Through the looking glass

The emergence, evolution and embedding of sustainability accounting in a family business

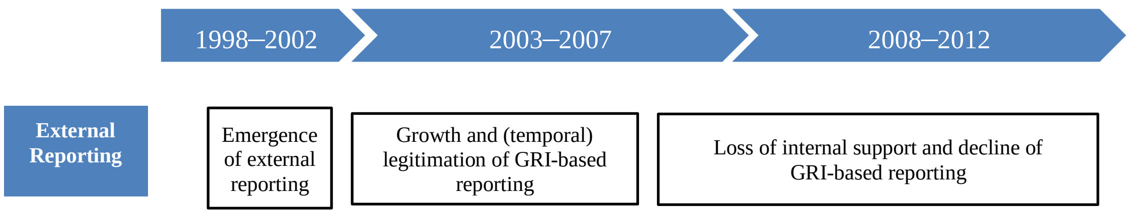
Maughan, R.

Chapter 9: The Emergence, Evolution and Non-Embedding of Sustainability Reporting

9.1 Introduction

This chapter, the last section of the case narrative, considers the final research question for the study: why and how did external sustainability reporting grow and subsequently decline between 2001 and 2012? This question is addressed by tracing the development and subsequent cessation of external sustainability reporting by the CC Group. The chapter draws on both the interviewees' accounts and a detailed analysis of the sustainability reports published between 2001 and 2012. In doing so, the chapter provides insight into the growth and decline of external reporting as it gained and lost internal support. Figure 9.1 represents the section of the chronology relevant to this segment of the case narrative.

Figure 9.1 Chronology of the Emergence, Evolution and Non-Embedding of External Sustainability Reporting, 1998–2012

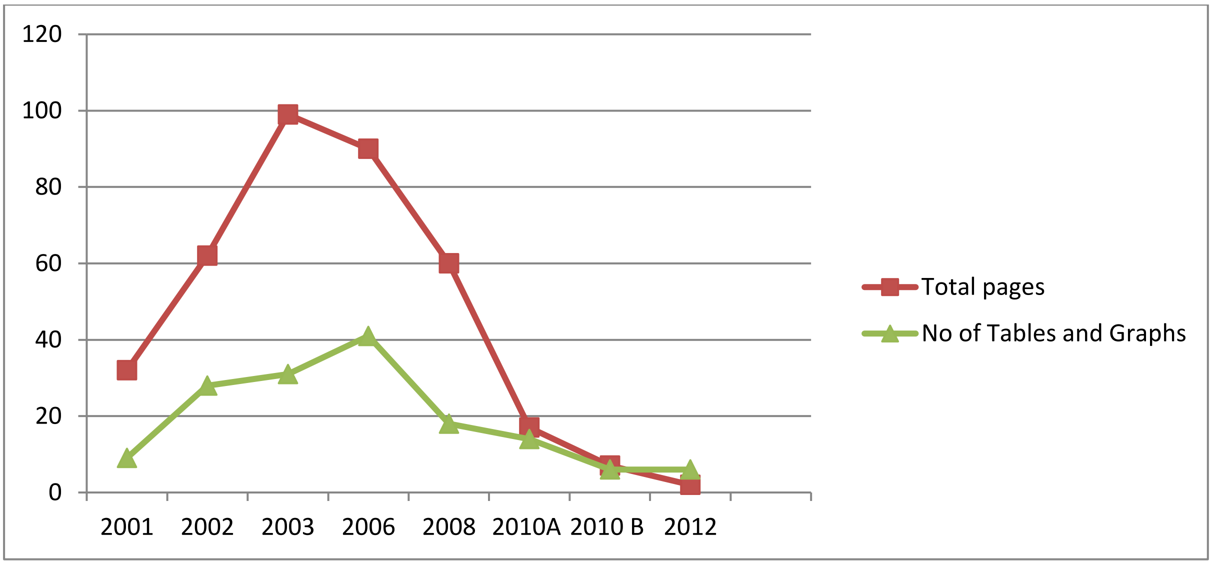


The first section of the chapter gives an overview of the Group's engagement with reporting in terms of both its extent and its nature between 2001 and 2012 and demonstrates that there was a sharp decline in the Group's GRI-based reporting from 2008 onwards. The second section draws on the interviewees' reflections on the company's motivation for external reporting and the first two external reports to consider the emergence of external reporting. The third section is focused on their reflections on the period of bigger and better reporting between 2002 and 2006. Finally, the fourth section considers their reflections on the decline of GRI-based reporting between 2008 and 2012.

