



2014 EDITION

Extractive Industry Report

Baruch COLLEGE

ZICKLIN SCHOOL OF BUSINESS

Weissman Center for International Business



Extractive Industry (NAICS 21) Region of Headquarters

Table 1 highlights key findings about the Extractive Industry globally, as well as differences between various regions.

The first thing to note is the median score for the Extractive Industry as a whole beat the full sample median by 10.75 points, and in fact was the industry with the highest median score. Across the different Contextual Elements, the Extractive Industry was better than or equal to the full sample in nine out of 11 Elements, and was not far below the full sample median in the remaining two Elements, Philanthropy and Governance. The Extractive Industry's performance on the Assurance element was particularly strong – better than the full sample median by 5.75 points in a category worth 15 points total.

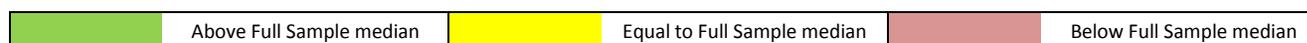
Most of the seven regions with reports from companies in the Extractive Industry had scores well above the full sample median. Only North American and East Asian Extractive companies scored (slightly) below the full sample median. Scores in these regions were notably below the full sample as well as the industry medians in the Environment, Supply Chain, and especially Assurance Elements. Scores for North American companies in general were low on the Assurance Element, especially compared to Western Europe (See the [CSR-S Monitor Full Report](#), page 37 for more information).

Only in the Philanthropy Element was no region able to outperform the full sample median. On the other hand, regional scores were uniformly stronger than the median in Bribery & Corruption and Labor Relations, and except East Asian companies in External Stakeholder Engagement and Codes of Conduct.

Extractive Industry (NAICS 21)

Table 1. Region of Headquarters

CSR-S Monitor Contextual Elements: Region Scores												
Region of Headquarters (Number Of Companies)	Executive Message (max. 5)	Environment (max. 10)	Philanthropy (max. 10)	External Stakeholder Engagement (max. 10)	Supply Chain (max. 10)	Labor Relations (max. 10)	Governance (max. 5)	Bribery & Corruption (max. 5)	Human Rights (max. 5)	Codes of Conduct (max. 15)	Assurance (max. 15)	Total (max. 100)
North America (15)	3.00	5.75	6.50	5.00	2.00	5.50	1.25	3.00	2.50	7.25	2.00	44.75
Western Europe (14)	2.75	7.00	5.25	5.25	4.75	6.50	0.50	4.25	3.38	9.00	10.25	58.88
East Asia (6)	2.75	5.25	5.50	2.25	2.00	6.00	0.88	4.13	2.63	5.63	1.50	43.25
Oceania (4)	3.00	6.25	7.00	6.25	2.50	5.25	0.88	3.00	2.63	8.63	8.25	54.50
Eastern Europe & Central Asia (4)	1.88	7.00	4.00	5.25	2.50	6.50	3.25	3.63	2.75	9.00	8.25	53.88
Latin America & the Caribbean (3)	3.50	8.25	5.00	6.50	8.00	8.50	3.00	5.00	2.75	8.50	5.00	62.75
Sub-Saharan Africa (2)	2.50	7.38	5.50	8.50	5.50	9.00	2.00	5.00	2.75	10.13	10.75	69.00
Extractive Industry (48)	2.75	6.75	6.00	5.00	4.00	6.50	1.13	3.88	2.63	8.38	8.25	57.25
Full Sample (614)	2.50	6.75	7.00	3.50	4.00	5.00	1.25	2.50	2.63	7.00	2.50	46.50



Extractive Industry (NAICS 21) Top 5 Scorers

Table 2 examines the top five scoring Extractive companies, which include two of the top three overall scorers (Barrick Gold Corporation and Anglo American PLC).

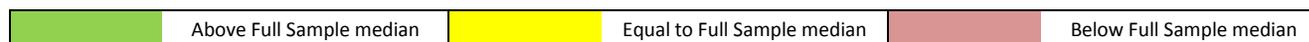
Unsurprisingly, the Top 5 Extractive companies outperformed the full sample median in most Elements. Three of the Top 5 companies beat or tied the full sample median on every Contextual Element. Once again, scores on the Assurance Element were particularly strong compared to the full sample. In addition, scores were outstanding on the Codes of Conduct Element, with two companies scoring 15 out of 15 points and two companies close behind with 14.50. The scores on the Labor Relations Element were also very high, with three scores of 10 out of 10 points.

The companies in the Top 5 were geographically diverse, with four different countries and three different regions represented (and the three best companies all hailing from different regions). Interestingly, although the overall median for North American Extractive companies was not particularly strong, three of the Top 5 companies are from that region. These companies bucked the trend, especially on the Assurance Element, where they scored 10, 11, and 12 points higher than the North American regional median.

