



MATIAS LAINE

A Way of Seeing
Corporate Sustainability Reporting



ACADEMIC DISSERTATION

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To Eeva, Nuutti and Minttu

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Tampere, November 2009

Matias Laine

Abstract

In today's globalized world large companies are vast organizations wielding major power in societies. Simultaneously, corporations' operations and their operating policies have been linked to social problems and environmental degradation. Corporate social and environmental disclosures have been considered a medium which could help to alleviate such maladies by enhancing democracy through the provision of increased accountability and further transparency in corporate operations. Accordingly, this dissertation seeks to present a (critical) way of seeing corporate sustainability reporting and thereby to discuss the transformative and emancipatory potential of this contemporary practice.

This research contributes by providing interpretations of how the companies represent themselves in sustainability reporting. It furthermore discusses how these disclosures then impact on society more broadly by, for instance, constructing certain meanings for certain concepts in certain ways. The dissertation employs qualitative methods and discusses how a particular rhetoric of sustainability and of other environmental issues may be exploited to enhance corporate legitimacy. The dissertation consists of an introductory chapter and three studies previously published in refereed international scholarly accounting journals. The introductory part contextualizes the studies and discusses the implications of the work. The first article presents a longitudinal interpretation of how the environmental disclosures of a leading Finnish chemicals company developed over a 34-year period 1972-2005. The second article provides a cross-sectional view of how Finnish listed companies used sustainability-related concepts in their reporting during the period 2001-2002. Finally, the third article discusses how the corporate talk of sustainability employed by three major Finnish companies developed during the period 1987-2005. Taken together, the articles provide a historical perspective on how major Finnish corporations have used language to represent themselves with regard to environmental issues. Moreover, the studies deconstruct the business talk of sustainability and show how business has managed to appropriate the language of sustainability to suit its own purposes.

In sum, this dissertation suggests that corporate sustainability reporting appears to be more a matter of responding to external pressures than an ambition towards discharging accountability. The representations are used to legitimize the individual organizations in their micro-contexts, namely the societies they operate in. Simultaneously, these representations also work in the macro-context by legitimizing the social structures in general by (re)framing the current social order more broadly as one being on the environmentally right track. Indeed, the practices are seen to perpetuate present structural arrangements and socio-economic order. It is here therefore argued here that the transformative potential of social and environmental reporting is severely limited.

Tiivistelmä

Suurilla kansainvälisillä yrityksillä on merkittävää yhteiskunnallista vaikutusvaltaa. Samaan aikaan niiden toiminnan nähdään aiheuttavan yhteiskunnallisia ongelmia ja heikentävän luonnonympäristön tilaa. Yritysten kestävä kehityksen raportoinnin on ajateltu lisäävän niiden toiminnan läpinäkyvyyttä. Näin raportointi edistäisi myös demokratiaa ja auttaisi pienentämään yritystoiminnasta aiheutuvia haitallisia vaikutuksia.

Tässä väitöskirjassa tutkitaan yritysten julkaisemia vapaaehtoisia kestävä kehityksen raportteja. Kaikki mukana olevat tutkimukset on tehty laadullisilla menetelmillä ja niissä tarkastellaan sitä, miten yritykset kuvaavat itseään ja toimintaansa julkaisemissaan raporteissa. Tutkielmassa pohditaan, luoko kestävä kehityksen raportointi ja sen sisältämä lisäinformaatio mahdollisuuksia merkittävien yhteiskunnallisten muutosten tapahtumiselle.

Käsillä oleva väitöskirja koostuu johdantoluvusta sekä kolmesta kansainvälisissä referoiduissa aikakauskirjoissa julkaistusta artikkelista. Johdantoluku suhteuttaa väitöskirjan aihepiirin aiempaan kirjallisuuteen ja esittelee tutkielman perusteella tehdyt johtopäätökset. Ensimmäisessä artikkelissa tarkastellaan, miten johtavan suomalaisen kemianteollisuuden yrityksen raportointi ympäristöasioista muuttui 34 vuoden ajanjaksolla 1972-2005. Toinen artikkeli perehtyy siihen, kuinka suomalaiset pörssilistatut yritykset käyttivät kestäväan kehitykseen liittyviä käsitteitä raportoinnissaan vuosina 2001-2002. Tutkielman kolmannessa artikkelissa puolestaan pohditaan kolmen suuren suomalaisyrityksen raportoinnin muutosta vuosien 1987-2005 aikana. Yhdessä väitöskirjaan sisältyvät artikkelit luovat historiallisen katsauksen suurten suomalaisten yritysten raportointiin ja siihen, miten nämä yritykset ovat hyödyntäneet retoriikkaa kuvatessaan oman toimintansa ympäristövaikutuksia. Tutkielma tarkastelee kriittisesti yritysten kestävä kehityksen retoriikkaa ja osoittaa, että yritysmaailma hyödyntää kestäväan kehitykseen liittyviä puhetapoja edistääkseen omia tarkoituksiaan ja parantaakseen toimintansa yhteiskunnallista hyväksyttävyyttä.

Väitöskirjan johtopäätöksenä arvioidaan, että yritysten vapaaehtoisessa kestävä kehityksen raportoinnissa on sittenkin enemmän kyse reagoinnista ulkoisiin paineisiin kuin merkittävästä muutoksesta yritysten tilivelvollisuudessa tai läpinäkyvyydessä. Yritykset hyödyntävät kestävä kehityksen raportointia parantaakseen omaa asemaansa yhteiskunnassa, jossa ne toimivat. Samanaikaisesti raportointi vaikuttaa myös laajemmin yhteiskunnassa. Se vahvistaa vaikutelmaa, jonka mukaan nykyinen yhteiskuntajärjestelmä on kehittymässä oikeaan suuntaan ympäristöongelmien ratkaisemisen ja kestävä kehityksen kannalta. Näin raportoinnin voidaan itse asiassa katsoa vahvistavan entisestään vallitsevaa yhteiskunnallista järjestystä ja voimasuhteita. Tutkielmassa arvioidaankin yritysten kestävä kehityksen raportoinnin yhteiskunnallisen muutospotentiaalin olevan lopulta erittäin rajoittunutta.

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List of the original publications

Article 1:

Laine, M. (2009), "Ensuring legitimacy through rhetorical changes? A longitudinal interpretation of the environmental disclosures of a leading Finnish chemical company", *Accounting, Auditing and Accountability Journal*, Vol. 22 No. 7, pp. 1029-1054. With permission from Emerald.

Article 2:

Laine, M. (2005), "Meanings of the term 'sustainable development' in Finnish corporate disclosures", *Accounting Forum*, Vol. 29, pp. 395-413. With permission from Elsevier.

Article 3:

Laine, M. (*forthcoming*), "Towards sustaining the status quo: Business talk of sustainability in Finnish corporate disclosures 1985-2005". *European Accounting Review*, 28 pages. With permission from Taylor & Francis.

1 Preface

We appear to live in exceptional times: the environmental problems are held to be more challenging than ever before¹. Society appears to have its hands full with climate change, degradation of biodiversity and environmental pollution, for instance (see IPCC, 2007; Meadows et al., 2004). Following Hajer (1997, p. 13-14), it is here maintained that the “environmental conflict is no longer about whether there is a crisis, it is essentially about its interpretation”. The global environmental agenda is considered to have impacts on how societies, institutions and social actors operate and which issues they focus on. Corporations, as major social actors, are also at the core of these discussions. Escalating environmental concerns in society, stricter regulation and evolving standards affect corporations’ activities and their operating environments. The relationships between business, societies and nature are likewise under scrutiny (see e.g. Porritt, 2005; Elkington, 1999; Gladwin et al., 1995).

Sustainable development, broadly accepted as a common policy goal for humankind, is a key concept in this area. The prominence of sustainable development originates in and stems from the work of the Brundtland Commission², which in its report *Our Common Future* coined the widely cited definition: “development which meets the needs of the present without compromising the abilities of future generations to meet their own needs” (UNCWED, 1987, p. 8). Sustainability³ is a buzzword many subscribe to (see Bebbington, 2001): media is filled with concepts such as sustainability indices, sustainable business, sustainable consumption (*sic!*), sustainable growth and sustainable capitalism, only to name but a few. Everyone seems to agree that sustainability is essential and worth pursuing. There just is no consensus over what this elusive concept means and how it could be achieved (e.g. Fergus and Rowney, 2005a, 2005b; Bebbington, 2001; Dryzek, 1997; Turner, 1993). Various social actors, including corporations and corporate front-groups, employ their own interpretations of sustainability. In general, the business view of sustainability concentrates on win-win solutions and emphasizes the important role of business in society’s journey towards sustainability. This weak sustainability highlights the effectiveness of market solutions and technical innovations in that quest (e.g. Holliday et al., 2002; Pearce and Barbier, 2000; Elkington, 1999; Porter and van der Linde, 1995; Schmidheiny, 1992). There again, in a competing discourse, also known as strong sustainability, further economic

¹ It is not the first time that similar considerations are presented (see Elkington, 1999; Meadows et al., 1972).

² Sustainable development [and the environmental concerns more broadly] have older roots (Neuzil and Kovarik, 1996; Dixon and Fallon, 1989), but the Brundtland Commission was the source of the popularity of the idea.

³ To keep matters simple the terms ‘sustainable development’ and ‘sustainability’ are here used to a large extent interchangeably. The conceptual difference is acknowledged, but emphasizing the distinction here is not seen to aid the discussion of the main aim of this thesis, corporate sustainability reporting.

growth is considered impossible and the prevailing social and economic order is seen as the major culprit for the ever intensifying environmental crisis (e.g. Beder, 2002; Welford, 1997; O'Connor, 1994; Jacobs, 1991; Daly and Cobb, 1989). There is, indeed, a continuing discursive struggle over sustainability (Dryzek, 1997).⁴ At the same time, despite the influx of the sustainability talk, the global environmental indicators show a constant decline in the state of the natural environment we live in (Gray, 2006a, 2006b).

It is against this societal backdrop that this work is positioned. The thesis focuses on how corporations are self-reporting on social and environmental issues, a phenomenon nowadays widely known as corporate sustainability reporting. Corporate voluntary social and environmental reporting has burgeoned in the last two decades or so. Such reports have been published under a variety of labels, including sustainability, corporate responsibility, corporate citizenship, environment, and the like.⁵ The practices are diverse, as publishing these reports has to a large extent been voluntary and non-standardised. Companies have thus produced their reports as they have deemed to best suit their own interests. In recent years some standards for corporate sustainability reporting have emerged, the most prominent of these being the Sustainability Reporting Framework published by the Global Reporting Initiative [hereafter GRI].⁶ Many large companies utilize the GRI framework in their reporting, albeit applying the standard is voluntary (cf. Milne and Gray, 2007). In sum, publishing non-financial information about social and environmental issues can now be considered an everyday activity for many commercial organizations. This thesis now seeks to contribute by providing a (critical) way of seeing this prominent contemporary practice.

⁴ This summation is admittedly a simplified description of a highly complex social phenomenon (see Dryzek, 1997; Turner, 1993). However, the dichotomy is not only widely used in the scholarly literature, but also useful in highlighting the differences in interpretations. As Bebbington (2001, p. 129) puts it: “[Sustainability] means different things to different people in different contexts”.

⁵ The nomenclature presupposes a clarification. In scholarly research this practice has frequently been referred to as ‘corporate social and(or) environmental reporting’. The term ‘corporate sustainability reporting’ has only emerged in the last few years. Therefore, in order to avoid distorting historical developments, this thesis will use both ‘social and environmental reporting’ and ‘sustainability reporting’. Moreover, the terms ‘reporting’ and ‘disclosures’ are used interchangeably. In principle, corporate sustainability reporting can be seen to include a broader range of issues than mere social or environmental reporting. However, this is certainly not always the case. Furthermore, it must be stressed that the existence of a sustainability report neither implies that the reporting entity is sustainable nor that the report *de facto* addresses the entity’s sustainability as a whole (see e.g. Gray, 2009; Gray and Milne, 2004).

⁶ Global Reporting Initiative is a net-work based organization originating in the late 1990s. The sustainability framework and the reporting guidelines are available free online. See www.globalreporting.org.

2 Aim of the thesis

The thesis consists of this introductory chapter and three studies previously published in refereed international scholarly accounting journals. This introductory part endeavours to contextualize the studies and to discuss the implications of the work. The full versions of the articles forming the core of this thesis follow this introductory part, but for convenience they are also summarised in the latter portion of this chapter.

Briefly, this thesis concerns the role and significance of corporate voluntary sustainability reporting in solving contemporary social and environmental problems. In today's globalized world large companies are vast organizations wielding major power in societies (e.g. Beder, 2002; Korten, 1995; but see Tullberg, 2004). Simultaneously, corporations' operations and their operating policies have been linked to social problems and environmental degradation⁷ (e.g. Springett, 2003; Welford, 1997; O'Connor, 1994; Daly and Cobb, 1989). These issues, however, tend to receive limited attention. Conventional corporate accounting, for instance, typically ignores a range of social and environmental impacts corporate activities are known to have (Milne, 1996; also Birkin, 2000, 1996). Corporate social and environmental disclosures have been considered a medium, which could help to alleviate such maladies by enhancing democracy through the provision of increased accountability and further transparency in corporate operations (Spence, 2009a; Gray et al., 1996). Accountability entails that those who control the resources provide accounts to society of how those resources have been used (Gray et al., 1996; Lehman, 1995). According to Gray and Milne (2004, p. 73-74), "society has a right to know about the extent to which its principles and tenets are being complied with and how its environmental resources are being looked after". Lehman (2002, 1999) maintains that such information provided through social and environmental disclosures could facilitate informed public dialogue and debate through civil institutions. Likewise Spence (2007) argues that the principal argument for corporate social and environmental reporting must lie in its emancipatory and radical possibilities. For Spence, this potential is conceived of in terms of the ability of social and environmental reporting to expose and problematise the conflicts and antagonisms inherent in advanced capitalism (Spence, 2007, p. 856; see also Tinker et al., 1991; Puxty, 1986; Cooper and Sherer, 1984). However, there is a firm body of research suggesting that companies engage in social and environmental reporting mainly in order to secure their own position and private interests (e.g. Cho, 2009; Tregidga and Milne, 2006; Tinker and Neimark, 1987). Hence, the objective of this thesis is as follows:

⁷ This is not to deny the abundance of material welfare and increased standards of living which many in the (mostly) western societies can enjoy. However, advanced capitalism has its drawbacks (see Birkin et al., 2005).

This thesis seeks to present a (critical) way of seeing corporate sustainability reporting and thereby to discuss the transformative and emancipatory potential of this contemporary practice.

This research contributes by providing interpretations of what the companies are *actually*⁸ (see Thomson and Bebbington, 2005; also Milne and Gray, 2007) saying in their sustainability disclosures, or, simply, how the companies *represent themselves* in their reporting. We shall furthermore discuss how these disclosures then impact on society more broadly by, for instance, constructing certain meanings for certain concepts in certain ways. To this end, the work at hand draws on critical discourse analysis, which is interested in “how the process of social construction leads to a social reality that is taken for granted and that advantages some participants at the expense of others” (Phillips and Hardy, 2002, p. 15). The thesis discusses how a particular rhetoric of sustainability and of other environmental issues may be exploited to enhance corporate legitimacy. The first article⁹ (hereafter Article 1) presents a longitudinal interpretation of how the environmental disclosures of a leading Finnish chemicals company developed over a 34-year period 1972-2005. The paper shows how the social and institutional pressures stemming from the social context affected the rhetoric used by the organization in its environmental disclosures. The second article¹⁰ (Article 2) provides a cross-sectional view of how Finnish listed companies used sustainability-related concepts in their reporting during the period 2001-2002. Finally, the third article¹¹ (Article 3) discusses how the corporate talk of sustainability employed by three major Finnish companies developed during the period 1987-2005. Taken together, Articles 1 and 3 provide an historical perspective on how major Finnish corporations used language to represent themselves in respect of environmental issues. Moreover, Articles 2 and 3 deconstruct the business talk of sustainability and show how business has managed to appropriate the language of sustainability to suit its own purposes. In sum, and together with prior literature, this thesis suggests that corporate self-reporting falls short of the emancipatory ideals. Indeed, the practices are seen to perpetuate present structural arrangements and socio-economic order (see Arnold and Hammond, 1994; also Birkin et

⁸ The reference to “actual” does not suggest that the present author considers his interpretation of the meanings the ultimate truth. Subscribing to social constructionism (Berger and Luckmann, 1967), it is the view of this writer that in social issues truth as such is likely to be inaccessible. This is not to suggest that everything is settled through social interaction – the book you hold does exist, as does the building you are in. Rather, the meaning of those artifacts is constructed in social processes (see Gergen, 1999; Hacking, 1999).

⁹ Laine M. (2009) Ensuring legitimacy through rhetorical changes? A longitudinal interpretation of the environmental disclosures of a leading Finnish chemical company. *Accounting, Auditing and Accountability Journal*, Vol. 22 No. 7, pp. 1029-1054.

¹⁰ Laine M. (2005) Meanings of the term ‘sustainable development’ in Finnish corporate disclosures. *Accounting Forum*, Vol. 29, pp. 395-413.

¹¹ Laine M. (*forthcoming*) Towards sustaining the status quo: Business talk of sustainability in Finnish corporate disclosures 1987-2005. *European Accounting Review*.

al., 2005). Therefore, like Spence (2007), it is here argued that the transformative potential of social and environmental reporting is severely limited. As a backdrop to this discussion the thesis turns to two areas of prior research in particular:

Firstly, the present work draws on the debate as to why corporations engage in social and environmental reporting and why they are saying what they are. Earlier literature has sought to tackle this issue via numerous theoretical approaches, legitimacy theory being the most prominent of them (e.g. Deegan, 2002). According to this line of thinking, companies use social and environmental disclosures as strategic tools to maintain their legitimacy and social contracts with society at large. Legitimacy theory proposes that losing organizational legitimacy can be detrimental to a corporation's activities, as society's approval is a prerequisite for successful operations (e.g. Deegan et al., 2002; Deegan, 2002; O'Donovan, 1999; Dowling and Pfeffer, 1975). It is worth noting that this work is not directly based on legitimacy theory nor will it directly contribute to it. However, much of what will be discussed here has clear linkages to these questions. The studies constituting this thesis analyse the social and environmental reporting practices of major Finnish companies during a period in which no mandatory requirements were in place regarding such disclosures. The organizations examined here have thus voluntarily decided to publish social and environmental information. Therefore, the area of motivating factors behind corporate social and environmental disclosures will be scrutinized.

Secondly, the thesis builds upon and contributes to a growing body of literature aiming at deconstructing corporate sustainability rhetoric (see e.g. Tregidga and Milne, 2006; Buhr and Reiter, 2006; Livesey, 2002a, 2002b, 2001; Livesey and Kearins, 2002; also Ferguson, 2007). The social and environmental reporting research has yielded ample information concerning questions such as which companies are reporting and how they are doing it. These studies have mainly applied content analysis and focused on the volumes of disclosures on particular topics. The research at hand moves beyond the volumetric analysis and turns to the areas of discourses and rhetoric (see Craig and Amernic, 2008, 2004; Lawrence and Suddaby, 2006; Suddaby and Greenwood, 2005; Phillips and Hardy, 2002; Alvesson and Kärreman, 2000a, 2000b; Fairclough, 1992) to provide insights on the images, representations and meanings companies seek to convey in their disclosures. In particular, the pivotal concepts of this thesis are 'sustainable development' and 'sustainability', expressions lavishly applied in social debate and corporate communication (e.g. Tregidga and Milne, 2006; Milne et al., 2006; Livesey and Kearins, 2002).

This introductory part continues as follows. We now move on to position the thesis with a brief introduction to the broad canvas for this work, the social and environmental accounting literature. This is followed by a more detailed consideration of prior studies on social and environmental reporting, after which the methodological issues are addressed. The penultimate section summarizes the three articles previously published. Finally, the concluding part discusses the findings and enumerates some further implications.

3 Intellectual roots: social and environmental accounting research

The inspiration for this thesis and its deeper intellectual roots are in the broad base of social and environmental accounting literature. The following will thus first provide a brief overview of this research.¹² It is not in the intention of the present author to provide here a comprehensive literature review; those seeking such presentations should consult recent papers by Owen (2008, 2004), Gray (2006a, 2002a), Parker (2005) and Mathews (2002, 1997). Further, more detailed descriptions of the research published prior to the mid 1990s will be found in Gray, Owen and Adams (1996), Gray, Kouhy and Lavers (1995a), Owen (1991), Gray, Owen and Maunders (1988) and Parker (1986).¹³ It is also these very papers that the following review of prior research draws on in particular.

To begin with, talking of something presupposes a definition¹⁴. Giving a simple and all-encompassing description of what social and environmental accounting entails is, however, a complex task. It is about something beyond traditional (so-called normal) financial accounting and reporting (see Lamberton, 2005; Gray, 1992). Following prominent contributors¹⁵, the next two definitions serve to provide guidance on a plethora of activities, which until recently were considered to be by definition critical or overtly radical (see Mathews, 1997, p. 517):

¹² It is worth pointing out that this thesis is based on the Anglo-American literature, published in English in international scholarly journals. There are sound literatures published in other languages, including, but not limited to French, German and Spanish. In German-speaking communities, for instance, there are lively on-going discussions concerning environmental management accounting and eco-balance.

¹³ Further, insightful views on the state and the development of social and environmental accounting research are presented in, *inter alia*, Cho and Patten (in press), Deegan and Soltys (2007; see also the commentaries following the paper), Thomson (2007), Everett and Neu (2000), Tinker et al. (1991), Parker (1986) and Puxty (1986).

¹⁴ Or does it? See Ahrens et al. (2008).

¹⁵ The pioneering work of social and environmental accounting forerunners opening up pathways for upcoming generations is highly commendable. In the United Kingdom the field has been lead by Rob Gray, Dave Owen and colleagues, many of whom have been connected to the Centre for Social and Environmental Accounting Research [CSEAR] currently based at St.Andrews. In Australasia, the pioneering efforts of Lee Parker and Reg Mathews (see Gray and Guthrie, 2007) merit acknowledgement. Of course, naming some scholars should not be taken to imply that other researchers' input is any less valuable. Likewise, the pioneering work should not be understood as canonized. Indeed, the "Gray-Owen project" (Lehman, 1999) inspired several critical commentaries over time (e.g. Cooper et al., 2005; Everett and Neu, 2000; Lehman, 1999; Tinker et al., 1991).

“Social accounting is about some combination of:

- a) accounting for different things (i.e. other than accounting strictly for economic events);*
- b) accounting in different media (i.e. other than accounting in strictly financial terms);*
- c) accounting to different individuals or groups (i.e. not necessarily only accounting to the providers of finance); and*
- d) accounting for different purposes (i.e. not necessarily accounting only to enable the making of decisions whose success would be judged in financial or even only cash flow terms.” (Gray et al., 1996, p. 3, 11.)*

“‘Social accounting’ is used here as a generic term for convenience to cover all forms of ‘accounts which go beyond the economic’ and for all the different labels under which it appears – social responsibility accounting, social audits, corporate social reporting, employee and employment reporting, stakeholder dialogue reporting as well as environmental accounting and reporting.” (Gray 2002a, p. 687.)

Conventional financial and management accounting are thus considered to ignore a variety of social and environmental impacts caused by business activities (e.g. Milne, 1996). Moreover, organizations are considered to have responsibilities and to be accountable to a range of stakeholders beyond the company’s shareholders and their financial interests. Hence, and simply put, social and environmental accounting seeks ways to incorporate these ‘externalities’ into the corporate decision-making. Furthermore, it advances ways through which organizations’ social and environmental impacts can be communicated to the society at large.

Social and environmental accounting research is frequently considered to have been introduced in the early 1970s (e.g. Gray, 2002a). Owen (2004, p. 24) maintains that the emergence of the literature was a “natural consequence of the debate then raging concerning the role of the corporation in society at a time of rising societal expectations and emerging environmental awareness.” A major portion of the research published during the 1970s consisted of fairly unsophisticated (Mathews, 1997) and theoretically under-developed¹⁶ (Owen, 2008) explorations considering the social information published by commercial entities. The research aimed mainly at describing the new practices, with scant attention paid to finding explanations for what was going on. A rare exception to the largely managerialist work (Gray, 2002a) appears to have been the work of Social Audit Limited (Medawar, 1976), which propagated the ideals of transparency and public accountability by producing highly critical ‘social audit’ reports on

¹⁶ By today’s standards, that is. We do not presume here to trivialize or belittle early studies. Research, like all social activity, transforms and develops (*sic!*) over time. Current scientific endeavours, including this thesis, are a result of and only made possible by historical developments (see Merton, 1965).

commercial organizations (see Gray et al., 1996; Harte and Owen, 1987). Also featured in these early years were proposals of normative models, like a proposition for socio-economic operating statements, a discussion of the objectives and concepts of social accounting, and systems for measuring and disclosing corporate social and environmental impacts (Dierkes and Preston, 1977; Estes, 1976; Ramanathan, 1976; Ullmann, 1976; Linowes, 1972). Further, Mathews (1997) argues that developments outside the accounting discipline, such as in environmental economics and management were subsequently to have an influence in the development of the social and environmental accounting literature.¹⁷

Social accounting continued to be the focal point of research until around the mid 1980s, when the hitherto largely minor interest on environmental issues began to gain ground (see Gray and Bebbington, 2001; Gray et al., 1996; Gray, 1992). In general the studies became more rigorous and theoretically oriented. This applies in particular to the studies exploring corporate reporting: content analysis (see Hackston and Milne, 1996; Gray et al., 1995a, 1995b; Cowen et al., 1987) became a popular analytical tool via which scholars aimed to reduce alleged subjectivity and improve the replicability of the investigations (see Mathews, 1997). The disclosure studies started to move beyond mere description and sought explanations for corporations' voluntary reporting practices. Likewise, the late 1980s witnessed a discussion on the role of corporate activities in environmental problems, and how these issues should/could be reported to benefit broader stakeholder groups beyond the financial shareholders (e.g. Gray et al., 1988). In addition, the capital market based studies, which had already to some extent begun in the 1970s, continued to seek links between corporations' social disclosures and their social and economic performance (e.g. Freedman and Jaggi, 1986; Dierkes and Antal, 1985; Ingram and Frazier, 1980). It is noteworthy that the normative modelling endeavours described earlier were largely absent in the 1980s (Mathews, 1997). Instead, there was a rise in the philosophical debate on whether social and environmental accounting is actually something accountants should be involved in at all (see Gray et al., 1987; Schreuder and Ramanathan, 1984; Benston, 1982a; 1982b).

The dominance of environmental issues increased in the 1990s (Gray and Bebbington, 2001). In general, normative work continued to be rare, albeit from the late 1990s the literature again includes discussions on the internalizing of external environmental costs through full cost accounting (Lamberton, 2000) and calculations of eco-efficiency and eco-justice (Schaltegger and Burritt, 2000; see Owen, 2008). The interest in corporate self-reporting was high and at the time disclosure studies were the most common type of published work. Furthermore, an important transformation occurred after a vigorous political debate concerning the social and political underpinnings of social and environmental accounting research. Social and environmental accounting research was simultaneously accused of being too radical (by the mainstream researchers) and too

¹⁷ For instance, the subsequently widely applied legitimacy theory has one of its seminal roots in Dowling and Pfeffer (1975). Mathews (1997), however, points out that it took some time before this paper published in *Pacific Sociological Review* was considered in the accounting literature.

mainstream (by the critical scholars).¹⁸ The contribution of the what is known as critical/radical scholars was essential in the development of the identity of social and environmental accounting literature (see e.g. Tinker et al., 1991; Puxty, 1991, 1986; Cooper and Sherer, 1984 for a predominantly Marxist perspective; Maunders and Burritt, 1991 for a view from deep ecology; Cooper, 1992 for a radical feminist approach). Thereafter, social and environmental accounting scholars, or at least some of them, have also acknowledged the political implications of these issues more explicitly and taken clearer positions in this respect (see Owen, 2008, p. 245).

