

Communicative distortions in sustainability reports: an analysis based on habermasian thinking

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Abstract

Sustainability reports are ways of expressing what organizations understand by sustainability. Critical perspectives have pointed to the possible manipulative use of reporting practices. Based on Jürgen Habermas' thought, this research applies the notion of communicative distortion to analyze sustainability reports of 4 corporations listed in the ISE 2020 portfolio, scrutinizing distortions of 4 orders: truth, sincerity, legitimacy, and intelligibility. The results alert to the risk that the reports can instrumentalize the idea of sustainability, printing the corporate vision on it. This way of proceeding, dismissing mutual understanding, removes sustainability from the discursive (Habermasian) scope, draining it of meaning.

Keywords: Sustainability reports. Communicative distortion. Habermas.

Distorções comunicativas em relatórios de sustentabilidade: uma análise pautada no pensamento habermasiano

Resumo

Relatórios de sustentabilidade constituem meios de expressão do que organizações entendem por sustentabilidade. Visões críticas têm apontado para um possível uso manipulativo das práticas de relato. A presente pesquisa, baseando-se no pensamento de Jürgen Habermas, aplica a noção de distorção comunicativa para analisar relatórios de sustentabilidade de 4 corporações listadas na carteira ISE 2020, perscrutando, para isso, distorções de 4 ordens: verdade, sinceridade, legitimidade e inteligibilidade. Os resultados alertam para o risco de que os relatórios instrumentalizem a ideia de sustentabilidade, nela imprimindo a visão corporativa. Tal modo de proceder, relevando o entendimento mútuo, retira a sustentabilidade do âmbito discursivo (habermasiano), esvaindo-a de sentido.

Palavras-chave: Relatório de sustentabilidade. Distorção comunicativa. Habermas.

Distorsiones comunicativas en informes de sostenibilidad: un análisis basado en el pensamiento habermasiano

Resumen

Los informes de sostenibilidad son formas de expresar lo que las organizaciones entienden por sostenibilidad. Las perspectivas críticas han señalado un posible uso manipulador de las prácticas narrativas. Esta investigación, basada en el pensamiento de Jürgen Habermas, aplica la noción de distorsión comunicativa para analizar los informes de sostenibilidad de cuatro corporaciones que figuran en la cartera de ISE 2020. Se investigan distorsiones de cuatro órdenes: verdad, sinceridad, legitimidad e inteligibilidad. Los resultados alertan sobre el riesgo de que los informes puedan instrumentalizar la idea de sostenibilidad, imprimiendo en ella la visión corporativa. Este procedimiento, que descarta el entendimiento mutuo, sustrae la sostenibilidad del ámbito discursivo (habermasiano) privándola de significado.

Palabras clave: Informes de sostenibilidad. Distorsión comunicativa. Habermas.

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INTRODUCTION

The practice of sustainability reporting, as part of organizational performance's accountability, is one of the ways by which the corporate world builds its understanding of sustainability (Livesey & Kearins, 2002; Milne, Kearins, & Walton, 2006).

While we see progress in this practice, in recent years, there is also the risk of reports being used as rhetorical pieces, intended more to promote companies' interests than provide appropriate information for assessing their sustainability performance (Boiral, 2013; Milne, 2005; Silva, Reis, & Amâncio, 2014). According to Tregidga, Milne, and Kearins (2015), a reflective and critical research on corporate reporting is necessary to prevent limiting the speech on sustainable development and sustainability to a hegemonic conception strongly influenced by corporations, which can shape such concepts for their own benefit.

The thought of German philosopher and sociologist Jürgen Habermas is a path for exercising a critical reflection on corporate world phenomena. For Alvesson and Deetz (2010), the Habermasian perspective seeks to regain a broader understanding of rationality and overcome distorted communication. It is a grounded, interpretive, and politically critical sociology (Forester, 1994, 2003). According to the author, applying the notion of communication distortion, inscribed in the theory of communicative action, helps us explore concrete situations of communication, real flows of action that reshape beliefs, consent, trust, and attention.

Consistent with the proposal, researchers have applied the notion of distortion in analyses of different contexts, such as in organizational communication related to learning technology (Cukier, Middleton, & Bauer, 2003), urban planning (Forester, 2003), information system (Cukier, Bauer, Middleton, & Ngwenyama, 2009), management communication (Vizeu & Cicmanec, 2013), and equality and diversity (Cukier et al., 2016). However, there is a need for studies that link communication distortion and sustainability directly. In order to contribute to reducing this gap, this paper applies the idea of communication distortion to analyze sustainability reports from companies listed in the ISE 2020 portfolio, and the implications that arise from such distortions.

