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Corporate Social Responsibility Reporting in Controversial Industries

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A B S T R A C T

We examine the sustainability reporting activities of companies in controversial industries (e.g., alcohol, firearms, for-profit prisons, gambling, tobacco, marijuana and payday loans), and identify for each industry its controversial social problem – the "elephant in the room." We then examine whether the company issued a sustainability report in the last three years and, if so, how the report dealt with the firm's controversial social issue, and categorize responses as: (1) No report; (2) Reported but did not mention the issue; (3) Reported but deflected or minimized the importance of the issue; and (4) Reported and addressed the issue in a meaningful way. We find a lower publishing rate by controversial industries for CSR-type reports of 28% versus two other sectors (grocery stores and department/discount stores) of 43%. Reporting controversial firms engage in alternative strategies – to either address the problem, to minimize it, or to deflect attention away from it, with 62% addressing the controversial issue in a meaningful way, such as admitting a serious problem and describing efforts undertaken to address the issue, with only about 10% choosing to ignore the issue entirely. We also find differences in how the two groups of companies allocate space in their CSR reports, categorizing pages in the reports as dedicated to social and community efforts or environmental issues. The non-controversial companies devote significantly more of their reports to environmental issues than do controversial companies that have a higher ratio of their reports dedicated to social and community activities. This suggests that firms in controversial industries use social and community actions to attain legitimacy to offset the social ills inherent in their core business.

Keywords: Sustainability, Corporate Social Responsibility, Sustainability Reporting

JEL classification: G3, Q56, Q59, M14

1. Introduction

CSR reporting is voluntary in most countries and, while there are some expectations about content, companies that report have enormous freedom in how their reports are designed and how space is allocated to various topics. Therefore, the act of reporting as well as the structure of CSR reports should reflect the needs of the company in terms of establishing and nurturing its reputation. Kotchen and Moon (2012) find evidence that companies engage in CSR to offset CSI (Corporate Social Irresponsibility). While these authors examine CSR activities, this legitimatization effort should extend to CSR reporting; that is, companies will use CSR reports to help offset irresponsible behavior.

Corporate social irresponsibility is probably nowhere more evident than in companies in so-called *controversial industries* or *sin companies*, which typically includes companies in the alcohol, gambling, gun manufacturing, pay day loan and tobacco industries. Such companies are associated with serious social ills. Firms producing alcohol or tobacco products are blamed for various diseases and anti-social behavior. Irresponsible gambling can lead to financial ruin and crime. Guns are associated with suicides, accidental injury and death, as well as mass shootings. Payday lending thrives on desperate clients who can easily be swept into a constant cycle of borrowing at usury-level rates. These social ills we call the "elephants in the room" that companies must live with but probably would prefer to ignore.

A typical firm has information that it wants to share with its stakeholders, such as how it treats its employees, how it contributes to its community, and how it reduces its impact on the environment. Companies in controversial industries may also want to convey information about these topics, but have an additional agenda of trying to establish their legitimacy by acknowledging their problem and demonstrating their efforts to address the controversial aspects of their business model. Some firms, particularly those in controversial industries, may conclude that the benefits of reporting (e.g., stakeholder goodwill) do not offset the attention that reporting might attract to their anti-social products and services. Therefore, examining companies with extreme CSR challenges not only helps us better understand the ways that companies weigh the costs and benefits of CSR reporting, but also provides insight into the strategic use of CSR reporting by firms. Specifically, we investigate if companies use reporting to deflect attention from socially questionable activities to those that are socially acceptable, maintaining their legitimacy despite producing a potential harmful product or service.

This paper tests the notion that companies in controversial industries structure their sustainability reports differently from other companies in order to address their need to legitimize their activities. We want to see how companies deal with having an elephant in the room that cannot be easily ignored.

2. Literature Review

Institutional theory has been used to explain the way organizations develop and change over time. More specifically, it provides a framework for research about organizations and the social and political factors that affect their development. One of the underlying ideas of institutional theory is that organizations are socially constituted. They are subject to regulative processes and operate under certain governance structures. Institutional processes define the forms and structures that an organization can adopt and how they can operate within legitimate boundaries (Hybels, 1995; Suchman, 1995).

