Gordon Institute of Business Science
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Analysis of sustainability reporting disclosures and perception of stakeholders

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ABSTRACT

The objective of the study is to analyse the perceptions of stakeholders on the quality of the disclosures in sustainability reports focusing on the aspect of balanced reporting and the use of impression management strategies. The research design utilised the qualitative method and included content analysis of selected sustainability reports. Eighteen (18) sustainability reports published annually between the period 2017 and 2019 by companies listed on the Johannesburg Stock Exchange (JSE) in the mining and financial sectors, were reviewed and analysed. Fifteen (15) stakeholders including analysts, report preparers, sustainability assurance auditors and the sustainability practitioners responsible for corporate sustainability in various sectors were interviewed to determine their perceptions regarding the quality of the disclosures in the sustainability reports.

The study also determined what strategies companies are using to lead or mislead the stakeholders through the lens of the stakeholder theory supported by legitimacy and impression management theories. The results showed that companies use various impression management strategies, particularly visual presentations, rhetorical statements, performance comparisons and trends to disclose sustainability information in such a way as to influence their stakeholders' perceptions regarding their overall sustainability performance. The study also revealed that balanced reporting is lacking, with many companies disclosing more of the positive sustainability performance and achievements rather than the negative outcomes and incidents.

According to Diouf & Boiral (2017) many of the empirical studies conducted on sustainability reporting focused on content analysis, therefore this study contributes to literature by gaining a better understanding of the stakeholders including the sustainability practitioners perspectives regarding the quality of the sustainability reporting disclosures.

KEYWORDS

Sustainability, Sustainability Reporting, Stakeholders, Impression Management, Balanced Reporting.

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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CHAPTER 1: INTRODUCTION TO RESEARCH PROBLEM

1.1 Introduction

There is an increase in the global awareness of sustainability challenges and the contributory role of business towards these challenges, resulting in pressure on companies to demonstrate not only their commitment to corporate sustainability but to embed sustainability in how they do business (Ehnert, Parsa, Roper, Wagner, & Muller-Camen, 2016). Sustainability challenges are complex, their impacts are not always localised and can extend beyond the organisation's boundaries, affecting a variety of people and locations (Ferraro, Etzion, & Gehman, 2015). These challenges range from climate change, biodiversity loss, energy shortages, water security, rising inequality, poverty alleviation, environmental degradation and pollution (Liu, Mooney, Hull, Davis, Gaskell, Hertel, Lubchenco, Seto, Gleick, Kremen, & Li, 2015). Addressing these challenges not only requires government interventions but collaboration with business whose activities can cause negative impacts on the environment and society (Ferraro et al., 2015).

Various stakeholders, including investors and civil society are putting more pressure on companies and demanding that companies be more sustainable and transparent; and that they disclose their sustainability or environmental, social and governance (ESG) performance and management through sustainability reporting (Herremans, Nazari, & Mahmoudian, 2016). Investors have also increased focus on ESG reporting by using the sustainability and performance information disclosed to guide their investment decisions (Unruh, Kiron, Kruschwitz, Reeves, Rubel, & Zum Felde, 2016). Cheng, Green, and Ko (2015) agree that investors tend to invest more in companies that focus on ESG management and disclosures. They no longer consider ESG information as secondary but are integrating them into their portfolios (Eccles & Klimenko, 2019).

The King IV Code on Corporate Governance (King IV) also advocates that business be ethically responsible and consider the triple context in which it operates (a combination of the economic, social and environmental context), which has added increased pressure on the management of the ESG aspects of a business (IODSA, 2016). Hahn, Pinkse, Preuss, and Figge (2015) highlight that managing the sustainability challenges and impacts will enable an organisation to be sustainable in the short, medium and long term.

1.2 Research problem

To address this pressure from different stakeholders, more companies are publishing sustainability reports, but the quality, credibility and the reliability of the information disclosed is questioned (Cho, Laine, Roberts, & Rodrigue, 2015). Mervelskemper and Streit (2017) agrees with Cheng et al., (2015) that investors prioritise those firms that disclose ESG performance and publish ESG reports. Some companies publish stand-alone sustainability reports guided by guidelines such as the Global Reporting Initiative (GRI), while others publish integrated reports under the guidance of the International Integrated Reporting Council's (IIRC) Integrated Reporting Framework. Although many companies do produce sustainability reports using different international frameworks and guidelines, Diouf & Boiral (2017) also argue that the quality and reliability of these reports are highly questionable.

Sustainability reports are good channels of communication for companies to share progress about their sustainability performance and management including challenges that they are addressing; however, Böhling, Murguía, & Godfrid (2019) and Michelon, Pilonato, & Ricceri (2015) argue that the reports are used to legitimise the companies' good and bad behaviours and information disclosed is what the stakeholders want to hear. According to Haji & Anifowese (2016) many empirical studies have been conducted analysing integrated reporting practices and many of those revealed that integrated reports are more biased towards positive disclosures. The lack of balanced reporting only provides stakeholders with one-sided information regarding the organisation's performance.

The quality of the information disclosed in these reports is in dispute, with literature arguing that reports focus more on positive performance than negative to impress the stakeholders (Diouf & Boiral, 2017; Cho et al., 2015; Michelon et al., 2015; Haji & Anifowese, 2016). Most of the analysis carried out on the sustainability report disclosures focused on the content analysis of the reports, with minimal interactions with the users of the reports (Diouf & Boiral, 2017).

In order to address the criticisms around the quality and credibility of sustainability reports disclosures, these reports are audited by independent assurance auditors who issue assurance statements; however, those have also been criticised and questioned (Boiral, Heras-Saizarbitoria, & Brotherton, 2019). Michelon et al., (2015) also disapprove of the assurance process, arguing that companies can use the process as a symbolic exercise to impress their stakeholders and influence their perceptions regarding the company's overall sustainability performance.

1.3 Research Motivation

Diouf and Boiral (2017:648) argue "that despite many studies done by academics in the quality of the information disclosed in the sustainability reports, the perception of the stakeholders' on the quality of the sustainability reports are understudied". The author emphasises that empirical studies focused on sustainability reports' content analysis and the companies' stakeholders and report users' perceptions have been underresearched (Diouf & Boiral, 2017). Future research was recommended by Diouf & Boiral (2017) to not only focus on content analysis of the sustainability reports but also to consider the views and perceptions of stakeholders on the quality of sustainability reports like those using GRI in different countries. The GRI reports are those reports developed in line with the GRI guidelines and standards, which are mainly used globally to disclose sustainability information (Hummel & Schlick, 2016).

The judges of the Chartered Secretaries in Southern Africa (CCSA) integrated reporting awards, analysing the integrated reports for the period up 31 March 2018, identified the decline in the completeness of the integrated reports arguing that impression management strategies have been largely used by companies to disclose more positive sustainability information and silent on the negative performances (CCSA, 2019). These results implied that biased reporting is used with companies focusing more on positive performances rather than negative performances.

The Association of Chartered Certified Accountants (ACCA) working together with the IIRC also reviewed a number of integrated reports in 2018 and recorded a decline in the adherence to the IIRC framework's guiding principle of reliability and completeness, arguing that many of the reports do not disclose the companies' material information in a positive and negative way as compared to previous years

(Chen & Perrin, 2018). These results also implied biased reporting by many companies. Both the 2019 and 2020 integrated reporting awards facilitated by Ernst and Young (EY), also reported one of the areas of improvement as the need to ensure that the material sustainability information disclosed is presented in a balanced manner, showing positive and negative information (EY, 2019; and EY, 2020). These EY awards are conducted annually in South Africa to encourage companies to improve the quality of their integrated reports (Haji & Anifowese, 2016).

The potential risk of a lack of completeness and balanced reporting is that it can create the impression that an organisation is doing well, while it is not. This was evident in Lonmin's sustainability disclosures in their 2011 integrated report, which listed and described the sustainability issues the company faced giving stakeholders the impression that they were fully aware of their employees' concerns and were addressing them (Trialogue, 2015). However, there was a strike by the miners complaining about the sustainability issues, including wage increases and poor living and working conditions, and this led to the Marikana massacre on 16 August 2012, where 34 miners were killed (Trialogue, 2015).

The analysis of South African reports from the various reporting awards have identified the lack of balanced reporting as an area of concern that requires improvement. There is therefore a need to understand from a business point of view how the users of sustainability reports perceive the quality of the sustainability information disclosed.

1.4 Academic and Business reasons for the research

In the current turbulent business environment, financial and sustainability reports play a vital role in providing the company's stakeholders with crucial information that can enable them to make informed decisions about the company. Therefore, the adoption of well-represented, balanced reports written within standardised frameworks would provide stakeholders with the knowledge to make informed decisions particularly around how the organisations manage their ESG issues.

The quality of the information disclosed in the sustainability reports has been disputed, with literature arguing that the reports are not balanced and focus more on positive performance than negative to impress the stakeholders (Diouf & Boiral, 2017; Cho et al., 2015; Michelon et al., 2015; Haji & Anifowese, 2016). However, many of the empirical studies conducted, focused on the content analysis of the sustainability reports with minimal interaction with the stakeholders and users of the reports. A number of sustainability reporting awards in South Africa also identified balanced reporting as an area many companies lack and which they need to improve on. Diouf and Boiral (2017) recommended that the perception of the stakeholders and the users of the report be considered with regard to the quality of the sustainability reports. There is therefore a business and academic need to undertake this study to understand the views of the stakeholders with regards to the quality of the sustainability disclosures.

The views provided by the stakeholders and users of sustainability reports may be used to improve the quality of sustainability reporting and help to determine what is the pertinent information that needs to be disclosed and the level and quantum of the information. The study may also be used across the public, private and non-profit sectors to help streamline or standardise reporting disclosures to ensure they are deemed transparent, fair, and balanced.

1.5 Purpose Statement

The journey of integrated reporting began in 1994 in South Africa when the first King Code (King I) for corporate governance was released (Dumay, Bernardi, Guthrie, & Demartini, 2016). Setia, Abhayawansa, Joshi and Huynh (2015) argue that the adoption of sustainability reporting by many companies in South Africa can be attributed to the Johannesburg Stock Exchange (JSE) Socially Responsible Investment Index introduced in May 2014. The aim of this index was to help the JSE and investors to identify the different companies that are driving responsible leadership and integrating the sustainability issues in their overall strategy (JSE, 2014). This has resulted in South Africa leading other countries regarding integrated reporting (Zhou et al., 2017). Although the JSE requires listed companies to produce these integrated reports, the information content, format and details of their disclosure is at the companies' discretion (Lee, & Yeo, 2016).

The purpose of the study is to analyse the perceptions of stakeholders on the quality of sustainability reports' disclosures, focusing on the aspect of balanced reporting and the use of impression management strategies. It determined what companies are using to lead or mislead stakeholders through the lens of the stakeholder theory supported by legitimacy and impression management theories.

1.6 Research Scope

The research study focused on sustainability reports developed as part of the integrated reports of JSE-listed companies, published annually between the period 2017 and 2019. The South African reports were used, as SA is one of the first countries to have adopted integrated reporting over a long period of time (Zhou, Simnett & Green, 2017). The sustainability reports' stakeholders (which includes the analysts, report preparers, sustainability assurance auditors and the sustainability practitioners responsible for corporate sustainability in various industries within South Africa) were also the main focus for the study and participated through semi-structured interviews.

The study revealed that in South Africa many of the sustainability reports' disclosures are not balanced and lean more towards companies' positive information and achievements. The companies use multiple impression management strategies to influence the stakeholders' perceptions regarding their overall performance. This study will contribute to the literature on stakeholder perceptions on the quality of sustainability reporting disclosures by focusing on the reporting practices in South Africa. It will assist companies to determine what drives the quality of the sustainability reporting disclosures in South Africa; provide a clear understanding of the stakeholders' perceptions of the quality of information disclosed; and indicate factors to be considered when putting together the sustainability reports to improve the quality and ensure balanced reporting.

1.7 Conclusion

The purpose of this Chapter 1 was to introduce the research problem and describe both the research purpose and motivation of the study. Chapter 2 will provide the academic literature review outlining the background information and arguments on the known knowledge relating the research purpose. Then Chapter 3 will present the main research questions followed by the research methodology discussed in Chapter 4. The research results will be presented in Chapter 5 followed by the analysis in

Chapter 6. Finally, the conclusion of the study and future recommendations will be presented in Chapter 7.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

Organisations are an integral part of the society operating within the ecosystem, which includes various stakeholders with different needs, demands and expectations. For an organisation to survive, it needs to balance the environmental, social and economic context in which it operates (IODSA, 2016). Bhattacharya and Polman (2017) argue that the purpose of the organisation is no longer about only making profit but balancing the environmental, social and economic context in which the organisation operates.

Many companies have responded to the pressure from stakeholders and investors to disclose how they manage their sustainability issues, which are also referred to as ESG, through the stand-alone sustainability reports or integrated reports (Herremans et al., 2016) Although these reports are one of the best ways to disclose the sustainability performance of companies, they have been criticised by many scholars for being used as legitimacy and impression tools to provide stakeholders with information they want to hear (Diouf & Boiral, 2017). The purpose of this chapter is to review the academic literature related to the study.

2.2 What is sustainability?

The term sustainability arises from the concept of sustainable development which is defined by the World Commission on Environment and Development's Brundtland (WCED,1987) report as "the development that meets the needs of the presence without compromising the needs of the future generations" (Jay & Gerard, 2015:13). Sustainability is about balancing the environmental, social and economic context for the long-term view, and "this approach is also known as triple bottom line" (Pádua & Jabbour (2015:404). Bradford, Earp, Showalter, Williams (2017) argue that corporate sustainability is also about companies ensuring that the organisations know and understand their stakeholders and strive to meet their needs and expectations.

Business sustainability emanates from the increased pressure of stakeholders for companies to incorporate the ESG issues in their businesses and how they do business with others (Ehnert et al., 2016). Bhattacharya and Polman (2017) argue that sustainability is about value creation for the companies' stakeholders and those companies that are embedding sustainability in their business tend to have everything moving fast for them including having better collaboration and relations with their stakeholders. Neugebauer, Figge, and Hahn (2016) emphasise that sustainability is not a simple issue as the types of problems emanating from stakeholders in ensuring sustainability objectives are wide-reaching; they are complex, and the impacts can be big and not localised. Therefore, in order to address the increased pressure from stakeholders on how companies are managing sustainability issues, the King IV code argues that ongoing stakeholder engagement should take place and that the company reporting should reflect how their operations affect and are affected by the triple context (IODSA, 2016).

2.3 Sustainability and integrated reporting

Some companies produce stand-alone sustainability reports, while others produce integrated reports. The purpose of these reports differ, with the sustainability reports focusing on communicating the company's sustainability performance and impacts while the integrated report aims to focus on creating value for stakeholders over time (Mio, Fasa & Costantini, 2020; GRI, 2016). Beske, Haustein and Lorson (2019) argue that both these reports are essential communication tools for companies to use and share with their stakeholders on how they deal with the environmental and social impacts in addition to the company's financial information.

Sustainability reports are voluntary, and over and above them being communication tools, organisations use them to enhance corporate transparency, reputation and accountability (IRC, 2018). They are good for companies to maintain ongoing communication with their stakeholders and enhance the relationships (Krivačić, 2017). The GRI affirms that the sustainability reports are used as communication tools, but the information disclosed should include both the positive and negative contributions of the company towards sustainable development (GRI, 2016).

The GRI guidelines and standards are commonly used globally to disclose sustainability information (Hummel & Schlick, 2016) to all stakeholders, not only the providers of financial capital (De Villiers & Sharma, 2017). The GRI is an initiative that was established in 1997 originating from a joint project between the United States Coalition for Environmentally Responsible Economies and the United Nations Environmental Programme and provides standards for companies locally and globally to develop sustainability reports (Chauvey, Giordano-Spring, Cho, & Patten, 2015). De Villiers and Sharma (2017) argue that the GRI standards and guidelines enable companies to be transparent to their stakeholders and provide them with information relating to their environmental, social and economic performance.

The integrated report aims to provide more than just sustainability reporting but provides a connection between the organisation's financial and ESG performance (Bernardi, & Stark, 2018). Pistoni, Songini and Bavagnoli (2018) also argue that the integrated report provides more than just integrating the financial and sustainability reporting but provides detailed information about the company's overall performance, prospective as well as retrospective. It is a tool assisting companies with corporate communication by ensuring all the different sub-reports from different parts of the business are merged, focusing on the material issues (Lueg, Lueg, Andersen & Dancianu, 2016).

The IIRC framework provides companies with a guideline to develop integrated reports (IIRC, 2013). Although not regulated, in South Africa all JSE-listed companies are required to produce an integrated report (Chaidali & Jones, 2017). This requirement is supported by King IV which requires organisations to adopt a stakeholder-inclusive approach and produce reports that will ensure stakeholders make proper decisions and assessments about the organisation's performance (IODSA, 2016). The integrated report offers several benefits, such as reducing reputational risk, transforming corporate processes, and enabling investors to make better financial and non-financial decisions (Stubbs & Higgins, 2018).

According to the IIRC framework the main purpose of this report is to explain to the providers of financial capital how organisations create value for themselves over time (IIRC,2013). Flower (2015) and Thomson (2015) criticise the integrated report's purpose arguing that the organisations have different stakeholders but instead the integrated report only focuses on the investors and providers of financial capital. The authors also argue that the IIRC is more focused on aspects of financial value instead of sustainability. However, Burke & Clark (2016) argue that even with the report focusing on investors and providers of financial capital, other stakeholders can also benefit from the information disclosed. The recent 2020 integrated reporting awards facilitated by EY in South Africa revealed that "about 26 of the 100 integrated reports reviewed stated that their reports focused on providers of capital, while 45 of 100 reports indicated that they are aimed at a variety of stakeholders" (EY, 2020:20).

There are numerous standards, guidelines and frameworks that exist within the sustainability arena, which many companies align to as per their choice due to the sustainability reports being voluntary. These support the organisations with their different sustainability disclosures. Guthrie (2016) argues "that the most influential standards or frameworks include the IIRC framework; Sector-specific Sustainability Accounting Standards Board (SASB) of which its main purpose is to facilate the disosures of material sustainability information for the benefit of the investors and the public; the GRI; and the Carbon Disclosure project (CDP) which measures and manages the environmental risks and provides decision-makers with information about obtaining evidence and insight to drive change".

The purpose of the sustainability and integrated reports differ; however, the IIRC framework asserts that integrated reporting acknowledges that the business's sustainability depends on the organisation addressing the sustainability challenges (IIRC, 2013). Both the reports serve as communication tools to the stakeholders on the companies' overall performance including the ESG and financial performance. Although some organisations publish the integrated reports while others prefer to publish the separate sustainability reports, De Villiers & Sharma (2017) argue that sustainability reporting is an essential part of the integrated reports.

2.4 Drivers of Sustainability reporting disclosures

Even though in South Africa the publishing of the integrated reports is a requirement for JSE-listed companies and the King IV code of practice, there are various drivers relating to disclosing sustainability information to the stakeholders. Vitolla, Raimo, Rubino, and Garzoni (2019) argue that information demand pressure from different stakeholders is one of the positive determinants of the higher quality of the integrated reports. In understanding the stakeholders' needs and expectations, organisations tend to develop and implement strategies to manage the different demands and use the integrated and sustainability reports as an information and communication tool to the stakeholders. Amran, Ooi, Mydin, and Devi (2015) argue that the increased focus on organisational accountability and transparency is one of the drivers of disclosures and sustainability reporting.

According to Dienes, Sassen, & Fischer (2016:154) “the firm’s size, media visibility and ownership structure are also drivers of sustainability reporting”. The authors argue that large firms which are heavily invested tend to disclose more sustainability information with the objective of maintaining their reputation and avoding negative media (Dienes, Sassen, & Fischer, 2016). As a result, the companies undertake materiality assessments, taking into consideration stakeholder engagement in order to be able to report on the companies’ unique sustainability impacts, information and performance (Puroila & Mäkelä, 2019). These assessments are processes that are meant to assist the organisations to determine what information or topics to include and exclude in the sustainability reports report (Eccles and Youmans, 2016; GRI, 2016).

According to IIRC framework, “material issues are matters that have, or may have, an effect on the organization’s ability to create value” (IIRC,2013:18), while the SASB defines them as those issues that many stakeholders have an interest in and those with financial impact (Khan, Serafeim, & Yoon, 2016). The GRI (2016:10), refers to these issues as materiality topics and defines them as “those topics that reflect organisation’s significant economic, environmental, and social impacts; or those that influence the assessments and decisions of the stakeholders”. Gerwanski, Kordsachia, and Velte (2019) argue that disclosures of detailed and relevant material issues of a company will increase transparency to the stakeholders and enable them to make proper decisions about the companies performance.

The drivers and choice of the sustainability information disclosures and reporting differs for different companies. Amran et al., (2015) argue that companies with activities that could significantly impact on the environment, tend to disclose more than companies from other industries. The concept of materiality has become the base and foundation of corporate sustainability strategies as well as sustainability reporting. However, Fasan & Mio (2017) and Beske et.al., (2019) argue that although materiality issues allow companies to tell their different stories, companies can misuse these issues to choose which information to disclose and exclude negative information by reporting sustainability information differing from the actual sustainability performance.

2.5 Quality of Sustainability reporting disclosures – Balanced reporting

Both the GRI and IIRC frameworks provide guidelines regarding the quality of sustainability reporting disclosures including ensuring balanced reporting. “The GRI guideline provides six principles for improving the quality of sustainability reporting, these include balance, clarity, accuracy, timeliness, reliability and comparability” (GRI, 2016:7). The IIRC framework also has seven guiding principles to assist in improving the quality of the reporting disclosures, “these include strategic focus and future orientation; connectivity of information; stakeholder relationships; materiality; conciseness; reliability and completeness as well as consistency and comparability” (IIRC, 2013:16). Chauvey et al., (2015:793) indicated that the Financial Accounting Standards Board (FASB) has also defined qualitative characteristics when it comes to information disclosures to stakeholders, and that these include “relevance, comparability, verifiability, clarity and neutrality or balanced reporting”.

