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Greenwashing in CSR reports

A case study of two entities

Master Thesis within Accounting

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Abstract

Greenwashing is a phenomenon which could be used in Corporate Social Responsibility (CSR) reports. When an entity enhances positive social and environmental information either by lying or bending the information in the CSR reports it could be considered as greenwashing. There are no regulations or legal punishment for entities which uses greenwashing to deceive their stakeholder. However, Non-Governmental Organizations (NGO) has taken on the role of punishing entities using greenwashing, often through reputational damage. One of these NGOs is Friends of the Earth Sweden, which each year gives out the Swedish Greenwash Award to shed light on those who spread false environmental claims and messages. Two entities that received the award were Vattenfall 2009 and Stora Enso 2012.

The purpose of this study was to investigate and analyze CSR reports to find evidence of greenwashing over time. This was done through a qualitative method where CSR reports of the investigated entities was carefully analyzed and interpreted. When analyzing the CSR reports, impression management was used as an analyzing tool. Through the use of stakeholder theory and impression management the empirical findings was analyzed to find evidence of greenwashing and explain how the entities have used greenwashing.

The overall conclusion of this study is that both Vattenfall and Stora Enso use greenwashing in their CSR reports. Through low Flesch scores, hiding bad news, emphasize and highlight good news, selecting information et cetera. After the award was received, Vattenfall reduced the use of greenwashing in their reports while Stora Enso did not change until 2015.

Abbreviations

FAR- Swedish Institute of Authorized Public Accountants (Föreningen Auktoriserade Revisorer)

ÅRL- Annual Accounts Act (Årsredovisningslag)

BFN- Swedish Accounting Standard Board (Bokföringsnämnden)

CSR- Corporate Social Responsibility

NGO- Non-Governmental Organization

OMXS 30- OMX Stockholm 30 most-traded stock classes

Key Words

CSR

Greenwashing

NGOs

Friends of the Earth Sweden

The Swedish Greenwash Award

Stakeholder theory

Impression management

Translation

Friends of the Earth- Jordens Vänner

Table of Contents

1. INTRODUCTION.....	1
1.1 BACKGROUND.....	1
1.2 PROBLEM DISCUSSION.....	2
1.3 RESEARCH QUESTION.....	4
1.4 PURPOSE	4
1.5 DELIMITATION	5
1.6 THESIS OUTLINE	5
2. THEORETICAL FRAMEWORK	7
2.1 CSR REPORTS	7
2.2 GREENWASHING	8
2.3 STAKEHOLDER THEORY	9
2.3.1 NGOs.....	10
2.4 IMPRESSION MANAGEMENT.....	12
2.4.1 <i>Impression management in CSR reports</i>	12
2.4.2 <i>Seven Different Categories</i>	14
3. METHODOLOGY	16
3.1 RESEARCH DESIGN	16
3.2 DATA COLLECTION	17
3.3 SAMPLE	18
3.4 ANALYSIS BY IMPRESSION MANAGEMENT.....	19
3.4.1 <i>Reading ease manipulation</i>	20
3.4.2 <i>Visual and structural manipulation</i>	21
3.4.3 <i>Rhetorical manipulation</i>	22
3.4 DATA ANALYSIS	23
3.4.1 <i>Reliability</i>	23
3.4.2 <i>Validity</i>	24
3.5 METHOD CRITICS.....	24
4 EMPIRICAL FINDINGS	26
4.1 VATTENFALL	26
4.1.1 <i>About Vattenfall</i>	26
4.1.2 <i>Reading ease manipulation</i>	26
4.1.3 <i>Visual and structural manipulation</i>	27
4.1.4 <i>Rhetorical manipulation</i>	35
4.2 STORA ENSO	36

4.2.1 About Stora Enso	36
4.2.2 Reading ease manipulation.....	37
4.2.3 Visual and structural manipulation	37
4.2.4 Rhetorical manipulation	41
5. ANALYSIS	43
5.1 VATTENFALL	43
5.1.1 Reading ease manipulation.....	43
5.1.2 Visual and structural manipulation	44
5.1.3 Rhetorical manipulation	48
5.2 STORA ENSO	49
5.2.1 Reading Ease manipulation	49
5.2.2 Visual and structural manipulation	49
5.2.3 Rhetorical manipulation	54
6. CONCLUSION	55
6.1 DISCUSSION	56
6.1.1 Further research	58
6.1.2 Social and Ethical Issues	58
7. REFERENCES.....	60
7.1 SWEDISH PUBLIC PUBLICATIONS	67
APPENDIX.....	68
APPENDIX A: IMPRESSION MANAGEMENT ILLUSTRATIONS	68
A.1: Measuring readability using Flesch Reading Ease scores	68
A.2: Rhetorical analysis – Establishing credibility in corporate reporting	68
A.3: Thematic analysis – Measuring good news / bad news themes	69
A.4: Thematic analysis – Key themes in chairman’s statements	69
A.5: Visual emphasis.....	70
A.6: Performance comparison and earnings choice/selectivity.....	70
A.7: Attribution	71
Table 1- Howes, et al., (2013) Flesch Reading ease score	14
Table 2- Courtis (2004) Modern American colour associations	15
Table 3: Brennan & Merkl-Davies (2013) Measuring readability using Flesch Reading Ease Scores.....	21
Table 4: Brennan & Merkl-Davies (2013) Visual emphasis	22
Table 5: Brennan & Merkl-Davies (2013) Rhetorical analysis	23
Table 6- (Own compilation) Reading ease manipulation	26

Table 7- Vattenfall (Annual Report 2008 page59) Specifications of investments in 2008 and 2007	28
Table 8 Vattenfall (CSR report page 55) Reduction of CO ₂ emissions.....	29
Table 9- Vattenfall (CSR report 2008 page 54) CO ₂ emissions	29
Table 10- Vattenfall (CSR report 2009 page 57) CO ₂ emissions per year	29
Table 11- Vattenfall (CSR report 2009 page 52) Electricity generation mix per country	30
Table 12- Vattenfall (Annual Report 2010 page 49) Specifications of Vattenfall's investments	33
Table 13- Vattenfall (Annual report 2012 page 57) Specification of investments	34
Table 14- (Own compilation) Reading ease manipulation	37
Table 15- Stora Enso (CSR report 2013 page 65) NO _x	40

1. Introduction

In the Introduction chapter the background of the study will be presented, followed by a problem discussion which leads to the research question. After the definition of the research question, the purpose with the study is defined thereafter the delimitations of the study will be presented.

1.1 Background

Every year the Swedish non-governmental organization (NGO), Friends of the Earth Sweden, nominates and awards the Swedish Greenwash Award to shed light on those who spread false environmental claims and messages (Jordens Vänner, 2015). Two of the previous winners are Vattenfall 2009 and Stora Enso 2012 (Climate Greenwash, n.d. b; Jordens Vänner, 2012).

“Vattenfall has won the Climate Greenwash Award 2009, with 38.96% of the total votes. Vattenfall was nominated for their branding of problems as solutions. Swedish energy company, Vattenfall portrays itself as a climate champion while lobbying to continue business as usual, using coal, nuclear power, and false solutions such as agro fuels.”

- Climate Greenwash Awards 2009 (Climate Greenwash, n.d.c)

“Stora Enso claims that they are an environmentally conscious company, which promotes biodiversity. Eucalyptus plantation, so-called "green desert" in Brazil, is a monoculture that knocks out the diversity and creates serious social ills. Stora Enso has previously been convicted of environmental crimes in Brazil...”

- Friend of the Earth Sweden (Jordens Vänner, 2012)

Friends of the Earth Sweden, as a NGO, has taking on the role of holding dishonest entities accountable for their actions thorough reputational damage (Cuerel Burbano & Delmas, 2011). Negative publicity and different campaigns against entities has proven to be affective for NGOs, when trying to influence the entities environmental claims and statements (Brennan & Merkl-Davies, 2014; Jordens Vänner, n.d.c). Conflicts between a NGO and an entity are more likely to be resolved in favor of the NGO, if the general public, media and other stakeholders share the same beliefs and values as the NGO (Brennan & Merkl-Davies, 2014).

A Corporate Social Responsibility (CSR) report is about the entity's social, economic and environmental performance and gives the stakeholder a view of the entity's manages the sustainable development (KPMG, 2008). In comparison to the financial statements, CSR reports are voluntary and unaudited (Beck, Campbell & Shrives 2010; Cormier, Mangnan & Van Velthoven 2005). The process of controlling the CSR report is only made by the entities own management and not by any external organ, therefore the legitimacy of the information could be questioned (Bowerman, et al., 2000). When Corporate Social Responsibility (CSR) reports enhance positive social and environmental information which could contribute to misleading and biased reports the phenomenon greenwashing emerges (Cecil, Lagore & Mahoney 2013). Greenwashing is defined as intentionally misleading or deceiving consumers with false claims about an entity's environmental practice and impact (Gangadharbatla, Nyilasy & Paladino 2013). Entities could use greenwashing to deceive their stakeholders and there is no formal protection against it, this due to the lack of regulation and punishment (Cuerel Burbano & Delmas, 2011; Mitnick, 2000).

1.2 Problem discussion

Over recent decades, entities have increasingly been working to integrate CSR in their business strategy, this as a result of the external pressure from the stakeholders to act in a way which is not harmful to the environment. This kind of external pressure can come from different stakeholders, such as customers' sensitivity to environmental concerns, media attention or stricter environmental regulations. Entities are expected to respond to the increased numbers of demands and sustainable developments their stakeholders require, which is why CSR have become a common part of the entity's operation (Flammer, 2013). Boiral, Lagancé and Roy (2001) argues that entities have to convince investors, distribution channels and other stakeholders of the importance of green consumerism because these groups lately have a "new" attitude regarding the green society which requires more information from the entities.

There are guidelines for how a CSR report should be conducted within an entity, developed by various international organizations, including the United Nations and the World Business Council on Sustainable Development. Even if these guidelines exist they are on a voluntary basis and may not be followed by entities, leading to incomplete reporting or a spread of incorrect or incomplete reports (Wilson, 2013). Another problem with the CSR report is the fact that the validity of the information could be difficult to determine because the reports are only controlled by the entity's

own management (Bowerman, et al., 2000). Due to lack of regulations of CSR reporting, entities have the possibility to choose what information they want to disclose, often leading to only disclosing information with positive impact (Mitnick, 2000) or about aims and intentions rather than actual actions (Hopwood, 2009).

Entities making announcements regarding eco-friendly initiatives has shown to have a positive effect on stakeholders' reactions and it could be profitable for the organization to implement CSR (Flammer, 2013). The implementation could generate new and competitive resources to the organizations (Jones, 1995). Entities with reports showing responsibly toward the environment usually have, in relation to entities behaving irresponsibly to the environment, a much higher stock price increase. In contrast, entities showing a negative engagement with the environment may experience a decrease in their stock price, but also a decrease in the competitive resources (Flammer, 2013). Prakash (2001) argues about the possible competitive advantage for an entity which shows leadership in environment actions. This kind of leadership could improve the entity's public image and market position, which could lead to boosting sales and profits.

Even though there has been an increase in environmental disclosure from entities, the environmental impact is still hard to measure in a reliable way which has fed the skepticism about the gap between actions versus claims regarding the environmental issues. This can make it more difficult for stakeholders to evaluate an entity's environmental performance, which makes greenwashing into a central phenomenon (Aragon-Correa & Bowen, 2014). Greenwashing could be when an entity shows and frames its activities and information as green and environmental friendly in order to seem better. Corporate greenwashing refers to the idea that an entity deliberately frames its activities as 'green' in order to seem environmentally friendly. This could take many different forms, for instance an entity may provide the public with disinformation in order to repair or shape its reputation (Laufer, 2003) or it may publish an environmental promise without living up to it (Vos, 2009). However, instead of lying outright, corporate greenwashing is typically associated with a gap between rhetoric and reality. This could be done through the truth about CSR being bended, overstated, or misrepresented in public communications (Vos, 2009).

Because there is an increase of green markets, followed by the phenomenon greenwashing the stakeholders have an increasing problem to trust the information given by the entities (Gangadharbatla, et al., 2013). Today there is lack of regulation and punishment for entities using greenwashing to deceive stakeholders (Cuerel Burbano & Delmas, 2011). In order to expose these entities, some NGOs have taken the role of holding dishonest entities accountable for their actions through reputational damage (Cuerel Burbano & Delmas, 2011). The NGOs try to influence the entities environmental reporting, activities and performances by pressuring them to comply with the demands through negative publicity. The pressure, such as through different campaigns, has proven to be effective for the NGOs when trying to challenge entities (Brennan & Merkl-Davies, 2014; Jordens Vänner, n.d.c). The NGO Friends of the Earth Sweden has taken on the role of a punisher by trying to hold entities responsible for their actions versus claims regarding the environment through The Swedish Greenwash Award. Through the award, Friends of the Earth Sweden use reputational damage and negative publicity to pressure the entities accused of using greenwashing to improve (Jordens Vänner, n.d.c).

1.3 Research question

Based on the problem discussion the following research questions are defined;

How has the greenwash award affected the use of greenwashing in the CSR reports?

- Which evidence of greenwashing can be found in the CSR reports the year before the Swedish Greenwash Award was received and the year of the award?
- Which evidence of greenwashing can be found in the CSR reports the following three years after the Swedish Greenwash Award was received and if, how has the use of greenwashing changed?

1.4 Purpose

The purpose of this study is to investigate the phenomenon greenwashing in CSR reports and to see whether receiving the Swedish Greenwash Award has an effect on the use of greenwashing or not.

1.5 Delimitation

The study was delimited to investigate the environmental sections of the CSR reports, this to narrow this study. The chosen entities, Vattenfall and Stora Enso, were selected from the winners of the Swedish Greenwash Award. From the chosen entities and their CSR report, a period of five years was chosen; one year before, the year of and three years after the award. This to be able to see if the use of greenwashing differed before the and after the entities received the Swedish Greenwash award. The study was delimited to Swedish legislations and regulations, since Vattenfall are owned by the Swedish State and Stora Enso AB are listed on OMXS 30.