Recently the development of legitimacy theory claims that for a corporation to continue operating successfully, it must act within the boundaries and norms that society identifies as socially responsible behavior (O'Donovan, 2002). Deegan and Unerman (2011) define legitimacy theory as a "social contract" between an organization and the society in which it operates. In such an environment, companies try to legitimize their actions by engaging in CSR reporting to be socially approved (Omran & Ramdhony, 2015). Institutional theory laid the foundation for legitimacy theory in that it views many organizational activities as being motivated by legitimacy-seeking behaviors, which in turn are influenced by social norms. If companies want to survive, they must interact with their environments in ways that are considered acceptable in order to gain legitimizing social support (Scott & Meyer, 1983, p. 149). Sustainability reports provide one vehicle through which organizations can affect stakeholder perceptions of the firm's actions (DiMaggio and Powell, 1983; Greening & Gray, 1994).

Recently legitimacy and the social contract have been discussed under the construct "social license to operate" or SLO (Demuijnck and Fasterling, 2016). While most often applied to mining and other extractive industries, the "sin" companies in our study share many of the same challenges that SLO research has addressed, including community acceptance. "What businesses can do is consult and dialogue with communities to make the acquisition of an SLO more likely" argue Demuijnck and Fasterling (p. 676). In such an environment, companies may try to legitimize their actions by engaging in CSR reporting as well as taking proactive steps to mitigate the social damage done by their products in order to gain social approval.

It is within the theoretic framework described by legitimacy theory and SLO that CSR reporting among controversial firms provides a natural experiment to test whether controversial firms perceive society as requiring them to address their "elephants" in order to operate, or whether at this point most firms feel unthreatened, or believe that they may succeed by adopting a strategy of deflecting attention from these social issues.

3. Sample

The initial sample included 106 companies in seven controversial industries: alcohol, gambling, gun manufacturing, marijuana, payday loans, for-profit prisons and tobacco products. Utilizing The Corporate Library's comprehensive collection of CSR reports, the original sample was reduced to the 29 companies that published CSR or sustainability reports, that devote a section of their annual report to such information, or have an extensive website devoted to CSR. Table 1 shows the distribution of companies in the initial and final samples. Our final sample only includes firms from the alcohol, gambling and tobacco industries since none of the firms in the other industries report CSR activities. A list of the complete sample of companies is provided in Appendix A.

4. Analysis

4.1 How do companies deal with controversial issues?

For the 29 companies in our final sample we examined if, and how, they addressed their respective controversies. We looked for three possible outcomes: completely ignored the topic, dealt with it slightly, or dealt with it in a meaningful way. Table 2 shows the distribution of these three outcomes by industry.

Table 1: Industry distribution of initial and final sample of companies in controversial industries.

Industry	Initial Sample	With CSR-type Reports
Alcohol	17	12
Gambling	58	10
Guns	2	0
Marijuana	7	0
Payday Loans	6	0
For-Profit-Prisons	4	0
Tobacco	12	7
Total	105	29

Table 2: Distribution of how companies in controversial industries address their particular social ill.

Industry	Sample	Ignored/No Mention	Dealt with slightly	Dealt with meaningfully
Alcohol	12	1	0	11
Gambling	10	1	4	5
Tobacco	7	1	4	2
Total	29	3	8	18

Of the 29 sample companies, we categorized 18 as dealing with the topic in a meaningful way. This usually meant that several pages of the reports were dedicated to efforts that the organizations were making to support responsible drinking, responsible gambling (many firms used “gaming” in lieu of “gambling”) and responsible tobacco use. Almost all companies used the word responsible in place of negatives, such as dangerous, addictive, unhealthful or other pejorative terms that would reflect the particular social ill with which the company was associated. In some cases the reports included seven or eight pages of programs, policy recommendations and employee training designed to identify or mitigate a problem.

Companies in the dealt-with-it-slightly category devoted a page or less to the problem and typically reported no programs or training to address their particular issue. Some firms totally ignored the problem, never mentioning a controversial activity. For example, Las Vegas Sands Corporation, managed to produce a 35 page report in 2013 without including either of the words gambling or gaming a single time, much less dealing in a meaningful way with their controversial activities (2013 Sands ECO360o Report).