Despite the international frameworks and guidelines supporting sustainability reporting practices and encouraging balanced reporting, sustainability reports have been criticised for misleading stakeholders by presenting mainly positive information about the sustainability performance of the companies (Busco, Giovannoni, Granà, & Izzo, 2018). Companies say more but less by using organised hypocrisy and facades which are not a true reflection of the company’s sustainability performance (Cho et al., 2015). Reimsbach & Hahn (2015) argue that sustainability reports often focus on positive aspects and performance of the company and are used as impression management tools. The author also argues that companies report positive information in fear of the reaction from the investors however it has been proven in his study that reporting of negative sustainability information does not result in negative investor decisions or have any negative impact on the share price, as compared to just reporting negative financial information (Reimsbach & Hahn, 2015).

In a study conducted by Melloni, Caglio, & Perego (2017), who analysed the early adopters of the integrated reports in the United States, the results revealed that those companies with poor social performance provided reports that have minimal sustainability information while those companies with weaker financial performance provided long reports with more reference to the ESG issues. The contents and and details of companies’ disclosures is at the companies’ discretion (Lee & Yeo, 2016). This is attributed by the fact companies use different standards, frameworks and guidelines to disclosure the sustainability information.

The reporting quality principles are intended to enable stakeholders to make informed decisions in relation to the organisation's sustainability reporting disclosures. Krivačić (2017) emphasises that a good quality report is important as it will enable the users of the sustainability reports to make informed decisions about the company's overall performance. Considering the many quality requirements defined by the different standards and guidelines, this study focuses on balanced reporting and disclosures as defined by the GRI.

According to the GRI (2016:13) "balanced disclosures includes information that reflects both the positive and negative aspects of the organisation's performance and the users of the report should be able to see both the negative and positive trends in performance on a yearly basis". It is imperative that the sustainability information disclosed to the stakeholders enables them to make proper decisions about the company. This is affirmed by the King IV which advocates that the board of the company should ensure that both the positive and negative impacts of the company's operations and plans are disclosed in the report and enables the stakeholders to make informed decisions and assessments about the company (IODSA, 2016).

2.6 Comparability of Sustainability reporting disclosures

There are number of sustainability reporting frameworks and guidelines that many companies use to develop sustainability and integrated reports. Although some of them are adopted internationally such as the GRI standards, Michelon et al., (2015) argue that the fact that sustainability reports are voluntary, gives the companies flexibility in terms of disclosing the sustainability information as a result these standards and guidelines are used in a biased way. The companies tend to use their discretion in terms of what to disclose, which key performance indicators to focus on and which structure to follow, making it difficult to compare them (Hąbek & Wolniak, 2016).

Boiral and Henri (2015) argue that comparability is important for benchmarking purposes and to assist the investors to make informed decisions about the company;

however, it is not easy to compare sustainability information across industries. This could also be attributed to the fact the materiality issues differ by industry (Eccles & Klimenko, 2019). Khan et al., (2016) argue that investors are increasingly becoming aware that one sustainability issue at a point in time cannot be treated the same nor can be material for other companies in different industries.

Companies in the same sector may report differently on the different indicators or may report on the same indicators but using different metrics (Hąbek & Wolniak, 2016). The lack of uniformity in terms of guidelines or frameworks to use when developing sustainability reports makes it difficult to compare the information disclosed in the reports. Other reasons that make it impossible to compare the sustainability performance of different organisations disclosed in the sustainability reports include comparing incomparable measurements; interpreting incomplete and ambiguous information; and measuring unmeasurable and unspecific information (Boiral & Henri, 2015). Lee and Yeo (2016) also argue that the lack of mandatory reporting requirements in terms of sustainability disclosures results in companies having discretion in terms of disclosures affecting the ability to compare information.

2.7 Assurance of Sustainability reporting disclosures

Farooq and De Villiers (2017) argue that for organisations to enhance the credibility of the sustainability information disclosed and to increase the confidence levels of their stakeholders they should ensure the reports are assured. The IIRC framework also emphasises that external assurance can be used to enhance the reliability of the sustainability reporting (IIRC, 2013). In order to address the stakeholder pressures and reduce the uncertainty between management and stakeholders, companies use external assurers to increase the reporting quality (Gerwanski et al., 2019).

The assurance process can send a positive signal to the stakeholders with regard to the quality of the information disclosed. Maroun (2019:19) agrees that “higher quality reporting is associated with assurance of sustainability disclosures recommended by different guidelines such as GRI and codes of practices”. However, Michelon et al., (2015) argue that it is not only the external assurance that enhances the credibility and reliability of the disclosures, but it is important that the auditors are not affiliated to the organisations by any means and assures the information that relevant and material.

Cheng et al., (2015:136) support that the assurance process can be beneficial as “it can assist in addressing investors’ concerns about companies using sustainability reports as impression management tool’’; however, similar to Michelon et al., (2015) the author argues that the information assured should be relevant to enable investors to make informed decisions about the company. The importance of the role of assurance standards such as the AA1000APS (Accountability Principles standard) plays a significant role in the assurance process to ensure that the assurance engagement process is effective, and that the information and content assured by the companies is relevant for the stakeholders.

The AA1000APS focuses on the principles of inclusivity (people should have a say in the decisions that impact them), materiality (companies should be clear about the sustainability topics that matter to them), responsiveness (companies should act transparently on the sustainability matter topics) as well as impact where companies should monitor and measure how their actions affect the broader society in which they operate (AccountAbility, 2020). The principle of inclusivity and responsiveness is important in sustainability reporting as these reports are developed for different companies’ stakeholders (De Villiers & Sharma, 2017).

Reimsbach, Hahn, and Gürtürk (2018) agree that sustainability assurance does promote better quality disclosures; however, the author argues that it does not verify or improve the quality of the underlying sustainability performance of the company. The assurance process can enhance the credibility of the data disclosed; however, Michelon et al., (2015) argue that the process can act as a symbolic tool to influence how different stakeholders perceive the sustainability performance and disclosures of the company.

In order to increase credibility of the information disclosed, companies can use the services of the independent assurance auditors; however, Boiral et al., (2019:20) argue that the “managerial capture and commercial aspects of the assurance process can limit the independence, transparency and critical distance of assurance providers; thus the assurance statements tends to legitimise the quality of the information disclosed''. The company's board of directors should therefore "ensure that the assurance services and functions are present in the organisation and support the integrity of the information disclosed" (IODSA, 2016:41).

2.8 Expected Sustainability reporting disclosures

Sustainability reporting disclosures differ between companies, depending on the reporting standards, guidelines or frameworks used. Khan et al., (2016) affirm that the level of importance of sustainability issues differs across companies and sectors that is why they disclosures are different. The sustainability disclosures are very complex especially due to the increased multiple stakeholders' expectations and pressures for companies to implement sustainability strategies (Tran & Beddewela, 2020; Amran et al., 2015). Schreck and Raithel (2018) describe sustainability disclosures as information that companies disclose to communicate their environmental and social performance to their stakeholders.

De Villiers and Sharma (2017) argue that when it comes to disclosures, those companies using GRI framework must disclose information categorised under environmental, social and economic performance. Khan et al., (2016) affirm that the GRI compliant reports must disclose information that illustrates the company's significant environmental, social and economic impacts as well as information that could enable stakeholders to make informed decisions about the company. Reporting in line with the GRI requires companies to produce a balanced report and apply the reporting principles; GRI general disclosures' standards providing company-specific information and its sustainability reporting practices; the management approach standard describing how the material topics are managed; as well as different topics' reporting standards (GRI,2016).

The topics reporting standards that companies using the GRI are recommended to use, are very detailed with many indicators grouped under the following three categories:

- Environmental – This category's indicators measure aspects such as energy consumption, climate change, biodiversity, water withdrawal and water discharge (GRI, 2016);

- Economic – this category focuses on the company's economic conditions and impacts and indicators focusing on aspects such as procurement practices and employee wages (GRI, 2016); and
- Social category which focuses on the company's impacts on the social systems in which they operate. This category has indicators covering aspects such as labour practices; human rights and employment (GRI, 2016).

Those companies reporting using the IIRC framework are recommended to include company information using the six (6) capitals (IIRC, 2013). These capitals include the financial, social and relationship, human, manufactured, intellectual and natural capitals (IIRC, 2013). However, in a study conducted by Chaidali & Jones (2017) where report preparers were interviewed, they pointed out that the IIRC does not provide clear guidance in terms of information that needs to be disclosed in the reports. As compared to the GRI which has material topic reporting standards, the IIRC framework does not have these, and is not clear what key performance indicators should be reported (Lee & Yeo, 2016). As a result, the author argues that this lack of clear guidance might contribute to organisations only focusing on disclosing preferred information to impress their stakeholders (Chaidali & Jones, 2017).

SASB has 77 industry specific standards used to guide industries in terms of what material issues to disclose in their reports. The standards use an industry classification system which groups the industries together as per their sustainability risks and opportunities. The materiality disclosures recommended, are categorised under five (5) sustainability topics which are environmental, social capital, human capital, business model and innovation as well as leadership and governance (SASB, 2018a). These categories are recorded in the SASB materiality map, that can be used by any industry (SASB, 2018). However it is still the dicretion of the companies to decide what is material and relevant to disclose (SASB, 2018a). Flower (2015) argues that the lack for mandatory reporting on sustainability disclosures could result in companies not disclosing information in detail and disclosing what suits them best.

2.9 Related theories to Sustainability reporting

2.9.1 Stakeholder theory

The stakeholder theory emphasises that firms should create value for their stakeholders, and that business survival depends on stakeholder relationship management (Vitolla, Raimo, Rubino, & Garzoni, 2019; IODSA, 2016). 'Stakeholders' is a term that is used widely but Buchholtz, & Carroll (2018) define them as individuals or a group of individuals with an interest in or share in an undertaking and who may affect and be affected by the organisation's decisions and processes. These stakeholders include employees, customers, local communities, business partners, regulators and policy decision-makers (IIRC, 2013); and their actions can affect and have an effect on the organisation's ability to implement and achieve its core strategy and objectives (GRI, 2016).

Connecting the stakeholder theory and integrated reports, the IIRC (2013:17) highlights that "value is not created by or within the organisation alone, but it is created through the relationships with others". Schaltegger, Hörisch, & Freeman (2019) argue that the value of stakeholders in sustainability can be created by solving sustainability problems and managing stakeholder relationships. Solving sustainability challenges requires collaboration between business, society and its stakeholders. The stakeholder theory in sustainability reporting also emphasises that the organisation is not only accountable to the shareholders but all of its stakeholders (Kaur & Lodhia, 2018; Cordeiro & Tewari, 2015).

Although organisations have different stakeholders, Setia et al., (2015) and Flower (2015) argue that one of the criticisms of integrated reporting is that it focuses a lot on creating value for the investors and providing information to meet the needs of providers of financial capital. This criticism is aligned to the normative and managerial branches' variants of stakeholder theory, which have evolved over the years where Beske, et.al., (2019:166) explain that "within the normative branch, companies pursue their duty to account for their actions to all stakeholders while in the managerial branch companies purposefully use voluntary reporting to control and satisfy the needs of the salient stakeholders."

Stakeholder inclusivity is one of the core principles of the King IV and the GRI guidelines to enable organisations to enhance transparency on sustainability issues (GRI, 2016; IODSA, 2016). Bradford, Earp, Showalter and Williams (2017) argue that organisations cannot achieve their desired impacts if they apply stakeholder theory without considering the needs of their stakeholders. Therefore, business needs to involve their stakeholders in the sustainability reporting process to enable them to address their perceptions, issues and expectations (Kaur & Lodhia, 2018). Vitolla et al., (2019a) argue that increased pressure and demands from stakeholders affect the quality of the integrated report which serves as a tool to improve the company's relationship with its stakeholders.

2.9.2 Legitimacy theory

Based on Suchman's (1995) legitimacy theory, organisational legitimacy is reflected by how stakeholders perceive the company and react to its decisions and processes. Many companies would like to be perceived well by their stakeholders and this theory assumes that the organisations intend to operate within societal boundaries, norms and standards so to keep their social licence or social contract to operate (Suchman,1995). The term 'social licence to operate' originates from the mining industry where there was a need to operate within the community areas and respond to the community's expectations to ensure approval of the organisation's development and operations (Hall & Jeanneret, 2015). Nowadays, the principle does not only apply to mining but to many organisations as they do not operate in isolation but within the society, surrounded by different stakeholders with different needs and expectations.

The social licence can be implicit or explicit depending on the different organisations' relationship with their stakeholders and failure to comply could pose a threat to the firm's legitimacy. "Failure to communicate and make stakeholders aware of the organisation's performance on the terms of social contract can result in legitimacy gap'' (Setia et al.,2015:406). Reimsbach and Hahn (2015:220) also argue that "legitimacy is threatened by disclosures of negative incidents if the society perceives that the company is not operating in an acceptable way". From a legitimacy point of view, Farooq, Ahmed, & Nadeem (2018) argue that sustainability reporting is symbolic for the public and a great communication tool to manage stakeholders during crisis. It is one of the communications tools that organisations use to influence the perceptions of the stakeholders about the company and is used for window dressing (Cho et al., 2015). Corazza, Truant, Scagnelli, & Mio (2020) argue that this type of influence is normally done after a company had been stricken by a disaster.

The organisation's fears of harming its legitimacy and reputation influences management to disclose in their reports more on positive sustainability performance rather than negative (Cho et al., 2015; Reimsbach, & Hahn 2015). Hummel and Schlick (2016) argue that those companies performing poorly in terms of sustainability tend to report information that is incomplete to hide the poor performance while trying to maintain legitimacy. They tend to structure their reports to meet stakeholders' expectations in order to strengthen the relationships and to enhance organisational legitimacy (Camilleri, 2018). As a result, organisations tend to use hypocritical decisions and talk to build facades in the report as tools for legitimacy (She & Michelon, 2019). However, Reimsbach & Hahn (2015) argue that being proactive with negative disclosures and how those are addressed by the organisation can be a positive signal to the stakeholders of how risks are managed within the organisation.

2.9.3 Impression management

The legitimacy theory is not mutually exclusive from impression management, and the two overlap in sustainability reporting disclosures. Impression management theory in the organisational context and corporate reporting, argues that for companies to impress their stakeholders they focus more on reporting positive sustainability performance and less on negative performance (Diouf & Boiral, 2017). Reporting positive sustainability performance can enhance company reputation, accountability and maintain social licence to operate. Melloni et al., (2017) define impression management as the process whereby managers report biased information by focusing on the content of information that is beneficial to them.

Haji and Hossain (2016) argue that there are numerous impression management strategies that companies use in corporate reporting to influence the perceptions of stakeholders. This is affirmed by Flower (2015) who also argues that companies tend to use different types of approaches such as visual representation, repetition and use of adjectives to emphasise narrative disclosures. In their study exploring how adoption of integrated reports by highly regarded reporting companies is influencing organisational practice, Haji & Hossain (2016) used five impressive management techniques to analyse and explain the nature of disclosures and concluded that firms use different impression management techniques in their reports. The case study focused on EY awards winners, for integrated reports published in the years 2011 to 2014 (Haji & Hossain, 2016).

According to Brennan, Guillamon-Saorin, & Aileen Pierce (2009) and Haji & Hossain (2016:422), these impression management strategies and techniques include:

a) "*rhetorical manipulation* where language is used to enhance positive outcomes and obscure negative comments,
b) *thematic manipulation*, illustration and preference made on positive/negative results, this involves keeping away positive information, either by not reporting the bad news or reporting it to lesser extent as compared to positive information,
c) *selectivity*, selection of favourable positive data and narratives,
d) *emphasis in visual presentation*, emphasis of data through repetition, reinforcement and positioning),
e) *attribution of organisational outcomes*, use of language suggesting that good results are the consequences of management while negative outcomes are the result of the outside factors,
f) *syntactical manipulation* comprising readability studies, and
g) *performance comparisons* where companies use selection of comparators, benchmarks and trends to display the favourable performance."

Corazza et al., (2020:8) highlight that impression management strategies such as visual presentation are very effective "as the human memory plays a key role in coding textual and visual information with respect to how pictures are used to alter impressions''. Falschlunger, Eisl, Losbichler, and Greil (2015) argue that graphs in reporting can be used to communicate information; however, companies can manipulate and display them in such a way as to give a positive impression. Sandberg and Holmlund, (2015) also argue that companies use several impression tactics in order to shape and influence the perceptions of stakeholders reading their sustainability reports and classify them under presenting actions and writing styles. "The presenting actions tactics include description (using examples of actions taken), praise (presenting actions in a way that is overly favourable), admission (admitting to cases that do not match or support the favourable impressions) and defence tactics (trying to justify instances that do not support the favourable impressions being conveyed)" (Sandberg & Holmlund, 2015:682). The writing style impression tactics identified include the form of language used to portray the information to the stakeholders. "These writing styles included subjective style (discussing issues from one person's point of view), positive style (overemphasising favourable information over the unfavourable one), vague style (providing information that is not specific and not providing any clear account of events), and emotional style where text is used to provoke emotions" (Sandberg & Holmlund, 2015:682).

2.10 Previous Research

Many studies have been conducted on the quality of the sustainability reports disclosures, but the question of how stakeholders perceive the information disclosed is not fully known and is often ignored (Mervelskemper & Streit, 2017).

Michelon et al., (2015) undertook a study to investigate the use of corporate social responsible (CSR) practices covering the sustainability information and the quality of the disclosures. The study focused on companies listed on the London Stock Exchange. The study's results revealed that the companies used the CSR reports as legitimation tools to influence the stakeholders' perceptions about the organisation's overall performance (Michelon et al, 2015).

Boiral, Heras-Saizarbitoria, and Brotherton (2019) analysed the opinions of the auditors through the 301 GRI-based sustainability assurance statements from the mining and energy sectors to determine their perspective of the quality of the sustainability reports using the GRI principles of reporting. A total of 13% of these companies were from Africa. "Only a quarter of the statements analysed covered the balancing (presenting information in a balanced manner) of information disclosed while 15% of the statements showed a reflection of the companies' expectations and legitimised the information disclosed" (Boiral et al., 2019:712). Although the study considered the perspective of the auditors on the quality of the reports, sustainability reports are produced for many other stakeholders, and this research study will consider their perspectives.

Diouf and Boiral (2017) undertook a qualitative study to determine the quality of the GRI sustainability reports through 33 interviews with stakeholders in the socially responsible investment field in Canada. The study revealed that stakeholders support the notion that sustainability reports are used as impression management tools and concealing the negative performance of the company (Diouf & Boiral,2017). The focus of the study was on the GRI principles defining the quality of sustainability reports in the context of Canada, and the author recommended that similar studies be undertaken in other countries (Diouf & Boiral, 2017).

Falschlunger et al., (2015) conducted a study analysing annual reports over a period of seven years of top 50 European companies listed in the Fortune 500 index. The study focused on investigating the development of the three major areas of impression management, the selectivity, graphical measurement distortion and presentational enhancement and to try to understand how the companies use and misuse the graphical presentations. The authors argued that the use of graphs is likely to capture the reader's attention when reading the annual reports; however, they can also be misleading. The study revealed that "companies primarily produce graphs in order to influence the perception of their stakeholders rather than to display the topics in accordance with the true and fair view" principle that is requested by the International Accounting Standards Board (IASB)" (Falschlunger et al., 2015:383).

2.11 Conclusion

The quality of integrated reporting is critical in achieving the organisation's legitimacy goals towards its stakeholders (Vitolla et al., 2019). A balanced integrated report disclosing both positive and negative sustainability performance and impacts is necessary to enable organisations to improve their relationship with their stakeholders. Vitolla et al., (2019) argue that stakeholder perspectives are important to understand the drivers and motivation of companies producing quality reports. It is therefore important that organisations understand who their stakeholders are, what their needs and expectations are and be able to provide them with balanced financial and non-financial information to make informed decisions about the company.

CHAPTER 3: RESEARCH QUESTIONS

3.1 Introduction

This chapter originates from the literature review completed in Chapter 2 and resulted in the four research questions identified in section 3.2 below. Many studies that have been conducted focused on sustainability reporting content analysis and argued that information disclosed in the reports focused more on positive performance with the aim of impressing the stakeholders. However, few of these reports say less on what stakeholders perceive in terms of reporting disclosures.

The objective of the study is to analyse the perceptions of stakeholders on the quality of the sustainability reports' disclosures focusing on balanced reporting and impression management strategies.

3.2 Research Questions

Taking into consideration the research problem defined in Chapter 1 and the description of the existing theories, the following research questions have been developed:

Research Question 1:

What are the stakeholders' perceptions of the quality of the sustainability reports?

Research Question 2:

To what extent do these perceptions support the arguments that sustainability reports are used as impression management strategies to influence stakeholders' perceptions?

Research Question 3:

What ways do companies use to mislead their stakeholders in their sustainability reports?

Research Question 4:

Is the sustainability information disclosed in the sustainability reports comparable in the same industries/sectors?

The research methodology applied to collect, analyse and interpret the data to answer these questions is described in Chapter 4 that follows.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Introduction

The purpose of this chapter is to describe the research methodology followed to collate and analyse the data in order to answer the research questions set out in Chapter 3 above. The justification for the research approach followed is described in the chapter along with the research limitations.

4.2 Research Design

A qualitative method and exploratory approach was adopted for the study and the interpretivism philosophy was followed. Bluhm, Harman, Lee & Mitchell (2011:1870) argue that "the qualitative research's aim is to identify new information, uncover processes in individuals or organisations and determine the changes of these processes over a period of time". The study will entail understanding the perceptions of the stakeholders on the quality of the sustainability information disclosed in the sustainability reports. Saunders and Lewis (2012:109), argue that the "interpretivism philosophy focuses on social phenomena, understanding differences between humans in their role as social actors". This philosophy was used for the study as it aims to understand different meanings and interpretations by different people or groups of people to help create and sustain a sense of truth in a real setting (Gephart, 2004).

Interpretive content analysis was used to examine the sustainability reports of companies listed on the JSE. This approach, which is mainly inductive was adopted to enable the researcher to identify themes or trends in the text under investigation (Merkl-Davies, Brennan, & Vourvachis, 2011). "This approach relies on different people's views of real setting and uses words and talks to create text" (Gephart, 2004:455). The adopted inductive approach included a literature review, including content analysis on sustainability reports, interpreting data from the semi-structured interviews followed by analysis and categorisation of different themes arising from the qualitative analysis.