1.6 Thesis Outline

The First Chapter

In the first chapter, an introduction to the subject and a problem discussion is presented, followed by the research questions, purpose and delimitations.

The Second Chapter

In this chapter, theoretical framework, previous studies are presented to provide a deeper understanding about the problem related to the research question and purpose of the study. This is followed by two theories, stakeholder theory and impression management.

The Third Chapter

In the third chapter, Method, an explanation regarding the choices made in this study is presented and the implications of these choices are discussed. Included in the chapter is; research design, data collection, sample, analysis by impression management, data analysis and finally the method critics.

The Fourth Chapter

The fourth chapter of the study presents the empirical findings collected from the CSR reports from Vattenfall and Stora Enso. The collected data and findings that are presented are from five years respectively of Vattenfall's and Stora Enso's CSR reports.

The Fifth Chapter

The fifth chapter of this study presents the analysis of the empirical findings from chapter four. The findings are analyzed through impression management and previous studies from the theoretical framework which could be found in chapter two.

The Sixth Chapter

The sixth and last chapter will present the conclusion and answer the research questions of the study. After the conclusion a discussion of the results and conclusion will be presented followed by a section where suggestions to further research and last a part about the social and ethical issues involved in the study.

2. Theoretical framework

In the Theoretical framework chapter previous studies about the investigate area is presented. The chapter include two different theories, stakeholder theory and impression management, which are presented with the purpose of explaining the behavior and to analyze the phenomenon greenwashing in CSR reports.

2.1 CSR reports

A large-sized entity is required to report information to the public at least once a year, which is traditionally done by the annual report (FAR-akademin, 2014). An entity can chose to include the self-reported CSR performance in the annual reports (MacLeod, 2001). The CSR reports offers the stakeholders a view of how the entity manages the sustainable development- through a report about the entity's environmental, social and economic performance (KPMG, 2008). Unlike the annual reports and financial statements, CSR reports are a fairly recent phenomenon. The growth of the CSR reports could be divided into three phases, the first phase emerged with the rise of greenwash reports over 30 years ago, about 20 years ago the second phase emerged with more quantifiable and verifiable reports and in the third phase guidelines and requirements emerged (Huefner & Tschopp, 2015). Entities have, over the last years, expanded their use of communication channels to report their CSR activities through, press releases, interim reports, newspapers and their own websites. Some have also chosen to add more information than legally required in the report, e.g. information on how the entity is discharging its social and environmental responsibilities (Coughlan & Sweeney, 2008).

There are guidelines and standards to the CSR report, such as Global Reporting Initiative's (GRI), G3 standards and AccountAbility's AA1000 Series, but all of them are voluntary and entities do not have to follow them. There are also national guidelines, principles and regulations (Huefner & Tschopp, 2015). According to Annual Accounts Act (ÅRL) chapter 6, 1st paragraph, 4th section (SFS 1995:1554) Sweden has a fundamental legislation regarding the non-financial information entities have to disclose in the administration report. An entity has to disclose non-financial information regarding its development, position or result which is relevant for the business, including information about environment. The Swedish Accounting Standard Board (BFN) have specified how entities which are required to disclose non-financial information should account their

environmental impact, for example should the main cause of the environmental impact be disclosed such as pollution, waste, noise (Edenhammar, 2006).

The CSR reporting remains, unlike the annual report, voluntary, unaudited and is not practiced systematically or in a standardized way (Beck, et al., 2010; Cormier, et al., 2005). The legitimacy of the information in the CSR report could be questioned due to the process being controlled by the entity's management and not by any external organ (Bowerman, Humphrey & Swift 2000). Critics therefore say that it could be confusing to use annual reports as a measure of CSR because it is difficult to distinguish what the entity claims to be doing compared with what they actually do (Coughlan & Sweeney, 2008). Another aspect which makes it difficult to measure the entities CSR achievements is because they can choose to report more on aims and intentions regarding CSR, rather than reporting on actual actions and performance (Hopwood, 2009). Further, the legitimacy may be questionable because entities which have a negative impact on the environment, or on another area of CSR, can choose to not report this to a great extent. Instead they report on the other areas where they have a positive impact (Mitnick, 2000).

Media and other stakeholders do not hesitate to publicize whatever negative behavior they come across from the entities. Therefore, entities should take their stakeholders' opinions into consideration when conducting a CSR report (Fairbrass & O'Riordan, 2008). Coughlan and Sweeney (2008) have shown evidence of CSR reporting as a tool of marketing to attract new stakeholders, by involving information in the CSR report expected by their key stakeholders.

2.2 Greenwashing

When a CSR report enhances positive social and environmental information which could contribute to misleading and biased report the phenomenon greenwashing emerges. This enables the entities to pose as strong corporate citizens even if they are not (Cecil, et al., 2013). Greenwashing according to Bazillier and Vauday (2014) is when an entity chooses to lie about their environmental actions in the CSR report, since a CSR report with an environmental friendly content supposedly could explain a higher demand for the entity's products. However, instead of lying outright to the stakeholders, greenwashing could also be associated with a gap between rhetoric and the reality. The information is not always truthful but bended, overstated or misrepresented (Vos, 2009). A greenwashing firm engages in two different behaviors at the same time, poor environmental

performances and positive communication about their environmental performance. In the case of a poorly environmental performance the entity has two options, either to remain silent about the negative environmental performance or try to present their actions in a positive light, which means using greenwashing (Cuerel Burbano & Delmas, 2011).

The incentive behind greenwashing varies between different entities and situations, one reason could be when an entity has a damaged reputation and tries through the use of greenwashing to repair the public reputation and shape the perception of the entity. Greenwashing could also be done in different ways, in the CSR report, through marketing et cetera, and it is sometimes imbedded in rhetoric, which make it difficult to spot (Laufer, 2003).

There are different drivers of greenwashing which could be divided into three categories; external, organizational and individual. The external drivers include the pressures from non-market actors (NGOs and regulators) and from market actors (consumers, investors and competitors). Organizational drivers include among others ethical perspective and entity incentive structure et cetera. Individual drivers include narrow decision framing, individual decision making and optimal bias (Cuerel Burbano & Delmas, 2011).

There is a lack of regulation for greenwashing and a variation in the regulation and jurisdiction across countries. Due to the fact of limited punishment and/or consequences for greenwashing the phenomenon will be used by entities. The limited formal regulation of greenwashing empowers activist groups and NGOs to play a critical role as the informal monitors of greenwashing within entities. By spreading information and campaigning against greenwashing the NGOs work towards holding dishonest entities accountable for their actions (Cuerel Burbano & Delmas, 2011).

2.3 Stakeholder theory

Stakeholder theory is based on how organizations integrate with its stakeholders, which are those who have a certain relationship with the organization (Deegan & Unerman, 2011). An entity's stakeholders can be divided into two different groups, primary and secondary, where the primary stakeholders have a direct connection and impact on the company's existence. Secondary stakeholders on the other hand do not have a direct relationship with the entity, but can still be affected by its operations and actions (Clarkson, 1995; Damak-Ayadi & Pesqueux, 2005).

The theory has two perspectives, the ethical and the managerial perspective, where the ethical perspective involves equal treatment of all of the entities stakeholders, no matter the influence or power the stakeholder have (Clarkson, 1995). The author also highlights the importance for a company to pay attention to all of its stakeholders, no matter if they are primary or secondary. The managerial perspective, on the other hand, explains that managers are more likely to act in a way that satisfies a specific stakeholder, often the most powerful ones (Deegan & Unerman, 2011).

CSR is, from a stakeholder perspective, about what kind of information the entity has to include in their CSR report in relation to its stakeholders (Jamali, 2008). To achieve CSR objectives, it is important for the entity to engage with its stakeholders. Further the entity should make sure which actors can put pressure on them and what kind of impact that pressure could have on the entity (Dobele, Flowers & Westberg 2014). Stakeholders could have an impact on an entity's engagement in CSR reports if their opinions are taken into account by the entity (Dobele, et al., 2014). Due to the fact that an entity's manager cannot observe all of the stakeholders, the manager should have enough market knowledge to be able to prioritize them. The manager could therefore choose to have a good relation with stakeholders that have a great impact on the company in order to enhance the entity's market position (Wilson, 2003).

CSR reports have been shown to have a positive impact on the stakeholders of an entity (Hull, Rothenberg & Tang 2012). However, if a CSR engagement is forced in some way and is not honest, it does not lead to sustainable developments, nor to some competitive advantages, instead it could lead to conflicts between the stakeholders and the entity (Miles & Munilla, 2005).

2.3.1 NGOs

Environmental NGOs, such as Greenpeace and Friends of the Earth International, are not formally linked to the entities business (Huffman, Rousu & Shogren 2007) which makes them secondary stakeholders (Clarkson, 1995; Damak-Ayadi & Pesqueux, 2005). However, these NGOs still try to influence the entities environmental reporting, activities and performances. The increasing interest in environmental issues and the possibility to spread information worldwide in an easy and economical way makes it possible for NGOs and media to have a strong role in punishing entities for greenwashing. But due to the lack of formal regulations the NGOs and media can only take on

the form of reputational damage to the entities using greenwashing, which could not be as damaging as if there were a legal and formal regulations (Cuerel Burbano & Delmas, 2011). Even if NGOs cannot damage entities in the same way as a formal punishment, it has still been confirmed that they are able to challenge entities through different campaigns (Brennan & Merkl-Davies, 2014; Jordens Vänner, n.d.c) According to Brennan and Merkl-Davies (2014), NGOs use negative publicity to pressure entities to comply with their demands. Through the use of comprehensive rhetoric and metaphors in line with key stakeholder's values they try to convince them about their demands.

Friends of the Earth Sweden are the Swedish branch of the Friends of the Earth International, the world's largest environmental network (Jordens Vänner, n.d. a). Every year Friends of the Earth Sweden nominate and award the Swedish Greenwash Award to shed light on entities, organizations and politicians who spread false environmental claims and messages. The nominated are promising more than they can deliver when it comes to environmental measures. Instead of actually contributing to a more environmental friendly society they are just creating a green image of themselves (Jordens Vänner, 2015). The Swedish Greenwash Award could be seen as a way for the NGO Friends of the Earth Sweden to challenge entities for using greenwashing and untruthful environmental claims. Vattenfall and Stora Enso claimed to be more environmentally friendly than they were in their CSR reports which lead to them receiving the award (Jordens Vänner, 2012; Climate Greenwash, n.d. a).

Friends of the Earth Sweden, among others, presented the predecessor of the Swedish Greenwash Award called Climate Greenwash Award, Vattenfall received the award in 2009 (Climate Greenwash, n.d. a). Vattenfall has managed several different campaigns to encourage awareness about the environmental impacts, both among other entities and each common individual. Vattenfall have, at the same time, made huge investments and acquired coal plants in Europe which together emit one and a half times more carbon dioxide than all of Sweden. Of Vattenfall's investments the last decade, only minor parts are reserved for renewable energy (Climate Greenwash, n.d. b). In 2010 Vattenfall got recognition for reducing their greenwashing PR due to criticism from, among others, Friends of the Earth Sweden (Jordens Vänner, 2010). However in

2011 they were nominated again due to its future planning of five new mines in Germany which would harm the forest and soil in the area (Jordens Vänner, n.d. b).

In 2012, Stora Enso received the Swedish Greenwash Award because of their claim of being an environmentally conscious corporation. However, the entity with their eucalyptus plantation in Brazil, created a monoculture that destroyed the diversity. The eucalyptus plantations requires a great amount of water, leading to problems with the water supply for the local inhabitants in Brazil and the lack of water also damages the biodiversity. Stora Enso has also devastated the rain forest in the area (Jordens Vänner, 2012).

2.4 Impression management

Impression management has been a growing phenomenon since the 1960s and was originally defined as the guidance of our actions in social interactions. Over the years research has been done and the definition has developed. Today it is a broad and common phenomenon, which could either be conspicuous and deliberate or unconscious and automatic. Giacalone, Riordan and Rosenfeld (1995) argues that an entity could by using impression management, by strategically calculating, try to influence the perception of their target groups by controlling the information handed to them.

Traditionally, the concept of impression management has been used to explain individual behavior and actions but it can also be applied on an organizational level, also called organizational impression management. It could be referred as the behavior used by entities to actively try to shape the impression held by their stakeholders. Impression management of entities could be described as the difference between the actions and the presentation of these actions to others. Impression management in entities could be described as the shaping of the information and image in order to influence the stakeholder's perceptions and views, by controlling what and how the information is disclosed (Bansal & Kistruck, 2006). Brennan and Merkl-Davies (2013) argues that entities have a strong incentive to use impression management, especially in CSR and in their sustainability reporting.

2.4.1 Impression management in CSR reports

It is more common for entities today to complement their financial report with additional information about their social and environmental work. Through the sustainability reporting the

stakeholders receives additional information on how an entity performs in areas other than the financial areas (Holmlund & Sandberg, 2015). According to Brennan and Merkl-Davies (2013) financial information are mostly communicated through accounting narratives, which could be found in Annual Report including the financial statements et cetera. The accounting narratives are largely qualitative and based on unquantified or soft information. Unlike numbers and notes which are reviewed by auditors, the accounting narratives are unaudited and the entity can therefore choose how to present them.

CSR reports exceeding the requirements can be viewed in two different ways, either as the entity is giving additional information to their stakeholders or entities use impression management to create more benefits to the entity (Brennan & Merkl-Davies, 2007). The sustainability reporting has been criticized for being used to manipulate the stakeholders and for creating positive impression of the entity's actions and operations not reflecting the reality (Holmlund & Sandberg, 2015).

