

How is a Social Licence to Operate Represented in the Context of New Zealand?

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LIST OF ACRONYMS

ANZIC	Australia and New Zealand Standard Industrial classification
CSR	Corporate Social Responsibility
GDP	Gross Domestic Product
NZQA	New Zealand Qualification Authority
NZSBC	New Zealand Sustainable Business Council
SLO	Social Licence to Operate

ABSTRACT

The Social Licence to Operate (SLO) concept was introduced in the late 1990's as a means by which mining companies could prevent opposition from communities and stakeholders to their operations. The employment of the SLO term has since become heavily embedded within Corporate Social Responsibility (CSR) and related reporting practices across a variety of sectors and in different jurisdictions, becoming part of business and policy discourse, with respect to corporate environmental and social responsibility. While the notion of SLO is used in a variety of sectors, the majority of the academic literature on SLO is from Australia or North America. In addition, little inter-industry comparisons have been conducted with single industry studies, and particular of mining and energy, being dominant. Therefore, this thesis investigates how SLO is represented and utilised in the New Zealand business context.

This thesis has two main components. First, a review and discussion of the SLO literature is presented, using both a thematic and systematic literature review. Second, a content analysis was conducted on the annual reports, sustainability reports and online content of all 65 members of the New Zealand Sustainable Business Council (NZSBC), in order to determine how New Zealand companies operationalise the SLO concept. The NZSBC was chosen for this research due to the council being a platform for collaboration on sustainable business practice, including having released a report on the value of SLO to business. The content analysis examined the environmental, non-environmental and engagement attributes of SLO identified in the literature review.

Although only four NZSBC members explicitly used the term SLO the attributes of SLO were identified as being present to varying degrees in the media provided by members. Significantly, the sectors in which these attributes and usage occurred were substantially different from those identified in the international literature. The thesis concludes by drawing attention to the managerial and theoretical contributions of the study and provides suggestions for further avenues of SLO research.

1. INTRODUCTION

1.1 Introduction

This thesis examines the operationalisation of the Social Licence to Operate (SLO) concept in the context of New Zealand. SLO is when a company seeks ongoing approval and acceptance from their local communities and stakeholders for a company project (Hall, 2014a). The SLO concept has become increasingly significant in recent years and is recognised as a cross-cutting concept that is used within different industries and sectors globally (Barrett, Moran & Cote, 2010; Boutilier, 2014; Hall, 2014a; Holley & Mitcham, 2016; Mayes, 2015; Nelsen, 2007; Parsons & Moffat, 2014; Prno, 2013). The notion of SLO primarily originated in the mining industry, where it was introduced as a metaphor, suggesting that local stakeholders needed to approve controversial mining projects going ahead within their communities (Boutilier, 2014; Boutilier, Black & Thomson, 2012). The SLO metaphor has since evolved into more of a strategic management tool that holds great importance for wider business as a whole (Boutilier et al., 2012). SLO was embraced as a central concept within industry practices before it was fully picked up in the academic literature. Therefore, the development of the SLO notion in the literature is somewhat blurry in nature as well as its use between different industries. Despite this, research on SLO has grown in recent years, with the likes of Thomson and Boutilier (2011) proposing a fundamental model that represents the different levels of SLO that can be achieved. However, little research has attempted to examine what SLO looks like in the context of a specific country and how it is portrayed across different industries. Consequently, this thesis considers how SLO is represented in the context of New Zealand via the conduct of a content analysis on the various media of the 65 members of the New Zealand Sustainable Business Council (NZSBC).

1.2 Research Background

1.2.1 Defining Corporate Social Responsibility

Originally conceptualised by Howard Bowen in 1953, who looked at the responsibility that businesses should have towards society, the concept of Corporate Social Responsibility (CSR) has become linked to many business practices in the 21st century (Lee, 2008; Carroll & Shabana, 2010). With social, political, economic and cultural change, the CSR literature gradually grew over time, becoming increasingly mainstreamed by businesses after the rise of environmental and social movements in the late 1960s (Davis, 1960; Frederick, 1960; Schwartz, 1968; Hetherington, 1969; Schlussberg, 1969; Friedman, 1970; Shocker & Sethi, 1973; Carroll, 1979, 1999; Lee, 2008; Carroll & Shabana, 2010). Dahlsrud's (2006) study of 37 CSR definitions suggested that the underlying connotation of CSR was

predominantly consistent, meaning a generally accepted definition of CSR was not necessary, as this could fundamentally constrain the use of the term. The argument suggested by Dahlsrud (2006) is regarded as both an advantage and disadvantage as the flexibility of CSR means that the concept can be easily adopted, however the downside of this is that if it is important to everybody, does it have any significance at all? However, for the purpose of this study a definition of CSR will be applied, in order to help frame the research context.

One of the most frequently referenced CSR definitions is that of the Commission of the European Communities (2001 p 4) which states that CSR is a “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. In contrast, the World Business Council for Sustainable Development (2000 p 8) refers to CSR as 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 the local community and society at large”. While there are underlying similarities between these two definitions (Dahlsrud, 2006), the Commission of the European Communities’ (2001) definition is regarded as the most appropriate for this study because it broadly defines the stakeholders and draws attention to the fact that CSR is a voluntary practice.

1.2.2 Defining Social Licence to Operate

As will be discussed, SLO is ambiguous in nature, therefore it is difficult to determine a universally accepted and coherent definition of the term (Black, 2014; Buhmann, 2014; Gunningham, Kagan & Thornton, 2004; Owen & Kemp, 2012; Syn, 2014; Tarras-Wahberg, 2014; Wilburn & Wilburn, 2011). There is no universal definition of SLO, however, acceptance and approval from community members and other important stakeholders are consistently recognised as fundamental features of the SLO concept, whether it be in the form of support for, or as a way of minimising opposition to businesses or developments (Black, 2014; Boutilier & Thomson, 2011; Corvellec, 2007; Demuijnck & Fasterling, 2016; Hall, 2014b; Hall & Jeanneret, 2015; Joyce & Thomson, 2000; Melé & Armengou, 2016; Moffat & Zhang, 2013; Owen & Kemp, 2012; Prno & Slocombe 2012; Tarras-Wahberg, 2014; Thomson & Boutilier, 2011). A widely cited earlier definition of SLO was that of Gunningham et al. (2004 p 308) who defined it as “the demands on and expectations for a business enterprise that emerge from neighbourhoods, environmental groups, community members, and other elements of the surrounding civil society”. More recently, Franks and Cohen (2012) have interpreted SLO in terms of the “intangible and unwritten, tacit, contract with society, or a social group” by a business or organisation. Gunningham et al. (2004) and Franks and Cohen (2012 p 1231) propose two related but different understandings of what SLO involves. The different emphasises of the definitions on the tangible and intangible elements of SLO highlights the sense of uncertainty often expressed in

defining the term (Koivurova, Buanes, Riabova, Didyk, Ejdemo & Poelzer, 2015). This reflects the varying perceptions and uses of SLO within a single industry, such as mining, and across different industries. The wider SLO literature indicates that SLO is interpreted through a range of different definitions (Hall, 2014b; Parsons, Lacey & Moffat, 2012). The definition suggested by Franks and Cohen (2012) expresses similarities to some other definitions of SLO, as an intangible and informal social contract, existing between an industry and the communities that it operates within, as well as potentially going beyond legal compliance (Bice, 2014; Lacey & Lamont, 2013; Parsons et al., 2012; Mason, Paxton, Parr & Broughen, 2010; Nelsen, 2006; Thomson & Boutilier, 2011; Yates & Hovath, 2013). Rooney, Leach and Ashworth (2014 p 209) have more recently considered what a SLO is within current business practices, defining a SLO as “not a binding legal agreement. Instead, an SLO is an informal agreement that is granted by communities and relevant stakeholders to an organisation or industry working in the local area”.

The majority of the literature that focuses on SLO defines SLO from the industry’s perspective, whereas Hall (2014a p 403) defines SLO from a community perspective, noting that it is “incorporating the values of trust, transparency and participation which all contribute to creating authentic relationships”. Hall’s (2014a p 450) interviewees further suggested that a SLO was “dynamic, and that its status is affected by the different stages of the project life cycle, different stakeholder groups, as well as how issues were managed or not managed”. This observation supports the definition of SLO made by Nelsen (2006 p 161) that “SLO is dynamic in nature and hence required renewal and re-evaluation at not only each phase of development, but over the life of the project” (Edwards & Lacey, 2014).

Although it has its origins in extractive industries, such as mining, SLO has been adopted within a wider business context. In the case of New Zealand’s Sustainable Business Council (NZSBC) (2013) it is still to be determined whether there is a well-defined and broad understanding of SLO across different member industries. The NZSBC’s current definition of SLO is described as:

the ability of an organisation to carry on its business because of the confidence society has that it will behave in a legitimate, accountable and socially and environmentally acceptable way. It does not just derive from a need for legal or regulatory compliance but takes into account the inputs from a wider group of stakeholders and a sense of transparency and accountability in its external reporting. It is the foundation for acquiring operational certainty, realising future opportunities and lowering risk for the business

(NZSBC, 2013 p 2).

The definition proposed by the NZSBC is broad in nature, meaning that the definition can be employed across the different sectors represented within the council. NZSBC’s definition will be used

as a primary definition for this research, as the study looks specifically at the NZSBC members in an empirical context. Accordingly, this research aims to meet the following research objectives.

- To determine how SLO is represented in the New Zealand context, and how this compares to the international literature.
- To conduct a content analysis of NZSBC members to understand how they operationalise and practice SLO and, from this, also identify any sectoral differences in application of the concept.

The research carried out in this study is therefore concerned with how the 65 NZSBC members independently portray the notion of SLO. In addition the research also seeks to understand how SLO is utilised in the respective sectors that the NZSBC members represent, this is especially significant in a comparative context given the extent to which the international literature is dominated by research on the practices of mining and other extractive industries. Therefore, this research adopts a content analysis approach as this method is deemed the most appropriate when dealing with a large amount of textual information.

1.3 Contributions of the Research

This research has both theoretical and practical implications. Theoretical contributions are expected to emerge in the wider CSR and SLO fields. The study will also make a contribution to reporting practices for companies in New Zealand, placing emphasis on the fundamental aspects of SLO that companies need to strengthen, in order to be accepted by their stakeholders. Moreover, the research intends to expand New Zealand's knowledge of what SLO is and the growing importance of New Zealand companies operationalising and practicing a level of SLO in their day to day business practices and for the longevity of their businesses.

1.4 Thesis Outline

This thesis consists of five chapters that lead to explaining how SLO is represented in the context of New Zealand. The present chapter has introduced the research area of concern, providing a background of the SLO notion and alluding to a justification for the chosen subject area and research gap.

Chapter Two presents a review of the SLO literature. A systematic review of the literature was carried out to determine all of the relevant themes and characteristics, as well as methods chosen for SLO studies and the industry and country of origin that the research was carried out in.

Chapter Three introduces the Methodology undertaken for this thesis. An analysis of methods used in previous SLO studies is first considered. Attention is then drawn to the census sample of the NZSBC members and the employment of a content analysis to collect the data from the NZSBC member's annual reports, sustainability reports and online content. The attributes used to determine the representation of SLO in the reporting material of the NZSBC members is then discussed, as well as a description of how the data analysis will be carried out.

Chapter Four outlines the findings and discussion of the research. An overview of the population size is first discussed, before drawing attention to the findings for the SLO attributes. A discussion of the key research findings is then presented, followed by further comment on the similarities between the research findings and the themes that emerged in the literature.

Chapter Five concludes with remarks on the research carried out in this thesis, as well as a discussion of the managerial and theoretical implications and limitations of the research. It also proposes suggestions for future research.

2. LITERATURE REVIEW

2.1 Introduction

This chapter provides an overview and discussion of the SLO literature. The review was conducted using both a thematic and a systematic approach. The evolution of the term is discussed first, highlighting the somewhat blurred origins of SLO and the application of the concept within today's business practices. A brief overview of the relationships and differences between CSR and SLO will then follow, before outlining the systematic approach that is used to consolidate all of the relevant literature concerning SLO. The focus of the review then advances to a discussion about the operationalisation of SLO within the mining industry and other significant industries that have embraced the use of the SLO concept within their practices. Attention will then be drawn to the use of SLO in the context of New Zealand, with an emphasis on the lack on academic literature across different industries in New Zealand. The basic features of SLO are then considered, with *legitimacy*, *credibility and trust* being discussed in detail, before considering the separate levels of SLO as proposed by Thomson and Boutilier (2011). The lowest level being *withdrawal*, followed by *acceptance*, *approval* and the highest level of SLO, *psychological identification*. Other themes that have emerged throughout the review of the literature are then examined, establishing who SLO stakeholders are and their importance, as well as the role of stakeholder engagement and the different interpretations of how businesses should engage with their SLO stakeholders.

2.2 The Evolution of Social Licence to Operate

SLO has a complex history, with the term emanating from a variety of different sources, making it difficult to determine exactly where and when the SLO concept was first introduced (Prno, 2013; Lacey & Lamont, 2013). Some of the early roots of SLO can be linked to Shocker and Sethi (1973), who looked at corporate management theory and suggested that modern business required a social contract, allowing a company to act responsibly and operate successfully within society. Shocker and Sethi (1973) suggested that a social contract occurred when an individual's ethical obligations were dependent on a contract, or an agreement with a group of other individuals (Boutilier, 2014; Florini, 2014). While the likes of Florini (2014) has linked SLO to Shocker and Sethi's (1973) paper, the first recorded reference of SLO does not occur until a 1996 Paper Industry Manufacturing Association Magazine article by Moore, who proposed that the paper industry needed to set environmental standards beyond that of the government and that a SLO was to be obtained on behalf of the wider public. Despite Moore's article being published in 1996, it is Jim Cooney, a former mining executive

who is widely credited within the literature for coining the term SLO in 1997 (Bice & Moffat, 2014; Boutilier, 2014; Boutilier, Black, & Thomson, 2012; Edwards & Lacey, 2014; Prno, 2013; Syn, 2014; Thomson & Boutilier, 2011; Wilson, 2015). Cooney had recognised that mining companies were losing money as a result of community resistance that was expressed when a company tried to start a new project, without consolidating a positive presence with the local community (Boutilier, 2014; Nelsen, 2006). In the same year the SLO concept was picked up by the Western Australian Technology & Industry Advisory Council, in a report on *Western Australia's Minerals and Energy Expertise* (Algie, 1997). Gently and Esty (1997) wrote the first academic article that acknowledged SLO in 1997, attributing its origins to Cooney, however, a paper published in 1998 by Esty and Porter credited the origins to Gently and Esty (1997). This was the first time SLO had been referenced from another academic source, which encouraged subsequent papers to cite Gently and Esty (1997) as the seminal work in the field.

Furthermore, the notion of SLO was arguably first introduced as a metaphorical term within the mining industry to suggest that a 'social contract' was agreed to by the community, allowing the government to "impose conditions on, or to completely reject, the advancement of mineral exploration or the operation of an existing mine" (Boutilier, 2014 p 270; see also Boutilier et al., 2012). While companies are required to abide by legal permits and licencess, SLO is the less tangible aspect of social acceptance, which ensures a company is not at risk or, at least, reduces the corporate risk of community conflict or protests (Parsons et al., 2014; Syn, 2014; Black 2014). The use of SLO as a metaphor is intended to "encapsulate values, activities and ideals, which companies must espouse within society to ensure successful operation, rather than a literal licencing arrangement" (Bice, 2014 p 63), although it has similarities to a legal licence as it has the ability to be acquired, maintained and lost (Demuijnck & FASTERLING, 2016; Parsons & Moffat, 2014). However, the metaphorical role of SLO has since evolved into a strategic management tool that focuses on socio-political rights and responsibilities of a company and has spread to other industries beyond mining (Boutilier et al., 2012).

Wilburn and Wilburn (2011 p 4) suggest an alternative beginning, with the SLO model first being used by global extraction companies, although they argued that SLO "was developed as a response to a United Nations initiative that requires industries that operate in the territories of indigenous people to secure free, prior, and informed consent" (Tamang, 2005). Buhmann (2016 p 1) also cited the United Nations, stating that "deployment of SLO was made by the United Nations Guiding Principles on Business and Human Rights". However, there is no direct suggestion of the SLO concept within the United Nations (2011) declaration or the Guiding Principles on Business and Human Rights. This situation arguably only further confuses operationalisation of the concept.

Despite the confused origins of SLO the application of the concept is clearly comprehensible. Black (2014 p 14) argues that “the answer lies in changing social values and the simultaneous growth of the global civil sector over the past 20 years”, with Bice and Moffat (2014) further suggesting that emerging communication technology played a significant role in communities beginning to voice their concerns over corporate activities. SLO continued to gain traction as it was a language that was generally understood within the business realm and wider communities, offering a common ground for both a company and their stakeholders (Bice & Moffat, 2014; Wilburn & Wilburn, 2011). The reality of SLO was summarised by Syn (2014 p 318), recognising that “the need for a social license did not spring out of the goodness of the corporate heart. Rather, community objection or rejection”. The argument made by Syn (2014) was similar to that of Owen and Kemp (2013), who suggested that SLO provides companies with the opportunity to claim compliance or legitimacy without the approval of governments or legal bodies enforcing regulations.

The evolution of SLO has progressed through various stages of development, from a metaphorical buzz word towards a grounding concept within business practice. This indicates that SLO has been well received across different industries and the wider public, with the term gradually rooting itself within standard business discourse. Interestingly, aspects of SLO exhibit strong ties to CSR and, in some respects, still relies on the constructs of CSR.

2.3 Corporate Social Responsibility and Social Licence to Operate

Although the origins of SLO are difficult to distinguish, many of the SLO characteristics are related to CSR discourse. Stakeholder engagement is a prominent aspect of both CSR and SLO, however, SLO is practiced in a stakeholder-centric manner, with Hall and Jeanneret (2015) and Gunningham et al. (2004) further suggesting that SLO was built on the foundations of CSR as well as providing a deeper extension of CSR (Hall, 2016). The explanation provided by Edwards and Trafford (2016) offers the most robust interpretation of SLO, establishing that the fundamental difference between CSR and SLO is that CSR is “top-down”, with the company recognising the issues, whereas SLO is “bottom-up”, with issues being identified by the community and stakeholders. Moffat and Zhang (2013) have an alternative perception, arguing that SLO goes beyond CSR approaches, as SLO proactively considers the concerns a community has towards a project that has the ability to delay or forbid an operation from taking place. The argument made by Moffat and Zhang (2013) suggests that CSR is reactive rather than proactive, which is not necessarily the case, although indicates an interesting perception. However, it is important to recognise that Hall (2015) and Wilson (2015) perceive SLO in a similar manner, proposing that SLO is a more effective approach than CSR as it not only builds and maintains the support required for an operation by communities and stakeholders but has the ability to

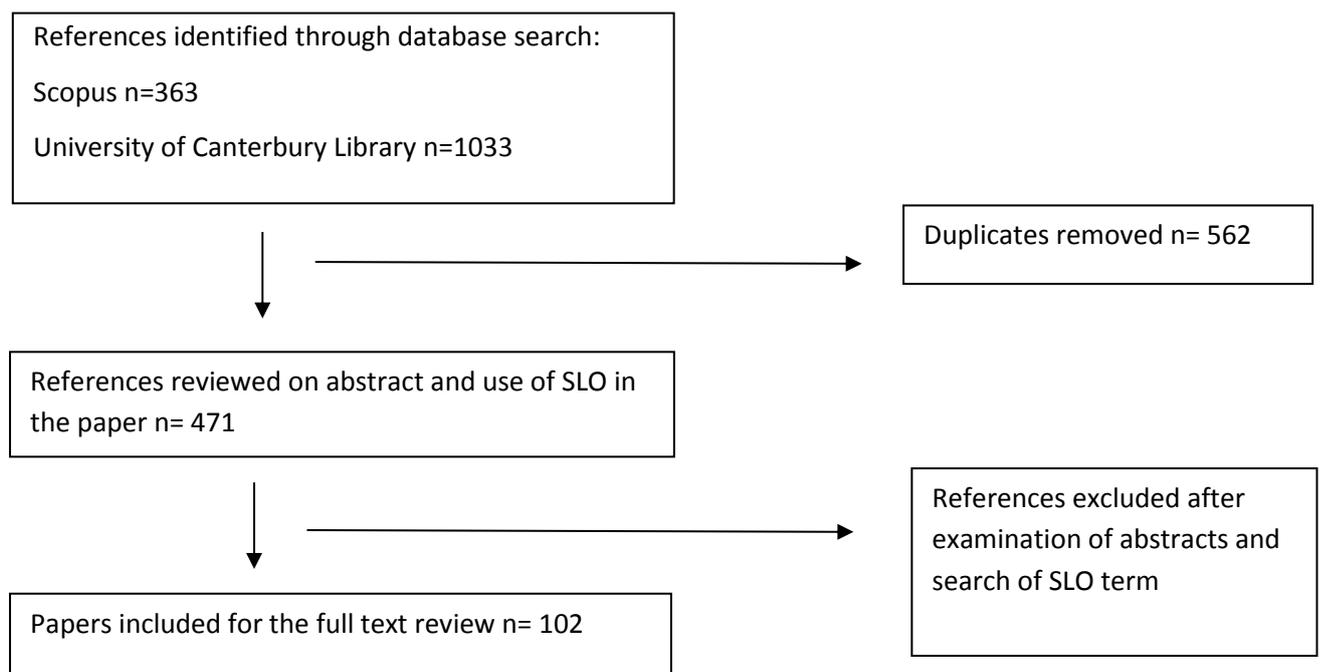
frame “power dynamics, between businesses and communities and what makes business activity legitimate” (Wilson, 2015 p 74).

For the purpose of this research, the relationship between CSR and SLO will be considered through the lens of Bice (2014), who explained SLO as the operationalisation or realisation of commitments to the wider CSR agenda and strategy, with Jijelava and Vanclay (2014) further suggesting that SLO can also be considered through the prism of CSR (see Browne, Stehlik, & Buckley, 2011; Gilberthorpe & Banks, 2012; Bice, 2014; Wilburn & Wilburn, 2014). Therefore, SLO involves more work on the ground, ensuring that people within the community are happy with the business being carried out, this further solidifies the earlier argument by Edwards and Trafford (2016), that SLO is a “bottom-up” approach (Parsons, Lacey & Moffat; 2014).

2.4 Overview of Systematic Approach

A systematic approach was used in the identification of literature for this review. The criteria for the systematic approach were determined before the review was carried out and employed a systematic and extractive procedure. Subsequently, Scopus and the University of Canterbury databases were searched by the researcher between September and November 2016. Once all of the relevant papers and studies were collected duplicates were removed and the remaining 472 papers were reviewed based on their abstracts and use of the SLO term, before further refining the final papers down to 103 that were reviewed in full text and summarised in Table 2.1.

Figure 2.1: Number of Papers Included in the Systematic Review



2.5 Social Licence to Operate in Industries

Despite debate over SLO's origins, the majority of the literature recognises that the concept emerged from within the mining industry as a response to repetitive community backlash regarding mining projects (Bice & Moffat, 2014; Boutilier, 2014; Edwards & Lacey, 2014; Hall, 2014b; Joyce & Thomson, 2000; Nelsen, 2007; Wilburn & Wilburn, 2014; Wilson & Stannler; 2016). The term has since become transferred to other industries and adopted within wider business practice as a whole (Edwards & Lacey, 2014; Koivurova et al., 2015). This also reflects its adoption in Gentry and Esty's (1997) study that focuses on private capital flows as a source of funding for sustainable development. This study incorporated a brief description on the importance of maintaining a SLO as one of five major categories of commercial benefits which motivated corporate environmental improvements in firms operating in Latin America. Although they did not expand on the term to any great extent, it is significant to note that SLO was in the context of operating and expanding globally:

The multinational companies involved in many of the Latin American cases studied face a variety of pressures to be "good environmental actors." These include: the desire to win government concessions in other countries; home country pressures not to "export" pollution; and concerns over differential enforcement against international investors.

(Gentry & Esty, 1997, p 35-36).

Table 2.1 provides an outline of the major themes from all of the papers and articles that looked at SLO as well as the sectors that have been the primary focus of each paper and the study's location.