A multi-method qualitative design was used whereby qualitative data from the literature review, desktop content analysis of sustainability reports, and stakeholders' interviews was used to answer and address the research questions. Bansal, Smith, and Vaara, (2018:1190) argue that “qualitative research identifies new knowledge, information that could lead to a new theory that scholars can use to bring new knowledge that can generalize beyond the specific contexts’’.

The exploratory and interpretive research study depends on qualitative research techniques such as interviews (Blumberg, Cooper, & Schindler, 2008) as they can enable the researcher to maintain specific focus. The stakeholders with different roles in the sustainability reporting were interviewed to share their perceptions regarding the quality of the sustainability reporting disclosures. As a result, the narrative enquiry was adopted as a research strategy because its objective is to gain an understanding of the organisational realities linked to the members’ experiences (Saunders & Lewis, 2012). Creswell, Hanson, Clark, Plano, and Morales (2007) argue that narrative research focuses on the participants’ personal experiences, which in the study will be the different stakeholders’ personal experiences and perceptions on the quality of the sustainability reporting disclosures. Interviews were used as they are known to be the most frequently used method in qualitative research studies to collect the data (Bell, Bryman, & Harley, 2018).

Semi-structured interviews were used to collect data, as they allowed the researcher to gather knowledge from individual’s experiences, address predetermined themes through selected open-ended questions and allowed provision for follow-up questions to be asked (Zikmund, Babin, Carr, & Griffin,2013; Casell, 2015). Content analysis was used to review, extract and analyse the sustainability reports. Sherman & DiGuillio (2010) argue that this method is suitable for the analysis of the sustainability disclosures.

A cross-sectional research design was adopted whereby data was collected from the participants in only one period, which is normally called a snapshot (Saunders & Lewis, 2012). A content analysis was conducted for three (3) consecutive sustainability reports (2017-2019) for each company that was selected, introducing a touch of longitudinal research, and data was collected from the public sustainability report published for that single point in time. Some of the companies referred to these reports as ESG reports and were developed as stand-alone sustainability reports but as part of the companies’ integrated reports. The reports analysed were for three years, from 2017 to 2019.

4.3 Research Universe

The population of the study included all companies listed on the JSE that published a sustainability report in the three consecutive years, 2017–2019.

4.4 Sampling method and size

Purposive sampling was used to identify two industry sectors in the JSE, and a minimum of six (6) companies within those sectors that produced a sustainability report for the consecutive years 2017–2019. The reports used were published in English. The mining and financial sectors were selected. Mining, being a resource-intensive industry has been exposed to criticism from various stakeholders regarding environmental and societal risks and impacts and has responded to these by being leaders in sustainability reporting (Böhling et al., 2019). The financial sector facilitates provision of funds and investors are keen to fund those organisations with sustainable practices. According Buallay (2019), the banking and financial services sector has been focusing on the sustainability issues, particularly ESG, following the 2008 financial crisis.

Three mines and three companies who are providers of funds (Banks) publishing sustainability reports were selected via the JSE website. The sustainability reports were analysed using desktop content analysis, followed by interviews with the different stakeholders to acquire their perceptions regarding the quality of the disclosures. Merkl-Davies et al., (2011) argue that content analysis is the main method for analysing corporate narrative such as annual or stand-alone reports and involves a research methodology for analysing textual data.

The interview respondents were approached via email and through telephone calls before the interview. Convenience sampling was adopted to obtain more respondents for the interviews. Saunders & Lewis (2012:147) point out "that convenience sampling enables the researcher to make use of participants that can be easily obtained in the sample rather than because of their appropriateness". Interviews were conducted once participants had granted consent for the interviews and agreed on the interview dates.

The interviewees included different users of the reports, focusing on analysts, report preparers, sustainability assurance auditors and sustainability practitioners responsible for corporate sustainability from various industries.

The criteria used to select the respondents included:

- Anyone directly or indirectly involved in sustainability performance management;
- Anyone who uses sustainability reports for decision-making; and
- An expert or professional in compilation of sustainability reports.

4.5 Unit of analysis

The unit of analysis was the sustainability reports of the JSE-listed companies and the perceptions of the different stakeholders on the quality of the sustainability information disclosed in the sustainability reports. These stakeholders included different users of the reports, focusing on analysts, report preparers, and sustainability assurance auditors. The sustainability practitioners responsible for corporate sustainability in various industries were also interviewed to understand their perceptions regarding the quality of the sustainability reporting disclosures.

4.6 Measurement instrument

Semi-structured, open-ended interviews were used. Interviewers were given an option to either meet face-to-face, be interviewed telephonically or via online channels such as Skype, Zoom or Microsoft Teams. Many of them opted for Zoom and the Microsoft Teams. Saunders and Lewis (2012) describe semi-structured interviews as a data collection method where a set of questions which are classified according to different themes and topics are set but not necessarily asked in the same order, but the order of the questions depends on the participants' different responses. Turner (2010) points out that semi-structured interviews are tools to present information according to the interviewee's perspective and experiences. The open-ended questions allowed the respondents to express their views and openly share their feedback with the researcher.

Semi-structured interviews are valuable when there are several respondents to be interviewed and they allow for comparative analysis in which the interviewer can ask for clarification or elaboration (Welman & Kruger, 2001). This was relevant to the study as more than one respondent was interviewed. The interview guide questions were derived from the analysis of the company's sustainability reports and the literature review was used to ensure consistency in the process.

4.6.1 Data gathering process

Data was collected through a desktop content review and analysis of sustainability reports of a minimum of six (6) companies listed on the JSE. The reports were accessed online via the companies' websites. A literature review was also done. A desktop review of the sustainability reports and the literature review was followed by semi-structured interviews with analysts, report preparers, sustainability assurance auditors and the sustainability practitioners.

Unobtrusive research was used to source the sustainability reports via downloads from the selected companies' websites. According to Ibert, Baumard, Donada, & Xuereb (2001) the unobtrusive measure is a data collection method used when data collected does not affect the subject and the data is collected without their knowledge. This method was effective as the sustainability reports for listed companies are public documents and can easily be retrieved from the different companies' websites by anyone without interaction with company representatives.

The interviews were held with the different stakeholders who are users of the reports including analysts, report preparers, auditors and the corporate sustainability practitioners from various industries to understand their perceptions with regard to the quality of the sustainability reporting disclosures. The interview guide in Appendix 1 was used for all the interviews. The interviews ranged between 30 minutes – 1h 30 minutes each and with the consent of the respondent they were recorded using a tape recorder. These interviews covered main themes, sub-themes which were developed from the literature review and content analysis of the sustainability reports.

The data will be stored electronically, submitted to the University with the research report and will be stored for a period of 10 years.

4.6.2 Analysis approach

In all, 18 sustainability reports from six (6) companies, comprising three (3) reports for each company for the period 2017–2019 were reviewed both online and using hard copies. Thematic analysis was used to evaluate the data that is gathered as it is a commonly used data analysis method in qualitative studies (Guest, MacQueen, & Namey, 2012). Gibson and Brown (2009) state the objective of thematic analysis is to assess the data for commonalities, differences and relationships. This analysis was used to determine the quality of the sustainability information disclosed in the reports.

The common themes and trends in terms of balanced reporting disclosures from the reports were tabulated and are shown in Appendix 2. Comparisons were made between the companies within the same sector to search for any emerging major trends and differences. Differences between the sectors were identified as well as different ways of disclosing sustainability information. The reports were analysed by interpretatively drawing out information disclosed in the ESG and economic section of the sustainability reports while using the impression management strategies and techniques.

The interviews were recorded and transcribed into a Word document. The analysis of the information gathered in the sustainability reports and literature review allowed the researcher to adapt questions to be asked including those aimed at better understanding the rationale for justifying the reporting of sustainability issues. Audio recordings were used to make transcripts, which were analysed using Atlas.ti software, analysing the perceptions of the stakeholders on the quality of the disclosures in the sustainability reports. An independent transcriber was used and was required to sign a non-disclosure agreement in order to protect the confidentiality of the respondents.

4.7 Quality controls – Data validity and reliability

In qualitative research studies, reliability and validity are two key criteria used for evaluating measurement to ensure the data gathered is both reliable and accurate (Saunders & Lewis, 2012; Zikmund et al., 2013). The data was validated using the triangulation method where information was sourced from more than one source

(Paul, 1996). Desktop content analysis on the sustainability reports of different companies was done to determine how they disclose the sustainability information and interviews were held with different stakeholders and users of the sustainability reports to determine how they perceive the sustainability information disclosed in the reports. The interview guide with similar semi-structured questions was used for all interviewees and sent beforehand to them to ensure reliability of the data.

4.8 Limitations

Sustainability reporting is not mandatory in other countries as it is in South Africa; as a result there is limited sustainability reporting information disclosed in articles by scholars in top-rated journals.

The study was limited to only two sectors on the JSE and as a result may not be a good representation of the population due to the differences between the sectors. However, the study provides opportunities for further research in the sectors that were excluded. The other limitation is that the study focused only on companies that are listed on the JSE that publish sustainability reports whereas there are many other companies that are not listed on the JSE that produce such reports. Future studies could analyse reports published by other companies that are not listed in the JSE that have significant sustainability impacts.

The study focused on the perceptions of different stakeholders and not necessarily those involved in the same companies for the sustainability reports under review, thus the results might not be a good reflection of how companies' specific stakeholders perceive the quality of their sustainability reporting disclosures.

CHAPTER 5: RESULTS

5.1 Introduction

This chapter presents the findings emanating from the primary data collected from the interviews with 15 sustainability practitioners and the 18 sustainability reports of the six JSE-listed companies. The results are presented as per the described research questions and objectives.

5.2 Sample Description

A sample of six (6) companies was selected and all are listed on the JSE. See Table 1 for a summary of the companies analysed and their industry classification. The six companies included three (3) mining companies and three (3) banking institutions, and the content analysis was based on their 2017 to 2019 published sustainability reports which were part of their integrated reports.

All of these companies publish integrated reports and separate sustainability reports which were used for analysis. The Absa group limited had not published a separate sustainability report in 2017, and as a result the sustainability portion within the integrated report was used for analysis. The companies used different names for their sustainability reports, with some referring to them as the ESG review reports or sustainable development reports.

Table 1: Names of Companies – Sustainability reports reviewed

Company Name	Brief Profile
Impala Platinum (Implats)	The producer of platinum and associated platinum group metals (PGMs) The company has 6 mining operations and toll refining business. Operations are based in South Africa and Zimbabwe (Implats, 2019).
Kumba Iron Ore Limited	A supplier of high-quality iron ore to global steel industry operations in South Africa (Kumba, 2019).
AngloGold Ashanti	An international gold mining company headquartered and has operations in South Africa (AngloGold Ashanti, 2019).

ABSA Group Limited	A South African-based financial services group, offering personal and business banking, credit cards, corporate and investment banking, wealth and investment management, as well as assurance (ABSA, 2019).
Standard Bank Group	The group operates in 20 African countries and is headquartered in Johannesburg. It offers personal and business banking; corporate and investment banking and wealth management through insurance, investment and wealth preservation solutions (Standard Bank, 2019).
Nedbank Group	Primary market is South Africa with presence in 5 other countries in the Southern African Development Community (SADC). The group offers a wide range of wholesale and retail banking services and a growing insurance, asset management and wealth management offering (Nedbank, 2019).

5.3 Research Criteria

The reports were analysed by interpretatively drawing out information disclosed in the ESG and the economic section of the sustainability reports while using the impression management strategies. Seven (7) impression management strategies and techniques called selectivity, rhetorical manipulation, thematic manipulation, emphasis in visual presentation, attribution of organisational outcomes, syntactical manipulation, and performance comparisons to explain disclosures of sustainability information. The impression tactics categorised under presenting actions and writing tactics were also considered.

5.4 Research Findings

5.4.1 Presentation of Results

All the interviews that were conducted and recorded were transcribed in a Word document. The transcripts were transferred into atlas.ti software for the identification of codes. The data was analysed for common themes cited by different respondents.

This section describes the demographic information of the participants, the emerging themes and the verbatim quotes from the interviews with the participants as well as from the desktop content analysis answering the research questions described in chapter 3.

5.4.2 Demographic Information

The demographic information of the participants is illustrated in Table 2 below:

Table 2: Demographic information of the participants

Participant number	Job Designation	Job Category	Sector
P 1	Communication and Reporting Specialist	Report Preparer	Private
P 2	Account Director: Reporting and Communications	Report Preparer	Private
P 3	ESG/Sustainability Management Reporting Specialist	Report Preparer	Private
P 4	Head of Sustainability	Sustainability Practitioner	Mining
P 5	Group Head: Sustainable Development	Sustainability Practitioner	Mining
P 6	Sustainability and External Reporting Director	Sustainability Practitioner	Retail
P 7	Head: Sustainability	Sustainability Practitioner	Mining
P 8	Sustainability Manager	Sustainability Practitioner	Financial
P 9	Group Executive- Sustainability	Sustainability Practitioner	Agriculture
P 10	ESG Manager	Sustainability Practitioner	Public
P 11	Equity Research: Metals & Mining	Analyst	Private
P 12	Analyst	Analyst	Private
P 13	Senior Associate- Sustainability & Environmental Consultant	Assurance Auditor	Private
P 14	Senior Consultant	Assurance Auditor	Private
P 15	Director	Assurance Auditor	Private

The above table shows the number of participants chosen for the interviews to be 15 senior managers, specialists, and expert knowledge practitioners in the field of sustainability reporting. The participants included seven (7) sustainability practitioners from the mining, agriculture, financial, retail and public sector responsible for the day-to-day sustainability and reporting in their respective organisations; two independent analysts responsible for analysing ESG information of companies listed on the JSE; three independent assurance auditors; and lastly three independent sustainability reporting writers (preparers). This resulted in a wide range of both internal and external practitioners in the field of sustainability reporting.

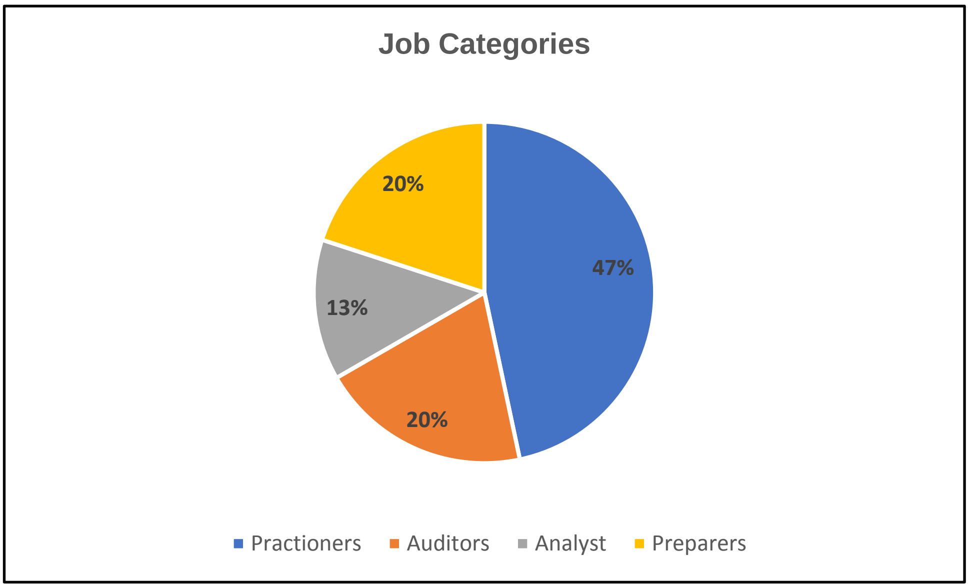

Figure 1: Job categories of the participants

Figure 1 above depicts the job categories of the participants in the study. The category of jobs was considered wide enough to get a fair spread of diversity in terms of internal and external sustainability practitioners in the field of sustainability from different sectors. Although 47% of those interviewed were sustainability practitioners, they represented different sectors. This was followed by a 40% split in two, with 20% each representing the preparers assisting the organisations with compiling the sustainability reports and the independent auditors providing verification and assurance of the sustainability and data information disclosed in the reports. The last 13% were analysts outside the realm of the listed companies, hence giving their impartial yet expert analysis of the sustainability information disclosed in the sustainability reports for decision-making purposes.

5.4.3 Identification of Themes

Thematic inductive analysis was followed for analysing the data. A detailed review of the transcribed interivews was conducted, followed by the coding process. This process included highlighting sections of phrases in the transcribed interviews where each code described a feeling expressed (Caulfield, 2019). The data was then analysed for common themes cited by different respondents. These themes were broadly aligned with the research questions from the semi-structured interviews that were conducted with the 15 participants.

The sustainability reports were analysed by interpretatively drawing out information disclosed in the ESG and economic section of the sustainability reports while using the impression management strategies and techniques described in Chapter 2. Themes were also identified from the reports and were aligned with relevant research questions.

5.5 Emergent Themes

The data saturation was reached during the data analysis whereby repetitive responses were identified. Eleven (11) emergent themes were identified from the analysis. The themes identified were as follows:

5.5.1 Research Question 1

What are the stakeholder's perceptions of the quality of the sustainability reports?

This research question explored the stakeholder's perception of the quality of the sustainability reports. All the participants were requested to draw on their experiences and describe their perceptions of sustainability reports and the quality thereof focusing on their understanding of balanced reporting and the information disclosed in the reports. The questions were asked in a manner that enabled the participants to elaborate more on their perspectives. This research question was addressed by the following interview questions:

- What is the role of sustainability reporting?
- What guidelines or frameworks do you use or prefer in producing a sustainability report? Why that specific one?

- Which stakeholders do you think the sustainability reports are developed for? And why?
- What drives organisations to produce sustainability reports?
- What do you understand by balanced sustainability reporting? Do you think the majority of sustainability reports are balanced?
- Do you trust the company information disclosed in the sustainability reports?
- How does the organisation determine what matters to include in the sustainability reports and how are such matters quantified or evaluated?
- What value does the assurance of the sustainability information add in the sustainability reporting?
- What do you think balanced reporting should look like?

Table 3 below illustrates the common themes that emerged from the interviews.

Table 3: Research question 1 themes

Numbers	Emergent Themes
1	Inconsistencies around Balanced Reporting
2	Credibility of Sustainability Information
3	Preferred reporting standards – GRI
4	Formalised materiality process

The sustainability disclosures in the 18 sustainability reports were also reviewed and verified through desktop content analysis against the themes that emerged from the interviews. The reports were analysed by interpretatively drawing out sustainability information disclosed in the ESG and the economic sections of the report.

5.5.1.1 Theme 1: Inconsistency in balanced reporting

The participants were asked about their perceptions on the quality of sustainability reports while focusing on the aspect of balanced reporting. The participants described their understanding that balanced reporting should focus on the organisation's stakeholders and describe both the positive and negative disclosures when dealing with sustainability reporting and addressing the stakeholder's concerns. These were some of the verbatim responses from the participants about their understanding of balanced reporting:

- *“I think a balanced report should look at the aspects or focus on the aspects that the key stakeholders want reported, things that the key stakeholders think are important” (P7).*
- *“balanced report should be material considering your various stakeholders” (P8).*
- *“A balanced report does not only give the views of the company; they also get the views of stakeholders on the company” (P15).*
- *“balanced report should be material considering your various stakeholders” (P8).*
- *“My understanding of balanced reporting is where a company has the courage to report where they have done well, where they have done badly, where they have struggled, and what they have done or are going to do about where they have had disappointments in their performance or they have had particular challenges in a particular area” (P1).*
- *“So, I believe balanced reporting is a report that highlights the good that you do, as well as the challenges you face, and it is not just a one-sided good news story.” (P5)*
- *“Balanced simply tells you that you shouldn’t only tell the good story, you also show the losses.” (P6)*

Some participants felt that there is a lack of balanced reporting illustrated in the sustainability reports. The following were some of the verbatim responses from different participants who believed there is lack of balanced reporting:

- *“Right, I think balanced reporting is something that companies struggle with” (P1).*
- *“I think companies are endeavouring to give balanced information in the integrated report. I don’t think we are there yet” (P3).*
- *“If you look at most of these reports, I can guarantee you 90%, they tell you more about the positive, not what they want to disclose” (P4).*
- *“And maybe that is one thing I am realising now as I am explaining it, is that we don't get enough reporting that focuses on downside risks” (P11).*
- *“I think most reports are not as balanced as they could be, and with balance I don’t only mean the spectrum of information that is covered, it is also positive*

and negative impacts as well; where things are really problematic, are often written in such a way that it is just a small little challenge you know – if something is really bad" (P15).

- *"you mentioned balance earlier, I think sometimes there is a lot of bias in sustainability reports". "A lot of companies do highlight mostly just the positive impacts as opposed to some of the negative impacts and activities" (P14).*
- *"It is a challenge because if you look from ...there is an operational and a strategic front, right? So, the strategic one says we must provide a report that is balanced and shows both the positive and the negative aspects of what we have been doing. And you can get a reporter who is putting down information in that sense. But if you look at it from an operation point of view, when that report goes to the next level to get approved, you will get maybe like a risk manager or the CFO or someone saying 'We can't put this in there because it looks so bad!" (P10).*
- *"I mean I am just thinking about it now, there is quite a (laughs) bit of the positive, right'' (P12).*

However, there were other participants, who believed that there is balanced reporting and that it is improving over time. The following were some of their verbatim responses.

- *"So, we report the good things that we have done and then we also report the lowlights or challenges, so the problems we are facing, as well as what it is that we are doing to try and address those challenges. And like I said, the reports I have seen probably over the last two or three years, there are a lot more balanced" (P5).*
- *"I think people are attempting to be more balanced" (P7).*
- *"I think in mining it is a lot more balanced. I really feel mining is probably one of the highest impact areas when it comes to sustainability and mining has had to be a mature industry when it comes to dealing with these issues". I think financial services needs to get a bit further down the line. I do not think they are there yet" (P 10).*
- *"Yes, and actually even listening to the EY excellence in integrated reporting awards, you know that is something that came across quite clearly – balance – balance was getting better and better; before there wasn't… before people*

were crying out for balanced reporting and now it is coming out better and better" (P2).