To do that, we examined the four pragmatic assumptions mentioned by Habermas in his theory of communicative action - intelligibility, truth, sincerity, and legitimacy (Habermas, 2012a, 2012b) -, through four companies' reports: Energias de Portugal (EDP), Light, Natura, and Petrobras. We found distortions in all dimensions, in all four reports, which calls attention to the fact that firms practice communication on sustainability in a way that hinders what it would make possible, something that Habermas refers as communicative action. We point to what is paramount, if we want to reach a state of communication with emancipatory potential, to inscribe the practice of reporting within a renewed normative horizon.

SUSTAINABILITY AND ORGANIZATIONS' PRACTICE OF REPORTING

The concept of sustainability is not univocal, nor is its association with the ideal of development exempt from criticism. Polysemy, vagueness, ambiguity, illusion, confusion, and contradiction are attached to the idea of sustainability (Hopwood, Mellor, & O'Brien, 2005; Michelsen, Adombent, Martens, & Hauff, 2016). Sustainability is a concept in dispute, and still being built by different actors, approaches, and knowledge areas (Feil & Schreiber, 2017; Landrum, 2017).

In the corporate environment, there is a prevailing perception aligned with Brundtland's (1987) concept of sustainable development, marked by its three dimensions - environmental, social, and economic -, also called 'triple bottom line' (Antolin-Lopez, Delgado-Ceballos, & Montiel, 2016; Rego, Cunha, & Poland, 2017; Tregidga et al., 2015). As Schalteger, Hansen, and Spitzbeck (2016) observe, ecological issues became more relevant for organizations after several environmental accidents in the 1980s and 1990s, and after the development of management systems, certifications, and awards that stimulated environmental and social awareness.

Organizations show their involvement with sustainability, among other activities, through reports on issues that go beyond financial information (Milne & Gray, 2012). Globalization – and the corresponding substantial increase in communication flows – and getting closer to the stakeholders follow the growing concern for justifying environmental and socioeconomic impacts of organizational activities to society (Silva et al., 2014). Through reporting, firms are accountable for their activities and show their sustainable character. As Boiral (2013, p. 1038) says, one of the main objectives of these reports is “to help companies be accountable to different stakeholders, meet their expectations, and show compliance with sustainability standards”. For Milne and Gray (2012, pp. 16-17), however, “what emerges from business reports may well reflect what the organization understands as sustainability or what it wants to understand”. In Vizeu, Meneghetti, and Seifert’s (2012, p. 580) critical view, “for organizations or intellectuals who appropriate conceptions of sustainability, what matters is to fit them within the contexts and speeches that serve their pragmatic interests”.

A collection of images, which companies link to the idea of sustainability, shows how they understand it. As transparent, responsible, careful, humane, and well-intentioned organizations (Livesey & Kearins, 2002). Committed to sustainable development. Capable of measuring and managing towards the ideal. Sufficiently balanced to meet conflicting interests (Milne, 2005). On a journey towards sustainability (Milne et al., 2006). Nature-conserving, welfare-promoting companies – with a special focus on future generations. Attentive to stakeholders. In addition, adept at science and technology for problem solving (Boiral, 2013).

Therefore, companies participate in building the concept of sustainability. Vizeu et al. (2012) even conceive sustainability as a necessary and useful speech, which legitimizes the practices of firms and “intellectuals” serving the interests of economic elites linked to the capital system. Hence, we should pay attention to the risks of the rhetorical use of the term, often marked by allegories and repetitions. What is at stake is the social legitimization of business organizations; after all, there is a world threatened by corporate action, and the risk that legitimation allows the action to continue, at least structurally, based on the same logic that has always guided it.

THE COMMUNICATIVE ACTION AND THE NOTION OF COMMUNICATION DISTORTION

Aiming to overcome the aporia of structural blockage opposed to emancipation - to which his predecessors arrived by reducing rationality to its instrumental form - Habermas presents the concept of communicative reason. This was part of a large-scale project, drafted in the 1960s, in *Technique and science as “ideology”* (Habermas, 2014), a work that contains, among others, the notorious essay “Work and interaction”, where the German philosopher, recovering Hegelian and Marxist discussions, rebuilds concepts and redefines the idea of reason. The project reached its peak in 1981, by publishing the two volumes of *The Theory of Communicative Action*, where the “work/interaction” dyad gains very sophisticated outlines, already under new names. Based on it, and especially on three important works, the author examines the three traditional elements of practical reason: in *Moral Conscience and Communicative Action*, it is ethics/morality (Habermas, 2003); in *The Inclusion of the Other*, politics (Habermas, 2018); and in *Law and Democracy*, the law (Habermas, 2020).