4.2 Do controversial companies structure their CSR reports differently than other companies?

We test whether companies pursuing a dual agenda of emphasizing their good deeds while offsetting their associated social ills, structure their corporate CSR reports differently from other firms. As a comparison to the controversial firms, we collected a sample of companies in two non-controversial industries. We chose department/discount stores and grocery food chains as our contrasting benchmarks. Neither industry has large on-going controversial social or environmental issues. Moreover, since both of these sectors tend to be low-margin high volume businesses, they depend on repeat business and therefore must maintain some level of reputational quality. A list of the comparison companies is provided in Appendix B.

Table 3: Industry distribution of initial and final sample of companies in comparison industries.

Industry	Initial Sample	With CSR-type Reports
Department & Discount Stores	26	12
Grocery Store Chains	14	5
Total	40	17

Table 1 shows that 27.6% (29 of 105) of the companies in controversial industries produced CSR-type reports. As Table 3 shows, 42.5% of companies in the comparison non-controversial industries produced CSR reports. These proportions are statistically different at the 5% level of significance (p-value = 0.0427, one-tailed test).

Next, we investigated the structure of CSR reports by counting the pages devoted to people/community and the environment. If available, we took page numbers from the report's table of contents. If no table of contents was included in a report, we counted the pages associated with corporate activities to benefit people, including employees, and communities. The environmental category included pages discussing climate, carbon, water, forests, emissions, pollution and energy use, by the company and its suppliers. Pages that were pictures or primarily pictures were included in the category of the surrounding pages. Treating pictures in this manner was done in order to make the page counting categorization as similar as possible to using page numbers from the table of contents. Page counts were conducted for each report independently by one of the authors as well as a graduate student. Count differences between these two estimates were then resolved by an independent count performed by another one of the paper's authors.

With this data we computed the proportion of each report that was dedicated to people/community and the proportion dedicated to the environment. We also computed the average ratio of people/community-to-environment across firms in each industry (People/Environment below). Table 4 reports this data for our benchmark comparison industries, and Table 5 for the controversial industry sample.

None of the proportions or ratios reported for the comparison industries in Table 4 are significantly different across industries or between areas of emphasis. The ratio data indicate that, on average, firms in this comparison group devote about an equal (or slightly more) number of report pages to People in comparison to the report pages devoted to the environment.[1]

In contrast to the benchmark industries, for the entire sample of reporting "sin" companies, the proportion of pages dedicated to people/community compared to the proportion of pages dedicated to the environment differs significantly (p-value =.01172.). This difference is driven

[1] The average of the ratios is a better indicator of the emphasis that firms choose to place on people/community and environment than comparing proportions. Using proportions can yield misleading conclusions about firm-by-firm reports because reports differ in length and because not all of most reports is exclusively devoted to these two areas. The authors will provide a demonstration of this result on request.

by Gambling firms whose proportions of pages dedicated to people/community compared to the environment is large and significant (p-value =.000358). On the other hand, there is not a significant difference between pages dedicated to people/community or the environment for either the Alcohol or Tobacco subsamples.

Table 4: Proportion of pages dedicated to people/community or the environment in CSR-type reports of companies in comparison industries.

	People/Community Proportion of Pages	Environment Proportion of Pages	People/Environment Average Ratio Across Firms in Each Subsample
Comparison Sample	19.6%	28.4%	1.037
Number	17	17	17
Department Stores	21.3%	31.7%	1.006
Number	12	12	12
Grocery Stores	19.0%	22.2%	1.110
Number	5	5	5

Table 5: Proportion of pages dedicated to people/community or the environment in CSR-type reports of companies in controversial industries.