Bansal and Kistruck (2006) discusses what motivation an entity could have to use impression management when constructing their environmental reporting instead of changing their actions. In order for an entity to make a change of actions it requires investments, which benefits the society rather than the entity and the returns are uncertain. Therefore, it is easier and less expensive for an entity to use impression management and select the information showed. They also argue that in many cases the benefit from impression management and a true action gives the same benefits to the entities. Finally they maintain that the fact about the complexity and unclearness regarding the environment issues gives the entities the possibility and it makes it easy for them to mislead their stakeholders.

There are different ways of using impression management in the narratives and it differs when it comes to what kind of narrative the entity writes. The tone and the content vary depending on type of disclosure, for example a press release is more likely to be less pessimistic than a management discussion (Davis & Tama-Sweet, 2012).

2.4.2 Seven Different Categories

There are seven different categories which entities could use within impression management when writing a narrative. Those are; Reading Ease Manipulation, Rhetorical Manipulation, Thematic Manipulation (news content/tone), Visual and Structural Manipulation (emphasis), Performance Comparison, Choice of Earnings Number (selectivity) and Attribution of Performance.

-Through Reading Ease Manipulations entities could, by making the accounting narratives more difficult to read, hide negative news. By selecting word and sentence length entities could confuse the reader with the objective to confuse and hide bad news. A way of detect this is to use a readability tool to grade the written material according to difficulty (see Appendix A.1). How to grade the score could be seen in table 1.

Flesch Reading ease score ^a	Description of style ^a
0–30	Very difficult
30–50	Difficult
50–60	Fairly difficult
60–70	Standard
70–80	Fairly easy
80–90	Easy
90–100	Very easy

Table 1- Howes, et al., (2013) Flesch Reading ease score

-By using Rhetorical Manipulation entities could, through using persuasive language try to convince the reader of a better result. By using rhetorical devices, entities do not have to lie about the result but they can frame it in a less negative way. Rhetorical Manipulation is not about what the entities say but how they chose to say it (see Appendix A.2).

-When using Thematic Manipulation entities overstate good news and understate bad news (see Appendix A.3 and A.4).

-Through Visual and Structural Manipulation entities could overstate the good news and position it first in the document. It also entails the choice of color, size, hiding bad news within the document and the use of repetition (see Appendix A.5).

-Performance Comparison involves the choice of benchmark numbers and years to compare with the recent numbers. This is done in order to portray the recent numbers in the best way possible (see Appendix A.6).

-Choice of Earnings Number or selectivity is the selection of numbers that entities choose to include the best numbers in the narratives. These numbers are not always the best fitted numbers but it shows off the entities in a better light (see Appendix A.6).

-Attribution of performance is when an entity takes credit for the positive outcomes and blames external factors for negative outcomes (see Appendix A.7)

(Brennan & Merkl-Davies, 2013).

According to Courtis (2004) color can be used to prioritize information and it captures the reader's attention. If an entity is skilled they can use color to shape the impression of the entity and color could be used to assist the understanding of the information. Color can be used to direct the attention to important information as well as divert the attention from less important matters. It is claimed that blue, red, orange and yellow color preferences are almost identical for both sexes and nationalities (Courtis, 2004). However, there are some generalizations about color which could be seen in table 2.

Modern American colour associations^a

Colour	General appearance	Mental associations	Direct associations	Objective impressions	Subjective impressions
Red	Brilliant, intense, opaque, dry	Hot, fire, heat, blood	Danger, Christmas, 4 July, St. Valentine's, Mother's day, flag	Passionate, exciting, fervid, active	Intensity, rage, rapacity, fierceness
Orange	Bright, luminous, glowing	Warm, metallic, autumnal	Halloween, thanksgiving	Jovial, lively, energetic, forceful	Hilarity, exuberance, satiety
Yellow	Sunny, incandescent, radiant	Sunlight	Caution	Cheerful, inspiring, vital, celestial	High spirit, health
Green	Clear, moist	Cool, nature, water	Clear, St. Patrick's day	Quieting, refreshing, peaceful, nascent	Ghastliness, disease, terror, guilt
Blue	Transparent, wet	Cold, sky, water, ice	Service, flag	Subduing, melancholy, contemplative, sober	Gloom, fearfulness, furtiveness
Purple	Deep, soft, atmospheric	Cool, mist, darkness, shadow	Mourning, Easter	Dignified, pompous, mournful, mystic	Loneliness, desperation
White	Spatial—light	Cool, snow	Cleanliness, Mother's day, flag	Pure, clean, frank, youthful	Brightness of spirit, normality
Black	Spatial—darkness	Neutral, night, emptiness	Mourning	Funereal, ominous, deadly, depressing	Negation of spirit death

Table 2- Courtis (2004) *Modern American colour associations*

If the colors are applied strategically they can create order out of chaos and help the reader to concentrate on the task. Through contrasting of colors in a pie or bar charts and graphs items can be differentiated. In order to emphasize or prominence information one can use highlighting in color and through gradations of shading items can be ordered sequentially (Courtis, 2004).

3. Methodology

In the Method chapter, the choses made, why the where made and the implication it had on the study are presented. The purpose of the chapter is to describe the execution of the study and thereby give the reader a perception of the credibility of the study.

3.1 Research design

There are two different research strategies to choose when making a study, the qualitative and the quantitative method. Both methods aim to provide a greater understanding for the society, groups and individuals. Even though they aim towards the same thing, there are some clear differences between the two methods (Bell & Bryman, 2011; Holme & Solvang, 1997). For instance, the qualitative method seek to find what is unique and focuses to provide a deeper understanding, while the quantitative method aims to find what is representative for a whole population and focuses to provide an explanation rather than an understanding regarding the investigated phenomenon (Holme & Solvang, 1997).

A qualitative method was used in this study in order to answer the research question, which is to detect evidence of greenwashing in CSR reports and to see if there has been a change over time with regards to the Swedish Greenwash Award. The chosen method enabled the study to gain a deeper understanding and more dynamic view of the investigated area, which is, according to Bell and Bryman (2011) the aim of the qualitative method. To obtain a result for the study Stora Enso's and Vattenfall's CSR reports were carefully analyze and interpreted, which are in line with the chosen method. Some research questions can only be answered by a qualitative method. Issues designed to answer on "how", "in which way" or "why" are examples of such research questions (Ahrne & Svensson, 2011), which ensured that the qualitative method was the right method for this study.

The qualitative method, according to Merriam (1994) enables the researchers to go in depth with an investigation. There are several different investigations which is a part of the qualitative method, for instance the document analysis. This is a form of content analysis used to describe the content of various documents. According to the author, document analysis is data interpreted by the investigators and shows the relevant characteristics of the contents in the documents. In this study

CSR reports have been investigated and analyzed, which could be seen as an interpretation of qualitative data.

3.2 Data collection

In this study secondary data was used, which are data by researchers who are not involved in this study, collected by others and are already published. The use of secondary data involves document analysis (Jacobsen, 2002) and in this study CSR reports issued by the investigated entities was used and analyzed. With the research questions and purpose of this study it would not have been possible to answer them with primary data, such as interviews because this study requires a deeper analysis of the CSR reports.

To get a deeper understanding and clear definitions in this study, academic books were used. According to Friberg (2012) qualified literature are the base of a scientific study but it needs to be critically assessed by the author to be reliable. When assessing the books used in the study, the publishers, which years the books where published and the authors of the books were taken in to consideration. The books used were mainly from the last decade which indicates relevance in the information. All of the books have known publishers and authors that are often quoted and used in articles et cetera which indicates reliable books.

The main information source of the study has consisted of scientific articles which have been collected using the University of Jönköping library database (Primo) and University of Skövde library (WorldCat Local). In both of these databases, the possibility to only search for peer-reviewed articles is available which enabled to ensure the quality of the articles. When searching for articles, key words such as ‘CSR’, ‘greenwashing’ and ‘sustainability’ were commonly used. When searching for articles, the majority of the findings were recent which indicates that the investigated topic is current and relevant.

According to Bell and Bryman (2011) it could be difficult to determine the quality and validity of information from the internet. To reduce the risk of inaccurate information, the study needed to be based on as few internet sources as possible. However, to find relevant information regarding Friends of The Earth, EU directive and The Greenwash Award, information was collected through their own websites.

The empirical data of this study consist of public CSR – and sustainability reports from Vattenfall and Stora Enso, retrieved from their respective websites. Due to the fact that it is the entities themselves which issues the CSR reports, it is, according to Jacobsen (2002) in those cases important to consider how the information are presented and what choices are behind the presented information. This was not a dilemma for this study when the sole purpose of the report was to analyze and scrutinize the information within the CSR reports through impression management.

3.3 Sample

The study investigates the phenomenon greenwashing in CSR reports. To find appropriate entities for the study, a search on the internet was done to find entities which in some way had been involved in a scandal regarding the environment. By using the search engine Google and using key words such as ‘greenwashing CSR scandals’ and ‘greenwashing’ over 30 000 news hits appeared which indicates an interest and awareness for the phenomenon. Through the search, the news regarding the Swedish Greenwash Award appeared.

The choice of using Google and the media to collect and find entities to investigate, especially with the key words used could be questioned. Google as a search engine is constantly changing and it could therefore be difficult for others to find and see the same result. However, through the search latest news and results could be found.

Through the search Friends of the Earth Sweden and the Swedish Greenwash Award was found. Every year, the public nominates whoever they want and believes deserve the award. The nominated are reviewed by Friends of the Earth Sweden and they choose the finalists, which are presented with a motivation for the public to vote. The process of nominating to declaring the final winner could be questionable, all of the different steps, due to the lack of verifiable information. In the first step, the public nominates whoever they think deserves the award. This could lead to nominations based on personal experience and opinions rather than actual facts and what the nominated has done. It could also lead to nominations based on media attention, for example an entity that has been scrutinized by the media are more likely to be recognized by the public in that area even if many other entities does the same thing. Due to this process, it could be difficult for the persons working for the Friends of the Earth Sweden to select the finalists from the nominated.

They have to ensure a certain quality of the finalists and not place anyone that does not deserve it as a finalist. Friends of the Earth Sweden has received critics about their greenwash award and which finalists they have presented, one critic was about the lack of information to where the reason for the greenwashing could be found and another critic was about the problem to detect greenwashing as a verifiable fact (Miljöakutellt, 2012). Even if these problems and critics are enough to question the credibility of the award, it did not affect this study in a negative way because the award was used as a limitation. The study does not investigate why the entities got the award but instead if signs of greenwashing could be found.

When observing the award and the winners, only two of them had got the award for using greenwashing in their claims in CSR report versus their actions, Vattenfall and Stora Enso. The other winners got the award for marketing and political greenwashing which does not suit this study.

The time period chosen were one year before, the year of and three years after the award was received by the entities, this means 2008-2012 for Vattenfall and 2011-2015 for Stora Enso. These time periods were chosen in order to analyze; year 1-2 if evidence of greenwashing could be seen and year 3-5 if the entities improved after the award. Since there, according Beck et al., (2010) are no regulations on the CSR reports, there may be differences between the entities reports which could make it more difficult to make a comparison. The study therefore compares the reports over the years instead of between different entities since it is more likely that the reports within the same entity have the same structure.

3.4 Analysis by impression management

When analyzing the empirical data in this study, impression management was used as an analysis tool. By using impression management signs of greenwashing in the CSR reports could be detected. According to Cecil et al., (2013) if the entities enhance positive social and environmental information in their CSR report, which leads to a misleading and biased report, they could be accused of greenwashing. This also enables the entities to pose as strong corporate citizens even if they are not. Impression management was also used when analyzing the CSR reports over time to see if the entities had changed their way of conducting the reports.

Within impression management there are different approaches entities could use to twist the truth or to make them seem better. Three different approaches were selected that entities may have used in their CSR reports to mislead the reader and enhance the outcome in a positive way (reading ease manipulation, visual and structural manipulation and rhetorical manipulation). These three approaches were used to analyze the empirical data, CSR reports. The selection of the three approaches was made by matching them to the definition of the phenomenon greenwashing in order to examine the CSR reports.

When choosing the sections from the CSR reports from Vattenfall and Stora Enso the focus was on the environmental parts. This because of the purpose of the study was to examine the use of greenwashing by the entities and the phenomenon greenwashing are associated with the environmental area.

3.4.1 Reading ease manipulation

Reading ease manipulations is when managers have made the reports more difficult to read with the aim to complicate the bad news and make them difficult to interpret (Brennan & Merkl-Davies, 2013). Different paragraphs in the CSR reports were analyzed through Office Word to see their readability scores. According to Brennan and Merkl-Davies (2013) based on word and sentence length, Office Word rates the text on a 100-point scale, so called the Flesch Reading Ease score. A higher score implies a higher readability. The Flesch Reading Ease score was calculated as followed:

Readability Ease

$$= 206.835 (1.015 \times \text{total words}/\text{total sentences}) - (84.6 \times \text{total characters}/\text{total words})^1$$

The score is based on the total number of words in relation to the total sentences and the total characters in relation to total words in a document (Hayden, 2008). As seen in table 3, text with short words and sentences led to a higher score while longer word and sentences led to a lower score. (Brennan & Merkl-Davies, 2013).

¹ Calculation developed by Rudolf Flesch (Flesch, 1948)

Measuring readability using Flesch Reading Ease scores
<p>The year to 30th June 2002 was the Barratt Group's most successful year to date. We delivered record profits of £220m, almost double our profits of 3 years ago, and ended the year with record forward sales. (Barratt Developments Chairman's Statement 2002) (2 sentences; 37 words; 52 characters).</p> <p><u>Flesch score</u> $206.835 - (1.015 \times \text{no. words } 37 / \text{no. sentences } 2) - (84.6 \times \text{no. characters } 52 / \text{no. words } 37) = 69.16$</p> <p>The Group continued to invest in the expansion of its Precision components operations where prospects for further growth remain encouraging. The disappointing profit performance of the Copal gravity diecasting unit, while unconnected to the investment programme in high-pressure technology, led nevertheless to a moderate level of spend in the year. (Alumasc Group Chairman's Statement 2002) (2 sentences; 51 words; 98 characters).</p> <p><u>Flesch score</u> $206.835 - (1.015 \times \text{no. words } 51 / \text{no. sentences } 2) - (84.6 \times \text{no. characters } 98 / \text{no. words } 51) = 18.39$</p>

Table 3: Brennan & Merkl-Davies (2013) Measuring readability using Flesch Reading Ease Scores

According to Vos (2009) if the entity uses rhetoric, language and sentences in order to deceive the stakeholders and the public it could be seen as greenwashing. The result from the test was compared between the years examined to see if the entities had changed the way of writing their reports.