CHAPTER 2-LITERATURE REVIEW

Table 2.1: Key Themes within the Literature

Author(s) & Publication Date	Key Themes	Type of Industry Studied	Location of Study	Operationalisation of SLO
Adams, Hobbs, & Johnson (2005)	Intensively managed forest plantations in Pacific Northwest. Yield potential, production quality, production maximisation, competitiveness in the world market, social, legal and regulatory licence to practice intensive plantation forestry.	Forestry	Pacific Northwest	Growing wood faster through genetic improvement, reducing production costs through targeted vegetation, stabilising regulatory requirements. Safety
Algie (1997)	Background paper intended to stimulate debate on the expertise available to the Western Australian Minerals and Energy Industry (WAMEI). Describes WAMEI's relationship with the state, discusses the complexity of the industry. The Mineral and Energy industry need to maintain a SLO. Mining companies no longer have the option to improve, it is now expected of them.	Mining	Australia	Safety
Ashley & Haysom (2006)	Tourism that makes business sense and benefits the poor. Pro-poor tourism relating to growth and tourism and corporate behaviour. Outline a distinction between making philanthropic donations and making business practice pro-poor, for instance enhancing social licence to operate. CSR approaches.	Tourism	South Africa.	Social development
Barrett, Moran & Cote (2010)	Fresh water use in mines. Present a new method to trade water among mines. Conservation of water and additional non-monetary value that directly affects the mining industry's SLO and security of long term water supply. Assesses the potential for water trading between groups of mines within a given region.	Mining	Confidential	NA
Beckman, Khare & Matear (2016)	Review a possible link between the theory of stakeholder identity and salience and environmental justice, suggesting a	Mining	Canada	NA

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Bice (2014)	possible resolution. Stakeholder perceptions of corporate citizenship efforts can have a significant impact on their SLO. How sustainable development approaches are helping companies define and understand their SLO. Determined that sustainable development could be separated into three separate areas of environment, social and employment, with less emphasis on social issues. Found that companies explicitly and implicitly link sustainable development to the maintenance of their SLO and vice versa.	Multinational mining companies.	Australia	NA
Bice & Moffat (2014)	Understanding the employment of SLO, particularly when it is associated with impact assessment. Canvases the overlap of impact assessment and SLO. Concern for measuring and monitoring SLO via impact assessment. Tensions and complementarities between SLO and impact assessment. Potential for SLO to empower community stakeholders.	Mining	Australia	Intangible factors, such as community wellbeing, social identity, community leadership, resilience a company-community relations are improving but still developing. NA
Bloor, Sampson, Baker, Walters, Dahlgren, Wadsworth & James (2013).	Enforcement of new regulations on the use of low-sulphur fuel and supply chain influences on ship operators' health and safety policies and practices. Going beyond compliance with SLO.	Shipping	United Kingdom	NA
Boutilier (2014)	Does SLO really matter. Whether communities have the power to veto a project. SLO must be sustained through the life of a project. The legitimacy of SLO.	Mining industry	Australia	NA
Boutilier & Thomson (2011)	Traces the development of a conceptual model of SLO	Mining	Australia, Bolivia and Mexico	
Browne, Stehlik & Buckley (2011)	Discusses how communication about a project and its time frame created a sense of consistency, predictability, certainty and trust.	Mining	Australia	NA
Brueckner, Durey, Pforr & Mayes (2014)	Examines the SLO of Western Australia's mining industry in the context of the state's 'developmentalist' agenda. Looking at the risks posed by mining for environmental, social and economic sustainability. Problematizes the political-cum-commercial	Mining	Australia	Community investment and royalty payments

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	construction and neoliberalisation of the SLO, raising questions the impact of mining in Western Australia. Argue that SLO should be recognised as a political licence to operate in Western Australia.			
Buhmann (2014)	CSR is becoming increasingly subject to public regulation through hard, soft and mixed forms of law. How the UN adopted the SLO concept that added to the influence of the UN framework.	United Nations	Global	NA
Cheshire (2010)	Argue that the nature and extent of mining company interventions in nearby communities constitute a new problematic for the corporate actors, with mining companies filling the gap of local service delivery.	Mining	Australia	Sustaining communities livelihoods for when the mining operation closes
Corder (2015)	Examines the need for a more holistic approach to the development and operation of mining projects, in line with the changing nature of the industry and the concepts of achieving and maintaining a SLO.	Mining	Australia	NA
Corvellec (2007)	Identify two main traits of developers' arguments for obtaining a SLO: First, their approach can be formulated by the necessity-ability-acceptance argument. Second, the developers combine a logical approach with a rhetorical approach in their practice of arguments.	Wind Farms	Sweden	NA
Costanza (2016)	Local state, especially institutions designed to encourage citizen participation in local governance, can play a crucial role in determining whether and how mining firms can operate.	Mining	Guatemala	Build spaces for citizen participation
Coumans (2011)	Anthropological perspective on mining, debating the role CSR plays at a national and international level and the realities faced by indigenous people.	Mining	Papua New Guinea	NA
Cui, Jo & Velasquez (2015)	The factors that facilitate or obstruct a firm's attempt to achieve SLO. Religion can influence SLO. Investigate the relationship between firm-level employee initiatives and area religiosity, with higher levels of religiosity generally tending to engage in more employee-friendly practices.	Religion	United States	NA

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Cummings (2014)	Opinion piece about the role of the mining industry in innovation and leading practice development, particularly in relation to land development.	Mining	Papa New Guinea	NA
Dare, Schirmer & Vanclay (2011)	Need for effective community engagement. Reviews the influence of the introduction of forest certification standards. Certification is positively influencing engagement.	Timber Plantations	Australia	Voluntary initiatives
Dare, Schirmer & Vanclay (2014)	What social licence is, how community engagement plays a role in achieving social licence and how an alternative conceptualisation of social licence may improve the influence of community engagement in achieving SLO. Trust in organisations.	Forestry	Canada and Australia	NA
Demuijnck & Fasterling (2016)	Legitimacy of business enterprises, SLO as a framework for managing stakeholders.	Contractarianism	Undisclosed	NA
Dowd, Rodriguez & Jeanneret (2015)	Review of SLO literature and relation to public perception.	Emissions reduction policy	Australia	NA
Dowd & James (2014)	Analyse SLO from an engineering and managerial perspective. Set out to understand the relationships between these groups and local or national community, as well as their SLO understanding. Environmental psychology perspective.	Carbon Dioxide Capture	Australia	Awareness and care towards a project
Edwards & Lacey (2014)	Examines the bio economy discourses, prevalent in Sweden and the rest of Europe. SLO of stump removal. Economic benefits of having a SLO and the localised environmental impact of stump removal.	Bioenergy	Sweden	NA
Edwards & Trafford (2016)	Recognise the SLO is represented by a number of different terms, including social responsibility, how we do business and community licence. Examines the meanings and use of SLO in New Zealand, providing an analysis of what SLO is. Key themes emerged from the literature, including speaker, openness and transparency, engagement and partnership, scale, trust, procedural fairness, distributional fairness and good governance.	Across different industries	New Zealand	NA
Esty & Porter (1998)	Industrial ecology. Subtle strategic benefits of industrial ecology. Industrial ecology cannot be used as an independent guide to competitive strategy.	Industrial Ecology	Undisclosed	NA

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Evangelinos & Oku (2006)	Asses the regulatory and environmental problems of mining operations and the process of obtaining a SLO.	Mining	Greece	NA
Falck & Spangenberg (2014)	Describes a particular process of indicator development and testing. Identify a stakeholder need, rather than expert judgment.	Mining	Czech Republic, Kyrgyzstan and South Africa.	NA
Fletcher, Wise, Joll, Hall, Fisher, Harry, Kangas (2016)	Addresses increasing community expectations and delivers the SLO fisheries management in Western Australia.	Fisheries	Australia	NA
Florini (2013)	Public policy and the business sector. Why the private sector is increasingly important for public policy. The relevance of SLO. What analytical frameworks might provide useful insights.	Public Policy	International	NA
Fletcher, Wise, Joll, Hall, Fisher, Harry & Kangas (2016)	Focuses on fisheries access to resources and their distribution.	Fisheries	Australia	NA
Florini (2014)	Standards of social responsibility changes between countries.	Public Policy	Asia	NA
Franks & Cohen (2012)	Outlines the possibilities and rationale for incorporating constructive technology assessment into technology research and development.	Mining	Australia	NA
Gao, Hou, Chen, Barrett, Mallants, Li & Liu (2016)	Theoretical potential of mine water sharing to mitigate the risk of unregulated water discharge. Established a hierarchical systems model of sixteen coal mines	Mining	Australia	NA
Garvie, & Shaw (2016)	Explores the perspective of local First Nations regarding governance of the gas industry. Also look at the diverse tactics that Fort Nelson First Nation is using to gain influence over shale gas development.	Gas	British Columbia	NA
Gentry & Esty (1997)	Road map of recent trends in private capital flow, environmental implications of the shift to private capital. Offer an action agenda to the private and public actors who act as the engine for sustainable development.	Private Capital	International	NA
Giurco, McLellan, Franks, Nansai & Prior (2014)	Long term view of production and use is adopted for the mineral resource constraints and radical transition in the energy sector.	Energy	Australia, Japan and Switzerland	NA
Gjølborg (2009)	Why companies from certain nations more eager to engage in CSR than others, and why companies from some nations are more able to succeed in their CSR efforts than others.	CSR Performance	Global	NA

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Gordon, Lockwood, Schirmer, Vanclay & Hanson (2013)	What can be done to improve the adoption of community engagement in the corporate cultures of two forest plantation companies.	and Globalisation Forestry	Australia	Establish trust
Greenall & Rovere (1999)	Stakeholder engagement provides value to corporations in the form of access to land, trust and reputation building and assurance, securing a 'social' licence to operate, access to local community users of corporate goods and services, marketing and competitive advantage, improved quality of decision-making, overall industry health and stable operating environments.	Canadian Businesses	International	NA
Gunningham, Kagan & Thornton (2004)	SLO excides regulatory requirements, if the SLO does not excide regulation requirements then it is likely that further regulation will be put in place. There are also economic licences and regulatory licences, interaction between the different licences often excides the effect of each acting alone.	Pulp and Paper Manufacturing	United States, Canada, Australia and New Zealand	NA
Gunningham, Thornton & Kagan (2005)	Legal penalties on their own company had influenced their subsequent environmental actions. An environmental action or penalty implemented on another company did not have an influence on their own company.	Electroplating and Chemical Industries	Washington and Ohio, United States.	NA
Hall (2014a)	Discursive diffusion of the SLO concept. A SLO in operation. Values of a SLO. Power. Business models.	Wind Industry	Australia	For a company to achieve an engaged relationship with their community
Hall (2014b)	The support for wind farms from company representative and community members. Complexity of issues behind the perceptions of a SLO. Highlights the benefits and the concerns of the stakeholders involved with wind farms. Level of trust that needs to be built. Community engagement as a central part of a SLO.	Wind Industry	Australia	NA
Hall (2016)	Describes the background and opportunities that CSR and SLO concepts can provide for community engagement.	Wind Industry	Australia	Compliance with legislation, ethical and responsible behaviour, transparency in

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				communications, trustworthiness in business actions and responsiveness to stakeholder needs NA
Hall & Jeanneret (2015)	SLO is broadly understood, although no common definition held. The wider benefits of SLO were commonly recognised across the wind farm industry. How SLO is understood and communicated by stakeholders in the windfarm industry.	Wind Industry	Australia	
Hall, Lacey, Carr-Cornish & Dowd (2015)	Defining SLO. Securing, maintaining and measuring SLO. The future of SLO.	Mining, wind, carbon dioxide capture and storage and geothermal companies	Australia	A shared goal for both industry and community stakeholders in negotiating development proposals. NA
Hanna & Vanclay (2013).	Encounter between human rights, indigenous people and mining and other extractive industries. Also discuss the relationship between free, prior and informed consent.	Indigenous Rights	Brazil	NA
Hanna, Vanclay Langdon & Arts (2014)	Suggest that free, prior and informed consent processes need to be conducted at the earliest stage of project planning.	Indigenous Rights	Brazil	Legitimacy
Hansen, Adamson, Christensen, Garpestad & Le Breton (2015)	Social baseline study, with the intention to build a strong base for preventing, mitigating and managing potential negative impact and enhancing the potential positive impact. Achieve a coherent and coordinated community engagement and to limit the risk to stakeholder fatigue.	Oil	Greenland	Building relationships
Harvey (2014)	Argues that company priorities and behaviours blur appropriate boundaries between firms, governments and communities. Extractive companies prioritise behaviour change across the whole of their organisation to secure trust and support from host communities.	Mining	Australia	NA
Harvey & Bice (2014)	Explore unintended contradiction in the implementation of regulatory social impact assessment.	Extractive Sector	Australia	NA
Heikkinen, Lepy, Sarkki & Komu (2016)	Importance of transparency in mining operations and the continuity if communications with local stakeholders in building	Mining	Finland	NA

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	and maintaining the SL to mine. Examines the scalar linkages mining operations have and how these linkages affect the acquisition of a SLO by mining companies.			
Henisz, Dorobantu & Nartey (2014)	Direct positive and economically substantive relationship between stakeholder support and financial market valuation. Argue for a broader conceptualisation of the potential financial impact of stakeholders that draws from the core of instrumental stakeholder theory.	Gold Mining	20 countries, although primarily focuses on Canada	NA
Hoffman, Bernier, Blotnick, Golden, Janes, Kader & Walker (2015).	Effluent and atmospheric pollutants from the pulp and paper industry. Environmental monitoring. Comparison of public perceptions with pulp and paper industrial reporting, local community concerns. Regulatory standards.	Pulp and Paper	Canada	NA
Holley & Mitcham (2016)	Focused on the controversy of the impact a mine would have on the habitat of the local salmon. Create a model for company community engagement.	Mining	Alaska	NA
Idemudia (2009)	Compares the effectiveness of two different corporate-community involvement strategies. Corporate community foundations foster a more positive perception of oil companies. Community perceptions of corporate contribution to community development and the impact of such contribution are different.	Oil	Niger Delta, Nigeria	NA
Idemudia (2014)	Explores the transnational oil corporation, the opportunities associated with the challenges of adopting different strategies in the Niger Delta. Consider the implications of the emerging issues for corporate community involvement practices and strategies in the extractive industries in Africa more generally.	Oil	Niger Delta	NA
Jijelava & Vanclay (2014)	Transparency and accountability, access to information, the potential benefits and damages of innovation, the inspirational effect of the presence of an external organisation, risk associated with loans and grants and the reliability of intermediaries.	Humanitarian Aid	Georgia	NA
Koivurova, Buanes, Riabova, Didyk, Ejdemo & Poelzer (2015)	SLO is not widely used in Norway, Russia or Sweden, however it is used in Finland. Attempts to shed light on how communities view company behaviour. Four main themes that emerge are SLO versus CSR narrative, the prominence of the regulatory structure, causes of shift in community acceptance and the correlation between company practices and levels of SLO.	Mining	Norway, Russia, Finland and Sweden	Company establishing a set of ethical standards.

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Kraisornsthasinee & Swierczek (2009)	A small group of CSR leaders in Thailand have started integrating CSR strategies into their corporate strategy to gain competitive advantage. The value of CSR is more evident in SLO.	Evidence of CSR in Thailand	Thailand	NA
Lacey & Lamont (2013)	SLO as a justice based approach for agreement making. Companies with a SLO operating beyond compliance can be associated to CSR and corporate citizenship. The understanding of SLO in the coal seam gas industry of Australia. SLO initiatives operating at the local level. Discusses the shared features of SLO and contract theory.	Coal Seam Gas Industry	Australia	NA
Langbroek & Vanclay (2012).	Focuses on a community that has had poor community engagement processes and a lack of consideration of their concerns. Recommendations are then drawn as to how future windfarms can improve the process of developing windfarms in the future.	Wind Farm	Netherlands	NA
Lindahl (2016)	SLO and human rights within the United Nations. SLO in a global context.	Human Rights	United Nations	NA
Lyytimäki & Peltonen (2016)	Focus on the planning processes of a gold mine adjacent to an important tourist destination. Highlight the role of public debate on the formation and erosion of legitimacy and the fragility of SLO. Claim that the formation of SLO requires legitimation that is a result of many parallel and often non-linear social processes.	Mining and Tourism	Finland	NA
Martinez & Franks (2014)	Compares corporate-sponsored community development and social legitimacy at two co-located mines in Chile to develop the contribution of community development to SLO. Found that the approach to community development differed between privately owned and state owned companies.	Mining	Chile	Corporate sponsored community development
Mason, Paxton, Parr & Boughen (2010)	Investigates the social viability of seafloor mining.	Mining	Australia	NA
Mason, Paxton, Parsons, Parr & Moffat (2014)	Develop an understanding of the expectations that underlie public reactions to mining activity. Looks into what makes mining activity more or less acceptable.	Mining	Australia	NA
Mayes (2015)	How SLO articulates and negotiates the social and political dimensions of gaining and maintaining stable access to the resources and production. Suggests the importance of addressing	Mining	Australia	NA

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	informal regulatory strategies in the analysis of global production.			
Mayes & Chang (2014)	Explain how heritage projects generate dialogue around resource stewardship, providing an example of SLO as a process of fostering inclusion rather than seeking permission.	Mining	Thailand	NA
McIntyre, Murphy & Sirsly (2015)	Saliency of SLO in the context of a very poor community in South Africa. Company interest in the views of the local people. Company concern with the welfare of the local people. Company receptiveness to input from the local people. Company processes to gauge the approval of the local people. Perceived influence of the local people over company decisions. Company processes to explain company decision. Perceptions of the company motivation for being in the local community.	Poor Communities	South Africa	NA
McLellan & Corder (2013)	Examines the generic and specific risk reduction potential of applying a sustainability-based design process. What types of risk can be identified and how they can be mitigated theoretically by applying a sustainability-based design framework.	Mining	Undisclosed	NA
Melé & Armengou (2016)	Moral legitimacy of implementing a rail tunnel under a historic church and controversial projects. Analysis and ethical evaluation of the situation.	Implementation of a rail tunnel	Barcelona, Spain	NA
Michell & McManus (2013).	Highlights that local communities can be empowered through development, that benefits can extend to both the community and the business and that the ongoing management of social issues will increasingly be critical to the success of the mining industry.	Mining	Australia	NA
Miller (2014)	Reviews the central dilemma posed by SLO, regarding whether it is business practice, sociological reality, or an emerging form of governance.	Governance	International	NA
Moffat & Zhang (2014)	Established a conceptual model of SLO and how it could be applied in a field setting. Contact quality to the community does not predict the level of trust the community will express. There was a reasonable correlation between contact quality and contact quantity.	Mining	Australia	NA

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Moran Lodhia, Kunz & Huisingh (2014)	Introduction to social volume. Overview of literature on sustainability in the mining industry. Importance of institutional agreements.	Mining	Australia	NA
Nelsen (2006)	What is SLO.	Mining	Australia	NA
Nelsen (2007)	Stakeholders are increasingly demanding a more participatory role in decisions affecting their neighbourhoods and environments. Social licence is vital to ensuring business continuity and success, and provides a significant competitive advantage to those companies who have earned it. Many companies have learned that voluntary initiatives beyond regulatory compliance are a key element to earning a social licence. Industry is generally well aware of the changing value systems surrounding mining and recognizes that project success is primarily based on stakeholder and economic approval. Although there is a high level of awareness and a significant level of implementation with respect to social licence, there is no real consensus with respect to the means and effectiveness of the implementation. Project success appears to be based on building and maintaining sustainable relationships. A participatory approach with adaptive and co-management strategies appear to be fundamental to this success.	Mining	Australia	NA
Nelsen Scoble & Ostry (2010)	Social capital and the use of community-indicators to forecast specific social and economic outcomes for new mining projects	Mining	British Columbia	NA
Owen & Kemp (2012)	Discusses the functions and value of SLO and how it is used. Contemporary SLO is more about reducing overt opposition to industry than it is about engagement for long-term development. Argues that SLO does not have a clear path forward in defining or progressing a clear development agenda.	Mining	Australia	NA
Paragreen & Woodley (2013)	How SLO could be granted in the coal seam gas industry. Community identity., procedural justice and distributive justice.	Coal Seam Gas Industry	Australia	NA
Parsons & Moffat (2014)	How a SLO is either maintained or sustained. There is a need to rethink the appropriateness of SLO. There needs to be more collaboration shown for a SLO. SLO as a binary concept. SLO compromises a tangible shift in power relations.	Mining	Australia	NA

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Parsons, Lacey, & Moffat, (2014)	Explore how managers conceptualise social licence to relation to notions such as legitimacy, approval and consent. Other themes include how companies interpret processes of SLO in practice and how they differentiate it from concepts such as CSR. Four key themes are then established, legitimacy, localisation, process and continuum and manageability.	Mining	Australia	NA
Pellegrino & Lodhia (2012)	Explores how disclosure is used by key bodies in the Australian mining industry as a means to respond to climate change and ensure their SLO. Expands literature legitimacy theory through highlighting the value of utilising this perspective to explore contemporary phenomena such as corporate responses to climate change.	Mining	Australia	NA
Prno (2013)	Five lessons for earning a SLO emerged from this analysis: (1) context is key; (2) a social licence to operate is built on relationships; (3) sustainability is a dominant concern for communities; (4) local benefits provision and public participation play a crucial role; and (5) adaptability is needed to confront complexity.	Mining	United States, Canada, Peru and Papua New Guinea	NA
Prno & Slocombe (2012)	SLO is varied and complex, involving multiple state, market and civil society actors and institutions operating in wide range configuration. Conceptualises SLO	Mining	Canada	NA
Prno & Slocombe (2014)	Conceptual framework for assessing the determinants of a SLO. The framework consists of four main parts: System characteristics, multi-scale variables, local variables and SLO outcomes.	Mining	Alaska, United States of America	NA
Richert, Rogers & Burton (2015)	Evaluate the strength of the SLO granted by the Western Australia population to this industry. Explore whether marine biodiversity offsets by the oil and gas sector influences SLO.	Oil and Gas	Australia	NA
Ruckstuhl, Thompson-Fawcett & Rae (2014)	SLO in light of the indigenous people of New Zealand. Treaty of Waitangi as the Maori SLO. How SLO can be obtained in a particular location.	Mining and Indigenous people	New Zealand	NA
Sing (2015)	Facilitations of sustainable development in the mining sector. Examines the regulation of operations in the country. A further argument is made that the government is incapable of properly regulating their mining industry.	Mining	Papa New Guinea	NA

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Slack (2012)	Respecting community consent through a SLO. Company's connection and commitment with their SLO performance will become stronger in years to come.			Accountability
Smits, Justinussen & Bertelsen (2016)	Explores how human capital development can contribute to the legitimacy of Arctic energy development and trust building between various stakeholders.	Energy	Iceland, Faroe Islands and Greenland	Local
Syn (2014)	Explores the history of violations of land and human rights of indigenous and rural communities. Presence and domestic legitimacy of the state in the project areas of the exploitation industry.	Extractive Sector and Human Rights	Developing World	NA
Tarras-Wahberg (2014)	Explores whether the behaviour of mining companies in Sweden are following international trends of SLO. Mines are willing to do no more than necessary for them to operate.	Mining	Sweden	NA
Thomson & Boutilier (2011)	Origin of SLO, characteristics of the definition, examples for real communities, phases of earning a SLO, stakeholder engagement, maintaining a social licence.	Mining	Australia, Canada, Chile, South Africa and United States	NA
Tixier (2000)	Assesses whether public affairs in Australia is different from what is normally named corporate communication in places like Europe.	Public Relations	Australia	Community awareness
Tuazon, Corder, Powell & Ziemski (2012)	Sustainability is being adopted at the higher level of a company, making it difficult to at the operational level. Sustainable integration into an operational context. Define operational and sustainability goals of an operation.			NA
van Bets, van Tatenhove, & Mol (2016)	Analyses why current governance of liquefied natural gas production did not move beyond economic development. Further investigate how forms of cooperation between different coalitions affect possibilities for sustainable development in Norway.	Gas	Norway	NA
Vanclay (2012)	Processes of managing the social issues of planned interventions. Key concepts include sense of place and place attachment, islandness, cumulative effects, social carrying capacity, not in my backyard responses, resilience and vulnerability, CSR, social legitimacy, SLO, sea change communities and second home ownership	Social Impact Assessment.	Wadden Sea Region	NA

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Venter (2014)	Explores how the implementation of a carbon reporting system impacts the SLO in a large international non-government organisation. Utilises Institutional theory as a means to explain how institutional pressures change organisational behaviour and the implications of the pressures while implementing a carbon measurement and reporting system.	Non-Government Organisations	76 International locations.	NA
Wessman, Salmi, Kohl, Kinnunen, Saarivuori & Mroueh (2014)	Reviews the environmental and social performance of the Finnish mining sector in water related issues. There is a concern for water management and the release of effluents into the environment. Focus was on water management and social acceptance.	Mining	Finland	Recycling
Wheeler (2015)	Sets out the background context to the framework and examines the structures that it puts forward. Looks at how the framework requires a corporation's social licence to be assembled. Vested and non-vested stakeholders. Stakeholder theory.	Human Rights	International	NA
Wilburn & Wilburn (2011)		Stakeholder theory	United States	NA
Wilson (2015a)	Role of civil society for a SLO. How a company's success depends on responding to local expectations, needs and anxieties.	Oil and Gas Industry	Russia	
Wilson (2015b)	Draws on elements of a typical CSR framework, specifically SLO, accountability and community engagement approaches. Implementation of CSR initiatives facilitated minimal and at times unsustainable development.	Mining	Sierra Leone	
Wilson (2016a)	Look at the hydrocarbon sector through the lens of CSR.	Hydrocarbon	Greenland	NA
Wilson (2016b)	Explores the local perspective on what constitutes a SLO and to better understand how SLO is established in a particular local context. Highlights the values that underpin local expectations of industrial practice and project development, the enabling conditions such as local power structures and the strength of civil society, and the processes by which SLO can be build and negotiated effectively.	Oil and Gas	Russia and Sakhalin Island	Cleanliness
Wilson & Stammler (2016)	Explore how an extractive logic can smother other ways for local communities to imagine the future. Consider SLO as a counterbalance to an extractives imperative.	Mining	Arctic	NA

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Yates & Hovath (2013)	Acceptance and approval of a company project, or ongoing presence in the area. SLO occurs outside of formal permitting or regulatory processes. Intangible and informal SLO's can be realised through a robust suite of actions centred on timely and effective communication.	Energy	Pacific	Volunteering
Zalik (2004)	Focuses on the adoption of a model of partnership and participatory development by Shell Nigeria.	Oil	Nigeria Delta	NA
Zhang, Moffat, Lacey, Wang, Gonzalez, Uribe, Dai (2015)	Examines how the public perceptions of the distributional fairness of the benefits of mining, procedural fairness in the interactions between the mining industry and society, and confidence in the governance arrangements surrounding the industry affect the public's trust in the mining industry.	Mining	Australia, China and Chile	NA

2.5.1 Social Licence to Operate in the Mining Industry

As noted above, the SLO concept was quickly adopted within the mining industry as a result of Jim Cooney drawing attention to the concept at a major mining conference in 1997 when the industry was in a state of turmoil due to the growing opposition to mining activities (Prno, 2013; Boutilier, 2014; Edwards & Lacey, 2014; Syn, 2014). The concept was well received, with mining operators applying SLO practices to their separate community and stakeholder concerns.