	People/Community Proportion of Pages	Environment Proportion of Pages	People/Environment Average Ratio Across Firms in Each Subsample
Sample	26.0%	18.6%	1.761[2]
Number	29	29	29
Alcohol	21.6%	23.8%	1.069
Number	12	12	12
Gambling	36.2%[3]	16.6%	2.795
Number	10	10	10
Tobacco	19.1%	12.7%	1.470
Number	7	7	7

The ratio of the pages devoted to people/community relative to pages devoted to the environment for the entire sample (1.761) is significantly different from 1.0, i.e., the hypothesis that the proportions are equal, with a *t*-value of 3.094 and a p-value of 0.0045. The hypothesis

[2] The ratio People/Environmental coverage is significant at 1% in the overall sample of controversial industries.
[3] The difference in coverage of people/community and environment for gambling firms is significant at 2% level of significance. The ratio is of these two areas of coverage is also significant for Gambling (p=.008).

that the ratio of the pages devoted to people/community relative to pages devoted to the environment equals one is also rejected for Gambling subsample (The *t*-value is 3.37. The p-value is 0.0083.). For the Tobacco subsample the ratio differs from 1.0 but only at the 10% significance level (The *t*-value is 1.86 and the p-value is 0.056.).

Taken together, Table 5's results indicate that there is some difference in the emphasis of CSR reporting in controversial industries. This suggests that these "at-risk" firms may take a strategic approach to determining their report's content. This conclusion is reinforced when Table 5's results are compared to Table 4, which found no significant difference in content among non-controversial industries.

A closer comparison of the non-controversial and controversial industries, reveals that the proportion of CSR reports dedicated to people/community is higher for the controversial companies (26.0% compared to 19.8%) and is statistically significant at the 5% level (*p*-value = .0472). There is also a significant difference in the proportion of pages dedicated to the environment. The average percentage of total pages devoted to environmental issues for the non-controversial industry companies is 28.4% compared to 18.6% for companies in controversial industries, which is also significant at the 5% level (*p*-value of 0.021). The ratio of pages dedicated to people/community compared to the environment between the non-controversial (1.032) and controversial (1.761) groups is also significantly different (*p*-value = 0.0197).

This evidence is consistent with companies in controversial industries structuring their CSR reports differently than other companies. They apparently emphasize people/community, which may be an attempt to counteract negative perceptions generated by their products that are associated with social ills. By over-compensating in the people/community arena they may be trying to shift perceptions away from their elephant in the room and establish a positive (less negative) public perception.

4.3 Do controversial companies structure their CSR reports differently?

Our evidence is consistent with companies in controversial industries structuring their CSR-type reports differently from other companies by placing greater emphasis on their people/community accomplishments. Presumably, this helps establish their legitimacy as a socially acceptable organization despite the social ills their products or services produce. But there are some companies in the controversial sample that invest a lot more effort explaining what they are doing to address their inherent controversies. These are companies that we categorized as having *dealt meaningfully* with their problem. If a company follows this strategy, does it also devote additional reporting to its people- and community-oriented activities? We answer this question by comparing the reporting structure of the controversial companies categorized by how they dealt with their particular social problem.

Table 6 shows the proportion of CSR report pages devoted to people/community and to the environment for our 29 reporting firms categorized by their response to their product's controversy. The results in Table 6 suggest that companies that only address their problem moderately devote more pages to people/community than companies that addressed the issue meaningfully; although the difference is not statistically significant (*p*-value is .103).

Despite this lack of statistical significance, the difference in the proportion of pages dedicated to people/community between the meaningful and moderate sub-groups, suggests that companies that choose to report less about how they are addressing their social problem, overcompensate by reporting more information about their other positive, socially-focused activities. This result is consistent with companies either presenting lots of information about their social problem, or, as a substitute, they present lots of information about how they serve people and communities. It is left to future studies to test if such a substitute effect exists. It is also interesting to note that the firms that altogether avoid mentioning their controversies structure their reports similarly to firm in the non-controversial control group. For example, the ratio of people/community to environment in the control group was 1.037 and for those "sin" companies that ignore their issues the ratio was 1.16, very similar to the benchmark. Thus, in terms of the CSR reporting this subset of "sin" firms report as if they were no more controversial than retail stores.

Table 6: Proportion of pages dedicated to people/community or the environment in CSR-type reports of companies in controversial industries categorized by their response to their social ill.