In the 1960s writings, Habermas acknowledged the emergence of a type of behavior that he qualified as “just the reverse of the dissolution of the sphere of linguistically mediated interaction, under the pressure of the structure of rational action regarding the purposes” (Habermas, 2014, p. 112). As he explains further on, he was concerned about the disappearance, from human awareness, of the difference between rational action with respect to purposes, and interaction, which would strengthen the ideology of technocratic consciousness. In the 1980s, following the goal of restoring the potential of reason – which the first generation of Frankfurtians saw as instrumental, thus blocking emancipation -, Habermas dismantled the strict correspondence between social rationalization and the spread of a teleological rational action. By doing this, he moved the reference point toward the potential of rationality directed to the speech’s validity basis, which, for him, had never become completely inactive (Habermas, 2012a).

To the author, instrumental rationality “carries connotations of a successful self-assertion, which is possible by the intelligent adaptation to the conditions of a contingent environment, and the informed provision of those conditions” (Habermas, 2012a, p. 35). This rationality emphasizes calculation, utility, and the maximization of profit. It is linked to a strategic type of action,

common to society's systemic dimension, which includes the state sphere – which orbits around power – and the market (of money), where unpredictability and the subject's agency are reduced, given the system's bureaucratic organization, to achieve the established goals (Alcântara & Pereira, 2017).

On the other hand, the binding and consensus-generating force of argument permeates communicative rationality, and through it, participants seek to overcome “their initially subjective conceptions in order to, thanks to the convergence of rationally motivated convictions, assure themselves, at the same time, of the unity of the objective world, and the inter-subjectivity of its vital context” (Habermas, 2012a, pp. 35-36). The action linked to it is the communicative action: “The actors seek an understanding on the action situation, and agree to coordinate their action plans, and thereby their actions” (Habermas, 2012a, p. 166). This action is typical of the lifeworld dimension, formed as “a reserve of interpretation patterns, linguistically organized and culturally transmitted” (2012b, p. 228). Language is raised to the foreground.

However, argument can only work as a coordinating mechanism of action if interacting participants recognize the validity claims mutually expressed. This is called universal pragmatics – or, according to Habermas, formal pragmatics¹, through which universal conditions of mutual understanding are identified and rebuilt. Non-compliance with such pragmatics characterizes a communication distortion, which results in misleading understanding (Cukier et al., 2003; Cukier et al., 2009; Cukier et al., 2016; Forester, 1994, 2003; Habermas, 2012a, 2012b; Vizeu & Matitz, 2013a; Vizeu & Cicmanec, 2013). There are four claims of validity: intelligibility, truth, legitimacy, and sincerity.

Intelligibility implies that the statement must be intelligible to the listener; truth, that the wording must be based on factual truth; legitimacy, that it must be correct, regarding the current normative context; and sincerity, that it must express what the speaker thinks. The ability to perceive such a structure and interpret it is almost intuitive. To Forester (2003), “we are often able to interpret all four levels of such practical claims simultaneously, and almost without reflecting” (Forester, 2003, p. 54). These are counterfactual and ideal conditions, since they do not actually occur in real dialogues; but, at the same time, they are active, as we assume them to be sufficiently met (Garzía-Marzá, 2005).

The analysis of communication distortions through Habermasian pragmatic assumptions is an empirical means for investigating the micropolitics of interactions. Forester (1994) argues that understanding action from the perspective of communicative action enables viewing organizations as complex, self-reproducing communicative structures that demand clarity, truth, legitimacy, and sincerity, producing beliefs, consent, trust, and attention from those with whom they interact. The distortions indicate normative deviations, which compromise the dialogue on the sustainable performance of corporations, inhibit communicative rationality, and release instrumental rationality, which can deprive sustainability of any meaning.

METHODOLOGICAL PROCEDURES

We selected four most recent reports for the analysis, prepared according to the comprehensive GRI (Global Reporting Initiative) standard, by companies present in the ISE 2020 portfolio. Compared to the essential standard, the comprehensive provides the disclosure of more information and in detail (GRI, 2016). The units of analysis were the reports of companies EDP, Light, Natura, and Petrobras, which together totaled 915 pages. For data analysis, we used Bardin's content analysis, following three stages: pre-analysis, material exploration, and handling, inference and interpretation of results (Bardin, 2011; Gomes, 2009).

¹ In *Truth and Justification* (Habermas, 2004), for example, originally published in 1999, he names section I as “From hermeneutics to formal pragmatics”. Universal or formal pragmatics aims at an intersubjective understanding, at the coordination of actions, focusing primarily on communicative competence, on the conditions for producing a possible understanding.