Albeit still a marginal activity in the accounting discipline¹⁹, the interest in social and environmental accounting and reporting research has grown markedly since the late 1990s, resulting in a swift expansion of the literature (see Thomson, 2007). As pointed out by Gray (2005, p. 12):

“[Social and environmental accounting and reporting] is now an exceptionally diverse field. Whilst only 10 or 15 years ago a review of the appropriate literature would have been a relatively simple matter there are now relevant literatures on a bewildering array of foci.”

Accordingly, no review of this literature will be given here. Nevertheless, it should be acknowledged that numerous subsets of this literature serve as a backdrop for the work at hand and have influenced what is to be presented later in the work: Research on teaching and education (e.g. Boyce, 2008, 2004; Collison, Ferguson and Stevenson, 2007; Ferguson et al., 2007; Thomson and Bebbington, 2004; Gray and Collison, 2002) attracted the attention of the present author to the role of accounting academics, and of social and environmental accounting scholars in particular, in enlightening future generations of citizens (and business managers). Studies on various kinds of accounting systems (e.g. Lämsiluoto and Järvenpää, 2008; Antheaume, 2007, 2004; Hepburn, 2005; Lamberton, 2005, 2000; Schaltegger and Burritt, 2000) and on finance and investments (e.g. Collison et al., 2009; O’Sullivan and O’Dwyer, 2009; Holm and Rikhardsson, 2008; Coulson, 2007; Kreander et al., 2002) have shown the importance of calculations and further highlighted the constructive role of accounting in society (to which we shall return later, see Hopwood and Miller, 1994; Hines, 1988). Likewise, papers scrutinizing issues of auditing and assertion in relation to social and environmental disclosures (e.g. Darnall et al., 2009; Owen et al., 2000; Ball et al., 2000; Power, 1991) illustrate the fragility of voluntary-based reporting practices and demonstrate the need to consider and

¹⁸ “In a pristine liberal economic democracy world [corporate social reporting] is largely irrelevant at best and damaging at worst, because it interferes with freedom and makes no contribution to liberalism. In a critical theoretical world, in a ‘radical’ conception [corporate social reporting] is also largely irrelevant because it cannot achieve any change of substance as it is essentially part of liberalism and controlled by corporations (capital).” (Gray et al., 1996, p. 18.)

¹⁹ A casual look at the presentations given at the European Accounting Association’s Annual Congresses shows that approximately 5 percent of the papers were in the field of social and environmental accounting.

develop standardized and mandatory reporting frameworks. Further, it is noteworthy that this thesis focuses on the activities of large, mainly privately owned listed companies, which obviously is not the only possible way of organizing economic activity. However, growing bodies of research looking, *inter alia*, at public sector entities (e.g. Ball, 2007, 2005), NGOs and NGO accountability (e.g. O'Dwyer and Unerman, 2008; Lehman, 2007; Gray et al., 2006) and more extensive organizations such as nation states (e.g. Russell and Thomson, 2009) will not be covered here. Instead, the next sections focus on the corporate social and environmental disclosures research and provide a more detailed context for the investigations forming this thesis.

4 Corporate social and environmental disclosures

This research joins an established body of literature on corporate social and environmental disclosures. Before embarking on the research endeavours a few words on how social and environmental reporting has developed in practice are appropriate. Even though sustainability disclosures are the focal point of this thesis, scant attention will be paid to reviewing current practices or historical developments. Prior research has provided numerous descriptions of these issues and, therefore, including here detailed descriptions of the practice is not seen to contribute to the aims of this work (but see KPMG, 2008, 2005; Buhr, 2007; Milne and Gray, 2007; Kolk, 2003; Gray et al., 1996; Bowman and Haire, 1976).²⁰

Even though some entities had already published social information in their annual reports earlier (see Guthrie and Parker, 1989; Hogner, 1982; Ernst and Ernst, 1976), the roots of today's corporate social and environmental reporting can be considered to lie in the late 1960s and early 1970s (Gray et al., 1996; Parker, 1986). In general, the companies were at the time publishing some social information as part of their annual reports, with the main focus on a variety of employee issues (cf. Bowman and Haire, 1976). In the late 1980s and early 1990s the interest in environmental issues began to rise quickly and the corporations began to publish stand-alone environmental reports (see Gray and Bebbington, 2001). By the turn of the millennium the attention moved towards discussing social and environmental issues with a wider perspective and the nomenclature changed to sustainability or corporate (social) responsibility reports. It should be noted that the foregoing applies mainly to large, privately owned listed companies. Small and medium sized organizations are in a different societal position and have been described to express less interest in social and environmental disclosures. Moreover, the current practices are not uniform: some companies focus on publishing this information on their websites, some produce stand-alone reports, while others have taken an integrated approach where the social and environmental information is included in the annual report together with the financial information (see KPMG, 2008, 2005; Buhr, 2007; Kolk, 2003; Gray et al., 1996)²¹.

²⁰ In a polemic style, Gray (2005, p. 12) lists some of what he considers to be the most important characteristics of corporate external reporting: "Only a minority of companies report; Reporting almost never offers a complete picture of organizational activity; More detail of a reliable nature is provided on environmental issues than on social or sustainability issues; Social responsibility reporting is exceptionally selective; Sustainability reporting, despite protestations to the contrary is yet to address sustainability; and Accountability is not discharged."

²¹ In Finland the development has followed similar patterns, albeit studies tackling these issues directly are fairly rare (however, see Mäkelä, 2009; Vuontisjärvi, 2006; Halme and Huse, 1997; Näsi et al., 1997; Niskala and Pretes, 1995). Moreover, related work has discussed corporate rhetoric in environmental issues, but has usually not considered corporate reporting as a whole (e.g. Joutsenvirta, 2009; Siltaoja, 2009; Onkila, 2009).

4.1 *A general overview*

As noted, corporate social and environmental reporting has been the subject of most of the research endeavour in the social and environmental accounting field. This may naturally be due to the accessibility of public documents such as annual reports. However, in the public perception this reporting is the most obvious area of corporations' social and environmental accounting actions. Further, Gray (2005) has argued that reporting is potentially the most important part of social and environmental accounting.²²

To recap, in the early days disclosure studies were quite unsophisticated (by today's standards) investigations confined to describing the new practices. During the 1990s methodological rigour and theoretical approaches developed, partly due to the growing number of studies seeking to shed light on this rising phenomenon. Scholars expended great effort on trying to determine which kinds of companies were actually reporting social and environmental information and sought to identify common characteristics among the more active organizations. The findings in this respect are fairly unambiguous: reporting behaviour is affected by, at least, the size of the entity, the country of the organization's operations and the industry of which it is a part (e.g. Buhr and Freedman, 2001; Gray et al., 2001; Adams et al., 1998; Halme and Huse, 1997; Näsi et al., 1997; Hackston and Milne, 1996; Gray et al., 1995a, 1995b; Niskala and Pretes, 1995; Cowen et al., 1987; but see Neu et al., 1998). Other factors like ownership status (Cormier and Gordon, 2001) and public profile (Campbell et al., 2006) have also been put forward. In brief, the most actively reporting companies have been privately owned listed companies originating in certain Western countries and operating in the so-called environmentally more sensitive industries, like chemicals, mining, oil and gas, or pulp and paper. National differences have in recent years been in a state of flux, as some countries have introduced requirements for some industrial sectors and made certain social and environmental disclosures mandatory (see KPMG, 2008, 2005).²³

Whereas some kind of consensus has been reached on the aforementioned characteristics, the relationships between corporations' social/environmental disclosures, social/environmental performance and financial performance are more debatable (see Gray, 2006b). There has been an eager search for findings to support the win-win arguments, be it either that pollution prevention pays or that superior social and environmental disclosures would promise better financial results. The primary rationale for these studies often lies in the discussion as to whether all that firms do is (should be)

²² This is debatable – a comprehensive full cost accounting framework could have the potential to be revolutionary, as internalizing all social and environmental costs would most likely reveal the unsustainable nature of (all?) corporate activity. It may be telling that there are reports of such research projects being terminated by the companies under scrutiny, probably after the detrimental results had begun to unfold (see Gray, 2009; also Bebbington and Gray, 2001).

²³ KPMG has produced a series of surveys on corporate environmental and subsequently sustainability reporting practices from the early 1990s onwards. A look at these reports published every three years provides a good overview of how corporate reporting practices have developed both internationally and in certain nation states.

based in the financial self-interest of the firm or of its shareholders. For instance, the argument 'pollution prevention pays' could imply that it makes good financial sense to take proper care of environmental matters. Studies have also sought evidence that the social and environmental disclosures have value relevance for investors and financial markets, thereby explaining the voluntary reporting practices. This discussion lies beyond the limits of the present paper, but there are ample sources from which those interested can start (e.g. Clarkson et al., 2008; Cho and Patten, 2007; Murray et al., 2006; Al-Tuwaihiri et al., 2004; Orliczky et al., 2003; Patten, 2002; Hughes et al., 2001; Milne and Chen, 1999).

Related to this, there has been discussion regarding the putative recipients of the social and environmental disclosures, and, furthermore, which (stakeholder) groups are actually interested in and/or use these disclosures. It is disputed whether corporate disclosures are primarily aimed at shareholders, as are the traditional financial reports, or at broader stakeholder groups within society. But then again, it is also relatively unclear whether any groups in society actually make use of the information so provided (see O'Dwyer et al, 2005a, 2005b; Gray et al., 1997; Tilt, 1994; for investors e.g. Milne and Patten, 2002; Milne and Chan, 1999; Deegan and Rankin, 1999, 1997). Likewise, in recent years a number of scholars have scrutinised the stakeholder dialogue processes initiated in some companies (e.g. Deegan and Blomqvist, 2006; Unerman and Bennett, 2004). The whole question of how reporting is received in society is by no means resolved (see Ferguson, 2007). Nevertheless, earlier research has often suggested that the social and environmental information published by companies is seldom used as such by any stakeholder group. It is of note, however, that both corporate reporting and the social context developed swiftly in the last decade, which should also be taken into account when considering the applicability of prior findings to today's society.

Nevertheless, much research has addressed why companies are in fact making social and environmental disclosures. This is an area of major significance for the papers included in this thesis and will therefore be discussed next.

4.2 Motivations for voluntary disclosures

To recap, corporate sustainability reporting is largely voluntary activity. Minor exceptions do occur, as in some countries certain industries are required to give particular forms of accounts of their activities. However, in most cases the companies have themselves made the decision to voluntarily engage in reporting. Such a phenomenon has naturally been of interest to researchers and numerous explanations have accordingly been evinced as to why companies publish voluntary social and environmental reports. Adams (2002) distinguishes three types of organizational factors influencing reporting, namely corporate characteristics, internal contextual factors and general contextual factors. The corporate characteristics include issues like corporate size, industry membership and strategic posture. The second group, internal contextual factors, has

according to Adams (2002) been mainly neglected and would therefore require further attention (but see Bebbington et al., 2009; Adams and McNicholas, 2007; Belal and Owen, 2007; Islam and Deegan, 2007; Spence, 2007; Adams, 2002). Finally, with the third group, the general contextual factors, Adams (2002) refers not only to the country of origin and to specific events (Patten, 1992), but also to the broader social, political, cultural and economic context of the organization (Adams and Kuasirikun, 2000; Adams and Harte, 1998; Arnold and Hammond, 1994; Tinker and Neimark, 1987; Burchell et al., 1985).²⁴

The general contextual factors are the focal point of this thesis. Two of the papers (Articles 1 and 3) take a longitudinal approach to corporate disclosures and look at how the reporting of certain companies has developed *vis à vis* other specific societal developments. In particular, Article 1 argues that the case company in the study has used its environmental disclosures to help it appear to conform to changing societal expectations. Such a view takes us to the heart of legitimacy theory²⁵, which is arguably the most widely used perspective in the literature seeking to understand why organizations engage in voluntary social and environmental reporting (e.g. Deegan, 2002; Gray et al., 1996).

Legitimacy theory can be seen as a subset of political economy theory.²⁶ Political economy theory is a systems thinking oriented theory which emphasizes that it makes no sense to reductionally study a part of a whole without understanding the whole. The social, political, economic and natural systems of society are seen to be connected and to

²⁴ Deegan (2002, p. 290-291) lists quite a few possible practical explanations: desire to comply with legal requirements, considerations of economic rationality, beliefs in an accountability or a responsibility to report, desire to comply with lending requirements, complying with community expectations, responses to threats for organizational legitimacy, attempts to manage particular stakeholder groups, attracting investment funds, complying with industry requirements or codes of conduct, forestalling further disclosure requirements, and winning particular awards. Further, as also noted by Deegan, several motivations can likely drive organizational behaviour simultaneously.

²⁵ Other theories have also been utilized in explaining social and environmental reporting (see Parker, 2005). These include, *inter alia*, stakeholder theory and political economy theory, which are closely associated with legitimacy theory (see also Footnote 26), media agenda setting theory (Deegan et al., 2002; Brown and Deegan, 1998), and approaches arguing that the information is a response to the needs of investors (see Dierkes and Antal, 1985; also Ullmann, 1985).

²⁶ Delving deep into the relationships between political economy theory, legitimacy theory and stakeholder theory would lead us astray here (see Gray et al., 1996, 1995a; also Deegan, 2002). Hence, for the purposes of this thesis suffice it to say that stakeholder theory and legitimacy theory are complementary approaches both subordinate to the broader theoretical framework of political economy. It should be emphasized that neither stakeholder theory nor political economy theory are simple or uniform concepts. Gray et al. (1995a, p. 52-53) discuss the differences between the “bourgeois” political economy usually associated with J.S. Mill, and the “classical” political economy stemming from, *inter alia*, the works of Marx. For more in the social and environmental accounting literature see Tinker et al. (1991), Arnold (1990), Guthrie and Parker (1990) and Gray et al. (1988). Likewise, as pointed out by Deegan (2002), there are also two branches in stakeholder theory, namely the ethical (normative) and the managerial (positive). Further discussion of these can also be found in Gray et al. (1996; see also Näsi, 1995); for applications of stakeholder theory see Roberts (1992) and Ullmann (1985).

influence one another. It is therefore maintained that entities, like commercial organizations, influence and are influenced by society (see Deegan, 2002; Gray et al., 1996, 1995a). Moreover, the intertwining of the political, social and economic issues is highlighted and investigations of the economic issues without consideration of the broader political, social and institutional framework are considered fairly meaningless. Further, in the classical interpretation of political economy theory structural inequalities and the inherent conflicts within society are in the focal point of the analysis (Gray et al., 1996). Accordingly, accounting reports are then considered as political, social and economic documents, which “serve as a tool for constructing, sustaining, and legitimising economic and political arrangements, institutions, and ideological themes which contribute to the corporation’s private interests” (Guthrie and Parker, 1990, p. 166; also Deegan, 2002, p. 292).

Legitimacy theory (see Deegan, 2007, 2002; Gray et al., 1996, 1995a; also Suchman, 1995) further refines this approach. The main idea of legitimacy theory is that organizations have no inherent rights to resources (or to existence). Legitimacy is considered to be a resource (Dowling and Pfeffer, 1975), conferred on the organization by society, or more precisely, by individuals collectively forming society. An implicit social contract is assumed to exist between society and the organization. The organization’s survival is seen to be dependent on the social contract (see Shocker and Sethi, 1973). Now, the organization seeks to hold on to the social contract by maintaining its legitimacy, defined by Dowling and Pfeffer (1975) as a status in which the entity’s value system is congruent with the value system of the larger social system (see also Lindblom, 1993).²⁷

The central point here is that legitimacy depends on perceptions. The question is, therefore, how society perceives the organization and its actions (see Cormier and Gordon, 2001). In the literature relying on legitimacy theory it is argued that as social and environmental issues have gained more prominence in society, business entities have started publishing social and environmental reports to follow the development. Thus, individual organizations have adjusted their disclosures in order to keep their image in accordance with the expectations of the society they operate in. Moreover, since legitimacy is decided on the basis of corporate image, organizations may attempt to manipulate the view public has of it through various legitimacy strategies (see Lindblom, 1993; Dowling and Pfeffer, 1975; also Gray et al., 1995a; Suchman, 1995). These include using disclosures, for instance, to divert attention from problematic issues, or to change the public perception of the operations. Thereby a corporation’s disclosures may become decoupled (Meyer and Rowan, 1977) from its actions.

²⁷ Lindblom’s conference paper is surely one of the most cited papers in the social and environmental reporting literature, although it has apparently never been published. The strangeness of this is highlighted by the fact that the paper is often cited as having been published in 1994, even though the Critical Perspectives on Accounting conference was held in 1993. It is likely that many of those citing the paper, like the present author, have actually never seen it, but are instead relying on secondary sources (like Gray et al., 1996, 1995a; Deegan, 2002).

Numerous studies have applied legitimacy theory and sought empirical evidence to show that legitimacy concerns are a factor in corporate decisions to make social and environmental disclosures. These have mainly, but not always, been desk-based studies trying to link changes in corporations' disclosures with some proxies of social concern or values. Much of this research has been historical and analysed the development of corporate social and environmental disclosures over a longer time period (e.g. Campbell et al., 2006; de Villiers and van Staden, 2006; Deegan et al., 2002; Campbell, 2000; Brown and Deegan, 1998; Neu et al., 1998; Guthrie and Parker, 1989; Hogner, 1982). Some scholars have attempted to explore management's views on legitimacy through questionnaires (Wilmshurst and Frost, 2001), interviews (Cho, 2009; O'Donovan, 2002; O'Dwyer, 2002; Buhr, 1998) or experimental settings (Milne and Patten, 2002). There are also numerous event studies, based on the view that specific events, like oil spills, cause a threat to an organization's legitimacy and thus precipitate further social and environmental disclosures (e.g. Cho, 2009; Walden and Schwartz, 1997; Deegan and Rankin, 1996; Patten, 1992). Even though many studies have given support to the legitimacy argument (but see Campbell et al., 2003; O'Dwyer, 2002; Guthrie and Parker, 1989), the theory itself remains underdeveloped (e.g. Mobus, 2005; also Deegan, 2007, 2002). One of the main issues is the level of resolution: legitimacy theory persists in mentioning a homogenous society, even though it is generally acknowledged that society consists of numerous groups whose views are not uniform. As Neu and colleagues (1998; also Roberts, 1992) point out, particular stakeholder groups may be more effective than others in demanding disclosures. Stakeholder thinking (e.g. Näsi, 1995) cogently elucidates this issue further. Moreover, much of the research on legitimacy theory has been content to look at how the organizations report, instead of considering how the reports and messages are actually received (see Ferguson, 2007). Thus, it remains unclear whether using disclosures or various legitimacy strategies for reducing legitimacy gaps actually works. Likewise, fairly little is known of how managers perceive legitimacy; indeed, managers are not a homogeneous group and, thus, could be expected to perceive situations and possible legitimacy gaps in different ways.

Limitations aside, legitimacy theory has proven to be useful in providing insights into corporate disclosure behaviour. To summarise, a substantial body of research suggests that organizations mainly provide social and environmental disclosures in response to public scrutiny. This would mean that without public interest there would be no disclosures and no accountability would be discharged. A bleak picture indeed. Article 1 seeks to further enhance our understanding by applying new institutional sociology and showing how the case company adjusted its environmental disclosures according to the changing social and institutional pressures. Further, the papers in this thesis argue that the disclosures are not necessarily about the corporate actions, but, rather, representations of how the organization wishes itself to be perceived. Therefore, the information provided to society does not necessarily reflect the organization's actions (see Moerman and van der Laan, 2005; Adams, 2004; Niskanen and Nieminen, 2001; Tilt, 2001; Deegan and Gordon, 1996; Deegan and Rankin, 1996; Wiseman, 1982). Hence, following Puxty

(1991) it is argued here that disclosures produced for legitimating the organization hardly enhance public good and democracy.

In addition, the linkage between corporate disclosures and society is here seen as a two-way street: not only are the disclosures influenced by the general context, but the general context is also further affected by the corporate disclosures. According to social constructionism (Berger and Luckmann, 1967), it is maintained here that corporate talk on social and environmental issues, and on sustainability in particular, (re)constructs the business-society-nature relations and broader discourses around it. *In toto*, the corporate disclosures repeating the positive rhetoric of corporations' achievements work to reinforce and legitimise the current social order and structural arrangements. Despite the nascent environmental problems like climate change, privately owned companies are presented to be handling the crisis and fostering society on the journey towards sustainability (Milne et al., 2006), a finding also highlighted in Articles 2 and 3. Such a construction of reality is here considered problematic, since talk affects action (see Dryzek, 1997). It is argued that such (re)framing has an impact on how these issues are viewed and acted upon in society. As maintained by Banerjee (2003, p. 163), discourses of sustainability have shifted to corporate sustainability, which produces "an elision that displaces the focus from global planetary sustainability to sustaining the corporation through 'growth opportunities'". Articles 2 and 3 tackle this very issue. Hence, in order to position these studies, we shall next review prior work in the area.

4.3 Deconstructing corporate disclosures

The area of research this thesis particularly contributes to is the growing body of literature highlighting the socially constructed nature of environmental/sustainability accounts and/or reports as well as their rhetorical and political purposes and effects. Such studies are not new in the field of accounting as a whole (Hines, 1988; Morgan, 1988; see also Hopwood and Miller, 1994)²⁸. However, work applying such a perspective to social and environmental reporting only began to appear in the 2000s. The body of research deconstructing corporate sustainability disclosures further complements the aforementioned literature on corporate disclosures by accentuating the relationship between language use, power and organizational legitimacy with regard to broader sustainability discourses.²⁹ Banerjee (2003) argues that the business discourse of sustainability implies no radical changes in the world and thereby promotes and legitimizes the continuum of existing institutions. Accordingly, Articles 2 and 3 take a

²⁸ "[There are] numerous cases where accounting discourse was integral to both reproducing and changing the social relations of status quo" (Tinker et al., 1991, p. 47).

²⁹ It is worth noting that this field is highly interdisciplinary and by no means the exclusive province of accounting scholars. Indeed, the following review includes papers published in management, corporate communication and accounting journals.

closer look at the use, (re)construction and meanings of these prominent sustainability-related concepts. In these papers the corporate narratives are reflected against the broader discursive struggle around sustainable development, emanating from the literature and conceptualized through the dichotomy of strong and weak sustainability (see e.g. Tregidga and Milne, 2006, and the Articles 2 and 3 for a more in-depth discussion).

One of the first papers deconstructing corporate sustainability reporting was published by Livesey and Kearins (2002), who focused on analysing early sustainability reports released by two very different companies, The Body Shop and Shell. The paper maintains that the sustainability reports are a medium through which the organizations reconstitute and refigure their corporate image and identities. Livesey and Kearins highlight how both organizations use the metaphors of transparency and care in representing themselves with respect to sustainable development. The study discusses how the reports aim at making the companies “known” as trustworthy and as among those contributing to and making progress towards sustainable development. In a related paper Livesey (2002a) discusses Shell’s sustainability report in more detail from a similar Foucauldian perspective. Her reading of the report is twofold: on the one hand she concludes that “the report could be read simply as a corporate attempt to reestablish discursive regularity and hegemonic control in the wake of challenges by environmentalists and human rights activists”, but on the other hand she maintains that “Shell’s ‘embrace’ of the concept of sustainable development has transforming effects on the company and on the notion of sustainability” (p. 314). In both papers the authors wanted to maintain positive expectations, but they still conclude by calling for further studies to find out whether the big talk does indeed lead to significant changes in the way business is done (see also Livesey, 2002b, 2001, 1999).

Livesey and Kearins (2002) also note that their work complements a wider body of management research looking at the then swiftly expanding ideas of corporate greening and the good environmental management discourse. Of particular note here are the studies by Newton and Harte (1997), who discuss the effects of “environmental evangelism” used by some practitioners, academics and consultants in promoting voluntary approaches to corporate environmental management, and the paper by Levy (1997), who identified four ideological assumptions included in the corporate environmental management discourse. These four were: (i) environment can and should be managed; (ii) environment is a win-win opportunity; (iii) corporate managers should do the managing; and (iv) management is to be done via traditional management tools. Intriguingly, the deconstructed meanings of sustainability represented in Article 2 are in many respects fairly similar. Moreover, Levy (1997) further argues that the rhetoric used in promoting corporate greenness helps them tackle those contesting these claims.

It is this positive rhetoric that a number of recent studies on corporate sustainability reporting have sought to deconstruct. Of particular note is the series of papers Helen Tregidga, Markus Milne and colleagues have produced in the context of New Zealand. Tregidga and Milne (2006) note that research scrutinizing how companies portray greening is rare. To this end, they present an investigation of how the environmental and subsequent sustainability disclosures of a leading New Zealand reporter have developed

over an eleven-year period 1993-2003. In their view, the organization constructs itself from one sustainably managing resources to one practicing sustainable development. Further, they argue that the reporting can be seen as a tool for creating and maintaining organizational legitimacy with respect to the organization-environment relationship. Finally, Tregidga and Milne (2006, p. 237) conclude by stating “we see these sustainable development reports reinforcing a view of the environment through the lens of business as usual”. In this thesis Article 3 reiterates these findings and highlights the transformation in the business talk on sustainability in recent years. Similar views are also presented in Milne, Kearins and Walton (2006), in which the authors explore the use of the journey metaphor in corporate reporting, advertisement and other communications. The authors argue that this metaphor together with the symbolic use of concepts like learning and progress may serve to reinforce business as usual instead of bringing in significant changes in the prevailing commercial practices (see also Tregidga, Milne and Kearins, 2009; Milne, Tregidga and Walton, 2004).

A more optimistic tone can be found in Buhr and Reiter’s (2006) analysis of how the environmental and sustainability reporting of one Canadian company has developed over time. Buhr and Reiter investigate how these disclosures reflect and contribute to the broader discourse of environmentalism over time. They trace significant changes in the environmental disclosures of the company and hope that in addition to the talk changes have also taken place in action. Like Livesey and Kearins (2002), the authors argue that the sustainability reporting and corporate engagement with the sustainability agenda have the potential for a positive social change, albeit they acknowledge the challenges involved (see Tregidga and Milne, 2006). As Buhr and Reiter (2006) point out, “environmental and sustainable development reports not only serve a communicative role, they are also symbolic and serve as a key device in the marketplace for green images and environmental legitimacy”.

It is this very colloquy to which the papers at hand in particular contribute. Article 1 highlights how the social and institutional pressures affect corporate environmental disclosures and lead organizations to change the rhetoric employed to suit the social expectations and predominant phenomena. Article 2 describes how the use of the sustainability-related concepts by Finnish companies in general reinforces the discourse of business sustainability and emphasizes the role of business in guiding society towards sustainability. Finally, Article 3 further refines this view by showing how the corporate talk of sustainability used in the disclosures of three major companies has changed since the early 1990s and become both highly uniform and closely aligned with the discourse of business sustainability. Thus, together with prior literature on how business managers conceptualise sustainable development and companies’ relationship with it (e.g. Byrch et al., 2007; Spence, 2007; Springett, 2003; Bebbington and Thomson, 1996; Gladwin et al., 1995), the thesis at hand suggests that corporate sustainability reporting has still to fulfill the emancipatory ideals it has been hoped to achieve. Research has shown that corporations have managed to appropriate the language of sustainability to serve their own purposes. Hence, the discourse focuses mainly on sustaining business rather than nature. Thereby, the conflicts inherent in the business-society-nature relationships and in

the constant quest for further economic growth are dismissed. Thus, it is here maintained that these disclosures work to legitimize the hegemonic social order (see Spence, 2009; Laclau and Mouffe, 1985). We revert to this matter in the concluding section. Meanwhile, we now take a closer look at the three articles comprising the greater part of this thesis by first visiting the methodological aspects and thereafter by summarizing the papers.