	People/ Community	Environment	People/ Environment
Full Sample	26.0%	18.6%	1.761
Number	29	29	29
Dealt with Issue Meaningfully	23.5%	19.2%	1.69
Number	18	18	18
Dealt with Issue Moderately	31.5%	15.8%	2.14
Number	8	8	8
Dealt with Issue Not at All	26.1%	22.7.6%	1.160
Number	3	3	3

5. Discussion and Conclusion

We examine the contrasting likelihoods of producing a sustainability (CSR) report between controversial firms and a control group of non-controversial companies. We find that controversial firms are less likely to produce such reports. This result suggests that firms in "sin" industries are more likely to conclude that the benefits of reporting are less than the potential risks of reporting compared to firms in non-controversial industries. Apparently, companies in controversial industries view the risk of calling attention to their core *socially-questionable* business more than offsets the potential for improved stakeholder perceptions and organizational legitimacy that might result from producing a CSR report. This conclusion is consistent with CSR reporting being in its formative stage from the perspective of institutional and legitimacy theories.

We also investigate the content of reports for reporting firms. The results indicate that most controversial firms that choose to report also address their product's issues (their 'elephants') in a meaningful way. Further, they tend to devote relatively more space to "people" and "community" than to the environment in comparison with non-controversial firms. This is consistent with firms that generate social ills attempting to deflect attention from the problematic aspects of their business model by pursuing and reporting on more socially responsible initiatives than comparison companies. Supporting this, we find some evidence that the relative emphasis on people and community over environment is strongest among the controversial firms that only moderately address their "elephant in the room" when compared to companies that make a meaningful effort to address the issue.

Our evidence is consistent with reporting firms in controversial industries seeing their community-focused and charitable activities as offsetting or substituting for harm done elsewhere. The structure of these CSR reports suggests that companies are using some sort of utilitarian calculus. By carrying out more than the average (or by reporting no more than the average) good deeds, they have acquired a sort of *indulgence* to earn profits with activities that harm some customers. This notion of offsetting harm with good deeds becomes problematic if the people harmed are rom vulnerable populations, don't have the resources to address the harm or are minors. The fact that states uniformly pass laws that attempt to prevent minors from smoking, drinking alcohol or gambling suggests lawmakers see these activities as especially harmful to this particular vulnerable population.

Our results suggest a number of intriguing directions for future research. Do companies in extractive or heavy manufacturing industries use a similar utilitarian calculus to offset or deflect the harm from pollution? Do companies direct some of their community efforts at vulnerable populations most likely to be harmed by their business activities or are the beneficiaries unconnected to those being harmed?

The scope of this study and its small sample size does not allow us to pursue these questions, but they seem a provocative area for further study, ideally in a large-sample setting that would allow broader generalization of results.

Finally, we note the use of language to subtly dampen the impact of the "elephants," for example: the use of "gaming" versus "gambling"; the use of phrasing like "responsible drinking" or "responsible gaming" rather than "problem drinking" or "problem gambling." This observation might also lead to research employing content analysis to determine if this is a pervasive type of behavior.

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Appendix A: Full Sample of Controversial Industry Companies

Company	Sector	Report 1=Yes
Anheuser-Busch InBev (NYSE: BUD)	Alcohol	1
Brown-Forman Corp. (NYSE: BF-A)	Alcohol	1
Carlsberg Brewery (OTC: CABHF)	Alcohol	1
Constellation Brands Inc (NYSE: STZ)	Alcohol	1
Craft Brew Alliance (NASDAQ: BREW)	Alcohol	1
Diageo plc (NYSE: DEO)	Alcohol	1
Heineken NV (OTC: HINKY)	Alcohol	1
Molson Coors Brewing Company (NYSE: TAP)	Alcohol	1
Pernod Ricard (Euronext: RI)	Alcohol	1
SABMiller plc (LSE: SAB)	Alcohol	1
Suntory (Pink Sheets: STBFY) Formerly NYSE: BEAM)	Alcohol	1
Treasury Wine Estates (ASX: TWE)	Alcohol	1
Boyd Gaming Corporation (NYSE: BYD)	Gambling	1
Caesars Entertainment (NASDAQ: CZR)	Gambling	1
Galaxy Entertainment (OTC: GXYEF)	Gambling	1
Ladbrokes PLC (LSE: LAD)	Gambling	1
Las Vegas Sands Corp. (NYSE: LVS)	Gambling	1
MGM Resorts International (NYSE: MGM)	Gambling	1
Paddy Power plc (LSE: PAP)	Gambling	1
The Rank Group plc (LSE: RNK)	Gambling	1
William Hill (LSE: WMH)	Gambling	1
Wynn Resorts (NYSE: WYNN)	Gambling	1
Alliance One (NYSE: AOI)	Tobacco	1
Altria Group Inc. (NYSE: MO)	Tobacco	1
British American Tobacco plc (AMEX: BTI)	Tobacco	1
Imperial Tobacco Group plc (LSE: IMT)	Tobacco	1
Philip Morris International (NYSE: PM)	Tobacco	1
Reynolds American Inc. (NYSE: RAI)	Tobacco	1
Swedish Match (OMX: SWMA)	Tobacco	1
Big Rock Brewery (TSX: BR)	Alcohol	0
Boston Beer Company Inc (NYSE: SAM)	Alcohol	0
Leucadia National Corporation (NYSE: LUK)	Alcohol	0
Willamette Valley Vineyards, Inc (NASDAQ: WVVI)	Alcohol	0
Amaya Inc (TSX: AYA)	Gambling	0
American Wagering Inc. (OTC: BETM)	Gambling	0
Ameristar Casinos (NASDAQ: ASCA)	Gambling	0
Archon Corp (OTC: ARHN)	Gambling	0
Bally Technologies (NYSE: BYI)	Gambling	0
Blackbird International (OTC: BBRD)	Gambling	0
Cala Corporation (OTC: CCAA)	Gambling	0
Canterbury Park Holding Corp (NASDAQ: CPHC)	Gambling	0
Century Casinos Inc (NASDAQ: CNTY)	Gambling	0