Both the negative and positive sustainability disclosures from all the three (3) mining companies' and three (3) banks' sustainability reports over the three-year period (2017–2019) are presented in Appendix 2 to determine if balanced reporting exists. It was evident through the different disclosures that more balanced reporting is in place in the mining sector than the financial sector. Herewith some of the verbatim disclosures evident in the mining sector:

Table 4: Some of the verbatim disclosures from the mining companies

Positive disclosures	Negative disclosures
We have not recorded a 'major' (Level 5) or' significant' (Level 4) environmental incident at any of our operations since 2013'' (Implats, 2017:56).	*"We recorded 23 limited-impact (level 3) incidents, relatively unchanged from the 22 incidents recorded in 2018. None of the reported incidents resulted in any lasting harm to the environment" (Implats, 2019:85).*
"No new cases of Noise induced hearing loss (NIHL) were diagnosed at Kumba, for a second consecutive year'' (Kumba, 2017:10).	*"In 2018, 8.6% of the workforce was reported to be potentially exposed to noise over 85 dB(A). The significant increase on the 6% reported in 2017 is owing to an increase in workforce and a reclassification of exposure groups" (Kumba, 2018:30).*
"The restructuring process at Impala Rustenburg continues to impact our employee turnover which was 8.7% down from 10.5% in 2018''(Implats, 2019:49).	*"Total employee turnover increased to 8.6% from 8.2% in 2017 due to headcount reduction initiatives in certain categories" (Implats, 2017:35).*
"Prior to experiencing the first fatal injury for the year, the South Africa Operations had experienced 349 fatal-free days – the longest fatality free period in its history" (AngloGold Ashanti, 2017:23).	*"Sadly, in the first four months of the year the company experienced three fatal injuries. We remain committed to achieving our objective of zero fatalities" (AngloGold Ashanti, 2018:27).*

5.5.1.2 Theme 2: Credibility of sustainability information

Theme two (2) emerged as participants responded about the importance of the credibility of the information disclosed in the sustainability reports, as an element enhancing the quality of the sustainability reports. Credibility from the participants' view is when the reports have been audited by an external independent party. A majority of the participants argue that they will only trust the reports that have been verified by an external party. However, some participants also expressed their views that although the independent audit does provide the credibility of the data, it does not mean that the information disclosed is flawless. Herewith some of the verbatim responses from the participants:

- *"But again, as I say, particularly if it has been assured – that gives you the comfort, that an independent person has had a look at the data and has checked it and then you also feel that any organisation that is prepared to invest in assuring its non-financial data is taking it seriously!" (P1).*
- *"So, there are mechanisms out there that help you increase the credibility of your reporting and your disclosure and one of those is assurance. So, if you have an independent assurer sign off your report to say 'yes, we don't have any reason to suspect that there are any misstatements in this report and the numbers are correct' then that adds credibility to your reporting. But having said that, Steinhoff you know, all these major corporate scandals we have had, they have all been…all their disclosures have been assured right, by the KPMGs and the Deloitte's and everyone else, so I don't know! (laughter)" (P5).*
- *"I do trust it if there is a level of third-party assurance." It does add trust, I think it does to a certain extent. I mean you have heard about EY, Deloittes, KPMG - there are so many of these controversies as well!" (P10).*
- *"I would trust the information that is assured" (P8).*
- *"Well it adds an element of credibility to what is being reported, it also adds a degree of sort of conformity and consistency in what is reported and how it is reported across the different companies, because generally people who are providing that assurance would say that 'we also consult to your peers and this is what they are doing" (P11).*
- *"So, as auditors or assurers we play a huge role because we go in as independent, which is a very key word here, we go as independent practitioners here, where we take no sides in terms of what the company does and what other people do in the sector. We ensure that we scrutinise the numbers or the data that you want to produce to the public, we scrutinise them*

thoroughly, obviously putting in place all the assertions, the audit assertions that are there to make sure that your data is complete or is actually accurate and valid for people to make informed decisions" (P13).

- *"Ja, it definitely adds value, but I also must add that assurance doesn't make a report flawless you know" (P15).*

It was evident in the desktop content analysis conducted on the 18 sustainability reports, that all companies under review had their sustainability reports assured by sustainability assurers between 2017 and 2019. The verbatim disclosures are detailed below:

Table 5: Different Companies Assurance disclosures

Company name	Assurance disclosure
Implats	*"Independent assurance over selected sustainability key performance indicators has been provided through a partnership between PricewaterhouseCoopers (PwC) and Nexia SAB&T (which is a 90% black-owned and 48% black women-owned assurance firm''* (Implats, 2019:2).
Kumba Iron Ore Limited	*"PricewaterhouseCoopers (PwC) has provided independent assurance over selected sustainability key performance indicators"* (Kumba, 2019:2).
AngloGold Ashanti	*"Ernst & Young Inc. (EY) has undertaken an assurance engagement in respect of the following information as reported in AngloGold Ashanti Limited's (AngloGold Ashanti's) Sustainability Report for the year ended 31 December 2019"* (AngloGold Ashanti, 2019:43).
ABSA Group Limited	*"For 2019, PricewaterhouseCoopers Inc conducted limited assurance on the total energy use and carbon emissions indicators"* (ABSA, 2019:2).
Standard Bank Group	*"We undertake independent external assurance of our approach and outcomes for our projects financed (both advisory and project related lending"* (Standard bank Group, 2017:44).
Nedbank Group	*"KPMG SA provided assurance regarding the integrity of its audit processes and further assurance was provided by KPMG International, which agreed, at the request of Nedbank, to provide additional comfort in respect of its support of KPMG SA"* Nedbank (2017: 44).

5.5.1.3 Theme 3: Preferred reporting standards – GRI

Theme 3 emerged following participants' experience around the importance of having formalised reporting guidelines, framework or standards when disclosing sustainability information. Participants expressed concerns around many standards that exist, with many listing the GRI standards and guidelines as the dominant and preferred ones in sustainability reporting. However, some of the participants argue that the GRI is just a tick box exercise. The verbatim responses were as follows:

- *"The International Integrated Reporting Council's integrated reporting framework is a very good basis as a guide to integrating information, but then when it comes to making sure that you have got all the right sustainability information in your report, the GRI provides very good guidelines" (P1).*
- *"The GRI is still and will remain the standard set for sustainability related topics in the world" (P6).*
- *"Look definitely GRI, it is still the best and I guess the most widespread used standard. But the SASBI standards are also rising up now, they are also becoming more important" (P 15).*
- *"I would strongly look at the GRI because it has that adaptability, whether you are operating at a small scale or lower scale, and there is a sense of application of which principles are relevant to you" (P 15).*
- *"The most well-known one and the one I think makes the most sense for companies to use for reporting, is GRI. Just I think there are a number of frameworks and I think GRI is the most well-known one" (P 14).*
- *"The GRI is simply just one of those tick boxes exercises that one undergoes because it is generally used as a general standard though when investors look and try to rate and measure sustainability performance; it's technically basic" (P7).*
- *"I think we are getting there, and I think also with frameworks like GRI they are forcing you to report in line with what your performance is" (P5).*
- *"compiling a report based on the GRI is simply just one of those tick boxes exercises that one undergoes because it is generally used as a general standard'' (P8).*
- *"To be honest with you what is done in most reports is ticking the boxes, just wanting to provide in terms of the level of compliance and then there is nothing I want to do" (P4).*

Through the desktop analysis of the sustainability reports, it was evident that different companies use different standards and frameworks to disclose the sustainability information, with a majority of the companies using the GRI standards and guidelines. The table below illustrates the different standards used by the different companies over the three-year period, 2017–2019.

Table 6: Different Companies' sustainability reporting standards and guidelines

Company name	Sustainability reporting standards and guidelines
Implats	*"This report has been compiled in accordance with the GRI Sustainability Reporting Standards, the FTSE/JSE SRI requirements, and internally developed guidelines on reporting guidelines, which are available on request. Implats is a signatory to the principles of the United Nations Global Compact (UNGC) and this report serves as our advanced level UNGC Communication on Progress(CoP)" (Implats,2019:2).*
Kumba Iron Ore Limited	*"Our sustainability reporting criteria have been compiled in accordance with the GRI's Sustainability Reporting Standards (core compliance) and their Mining Sector Supplement. Our reporting is also aligned with the AA1000 stakeholder engagement standard, the sustainable development principles and reporting framework of the ICMM, and the principles of the UNGC" (Kumba, 2019:2).*
AngloGold Ashanti	*"This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. AngloGold Ashanti is a signatory of the UNGC and this report serves as the 2019 Communication on Progress (COP). Our sustainability approach and activities are also aligned with the Sustainable Development Framework of the International Council on Mining and Metals" (*AngloGold Ashanti, 2019:3).
ABSA Group Limited	*"Our external reports contain a range of information which is governed by a diverse set of regulations, frameworks and codes: International Integrated Reporting Council's (IIRC's) Integrated Reporting <IR> Framework; King IV report; GRI G4 Standards; Financial Sector Supplement and Greenhouse gas protocol; Regulation 43 of Banks Act, No.94 of 1990 and African Banks Act, No. 94 of 1990" (*ABSA, 2019:1).

Standard Bank Group	*"The following codes, standards and guidelines underpin the group's approach to sustainable governance: BASA principles; United Nations Environmental Programme Finance Initiative (UNEP FI); United Nations Universal Declaration of Human Rights" (Standard bank, 2017:4).*
Nedbank Group	*"Our sustainability efforts and governance and risk management approaches are informed by, among others, the following industry best practices and bodies: UN SDGs; King IV; GRI; UNEP FI, National Capital Declaration; Positive Impact Initiative and TCFD Phase II Working Group; The Code for Responsible Investing in South Africa; NDP; BASA; Sustainable Finance Committee; Positive Impact Finance Task Group and Climate Risk Forum; UNGC: the CEO Water Mandate; The International Finance Corporation (IFC) Performance Standards; The Equator Principles" (Nedbank, 2019:25).*

5.5.1.4 Theme 4: Formalised materiality process

Many participants have expressed that in order to ensure the information disclosed in the sustainability reports is relevant to the organisations and its stakeholders, there is a need for a formal process to identify what are the key matters/material issues to disclose. Participants refer to this as materiality identification process, while others refer to the process as risk quantification and scoping phase, and some further argue it has to be done as part of the sustainability reporting process. Although the process has advantages, some participants argue that what is material for one can be non-material to another. The verbatim responses were as follows:

- *"Okay, for me it is very important that a business goes through a process to establish what has been most material to it for that year that it is reporting on, because that gives you a very clear guideline as to what should be included in the report and what information you need to be providing on those things that have been most material" (P1).*
- *"Definitely before you even get to the point where you want to report to your stakeholders, you need to evaluate and like you are saying, what aspects, what key performance areas are important and have more weight than the others, and what we call in our world is a scoping phase, where we scope your key performance indicators which will have more weight and more impact if the company does not report failure on them" (P13).*
- *"So, for a mining company – I am going to speak in general terms here – for a mining company you normally have about five or six things, and then these*

are also linked to your risk, right? So, we have a group risk profile and, in that say, the top 20 in there, we look at the ESG or non-financial risks are, and what exposure those risks have for the business. So those also feed into what the material aspects are for your organisation" (P5).

- *"So, in terms of sustainability issues, I think they still need to go back to basics and see what material issues are and how do they figure out what their material issues are. One of the big ways is to liaise with the stakeholders and see what are their concerns you know? And that is where they will get what the material issues are" (P2).*
- *"So, we embark on a materiality process as part of our integrated reporting, which then also feeds into sustainability report". "As part of that materiality determination and quantification and prioritisation, we bring in members of our management committee, the executive management committee, the relevant boards of committee members" (P7).*
- *"So, I think a company needs to… I know in the beginning when IRC came up with material issues and so did GRI, we would often run a materiality workshop to find out what are the key things, and what we would ask the EXCO is what are the key things that are keeping you up at night" (P2).*
- *"we do a materiality analysis, so we look at … there are things in an ESG space that have a potential impact on our ability to operate and generate a return, and then we also look at the things that have got a potential reputational risk for us" (P5).*
- *"But whether you as an individual stakeholder, when you look at the report, whether you will feel as if your material issue has been addressed or not, I think that is a different issue. You might not feel like your particular issue has been addressed. But that is because you are looking at it from your own perspective, and that is not what the report is for" (P11).*

The sustainability reports reviewed through the desktop analysis also illustrated the use of the materiality issues as the basis of the sustainability reports. The verbatim disclosures are detailed below:

Table 7: Different Companies' materiality process disclosures

Company name	Materiality process disclosures
Impala Platinum Mine (Implats)	*"The report focuses on our performance relating to those social, economic and environmental issues that have been identified as having a material impact on the sustainability of the economy, environment and communities in which we operate, or that are important to our key stakeholders" (Implats,2017:4).*
Kumba Iron Ore Limited	*"We continued to identify and prioritise the material interests of our stakeholders, and we implemented a comprehensive stakeholder engagement strategy and framework to address these interests" (Kumba, 2018:21).*
AngloGold Ashanti	*"This report has been prepared in accordance with the GRI Standards: Core option. These standards are the benchmark for sustainability reporting globally. This includes conducting a robust materiality assessment and focusing our reporting on these aspects" (AngloGold Ashanti, 2018:3).*
ABSA Group Limted	*"We include information in the integrated report based on the principle of materiality. Material matters are those which have influenced, or could influence, our ability to create value over the short, medium and long term as we pursue our ambition to have a positive impact on society and deliver shareholder value" (ABSA, 2017: iv).*
Standard Bank Group	*"We view the materiality determination process as a business tool that facilitates integrated thinking" (Standard bank, 2017:8).*
Nedbank Group	*"we have identified the following material matters that represent the issues that have the most impact on our ability to create sustained value for our stakeholders" (Nedbank, 2019:2).*

5.5.2 Research Question 2

To what extent do these perceptions support the arguments that sustainability reports are used as impression management strategies to influence stakeholders' perceptions?

The participants were asked to share their perception or experiences with regard to how information is disclosed in the integrated reports with the aim of influencing the stakeholders' perceptions. Many participants felt that the disclosures are more skewed towards positive performances and achievements while negative information is reserved with fear of reactions from the shareholders. It is in this context whereby companies tend to mislead stakeholders and create impressions that everything is in order.

This research question was addressed by the following interview questions:

- Do the sustainability reports provide information about how companies manage their environmental, social, economic and governance issues? What is your view?
- Does the sustainability information disclosed in the sustainability reports address the stakeholders' legitimate needs and interests? What is your view?
- Does the content of sustainability reports provide investors with data they need to inform their investment decisions?
- To what extent are the positive achievements and successes reported?
- To what extent are the negative performances reported?
- What do you think are the main issues hindering the reporting of the negative performances?
- In your opinion do you think the level of the disclosures in the sustainability reports are aligned to the sustainability performances of the companies?

There were two further themes which emerged from the participants professional views and this related to theme 5 pertaining to the selectivity of information and theme 6 on rhetoric statements. The themes are listed below with verbatim responses from the participants.

Table 8: Research question 2 themes

Theme Numbers	Emergent Themes
5	Selectivity of Information
6	Rhetorical Statements

5.5.2.1 Theme 5: Selectivity of Information

Here the participants expressed their views as to how companies choose which information is reported and to what extent it is reported. The selectivity of information often leads to bias reporting which tends to place the organisation in a more positive image or reputation than what may really exist. Most of the participants indicated that many of the reports disclose positive information to influence how the organisation is perceived by the external environment and shared reasons why companies lean towards positive reporting and keep away the negatives. The following are some of the verbatim responses from the participants:

- *"But I think companies really do struggle to be honest in that they find it hard to say 'ah, we messed up" (P1).*
- *"It is very simple, why do you think… I can tell you, ask any company, the question they are going to ask us is 'what do you think our investors will say when they see this thing?" (P4).*
- *"The reality is it is human bias I guess, there is a lot of the positive and not a lot… in most cases when it comes to risks we have to also read in between that there are maybe these risks that the company is not highlighting – not necessarily saying that they don't know about it, but you know, they are not putting it out there" (P 12).*
- *"where things are really problematic, are often written in such a way that it is just a small little challenge you know – if something is really bad. And the analyses of challenges I think are not always so balanced" (P15).*
- *"I think companies are much keener on reporting positive performance and as I said, I think they are quite weak on reporting negative performance quite often" (P1).*
- *"I think there are ones that the criticism has been that it is a greenwash. I think in order to be transparent and accountable in terms of our reporting we need to talk about how we are managing from a risk and opportunity perspective, our strategies etc, but we also need to talk about what things are going right and what things are going wrong. So, it talks to the element you mentioned before around balance" (P7).*
- *"Well I think you know it stems from shareholder and shareholder reaction to negative performance, and maybe companies, I think that was very strong, but I suspect that shareholders are beginning to realise that they need to accept a more balanced view of a company" (P1).*
- *"I think companies are just scared; they are just scared to... I guess whether the readers will invest if they see that information" (P14).*

5.5.2.2 Theme 6: Rhetorical Statements

Any statement that is intended to not have any feedback, output, or response to it, is rhetorical in nature. They are usually meant to be portrayed in a positive light when it relates to integrated or sustainability reports or downplay a negative response. Here participants also felt that sustainability reports use rhetorical statements when they do not want to place emphasis on a negative event or mitigate its impact on the economy, society, or the environment.

- *"I think some of the disclosure is quite weak because they don't have targets in place, but they are revealing quite often" (P1).*
- *"I think companies are quite loath[e] to put in, if you really read the integrated reports the targets are quite vague, because it is very difficult to meet those targets whether they are positive or negative'' (P3).*
- *"But if you look at it, most people or companies don't want to commit. Nobody wants to commit. It is that we want to comply, read that language, you will find it mostly in the reports – we will ensure compliance" (P4).*
- *"You know (laughs) – and again we are all guilty of it – what we tend to do is the status quo, so we say in the past year we have used this, improved that, and we have got to here. But don't say things like 'in assessing our water consumption (let's just take water), in assessing our water consumption activities we found these and these and these to be the challenges, and we really think that in terms of improving things for the future these are the kind of management imperatives that need to be pushed back" (P9).*
- *"The reports the way they are now, they are mostly qualitative in terms of talking about impacts, whereas I think we are moving towards quantitative analysis" (P5).*
- *"But we don't put technical and strategic aspects into those reports to say we have management imperatives" (P9).*
- *"So ja, companies do to a level obviously report on also the not so good numbers, but in a way they put it in a good way to say 'this is bad but we have targets to make it better in the future" (P13).*

5.5.3 Research Question 3

What ways do companies use to mislead their stakeholders in their sustainability report?

This research question was more focused on the information disclosures in the sustainability reports and this was mainly verified through the desktop content analysis of the 18 sustainability reports. The reports were analysed by interpretatively drawing out sustainability information disclosed in the ESG and economic sections of the reports against the impression management strategies and techniques described in Chapter 2.

5.5.3.1 Theme 7–9

Both the positive and negative sustainability disclosures of the material performance indicators described in the different mining companies and banks' sustainability reports for over a three-year period (2017–2019) are outlined in Appendix 2. The information disclosed in the reports was also reviewed to determine the balance reporting described under research question 1. The tables also illustrate the different metrics the companies use to measure their sustainability performances as well as performance trends over the three-year period. Different impression management strategies and tactics used by different companies were identified and through this process the following dominant themes were identified:

Table 9: Research question 3 themes

Theme Numbers	Emergent Themes
7	Performance Comparison and Trends
8	Visual Presentation
9	Subjective Writing

The themes identified above were evident in both the positive and negative disclosures and in both the mining and financial sectors, indicating that impression management strategies and tactics are applied.

Performance comparison and trends

Herewith some of the verbatim responses illustrating performance comparisons and trends:

- *"Our total energy consumption was 16 978 GJ (000), down from 18 065 GJ (000) in 2017" (Implats, 2018: 78).*

- *“No new cases of NIHL (percentage loss of hearing (PLH) shift >10%) diagnosed for a third consecutive year, nor any cases of standard threshold shifts > 25 dB” (Kumba, 2019:43).*
- *“The total absenteeism rate (absenteeism owing to injuries on duty, non-work-related injuries, and sickness) decreased to 3.14% in 2017 (2016: 3.62)” (Kumba, 2017:31).*
- *“Total procurement spend increased by 15.66%, 2017:$2.29bn (2016:$1.96bn)” (AngloGold Ashanti, 2017:35).*
- *“CDP score remained at B Management (taking coordinated action on climate change issues) ahead of the industry average” (ABSA, 2017:43).*
- *“We decreased our carbon emissions by 34% since 2012” (ABSA, 2017:31).*
- *“We have invested R28.6 million in increasing our energy efficiency, energy security, and environmental sustainability in South Africa’’ (Standard Bank Group, 2019:40).*
- *“The total energy consumed in 2019 in our South African operations was around 195GWh, well below the 307GWh consumed in 2014” (Standard Bank Group, 2019:40).*
- *“In 2017 the amount that we were able to invest increased from R72m in 2016 to over R94m. The increase of R22m was invested primarily in tertiary education” (Nedbank, 2017:32).*
- *“The Nedbank workforce comprises 62,1% women, against an economically active female population of 45% in SA’’ (Nedbank, 2017:32).*

Visual presentation

In the disclosures companies also used visual presentation such as the use of colourful graphs, graphics, and large fonts to emphasise the importance of the information disclosed.

Herewith some of the visual presentations from the different reports supporting information disclosed as per the verbatim below:

“Our total energy consumption was 16 978 GJ (000), down from 18 065 GJ (000) in 2017” (Implats, 2018: 78).

