate social responsibility practices in the airline industry. *Journal of Sustainable Tourism*, 19(1), 59–77.
- EU. (2001). *Green paper: Promoting a European framework for corporate social responsibility Commission of the European Communities*. <https://www.eumonitor.eu/9353000/1/j9vvik7m1c3gyxp/vikqhjet6py6>
- EU. (2011). *Renewed EU strategy 2011–14 for Corporate Social Responsibility European Commission*. [https://www.eumonitor.eu/9353000/1/j4nvkkpftveemt7\\_j9vvik7m1c3gyxp/vitwrzhm31gk](https://www.eumonitor.eu/9353000/1/j4nvkkpftveemt7_j9vvik7m1c3gyxp/vitwrzhm31gk)
- Gard McGehee, N., Wattanakamolchai, S., Perdue, R. R., & Onat Calvert, E. (2009). Corporate social responsibility within the US lodging industry: An exploratory study. *Journal of Hospitality & Tourism Research*, 33(3), 417–437.
- Heeres, J., Kruijd, J., Montgomery, E., & Simmons, J. (2011). *Building trust in the air: Is airline corporate sustainability reporting taking off?* [https://pwc.blogs.com/files/pwc\\_airlinescr\\_web.pdf](https://pwc.blogs.com/files/pwc_airlinescr_web.pdf)
- Hossain, M. M., Rowe, A. L., & Quaddus, M. (2012). Drivers and barriers of corporate social and environmental reporting (CSER) practices in a developing country: Evidence from Bangladesh. In *Interdisciplinary Perspectives on Accounting Conference Proceedings*.
- IBE. (2019). *Iberia sustainability reports*. <https://grupo.iberia.es/sustainability/reports>
- IBE. (2020). *Iberia sustainability reports*. <https://grupo.iberia.es/sustainability/reports>
- IBE. (2021). *Iberia sustainability reports*. <https://grupo.iberia.es/sustainability/reports>
- Inoue, Y., & Lee, S. (2011). Effects of different dimensions of corporate social responsibility on corporate financial performance in tourism-related industries. *Tourism management*, 32(4), 790–804.
- Lynes, J. K., & Andrachuk, M. (2008). Motivations for corporate social and environmental responsibility: a case study of Scandinavian airlines. *Journal of International Management*, 14(4), 377–390.
- Othman, R., & Ameer, R. (2009). Corporate social and environmental reporting: Where are we heading? A survey of the literature. *International Journal of Disclosure and Governance*, 6(4), 298–320.
- Pinkston, T. S., & Carroll, A. B. (1996). A retrospective examination of CSR orientations: have they changed? *Journal of Business Ethics*, 15(2), 199–206.
- THY. (2019). *Turkish airlines annual report*. <https://investor.turkishairlines.com/en/financial-and-operational/annual-reports>
- THY. (2020). *Turkish airlines annual report*. <https://investor.turkishairlines.com/en/financial-and-operational/annual-reports>

- THY. (2021). *Turkish airlines annual report*. <https://investor.turkishairlines.com/en/financial-and-operational/annual-reports>
- WBCSD. (2000). *Corporate social responsibility: Making good business sense*. World Business Council for Sustainable Development.
- Zivin, J. G., & Small, A. (2005). A Modigliani-Miller theory of altruistic corporate social responsibility. *The BE Journal of Economic Analysis & Policy*, 5(1), 0000101515153806531369.