9.2 Overview of Reporting 2001 to 2012

Over the period of 2001 to 2006, the environmental executive and the external consultant developed the reports using externally legitimate guidelines and independent assurance. However, from 2008 onwards, the reports became progressively less extensive to the point where the most recent report in 2012 consisted of just a two-page web-published report. Figure 9.2 below shows the rapid growth and decline in the volume of the reports. The following sections provide a brief synopsis of the extent and type of reporting for each year that a report was published.

Figure 9.2 Chart of Report Volume, Tables and Graphs, 2001 to 2012



9.2.1 2001

The first report in 2001 was seen, retrospectively, as a "fairly basic document" (I1, R1) but it contained "key environmental indicators, like waste management, tonnes per case" (I1, R1). The report does not follow any external reporting standards. It is relatively short (32 pages) and its scope is limited to the franchise division. Although it is a clear and easy-to-read document, its production is simpler than later reports (particularly 2003 and 2006). However, in its temporal and geographical context, it was a leading report that won the CC Group the first of four ACCA Ireland awards for environmental reporting. The subsequent reports were developed in line with externally legitimated reporting standards and became more extensive until 2006. The three reports produced during this period were increasingly sophisticated and extensive and conformed to external standards of best-practice reporting.

9.2.2 2002

The company's second report in 2002 was prepared in accordance with the GRI guidelines (CC Group, 2002, p. 6) and was independently audited by the CSR (corporate social responsibility) network. The report is almost double the size of the 2001 report with both the scope[12] and the extent of the report increasing. There is also a notable increase in the extent of quantitative data being disclosed to communicate the Group's progress on its environmental targets, as well as greater reporting on the company's social initiatives.

9.2.3 2003

The company's report for 2002 to 2003 (the report was changed to cover two years rather than one) was the first report after the appointment of the environmental executive in 2003. There is a notable improvement in the production quality of the report. It is a glossy, bound document with extensive use of photographs and other visual aids. The scope of the report was extended to include the Group's operations in Britain. The report is "more complete than … previous reports, in that it contains more information about the company's environmental performance. We are confident that this report represents just over 95% of our business, based on turnover in 2003" (CC Group, 2003, p. 16). Once again, there is an increase in the amount of quantitative data being reported. The quantitative data still relates primarily to environmental indicators, but a variety of other data (such as employment, training and health and safety statistics) are also reported. The report also includes more case studies in relation to suppliers and independent retailers and four independent viewpoints.[13]

---

[12] There is no explicit statement on the scope in the 2001 report; however, a review of the report shows that it is focused on reporting on initiatives and policies in the franchise division's operations within the Republic of Ireland (with some mention of Northern Ireland). In the 2002 report, there is a statement on the scope of the report, which states that, the report "discloses information, except where specified, on the activities of Group companies in the Republic of Ireland and Northern Ireland" (CC Group, 2002, p.13).

[13] The viewpoints are:

- Global Compact – UN Secretariat – Georg Kells, Executive Head of Global Compact, Office of the Secretary General, United Nations.
- Supermarkets and Sustainability – Ethical Consumer Magazine – Jenny Edwards, Researcher for the Ethical Consumer Research Association.
- Sustainability and the Grocery Retail Sector – New Economics Foundation – Petra Kjell, Researcher at NEF.

9.2.4 2006

The 2006 report is broadly on a par with the 2003 report in terms of scope, volume, content and production quality. Although the report title has changed to the *CC Group Sustainability Report*, there is little discussion of the concept of sustainability in the report. The main innovation in the report is the reporting of a stakeholder consultation process with five core stakeholder groups (shareholders, retailers, employees, suppliers and consumers).

9.2.5 2008

The 2008 report was still both externally assured and prepared in accordance with the GRI guidelines (with no change from 2006 in the self-declared GRI application score of A^+). The report reflects the emergence of the sustainability programme within the Group and sets out its five–year sustainability strategy. However, despite this new strategy, the report volume has reduced by a third in comparison with the 2006 report. There is still clear quantitative reporting of the company's environmental performance on waste and emissions, but it is more qualitative than the previous four reports.