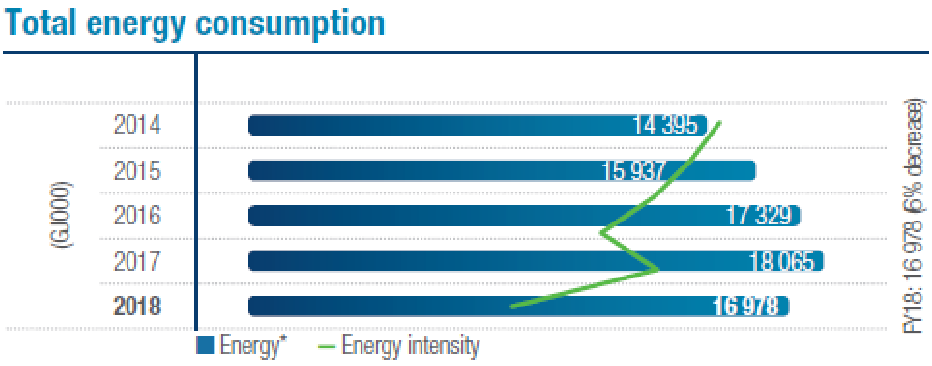

Figure 2: Illustration of visual presentation using graphs 1

Adapted from "Implats Sustainable development report, (2018:78)"

"Our total energy consumption (direct energy + indirect energy) was 16 863 000 GJ, up from 16 201 000 GJ in 2018" (Implats, 2019:90).

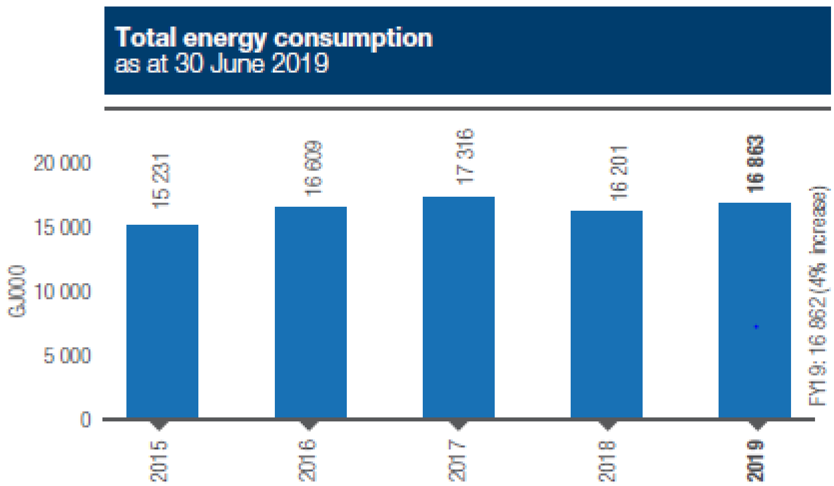

Figure 3: Illustration of visual presentation using graphs 2

Adapted from "Implats Sustainable development report (2019:90)"

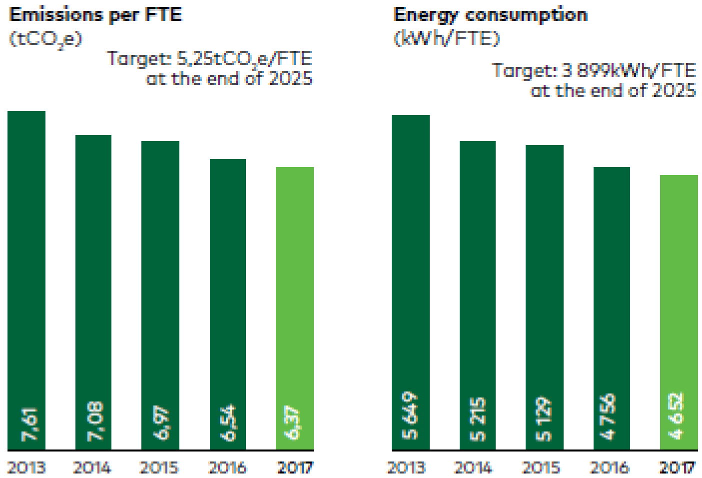

Figure 4: Illustration of visual presentation using graphs 3

Adapted from “Nedbank Sustainable development review (2017:19)”

Herewith some of the use of large bold fonts as visual presentation to highlight positive performance:

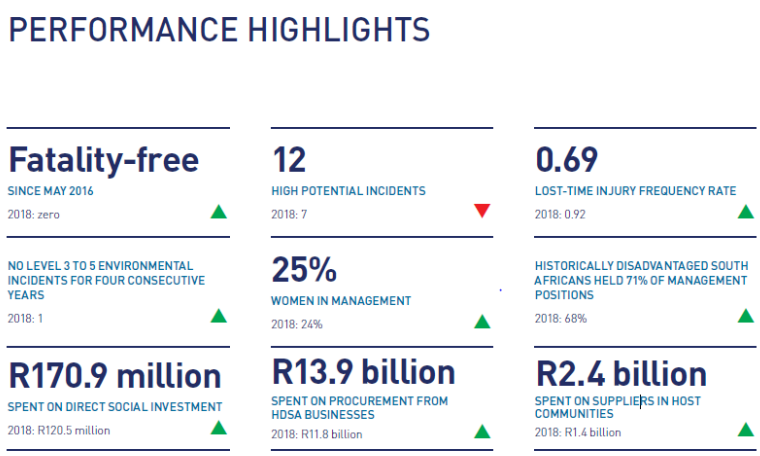

Figure 5: Illustration of visual presentation using large bold fonts 1

Adapted from “Kumba Iron ore sustainability report (2019:2)’’

All occupational disease frequency rate

7.03

2016: 7.13

Noise induced hearing loss

10.2%

2017: 132 (2016: 147)

New cases of Malaria

12.1%

2017: 1,686 (2016: 1,504)

New cases of silicosis

18.32%

2017: 107 (2016: 131)

Figure 6: Illustration of visual presentation using large bold fonts 2

Adapted from “AngloGold Ashanti Sustainable development report (2017:26)’’

Tables were also used to communicate the sustainability information to the stakeholders. This is information is already described in the table as per the verbatim below:

“Our community development budget is determined by 1% net profit after tax. In 2018, we spent R123.5 million (2017: R106.7 million)”(Kumba, 2018:50;51).

CED EXPENDITURE (CSI AND SLP PROJECTS)

Rand million	2018	2017	2016
Corporate office (including Chairman's fund)	27.7	71.4*	32.7
Sishen	48.7	13.0	11.4
Kolomela	47.1	21.6	16.1
Thabazimbi**	–	0.7	6.7
Group***	123.5	106.7	66.9

Figure 7: Illustration of visual presentation using table 1

Adapted from “Kumba Iron ore sustainability report (2018:51)’’

WATER CONSUMPTION

	Scope	Measure	2019	2018	2017
Total water consumption	SBSA	kilolitres	627 632	680 559	666 806
Reduction target	SBSA	%	8	6	n/a

Figure 8: Illustration of visual presentation using table 2

Adapted from “Standard Bank Group Environmental, Social and Governance report (2019:42)’’

Graphics have also been used to illustrate performance improvements. "In 2017, we reduced Standard Bank's energy consumption by 21.7% against the 2014 baseline, exceeding the target we had set for 2020" (Standard bank Group, 2017:11).

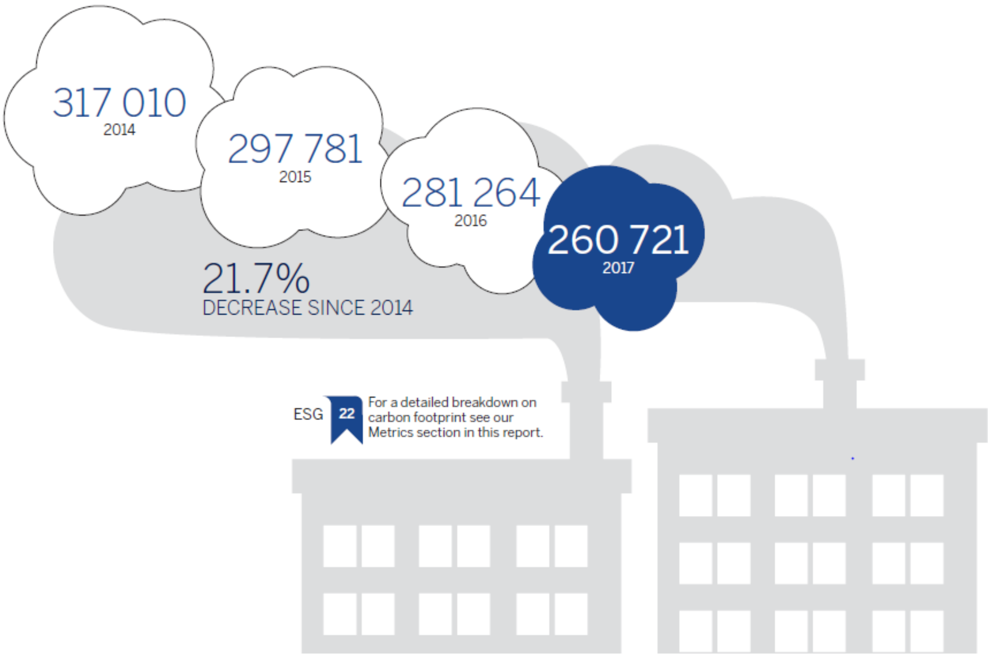

Figure 9: Illustration of visual presentation using graphics

Adapted from "Standard Bank Group Environmental, Social and Governance report (2017:11)''

Subjective writing

It was evident in the reports that companies tend to not to disclosure clear straightforward information. Herewith some of the examples from the reports:

- *"This year, there were no major non-compliances at our operations"* (Implats, 2018:11). The term major non-compliance has not been defined in the reports.
- *"We recorded 23 limited-impact (level 3) incidents, relatively unchanged from the 22 incidents recorded in 2018. None of the reported incidents resulted in any lasting harm to the environment"* (Implats, 2019:85). It is not clear what lasting harm means in this case.
- *"During 2017, we recorded 146 incidents (2016:105), all of which were low impact incidents and have been investigated and closed" (Kumba, 2017:57). The term low impact is not defined.*

- *“Kumba is a recognised leader for its TB and HIV/Aids programmes in the workplace, and most of our performance indicators show a steady improvement” (Kumba, 2017:32; Kumba, 2018:34; Kumba, 2019:47).*
- *“There were 95 (2018: 143) work-related injuries in 2019, resulting in 607 days lost. No high-consequence work-related injuries or fatalities were reported during 2019’’ (ABSA, 2019:51).* The disclosure refers to 95 work-related injuries, but it is indicated there were no fatalities, sounding positive though injuries were recorded.

5.5.4 Research Question 4

Is the sustainability information disclosed in the sustainability reports comparable in the same industries / sectors?

This research question aimed to understand whether the sustainability information disclosed in the same sector is comparable. The desktop content analysis focused on sustainability reports of two sectors, the mining and financial sectors. This research question was also addressed by this interview question:

- Is the sustainability information compiled in the sustainability reports comparable in the same industries/sectors?

This resulted in theme (10) which is the use of multiple reporting standards and frameworks, and theme (11) which is sectoral reporting.

Table 10: Research question 4 themes

Theme Numbers	Emergent Themes
10	Use of multiple reporting standards and frameworks
11	Sectoral Reporting

5.5.4.1 Theme 10: Use of multiple reporting standards and frameworks

Many participants felt that the information disclosed in the sustainability reports is not easily comparable, whilst few argued that the information can be compared. Here participants expressed the use of different frameworks, guidelines and standards as an element affecting the comparability of the disclosures. Some participants argue that using the same standard could ensure easy comparability of the information disclosed in the reports, while having many standards that are not mandatory makes it difficult to compare the information. Their verbatim responses are captured below:

- *"So I think there is a comparability there, and maybe what makes it easy is that most of us are reporting in terms of the GRI and we use the similar frameworks and associations and so you can see that association fits with that information, we can compare it. Or that standard is with that information and we can compare it. So the comparability is there, you can actually even do benchmarking and you can look and see where are your competitors, where are you, where are the gaps, and how do you actually fill those gaps?" (P9).*
- *"Yes, look sometimes it does require a slight adjustment, and then you have to mathematically adjust them to make them comparable" (P 4).*
- *"I think a good strong sustainability report vs one that is not, is going to make a difference to investors, and certainly, I think that is why using a framework that helps with comparability is a good starting point to base your reporting and reporting programmes on" (P14).*
- *"But if you want to really compare you can do it; it requires some manipulation of data, the data is out there, so you can do it. But it is not so easy. On other aspects like safety, I mean that there the reporting is pretty standardised, so fatalities are fatalities, right? Fatal injury frequency rates are fatal injury frequency rates. They are calculated in the same way. So, in things like that it is easy to do an industry comparison" (P 6).*
- *"Just I think there are a number of frameworks and I think GRI is the most well-known one, but I still think sustainability reporting sort of is young in the sense that it is really the comparability between different companies sustainability information is just not there; it is so difficult to sometimes compare similar sustainability information between two companies, even within the same sector, there are just so many variables" (P14).*
- *"They tend to disclose fairly similar things like safety stats and so on, but sometimes they are using different standards, different measurements, and that makes it difficult to do comparative measurements" (P1).*
- *"Ja, I think at the moment you can, but it is not so easy, because even though you all use the same frameworks, the way that we present our data is slightly different" (P5).*

5.5.4.2 Theme 11: Sectoral Reporting

Some participants indicated that because companies do lots of benchmarking they tend to check how and what their peers are reporting, and they follow suit resulting in companies within a similar sector reporting similar types of information. The comparability of the information disclosures was also determined by identifying the commonalities in the disclosures between the 18 sustainability reports under review. The following are some of the participants' verbatim responses:

- *"Like I said initially, when we started, to say companies don't just wake up and start reporting on certain key performance indicators, they look at their peers, what are their peers doing, what are they reporting on, and then they benchmark themselves against those particular peers, and they look at what is being said and done, what is gaining momentum, what is gaining a lot of airtime globally from the well-known, renowned companies that are doing the same work as you are doing as a company" (P2).*
- *"If you sit with two companies that report water use, you must go and look at the context; you cannot directly just look at the different numbers and say 'ah you used more water than this guy so you are a bad boy' you know?" (P 15).*
- *"So, the comparability is there, you can actually even do benchmarking and you can look and see where your competitors are, where are you, where are the gaps, and how do you actually fill those gaps" (P9).*
- *"So, I am not so sure what happens in the background, whether you guys look at each other's reports and think 'Okay guys, let's report…' (laughs) or whether there is a standard, but it is very similar. It is extremely similar. There are slight differences which are literally a phone call away but in terms of the energy, the way you report your energy consumption, it is the same thing" (P11).*
- *"Sustainability practitioners have had to continually reinvent reporting frameworks and it has gotten to a point where we call it reporting fatigue. And especially for a bank, um so I think we probably report more than mining companies report on, we have got research houses that we need to submit to and respond to by virtue of us being a listed company" (P8).*

The comparability of the disclosures in the 18 sustainability reports were reviewed, with the focus on the commonalties within the two sectors. The thematic analysis was conducted through Atlas.ti to identify common themes reported. Commonalities within the mining sector are identified in Table 11 and those within the banking sector are in Table 12 below.

Table 11: Commonalities in the Mining Sector Sustainability reporting disclosures

MINING SECTOR COMMON SUSTAINABILITY DISCLOSURES	
COMMON THEMES	**SUSTAINABILITY TOPICS**
Community and stakeholder management	Community complaints Community engagement Community or social expenditure
Economic value creation	Corporate taxes Economic value Employee remuneration Enterprise development Procurement Skills levy
Employee relations	Absenteeism rate Employee grievances Housing accommodation Human rights Labour unrest – industrial action Succession planning Training and development Transformation Turnover rate Women representation Workforce numbers
Environmental Management	Air Quality Monitoring Biodiversity management Carbon footprint/carbon emissions Climate change monitoring Energy consumption Energy management Environmental incidents Mine closure Mine rehabilitation Mineral waste management-tailings Non-mineral waste Product stewardship Water management Water usage/consumption

Governance and standards	Assurance process Ethical culture Fraud and corruption materiality
Health and Safety performance and Management	Health and Safety HIV and TB management Medical insurance Noise-induced hearing loss Occupational diseases Safety performance

Table 12: Commonalities in the Financial Sector Sustainability reporting disclosures

FINANCIAL SECTOR COMMON SUSTAINABILITY DISCLOSURES	
COMMON THEMES	**SUSTAINABILITY TOPICS**
Customer service	Affordable housing Community support Data privacy ESG risk screening Financial service offerings Risk management Stakeholder management
Economic value creation	Economic value Economic performance Education and skills development Remuneration Supply chain/procurement Tax payments Training and development
Employee relations	Diversity Employee retention and turnover Employee well-being Health and safety Human rights Labour practices Race and gender representation Transformation Workforce

Environmental Management	Carbon emissions Climate change Energy consumption Energy management Environmental impacts Material usage Renewable energy Waste management Water consumption
Governance and standards	Anti-bribery and anticorruption Anti-money laundering Assurance process ESG rating Ethics and integrity Fraud Governance structure Laws and standards Materiality identification process Membership association Sustainability reporting guidelines Trade union agreements
Sectoral reporting	Anti-competitive behaviour External initiatives codes Financial reporting Financial sector code

5.6 Conclusion

The research findings for all the research questions described in Chapter 3 were presented in this chapter. The views of the different sustainability stakeholders together with the evidence from the sustainability information disclosed in the eighteen (18) sustainability reports reviewed were used to present the findings.

The results presented for the research questions 1, 2 and 4 were centred around the perceptions of sustainability stakeholders concerning the quality and comparability of the sustainability information disclosed in the sustainability reports. The results provided for in question 1 illustrated participants level of understanding with regards to the meaning of balanced reporting. Some of the participants argued that the sustainability reports published are balanced while many argued that they are not balanced. The desktop content analysis presented similar findings from the participants interviewed.

The research question 2 findings presented, illustrated that participants varied in their responses with many of them arguing that sustainability reports are often biased, with the disclosures leaning towards positive information in order to create a good image for the company report. The research question 3 findings focused on desktop content analysis of eighteen (18) sustainability reports to determine what methods companies use to mislead or influence their stakeholders. The results provided insights into the different impression management strategies and tactics used by different companies.

Research question 4 aimed to understand whether the sustainability reporting disclosures in the same sector are comparable. Some participants argued that the infomation is not comparable while others argued that the information could be compared to a certain extent. The desktop content analysis also presented similar findings from the participants interviewed.

The next chapter provides discussions of these findings with reference to the theory and literature review described in Chapter 2.

CHAPTER 6: DISCUSSION OF RESULTS

6.1 Introduction

This chapter discusses and interprets the results from the analysis of the data collected from the semi-structured interviews and the eighteen (18) Sustainability reports presented in Chapter 5. The results are discussed in the same sequence as the research questions described in Chapter 3 with reference to the theory and literature review in Chapter 2. This chapter will provide more insights into the research problem with the evidence that the research problem has been addressed.

6.2. Research Question 1

What are the stakeholder's perceptions of the quality of the sustainability reports?

In terms of research question 1, participants were asked a series of semi-structured questions which pertained to the stakeholder's perceptions of the quality of the sustainability reports. The quality of the sustainability reports in this research question focused on the GRI guideline principle of quality, the "balance" of disclosures. According to the GRI (2016:13) "balanced disclosures include information that reflects both the positive and negative aspects of the organisation's performance and the users of the report should be able to see both the negative and positive trends in performance on a yearly basis".

The participants expressed their understanding of the definition of balanced reporting, citing the importance of the disclosure of both the good stories and the challenges the companies face. The participants also indicated that for a report to be considered balanced, it should consider the views and concerns of the different stakeholders. This is in line with the stakeholder theory that emphasises that the firms should create value for their stakeholders, as the survival of the business depends on stakeholder relationship management (Vitolla et al., 2019). According to the GRI(2016) and the IODSA (2016), Stakeholder inclusivity is important to enable organisations to enhance transparency on sustainability issues.

The interview responses resulted in four emergent key themes, which are: the inconsistencies in balanced reporting, the credibility of sustainability information, preferred reporting standards (GRI), and finally the formalised materiality process.

6.2.1 Inconsistencies around balanced reporting

Most of the participants interviewed (8 out of 15) of the analysts, report preparers and sustainability auditors, indicated that there is a lack of balanced reporting, arguing that companies focus more on disclosing positive performances and achievements. Only four (4) of the participants, three (3) of whom were sustainability practitioners, who are employed in the organisations as custodians of sustainability management and reporting, indicated that balanced reporting is getting better with time.

These inconsistencies, particularly the lack of balanced reporting, are attested to by Haji & Anifowese (2016) who criticised the integrated reports including the sustainability reports, arguing that they are not balanced, rather biased and more focused on the positive information disclosures. Diouf & Boiral (2017) also argued that there is a lack of balanced reporting; however, the many sustainability reporting empirical studies conducted focused on content analysis with minimal interaction with the different users of these reports. This study focused on the stakeholders and users of the sustainability reports and many of them expressed that there is a lack of balanced reporting.

The sustainability disclosures in the 18 sustainability reports were reviewed and verified through desktop content analysis. The reports were analysed by interpretatively drawing out sustainability information disclosed in the ESG and the economic sections of the reports. Through the analysis shown in Appendix 2 it was evident that balanced disclosures are more present in the mining sector than in the financial sector. This is attributed to the nature of the activities in mining which are destructive versus the financial sector who are mainly providers of funds. Böhling et al., (2019) argued that mining, being a resource-intensive industry, has been exposed to criticism regarding environmental and societal risks and impacts and as a result has responded to these by being leaders in sustainability reporting. This is also in line with Amran et al., (2015) who argued that companies with activities that pose significant environmental impacts tend to disclose more than companies from other industries.

By virtue of the financial sector being providers of funds most of their activities are related toward to the provision and support of investments, resulting in more positive disclosures. This positive type of disclosure is also illustrated in the mining activities' disclosures around economic value creation (see Appendix 2). There, only positive reporting is evident, regarding the funds they provided for training and development, procurement, paying of taxes and their contribution towards corporate social investments as well as their social and labour plan.

Balanced reporting in sustainability, is the reflection of both the positive and negative elements of the organisation's performance (GRI, 2016). This is affirmed by the King IV code which advocates that the board of the company should ensure that both the positive and negative impacts of the company's operations and plans are disclosed in the report, enabling stakeholders to make informed decisions and assessments about the company (IODSA, 2016). Although sustainability reporting is not mandatory, all JSE-listed companies are required to produce an integrated report and apply the King IV code. All the participants interviewed are sustainability stakeholders from JSE-listed companies, while the sustainability reports reviewed are also from the JSE-listed companies; however, both expressed the existence of the balanced reporting challenge.