Box 1
Stages of Content Analysis

| Stage | Procedure performed | Results |
|----------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pre- analysis | Floating reading of the reports produced in the year (30 firms from 15 sectors) | Overall view of the documents. |
| | Selection of reports for analysis | Definition of the unit of analysis: selection of the reports considered comprehensive. Four sustainability reports fulfilled this criterion. |
| | Definition of the parts of the reports to be analyzed | Application of questions considering the pragmatic assumptions of intelligibility, truth, legitimacy, and sincerity. |
| | Definition of the initial classifications | Initial classification defined according to the potential forms of communicative distortion: intelligibility, truth, legitimacy, and sincerity. |
| Material exploration | Identification of potential distortions of truth and legitimacy | Identification of arguments and evidence for checking potential distortions of truth. Identification of eventual rupture of GRI's 10 fundamental principles, to check potential distortions of legitimacy. |
| | Identification of potential distortions of sincerity and legitimacy | Identification of segments with metaphors, connotative words, jargons, and syntactical or semantic errors, to check potential distortions of sincerity and intelligibility. Use of visual tools and tables of <i>software</i> MAXQDA to support the analysis of distortions. |
| Handling of results | Handling, inference, and interpretation | Interpretations based on theoretical assumptions and on the data found. |

Source: Elaborated by the authors.

To formulate the questions, we relied on studies that also addressed the notion of communicative distortion for data analysis (Cukier et al., 2003; Cukier et al., 2009; Cukier et al., 2016; Forester, 1994, 2003; Vizeu & Cicmanec, 2013). According to each of the pragmatic assumptions, they were the following:

- **Intelligibility:** Are there incomprehensible sentences or words? Are there onerous detailing, syntactical or semantic errors, or the use of jargons?
- **Truth:** Are the statements about the positive and negative impacts generated by the company's sustainable performance supported by evidence? Is there any omission of relevant information?
- **Legitimacy:** Do the reports meet the norms and values they claim? Specifically, do they correspond to the principles of content and quality reporting established by GRI 101?
- **Sincerity:** Are there any statements that use metaphors or connotative words to refer to the company's sustainable performance? Do metaphors or connotative words promote or suppress understanding?

We identified representative segments of the distortions manually. We used MAXQDA to organize the data, which were extensive, by coding the segments significant to the research. We employed analysis tools available through the software to support the analysis of intelligibility and sincerity distortions.

COMMUNICATION DISTORTIONS IN REPORTS

Truth Distortions

Truth distortions refer to not complying with the pragmatic assumption, which establishes, as a condition for understanding a statement, its factual correspondence to the objective world (Habermas, 2012a, 2012b). We can assess this type of distortion by analyzing a topic's benefits and harms – if it presents important information, and if the evidence that supports the argument is sufficient and clear (Cukier et al., 2003; Cukier et al., 2009; Cukier et al., 2016; Forester, 1994; Vizeu & Cicmanec, 2013).

Through an iterative process of analysis, we first sought to identify statements about positive and negative aspects concerning the company's sustainability, and then re-read the material, aiming to identify evidence that would doubt or contradict such statements.

Often, truth distortions are associated with the company's exacerbation of positive impacts. For example, on ethical issues' performance, the company states, "one of the values of EDP's culture is trust, which is admittedly based on the solidity of ethical performance" (EDP, 2020, p. 125). On the next page, it defends efforts for an "organizational action that not only minimizes the risk of occurrence of ethical malpractices, but also ensures the prompt and effective handling of occurrences, within a framework of compliance, transparency, and continuous improvement" (EDP, 2020, p. 126). However, following the report, we noticed that the terms "solidity" and "continuous improvement" are somewhat excessive. Ethical complaints in 2019 increased by 26.5%, compared to 2018. There were 588 contacts from stakeholders, of which 150 were taken to the Ethics Committee, and the rest was handled by the correspondent business units. EDP reported only briefly the content of the complaints brought to the Committee (150). Most (111) related to "negligence or disrespect", followed by "corruption and bribery" (11).

Petrobras introduces itself similarly: "Through a continuous effort, we have sought an effective, ethical, and transparent governance model (Petrobras, 2020, p. 45). Further on, the report states: "We carry out our activities in compliance with current laws and regulations, in addition to following our own rules, standards, and internal procedures, based on best market practices" (Petrobras, 2020, p. 61). However, the company received several ethics-related complaints – on violence at work (855, 37%), and fraud and corruption (807, 35%). In addition, it received several judicial sanctions, with individual values that reached R\$ 75 million. Both examples contest the regulatory compliance of its activities, through an assertion weakened before the data.

From page 114 to 122, Natura makes an effort to present carbon reductions, total and by scopes (1, 2 and 3), emphasizing that it is "a neutral carbon company, which compensates all greenhouse gases' (GHG) emissions that it cannot avoid" (Natura, 2020, p. 114). Thus, we can question what the company's greatest effort is: to reduce or to compensate. It declares being late, concerning the goal of reducing, in 2020, 33% of carbon emissions, compared to 2012. After seven years, it shows an accumulated reduction of only 1.2%. We could ask if compensation regards only emissions that it cannot avoid, or also reductions that could be in progress, but are not.