5 Methodological issues

The most commonly used methodological approach in corporate social and environmental reporting research has been volumetric content analysis (e.g. Campbell et al., 2006; De Villiers and Van Staden, 2006; Adams and McPhail, 2004; Deegan et al., 2002; Wilmshurst and Frost, 2001; Adams and Harte, 1998; Deegan and Rankin, 1996; Gray et al., 1995a, 1995b; Guthrie and Parker, 1989; Cowen et al., 1987). In brief, the idea of content analysis is to determine the importance of particular topics by categorizing and quantifying the space devoted to particular kinds of disclosures. Researchers have first created a classification for codifying the disclosures into different categories (see Deegan et al., 2002; Hackston and Milne, 1996), after which the disclosures have been read and coded according to the classification (usually) by two coders independently (see Milne and Adler, 1999). Despite its popularity, content analysis provides only a partial representation of the corporate disclosures (on method see Unerman, 2000; Milne and Adler, 1999; Zeghal and Ahmed, 1990). Such a volumetric approach was essential in the early stages of corporate social and environmental reporting for providing an overall picture of emerging practices. Currently, when these disclosures are (so far) fairly institutionalized, content analytical studies may still be useful in providing descriptive information of the current practices, in comparing reporting practices across countries and in showing the emergence of these disclosures in areas in which they did previously occur. However, content analysis tells us little about what the companies mean by their disclosures (e.g. Thomson and Bebbington, 2005; Kolk, 1999).

In preparing this thesis it was concluded that further content analytic studies would only constitute incremental additions to the general knowledge of corporate disclosures. These disclosures were at the time already fairly widespread in Finnish society. It was also fairly obvious that the volume of disclosures had increased over time as had the breadth of topics discussed. Therefore, a decision was made to apply an interpretive approach with a critical perspective and to focus on interpreting and deconstructing the narratives evinced by companies in their disclosures. One source of impetus was critical discourse analysis, focusing on “how the process of social construction leads to a social reality that is taken for granted and that advantages some participants at the expense of others” (Phillips and Hardy, 2002, p. 15).

This thesis subscribes to social constructionism (Gergen, 1999; Berger and Luckmann, 1967) and considers corporate disclosures as a medium through which the social reality is constructed. The way corporations communicate their actions, deeds and achievements is later echoed in other social forums, such as business media, university education and political arenas. Moreover, the way concepts, expressions and metaphors are used in society affects action, that being the way certain issues and phenomena are acted upon (see Dryzek, 1997). Thus, this thesis considers corporate annual reports and other stand-alone disclosures as corporate communications (Vaara and Tienari, 2002), used by the organization to influence the perceptions of various stakeholders on the company’s

position on social and environmental issues. For such corporate communication organizations make strategic choices regarding rhetoric and rhetorical arguments, including conscious choices of expression, symbols and language through which they aim to represent and (re)frame themselves as certain kinds of actors (see Craig and Amernic, 2008, 2004; Lawrence and Suddaby, 2006; Suddaby and Greenwood, 2005). In essence, the texts are considered to be made to do something within a community (see Gergen, 1999).

All the three papers included in this thesis employ interpretive textual analysis as their analytical method. In developing the method this thesis has been strongly influenced by the ideas of discourse analysis (e.g. Phillips and Hardy, 2002; Alvesson and Kärreman, 2000a, 2000b; Fairclough, 1992) and the social constructionism more broadly (Berger and Luckmann, 1967). Following Fairclough (1992, p. 64), language can be distinguished as “a practice not only representing the world, but of signifying the world, constituting and constructing the world in meaning”. Language, social context and social practices intertwine and create discourses, which constitute both objects of knowledge and objects of identity. The objects of knowledge, like concepts, are used by social actors in discussing and making sense of social reality. Together with the concepts and the way of talking about issues, the discourses influence our conceptualization of reality and thereby have an effect on our actions in society (see Hajer, 1997).

It is worth noting that even though the analytical approach can be considered to be part of the amorphous family of discourse analysis, the methods employed here should not be considered as discourse analysis *per se*. The studies included in this thesis focus mainly on the texts the corporations have published and do not pay much attention to discourse practices, that being the conditions in which the texts are produced, distributed and consumed (see Ferguson, 2007), and the social practices of which the discourses are a part.³⁰ Likewise, even though the studies focus on the way corporations talk of certain issues and discuss the rhetoric they use, no formal analysis of the rhetorical features of those narratives has been conducted (see Perelman, 1982). Instead, the papers focus on the broader spectrum of how the companies represent and position themselves in relation to social and environmental issues in general. As discussed above, an increasing number of scholars have employed similar kinds of interpretive methods for deconstructing corporate (social) and environmental disclosures (see e.g. Bebbington and Gray, 2006; Buhr and Reiter, 2006; Livesey, 2001, 2002a, 2002b; Livesey and Kearins, 2002; Milne, Kearins and Walton, 2006; Milne, Tregidga and Walton, 2004; Tregidga and Milne, 2006; see also Ferguson, 2007). The body is by no means large, however. In fact, at the time of its publication Article 2, chronologically the first paper in this thesis, was among the first papers to utilize such an approach to get beyond the sheer volumetric measurement of corporate disclosures.

³⁰ Some aspects are, however, covered. Article 1 links the changes in the case company’s environmental disclosures and in the rhetoric employed with developments in the social and institutional context in which the case company operates. Articles 2 and 3 discuss how the companies have drawn on broader discourses of sustainability in their sustainability rhetoric.

What does interpretive textual analysis mean in practice then? Each of the three studies includes specific features which have been discussed in the Articles, but a brief overview is nevertheless provided here. One way to describe the approach is to talk about detailed critical reading of the texts (see Ferguson, 2007). The interpretations were arrived at through a process of subjective sense-making, which has in each case included numerous rounds of reading, interpretations, rereading and reinterpretations. No rigid frameworks were used. Instead, the interpretations were constructed in a hermeneutical manner, which implies that the researcher's attention shifted constantly between the texts, prior theoretical perspectives and broader social practices in which the texts were published. The inherent subjectivity of the processes is acknowledged and, therefore, the level of reflexivity has been paid attention to throughout the studies.³¹ Moreover, in order to improve the reliability of the studies a research assistant acted as a second coder in two of the papers (Articles 1 and 3).³² A more detailed discussion of the methodological specifics of each study can be found in the articles themselves.

We have now discussed the intellectual context in which this thesis is positioned. Before proceeding to discuss the findings, the next section will summarise the three studies.

³¹ It is here accepted that the interpretations presented in this thesis are based on the position and world views of the present author and, therefore, should be considered to be only one of the numerous possible readings (Phillips and Hardy, 2002). This, however, can be seen to be the case with most (all?) research conducted within the social sciences.

³² It must be conceded that at the outset the present author was fairly skeptical regarding the benefits of having a second coder in the process –only brought in due to the demands of the anonymous reviewers of the prestigious accounting journals reviewing the papers. However, the second coding did eventually prove quite useful. This might not have shown directly in major changes in the interpretations, but had a more subtle influence on the ultimate publication. The involvement of an independent second coder compelled the researcher himself to revisit his own interpretations, to consider his prejudices and rethink hasty conclusions. The second coder always looks at the dataset from her own perspective, value-position and prior experiences, thus bringing in a different way of seeing. Hence, similar interpretations provided by another individual served in enhancing the researcher's personal confidence, as it confirmed that there was indeed something to be seen in the data. Still, at the same time, it is maintained here that the usefulness of having two independent coders should not be considered to be universally applicable. Social research is and will always include an element of subjectivity. A slavish requirement to use two coders may easily result in the rule being followed merely ritualistically to legitimate the researcher's independent findings; the second coder is merely an obligatory add-on, a tick-box to be completed with minimum effort and resources.

6 The articles

6.1 *Laine M. (2009) Ensuring legitimacy through rhetorical changes? A longitudinal interpretation of the environmental disclosures of a leading Finnish chemical company. Accounting, Auditing and Accountability Journal, Vol. 22 No. 7, pp. 1029-1054.*

The first paper of the thesis discusses how the environmental disclosures of Kemira, a leading Finnish chemicals company, have developed over the 34-year period 1972-2005. In parallel with the examination of the disclosures the study analyses the social and institutional context in which the company has been operating. Insights from the new institutional sociology (DiMaggio and Powell, 1983) are drawn on to reflect the developments of the disclosures against the changing institutional pressures stemming from the social context.

The dataset consists of the annual reports of the case company from the 34-year period. Since 1993 Kemira has also published environmental reports. These reports have been integrated with the annual report and are hence included in the dataset. Interpretive textual analysis was applied in analysing the narratives in the disclosures, in addition to which attention was also paid to the changes in the visual appearance of the reports over time (see McKinstry, 1996; Preston et al., 1996). The reliability of the study was improved by inviting a research assistant to join the study and to provide another way of seeing the development.

The paper shows that there have been major transitions in the rhetoric used by the case company in its disclosures. Altogether five periods with a distinct approach to environmental issues were identified, each lasting some six to eight years. The rhetorical transitions are shown to coincide with changes in the social and institutional context. It is therefore argued that the case company adjusted its disclosures to respond to the varying institutional pressures to maintain a legitimate position in society. Thereby the study underscores the influence of general contextual factors (Adams, 2002) on corporate disclosures. Broadly, the main factor affecting the case company's disclosures until the early 1990s seems to have been the various coercive social pressures. The transition points in 1972, 1979 and 1986 coincide with peaks of public interest in environmental issues in Finland. This is maintained to have occurred because the company saw a need to adjust its disclosures in the face of coercive pressures. From the early 1990s onwards the role of mimetic social pressures increased. The paper argues that the way the international business community started to address environmental issues at the time was decisive for Kemira's environmental disclosures. The last observed rhetorical transition in 2000 occurred at a time when social expectations of business were very high and all the major companies had to consider how to react to the social pressures. It is here maintained that the interrelated coercive and mimetic social pressures compelled the case

company to alter its rhetoric and to start representing itself as a value-based and benevolent organization.

To conclude, the study shows how the rhetoric of the case organization changed numerous times during the 34-year period. It is argued that the environmental disclosures are used as rhetorical devices to respond to the social and institutional pressures so that the organization would appear to conform with social expectations. Thereby the article sheds further light on why corporations actually use such rhetoric. Moreover, it is maintained in the paper that the corporate rhetoric is less about the corporate activities, but about providing a representation of these activities. The study thus highlights the need to further scrutinize the corporate rhetoric on prevalent contemporary environmental issues. Accordingly, the two latter papers of this thesis focus on deconstructing the corporate talk of sustainable development and provide two different perspectives on how this prominent concept is constructed in Finnish corporate disclosures.

6.2 *Laine M. (2005) Meanings of the term 'sustainable development' in Finnish corporate disclosures. Accounting Forum, Vol. 29, pp. 395-413.*

The second paper of this thesis assesses critically how the term 'sustainable development' was in general constructed in the disclosures of Finnish listed companies at a specific point in time, namely the years 2001 and 2002. In order to attain a good understanding of the Finnish companies' practices, all the 103 companies listed on the main list of the Helsinki Stock Exchange by 30 September 2003 were included in the study. The companies' annual reports and other stand-alone disclosures, such as environmental, sustainability, and corporate social responsibility reports for the years 2001 and 2002 were collected. All the data collection and analysis were conducted by the present author. The complete dataset consisted of 202 annual reports and 30 other reports. An initial analysis limited the final dataset to only such reports in which either of the terms 'sustainable development' or 'sustainability' was used at least once. Altogether, the number of reports left for detailed analysis was 80 annual reports and 25 other stand-alone reports, distributed evenly between the years 2001 and 2002.

Data analysis was an iterative process conducted in numerous phases both during and after the collection of data. Initially, the focus of the study was on the word level, concentrating on how the concepts of sustainable development and sustainability were used and in what contexts they occurred. As the analysis progressed, the focus was widened to include similarities and dissimilarities in the expressions, concepts and argument structures the companies were using in connection with sustainable development. Furthermore, possible omissions were also explored, as leaving something out is as much a choice as taking something in (see Chaudhury, 1988; Hines 1988). Finally, the findings were reflected against broader societal discourses of sustainable

development and the contributions of other scholars in this area (Milne et al., 2006, 2004; Livesey 2002a; Livesey and Kearins 2002).³³

As a result the study was able to deconstruct various different meanings attached to the term 'sustainable development' in the disclosures. Firstly, sustainable development and further economic growth are constructed as compatible and mutually reinforcing and, thus, sustainable development is represented as a way to solve social and environmental problems without limiting economic growth. Secondly, contributing to sustainable development is constructed as something all responsible business actors will voluntarily do. Thirdly, contrary to the usual complexity, in the disclosures sustainable development is reduced to a simple process, to which one can contribute by following certain principles. Finally, achieving sustainable development is constructed as being possible within the prevailing economic order by pursuing business as usual and without any major restructurings in society.

Overall, sustainable development is constructed as a win-win concept, which allows society to enjoy economic growth, environmental protection and social improvements with no trade-offs or radical restructurings in the social order. However, behind the usual business rhetoric, there is very little evidence of anyone actually walking this talk. Accordingly, this research calls for further discussion on companies' role in achieving sustainable development and on the business interpretation of sustainable development in general. Article 3 focuses on the latter issues by providing a longitudinal interpretation of how the talk of sustainability developed over time in the disclosures of certain major Finnish companies.

6.3 *Laine M. (forthcoming) Towards sustaining the status quo: Business talk of sustainability in Finnish corporate disclosures 1987-2005. European Accounting Review.*

The third paper of this thesis seeks to shed further light on how businesses have used the language of sustainability in their disclosures. This is accomplished by taking a closer look at the reporting of three major Finnish companies from different industries: Kesko, Neste and Stora Enso. The dataset consists of the annual reports and the stand-alone environmental, social, corporate responsibility and sustainability reports published by the case companies at four anchor points, namely (1) 1987, (2) 1992 and 1993, (3) 1999 and (4) 2005. Limiting the analysed disclosures to these five years only aims to provide an in-depth understanding of how the corporate talk of sustainability has developed over time. Interpretive textual analysis was employed to analyse the corporate disclosures in three separate stages, the two first of which were conducted by the researcher alone, whereas in the third and final stage a research assistant was asked to join the project in an attempt to

³³ An earlier version of the paper subsequently published as Milne et al. (2006) had been presented at the APIRA 2004 conference. This conference paper was available while Article 2 was being prepared.

enhance the reliability of the study. The analysis progressed in a hermeneutical manner, in which no rigid framework as such was applied. In practice, the study was conducted through numerous rounds of reading, followed by an interpretive analysis of the features of the texts.

The paper analyses how the business rhetoric of sustainability has transformed over time and thereby discusses how this may affect the broader societal discussion on sustainable development. The case organisations represent different industries and have all been considered to be leaders in both environmental and financial terms in their respective industries. Even though the limited dataset and the use of case companies limit the generalizability of the findings, the paper suggests that a major change has taken place in the way Finnish companies talk of sustainability.

In the early stages of the dataset the companies used and appeared to conceptualise sustainable development in rather disparate ways. Over time the polyphony however fades and the rhetoric becomes increasingly homophonic. In the early nineties sustainable development appeared as a strong phenomenon represented by the case companies as incompatible with prevailing business practices. A total change was expected to take place in the western way of life and in how business was to be conducted. By 2005 such a strong tone is totally displaced by the discourse of business sustainability, in which the current business activities are represented as totally compatible with sustainable development. Sustainability has become a feasible objective, often portrayed to be already integrated into everything the companies do. Whereas the disclosures of the early 1990s acknowledge the inherent conflicts in the relationships between business, society and nature, in 2005 such issues are downplayed and the focus is on how business delivers sustainable solutions. The sustainability agenda is no longer driven by external imperatives, but is based on companies' free will. The findings thus corroborate those made in Article 2.

On the whole, the paper argues that the way three leading Finnish companies talk about sustainability has changed substantially. The possibly substantial initiative has diminished to entail merely the sustaining of status quo. A dataset consisting exclusively of corporate disclosures does not facilitate analysing why this has taken place. Even though the relative environmental performance of the case companies likely improved during the years in question, it is implausible to claim that the social and environmental problems related to sustainable development have been solved in less than two decades. It is thus argued that the change is more in the way the companies represent themselves in respect to social and environmental issues.

7 Discussion

So what?

The aim of this thesis was described as seeking to present a (critical) way of seeing corporate sustainability reporting and to discuss the transformative and emancipatory potential of this contemporary practice. As the title of this work already implies, the following is an inherently subjective representation of the social reality. This particular way of seeing is based on both the contemplating of prior literature and on the aforementioned three qualitative studies. However, dismissing the view altogether due to this subjectivity and the limited generalizability would be premature. Instead, the following should be taken as an attempt to induce the reader to question the taken for granted assumptions and worldviews each one of us holds. At this point it may be worth summarising the main conclusions of the articles very briefly, before progressing to discussing from different perspectives the implications this study may have.

Article 1 focused on the environmental disclosures of a case company from the period 1972-2005. During these years several major transitions in the rhetoric employed were detected. It was found that the varying institutional pressures stemming from the social context have had an impact on the way the case company discussed its relationship to (social and) environmental issues. Article 2 analysed how Finnish listed companies were using the sustainability-related concepts in their annual and other stand-alone reports in 2001 and 2002. The paper shows that the disclosures were closely aligned with weak sustainability, or the discourse of business sustainability. Moreover, embracing sustainability is represented to allow simultaneous achievement of social, environmental and economic goals, with no need for any changes to the prevailing social order. Article 3 further underscores these findings. Based on a longitudinal analysis of the disclosures of three leading Finnish companies it was concluded that the business rhetoric of sustainability has gone through a major change in less than two decades. The possibly revolutionary conceptualisation appearing in the early nineties has been usurped by the holy grail of business sustainability. Sustainability is represented as having been integrated into the everyday operations, the agenda contributes to organizations' financial outcomes and is by no means in conflict with the current operating practices. Thus, sustainability simply gets done.

The basic argument for the social accounting project has been the need for increased accountability, which would facilitate in creating a more just and participatory society (see Gray, 2009). To this end, one of the key functions of social accounting should be exposing the (inherent) conflicts in commercial activity (see Spence, 2009). This applies similarly to corporate sustainability reporting as it is an integral part of social accounting. However, it is evident that organizations use social and environmental disclosures as communication devices aiming at portraying themselves in a positive light. This thesis highlights how companies use language in attempts to couple their external appearance

with desirable societal phenomena, like sustainability or environmental responsibility. As shown in Articles 2 and 3 the latest sustainability disclosures downplay the inherent conflicts between business, society and nature. Instead, the whole sustainability agenda is claimed to stem from companies' free will (see Tregidga and Milne, 2006). Likewise, the final period of environmental reporting described in Article 1 portrays the case company as a benevolent entity. Moreover, both Articles 1 and 3 show how the reporting has developed and become increasingly sophisticated over time. These findings do not necessarily imply that the companies provide false or misleading information (but see Moerman and van der Laan, 2005; Adams, 2004; Niskanen and Nieminen, 2001), but that they are using certain kinds of phrases, expressions, symbols and metaphors, language in general that is, to convey a favourable representation of themselves (see Collison, 2003). *It is here therefore argued that the current corporate sustainability disclosures do not serve to discharge accountability or to promote democracy.*³⁴

Thus, these findings challenge arguments for voluntary and free-format corporate sustainability reporting. It seems highly unlikely that this reporting will progress to such a level of meaningfulness which would discharge accountability and enhance democracy by providing the demos appropriate information of corporate activities. This is nicely encapsulated by Milne and Gray (2007, p. 196; see also Gray and Milne, 2004):

“After all, why would any corporation voluntarily wish to admit that it is probably contributing to humanity’s exceeding of the ecological carrying capacity of the planet, and in need of being phased out in the interests of environmental sustainability, greater social equity, and the sake of future generations?”

The existence and popularity of voluntary reporting can be used as an argument for countering further regulation. For instance, the diffusion of standardised sustainability reporting through the Global Reporting Initiative can be thought to signal that business in general is indeed paying increasing attention to sustainability issues. The goal of GRI is to provide a generally accepted sustainability reporting framework, which is then envisaged to allow balanced and objective evaluations and comparisons of organisations' sustainability performances. While the aim is definitely worthwhile, the findings presented in this study raise doubts as to whether the approach used in GRI actually leads society towards sustainability. The language used in social and environmental disclosures plays a major role in constructing the representation of organisation's social and environmental performance. This also applies to the narrative information required in the GRI guidelines. Standardizing the reporting structures does not eliminate the possible performance-portrayal gap (Adams, 2004) and enhance objectivity, since the corporations may still report as they wish and use advanced rhetoric in reframing the corporate image. The numerous quantitative indicators included in the GRI guidelines are not affected by

³⁴ In a way the plethora of information often provided in the sustainability disclosures may improve the transparency of a corporation. However, increased transparency does not alone suffice to promote democracy or to discharge accountability if the information itself does not extend beyond the trivial.

this feature, but their neutrality and comparability are prone to similar critique as is accounting more generally (e.g. Birkin, 2000, 1996; Hines, 1988). Finally, and perhaps most crucially, it is relatively unclear whether the most crucial sustainability issues are duly taken into account in GRI at all (see Moneva et al., 2006; Gray, 2006). Even though the sustainability reporting framework provided by the GRI may seem revolutionary compared to the situation of just a decade or two ago, it is still based on the current social order and takes the prevailing economic logic as given. In sum, it is doubtful whether such a standardized framework serves in increasing the transparency and accountability of business entities in respect to sustainability.

Business has long developed ever new types of social and environmental reporting and the trend is likely to continue. In this process the state-of-the-art model is always claimed to be the transparent, open and honest procedure disclosing corporate deeds with great promptness. So far, research has repeatedly shown that this has not been the case. Currently, carbon and climate change disclosures are an emerging type of corporate reporting (see Bebbington and Larrinaga-Gonzalez, 2008; Kolk et al., 2008). Studies such as those presented here raise serious doubts as to whether corporate reporting emphasizing their interest in and commitment to carbon issues ever advances beyond mere textual representations. So far, the evidence is fairly damning, no matter whether research has considered reporting on, say, employees, environmental issues, corporate responsibility or sustainability. Further research is thus needed to show whether this (again) is the case with carbon and climate change disclosures or with other yet unknown future initiatives.

As shown in Article 1 (see also e.g. O'Dwyer, 2005; Rahaman et al., 2004), and following the major body of work around organisational legitimacy, *it is here maintained that corporate social and environmental reporting appears to be more a matter of responding to external pressures than an ambition towards discharging accountability.* The representations are used to legitimize the individual organizations in their micro-context, namely the society they operate in. Simultaneously, *these representations also work in the macro-context by legitimizing the social structures in general by (re)framing the current social order more broadly as one being on the environmentally right track – business is leading the journey towards sustainability* (see Milne et al., 2006). Moreover, these snippets of corporate talk also take part in further (re)constructing and reinforcing the business discourse of sustainability. Article 2 emphasizes the uniformity of the corporate talk of sustainability used by Finnish listed companies. The corporations are shown to be drawing on the wider discourse of business sustainability, which likewise serves to reinforce the current structural arrangements. Article 3 further supports these findings by highlighting how the sustainability rhetoric of three case companies has undergone major transformations in recent years. It appears, following Spence (2007), that in the early 1990s the agenda of sustainability caught business by surprise. However, business has since succeeded in getting more comfortable with the agenda, as shown by its appropriation of the sustainability rhetoric to suit corporate interests. This results, it seems, in incremental improvements, with the emphasis on sophisticated rhetoric drawing on appropriate discourses, like corporate sustainability (see Articles 2 and 3; also

Tregidga and Milne, 2006). This then contributes to constructing the social reality towards a state, in which the prevailing social and economic arrangements and the business-as-usual are taken for granted and considered to solve the minor problems encountered. Indeed, Gray (2002b, p.372) is pessimistic about the chances of solving the social and environmental problems in the prevailing social order, since the “the debate is increasingly in the hands of business”, which according to Springett (2003), is an effective way of silencing the competing and utterly radical conceptualizations of sustainability. Likewise, Lehman (1999) is doubtful whether corporations should be relied on in the search for agents of change. Instead, he stresses the importance of civil society and public dialogue.

8 Concluding remarks

In sum, this thesis underscores the value of interpretive approaches in corporate sustainability reporting research. It is here argued that deconstructing organizations' stories of sustainability and corporate responsibility is essential, since the way concepts and phenomena are talked about affects how they are acted upon in society. The diffusion of these practices has commonly been considered to be a success story and to indicate improvements in the social and environmental performance of the companies. The latter may indeed hold true and the relative environmental performance of numerous companies has likely improved in recent years. Moreover, sustainability has become an everyday concept in the modern business world. There is an oxymoron with sustainability however: despite its conceptual popularity, numerous indicators show how the state of the global natural environment is steadily deteriorating (see IPCC, 2007; Gray 2006a, 2006b, Meadows et al., 2004). This takes us back to the discursive struggle over sustainability: whose sustainability are we talking about? Banerjee (2003) argues that the debate is no longer about sustaining the planet, but about sustaining corporations (see also Byrch et al., 2007). Accordingly, it is suggested here that the deconstructed views of the palpably benevolent and neutral corporate sustainability disclosures should be used for providing alternative perspectives on the current social order and hence tackling the hegemonic capitalist paradigm, since "the argument for sustainability is that the conventional, liberal, neo-classical paradigm is killing the planet" (Gray, 2002b, p. 376).

It is indeed possible that the capitalist system we live in does not enable reporting beyond the frivolous. In order to survive in the capitalist system the corporations have to behave in a certain way, which does not include full-scale reporting on (un)sustainability (Gray and Milne, 2004).³⁵ Puxty (1986, p. 107) considers social accounting appearing "to be like rearranging the deckchairs on the Titanic." Likewise, Lehman (1999, p. 236) argues that part of the problem of social and environmental accounting is in "understanding the processes of capitalism and how they have foreclosed political debate on these important issues". If pressurising individual companies to change does not appear to stimulate any major transformations, should the attention be directed towards changing the whole system then? Tinker and Gray (2003, p. 750), for instance, conclude that to achieve real societal progress we need "the over turn – or at least a massive reinvention – of capitalism". Then again, further scrutiny of corporate activities and

³⁵ "Indeed, it is of note that the two greatest students of capitalism, Karl Marx and Milton Friedmann, were in fairly close agreement on this: companies cannot be socially responsible. It is, in all probability, entirely unreasonable to ask companies to act in socially responsible ways – they operate in a system (capitalism) that largely penalizes non-economic (socially responsible) action when that socially responsible action is in conflict with economic dictates. It is only through the use of laws passed by a civilized society that the organs of capitalism are made to act in 'responsible' ways. - - - The same is true of sustainability. It looks exceptionally likely that the current form of capitalism is not sustainable. - - - It seems profoundly implausible that an individual company could be sustainable (or responsible) in an unsustainable (or irresponsible) system." (Gray and Milne, 2004, p. 73.)

reporting are still needed, since such work highlights the attributes of the system. As Buhr and Reiter (2006) put it:

“Working out the problems of sustainable development - - - will require a strong democracy and a participative, reflexive society. It may be that the nature of capitalism is such that we will never achieve sustainability. - - - However, not to try would be unthinkable.”

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**Ensuring legitimacy through rhetorical changes?
A longitudinal interpretation of the environmental
disclosures of a leading Finnish chemical company**

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Ensuring legitimacy through rhetorical changes? A longitudinal interpretation of the environmental disclosures of a leading Finnish chemical company

Research paper

Abstract

Purpose:

The study sheds further light on how corporate environmental disclosures are used to respond to institutional pressures stemming from the social context.

Design/methodology/approach:

Interpretive textual analysis is applied to discuss how the environmental disclosures of a leading Finnish chemical company developed during the period 1972-2005. This discussion is accompanied by an analysis of the social and institutional context in which the company has been operating. The development of the disclosures is reflected against changing social and institutional pressures identified from the perspective of new institutional sociology.

Findings:

The results show that during these 34 years there have been major transitions in the rhetoric used by the case company in its environmental disclosures. These transitions coincide with changes in the social and institutional context. It is argued that the case company has adjusted its disclosures to respond to the varying institutional pressures in order to maintain a legitimate position in society.

Research limitations/implications:

The subjective nature of the interpretive approach and the use of a single case limit the generalizability of the results. However, the longitudinal approach is argued to produce valuable insights on how corporate disclosures are used as a communication tool to portray the organisation in a certain light.

Originality/value of the paper:

The study adds to a growing body of literature using interpretive approaches in deconstructing corporate disclosures. The influence exerted by social and institutional pressures on corporate disclosures is highlighted, further research avenues can therefore be proposed.