Extractive Industry (NAICS 21)

Table 2. Top 5 Scorers

CSR-S Monitor Contextual Elements: Top 5 Scorers													
Top 5 Companies (3-digit NAICS Code) (Headquarters)	Executive Message (max. 5)	Environment (max. 10)	Philanthropy (max. 10)	External Stakeholder Engagement (max. 10)	Supply Chain (max. 10)	Labor Relations (max. 10)	Governance (max. 5)	Bribery & Corruption (max. 5)	Human Rights (max. 5)	Codes of Conduct (max. 15)	Assurance (max. 15)	Total Score (max. 100)	Overall Rank
Barrick Gold Corporation (Canada)	4.25	8.50	7.50	9.00	8.50	10.00	3.25	5.00	5.00	14.50	13.00	88.50	1
Anglo American PLC (United Kingdom)	4.50	9.25	7.50	6.00	9.00	10.00	1.50	4.50	5.00	15.00	11.50	83.75	3
Gold Fields Limited (South Africa)	3.00	7.00	7.00	7.50	4.50	9.00	3.00	5.00	2.50	15.00	11.50	75.00	14
Newmont Mining Corporation (USA)	2.25	6.75	6.00	5.50	6.00	10.00	1.25	3.75	1.75	14.50	14.00	71.75	26
Exxon Mobil Corporation (USA)	3.00	7.00	9.50	5.00	4.00	8.00	4.25	2.50	4.50	10.00	12.00	69.75	42
Extractive Industry (48)	2.75	6.75	6.00	5.00	4.00	6.50	1.13	3.88	2.63	8.38	8.25	57.25	
Full Sample (614)	2.50	6.75	7.00	3.50	4.00	5.00	1.25	2.50	2.63	7.00	2.50	46.50	



Extractive Industry (NAICS 21)

Table 3. Industry Subsectors

Table 3 breaks down the companies in the Extractive Industry into three subsectors (by 3-digit NAICS codes). Note that in this case, companies are sorted based on their *primary* industry, as identified by LexisNexis' Corporate Affiliations database.

The greatest number of companies in the sample were primarily engaged in the Oil & Gas subsector, NAICS code 211. These companies did not outperform the full sample median scores by more than two points in any Contextual Element, and were below the full sample median scores in four Contextual Elements, though they did beat the overall median score by about three points in total.

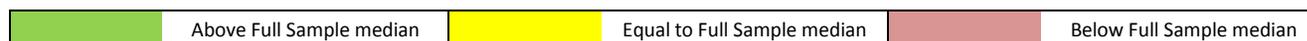
The fewest number of companies were primarily engaged in the Support Activities for Mining subsector, NAICS code 213. Similarly to companies in the Oil & Gas subsector, these six companies did not significantly outperform the full sample median score in most cases, except with respect to the Assurance Element. Their total median score beat the full sample total median, but only barely.

The Mining (Except Oil & Gas) subsector, NAICS code 212, on the other hand, scored quite high. These companies outperformed the full sample median in 10 out of 11 Contextual Elements, often by multiple points. Their total median score of 63.00 was a remarkable 16.50 points above the full sample total median. Consistently high scores in this industry subsector are a major factor in why the Extractive sector as a whole performed so well, particularly in the Assurance, External Stakeholder Engagement, Codes of Conduct, Bribery and Corruption, and Labor Relations Elements. In fact, the Mining (Except Oil & Gas) subsector beat the other Extractive Industry subsectors on every single Contextual Element with the exception of a tie with Support Activities for Mining in the Philanthropy Element.

Extractive Industry (NAICS 21)

Table 3. Industry Subsectors

CSR-S Monitor Contextual Elements: Industry Subsectors												
Industry Subsectors (NAICS Code) (Number of Companies)	Executive Message (max. 5)	Environment (max. 10)	Philanthropy (max. 10)	External Stakeholder Engagement (max. 10)	Supply Chain (max. 10)	Labor Relations (max. 10)	Governance (max. 5)	Bribery & Corruption (max. 5)	Human Rights (max. 5)	Codes of Conduct (max. 15)	Assurance (max. 15)	Total (max. 100)
Oil & Gas Extraction (NAICS 211) (26)	2.75	6.63	5.50	4.75	2.00	6.50	0.50	3.75	2.63	8.13	4.50	49.38
Mining (Except Oil & Gas) (NAICS 212) (16)	3.13	7.00	6.75	6.25	4.25	7.75	1.38	4.50	2.88	10.88	10.00	63.00
Support Activities for Mining (NAICS 213) (6)	2.75	5.38	6.75	3.75	3.75	5.75	1.25	3.75	2.50	7.38	8.00	46.88
Extractive Industry (48)	2.75	6.75	6.00	5.00	4.00	6.50	1.13	3.88	2.63	8.38	8.25	57.25
Full Sample (614)	2.50	6.75	7.00	3.50	4.00	5.00	1.25	2.50	2.63	7.00	2.50	46.50



Extractive Industry (NAICS 21)