9.2.6 2010

The 2010 report was web-published only and is not available in the archive of reports, i.e. it is no longer publicly accessible. The report is GRI compliant, again with a self-declared application level of A^+. However, the report is no longer externally assured. The volume of the report is the lowest of any of the reports up to that date and represents an 82% reduction in length in comparison with the peak volume report in 2003. The content of the report is reminiscent of the first reports in 2001 and 2002. The report details the company's environmental performance, progress on targets and ongoing commitments in the areas of Packaging and Waste, Logistics, Community, Carbon Management and Sustainability Retailing with little embellishment. There are no case studies or photographs. This web-based report in 2010 was the last GRI-compliant report published by the company[14]. Alongside the

---

- The TidyTowns Competition: It's Role in Irish Government Policy – Liam Whelan, Department of Environment, Heritage and Local Government.

[14] Since 2011, the company has also published an annual UN Global Compact Communication on Progress which contains some, but not all, of the information that previously would have been published in the

web-based sustainability report, the Group also published a *Sustainability Key Facts* report. This was a brief document (seven pages) which is more visual and less detailed than the web-based report for the same year. It highlights a variety of achievements by the company and includes a set of graphs reporting on six environmental performance measures at the back of the report.

9.2.7 2012

The 2012 *Sustainability Key Facts* report is a two-page, web-published document. There is a one-page qualitative overview of how the company supports communities, the environment and healthy living. Again, a set of six graphs is included. Five graphs are on the same measures as reported in 2010. The Total Carbon Footprint v. Business Activity graph has been replaced with a Group Fleet Emissions v. Distance Travelled graph. This set of six environmental measures is also reported in the 2011, 2012 and 2013 UN Global Compact Communication on Progress.

The Group also developed a sustainability website with an overview of its approach to sustainability and information on its environmental impact in the areas of emissions, packaging and waste, and logistics. The website has an archive of all of the previous reports (except the 2010 web-based report). Although the Group still makes information on its sustainability programme externally available, it has ceased producing its GRI-based reporting and the overall volume and detail of the information available has been substantially reduced. Thus, there have been significant changes in the extent and nature of the Group's engagement with external sustainability reporting between 2001 and 2012. This chapter explores the interviewees' perceptions of, and support for, external reporting over this period of growth and decline with a particular focus on the key internal participant's (the environmental executive) account. Section 9.3 starts with the interviewees' reflections on the emergence of the first report in 2001.

9.3 The Emergence of External Reporting

In 2001, the company published its first standalone environmental report for the year 2000. The company was not, and still is not, obliged by any legal requirements in Ireland to

---

sustainability reports. Overall, the sustainability information now being published by the Group is less detailed than the GRI reports.

produce these reports. The first environmental report was originally developed for internal purposes. The external consultant indicated that it was only published because of a request from the ACCA to submit it for their reporting awards:

> *Initially, the first real report, the one we call the real report, was the 2002 report, we didn't really count 2001. We only, we only really put in the 2001 one in the ACCA awards because they asked us to. It was supposed to be an internal report. They had planned to report on a biannual basis, and 2002 was their first planned report.*

When the first report was published in 2001, the franchise division had already been engaged with environmental management for several years and had developed the Group's first environmental charter in 1999. The report was seen as a way of knowing "what we've done" and looking "at the work that had been done":

> *The next phase, I suppose, was then saying, we're doing okay, we've got a policy, we do all this work, how do we sort of correlate it, or bring it back to a point where we know what we've done and we are able to report accurately on what we have done. So that is when we did our first ... environmental report. (I1, R1)*

The interviewees' accounts suggest that the emergence of the external reports was part of the natural evolution of the Group's engagement with environmental issues and based on its pre-existing environmental performance.

9.3.1 Reporting as a Natural Progression

External reporting, based on the company's actions in the area, was perceived by the interviewees as part of "doing things right" and "doing the right thing." Several of the group members indicated that it was a natural progression in the development of the Group's activities in the area and in character for the Group given its openness in other areas:

> *So, it was seen that, like any system that you put in place, you have a policy, you have a process of work, you have some way of recording and measuring what you do, the next obvious thing is to report. The fact that the company was a fairly transparent company, because as a private company we already issue and produce financial reports even though we are not*

legally required to do that. It was felt that in a similar way we should produce environmental reports. That was really, I suppose, the thinking and the reason why we began reporting. (I1, R1)

Producing an external, standalone, environmental report was part of "doing things right" for the new activities as a whole: "we then felt that the only way we could truly measure how we were performing was to communicate and to report in a transparent way" (I1, R1). The reports were also seen as part of "doing the right thing." The early reports (2001 and 2002) include moral claims, with suggestions that the company had an "obligation to our business partners and the community" (CC Group, 2002, p. 15) to make their commitments public, communicate their progress and in doing so provide an example to other businesses:

CC Group believes that our actions for the environment must be disclosed to achieve their greatest effects. We want to provide an example to other Irish companies in the implementation of our environmental process. (CC Group, 2001, p. 24)

Group members acknowledged the potential self-interested benefits (in terms of enhancing the Group's reputation) of external reporting, however this was seen as deserved recognition based on the Group's genuine engagement and progress in the area:

I think the reporting of it is probably just seen as CC's being open in what they do and sharing the information, if you like, with the wider public at where we are currently or at any point in time. (I5, R1)

9.3.2 Reporting Based on Performance

These reports are worthless. Absolutely valueless. Like they are damaging the environment by having to dispose of them, if the original passion behind it isn't genuine. (I6, R1)

The two directors who took part in the decision to engage in environmental reporting were critical of reports without substance. They suggested that external reports were valueless if they were not connected to the company's performance in the area and were not an end in themselves:

I can remember … even asking that question – look, we're not going to become involved in producing a report unless we're prepared to stand over *it, unless it clearly illustrates what we are doing and we're going to do into the future. And we have commitments, I remember that, you know, it wasn't a report for the sake of just producing and feeling good about it and then leaving it go on a shelf. It was going to have to have a long life. (I3, R1,)*

The 2001 report positioned the Group as making a genuine effort to measure, manage and report on its environmental impacts with an emphasis on communicating the company's commitment to managing its environmental impacts, its progress to date and the challenges it was experiencing:

You will find that when you read this report, we have made every attempt to measure our performance with regards to environmental management. We have, in certain areas, experienced difficulty in quantifying our impacts as we have many issues to contend with and systems to implement within our complex business structure. I can say with confidence that our immediate challenge for managing the environment in a proper manner is to measure accurately our environmental burdens and progressive changes on a year-to-year basis, so we can report accurately for future years and enable meaningful dialogue and analysis with our stakeholders. (CC Group, 2001, p. 1)

Within the report, the Group's environmental policy and commitments, performance and indicators are set out in relation to: communications; waste management; supplies and products; buildings; and reporting. Several case studies are also used to highlight specific projects. Although the report is primarily qualitative, there are a number of quantitative indicators relating primarily to waste and energy management. The report also contains a commitment to balanced reporting and reporting metrics relative to turnover and cases delivered:[15]

This message won't just contain well-chosen items of which we are proud – we will also describe the areas in which we particularly fall down and where we must improve for the future. (CC Group, 2001, p. 1)

Instances of poor environmental performance in the past, both on the part of the Group's retailers and within its own operations, are also reported:

[15] This makes the metrics comparable over time.

CCRPI [the franchise division] acknowledge that bad practice has previously been widespread throughout the business. We are committed to begin eliminating cases of litter offences, illegal dumping and back-of-store burning of wastes within the next two years. We will achieve this target through the implementation of regional contracts and through extensive environmental management training at CCRPI premises and at our retailers' stores. (CC Group, 2001, p. 8)

Instances of poor performance continue to be reported in 2002 and subsequent years. For example, in the 2002 report there is a new KPI section and poor or mixed performance is reported on five out of the six KPIs for the franchise division's environmental action team. Reasons for the poor level of performance and the proposed changes in the company's approach as well as difficulties in relation to retailers' waste management and poor uptake of environmental management training are also reported (CC Group, 2002, p. 4, 42, 57). As the extent of the Group's reporting grew rapidly between 2002 and 2006, so too did the need for active internal support and legitimacy for reporting.

9.4 Internal Legitimating External Reporting 2002 to 2006

… bigger and better … is our attitude to this. (I1, R1)

During this period of "bigger and better" reporting, externally audited, award-winning reports were compiled using the GRI framework. When the first GRI-based report was produced in 2002, the external consultant indicated that there were a lot of questions and some resistance from group members:

There were a lot of questions on why are we answering this and what's this got to do with us, because of the different way the GRI is set up. Initially, there was what's, this has nothing to do with us, why are we even saying this. And I said, well, it's a standard set of guidelines and they ask you to deal with everything. So for the first report, while we are in accordance with GRI, we didn't deal with all the issues … So we, ahem, we dealt with all the core GRI indicators in the first one but in the second report we got through every single one of them. (I2, R1)