Light claims to be a company that "takes very seriously the challenge of providing the best possible service to its customers" (Light, 2020, p. 64); not only by keeping DEC and FEC indicators below the sector's goals, "but also by continuously improving the way it relates to the customers and the channels it makes available to them (Light, 2020, p. 64). However, there seems to be a controversy on the quality of services and the continuous improvement of customer relations. Their satisfaction with the services has decreased, as shown in two surveys conducted by the main industry bodies: the Brazilian Association of Electric Energy Distributors (Abradee), and the National Agency of Electric Energy (Aneel) (Light, 2020). In Aneel's survey, the indicator did not exceed 60%, in the last 3 years. In addition, the company accumulates a high degree of judicialization. Even reducing the final stock of lawsuits by 1.4%, it still amounts to 21.3 thousand demands. Regarding customers' legal suits, "in 2019, the main topics that were the subject of lawsuits were irregularities, invoices, interruptions, and contract opening" (Light, 2020, p. 62).

Other distortions refer to the lack of detail on the negative impacts. We observed that corporations do not dedicate many pages (and perhaps effort) to describing them, as they do for positive impacts. An interesting example is when Petrobras announced the results of the organizational culture's assessment, carried out between 2018 and 2019, highlighting that 63% of the participants mentioned as the best items "our technical competence, our professionals, our commitment, our companionship, and the pride we have for this company" (Petrobras, 2020, p. 39). Next, the report states: "On the other hand, this diagnosis revealed some cultural aspects that should be improved in order to promote meritocracy, focus on results, integrated action, innovation, and to overcome challenges" (Petrobras, 2020, p. 39). The company does not mention which or how many aspects need improvement, or the proportion of respondents that cited these items. On the contrary, it announces one more list of positive impacts that would result from enhancing these unknown aspects.

Both metaphors show the difficulty of achieving sustainability, and give corporations a certain heroism. The image transmitted refers to challenging battles, where they face evils that affect their sustainability. However, this kind of *chanson de geste* does not match with the general state of affairs. There are victories and defeats to report, which are not balanced. Companies, in general, tell their victories with much more emphasis than their defeats, conveying the idea that the latter are not as relevant as the former.

For example, none of the phrases about fighting and challenging climate change mentioned by EDP or Natura refers to their failure in reducing emissions – as for EDP, in scopes 2 and 3 (EDP, 2020); as for Natura, in the 33% reduction goal compared to 2012 (Natura, 2020). Light, on the other hand, when using fight or challenge, does not mention the energy losses that, although stabilized at the end of 2019, were higher than those recorded in the same period of the previous year, and, at least since 2018, are above the 2020 regulatory limit. Petrobras does not mention, in the sections on fights and challenges related to corruption, the 807 complaints about fraud or corruption, of which 86 referred to high or very high risk (Petrobras, 2020). Companies should assume failures naturally. As sustainability is a difficult state to achieve, there is a feeling that it is reasonable to accept losses. The imbalance shown in highlighting achievements and softening defeats connects with the third most frequent metaphor: “transparency”.

Transparency relates to a variety of topics: fiscal, product information, communication, governance models, and, especially, stakeholder relations (32.63% of the segments). The idea of sustainability for corporations relates strongly to transparency, and sustainability reports themselves are a form of transparency. Therefore, it is contradictory to cheat in transparency reports, showing flaws that hinder understanding the company’s sustainable performance. Livesey and Kearins (2002) observe the possibility of using transparency to manipulate reality. Organizations can use reports to recreate images, showing what people like and softening what they dislike. Sustainability reports tend to strengthen the sustainable face of corporations.

The fourth most frequently used, the metaphor of “digitalization” evokes the belief in technology as a means to achieve sustainability. It goes back to the discussion, still little consequent, of weak and strong versions of sustainability – the ability of technology to fill in gaps caused in the natural environment (Hopwood et al., 2005; Landrum, 2017). Companies tend to approach the weak sustainability pole, confirming the current proposal of sustainable development. Therefore, the use of the metaphor is not without reason. It represents adhesion to the concept that natural capital is replaceable by other kinds of capital. Digitalization expresses a technocratic ideology regarding sustainability.

The metaphor of “equality”, fifth in the list, refers to encouraging diversity through “equal opportunities” for employees, especially gender equality focused on a higher female participation. However, among the four companies, only Natura shows a more expressive number of women - 62% of employees (Natura, 2020). Since 2016, EDP had an annual increase of 1% in women in its workforce, reaching 25% in 2019 (EDP, 2020). Light had a reduction, from 22% in 2018, to 21% in 2019 (Light, 2020). For Petrobras, this is a more difficult issue, since employees are hired through public tender. However, there is an indication in the qualitative composition of the workforce. In 2019, women held 21% of coordinator positions and 12% of general manager positions. The company points out that the participation of women in managerial positions has remained stable (Petrobras, 2020). In view of these data, we conclude that “equality” is a metaphor that makes the interpretation of corporations’ actions ambiguous; although making room for women, they are far from achieving a real equality.