Cho et al., (2015) argues that many of the sustainability reports are being published; however, the quality of the information disclosed is questionable, as one cannot always ascertain the level of balance between all that is good and what the negatives within that are as well. The lack of balanced reporting expressed by the participants during the interviews is aligned with ACCA 2018 reporting awards which reflected the decline in the extent to which companies present the material matters in a balanced way (Chen & Perrin 2018). According to the EY excellence awards, although there is some form of improvement in the sustainability disclosures, balanced reporting still remains an area that requires improvement by including negative results and trade-offs (EY, 2019; EY, 2020).

6.2.2 Credibility of the sustainability information

Many of the participants, the sustainability practitioners and the assurance auditors, have stated that they only trust the sustainability reports that are assured as that gives credibility of the information disclosed. This perception aligns with the observation made by Maroun (2019:19) that "higher quality reporting is associated with assurance of sustainability disclosures recommended by different guidelines such as GRI and codes of practices". Farooq and De Villiers (2017) also argue that for the organisation to be able to enhance the credibility of the sustainability information disclosed and to increase the confidence levels of their stakeholders they should ensure the reports are assured. The belief around the importance of the assurance process was also evident in the 18 sustainability reports reviewed, as they have all been assured.

However, few participants indicated they trust the reports that are assured but only to an extent, as there have been reports that have been assured, such as the Steinhoff reports, while the controversies identified related to the company's performances and disclosures. These controversies could also be attributed to the lack of the independency from the auditors, as Boiral et al., (2019: 20) argued that the "managerial capture and commercial aspects of the assurance process can limit the independence, transparency and critical distance of assurance providers; thus the assurance statements tend to legitimise the quality of the information disclosed''.

The support for the assurance process was evident in all the companies' sustainability reports that were analysed. Both the mining and financial sectors had their reports assured by independent assurance auditing companies. The participants also indicated that although they trust the reports that are assured, assurance does not mean all the information in the report is flawless and correct. The importance of assuring the relevant KPIs was highlighted by the interviewees. This is in line with Michelon et al., (2015) who argued that it is not only the external assurance that enhances the credibility and reliability of the disclosures, but it is important that the auditors are independent, and that information assured is relevant.

6.2.3 Preferred reporting standards – GRI

Integrated reporting, including sustainability reporting, is not regulated in South Africa but it is required for all JSE-listed companies. As a result, many SA companies produce sustainability reports but often use different standards, guidelines and frameworks. Many of the participants expressed their preference for using the GRI guidelines and standard for sustainability reporting disclosures, citing that they have been dominant for years and are used internationally. Five of the six (6) companies' sustainability reports reviewed also used the GRI guidelines and standards for reporting.

Hummel & Schlick (2016) affirmed that the GRI guidelines and standards are commonly used internationally to disclose sustainability information for different stakeholders. The GRI initiative was established back in 1997 and has been adopted by many companies locally and internationally (Chauvey et al., 2016). These standards and guidelines enable organisations to produce sustainability reports and promote the disclosure of information that includes both the positive and negative contributions of the company towards sustainable development (GRI, 2016).

Although many participants expressed the importance of using the frameworks and guidelines to disclose the sustainability information, few of the participants, the sustainability practitioners, indicated that these guidelines and frameworks are merely used as a tick box exercise. The participants argued that companies tend to use the GRI standards more for compliance as they are well-known for sustainability reporting. The verbatim responses of the participants are described below:

- *"The GRI is simply just one of those tick boxes exercises that one undergoes because it is generally used as a general standard though when investors look and try to rate and measure sustainability performance; it's technically basic" (P7).*
- *"compiling a report based on the GRI is simply just one of those tick boxes exercises that one undergoes because it is generally used as a general standard'' (P8).*
- *"To be honest with you what is done in most reports is ticking the boxes, just wanting to provide in terms of the level of compliance and then there is nothing I want to do" (P4).*

Busco et al., (2018) emphasised that despite the international frameworks and guidelines supporting sustainability reporting practices and balanced reporting, sustainability reports have been criticised for presenting misleading information about sustainability performance to stakeholders. The type of and form of the sustainability information disclosed is at the discretion of the company that produces the sustainability reports (Lee & Yeo, 2016).

6.2.4 Formalised materiality process

Many participants have expressed that in order to ensure the information disclosed in the sustainability reports is relevant to the organisations and its stakeholders, there is a need for a formal process to identify what are the key matters / material issues to disclose. Participants refer to this as materiality identification process, while others refer to the process as risk quantification and scoping phase, and further argue that this must to be done as part of the sustainability reporting process. All the sustainability reports reviewed through the desktop content analysis also illustrated that all the companies identify the materiality issues or matters and centre their sustainability reports around those. This is aligned with the argument that Gerwanski et al., (2019:751) made that higher quality material disclosures provide greater transparency to the report users.

Both the IIRC framework and the GRI guidelines describe the material issue as one of the elements to be considered during the reporting process and emphasise that they are important to influence the decisions and assessments of the company stakeholders. According to the GRI (2016:10), materiality topics are “those topics that reflect organisation’s significant economic, environmental, and social impacts; or those that influence the assessments and decisions of the stakeholders” while the IIRC (2013:18) refers to them as “matters that have, or may have, an effect on the organization’s ability to create value”.

Although the process has advantages, one participant argued that what is material for one can be seen as non-material to another. The stakeholder inclusivity is thus important to enhance transparency on sustainability issues in alignment with the stakeholder theory (GRI, 2016; IODSA, 2016). Bradford et al., (2017) argue that organisations cannot achieve their desired impacts if they apply stakeholder theory without considering the needs of their stakeholders.

6.2.5 Conclusion: Research Question 1

Research question 1 dealt with the stakeholders’ perception of the quality of sustainability reports. Thematic analysis and content analysis were used to ascertain the perceptions of the quality of sustainability reports which resulted in themes, both from the participant’s responses and from the sustainability reports, analysed. The findings expressed inconsistencies in terms of balanced reporting. Although some of the reports show efforts in terms of balanced disclosures, many are not balanced. The interviewees are of the view that a report of high quality should disclose both the positive and negative information. The participants indicated that the reports should be assured by independent external auditors, and the disclosures should be aligned to a reporting framework such as the GRI and should focus on the company's material issues that have been identified through a formalised process and considered stakeholders' concerns.

6.3 Research Question 2

To what extent do these perceptions support the arguments that sustainability reports are used as impression management strategies to influence stakeholders' perceptions?

The second research question dealt with the extent to which perceptions expressed in research question 1 support the arguments that sustainability reports are used as impression management strategies to influence stakeholders' perceptions. A series of semi-structured questions were posed to the 15 participants of the study to gain an understanding of what their perceptions are. Their collective responses culminated into two key emergent themes, which were the "Selectivity of Information" and the second theme arising was that of "Rhetorical statements".

6.3.1 Selectivity of Information

As many participants indicated in research question 1 that they do not think the sustainability reports are balanced, many of them felt that the disclosures are skewed and more leaned towards positive disclosures. Participants indicated that it is normally human nature to focus on what is positive when disclosing the information particularly when you have your stakeholders in mind. As a result, companies tend to select information that is more positive when disclosing the sustainability information to their stakeholders. Böhling et al., (2019) and Michelon et al., (2015) affirm that although sustainability reports are good channels of communication for companies to share progress about their sustainability performance and management, the disclosures are questionable and reports are used to legitimise the companies' good and bad behaviours and information disclosed is what the stakeholders want to hear.

The selectivity of the information disclosed, as the participants indicated, is attributed to the increased pressure to disclose information that stakeholders want to hear and Cheng et al., (2015) argued that investors tend to invest more in companies that focus on ESG management and disclosures. The participants indicated that in selecting the information to disclose, the companies are more concerned about the shareholders and investors citing the fear of how they will react when they see negative information in the reports. This is not aligned to the viewpoint of Reimsbach & Hahn (2015), who argued that reporting negative sustainability information and incidents will not have any impact on the company's share price and the investors' investment decisions as compared to reporting financial information alone.

The fear expressed by the participants aligns with the argument of Cho et al., (2015) and Dienes et al., (2016) that the organisation's fears of harming its legitimacy and reputation influences management to disclose in their reports more on positive sustainability performance rather than negative. To disclose the sustainability information that is material to the company and its stakeholders, companies undertake materiality assessments to be able to report the relevant sustainability impacts, information and performance (Puroila & Mäkelä, 2019). These materiality identification processes were evident in the sustainability reports analysed. However, Fasan & Mio (2017) and Beske et.al., (2019) argue that companies can misuse these issues to choose which information to disclose and exclude negative information by reporting sustainability information differing from the actual sustainability performance.

The focus on the selectivity of the positive information disclosures was also observed by the judges of the Chartered Secretaries in Southern Africa (CCSA) integrated reporting awards analysing the integrated reports for the period up 31 March 2018. They had indicated that they have observed a decline in the completeness of the integrated reports with many of the companies disclosing more positive performance than the negative performances (CCSA, 2019:6). These results implied that there is more of biased reporting than balanced reporting

6.3.2 Rhetorical Statements

As part of influencing the stakeholders' perceptions about the information disclosed, participants in particular the sustainability practitioners indicated that companies tend to use rhetorical statements that are not clear without describing what actions are taken to manage the ESG issues. The participants expressed that vague statements that are intended not to have any feedback, output, or response to them, are used in the sustainability reports. Brennan et al., (2009) and Haji & Hossain (2016) argued that rhetorical manipulation is one form of impression management strategies and techniques included that companies use in the form of language to enhance positive outcomes and obscure negative comments.

These types of disclosures are aligned to the view of Cho et al., (2015) that companies tend to say more with less in their sustainability reports by using organised hypocrisy and facades which are normally not a true reflection of the company's sustainability performance. The use of rhetorical statements expressed by the participants is one way of obscuring the negative information away from the stakeholders. Hummel & Schlick (2016) argue that those companies performing poorly in terms of sustainability tend to report information that is incomplete and impervious to hide the poor performance while trying to maintain legitimacy. The vague form of reporting is also attributed to the fact that sustainability reporting is not regulated, and many companies follow different types of sustainability reporting guidelines and standards and choose what they want to disclose (Michelon et al., 2015). This is affirmed by Lee & Yeo (2016) who argue that companies tend to disclose the information they want to disclose, at their own discretion.

6.3.3 Conclusion: Research Question 2

Research question 2 related to the extent the perceptions identified in research question 1 support the arguments that sustainability reports are used as impression management strategies to influence stakeholder perceptions. Both the participants and sustainability reports content analysis echoed that companies are keener to report on the positive information rather than the negative outcomes. They select information carefully when disclosing in the sustainability reports and often use rhetorical and vague statements about how they manage the sustainability issues in order to influence stakeholder perceptions about the company's overall performance.

6.4 Research Question 3

What ways do companies use to mislead their stakeholders in their sustainability report?

The desktop content analysis of the 18 sustainability reports was completed in order to identify what ways companies use to mislead their stakeholders in their sustainability reports. The reports were analysed by interpretatively drawing out sustainability information disclosed in the ESG and economic sections of the reports to identify the ways that companies use to compile misleading reports. It was evident during the analysis that companies tend to use multiple impression management strategies and tactics to disclose and package the information in the sustainability reports to display organisational performance most favourably. These different impression management strategies and tactics include thematic manipulation, visual presentation; subjective writing styles; presenting tactics styles, performance comparisons and trends; and organisational outcomes (see Tables in Appendix 2).

The use of multiple impression management strategy supports the criticism made by many scholars that sustainability reports use legitimacy and impression tools to provide stakeholders with the information they want to hear (Diouf & Boiral, 2017; Reimsbach & Hahn (2015). Flower (2015) also argues that companies tend to use different types of approaches such as visual representation, repetition and use of adjectives to emphasise narrative disclosures. Although different types of impression management strategies and tactics were observed in the sustainability reports, the three that dominated included "performance comparison and trends, visual presentation, and subjective writing styles".

6.4.1. Performance Comparison and Trends

All the companies' reports reviewed showed the use of comparisons of performance as an easy way for reporters to disclose the sustainability information. In many ways companies compared their performances to the previous year and where they are doing well they would benchmark with external companies. This is aligned to what both Brennan et al., (2009) and Haji & Hossain (2016:422) describe that performance comparisons and trends are one of the impression management strategies used "where companies select comparisons, benchmarks and trends that display organisational performance most favourably".

6.4.2 Visual Presentation

Most of the companies used visual presentation to highlight positive milestones, in terms of large fonts in texts, colourful graphs, and infographics to demonstrate the good that companies achieved during the reporting periods; whereas the negatives, were somehow hidden in some text and other forms of subjective writing. Visual presentations in the form of graphs are used to repetitively disclose the positive information that is already captured in text of the document. These graphs also illustrate comparisons and trends from the previous years' performances.

The use of visual presentation as an impression management strategy is confirmed to be effective "as the human memory plays a key role in coding textual and visual information with respect to how pictures are used to alter impressions'' Corazza et al., (2020:8). However, Falschlunger et al., (2015) argues that companies can manipulate and display the graphs in such a way as to give positive impressions. The possibility that graphs were altered by companies could not be determined during the study.

6.4.3 Subjective Writing

Many of the reports reviewed, showed the use of subjective writing techniques to skew the focus towards positive highlights. Sandberg & Holmlund (2015), further argue that companies may use a "positive" style of writing, whereby it writes about the favourable and unfavourable aspects of its operations. By omitting information about unfavourable events and placing undue emphasis on favourable events, the company can give an inordinately positive impression of its operations. Companies also elect to use a "vague" style to disclose information which obscures what the company is saying, thereby making it incomprehensible to the reader (Sandberg & Holmlund, 2015).

6.4.4 Conclusion: Research Question 3

The third research question pertained to the ways by which companies mislead their stakeholders in their sustainability reports. It was evident from the content analysis that both the mining and financial sectors use multiple impression strategies and tactics to disclose the sustainability information and influence the perceptions of the stakeholders. The main impression strategies and tactics used were the comparison and benchmarking of information; the use of visual presentation particularly the graphs and use of bold letters when emphasising positive information as well as subjective writing focusing on positive style writing. All these strategies and tactics can be used for disclosing information to enable easier understanding of the contents of the report by the users; however, there is a need to ensure disclosures are in a balanced form and that both positive and negative events are well published with no bias, prejudice or vagueness.

6.5 Research Question 4

Is the sustainability information disclosed in the sustainability reports comparable in the same industries / sectors?

Research question 4 aimed to determine whether the sustainability information disclosed in the sustainability reports is comparable particularly with companies within the same sector. Two emergent themes where identified, the use of multiple reporting standards and frameworks as well as sectoral reporting.

6.5.1 Use of multiple reporting standards and frameworks

Participants expressed various views, with some arguing that the information can be compared while others said it could not. Those who argued that information can be compared cited that information can be compared only if similar standards like GRI are used. However, there were participants that indicated that even with similar standards like GRI, sustainability information cannot be compared because there are many variables to disclose. This is affirmed by Boiral & Henri (2015) who argued that comparability is important for benchmarking purposes and to assist the investors to make informed decisions about the company; however, it is not easy to compare sustainability information across industries.

The multiple use of reporting standards makes it difficult to compare the same data for the same companies. This is in line with Michelon et al., (2015) who argued that even with companies adopting various international reporting standards such as the GRI standards, the fact remains that sustainability reports are voluntary and the companies have flexibility in terms of disclosing their sustainability information. Hąbek & Wolniak (2016) and Lee and Yeo (2016) also argue that the companies tend to use their discretion in terms of what to disclose, which key performance indicators to focus on and which structure to follow, making it difficult to compare the information. Guthrie (2016) argues that the most influential standards or frameworks include the GRI, IIRC Framework, SASB and CDP.

Although the lack of mandatory reporting and the use of multiple reporting standards appear to be some of the elements that makes the comparability of information difficult, the materiality issues identified for the companies can also make it difficult to compare information. Eccles & Klimenko (2019) and Khan et al., (2016) argue that the level of importance of sustainability issues differs across companies and sectors that is why their disclosures are different.

6.5.2 Sectoral reporting

Through the desktop content analysis and thematic analysis, the disclosure commonalities in both the financial and mining sectors were identified as outlined in Tables 11 and 12 in Chapter 5. It was evident through the review that there are disclosure commonalities in terms of themes within the mining sector and well as within the financial sector. The participants argued that because of benchmarking done by companies on their competitors, they end up disclosing similar topics within a similar sector.

When comparing the two sectors, there was also evidence of disclosure commonalities. These included themes like community and stakeholder engagement; employee relations; economic value creation; environmental management; and governance and standards. The different themes within the two sectors included health and safety performance management which is dominant in the mining sector due to the nature of mining activities. The health and safety information is reported in the banking sector but minimally as part of employee relations management. Another different theme observed between the two sectors was around the financial sectoral reporting in banking which did not exist in the mining sector. These included different reporting requirements such as equator principles being part of external initiatives codes requirements.

Although there are commonalities of disclosures within the same sectors, because the sustainability reporting is not mandatory and companies are not using similar reporting standards, the sustainability information disclosed is at their discretion, making it difficult to affirm that similar reporting is done (Hąbek & Wolniak 2016; Michelon et al., 2015).

6.5.3 Conclusion: Research Question 4

Research question 4 dealt with the comparability of the sustainability information disclosed in the sustainability reports in the same sectors or industries. The predominant results were that although there are commonalities of disclosures within the same sectors like the mining sector and the financial sector, sustainability reporting is not mandatory as the sustainability reporting standards and frameworks used for disclosures. As a result, companies are at the liberty to choose on what and to what extent information needs to be disclosed, hence making it difficult to attain standardised and formalised information across these sectors.

CHAPTER 7: CONCLUSION

7.1 Introduction

This chapter summarises the main findings of the study, highlighting the relevance of sustainability reporting in South Africa focusing on the selected JSE-listed companies. The analysis of the perceptions of stakeholders on the quality of the sustainability reports disclosures, focusing on the aspect of balanced reporting and the use of impression management strategies, were discussed in Chapters 5 and 6, complemented by the literature review in Chapter 2. This chapter concludes with some acknowledgement of the study's limitations and recommendations, and suggests further research on the subject pertaining to disclosures in the sustainability reports.

7.2 Principal Findings

The primary purpose of this study was to analyse the perceptions of stakeholders on the quality of the sustainability reports disclosures focusing on the aspects of balanced reporting and the use of impression management strategies. The study extended to the empirical studies undertaken which focused on the content analysis of sustainability reporting disclosures. Through the lens of the stakeholder theory, supported by the legitimacy and impression management theories, the study determined the views of the sustainability stakeholders on the quality of the reports and identified the different ways companies use to disclose sustainability information to influence the perceptions of their stakeholders regarding the company's overall sustainability performance.

The findings of the study are discussed in the three subsections below.

7.2.1 Stakeholders' perceptions of disclosures sustainability reporting

The study aimed to discover the stakeholders' perceptions of the quality of the sustainability reports. The participants interviewed expressed their views that there are inconsistencies in terms of disclosures in the sustainability reports. Many of them argued that the sustainability reports are not balanced and mainly focus on the disclosure of positive information. These inconsistencies around the lack of balanced reporting was attested to by Haji & Anifowese (2016) who criticised the integrated reports including the sustainability reports arguing that they are not balanced, rather biased and focused more on the positive information disclosures. The stakeholders interviewed argued that when disclosing sustainability information, companies have the discretion to disclose what information they want, and to disclose more positive information and make use of rhetorical statements where they do not want to disclose more information. Brennan et al., (2009) argue that rhetorical manipulation is one form of impression management strategy and technique that companies use to enhance positive outcomes and obscure negative comments.

The study also included desktop content analysis of sustainability reports, from which it was also evident through both the mining and financial sector reporting disclosures that many of the reports focus on positive disclosures and are not balanced. The element of balanced reporting was more evident in the mining sector rather than the financial sector. This is due to the different types of activities undertaken in the sectors, with Amran et al., (2015) arguing that mining poses more environmental and societal risks and therefore tends to also report the negative incidences.

The participants interviewed were of the view that in order to ensure credibility of the sustainability information disclosed, the sustainability reports should be assured by independent external auditors, and the reporting disclosures should be aligned to a reporting framework such as the GRI. The participants argued that there should be a formalised materiality process to enable the organisations to disclose relevant sustainability information; however, they also argued that what is material for one stakeholder will not be material for the other. Therefore, they recommend that the material issues should take into consideration the views and concerns of the stakeholders. This is in line with the stakeholder theory where Kaur & Lodhia (2018) and Cordeiro & Tewari (2015) argue that that the organisation is not only accountable to the shareholders but to all of its stakeholders.

7.2.2 The use of impression management strategies

It was evident, from desktop content analysis, that companies use multiple impression management strategies and tactics to disclose the information in the sustainability reports, in order to display organisational performance most favourably and influence stakeholders' views. Böhling et al., (2019) and Michelon et al., (2015) affirmed that disclosures in reports were questionable and reports were used to legitimise the companies' good and bad behaviours and information disclosed was what the stakeholders want to hear.

The different impression management strategies and tactics included thematic manipulation; visual presentation; subjective writing styles; presenting tactics styles, performance comparisons and trends; and organisational outcomes. However, most of the strategies that were evident in both the mining and financial sector reports included the use of performance comparisons and trends, visual presentation in the form of graphs and bold large font as well as the use of subjective writing. Diouf & Boiral (2017), Reimsbach & Hahn (2015), and Flower (2015), also argued that companies tend to use different types of approaches such as visual presentation, repetition and use of adjectives to emphasise narrative disclosures.

7.2.3 Lack of mandatory use of sustainability reporting standards and frameworks

Many of the participants argued that there are a number of sustainability reporting guidelines and frameworks which companies use for reporting purposes. Although it is a requirement of the JSE that all listed companies must produce an integrated report including reporting sustainability information (Simnett & Green, 2017), the requirement does not stipulate which framework or guideline to use. As a result, many companies use different guidelines and frameworks to disclose different sustainability information, making it difficult to compare the sustainability disclosures. This aligns with the argument by Hąbek & Wolniak (2016) and Lee & Yeo (2016) that the companies tend to use their discretion in terms of what to disclose, making it difficult to compare the information.