The 2001 and 2002 reports were primarily the remit of the external consultants. However, in 2003, the environmental executive was appointed and “the very first thing” he did was to prepare the report for that year. This report was now fully compliant with the GRI standards, independently audited and extended to include the Group’s operations in the UK. Reporting in this way was “extremely difficult” and a “huge, huge challenge” for the environmental executive and his assistant. The environmental executive indicated that the most difficult aspect was securing active internal support for the reporting process from other group members, followed by a “very, very daunting” and time-consuming independent assurance process:

> *The collection, analysis, validation and basically the construction of all of the data that we use to report is a huge, huge challenge … and you’re continually haranguing and harassing people … The other big challenge is when we come to develop the report we take the GRI indicators and .. we distribute those across the organisation. So for instance all of finance directors get the finance-type questions … And one of the biggest problems they have is actually understanding the information that is being asked for because it’s not numerical it’s very often narrative type information they are being asked and a combination in some cases of both narrative and numerical ... And the next phase is just trying to get all of that information, that massive volume of information, and get it and get a report constructed around it. ... And then you move into the next challenging phase, final phase really, is once a draft report is produced, it’s sitting down with the auditors ... So that’s how it works. … But it is a very, very daunting process. (I1, R1)*

Although using the GRI framework was “daunting”, it was also a potential source of procedural legitimacy for reporting.

9.4.1 Seeking Procedural Legitimacy for Reporting

Several of the interviewees, involved to varying degrees in the reporting system, indicated that they viewed the system during this period as procedurally legitimate – that is, they were “doing things the right way.” In their view the reporting system followed proper procedures – in this case, the use of external standards and independent assurance along with increased internal expertise in the area. The environmental executive indicated that reporting using the GRI-framework and AA1000 standard was a "robust system" (I1, R1) as they were internationally recognised:

> *We chose the GRI because it's the only real recognised international standard to which you can report to, well, not report to but construct a report to. We also work to the AA1000 standard and, and then of course you can do all of that, the final piece in the jigsaw is that you, you have it externally verified and audited and we've been using the same auditors for the last few years. (I1, R1)*

The environmental executive also indicated that the external auditors were "very good because they do identify errors," for example, they found a significant (unintentional) error in the calculation of cases sold and then "We put it right." The environmental executive and other group members involved in the reporting system also indicated that the auditors provided advice on reporting best practice and suggestions for improvement which allowed them to develop their expertise in this area:

> *I suppose we've learned from our mistakes over the years in terms of the data gathering where there may have been mistakes or issues within that, and I think that we probably have a fairly robust system now that CC can stand over the information within the reports. So, I think the report has evolved all for the better. (I5, R1)*

9.4.2 Seeking Consequential Legitimacy for the Reports

The interviewees' accounts also suggest that the environmental executive and the external consultant sought consequential legitimacy for the reporting system, based on the outcomes of the system – the reports themselves. Group members described the reports as "honest", "truthful", "substantive" and "accurate" documents, and "everybody recognises that our reports are good reports" (I1, R1). The environmental executive believed that the reports reflected the company's genuine commitment and performance in relation to sustainability: "those who do care feel that this report represents us very well. It's a clear, honest, open document and it describes this, the things that go on in the organisation and the good and the not so good things" (I1, R1). Even a senior group member, who was a vocal critic of the reports, acknowledged that they were "truthful" (I6, R1) documents:

And I read, I was flicking over some of that last night, and in actual fact it's true. It's a truthful document. It's not really exaggerated. I couldn't ring up anyone last night and say, are you bullshitting the public? And it's not, it's actually true. (I6, R1)

The environmental executive and the external consultant also sought to align the reports with the Group's most powerful stakeholders, the CC family, suggesting that the reports were positively received and supported by the family and communicated a family-approved image of the Group:

The family loved it [the report], the family loved it, and the family, almost any feedback from the family and through the family spokesperson have been extremely good and they loved it. (I2, R1)

I think the CC family are very pleased with the reports always. … They're always extremely complimentary and they feel this is how they want to be portrayed, this is how they feel they are and this how they feel their vision of how their business should operate should be portrayed. So they generally, I would say always, are extremely complimentary and very supportive, as well you know. (I1, R1)