The term was originally employed within Australia and Canada, as a result of the countries' large-scale mining industries, indigenous peoples and well developed environmental movements that all contributed towards an unsettling business environment for the mining industry. Interestingly, the adoption of the concept within the industry did not align with a sound definition of what SLO was. For example, Western Australia's Technology and Industry Council used the SLO term several times throughout their 1997 report, although did not attempt to draw conclusions on how it should be defined (Algie, 1997). Further analysis of the early SLO in mining literature indicated that the lack of SLO definitions was consistent, for example, Gentry and Esty (1997), and this pattern continued for the following decade. Nelsen's (2007) thesis *Social Licence to Operate: Integration into Mine Planning and Development* marked a significant stage in the development of the SLO literature in the mining industry. The thesis discussed how SLO could be integrated into mining planning and development as stakeholders increasingly higher participation in decisions affecting their neighbourhoods and local environments (Nelsen, 2007). Before Nelsen published her thesis in 2007 she wrote a brief and concise article on SLO in 2006, which became recognised as one of the first published pieces that specifically focused on the potential role of SLO in the mining industry.

As well as mining operations in developing countries and in areas with indigenous populations, SLO has also become significant for extractive industries, e.g. quarrying and aggregates, in peri-urban areas for use in building and infrastructure development. For example, the EU co-financed project SARMa (Sustainable Aggregates Resource Management) which developed an action plan for social licence to quarry (Maruntiu, Bindea, Marica, Coltoi & Munteanu, 2011). The action plan is extremely informative with respect not only to how SLO is conceptualised in the European context but also in terms of the importance of communication as part of SLO:

The social license to operate” resides outside the government or the legally-granted right to operate a business. A company can only gain a social license to operate through the broad acceptance of its activities by society or the local community. Without this approval, a business may not be able to carry on its activities without incurring serious delays and costs.

The social acceptance of a quarrying activity is largely conditioned by a constant communication between stakeholders and social groups in order to protect the local communities, the environment, and the interest of legal operators. The most important issue is to harmonize the expectations of both local communities and operators in order to achieve socially acceptable quarrying over the mining works life cycle.

To better achieve social acceptance, the communities must be involved not only by being informed about a determined company position, but by considering community feedback in the decision making process, i.e. using community expectations to make better decision. This can be achieved by community consultation, a two-way communication process between licensee and the community.

(Maruntiu et al., 2011 p 3).

Through further investigation majority of the literature on SLO in mining appears to be published in Australia, Canada or the United States of America, with a limited range of studies in other countries, such as, United Kingdom, Nigeria, Papua New Guinea, Guatemala, New Zealand and Sweden. The three most prevalent countries that are identified in the analysis of the literature are predominantly recognised because of the strong presence of mining industries.

2.5.2 Social Licence to Operate in Other Industries

While Table 2.1 indicates that mining is the more dominant industry using SLO, other industries as well as non-profit organisations have adopted the concept and have adapted SLO for their respective industries (Jijelava & Vanclay, 2014). The notion of SLO has therefore become a cross-cutting and transparent theme that is used between different industries, although the mining industry is still dominate within the SLO literature (Barrett, Moran & Cote, 2010; Boutilier, 2014; Hall, 2014a; Holley & Mitcham, 2016; Mayes, 2015; Nelsen, 2007; Parsons & Moffat, 2014; Prno, 2013). For example, significant research in the pulp and paper manufacturing industry began in the early 2000s. Gunningham et al. (2004) argued that the pulp and paper manufacturers practiced varying levels of commitment to the environment and society, encouraging them to conduct a study that interviewed 14 pulp and paper manufacturing managers from America, Canada, Australia and New Zealand companies, who all practiced varying levels of SLO. This gave a holistic perspective on the pulp and paper industry at an international level, as well as demonstrating that SLO was not exclusively applicable to mining. Furthermore, Table 2.1 highlights the use of SLO within other significant industries, including wind farming, forestry, rail, shipping and tourism (Covellec, 2007; Dare et al., 2014; Edwards & Lacey, 2014; Melé & Armengou, 2016; Bloor, Sampson, Baker, Walters, Dahlgren, Wadsworth & James, 2013; Lyytimaki & Peltonen, 2016). This indicates that SLO is being embraced

as a concept within wider business practices and holds merit as an effective tool that can be adjusted depending on the industries requirements.

2.6 Social Licence to Operate in the Context of New Zealand

Literature concerning SLO in the context of New Zealand is scarce, with even less reference to how SLO is implemented specifically in New Zealand. The relationship between mining and indigenous peoples seen in Australian and Canadian papers is returned to in Ruckstuhl, Thompon-Fawcett and Rae (2014) who “contextualise[d] the notion of SLO in light of the Treaty of Waitangi, specifically in the case of mineral extraction” and the partnership between the Maori people and the New Zealand government (p 304). While Venter (2014 p 2) “explore[s] how the implementation of a carbon reporting system impacts the social license to operate in a large international non-governmental organisation, Christian Blind Mission”, although Venter does not specifically focus on New Zealand. As part of a Sustainable Seas research project that is a component of the New Zealand government’s National Science Challenge, Sinner, Baines, Berkett, Edwards, Farrelly and Tipa (2016, p 1) “investigate what communities expect and require in order to grant SLO for marine industries in New Zealand (e.g. fisheries, aquaculture, and mining)”, focusing on “how the concept of social licence could be applied to the sustainable management of New Zealand’s marine environment.” The reason for such a project is because, “utilisation of resources in the New Zealand marine environment is constrained by public opposition as much as by regulatory requirements” (Sinner et al., 2016, p 1). According to Sinner et al. (2016, p 1), “The concept of social licence to operate (SLO) refers to public acceptance of commercial operations notwithstanding any government or legally-granted right to conduct specific activities. Without SLO, a business may incur serious delays and costs.” However, they go on to suggest that the concept of a social license is much broader than industrial discourse, “and concerns the quality of the relationships between commercial entities and communities of interest including, in New Zealand, iwi/Māori” (Sinner et al., 2016, p 1).

Nevertheless, despite the limited academic interest in SLO in New Zealand, there is significant interest from the business sector. For example, in May 2014 NZSBC and the Business NZ Major Companies' Group co-hosted a conference on ‘Social Licence to Operate - How to Engage’ (NZSBC, 2014): “the event focused on how New Zealand business could identify who their stakeholders are and determine what is material to them, how partnerships can be developed between organisations to align with strategic goals and how to communicate your sustainable business practices effectively across the different types of media to different audiences.” The event built on the earlier work of the NZSBC and Business New Zealand’s major companies group who had written a report the previous year on how the NZSBC members incorporate the SLO term within their business practices (NZSBC, 2013). SLO was recognised within the report as

the ability of an organisation to carry on its business because of the confidence society has that it will behave in a legitimate, accountable and socially and environmentally acceptable way. It does not just derive from a need for legal or regulatory compliance but takes into account the inputs from a wider group of stakeholders and a sense of transparency and accountability in its external reporting. It is the foundation for acquiring operational certainty, realising future opportunities and lowering risk for the business.

(NZSBC, 2013, p 2).

NZSBC's (2013) definition is holistic in nature and is, arguably, broad enough to accommodate all of the council's members, who come from different industries and sectors. Edwards and Trafford (2016) commented that NZSBC's definition "suggests openness and transparency, and jints at trust; being aware, however that confidence is not trust" (p 170). The definition alludes to the importance of expressing a level of transparency and accountability in external reporting methods, suggesting that the NZSBC member's public reports would be an appropriate place to determine the representation of SLO in the context of New Zealand. The NZSBC (2013) report looks at how the SLO term is evolving internationally, providing examples of SLO practices as well as highlighting what the New Zealand public perceives as risk for a business.

It is important to recognise that the engagement of the NZSBC in the SLO concept is occurring in conjunction with government agencies and with significant ministerial support, initially in the agribusiness sector (NZSBC, 2013, p 2). However, this focus has substantially broadened. For example, in 2012 the Ministry for Primary Industries (MPI) Aquaculture Unit commissioned work to establish an improved evidence base on the socio-economic effects and benefits of aquaculture. The reason for this is that around 700 (70%) of existing marine farm consents under the *Resource Management Act* expire in either 2024 or 2025. In order to continue aquacultural practices permit holders will be required to submit new resource management consent applications, and it is anticipated that improving the industry's "social license to operate" will be crucial to successful re-consenting outcomes (Quigley & Baines, 2014), given growing public concerns with the impacts of aquaculture (McGinnis & Collins, 2013). As a result Ministry for Primary Industries commissioned Robert Quigley (Quigley and Watts Ltd) and James Baines (TaylorBaines & Associates Ltd) to identify:

- What is social licence to operate and how is it characterised?
- The range of drivers to improve social licence associated with other industries (besides aquaculture).

- How industries have addressed these drivers, and developed better relationships with stakeholders/gained community approval.
- Practical examples of actions and methods industries have taken to overcome resistance to industry development.

(Quigley & Baines, 2014, p 1).

The audience for Quigley and Baines's (2014) paper was industry orientated, and drew attention towards forestry, infrastructure and mining. Their findings were presented as a series of questions and answers – potentially allowing for each section to be used independently by the Ministry for Primary Industries to feed into its broader social licence work programme for aquaculture. Overall they argued that “The process of achieving SLO is best conceptualised as a relationship”, the most important elements of which were “the perceived quality of the relationship” and that “the relationship is acquired sequentially, building cumulatively towards the outcome of a social licence to operate” (Quigley & Baines, 2014, p 2). Interestingly, in light of much of the academic literature Quigley and Baines (2014, p 2) also concluded, “much of the international literature describes the relationship as a one-way experience from the perspective of the industry. However our findings have pointed to a two-way nature of relationships – between the company and the community/stakeholders”.

Further analysis of online resources and reports suggest that the concept of SLO has been actively employed within different New Zealand industries, with Nathan Guy, New Zealand's Minister for Primary Industries confirming that building a SLO is increasingly common for many primary industries within New Zealand, such as the dairy sector, marine industry, and extractive industry, but is also beginning to incorporate the renewable energy industry and New Zealand's education system (Guy, 2014). Education New Zealand (2016) was the first organisation to suggest that SLO had translated into the education system. Education New Zealand (2016) focused on a performance improvement framework, in which SLO was used in the context of gaining a social licence for international education. SLO has also been included in a unit standard for the New Zealand Qualifications Authority (NZQA) for management education in the extractive industries sector in order to fulfil the outcome of “demonstrate knowledge of a social licence to operate for an extractive site” (NZQA, 2016 p 1). In addition to the New Zealand publications noted above the standard also refers to the EU report by Maruntiu et al. (2011). Under the standard the “Methodologies for gaining a social licence to operate ... may include but is not limited to – local community engagement, stakeholder partnership, supply chain management, iwi consultation, marketing, community funding” (NZQA, 2016, p 2). The use of the term on behalf of Education New Zealand and in NZQA education and training standards suggests that New Zealand has begun to embrace use of the SLO term even if the nature of the concept remains contested internationally.

2.7 What a Social Licence to Operate Entails

It has become apparent that industries are beginning to acknowledge the detrimental effect that operating without public or local support can have on their business, therefore, SLO is becoming frequently recognised as a method for managing social risk through formal and informal corporate actions (Black, 2014; Boutilier et al., 2012; Holley & Mitcham, 2016; Joyce & Thomson, 2000; Prno, 2013; Wilson, 2015). Black (2014) emphasises that in order to build and protect a company's SLO the company is required to play a constructive role in sustainable community development, however the level of involvement is not clearly established. This is apparent in Wilburn and Wilburn (2011) and Parsons et al. (2014) that an approved SLO requires free, prior and informed consent from a local community, with Wilburn and Wilburn further suggesting that the level of consent or who the stakeholders are is not clearly established or determined. Due to the relational nature of SLO a number of authors have highlighted that once a SLO is obtained the company must continue to reassess the terms of their SLO as the operational environment is evolving throughout the lifecycle of a project, the SLO should, therefore, continue to be flexible in nature and accommodate potential changes in social dynamics (Nelsen, 2006; Black, 2014; Thomson & Boutilier, 2011).

Parsons and Moffat (2014) recognise that discussions surrounding SLO focus on maintaining and sustaining SLO, with less consideration on how a SLO can be acquired, denied or diminished, suggesting that SLO is pre-existing. While the earlier literature, including Gentry and Esty (1997) is consistent with Parsons and Moffat's (2014) claim that the literature focuses on maintaining a SLO, the common understanding is that a SLO is only granted to a company when its organisational values and practices are met by stakeholder's expectations and societal norms (Dare, Schirmer & Vanclay, 2014; Gunningham et al., 2004; Thomson & Boutilier, 2011).

One of the outcomes of the SLO concept not being clearly defined, nor all companies using the term "in the same way" or giving the term "equivalent weight" (Owen & Kemp, 2013, p 30), has been that the focus of SLO has become short term goal orientated, resulting in a lack of clarity concerning what a SLO entails (Bice, 2014). Yet while the corporate focus has often been short term driven, Dare et al. (2014) are conscious that a business's long-term success requires a SLO, "particularly in sectors with highly visible business activities, long term horizons, high exposure to global markets or a wide range of stakeholders keen to influence practice" (p 188).

In order to achieve a SLO a company must be considerate of the varying expectations conveyed by different social groups, the interactions the company has with communities and how they utilise the influence of stakeholders (Dare et al., 2014). Through acknowledging these influences SLO is generally "constituted by the approval or broad societal acceptance of the activities of an industry",

which can be approached in either an implicit or explicit manner, although it is required to be earned and not issued (Edwards & Lacey, 2014; Hall, 2014a; Parsons, Lacey & Moffat, 2014). SLO is implemented as a means for companies to “earn accountability, credibility, flexibility and capacity for both stakeholders and industries” (Nelsen, 2006, p 161). Moffat and Zhang (2013) recognised that SLO required four key characteristics to be present, these included procedural fairness; distributional fairness; good governance; and trust. Companies that promote SLO have “improved corporate reputations, ongoing access to resources, reduced regulation, improved market competitiveness, strengthened stakeholder relationships and positive effects on employees” (Dare et al., 2014; Gunningham et al., 2004; Joyce & Thomson, 2000). Hansen et al. (2015) introduce a different interpretation of what SLO entails, suggesting that it is triggered by rationality, reliability and responsibility and are meant to support the understanding of potential types of motivation for a SLO.

While there are differing interpretations of what a SLO entails, it can be established that these different interpretations add to the wider understanding of what it requires for a company to establish a sound SLO that reflects their business, industry, government and community’s intentions and values. While the requirements of a SLO can differ significantly, depending on the industry and location it is important to recognise that the basic features of a SLO are consistent. These features are discussed next.

2.8 Basic Features of Social Licence to Operate

The most extensive articulation of SLO is Thomson and Boutilier (2011) who proposed the “levels of social licence with boundary criteria between them” as a product of their study on mines in Bolivia that took place over the span of 15 years (p 1784). This interpretation of SLO was an expansion of Corvellec’s (2007) spectrum of SLO (Dowd & James, 2014). Thomson and Boutilier suggested that there were four separate levels of SLO, which are withdrawal, acceptance, approval and psychological identification and are separated by boundaries that are recognised as legitimacy, credibility and full trust (Thomson & Boutilier, 2011) (See Figure 2.2). These SLO levels and boundaries have become recognised as a foundational hierarchy within the SLO literature. Boutilier and Thomson (2011) further refined the hierarchy in a study that focused on Mexico and Australia, with the overall level of SLO being measured through four independent factors of institutionalised trust, socio-political legitimacy, interactional trust and economic legitimacy (See Figure 2.3). While Boutilier and Thomson (2011) developed the “Four Factors that Determine the Proportions of Stakeholders at Each Level” framework, they also simplified the levels of social licence that they had originally developed in Thomson and Boutilier (2011). It was then proposed in Boutilier and Thomson (2011) that the levels of SLO were represented in a diamond shape, rather than a triangle, with the second level, acceptance, covering the greatest area, indicating “that it is the common level of social licence

granted” (p 2). Boutilier and Thomason (2011) suggested that as an operation developed, legitimacy, followed by credibility on the behalf of local stakeholders would allow the acceptance and then approval of the operation to go ahead. If a company is seeking to establish a SLO then it must focus on building trust and exercising transparency in order to achieve the highest level of the hierarchy, co-identification (Jijelava & Vanclay,2014; Moffat & Zhang, 2014).The levels of SLO and the boundaries between them have frequently been presented within the wider SLO literature as a result of Thomson and Boutilier (2011) and Boutilier and Thomson’s (2011) frameworks, including Quigley and Baines (2014) who reconfigured the pyramid into a basic table that chronologically describes the movements between each layer of a SLO (see Table 2.2).

The basic SLO features of legitimacy, credibility and trust will now be explored further, before drawing attention to each of the SLO levels of withdrawal, acceptance, approval and psychological identification.

Figure 2.2: The “pyramid” model of the SLO proposed by Thomson and Boutilier (2011)

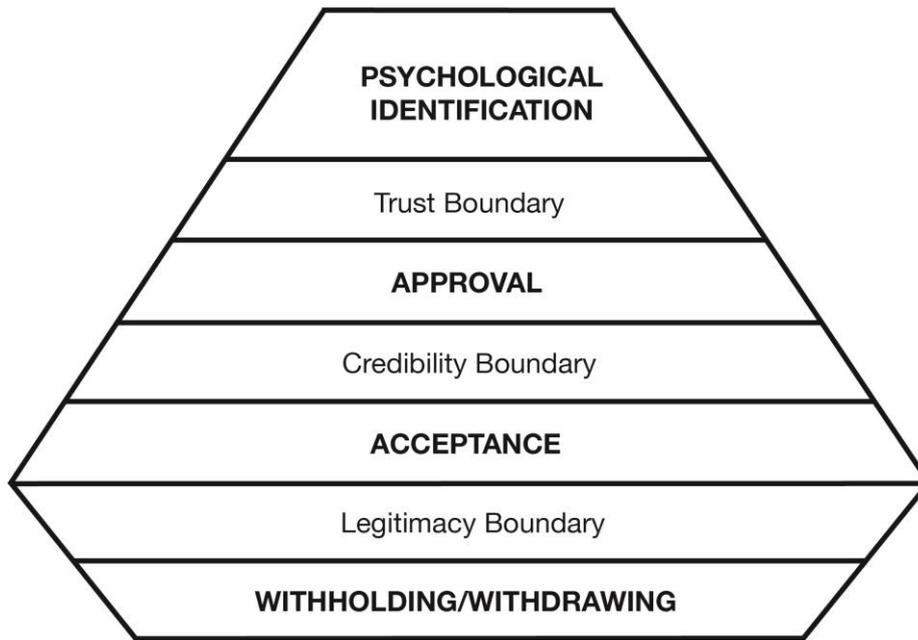
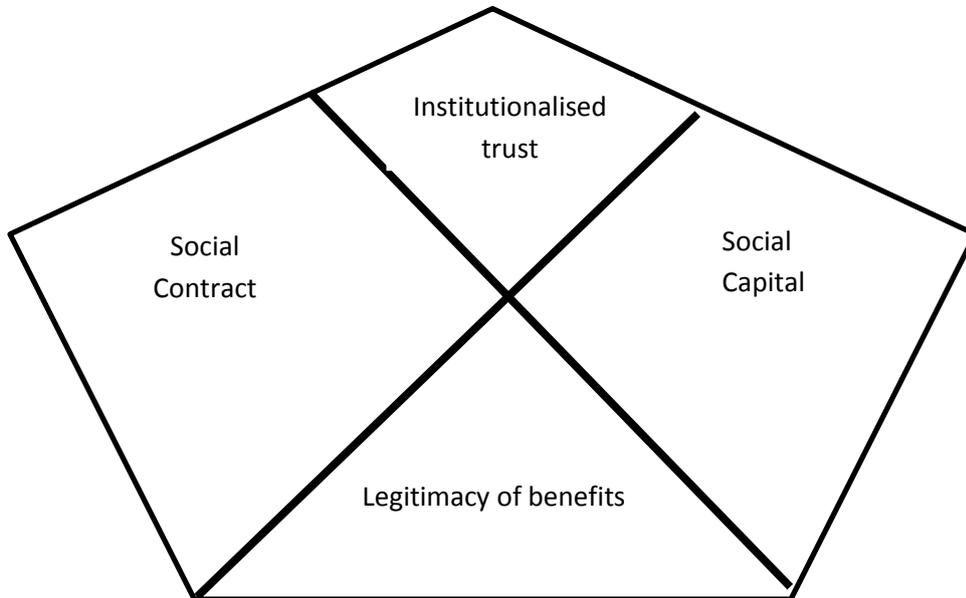


Figure 2.3: Levels of Social Licence with the Four Factors that Determine the Proportions of Stakeholders at Each Level proposed by Boutilier and Thomson (2011).



Source: Derived from Boutilier and Thomson (2011).

Table 2.2: Movement between SLO levels and boundaries proposed by Quigley and Baines (2014)

Movement between layers	Boundary	If these factors are achieved, the SLO is more likely to move up the hierarchy
Withheld ↓ Acceptance	Legitimacy	Legal: Has permits and permission. Socio-political: Has engaged with stakeholders in a fulsome manner. The project company is perceived to contribute to the wellbeing of the region, respects the local way of life, meets expectations about its role in society, and acts according to stakeholders views of fairness.
Acceptance ↓ Approval	Credibility	Economic: The project/company offers a benefit to the perceiver. The perception that the company listens, responds, makes realistic promises and keeps them, provides reliable information, engages in mutual dialogue and is reciprocal in its actions. Not just technical credibility but social credibility as well.
Approval ↓ Trust	Trust	The perception that relations between the stakeholder's institutions and the project/ company are based on an enduring regards for each other's interests. Creates a common/shared experience to work together. Builds collaborative and transformational opportunities. Goodwill is a basis for the relationship.

Source: Derived from Quigley and Baines (2014).

2.8.1 Legitimacy

Legitimacy was first discussed in the SLO literature by Joyce and Thomson (2000), who used grounded theory to propose that a SLO was gained through the level of legitimacy that a company and their operation expressed. Parsons, Lacey and Moffat (2014) further commented that “legitimacy derives from alignment between an organisation’s social values and wider social or cultural values” (p 84). Corvellec (2007) viewed legitimacy from a different perspective, arguing that there was “an important difference between a licence to operate and legitimacy” and that a company could be legitimate without holding a SLO, suggesting that legitimacy conveyed how an organisation was perceived by the public, whereas, SLO was held by the organisation until it was revoked (p 139). The argument made by Corvellec (2007) is plausible, with the work being widely cited by significant papers within the SLO literature, although the emphasis tends to be on Corvellec’s SLO definition as well as using it as an example of a SLO study conducted on the wind power industry, rather than on necessarily similar standpoints on legitimacy (Mayes, 2015; Hall & Jeanneret, 2015; Owen & Kemp, 2013).

The different interpretations of economic and socio-political legitimacy proposed by Boutilier and Thomson (2011) and cited by a range of papers, such as Ashley and Haysom (2006), Dowd and James (2014), Jijelava and Vanclay (2014) and Richert, Rodgers and Burton (2015), suggests that legitimacy is one of the fundamental requirements for even the most simple interpretation of SLO, although it

does not account for the full range of processes associated with SLO (Parsons & Moffat, 2014). Boutilier and Thomson (2011) distinguished between economic legitimacy and socio-political legitimacy (Dowd & James, 2014; Parsons, Lacey & Moffat, 2014; Richert et al., 2015; Wilson & Stammler, 2016). Establishing a level of legitimacy is arguably the basis for eliciting the concept of a business's CSR practices and their SLO, with the economic and socio-political approach to legitimacy acknowledging "the influence of financial and well-being benefits on community acceptance" (Costanza, 2016; Dowd & James, 2014 p 368). Economic legitimacy is believed to occur when stakeholders believe that they could economically benefit from the businesses project, whereas socio-political legitimacy is achieved when stakeholders perceive the project will improve the well-being of the community, it is "honest, open engagement, respecting local social norms; providing full information to the community and answering all questions" (Wilson & Stammler, 2016 p 74; See also Richet et al., 2015; van Bets, van Tatenhove & Mol, 2016).

More recently, Demuijnck and Fasterling (2016) highlighted that an organisation cannot easily "lose its general legitimacy if something goes wrong at some point, but legitimacy might become gradually undermined if there is a series of scandals or questionable activities" (p 678), suggesting that there is a link between legitimacy and SLO. Therefore, the placement of legitimacy as one of the first boundaries in the pyramid diagram, as seen in Figure 2.2 and Table 2.2, indicates that a company must express a level of legitimacy if they are wanting their stakeholders to connect with a company's project or business practice on a higher level.

2.8.2 Credibility

Boutilier (2009) brought attention to reciprocity, listening and promise keeping as behaviours that indicate there is a level of credibility for a SLO. While credibility must be maintained in order for a SLO to be upheld, "maintaining credibility means sometimes disappointing various stakeholders" (Boutilier et al., 2012 p 11). Thomson and Boutilier (2011) suggested that credibility requires "consistently providing true and clear information and complying with any and all members of the community and providing information on the project, the company and what may happen in the future and then answering any and all questions" (p 1784). Credibility is further discussed in Harvey and Bice (2014), highlighting that credibility can be achieved through expressing total transparency and maintaining appropriate roles and responsibilities of a company, governments and the wider community. This second "boundary" is evidence of a company receiving acceptance and approval from their wider stakeholders and community (Table 2.2). Once credibility is achieved the company will begin to see a greater level of compliance for their activities from the stakeholders.