3.4.2 Visual and structural manipulation

With the visual and structural manipulation, entities decide how to structure the CSR reports and what they chose to emphasized in the reports (Brennan & Merkl-Davies, 2013). The approach was analyzed by searching for good- and bad news in the reports and evaluated the positioning of the news, searched for highlighting text and the use of colors in the reports. This was done to see if the entities tried to hide negative news and/or emphasize the positive news. It was also done in order to see what the entities choose to focus on in their reports and if the information in the report was in line with the actions made by the entity. According to Vos (2009) if the information in the CSR report is bended, overstated or misrepresented the entity could be accused for using greenwashing. This makes the visual and structural manipulation approach important to examine in this study.


Visual emphasis
<p>Most-emphasized</p>  <p>Next-most-emphasized</p> <p>Don't let NASDAQ undermine the value of your investment</p> <p>Least-emphasized</p> <p>It does not even offer you the standalone value of your company.</p>

Table 4: Brennan & Merkl-Davies (2013) Visual emphasis

An example of the visual and structural manipulation approach could be seen in table 4. Where the use of color and font size is presented with three different levels, from most emphasized to least emphasized.

3.4.3 Rhetorical manipulation

A comparison was done of the different CSR reports within different years to analyze if the entities have used any intensive words in the text. Through the use of persuasive language, rhetorical devises entities do not have to lie about the results but they can frame it in a less negative way (Brennan & Merkl-Davies, 2013). By searching for these types of persuasive words Rhetorical analysis was used. The reports were carefully analyzed to see if Vattenfall and Stora Enso used any persuasive words in order to portrait themselves in a more positive light. According to Cuerel Burbano and Delmas (2011) if the entity has a poorly environmental performance and tries to present their action in a positive light they could be accused for using greenwashing. What words an entity chooses to uses to explain their environmental performance is therefore important to examine. This approach was used when examining the CSR reports over the years, this to see if Vattenfall and Stora Enso changed their use of these words over time.

In table 5, some examples of words that could be persuasive are presented (Brennan & Merkl-Davies, 2013).

Rhetorical analysis – Establishing credibility in corporate reporting
<p>Use of emphatics As our H.K. \$31,400 million worth of aircraft and equipment orders <u>clearly show</u>, we remain very confident about the future of Hong Kong</p> <p>Use of personal pronouns <u>I know</u> from my year as chairman of the Administration Board that budgeting has been a very delicate operation over the last two years.</p> <p>Use of hedges to portray modest, trustworthy cautious steward <u>It is possible to envisage</u> a future when many banking services will be delivered director to the home or business place via television screens.</p>

Table 5: Brennan & Merkl-Davies (2013) Rhetorical analysis

In the Rhetorical manipulation analysis the persuasive word significant was chosen to be investigated. The word significant was chosen after investigating the persuasive words in the reports, where that word was used more than any other word. This made it an interesting word to investigate further. The CSR reports were analyzed to see how many times the entities used that specific word. The CSR reports were also analyzed in general with respect to persuasive words.

3.4 Data Analysis

3.4.1 Reliability

According to Bell and Bryman (2011), reliability concerns whether or not the results of a study are repeatable, meaning that the results should be identical if the study is repeated at a later date. Reliability is usually connected with a quantitative research. However, qualitative researchers have had discussions regarding their relevance for qualitative research. The authors argue that the reliability in a qualitative study is difficult to meet, since it is not impossible to “freeze” the circumstances of an initial study in order to make it replicable. The data used in the study is public and will stay the same over time, which makes it possible for future researchers to have the same circumstances as this study.

Even though the reliability is difficult to meet in a qualitative study, there are ways to ensure it. Internal reliability, according to Bell and Bryman (2011) is when there is more than one author to

the study and they agree about the outcome of the results. In this study, both authors analyzed the data in similar ways and agreed on the results, which increased the reliability of the study.

3.4.2 Validity

Internal validity includes the fact that researchers investigate and measure what they are supposed to study (Bell & Bryman, 2011). To ensure the validity of this study, the data used matches the intention of the research, which is to investigate greenwashing in CSR reports. To investigate this, five different CSR reports per entity were downloaded and used in the analysis.

The external validity on the other hand refers to the degree of whether the results of the study can be generalized. A problem with external validity in qualitative research is the tendency to use case studies and small samples (Bell & Bryman, 2011). The problem could be applicable on this study, thus by conducting a case study with two entities. As mentioned earlier, there are no rules or standards on how to produce a CSR report (Cuerel Burbano & Delmas, 2011) which makes it difficult to compare and draw a generalized conclusion about them. The phenomenon greenwashing, which also is investigated in the study, is not based on rules and regulations, but requires interpretations from the investigators. Therefore different interpretations and results may occur between different studies and researchers, making this study not generalized.

Bell and Bryman (2011) argues about the importance of validity in a qualitative research, where measurement is not the main preoccupation. The issue of validity has therefore a little bearing in such studies. This study is not made with a quantitative method and does not use a statistical measurement which is why the importance of validity could be questioned.

3.5 Method Critics

The chosen method, qualitative method, could be criticized for being too subjective. This means that the study often starts off broad then the research questions and problem are gradually narrowed down during the study. It also means that the study often starts without a clear question and problem and rather with a more open research area (Bell & Bryman, 2011). At the beginning of this study some problems with the definition of the research question arose due to a broad area to investigate. But through delimitations the research question could be defined and narrowed. According to Bell and Bryman (2011) a qualitative method often involves the analyzing of a small sample or small case study which could lead to a problem with generalization. Through the delimitations chosen

and the case of only analyzing two entities, this study could have a problem with generalization. Bell and Bryman (2011) argues that a qualitative method with people interviewed or case studies investigated are not meant to represent a whole population. This study is not conducted to be generalized on a whole population, but rather to examine the two chosen entities specifically. According to Bell and Bryman (2011) there is a risk for lack of transparency with a qualitative method, how the data was analyzed and therefore how the conclusions were arrived at. In this study impression management was used as an analyzing tool and throughout the study the information analyzed and interpreted has clearly been shown to increase the transparency.

In this study CSR reports, from Vattenfall and Stora Enso, was retrieved from their webpages and used. According to Bell and Bryman (2011) there is a risk with public information from entities, because the information is constructed by the entities themselves and they choose that information to disclose. But Merriam (1994) argues that the documents in a study are reliable due to the fact that it cannot be changed or altered by the authors of the study. In this study, the CSR report remains unaltered and therefore others can find the same information. However, the CSR reports are not regulated by any outside organ, only by the entity's own management, which is why one could question the content (Beck, et al., 2010). To tackle this problem, impression management was used to analyze the content and investigate the information in the CSR reports. Due to this problem a precautionous approach was taken when analyzing the CSR reports, knowing that the information came from the entities themselves.

The analyzing tool chosen, impression management, could be criticized due to the interpretation needed. The tool shows what to look at but not how to definitively interpret the answers, therefore it is up to the researcher to analyze the result. This means that the researchers will interpret the answers with their own knowledge and experience, which could differ from researcher to researcher. In this study, two authors with different background and knowledge could reduce that risk due to diversity and through discussions. Bell and Bryman (2011) argue that a qualitative research does not have to be generalized, which therefore implies that the use of impression management in this study is not a problem.

4 Empirical Findings

In the Empirical Findings chapter a description of Vattenfall and Stora Enso and the findings from the CSR reports by using the analyzing tool impression management will be presented.

4.1 Vattenfall

4.1.1 About Vattenfall

Vattenfall was founded in year 1909 in a Swedish town called Trollhättan by the Swedish State (Vattenfall, 2015 a). Today Vattenfall is 100 per cent owned by the Swedish State and are therefore not listed on any stock market. Vattenfall is today one of the largest energy supplier in Europe and the main products are electricity, heat and gas (Vattenfall, 2016 b). Vattenfall have six different energy sources, which are biomass, coal, hydro, natural gas, nuclear and wind. These six different energy sources could be divided into two groups, non-renewable and renewable energy sources. Included in the non-renewable energy source group are coal, natural gas and nuclear power. In the other group, renewable, wind, biomass and hydro power are included (Vattenfall, 2015 b; Vattenfall, 2015 d). The main markets are the Nordic countries, Germany and the Netherlands (Vattenfall, 2015 c). According to Vattenfall (Vattenfall, 2016 a) their overarching strategy is to focus on transforming to a more sustainable energy portfolio and to strengthening the entity's customer focus.

4.1.2 Reading ease manipulation

Year	2008	2009	2010	2011	2012
Words	11 315	11 144	8 302	6 029	5 760
Characters	61 476	61 243	44 181	32 606	31 148
Sentences	495	510	360	251	236
Flesch Reading Ease Score	30,8	31,4	30,8	29,6	30,2

Table 6- (Own compilation) Reading ease manipulation

The results from the Flesch reading ease score on Vattenfall's CSR reports, the Environmental sections from 2008-2012, could be seen in table 6. To calculate the Flesch reading ease score the total words, total sentences and total characters are used. Table 6 shows that Vattenfall had the same Flesch reading ease score in 2008 and 2010, the highest score in 2009 and the lowest in 2011.

4.1. 3 Visual and structural manipulation

In Vattenfall's CSR reports, 2008-2012, there is a section which is called Environmental Performance. This section begins with Vattenfall's approach regarding the environment, with headings such as Vattenfall's Environmental Policy. After the environmental approach, the reports focus on the environmental results and impacts that have occurred during the year and also how Vattenfall wants to improve in those areas. In the report each paragraph starts with the results and the negative aspects and ends with how Vattenfall wants to improve in the future.

The overall structure of the reports is similar over the years, 2008-2012. Many of the paragraphs are copied and used in all of these reports. The graphs and tables in the reports are similar over the years, with similar colors, data and measurements. The graphs and tables are placed in connection to the text. In all of the CSR reports Vattenfall uses color in their models and tables and chose to use similar coloring in the graphs, for example different shades of blue or yellow and there are not any percentage written beside or in the graphs to give further explanation. However, even if the reports are similar over the years there are some differences.

Year 2008

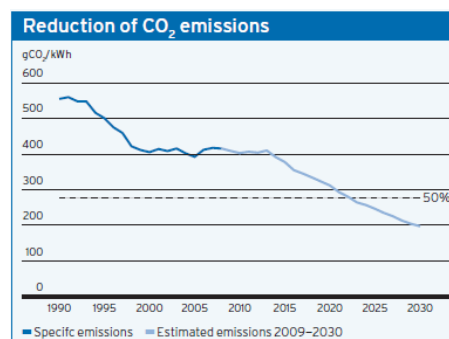
The Environmental Performance section in Vattenfall's CSR report (2008) is eleven pages long. It starts with a summary of the parts included in the section, the summary consist of what Vattenfall want to achieve and the goals in different environmental areas. This includes some repetition and copied text from the paragraphs below and is three pages long. In the report there are some models and tables where Vattenfall explains and compares numbers, the comparison are over a three year period. The focus of the report is more on what Vattenfall wants to achieve instead of what they actually do regarding the environment. In the emission part of the report there is almost twice as much text on how Vattenfall wants to handle the emission in the future compared with the result for the year and what they have done. In the waste section Vattenfall writes about radioactive waste which takes one hundred thousand years to reduce the radio activeness to the level of natural uranium but they also chose to include a paragraph about Vattenfall's offices minimizing the use of paper cups to reduce the amount of waste. The paragraph regarding the radioactive waste is positioned directly under the heading about waste while the paragraph regarding paper cups are the last before the next heading.

Vattenfall writes in their CSR report (2008) about significant investments in viable renewable energy sources, such as wind and ocean energy. When looking in their Annual Report (2008) at the maintenance investments made in 2008 which could be seen in table 7, the electricity and heat there is a large difference in the investments, renewable 26 per cent² and non-renewable 70 per cent³. When looking at growth investments, Vattenfall invested SEK 4,6 billion in a Polish entity who mostly used coal in their production and they invested SEK 2,194 million in a wind power plant outside of Great Britain.

SEK million	2008
Electricity generation	
Hydro power	1,261
Nuclear power	3,583
Fossil-based power	8,040
Wind power	2,574
Biomass, waste	488
Other	–
Total Electricity Generation	15,945
Heat	
Fossil-based power	2,179
Biomass, waste	706
Other	726
Total Heat	3,611
Electricity networks	
Electricity networks	6,314
Other	–
Total Electricity Networks	6,314
Purchases of shares	11,820
Other, excl. shares	4,606
Total	42,296

Table 7- Vattenfall (Annual Report 2008 page59) Specifications of investments in 2008 and 2007

In the CSR report (2008) there is a model regarding the CO₂ emission target set up by Vattenfall, shown below in table 8. In the model Vattenfall has chosen to use two colors to show the actual (dark blue) and the estimated emission (light blue).



² $(1,261+2,574+488+706)/(15,945+3,611) \approx 26 \%$

³ $(3,583+8,040+2,179)/(15,945+3,611) \approx 70 \%$

Table 8 Vattenfall (CSR report page 55) Reduction of CO₂ emissions

Year 2009

The Environmental Performance section of Vattenfall's CSR report (2009) is eleven pages long. Compared to the CSR report (2008), Vattenfall has chosen to exclude the summary at the beginning of the Environmental Performance section (2009). They start with information about 2009 on the second page of the Environmental Performance section. In the CSR report (2009) the layout has changed, the heading are in a different color then before and they have included more explanations and numbers to the models in the report. The comparisons are still made over a three year period as in the CSR report (2008). In one paragraph regarding emissions the models is placed next to another heading, Waste, residuals, by-products and spills.