Boiral & Henri (2015) emphasise that comparability is important for benchmarking purposes and to assist investors to make informed decisions about the company; however, it is not easy to compare sustainability information across industries. Many participants expressed their preference for using the GRI standards and framework when disclosing the sustainability information. This preference is affirmed by Hummel & Schlick (2016), that the GRI guidelines and standards are commonly used internationally to disclose sustainability information for the different stakeholders. However, the participants argued that even by using similar standards like GRI, sustainability information could not be compared because there are many variables to disclose.

It was evident through the desktop content analysis that there are disclosure commonalities within the companies in one sector, as well as between the two sectors, the mining and financial sectors. The common disclosure themes in all the sectors included community and stakeholder engagement; employee relations; economic value creation; environmental management; and governance and standards. The different disclosure themes between the two sectors included the health and safety performance management which was dominant in the mining sector due to the more hazardous nature of mining activities. The health and safety information was reported in the banking sector but only minimally as part of employee relations management.

It was evident in the sustainability reports reviewed that although there were commonalities of disclosures within the same sectors, because of the lack of mandatory requirement for using the same sustainability reporting standards and guidelines, the level of disclosures and the measurements used for the key performance indicators were different and at the discretion of the companies producing the reports.

Table 13 below shows a high-level summary of the research questions and the findings in addition to those discussed above:

Table 13: Summary of principal findings

No	Research Questions	Main Findings
1	What are the Stakeholders' perceptions of the quality of the sustainability reports?	There is a lack of balanced reporting with many sustainability reports disclosing more of the positive information and achievements.
2	To what extent do the perceptions express arguments that sustainability reports are used as impression management strategies to influence stakeholders' perceptions?	Organisations use selective information and rhetorical statements to influence stakeholders' perceptions on sustainability reports. It is the discretion of the companies to choose what and how to disclose the information.

3	In what ways do companies mislead their stakeholders in their sustainability reports?	Organisations have used impression management strategies which included mainly the performance comparison and trends, visual presentations, and subjective writing to influence the stakeholders' perceptions regarding their overall sustainability performance.
4	Is the sustainability information disclosed in the sustainability reports comparable in the same industries / and or sectors?	Sustainability information within the same sector is comparable to an extent, if organisations use the same type of reporting standards like the GRI framework. However, because of the many variables within the reporting frameworks and the lack of mandatory use of the same standards companies disclose different information at their own discretion.

7.3 Implications for management and other relevant stakeholders

The results of the study in Chapter 5 and the discussions outlined in Chapter 6 have the following implications for the JSE-listed companies and other stakeholders who are users of sustainability reports or are involved in the compilation thereof. These serve as recommendations to improve the quality of the sustainability reports.

Although the JSE-listed companies are required to produce an integrated report, the requirement does not specify the exact sustainability information to be disclosed. Management therefore tend to disclose information at their own discretion. It is recommended that the JSE prescribes as part of its rules, what minimum mandatory information is to be included in the companies' sustainability reports, and the extent of the disclosures. The rules should encourage that within the reporting disclosures both the negative and positive aspects of the sustainability information be disclosed. This would improve the quality of the reports and the consistency of information across different organisations and different sectors.

Companies use different guidelines, standards and frameworks for sustainability reporting at their own discretion. Many of these guidelines, standards and frameworks require different disclosures and put a reporting burden on the companies producing sustainability reports. They also make the comparability of the sustainability disclosure information difficult for report users including the investors and analysts. It is therefore recommended that the JSE prescribe through their mandatory requirements which frameworks are to be used for different sectors.

It is also recommended that the producers of the sustainability reporting guidelines, frameworks and standards consider working together and align with each other to reduce the reporting burden on different companies. The statement of intent to work together by the CDP, Climate Disclosure Standards Board (CDSB), GRI, IIRC and SASB issued in September 2020 is a great start towards ensuring alignment of the sustainability and integrated reporting disclosure requirements (IIRC, 2020). The IIRC and SASB has also issued a statement of intent to merge the parties in November 2020 as a step towards simplifying and aligning the reporting requirements (IIRC-SASB, 2020).

7.4 Limitations of the research

The researcher has identified the limitations discussed in the following subsections.

7.4.1 Relevance to all JSE-listed companies

The study inferred results from JSE-listed companies only in the mining and financial (banking) sectors. The participants belonged to categories of employment which included sustainability practitioners, report preparers, analysts and auditors who worked with companies mainly in the JSE-listed environment. The sustainability reports are published by different companies and sectors including the public sector enterprises and non-profit sector enterprises which are not listed on the JSE.

7.4.2 Bias from the Sustainability Practitioners and the Reseacher

The second limitation is the bias of the sustainability practitioners who participated in the study, as 6 out of 7 of them are also involved in the preparation of these sustainability reports. Bias could have been through the opinions expressed during the interview process. The researcher is a sustainability practitioner in the mining sector and recognised the possibility of introducing the biased assumptions in the research process. However, in order to mitigate the effects, other stakeholders including the analysts, auditors and report preparers were interviewed and different companies' sustainability reports were also analysed as part of desktop content analysis.

7.4.3 Sample size

The sample size used in this study comprised of 15 participants representing sustainability practitioners, report writers, analysts and sustainability and sustainability assurance auditors. The analysis was carried out on 18 sustainability reports from two sectors, banking, and mining. These are both limitations as there are many companies in different sectors in and outside the JSE environment that produce sustainability reports. The companies stakeholders and users of the sustainability reports are not limited to the participants interviewed.

7.5 Suggestions for future research

The study focused on 15 participants from different sectors and 18 sustainability reports which were from 3 mining organisations and 3 major banks, over a 3-year reporting period. Further research may be extended to other sectors and organisations which are not listed on the JSE, including non-profit entities, state-owned enterprises, private companies. The study undertaken, both in terms of desktop content analysis, and thematic analysis extended over a few months. Further research may be undertaken with the same topic using longitudinal studies extended over a longer period, perhaps five years or longer. Such a study may include a larger population, larger sample size, with more detailed data collection yielding more comprehensive analysis, findings, and recommendations to improve the quality of sustainability reporting.

It is also recommended that a similar study be undertaken to understand the views of other companies' stakeholders who use sustainability reports besides the sustainability practitioners, analysts, assurance auditors and report preparers regarding the quality of sustainability reports disclosures. These stakeholders could include stakeholders such as the communities, regulators, investors and environmental activists.

7.6 Conclusion

According to Diouf & Boiral (2017) many of the empirical studies conducted on sustainability reporting disclosures have focused on the content analysis, and this study contributes to literature by gaining a better understanding of the stakeholders including the sustainability practitioners perspectives regarding the quality of the sustainability reporting disclosures. This study highlighted the lack of attention and focus to factors which bear on the quality of sustainability reports, from the stakeholders' perspective, and the guidelines and frameworks which govern these reports, as related to JSE-listed companies in the South African context.

This qualitative study, supported by desktop content analysis and a comprehensive review of relevant literature, revealed that to a large extent sustainability reports are not balanced, they focus more on disclosing positive performance and achievements, and use different impression management strategies and tactics to influence the stakeholders' perceptions about the companies' overall sustainability performance. The findings from the primary research were correlated with literature reviewed in Chapter 2 as well as content analysis of the sustainability reports in the mining and financial sectors.

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APPENDICES

Appendix 1 Interview Guide

1. What is the role of sustainability reporting?
2. What guidelines or frameworks do you use or prefer in producing a sustainability report? why that specific one?
3. Which stakeholders do you think the sustainability reports are developed for? and why?
4. What drives organisation to produce sustainability reports?
5. How does the organization determine what matters to include in the sustainability reports and how are such matters quantified or evaluated?
6. What sustainability issues do you think the companies should report on?
7. Do the sustainability reports provide information about how companies manage their environmental, social, economic and governance issues? What is your view?
8. Is the sustainability information disclosed in the sustainability reports addresses the stakeholders' legitimate needs and interests? What is your view?
9. Does the content of sustainability reports provide investors with data they need to inform their investment decisions?
10. What do you understand by balanced sustainability reporting? Do you think majority of sustainability reports are balanced?
11. Do you trust the company information disclosed in the sustainability reports?
12. To what extent are the positive achievements and successes reported?
13. To what extent are the negative performance reported?
14. In your opinion do you think the level of the disclosures in the sustainability reports are aligned to the sustainability performances of the companies?
15. Is the sustainability information compiled in the sustainability reports comparable in the same industries/sectors?
16. What do you think are the main issues hindering the reporting of the negative performances?
17. What value does the assurance of the sustainability information add in the sustainability reporting?
18. What do you think a balanced reporting should look like?

Appendix 2 Research Question 3 – Impression strategies and tactics themes

Mine 1: 2017 -2019 (IMPLATS) SUSTAINABILITY DISCLOSURES		
Positive disclosures (PD)	**Negative disclosures (ND)**	**Impression Strategies and Tactics**
ENVIRONMENTAL		
"We have not recorded a 'major' (Level 5) or 'significant' (Level 4) environmental incident at any of our operations since 2013'' (Implats, 2017:56). "The number of limited impact (Level 3) incidents continues to decrease, with 31 recorded (2017: 35), of which 61% were at Impala" (Implats, 2018:72).	"We recorded 23 limited-impact (level 3) incidents, relatively unchanged from the 22 incidents recorded in 2018. None of the reported incidents resulted in any lasting harm to the environment" (Implats, 2019:85).	PD: Thematic manipulation; Performance comparisons; Visual presentation-repetition; Writing style tactic: positive style ND: Thematic manipulation; Writing style tactic: positive style
"We have increased the use of recycled water, this year accounting for 46% of the total water consumed across the Group, compared to 41% last year" (Implats, 2017:11). "Total water consumption, including water withdrawn and water recycled, decreased by 0.9% year-on-year" (Implats, 2018:75).	"Total water consumption, including water withdrawn and water recycled, increased by 4% year-on-year" (Implats, 2017:57).	PD: Performance comparisons; Visual presentation-repetition ND: Thematic manipulation; Visual presentation-table; Performance comparisons.

“Our total energy consumption was 16 978 GJ (000), down from 18 065 GJ (000) in 2017” (Implats, 2018: 78).	“Our total energy consumption was 18 065 GJ (000), up from 17 328 GJ (000) in 2016” (Implats, 2017:59). “Our total energy consumption (direct energy + indirect energy) was 16 863 000 GJ, up from 16 201 000 GJ in 2018” (Implats, 2019:90).	PD: Performance comparisons; Visual presentations - graph ND: Performance comparisons; Visual presentations - graph
“We recycled 69% of waste generated, up from 68% in 2016” (Implats, 2017:61). “We recycled 70% of non-hazardous waste generated, up from 62% in 2018, against a targeted 60%” Implats, 2019:97).		PD: Performance comparisons
	SOCIAL	
	“Total employee turnover increased to 8.6% from 8.2% in 2017 due to headcount reduction initiatives in certain categories” (Implats, 2017:35). “The restructuring process at Impala Rustenburg continues to impact our employee turnover which was 8.7% down from 10.5% in 2018’’ (Implats, 2019:49).	ND: Performance comparisons; Presenting style-defence tactic

	“Regrettably, however, nine of our employees died as a result of injuries sustained while on duty. Human error remains a common factor in safety incidents and we have made concerted efforts to better understand and address high-risk behaviour” (Implats, 2017:8). “We deeply regret the loss of seven of our people in six separate work-related incidents at our South African operations this year’’ (Implats, 2018:28). “Tragically, however, five employees lost their lives at our managed operations during the year” (Implats, 2019:9).	ND: Visual presentation- graphs; Presenting tactic- description style; Presenting style- defence tactic
	“This year we experienced minor community unrest at Impala Rustenburg and Two Rivers, and major, continued unrest at Marula” (Implats, 2017:10). “This year we experienced low levels of community unrest at Impala Rustenburg and Marula” (Implats, 2018:56). “The challenge of community unrest at Marula has been compounded by a failure of many of the traditional engagement structures” (Implats, 2017:42).	PD: Writing style tactic: use of language-subjective; Organisational outcomes; presenting style - defence tactic

“The Group fatal injury frequency rate was 0.060 per million man-hours worked, a 19% improvement on 0.074 in 2017” (Implats, 2018:28). “Our lost-time injury frequency rate (LTIFR) improved by 9% from 6.49 in 2016 to 5.92 in 2017, against a target of 4.22” (Implats, 2018:28).	“The reportable injury frequency rate (RIFR) was 3.70 per million man-hours, up from 3.69 in 2017, against a targeted 2.95” (Implats, 2018:28).	PD: Performance comparisons; visual presentations - graphs (repetition) ND: Thematic manipulation; visual presentations - graphs; Performance comparisons
“Our incidence rate of 519 per 100 000 employees remains well below the South African average of 1 000 per 100 000” (Implats, 2017:32). “At our South African operations, the TB incidence rate of 530 per 100 000 employees remains well below the national average of 1 000 per 100 000” (Implats, 2018:10).	“In 2017 we experienced 43 dangerous occurrences (though not fatal) compared to 28 dangerous occurrences in 2016” (Implats, 2017:26).	PD: Performance comparisons ND: Writing style: positive style tactic
	“This year, 18 employees and one contractor were diagnosed with silicosis; all of these cases have proven historical gold or copper mine exposure” (Implats, 2017:32). “This year, seven employees and 12 contractors were diagnosed with silicosis. All these cases have historical gold mine exposure and have been submitted for assessment of disability and compensation” (Implats, 2019:41).	ND: Presenting style - Defence tactic; organisational outcomes

"At year-end, women made up 20.7% (139) of our management (2016: 19.9%, 137) and 11% of our workforce (2016: 11%)" (Implats, 2017:37). "The number of women employees in management positions was 143 (22%) at year-end (2017: 21%, 139) and made up 11% of our workforce (2017: 11%)" (Implats, 2018:50).		PD: Performance comparisons;
ECONOMIC		
"Over the last nine years the Company has invested more than R3.7 billion in accommodation around its South African operations, of which R265 million was invested this year" (Implats, 2017:47).		PD: Performance comparisons

"Total South African operations discretionary procurement was R8.7 billion of which 76%, or R6.7 billion, was from companies in which BEE ownership was greater than 25% (2016: R8.1 billion or 75%)" (Implats, 2017:49). "Total South African operations' discretionary procurement was R9.1 billion, up from R8.7 billion in 2017, of which 73%, or R6.7 billion, was from companies in which BEE ownership was greater than 25% (2017: R6.7 billion, representing 76%)" (Implats, 2018:64).		Visual presentation – Large fonts; performance comparison
"This year, despite continued cash constraints, our South African operations invested R486 million (2017: R548 million) on skills development; this was 4.5% of annual payroll, against our target of 5" (Implats, 2018:43). "This year our South African operations invested R465 million (2018: R481 million) on skills development; this was 4.8% of annual leviable payroll, against our target of 5%" (Implats, 2019:49).		PD: Writing style: positive style tactic; Performance comparisons

Mine 2: 2017 -2019 (Kumba Iron Ore) SUSTAINABILITY DISCLOSURES		
Positive disclosures	**Negative disclosures**	**Impression Strategies/Tactics**
ENVIRONMENTAL		
"For four consecutive years, there have been no level 3 to 5 incidents at our operations, indicating good management of environmental controls" (Kumba, 2017:57). No level 3 to 5 incidents for two consecutive years (Kumba, 2017:54). "We have never had any significant tailings management-related incidents at our operations" (Kumba, 2019:101).	"During 2017, we recorded 146 incidents (2016:105), all of which were low impact incidents and have been investigated and closed" (Kumba, 2017:57). "During 2018, we recorded 119 incidents (2017: 146), all of which were low-impact incidents and have been investigated and closed" (Kumba, 2018:55).	PD: Writing style tactic - positive style; organisational outcomes; performance trend; visual presentation: repetition and bold font writing; thematic manipulation ND: Writing style tactic - positive style;
"Over the past three years there has been a steady decrease on the PM10 exceedances at Sishen even though the challenges still remain due to high winds and dry conditions" (Kumba, 2017:59)	"Our water-saving projects have continued in 2017. Water intensity has, however, increased from 139 l/t to 147 l/t due to increased production" (Kumba, 2017:62). "In 2018, total water withdrawal intensity increased from 147l/t to 151l/t due to increased mining tonnes" (Kumba, 2018:60). "In 2019, total water withdrawal intensity deteriorated from	PD: Writing style tactic - positive style; thematic manipulation; Performance comparisons ND: Writing style tactic - positive style; presenting tactic-defence tactic; visual presentations (graphs)

	151l/tonne to 152l/tonne due to increased mining tonnes. The water intensity for both mines fluctuated over the reporting period" (Kumba, 2019:84).	
	"In 2017, Kumba's operations were responsible for 1.00 million tonnes of CO_2-equivalent emissions (Mt CO_2e) from electricity purchased, the combustion of fossil fuels at operations, and GHGs emitted as a result of industrial processes. This represented an absolute 5.1% increase on the 0.94 Mt CO_2e emitted in 2016. Even though absolute emissions increased, a saving of 8.3% was achieved against the business as usual (BAU) baseline" (Kumba, 2017:64).	ND: Writing style tactic: positive style; Performance comparisons visual presentations (graphs)
"Kumba's total energy consumption decreased slightly at 8.78 million GJ (2018: 8.85 million GJ). An energy saving of 9.03% against BAU (against a targeted 11.4%), was achieved primarily through diesel use efficiencies" (Kumba, 2017:64;65).	"Kumba's total energy consumption was 8.94 million GJ (2016: 8.45 million GJ), representing an absolute increase of 6%. An energy saving of 9.2% was, however was achieved against BAU" (Kumba, 2018:61;62).	PD& ND : Writing style tactic - positive style visual presentations (graphs); Performance comparison
SOCIAL		
"Kumba has been fatality free since May 2016 and has shown continued improvements in almost all of its leading and lagging safety indicators. This good performance is attributed primarily to the		PD: Organisational outcomes; Performance comparisons; Writing style tactic - positive style; visual

effective implementation of the Company's comprehensive elimination of fatalities framework'' (Kumba, 2017:6;23). "Third consecutive year operating fatality-free" Kumba, 2017:34). "Fatality-free since May 2018: zero Fatality-free (2018: zero)" (Kumba, 2019:2).		presentations – repetition
"No new cases of Noise induced hearing loss (NIHL) were diagnosed at Kumba, for a second consecutive year'' (Kumba, 2017:10). "No new cases of NIHL (percentage loss of hearing (PLH) shift >10%) diagnosed for a third consecutive year, nor any cases of standardthreshold shifts > 25 dB" (Kumba, 2019:43).	"In 2018, 8.6% of the workforce was reported to be potentially exposed to noise over 85 dB(A). The significant increase on the 6% reported in 2017 is owing to an increase in workforce and a reclassification of exposure groups" (Kumba, 2018:30).	PD: Performance comparisons ND visual presentations (graphs); presenting tactic-defence style
"The total absenteeism rate (absenteeism owing to injuries on duty, non-work-related injuries, and sickness) decreased to 3.14% in 2017 (2016: 3.62%)" (Kumba, 2017:31). "The total absenteeism rate has steadily decreased over the last two years, from 3.62% in 2016 to 2.38% at year end, mainly owing to a	"The total absenteeism rate increased to 2.44% at year-end, compared to 2.38% in 2018, mainly owing to a further reduction in non-work-related illnesses and injuries" (Kumba, 2019:47).	ND & PD: Performance comparisons; visual presentations (tables)

reduction in non-work-related illnesses and injuries" (Kumba, 2018:34).		
"Kumba is a recognised leader for its TB and HIV/Aids programmes in the workplace, and most of our performance indicators show a steady improvement" (Kumba, 2017:32; Kumba, 2018:34; Kumba, 2019:47).		PD: Rhetoric; Writing style tactic: positive style
"By year end, women made up 23% of our overall workforce (2017: 21%), 20% of core disciplines (2017: 17%), and 24% of management positions (2017: 22%)" Kumba, 2018:40). "By year-end, women made up 23% of our overall workforce (2018:23%), 20% of core disciplines (2018: 20%), and 25% of management positions" (2018: 24%).	"Kumba achieves Mining Charter 2018 (MC 2018) targets on Board, Exco, middle management, junior management (HDSA), and core levels. We are currently lagging in our performance against MCIII targets for HDSA and female representation at senior management, and female representation at junior management levels" (Kumba, 2018:40).	PD: performance comparison; visual presentations (tables). ND: Writing style tactic: positive style
"Kumba's employee turnover rate (the number of permanent employee resignations as a percentage of total permanent employees) was 4.37%, well below the 7.6% industry benchmark" Kumba, 2018:41). "Kumba's employee turnover rate was 4.14%, well below the 7.6% industry benchmark" (Kumba, 2019:56).		PD: Performance comparisons

"During 2019, we spent R68.8 million on SLP projects (2018: R55.1 million). Some of the SLP projects carry over into the following year. Internal municipal challenges have had an impact on the progress of certain infrastructure projects" (Kumba, 2019:72).		PD: Organisational outcomes Performance comparisons
ECONOMIC		
"During 2017 we spent R25.3 million on SLP projects (2016: R26 million)" (Kumba, 2017:50). "Our community development budget is determined by 1% net profit after tax. In 2018, we spent R123.5 million (2017: R106.7 million)" (Kumba, 2018:50;51). "In 2019, we invested a total of R289 million (2018: R232 million) on training and development delivered across 10,203 (90.0% of workforce), excluding refresher, induction and ex-leave training" (Kumba, 2019:50).		PD: Writing style tactic: positive style visual presentations (tables); Performance comparisons