Churchill Downs (NASDAQ: CHDN)	Gambling	0
Concorde Gaming Corp (OTC: CGAM)	Gambling	0
Diamondhead Casino Corporation (OTC: DHCC)	Gambling	0
Dover Downs Gaming & Entertainment Inc. (NYSE: DDE)	Gambling	0
eBET Gaming Systems (AX: EBT)	Gambling	0
Eldorado Resorts (NASDAQ: ERI)	Gambling	0
Elsinore Corp (OTC: ELSO)	Gambling	0
Empire Resorts (NASDAQ: NYNY)	Gambling	0
Florida Gaming Corporation (OTC: FGMGQ)	Gambling	0
Full House Resorts (NASDAQ: FLL)	Gambling	0
Galaxy Gaming (OTC: GLXZ)	Gambling	0
GameHost (TSX: GH)	Gambling	0
Gaming and Leisure Properties, Inc. REIT (NASDAQ: GLPI)	Gambling	0
Global Pari-mutuel Services (OTC: GPRM)	Gambling	0
Great Canadian Gaming Company (TSX: GC)	Gambling	0
Greektown Superholdings (OTC: GRKT)	Gambling	0
Iao Kun Group Holding (NASDAQ: IKGH)	Gambling	0
Innovative Gaming Corporation of America (OTC: IGCA)	Gambling	0
International Game Technology (NYSE: IGT)	Gambling	0
International Thoroughbred Breeders, Inc. (Pink sheets: ITGB)	Gambling	0
International Thunderbird Gaming Corp (OTC: THRSF)	Gambling	0
Isle of Capri Casinos Inc. (NASDAQ: ISLE)	Gambling	0
Lakes Entertainment Inc. (NASDAQ: LACO)	Gambling	0
Littlefield Corp. (OTC: LTFD)	Gambling	0
Lottery & Wagering Solutions (OTC: LWSL)	Gambling	0
Melco Crown Entertainment (NASDAQ: MPEL)	Gambling	0
Mill City Ventures (OTC: MCVT)	Gambling	0
Monarch Casino & Resort, Inc. (NASDAQ: MCRI)	Gambling	0
MTR Gaming Group (NASDAQ: MNTG)	Gambling	0
Multimedia Games Inc. (NASDAQ: MGAM)	Gambling	0
Nevada Gold & Casinos Inc. (NYSE: UWN)	Gambling	0
Penn National Gaming Inc. (NASDAQ: PENN)	Gambling	0
Pinnacle Entertainment (NYSE: PNK)	Gambling	0
Scientific Games Corp (NASDAQ: SGMS)	Gambling	0
Southwest Casino Corp (OTC: SWCC)	Gambling	0
Sportingbet plc (LSE: SBT)	Gambling	0
Syzygy Entertainment (OTC: SYZG)	Gambling	0
Transworld Corporation (OTC: TWOC)	Gambling	0
Tropicana Entertainment (OTC: TPCA)	Gambling	0
Smith & Wesson Holding Corp (NASDAQ: SWHC)	Guns	0
Sturm, Ruger & Co. Inc. (NYSE: RGR)	Guns	0
Abattis Bioceuticals Corp. (CSE: ATT)	Marijuana	0
CannaVEST Corp. (OTCBB: CANV)	Marijuana	0
Easton Pharmaceuticals (OTC: EAPH)	Marijuana	0
Enertopia Corp. (CNSX: TOP)	Marijuana	0
Medican Enterprises (OTCBB: MDCN)	Marijuana	0