In the CSR report (2009) Vattenfall's writes that the emission of CO₂ has been decreased since 2008, from 91,4 million tonnes 2008 to 89,7 million tonnes in 2009. However, the number from 2008 when Nuon is not included is 82,5 million tonnes which result in approximately 9 per cent⁴ increase after the acquisition of Nuon which could be seen in table 9⁵ and table 10.

	Total 2008	Total 2007	Total 2006
CO ₂ from electricity generation	72.8	75.0	74.5
CO ₂ from heat production	9.71	9.73	10.3
Total	82.5	84.7	84.8

Table 9- Vattenfall (CSR report 2008 page 54) CO₂ emissions

	2007	2008	2009
■ CO ₂ Mtonnes	94.9	91.4	89.7
■ CO ₂ g/kWh ²	429	426	434

Table 10- Vattenfall (CSR report 2009 page 57) CO₂ emissions per year

On page 50 in the Environmental Performance section (2009) they write "Vattenfall's ambition is to be Number One for the Environment and to be recognized for this." However, Vattenfall have during the year acquired the Dutch entity Nuon, 49 per cent of their shares for SEK 52 billion which is approximately 50 per cent⁶ of Vattenfall's total investment in 2009, which could be seen in the Annual Report (2009) and in table 11. Table 12 shows the mix of electricity generation per

⁴⁴ (89,7/82,5) ≈ 9 %

⁵ Table 9 and 10 are collected from Vattenfall's CSR reports and the years are reversed from 2008 to 2006 in table 9 and from 2007 to 2009 in table 10.

⁶ (52/102,989) ≈ 50 %

country regarding Vattenfall's plants, the bar named NL represent the plants acquired through Noun. The bar shows that most of the acquired plants in Nuon are operating on hard coal and gas, which are both non-renewable energy sources, and only a few percentages consist of renewable energy. However in the report Vattenfall states that they want to reshape their energy generation portfolio during the coming 20 years in their CSR report (2009).

SEK million	2009
Electricity generation	
Hydro power	1,459
Nuclear power	4,263
Fossil-based power	12,591
Wind power	8,002
Biomass, waste	151
Other	–
Total Electricity generation	26,466
Heat	
Fossil-based power	2,402
Biomass, waste	1,249
Other	827
Total Heat	4,478
Electricity networks	
Electricity networks	7,219
Other	–
Total Electricity networks	7,219
Purchases of shares	56,562
Other, excl. shares	8,264
Total	102,989

Table 11- Vattenfall (Annual report 2009 page 57) Specifications of investments in 2009 and 2008

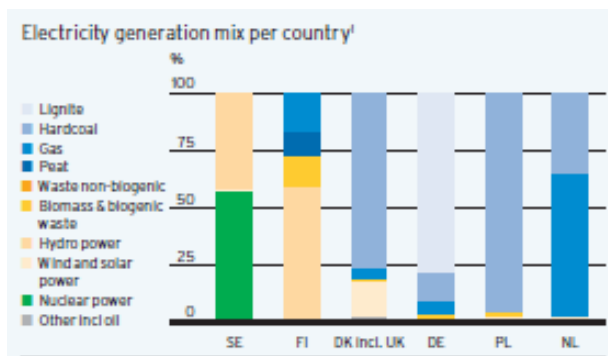


Table 11- Vattenfall (CSR report 2009 page 52) Electricity generation mix per country

Year 2010

The section Environmental Performance of the CSR report (2010) is nine pages long, is more direct and more focused on what has happened instead of what will happen. In the tables and models, Vattenfall has chosen to include a fourth year in the comparison. Vattenfall have also changed the measurements of some of the models and tables in the report compared to previous years. In the CSR report (2009) all of the models and tables are positioned with the connected text. The text in the report is not as focused on the future as in previous reports but more on what Vattenfall actually has done.

Vattenfall's new vision is to be among the leaders in developing environmentally sustainable energy production. This is different from previous years where Vattenfall wanted to be number one for the environment. According to the report, Vattenfall has invested EUR⁷ 1 billion into growth investment of wind power and they state that they are environmental friendly, for example when Vattenfall on page 47 in the CSR report (2010) state "We strive to increase our use of energy sources and technologies that have low emissions of carbon dioxide and other emissions." and on page 50 "Energy efficiency and increased generation from renewable energy sources are fundamental components of Vattenfall's environmental strategy." However, Vattenfall chose to increase the maintenance investments in fossil fuel with approximately 21 per cent⁸ compared to 2009, which could be seen in the Annual Report (2010) and in table 13. The maintenance investments into wind power have decreased with more than SEK 400 million⁹ since 2009 and only 1 per cent of the total electricity generation comes from wind power whereas 44 per cent comes from coal. However, of the total maintenance investment into electricity 27 per cent¹⁰ was invested into wind power.

⁷ Vattenfall used EUR for this number compared to SEK in previous years, the number is not converted due to unknown exchange rate

⁸ $(12,471/10,331) \approx 21\%$

⁹ $(7,731-7,303) = 428$ million

¹⁰ $(7,303/27,393) \approx 27\%$

SEK million	Total	
	2010	2009
Electricity generation		
Hydro power	813	1,459
Nuclear power	4,688	4,090
Fossil-based power	12,471	10,331
Wind power	7,303	7,731
Biomass, waste	203	151
Other	1,915	3,328
Total Electricity generation	27,393	27,090
Heat		
Fossil-based power	1,700	2,402
Biomass, waste	538	1,249
Other	794	827
Total Heat	3,032	4,478
Electricity networks		
Electricity networks	5,405	6,906
Other	–	–
Total Electricity networks	5,405	6,906
Purchases of shares	1,085	56,562
Other, excl. shares	4,879	7,954
Total	41,794	102,989

Table 12- Vattenfall (Annual Report 2010 page 49) Specifications of Vattenfall's investments

Year 2011

Vattenfall's Environmental Performance section (2011) is eight pages long, some text and information has been removed compared with 2010 which means that the report contains less text than previous years. The text that has been removed is mainly information about how Vattenfall want to do and act in the future. Unlike previous years Vattenfall have in 2011 chosen to include a 5 year comparison in all the models and tables. They have also replaced a model with a table with exact numbers and Vattenfall have also included a formula that shows how to calculate specific emissions.

In the CSR report (2011) on page 8 they write "Vattenfall's vision is to be among the leaders in developing environmentally sustainable energy production" However, the maintenance investments in the electricity generation regarding wind power have decreased with approximately

60 per cent¹¹ while the fossil fuel maintenance investments decreased with less than 3 per cent¹² since 2010. Of these maintenance investments 18,5 per cent¹³ were invested in renewable energy sources, 73 per cent¹⁴ went in to non-renewable energy sources and 8,3 per cent¹⁵ were invested in other areas, which could be seen in Vattenfall's Annual Report (2011) and in table 14.

Specification of investments

Amounts in SEK million	2012	2011	Change, %
Electricity generation			
Hydro power	1,245	1,157	7.6
Nuclear power	3,011	4,800	-37.3
Coal power	4,511	5,982	-24.6
Gas	4,977	6,172	-19.4
Wind power	2,716	2,972	-8.6
Biomass, waste	16	163	-90.0
Other	1,170	1,927	-39.3
Total electricity generation	17,646	23,173	-23.8
CHP/heat			
Fossil-based power	2,264	3,810	-40.6
Biomass, waste	334	225	48.8
Other	1,003	1,448	-30.7
Total CHP/heat	3,601	5,483	-34.3
Electricity networks			
Electricity networks	4,658	5,024	-7.3
Total electricity networks	4,658	5,024	-7.3
Purchases of shares	345	396	-12.9
Other, excl. purchases of shares	3,331	1,674	99.0
Total	29,581	35,750	-17.3

Table 13- Vattenfall (Annual report 2012 page 57) Specification of investments

Year 2012

The Environmental Performance section of the CSR report from Vattenfall (2012) is seven pages long, which makes it shorter compared with previous years. The report follows the guidelines of Greenhouse Gas Protocol (GHG), like previous years but in this report Vattenfall have explained the guidelines and provided a link to further information. The structure of the report, beside the length, the models and tables follow the same pattern as previous years.

¹¹ $(2,972/7,303) \approx 40\%$ which implies an reduction of 60 %

¹² $(5,982+6,172)/12,471 \approx 97\%$ which implies a decrease of 3 %

¹³ $(1,157+2,972+163)/23,173 \approx 18,5\%$

¹⁴ $(4,800+5,982+6,172)/23,173 \approx 73\%$

¹⁵ $(1,927/23,173) \approx 8,3\%$

In the CSR report (2012) on page 10 Vattenfall writes “Vattenfall strives to harmonize operational facilities with the landscape and the environment, and is committed to the protection of flora and fauna in the surrounding area.” They also write about the actions and events regarding the environment surrounding the operations and the solutions to the negative environmental impression the operations have. For example, Vattenfall has built fish ladders in some of the regulated rivers.

In 2010 Vattenfall became a minority owner of the Liberian entity Buchanan Renewables Fuel (BRF). Vattenfall’s aim with the project was to harvest old rubber trees and transform it into wood chips and the biomass would be partly exported and partly used as fuel to provide electricity to capital Monrovia. In May of 2012, Vattenfall left the project, resulting in a loss of SEK 1,3 billion. When Vattenfall left the project the result was a destroyed landscape, where the local farmers did not have the funds or means to replant the fields and did not get the help promised (SOMO; Green Advocates; Swedwatch, 2013). However, these problems or implications that arisen from Vattenfall leaving the project is not mentioned in the Environmental Performance section of the CSR report (2012).

4.1.4 Rhetorical manipulation

Year 2008

In the section about Environmental Performance (2008), Vattenfall have used persuasive words, such as very small, small amounts, extremely small. In the report Vattenfall also uses words such as indirect and direct environmental impact but there is no definition of the meaning of these words. In another paragraph regarding the By-products Vattenfall starts by expressing the use of 100 per cent of the by-products in Poland, then all of the by-products are used in Denmark but then they write that almost all of the by-products are used in Sweden. In the Environmental Performance section of the CSR report Vattenfall has used the word significant 28 times in the text.

Year 2009

In the Environmental Performance section of the CSR report (2009) Vattenfall has used the word significant 22 times in the text, which is a decrease from 2008. There are less persuasive words than previous year but Vattenfall still uses words such as most of, many different and very complex. Under one heading regarding Spills and contamination, Vattenfall writes “there has been 3 spills into water and leaked to soil has occurred in a few instances”.

Year 2010

In the section about Environmental Performance in the CSR report (2010) Vattenfall has reduced the number of persuasive words compared to 2009. However, Vattenfall still used word such as many different, most of, relevant competence, fundamental competence. In the report Vattenfall used the word significant 14 times, which is a decrease compared to previous year.

Year 2011

In the Environmental Performance section of the CSR report (2011) Vattenfall has reduce the number of persuasive words and did not use words such as relevant competence which they used in their CSR report from 2010. However, persuasive words such as many rare, most significant, most of were still used. In the text Vattenfall used the word significant 13 times, which is a decrease compared to 2010.

Year 2012

Vattenfall used the same amount of the word significant in the text in the CSR report (2012) as in 2011, 13 times. In the Environmental Performance section of the CSR report Vattenfall uses persuasive words such as many of, most parts, most of, most significant impact, major. There has been a decrease of the use of persuasive words in the report compared to 2011, Vattenfall did not use words such as relevance competence.

4.2 Stora Enso

4.2.1 About Stora Enso

Stora Enso was founded in 1998 when the Finish entity Enso Oyj and the Swedish entity Stora Kopparbergs Bergslagen AB merged. Stora Enso is today listed on OMXS 30 at the Helsinki Stock Exchange (OMX Helsinki) as a public entity (Stora Enso, n.d.a). Stora Enso produces paper, packaging, wood products and biomaterials on global markets and is a leading provider of renewable solutions. Stora Enso's aim is to replace non-renewable materials by developing and innovating new products based on renewable materials (Stora Enso, n.d.b). According to Stora Enso (n.d.c), their strategy is to have a strong customer focus and have an approach based on new innovations, enabling them to respond to market trends and requirements with better and renewable solutions.

4.2.2 Reading ease manipulation

Year	2011	2012	2013	2014	2015
Words	6 830	6 300	6 713	9 519	7 386
Characters	35 643	33 215	35 531	52 343	40 041
Paragraphs	654	717	748	1 167	817
Sentences	311	259	281	377	296
Flesch Reading Ease Score	31,3	37,7	26,4	30,4	30,7

Table 14- (Own compilation) Reading ease manipulation

The results from the Flesch reading ease score on Stora Enso's CSR reports, the Environmental sections from 2011-2012 and the Environmental Efficiency section from 2013-2015, could be seen in table 15. To calculate the Flesch reading ease score the total words, total sentences and total characters are used. Table 15 shows that Stora Enso had the highest Flesch reading ease score in 2012, the lowest in year 2013 and score between 30,4 to 31,3 the other years.

4.2.3 Visual and structural manipulation

In Stora Enso's CSR report there is a section called Environment (for years 2011-2012) and Environment and Efficiency (for years 2013-2015). All of the tables and models have a five year comparison and all of the models have numbers attached to them. Stora Enso has structured the text with what they have done during the year as the focus and the first to read about and after they mention what they want to achieve in the future. In all of the CSR reports, 2011-2015, Stora Enso has chosen to apply color into their models and tables.

Stora Enso uses the Greenhouse Gas Protocol, all of the three scopes. Scope 1 direct emission, scope 2 emission related to purchased electricity and scope 3 indirect emissions such as emissions from transports. Stora Enso has received awards for their CSR report every year (2011-2015) and more prizes for each year. Stora Enso has a goal to reduce their emissions with 30 per cent compared to the base year 2006 by the end of 2025.

Year 2011

The Environmental section of the CSR report (2011) from Stora Enso is 13 pages long, with a first page with a clear outline of the rest of the section and they have a small introduction before each new section.

