Introduction

The silent and shadow reports produced here are a modest contribution to the broad process of “encouraging” organisations to develop their own accountability mechanisms. They were initially intended as two of a series of five such reports that would have been produced by CSEAR as a part of, what was called, the “silent accounts” project. The purpose of this introductory section is to briefly explain the background, method and implications of the project and, in so doing, to place the attached “Silent Reports” in context and encourage others to produce their own such reports.

Method

Five companies were initially chosen for the preliminary stage of the project. The number was determined, principally, by two factors. First, it was recognised that the compilation of these reports would take considerable person-hours and CSEAR had only limited manpower available for the project. The question was, thus, what was the minimum number of such reports that could be produced and still be “interesting”? To be “interesting”, it was thought that the reports needed to cover a range of organisations – in terms of industry, age, profile and such like. It was decided that five companies would be a suitable starting point. The companies were chosen from amongst the UK’s largest (on the usual grounds of visibility, the relationship between size and disclosure and accessibility). In addition, for the experiment (see below) to be of any value, the more interesting companies

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1 This piece first appears in 2001 as part of the Silent and Shadow Accounts project under the authorship of Kathy Gibson, Rob Gray, Yvonne Laing and Colin Dey

2 CSEAR would like to express my gratitude to the Institute of Chartered Accountants of Scotland whose funding and sponsorship of CSEAR when at the University of Dundee helped to provide support to develop this project.

3 Five companies were initially selected for which silent accounts would have been produced. These were: HSBC, Tesco, Vodafone, KGN and BSkyB.
would be those that did not currently (at the time of the collation, during 2000) produce environmental or social reports. The five companies chosen were BSkyB (the communications and satellite TV company), Vodophone (mobile phones), GKN (engineering), Tesco (retail supermarket) and HSBC (a financial institution).

The company-produced information (which is contained in the “Silent Report” section attached) was compiled from publicly available data from the company. Each company was written to with a request for their annual report and any other related (including social, environmental, employee and community) reports that they produced. These reports were scrutinised and any reference to further reports was followed up. In addition, the company’s website(s) were scrutinised for relevant data (see below) and any reference to further sites or reports.

This raw material was then analysed in manner closely based upon the decision rules employed for the CSEAR Social and Environmental Disclosure Database, (see Gray et al, 1995a; 1995b and this website in the Research Resources Section for up-to-date information). All data which fell within the rules for social and environmental disclosure was extracted - with especial care to ensure that the data was not taken out of context or in any other way might be thought to distort the company’s voice. The “Silent Report” section is, as far as we can tell, a fair and accurate reflection of the company’s own voice. Every effort has been made not to exercise any editorial influence on it. The companies concerned have not seen these reports and have not, therefore, confirmed or denied that they are an accurate reflection of what they have said about themselves.

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4 Gray R.H., R.Kouhy & S.Lavers (1995a) "Corporate social and environmental reporting: A review of the literature and a longitudinal study of UK disclosure" Accounting, Auditing and Accountability Journal 8(2) (pp47-77)

The material for the “Shadow Report” section is taken entirely from non-company sources – most notably, newspapers, campaign reports, websites and other materials contained in the CSEAR library. It cannot, of course, be claimed to be complete but it is, we suspect, a reasonable representation of what has been said about the company in non-company sources.

This raw material was again scrutinised as above and has been reproduced, in full, with, again, every attempt being made to faithfully represent the original source. Again, there has been a conscious attempt to avoid any editorial influence but, inevitably, it is unlikely that there has been no such influence in this section. Most importantly, however, no attempt has been made to distinguish between “good news” and “bad news” and, especially, between truly independent reports and “placed” news items. It is very likely indeed that a number of the items in the Shadow Report are, in actuality, company-produced items which journalists have simply adapted.

The resultant material was then placed into a structure which, again, closely follows the CSEAR Database approach. This structure comprises the following categories:

- Mission and Policy Statements;
- Corporate Governance Statements;
- Employment Report;
- Customers and Products Report;
- Community Report;
- Environmental (inc. Animal Welfare) Report;
- References.

Categories of disclosure on which the company did not produce any data have been left blank in the “Silent Report” and have been deleted in the “Shadow Report”. Some broad assessment of completeness can thus be made by the reader.

**Editorial Impact and Implications**

These Silent/Shadow Reports are not accompanied by any commentary, analysis or critique. This is deliberate. The project is by way of an experiment to see what could be done with publicly available information without
commenting and imposing too strong a personal view on the data. Of course, no data is unbiased and no editor can be avoid having some influence but every effort has been made to keep such influence transparent.

The motivation for the project, beyond the curiosity to see if silent social accounts can be produced, was to explore (a) what reactions there might be from the company to a suggestion that if they do not produce a social account, somebody else would\(^5\) and (b) what sort of reaction, if any, other stakeholders might have to the compiled reports. This is why the project is by way of an experiment. It was intended that the function of a subsequent stage\(^6\) of the project would be to explore these reactions (if, indeed, there were any). It is worth noting, however, that both NGOs and SRI (socially responsible investment) professionals have expressed genuine interest in the project and this encourages us to believe, at least, that the experiment has some merit. The real test will be when (if) the reports (or their successors) are taken out into the field.

- Tesco plc Silent Account: The Silent Report
- Tesco plc Silent Account: The Shadow Report
- HSBC plc Silent Account: The Silent Report
- HSBC plc Silent Account: The Shadow Report

\(^{5}\) All five companies were written to tell them that this project was going ahead. Two responded for further information and one responded with something approaching enthusiasm. Unfortunately, pressure of time has prevented these initial contacts being properly followed up and developed. we owe an apology to the companies for this failure.

\(^{6}\) It should be stressed that this subsequent stage of the project has not been undertaken – sadly and through a lack of time and energy rather than for any other reason.