Mine 3: 2017 -2019 (AngloGold Ashanti) Sustainability Disclosures		
Positive disclosures	**Negative disclosures**	**Impression Strategies and Tactics**
ENVIRONMENTAL		
	"The water from this mine is poor quality and mildly acidic, but during 2017 the AngloGold Ashanti West Wits operation succeeded in absorbing the full volume in our operations, which prevented the extraneous water from being released to the environment" (AngloGold Ashanti, 2017:45).	ND: Writing style tactic: positive style; Presenting action-descriptive
"For the year, 51.6% of AngloGold Ashanti's total emissions arose from South Africa, although this is a marked reduction from 2017, when South Africa represented 69% of the company's GHG emissions" (AngloGold Ashanti, 2017:45). "Overall, the company's GHG emissions intensity declined by 31% for the year" (AngloGold Ashanti, 2017:50).	"In 2019, we continued to mitigate our carbon footprint, marginally increasing our GHG emissions intensity by 1%, 31.8kg (2019) versus 32.1kg (2018) of GHG per tonne treated, and kept our absolute GHG emissions flat" (AngloGold Ashanti, 2019:29). "9.3% increase in the South African grid emission factor, managed a 8.5% reduction in their absolute emissions and a 9.2% reduction in their emissions intensity, compared to 2018" (AngloGold Ashanti, 2019:29).	PD & ND: Writing style tactic: positive style; performance comparison visual presentations (graphs)
"The South African operations' energy intensity declined by 43%, contributing to an overall improvement of 9.3% by the company in 2018" (AngloGold Ashanti, 2018:50; 52).	"Energy consumption (PJ), 3.33% increase, (2017:30)(2016:29)" (AngloGold Ashanti, 2017:44). "There was a 3.7% increase in the total energy we used to sustain production" (AngloGold Ashanti, 2019:29).	PD Writing style tactic: positive style visual presentations (graphs) ND: Performance comparisons; Writing style tactic: positive style

"Water use (Megalitres) is 45 892 reduced in 2018(2017:52219)" (AngloGold Ashanti, 2018:50; 52).	"Water use (Megalitres) 2.88% increase. 2017: 52,219 (2016: 50,716)" (AngloGold Ashanti, 2017:44).	PD: visual presentations (graphs) ND: Performance comparisons;
SOCIAL		
"Prior to experiencing the first fatal injury for the year, the South Africa Operations had experienced 349 fatal-free days – the longest fatality free period in its history" (AngloGold Ashanti, 2017:23). "The group All injury frequency rate (AIFR) of 4.81 for 2018, represents an improvement of 36% compared to 2017. This is the best in the company's history" (AngloGold Ashanti, 2018:27).	"Sadly, in the second half of the year, the Company experienced seven fatal injuries. The incident reflect the harsh reality of operating the deepest underground mines in the world and we strengthen our resolve to eliminate harm in the workplace" (AngloGold Ashanti, 2017:23). "Sadly, in the first four months of the year the company experienced three fatal injuries. We remain committed to achieving our objective of zero fatalities" (AngloGold Ashanti, 2018:27).	PD: Writing style tactic: descriptive; organisational outcomes; Thematic manipulation; organisational outcomes; Performance comparisons ND: Writing style tactic: positive and description styles; Visual presentations (graphs)
"NIHL down by 70% ,2018: 39 (2017: 132)" (AngloGold Ashanti, 2018:38). "New cases of malaria down by 31%, 2018: 1,164" (2017: 1,686) (AngloGold Ashanti, 2018:38). "New cases of silicosis decreased by 18.32%, 2017: 107 (2016:131)" (AngloGold Ashanti, 2017:26).	"New cases of malaria increase by 12.1%, 2017: 1,686 (2016:1504)" (AngloGold Ashanti, 2017:26;34). "Occupational diseases remain a significant challenge facing the company. For the year, while the total number of occupational disease cases reduced from 899 in 2016 to 855 in 2017,the all occupational disease frequency only improved marginally" (AngloGold Ashanti, 2017:33).	PD: performance comparison ; visual presentations (graphs) ND: Performance comparisons; Thematic manipulation; Writing style tactic: positive style

"We also recorded in 2017 a 15% decrease in theft and loss incidents, which we attribute to the various proactive mitigation measures implemented" (AngloGold Ashanti, 2017:56). "11% reduction in theft and loss incidents in 2018 compared to 2017" (AngloGold Ashanti, 2018:63).		PD: Performance comparisons; Organisational outcomes; visual presentation- bold, large font
"There were no human rights violations recorded for 2018.One allegation of potential human rights violation wasreported and investigated during 2018" (AngloGold Ashanti, 2018:71).	"Our main threats during 2017 involved phishing attacks for identity theft or impersonation to secure a financial benefit. In response, we enhanced capability in the company with the recruitment of dedicated resources, the implementation of a cyber framework, and encryption systems for employees." (AngloGold Ashanti, 2017:67).	PD: Writing style tactic: positive style ;performance comparison ND: Presenting action-descriptive
ECONOMIC		

"Total procurement spend increased by 15.66%, 2017:\$2.29bn" (2016:\$1.96bn) (AngloGold Ashanti, 2017:35). "\$2.06 billion of group total procurement spent" (AngloGold Ashanti, 2018:45)''. "\$3.3bn Economic value distributed; of this \$0.947 billion was paid to employees as salaries and wages and \$21 million spent on community and social investment in 2018" (AngloGold Ashanti, 2018:10). "For 2019, the group community investment spend totalled \$27.69 million as compared to US\$22.25 million in 2018" (AngloGold Ashanti, 2019:24).		PD: Performance comparisons; Visual presentations – repetition (tables; bold and large fonts).
"Training and development expenditure \$36.3m (2016: \$34.9 million)" (AngloGold Ashanti, 2017:65). "\$15.2 million spend on Training and development" (AngloGold Ashanti, 2018:72).		PD: Performance comparisons; Visual presentations – repetition (bold and large fonts).

Bank 1: ABSA 2017-2020 Sustainability Disclosures		
Positive disclosures	**Negative disclosures**	**Impression Strategies and Tactics**
ENVIRONMENTAL		
"We strive to minimise our carbon emissions, paper, water consumption and waste sent to landfill" (ABSA, 2017:13).		PD: Rhetoric
"Our total energy consumption reduced by a further 8.6% to 329 302 208kWh (2016: 360 473 411kWh)" (ABSA, 2017:31;43). "Total energy use decreased by 8.6%, with a 0.9% increase in carbon emissions" (ABSA, 2017:13). "In 2019, we deployed managed energy efficiency initiatives within our property portfolio, achieving a 11.3% reduction in energy consumption" (ABSA, 2019:46).	"In 2018 our energy consumption increased 2.7% to 338 125 499kWh due to greater reliance on back-up power generation from gas and diesel'' (Absa,2018:44).	PD: Writing style tactic: positive style, Performance comparisons; Visual presentation -graphs & repetition ND: Writing style tactic: positive style,
"CDP score remained at B Management (taking coordinated action on climate change issues) ahead of the industry average" (ABSA, 2017:43).	"We currently have no statistics available to report on water withdrawal, water discharge and water consumption due to the limitation inherent in available cost-effective measurement systems'' (ABSA, 2018:44).	PD: Writing style tactic: positive style Performance comparisons ND: organisational outcomes; defensive tactic

“We decreased our carbon emissions by 34% since 2012” (ABSA, 2017:31). “In South Africa we maintained 1.4 MW of solar photovoltaics, saving 2 000 tonnes of carbon emissions (equivalent to 51 800 trees grown for 10 years” (ABSA, 2017:43).	“Our total carbon footprint increased by 0.9% in 2017 to 289 651 tonnes CO2 (2016: 287 132 tonnes CO2). We have, however, implemented initiatives to reduce our footprint by 2 600 tonnes CO2 by 2018” (ABSA, 2017:43).	PD: Performance comparisons; Presenting action tactic – bold letters and descriptive ND: Writing style tactic: positive style; Visual presentation: graph; Performance comparisons
	SOCIAL	
	“There were 95 (2018: 143) work-related injuries in 2019, resulting in 607 days lost. No high-consequence work-related injuries or fatalities were reported during 2019’’ (ABSA, 2019:51).	ND: Writing style tactic- positive style, performance comparisons
“We strive to create an environment that is diverse and inclusive, and it is free of discriminatory practices” (ABSA, 2019:54). “We aim to make a positive impact on society while also delivering shareholder returns” (ABSA, 2019:44).	“In 2019, 30% of our employees reported high levels of stress (Bankmed Health Report 2019), which is particularly high in comparison to the banking industry average of 21%’’ (ABSA, 2019:50).	PD: Rhetoric ND: Writing style tactic- description; performance comparisons

"34.1%,women in senior management and 44.3% of senior managers are Black (2016: 31.6% and 38.3% respectively" (ABSA, 2017:12). "Women make up 61% in 2018" (2017: 61.4%) (ABSA, 2018:50). "Of our total workforce, 61.1% are women, with 35.0% of senior managers being women. In South Africa, where race diversity is an imperative, 75.9% of our employees are black, with 51.4% of senior managers being black" (ABSA, 2019:7).	"198 employee conduct-related whistleblowing cases were reported (2017: 285). However, of these only 27% (2017: 44%) were substantiated as at 29 January 2019" (ABSA, 2018:17). "In 2019, 212 employee conduct-related whistleblowing cases were reported (2018: 198). However, as at 14 January 2020, only 18% of these (2018: 27%) had been substantiated" (ABSA, 2019:17).	PD: Performance comparisons; Writing style tactic: positive style; Visual presentation: tables; repetition ND: Writing style tactic: positive style; visual presentation (pie chart)
"We experienced the lowest employee turnover in five years at 8.9%. 95.4% of high performers were retained (2016: 93.5%),and voluntary attrition reduced to 6.4% (2016: 7.4%)" (ABSA, 2017:39). Employee turnover down to 8.9% (2016:9.9%)'' (ABSA, 2017:12).	"Employee turnover increased to 11.3% (2018: 9.1%) and voluntary attrition increased marginally to 6.3% (2018: 6.1%)" (ABSA, 2019:49).	PD and ND: Writing style tactic: positive style; Performance comparisons; visual presentation -repetition
"R490m on direct training spend on ongoing skills and development (2016: R376m)" (ABSA, 2017:12). "In 2019, we invested R221m in scholarships, reaching 5 433 students (2018: R181m; 4 144) across 100 universities. This represents a total of R607m from 2017 to 2019" (ABSA, 2017:40).		Performance comparisons

“Our procurement spend is weighted according to the BBBEE contributor level of suppliers. Our total weighted spend on products and services increased to R17.9 bn from 2 374 BBBEE-accredited suppliers (2016: R17.8bn; 2 608). However, total weighted spend with Black SMEs declined to R2.9bn from R3.1bn” (ABSA, 2017:40).		Writing style tactic: positives style; Performance comparisons
ECONOMIC		
	“In 2019, we incurred R9.8m in penalties leave the most notable being the R6m penalty imposed by the Bank of Tanzania relating to the establishment of a primary data centre. The issue is currently being remediated” (ABSA, 2019:55).	ND: Presenting action tactic-descriptive
“Contributed to societal growth by buying goods and services (R17.5bn), paying taxes (R8.4bn) and employment (R23.1bn) (2016: R16.1bn; R7.3bn; R20.8bn respectively)” (ABSA, 2017:13). “In 2019, we contributed R230.4m (2018: R156m) to supplier development initiatives,which included R156.5m (2018: R83.9m) in funding at preferential interest rates as well as capacity-building grants for small and medium enterprises supplying goods and services to Absa” (ABSA.2019:11).		PD: Writing style tactic: positives style

“Total Value distributed to various stakeholders R68.2bn in 2018 (2017: R64.9bn)’’ (Absa, 2018:36).		PD: Visual presentation: table and diagrams Writing style tactic: positive style

Bank 2: STANDARD BANK GROUP 2017-2020 Sustainability Disclosures		
Positive disclosures	**Negative disclosures**	**Impression Strategies and Tactics**
ENVIRONMENTAL		
“Total water consumption (kl) 666 806 in 2017 (2018: 718 960)” (Standard Bank Group, 2019:42). “We succeeded in reducing water consumption in our facilities by 15 760 kl” (Standard Bank Group, 2019:42). “Total water consumption (kl) 627 632 in 2019 (2018: 680 559)” (Standard bank Group, 2019:42). “We improved our CDP score for water management from C in 2018 to B- in 2019” (Standard Bank Group, 2019:39;42).	“Total water consumption (kl) 680 559 in 2018 (2018: 666 806)” Standard Bank Group, 2018:24).	PD:Visual presentation (diagram/graphic); performance comparison; repetition ND:Visual presentation-table and performance comparison
“We understand the link between preserving the natural environment for future generations and our own sustainability” (Standard bank Group, 2017:12).		Rhetoric

“”In SBSA we recycled 371 tons of paper in 2017. In 2016, we saw an overall decrease in paper consumption thus a significant decrease in tonnes of paper recycled” Standard Bank Group, 2017:12). “In our efforts to reduce our waste to landfill, we installed a composter at one of our facilities in 2018, that converts wet waste to compost for use in our gardens” (Standard Bank Group, 2019:42).		Visual presentation (graphic, repetitions; performance comparisons
“Standard Bank is committed to prudent management of the risks arising from climate change, as they relate to our direct operational footprint and our lending activities, and to improving our climate-related disclosures over time” (Standard Bank Group, 2019:37). “In 2017, we reduced Standard Bank’s energy consumption by 21.7% against the 2014 baseline, exceeding the target we’d set for 2020” (Standard Bank Group, 2017:11). “Total Carbon emissions 260 721 tCO_2e (2016:281 264 tCO_2e), 21.7% decrease since 2014” (Standard Bank Group, 2017:11).		Rhetoric; Performance comparison; Visual presentation (diagram/graphic; large fonts) and tables

"We've invested R28.6 million in increasing our energy efficiency, energy security, and environmental sustainability in South Africa'' (Standard Bank Group, 2019:40). "Our 2019 electricity consumption reduction target was 8GWh. We were able to slightly exceed this target, achieving a reduction of 8.3GWh" (Standard Bank Group, 2019:40). "The total energy consumed in 2019 in our South African operations was around 195GWh, well below the 307GWh consumed in 2014" (Standard Bank Group, 2019:40). "Our renewable energy plants generated about 4.3GWh which is equivalent to 2.2% of our total energy mix. This is enough to power over 5 700 average size family houses." (Standard bank Group, 2019:40)		Visual presentation -table; performance comparison; bold large fonts
SOCIAL		
	"While we have robust anti-discrimination and anti-harassment policies in place, we are unfortunately not able to eliminate such instances entirely" (Standard Bank Group, 2018:28).	Writing style positive; Thematic manipulation

“In 2019 we invested R878 million in skills development, equivalent to 2.5% of staff costs” (Standard bank Group, 2019:50). “In 2019, we spent R83.6 million on education initiatives, about 74% of our total CSI budget of R113.6 million’’ (Standard bank Group, 2019:50). “Estimated jobs created from Standard Bank’s investment in south African renewable energy projects (2012-2019) is 22 199” (Standard Bank Group, 2019:46).		Performance comparison Visual presentation in bold big letters and in table
“Our turnover is well below global financial industry benchmarks for overall turnover (14.4%) and voluntary turnover (9.9%) in 2018” (Standard Bank Group, 2018:31). “Overall turnover increased to 10,8% from 8.3% largely as a result of the retrenchments that took place as a result of branch closures in south Africa” (Standard Bank Group, 2019:53).		Visual presentation -tables; Writing style tactic: positives style and bold numbers; Performance comparisons; Writing style tactic: descriptive
	ECONOMIC	
“Since 2012, we have financed the construction of new power projects to the value of USD2.77 billion in Africa. 86% of this funding was for renewable energy’’ (Standard Bank Group, 2019:46).		Visual presentation - graph

“We are a major investor, taxpayer and purchaser of goods and services. We contribute directly to government revenues by way of corporate income taxes, as well as indirect taxes such as VAT” (Standard Bank Group, 2019:22). “Total tax, R27.1 billion in the 2019 financial year’’ (Standard Bank Group, 2019:22).		Writing style tactic: positives style

Bank 3: NEDBANK 2017-2020 Sustainability Disclosures		
Positive disclosures	**Negative disclosures**	**Impression Strategies and Tactics**
ENVIRONMENTAL		
	“Globally we are facing massive economic, social and environmental Challenges” (Nedbank 2017:1).	Rhetoric
“As a responsible corporate citizen, Nedbank takes its responsibility for water stewardship very seriously” (Nedbank, 2017:6). “In 2017 the water consumption level was 15,05 kl per full time equivalent (FTE), which is very close to the end-of-2016 target of 15,01 kl per FTE. This was a good decrease from the 2016 value of 15,78 kl per FTE” (Nedbank, 2017:18).	“In 2017 total water consumption across all campus sites increased 0,41% to 317 580 kl (2016: 316 278 kl). A decrease was hoped for, but this did not materialise as the scope of reporting (amount of occupied floor space and number of employees) increased” (Nedbank, 2017:18). “In 2019 the consumption level was 13,33 k per FTE compared with to the 2018 consumption rate of 12,56 k per FTE. The consumption rate did increase but remains under the set target” (Nedbank, 2019:28).	PD: Rhetoric, Writing style tactic: positives style; Performance comparisons; Visual presentation-tables ND: Performance comparisons; Visual presentation-tables
“In 2017 the energy team disbursed R18,4bn for renewable deals, adding a further 2100MW to the national grid” (Nedbank, 2017:3).		Visual presentation: bold and brackets

"Since 2013 we have decreased our total carbon footprint by 7,14% and our carbon footprint per fulltime employee (FTE) (tCO2e) by 16,24%"(Nedbank, 2017:3). "In 2017 we achieved 4 652 kWh per FTE, which implies that the 2020 Energy target (4 694 kWh per FTE) was achieved ahead of schedule" (Nedbank, 2017:198).		Visual presentation- bold and brackets Visual presentation- graphs; performance comparisons

“Paper consumption in the 2017 financial year was 1 306 tonnes, which is a 23,2% decrease year on year” (Nedbank, 2017:18). “Paper consumption in the 2018 financial year was 1 102 tonnes, which is a 15,6% decrease year on year” Nedbank, 2018:21). “In absolute terms the waste sent to landfill decreased from 294 tonnes in 2016 to 220 tonnes in 2017, which implies a 25,1% reduction” (Nedbank, 2017:18). “In absolute terms the waste sent to landfill decreased from 195 tonnes in 2018 to 183 tonnes in 2019, which implies a 6,18% reduction. This means that 9,59 kg per FTE was sent to landfill” (Nedbank, 2019:28). “In absolute terms the recycling increased from 620 tonnes to 689 tonnes or by 11,09%. This amounts to a recycling rate of 32,65 kg per FTE” (Nedbank, 2017:18).		Performance comparisons; Visual presentation-table

“The 2017 pollution rate amounted to 6,37 tCO2e per FTE (2016: 6,54 tCO2e per FTE)” (Nedbank, 2017:19). “In absolute terms our overall reported GHG emissions decreased by 1,16% from 2016 to 2017. Year on year, the carbon emissions per FTE decreased by 2,50% to 6,37 tCO_2e” (Nedbank, 2017:20). “With a total carbon footprint of 196 991,84 tCO_2e 3 for the year, our overall reported greenhouse gas (GHG) emissions decreased by 4,17% in absolute terms from 2017 to 2018” (Nedbank, 2018:21). “The 2019 pollution rate amounted to 6,09 tCO_2e per FTE (2018: 6,30 tCO_2e per FTE)” (Nedbank, 2019:28).		Visual presentation: graphs and tables
SOCIAL		
	“In 2018 we provided student accommodation funding of R446m (2017: R1,1bn), which facilitated the provision of an additional 3 750 student beds (2017: 5 700). The decline in lending in 2018 was due primarily to delays in land being made available for development in some provinces” (Nedbank, 2018:13).	ND: Performance comparison; Organisational outcomes

“In recognition of this, in 2018 Nedbank disbursed R1,2bn (2017: R863m) towards new affordable housing developments for the building of more than 2 860 (2017: 2 100) affordable-housing units” (Nedbank, 2018:8).		Performance comparison
“In 2017 the amount that we were able to invest increased from R72m in 2016 to over R94m. The increase of R22m was invested primarily in tertiary education” (Nedbank, 2017:32). “In 2019 the total value of CSI support and investment delivered across our group” was R130m (2018: R124m)” (Nedbank, 2019:31).	“In 2017 training spend was R355m, which represents 2,6% of payroll. This is a decline in training spend primarily due to a strategic realignment” (Nedbank, 2017:24).	Writing style tactic-positive Visual presentation-tables and graphs Visual presentation-tables and Bold and in brackets in report Performance comparisons
“In 2017 total procurement spend across Nedbank Group amounted to R12bn (2016: R10,8bn) and was overseen by the Group Procurement Committee” (Nedbank, 2017:38).		Visual presentation - tables
“The Nedbank workforce comprises 62,1% women, against an economically active female population of 45% in SA’’ (Nedbank, 2017:32).		Performance comparison

"Only injuries that occur while a person is on duty are included in the injury rate. The current rate is well within acceptable standards for our industry" (Nedbank, 2017:28).	"Our lost-time injury frequency rate for the period under review was 0,19 (2016: 0,11). The total recordable injury frequency rate is 0,27 (2016: 0,19). The increase in the lost-time frequency rate is partly attributed to the greater awareness created among staff around the injury reporting process and the importance of reporting all injuries" (Nedbank, 2017:28).	Performance comparisons Organisational outcomes Defence tactic
	ECONOMIC	
"Since inception, more than R25,2bn has been invested in the Nedbank Green Savings Bond, of which R10,06bn flowed in during 2017 (2016: R9,35bn)" (Nedbank, 2017:9). "More than R31,3bn invested in the Nedbank Retail Green Savings Bond at 31 December 2018, with net inflows of R5,3bn during 2018" (Nedbank, 2018:7).		Performance comparison; visual presentation (graphs)
"In 2017 the total value of CSI delivered across our group was R168,4m (2016: R141m)" (Nedbank, 2017:38).		Performance comparisons

"In 2017 our overall operational investment in environmental sustainability initiatives totalled R42,5m (2016: R56,4m)" (Nedbank, 2017:21). "In 2019 our overall operational investment into environmental sustainability initiatives amounted to R82,98m (2018: R46,8m)" (Nedbank, 2019:27).		Performance comparisons

Appendix 3 Ethical Clearance Approval

MastersResearch2020 <MBAResearch2020@gibssa.mail.onmicrosoft.com>
to me

Gordon Institute of Business Science
University of Pretoria

Ethical Clearance Approved

Dear Tshegofatso Tyira,

Please be advised that your application for Ethical Clearance has been approved.
You are therefore allowed to continue collecting your data.
We wish you everything of the best for the rest of the project.

Ethical Clearance Form

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.