On page 40 in the CSR report (2011) Stora Enso writes “Wood is a renewable resource. As long as forest and plantations are managed sustainable, a new generation of trees will grow back after mature trees are logged, absorbing CO₂ from the atmosphere again.” At the same time, Stora Enso invested in eucalyptus plantations in Uruguay, which required devastation of the rain forest in order to maintain space for the plantations. When the eucalyptus trees are planted they require a large amount of water which affects the ecosystem in a negative way (Veckans Affärer, 2013).

Stora Enso chose to delimit the pending legal claims that were shown in the report to those that could have a material adverse effect on their financial position. There were no such legal claims during 2011 and no other legal claims were addressed in the report. Stora Enso’s joint venture entity Veracel has got multiple legal claims against them (Svenska Dagbladet, 2014).

Stora Enso uses a white background in the Environment section of the CSR report (2011), with dark green models and in highlighted text. Stora Enso have also updated their emission target from 30 per cent since 2006 to 35 per cent by the end of 2025 due to achieving the previous goal.

Year 2012

The Environmental section of the CSR report (2012) is twelve pages long. The report contained less text and focused more on the important issues. The coloring was changed compared to previous years both on the headings and in the models, from dark blue/dark green to black/ light green. The report lacks a first page with information about the layout of the section and has been replaced with a first page with a picture of a woman instead. Stora Enso has chosen to highlight Reducing Impacts and Improving Resource Efficiency and Water Use at Our Mills by adding background color in a square behind the text. Stora Enso has in the report also chosen to write that a vast majority of the waste is reused as residuals, which is a use of intensive word. In the CSR report (2012), Stora Enso has increased the information and explanation about the Greenhouse Gas Protocol scopes. In the report Stora Enso uses the color green to highlight some text and in their models. They have also added a picture on the first page of the Environment section.

In 2012 media reported stories about Stora Enso’s tree plantations in Brazil, through their joint venture Veracel. The reported stories was about the water use in the plantations, the trees planed

was eucalyptus trees that requires more water than the natural forest which resulted in a deficit of water for the local inhabitants. However, in the CSR report (2012) on page 46 Stora Enso writes “We are also actively restoring and conserving areas of Atlantic rainforest in and around the tree plantations we own through our joint venture Veracel in Brazil” and there are no further information about water use in their plantations around the world but focuses on information about water use in the mills.

Year 2013

In the CSR report (2013) Stora Enso has chosen to rename the environmental section to Environment and Efficiency. The section is twelve pages long, they have added an introduction on the first page and Stora Enso have changed the colors to tan, a pale tone of brown, both on the headings and in the models. In the text Stora Enso has used some intensive words such as significant. They have also started to refer to external information places in the report.

In the CSR report (2013) Stora Enso writes about the CO₂ emissions from the entity in 2013. That they have reduced their CO₂ emissions from 2006, the base year, with 28 per cent but Stora Enso does not mention in the text that there has been an increase in CO₂ emissions since 2012.

On page 60 in the CSR report (2013) Stora Enso writes “We are working to reduce our emissions to air by using more renewable energy and by increasing our energy efficiency. SO₂ and NO_x emissions, which affect air quality and cause acid rain and soil acidification, are also controlled through advanced technologies such as scrubbers and boiler process control systems.” Stora Enso does not give any explanation to why NO_x emissions have increased or show the numbers in the text. The model with the NO_x emission is placed in one of the last pages and not in connection to the text.

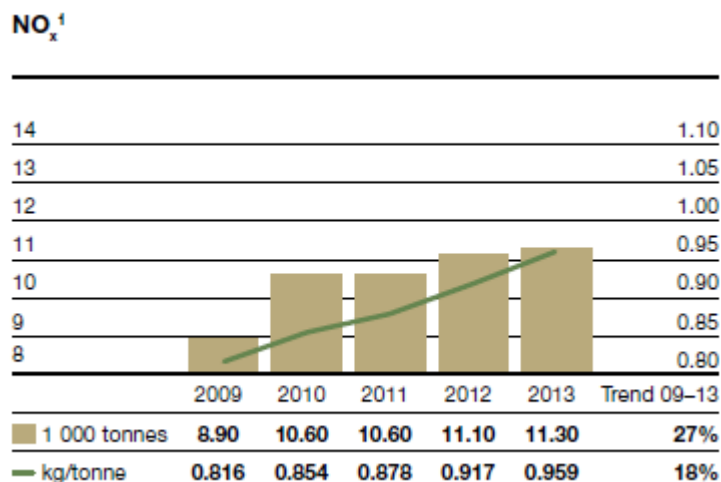


Table 15- Stora Enso (CSR report 2013 page 65) NO_x

In the CSR report (2013) on page 56 Stora Enso writes “We also actively combat illegal logging, which is one of the causes of forest loss and degradation, threats to biodiversity and distorted markets for wood”. According to Friends of the Earth Sweden (Jordens Vänner, 2012) Stora Enso could be accused of destroying the biodiversity when planting eucalyptus trees that knocks out the diversity in Brazil.

Year 2014

The Environment and Efficiency section (2014) is 22 pages long, which is an increase with ten pages since 2013. There is a table of content over the section on the first page and on the second page there is a colored square with Stora Enso’s targets and the progress so far. The whole CSR report has changed layout, including the section Environment and Efficiency. They have added more information and inserted green colored text boxes with where to find further information about different paragraphs, usually referring to the financial report (2014). They have chosen to increase the amount of information and facts around every area compared to previous years. In the section Stora Enso has chosen to highlight some numbers, how much reduction in percentage of emissions since 2006 and how much percentage reduction of water use. As previous year, 2013, they have chosen to write that they have reduced the emissions with 26% compared to the base year of 2006 and do not mention in the text that they have increased the emission since 2013.

In the Environmental and Efficiency section there is a section about Environmental Incidents (2014) where Stora Enso writes down accidents. There is no information around which incidents

that are addressed in the section and if there are incidents that are not included. There is one leak that is not mentioned in the report which occurred in the Swedish town Fors. It was a corrosive substance that leaked called Nalco 74894 (SVT, 2014).

Year 2015

In the CSR report (2015) the Environment and Efficiency section is 18 pages long and have a table of content over the section on the first page. Stora Enso has chosen to change the colors in the report compared to previous years, this year the headings are black and bright yellow and the graphs and models are clear blue. There is a new structure of the headings, with black over headings and yellow under headings. In the report Stora Enso have chosen to include squares with the label read more with information and pictures and there is also a link to where more information can be found.

In the section of Environmental and Efficiency (2015) Stora Enso has chosen to include pictures, for example in the area of combatting global warming where there is a picture of someone planting a tree which almost is the size of half a page. In certain areas in the report there are statements that are highlighted in yellow and written in a larger font. There are new models and tables included in the report compared to previous years for example a model over Stora Enso's carbon footprint, which in the report occupies a whole page. On page 54 in the CSR report from 2015 there is a number in larger font and in yellow stating -35%.

4.2.4 Rhetorical manipulation

Year 2011

In the Environment section of the CSR report (2011) Stora Enso uses some persuasive words such as carefully, actively, comparatively. They state on page 42 "Stora Enso is increasingly focusing on securing and enhancing access to cleaner energy suppliers..." Stora Enso has in the Environment section used the word significant ten times.

Year 2012

Stora Enso was still, in the Environment section of the CSR report (2012), using persuasive words in the text but there has been a decrease compared to previous year. They used words such as

actively restoring, slightly, some. In the report on page 50 they state “All our waste water streams are carefully purified...”. Stora Enso used the word significant four times in the Environmental section, which is a decrease compared to 2011.

Year 2013

In the Environment and Efficiency section (2013) Stora Enso has reduced the use of persuasive word compared to 2012. There are still some persuasive words such as actively, carefully and slightly. In the CSR report Stora Enso used the word significant five times, which was an increase compared to 2012.

Year 2014

In the CSR report (2014) in the Environmental and Efficiency section Stora Enso has reduced the use of persuasive words. In the report they do not use word such as actively, carefully or slightly which they did in 2013. However, Stora Enso still uses the word significant, six times in 2014 which is an increase compared to 2013.

In the CSR report Stora Enso has included three new areas; Material Efficiency, Product Responsibility and Paper for Recycling. They also have used headings such as “top-class wastewater treatment”.

Year 2015

Stora Enso reduced the use of the word significant, to three times, in the Environmental and Efficiency section of the CSR report (2015), however there was a decrease compared to 2014. Stora Enso used persuasive words such as most of, constantly and slightly in the report. On page 60 in the CSR report Stora Enso writes “In 2015 Stora Enso’s production units generated a total of 3 574 tonnes of hazardous waste, slightly up from 3 422 tonnes in 2014.”

5. Analysis

In the fifth chapter, analysis, the empirical findings from chapter four will be analyzed through stakeholder theory, impression management and previous studies presented in chapter two. First the analysis of Vattenfall will be presented followed by the analysis of Stora Enso.

5.1 Vattenfall

5.1.1 Reading ease manipulation

When conducting the Flesch score model on Vattenfall's Environmental Performance sections from 2008-2012 one can see a downwards trend in total words and characters, also called syllabus. All of the Flesch Reading Ease Scores for the years was between 29,6 to 31,4 with no clear pattern. According to Brenna and Merkl-Davies (2013) the optimal score for reading is between 60 to 70 however, all of Vattenfall's scores are either difficult or very difficult to read or understand according to Howes, et al., (2013), which could be seen in table 1¹⁶. The low score from Vattenfall's CSR reports indicates the use of long words and sentences.

According to Brennan and Merkl-Davies (2013) by making the narratives more difficult to read, selecting words and sentence length, through impression management, entities can confuse the readers and hide bad news. The low score from Vattenfall's CSR report could indicate that Vattenfall is trying to hide bad news and confuse the readers. If Vattenfall has used language and sentences in order to deceive the stakeholders and public it could be considered as greenwashing according to Vos (2009).

A possible explanation for the low Flesch score from Vattenfall's CSR report could be through Deegan and Unerman's (2011) study, where it is shown that managers focus satisfying the most powerful stakeholders. The powerful stakeholders are more likely to have the ability to interpret a more complicated report. However, according to Clarkson (1995) the entities should consider all of thier stakeholder when delivering information, which Vattenfall has not done due to the low results indicating that it is very difficult to read and understand the text.

¹⁶ Which could be seen in chapter two on page 14

5.1.2 Visual and structural manipulation

According to MacLeod (2001) entities can choose to include a CSR performance in their Annual Report, which is what Vattenfall has chosen to do. According to Hull, et al., (2012) the use of CSR reports has shown to have a positive impact on the Stakeholders of the entity, which could be one reason why Vattenfall has chosen to include a CSR report. In Vattenfall's CSR reports there is a section called Environmental Performance which includes information about pollution and waste which are legally required (Edenhammar, 2006). However, they have also included goals and visions regarding their environmental work and responsibilities, this implies that the entity has chosen to add more information than legally required in the CSR report according to Coughlan and Sweeney (2008).

In Vattenfall's CSR reports, 2008-2012, the focus of the Environmental Performance section is on the environmental results and impacts that have occurred during the years and how Vattenfall want to improve. Since CSR reports are unaudited, voluntary (Beck, et al., 2010; Cormier, et al., 2005) and only controlled by the entities management (Bowerman, et al., 2000) Vattenfall is able to choose the information and structure of their CSR report.

In all of Vattenfall's CSR reports, 2008-2012, they use color in their models. This could be explained through impression management where colors can be applied to create order and help the reader to focus on the task. Contrasting colors in a model can help to differential the different items (Courtis, 2004). The colors Vattenfall has chosen to use in all of their CSR reports, 2008-2012, where blue, green and yellow. Blue and yellow are two colors with almost the same identical preferences for both sexes and nationalities (Courtis, 2004). The color blue is associated with cold, sky, water and ice while yellow is associated with sunlight and green is associated with cool, nature and water (Courtis, 2004). All of the colors chosen by Vattenfall is associated with nature.

Year 2008

In the Environmental Performance section of the CSR report (2008), in the first three pages out of a total of eleven Vattenfall has their focus on the goals and what they want to achieve rather than what they actually do and most of the text is used later in the section. According to Brennan and Merkl-Davies (2013) entities could use impression management through repetition and position

good news in the first pages to influence the mindset of the reader. Vattenfall chose to write twice as much text on how they want to handle the emission in the future instead of what they actually have done. It could be according to Coughlan and Sweeny (2008) and Hopwood (2009) difficult to distinguish what an entity claims to do compared to what they actually do because they can choose to report more on aims and intentions rather than actual actions and performances.

In the waste section of the CSR report (2008) Vattenfall chose to include a paragraph about paper cups and how the offices have reduced the use of these. In the section there is also a paragraph about nuclear waste management which takes over one hundred thousand years to process back to safe levels of radio activeness. According to Brennan and Merkl-Davies (2013) entities could through impression management chose how to position news in the text, placement of the positive and negative news, in order to shape the readers impression about the entity. Vattenfall has chosen to position the paragraph about nuclear waste at the beginning and the paragraph about paper cups at right before the next heading, so the positive news are at the end of the section.

Vattenfall writes in the CSR report (2008) about significant investments in renewable power made during the year, the maintenance investments had a division of 47 per cent on renewable and 50 per cent on non-renewable electricity and heat production. While the growth investment were twice as large on non-renewable power as on renewable power. According to Brennan and Merkl-Davies (2013) by hiding negative news and emphasizing good news entities could try to influence the readers. Cecil, et al., (2013) argues that if an entity enhances positive environmental information which could lead to a misleading report it could be considered as greenwashing. In Vattenfall's CSR report there is no information about the investments but only the statement about significant investments in renewable power.

Brennan and Merkl-Davies (2013) also argues that the choice of color could have an effect on the reader's impression of the entity. In Vattenfall's CSR report (2008) there is a model regarding the CO₂ emission target, where they have chosen to use two shades of blue.