Keywords: Corporate environmental disclosures, New institutional sociology, Legitimacy, Longitudinal study, Rhetoric, Finland

Ensuring legitimacy through rhetorical changes? A longitudinal interpretation of the environmental disclosures of a leading Finnish chemical company.

Introduction

The literature on corporate social and environmental disclosures has burgeoned over the past two decades and provided the research community with various insights on how corporations report on their social and environmental achievements (see reviews by Gray, 2002; Mathews, 1997; Owen, 2008; Parker, 2005). This article contributes to the literature with a longitudinal study of the environmental disclosures of a leading Finnish chemical company over a 34-year period. So far, many longitudinal studies reported in the corporate social and environmental disclosures literature have taken a content analytic approach, either exploring whether certain issues have been reported at all, or quantitatively measuring the volume of disclosures on various issues (e.g. Adams and Harte, 1998; Adams and McPhail, 2004; Arnold and Hammond, 1994; Buhr, 1998; Campbell et al., 2006; Guthrie and Parker, 1989; Hogner, 1982; Tinker and Neimark, 1987). The research at hand, however, seeks to get behind the sheer volumetric measures and analyse what the case company has actually been saying in its disclosures (Kolk, 1999; Thomson and Bebbington, 2005). In particular, the study strives to answer the following research questions: Firstly, how have the environmental disclosures of the case company developed during the 34-year period and, secondly, has the company used the disclosures to respond to institutional pressures stemming from the changing social context?

Adams (2002) highlights various factors known to influence corporate social and environmental reporting. She divides them into three groups: corporate characteristics, general contextual factors and internal contextual factors. It is beyond the scope of a single longitudinal study to analyse all of these. This paper therefore focuses only on how the general context has influenced the disclosures of the case company. Drawing on a review of the literature Adams (2002) maintains that changes in the social, political and economic context affect how the nature and extent of corporate disclosures varies over time (see Adams and Harte, 1998; Burchell et al., 1985; Guthrie and Parker, 1989; Hogner, 1982). This study contributes by paying attention to the rhetorical features of the environmental disclosures in relation to the social and institutional context of the case company. The study thereby adds to a growing body of literature deconstructing the corporate social and environmental disclosures (Buhr and Reiter, 2006; Laine, 2005; Livesey, 2002; Livesey and Kearins, 2002; Milne et al., 2006, 2004; Tregidga and Milne, 2006). These studies have applied discursive and other interpretive approaches to reveal the strategic construction of the corporate disclosures to portray the organisations in a particular light (see Arrington and Francis, 1993; Hines, 1988). Furthermore, this recent literature has demonstrated how the organisations' disclosures draw on wider discourses and, in the case of social and environmental disclosures, on the business discourse of sustainability in particular.

The article is organised as follows. First a discussion of the literature on social expectations and organisational legitimacy is presented from the perspective of the new

institutional sociology. The case company and the dataset are next introduced, followed by the methodological approach. Thereafter, the results of the analysis are reported together with a discussion on the developing social context. Finally, the findings are discussed in light of the literature before some concluding remarks are presented.

Social expectations and organisational legitimacy

In organisational research, the theoretical approach of new institutional sociology (Carruthers, 1995; Powell and DiMaggio, 1991) has been adopted to explore how the institutional environment and social expectations affect the organisations. According to Carruthers (1995) new institutionalists believe that the world is socially constructed (Berger and Luckmann, 1967) and filled with taken-for-granted meanings and rules. Broadly speaking, in new institutional sociology it is maintained that the social and institutional context has much to do with the shaping of organisational structures (Meyer and Rowan, 1977). Furthermore, the importance attached to external legitimization (DiMaggio and Powell, 1991; Miller, 1994) is of particular interest. Factual organisational activities may become decoupled from the accounts given outside (Carruthers, 1995; Meyer and Rowan, 1977), leading to window-dressing (Mouritsen and Skaerbaek, 1995). The external appearance may be rationalized and used to help the organisation meet the social expectations and to “confer legitimacy upon the organisation” (Carruthers, 1995, p. 315; also Meyer and Rowan, 1977), even though the underlying factual organisational reality may remain unchanged.

DiMaggio and Powell (1983; see Miller, 1994) have presented an analytical framework depicting some of the ways in which rationalized procedures spread across organisations. They identify three mechanisms of isomorphic change in organisations: namely coercive, mimetic and normative isomorphism. Each of these has different origins and will be discussed next in more detail.

Coercive isomorphism is linked to external pressures exerted upon an organisation by other actors upon which the organisation is dependent (DiMaggio and Powell, 1983). The pressures may be both formal and informal, and may be felt as compulsion or persuasion to do something. Typical examples of such pressures are norms set by regulatory authorities. However, as environmental reporting has been a voluntary practice in Finland throughout the research period, such direct coercive norms cannot be assumed. Nevertheless, the normative environment in respect to other environmental issues, such as pollution and effluent limits, has tightened steadily since the 1970s (see Hakala and Välimäki, 2003). Finnish organisations have been forced to adhere to these norms, possibly creating incentives also to include these very issues in their annual reports. Thus, the regulatory norms may have exerted indirect pressure on the companies to make certain disclosures. An even more important source of coercive pressure affecting environmental disclosures may have been the informal cultural expectations, which have fluctuated throughout the research period. Public opinion regarding what is socially acceptable or ethically appropriate behaviour for an organisation has varied over time (e.g. Elkington, 2001; Konttinen and Peltokoski, 2004).

The second form of institutional isomorphism identified by DiMaggio and Powell (1983) stems from uncertainty and is known as mimetic isomorphism. According to DiMaggio and Powell, organisations tend to model themselves on other organisations in situations when the operating environment is poorly understood or when the social environment creates symbolic uncertainty. Organisations may thus seek to embrace innovations likely to enhance social legitimacy. Therefore, organisations tend to emulate similar organisations deemed more legitimate or successful in this respect. Carruthers (1995) maintains that organisational fads and fashions are likely to spread through mimetic isomorphism. Similarly, Larrinaga-Gonzalez (2007) attributes the diffusion of sustainability reporting to mimicry of some trend. On the whole, mimetic and coercive pressures may well coincide instead of being fully distinct. For instance, an organisation may feel coercive pressures due to broader social expectations and seek solutions through other similar entities, culminating in the imitation of the practices of these other organisations. In such situations it may be impossible (and irrelevant?) to distinguish whether the process was indeed due to coercive or mimetic pressures. Instead, the rationalizing change taking place in an organisation may be a result of the interplay of various social pressures.

The third form of institutional pressure identified by DiMaggio and Powell (1983) is normative pressure, the main source of which is professionalization. DiMaggio and Powell name two important aspects with respect to normative isomorphism. The first is the formal education system and the similar cognitive background of specialists passing through the university system, an aspect which does not appear so relevant in relation to environmental reporting. The professional networks spanning organisations, the second aspect identified by DiMaggio and Powell, could be of greater interest here. Professional networks form an important medium for the rapid dissemination of new models, innovations and practices. There are, for instance, professional networks for those responsible for organisations' corporate social responsibility and sustainability issues. These formal or informal networks organise meetings, training sessions and small scale conferences, in which information on new ways of doing things diffuses (see Carruthers, 1995). Such events and networks could form channels for the dissemination of new reporting innovations such as the Global Reporting Initiative. On the whole, the ideas of corporate environmental management, social responsibility and sustainability have become increasingly institutionalized only in recent years, which may also have given additional significance to professional networks in this area. Therefore, normative isomorphism is considered to have more likely taken place in the later stages of the dataset.

As in the social and environmental accounting literature it is generally maintained here that organisations may seek to use reporting as a means of securing organisational legitimacy.[1] The study thus seeks to analyse the environmental disclosures of the case company in the social and institutional context, to assess the effect of the broader institutional pressures on the organisation's disclosures on environmental issues. More precisely, the three mechanisms presented by DiMaggio and Powell (1983) serve as a broad analytical framework against which the disclosures and the contextual social and institutional developments will be reflected. Whereas the original idea of DiMaggio and

Powell (1983) relates to organisations adopting similar rationalized practices through the isomorphic processes, the study at hand understands these pressures in a broader sense. The three types of institutional processes are used here to distinguish between the various social and institutional pressures encountered by the organisation in society regarding social and environmental issues. It is argued that these pressures eventually affect organisational behaviour, which here means changes in the organisation's approach to environmental disclosures.

Data

The study focuses on the disclosures of Kemira, a leading Finnish chemical company, over a 34-year period 1972-2005. Although with 7,700 employees and an annual turnover of 2,000 million Euros (Kemira AR 2005; Kemira's annual reports will be referred to by the abbreviation AR) the company is relatively small on a global scale, it was among the biggest companies in the Finnish chemicals industry throughout the period analysed. Kemira's main business sectors have been fertilizers and other agricultural chemicals, industrial chemicals and paints. These were the core business of the company until 2004, when the agricultural activities were divested into a separate company, Kemira Agro, and listed. In 2005 Kemira operated in 40 countries and all continents. At the time Kemira proclaimed itself the leading global supplier of chemicals and chemical solutions to the pulp and paper industry. It likewise maintained that it was the leading paint supplier in the North and East European markets (Kemira AR 2005). Kemira was fully state-owned until 1994, when it was listed on the Helsinki Stock Exchange. The State of Finland retained a majority holding in the company until 2005, when its ownership fell to 48.5 percent.

Kemira was chosen as the case company for several reasons. Firstly, it is of interest to analyse how over the years a company operating in an environmentally sensitive chemicals industry has presented its environmental impacts. Secondly, the corporate structure of Kemira Group has remained relatively stable throughout the period, which is unusual in the Finnish economy, where there have recently been numerous high-profile mergers or acquisitions. Thirdly, in the 1990s Kemira was ranked among the leading Finnish environmental reporters. Finally, Kemira's environmental report has been integrated into the annual report. As Kemira puts it (AR 1995, p. 49) "*Instead of separate environmental reporting the company favors concise discussion on important environmental issues as a part of the annual report.*" This conciseness has partly facilitated the application of the interpretive approach, as the volume of text was manageable. Data was collected from 1972, the year 'the modern' Kemira Group was formed and the name of the group changed from Rikkihappo Oy [Sulphur Acid Inc.] to Kemira Oy, as the previous name "*did not reflect the full range of the company's activities*" (AR 1972, p. 1).

The dataset consists of Kemira's annual reports for the period 1972-2005, including the environmental reports published by Kemira as a part of the annual report from 1993 onwards.[2] Neither reports published by Kemira's subsidiaries nor information published on the company web-site has been included in the dataset. Some researchers

have contested the exclusive use of annual reports and emphasised the value of other sources, such as stand-alone social and environmental reports, corporate web-sites, advertisements or other publicly disseminated material (Adams and Frost, 2006; Campbell et al., 2003; Unerman, 2000; Zeghal and Ahmed, 1990). However, like most of the literature, this research concentrates solely on the annual reports (e.g. De Villiers and Van Staden, 2006; Gray et al., 1995), as it has been considered the most important medium through which corporations have communicated with external stakeholders (Campbell et al., 2006; Deegan et al., 2002).

At the beginning of the period the annual reports were typically around 20 pages long and contained around a dozen sentences of environmental information. During the period the length of the report increased steadily due to both mandatory and discretionary issues. In 2005 the annual report consisted of 116 pages, with 10 pages devoted to the environmental report. Since its inception in 1993 the length of the environmental report has remained more or less stable, ranging between 8 and 12 pages. In addition to the environmental report, environmental issues have regularly been referred to in other parts of the report, albeit briefly. For example, during the 34-year period environmental issues were discussed 22 times in the CEO's statement. In addition to the environmental disclosures the study also considered general social disclosures, such as corporate philanthropy, community involvement and general corporate responsibility. However, disclosures on human resources and employee issues have been excluded, since they would warrant a study of their own. Apart from the disclosures on employees Kemira has disclosed relatively little information on social issues. Nevertheless, the level has varied over the years and there have also been periods of more active reporting in this respect.

The method of analysis

The study considers the annual report as a medium through which the organisation may attempt to influence the perception among stakeholders and society at large of the organisation's position on social and environmental issues. Annual reports are corporate communication, with strategic choices regarding rhetoric and rhetorical arguments (Vaara and Tienari, 2002). Rhetoric is here understood to subsume conscious choices of expressions, metaphors, symbols and language, through which the organisation aims at (re)framing and (re)presenting itself as a certain kind of actor (see Craig and Amernic, 2004; Lawrence and Suddaby, 2006; Livesey, 2001; Suddaby and Greenwood, 2005). Or, as Gergen (1999, p. 42) puts it, text as rhetoric means "a language designed to do something within a community". In addition to text, the study also traces the development of the visual appearance of the annual report. This includes the use of photographs and colours and imagery in general. Following Preston et al. (1996; see also Davison, 2002; McKinstry, 1996) it is here maintained that the visual elements constitute corporate communication aiming at representing the organisation in a certain light. Therefore, these aspects are also taken into account while studying the corporation's strategic decisions on the contents of the annual reports. However, the main focus of the study is on the textual corpus and the visual appearance has been paid less attention.

To summarise the approach, the study analyses the case company's use of rhetoric and rhetorical arguments with respect to the changing social and institutional context. The approach is referred to as interpretive textual analysis (see Laine, 2005; Tregidga and Milne, 2006). On the whole, the interpretations have been formed through a process of subjective sense-making, which included numerous rounds of reading and various attempts to systematise the findings into a coherent interpretation, a process which will next be described in detail.[3]

The interpretation presented in this article was formed through a two-stage process. The first stage was executed by the researcher alone, whereas during the second stage a research assistant was also involved. The researcher initiated the first stage of the study by reading all the reports twice. During the first reading all passages which could somehow be considered social or environmental disclosures were marked. This included practically all sentences referring to any issues other than pure financial or economic matters. After a second reading of the annual reports all such parts were collected into a separate file. These excerpts contained short extracts from the original reports and were accompanied by notes on contextual features such as where the excerpt appeared in the report and what kind of issues were discussed in the preceding or following sentences and chapters. In some cases picking up direct citations was not considered worthwhile, and detailed notes on the issues were taken instead. An example of this would be the parts of the environmental reports discussing environmental technology at each particular industrial site. A chronological memo including thematically classified excerpts and notes was created and later transformed into a timeline including the developments in the disclosures [4]. This timeline included not only all the major factual changes in what the company claimed it was doing, but also the rhetorical changes observed in the way the company expressed itself during the research period. In addition, it included the time points at which Kemira introduced new environmental or social concepts in the disclosures, such as life-cycle assessment in 1994 and eco-efficiency in 1998. The final interpretation of the first stage was subsequently formed in an iterative process, with constant attention to similarities and dissimilarities between years; to dominant themes emerging and receding over time; to changes in the expressions, metaphors or symbols employed and so forth.

The research assistant joined the study about a year after the original interpretation had been made and written up. During this second stage of reading she conducted an interpretive textual analysis independently on the whole dataset, forming another way of seeing the development.[5] Next, the researcher made a careful comparison of the original interpretation and that of the research assistant, aided by discussions with the research assistant. On the basis of this comparison the researcher did yet another round of reading of both the original dataset and of the detailed research notes created during the first stage of analysis. Throughout this second stage emphasis was placed on the changes in the physical appearance of the reports, including photographs and artwork, the use of graphs and tables and colours. Finally, the researcher revised the original interpretation in light of the new round of reading, the assistant's analysis, and points raised in the discussions.[6]

Results of the interpretive textual analysis

The case company's disclosures on environmental issues can be divided into five periods (see Adams and McPhail, 2004; Buhr, 1998; Tregidga and Milne, 2006). In each of these the company applies a different rhetorical approach to environmental issues and to its own position on the natural environment and society in general. The findings are summarised in Table 1.

The construction of the time periods was data-driven. The analysis soon revealed major changes in Kemira's use of language in the disclosures during the 34 years. These rapid transitions were not explained to any extent in the disclosures. The external context in which Kemira had been operating was therefore examined in order to identify factors which could have affected Kemira's environmental disclosures. According to the new institutional sociology organisations adjust their actions with respect to institutional coercive, mimetic and normative pressures (DiMaggio and Powell, 1983). An analysis of the social and institutional context demonstrated that public interest in environmental issues has waxed and waned over the years. The following findings show that the rhetorical transitions in Kemira's disclosures coincide with changes in the social and institutional context.

The paper now moves on to present the different rhetorical approaches identified in Kemira's environmental disclosures. The discussion of the five time periods is accompanied with an analysis of the social and institutional context in which the company has been operating. First, however, we summarise the Finnish social context prior to 1972, when the data begins.

Finnish society had been interested in environmental issues since the late 1960s. The environmental debate began internationally during the 1960s, reaching one of its peaks on Earth Day in 1970 (Elkington, 2001). One theme was the hazards caused by the chemicals industry, not least due to the publication of the influential book *Silent Spring* by Rachel Carson (1962). As in most other industrialized nations, environmental issues came to be included in the official public authority system in Finland during the period 1968-1972 (see Weale, 1992). Even though the Finnish government began to pay more attention to environmental issues, the environmental legislation was still in its infancy (Haila, 2001; Hakala and Välimäki, 2003). In Finland the first wave of environmental activism is considered to have taken place from 1967 to 1970 (Konttinen and Peltokoski, 2004). Suhonen (1994) has shown that the volume of environmental articles in the major Finnish quality daily, *Helsingin Sanomat*, peaked in 1972. The environmental debate in Finland also concerned the chemicals industry, and there were local protests against polluting plants, including Kemira's (Haila, 2001). Kemira's annual report for 1972 was thus published at a time of considerable public interest.

	1972-1978: Reducing the environmental harm	1979-1985: Increasing awareness	1986-1993: The period of indispensability	1993-1999: Environmental excellence	2000-2005: Value-based benevolence
Rhetorical features of the disclosures	Problem-centred; reactive	Environmental investments; efficiency; being a leader	Defensive; indispensability; expertise; risk vs. benefit	Positive; environmental management; normalising activities; compliance	Values; social significance; image; visual
Kemira's orientation	Domestic	Domestic	From domestic to international	International	International
Peaks of media attention in Finland [A]	1972	1979	1986		
Environmental movements in Finland [B]	First wave: Late 1960s to early 1970s	Second wave: 1979-1982	Third wave: 1987-1990	Fourth wave: 1995-1998	Fifth wave: 2000-2003
International waves of public interest on business [C]	First wave: 1969-1973		Second wave: 1988-1990		Third wave: 1999-2001
Main sources of pressure at the point of transition	Coercive	Coercive, (mimetic)	Coercive	Mimetic	Coercive, Mimetic

Table I: Summary of the findings

(A: Suhonen, 1994; B: Kontinen and Peltokoski, 2004; Lindblom, 2005; C: Elkington, 2004, 2001)

1972-1978: Reducing the environmental harm

In the first years of the dataset Kemira is fairly open about the environmental impacts of its operations. The social context probably created informal coercive pressures for Kemira to take some stand on environmental issues in its disclosures. Kemira's annual reports for this period resemble official documents with formal narrative, some simple graphs and a few large photographs, mainly of factories and equipment. The length of the reports rises steadily from 20 pages to approximately 40 pages in 1978. The narratives generally contain relatively technical descriptions of the year's achievements. The financial statements are not yet in the modern form, being simple and brief.

Throughout this first period environmental issues appear in the reports, albeit rather briefly. Kemira discusses how it has started to reduce the environmental damage caused by its activities.

“The old Harjavalta processing plant, which has old worn out equipment causing problems with effluents, will be refurbished.” (AR 1973, p. 5.)

“Measures to reduce the environmental damage caused by industrial plants have been continued intensively throughout the year.” (AR 1974, p. 5; AR 1975, p. 7.)

It is moreover interesting to note how frankly the company admits that nature does suffer from its activities and that difficult environmental problems remain unsolved:

“The iron sulfate generated as waste during the titandioxide process causes a difficult and still unsolved problem.” (AR 1972, CEO Statement, p. 1.)

“The massive volumes of waste plaster generated as a side product in the production of phosphorus acid cause a difficult problem.” (AR 1973, p. 5.)

The disclosures of this period are often problem-centred and negatively framed. The company admits its uncertainty and emphasises the difficulty of environmental issues. As a whole the disclosures are mostly reactive and represent problems simply as problems, without any explicit discussion about why certain issues are considered problematic or what kind of consequences might ensue if these problems are not addressed. Such a problem-centred approach is unique to this first period and was subsequently drastically altered. Indeed, the annual report for 1976 marks a turning point in the company’s environmental disclosures. Kemira was in financial trouble because of the widespread recession, allegedly making it impossible to use resources on environmental improvements. Instead, in the annual report of 1976 the company presents figures on its wastewater effluents from the preceding six years. Interestingly, these figures and the accompanying graphs are the only example of quantitative environmental information given 1972-1989 [7]. The caption of the graphs states as follows:

“The results of attitude education, continuous control and determined research and development work in environmental protection can also be attested. This is illustrated in the graphs above, showing the positive development in effluents from our fertilizer plants.” (AR 1976, p. 8.)

The following two years Kemira seems to build on these results. The annual reports continue to appear relatively open in the sense that the company considers its environmental activities adequate. In 1977 the company reports that “no major environmental investments took place” and that “the focus was on maintaining the accomplished level” (AR 1977, p. 32). In addition, there is for the first time a short section dedicated to environmental issues and headed “research on water pollution control” (ibid). Similarly, the environmental disclosures in 1978 focus on describing various long-term plans and research projects the company is currently pursuing. However, neither of these two reports explains why the company no longer focuses on environmental investments to immediately reduce pollution. For instance, Kemira could have claimed that there were limited possibilities for major environmental investments and activities due to financial austerity. This suggests that the company may not have felt

any major coercive, mimetic or normative social pressures during the late years of the period. However, the social context was developing and a new wave of coercive pressure was imminent.

1979-1985: Increasing social and environmental awareness

The aforementioned frank reporting on the environmental problems disappears almost completely after 1978. Explicit mentions of environmental damage or hazards become very rare, in spite of some isolated mentions. All in all, the corporate rhetoric and the way it speaks of the environment and environmental issues changes from 1979 onwards. The new approach is summarised in Table 1. A good example of how Kemira's rhetoric changes during this time is the following quotation from the first annual report statement by the company's recently appointed CEO:

“During the last few years Kemira's development work has included a firm commitment to investments aimed at taking care of the environment around the industrial plants. They make up about 5-10 percent of total annual investments and are allocated mainly to protecting the water, but also partly the air.” (AR 1979, p. 5.)

Thus, the rhetoric is turned upside-down. The corporation is no longer explicit about causing negative impacts; instead, it focuses on how much it has done to protect the environment. Furthermore, the focus is also on efficiency and on making environmental protection more effective.

The change in the rhetorical approach could have been due to changes in the Finnish social context. The end of the 1970s witnessed a heightened interest in environmental issues in general in Finland. Suhonen (1994) has shown that the volume of environmental articles in the major Finnish newspaper peaked again in 1979. According to Konttinen and Peltokoski (2004; see also Haila, 2001; Hakala and Välimäki, 2003) the second wave of Finnish environmental activism also reached its peak in 1979. It is here maintained that the domestic social context caused coercive pressure on the company, to which it responded by changing the rhetoric in its disclosures. It is argued that the international pressures were less important at this stage, since Kemira could still be considered a domestic company. It was fully state-owned and even though some of the divisions and subsidiary companies were involved in international trade, the main focus of the company was on Finland and Finnish society. In addition, at the time the Finnish economy was still largely regulated, limiting the chances of international companies to access the Finnish markets. The period lasting until the mid to late 1980s is often referred to as the era of financial capitalism, indicating the power domestic financial institutions wielded in Finnish business as a whole (see Ojala and Karonen, 2006).

Even though no explicit statements are made in the annual reports, it seems that the rhetorical changes are also accompanied by a change in the putative audience. Until the late 1970s, the reports seem as if they were written by an entity being part of the state to the government officials and the state as a whole. However, from the late 1970s onwards

the company understands the audience in a broader sense, including other major stakeholders, such as customers and the media. The rhetorical position switches from that of a state-owned company to that of a company in the chemicals industry, which suggests that Kemira felt at least mild mimetic pressure to appear like the others in the industry. The physical appearance of the reports also changes during the early 1980s from an official-looking format filled with pictures of managers and factories to a more modern public relations style, exemplified in the 1985 annual report presenting the fertilizer division using pictures of fresh vegetables and the paints division with a full-page picture of a woman's bare foot in a shower.

In addition to the environmental debate the end of the 1970s in Finland witnessed a growing interest in the social responsibility of business and, especially, in the status of employees. At the time there was also some academic debate on how the corporations should report on their wider social impacts (see Näsi, 1995). These social expectations created more coercive pressures on companies to act in certain ways. In addition, the activities of other organisations imposed mimetic pressures on Kemira. Social accounting and value-added reports were developed (Kasurinen, 1991). Näsi and Näsi (1993) describe how Finnish paper companies disclosed value-added statements in their annual reports for a few years in the late 1970s, after which such disclosures disappeared. These interrelated coercive and mimetic pressures may have caused Kemira to publish a value-added statement at the end of the annual report every year between 1978 and 1983. Interestingly, the company did not stress this in any sense; the statement is disclosed solely in graphs and tables, mainly without any comments. Nor did the company mention why this practice was eventually abandoned after six years. However, it may well be that the value-added statement was removed because such reports were a mere passing trend (see Burchell et al., 1985).

Another notable change in this period is the company's efforts to demonstrate its dedication to improving environmental protection. Previously such activities included no detail on size, cost or other impacts. Now, the most important measure seems to be the cost of the investment:

“The air-protection project, which will cost over 20 MFim [3.5 MEur], was started this year. The project will finalize a broad series of environmental protection investments reaching a total cost of almost 50 MFim [8.5 MEur]. This project will put Säteri plants among the world's leaders in environmental protection in its sector.” (AR 1981, p. 31.)

Apart from the financial figures Kemira does not provide any other quantitative information about the results of this increased work on environmental protection. It seems that the monetary figures were used to convince the public of the company's commitment. As discussed above, during these years society imposed coercive pressure on organisations due to an interest in how the companies were using their profits. Thus, we speculate that the company aimed to enhance its legitimacy in the eyes of society by emphasising its environmental investments. However, it is significant how seldom the company states whether these investments were voluntary, or in fact an official

requirement of environmental permitting. By omitting this information the company was able to represent itself as an environmentally active party, using its meagre resources for the common good.

1986-1993: Indispensability (the chemicals industry as a sine qua non of modern society)

The middle of the 1980s witnessed a number of incidents which tarnished the image of the chemicals industry in the public perception. Firstly, there was the explosion at the Union Carbide plant in Bhopal, India in 1984. Secondly, even though not directly linked to the chemicals industry, there was the nuclear meltdown in Chernobyl in the former Soviet Union, in 1986. Thirdly, there was the massive fire at the Sandoz plant, also in 1986, causing serious damage to the Upper Rhine ecosystem. In Finland, the public environmental debate intensified in the mid 1980s and, according to Suhonen (1994), the volume of environmental articles in the Finnish media reached its third peak in 1986. Konttinen and Peltokoski (2004) maintain that the third wave of Finnish environmentalism took place between 1987 and 1990. Thus, it is likely that these events and developments in the social context caused coercive pressures and caused Kemira to adopt a defensive rhetorical orientation to environmental issues. Table 1 includes a summary of this approach.

“By applying the knowledge of chemical phenomena the chemical industry has been crucial in creating the preconditions for human well-being. We have been able to produce considerably more food. Chemical industry has a pivotal role in curing illnesses and in lengthening our lives. The clothing, housing and self-decorating would not be as they are today without the chemicals industry. Every one is free to ponder whether the result is good or bad.” (AR 1986, CEO statement, p. 3. Emphases added.)

It seems that Kemira recognised a need to enlighten the public about how important the chemicals industry, and especially Kemira, is to modern society. During the late 1980s and early 1990s the company continues to discuss the costs of environmental investments. However, as this apparently does not suffice as a response to the coercive social pressures, the company begins to employ the rhetoric of progress and modernity to gain further legitimacy, as seen in its emphasis on the indispensability of the chemicals industry and chemical products to modern society. Excerpts such as those below are often accompanied by a brief discussion of environmental issues, in the sense that the company concedes some environmental impacts, but mitigates them by stating for example:

“The agricultural chemicals sector is filled with strict regulations and restrictions on use. On the other hand it is acknowledged that these substances are indispensable for modern agriculture.” (AR 1988, p. 49. Emphasis added.)