Referring to the idea that companies have progressed towards sustainability, the “journey” metaphor is the sixth on the list. Milne (2005) and Milne et al. (2006) already addressed this representation. From their results and from our analyses, this metaphor implies that the involvement of companies with sustainability is still at its beginning, and they use it to reduce their responsibility for failures. In addition, that they are oriented towards an indefinite end point, to a relatively vague destination, which makes it possible to always advance from the previous state, without knowing the distance to the arrival point. Hence, this metaphor keeps a focus on the process, not on the end - an ideology of infinite progress, which avoids debating the need for changing the course.

Intelligibility distortions

Distortions also occur when it is not possible to understand the content of the statement, which hurts the pragmatic assumption of intelligibility (Habermas, 2012a; 2012b). Such distortions are revealed through the presence of jargons, unexplained terms, as well as by breaking semantic and grammatical rules that hinder sharing the same language among the actors (Cukier et al., 2003; Cukier et al., 2009; Cukier et al., 2016; Forester, 1994). A jargon is understood as a “language specific to a professional group, especially at the lexical level; “professional slang”; or still “any incomprehensible language, especially a foreign language” (Jargão, 2021). In this study, we considered professional terms as jargons, particularly those related to the corporate environment, in Portuguese or in a foreign language. We identified over 100 jargons. Table 1 highlights those present in at least three reports.

Table 1
Main jargons

| Jargon | Codified segments | Documents | EDP | LIGT | NT | PETR | TOTAL |
|------------------|-------------------|-----------|-----|------|----|------|-------|
| Compliance | 80 | 4 | 22 | 12 | 7 | 39 | 80 |
| Best practices | 57 | 4 | 19 | 6 | 12 | 20 | 57 |
| Value generation | 54 | 4 | 15 | 9 | 6 | 24 | 54 |
| Startups | 40 | 4 | 10 | 1 | 25 | 4 | 40 |
| Ebitda | 30 | 4 | 10 | 13 | 1 | 6 | 30 |
| Workshops | 15 | 4 | 9 | 1 | 3 | 2 | 15 |
| Stakeholders | 80 | 3 | 63 | 13 | 1 | 0 | 80 |
| Capex | 24 | 3 | 6 | 17 | 0 | 1 | 24 |
| Due diligence | 10 | 3 | 2 | 0 | 2 | 6 | 10 |
| Feedback | 9 | 3 | 3 | 1 | 5 | 0 | 9 |
| Opex | 6 | 3 | 4 | 1 | 0 | 1 | 6 |
| Machine learning | 5 | 3 | 3 | 0 | 1 | 1 | 5 |
| Roadshow | 4 | 3 | 2 | 1 | 0 | 1 | 4 |
| TOTAL | 414 | 45 | 168 | 75 | 63 | 105 | 404 |

Source: Elaborated by the authors with the assistance of MAXQDA.

The most used jargon, *compliance*, appears unaccompanied by any direct definition, at least in the first use. In principle, it is associated to a position or sector (committees, managements, and directorates), to specific programs conducted by the companies, to risk analysis, to internal policies, and to ethical issues in general. Compliance has an English origin, as well as most of the jargons present in Table 1, which are also not followed by a direct definition. Despite being relatively widespread in the corporate environment, firms cannot assume that all stakeholders, to whom they address the reports, are familiar with the jargons. It is possible that many feel excluded from communication.

There are also jargons in Portuguese, somewhat imprecise terms, such as “best practices” and “value generation”. Of the 57 segments that use the first jargon, in 46 the expression is associated with another that does not limit it, but makes it looser, indefinite – international best practices of the market, industry or segment. It is difficult for the reader to understand what the practices are, and who establishes them as the best. The rhetorical resource helps the positive characterization of the company, which, in theory, does the best in terms of sustainability.

Regarding the jargon “value generation”, the use of the expression is ambiguous, by not specifying the type of value created, especially in a speech on sustainability, where there are, in addition to economic value, social and environmental values. This jargon inhibits criticisms as to the type of value created, and protects companies from the traditional criticism towards

prioritizing financial results. It is also remarkable the imbalance in the way they address positive and negative impacts. Although presenting negative impacts, there is no mention of “devaluation”. The single reference to the jargon “value generation” contributes to an over-optimistic view of corporate practices.