2.8.3 Trust

The third indicator of achieving a strong SLO is trust, which is defined by Moffat and Zhang (2014) as “having confidence that the behaviour of an outgroup will match expectations of the trust holder...to trust someone or an outgroup is to expect that they will not exploit one’s vulnerability and even seek to cooperate” (p 62). Furthermore, Dare et al. (2014 p 192) recognise that “trust is integral to all decision-making processes, impacting on people’s perceptions of risk, influencing the way they approach engagement opportunities”, subsequently influencing the level of support expressed by the stakeholders (Thomson & Boutilier, 2011). It is believed that a “firm might increase its chances of gaining the communities’ trust by establishing and maintaining communication with communities... by acting transparently” (Costanza, 2016 p 98). Heikkinen, Lepy, Sarkki and Komu (2016) and Jijelava and Vanclay (2014) support the notion of transparency, suggesting that through being transparent can build trust on a long-term basis and fairness among people within the local community. A study carried out by Parsons, Lacey and Moffat (2014) found that stakeholders described trust as a critical aspect of SLO and sits alongside reputation, transparency, credibility, respect, honesty and relationships. It can therefore be argued that a community expresses their trust when a company has the ability to operate ethically and in a socially responsible manner, receiving the community’s trust then leads to a higher likelihood of acceptance, making communication efforts easier to secure (Hall, 2014a; Tixier, 2000). The level of trust expressed by a community is often established through community engagement initiatives, such as volunteering and social partnerships, as well as the flow on effects that the involvement of these initiatives and the legacy of previous activities and relationships (Dare et al., 2014). Once complete trust is expressed towards a project the local community will begin to co-identify with the project, suggesting that the company has met the current expectations of the community (Demuijnck & Festerling, 2016).

2.8.4 Withdrawal

The lowest level of SLO is withdrawal (see Figure 2.2), meaning that the company’s SLO has been rejected as a result of limited engagement with their local community and unethical business practices, indicating a community’s disapproval and thus seriously jeopardising the intention of a given operation or business practice (Boutilier et al., 2012; Koivurova et al., 2015).

2.8.5 Acceptance

The acceptance level of SLO can be interpreted differently between industries, although, acceptance is “generally taken to mean that companies want to ensure that communities accept their presence”

(Slack, 2012 p 181). This is the minimal requirement for a company who are interested in, or dependent on the relations that they have with their local community (Koivurova et al., 2015). Acceptance is achieved as a result of a company's everyday businesses practice or that their project exhibits a level of legitimacy, for instance when the company becomes involved with community development responsibilities that are seen as fair from the standpoint of community stakeholders (Boutilier et al., 2012; Parsons & Moffat, 2014). While acceptance was first brought to light within the SLO literature by Joyce and Thomson (2000 p 52), who argued that "acceptability must be achieved on many levels, but it must begin with, and be firmly grounded in the social acceptance of the resource development by local communities", the idea of acceptance was not widely received until Thomson and Boutilier (2011) proposed their "pyramid" hierarchy, suggesting that acceptance "covers the greatest area in order to indicate that it is the common level of social licence granted" (Boutilier & Thomson, 2011 p 2). Hall et al. (2015) established similar findings to the earlier literature, establishing that "acceptability was a central definition... and was expressed as pertaining to community views".

2.8.6 Approval

In order to move further up the hierarchy of SLO levels and gain full approval the company must gain credibility and trust from their community, allowing their SLO to rise to achieve community approval (Boutilier et al., 2012; Parsons & Moffat, 2014). The approval level is characterised by the support of a project's stakeholders, where a majority of the stakeholders support the practices being carried out by a business, this can improve the level of socio-political stability that the company faces as the company is seen conforming to local perceptions of how a company should behave and where they should contribute to within society (Boutilier, 2014). The higher the level of approval exhibited by a community reflects how the concerned stakeholders regard the company's SLO, which can also result in other beneficial outcomes for the various parties involved (Hall, 2014b).

2.8.7 Psychological Identification

First coined as co-ownership by Thomson and Boutilier (2011), although more widely understood as psychological identification, it is perceived to be the highest level of SLO (Prno & Slocombe, 2012). In order for a community to fully identify with a project they must first exhibit full trust in what the company is doing, furthermore, the company must consistently act in the best interests of their local community, allowing SLO to rise to the level of identification (Boutilier et al., 2012; Boutilier & Thomson, 2011; Koivurova et al., 2015; Prno & Slocombe, 2012; Thomson & Boutilier, 2011).

2.9 Stakeholders and the Operationalisation of Social Licence to Operate

The relationships a company exhibits with their stakeholders are the fundamental grounds for establishing a SLO, with the stakeholders becoming the ‘enforcers’ of a SLO initiative (Syn, 2014; Moffat & Zhang, 2014; Parsons & Moffat, 2014). Boutilier et al. (2012) recognised stakeholders as groups and individuals who are potentially affected by a project, or those that can impact a project, whereas Bice (2014 p 68) recognises SLO stakeholders as “affected local communities, NGOs and community organisations, other companies operating within the same industry or geographical region, governments, local businesses, landholders and indigenous groups, regulators and industry bodies”. Wilburn and Wilburn (2011 p 8) further suggest that “customers, suppliers and partners, as well as social political, and government entities” are also included. This can create issues for companies who are trying to establish a SLO or strengthen their existing SLO as each stakeholder group is likely to have differing expectations, requirements and agenda’s from each other, as well as the government and the company (Wilburn & Wilburn, 2011; Lacey & Lamont, 2013; NZSBC, 2013; Edwards & Lacey, 2014).

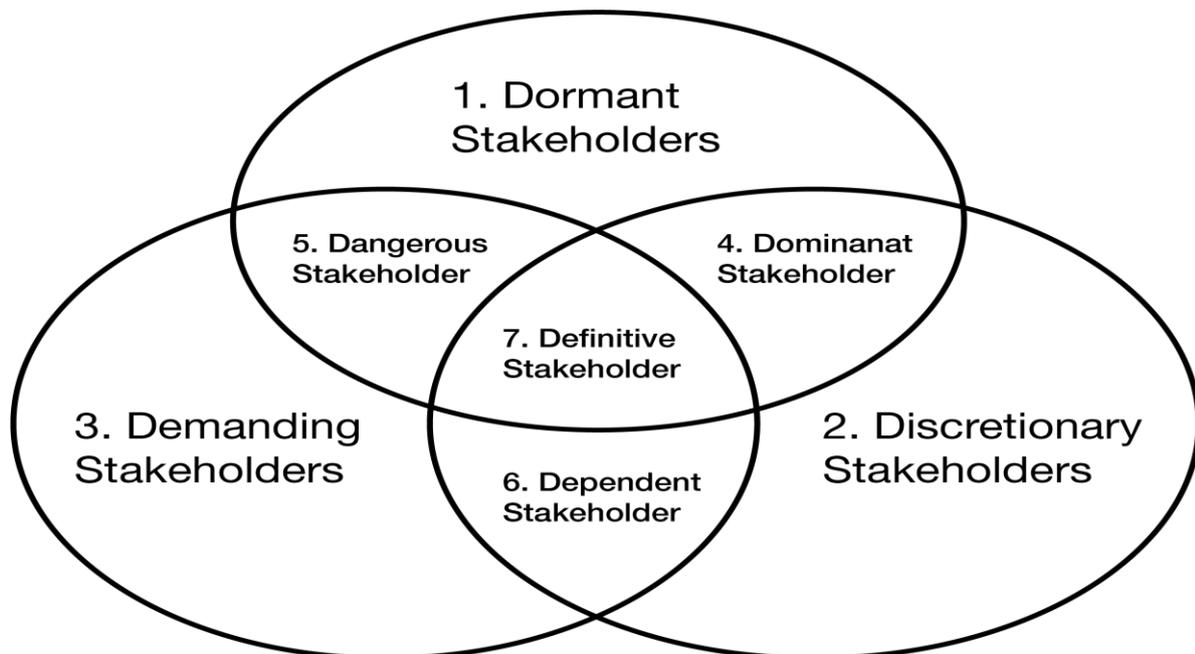
Owen and Kemp (2013) argue that SLO is used as a solution to mask the gap between a company and their stakeholders, whereas Nielsen and Knudsen (2013) recognise the importance of stakeholders as a group who puts pressure on a company to make them contribute to society. These differing opinions of the role stakeholders play in SLO focuses attention on Boutilier’s (2009) concern that SLO stakeholder satisfaction has the ability to transform into the similar notion of customer satisfaction, where the customer is always right, or in the instance of SLO, the stakeholder is always right. This suggests that SLO initiatives cannot be elicited and impulsive solutions that are drawn without meeting the demands of the stakeholders (Tuazon, Corder, Powell & Ziemski, 2012). Perhaps, most importantly, the significance of stakeholders indicates that a SLO is inherently relational, in that it depends on the nature of the relationship between an organisation and its stakeholders, particularly the community(ies) affected by a development and its products. The measures undertaken by a company to both communicate what it is doing and meet community and other stakeholder needs, therefore frames understanding of how SLO operates.

Stakeholders are often assembled into groups, rather than being represented individually, as groups have the ability to create more of an impact than individual stakeholders, therefore, it is important that companies understand the network structure of their stakeholder networks, in order to understand who is influential or allies (Boutilier, 2009; Boutilier et al., 2012). Wilburn and Wilburn (2011) proposed that stakeholder groups could be divided into vested and non-vested stakeholders, suggesting that vested stakeholder groups had a voice and vote to award a company their SLO, while non-vested stakeholder groups are merely interested in the project that is part of a company’s SLO. A SLO “relies

on local stakeholders proactively to formulate their demands and shape relations, to ensure that the social licence reflects their values and expectations” (Wilson, 2015 p 80). Companies must be conscious that communities could “include individuals with skill sets that are useful in applying ... research skills, communication skills, leadership skills, political connections and even personal wealth”, while there are also vulnerable stakeholders, who have little negotiation power to go against an organisation often go unnoticed (Demuijnck & Festerling, 2016; McIntyre, Murphy & Sirsly, 2015 p 307). Mitchell, Agle and Woods (1997) developed a model (See Figure 2.4) that indicates which stakeholders matter the most, with definitive stakeholders being represented in the centre, as they have the most power to influence organisations and other groups of people (Jijelava & Vanclay, 2014). Therefore, it is important that a SLO includes initiatives that involves communities who are “comprised of many different stakeholder groups with many different leaders and interests” (Wilburn & Wilburn, 2011 p 4-5).

It is evident through the review of the literature that SLO stakeholders are influential individuals, organisations and groups of people who are associated to a business or project in a variety of different ways. It has also become apparent that the stakeholders can be banded together into different groupings of importance (Figure 2.4), with certain aspects of the typology being recognised as a higher concern for companies than others. Therefore, it is important that stakeholder engagement initiatives are carefully considered in relation to the concerned stakeholder groups, which will be discussed further in the following section.

Figure 2.4: Stakeholders



Source: Derived from Mitchell, Agle and Wood, 1997

2.10 Stakeholder Engagement

Stakeholder engagement is critical to achieve a SLO, and underpins both establishing and developing SLOs, although its capacity to influence SLO is not clearly understood (Black, 2014; Dare et al., 2014; Hall & Jeanneret, 2015; Joyce & Thomson, 2000; Prno & Slocombe, 2012; Wilburn & Wilburn, 2011). Parsons and Moffat (2014) argued that SLO discussions focused predominantly on relationships between a company and their communities. Building strong relationships with stakeholders at the foundation of a SLO is fundamental when a company seeks to gain a community's trust (Prno, 2013). Providing an opportunity for a company to meet and engage with their relevant stakeholders should be a high priority for a company if they are wanting to develop a SLO, with engagement taking place in the form of "letter notification, telephone conversations, face-to-face meetings, field trips, public meetings, open house and advisory groups" (Tixier, 2000; Nelsen, 2006; Dare et al., 2014 p 192). Furthermore, Mayes (2015 p 5) suggested that "community engagement can take the form of information evenings, liaison committees made up of community, NGO, industry and other actors; public communications; community investment programmes; and dedicated community relationship staff portfolios". Jijelava and Vanclay (2014) offer another interpretation of what engagement can look like, commenting that it "can take the form of studying local needs, organizational workshops for the local population and meeting interested persons in the office or in the field" (p 307).

It is suggested that stakeholders who experience greater engagement and dialogue on behalf of a company will be more inclined to see the SLO as credible and want to enforce it (Greenall & Rovere, 1999; Moffat & Zhang, 2014; Ruckstuhl et al 2014; Hall et al. 2015). Hall (2014b) recognised engagement as a central part of SLO in her study of wind farm development, as it was a way to increase the acceptance and approval of the wind farm over the span of its development. Owen and Kemp (2013) on the other hand argued that the application of SLO is more about reducing opposition to the industry than it is about engagement for long term development. Either way, it is clear that the acceptance and approval from stakeholders cannot be achieved without strong engagement initiatives (Parsons & Moffat, 2014; Hall, 2014b). A study carried out by Heikkinen et al. (2016) on the challenges of acquiring a SLO saw one of the study participants commenting that SLO "is all about good communication, and more importantly a dialogue between parties", indicating the fundamental importance of engagement (p 406). Boutilier et al. (2012) suggests that the level of SLO can rise and fall throughout the lifecycle of a project, therefore, ongoing engagement is necessary, as is the level of engagement provided. To conclude, it is important for a company to engage in open dialogue around joint decision-making with community members and other stakeholders in regards to the level of acceptance for projects throughout any stage of the project lifecycle (Parsons & Moffat, 2014; Hall, 2014b; Costanza, 2016).

2.11 Chapter Summary

The review of the SLO literature has focussed on the evolution of SLO, from its emergence as a metaphorical concept to one that is more theoretically developed, which sought to respond to the challenges faced by mining and other sectors and has become strongly embraced across a large number of industries. This literature review has also established that the majority of the academic studies and literature on SLO has been conducted in Australia, Canada and North America. While there is a growing internationalisation of the international literature, New Zealand based research is underrepresented. Nevertheless, it is evident that New Zealand companies and organisations have adopted the term and are now using it within annual reports and industry reports, but this has not yet simulated a corresponding growth in the academic literature from New Zealand researchers. One contribution that stood out within the New Zealand context was the NZSBC's (2013) SLO paper. This document highlighted five of their 73 members as successfully practicing SLO (NZSBC, 2013). These companies' included Rio Tinto, Nestle, Meridian, Westpac and Unilever, although it did not go into further discussion with respect to the application of the SLO concept by the other 68 member companies. Therefore, the analysis of SLO's basic features will be necessary in order to determine how the NZSBC membership are publicly expressing their SLO strategies and initiatives.

3. METHODS

3.1 Introduction

This chapter presents the research method that was used to determine how SLO is represented by companies in New Zealand. This was undertaken by conducting a content analysis using a census of New Zealand's Sustainable Business Council (NZSBC) members. As discussed in the previous chapter, SLO was introduced into the public realm as something of a 'buzz' term within the mining industry. However, the concept of SLO has since gained acclaim within wider business practice and academic publications, with the likes of Corvellec (2007), Thomson and Boutilier (2011), Moffat and Zhang (2013), and Hall and Jeanneret (2015) leading the conversation surrounding SLO (Bice & Moffat, 2014; Nelsen, 2006). While there is a wealth of literature concerning SLO, there has been a lack of systematic analysis with most reviews instead undertaken thematically. For example, the systematic literature reviews conducted as part of the literature reviews of Cui, Jo and Velasquez (2015) and Bice (2014) were the only academic publications that have employed a content analysis approach and they were both narrow in scope and also failed to provide sufficient information to readers of the nature of their reviews so that they could be replicated. Therefore, this thesis aims to conduct a thorough content analysis concerning the representation of SLO across different industries as part of its examination of NZSBC members use of SLO.

As the previous chapter indicated, there are limited academic publications on SLO in the context of New Zealand. Although all three SLO academic publications in New Zealand (Gunningham et al. 2005; Ruckstuhl et al. 2014; Edwards & Trafford 2016), indicated the importance of undertaking further research on SLO in New Zealand.

This chapter commences with a discussion of the methods used in the wider SLO literature (see Chapter Two). This will highlight the methods that have previously been used in other SLO studies, as well as where the studies were conducted and the type of data set that was used. The sample design and data collection methods for a census study of the NZSBC members will then be considered, before drawing attention to how the content analysis was carried out. The chapter concludes with a discussion of ethical considerations and a chapter summary.

3.2 Methods Used in Previous Studies

The systematic and thematic reviews carried out in the previous chapter established significant themes that emerged from the set of SLO papers that were included for the final revision (see Table 2.1). To contextualise the approach taken in this study, Table 3.1 was created to highlight the different

methods employed within each of the respective papers included in the systematic review (See Figure 2.1). Table 3.1 establishes the data sample used in each study, as well as the industry and countries/regions the study primarily refers to. The table is then broken down into the individual methods that each study employees. Through presenting the methods in this manner, the frequency of methods used within SLO studies becomes clear. The main methods represented in Table 3.1 include in-depth interview, comparative analysis, semi structured interviews, discourse analysis, secondary data, field studies, case studies, surveys and content analysis/document analysis.

In addition, the industry and country of the study specified in Table 3.1 highlights a significant aspect of the employment of SLO. The sectors studied are further broken down in Table 3.2, with the number of studies within each sector being represented, using the Australian and New Zealand Standard Industrial Classification (ANZSIC) sector categories. Table 3.2 clearly indicates that mining is the most prominent industry studied, with 32 individual studies, while the next most prominent industry, Electricity, Gas, Water and Waste Services had 11 studies carried out in the sector. Therefore, the Mining sector accounts for 57% of all the publications analysed in the systematic analysis. Interestingly, the table indicates that Hall, Lacey, Carr-Cornish and Dowd (2015) and Edwards and Trafford (2016) are the only studies to date that have included a cross sectoral dimension, despite the notion of SLO being widely embraced across industry practices. Furthermore, Table 3.1 also indicates that there are no longitudinal studies that have been carried out in the SLO literature, alluding to SLO's brief history within academic literature.

Table 3.3 highlights which countries are most commonly represented in the SLO studies. As may perhaps be expected given the emphasis on extractive industries, the results in Table 3.3 are similar to those presented in Table 3.2 with Australia being represented in 27 SLO studies, while the USA and Canada are the next most represented countries with five SLO studies each.

The information presented in Table 3.1, Table 3.2 and Table 3.3 allows SLO to be understood more broadly. Table 3.1, Table 3.2 and Table 3.3 also suggests that there are currently significant gaps within the SLO literature. These include a lack of literature concerning SLO in many parts of the world, but especially Africa, Asia and Oceania (excluding Australia), a minimal number of SLO studies that concentrate on cross industry studies and a gap within the research field that employ a content analysis approach. Therefore, this research aims to study SLO in the context of New Zealand, across a number of industries, using a census of the NZSBC members, through the use of a content analysis.

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Table 3.1: Methods employed in Social Licence to Operate Studies

Author(s) & Publication Date	Type of Industry Studied	Location of Study	Data Sample	IDI	CompA	SSI	DA	SD	Field	Case	Surv	CA	Other
Barrett, Moran & Cote (2010)	Mining	Not disclosed	16 coal mines										✓
Bice (2014)	Religion	USA	Content Analysis of 18 sustainability reports				✓					✓	
Bloor, Sampson, Baker, Walters, Dahlgren, Wadsworth & James (2013).	Shipping	U.K	Two separate case studies		✓					✓			
Brueckner, Durey, Pforr & Mayes (2014)	Mining	Australia	Based on desktop reviews and empirical work. Four case studies used to illustrate SLO						✓				
Boutilier (2014)	Mining	Australia	902 participants at 50 different events										✓
Buhmann (2014)	United Nations Law	Global	N/A									✓	
Corvellec (2007)	Wind Farms	Sweden	Case study							✓			
Costanza (2016)	Mining	Guatemala	Qualitative case study							✓			
Cui, Jo & Velasquez (2015)	Mining	Australia	18 Sustainability			✓	✓					✓	

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			reports. Empirical data set. 11 in-depth interviews			
Dare, Schirmer & Vanclay (2011)	Timber Plantations	Australia	28 Plantation manages and 14 community members		✓	✓
Dare, Schirmer & Vanclay (2014)	Forestry	Canada and Australia	Case studies. Interviewed 25 operational and senior forest managers and 15 community members	✓		✓
Dowd & James (2014)	Carbon Dioxide Capture	Australia	17 individuals affiliated with Carbon Dioxide Capture (CCD) technology and its implications.		✓	
Dowd, Rodriguez & Jeanneret (2015)	Emissions reduction policy	Australia	Scoping review of literature			✓
Edwards & Trafford (2016)	Across different industries	New Zealand	Document Analysis of scholarly literature, industry, government and media			✓ ✓
Franks & Cohen (2012)	Mining	Australia	Interviews		✓	

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Fletcher, Wise, Joll, Hall, Fisher, Harry, Kangas (2016)	Fisheries	Australia	Four case studies	✓		✓	
Gao, Hou, Chen, Barrett, Mallants, Li & Liu (2016)	Mining	Australia	Case study			✓	
Garvie, & Shaw (2016)	Gas	Canada	15 In-depth interviews	✓		✓	✓
Gjølborg (2009)	CSR Performance and Globalisation	Global	Western, advanced, industrialised democracies.	✓			
Gordon, Lockwood, Schirmer, Vanclay & Hanson (2013)	Forestry	Australia	Two case studies and 19 interviews		✓	✓	✓
Gunningham, Kagan & Thornton (2004)	Pulp and Paper Manufacturing	USA, Canada, Australia and New Zealand	14 facilities that use a single production technology. Interviewed managers, officials in corporate headquarters, regulators and environmental activists		✓		
Gunningham, Thornton & Kagan (2005)	Electroplating and Chemical Industries	USA	Interviewed industrial facility managers from 35 chemical	✓			

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			and electroplating companies. Also drawing on data from an earlier study that surveyed 233 firms		
Hall & Jeanneret (2015)	Wind Industry	Australia	18 wind farm industry representatives responsible for stakeholder engagement	✓	
Hall (2014a)	Wind Industry	Australia	18 Interviews with large scale commercial wind farm developers, community owned wind farms and the wind industries main association were the primary data source	✓	✓
Hall (2014b)	Wind Industry	Australia	27 interviews with representatives from wind development companies,	✓	

			local government, community members and several other representatives from wind farms from New South Wales, Victoria and South Australia, at a variety of different stages of development and sizes		
Hall (2016) Hall, Lacey, Carr-Cornish & Dowd (2015)	Mining, wind, carbon dioxide capture and storage and geothermal companies	Australia	56 industry representatives from 35 mining, wind, carbon dioxide capture and storage and geothermal companies.	✓	✓
Henisz, Dorobantu & Nartey (2014)	Gold Mining	20 countries, although primarily focuses on Canada	Panel data on 26 gold mines, owned by 19 publicly traded firms and 50,000 stakeholder events.		✓

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Holley & Mitcham (2016)	Mining	USA	Case study of Pebble Dialogue.					✓	
Idemudia (2009)	Oil	Niger Delta, Nigeria	Two separate fishing communities that host oil companies		✓			✓	
Jijelava & Vanclay (2014)	Humanitarian Aid	Georgia	3 focus groups					✓	✓ Focus Groups
Koivurova, Buanes, Riabova, Didyk, Ejdemo & Poelzer (2015)	Mining	Norway, Russia, Finland and Sweden	8 case studies, two from each specified country. Interviewed local people, company and political representatives.		✓	✓		✓	
Kraisornsuthasinee & Swierczek (2009)	Evidence of CSR in Thailand	Thailand	11 informant companies	✓		✓			
Langbroek & Vanclay (2012)	Wind Farm	Netherlands	Observations and interviews for a case study		✓		✓		✓
Lyytimäki & Peltonen (2016)	Mining and Tourism	Finland	Case study					✓	
Martinez & Franks (2014)	Mining	Chile	38 interviews		✓				✓
Mason, Paxton, Parr & Boughen (2010)	Mining	Australia	50 organisations were interviewed, of which 31		✓				✓ Focus groups

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Mason, Paxton, Parsons, Parr & Moffat (2014)	Mining	Australia	agreed to being involved in the study. 6 Workshops, 47 participants					✓ Workshops
Mayes (2015)	Mining	Australia	Case study of Billiton's Ravensthorpe Nickel Operation (BRNO). Over 120 face-to-face semi-structured and in-depth interviews were conducted	✓	✓		✓	
Mayes & Chang (2014).	Mining	Thailand	Case Study				✓	✓ Ethnography
McIntyre, Murphy & Sirsly (2015)	NA	South Africa	12,000 employees of from an impoverished township				✓	
McLellan & Corder (2013)	Mining	Undisclosed	2 Case Studies				✓	
Melé & Armengou (2016)	Implementation of a rail tunnel	Spain	Case study			✓	✓	
Michell & McManus (2013).	Mining	Australia	29 Interviews		✓			✓
Moffat & Zhang (2014)	Mining	Australia	123 local residents who lived in an area				✓	✓ Longitudinal Study

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Moran Lodhia, Kunz & Huisingh (2014)	Mining	Australia	affected by the coal seam gas operations. Introduction to a journal special issue					
Nelsen (2007)	Mining	Australia	SLO survey was given to industry participants			✓		✓
Paragreen & Woodley (2013)	Coal Seam Gas Industry.	Australia				✓		✓
Parsons & Moffat (2014)	Mining	Australia	19 member companies of International Council on Mining and Metals. Use 62 sustainable development reports. Presentation slides from 40 speakers and the 35 published abstracts	✓				
Parsons, Lacey, & Moffat, (2014)	Mining	Australia	16 Interviews	✓				
Prno (2013)	Mining	USA, Canada, Peru and Papua New Guinea	Four cases were investigated. Red Dog Mine in Alaska, Minto Mine,			✓		✓

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			Canada; Tambogrande Mine in Peru, and Ok Tedi Mine in Papua New Guinea				
Prno & Slocombe (2012)	Mining	Canada	An area of Northern Canada.		✓		
Richert, Rogers & Burton (2015)	Oil and Gas	Australia	Case Study			✓	✓
Ruckstuhl, Thompson- Fawcett & Rae (2014)	Mining and Indigenous people	New Zealand	Document Analysis		✓		
Smits, Justinussen & Bertelsen (2016)	Energy	Iceland, Faroe Islands and Greenland	3 Case Studies	✓		✓	✓
Tarras-Wahberg (2014)	Mining	Sweden	Database of 146 valid mining concessions and 13 operating mines in Sweden.			✓	
Tixer (2000)	Public Relations	Australia	Undisclosed number of Public Affairs top executives in Australian companies.		✓	✓	✓

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Tuazon, Corder, Powell & Ziemski (2012)	Mining Industry	Australia	Two case studies of mineral processing operations.			✓
van Bets, van Tatenhove, & Mol (2016)	Gas	Norway	Case Study 14 Interviews	✓		✓ ✓
Venter (2014)	Non-Government Organisations	76 International locations.	A large international non-government organisation, Christian Blind Mission.	✓		✓ ✓
Wilson (2015a)	Oil and Gas Industry	Russia	Two oil-producing regions with local indigenous communities, Sakhalin Island and Komi Republic in Russia.	✓		✓
Wilson (2015b)	Mining	Sierra Leone	55 interviews from government officials, development organisational personnel, traditional leaders, youth and elderly of	✓	✓	

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Wilson (2015)	Mining	Sierra Leone	the mining communities of Tankoro Chiefdom, Kono District and Imperi Chiefdom in Bonthe District.	✓	✓
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Key:

- IDI In-depth Interview
- CompA Comparative Analysis
- SSI Semi Structured Interviews
- DA Discourse Analysis
- SD Secondary Data
- Field Field Study
- Case Case Study
- Surv Survey
- CA Content Analysis/document analysis

Table 3.2: Break Down of ANZSIC Sectors Represented in Studies

Industry and Sectoral Studies	Number of Studies
Agriculture, Forestry & Fishing	4
Mining	32
Manufacturing	4
Electricity, Gas & Water Services	11
Construction	
Wholesale Trade	
Retail Trade & Accommodation	1
Transport, Postal & Warehousing	2
Information, Media & Telecommunication	1
Financial & Insurance Services	
Rental, Hiring & Real Estate Services	
Professional, Scientific, Administrative & Support Services	
Public, Administration & Safety	
Education & Training	
Health Care & Social Assistance	
Arts, Recreation & Other Services	1
Non Industry Sector*	7
Across a number of industries	2

* Non-Government Organisation, Indigenous People, Evidence of CSR in Thailand, CSR performance and globalisation, United Nations Law, Humanitarian Aid

Source: Derived from ANZSIC (2016).