“Hundreds of thousands of different chemicals are known; and they are by no means all poisons, but useful and essential commodities.” (AR 1993, p. 35. Emphasis added.)

At this stage the annual reports consist of approximately 50 pages, with about 20 devoted to financial information. The format remains relatively stable: each industrial sector is discussed in a couple of pages, illustrated with one or two graphs and photographs. Note that the pictures seldom feature production facilities or personnel; the emphasis is more on the company's products and their possible applications. This suggests that the visual appearance may also be intended to demonstrate Kemira's indispensability for society and to downplay the industrial nature of the company's activities.

In modern society one way of constructing legitimacy is through rationality and expertise (see Beck, 1992). After the industrial catastrophes in the mid 1980s Kemira needed to convince the public of the safety of chemical operations in general, and of Kemira's operations in particular. During this period Kemira constantly refers to "*public opinion*", which is often antagonistic to the operations of the chemicals industry. The rhetorical device Kemira uses to counter the accusations and respond to the coercive social pressure is to emphasise the company's expertise. Operations in the chemicals industry require expert knowledge and skills, which the company is keen to promote:

"In chemical production processes there may be immensely dangerous raw materials or intermediate products. Therefore, the techniques used in the chemicals industry have to be of the highest level. In addition, the professional skills of the employees have to maintain high standards." (AR 1986, CEO's statement, p. 3.)

"Environmental issues have become established as one of the most important topics of societal discussion... The chemicals industry is in many ways in the focal point of this discussion. The chemicals industry is able to provide means for cleaner production methods and for cleaning the already polluted environment. On the other hand, at its worst the "poison discussion" represents all chemicals sensationally as harmful, or catastrophic, even in very small portions. It is hoped that the discussion on chemicals would be more relevant and competent." (AR 1993, p. 35. Emphases added.)

Thus, society is advised to trust the experts, since they know best, and Kemira is indeed an expert whose views should be trusted (see Beck, 1992; Eden, 1999). Interestingly, Hoffman (1999) presents similar findings on the discussion in a major US chemicals industry trade journal from the late 1970s to the mid 1980s on the relationship between risks and social benefits.

1993-1999: Environmental excellence

Kemira's rhetoric changes once again by the middle of the 1990s. The talk of indispensability is replaced by a broader and more assuring rhetoric of environmental excellence. There is no longer any talk about environmental damage or hazards. Instead, the disclosures abound in laudatory phrases about the company's care of environmental issues (see Table 1). In point of fact, this rhetorical orientation partly overlaps with the

previous one. Kemira's first integrated environmental report in 1993 is an explicit manifestation of the broader rhetoric of environmental excellence, whereas the rest of the annual report still follows the former defensive rhetoric. This might have happened, for instance, if the environmental report was produced elsewhere in the organisation than the rest of the annual report. Be this as it may, the rhetoric of environmental excellence dominates from the next annual report onwards. As Kemira puts it:

“Environmental products contribute 6 % of the annual turnover. For Kemira this rapidly growing sector means a gradual shift from a polluter to a cleaner.” (AR, 1993, p. 43.)

Remarkable changes took place in the Finnish economy during the late 1980s and early 1990s. The economy was rather swiftly deregulated and Finland in many respects opened up to international competition. For instance, foreign direct investments in Finland had been legally difficult until the 1990s, and really started to pick up only in the late 1990s (Ojala and Karonen, 2006; Hjerppe and Jalava, 2006). Likewise, foreign ownership was liberalised in 1992. Ojala and Karonen (2006) describe these major changes in the Finnish economy as a transition from financial capitalism to global capitalism. Moreover, Finland joined the European Union in 1995, which also affected the business structure. For Finnish companies, including Kemira, these profound changes in the social context meant an increasing need for a more international approach. As the Finnish markets opened up, Kemira's orientation was no longer only domestic but truly international. Kemira had given its divisions official English names in 1990, *“to better reflect the increasingly international focus of the company”* (AR 1990, p. 7). In addition, the opening up of the markets not only made the institutional context more international, but also intensified competition. Therefore, it became essential for Kemira to follow international developments and competitors in the chemicals industry more closely. Simultaneously, mimetic pressures began to constitute a new source of institutional influence.

The internationalisation is also apparent in the visual appearance of the annual reports of this period, as many of the pictures are taken outside of Finland. Otherwise the appearance of the annual report is largely unchanged. However, it is interesting to note that the newly added environmental report breaks away from the general pattern: these pages contain no pictures, but only narratives and numerous graphs. It seems that this format aims to equate environmental information with financial statements as a source of highly reliable information.

It has been argued here that during the earlier periods Kemira adjusted its rhetoric mainly with respect to coercive social pressures. Even though Elkington (2001) maintains that the second international wave of environmental pressure on business peaked in the late 1980s and early 1990s, Kemira's rhetorical turn in 1993 is more likely due to mimetic than coercive pressures. Kemira's adoption of a positive rhetoric of environmental excellence coincides with the talk about good environmental management in business life in general (see Levy, 1997; Newton and Harte, 1997; Schmidheiny, 1992). In the distal context the ICC Business Charter for Sustainable Development was published in 1991.

Kemira committed to the ICC Charter that same year (AR 1991, 6) and in 1992 the company also subscribed to the Responsible Care initiative of the international chemicals industry. Furthermore, numerous business front-groups, especially the Business Council for Sustainable Development, were active participants in the UNCED 1992 Earth Summit in Rio de Janeiro, promoting the business view of win-win solutions in environmental questions. Voluntary environmental reporting was also becoming increasingly popular internationally (e.g. Gray et al., 1996). It is thus suggested that these international developments caused mimetic pressure on Kemira to initiate environmental reporting and to relinquish the earlier defensive rhetoric.

“Environmental management is part of the normal activity.” (AR 1993, p. 44.)

The new rhetorical orientation is again accompanied by a broader understanding of the audience: The reports are now also aimed at potential (and subsequently current) investors, as Kemira became a listed company on the Helsinki Stock Exchange in 1994. The general rhetoric in the annual reports is now positive, and many environmental issues are represented as future business opportunities. During this period the company starts to refer to some of its activities as “environmental business operations”. Most of these business areas had already been part of the company in the 1980s, but it was only at this point that the company started to use positive rhetorical expressions to describe them.

Furthermore, one of Kemira’s operating principles is “*Respect the environment*” (AR 1995, p. 3), and their goal is to have “*satisfied customers and high profitability*”, which will be achieved by “*innovative solutions aiming at sustainable development*” (ibid.). This rhetoric pursues legitimacy through normalising environmental issues as a part of the business-as-usual, implying the company will take care of them like any other important business issues.

“The Kemira Group considers environmental protection to be an important and integral part of its operations.” (AR 1997, p. 9.)

Likewise, another way of normalising environmental issues into the general business activity is to emphasise how important environmental issues are for business:

“The good management of environmental affairs is an important element of successful business and also represents an opportunity.” (AR 1996, p. 6.)

In the previous decade Kemira was more or less silent about environmental legislation. The company emphasised the resources it had invested in environmental improvements, but did not discuss whether these investments were de facto mandatory due to the environmental permitting limitations. However, during this period the authorities and environmental permits play a new role. They are used as legitimating devices to further prove the excellence of the company’s environmental management. In the disclosures the permit limits are frequently depicted as “*strict*” or “*extremely challenging*”. Curiously, the company often seems able to do even better, resulting in disclosures such as “*the effluents were clearly below the limits*” (AR 1997, p. 53). Yet another way to use the

permits is to mitigate the possible increase in effluents by comparing the situation to the limits:

“Nutrient releases at the Uusikaupunki plant increased slightly from the all-time-low of the previous year, but are still 30-70 % of the permitted levels.” (AR 1996, p. 53.)

To conclude, the 1990s witnessed a remarkable transition in the way Kemira discussed environmental issues. The transition occurred at a time when business in general changed its attitude to environmental issues. This development might have led to emerging mimetic pressures on Kemira, as its appearance in relation to other companies came to be perceived differently from before. Thus, the earlier defensive rhetoric of indispensability could have proven counterproductive.

2000-2005: Value-based benevolence

The new millennium witnessed another rhetorical change in Kemira’s environmental disclosures. During this period the disclosures on social and environmental issues are frequently linked, making it difficult to distinguish between them. This new major rhetorical approach is here called value-based benevolence and is summarised in Table 1.

The previously dominant rhetoric of environmental excellence remains in the background, albeit in a different form. In effect, the nature of the disclosures changes from being mainly detailed informative documents to more general brochure type reports, in which the details are less important than the image to be conveyed. It is interesting to note that the less detail is provided the more the company exalts its reliability. Thus, the public should trust the company even if it appears reluctant to fulfill its accountability by producing transparent reporting on its activities. In point of fact, the company links its new corporate values to the social expectations by stating:

“We believe [our new] values are well in line with the recent discussions on the transparency and social responsibility of multinational corporations.” (AR 2000, p. 60.)

Moreover, the company emphasises in various ways how valuable its existence and production are for society. Society will gain not only essentials, but also higher objectives:

“We are doing our part to ensure that the world has an adequate supply of pure water and nutrition, a pleasing environment and a foundation for culture and leisure pursuits.” (AR 2000, p. 6)

“... we want to play a positive role in social development ...” (AR 2004, p. 2.)

Thus, coercive pressures appear to have an effect on the company, since it sees a need to act and disclose in concordance with wider social values. Elkington (2004) maintains that

this was the time when international public interest in corporations' actions again reached a peak. High-profile protests involving a number of NGOs and other interested citizens occurred at the WTO meetings in Seattle and Gothenburg, for instance. These activities also spread to Finland and the fifth wave of Finnish environmentalism is located around 1999-2001 (Lindblom 2005). In addition, new mimetic pressures also emerged while other companies were extending the scope of their social and environmental disclosures to sustainability or corporate social responsibility reports. Kemira's major rhetorical transition coincides with this peaking of public interest. Its reporting starts to emphasise how benevolent the company actually is. The activities are presented as being built on strong human values, the pursuit of which will lead to balancing social, environmental and economic dimensions. This was something companies were expected to do, and Kemira's new rhetorical orientation presents its activities as ethically and socially appropriate in the midst of coercive and mimetic social pressures.

The visual appearance was also changed to support this rhetorical transition. The annual report of 2000 differs from the previous ones and the pictures show personnel working for Kemira. The following two annual reports 2001-2002 have an even stronger symbolic appearance: there are no photographs, but drawings and artwork. The 2001 annual report features drawings by the company's board of directors, apparently in order to represent the board as ordinary people rather than as tough captains of industry 'above the others'. The next annual report in 2002 is illustrated with artwork featuring a smiling couple in various settings, symbolising intimacy and value-filled thinking. Even though the annual report of 2003 still contains some drawings, it resembles more those of the following years, 2004-2005, which mainly contain pictures of smiling personnel happily working for Kemira, representing the corporation and its personnel as one big happy family.

Furthermore, the readers are constantly being assured of the great benefits and feats the chemicals industry is accomplishing. Actually, the company is again promoting its indispensability, albeit in a different way. For instance, production is no longer about the products per se, but about the superior services these products facilitate:

"Kemira's Chemicals' business units will continue to have an important social significance in the future ... Pulp and Paper Chemicals serves information exchange as well as education and training by making efficient and environmentally sound paper production possible." (AR 2000, p. 45.)

In general, contemporary society is becoming increasingly aware of the limits nature may impose on economic growth. However, at the same time the World Business Council for Sustainable Development continues to claim that business will be able to deliver sustainable growth (Holliday et al., 2002). This chimera is set to combine further economic growth with solutions to the existing environmental and social problems without any major changes in the current economic order (but see Beder, 2002; Gray, 2002; Rutherford, 2003; Welford, 1997). Kemira's rhetoric contains a similar promise:

"Sustainable economic growth is often dependent on the availability of pure water." (AR 2002, p. 19.)

“...continuous flow of new products and solutions that benefit humanity.” (AR 2003, p. 9)

Thus, Kemira aspires to legitimize its activities with disclosures promoting business-led development towards a sustainable society. Its rhetoric of value-based benevolence responds to the interweaving coercive and mimetic pressures by manifesting a simultaneous contribution to social wellbeing, environmental protection and further economic growth.

Discussion

This study focused on the disclosures of Kemira, a leading Finnish chemicals company, in the period 1972-2005. Before the findings are synthesized, the limitations of this study will be enumerated.

The process of interpretive textual analysis is admittedly subjective, and the results are inevitably biased by the researcher's personal position. In addition, as with all accounts, this study has only given a partial representation of the social and institutional context. Furthermore, other factors such as the corporate characteristics or the internal contextual factors may also have affected the disclosures (Adams, 2002). Therefore this analysis should be understood as only one of several possible interpretations, albeit a well-informed one. Moreover, the study focuses on the disclosures of a single company and cannot be generalised to other industries, to other countries or to business as a whole. However, it is argued that the interpretive approach applied here offers interesting insights for corporate social and environmental reporting research. Accordingly, a growing research tendency has arisen in the literature to employ similar interpretive analytical methods relying on discursive, rhetorical or other similar methodological approaches (Buhr and Reiter, 2006; Laine, 2005; Livesey, 2002; Livesey and Kearins, 2002; Milne et al., 2006; Milne et al., 2004; Tregidga and Milne, 2006).

Many earlier studies on corporate social and environmental reporting (e.g. Buhr, 1998; Deegan et al., 2002; Patten, 1992) have been based on legitimacy theory and maintained that organisations use disclosures to maintain their legitimacy in society. In parallel with this major body of literature it is argued here that Kemira changed its rhetoric in the disclosures according to changes in the social context. Thus this paper further underscores the influence the general contextual factors have on corporate environmental disclosures (see Adams, 2002). Furthermore, the study answers calls by Larrinaga-Gonzalez (2007) and Owen (2008) and uses new institutional sociology to identify the various forms of social and institutional pressures.

The findings collected in Table 1 show the link between Kemira's environmental disclosures and the changing coercive and mimetic pressures. As a whole, it appears that the coercive pressures were the main factor affecting Kemira's environmental disclosures until the early 1990s. The transition points at which Kemira changed its rhetorical approach in 1972, 1979 and 1986 coincide with peaks of public interest in Finland. It is

maintained that this is no coincidence, but occurred because Kemira has felt a need to adjust its environmental disclosures in the face of coercive pressures. After changing its rhetorical approach, Kemira adhered to the new course until the next major wave of social pressure.

The role of mimetic pressures has grown from the early 1990s onwards. At this stage both Finnish society and Kemira itself were absorbing more influence from abroad. It is argued that the rapid development in how international business at large addressed environmental issues in the early 1990s was decisive for Kemira's environmental disclosures. The general discourse of good environmental management contained a positive message which also appeared viable for Kemira. Presumably broader social expectations had earlier given impetus to the greening of business. However, according to Elkington (2001) international public interest in environmental issues in business was already fading in 1991-1992. Similarly, the activity of Finnish environmental movements was in decline (Konttinen and Peltokoski, 2004). It is thus argued here that Kemira's rhetorical transition in 1993 was mainly due to mimetic pressures and a result of Kemira following the diffusion of the discourse of good environmental management.

Kemira's last observed rhetorical transition occurred in 2000, at a time when the social expectations of business were very high. All major companies had to consider whether they should somehow react to the coercive pressures. During uncertain times the developments in other business organisations also created mimetic pressures. It is maintained that these interrelated institutional pressures caused Kemira to alter its rhetoric and start representing itself as a value-based and benevolent organisation.

It should be noted that no normative pressures (DiMaggio and Powell, 1983) were identified during this study. This, however, does not necessarily imply that no such pressures have existed over the years. It is possible that normative isomorphism has played a part in the diffusion of practices in professional networks, for instance. The diffusion of the idea of corporate social responsibility during the last decade has led to the emergence of new networks focusing on social and environmental aspects of business. Similarly, numerous seminars and training sessions have focused on corporate social and environmental reporting in general and the Global Reporting Initiative in particular as the popularity of non-financial disclosures has increased. Nevertheless, the data do not permit any definite conclusions to be drawn on whether normative pressures stemming from professionalisation have influenced the case company's environmental disclosures. Kemira's reporting offers no evidence of the company's employees taking part in developing the Global Reporting Initiative or in any other similar endeavours. Thus, even though the existence of some normative pressures in the later stage of the dataset is considered possible, it is here maintained that recognising such pressures and mechanisms is more or less beyond the scope of a study focusing merely on corporate disclosures. Studies tackling the significance of professional networks and consultancies in the diffusion of new disclosure trends are thus called for.

There are differing views in the literature on whether the developing corporate social and environmental reporting actually helps to solve the deepening environmental crisis. In a

longitudinal study on the sustainability disclosures of a leading New Zealand reporter, Tregidga and Milne (2006, p. 237) are rather cautious and maintain that reporting may undermine “the sense of tension between business and environment – through knowledgeable and careful management, these can now be balanced, and images are supplied to reinforce this notion.” In contrast, Buhr and Reiter (2006) are more positive about how the mere existence of social and environmental reporting has the potential to change corporate behaviour. In this respect this study is closer to Tregidga and Milne (2006) and maintains that the corporate rhetoric is used to persuade the public about the beneficial outcomes of business-as-usual. The findings summarised in Table 1 demonstrate how Kemira has applied various rhetorical approaches in representing its activities. Theoretical insights provided by new institutional sociology (DiMaggio and Powell, 1983) claim that the external appearance of an organisation may be rationalised and used to help it conform to the social expectations. An analysis of Kemira’s environmental disclosures has demonstrated that this has likely been the case. The observed rapid transitions in the environmental disclosures suggest that the disclosures were decoupled (Carruthers, 1995; Meyer and Rowan, 1977) from the factual organisational actions. This is not to rule out possible changes in how things are actually done in the organisation and in the environmental impacts of these activities. However, social and environmental reporting are here understood as tools of corporate communication (McKinstry, 1996), through which organisations’ activities are represented as socially appropriate. Corporate rhetoric and image management are powerful tools used to strengthen the broader social beliefs on how business-as-usual mitigates environmental problems and delivers sustainability, despite numerous current indicators pointing in the opposite direction (Gray, 2006). Therefore, a better understanding of the linkages between organisations’ actions and disclosures is needed. Ethnographic studies could provide opportunities for rich descriptions (see e.g. Dey, 2007), even though difficulties in gaining access to companies and limited research resources complicate such endeavours.

A longitudinal study of this kind provides insights on the interlinkages between the disclosures and the developing social context. However, numerous aspects are beyond this approach. For instance, we need more detailed accounts to provide information on how and why the disclosures are produced in different social contexts and situations (see Adams and McNicholas, 2007). This entails not only discussing why certain issues are reported, but also why the issues are or not reported in a particular way. Furthermore, it would be interesting to learn how the people in charge of the social and environmental disclosures in organisations conceptualise the social context and its effects on the disclosures (e.g. Spence, 2007; also O’Dwyer, 2002). Exploring many of these themes may entail combining different research approaches, such as ethnography and textual analysis. By gathering data through interviews and participant observation it would likely be possible to shed further light on how coercive, mimetic and, especially, normative pressures affect organisations’ disclosures.

The means of corporate communication have changed rapidly over the past decade. The previously dominant annual report has now lost ground and other forms of disclosures, such as corporate websites, seem to have taken over (e.g. Adams and Frost, 2006).

Nevertheless, the importance of the social context should not be underestimated. The findings presented here show how the case company's disclosures went through major rhetorical transitions, which coincided with developments in the social and institutional context. From the perspective of new institutional sociology it is therefore argued that the case company used its disclosures to maintain legitimacy with an appropriate external appearance in the changing operating environment. There is no reason to believe this feature is specific to the annual report. Hence, future disclosure studies should pay considerable attention to the general contextual factors in order to gain a more profound understanding of organisations' disclosure practices.

Finally, this study has not considered the reception of the reports (see Ferguson, 2007). There are numerous papers in the literature scrutinising corporate disclosures in various ways. However, there is too little understanding of how these texts are eventually received in society. For instance, it is not known whether the rhetorical changes observed in Kemira's disclosures actually had any effect on the eventual readers of the reports. It should be noted, however, that a longitudinal setting limits the possibilities to gather data for this purpose. Still, who actually reads the reports, why, and how the reports are understood are examples of poorly understood issues. Approaching such themes is more complex than sticking to the publicly available corporate disclosures. Nevertheless, since papers like this claim that the disclosures are used to influence the public at large, it would be essential to know more about their reception by the public.

Concluding remarks

The study shows how the rhetoric of the case organisation changed numerous times during the 34-year period. It is argued that the environmental disclosures are used as rhetorical devices in responding to social and institutional pressures so that the organisation would appear to conform to social expectations. The rapid changes in corporate rhetoric further stress that the disclosures are not really about the corporate activities, but about representing these activities. Elegant expressions and catchy phrases take precedence over factual actions and developments in the material impacts. A decoupling (Carruthers, 1995; Meyer and Rowan, 1977) of internal reality and external accounts is suggested to have taken place. Therefore, in light of the findings there is serious doubt whether social and environmental actions and the accomplishments of companies may be compared by analysing their disclosures. One can only hope that universal standards of social and environmental reporting, such as the Global Reporting Initiative, will help in this respect, even though this may be in vain (see Moneva et al., 2006).

The periodical alterations in the disclosures make one wonder whether the current trend of corporate social responsibility reporting will turn out to be a similar kind of passing phenomenon. As the social expectations again evolve over time, will the business rhetoric in the disclosures change once more, as the corporations again seek to respond to the institutional pressures?

Notes

1. Legitimacy theory has been perhaps the most prominent theory in the corporate social and environmental disclosures literature (e.g. Brown and Deegan, 1998; Buhr, 1998; De Villiers and Van Staden, 2006; Deegan, 2002; Deegan et al., 2002; Patten, 1992; but see Adams and McPhail, 2004; Campbell et al., 2003; Guthrie and Parker, 1989). According to legitimacy theory, corporations use social and environmental disclosures to maintain their legitimacy in society (Gray et al., 1995). Corporations use alternative strategies to gain, maintain or repair (O'Donovan, 2002; Suchman, 1995) the legitimacy, depending on the prevailing situation. Corporations may, for instance, seek to alter how society perceives the corporation, try to change the public expectations of the corporation's activities or attempt to divert society's attention to some positive matters (see Deegan, 2002; Gray et al., 1996)
2. In addition, the company once published a separate environmental report. This report, published in early 1991, discussed the environmental issues of the group and was aimed explicitly at the company's personnel. Since it is the sole exception to the usual practice, it was decided not to include the report in the study.
3. The analytical method employed here could be included in the broad family of discourse analysis (Fairclough, 1992; Phillips and Hardy, 2002). However, this study does not aim at analysing broader social discourse and the interplay between the text and the discursive context (see Ferguson, 2007). Therefore, the analysis is referred to as interpretive textual analysis, even though the influence of social constructionism and discourse analysis on the method is in general acknowledged.
4. The fairly general classification was based on issues and themes appearing in the reports. This was used to help the researcher to form a broad understanding of the disclosures.
5. The research assistant had an MSc in environmental policy and prior experience in narrative and discourse analytic research. She was given all the reports and instructed to make her own interpretation of the development. Prior to this study she was only aware of the researcher's work on a general level and, therefore, could form her ideas fairly independently. Due to lack of resources the research assistant's role was limited to reading the reports, writing her personal interpretation, and subsequently discussing her ideas with the researcher.
6. In addition to the interpretive textual analysis, the annual reports were also scrutinised using detailed content analysis. The framework was adapted from Deegan et al. (2002). It should be noted that this volumetric analysis would not have shown the rhetorical changes that became apparent through the interpretive textual analysis, since the quantity of certain kinds of disclosures may have remained the same even if the way things are discussed, i.e. the rhetoric, has changed dramatically.
7. There is a graph showing environmental investments in the annual report for 1984.

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Meanings of the term ‘sustainable development’ in Finnish corporate disclosures

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Meanings of the term ‘sustainable development’ in Finnish corporate disclosures

Abstract

There is an on-going discursive struggle over how the social and environmental problems related to modern societies should be understood and resolved. Sustainable development has become a pre-eminent concept in these discussions and businesses are increasingly employing the term in their communications. However, sustainable development means “different things to different people in different contexts” (Bebbington 2001, 129). Thus, there have been recent calls in the literature to analyse what the companies are actually saying in their disclosures (Thomson and Bebbington *in press*, Kolk 1999). Subscribing to the social construction of reality, this study critically assesses how the term ‘sustainable development’ is constructed in the disclosures of Finnish listed companies.

Overall, in the disclosures, sustainable development is constructed as a win-win concept, which allows society to enjoy economic growth, environmental protection and social improvements with no trade-offs or radical restructurings in the social order. However, behind the usual business rhetoric, there is very little evidence of anyone actually walking this talk. Accordingly, this research calls for further discussion on companies’ role in achieving sustainable development and on the business interpretation of sustainable development in general.

Introduction

The concept of sustainable development has become pre-eminent in the discussions on the relationship between humankind and nature. However, it has often been noted that there appears to be no common understanding either on the definition of sustainable development or on the possible measures needed to be taken in order to achieve it (e.g. Robinson 2004; Islam, Munasinghe and Clarke 2003; Livesey and Kearins 2002; Bebbington 2001; Gray and Bebbington 2001; Meadowcroft 2000; Callens and Tyteca 1999; Hajer 1997; Milne 1996; Gladwin, Kennelly and Krause 1995; Reid 1995; Lele 1991).

Although sustainable development also has older roots (Bebbington 2001; Mebratu 1998; Dixon and Fallon 1989), it is usually assumed to have originated in the Brundtland Report *Our Common Future* by the United Nations World Commission on Environment and Development of 1987. In the report, sustainable development was defined as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (UNWCED 1987, 8). Thereafter, the concept has gained widespread support as an appropriate policy goal for humankind (Bebbington and Gray 2001; Meadowcroft 2000; Hajer 1997; Redclift 1987). There seems to be some kind of consensus that the present way of living is not sustainable (e.g. Ekins, Folke and de Groot 2003). Hajer (1997, 13-14) maintains that “environmental conflict is no longer about whether there is a crisis, it’s essentially about its interpretation.” Accordingly, there is an ongoing debate about how seriously unsustainable the current social practices are and what kind of measures should be taken in order to achieve sustainable development.

The role of the companies in achieving sustainable development has been a subject of lively discussion over the last decade, and the considerable increase in the quantity of corporate disclosures relating to environmental and social issues is well documented in the literature (Gray et al. 2001; Deegan and Rankin 1996; Gray, Owen and Adams 1996; Gray, Kouhy and Lavers 1995). However, there have been recent calls to move beyond descriptive research towards studies which would create a more qualitative understanding of what the reports are actually saying (Thomson and Bebbington *in press*; Kolk 1999). In another context, Bebbington (2001, 129) has noted that the concept of sustainable development has been used to mean “different things to different people in different contexts”. It has also been pointed out that business managers do not have a clear understanding of what sustainable development is about (Springett 2003a; Gray and Bebbington 2000; Bebbington and Thomson 1996). This paper therefore aims to shed more light on how the concept of sustainable development is used in the business context by analysing how it is constructed in the disclosures of Finnish listed companies. This study extends the ideas of Springett (2003a, 2003b), Bebbington (2001), Fineman (2001), Gray and Bebbington (2000), and Bebbington and Thomson (1996) by making business actors’ conceptions of sustainable development visible. It seeks to contribute by providing a further understanding of what corporations are actually saying in their disclosures on sustainable development thereby adding to a recent stream of research (Milne, Kearins & Walton, 2004, Milne, Tregidga and Walton, 2004; Livesey 2002; 2001a, 2001b; Livesey and Kearins 2002) employing discourse analysis and other interpretive analytical approaches to deconstruct business interpretations of sustainable development.

The analysis commences with summaries of earlier literature on the various discourses of sustainable development and of the previous findings of how business conceptualises sustainable development. Next, the approach, method of analysis and the dataset are presented, followed by an analysis of the Finnish disclosures. Finally, the findings are discussed and some concluding remarks are made.