Year 2009

According to Brennan and Merkl-Davies (2013) an entity could use repetition and positioning in order to influence the readers perception. In the CSR report (2009) Vattenfall has, compared to 2008, chosen to remove the three pages with summary and repetition in the beginning and the second page contains information regarding the last year. When an entity is trying to make their CSR report less complicated, it could be explained through stakeholder theory. An entity should consider all of their stakeholders and make sure that the information provided is in line with the stakeholder's ability (Clarkson, 1995; Jamali, 2008).

According to Bansal and Kistruck (2006) in order for an entity to make a change for the better, investments are required. Those investments could be uncertain and may not be profitable, this makes it easier for the entities to use impression management by choosing what information that is showed in their CSR report instead of investing. This could be seen in Vattenfall's CSR report (2009) on page 50, where they write "Vattenfall's ambition is to be Number One for the Environment and to be recognized for this." and state that they want to reshape their energy generation portfolio during the coming 20 years. However, this is not in line with the investments during the year where Vattenfall has acquired Nuon with approximately 50 per cent of Vattenfall's total investments 2009. Most of Nuon's plants are operating on non-renewable energy sources which are not in line with the statements in Vattenfall's CSR report (2009). According to Bazillier and Vauday (2014) an environmental friendly CSR report could supposedly explain a higher demand for an entity's product. This could lead to entities bending, overstating or misrepresented content in the report, which is associated with greenwashing (Vos, 2009). Vattenfall has in the report chosen to highlight the positive statements and not mention Nuon's non-renewable power other than in a model without detailed information. Friend of the Earth Sweden observed the investment made by Vattenfall and therefore rewarded them with the Swedish Greenwash Award 2009 (Climate Greenwash, n.d. a). The NGO could be seen as a secondary stakeholder, who does not have a direct relationship to the entity, however could still have an impact on the entity's CSR report (Damak-Ayadi & Pesqueux, 2005; Dobeles, et al., 2014). Through the award the NGO was, by using negative publicity, trying to hold the entity accountable for its dishonest action, which is in line with Cuerel Burbano and Delmas study (2011).

Year 2010

According to Coughlan and Sweeny (2008) and Hopwood (2009) it could be difficult to distinguish what an entity claims to do compared to what they actually do because they can choose to report more on aims and intentions rather than actual actions and performances. This is not the case in Vattenfall's CSR report (2010), where they focus on the actual actions rather than the aims and goals for the future.

In the CSR report (2010) Vattenfall has changed their vision compared to previous years and they want to be among the leaders in developing environmentally sustainable energy production instead of the leader. One reason for the change could be the award Vattenfall received in 2009, since according to Brenna and Merkl-Davies (2014) conflicts between an entity and a NGO is more likely to be resolved in the favor of the NGO. Friends of the Earth Sweden used the award as negative publicity which could have pressured Vattenfall to change, which is in line with Brennan and Merkl-Davies study (2014).

Vattenfall write in their CSR report (2010) that they have invested EUR 1 billion into wind power and continue to state that they are environmental friendly. However, when reading their Annual Report (2010) it shows that the maintenance investments in wind power has decreased and that only 1 per cent of Vattenfall's total electricity generation comes from wind power. Vattenfall has chosen to only disclose the information about the EUR 1 billion investment in wind power but not the information about the other investments or the share of wind power in the CSR report. This could be seen as hiding negative news and highlighting the positive news in order to shape the impression of the entity (Brennan & Merkl-Davies, 2013). It could also be seen as greenwashing according to Cuerel Burbano and Delmas (2011) when the entity remains silent about specific environmental performance in order to seem better than they are.

Year 2011

Brennan and Merkl-Davies (2013) argues that an entity could use impression management to hide the negative news and highlight the good news in order to persuade the reader that the entity is better than they are. This could lead to a biased and misleading report and could be associated with greenwashing (Cecil, et al., 2013). In Vattenfall's CSR report (2011) on page 8 they state "Vattenfall's vision is to be among the leaders in developing environmentally sustainable energy

production” however, the investments are not disclosed in the CSR report. The investments during 2011 shows a different picture, with a decrease of approximately 60 per cent since 2010 in wind power while fossil fuel investments only decreased with less than 3 per cent. Vattenfall chose not to include the investment numbers which are not in line with their vision and could be considered as negative. When an entity remains silent about negative performance it could be considered as greenwashing according to Cuerel Burbano and Delmas (2011).

Year 2012

The CSR reports are voluntary and unaudited, implying that entities could choose what information to disclose (Beck, et al., 2010; Cormier, et al., 2005). In Vattenfall’s CSR report (2012), they have chosen to exclude the negative information about Liberia and include information about a fish ladder. On page 10, Vattenfall also writes “Vattenfall strives to harmonize operational facilities with the landscape and the environment, and is committed to the protection of flora and fauna in the surrounding area.” When an entity controls the information disclosed, they use impression management to influence the perception of the entity (Giacalone, et al., 1995). According to Laufer (2003) if an entity chooses to disclose information in order to shape the perception of the entity, it could be considered as greenwashing.

5.1.3 Rhetorical manipulation

In the CSR reports from 2008-2012 in the environmental section, Vattenfall uses persuasive words in the text, words such as most of and significant are used in all of the reports. In the CSR report from 2008 Vattenfall used words such as indirect and direct without any further explanation. There has been a reduction of persuasive words in Vattenfall’s CSR reports from 2008-2012, which could be seen in the use of the word significant that has reduced from 28 times in 2008 to 13 times in 2012. Some of the persuasive words which were used in the report from 2008 were not used in the report from 2012. When an entity uses persuasive words it could be explained through impression management where entity tries to convince the reader of a better result (Brennan & Merkl-Davies, 2013). When the entity uses rhetoric to deceive the readers, tries to hide negative results or enhances themselves through rhetoric they could be accused of using greenwashing (Vos, 2009; Laufer, 2003).

5.2 Stora Enso

5.2.1 Reading Ease manipulation

The result from the Flesch reading ease score for Stora Enso's environmental section of their CSR report 2011-2015 range from 26,4-37,7 with no clear pattern. In 2012, when Stora Enso won the Greenwash Award, the score was the highest at 37,7 which is the best score but is still considered difficult to read. All of the scores indicate that Stora Enso's CSR reports are either very difficult or difficult to read and understand according to Howes, et al., (2013), which could be seen in table 1¹⁷. The optimal score for readability is between 60 to 70 according to Brennan and Merkl-Davies (2013).

A lower score than 60 to 70 could be a sign of entities using impression management to possible hide negative news through more difficult texts (Brennan & Merkl-Davies, 2013). A way of hiding negative news and get a low score is to use longer words and sentences, which could be what Stora Enso has done.

According to Clarkson (1995) entities should consider all of its stakeholders when delivering information, which Stora Enso has not done due to the low result on their Flesch score. One explanation for the low Flesch score result could be that managers focus on satisfying the most powerful stakeholders (Deegan & Unerman, 2011).

5.2.2 Visual and structural manipulation

Stora Enso has chosen to include a CSR performance in their Annual Report, which according to Macleod (2001) is the option entities have. One reason why Stora Enso has chosen to include a CSR report could be because of the positive impact CSR reports could have on the stakeholder according to Hull, et al., (2012). An entity is legally required to disclose information about pollution and waste (Edenhammar, 2006), which is what Stora Enso has done in their environmental section of their CSR reports. Stora Enso has chosen to include goals and visions regarding their environmental work and responsibilities, which implies according to Coughlan and Sweeney (2008) that the entity has chosen to add more information than legally required.

¹⁷ Which could be seen in chapter two on page 14

Since CSR reports are unaudited, voluntary (Beck, et al., 2010; Cormier, et al., 2005) and only controlled by the entities management (Bowerman, et al., 2000) Stora Enso is able to choose the information and structure of their CSR report. In Stora Enso's CSR reports, 2011-2015, the focus of the environmental section is on the environmental results and impacts that have occurred during the years and how Stora Enso want to improve.

All of Stora Enso's CSR reports, 2011-2015, include colored models and tables. One explanation for this could be the use of impression management where colors could be applied into a model can help to differential the different items and to create order to help the reader to focus on the task (Courtis, 2004).

Year 2011

According to Cuerel Burbano and Delmas (2011) an entity has two options in case of poorly environmental performance, either to remain silent or try to present their actions in a positive light which could be considered greenwashing. In the Environment section of the CSR report (2011), Stora Enso chose to write about sustainable management of forest plantations, however in Uruguay the management of their plantations is in contrast to their statement. This indicates that Stora Enso chose to present their negative actions in a positive light. According to Holmlund and Sandberg (2015) the CSR reports has been criticized for being used to manipulating the stakeholder. When Stora Enso chose to write about the actions in a positive light it could be seen as manipulation of the stakeholders and could be seen as one of the reasons behind the critics.

Stora Enso only choses to present information about legal claims that would have an impact on their financial position in their CSR report (2011), this could be a way of hiding negative news by remaining silent about them. According to Cuerel Burbano and Delmas (2011) this could be considered as greenwashing. Although it could be considered as greenwashing it is not illegal, due to the unregulated CSR reports where entities can chose what information to include (Beck, et al., 2010; Cormier, et al., 2005). An explanation of why Stora Enso chooses not to include all information could be because they have a specific stakeholder in mind, one that is only concerned with financial impacts. One reason for Stora Enso to exclude the information could be explained through Wilson's (2003) study where it is stated that the entity's managers cannot observe all of the

stakeholders and must therefore focus on the most important ones. This could be explained further through Deegan and Unerman's (2011) study where they show that entities act in a way that satisfies a specific stakeholder, usually the most powerful ones. However, Clarkson (1995) argues about the importance of considering all of the stakeholder, which could imply that Stora Enso should include more information in the CSR report about legal claims.

In the CSR report (2011) Stora Enso is using the color green in their models and in some text. According to Courtis (2004) the color green is not included in the colors that have almost identical preferences for sexes and nationalities. However, the color green is associated with cool, nature and water. There is a risk with not choosing a color that appeal to many, though a color could evoke an unwanted reaction.

Year 2012

One reason for the CSR reports to be questioned is because entities with a negative environmental impact choose not to report this to a great extent, instead they focus on the positive impact (Mitnick, 2000). In Stora Enso's CSR report (2012), they write about actively restoring and conserving Atlantic rainforest around the plantations but they do not mention the devastation within the plantations, which is in line with Mitnick's (2000) critics. This could also be a sign of the use of impression management when Stora Enso chooses to overstate the good news (Brennan & Merkl-Davies, 2013) and according to Vos (2009) it could also be considered as greenwashing. This was one of the reasons for which Stora Enso was awarded the Swedish Greenwash Award in 2012 (Jordens Vänner, 2012). Even though the NGO Friends of the Earth is not formally linked to the entity (Huffman, et al., 2007) they still take on the punishers roll due to the lack of regulation of greenwashing and hold dishonest entities accountable for their actions (Cuerel Burbano & Delmas, 2011).

In the CSR report (2012) Stora Enso chose to focus on the positive aspects regarding the problems with the rain forest within their joint venture Veracel but they chose to exclude the information about the water use in those plantations. This could be a way for Stora Enso to shape the mindset of the readers through impression management, when according to Bansal and Kistruck (2006)

entities could choose how and which information that is exposed in a CSR report. When an entity is publish a misleading CSR report it could be considered as greenwashing (Cecil, et al., 2013).

In the CSR report (2012), Stora Enso has a background color to some text and added a picture on the first page of the Environmental section. The use of background color could be explained through Courtis (2004) study, where color can be used to direct the attention to important information as well as divert the attention from less important matters. Color could also be used to prioritize information and capture the reader's attention. When an entity choses to highlight and directs the attention towards a specific section it could be considered as a misrepresented report, which according to Vos (2009) is considered as greenwashing.

Year 2013

If an entity choses to compare the numbers in the report with years that makes the numbers seem better, the entity uses performance comparison through impression management (Brennan & Merkl-Davies, 2013). In Stora Enso's Environment and Efficiency section of the CSR report (2013) they chose to compare their CO₂ emissions with the base year of 2006 which shows a decrease in emission but when comparing to 2012 there has been an increase. This could be considered as a misleading report, which implies the use of greenwashing (Cecil, et al., 2013).

In the CSR report (2013) on page 56 Stora Enso writes "We also actively combat illegal logging, which is one of the causes of forest loss and degradation, threats to biodiversity and distorted markets for wood". By emphasizing the work against illegal logging which in turn threatens the biodiversity and not mentions the threat against biodiversity in their own legal plantations, Stora Enso emphasize the good news and hides the bad news. This could be considered as using impression management to shape the perception of the entity's actions and make the reader focusing on the positive (Brennan & Merkl-Davies, 2013). This could also be considered as the use of greenwashing, when the information is overstated and misrepresented and without further information the reader will only receive positive view of the entity's actions (Vos, 2009).

In the CSR report (2013), Stora Enso writes about them working to reduce their emissions to air and do not mention in the text that the NO_x emissions have increased during the last couple of

years. Although all of the information about the NO_x emissions is available in the report, in text and in a model, Stora Enso has chosen to place the information in different places and focus on the working target. This could be explained by rhetorical manipulation through impression management where it is not what the entity say but how they chose to say it. It could also be seen as emphasizing the good news in the text and hiding the bad news in a model not in connection to the text (Brennan & Merkl-Davies, 2013).

Year 2014

The Environment and Efficiency section of the CSR report (2014) start off with the targets and the process so far. This could be explained through the use of impression management where entities use visual and structural manipulation by placing good new first in the document, which gives the reader a positive impression from the start (Brennan & Merkl-Davies, 2013).

Through impression management entities could choose how much and what information to include in the reports which could have an effect on the understandability of the text (Brennan & Merkl-Davies, 2013). In Stora Enso's case they have chosen to increase the information making the CSR report (2014) almost twice as long, from 12 to 22 pages compared to 2013. The increase of information could be a way for Stora Enso to hide negative news in the text and confuse the reader, which is in accordance with Brennan and Merkl-Davies (2013) study.