Table 3.3: Break down of countries represented in SLO studies

Country Studied	Number of SLO Studies conducted
Australia	27
USA	5
Canada	5
Global	4
New Zealand	3
Sweden	3
Location not disclosed	2
Norway	2
Russia	2
Finland	2
Thailand	2
UK	1
Guatemala	1
Nigeria	1
Georgia	1
Spain	1
Netherlands	1
Chile	1
South Africa	1
Peru	1
Papua New Guinea	1
Iceland	1
Faroe Islands	1
Greenland	1
Sierra Leone	1

3.3 Sample Design

A census study of NZSBC's 65 members is employed for this research. The decision to use a census approach was established on the grounds that the NZSBC data sample is not large enough to utilise a random sampling method and that the NZSBC is a collection of companies that are meant to have similar values, yet occupy different sectors and industries in New Zealand. The NZSBC's large representation of different industrial sectors in New Zealand will add breadth to the discussion of how SLO is represented in the context of New Zealand. Chapter Two also indicated that the NZSBC had strongly advocated for the notion of SLO, further strengthening the decision to conduct a census study on the council.

The NZSBC membership was chosen for several other reasons. First, member's commitments to the NZSBC indicates that they are required to produce either a sustainability report, integrated report or public account that must disclose the member's progress on environmental, social and economic performance (NZSBC, 2016c). Secondly, businesses are required to apply for their membership, indicating their willingness to practice a level of sustainable business that is advocated by the NZSBC. Thirdly, the decision to conduct a census of the NZSBC members was further supported as a reliable dataset because the group of businesses is preselected by the council, rather than the researcher actively seeking a variety of companies and industries across New Zealand. This helps prevent any biases in the selection of companies and ensures that the companies and industries most willing to be recognised for their sustainability are included within the research. However, it must be noted that while this study is employing a census method, it has been decided that the strategic NZSBC members will not be included. The strategic partner members "are organisations that have aligned objectives that [they] co-invest financially with to achieve more through working together", while they play a significant role within NZSBC their membership is not paid for, nor do they have to meet the same pre requirements as the other NZSBC members (NZSBC, 2016).

Lastly, the NZSBC published a paper in 2013 that set out to establish what SLO was (NZSBC, 2013) and the council has undertaken a number of activities in relation to SLO. This indicates that the Council is actively aware of SLO and what their members are doing in relation to practicing a level of SLO.

3.4 Data Collection

This study employs content analysis as the data collection method. A content analysis has been recognised as the most appropriate method to use in order to achieve the research goal, which was to determine how SLO is represented by companies in the context of New Zealand.

The data collection for the content analysis took place over the months of November and December 2016, with all publicly available annual reports, sustainability reports and website content being collected from the census of NZSBC members. Reporting material was identified as an appropriate data set because the NZSBC's (2013) SLO definition emphasised the importance of external reporting, indicating that the NZSBC members would acknowledge the importance of reporting on SLO practices in their external reporting material. The NZSBC members are presented in Table 3.5 which further indicates what sectors each company is actively involved with. The sectors recognised in this study were drawn from the ANZSIC, which was developed by Statistics New Zealand and the Australian Bureau of Statistics in order to reflect the structure of Australia and New Zealand industries and improve the comparability with other countries statistics and are presented in Table 3.4 (ANZSIC, 2006). Table 3.5 also established what sectors each NZSBC member is actively involved in and whether they are publically listed, as well as recognising what reporting material was accessed for the purpose of this study. The final column in Table 3.5 indicates whether any of the NZSBC members used the SLO term within any of their reports, or online content.

This research depended on Internet searches to draw on business information that was accessible within the public domain. There was no personal information of a sensitive nature gathered for the purpose of this study, nor were there any breaches of businesses privacy carried out, as all the information was readily accessible to the general public and located within the public domain.

Table 3.4: New Zealand Sectors

ANZSIC Sectors
Agriculture, Forestry and Fishing
Mining
Manufacturing
Electricity, Gas and Water Services
Construction
Wholesale Trade
Retail trade and Accommodation
Transport, Postal and Warehousing
Information, Media and Telecommunication
Financial and Insurance Services
Rental, Hiring and Real Estate Services
Professional, Scientific, Technical, Administrative and Support Services
Public Administration and Safety
Education and Training
Health Care and Social Assistance
Arts, Recreation and Other Services

Source: Derived from ANZSIC (2016).

Table 3.5: New Zealand Sustainable Business Council Members

Sustainable Business Council Member	Sector	Public	Annual Report	Website	CSR/SD	Direct use of SLO
1. 3R Group Ltd	Electricity, Gas, Water and Waste Services			✓	✓	
2. 4 Sight Consulting	Electricity, Gas, Water and Waste Services			✓		
3. AECOM	Electricity, Gas, Water and Waste Services; Construction			✓	✓	
4. Air New Zealand	Transport, Postal and Warehousing	✓	✓	✓	✓	
5. Anderson Lloyd	Professional, Scientific, Technical, Administrative and Support Services			✓		
6. Apparelmaster	Rental, Hiring and Real Estate Services			✓		
7. Auckland Airport	Transport, Postal and Warehousing	✓	✓	✓	✓	
8. Bathurst Resources Ltd	Mining	✓	✓	✓		
9. Beca	Arts, Recreation and Other Services		✓	✓	✓	
10. BMW	Retail Trade and Accommodation					
11. BNZ	Financial and Insurance Services			✓		
12. BRANZ	Arts, Recreation and Other Services; Consulting		✓			
13. Catapult	Arts, Recreation and Other Services			✓		
14. CODA	Transport, Postal and Warehousing			✓		
15. Contact Energy	Electricity, Gas, Water and Waste Services	✓	✓	✓		
16. Countdown	Retail Trade and Accommodation			✓	✓	
17. DB Breweries	Manufacturing; Retail Trade and Accommodation			✓	✓	
18. Deloitte	Financial and Insurance Services			✓		
19. Downer	Construction	✓	✓	✓	✓	
20. Eco Store	Retail Trade and Accommodation				✓	
21. Energy and Technical Services	Electricity, Gas, Water and Waste Services			✓		
22. Energy Solutions Providers	Electricity, Gas, Water and Waste Services			✓		
23. Enviro-Mark Solutions	Professional, Scientific, Technical,			✓		

24. ERM	Administrative and Support Services Professional, Scientific, Technical, Administrative and Support Services		✓	✓	✓	
25. Ernst and Young	Financial and Insurance Services					
26. Fletcher Building	Construction	✓	✓	✓		✓
27. Flicker Electrical Co	Electricity, Gas, Water and Waste Services			✓		
28. Fonterra	Retail Trade and Accommodation; Manufacturing	✓	✓	✓		
29. Fujitsu	Manufacturing			✓		
30. Fuji Xerox	Manufacturing			✓		✓
31. Fulton Hogan	Construction			✓		
32. Golder Associates	Professional, Scientific, Technical, Administrative and Support Services					
33. IAG	Financial and Insurance Services			✓		
34. Kiwi Rail	Transport, Postal and Warehousing	✓	✓	✓		✓
35. L'Oréal	Retail Trade and Accommodation			✓		
36. Land Care research New Zealand	Arts, Recreation and Other Services		✓	✓		
37. Lion	Manufacturing; Retail Trade and Accommodation			✓		✓
38. Meridian	Electricity, Gas, Water and Waste Services	✓	✓	✓		✓
39. Mercury	Electricity, Gas, Water and Waste Services	✓	✓	✓		
40. Moana	Agriculture, Forestry and Fishing		✓	✓		
41. Ngāi Tahu Holdings Group	Financial and Insurance Services; Rental, Hiring and Real Estate Services		✓	✓		
42. New Zealand Post	Transport, Postal and Warehousing		✓	✓		
43. New Zealand Steel	Mining	✓		✓		
44. OCS	Arts, Recreation and Other Services			✓		
45. Office Max	Rental, Hiring and Real Estate Services			✓		
46. OI New Zealand	Manufacturing		✓	✓		
47. OPUS	Electricity, Gas, Water and Waste Services; Construction; Information Media and Telecommunication		✓	✓		✓

48. Ports of Auckland	Transport, Postal and Warehousing	✓	✓	✓		
49. Reputation Matters	Professional, Scientific, Technical, Administrative and Support Services			✓		
50. Sanford	Agriculture, Forestry and Fishing	✓	✓	✓	✓	✓
51. Shell	Mining; Electricity, Gas, Water and Waste Services			✓		
52. Siemens	Electricity, Gas, Water and Waste Services; Financial and Insurance Services; Public Administration and Safety					
53. Silver Fern Farms	Agriculture, Forestry and Fishing; Wholesale Trade		✓	✓		
54. Sky City	Retail Trade and Accommodation; Arts, Recreation and Other Services	✓	✓	✓		✓
55. SLR Consulting	Professional, Scientific, Technical, Administrative and Support Services					
56. Terra Moana	Agriculture, Forestry and Fishing			✓		
57. The Warehouse Group	Retail Trade and Accommodation	✓	✓	✓		
58. Thinkstep New Zealand	Construction; Mining; Manufacturing; Public Administration and Safety			✓		
59. Toyota	Wholesale Trade; Retail Trade and Accommodation			✓	✓	
60. Vector	Electricity, Gas, Water and Waste Services		✓	✓		
61. Vodafone	Information Media and Telecommunications	✓		✓		
62. Wellington Zoo	Arts, Recreation and Other Services		✓	✓		
63. Westpac New Zealand	Financial and Insurance Services	✓	✓	✓	✓	
64. Wright Communications	Professional, Scientific, Technical, Administrative and Support Services					
65. Z Energy	Mining	✓	✓	✓		

3.5 Content Analysis

As detailed in Table 3.1, there are few academic publications that have focused on SLO by conducting a content analysis. While it is clear that majority of SLO studies have been approached using case studies or interviews, it is also important to consider SLO using content analysis. While not commonly used for SLO studies, content analysis is an appropriate method to employ for this research, as the data being analysed includes a great deal of textual material from sustainability reports, annual reports and online information that must be systematically evaluated in order to answer the research question that looks at how SLO is represented by companies in New Zealand. The reporting material analysed for this research were the most recent publications from each of the 65 NZSBC members, ensuring that only the most recent practices were being documented in the content analysis.

3.5.1 What is a Content Analysis?

A content analysis approach is “an observational research method that is used to systematically evaluate the actual and symbolic content of all forms of recorded communication” that is an unobstructed or non-reactive method of social research (Hall & Valentin, 2005 p 91; Prasad, 2008). Stemler (2001 p 1) further defined the content analysis approach as a “systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding”.

Three basic principles of a content analysis research method, derived from Prasad (2008) will be applied to this study. These are, objectivity, where the analysis is pursued on the basis of explicit rules; systematic, which is the inclusion or exclusion of content is carried out according to consistent rules; and generalisability, ensuring the results obtained through the research can be applied to other similar situations and research (Prasad, 2008).

Content analysis has been regularly employed within the context of CSR, as a preferred research method. These include a diverse range of papers, for example Dahlsrud (2008) focused on the CSR definition, while Kennedy Nyahunzvi’s (2013) studied CSR reporting in the context of hotels in Zimbabwe and Lock and Seele (2016) determined the credibility of CSR reports in Europe. These papers illustrate that CSR research has frequently used the content analysis method to investigate varying aspects of CSR media, however, the SLO literature is not consistent with this trend.

As noted in Table 3.1, there have only been two content analysis papers carried out in the SLO literature. While the notion of SLO has become heavily embedded within industry practice, the

literature review established that SLO has taken longer to establish itself within the academic literature, therefore, there are many aspects of research that are yet to be investigated. As it is now evident that SLO has secured itself within the public realm, a content analysis is an appropriate research method to analyse how SLO is represented in the context of New Zealand.

3.5.2 Content Analysis Attributes

First and foremost, the content analysis sought to identify a total of 11 SLO engagement attributes and 11 SLO outcome attributes within the annual reports, sustainability reports and website content of the NZSBC members. The outcome attributes are split into two groups of environmental and non-environmental attributes, while the 11 engagement attributes are presented in the one table.

Table 3.6 and Table 3.7 establish the attributes associated with the environmental and non-environmental outcomes of a SLO practice, where a company and stakeholders of interest authorise a project to go ahead as a result of the SLO attribute. The attributes included in Table 3.6 and Table 3.7 are derived from Table 2.1's operationalisation of SLO column, which indicates what words and implementation strategies are represented in all of the SLO papers that are included in the systematic review, additional attributes with respect to stakeholder engagement and communication were drawn from AccountAbility (2015). Interestingly, the AccountAbility (2015) stakeholder standard technical committee included the sustainability manager of the Westpac Group, whose New Zealand division is a member of NZSBC. Furthermore, Table 3.6 brings attention to the environmental attributes that were searched for as part of the analysis of the NZSBC members and a description of the attribute's characteristics, whereas Table 3.7 establishes the non-environmental attributes and their characteristics.

Table 3.6: Social Licence to Operate Environmental Outcome Attributes

Key Attribute	Characteristics
Cleanliness	Ensuring a level of tidiness for the businesses belongings
Pollution control	Business is taking the initiative to decrease the level of pollution they create
Recycling	Incorporate recycling practices within the business
Waste management	Consciously making an effort to manage the businesses waste
Water conservation	Consciously making an effort to manage the businesses water use

Note: Table was derived from the operationalisation column of Table 2.1, with further material drawn from AccountAbility (2015).

Table 3.7: Social Licence to Operate Non-Environmental Outcome Attributes

Key Attribute	Characteristics
Charitable donations Community welfare	Voluntary giving money towards a cause Activities aimed at improving the social wellbeing of people within a community
Grants and Sponsorship	Transfer of funds from the sponsor to another group for a particular purpose
Volunteering	Freely offering time to do something
Improved production processes	Ensuring that the businesses practices are efficient and meet modern standards
Safety	Business recognises their responsibility to practice a high level of safety

Note: Table was derived from the operationalisation column of Table 2.1, with further material drawn from AccountAbility (2015).

In addition, Table 3.8 focuses on the processes of engagement associated with SLO, recognising the level of collaboration between companies and the wider community stakeholders. The attributes outlined in Table 3.8 isolates the individual processes that collectively contribute to a SLO outcome. The attributes included in Table 3.8 are derived from AccountAbility (2015), as well as the wider SLO literature that suggests the importance of expressing a level of engagement when implementing a SLO strategy (Holley & Mitcham, 2016; Dare et al., 2014; Hall, 2014). Table 3.8 determines the level of engagement against the characteristics of engagement and the methods employed for the engagement technique.

Table 3.8: Social Licence to Operate Engagement Attributes

Level of Engagement	Characteristics	Methods
Passive	No active communication	<ul style="list-style-type: none"> • Stakeholder concern expressed through protest • Letters • Media • Websites
Monitor	One-way communication: between stakeholder and organisation	<ul style="list-style-type: none"> • Media and Internet tracking • Second-hand reports from other stakeholders possibly via targeted interviews.
Advocate	One-way communication: between stakeholder and organisation	<ul style="list-style-type: none"> • Pressure on regulatory bodies • Other advocacy efforts through social media • Lobbying efforts
Inform	One-way communication between organisation and stakeholder, there is no invitation to reply	<ul style="list-style-type: none"> • Bulletins and letters • Brochures • Reports and websites • Speeches, conference and public presentations
Transact	Limited two-way engagement: setting and monitoring performance according to terms of contract	<ul style="list-style-type: none"> • ‘Public- Private partnerships’ • Private Finance Initiatives • Grant-making • Cause-related marketing.
Consult	Limited two-way engagement: organisation asks questions, stakeholders answer	<ul style="list-style-type: none"> • Surveys • Focus groups • Meetings with selected stakeholder/s • Public meetings • Workshops
Negotiate	Limited two-way engagement: discuss a specific issue or range of issues with the objective of reaching consensus	<ul style="list-style-type: none"> • Collective bargaining with workers through their trade unions
Involve	Two-way or multi-way engagement: learning on all sides but stakeholders and organisation act independently	<ul style="list-style-type: none"> • Multi-stakeholder forums • Advisory panels • Consensus building processes • Participatory decision-making processes • Focus groups • Online engagement tools
Collaborate	Two-way or multi-way engagement: joint learning, decision making and actions	<ul style="list-style-type: none"> • Joint projects • Joint ventures • Partnerships • Multi-stakeholder initiatives • Online collaborative platforms
Empower	New forms of accountability; decisions delegated to stakeholders; stakeholders play a role in shaping organisational agendas	<ul style="list-style-type: none"> • Integration of stakeholders into governance, strategy and operations of the organisation/project

Source: Derived from AccountAbility (2015).

These attributes were categorised using Microsoft Excel to ensure consistency when coding and analysing the data set. The data collection for Table 3.4 and Table 3.5 were created concurrently, ensuring that the textual material that was analysed as part of the content analysis was treated consistently and efficiently.

3.5.3 Coding

The census of NZSBC members were alphabetically listed in the separate engagement and outcome tables that were created using Microsoft Word (see Table 4.1, Table 4.4, Table 4.6). The SLO outcome attributes were deliberately separated into two tables, with one that concentrated on the environmental attributes, while the other table focused on the non-environmental attributes.

Organising the NZSBC members in an alphabetic manner ensured that a consistent system for collecting the data was implemented from the beginning and that every publicly accessible annual report, sustainability report and all relevant online material was included in the data collection.

The attributes derived from AccountAbility (2015) were then categorised into headings for the engagement table (see Table 4.1). The same approach was taken for the headings of the outcome attributes, although the outcome attributes were established from the analysis carried out in Chapter Two. These tables created a simple and efficient platform to categorise and code the census of NZSBC member's data in, as well as generating a detailed analysis of the NZSBC member's representation of SLO.

While all the attributes for the engagement table were consistent with those proposed in AccountAbility (2015), a small pilot of the data collection saw the need to separate the "collaboration" attribute into "Commercial Collaboration" and "Social Collaboration". This category separation was necessary as it became apparent that businesses were establishing partnerships with other companies for a commercial purpose, while others were becoming involved in partnerships that were driven by a social purpose and therefore, indicated that businesses partnerships were established for financial purposes or the notion of "doing good".

A column titled "Global" was also included within the Table 4.5 to indicate what NZSBC members were owned and operated outside of New Zealand. This was important to include because some of the reports and online information that was analysed did not consider New Zealand and instead reported on their practices more widely, making it difficult to determine what was relevant to their business practices in New Zealand.

All the relevant reports and online material were then methodically analysed, with the relevant representation of the SLO engagement and outcome attributes being coded in the table through the use of an indication mark and a small description of the attribute identified. The same approach was taken for all analysed material for both tables, with consistency being practiced throughout the coding process to ensure the data was of a high quality and reliable when it came to the analysis.

3.6 Analysis

The coded data was then presented in the engagement and outcome tables, with an indication mark being placed for each company that had actively practiced the concerned attribute (see Chapter Four). These tables were created using Microsoft Word to ensure that the data could be analysed in a straightforward manner. Once the data coding for the engagement and outcome tables was completed, the tables were then printed out onto hardcopy, allowing for visual and manual analysis of the data to take place.

The analysis was manually conducted via a reading of papers as well as use of the word search function, with the three separate tables being printed out and then the total number of identified attributes that companies reported as using in their media being tallied. This enabled themes to emerge on what SLO looked like for each company, attribute and NZSBC members overall.

Subsequently, a second group of tables was created to determine how SLO was represented by each sector. A similar approach was taken to the first set of tables, with an environmental outcomes table, non-environmental table and engagement table being created. This second group of tables were arranged in a similar manner to the first group of tables, although were depicted with the different industrial sectors down the left hand column and the attributes headed along the top of the table. The number of identified attributes then also being calculated as a percentage of companies by sector. Some of the NZSBC members were identified as practicing in more than one sector, therefore their results were accounted for in the average percentages of each of the sectors to which they undertook business. This second group of tables were separated into sectors in order to determine what sector performed the best and to further establish how SLO was represented in the context of New Zealand business sectors.

3.7 Content Analysis and Coding

The content analysis carried out to determine how SLO is represented in the context of New Zealand included a census data set of the 65 NZSBC members. Once the census of NZSBC members was determined, annual reports, sustainability reports and relevant online content for each member was then collected, establishing the set of data that would be analysed as part of the content analysis. Reporting material was collected for each of the NZSBC members, although some of the members did not offer publicly accessible reporting material, the accessible reports used for the content analysis are portrayed in Table 3.5, creating a representation of the NZSBC members that had reliable reporting material.

3.8 Ethical Considerations

This research did not require ethics approval by the University of Canterbury ethics committee, although the research was carried out in an ethical manner, using publically accessible reporting material that was provided on each of the 65 NZSBC member's online platforms. No known bias was established towards any of the NZSBC members or a specific sectors, ensuring that as much as possible all of the reporting material was consistently treated.

3.9 Chapter Summary

This chapter discusses the content analysis method employed for this thesis. The chapter first examined the different methods employed in other SLO studies that were identified through the systematic review carried out in Chapter Two. The analysis of other SLO studies indicated that interviews and case study methodologies were the preferred method used in SLO literature, however a lack of SLO studies that employed a content analysis approach was identified, supporting the value of conducting a content analysis on SLO. The sample design was then discussed, which provided the reasons for choosing to conduct a content analysis on the census of NZSBC members reporting material. Next, the data collection method was explained, followed by a description of what a content analysis is and what attributes were chosen to be identified through the content analysis. Finally, the analysis tables were explained, along with a discussion of the content analysis and coding and a description of the data analysis and ethical considerations. The next chapter provides an overview of the findings from the data analysis and a discussion of the key findings and relations to the literature

4. FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the results of the content analysis of the annual reports, sustainability reports and online content of the 65 NZSBC members. The content analysis carried out in this research was conducted in order to determine how SLO is represented in New Zealand. Therefore, the annual reports, sustainability reports and online content from the census of 65 NZSBC members were analysed through the lens of three separate divisions that portray different aspects of SLO. Following a review of the results the chapter then presents a discussion of the major research findings as well as additional findings that link back to the literature covered in Chapter Two.

4.2 Census Size

As mentioned in Chapter Three, the census data used for this study was collected over November and December 2016. Initially the census included 77 organisations listed on the NZSBC membership site, however 12 of the 77 members were strategic partners, primarily from the government and tertiary education sectors. Therefore, the decision was made to exclude the strategic partners from the census data set, resulting in a final census size of 65 full NZSBC members.

A census of the NZSBC members was recognised as an appropriate data sample in Chapter Three because it was not large enough to implement a random sampling method. Moreover a complete enumeration of data validates for the possibility of misreported data or, in the case of this research, an uneven number of companies per sector and the possibility of the NZSBC members not reporting on their practices in the reports and online material analysed.

The 65 NZSBC members were categorised into sectors using the ANZSIC categories, with 15 of the 16 sectors represented by members of the NZSBC. Education and Training was the only sector that was not included within the NZSBC, although it must be noted that the Education and Training sector was recognised in the strategic partners, which were not included in the final census. There were several members that had associations with more than one sector. Therefore, the companies that are affiliated with two or more sectors have been included in some of the statistical analyses more than once and are identified where appropriate.

4.3 Outcome Attributes

Table 2.1 identified a number of operationalisation methods of SLO that were identified in the systematic review. The operations disclosed in the operationalisation column were then interpreted as outcomes of SLO and consolidated into two short lists of SLO outcome attributes, environmental (see Table 3.6) and non-environmental (see Table 3.7). Thereby recognising some of the different concerns with respect to SLO discussed in the literature.