Discursive struggle over sustainable development

In the Brundtland Report, sustainable development was defined very loosely, and since that report, hosts of different definitions for the concept have emerged (Bebbington 2001; Reid 1995; Lele 1991; Redclift 1987). This elusiveness has helped the concept to gain a predominant position in environmental and social discussions worldwide, as it has been possible to define the concept to suit one’s own purposes. Sustainable development has therefore increasingly been used to promote very different kinds of initiatives in different contexts (Hajer 1997). As the use of these sustainability-related phrases has become more and more widespread, their meanings and internal relations have tended to become increasingly blurry (see Springett 2003a; Bebbington 2001). The discussion around different definitions and wider interpretations of sustainable development is often simplified into a dichotomy, in which two broader, relatively discrete social discourses are present. These ideal types of environmental or sustainability views have been given various labels, such as ‘reformists’ and ‘radicals’ (Shrivastava 1994); ‘technocentrics’ and ‘ecocentrics’ (Adams 1995; Pearce 1993), ‘business view’ and ‘public view’ on sustainability (Rossi et al. 2000), ‘light (shallow) green’ and ‘deep green’ (Atkinson 2000), and ‘weak sustainability’ and ‘strong sustainability’ (Bebbington 2001; Turner 1993). In

this study, they will be referred to as ‘weak’ and ‘strong’ sustainability.¹ These two distinct approaches to sustainability present different ideas on how severe the current environmental crisis actually is, how threatening it is to humankind and nature as a whole, and how society should react to these issues. Next, the differences will be discussed in more detail.

In weak sustainability² environmental and social problems are perceived to be less severe than in the strong view. The issues are acknowledged, but they are not believed to cause fundamental problems to the continuity of human progress. Accordingly, it is assumed that society can solve the ecological crisis by addressing it within the current social structures and economic institutions (Hajer 1997). No radical paradigm shift is deemed necessary. Solutions will be found through learning and by developing the existing practices, e.g. market mechanisms (see Pearce and Barbier 2000). On the whole, a sustainable society is considered to be relatively easily achievable within a relatively short timeframe (Bebbington 2001).

In weak sustainability, the prevailing way of living is mainly left unquestioned (von Weizsäcker, Lovins and Lovins 1998). Economic progress and further growth continue to be dominant goals of society, upon which other dimensions of sustainability are partly dependent (Meadowcroft 2000; Adams 1995; Common 1995; Dobson 1995; Ekins 1993). Sustainable development is presented as a sort of a holy grail, which will simultaneously endow society with further economic growth, environmental protection and social improvements, with little or no trade-offs (Dryzek 1997). Nature is seen as manageable through science and technology and the relationship of humankind to nature is rather instrumental: nature provides society with resources which can be utilised to increase human welfare (Shrivastava 1995; Daly and Cobb 1989).

The critics of this weak sustainability are various (e.g. Springett 2003a, 2003b; Beder 2002; Gray 2002, 1992; Gray and Collison 2002; Bebbington 2001; Everett and Neu 2000; Mayhew 1997; Welford 1997; Ayres 1996; Hildyard 1993; Sachs 1993; Jacobs 1991; Redclift 1987). Most importantly, in strong sustainability it is argued that continuous growth is impossible and may need to be abandoned as a dominant goal (Daly and Cobb 1989). Economic growth is considered to be a major cause of the social and environmental problems and pursuing it any further will severely hinder society’s chances of achieving sustainable development (e.g. Daly 1977, albeit with different concepts).

Strong sustainability emphasises that humans are an integral part of nature. In contrast to the anthropocentric perspective of the weak view, strong sustainability often approaches sustainability from an ecocentric viewpoint, placing the biosphere as a whole at the centre of the analysis (Dryzek 1997; Daly and Cobb 1989). Humankind

¹ In some cases contributors have identified more than two types, see e.g. Jamison 2001 and Dryzek 1997. However, for the purposes of this study a dichotomy formed by two ideal types is sufficient, as it illustrates well enough the struggle around sustainable development.

² In the social theory the term ‘ecological modernization’ is often used to signify a similar reformist approach to environmental issues (Mol and Spaargaren 2000; Blowers 1997; Hajer 1997; Mol 1995). Ecological modernization and weak sustainability are very closely related, and discussing the possible differences between these two reformist discourses lies beyond the scope of this paper (but see Dryzek 1997).

should not attempt to manage nature, but try to live in harmony with the other species and the ecosystem in general (Shrivastava 1994). Furthermore, in contrast to the weak view, strong sustainability regards social aspects as being an integral part of sustainable development, and considers both intragenerational and intergenerational equity as important issues (Bebbington 2001; Dryzek 1997). On the whole, the social and environmental problems are deemed more structural, therefore requiring radical solutions. It is emphasised that the environmental and social problems we face today are due to the prevailing economic system, which must therefore be restructured in a major way (Gray 2002; Everett and Neu 2000; Welford 1997; O'Connor 1994).

The business interpretation of sustainable development

The role of business actors in contributing to sustainable development is seen as important (e.g. Holliday, Schmidheiny and Watts 2002; Bebbington 2001; World Bank 2001; Elkington 1999, 1994; Callens and Tyteca 1999; Hart 1997). Although business cannot be seen as a single homogenous actor, business in general acknowledges the importance of the sustainable development agenda. For example, the World Business Council for Sustainable Development (hereafter WBCSD) has been very active at all UN meetings on sustainable development (Rutherford 2003, Holliday et al. 2002, Schmidheiny 1992). Business actors and interest groups are keen to promote the so-called business interpretation of sustainability (see Holliday et al. 2002; Elkington 1999; Porter and van der Linde 1995), which is very similar to the weak sustainability discussed earlier. For example, the International Chamber of Commerce (hereafter ICC) relates sustainable development firmly to good environmental management systems and subsequently omits the social aspects (ICC 2004; see also Bebbington and Gray 2001; Gray and Bebbington 2000). Other business-led institutions and commentators have stressed win-win solutions and promoted eco-efficiency and other environmental management systems as means through which business organisations will contribute to achieving sustainable development (see Holliday et al. 2002; Porter and van der Linde 1995; Schmidheiny 1992). Accordingly, Bebbington and Thomson (1996) have noted that business managers understand sustainable development to comprise mainly eco-efficiency (see also Springett 2003a). However, Bebbington (2001) has stated that one should be careful about following the business literature and using sustainable development as a synonym for 'good environmental management'.

Some authors and business interest groups emphasise that sustainable development would be best achieved by letting business take care of the whole thing. The WBCSD (2002, 227) has maintained that "sustainable development is best achieved through open, competitive and rightly framed international markets". Accordingly, Rutherford (2003, 148) describes the WBCSD's style of reasoning in the United Nations Sustainable Development Summit in Johannesburg 2002 as "we can do it – but others must understand how correct we are" (see also Cerin 2003, Gray and Bebbington 2000). The same tone can be noted in many publications in which the corporations' commitment to and achievements on sustainability issues are highlighted with numerous case examples (Holliday et al. 2002; Elkington 1999; Schmidheiny 1992). A contrary view is presented by Springett (2003a), who states that business interest groups have actively sought to tame the concept of sustainable development to mean no more than a level of social and environmental engagement that corporations can easily accommodate (see also Cerin 2003; Beder 2002; Gray 2002; Levy 1997;

Welford 1997). Springett (2003a) goes on to emphasise that owning the language of the debate is a powerful way of silencing the radical conceptions of sustainable development and the associated contestation of economic growth.

Recent research has started increasingly to deconstruct the business view on sustainable development. This has been done by analysing corporate sustainability reporting (Milne, Tregidga et al. 2004; Livesey 2002a; Livesey and Kearins 2002), corporate publications and their executives' speeches (Livesey 2001), business literature and discourse in general (Milne, Kearins et al. 2004), and corporate advertisements (Livesey 2002b). Altogether, this current research has noted contradictions in the senses in which sustainable development is used and in the aims it is employed to further. An ongoing discursive struggle over sustainable development is evident.

To summarise, sustainable development is a concept with many levels, and embraces various intellectual angles and political motives. The concept has gained a pre-eminent position in the discussions on integrating social, environmental and economic viewpoints and, at least superficially, the unanimity over its beneficiality remains. In practice, there are competing definitions of the concept, with which different actors seek to promote their own interests. The paper now moves on to analyse how the concept of sustainable development is constructed in the disclosures of Finnish listed companies.

The approach

In the social sciences, the understanding of the role of language in social context changed after the 'linguistic turn' (Rorty 1967; see also Deetz 2003). Language may nowadays also be understood as taking part in the social construction of reality (Berger and Luckmann 1967). Instead of seeing language as reflexive, mirroring some underlying reality, or as intentional, always mediating messages the way the original author intended, this article subscribes to understanding language as constructive (see Hall 1997). More broadly, following the Foucauldian approach, language is here distinguished as "a practice not only representing the world, but of signifying the world, constituting and constructing the world in meaning" (Fairclough 1992, 64). Together with social context and social practice language forms discourses, which constitute both objects of knowledge and objects of identity. These objects of knowledge are, for example, concepts used by social actors to discuss and understand reality (Livesey 2002a). Discourses affect our conceptualisation of reality and thereby influence our actions in society (Hajer 1997). In the context of this study, the concept of sustainable development is an exemplary case of such a blurry concept, which is constantly being (re)constructed and (re)produced through discursive action (see Milne, Tregidga et al. 2004; Livesey 2002a).

This study is closely related to critical discourse analysis, which is interested in "how the process of social construction leads to a social reality that is taken for granted and that advantages some participants at the expense of others" (Phillips and Hardy 2002, 15). The corporate disclosures are here seen as a medium in which social reality is constructed. It may be possible to link the disclosures to attempts by the companies to legitimate their actions in society: by constructing sustainable development in a

certain way business can affect the way sustainable development is understood in the social reality.

The larger societal discourses play an important part in the analysis. The different views of sustainable development presented earlier in this paper can be seen as forming the background from which actors draw their respective ideas of sustainable development. These discourses are known as discursive repertoires (Wetherall and Potter 1992). On the micro-level, the corporate disclosures construct social reality by partly reflecting the ideas from these larger macro-level discursive repertoires. As Hardy and Phillips (1999, 6) put it: "If we are to understand discursive activity we must examine not just the strategies used by actors in institutional fields, but also the broader context of relevant discourses that operate at a societal level, and the links between the two." In this case, the wider discursive struggle over the meaning of sustainable development constitutes the background against which the corporate disclosures can be meaningfully analysed.

Discourse analysis is more of a philosophical approach to research than a strict methodological procedure. Foucault, for example, did not specify any clear methods for conducting discourse analysis (Livesey and Kearins 2002). Afterwards, many scholars (Phillips and Hardy 2002; Fairclough 1992; Potter and Wetherall 1987; see also Wetherall 2001) have built on Foucault's ideas and elaborated their own instructions on how discourse analysis should be conducted in practice. However, no universally accepted conclusion has been reached and no set procedure exists for so doing (Phillips and Hardy 2002; Wetherall 2001; Hardy and Phillips 1999; Fairclough 1992; Wetherall and Potter 1992). In this study the instructions set forth by Fairclough (1992; see also Livesey 2002a; Livesey and Kearins 2002) are followed loosely. In his view discourse analysis is done on three levels: (i) as an analysis of the discourse practice, particularly the conditions under which texts are produced, distributed and consumed; (ii) as an analysis of the formal features of the texts; and (iii) as an analysis of the social practice of which the discourse is a part. In this paper these levels are seen as guidelines rather than as a blueprint (see Fairclough 1992, 225). Other scholars have had their impact on the understanding of discourse analysis employed here, especially Wetherall and Potter (1992), Phillips and Hardy (2002), Hardy and Phillips (1999), Milne, Kearins et al. (2004), Milne, Tregidga et al. (2004), Livesey (2002a) and Livesey and Kearins (2002). Following Wetherall and Potter (1992), in this study discourse analysis is primarily seen as an interpretive approach and, thus, the analytical method used in this study could be labelled interpretive textual analysis.

Data and method

In order to gain a good understanding of the Finnish companies' practices, all the 103 companies listed on the main list of Helsinki Stock Exchange by 30 September 2003 were included in the study. The companies' annual reports and other stand-alone disclosures, such as environmental, EHS, sustainability, and corporate social responsibility reports for the years 2001 and 2002 were collected. The sample of two years was chosen in order to get a bigger set of data. PDF formats of the reports were preferred because this enabled the data to be analysed more easily than by reading the traditional printed versions. The information placed only on the corporate websites was excluded, mainly because the situation during the years of interest was subsequently inaccessible. Finnish listed companies publish their annual reports and

most of their other reports both in Finnish and in English. The English language reports were chosen, as this study was to be written in English and the use of the English language reports would facilitate the use of direct citations. Usually the English language reports are translations of the Finnish versions and they are supposed to be similar in content. Of course the translation may cause some variation in the use of the concepts, which could also have an effect on this study, since here the focus is on the concept level. However, this should only be a minor problem and have no major effect on the results.³

All the data collecting and analysing were conducted by the author. The complete dataset consisted of 202 annual reports and 30 other reports⁴. At the first stage, all reports were examined with the search-function of the Adobe Acrobat Reader by looking for the phrases 'sustainable development', 'sustainability' and other sustainability-related phrases, namely 'environment', 'social' and 'responsibility'. The parts of the reports containing any of these phrases were then read through in order to get a clearer picture of whether they referred to sustainable development or not.

This initial analysis aimed at limiting the number of annual reports to be researched more carefully from the sustainability viewpoint. The final dataset contained only such reports in which either 'sustainable development' or 'sustainability' was used at least once. Altogether, the number of reports left for the detailed analysis was 80 annual reports and 25 other stand-alone reports, distributed evenly between the years 2001 and 2002.

Analysing the data was an iterative process, which was conducted in numerous phases both during and after the collection of data. The texts were read through numerous times. Initially, the focus of the study was on the word level, concentrating on how the concepts of sustainable development and sustainability were used and in what kind of contexts they occurred. Throughout the analysis all the ideas were contextualised into wider discursive practices, taking into account the differences between industries, organisation sizes and other similar factors possibly affecting the disclosures of each particular company. As the analysis progressed, the focus was widened to include similarities and dissimilarities in the expressions, concepts and argument structures the companies were using together with sustainable development. Furthermore, possible omissions were also explored, as leaving something out is as much a choice as taking something in (see Hines 1988, a way of seeing is also a way of not seeing). This way it was possible to distinguish several themes through which sustainable development mainly seems to be constructed in the disclosures. Finally, these findings were reflected against the larger societal discourses of sustainable development and against the contributions by other scholars in this area (esp. Milne, Kearins et al. 2004; Milne, Tregidga et al. 2004; Livesey 2002a; Livesey and Kearins 2002).

³ It is assumed that since sustainable development is such an institutionalised concept, there should not be too many options when translating the corresponding concept from Finnish.

⁴ Based on the annual competition for disclosures in this field, the number of Finnish listed companies reporting environmental or social issues in a stand-alone report was 17 % in both 2001 and 2002. This differs slightly from the dataset due e.g. to mergers taking place after the years of interest. The listed companies were not exactly the same at the end of the years 2001, 2002 and on 30 September 2003.

Results of the analysis

The paper now moves on to introduce the different meanings attached to the term 'sustainable development' in the disclosures. Firstly, sustainable development and further economic growth are constructed as compatible and mutually reinforcing and, thus, sustainable development is represented as a way to solve social and environmental problems without limiting growth. Secondly, contributing to sustainable development is constructed as being something all responsible business actors will do voluntarily. Thirdly, instead of the usual complexity, in the disclosures sustainable development is reduced to a simple process, to which one can contribute by following certain principles. Finally, achieving sustainable development is constructed as being possible within the prevailing economic order by pursuing business as usual and without any major restructurings in society. These themes will be discussed in more detail in the following.

Sustainable development brings it all

In the business literature, sustainable development is often emphasised to be a win-win concept. That is, working towards sustainable development will not only help to solve social and environmental problems, but will also bring further financial benefits (see Elkington 1999; Porter and van der Linde 1995). Based on the analysis of the disclosures it seems clear that sustainable development and further economic growth support each other and there is not the slightest possibility that they could be in contradiction:

“By conducting business in a responsible way, Nokia can make a significant contribution to sustainable development, at the same time building a strong foundation for economic growth.” (Nokia Environmental Report 2002, 5)

As pointed out earlier, there have been doubts about the compatibility of growth and sustainability (see Gray 2002, 1992; Ayres 1996; Daly and Cobb 1989). However, in corporate disclosures sustainable development is constructed as being a good partner for growth. The relationship between these two seems to be two-fold. Firstly, sustainable development is represented as bringing new opportunities for further financial growth. The business sense of environmental and social activities is emphasised, and sometimes one gets the impression that these activities would not be there without it. Instead of sustainability the driver is financial benefit:

“We believe that the basis for our future growth and profitability is in ecologically and socially sustainable operations.” (Rautaruukki Sustainability Report 2000-2001, 5.)

Secondly, the relationship may also be other way around, i.e. achieving sustainable development is only made possible through further financial growth and successful business operations:

“Economic growth is a basic pre-condition for environmental improvement, since without economic sustainability, attempts to achieve

social and environmental improvements will ultimately prove futile.”
(Stora Enso Environment and Resources Report 2002, 6.)

The pecking order is clear: if financial performance is not satisfactory, environmental and social matters cannot be addressed. Thus, there cannot be any contradiction between further growth and solving environmental and social problems, since growth is needed to finance the environmental and social activities. Accordingly, it is nonsense to claim that growth might cause further problems or that the very activities contributing to financial success might be the reasons for environmental degradation.

It is a responsible thing to do

It seems that companies feel a need to give reasons for their activities in the field of sustainable development. Across the dataset, contributing to sustainable development is constructed as being a responsible action, something that companies ought to do (see Livesey and Kearins 2002). Activities promoting sustainable development are often founded on the buzzword corporate social responsibility. Many companies emphasise that the work for sustainable development is something that a company has to do in order to be a good corporate citizen or to carry its social responsibility. For example:

“Compliance with the principles of sustainable development throughout the company’s operations makes up an essential part of responsibility.”
(UPM Environmental Report 2001, 8.)

Sometimes this is taken a step further, in which case sustainable development and corporate responsibility seem to be understood as being interchangeable concepts, thus causing further blurriness between them and their meanings. Like sustainable development, being responsible to society has meant different things to different people in different eras (Carroll 1999).

“[Our values:] Responsibility – we comply with the principles of sustainable development.” (Stora Enso Environment and Resources Report 2002, 35.)

In the literature, there have been attempts to define the primary users of corporate disclosures and conversely the primary audiences the companies have in mind while preparing their reports (e.g. Deegan and Rankin 1997; Tilt 1994). From the sustainability perspective, one is left confused about whom these reports are actually addressing. On the one hand, companies emphasise their responsibility to society and justify their activities in social and environmental issues with it. On the other hand, the companies seem to be concerned about contributing to their shareholders. In this respect, the emphasis on demonstrating the financial benefits of social and environmental activities is logical. There seems to be an implicit assumption that the benefits of society and those of the shareholders are mutually reinforcing. However, in society at large, people have felt that corporate profits and shareholder value override considerations of social and environmental issues, perhaps not always without some merit:

“The Jaakko Pöyry Group encourages clients to adopt design solutions, which promote sustainable development ... However, the environmental impacts of a project are always examined against a background of the client’s business and requirements.” (Jaakko Pöyry Group Annual Report 2001, 17.)

The above-mentioned contradictions may be the reason why companies can be seen to be stressing their good intentions in the disclosures. It seems that they do not feel the readers will believe their commitment to sustainable development and therefore require further convincing:

“We will make sure that our operation meets the principles for sustainable development.” (Tamfelt Annual Report 2002, 6. Emphasis added.)

“...Sampo takes its responsibility to society seriously. In other words, the company founds its business on the principles of sustainable development...” (Sampo CSR report 2002, 2. Emphasis added.)

Sustainable development means following principles

The exact nature of sustainable development is still under debate. In the disclosures, sustainable development can be seen as an overarching guideline often presented as consisting of principles to which a company should pay attention. The principles are not clear though, since they are seldom explicitly defined:

“Certified quality and environmental systems and the principles of sustainable development are applied in all of the group’s activity.” (Wecan Annual Report 2001, 5.)

Sustainable development emerges as something general, but basically positive and important. It is an idea which should be followed, and there seem to be benefits for a company to gain if it consistently applies these principles in its activities. It should also be noted that following these general principles is not difficult for the companies - and actually they are already doing so. Still, the content of these principles remains vague. The following quote sheds a little more light on the issue:

“Quality, reliability, safety and sustainable development are the leading operational principles.” (Orion Annual Report 2001, 43.)

Here sustainable development is placed alongside other principles which should be paid attention to. Another common nominator is generality: a company is keen to be seen as a reliable partner or to have its products seen to be of good quality. Now, sustainable development can be seen to be of similar character, and thus it is beneficial for a company to be associated with it.

In contrast to findings reported by Milne, Kearins et al. (2004) and Milne, Tregidga et al. (2004), in the Finnish disclosures sustainable development is very rarely constructed as a journey. This difference may be due to the absence of a WBCSD branch in Finland. Here the strong institutional actor seems to be the ICC, whose Business Charter for Sustainable Development is often referred to in the disclosures.

The Charter consists of principles of environmental management, and its popularity in Finland is one factor causing sustainable development to be reduced to mere good environmental management or eco-efficiency. Nevertheless, the prevalence of reducing sustainable development to abstract principles does very much the same thing as using the journey metaphor. Emphasising abstract principles and following general guidelines make concrete contributions less important and allow business to continue referring to rhetorical expressions such as improvement, getting started and way forward (see Milne, Tregidga et al. 2004). However, one should bear in mind that improving is especially simple for companies which have previously been environmental laggards (Newton and Harte 1997). Therefore, talking the talk (Rutherford 2003) should always be put to a wider perspective.

The abstract and vague meaning of sustainable development in general leaves one wondering: if the goal is unclear, how can the means be clear? Nevertheless, as critics have emphasised, talking the talk is one thing, and actually doing something is another. Without clear definitions it is more or less up to the company to decide what kind of measures they regard to be following the principles of sustainable development, of which a good example follows:

“Sampo offers its customers products and services which support sensible financial planning and sustainable development. Examples include: The Sampo Golden Piggy Bank Club for children under 13, which was founded in 1958 and encourages saving. The club arranges local events and competitions and has its own website.” (Sampo Bank Annual Report 2001, 129.)

Getting there by improving the existing institutions

Weak and the strong sustainability differ greatly with regard to the extent of belief in the capability of current financial institutions to learn and to achieve sustainable development. In the corporate disclosures, sustainable development is constructed in such a way that there is no need for major restructurings in the current economic order. Actually, the companies can simply continue business as usual. Perhaps it should be given a little twist of eco-efficiency, but on the whole there is nothing essentially wrong with the core of the companies' activities or their industries. This finding has strong linkages to the difference between weak and strong sustainability and to the discussion on the causes of environmental problems. For example, let us consider the following quote describing the sustainability performance of a heavy industry company:

“While global energy consumption is increasing about 2 % yearly, fossil fuel will have a key role for several decades to come. Wärtsilä offers flexibility in power production, because our engines can run on natural gas and biofuels in addition to a very wide range of fossil fuels.” (Wärtsilä Sustainability Report 2002, 10. Emphasis added.)

Burning fossil fuels has a lot to do with carbon dioxide emissions, for instance. Nevertheless, fossil fuels and steadily growing energy consumption do not seem to be in contradiction with achieving sustainable development. Similarly, the airline industry has faced a lot of critique because of the various emissions caused by

aviation. However, these factors appear as minor details if the airlines' sustainability performance based on the disclosures of Finnair, the Finnish national carrier is to be believed. In the editorial of its environmental report, the company emphasises its environmental record with the following example:

“The uniforms of 3000 employees were changed in the spirit of sustainable development. Old uniforms with patches or logos were ground up and parts of the uniforms without Finnair insignia were sent via church aid to be re-used.” (Finnair Environmental Report 2002, 2.)

The message conveyed in these quotes is clear: there is nothing wrong with the business logic, and business is constantly doing good things to promote sustainable development. The fact that sustainable development issues are discussed in parallel with other things written in an annual report also contains a tacit assumption that sustainable development can be achieved within the prevailing economic order. Finally, the following statement further clarifies this theme:

“We were surprised by the amount of functions Rautaruukki has in the field of sustainability.” (Rautaruukki Sustainability Report 2000-2001, 38.)

This would be an interesting point to reflect further on. What does it mean for a function to be in the field of sustainability? Are not basically all the company's functions somehow in that field? The more so as it is a company in the heavy industry. Be that as it may, the quotation further reinforces the fact that not a single industry can be questioned from the sustainability perspective.

Discussion

This study has analysed corporate disclosures of Finnish listed companies from a sustainability viewpoint. The results are based on an interpretive textual analysis of the use of the concept of sustainable development in its textual context. Even though the disclosures are not completely uniform and do not construct sustainable development as having a simple universal meaning, there have been certain general features which are very common in the reports analysed. Altogether, it has become sufficiently clear that the common features through which the meaning of sustainable development is constructed are compatible with the so-called business interpretation of sustainable development discussed at the beginning of this paper. The limitations of this study will be discussed next, followed by some reflection on the findings.

The aim of this study has been to look at the whole body of listed corporations in one specific country, and to analyse how these Finnish companies use the term 'sustainable development' and other sustainability-related phrases in their disclosures. However, inside the big picture there may be contradictory stories which do not necessarily fit into the interpretation given in this paper. The dataset of companies was heterogeneous, consisting of companies of varying size, level of internationalisation and industry, to name but a few. Furthermore, the sample consists of a cross section at a given time and, therefore, gives us a picture only of that particular moment. Nevertheless, by including all the companies in the study it was possible to form a comprehensive understanding of the overall situation in Finland.

Even though the results of this analysis cannot be generalised, they provide valuable insights to the discussions on corporate sustainability disclosures and the business interpretation of sustainable development in general. Finnish companies are often deemed to have taken care of their environmental impacts relatively well compared to many other countries (see World Economic Forum 2005). In addition, the first years of this century witnessed a lot of debate on corporate social responsibility at large, both in Finland and on a global scale. These viewpoints further support the usefulness of this study, as it has been conducted in an environmentally conscious country during a time of heightened public awareness.

The way sustainable development is constructed in the corporate disclosures reinforces the wider social discourse of weak sustainability. Through the disclosures sustainable development becomes absorbed into social reality as a straightforward, simple process, which business is already successfully working on. There is no need for any major restructurings, as the current way of doing business will evolve to be fully compliant with sustainable development. To be more precise, we could be talking about the discourse of 'business will deliver sustainable development' (see Rutherford 2003; Cerin 2003). Sustainable development is constructed to be a goal, which can best be achieved by letting business take care of it. Society should not interfere; on the contrary, it should let business take care of sustainable development, since:

“The European Commission's proposal in October 2001 for the Directive on Emission Trading, and the Council of Ministers' proposal, based on political consensus, in December 2002, threaten the Finnish steel industry's competitiveness and may result in unsatisfactory sustainable development.” (Rautaruukki Sustainability Report Update 2001/2002, 2-3. Emphasis added.)

Thus, it is not only about sustainable development, but about the right kind of sustainable development. The present institutions and structures are not questioned and the prevailing business logic is not incompatible with achieving the goal of sustainable development. This is hardly surprising; how could one expect a company to put its own existence in jeopardy by questioning the whole logic of business as usual in its disclosures?

Companies are focusing on quick fixes such as eco-efficiency and environmental management systems, through which the principles of sustainable development are followed. No industry is seen to be unsustainable, as every industry has its own practical means of contributing to sustainable development, be it sustainable forestry, increased use of renewable natural resources, decreased need for travel through mobile communications or whatever. This fits perfectly with the sustainable business view. However, some industries are unsustainable by nature, e.g. those relying on finite natural resources. Therefore, the business interpretation of sustainable development includes a paradox: how can the principles of sustainable development be integrated into the everyday activities of an inherently unsustainable industry?