Stora Enso has in the CSR report (2014) chosen to increase the size of particular numbers and to have a different color on them, the color tan. By increasing and having a different color on those numbers Stora Enso is using impression management and visual and structural manipulation (Brennan & Merkl-Davies, 2013). An entity could by emphasizing specific numbers and adding color direct the reader's attention towards it, this could be a way of diverting the reader's attention from less important matters (Courtis, 2004).

Due to the lack of regulation, entities could choose what information they want to disclose in their CSR reports (Beck, et al., 2010; Cormier, et al., 2005), this enables Stora Enso to exclude the information on the selection of accidents addressed in the Environmental Incidents section of the CSR report (2014). The selection of information is only controlled by the entity's own management

which according to Bowerman (2000) could be a reason to question the legitimacy of the CSR report.

Year 2015

In the CSR report (2015) Stora Enso has chosen to change the color, to black and bright yellow. The over headings are black, the under heading are yellow and yellow is also used in the large font text and numbers. The color yellow is one of the colors that is claimed to be of almost identical preference for both sexes and nationalities. Yellow is also mentally associated with sunlight while black is associated with neutral, night and emptiness (Courtis, 2004). Stora Enso has also changed color on their models in the CSR report (2015), to blue. The blue color is one of the preference colors and is mentally associated with cold, sky, water and ice (Courtis, 2004).

Through impression management and visual and structural manipulation entities could use color to emphasize the good news and try to hide the bad news (Brennan & Merkl-Davies, 2013). Stora Enso has in the CSR report (2015) through the use of colors chose to emphasize the positive information in the report, with colored number such as -35%. This indicates that Stora Enso uses color to direct the reader attention away from negative news (Courtis, 2004), which contributes to a misleading report and could be seen as greenwashing (Cecil, et al., 2013).

5.2.3 Rhetorical manipulation

In the CSR reports from 2011-2015 Stora Enso used persuasive words, such as carefully, actively et cetera. The use of the word significant reduces over the year, even though there was a slight increase over the years of 2013-2014 before it was reduced again. Stora Enso decreased the use of persuasive word in their reports from 2011-2015. However, in the report from 2014 they included three new headings which all had persuasive words in them. The persuasive words that Stora Enso has used could be explained through impression management where the entities try to convince the reader of a better result (Brennan & Merkl-Davies, 2013). The entity could be accused for greenwashing if they uses rhetoric to deceive the readers, tries to hide negative results or enhances themselves through rhetoric (Vos, 2009; Laufer, 2003).

6. Conclusion

In this chapter the study's two research question, provided in chapter one, will be answered with the empirical findings and analysis as ground. Further a discussion regarding the conclusion will be provided, followed by the ethical issues concerning this study and last a section with suggestion to further research.

- Which evidence of greenwashing can be found in the CSR reports the year before the Swedish Greenwash Award was received and the year of the award?

In both of the years (2008 and 2009) Vattenfall had a low Flesch score in their CSR reports, which indicates that it is difficult to read the text. This is one way of confusing the reader and hide bad news in the text. Vattenfall also used other rhetorical methods to mislead the readers, such as hiding bad news, emphasize and highlights the good news and uses repetition which could all be seen as greenwashing. Most of the focus in Vattenfall's CSR reports was on aims and goals rather than the actual performance which is a way of deceiving the reader. Vattenfall tried to influence the perception of the reader by using persuasive words that leaves a positive impression even in negative situations. All of these approaches are evidence of greenwashing and thereby one can conclude that Vattenfall frequently used greenwashing in their CSR reports from 2008 and 2009.

The Flesch score from both of the years, 2011 and 2012, of Stora Enso's CSR reports indicates that the reports are difficult to read. In the reports, Stora Enso also emphasizes the good news, investments and actions while the actual reality differs from those statements. Stora Enso claims to be an environmental entity that cares for the environment but the actions shows a different picture. All of this is done by the use of rhetoric, hiding bad news and choosing that information to disclose in the reports. By using these approaches Stora Enso is deceiving, misleading the readers and trying to shape the impression of the entity. Colors was also used in order to emphasize and highlight what Stora Enso want the reader to focus on, this is also a way of shaping the mindset of the reader. Stora Enso shows evidence of greenwashing in their CSR reports from 2011 and 2012 by using these approaches.

- Which evidence of greenwashing can be found in the CSR reports the following three years after the Swedish Greenwash Award was received and if, how has the use of greenwashing changed?

In Vattenfall's CSR reports, 2010 to 2012, they still got a low Flesch score. All considered to be very difficult or difficult to read, which is not an improvement compared to before Vattenfall received the Swedish Greenwash Award. In the CSR reports, 2010 to 2012, Vattenfall is hiding bad news and emphasizing good news to be perceived as better than they are. However, even if Vattenfall still uses these approaches an improvement could be seen. After receiving the award Vattenfall did not use repetition and they changed their vision to more reliable and obtainable one. The use of persuasive words reduced after Vattenfall received the award, even if some words still was used. All of this implies that Vattenfall still uses approaches which could be seen as evidence of greenwashing, however an improvement was made after they received the award.

In the CSR reports from Stora Enso, 2013 to 2015, the Flesch score was lower compared to the year when they received the award. This implies that the readability and understandability became lower and the text was more difficult to read. Stora Enso chose what information to disclose and emphasizing the positive aspects of the entity in the CSR reports from 2013 and 2014. The claims in the CSR reports are not in line with the actual actions and performances under these years. In the CSR reports, 2013 to 2015, Stora Enso frequently uses colors to emphasize and highlight numbers and information, which shows a positive view of the entity. This is done in order to shape and influence the perception of the entity. Stora Enso does not use persuasive words in a large scale during the whole investigated time but there is still an overall improvement from 2011 to 2015. After they received the award there is still evidence of greenwashing and there is no sign of improvement, except in the use of persuasive words, during the years 2013 to 2014. However, in the CSR report from 2015 was the only evidence of greenwashing the use of colors which is an improvement compared to previous years.

6.1 Discussion

Through this study the underlying problem with the CSR reports has emerged. With an unregulated and unaudited report entities has been given the freedom of choosing how and what information to

disclose. This also enables entities to use the CSR reports in order to emphasize and shape the readers impression rather than to serve as a true information source. Both Vattenfall and Stora Enso have taken advantage of this unregulated report to be able to present them in a better light than they actually are. Through the empirical findings and analysis it is concluded that both of the entities have evidence of greenwashing in their CSR reports.

It is concluded that Vattenfall has changed after they received the award, however Stora Enso showed minimal sign of change for the better until the year of 2015. This could have multiple explanations, one of them could be the difference in stakeholders that entities have. One could argue that Vattenfall's stakeholder is the Swedish state and thereby the inhabitants of Sweden, while Stora Enso's main stakeholders are large investors. These different stakeholders are likely to have different interest. One could argue that Vattenfall can be seen as a representation of Sweden while Stora Enso's investors are most likely to be interested in the financial returns. These different stakeholders probably have different values and believes, which could contribute to the affect that the NGOs have on the entity. According to Brennan and Merkl-Davies (2014), most of the stakeholders need to shares the values and believes with the NGO in order to be able to resolve the conflicts in the favor of the NGO. The fact that Stora Enso did not change when receiving the award could be because the stakeholders did not have same believes and values as the NGO.

Another reason for the fact that Vattenfall changed after they received the award and Stora Enso did not could be because Vattenfall is an entity that has its main operations in Sweden and are owned by the Swedish state, while Stora Enso is a multinational entity with operations all over the world. The Swedish Greenwash Award is a national award which could have a larger impact on Vattenfall than on Stora Enso. One could argue that the stakeholders of Stora Enso are more likely to not even know about the award which could affect consequence of the price.

As mention earlier, both Vattenfall and Stora Enso used greenwashing in their CSR reports. One possible explanation to use greenwashing is to reduce the cost of effective CSR reports. In order to be perceived as environmental friendly, the entities have to invest large amount of money which makes greenwashing into a less expensive option. Due to the lack of regulation and punishment in the areas of CSR reporting and for the use of greenwashing it is almost risk free, which means that the benefits exceed the risk. One could argue that as long as there is a lack of regulation and punishment for the use of greenwashing, entities will continue to use it. One way to reduce the use

of greenwashing could be by regulating the content of CSR reports and having them audited. This could make the CSR report more as an annual report where the content is regulated. One could argue that one of the problems with the CSR report is the lack of standardization, the entities can choose how they want to execute and design the report. However, not all of the problems could be solved by implementing new regulations and punishment. The entities still must take responsibility and be able to act ethical even without regulations. This because the regulations could never cover all aspects of the problem and some own responsibility still has to be left up to the entity. As the history and the result of the study shows the entities do not take their responsibility and act ethical in these situations and do not hesitate to use greenwashing. This implies that the use of greenwashing in CSR report will continue if no regulations are implemented, and even after it will be difficult to eliminate all the use of greenwashing.

6.1.1 Further research

This study aims to inspire further research into the subject, greenwashing in CSR reports. To further research this topic one could include the whole CSR report, and not just the environmental section, and widen the time frame to be able to draw further conclusions. Such as if it was the award that influenced the change of the use of greenwashing or if it was other factors involved. One could also examine if the owner structure and the different stakeholder did have an effect on the change in the CSR report after the award, since Vattenfall changed and Stora Enso did not. One could also investigate further about how to reduce greenwashing in CSR reports, through laws and regulation or other implications.

6.1.2 Social and Ethical Issues

In this study, a social and ethical issue was taken into consideration. One main focus of the study has been to be objective and to only use public information which is accessible for everyone. The empirical data in this study is based on the public CSR reports from the two chosen entities, which could be collected from their own webpages. This information, due to its availability, could not be considered as harmful for the entities. This also enables the readers to see the information used and check if the study portrays a true reflection.

In the study it was considered to keep the entities anonymous, however with the selection process and delimitations of the study made it possible to find out which entities was analyzed even if they were anonymous.

Through this study and the conclusion one can see that the entities do not take their ethical and social responsibility, this because of the use of greenwashing. Even if there is a lack of regulations conserving CSR reports and greenwashing, entities should not deceive the public due to the social and ethical responsibility they have. Everything could not be regulated by laws which implies that everyone in society have to take own responsibility in order for the society to function. However, even if everyone should be social and ethical responsible it is clear that the two entities investigated are not through the use of greenwashing.

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7.1 Swedish Public Publications

Årsredovisningslag (SFS 1995:1554)

Appendix

Appendix A: Impression Management illustrations

A.1: Measuring readability using Flesch Reading Ease scores

The year to 30th June 2002 was the Barratt Group's most successful year to date. We delivered record profits of £220m, almost double our profits of 3 years ago, and ended the year with record forward sales. (Barratt Developments Chairman's Statement 2002) (2 sentences; 37 words; 52 syllables).

Flesch score

$206.835 - (1.015 \times \text{no. words } 37 / \text{no. sentences } 2) - (84.6 \times \text{no. syllables } 52 / \text{no. words } 37) = 69.16$

The Group continued to invest in the expansion of its Precision components operations where prospects for further growth remain encouraging. The disappointing profit performance of the Copal gravity diecasting unit, while unconnected to the investment programme in high-pressure technology, led nevertheless to a moderate level of spend in the year. (Alumasc Group Chairman's Statement 2002) (2 sentences; 51 words; 98 syllables).

Flesch score

$206.835 - (1.015 \times \text{no. words } 51 / \text{no. sentences } 2) - (84.6 \times \text{no. syllables } 98 / \text{no. words } 51) = 18.39$

Source: (Brennan & Merkl-Davies, 2013)

A.2: Rhetorical analysis – Establishing credibility in corporate reporting

Use of emphatics

As our H.K. \$31,400 million worth of aircraft and equipment orders clearly show, we remain very confident about the future of Hong Kong

Use of personal pronouns

I know from my year as chairman of the Administration Board that budgeting has been a very delicate operation over the last two years.

Use of hedges to portray modest, trustworthy cautious steward

It is possible to envisage a future when many banking services will be delivered directly to the home or business place via television screens.

Source: (Brennan & Merkl-Davies, 2013)

A.3: Thematic analysis – Measuring good news / bad news themes

Profit before tax up ^{Keyword+1} 7.4% to £43.5m; investment profit down ^{Keyword-1} 2.2% to £39.6m; total dividend 10.3p per share, an increase ^{Keyword+2} of 3.0%.

Source: (Brennan & Merkl-Davies, 2013)

A.4: Thematic analysis – Key themes in chairman's statements

Future and/or outlook
Results
Employees
Acquisitions and disposals
Outline of major events
Discussion of major events
Overview of the year
Board changes
Operations
Business segments
Finance/investment

Source: (Brennan & Merkl-Davies, 2013)

A.5: Visual emphasis

Most-emphasized

**Don't let NASDAQ
transform itself at
your expense**

Next-most-emphasized

**Don't let NASDAQ undermine the
value of your investment**

Least-emphasized

It does not even offer you the standalone value of your company.

Source: (Brennan & Merkl-Davies, 2013)

A.6: Performance comparison and earnings choice/selectivity

Profit figures

Group trading profit up £60 million (19.2%) to £373.2 million

Source: (Brennan & Merkl-Davies, 2013)

A.7: Attribution

External causes

General economic/environmental issues: recession/inflation, dollar weakness/strength, foreign currency fluctuation, input cost changes – increasing/decreasing costs, change in market for product, general loss/gain of customers, weather/catastrophe, order backlogs

Government / third party issues: tax law/other law changes, SEC actions/regulatory actions, expropriation by foreign governments, lawsuits/legal actions, competition action/issues, involuntary accounting changes

Internal causes

Product/services issues/actions: changes in product prices, changes in product mix, advertising/marketing, new products/processes/production

Organizational issues/actions: Management techniques/strategies/plans/repositioning, changes in management personnel, cost cutting/savings, asset write downs, going public, selling/buying stocks, merger/acquisition/disposal of a business segment, investment in plant assets, voluntary accounting changes

Source: (Brennan & Merkl-Davies, 2013)