4.3.1 Environmental Outcome Attributes

Cleanliness, pollution control, recycling, waste management and water conservation were the five environmental outcome attributes derived from the operationalisation column in Table 2.1. These five attributes were used to establish the criteria for Table 4.1, which were then considered when analysing the reporting material for the 65 NZSBC members.

4.3.1.1 Environmental Outcomes Categories

Thirty-six of the 65 NZSBC members (55.4%) had indicated in their annual reports, sustainability reports or online content that their business practiced some level of pollution control. The majority of the companies that stated they were engaging in pollution control were also acting to reduce carbon emissions through the likes of CarboNZero certification. The CarboNZero programme is an internationally accredited greenhouse gas certification scheme, which helps companies offset their emissions through verified carbon credits in order to achieve a net zero balance (Ecotricity, 2017). The analysis indicated that one of the NZSBC members, Thinksteps New Zealand, has the ability to authorise and award companies with the certificate. NZSBC's association with a CarboNZero certifier and the significant number of NZSBC members with CarboNZero certification is therefore not a coincidence, with NZSBC further commenting that they foster an environment for collaborating on business solutions and enable their members to be leaders in sustainable practice (2016c). The other environmental attributes have a significantly lower representation in company reporting than pollution control, although there is nothing in the literature to suggest that these attributes are any less significant. The findings for the other environmental attributes indicated that a quarter of the NZSBC members engaged in recycling and waste management, while only 17% indicated that their company conserved water and 1.5% of the NZSBC members advised that they acted to provide a level of cleanliness.

4.3.1.2 Percentage Averages Per Sector

A second table (Table 4.2) was then established to separate the 65 NZSBC members into their respective sectors that were derived from ANZSIC 2006. Table 4.2 demonstrates the percentage of NZSBC members in each sector that had been active for each environmental SLO category. An additional column and row were added to Table 4.2 to indicate the average percentage per attribute column and the average percentage per sector row. This supplementary column and row were a necessary addition to the table due to the uneven distribution of NZSBC members per sector, with the Electricity, Gas and Water Services sector having 13 NZSBC members, while the Health Care and Social Assistance sector only had one NZSBC member.

The wider SLO literature discussed in Chapter Two and Three illustrates that the SLO concept is discussed more frequently in the mining sector, as opposed to other industries (Table 3.2). The content analysis on the NZSBC members suggested otherwise, with mining being represented as the fourth highest user of SLO environmental operationalisation in New Zealand (Table 4.2). The average percentages per sector column in Table 4.2 confirmed that the manufacturing industry had the highest average of SLO recognition across all of the sectors, with 50% of the NZSBC that were identified in the manufacturing sector being represented by an indication mark for each respective attribute.

The Electricity, Gas & Water Services sector was recognised in the two sectors in Table 3.2, however the findings from Table 4.2 suggest that the Electricity, Gas & Water Services sector is the eighth highest employer of the SLO term out of the 16 ANZSIC sectors (2006). Furthermore, the findings in Table 4.2 also indicate that the only attribute that the electricity, gas and water services sector performed well in was pollution control, with 69.2% of the sector suggesting their association to the attribute in their reporting material.

Table 4.2 established the average percentages for each environmental attribute. The transport, postal and warehousing sector was the highest average percentage for the cleanliness attribute, with 16% of the sector acknowledging associations with the attribute, while the pollution control attribute had a highest average percentage of 83.3% for the manufacturing sector and the transport, postal and warehousing sector. The recycling attribute's highest average percentage was found in the retail trade and accommodation sector with 57% and the manufacturing sector had the highest rate of waste management at 66.6%, lastly the manufacturing sector and the information, media and telecommunication sector equally obtained the highest average per sector for water conservation at 50%.

4.3.1.3 Other Remarks

Of the 65 NZSBC members that were included in the analysis, 3R Group Ltd, Downer and Fletcher Buildings appear to have the highest number of SLO indicators in their reporting (Table 4.1). These three companies had each operationalised four of the five environmental outcome attributes. Both Downer and Fletcher Building are in the construction sector, while 3R Group Ltd is involved with the Electricity, Gas and Water Services. Neither of these sectors were recognised for having the highest percentage of SLO operationalisation for any of the attributes.

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Table 4.1: Environmental Outcome Categories

Companies	Cleanliness	Pollution Control	Categories Recycling	Waste Management	Water Conservation
3R Group Ltd		✓	✓	✓	✓
4 Sight Consulting					
AECOM					
Air New Zealand		✓		✓ Zero Waste	
		Reduce carbon emissions			
Anderson Lloyd		✓	✓	✓	
Apparelmaster		✓	✓	✓	
Auckland Airport		Reduce emissions and use of biofuel			
Bathurst Resources Ltd		✓			
		Emissions			
Beca				✓	✓
BMW					
BNZ		✓	✓		
		Reduce emissions by encouraging employees to use alternative method of transport			
BRANZ					
Catapult					
CODA					
Contact Energy		✓			
Countdown		✓	✓	✓	
		Reducing carbon footprint			
DB Breweries		✓		✓	
		Reducing carbon emissions			
Deloitte					
Downer		✓	✓	✓	✓
		Emissions			
Eco Store					
Energy and Technical Services		✓			
		CarbonNZero certified			
Energy Solutions Providers				✓	✓
Enviro-Mark Solutions		✓			

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		Carbon emissions		
ERM		✓		
Ernst and Young		Measure carbon footprint		Establishing practices / guidelines
Fletcher Building		✓	✓	✓
Flicker Electrical Co		Reduce carbon emissions		
Fonterra			✓	✓
			Milk for Schools Recycling Program	
Fujitsu		✓		
		Reduce emissions		
Fuji Xerox		✓		
		Reduce carbon emissions	Recycle 99.5% of end of live products	Awarded the 2015 Singapore Sustainable Business Award for Waste Management & Materials Productivity
Fulton Hogan				✓
Golder Associates				
IAG				
Kiwi Rail	✓ Clean up signal boxes	✓		
		Reducing carbon emissions		
L'Oréal				
Land Care research New Zealand		✓		
		Reduced carbon emissions; Improved measure of greenhouse gases		
Lion		✓		✓
		Reducing impact on environment		
Meridian		✓		
		Reducing emissions		
Mercury		✓		
		Replacing their vehicle fleet with electric vehicles		
Moana				
Ngāi Tahu Holdings Group		✓	✓	
New Zealand Post		Reducing carbon emissions		

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New Zealand Steel	✓	Upcycling corporate uniforms ✓		✓
	Reducing carbon emissions, improving air & sound quality			
OCS	✓		✓	
Office Max	✓	✓		
OI New Zealand	✓			
OPUS	✓	✓		
Ports of Auckland	Reduce greenhouse gas emissions			
Reputation Matters				
Sanford				
Shell	✓		✓	✓
	Reduce greenhouse gas emissions			
Siemens	✓			
	Carbon neutral programme			
Silver Fern Farms				
Sky City				✓
SLR Consulting	✓			
	Reduce greenhouse gas emissions			
Terra Moana				
The Warehouse Group	✓	✓		
	Reduce greenhouse gas emissions			
Thinkstep New Zealand				
Toyota	✓	✓	✓	
	Reduce greenhouse gas emissions			
Vector	✓			
	Renewable energy			
Vodafone	✓	✓		
	Reducing Emissions			
Wellington Zoo	✓	Mobil Phone Recycling ✓	✓	
	Reducing carbon emissions			
Westpac New Zealand	✓			
	Reducing emissions & environmental footprint			
Wright Communications				

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Z Energy		✓			
		Reducing carbon emissions and biofuel			
Total Indication Marks Per Sector	1	36	18	19	11
Average Number of Companies Recognised Per Category	1.5%	55.4%	27.7%	29.2%	17%

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Table 4.2: Environmental Outcome Categories Sector Percentages

Sectors	Number of Companies	Categories					
		Cleanliness	Pollution Control	Recycling	Waste Management	Water Conservation	Average Percentage Per Sector
Agriculture, Forestry & Fishing	4	0%	0%	0%	0%	25%	5%
Mining	5	0%	80%	40%	20%	20%	32%
Manufacturing	6	0%	83.3%	50%	66.6%	50%	50%
Electricity, Gas & Water Services	13	0%	69.2%	7.7%	23%	15.4%	23%
Construction	7	0%	28.6%	28.6%	57%	42.8%	31.4%
Wholesale Trade	2	0%	50%	50%	50%	0%	30%
Retail Trade & Accommodation	7	0%	57%	57%	57%	28.6%	40%
Transport, Postal & Warehousing	6	16.6%	83.3%	33.3%	16.6%	16.6%	33%
Information, Media & Telecommunication	2	0%	50%	50%	0%	50%	30%
Financial & Insurance Services	7	0%	57%	14.3%	14.3%	14.3%	20%
Rental, Hiring & Real Estate Services	4	0%	50%	25%	50%	25%	30%
Professional, Scientific, Technical, Administrative & Support Services	7	0%	28.6%	0%	0%	0%	5.7%
Public Administration & Safety	1	0%	0%	0%	0%	0%	0%
Education & Training	0	0%	0%	0%	0%	0%	0%
Health Care & Social Assistance	1	0%	100%	0%	0%	0%	20%
Arts, Recreation & Other Services	6	0%	33.3%	16.6%	16.6%	16.6%	16.6%
Average Category Percentage		1%	48%	26.7%	23%	19%	23.5%

4.3.2 Non-Environmental Outcomes Attributes

The six non-environmental outcome SLO attributes have an underlying social purpose (Table 2.1). These are charitable donations, community welfare, grants and sponsorship, volunteering, improved production processes and safety. The six attributes are presented in Table 4.3 and are treated in the same manner as the environmental outcome attributes.

4.3.2.1 Non-Environmental Outcome Categories

37% of the NZSBC members indicated that their company offered grants and sponsorship programmes for their communities, with an additional 29.2% of NZSBC members signifying their involvement in charitable donations. Gupta (2003 p 90) recognises that “sponsorship has become an established communication tool for building brand awareness, brand image and corporate image” and that “sponsorship involved two main activities: an exchange between sponsor and a sponsee whereby the latter receives a fee and the former obtains the right to associate itself with the activity”. This indicates that the NZSBC members that were attributed an indication mark for sponsorship were invested in to two way relationship that Gupta (2003) identified. The other attributes for the non-environmental outcome categories in Table 4.4 were 26% for the improved production processes, while volunteering was acknowledged by 12.3% of members and only 9.2% operationalised a level of community welfare. The percentages represented in the table suggest that majority of the sectors performed highest in operationalising grants and sponsorship, with six of the 16 ANZSIC sector’s highest percentages recognised in the grants and sponsorship sector.

4.3.2.2 Percentage Average Per Sector

Table 4.4 illustrates the average percentage of companies in each sector that were recognised for their operationalisation of the non-environmental SLO attributes. The average sector percentages for the non-environmental attributes (Table 4.4) are not too dissimilar to the findings in the average sector percentages for the environmental attributes. For instance, the manufacturing sector was recognised as the top performing sector again, with an average of 47% of the NZSBC members that were recognised in the manufacturing sector being represented across the six non-environmental attributes. The second highest percentage average per sector for the non-environmental attributes was the construction sector, with 40.5% of the NZSBC members that were a part of this sector operationalising non-environmental SLO attributes.

The highest average percentages per sector for the non-environmental attributes were unevenly spread across the sectors. The retail trade and accommodation sector had the highest average percentage of

NZSBC members reporting undertaking charitable donations, with 71.4%. The financial and insurance services sector and the retail trade and accommodation sector had an average of 28.5% reporting actions on community welfare in their reporting material, which is considerably lower in comparison to the other highest averages. The grants and sponsorship attribute's highest average percentage was the wholesale trade sector, with 100% of the sector's members being represented. The volunteering attribute was also represented by a low highest percentage of 28.6% for the financial and insurance services sector, whereas improved production processes was reported by 83.3% of the manufacturing sector and 85.7% of the construction sector.

4.3.2.3 Other Remarks

Further analysis (Table 4.3) confirmed that Sanford and Beca were the most active NZSBC members in operationalising non-environmental SLO attributes, each representing five of the six attributes. While neither of these NZSBC members were associated with the top performing sector, their annual reports, sustainability reports and online content suggested that they were heavily involved with implementing non-environmental SLO attributes within their companies.

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Table 4.3: Non-Environmental Outcomes Table

Companies	Categories					
	Charitable Donations	Community Welfare	Grants & Sponsorship	Volunteering	Improved Production Processes	Safety
3R Group Ltd 4 Sight Consulting AECOM		✓ Community wellbeing		✓	✓ ✓ ✓	✓ ✓
Air New Zealand	✓ Funding to DoC		✓ Grants, Scholarships and Sponsorship	✓ Volunteering	✓	✓
Anderson Lloyd	✓ Donations to food banks		✓ Sponsor the Fortune Theatre and Otago Art Society			
Apparelmaster Auckland Airport	✓ Donations				✓	
Bathurst Resources Ltd			✓ Scholarships			✓ Focus on zero harm
Beca	✓		✓ Sponsorship	✓ 17 Staff volunteer time to Engineers without Borders	✓	✓ At least one health & safety champion within each section of the company
BMW BNZ			✓	✓ Closed for good initiative		
BRANZ Catapult CODA					✓	
Contact Energy Countdown	✓	✓	✓ Sponsorship		✓ ✓	✓

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DB Breweries	Donations ✓ Donations	✓ Scholarships and Sponsorship to sporting, cultural, charitable & educational activities		✓ Promoting health and safety
Deloitte				
Downer	✓	✓		✓
Eco Store				
Energy and Techniquial Services				
Energy Solutions Providers				
Enviro-Mark Solutions				
ERM				✓
Ernst and Young				
Fletcher Building	✓ Support the Christchurch Arts Festival, Champion Canterbury Business, Auckland Rescue Helicopter Trust and the University of Canterbury Quake Centre	✓ Sponsorship of Auckland Pride Festival		✓
Flicker Electrical Co				
Fonterra	✓ Donating Milk to Schools. Kick Start Breakfast Programme	✓ Grass Roots Fund, supporting projects, ideas & initiatives that bring rural communities together. Offering grants from \$500-\$5000		✓ Food Safety & Health Safety
Fujitsu				
Fuji Xerox		✓ Sponsor sports teams, New Zealand Ballet, New Zealand Opera as well as Westpac Rescue Helicopter, Variety New Zealand, Crimestoppers, Project K, Casper & Breast Cancer Cure	✓ Staff are given two days a year to support community-related & environmental projects	✓ Benchmark products ✓

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Fulton Hogan Golder Associates IAG Kiwi Rail					✓	✓
L'Oréal Land Care Research New Zealand					✓ Committed to initiatives that correspond to their values	✓ Sustainable land use
Lion	✓ Donations	✓ Building sustainable farmer relationships & improving levels of wellbeing				✓ Local sourcing
Meridian				✓ Over \$1.5 million granted towards community projects		✓ Safety
Mercury				✓ Sponsor Starship, Coastguard, Rowing New Zealand, Waikato river trail & Mighty River Domain		
Moana				✓ Sponsor sporting & cultural organisations		
Ngāi Tahu Holdings Group	✓ Donations & funding to community projects	✓ Social development		✓ Scholarships & cadetships		
New Zealand Post New Zealand Steel OCS Office Max						✓
OI New Zealand				✓ Grants Program & Sponsorship ✓ Grants		✓

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OPUS						✓
Ports of Auckland	✓		✓			✓
	Donations to Cure Kids, CanTeen, SHINE, Heart Kids New Zealand, Garden to Table Trust & New Zealand Riding for the Disabled		Sponsor Port of Auckland's Round the Bays run, Ports of Auckland Anniversary Day Regatta & Sponsorship of sports teams			
Reputation Matters Sanford	✓		✓	✓	✓	✓
			Sponsor Foundation for Youth Development			
Shell	✓					✓
Siemens						
Silver Fern Farms			✓			✓
			Premium sponsor for Cooking 4 Change & offer co-operative governance scholarship			
Sky City			✓			
			Sponsors a wide range of charitable organisations, sporting teams & events			
SLR Consulting						
Terra Moana						
The Warehouse Group	✓					✓
	Fundraising for Plunket, Child Health, Wellington Children's Hospital, Arthritis New Zealand, Skylight, Child Cancer Foundation, Duffy Books, The Hearing House, & Auckland / Northland Zoofari					
Thinkstep New Zealand						
Toyota	✓		✓			
Vector			✓			✓
			Sponsor Vector Wero Whitewater Park			
Vodafone	✓					
	Donations					

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Wellington Zoo		✓				
Westpac New Zealand	✓	✓	✓ Scholarships	✓		
Wright Communications	Rescue Helicopter					
Z Energy	✓					✓
	“Good in the Hood” initiative					
Total Ticks Per Sector	19	6	24	8	17	24
Average Number of Companies Recognised Per Category	29.2%	9.2%	37%	12.3%	26%	37%

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Table 4.4: Non-environmental Outcome Categories Sector Percentages

Sectors	Categories							Average Percentage per Sector
	Number of Companies	Charitable Donations	Community Welfare	Grants & Sponsorships	Volunteering	Improved Production Processes	Safety	
Agriculture, Forestry & Fishing	4	25%	0%	75%	25%	25%	50%	33.3%
Mining	5	40%	0%	20%	0%	20%	60%	23.3%
Manufacturing	6	50%	16.6%	66.6%	16.6%	83.3%	50%	47%
Electricity, Gas & Water Services	13	7.7%	7.7%	30.8%	7.7%	30.8%	53.8%	23%
Construction	7	42.8%	14.3%	42.8%	14.3%	42.8%	85.7%	40.5%
Wholesale Trade	2	50%	0%	100%	0%	0%	50%	33.3%
Retail Trade & Accommodation	7	71.4%	28.6%	28.6%	0%	42.8%	28.6%	33.3%
Transport, Postal & Warehousing	6	50%	0%	16.6%	0%	16.6%	50%	22.2%
Information, Media & Telecommunication	2	50%	0%	0%	0%	0%	50%	16.6%
Financial & Insurance Services	7	28.6%	28.6%	42.8%	28.6%	0%	14.3%	23.8%
Rental, Hiring & Real Estate Services	4	25%	25%	75%	0%	25%	0%	25%
Professional, Scientific, Technical, Administrative & Support Services	7	14.3%	0%	14.3%	0%	0%	14.3%	7.15%
Public Administration & Safety	1	0%	0%	0%	0%	0%	0%	0%
Education & Training	0	0%	0%	0%	0%	0%	0%	0%
Health Care & Social Assistance	1	0%	0%	0%	0%	0%	0%	0%
Arts, Recreation & Other Services	6	0%	16.6%	16.6%	16.6%	33.3%	0%	13.85%
Average Category Percentage		28.4%	6.8%	33%	6.8%	20%	31%	

4.3.3 Engagement Attributes

The 11 engagement attributes shown in Table 3.8 are derived from AccountAbility (2015). The attributes concern the processes of engagement related to SLO and define the different level of engagement that can be achieved through SLO initiatives. According to AccountAbility (2015 p ii) The AA1000 Principles of Inclusivity, Materiality and Responsiveness create the foundation for the AA1000SES (2015) and the Series of AA1000 Standards. These principles underpin the practice of:

- Engaging with stakeholders to understand their expectations about governance, policies, strategies, practices and performance.
- Transparently accounting to stakeholders on performance and on the issues that matter to them.
- Developing innovative and sustainable responses to issues that matter, presently and in the future.

Section 3.5.2 focuses on how the engagement attributes depicted in Table 3.8 isolate the individual processes of SLO engagement, allowing the methods of these engagement practices to be depicted in the annual reports, sustainability reports and online content of the 65 NZSBC members. The 11 attributes begin with the most passive as the lowest level of engagement, followed by monitor, advocate, inform, transact, consult, negotiate, involve, collaborate and the highest level of engagement, empower. These levels of engagement attributes were then interpreted as the categories for Table 4.5 and Table 4.6, and were presented in a similar manner to the outcome attributes (Table 4.1, Table 4.2, Table 4.3 and Table 4.4).

4.3.3.1 Engagement Categories

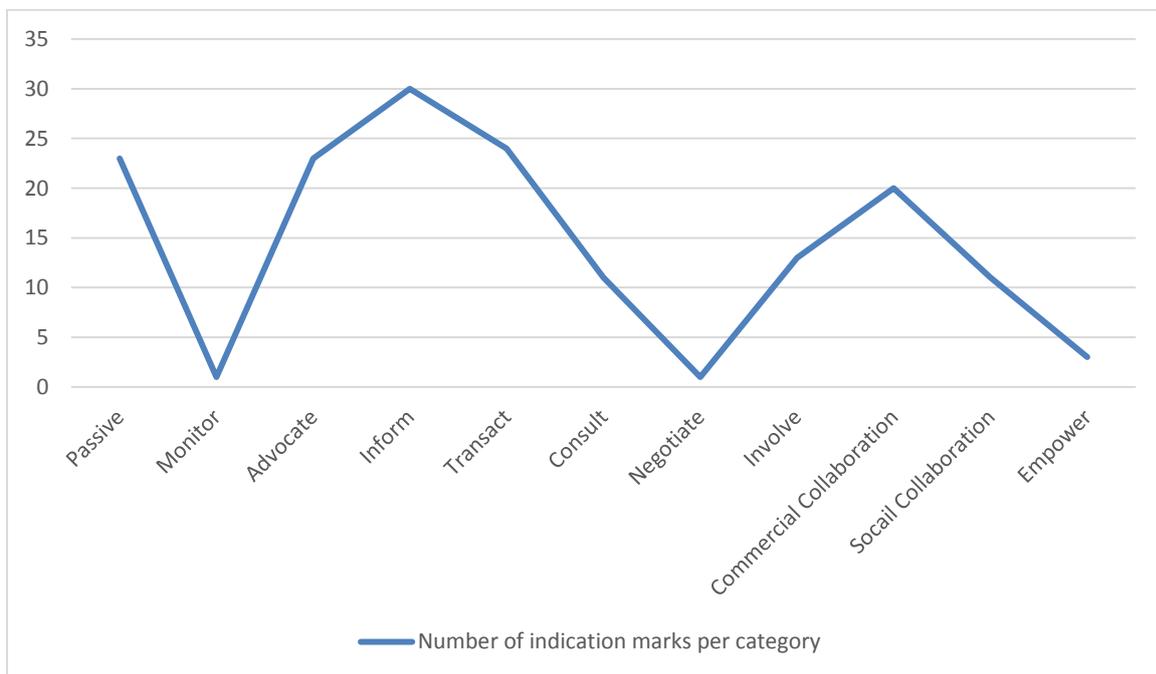
Table 4.5 illustrates how many of the 65 NZSBC members implemented each of the engagement attributes. In theory AccountAbility (2015) suggest that the number of NZSBC members portrayed with an indication mark per engagement category should decrease as the level of engagement increases, however the census data was not necessarily consistent with this notion. The average number of indication marks represented in each category column are presented in Figure 4.1, showing that the levels of engagement drawn from the content analysis followed a curved trend, with the significantly low number of monitor and negotiate indication marks, as well as the high number of inform indication marks, compared to the predicted downward facing trend (AccountAbility, 2015). The reasons for such results are unclear but they may reflect the particular nature of the New Zealand political and economic environment as well as reporting. For example, there has been a substantial decline in the extent of unionisation in New Zealand, and a normalisation of policies that discriminate

against collective bargaining in order to develop a supposedly more flexible and productive workforce (Harbridge & Walsh, 2002; Kelsey, 2015). Such a situation may differ substantially from the European norms from which the AccountAbility (2015) framework was developed. Furthermore, even though monitoring of stakeholders is an important function it may not be something that companies actually report on.

Subsequently, the passive attribute is somewhat lower than expected, given that all 65 of the NZSBC members had active websites. This is because companies that had websites that were environmentally and socially transparent were depicted in the inform attribute, as their online content included additional information that exceeded the passive expectations (see Table 4.5).

Table 4.5 indicates the percentage of companies recognised in each category and further confirms that the inform attribute category was attributed with the highest number of NZSBC members, suggesting that 46% of NZSBC members implemented the inform level of SLO engagement. Additionally, the other ten engagement attributes were all below 40%, which poses questions about the authenticity of the NZSBC as it appears less than a third of the 65 members are not actively involved in SLO engagement practices.

Figure 4.1: Number of Indication Marks Per Attribute



4.3.3.2 Percentage Average Per Sector

Table 4.6 shows the separated sectors and engagement categories for the NZSBC members. The table attributes an average percentage for each sector and the corresponding attribute. The findings from Table 4.6 conclude that the highest average percentage per sector was demonstrated by the agriculture, forestry and fishing sector and the wholesale trade sector, with an average of 36.4% of the NZSBC members that were part of these sectors being represented across each of the attribute categories.

The top sectors for the engagement table do not represent the same findings as the outcomes tables (Table 4.2 and Table 4.4). However, the manufacturing sector that was the most active sector for operationalising the environmental and non-environmental attributes which was recognised in the engagement attribute table (Table 3.5) as the second highest percentage average, with 34.8% of the NZSBC members that identified with the manufacturing sector practicing a level of SLO engagement.

In addition, Table 4.6 illustrates that the public administration sector represented the highest average percentage for the passive engagement level attribute, with 100% of the sector being acknowledged. The monitor attribute's highest percentage was recognised by the financial sector, with a low 14.3% of the sector implementing a SLO monitoring method. The wholesale trade sector had the highest average of 100% for the advocate, Inform and transact attributes, with 100% of the manufacturing sector also being implementing a level of the inform attribute. The manufacturing sector was also recognised for its reporting on the consult attribute, in which 50% of member companies were engaged, whereas the negotiate attribute was only supported by 14.3% of the NZSBC members from the construction sector. The agriculture, forestry and fishing sector and Information, media and telecommunication sector had 50% of each sector's members implementing the involve attribute. The commercial collaboration percentage average expressed the highest percentage average was 60% for the mining sector, which was the first time the mining sector has stood out in the findings, although it is important to emphasise that this is commercial collaboration as opposed to non-commercial collaboration with public bodies and communities, whereas the social collaboration attribute was represented by 100% of both the information, media and telecommunication sector and the health care and social assistance sector. Lastly, 25% of the NZSBC members in the agriculture, forestry and fishing sector were actively implementing the empower attribute, which is regarded as the highest form of SLO engagement and this may reflect the significance of these sectors for Maori resource ownership in New Zealand.