The win-win ethos evident in the disclosures represents sustainable development as benefiting society simultaneously with the shareholders. Companies may legitimately continue pursuing financial growth and shareholder value as the very same actions

will contribute to sustainable development. Sustainable development seems to be a new version of trickle down – everyone will benefit in the long run as long as business is allowed to do its job. There is no need to doubt business' sincere efforts to promote sustainable development because this is constructed as being a responsible act, as something all companies will do because of moral obligations. However, some suspect the voluntary approach will not take society very far in this respect (Crane 2000; Gallhofer and Haslam 1997; Newton and Harte 1997).

In the disclosures the current business institutions and prevailing economic order are represented as the best (and only possible) societal system in which sustainable development can be achieved. Technological innovations will eventually solve the social and environmental problems. Contributing to sustainable development is constructed as taking place through environmental management systems, certificates, standards, and improved eco-efficiency. These are all voluntary initiatives of business, further reinforcing the sufficiency of voluntary solutions. In addition, sustainable development is represented as a continuing process to which one can contribute by following certain principles. It leaves one wondering how long it can be about processes, principles, journeying – one cannot indefinitely keep on getting started and moving towards something. At some point there should be a change, even in the business rhetoric. So far, we are left waiting.

Business as a whole is a very powerful actor in society and some writers have emphasised the dangers of the possible capture of the environmental and sustainability agenda (e.g. Cerin 2003; Beder 2002; Welford 1997; Hildyard 1993). Business entities have vast resources compared to their counterparts, such as civil society or environmental groups. Through efficient communication and rhetorical strategies, business legitimates current business practices by constructing sustainable development as compatible with business as usual. This will lead to cutting the possible radical edge of the concept, leaving it effectively neutralised. Owning the language of the debate is an efficient way of silencing radical interpretations of sustainable development (Springett 2003a). The representations exposed in this paper privilege business actors' authority over others. The power and resources of business communication makes it possible to construct the business view of sustainable development as the hegemonic discourse in society. The message is clear: business can deliver sustainable development. Furthermore, the ideas of 'business knows best' and of market sustainability represent critical voices as impeding progress towards sustainability.

Concluding remarks

It can be concluded that the Finnish listed companies employ the rhetoric of weak sustainability in their disclosures related to sustainable development, subsequently reinforcing the societal discourse of 'business can deliver sustainable development'. The results are similar to those of previous studies seeking to deconstruct business representations of sustainable development (Milne, Kearins et al. 2004; Milne, Tregidga et al. 2004; Springett 2003a, 2003b; Livesey 2002a, 2002b, 2001; Livesey and Kearins 2002). The study contributes by increasing our understanding of how business interprets sustainable development.

This research focused on analysing corporate disclosures on a general level and, therefore, the possibilities of drawing further conclusions are limited. To gain a more detailed understanding of corporate behaviour, researchers should go down to individual companies and analyse their actions in greater detail. Following Springett (2003a) and O'Dwyer (2003) a possible way to approach these issues could be to research the practitioners' views on sustainable development. It would also be important to analyse the discursive strategies used in the Global Reporting Initiative, which seeks to create universal standards for sustainability reporting. Through increased popularity the initiative could become an important medium of constructing the meaning of sustainable development in society.

This study further underscores a statement made by FEE (2001): "Producing a sustainability report does not necessarily imply that the reporting entity is sustainable." On the whole, there is a lot of talking the talk in the disclosures. Sustainable development will be achieved when business keeps on following the principles of sustainability. They will do so because they are responsible corporate citizens and because sustainable development will bring benefits to all – it is all about win-win. However, there is very little evidence of this talk being walked. And even more essentially, as critics have argued, it is more than a little unclear how far on the sustainability path such a business walk would eventually take us.

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Towards sustaining the status quo: Business talk of sustainability in Finnish corporate disclosures 1987-2005

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**Towards sustaining the status quo:
Business talk of sustainability in Finnish corporate disclosures 1987-2005**

ABSTRACT

The paper seeks to shed more light on how businesses have used the language of sustainability in their disclosures. The study employs interpretive textual analysis and takes a closer look at how the corporate talk of sustainability has developed in the disclosures of three major Finnish companies during the period 1987-2005. In-depth understanding is sought by limiting the analysis of disclosures from four anchor points only. The findings indicate major changes in the ways the case corporations have used sustainability-related concepts over the two decades. Over time sustainability seems to have transformed from a possibly revolutionary concept into an evolutionary one, if not to one merely concerned with sustaining of status quo. Moreover, whereas in the early disclosures the conceptualization of sustainability appears to be rather polyphonic, in more recent years the companies use fairly similar rhetoric drawing on the discourse of weak sustainability. As a longitudinal study the paper makes a contribution to the still relatively limited body of research deconstructing corporate social and environmental disclosures from an interpretive standpoint. However, the study focuses only on the disclosures of three case companies in one particular country, and thus the generalization of the findings must be approached with caution.

Keywords: sustainable development, sustainability, corporate disclosures, longitudinal study, Finland

INTRODUCTION

During the last two decades the concept of sustainable development has established itself as a prominent idea on both the global and the local levels. Originally, the Brundtland Commission (UNWCED, 1987) deliberately gave sustainable development a vague meaning, since this helped the concept to gain broader acceptance (Reid, 1995). However, the elasticity quickly transformed into blurriness as various social actors proposed and subsequently applied their own definitions of the concept (e.g. Léle, 1991; see also Redclift, 1987). Indeed, Bebbington (2001: 129) has pointed out that “sustainability means different things to different people in different contexts”. Nevertheless, sustainable development enjoys widespread acceptance as an appropriate goal for humankind, even though there is no common understanding regarding what this elusive goal actually is and how it could be achieved (e.g. Gray, 2009; Meadowcroft, 2000; Reid, 1995; Robinson, 2004).[1]

The business sector is considered to have a crucial role as the global society aspires to sustainability (Holliday et al., 2002; Porritt, 2005). Accordingly, an increasing number of companies are publishing different kinds of sustainability and corporate social responsibility reports (KPMG, 2008). Through these disclosures business actors disseminate their views on environmental and social issues as well as on sustainable development in general. Since these organisations are very powerful social actors the

disclosures also construct reality (Phillips and Hardy, 2002) and affect how society at large perceives sustainability (see also Hines, 1988).

The significance of corporate non-financial environmental disclosures, and of carbon reporting in particular, appears to be growing due to increased concerns about the impacts of global climate change (Bebbington and Larrinaga-González, 2008; Kolk, Levy and Pinske, 2008). There is thus a clear need to better understand both the corporate motivations to engage in such reporting and the rhetoric the organisations use in these reports while pursuing particular ends (see e.g. Cho, 2009). Further, this research is motivated by the general ambiguity of the sustainability discourse. Businesses and front-groups are keen to promote the so-called business view of sustainability as the way in which society should be developed (e.g. Holliday et al., 2002; Schmidheiny et al., 1992). This view, however, differs significantly from the sustainability advocated by certain other social actors (e.g. Gray, 2006). Springett (2003a) has emphasised that business front-groups have actively sought to mitigate the radical edge of sustainable development so that it would merely refer to the level of environmental and social commitment that corporations are comfortable with (see also Beder, 2002; Gray, 2002; Levy, 1997; Welford, 1997). Therefore, consonant with prior studies (Byrch et al., 2007; Spence, 2007; Tregidga and Milne, 2006) it is maintained here that analysing the business rhetoric of sustainability is important, since solving the urgent global and local environmental problems and progressing towards the ideal of sustainability is considered vital for humankind.

Accordingly, this study aims to answer the following research question: How did the corporate talk of sustainability as exemplified by the disclosures of three major Finnish companies develop in Finland during the period 1987-2005. In order to provide an in-depth understanding of the development of the reporting this research focuses solely on the disclosures from four anchor points, namely (1) 1987, (2) 1992 and 1993, (3) 1999 and (4) 2005. The selection of these five years will be discussed in detail later in the paper. The corporate disclosures this study addresses include the annual reports and the stand-alone environmental, social, corporate responsibility and sustainability reports. It is argued that these reports are an active forum through which the discourse of business sustainability is further (re)constructed and (re)structured. The paper thus strives to contribute by showing how the business rhetoric of sustainability has transformed over time (see Buhr and Reiter, 2006; Livesey and Kearins, 2002; Milne, Kearins and Walton, 2006; Tregidga and Milne, 2006).

The paper is arranged as follows. First, the paper describes the discursive approach employed in the study. Second, the dataset is presented followed by the method of analysis. Third, a closer look is taken at the concept of sustainable development and on the discursive struggle around it. Fourth, the development of the disclosures of the three case companies is analysed. The penultimate section draws the observations together and discusses the findings. Finally, some concluding remarks are made.

THE APPROACH – DISCOURSES AND RHETORIC

Following the ‘linguistic turn’ (Deetz, 2003; Rorty, 1967) the scientific community has been increasingly interested in the role of language in society. This study subscribes social constructionism (e.g. Berger and Luckmann, 1967; Gergen, 1999), according to which language does not simply reflect some underlying reality but, instead, has an active role in (re)constructing phenomena in social reality (Phillips and Hardy, 2002). Broadly, the approach employed here is part of the ambiguous family of discourse analytic methods (see Fairclough, 1992; Phillips and Hardy, 2002; Potter and Wetherall, 1987; Wetherall, 2001). In general, the study at hand addresses the role of language as a medium of (re)framing and (re)constructing concepts, phenomena and social practices in social reality. In particular, the focus is on the application of the concept of ‘sustainable development’ in the Finnish business context. This is deemed relevant, since the use of concepts, expressions and metaphors in society affects action, the way certain issues and phenomena are acted upon (see e.g. Dryzek, 1997). As will be shown later in this paper, sustainable development is somewhat contested territory. The different discourses in this discursive struggle also imply decidedly disparate modes of action in environmental and social issues.

Corporate disclosures are here considered as examples of corporate communication, for which organisations make strategic choices regarding rhetoric and rhetorical arguments (Vaara and Tienari, 2002). In Gergen’s (1999: 42) view considering text as rhetoric means seeing language as “designed to do something within the community”. The current paper does not concentrate on deconstructing the expressions from a rhetorical perspective (see e.g. Perelman, 1982). Instead, the focus is here on the broader spectrum looking at how the sustainability-related concepts are used and how the meanings of these concepts are (re)constructed in the disclosures. The terms rhetoric and corporate talk are here understood to subsume conscious choices of expression, metaphors, symbols and language, through which organisations aim at (re)framing and (re)presenting themselves in a particular light (see Craig and Amernic, 2004; Lawrence and Suddaby, 2006; Livesey, 2001; Suddaby and Greenwood, 2005).

The study aims at linking the developing corporate talk of sustainability with the broader discourses of sustainable development. The paper concentrates on analysing how the business talk of sustainability has developed on a meso-discursive level (Alvesson and Kärreman, 2000), exemplified in the disclosures of the three case companies. The discussion regarding the discursive struggle over sustainable development emanates from the existing literature. We concede that scrutiny of the discourses appearing in the Finnish context would be an asset to the study (see Alvesson and Kärreman, 2000: 1146). Such an analysis could, for instance, be conducted by researching how sustainability has been discussed and framed in the business media. However, the extensive amount of work involved in such an approach lies simply beyond the scope of this paper and, therefore, the limitations of the procedure applied are accepted.

DATA

The dataset comprises selected disclosures of three major Finnish companies from a nineteen year period of 1987-2005. The companies represent different industries and can be considered to have been among the leaders of their respective sectors both business- and environmental-wise throughout the research period. The three case companies are Kesko, a leading company in the Finnish retail industry, Neste Oil, an energy company operating with a controversial non-renewable resource, and Stora Enso, a major player in the global pulp and paper business.

As will be described later on some mergers took place during the period and may well have played a part in the developments of the disclosures. Even though these restructurings pose challenges for the study, it should be noted that such changes are fairly common in the modern business world, and cannot be completely avoided in a longitudinal study (e.g. Buhr and Reiter, 2006). It could even be argued that trying to avoid such companies completely in the dataset would result in somewhat artificial case selection.

It would be complex to provide a profound and balanced analysis of all the disclosures by three companies over a nineteen-year period. Therefore, four anchor points, namely the years (1) 1987, (2) 1992 and 1993, (3) 1999 and (4) 2005, have been picked, and the case companies' disclosures are analysed in-depth from these five years only. Extended care was taken in choosing the anchor points. The year 1987 was selected as the starting point as those reports were the first after the publication of the Brundtland Report. The reports of 2005 were the latest available disclosures when this project started. In order to keep the total number of reports reasonable, only two interim points, 1993 and 1999, were chosen with a regular six-year interval between each anchor point. However, adhering to a strict structure in the data selection was considered inappropriate, since it has been pointed out (Laine, 2009) that swift transitions occur in the ways corporations use language in their social and environmental disclosures. The companies may, for instance, suddenly alter the main theme or the key concepts of the disclosures from one report to another. Therefore, the disclosures from the years initially selected through regular six-year intervals were compared with those from the preceding and the following years from the perspective of sustainability. In the early 1990s swift changes do indeed take place in the case companies' disclosures: the extended discussion of sustainable development in Neste's disclosures in 1992 is totally absent in 1993, whereas in the reporting of Stora Enso's predecessor Enso the concept rises from being virtually non-existent in 1992 to centre-stage in 1993. Therefore, in the following analysis the anchor point in the early 1990s includes disclosures from two consecutive years, namely 1992 and 1993. It is maintained that such a purposive sampling (see Strauss and Corbin, 1990) helps in pursuing a rich description and an in-depth analysis of how the corporate talk of sustainability has developed in Finland.

METHOD AND ANALYSIS

To recap, the dataset includes the annual reports and the stand-alone environmental, social, corporate social responsibility and sustainability reports published by three major Finnish companies at the aforementioned anchor points. A total of 15 annual reports and 7 other stand-alone reports were analysed. Finnish versions of the reports were used, since gathering a full dataset in English proved extremely difficult. All quotations presented in this paper were translated by the present author. [2]

The research included three full stages of analysis, which took place over a two and half year period. The first two stages were conducted by the researcher alone. However, in order to improve the reliability of the study a research assistant was invited to join the project for the third and final stage of analysis. [3]

The first stage of the analysis focused on a longer period of 1985-2005 and included all the disclosures of the three companies. It began with a read-through of all the reports and with a mark-up of all those passages containing any reference to social or environmental issues. The next round of reading focused on these sections and aimed to identify any use of sustainability-related concepts. These parts of the reports were collected into a database, the purpose of which was to aid in handling the otherwise unmanageably large bodies of text. The excerpts were organised and subsequently scrutinized both thematically and chronologically. The texts produced by each company were first analysed individually, after which these insights were drawn together and related with each other.

After an extended delay of 18 months the present author resumed the study. During this second stage of analysis all the disclosures from the same longer period of 1985-2005 and prior research journals were again read through and reinterpreted. The analysis included constant alternation between the database and the original reports, a process which ensured that the excerpts were analysed in their original context and, furthermore, allowed double-checking of the findings of the data collection phase. The extended break served to transform the dataset, which had seemed a veritable confusion, into a somewhat coherent story. It may well be that the extensive reading of other researchers' accounts of deconstructing corporate sustainability was essential in this respect.

Finally, the interpretations presented in this paper were formed in the third stage of analysis, undertaken independently by both the present author and the research assistant. At this stage the dataset was narrowed down to include only the disclosures from the anchor points of 1987, 1992 and 1993, 1999 and 2005. The research assistant was instructed to form her view of the reporting independently. She therefore had no access to the prior analysis conducted by the present author. The research assistant provided a written report of her views, and discussions were held on the interpretations. This process serves to reduce possible bias and subjectivity in the analysis, although we concede that removing them altogether lies beyond the scope of (all?) qualitative research.

On the whole, the analytical method employed here is referred to as interpretive textual analysis, which explicitly emphasizes the subjective nature of the process. In developing the method the study has drawn on recent studies aiming at deconstructing business language with relatively similar interpretive methods (see Bebbington and Gray, 2006; Buhr and Reiter, 2006; Livesey 2001, 2002a, 2002b; Livesey and Kearins, 2002; Milne, Kearins and Walton, 2006; Milne, Tregidga and Walton, 2004; Tregidga and Milne, 2006). In practice, this study was conducted through numerous rounds of reading, followed by an interpretive analysis of the features and developments of the texts. The focus was on identifying patterns, exceptions, similarities and possible omissions both over time and between organisations. Throughout, answers were sought to questions such as “What is sustainable development?”, “How is it defined?”, “How is it achieved?”, “Are there problems?”, and “Why does the company bother with it?” The analysis progressed in a hermeneutical manner, applying no rigid framework as such.

The paper now moves on to briefly address the discursive struggle around sustainable development, before progressing to the discussion of the findings.

BROADER DISCOURSES OF SUSTAINABLE DEVELOPMENT

Even though some groups of public have been troubled by social and environmental issues for centuries (Buhr, 2007; Neuzil and Kovarik, 1996), the modern environmental awareness is often represented to have its roots in the 1960s (e.g. Elkington, 2004). The environmental problems caused by various social practices of the modern industrial and consumerist society have been given slowly increasing attention during the recent decades. One remarkable change in this discussion occurred in 1987, when the Brundtland Commission (UNWCED, 1987) introduced the concept of sustainable development. The term had been used earlier (Dixon and Fallon, 1989; Mebratu, 1998), but it was the Brundtland Commission’s definition “development which meets the needs of the present without compromising the ability of future generations to meet their own needs” (UNWCED 1987: 8) that brought the concept to a broader social consciousness. Today, sustainability is not only a popular idea, but also a highly contested concept, over which consensus has only been achieved on the concept itself. There is a constant debate over what sustainable development actually means, how it could and should be achieved, and how urgently possible changes should be put into practice (e.g. Fergus and Rowney, 2005a, 2005b; also Gray, 2009).

The debate on sustainability has been described and conceptualized in various ways in the literature. For instance, Banerjee (2003) writes about *discourses* of sustainability without paying much attention to the differences between them, whereas Ratner (2004) focuses on the different conceptualizations of the *discourse* of sustainability. This study follows the work of Milne et al. (2006) and builds on a (simplistic?) dichotomy of two competing discourses, namely those of weak and strong sustainability. These ideal types are most often referred to with the aforementioned concepts, but various other terms are also used (see e.g. Adams, 1995; Pearce, 1993; Rossi et al., 2000; Shrivastava, 1994; Turner, 1993).

The advocates of strong sustainability (e.g. Bebbington, 2001; Beder, 2002; Everett and Neu, 2000; Gray, 1992, 2002; Hildyard, 1993; Jacobs, 1991; Mayhew, 1997; Sachs, 1993; Springett, 2003a, 2003b; Welford, 1997) maintain that the prevailing social and economic order is a major culprit for the ever worsening environmental crisis afflicting humankind. The dominant economic system lives on economic growth, the continuity of which is considered impossible in strong sustainability (e.g. Daly and Cobb, 1989). Quite the contrary, further economic growth is seen to be making things even worse. In strong sustainability the issues of inter-generational and intra-generational equality are also deemed important (Bebbington, 2001; Dryzek, 1997). On the whole, the contemporary social and environmental problems are regarded as structural, and therefore radical solutions including a complete transformation of the status quo are called for (Gray, 2002; O'Connor, 1994; Everett and Neu, 2000).

An essentially different discursive approach is presented in weak sustainability. The most fundamental distinction from strong sustainability is in the perception of the prevailing social order. In weak sustainability it is maintained that social and environmental problems will be best solved by letting the market system foster technical innovations and solutions (e.g. Pearce and Barbier, 2000). Achieving sustainable development is seen to be contingent upon further economic growth, since without it society and social actors will not possess the resources required for innovating and developing further measures for environmental protection (see Adams, 1995; Dobson, 1995; Ekins, 1993; Meadowcroft, 2000). In contrast to strong sustainability, in weak sustainability nature and natural resources are considered to be of solely instrumental value for increasing human welfare (Shrivastava, 1995).

All in all, there is an evident on-going discursive struggle, in which business actors are also actively participating. Many commercial organisations, business front-groups and like-minded authors have brought forward the business view of sustainability, which is akin to weak sustainability (e.g. WBCSD, 2002). In general, the presentation of the business view often concentrates on win-win situations and case examples describing organisations which have succeeded in diminishing environmental impacts while simultaneously increasing profitability (e.g. Elkington, 1999; Holliday et al., 2002; Schimdhelny et al., 1992; also Rutherford, 2003). Critics have emphasized, however, that not all sustainability-related issues consist of win-win situations. Nevertheless, business front-groups and organisations are very powerful social actors and have succeeded in spreading the message of business sustainability throughout society. Thus, the social reality has been constructed in such a way that the status quo is currently often considered as the appropriate way forward and the critical minds are regarded, for instance, as opponents of modernity (see Banerjee, 2003). According to Springett (2003a) the protestations against further economic growth and other radical conceptions of sustainable development can be effectively silenced by owning the language of the debate. Therefore, this paper now takes a closer look at how Finnish business actors have *de facto* used the language of sustainability in their disclosures over time.

ANALYSIS OF THE CORPORATE DISCLOSURES

This section presents the findings of the interpretive textual analysis. The disclosures of the companies were analysed one-by-one, which is also the way they are presented here. The text first provides an overview of the company, after which the disclosures from each anchor point are analysed in separate sections. In addition to the sustainability disclosures some other features of the reporting are described the better to familiarize the reader with the companies and the disclosures in question. The accounts of the development within the disclosures of individual organisations will then be drawn together in the next section.

Kesko

Kesko is one of the biggest providers of trading sector services in Finland. It was founded in 1941 and has been listed on the Helsinki Stock Exchange since 1960. Kesko is often considered one of the Finnish front-runners in environmental management and corporate responsibility. The company's environmental management programmes were started at the beginning of the 1990s. Kesko started publishing annual environmental reports in 1997, and has continued with corporate responsibility reports from 2000 onwards. Kesko has also received international recognition in this area, having, for instance, been included on a list of the Global 100 Most Sustainable Corporations in the World unveiled each year at the World Economic Forum in Davos (Corporate Knights, n.d.).

1987

Kesko's annual report of 1987 contains 42 pages, approximately half being devoted to financial statements. In addition to the text and the financial figures the report contains some graphs, occasional illustrations and photographs of managers. All narratives are fairly short and concise, focusing on describing the past activities from an economic viewpoint. Some descriptive statistics concerning employees and training programmes are the only incidences of social and environmental issues in the annual report. Kesko's business idea is mentioned to include "*responsible family-entrepreneurship*", which is considered to be a "*specific source of power*" for the group (Kesko AR 1987: 2). However, the idea of responsibility is not yet used in building the company's identity to any further extent.

1992 and 1993

No major changes take place in Kesko's reporting in the next five years. The 1992 and 1993 annual reports are about 60 pages long and the financial statements again fill about half of the documents. Some pictures are now used, even though in 1993 they feature solely the managers of different business units. The bulk of the narratives describes the company's operations sector by sector. The amount of copy has increased and the reports also include more general discussion on the company's operations. Even though the emphasis is still on the economic perspective, some environmental details are also given.

From the perspective of this study the reports of 1992 and 1993 are fairly similar. The concept of sustainable development does not yet occur in Kesko's reporting. However, in both 1992 and 1993 the reports contain some details of the environmental initiatives, mainly concerning the packaging of products and the collecting and recycling of packaging materials. The rationale for this reportedly aims at "*both taking care of environmental issues and diminishing the costs of business*" (Kesko AR 1992: 37). Kesko had already started an environmental programme in 1990, but neither this nor any of the environmental initiatives figure prominently in these annual reports. There is now a separate section for environmental issues, albeit rather modest with a total length of five sentences in both 1992 and 1993.

1999

The volume of Kesko's voluntary disclosures increases swiftly during the 1990s. In addition to the 88-page annual report, Kesko also published a 40-page environmental report in 1999. Environmental and social issues are also frequently discussed in the annual report, which includes special sections for employees, environmental aspects, and ethical sourcing.

The main focus of Kesko's environmental disclosures is now on describing different kinds of environmental initiatives and on discussing future aims and challenges. In his statement the CEO describes how "*we have continued to minimise our environmental impacts and started to evaluate our suppliers' production facilities from an ethical perspective*" (Kesko AR 1999: 7). The rationale is made clear: Kesko wants to be the environmental leader in the trading sector. It is fairly evident from the disclosures that taking care of environmental issues is a means to an end, namely gaining competitive advantage. The environmental initiatives are represented as a way to influence consumers' activities, which from the company's viewpoint implies trying to increase sales. Likewise, "*environmental issues were begun to be seen as a central dimension of business operations, through which the company can decrease costs and improve the quality of operations*" (Kesko Environmental Report 1999: 5).

Although Kesko uses sustainability-related concepts seldom in 1999, its stance on sustainable development appears to follow the lines of weak sustainability. In parallel with a commitment to "*advancing ecologically, socially and economically sustainable development in society*" (Kesko AR 1999: 32), Kesko notes that "*consumer optimism lays a strong foundation for growth*" (Kesko AR 1999: 41). Combining sustainable development with increased sales of consumer goods may sound like an oxymoron to some, but according to the tenets of weak sustainability this is very much the name of the game. Accordingly, the company appears to claim that its activities are about promoting sustainable development. In its environmental report Kesko mentions that it has been included in the Dow Jones Sustainability Index. This is described as a "*recognition for the work Kesko has done for sustainable development, environment and ethical issues*" (Kesko Environmental Report 1999: 34).

2005

By 2005 Kesko had received numerous awards and constant acclamations regarding its activities in the field of corporate social responsibility. Likewise, its CSR reporting is considered to be amongst the best in Finland. In 2005 Kesko's annual report consisted of 128 pages, about a half of which was again devoted to the financial statements. The prestigious corporate responsibility report is a 72-paged document filled with detailed narrative enlivened with only a limited number of photographs.

At this stage Kesko's disclosures draw mainly on the discourse of corporate responsibility. Sustainable development and sustainability are only occasionally referred to in relation to some individual phenomena, as when linking ethical sourcing and socially sustainable development. For instance, Kesko repeatedly emphasises its inclusion in numerous sustainability indexes. However, it does not take a stand on what the concept of sustainability frequently mentioned in this context and in the names of these indexes is actually about. By leaving sustainability undefined Kesko actually suggests its own activities are indeed about sustainability.

The avoidance of sustainability-related concepts is interesting, because Kesko is an organisational stakeholder of the Global Reporting Initiative (GRI), and thus strongly committed to developing globally applicable sustainability reporting guidelines. Moreover, Kesko uses the GRI's sustainability reporting framework as the basis for its corporate responsibility report. Even though Kesko does not explicitly equate sustainable development with corporate social responsibility, these concepts appear to be used synonymously. In effect, in the GRI content index Kesko makes the connection: "*vision of sustainable development*" is listed to be discussed under the heading "*vision of corporate responsibility*" (Kesko AR 2005: 66).

All in all, sustainable development was not a core concept in Kesko's reporting during 1987-2005. It is likely that at least in the later anchor points this is due to a strategic choice, since Kesko's active participation in the GRI could be thought to have prompted the use of the sustainability-related concepts. Kesko's motivation for responsible business is fairly obvious: it aims, *inter alia*, at gaining a competitive advantage, at diminishing business risk, and at improving profitability. Furthermore, in Kesko's later disclosures sustainability seems to be more or less equivalent to responsibility. This further implies that one of the world's hundred most sustainable companies draws mainly on the discourse of weak sustainability in its disclosures.

Neste Oil Corporation

Neste Oil's roots are deep in the Finnish oil and energy businesses. Neste Oil's predecessor, the company Neste, was established in 1948. Neste was a fully state-owned company until it was listed on the Helsinki Stock Exchange in November 1995. In 1998 the State of Finland decided to merge two energy companies, Neste and IVO, in which it held a majority of the shares. Neste became a subsidiary of the new Fortum Group and began operations under the name of Fortum Oil. However, in early 2005 the oil

businesses were separated from Fortum and listed on the Helsinki Stock Exchange as Neste Oil Corporation [for simplicity hereafter Neste].