Surna Inc. (OTCQB: SRNA)	Marijuana	0
Tweed Marijuana Inc. (TSX-V: TWD)	Marijuana	0
Advance America Cash Advance (Mexico: MM)	PayDay Loans	0
Cash America International (NYSE: CSH)	PayDay Loans	0
Encore Capital Group (NASDAQ: ECPG)	PayDay Loans	0
EZ Corp (NASDAQ: EXPW)	PayDay Loans	0
First Cash Financial Services (NASDAQ: FCFS)	PayDay Loans	0
World Acceptance Corp (NASDAQ: WRLD)	PayDay Loans	0
Avalon Correctional Services (OTC: CITY)	Prisons	0
Corrections Corporation of America (NYSE: CXW)	Prisons	0
G4S (LSE: GFS)	Prisons	0
The GEO Group (NYSE: GEO)	Prisons	0
Lorillard Inc. (NYSE: LO)	Tobacco	0
Schweitzer-Mauduit International Inc. (NYSE: SWM)	Tobacco	0
Universal Corporation (NYSE: UVV)	Tobacco	0
Vapor Corp (OTC: VPCO)	Tobacco	0
Vector Group Ltd (NYSE: VGR)	Tobacco	0

Appendix B

Department Store/Discount Store Sample

Name	Type Report 1=Yes	Ticker	
Costco Wholesale	Discount Stores	COST	1
Dollar Tree, Inc.	Discount Stores	DLTR	1
JCPenney Company, Inc.	Department Stores	JCP	1
Kohl's Corporation	Department Stores	KSS	1
Macy's, Inc.	Department Stores	M	1
Marks and Spencer Group p.l.c.	Department Stores	MKS.L	1
Nordstrom	Department Stores	JWN	1
Ross Stores	Department Stores	ROST	1
Sears Holdings Corporation	Department Stores	SHLD	1
Target Corporation	Discount Stores	TGT	1
The TJX Companies, Inc.	Department Stores	TJX	1
Wal-Mart Stores, Inc.	Discount Stores	WMT	1
99 Cents Only	Discount Stores	NDN	0
Belk (Class B)	Department Stores	BLKIB	0
Big Lots, Inc.	Discount Stores	BIG	0
BJ's Wholesale Club, Inc.	Discount Stores	BJ	0
Cost Plus, Inc.	Department Stores	CPWM	0
Dillard's, Inc.	Department Stores	DDS	0
Dollar General	Discount Stores	DG	0
Family Dollar Stores, Inc.	Discount Stores	FDO	0
Five Below	Discount Stores	FIVE	0
Fred's, Inc.	Discount Stores	FRED	0
PriceSmart, Inc.	Discount Stores	PSMT	0
Saks Incorporated	Department Stores	SKS	0
The Bon-Ton Stores, Inc.	Department Stores	BONT	0
Tuesday Morning Corporation	Discount Stores	TUES	0

Grocery Store Chains Sample

Name	Ticker	Report
Companhia	CBD	1
Delhaize	DEG	1
Fomento	FMX	1
Kroger	KR	1
Weis Mkts	WMK	1
Walmart (in both samples)	WMT	1
Cencosud	CNCO	0
Ingles	IMKTA	0
Natural Grocers	NGVC	0
Smart n Final	SFS	0
SpartanNash	SPTN	0
Sprouts	SFM	0
SuperValu	SVU	0
Village Super	VLGEA	0
Whole Foods	WFM	0