Table 4. List of Companies

	COMPANY	NAICS CODE	COUNTRY	REGION	OVERALL SCORE	OVERALL RANK
1	Barrick Gold Corporation	212221	Canada	North America	88.50	1
2	Anglo American PLC	212221	United Kingdom	Western Europe	83.75	3
3	Gold Fields Limited	212221	South Africa	Sub-Saharan Africa	75.00	14
4	Newmont Mining Corporation	212221	USA	North America	71.75	26
5	Exxon Mobil Corporation	211111	USA	North America	69.75	42
6	Repsol, S.A.	211111	Spain	Western Europe	68.75	48
7	MOL Magyar Olaj- es Gazipari Nyrt.	211111	Hungary	Eastern Europe & Central Asia	68.50	52
8	Hess Corporation	213112	USA	North America	67.50	62
9	BHP Billiton Limited	212210	Australia	Oceania	67.50	63
10	Teck Resources Limited	212231	Canada	North America	66.75	68
11	Ecopetrol S.A.	211111	Colombia	Latin America & the Caribbean	66.50	70
12	Lonmin Plc	212221	United Kingdom	Western Europe	65.25	82
13	China Petrochemical Corporation	211111	China	East Asia	64.75	85
14	Impala Platinum Holdings Limited	212234	South Africa	Sub-Saharan Africa	63.00	98
15	Xstrata plc	212299	Switzerland	Western Europe	63.00	98
16	Petroleo Brasileiro S.A. - PETROBRAS	211111	Brazil	Latin America & the Caribbean	62.75	106
17	Eni S.p.A.	211111	Italy	Western Europe	62.00	112
18	Woodside Petroleum Ltd.	211111	Australia	Oceania	61.75	115
19	Rio Tinto plc	212210	United Kingdom	Western Europe	59.75	138
20	BG Group Plc	211111	United Kingdom	Western Europe	59.75	139
21	PTT Public Company Limited	213112	Thailand	East Asia	59.50	142
22	Grupa LOTOS S.A.	211112	Poland	Eastern Europe & Central Asia	58.75	152
23	BP plc	211111	United Kingdom	Western Europe	58.00	160
24	De Beers Consolidated Mines Limited	212319	Luxembourg	Western Europe	57.50	171

Extractive Industry (NAICS 21)
Table 4. List of Companies continued...

	COMPANY	NAICS CODE	COUNTRY	REGION	OVERALL SCORE	OVERALL RANK
25	Vale S.A.	212210	Brazil	Latin America & the Caribbean	57.00	178
26	OMV Aktiengesellschaft	213112	Austria	Western Europe	56.50	182
27	GDF Suez SA	211111	France	Western Europe	50.50	252
28	Royal Dutch Shell plc	211111	Netherlands	Western Europe	49.75	261
29	AngloGold Ashanti Limited	212221	United Kingdom	Western Europe	49.50	264
30	OAO Rosneft Oil Company	211111	Russia	Eastern Europe & Central Asia	49.00	270
31	JX Holdings, Inc.	211111	Japan	East Asia	48.75	271
32	Freeport-McMoRan Copper & Gold Inc.	212234	USA	North America	48.00	283
33	OZ Minerals Limited	212231	Australia	Oceania	47.25	295
34	Occidental Petroleum Corporation	211111	USA	North America	47.00	303
35	Total S.A.	211111	France	Western Europe	45.75	316
36	EnCana Corp.	211111	Canada	North America	44.75	327
37	Peabody Energy Corporation	212111	USA	North America	41.25	369
38	Sinochem Corporation	211111	China	East Asia	37.75	409
39	Halliburton Company	213111	USA	North America	37.25	420
40	OAO Gazprom	211111	Russia	Eastern Europe & Central Asia	36.00	433
41	Apache Corporation	211112	USA	North America	35.50	436
42	Contact Energy Limited	213112	New Zealand	Oceania	35.00	440
43	Chesapeake Energy Corporation	211111	USA	North America	32.25	481
44	Petroliaam Nasional Berhad	213112	Malaysia	East Asia	29.00	517
45	China National Offshore Oil Corp.	211111	China	East Asia	28.75	519
46	Husky Energy, Inc.	211111	Canada	North America	27.50	533
47	Devon Energy Corporation	211111	USA	North America	25.75	554
48	Anadarko Petroleum Corporation	211111	USA	North America	25.25	557

The CSR-Sustainability Monitor

Project Description

In order to improve comparability of corporate social responsibility reports, and thus enhance transparency, researchers at the Weissman Center for International Business at Baruch College have developed a content analysis–based system that allows for individual company corporate social responsibility (CSR) reports to be analyzed based on a set of common components. The system is called the CSR-Sustainability Monitor (or the CSR-S Monitor or just the Monitor).

CSR disclosure has emerged to complement financial disclosure and thereby provide a more complete picture of corporate performance. A growing number of companies report on environmental and social risks and opportunities associated with their businesses. While this increases the information available, wide variation in the scope and quality of CSR reports poses significant challenges to analysts, investors and other interested parties.

The [Corporate Social Responsibility-Sustainability \(CSR-S\) Monitor®](#) aims to address this variation in CSR reporting and offers a content-based framework for the analysis of CSR reports. The 2014 edition of the Monitor provides a comprehensive CSR report database containing systematic evaluations of 614 reports published by the world’s largest companies. Scores reflect the quality of information disclosed based on a set of the 11 most common areas of corporate responsibility covered in these reports.



The CSR-Sustainability Monitor

Acknowledgements

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