4.3.3.3 Other Remarks

Of the 65 NZSBC members illustrated in Table 4.5, Sanford and Downer were the top two companies, with each company reporting on seven of the 11 attributes. Nevertheless, a number of NZSBC members had not produced reporting material that focused specifically on their New Zealand activities (Table 4.5). The majority of these members had some level of reporting, although they discussed their practices in a global sense, making it difficult to determine what information was relevant to the analysis of SLO in New Zealand as well as their wider environmental and social commitments in the country.

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Table 4.5: Engagement Table

Companies	Global	Categories										
		Passive	Monitor	Advocate	Inform	Transact	Consult	Negotiate	Involve	Commercial Collaboration	Social Collaboration	Empower
3R Group Ltd					✓ Reports & websites		✓ Workshops					
4 Sight Consulting AECOM		✓ Website Website					✓ Surveys & workshops		✓ Apart of advisory panels			
Air New Zealand				✓ Social media	✓ Reports & website				✓ Sustainability Advisory Panel	✓ Joint ventures	✓ Partnering with DoC	
Anderson Lloyd		✓ Website				✓ Sponsorships						
Apparelmaster		✓ Website										
Auckland Airport		✓ Media		✓ Social media	✓ Reports & website	✓ Scholarships	✓ Workshops					
Bathurst Resources Ltd						✓ Scholarships			✓ Multi-stakeholder forums	✓ Partnerships with employees local people, information sessions and updates		
Beca					✓ Reports & website	✓ Scholarships					✓ Partnership with Engineers without Borders	
BMW BNZ BRANZ	✓		✓		✓	✓						

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			Reports & website						
Catapult	✓								
CODA	✓								
Contact Energy		Website	✓ Social media	✓ Reports & website	✓ Sponsorship	✓ Meetings with communities & local stakeholders		✓ Participatory decision-making processes	✓ Partner with DoC, Niwa, Swim Taupo & Greening Taupo
Countdown				✓ Reports and website					✓ Partnerships with Salvation Army, SPCA & Oxfam
DB Breweries			✓ Social media	✓ Reports, website & videos	✓ Scholarships and sponsorship	✓ Meeting with stakeholders			
Deloitte Downer	✓		✓ Social media	✓ Reports, website & presentations	✓	✓ Surveys, meetings & workshops	✓ Meetings with unions		✓ Joint ventures & initiatives
Eco Store		✓ Website							
Energy and Technical Services		✓ Website							
Energy Solutions Providers		✓ Website							
Enviro-Mark Solutions				✓ Newsletter and website					
ERM Ernst and Young	✓			✓ Newsletter & website					
Fletcher Building			✓	✓	✓				✓

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			Social media	Newsletters, reports & website	Sponsorship		Partnerships			
Flicker Electrical Co	✓	Website								
Fonterra			✓ Social media		✓ Sponsorship		✓ Partnership with DoC			
Fujitsu	✓	Website	✓ Social media			✓ Public meetings				
Fuji Xerox					✓ Sponsorship		✓ Online engagement tool	✓ Partnerships with Sir Peter Blake Trust & AUT Business School		
Fulton Hogan		✓ Website								
Golder Associates	✓									
IAG Kiwi Rail	✓		✓ Social Media	✓ Reports & website			✓			
L'Oréal	✓	✓ Media	✓ Social media							
Land Care research New Zealand			✓ Social media	✓ Reports & website			✓ Joint projects, partnerships & multi-stakeholder Initiatives			
Lion			✓ Social media	✓ Newsletters, reports & website		✓ Survey stakeholders	✓ Multi-stakeholder forums	✓ Partnerships		
Meridian				✓ Reports & website	✓ Grants		✓ Online engagement tool	✓ Partnership with Ngāi Tahu	✓ Partnership with KidsCan and joint	✓ Stakeholder integration

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Mercury			✓ Reports & website	✓ Sponsorship		✓ Partnerships	projects with community
Moana			✓ Reports, website & brochures	✓ Sponsorship	✓ Online engagement tools	✓ Partnerships with other SBC members	
Ngāi Tahu Holdings Group			✓ Reports & website	✓ Sponsorship			
New Zealand Post		✓ Social media	✓ Reports & website				
New Zealand Steel		✓ Social media				✓ Partnerships	
OCS Office Max	✓	✓ Website	✓ Social media	✓ Grants and sponsorship		✓ Business partnerships with Early Childhood Council & NZ Principals Foundation	
OI New Zealand OPUS		✓ Website	✓ Newsletters, reports & website	✓ Grants	✓ Meetings with stakeholders	✓ Joint Ventures	✓ Community partnerships
Ports of Auckland				✓ Sponsorship			✓ Partnership with the Bryde's Whale Collaborative Group & SCOUTS New Zealand
Reputation Matters		✓ Website					

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Sanford			✓ Social media	✓ Reports & website	✓ Sponsorship	✓ Surveys, meetings with select stakeholders & workshops		✓ Multi-stakeholder forums	✓ Partnership with New Zealand's Deepwater Group	✓ Stakeholder integration
Shell									✓ Partnerships with community groups such as Tiaki te Mauri o Parininihi Trust	
Siemens Silver Fern Farms	✓		✓ Social media	✓ Reports & Website	✓ Scholarships					
Sky City		✓ Website	✓ Social media	✓ Reports & website	✓ Sponsorship					✓ Partnerships with community groups
SLR Consulting Terra Moana	✓	✓ Website	✓ Social media							
The Warehouse Group			✓ Social media							✓ Partnerships with organisations that support families and young people, as well as CanTeen, The Salvation Army and First Foundation
Thinkstep New Zealand Toyota		✓ Website	✓ Social media	✓ Reports & website	✓				✓ Partnerships with Toyota	✓ Partnership with DoC

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Vector				✓ Reports & website	✓ Sponsorship			✓ Advisory panels	Racing Series, The Parenting Place and Emirates Team New Zealand ✓ Partnerships with Auckland Council & Joint venture with Kapuni Energy	✓ Partnership with schools & community groups		
Vodafone				✓ Reports & website						✓ Partnerships		
Wellington Zoo			✓ Social media	✓ Reports & website				✓ Online engagement tools		✓ Partnership with DoC	✓ Stakeholder integration in governance	
Westpac New Zealand			✓ Social media	✓ Reports & website	✓ Scholarships	✓ Surveys & Workshops		✓ Advisory panels & online engagement tools				
Wright Communications		✓ Website										
Z Energy		✓ Media		✓ Reports & website		✓ Public meetings						
Total Ticks Per Column	9	23	1	23	30	24	11	1	13	20	11	3
Percentage of Companies Recognised Per Category	13.8%	35.4%	1.5%	35.4%	46%	37%	17%	1.5%	20%	30.7%	17%	4.6%

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Table 4.6: Engagement Categories Sector Percentages

Sectors	Number of Companies	Categories											Average
		Passive	Monitor	Advocate	Inform	Transact	Consult	Negotiate	Involve	Commercial Collaboration	Social Collaboration	Empower	
Agriculture, Forestry & Fishing	4	25%	0%	75%	75%	75%	25%	0%	50%	50%	0%	25%	36.4%
Mining	5	40%	0%	20%	20%	20%	20%	0%	20%	60%	0%	0%	18%
Manufacturing	6	16.3%	0%	66.6%	100%	66.6%	50%	0%	33.3%	50%	0%	0%	34.8%
Electricity, Gas & Water Services	13	38.5%	0%	7.7%	23%	30.7%	23%	0%	38.5%	46%	23%	7.7%	21.6%
Construction	7	57%	0%	28.6%	42.8%	42.8%	28.6%	14.3%	28.6%	42.8%	14.3%	0%	27.3%
Wholesale Trade	2	0%	0%	100%	100%	100%	0%	0%	0%	50%	50%	0%	36.4%
Retail trade & Accommodation	7	28.6%	0%	71.4%	42.8%	28.6%	14.3%	0%	14.3%	42.8%	42.8%	0%	26%
Transport, Postal & Warehousing	6	33.3%	0%	66.6%	50%	33.3%	16.6%	0%	16.6%	16.6%	33.3%	0%	24.2%
Information, Media & Telecommunication	2	0%	0%	0%	50%	0%	0%	0%	50%	50%	100%	0%	22.7%
Financial & Insurance Services	7	0%	14.3%	14.3%	28.6%	42.8%	14.3%	0%	14.3%	14.3%	0%	0%	13%
Rental, Hiring & Real Estate Services	4	75%	0%	50%	75%	75%	0%	0%	0%	25%	25%	0%	29.5%
Professional, Scientific, Technical, Administrative & Support Services	7	42.8%	0%	0%	0%	14.3%	0%	0%	0%	0%	0%	0%	5%
Public Administration & Safety	1	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%
Education & Training	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Health Care & Social Assistance	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	9%
Arts, Recreation & Other Services	6	33.3%	0%	50%	50%	16.6%	0%	0%	16.6%	16.6%	33.3%	16.6%	21.2%
Average Category Percentage		30.6%	0.8%	34.4%	41%	34%	12%	0.8%	17.6%	28%	4.2%	3%	

4.4 Discussion of Major Research Findings

4.4.1 How a Social Licence to Operate is represented by companies in New Zealand

4.4.1.1 Use of Social Licence to Operate by New Zealand Sustainability Council Members

Every document that was included in the content analysis was examined for direct inclusion of the SLO term. Over 100 separate documents were considered, although only four NZSBC members directly used the SLO term. The NZSBC members that employed SLO spanned across a number of different sectors, with Downer representing the construction sector, Meridian from the electricity, gas and water services sector, Sanford from the agriculture, forestry and fishing sector and Sky City from the retail and accommodation sector and arts, recreation and other services sector.

Downer chooses to report on their business practices in New Zealand and Australia within the same report, successfully connecting their relevant reporting material from the respective countries.

Downer's *Sustainability Report 2016* successfully incorporated the SLO term in a fluid manner, where their discussion on SLO was seamlessly incorporated into the discussion, further commenting that SLO "makes good business sense" (Downer, 2016 p 38). Downer also drew attention to their SLO as being "contingent upon our commitment to conducting our operations in a manner that is environmentally responsible and sustainable" (Downer, 2016 p 13).

Meridian's 2016 *Annual Report* brought attention to their long-term SLO, suggesting that it was essential for them to build strong "community relationships from the planning stages of building a new development project and throughout the life of the asset" (p 96). The comment made in regards to Meridian's SLO is consistent with the findings in the literature review that suggested that SLO must continue to evolve throughout the lifecycle of a project (Nelsen, 2006; Black, 2014; Thomson & Boutilier, 2011).

Sanford on the other hand incorporate SLO into a discussion about sustainable fishing, recognising that "the social license to operate of all snapper commercial fishers has been strongly challenged and the industry as a whole needs to step up efforts to offer more transparency" (Sanford, 2015 p 34). Sanford acknowledge the need for the industry to become more transparent, taking the initiative and "a lead role in supporting the commercial sector to be more innovative and responsive to public concerns through greater transparency" (Sanford, 2015 p 34). While Sanford discussed SLO in the broader sense of the fishing industry, the company also claimed that they were willing to play a leading role in creating a transparent perception of the industry (Sanford, 2015). Therefore, Sanford have ensured that their annual reports, sustainability reports and online content are accessible for the

public, as well as making a conscious effort to operationalise and implement as many outcome and engagement levels of SLO as possible. Sanford's success in achieving this is depicted in Table 3.5, Table 4.3, and Table 4.5, where the company is seen to consistently perform well in reporting on a number of attributes that contribute to the company becoming more transparent.

The fourth NZSBC member to directly employ the SLO term is Sky City, a business which is primarily focussed on gaming and the meetings sector. Their *Annual Report 2016* commented that "it's important to SKYCITY that [their] stakeholders and communities are aware of [their] priority areas and the actions [they] take within them, to earn and maintain [their] regulatory and social licence to operate" (Sky City, 2016 p 14). However, Sky City do not go into any further description of what their priority areas are, or how the actions are carried out, making it difficult to understand what their SLO is, although this is likely to be connected to their role in gaming.

Through this analysis it is evident that Downer, Meridian, Sanford and Sky City were the only four members of the 65 NZSBC members to willingly overtly adopt the SLO concept within their reporting material. The four members that incorporated the SLO term into their reports had approached SLO in different contexts each time, with Downer recognising how SLO was important for practising good business. Whereas, Meridian's interpretation of SLO is more consistent with the description of SLO in the academic literature, which stated that SLO is the "demands on and expectations for a business enterprise that emerge from neighbourhoods, environmental groups, community members, and other elements of the surrounding civil society" (Gunningham et al., 2004 p 308). In terms of broader corporate contributions Sanford identify the role their company must play in order to achieve the wider SLO of the fishing industry. In contrast, Sky City talk about their SLO in a sense that is difficult to grasp outside of the knowledge that they operate in the sometimes controversial area of gambling.

The different interpretations of SLO reinforces the discussion in Chapter One, where SLO is introduced as being ambiguous in nature, making it difficult to determine a universally accepted and coherent definition and straightforward application (Black, 2014; Buhmann, 2014; Gunningham et al., 2004; Owen & Kemp, 2012; Syn, 2014; Tarras-Wahberg, 2014; Wilburn & Wilburn, 2011). While the different interpretations of SLO are consistent with the findings in the literature the different employment of the SLO term for each of the four NZSBC members could also be because each company represents a different sector that interpret the notion of SLO to fit the specific needs and issues of their industry.

A supplementary motivation for Meridian, Sanford and Sky City employment of SLO within their reporting material could be that they have each faced controversy or a public backlash for their business practices as each of the companies have been challenged by high profile political, climate and social issues. For instance, in 2013 Sanford were fined NZ\$2.27 million for dumping oil waste at

sea and then attempting to cover up their actions and in 2016 were sentenced for failing to ensure safety of employees (Stuff, 2013; Mcloud, 2016). The controversies that Meridian faced were directly associated with the local community and stakeholders. An example of this is Meridian's office building that was recently completed in Twizel, which breached the trust of the community by changing the design of the building (Hyde, 2015). Twizel residents originally opposed the location of the building, with additional protests concerning the aesthetics and proposed design of the building continuing to take place until Meridian proposed that they would include some cedar cladding on areas of the building (Hyde, 2016). Sky City is often confronted with controversy because of their involvement in the gambling industry and the government's constant threat to change gambling laws (Levy, 2012). Whereas Downer is barely portrayed negatively in the public realm, except for the odd article that focuses on job losses within the company (Littlewood, 2014). Nevertheless, while there are companies that have recognised SLO, what is more telling than anything is the lack of companies that use the SLO term, especially considering that the NZSBC published a paper on what SLO is in 2013, it would be expected that the NZSBC members would begin to incorporate the concept within their own reporting material.

4.4.1.2 Members

The findings from Table 4.1, Table 4.3 and Table 4.5 suggest that there are a handful of NZSBC members that implement a higher number of SLO attributes in comparison to the other NZSBC members. For instance, Fletcher Building and 3R Group Ltd were both recognised as having the highest number of indication marks for the environmental attributes in Table 4.1. This suggests that Fletcher Building and 3R Group Ltd are more concerned with the environmental aspects of sustainability and operationalisation of SLO. This is further reiterated on their websites, with a description of the programmes 3R Group Ltd developed to recycle or responsibly dispose of used products and packaging (3R Group Ltd, 2017). Fletcher Building's website clearly outlined their responsibility to use and manufacture environmentally responsible products and managing environmental impacts (Fletcher Building, 2017). While 3R Group Ltd and Fletcher Building's online content and reporting material emphasised their efforts towards environmental practices more so than the other NZSBC members, it is interesting to note that these two companies come from different sectors, with 3R Group Ltd representing the Electricity, Gas and Water Services sector and Fletcher Building representing the Construction sector. This suggests that there is not one specific sector that is more environmentally conscious, instead it is up to the individual companies to operationalise practices that are in line with their business values.

In comparison, the non-environmental attributes depicted in Table 4.3 suggest that Beca and Sanford were the two companies with the highest representation of SLO attributes. Sanford's *Annual Report*

2015 clearly outlined the company's community engagement practices, including a table that breaks down what local community programmes they are involved with and how much money each programme was gifted, as well as highlighting that the total amount contributed to these programmes has increased by 112% since the previous year (Sanford, 2015). Furthermore, Sanford's involvement with the community and contribution to the region was further acknowledged when the company was awarded the prestigious Marlborough Award for their contribution to the region (Lewis, 2016). It was also noted that Sanford was only the 10th recipient of this award since it was introduced in 1990 (Lewis, 2016). Beca's *Sustainability Report 2015* has a similar section in their report that discloses how they intend to deliver their support to the community through sponsorship, scholarships and encouraging employees to participate within their communities, commenting that "community engagement has always been essential to Beca's identity" (Beca, 2015 p 12). Again, Beca and Sanford are identified by different sectors, with Beca representing the Arts, Recreation and Other Services sector and Sanford representing the Agriculture, Forestry and Fishing sector. This further confirms that the companies with the highest number of SLO practices are not influenced by the sector that they are associated with.

Finally, the engagement attributes in Table 4.5 propose that Downer and Sanford implement the highest number of SLO engagement attributes, with each company identifying with seven of the 11 engagement attributes. Downer commented that they see the importance in

fostering meaningful, enduring relationships, we are better able to understand our impacts, respond promptly to residents' concerns, identify local supply and employment opportunities, and direct our sponsorship and donation support to the areas where the greatest need exists.

(Downer, 2016 p 34).

This suggests that Downer is committed to fostering relationships within their communities, exhibiting qualities of the SLO notion that it is important that communities voice their concerns over corporate activities and are involved with a high level of engagement with the company (Bice & Moffat, 2014).

Downer is part of the construction sector, which is a key driver for economic growth in New Zealand, although the sector is recognised as failing to "balance social, economic, and environmental benefits of improved infrastructure against adverse effects" (Rice & Shewan, 2011). Therefore it is important for a company like Downer to foster strong levels of engagement, which is clearly shown in Table 4.1 and Table 4.5, with Downer representing the highest number of indication marks for operationalising and implanting SLO attributes.

Sanford are also recognised by the same number of indication marks as Downer, although Sanford were recognised for operationalising the empower attribute, which is recognised by AccountAbility (2015) as the highest form of engagement. Sanford's *Annual Report 2015* drew attention to the importance of stakeholder inclusiveness, reiterating the empower attribute and setting Sanford apart from Downer's level of engagement.

4.4.1.3 Sectors

The Manufacturing sector has the highest average percentage of both environmental and non-environment commitments to SLO attributes (Table 4.2 and Table 4.4), suggesting that in New Zealand the manufacturing sector is at the forefront of operationalising SLO and CSR. This is in comparison to the analysis of the international literature (see Table 3.2) which suggested that the most prominent sector to operationalise SLO is mining. With respect to engagement attributes the Agriculture, Forestry and Fishing sector was identified as the sector with the highest average percentages for engagement attributes in New Zealand (see Table 4.6), this again stands in contrast to the international literature where the significance of SLO related stakeholder engagement in this sector was extremely limited.

Interestingly, the economic significance of both Manufacturing and the Agriculture, Forestry and Fishing sector to New Zealand is declining. Manufacturing made up 26% of New Zealand's Gross Domestic Product (GDP) in the early 1970s, as compared to 13% of GDP in 2009. Similarly, Primary Industries, which includes agriculture, fishing, forestry and mining, saw a decline in GDP from 12% in 1972 to 8% in 2009 (Statistics New Zealand, 2012). Although such declines are strongly related to the development of a service oriented economy, it is possible that the economic pressures being placed on such industries is also leading to increased needs to engage in sustainability practices and work more closely with external stakeholders (see also Maruntiu et al., 2011).

Nevertheless, the sectors that operationalised an environmental SLO attribute were less likely to operationalise a non-environmental attribute. This finding is consistent with a 2013 Eco Pulse study that revealed that environmental responsibilities are more appealing than social responsibilities for many companies, with 12% of the study indicating that environmental reputation impacted their decisions, while only 8% specified that maintaining a high corporate social responsibility standard was important (Shelton, 2014). Furthermore, it is noticeable that although the agriculture, forestry and fisheries sector does well in terms of non-environmental attributes and engagement it performs poorly with respect to environmental attributes, which may also reflect broader public concerns about the environmental performance of such sectors in New Zealand (Kelsey, 2015), and raises broader issues with respect to promoted versus actual performance.

4.4.2 Globally Listed Companies

The objective of this research was to determine how SLO was represented by companies in the context of New Zealand, through conducting a census of the NZSBC members. At the beginning of the data collection of the reporting material it became apparent that some of the NZSBC members were globally listed companies and did not report on their business practices in New Zealand.

Nine of the 65 NZSBC members did not provide the New Zealand division of their company with specific reporting material. The nine members were large global corporations that included BMW, Deloitte, ERM, Golder Associates, IAG, L'Oréal, OCS, Siemens and SLR Consulting.

This is significant because the NZSBC clearly states that their members are required to fulfil membership commitments. One of the eight membership commitments is that members must produce a report that demonstrates the member's progress on environmental, social and economic performance, although does not disclose whether the member must report on these performances in the context of New Zealand, or on a global scale (NZSBC, 2016c). Furthermore, there is no statutory requirement in New Zealand for companies to produce CSR reports.

4.4.3 Not Leading by Example

The NZSBC states that "members must seek to actively demonstrate business leadership in sustainable business" (NZSBC, 2016c). The analysis of the 65 NZSBC members established that all the members were achieving a level of leadership through their sustainable practices and involvement, however there were a number of members that only advocated for sustainability, rather than reporting on their own practices.

Wright Communications and Reputation Matters, two NZSBC members recognised for the public relations and social media work are both heavily involved in ensuring other companies have a strong sustainability practice, although do not report of their own practices. For instance, Wright Communications helped Air New Zealand, another NZSBC member,

craft the report, with its experienced team of sustainability experts providing a 'sustainability lens' on the copy. As part of this process, Wright Communications wrote several case studies on Air New Zealand's sustainability initiatives, including everything from people, safety and wellbeing to Antarctic ecosystems research.

(Wright Communications, 2016a).

An article by Wright Communications recognised that many New Zealand companies are not correctly reporting on their sustainability, suggesting that there is

an opportunity for companies who get it right, particularly those in industries such as energy, where 75% of Kiwis say their buying is influenced by sustainability. And close behind energy are food and beverage production (73%) and food retailers (71%) with banks, insurance companies and cosmetics and personal care products the fastest risers when it comes to the influence of sustainability on consumer choice.

(Wright Communications, 2016b).

While Wright Communications take the liberty to publish articles on the subject of sustainability and the rise of reporting on businesses sustainable practices, there is no suggestion on the Wright Communications website that they too, need to report on their sustainability practices, therefore, are not meeting the requirements for the NZSBC's intentions (NZSBC, 2016a).

Reputation Matters clearly outline the services they provide on their website, which include community investment strategies and social and environmental responsibility strategies. However, there is little to suggest that Reputation Matters practice these strategies on the behalf of their own business, despite their association with the NZSBC. Furthermore, Wright Communications and Reputation Matters were both included in the analysis tables, although both were only represented by one indicator in the entire analysis for expressing a passive level of engagement for having an active website.

4.4.4 New Zealand Sustainable Business Council Social Licence to Operate Definition

The literature review in Chapter Two also focused on how SLO was represented in the context of New Zealand. A definition proposed in NZSBC's 2013 paper explains SLO as

the ability of an organisation to carry on its business because of the confidence society has that it will behave in a legitimate, accountable and socially and environmentally acceptable way. It does not just derive from a need for legal or regulatory compliance but takes into account the inputs from a wider group of stakeholders and a sense of transparency and accountability in its external reporting. It is the foundation for acquiring operational certainty, realising future opportunities and lowering risk for the business.

(NZSBC, 2013, p 2).

The definition proposed in NZSBC's 2013 paper alludes to the important features of SLO that were brought to attention in the wider SLO literature. The literature explained SLO as the acceptance and approval from a community and other stakeholders, ensuring that stakeholders are constantly recognised as part of a SLO practice (Black, 2014; Boutilier & Thomson, 2011; Corvellec, 2007; Demuijnck & Festerling, 2016; Hall, 2014b; Hall & Jeanneret, 2015; Joyce & Thomson, 2000; Melé & Armengou, 2016; Moffat & Zhang, 2013; Owen & Kemp, 2012; Prno & Slocombe 2012; Tarras-Wahberg, 2014; Thomson & Boutilier, 2011). Furthermore, due to the nature of the NZSBC and the diverse number of sectors represented by the different NZSBC members, it is important for the NZSBC to acknowledge the different sectors in their definition and ensure that their interpretation of SLO is all encompassing of the NZSBC members.

Section 2.6 alluded to a significant aspect of NZSBC's (2013) SLO definition, where the focus was on the importance of external reporting practices, suggesting that NZSBC members reporting needed to express a sense of transparency and accountability. The sense of transparency considered in NZSBC's definition was further discussed in relation to the NZSBC members in Section 4.4.1.1, with Downer and Sanford directly using the notion of transparency and SLO in conjunction to discuss their own obligations to their business and wider communities.

In addition, Contact Energy commented in their 2016 *Annual Report* that "Contact's Board of Directors (the Board) is responsible for and committed to maintaining the highest standards of corporate governance, ensuring transparency and accountability to investors and stakeholders" (p 44). Furthermore, Contact Energy published a stakeholder engagement table that identifies Contact Energy's stakeholder groups that are impacted by the company's operations, making the comment that they must be a good neighbour and need to be accountable for their actions (see Table 4.7). As a government owned entity, Contact Energy is expected to have more transparency than a privately owned company.