9.4.3 Seeking Pragmatic Legitimacy for the Reports

The environmental executive, external consultant and environmental action team leaders also provided insights into their attempts to gain pragmatic, best interest-type legitimacy for the reports. These best interest claims focused on the reputational benefits of the reports and related awards: "the reports have won … a certain amount of awards. I think that can do nothing but good for the company's image you know" (I5, R1). The interviewees also suggested that reporting "would help to communicate what the business was about" (I4, R1) and it was "another step in terms of how CC wanted to be perceived in the wider community" (I3, R1). The environmental executive indicated that the reports were widely distributed by group members:

If you go to any meeting now, people are always handing out copies of this. So when we have meetings with banks or with insurance companies, those hosting these meetings will always say, look, here's a copy of our

> *sustainability report because they feel it says about us what they want people to think about us. In other words, if you're going to do business with a bank or an insurance company, the bank wants to know that you are a good risk, the insurance company want to know that you are a good risk. If they can see that the company works to this standard and reports to this particular standard, it gives them a more comfortable feeling. (I1, R1)*

The external consultant also linked the reports to the success of a large acquisition and portrayed them as contributing to a positive image with lenders and the acquired company:

> *I think it has given them credibility that's what their, that's the main benefit that they will have seen. They have used the report ... when they were acquiring, ... franchises in the UK that they, when they were talking to the finance people, that they always sent their sustainability report along with their financial reports and they, they felt that that gave them greater and easier access to finance. Ah, ah, it gave them greater credibility in the market place as well because [the franchisees] could see, okay, this is not your common or garden company. This is a company with an ethos behind it and a set of standards and you know we're not moving, we're actually going up the value chain, our business is going up the value chain here, because it is different and better than what, than what they had been used to. (I1, R1)*

9.4.4 Legitimacy Evaluations

While the environmental executive and the external consultant provided insight into the strategies used to seek internal legitimacy for the reporting system and the reports, other interviewees provided insight into the success of these strategies as they *evaluated* the pragmatic and moral value of the reports during this period. The interviews with senior members of the Group suggest that there was limited acceptance of the best interest claims being made about the reports and related awards. One senior group member indicated that progress on environmental issues was important but the awards "were worse than useless" (I6, R1):

> *Those awards are absolutely worse than useless for our business. They haven't added one cent of value, they've added shit loads of cost. It's nice*

to go to Dublin and get your photograph in the paper. Other than that they have no value. What's important there is that we're recycling 65% of the stuff. That we have all our shops geared to be environmentally friendly. You know and that's what's important there, not awards. (I6, R1)

The (retired) CEO was less critical of the reports and indicated that the reports were distributed selectively to "key influencers" (I3, R1):

We have distributed selectively, yes, we wouldn't have sent it out carte blanche. Certainly our banks would get it, and certainly key manufacturers and key influencers, people like our auditors, as I say the banks, obviously, the Department of the Environment, yeah, we'd send it to some key influencers, yes. (I3, R1)

He suggested that the reports may have been useful in managing the company's relationship with the Department of the Environment and helping them to retain a valued sponsorship: "So, the production of the biannual environmental report and so on, not quite certain as to ... I'd be surprised if hasn't influenced in some way the Department of the Environment" (I3, R1) but also indicated that claims of this kind were subjective and difficult to evaluate:

And certainly, I think, you know, it's very difficult to evaluate to what extent banks are coloured by, you know, these kinds of initiatives and so on. But you know, when CC decided to expand into the UK we were borrowing levels of money that we had never been anywhere near in the past. So, that we were actively engaged with banks and borrowing up to half a billion at the time to do it. So, and were successful, and our British business has been very successful to date so, I think, as I say again, it's very difficult to know the extent to which banks will make a judgment call, they'll make a judgment call on your ability to run a business but I think these kinds of things in the background are no harm, either. (I3, R1)

By 2006, the environmental executive and external consultant, on the advice of the external auditors, were exploring ways in which they could reduce the scale of the reports. A stakeholder consultation, disclosed in the 2006 report, was carried out to ascertain what information was important to the Group's stakeholders. Having carried out the consultation, the environmental executive initially was reluctant to change the reporting procedures. He indicated that this was because he wanted the reports to be "bigger and better" each year and to continue to win the ACCA awards but also because he did not want to be "telling nice little good news stories without having the robustness behind that" (I1, R1).