Although few, as we expect of documents issued by relevant national organizations, we also found intelligibility distortions in writing, in poorly written sentences. In addition, all reports use abbreviations - including English words – not followed by the word in full, either in their first use in the text or throughout the document. There are also inconsistencies between images and their descriptions (EDP, 2020, p. 179).

Legitimacy distortions

Legitimacy distortions occur when a statement does not fit the prevailing normative context (Habermas, 2012a, 2012b). The context taken as reference for the analysis of distortions comprises GRI guidelines - a normative set followed by companies for preparing reports. Ten principles are essential for the quality of reports, the so-called “reporting principles”, which are divided in principles for defining content and those for defining quality. The former are stakeholder inclusion, sustainability context, materiality, and integrity. The later are accuracy, balance, clarity, comparability, reliability, and punctuality.

Regarding content definition, we noticed a partial fulfillment. According to GRI (2016, p. 12), one of the tests for checking the integrity criterion is to observe if “the report does not omit relevant information that substantially affects stakeholders’ assessments and decisions, or which reflects significant economic, environmental, and social impacts. Truth distortions due to insufficient evidence, especially when omitting relevant information, influence stakeholders’ evaluation of companies’ sustainability. In general, as we noted, firms overvalue their ability to promote sustainability, while reducing the details of negative impacts.

Structuring GRI principles as a set of interrelated standards (GRI, 2016, p. 3) - or, as Boiral (2013) says, complementary and interdependent -, failing to comply with one principle can compromise the others. In a situation of both insufficient information to support the claim of positive impacts, and parsimony (or even omission) in detailing negative impacts, how to make the sustainability context complete? To what extent do the materiality of reports support stakeholders’ assessments? Are due responses really answered? We noticed how truth distortions violate normative principles - those of content definition and the others.

We also found correlations of this type between the principle of integrity and those of accuracy and balance. Failure to comply with the first affects the other two directly. The principle of integrity, according to GRI, regards the collection and presentation of “reasonable and appropriate” information (GRI, 2016, p. 12). GRI’s own description, on the same page, points to the relationship among the three principles. By associating accuracy with detailed information, and balance with impartiality in data presentation – thus revealing positive and negative aspects to stakeholders – truth distortions that prevent achieving the integrity principle undermine complying with the principles of accuracy and balance.

The principle of clarity, which requires presenting information in an understandable and accessible way to counterparts (GRI, 2016), is also poor in reports. It is particularly affected by distortions in intelligibility and sincerity. Jargons, abbreviations, and syntactical errors - expressions of the former - hinder the apprehension of the content by all classes of stakeholders, while metaphors - expressions of the latter - hinder the evaluation of companies’ real sustainability performance.

Restraining detailed information is relevant when we address the principle of comparability, also harmed. The non-adoption of a longitudinal perspective for presenting data makes it difficult to assess if companies have improved their performance. For example, Light presents the reduction of GHG emissions, but neither makes available information on scope 3 emissions nor the carbon footprint of previous years (2020); or still the way Petrobras presents complaints related to ethical performance, providing only information for 2019 (2020 report).

Regarding the principle of reliability, GRI mentions as important that “stakeholders are confident that the report can be checked to establish the veracity of its content and the extent to which the Reporting Principles were applied” (GRI, 2016, p. 15). It is not easy for any stakeholder to detect non-compliance with reporting principles, as we did in this article, and the very failure to observe the principles can undermine stakeholders’ trust in evaluating the report. In addition, rhetorical movements, such as overvaluing positive aspects – by not providing enough information for such – and euphemisms (or even omission) of negative aspects, hinder checking the content’s veracity. The risk is that the report will be fully reliable only for those who wrote it.

A more detailed analysis of the legitimacy issue could be done by using as reference GRI indexes, which are also mandatory. Within this framework, the distortions would possibly be greater. Natura, for example, does not present in its index the GRI disclosures 202-1, 202-2, 402-1, 410-1, 412-1, 412-2, 412-3, and 418-1, which makes it difficult to find the information required by these guidelines, leaving the impression that perhaps they were not provided (2020). Thus, the non-conformities go beyond the reporting principles - fundamental assumptions of sustainability reports -, reaching requirements directed at specific GRI disclosures, which are not even consistent with the “comprehensive” mode chosen by companies.

Finally, we did not identify disregard for the principle of punctuality. As members of the ISE 2020 portfolio, the companies met the established deadline, publishing their reports until July 2020, even with the problems raised by the COVID pandemic.

FINAL REMARKS

Based on the Habermasian referential of communicative action, the research showed distortions in the sustainability reports of the chosen companies, compromising the four pragmatic assumptions: intelligibility, truth, sincerity, and legitimacy. The occurrence of a systematically distorted communication should serve as a warning. However, we cannot say that it is necessarily a systematical behavior. Organizations look alike, replicating patterns from the field, which also include the way of reporting. The criticism in our study is less a complaint, and more an encouragement to improve reporting. The norms that guide the reporting practice do not ensure the effectiveness of communication. Exams based on references unrelated to the foundations of the norms, such as the one here adopted, can contribute to broadening the appreciation of communication and, consequently, to improve it procedurally, given the parties involved. Some points deserve highlighting.