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Table 4.7: Contact Energy's Stakeholder Engagement Relationships

Stakeholders	How they talk to us	Key Issues	Contact's response
Customers	<ul style="list-style-type: none"> • Through our contact centres, email, phone, website, social media and post • Surveys and market research • Conversations with employees 	<ul style="list-style-type: none"> • Choice, certainty and control • Customer service • Competitive pricing • Value for money 	Our approach to these issues is outlined on pages 30 and 31.
Investors	<ul style="list-style-type: none"> • Investor meetings • AGM • Email, phone, website, social media and post enquiries • Contact with our registry 	<ul style="list-style-type: none"> • Earnings growth • Efficient capital management • Delivering a strong dividend 	Our approach to these issues is outlined on pages 28 and 29.
Employees	<ul style="list-style-type: none"> • Email, meetings, conversations and intranet • Surveys such as our annual engagement survey, and regular PING surveys 	<ul style="list-style-type: none"> • Delivering on our promises • Being valued, respected and safe • Training and development opportunities 	Our approach to these issues is outlined on pages 36 and 37.
Partners and suppliers	<ul style="list-style-type: none"> • Emails, meetings, phone calls, and conversations 	<ul style="list-style-type: none"> • Maintaining positive relationships with Contact • Understanding our needs as a customer 	Each business unit manages their external supplier relationships, supported by our team of procurement specialists. We work hard to build enduring relationships with our suppliers and take an honest approach to communication.
Local communities	<ul style="list-style-type: none"> • Local meetings and hui • Letters, emails, social media and phone calls • Consultation relating to consents • Conversations with our people 	<ul style="list-style-type: none"> • Early, open and clear communication • To be a good neighbour, and to be accountable • Building relationships based on trust 	Our approach to these issues is outlined on pages 38 and 39.
Tagata whenua (iwi and hapu)	<ul style="list-style-type: none"> • Hui • Letters, emails and phone calls • Relationship meetings/conversations • Consultation relating to consents 	<ul style="list-style-type: none"> • Resource management, stewardship and ownership • Treaty of Waitangi • Sustainability of resources • Rights and relationships recognised 	We have developed a tangata whenua engagement plan to support our work towards improving our relationships with iwi and hapu.
Government, regulatory and political	<ul style="list-style-type: none"> • Letters, emails and phone calls • Meetings • Consultation processes • Stakeholder sessions 	<ul style="list-style-type: none"> • Competitive retail market • Efficiently operating market • Secure supply of electricity at a reasonable price • Assisting delivering on NZ's energy targets • Freshwater reform and NZETS 	Our approach to these issues is outlined on page 79.

Source: Derived from Contact Energy (2016).

4.5 Parallels with the Academic Literature

Several significant associations were found between the SLO literature in Chapter Two and the findings from the content analysis on the 65 NZSBC members.

4.5.1 Social Licence to Operate Boundaries

Chapter Two, Section 2.8 established the different levels and boundaries of SLO that were depicted in Figure 2.2 with additional explanations for each of the levels and boundary's characteristics. Section 2.8.2 focused on the 'credibility boundary' of SLO, with Thomson and Boutilier (2011) making the comment that it is important for companies practicing SLO to "consistently provid[e] true and clear information and complying with any and all members of the community and providing information on the project, the company and what may happen in the future and then answering any and all questions" (p 1784). One of the NZSBC members, Beca clearly practices a significant level of SLO credibility, commenting in their sustainability report that

Community engagement has always been essential to Beca's identity. Our core value of Care means that we are dedicated to respecting each other, our clients, the environment and our community. The work we do significantly impacts on the societies we live in, the buildings we work from, the infrastructure that supports us, and the environment we are a part of. We support community initiatives that matter the most to our employees and the people they hold relationships with, facilitating genuine engagement and interaction rather than merely providing sponsorship.

(Beca, 2015 p 11).

In addition to Beca's (2015) implementation of the 'credibility boundary', Downer indicates their commitment to short and long-term projects, where they are "committed to open and transparent communication, recognising the important role that trust plays in facilitating [their] social licence to operate" (Downer, 2016 p 13). Meridian made a similar remark, commenting that

Building strong community relationships is essential to Meridian's long-term licence to operate as an electricity generator. With generation assets located in communities around the country, it is important that Meridian maintains good community relationships from the planning stages of building a new development project and throughout the life of the asset.

(Meridian, 2016 p 96).

Meridian and Downer set a strong example of what is required for a company to achieve the trust boundary of SLO, that arguably leads to psychological identification, which is the highest level of SLO and is described by Parsons et al. (2014) as a critical aspect of SLO, contributing to reputation, transparency, credibility, respect, honesty and relationships.

4.5.2 Top New Zealand Sectors

The breakdown of the industries most commonly represented in the systematic review of the SLO literature confirmed that the Mining industry was the heaviest user of the SLO term, with 32 of the concerned studies focusing on mining (Table 3.2). The second most prominent sector was the Electricity, Gas & Water Services sector, with 11 studies being carried out.

The analysis of the environmental outcomes, non-environmental outcomes and engagement attributes of the 65 NZSBC members were further portrayed in Table 4.2, Table 4.4 and Table 4.6, with the members being separated into their respected sectors. This allowed conclusions to be drawn on what sector incorporated the most SLO qualities in each of the outcome and engagement tables. The environmental and non-environmental attribute tables both established that the Manufacturing sector had the highest average representation of SLO across the outcome attributes (see Table 4.2 and Table 4.4). Whereas, the engagement attributes table established that the Agriculture, Forestry and Fishing sector and the Wholesale Trade sector were represented by the highest average percentage for practicing a level of SLO across the engagement attributes. Therefore, the findings from the analysis indicate that SLO in New Zealand has a different emphasis to that identified in the international literature, which suggested mining was the most significant sector. However, there are arguably issues of commonality with respect to wider public environmental concerns as well as the role of indigenous peoples.

The literature review in Chapter Two made an observation that SLO was beginning to be used in informal documents within New Zealand, although the use of SLO had not become prominent within the academic literature. The analysis of NZSBC members annual reports, sustainability reports and online content further established that there is some way to go before SLO is more overtly used within the literature and reporting practices. The insignificant direct use of SLO in the New Zealand literature and reporting content was brought to further attention in Section 4.4.1.1, with only four of the 65 NZSBC members directly using the SLO term in their reporting methods.

4.5.3 Gaining in Popularity

Nelsen (2007) suggested that stakeholders are gaining a stronger participatory role in businesses decisions that affect the stakeholder's local environments, with SLO as an element for ensuring a company's continuity and success within a community. Table 4.6 confirmed that a handful of NZSBC members with a strong SLO presence were actively engaging in stronger stakeholder participation. The NZSBC members that presented a strong level of engagement for the empower attribute were noted in Table 4.6. The "empower" attribute recognises new forms of accountability; decisions delegated to stakeholders; and stakeholders playing a role in shaping organisational agendas (AccountAbility, 2015). Therefore, such companies have potentially recognised the importance of encouraging stakeholders to participate with a company's project, or ongoing business practice (Costanza, 2016; Nelsen, 2007; Zalik, 2004).

Meridian, Sanford and Wellington Zoo were the only three NZSBC members that were identified for their willingness to have their stakeholders heavily participate in making important decisions for the company. The Wellington Zoo made a comment that they "are lucky at Wellington Zoo to work with some amazing partners on some really exciting projects that get the whole community on board with our work", signifying the important role the community played in strengthening their business approach (Wellington Zoo, 2016 p 19). Sanford developed a new slogan "Beautiful New Zealand Seafood" to enable improved communication with their stakeholders, as well as collaborating with their stakeholders to create successful management of protected species (Sanford, 2015 p 25). Meridian's 2016 *Annual Report* highlights all the relationships with their stakeholders in a clear and comprehensive table, drawing attention to the key interests and concerns of each stakeholder group, how Meridian responds to these concerns and the engagement method that they employ (see Table 4.8)

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Table 4.8: Meridian’s Key Stakeholders and How Meridian Interact with Stakeholders

Stakeholder	Key Interests and Concerns	Meridian’s Response	Engagement Method
Generation communities	<ul style="list-style-type: none"> • Honest and open communication and engagement • Consequences of our role as a generator – environmental, commercial, social and cultural 	<ul style="list-style-type: none"> • Ongoing participation in the community where appropriate • Early engagement and consultation • Compliance with resource consent conditions • Community Funds • Project websites 	<ul style="list-style-type: none"> • Newsletters • Community meetings • Open days and drop-in hubs • Community liaison groups • Dedicated community liaison staff • Participation in community events • Community surveys • Asset-based event sponsorship e.g. White Hill Classic
Iwi	<ul style="list-style-type: none"> • Tangata whenua - guardians of the natural resources within their rohe • Consequences of the company’s role as a generator – environmental, commercial, social and cultural • Honest and open communication • Strategic engagement • Commercial partnership opportunities 	<ul style="list-style-type: none"> • Partnership approaches that recognise iwi aspirations • Sponsorship opportunities • Capability building • Working groups for management of natural resources • Memoranda of understanding • Mitigation responses 	<ul style="list-style-type: none"> • Iwi engagement • Participation in iwi events • Regular meetings/hui • Event hosting
Customers	<ul style="list-style-type: none"> • Affordable power • Customer service • Accurate billing • Access to data to help understand energy use • Security of supply • Energy efficiency and sustainability 	<p>Assistance to customers during state of emergency</p> <ul style="list-style-type: none"> • Unbundling of network and energy costs in billing • Improved disconnection process • Smart meters and regular meter reads • Energy efficiency advice and sustainability offerings 	<ul style="list-style-type: none"> • Customer contact centre and account managers • Newsletters • Website and customer portal • Customer satisfaction surveys • Direct mail and email • Sponsorship
Employees	<ul style="list-style-type: none"> • An employment experience that meets expectations • An employer who genuinely cares for the wellbeing of staff • An employer who is well respected in the community 	<ul style="list-style-type: none"> • Focus on leadership, capability development and performance • Management development programme • Graduate and apprenticeship programmes • Health and safety at work focus, including wellness programme • Recognition of staff requirements during uncertain times • Credible approach to sustainability 	<ul style="list-style-type: none"> • Employee engagement surveys • Intranet • Senior management updates to staff • Staff events • Competency-based learning modules • Leadership and capability development programmes • Individual development plans for employees • One-on-one performance reviews and feedback
Stakeholders	<ul style="list-style-type: none"> • Commercial performance 	<ul style="list-style-type: none"> • Sound business planning based on long-term financial objectives 	<ul style="list-style-type: none"> • Consistent communications that adhere to the principles of continuous disclosure and include:

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	<ul style="list-style-type: none"> • Efficient delivery of services, transparency on drivers of performance and profit • Responsible employer 	<ul style="list-style-type: none"> • Improved reporting including quarterly operational reports and material disclosures • Commitment to health and safety and corporate social responsibility 	<ul style="list-style-type: none"> - Material market updates - Annual shareholder meetings - Annual and half-year reports - Earnings and dividend announcements - Monthly operating reports - Investor presentations
Government and electricity sectors	<ul style="list-style-type: none"> • Contribution to economic growth through development • Efficient use of resources • Environmental responsibility • Competitive market outcomes 	<ul style="list-style-type: none"> • Engagement with the Government electricity regulator and electricity sector on key energy policy issues • Development of cost-competitive renewable energy generation • Commitment to sustainability and environmental stewardship • Submissions supporting competitive and rational market outcomes 	<ul style="list-style-type: none"> • Policy submissions • Open engagement • Participation in appropriate forums
Supplies and contractors	<ul style="list-style-type: none"> • Insights into timing and certainty of future work programmes and initiatives • Accurate and timely service request data • Fair and open procurement 	<ul style="list-style-type: none"> • Promotion of early notification of significant work programmes • Active application of supplier relationship management practices • Fair, open, transparent and reasonable market engagement processes • Development of clear and well defined requirements • Encouragement of local business participation wherever possible 	<ul style="list-style-type: none"> • Market engagement documentation • Contract negotiations • Supplier meetings to discuss ongoing relationships • Supplier briefings • Conferences/speaking engagements
General community	<ul style="list-style-type: none"> • Security of supply • Leader in sustainability and renewable generation • Contributor to communities from social, economic and environmental perspectives 	<ul style="list-style-type: none"> • Management of water resources • Development of cost-competitive renewable energy generation • Commitment to renewable energy generation, sustainability and corporate social responsibility • Sustainable procurement policy 	<ul style="list-style-type: none"> • Brand advertising campaigns • Website • Sponsorship • Annual Report • Media releases • Educational material • Public meetings
Local government	<ul style="list-style-type: none"> • Responsible developer of infrastructure • Security of supply • Contribution to the local economy • Sustainably manage resources 	<ul style="list-style-type: none"> • Participation in processes to support best practice • Commitment to sustainability and environmental stewardship 	<ul style="list-style-type: none"> • Meetings • Submissions • Hearing presentations • Working group and committee participation

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Non-governmental organisations	<ul style="list-style-type: none"> • Impacts on natural resources and local community initiatives • Open and honest communication 	<ul style="list-style-type: none"> • Engagement and consultation as appropriate • Support for projects as appropriate • Sustainability framework to reduce impacts of operations 	<ul style="list-style-type: none"> • Meetings • Correspondence • Joint memberships of forums • Presentations • Membership of organisations • Responses to information requests
Investors (lenders)	<ul style="list-style-type: none"> • Profitable, good employer • Socially and fiscally responsible • Return on investment • Ability to meet interest and principal obligations on debt • Open and honest communication 	<ul style="list-style-type: none"> • Sound business planning based on long-term financial objectives • Clear and regular operation reports and material disclosures 	<ul style="list-style-type: none"> • Regular meetings and open engagement • Asset tours • Prospectus • Investment statement • Rating reports • Investor briefings • Clear and regular operation reports and material disclosures

Source: Table derived from Meridian (2016)

4.5.4 New Zealand Publications on SLO in Relation to the Content Analysis Findings

One of the few papers that was written in New Zealand that discussed SLO was the National Science Challenge paper on Sustainable Seas (see Chapter Two) that was in effect an outline of a bidding document for national government funds (Sinner et al., 2016). The document outlined an investigation of what communities expected and requested from fishing companies in order to grant a SLO and how the SLO concept could apply to the sustainable management of New Zealand's marine environment (Sinner et al., 2016). Of the 65 NZSBC members, Moana, Sanford and Terra Moana were the only three members that were recognised for their involvement within the fishing industry. Of these three NZSBC members, Sanford stood out as a leading company for their leading practices and reporting methods. Sanford took a similar approach to the Sustainable Seas paper, with the intention to find out what their stakeholders and communities expected of the company. As a result, Sanford developed a survey that highlighted 19 key issues that they identified as significant for their company and asked the survey participants to help prioritise what mattered the most (Sanford, 2016). Additional interviews were then carried out as they "needed to understand what each of these material issues [meant] to internal and external stakeholders" (Sanford, 2016 p 9). Through generating a survey that was distributed to internal and external stakeholders, as well as interviewing community members, Sanford was able to determine the eight key issues concerning their business. An analysis from documents alone cannot provide the full reasons for the focus on the fisheries sector in New Zealand SLO. However, it is almost certainly related to controversies with respect to the sustainability of New Zealand fish stocks and accompanying fisheries policy (Hilborn et al., 2015; Kelsey, 2015; Marschke & Vandergeest, 2016).

Additionally, Chapter Two recognised that Education New Zealand (the New Zealand government's body for promoting education internationally) had suggested that SLO had translated into the education system in relation to the attraction of international students. However, there is no other evidence available to suggest that this is the case and, in fact, at the time of writing there is a public controversy regarding international students who had come to New Zealand being deported because the education agent they used in India committed fraud, even though the students were unaware of this (Harris, 2016; Hoyle & Martin, 2016). SLO has also been included in the NZQA curriculum for quarrying and aggregate extraction, where students were required to "demonstrate knowledge of a social license to operate for an extractive site" (NZQA, 2016 p1). However, it appears not to be included in the NZQA curriculum for any other extractive sector. While it is apparent that parts of New Zealand's education system are aware of the notion of SLO, the analysis conducted in this study was not able to draw any further conclusions on this sector, as the Education sector was not represented by any of the 65 NZSBC members, although it was represented in the strategic NZSBC members, that were not included in the final census sample.

4.6 Chapter Summary

This chapter aimed to examine the research question, of how a social licence to operate is represented in the New Zealand business context. The census data group was first considered, before presenting the findings from the content analysis, with two sets of tables being created for each of the environmental, non-environmental and engagement attributes. The analysis found that unlike research in the international literature which has tended to emphasise the role of SLO in the mining and oil and gas sectors, the direct use of SLO in New Zealand was based more on renewable natural resource sectors. In addition, the attributes of SLO were dispersed across sectors, although some companies were clearly more engaged than others. A further finding was that a number of international companies did not provide New Zealand specific reports while several businesses that were engaged in consulting and certification activities on sustainability did not publically benchmark their own activities. The following chapter concludes the thesis.

5. CONCLUSION

5.1 Introduction

This chapter concludes the thesis by presenting a discussion of the purpose of the research carried out. Managerial and theoretical implications of the research are then considered, before suggesting limitations of the research and potential future research that could be carried out.

5.2 Summary of Research Purpose

SLO is arguably established when a company forms relationships with their external stakeholders, as the stakeholders are fundamentally the ‘enforcers’ of a SLO initiative, allowing the company to continue business as usual or see out the completion of a project (Syn, 2014; Moffat & Zhang, 2014; Parsons & Moffat, 2014). As such, this research addressed how companies in New Zealand operationalised the SLO concept in order to receive acceptance and approval from their communities and stakeholders. The 65 NZSBC members were utilised as the census data in order to conduct a content analysis on their publicly available reporting material. A systematic review was initially carried out in Chapter Two to determine the attributes that would be explored in the content analysis. These attributes were separated into three categories of environmental attributes, non-environmental attributes and engagement attributes, which were presented in tables.

In turn, major research findings became apparent through the content analysis:

- Firstly, of the 65 NZSBC members there were only four NZSBC members that directly employed the SLO concept, with each of the four members representing a separate ANZSIC sector. In addition, the 65 NZSBC members were all considered in the three attribute category tables, with the conclusion being drawn that a small number of NZSBC members were repeatedly recognised as operationalising the highest number of SLO attributes. These members were 3R Group Ltd, Beca, Downer, Fletcher Building and Sanford.
- An additional set of findings were also recognised for the different sectors that the NZSBC members were identified by, with the Manufacturing Sector and the Agriculture, Forestry and Fishing Sector being recognised as the most prominent adopters of SLO practices.

While carrying out the research for this thesis an unexpected findings were discovered:

- It became evident that nine of the NZSBC member’s reporting material was not specific to New Zealand, which meant that conclusions could not be made in regards to the operationalisation of their SLO practices.

- Subsequently, it also became clear that a small group of members only advocated for sustainability, rather than reporting on their own practices, suggesting that their involvement in the NZSBC was not consistent with the council's intentions. A discussion of the NZSBC's SLO definition is then provided, drawing attention to its breadth and the importance of external reporting practices.

Findings associated to the literature in Chapter Two were then considered:

- The basic features of SLO, proposed by Thomson and Boutilier (2011) were found in the reporting material of the NZSBC member's, with the likes of Beca practicing a level of SLO credibility. The top sectors in the academic literature suggested that mining was the most heavy adopter of the SLO concept, whereas the findings from the research carried out for this thesis suggested that New Zealand was not consistent with the wider SLO literature, as the Manufacturing sector and the Agriculture, Forestry and Fishing sector were the most prominent adopters of SLO.
- In addition, Meridian, Sanford and the Wellington Zoo were recognised as the only three NZSBC members who were willing to have stakeholders be involved in decisions making for the company, despite the wider literature suggesting that stakeholders are gaining a stronger participatory role in decision making (Nelsen, 2007).

Lastly, the findings brought to attention in the content analysis are compared against the SLO literature that was discussed in section 2.6.

5.3 Implications

The research carried out in this thesis provides several managerial and theoretical implications and contributions that are in the following sections.

5.3.1 Managerial Implications and Contributions

This research intended to provide further insight into how companies in New Zealand employed the notion of SLO. This was achieved through establishing what companies were doing to operationalise the SLO concept. The systematic review carried out in Table 2.1 drew attention to all of the relevant literature concerning SLO, while Table 3.1 focused on the literature brought to attention in Table 2.1 that had a study component to the paper. Table 3.2 and Table 3.3 shed light on how industries and countries were represented in the context of the SLO literature, although did not suggest what SLO looked like in real world practices. Therefore, the research carried out in this thesis employed a census sample of NZSBC members that practiced business in New Zealand. A content analysis was then

conducted on the NZSBC member's reporting material, with the findings of the analysis directly establishing how New Zealand companies operationalised the SLO concept.

The findings identify the actual representation of SLO in New Zealand, which is both useful for 65 NZSBC members and other companies that practice business in New Zealand. The major findings of this research provide a relevant perception of what SLO is in a broader sense, as well as more specifically in New Zealand and what sort of SLO strategies are more commonly employed in New Zealand. In addition, the findings also show which NZSBC members have the strongest SLO presence, suggesting that companies wanting to develop their own SLO practices should turn to companies like Sanford and Downer as solid exemplars of companies that have developed well rounded SLO practices.

While it is not appropriate for every company to operationalise their own SLO initiative, it is important that the SLO concept is at least understood by companies operating in New Zealand, as it is likely that those not initiating a SLO practice are in fact at the receiving end of the SLO as part of a community or concerned stakeholder group.

5.3.2 Theoretical Implications and Contributions

Theoretically, this thesis contributes to the wider SLO literature by providing a New Zealand perspective on the notion of SLO. Section 2.6 brought attention to the insignificant representation of academic literature that alluded to SLO in the context of New Zealand. Therefore, this thesis has created a strong systematic understanding of how SLO is represented in the New Zealand business context that could become the basic for further research on SLO in New Zealand.

The systematic review carried out in Chapter Two has also offered a significant contribution to the SLO field, with the results of the analysis conducted in Table 2.1 suggesting that no SLO literature review or study has been based on a systematic and in-depth review of all of the relevant literature. Instead, most papers have tended to restrict themselves to work on the concept within their immediate sectoral or geographical context. The systematic review also emphasised that literature on SLO tends to be geographical restricted as well as dominated by authors from the Global North. With respect to method, the results indicated in Table 3.1 highlighted that there were very few SLO studies that incorporated a content analysis approach in their research. This research has therefore furthered the use of the method in the SLO literature.

5.4 Limitations

The dataset employed for this thesis was a census of the NZSBC's 65 members. The members are a collection of companies from different sectors throughout New Zealand that have affiliations with the NZSBC and strive to practice and report a level of sustainability with their businesses. While 15 of the 16 ANZSIC sectors were represented in the census of NZSBC members, this could pose a limitation on the study as the dataset is derived from a single source of companies that are already connected to one another through their affiliation with the NZSBC.

In addition, companies choose to associate with the NZSBC because they "provide a platform for collaborating on business solutions and enable [their] members to be leaders in sustainable practice" (NZSBC, 2016a). Therefore, this could cause discrepancies in the findings because the census of NZSBC members are actively motivated to participate in sustainable business practices. The only requirement for the dataset of 65 companies was that each company must be an active member of the NZSBC, however this could have caused inconsistencies within the findings because there were an uneven number of companies that represented each of the ANZSIC sectors and some of the NZSBC were recognised in more than one sector. An alternative approach could have been to randomly select an even number of companies from each of ANZSIC's 16 sectors, ensuring that each company was only affiliated with one specific sector.

The research methodology chosen for this thesis could also pose limitations as the data collection only included the most recent publically accessible reporting documents. It is possible that some of the NZSBC members operationalised a level of SLO but did not choose to report on their SLO practices, or they may have previously had elements of SLO in their public reporting but this material is no longer available.

5.5 Future Research

This thesis has presented a number of findings that could lead to future research in the area of SLO. Firstly, Table 3.1 brought attention to the different methods that have been adopted in SLO research. The intention of this table was to identify what methods were commonly used, although it also brought attention to what methods were not used, for instance there were no studies that employed a longitudinal study approach. Therefore, it is suggested that an avenue for future research could be to further develop the content analysis approach used for this thesis and apply it to several years' worth of reporting material, incorporating a longitudinal approach to establish a broader understanding of the representation and development of the use of SLO in New Zealand.

The previous limitations section discussed the issue surrounding the uneven number of NZSBC members for each ANZSIC sector. Future research focusing on the representation of SLO could recognise this limitation and randomly select an equal number of businesses from each sector to analyse.

Lastly, the dataset and research methodology undertaken for this thesis could be extended to include semi-structured interviews with each of the NZSBC members. This would strengthen the research on SLO as it would provide authentic information on each of the member's operationalisation of SLO, rather than relying on secondary data.

5.6 Conclusion

This thesis has offered a holistic perspective of how SLO is represented in the New Zealand business context. The census of 65 NZSBC members provided a significant dataset of companies operating in New Zealand across a diverse range of ANZSIC sectors with which to examine the role of SLO in their public online and printed media.

The research established which NZSBC members were best at operationalised SLO attributes, as well as what sectors provided the most prominent embrace of SLO attributes. These findings suggested that the use of SLO in New Zealand is different from the use and examination of the concept in the international literature, as SLO is more prominent in sectors that were not so strongly portrayed in the academic literature.

Finally, while a number of attributes of SLO are employed by companies, this research suggests that direct employment of the SLO concept is relatively limited in New Zealand but appears to be growing given the National Party government expresses support as well as the need for natural resource extractive industries to respond to environmental concerns over their activities. Nevertheless, more effort appears to be required by New Zealand companies to ensure they involve their external stakeholders, including the wider public and specific communities affected by their projects and products, in order to receive greater acceptance and approval.

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