Neste has long been active in environmental management. The company published its first annual environmental report in 1992. Neste subscribed to the Responsible Care initiative of the international chemicals industry at the beginning of the 1990s. Around the same time the company also made a strategic choice to concentrate on producing environmentally less harmful petroleum products. In addition, Neste has been included since 2007 in the list of Global 100 Most Sustainable Corporations in the World (Corporate Knights, n.d.). Even though the dataset ends before the company achieved inclusion in the list, its subsequent inclusion may still be considered indicative of its environmental reputation.

1987

Neste's 56-page annual report for 1987 is a glossy and colourful document for the time in question. Only about one third of the report contains financial statements, leaving considerable space for narrative and graphs. The report includes an environmental section one page long, in addition to which environmental issues are also mentioned a number of times in other parts of the text.

The term sustainable development does not yet appear in Neste's disclosures. Otherwise, however, the company discusses environmental issues from various viewpoints and describes intense discussions on environmental protection in the company. The company indicates that it *"acknowledges the implications its activities have on the environment, and the interest the public has in the measures the company takes for environmental protection"* (Neste AR 1987: 48). Furthermore, Neste notes that its environmental policy is *"aiming actively and openly at harmony with the environment"* (Neste AR 1987: 48). Anticipating the company's future development it also underscores that from its viewpoint *"environmental protection is transforming from a burden to a possibility"* (Neste AR 1987, 5).

1992 and 1993

Neste published its first environmental report of 38 pages in 1992 and expanded it to 52 pages the following year. In addition, the company also addresses environmental issues in the annual reports of both 1992 and 1993. At a glance these disclosures seem relatively similar: in both years the disclosures include discussion on the importance of overall social acceptability, on the occasional failures in Neste's environmental management, and on the imperatives the environmental agenda sets for corporate management more broadly. There is, however, a remarkable difference in how the sustainability-related concepts are used, as in 1993 the company did not use these terms at all.

In general, Neste's disclosures in the early 1990s could be characterized as problem-oriented. Instead of subscribing exclusively to the usual business rhetoric of good

environmental management the company also describes the possible negative implications of increasing environmental awareness in society for its operations:

“Sustainable development entails conserving the natural resources, producing less waste and utilizing more of it, and minimizing the environmental harm. The chemicals industry and most of the Neste’s products are in the line of fire.” (Neste and the Environment 1992: 11.)

Neste emphasises the amount of power society and the public have over corporations. A recurring theme in the disclosures at this point in time dwells on how the company is simply compelled to do certain issues. According to Neste’s disclosures no company can operate in society without the approval of society at large. In essence, Neste is maintaining that social legitimacy is indispensable for the company. Furthermore, the societal demands appear to stem from the idea of sustainable development:

“In the 1990s our society will not accept ‘free riders’. The management of the company has to more and more take into account the limits of resources and nature’s carrying capacity.” (Neste and the Environment 1992: 3.)

“In the future success will depend increasingly on whether society accepts the environmental impacts and risks caused by production and products, and whether the production is environmentally sustainable.” (Neste AR 1992: 47).

However, despite the problem-orientation Neste also shows signs of confidence and claims that its active approach to environmental issues will lead to further success. The company’s CEO maintains that *“environmental protection and profitability affect one another both today and on the way towards sustainable development”* (Neste and the Environment 1992: 3). As in 1987 Neste argues that it will gain competitive advantage from environmentally friendly products.

On the whole, the disclosures create a somewhat anomalous picture of the company’s position. Neste provides positive accounts of the compatibility of the current measures in environmental protection, profitability and sustainable development. However, it simultaneously also admits the magnitude of the sustainability agenda and the industry’s problematic position concerning it. Neste seems to have been uncertain as to how sustainable development should be interpreted and how it is to reach this new target.

1999

Neste became a subsidiary of Fortum in 1998. In 1999 Fortum published its first social and environmental report, the 32-page “Fortum in Society”. The rhetoric in the disclosures has changed remarkably from the previous anchor years: emphasis is now given to opportunities and other positive expressions. The merger may well have played an important part in this transition. However, the data does not facilitate an analysis of the reasons underlying this change.

Sustainable development is given a major role in the disclosures of 1999. This is especially the case with the CEO's statement in the stand-alone report entitled "*Towards sustainable development*" (Fortum in Society 1999: 2). The statement begins with a short description of the company's strengths, including skilled personnel and high-quality production facilities. The greatest challenges are described to include the "*company's dependence on fossil fuels and the general acceptability of nuclear power*" (ibid). Thus, fossil fuels, including oil, are still somewhat problematic but by no means an obstacle for sustainable development:

"Can an energy company, whose product range includes all forms of power production, from solar and wind to oil, coal and nuclear, even talk about sustainable development? I believe it can, and it must." (Fortum in Society 1999: 2.)

More broadly, Fortum is described as a pioneer, in which "*change has already begun*" (Fortum in Society 1999: 2). The company's new operating principles include a commitment of "*reconciliation of the dimensions of sustainable development, namely economic, environmental protection and social responsibility*" (ibid). This is claimed to entail more than just taking care of the traditional duties of environmental protection, but being a "*corporate citizen*" (ibid).

The general mood of the disclosures is positive. Fortum is described as an environmentally friendly and eco-efficient company whose competitive advantage derives from its progressiveness in environmental issues. The problematic nature of fossil fuels is partially dispelled by talking of long-term strategic goals, such as improving of energy efficiency and increasing the share of renewable and low-carbon natural resources in the production. Advancing towards sustainable development appears not to necessitate any major changes in the way the company is operating, despite the caveat given by the CEO concerning the complexity of this task: "*I hope this report conveys our true will to advance on the difficult road towards sustainable development*" (Fortum in Society 1999: 2). Likewise, the unproblematic representation of sustainability slightly contradicts the occasional portrayals of the magnitude of the idea:

"Sustainable development is a huge challenge for the whole globe. - - New kind of thinking is required, also in companies, concerning the needs of the future and on our own role as creators of social wellbeing." (Fortum in Society 1999: 2.)

Nevertheless, in Fortum's disclosures in 1999 sustainable development is used mainly as a general term with only a vague content. Sustainability requires a new way of thinking and a reconciliation of various dimensions in the decision-making. Here, however, the new way is represented to include mainly incremental improvements in current operating practices.

2005

Neste's merger with Fortum did not work out as planned and in 2005 Neste was again an independent listed company. The company's approach to voluntary disclosures, however, changed. Whereas in the pre-Fortum era Neste published highly esteemed environmental reports, it now integrated social and environmental reporting into its annual report. In this process the volume of these disclosures also decreased: there are some ten pages of social and environmental information in the 124-paged annual report. The company seems to build on its previous reputation as an excellent environmental reporter:

“Neste Oil has been a forerunner in environmental and corporate citizenship reporting. The former Neste Corporation is the only Finnish company to have won the European Environmental Reporting Award for its Corporate Health, Safety and Environmental Report, in 1999.” (Neste AR 2005: 31.)

Nevertheless, Neste's reporting in 2005 is rather modest. The company is described as a pioneer, which focuses on cleaner fuels and environmentally friendly products. Responsibility features as a central concept in Neste's disclosures and appears to entail mainly risk management and economic responsibility. For instance, numerous environmental initiatives are justified by cost savings and other financial aspects. Furthermore, from the sustainability perspective it is noteworthy that sustainability is equated with corporate responsibility:

“A responsible approach to business is simply a way to achieve the goals of the business. At the same time it is in accordance with company's values: it is important to operate in a sustainable way.” (Neste Oil AR 2005: 30.) [4]

In general, a change has taken place in the use of the sustainability-related concepts. Both in 1992 and 1993 and in 1999 sustainable development was discussed from various perspectives. The use of fossil fuels has been described as problematic and the general challenges have been admitted to be huge. In 2005, however, no such depiction is made. It seems that there is no longer any need to explain why sustainable development should be an aim for business. Instead, sustainability simply gets done. As it is defined in the Neste's company goals:

“Act responsibly in society and in the use of natural resources, and make decisions supportive of sustainable development.” (Neste AR 2005: 31.)

All in all, major changes have occurred in the way Neste has used the sustainability-related concepts in its disclosures over the nineteen-year period. In the early 1990s sustainability featured as a fairly strong phenomenon, which was about to bring along radical changes to the business reality of a company dependent on non-renewable oil resources. However, after just over ten years the concept has become diluted to mean little more than the usual business responsibility. For example, back in the early 1990s the disclosures suggest that the use of oil will not be acceptable in the new era of sustainable development. However, in 2005 manufacturing environmentally less harmful

oil products seems to be fully compatible with sustainable development. The use of non-renewable resources is no longer a problem but, rather, a social imperative. There are at least two possible explanations for this change: Firstly, the concept could have been intentionally tamed, implying yet another example of how business has captured the concept of sustainability (see Welford, 1997). Secondly, the change may be due to a sincere belief that the company's activities have so far been highly successful and that the company is on the right track towards sustainability with its "cleaner traffic fuels". Further analysis lies beyond the scope of this paper, but studies like Cho (2009) combining disclosure analysis with interview data could provide interesting insights on management's views of disclosure choices in such cases and are therefore highly recommended.

Stora Enso

The pulp and paper company Stora Enso was formed in a merger between Finnish Enso and Swedish Stora in 1998. As the study at hand focuses on the developments in the Finnish business community, the dataset contains the pre-merger disclosures of Enso and its predecessor Enso-Gutzeit [for simplicity hereafter Enso] in addition to the more recent Stora Enso reports.

Stora Enso is a global market leader in many of the products it produces. The company's environmental performance has also been highly appreciated. For example, Stora Enso is the only forest sector company to appear in the Dow Jones Sustainability Index every year since the index was founded in 1999. Moreover, like Kesko and Neste, Stora Enso has also once been included in the list of Global 100 Most Sustainable Corporations in the World (Corporate Knights, n.d.). Furthermore, the company's predecessors Enso and Stora had been active in environmental issues. In Finland, Enso had signed the ICC business charter for sustainable development in 1991 and published an environmental report on an annual basis since 1994.

1987

In 1987 Enso's 60-page annual report is rather traditional, with financial statements taking nearly half of the pages and the narratives accompanied by some graphs and pictures of managers and products. So far there is no discussion of sustainable development. The annual report includes, however, a separate environmental section, which at two pages is an extended example for the time in question. Environmental protection does not appear to be an integral part of the production, but is positioned as something external: "*Capital has not been spent on production only. Capital expenditure on environmental protection, for example, was three times higher than the year before.*" (Enso Gutzeit AR 1987: 4.) The drivers of environmental protection are described to be external pressures like international agreements and strict national legislation. The company's efforts in environmental protection are deemed to be highly successful and appear to comprise mainly technical end-of-pipe solutions.

1992 and 1993

Even though Enso did not yet publish a stand-alone environmental report, environmental issues feature in a major role in the disclosures in the early 1990s. In 1992 environmental issues are discussed frequently throughout the annual report. Emphasis is given to reductions in emissions and to the development of new products, especially from recycled fibres. The environmental initiatives are driven by external pressures: Enso maintains that, in addition to the authorities, the public and especially the customers also now have expectations of the company. The environmental aspects appear to have had a great significance for the company at the time. It maintains, for instance, that *“only those manufacturers whose products are accepted on environmental grounds by customers will survive this period of transition”* (Enso Gutzeit AR 1992: 44).

However, sustainable development is not brought to the forefront until 1993. In 1992 Enso uses the concept only once: *“Enso pays particular attention to predicting the environmental impacts of its operations to ensure that business is kept on a sustainable basis in this respect”* (Enso Gutzeit AR 1992: 10). By contrast, in the annual report of 1993 sustainable development is a prominent concept. There are altogether approximately ten full pages of narrative in the 52-page annual report. Of those a special section titled *“Enso believes in sustainable development”* (Enso Gutzeit AR 1993: 42) takes up two, being the only theme discussed in addition to the business sector reports.

In Enso’s reporting in 1993 sustainable development is a purely environmental concept, albeit a fairly strong one. The first paragraph of the section discussing Enso’s position on sustainable development includes the following:

“The ecology movement is no passing fashion. It is a total and permanent change that is affecting our Western way of life, a change that no company can afford to ignore when planning its future.” (Enso Gutzeit AR 1993: 42).

Enso is nevertheless self-confident regarding sustainable development. The company wants to draw a clear distinction between the preceding decades of economic growth, when *“along with other sectors of society the industry was guilty of an easy-going attitude that idolized efficiency”* (Enso Gutzeit AR 1993: 42) and the new Enso, which has developed *“new approaches that stress the ecological standpoint”* (ibid). Even though the company admits that *“self-criticism is not a bad thing”* (ibid), it is keen to emphasise that when it comes to sustainable development the forest industry is better than its reputation. The company feels it does not deserve *“the kind of scathing criticism”* (ibid) it has received, especially from abroad:

“Many assessments of the state of Finland’s forests have been founded on a complete lack of understanding of the conditions that prevail here. In this sense, the picture of ecological sustainability as it relates to Finland’s forests needs some clarification.” (Enso Gutzeit AR 1993: 43.)

“Sustainable development is nowhere more applicable than in the forest industry, as the industry’s entire existence depends on it.” (Enso Gutzeit AR 1993: 42.)

Sustainable development is represented as a broad concept, but Enso elaborates relatively little on its actual content. The company does mention that *“ecologically sustainable development and the preservation of biodiversity have assumed the dimensions of principles, to which countries have committed themselves in international forums”* (Enso Gutzeit AR 1993: 42). Some details on what sustainable development actually entails are also given, like using renewable resources, cutting emission levels, treating waste waters, and recycling end products. Furthermore, it appears that sustainable development is not only a technical issue, but also a matter of communication. Enso claims it has been successful on both fronts:

“During the 1990s, environmental considerations have become an essential requirement for the success of forest products companies. In addition to the right price, high quality and reliable deliveries, producers have to be able to convince all parties concerned that they are operating on an ecologically sustainable basis. Enso is strongly committed to meeting this challenge, and has already achieved notable results.” (Enso Gutzeit AR 1993: 7.)

1999

Finnish Enso and Swedish Stora merged in 1998 and formed Stora Enso. In 1999 social and environmental issues are given separate sections in the Stora Enso’s 100-page annual report, in addition to which the company published a 36-page stand-alone environmental report.

Sustainable development continues to occupy an important position in Stora Enso’s disclosures. However, the general approach to sustainability has changed by 1999. Even though the company occasionally mentions the *principles* of sustainable development, like in its environmental policy, the use of this formerly popular conceptualization is declining. Instead, the main point is now *advancing towards* ecological, social and economic sustainability. Thus, the quest for sustainable development transforms from following certain principles into a journey towards an ideal, yet unknown, destination (see e.g. Milne et al., 2006). Simultaneously, the earlier emphasis on environmental issues is modified into the three-pillar representation of sustainability, which has for some time been perhaps the dominant representation of it in the business-oriented sustainability literature (e.g. Elkington, 1999).

Renewable resources are now used more extensively than before in the sustainability rhetoric. Stora Enso often accentuates how its raw material supply is linked to sustainable forest management, sustainable forestry, sustainable methods, sustainable fibre sources and sustainable plantations, to name but a few. The company utilises the renewability of forests as a rhetorical device to prove the sustainability of the company as a whole. However, the constant repetition risks reducing the concept to a buzzword, with no clear meaning. Indeed, sustainability is used as an umbrella term: *“[sustainability] requires a*

holistic grasp of a wide range of economic, ecological and social issues” (Stora Enso Environmental Report 1999: 5). Moreover, the blurry relationship between corporate responsibility and sustainability further increases the fuzziness:

“Environmental responsibility means that we comply with the principles of sustainable development in all our operations.” (Stora Enso AR 1999: 5.)

“Responsible business: Stora Enso is committed to developing its business towards ecological, social and economic sustainability.” (Stora Enso Environmental Report 1999: 8.)

Despite the agenda’s multi-dimensionality, Stora Enso’s efforts appear to be successful in this respect, since the disclosures feature mainly positive aspects and the company is able to maintain that *“sustainability is embedded in the business”* (Stora Enso AR 1999: 37). The rationale for embracing sustainability is clear: Stora Enso wants to become the world’s leading forest products company. Becoming a global leader in various paper products requires focusing on sustainable development, since *“the top companies count on sustainability”* (Stora Enso Environmental Report 1999: 5). All in all, sustainable development is depicted as a pervasive value, which will raise the company’s (financial) performance to a higher level.

2005

In 2005 Stora Enso’s disclosures include three reports, one of which is titled *“Sustainability”*. This comprehensive 54-page report includes impressive amounts of detail and discusses Stora Enso’s operations, aspirations and performance from various perspectives.

Stora Enso openly admits that sustainability issues are very complex. The disclosures are nevertheless filled with the usual contemporary business rhetoric of balancing the economic, social and environmental aspects of sustainability. However, when facing financial hardship the eternal win-win ethos disappears and the company concedes the juxtaposition of profitability and sustainability, albeit with attempts to downplay the contradictions:

“At Stora Enso we believe that long-term financial success is the key element of sustainability for business. Excellent social and environmental performance will not prolong the life of a company that is economically unsustainable.” (Stora Enso Sustainability Report 2005: 4, 36.)

“But even in this currently difficult [financial] situation, Stora Enso will not compromise on the Group’s ambitious sustainability objectives.” (Stora Enso Sustainability Report 2005: 2.) [5]

In contrast to the earlier years, when sustainability appeared as a society-wide concept, in 2005 Stora Enso’s disclosures represent it predominantly as an internal issue, namely

business sustainability. Apart from climate change, no external social or environmental phenomena are mentioned as drivers of sustainability. Wider social and environmental problems appear to exist only in the sections devoted to philanthropy and strategic partnerships with the likes of UNDP and WWF. It is underscored right from the outset of the disclosures that sustainability is no longer an objective as such but, rather, only a means to an end, namely further growth and value creation for the shareholders. The key message is given in the opening words: “*Sustainability supports profitability*” (Stora Enso Sustainability Report 2005: 4).

Another interesting feature of Stora Enso’s reporting at this point in time is the relationship between sustainability and responsibility. In 2005 the company defines sustainability as “*an umbrella term to describe responsible business operations that include economic, environmental and social responsibility*” (Stora Enso Sustainability Report 2005: 6). Sustainability is represented to entail reducing risks, fulfilling accountability and taking optimal care of economic, social and environmental issues. Using sustainability in this sense dilutes the concept to mean no more than the usual corporate responsibility and the company might equally well have used the concept of responsibility throughout the report. Apparently Stora Enso considers sustainability a term with higher social value. Or perhaps it is about subscribing to the wider social myth of sustainability (see Spence, 2007), which will solve the environmental problems and social injustice without forcing the business community or the consumerist culture to give up anything from the status quo.

DISCUSSION OF THE FINDINGS

This study analysed how the corporate talk of sustainability developed in Finland in the period 1987-2005. Before discussing the findings in the broader context the limitations of the study will be addressed. The purposive sampling and the use of anchor points are not without problems. Some details were inevitably lost, since the corporate disclosures from all the nineteen years of the period were not analysed. However, it is maintained that the possible drawbacks are outweighed by the in-depth insights facilitated by the more concise dataset. Furthermore, the initial analysis conducted including all the disclosures from the period increases the reliability of the representation given here. The intrinsic subjectivity of the interpretive approach was addressed by having a research assistant as the second coder, although it is acknowledged that the possible biases caused by the personal position of the researcher cannot be removed completely. Finally, the study focuses on only three case companies in one particular country, and thus the generalisation of the findings should be approached with caution. Despite these limitations, it is maintained that the study contributes to the discussion on how corporations have used the language of sustainability in their disclosures.

It is obvious that even though the companies earlier used and appeared to conceptualize sustainable development in rather distinct ways, the polyphony fades away over time and the rhetoric becomes increasingly similar. In 1987, the year the Brundtland Commission published *Our Common Future*, sustainable development does not yet occur in the

disclosures of these particular companies. In the early 1990s, however, sustainable development became a major concept for describing the relationships between business, society and nature. The impetus is likely due to the launch of the ICC Business Charter for Sustainable Development in 1991, and the UNCED summit in Rio de Janeiro in 1992. At that time sustainable development appears as a strong phenomenon represented by the case companies as incompatible with the prevailing business practices with comments such as “*we and our products are in the line of fire*” (Neste Oil AR 1992: 11) or as ecology bringing “*total change*” (Enso Gutzeit AR 1993: 42) to western ways of living and doing business. Such a strong tone later fades away, to some extent already in 1999 and completely by the last anchor point of 2005, when the companies represent current business activities as compatible with sustainable development. There is talk about “journeying towards sustainable development”, “balancing social, economic and environmental dimensions” and “operating in a sustainable way” (see Milne et al., 2006; also Laine, 2005). However, in a certain sense such balancing is compromised with the explicit underscoring of the priority of economic success as the precondition for taking care of environmental and social responsibilities. Sustainable development is nevertheless portrayed as a feasible objective, something which is either already embedded into everything the company does, or is at least achievable. Even though it is fairly obvious that the relative environmental impacts of these companies have diminished through, for instance, increased eco-efficiency, it is implausible to profess that the interlinked social and environmental problems related to sustainable development have been solved in such a short time (see Gray, 2006). Rather, the matter is more about a change in the way the companies aim to represent their relationship with environmental and social issues. This also suggests that it is worth paying attention to how corporations use language in their carbon disclosures, an area of growing significance (see Bebbington and Larrinaga-González, 2008; Kolk et al., 2008).

Spence (2007) maintains that there has been a change in how business in general seems to understand sustainable development. Referring to Bebbington and Thomson (1996) Spence (2007: 875) argues that “business conceptions of sustainable development in the 1990s contained a greater acceptance of conflicts between business and society” than was found in his more recent study. According to Spence the agenda of sustainable development came originally as something of a surprise to business, causing business actors trouble in understanding and reflecting on it. Spence (2007: 875) further refers to papers by Milne et al. (2006) and Tregidga and Milne (2006) and argues that “business manages now to talk confidently about sustainable development and its ability to deal with it.” The study at hand shows that similar developments have taken place in the disclosures of major Finnish companies. In the early 1990s the talk of sustainability appearing in the disclosures acknowledges the inherent conflicts in the relationships between business, society and nature. There is an evident dichotomy between the different views of sustainability, exemplified by Enso’s proclamation of their “belief” in sustainable development. The representation was, however, mixed: even though the change is described as major, the solutions are by no means revolutionary. Operations are described to be continuing as before, only better. Furthermore, in 1993 and to a large extent also in 1999 the drivers of sustainability are described as external, stemming from broader social issues. By contrast, in 2005 conflicts between business, society and nature

are downplayed and the focus is on how business provides sustainable solutions. The external drivers have disappeared and the sustainability agenda is based on the companies' free will. To some extent the content of sustainability now appears to be taken for granted. Sustainability has become a common way of doing business, embedded in everyday operations. It is simply "important to act in a sustainable way" (Neste AR 2005: 30). Thus, sustainability just gets done.

Byrch et al. (2007) note major differences in how "different camps" conceptualize sustainable development in New Zealand. In their view it comes as no surprise that the identified business camp draws on a very weak version of sustainability. They further maintain that sustainable development has not progressed in the country and call for further studies exploring how business uses concepts such as sustainable development for its own ends. On the same subject, Banerjee (2003: 163) argues that "discourses of sustainability are becoming increasingly corporatized" and remains critical of discourse shifting from concepts of sustainable development and sustainability to corporate sustainability, which "produce an elision that displaces the focus from global planetary sustainability to sustaining the corporation through 'growth opportunities'". Banerjee maintains that the corporate discourse of sustainable development implies no radical changes in world views and promotes the continuum of existing social institutions and business as usual. Accordingly, a pronounced feature in the latest disclosures analysed here is how sustainability is assimilated with corporate social responsibility. This is apparent in the disclosures of all three companies and coincides with the disappearance of the external social imperatives. Sustainability is demoted into a concept consisting of taking proper care of social, economic and environmental issues. However, instead of the social level the focus is on the corporate perspective. Thus, the main goal in embracing sustainability (i.e. responsibility) is to improve corporate profitability (see also Hopwood, 2009: 438).

The findings on how the business rhetoric of sustainability has transformed in the Finnish corporate disclosures suggest that it is worth exploring whether the business interpretation of sustainability is about to assume a hegemonic position. Such a conclusion is far beyond the scope of this study, but the findings' discernible resemblance to prior research (Banerjee, 2003; Buhr and Reiter, 2006; Byrch et al., 2007; Milne et al., 2006; Spence, 2007; Tregidga and Milne, 2006) warrants pondering on such a scenario and calls for further studies on how the business discourse of sustainable development is developing more generally in society. According to Fairclough (2003: 58; also Laclau and Mouffe, 2001/1985) "seeking hegemony is a matter of seeking to universalize particular meanings in the service of maintaining or achieving dominance". If the business conceptualization of sustainability gains hegemony over the other interpretations, important social and environmental issues will become increasingly peripheral (see Byrch et al., 2007). Furthermore, since the way concepts and phenomena are talked about affect action (Dryzek, 1997), it is here maintained that deconstructing such a hegemony is important (see Spence, 2007).

CONCLUDING REMARKS

In recent years sustainable development has effectively been mainstreamed and the sustainability-related concepts have become more commonplace than ever before. However, it appears somewhat paradoxical that even in the midst of the burgeoning sustainability a number of indicators show that the state of the global environment continues to deteriorate (e.g. Bebbington and Larrinaga-González, 2008; Gray, 2006).

It has been argued (e.g. Beder, 2002; Gray, 2006) that over the years sustainability has lost its radical edge (if it ever had one). Accordingly, this study shows that the way three leading Finnish companies talk about sustainability in their disclosures has changed significantly in less than two decades. The possibly substantial initiative has dwindled into a silent evolution, if not to merely sustaining of the status quo. The disclosures permit no conclusions as to whether this is the outcome of a deliberate move or is due to other reasons. Be this as it may, the findings suggest that Finnish business has succeeded in integrating sustainability into the business rhetoric.

In retrospect, it seems relatively clear that the business talk has become closely associated with the ideals of weak sustainability. It might thus be worth exploring further the business rhetoric of sustainability appearing in other forums, such as the business media. In addition, it would be essential to ascertain how the key figures in leading companies and in the national business sustainability front-groups conceptualize sustainability. This is because the discourse of weak sustainability shows signs of becoming hegemonic (see Fairclough, 2003), and as such a taken for granted meaning dominating competing conceptions of sustainable development. Such a situation is argued to be problematic (see Spence, 2007; also Byrch et al., 2007), since the business discourse of sustainability appears to be more about sustaining businesses and capitalism (Banerjee, 2003) at the expense of nature. Thus, it is debatable whether the increasing emphasis on sustainability is actually propelling society in that direction.

Notes

[1]: For the sake of simplicity the concepts of sustainable development and sustainability are here used largely interchangeably, even though one could perhaps see a problem in the indiscriminate use of sustainability-related concepts in a paper focusing on how the very same concepts are used in corporate disclosures.

[2]: The Finnish versions have been the primary source and the analysis presented in this paper is based on them. In providing the quotations the English versions of the reports have been consulted if they have been available. However, the quotations have been taken directly from the English versions only if the author had assessed the meaning to be similar in both versions. In other cases the quotations have been taken from the Finnish version and have been translated by the author in order to remain consistent with the analysis. See also footnote 4.

[3]: At the time the research assistant was a PhD student in accounting with a special interest in human relations and social accounting.

[4]: In this quotation there is a clear difference in the emphasis of the Finnish and English versions. The English version of the annual report reads as follows: “A *responsible*

approach to business not only contributes to achieving business objectives, it also reflects a company's commitment to operating in accordance with its values and sustainably." (Neste AR 2005 English Version: 30). Furthermore, the company appears to use the terms "responsibility" and "sustainability" interchangeably: a subtitle which reads "*On responsibility reporting*" in the Finnish version has transformed to "*Sustainability reporting*" in the otherwise equivalent English version (Neste AR 2005 Finnish Version: 30; Author's translation; Neste AR 2005 English version: 30). The Finnish version is used here in order to be consistent with the other years. However, on a more general level it might be worth studying how much the different versions of annual reports portrayed to be identical actually vary in terms of language use (see Campbell, Beck and Shrivess, 2005).

[5]: A cynic might ask whether the environmental objectives really are so ambitious, as many of those reported to be targets in five years' time in 2009 appear already to have been achieved during 2005, the first year of the period.

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