Truth claims made by companies are sometimes not in line with the current state of affairs. The optimism of some statements exceeds corporate capacities. If we add the relief of negative impacts, we achieve a corporate image detached from reality. If the pragmatic effect linked to the claim of truth is to shape beliefs, sustainability reports – written testimonials addressed to stakeholders – can serve to manipulate communication. Regarding pragmatic assumptions, belief associates with the presentation of reasons. We must take care that the belief based on the reports does not associate with faith, dismissing the foundations required by a rational communication.

The exacerbation of a positive corporate image keeps affinity with sincerity distortions. Metaphors reinforce some perspectives to the detriment of others. In the cases analyzed, they reproduce a kind of mystique around the resulting benefits, even in the absence of compelling evidence. They are also used to strengthen positive aspects. Interlocutors’ trust is driven to perceive sustainability, not unsustainability; to enhance what is said, not the criticism. The images provided by metaphors tend to emphasize the benefits and overshadow the defects. What remains is the discrepancy between what is said – understood by how it is said – and what is done. By informing and failing to inform, reports lack commitment to stakeholders, showing sincerity distortions.

As for intelligibility – an assumption associated to understanding statements – the use of terms that are unfamiliar to the community of stakeholders is a distortion. Sustainability loses meaning in a monologue. Members of the business world must consider the asymmetries that characterize the positions of those involved – the company and each stakeholder – if they intend to create understandable statements. In plural, highly fragmented societies, the search for common meanings is one of the most relevant tasks. Large corporations that keep relationships with very diverse parties, have the task, at least from the sustainability standpoint, of interacting with them. The corporate world is not ubiquitous. The pretension to impose

itself over others does not happen without violence. Intelligibility distortions encrust embarrassment. Among its effects, the interlocutor is distracted and discouraged from continuing the communicative relationship.

Normative correction – adaptation to the norms effective in the context - is an object of explicit contradiction. Companies refer to GRI disclosures for preparing reports, yet they keep inadequacies, even regarding fundamental standards, as GRI reporting principles. In theory, to cite the GRI standards, it should be necessary to comply with them. The non-conformities increase when comparing the reports with the requirements for specific GRI announcements. What emerges is that companies gain legitimacy from GRI, without taking the procedurally required path to do so.

In brief, communication distortions undermine a communicative process driven by mutual understanding. Assuming that the effects associated with pragmatic assumptions consist of the capacities for modeling beliefs (truth), consent (legitimacy), trust (sincerity), and attention (intelligibility) (Forester, 1994, 2003), not complying with the assumptions strongly compromises the dialogue on corporate sustainability, preventing the creation of speeches around it, capable of suspending accepted truths and reconfiguring the world of life. Distortions bring speeches closer to the pole of instrumental reason, which has little to do with the announced ideal of sustainability.

The prevalence of instrumental reasoning leads to an already known end: the concept of sustainability built with manipulative purposes, in a game where economic power stands out. In Frankfurtian terms (Vizeu et al., 2012), sustainability would be something instrumental, affecting society as any knowledge from traditional sciences. In this situation, corporate sustainability becomes the sustainability of the company, a concept appropriated by the company, emptied of the shared construction that always carries the latency of curbing the instrumentality of market action.

The Habermasian communicative action is a consequent ideal for introducing corporate reporting at the discursive moment. Regarding sustainability, it is not a monologue or the development of speech situations whose contents can be anticipated because they were strategically planned, according to the logic of instrumental reason. Of collective interest, the report should not address only shareholders, for example. Sustainability, as advocated, should not be strictly instrumental. Sustainability reports, as an important corporate reporting practice, are a means by which it is possible to bring organizations closer to those most affected - in their own bodies - by the concept that is assigned to sustainability. Corporate sustainability can enter the world of life.

We highlight some limitations of the study, as suggestions for future research. The analysis does not exhaust the list of reports of the ISE portfolio companies. With a larger number of reports, researchers could investigate if communication distortions are frequent in other companies, and if they differ according to the report pattern - comprehensive or essential. Furthermore, restricting the analyses to a single year's reports prevents reaching conclusions that are more consequent. For example, longitudinal analyses could assess if the regular practice of reporting is associated with a reduction or increase in distortions. In addition, focusing the analysis on reports, although methodologically coherent, circumscribes the distortions. The comparison with press reports would be a fruitful exercise to broaden the analysis of distortions, especially of omissions.

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