> *I'm not for dumbing down the report. I'm not for going away from the GRI, because I think the GRI, the one great thing that it does is it keeps you straight, it stops you from swaying towards telling a nice story and being afraid to show what your failings are. And there are too many CSR reports out there written as very glossy, aren't we great, type documents. And I think what that does is it devalues the good stuff, you know. So, it is, it is a challenge, there is no doubt about it, that we now, now have to really think laterally on this and decide how are we going to capture the benefits for this opposite consumers. (I1, R1)*

9.4.5 The Environment Executive's Legitimacy Evaluations

Despite the environmental executive's professed reluctance to move away from GRI-based reporting, he was re-evaluating the legitimacy of this "accurate, technical" but "very expensive document when you take into account things, the audit, the use of consultants' time in, in drafting process, printing, all of that you know, it costs huge money" (I1, R1). He discussed at length his concerns about reporting, and indicated that it was at a "crossroads" (I1, R1) with the purpose and method of reporting coming under increasing internal scrutiny:

> *I definitely feel that we are at a crossroads in terms of reporting and whether, whether our next report will be like this or whether it will be more consumer friendly, that debate is happening internally at the moment. So we'll see. (I1, R1)*

The environmental executive was reflecting in particular on the audience for the reports:

> *You have to ask yourself again and again, why are we reporting? And if we know why we are reporting, to whom we are reporting? And in what way we should be presenting the information? (I1, R1)*

He suggested that the GRI-based reports had at most a limited audience of CSR practitioners and academics:

Who genuinely reads this kind of report? I think that there is a danger, of course, that you write reports for academics and you satisfy a very, very small bunch of elite people, similarly that you can write reports for professionals and you satisfy again a group of elite people. (I1, R1)

The external consultant also indicated that the reports had not found any external audience; they had met a "wall of silence" (I2, R1). More specifically, the reports had failed to find a valued external audience. The interviewees' accounts of the Group's original motivations for engaging with external reporting did not feature any significant discussions of consumer recognition or marketing advantages. However, as other companies in the industry engaged in the area, the issue of consumer communication had emerged. The environmental executive suggested that the Group's competitors were generating publicity with superficial policies and activities, whereas the CC Group was not getting consumer recognition for its more genuine efforts:

And I think it's particularly so on the retail side because there is that recognition out there that maybe we've allowed our competitors to paint themselves more green than they used to be kind of thing and at our expense. (I1, R1)

This was an issue the environmental executive returned to many times during our conversation in 2007:

We've kind of sat back, that's maybe the wrong expression, but we've not, we've always been so far ahead we've not really had to look over our shoulders, we've just continued on doing things the way we do, confident in the knowledge that we were doing the right thing. What we see now is that people are gaining ground very, very rapidly and not only are they gaining ground, they're learning how to communicate much, much better than perhaps we are. So we need to make sure that we don't end up falling behind. (I1, R1)

9.4.5.1 Questioning the Structural Legitimacy of GRI-based Reporting

The environmental executive indicated that GRI-based reporting was at the heart of this failure to communicate with consumers:

We're challenging ourselves, we're saying, okay we produce these expensive, accurate, technical documents, but do they really make a blind bit of difference to the average person in the street? Certainly as a person who is a practitioner of CSR, and looks more at, looks for technical accuracy will read this and say, yeah, it has everything, it ticks all the boxes. But, you know, our aim is to communicate, but are we communicating effectively? (I1, R1)

The environmental executive believed that they had failed to communicate the Group's sustainability performance to consumers because the GRI-based system wasn't *right* for *this* job (structurally legitimate). He suggested that although reporting using the GRI framework was part of *doing things the right way* it was proving to be a procedurally robust but structurally flawed system:

I think that's perhaps a flaw with the GRI even though it's a robust system and we are very much wedded to it … you would have to ask the question is, well why, what does the GRI really, what's its real aim, what's it trying to achieve? … is it trying to publicise the CSR credentials of a particular company? … it probably fails somewhat because the way in which it's constructed, if people within business have difficulty understanding what some of the GRI indicators really mean. The way they're phrased, what chance has the average consumer?

The environmental executive also perceived the GRI guidelines "as actually becoming more and more unwieldy" (I1, R1). In addition, with the increased activity within the sustainability programme, he was now "spread very, very thinly across the organisation and covering very, very different areas, engineering-type areas, and then the softer areas, technical, non-technical, but just the whole range of different things across the organisation." However, at the end of our conversation he was "still firmly believing" that he would continue to report using the GRI guidelines and create something in addition that was targeted at consumers. Despite this professed commitment to GRI-based reporting, it was only another two years before this form of reporting ceased.

9.5 Losing Internal Support 2008 to 2012

The interviewees' accounts suggest that internal support for GRI-based reporting faded quickly during this period. Many of the interviewees admitted that they themselves did not read the GRI-based reports. However, the environmental executive continued with GRI-based reporting for the 2008 and 2010 reports. Although the reports were still "sticking to the GRI framework" (I1.2, R2), the technical information had been consigned to the back of the reports. He had also tried to "de-jargonise" the reports and make them more accessible to people who were not technically knowledgeable about the area. Even with these changes, he indicated that the printed reports (produced every two years) were too static and that feedback on the reports continued to be disappointing:

> *I have found over the years with sustainability reporting is that it can be very static ... The problem with that is, if we opened the most efficient store in the country tomorrow, the most energy efficient store or we do something that is the most cutting edge, it will be two years before we can talk about it. It will be two years before we can really publicise that and open up debate and discussion about that. What we feel is that we need some sort of a current or real-time or near real-time mechanism to communicate with stakeholders. (I1.2, R2)*

The environmental executive was not alone in his commitment to maintaining some type of external reporting. The (current) CEO also indicated that external reporting was part of being "honest" (I11, R2) about what the Group was doing and perceived companies that did not report in line with a recognised framework as being more prone to "greenwash" and making commitments that they did not meet:

> *The reporting at least gives us validity, particularly in the public world, to say that we're doing it with sincerity and it's driving us in the right way. (I11, R2)*

However, it now "seemed nuts" to the CEO that a "lot of money" had been spent on the stakeholder consultation in 2006 and that the GRI-based report was still too big, too hard to read and reached a very limited audience. They suggested that this type of reporting was onerous and of questionable value:

I do come back to the point that the reporting, the kind of framework reporting wouldn't get really much airplay and poor old X [the environmental executive] has to pick that up because it's onerous and it's, and actually people – probably myself included – would question the value of it at times because it becomes a bit of a noose round people's necks. (I11, R2)

The environmental executive was considering other ways of communicating about sustainability and the Group's engagement with sustainability including a personal sustainability blog and short video updates on the Group's progress. However, he was "slightly nervous, I'm being very cautious about it because what I don't want to happen is that it becomes a millstone around my neck or a beast that drags me down." He wanted to keep control of the blog and not "end up regretting that you ever got into it". The environmental executive also indicated that he continued to try to gain a valued audience, in the form of consumers, for sustainability-related communications but was now focused on more subtle messages:

We have had to in some way become more subtle in the way we communicate with our consumers around sustainability … we have begun to say things like promoting seasonality. So instead of talking about food miles, let's talk about seasonality … Seasonal vegetables obviously have a much lower carbon footprint than imported or out-of-season vegetables. So a lot of our communications are much more subtle so that the consumer is absorbing sustainability and not necessarily realising it. (I1.2, R2)

However, the environmental executive indicated but he now believed that a low level of external communication on the Group's sustainability performance was actually more in line with the CC Group's character and behaviour:

CC Group tends to be an understated company. We tend not to get up there and blow our own trumpet contrary to what it might sound like in this interview. But we're not really out there as much as we could be. So we tend to just sort of "Yes, okay fine. We're going to do what we do in our way." (I1.2, R2)

In summary, despite the Group's ongoing development of its sustainability programme and having a "very, very good story to tell over the years and a genuine story to tell", external GRI-based reporting did not gain enough internal legitimacy to sustain the level of active internal support needed for it to continue. The legitimation strategies for external reporting drew primarily on external standards, experts and best interest claims with few substantive links to the Group's set of identity claims. Arguably, this inhibited the embedding of the reporting activity and contributed to its decline and eventual termination. The case discussion in the following chapter analyses the successful legitimation of the environmental management and accounting system and the sustainability programme and the failed legitimation of the external reporting.

9.6 Chapter Summary

This chapter discusses the emergence and evolution of the CC Group's external sustainability reporting over an extended time frame (2001 to 2012). The chapter is divided into four sections. The first section provides an overview of the growth and decline in the extent of the Group's GRI-based reporting between 2001 and 2012. The second section discusses the emergence of the external reporting, highlighting that the reports emerged as part of the "natural" development of the Group's engagement with environmental issues and were perceived as a by-product rather than a primary output of this engagement. The third section provides insight into the (partial) legitimation of and internal support for external reporting between 2001 and 2006. The fourth section considers the participants' (re)evaluation of the legitimacy of GRI-based reporting and the decline in internal support for this form of reporting between 2008 and 2012.