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CEOs' talk of sustainability:
Towards an inclusion of an embeddedness and value-creation perspective

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CEOs’ talk of sustainability: Towards an inclusion of an embeddedness and value-creation perspective

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Abstract

Purpose: This paper sets out to examine how CEOs’ talk of sustainability has developed in a period of increased expectations from society for companies to step up their transformation towards more sustainable businesses *and* better account for their progress and performance within the sustainability area.

Design/methodology/approach: By adopting an interpretive textual approach, this paper provides a careful analysis of how CEO talk of sustainability has developed in the largest listed Swedish companies during the period 2008-2017. The analysis focuses on the CEO letter.

Findings: The CEOs’ talk of sustainability is becoming much more elaborated, proactive and also adopts a multi-dimensional approach towards sustainability. The CEOs frame their talk by adopting different perspectives over the period; *the sticky environmental-*, *the performance and meso-*, *the product-market oriented-* and *the embeddedness and value-creation perspective.* The most intriguing finding is that of a radical change in the CEOs’ talk of sustainability in the latest letters indicating that the alleged capitalistic and short-sighted focus on value maximization and profitability might be changing for embedding more of sustainability dimensions.

Practical implications: The findings provide relevant inputs to the debate on how CEOs provide accountability to their stakeholders by framing their talk of sustainability from different perspectives.

Originality/value: This comprehensive analysis of how CEOs in the largest listed companies through their talk of sustainability provide accountability to their stakeholders, offers a unique frame of reference for further interpretational work on how CEOs frame, engage in and shape the sustainability discourse.

Keywords: CEO talk, sustainability, CEO letters, accountability, organisational (managerial) attention, corporate response

Jel-codes: Q01; M14; M41

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Introduction

It has not escaped anyone that sustainability lately has climbed higher up on the agendas in the business society. Already in 1987, the Brundtland report (UNWCED, 1987) urged management teams to start running their organisations in a more sustainable manner. It was emphasised that in order to promote a global sustainable development a transformation towards more sustainable businesses was crucial. However, this urge was not extensively acknowledged in business society (see Dierkes and Antal, 1986; Kolk, 2010; 2005). Instead decades followed where the actual role companies play in society's endeavours to safeguard a global sustainable development was intensively debated (Frynas, 2008; Newton and Harte, 1997; Prasad and Elmes, 2005). While some argue that corporate operations can be an efficient means in the process of promoting ecological, social and economic dimensions of sustainability (e.g. Holliday *et al.*, 2002; Porritt, 2012), others, representing the more critical standpoint, argue that the capitalistic and short-sighted focus on value maximisation and profitability hinder companies to promote a sustainable development (e.g. Beder, 2002).

The last decades' launch of several significant initiatives of international magnitude e.g. the United Nations Global Compact (UNGC), Global Reporting Initiative (GRI), the Paris Agreement, UNs Sustainable Development Goals (SDGs) and the EU directive (2014/95/EU) have further reinforced the expectations on companies to step up their transformation towards more sustainable businesses and to start acknowledging the need for them to account for their progress on the different sustainability arenas. Today, there is an enormous interest and awareness from stakeholders regarding how the three sustainability dimensions, e.g. environmental, social and economic are incorporated in today's management of our companies (Bondy *et al.,* 2012; Thijssens *et al.,* 2015; Wolf, 2014). Thus, during the last decade we have witnessed a growing demand from society for companies to disclose information regarding if their operations have a positive or negative impact on a global sustainable development (see Fernandez-Feijoo *et al.,* 2014). This demand comes not only from customers and business partners threatening to quit buying or collaborating with companies that fail to prove that they run their business in a sustainable manner. It also comes from actors on the financial markets, who today often perform an analysis of a company's sustainability performance before they approve loans and credits. This is explicitly emphasised both by the EU High Level Expert Group (HLEG) on Sustainable Finance (EU Commission, 2018) and by the Task Force on Climate-related Financial Disclosures (TCFD, 2017). Also, future employees, i.e. the today's students have started to loud and clear declare that they will not work for companies that fail to show that they fully integrate sustainability in their corporate operations and business practices (see *Le manifeste étudiant pour un réveil écologique* https://pour-un-reveil-ecologique.fr).

Corporate communication is considered an important means for management teams to account for or demonstrate that their company's operations and business practices are congruent with society's values, norms and beliefs (Dowling and Pfeffer, 1975; Lindblom, 1994). Communicating on sustainability matters in corporate reports is argued to be an efficient way to inform stakeholders about the (sustainable) manner a company is being managed according to (Etzion and Ferraro, 2010; European Commission, 2013; Mori Junior *et al.,* 2014). Judging from the increasing reporting trend to provide sustainability information in corporate disclosures (Bondy *et al.,* 2012; KPMG, 2015; 2019), management teams appear well-aware of the importance these disclosures play in the quest of earning the epithet *sustainable business* and, thus, receiving the so vital "license to operate" (Deegan, 2002). Being granted legitimacy from its stakeholders is considered vital for corporate survival (Ashforth and Gibbs, 1990).

Organisational legitimacy refers to "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995:574). However, the correlation between the *talk* in corporate reports and the actual *walk* (manifested in corporate operations and business practices) has for long been debated (Deegan and Rankin, 1996; Misum, 2017; Wiseman, 1982). Often sustainability disclosures are questioned for being insufficient, not credible, difficult to compare, green- blue or even SDG-washing or simply words not actions (Arvidsson, 2019; Frankental, 2001; Loughran *et al.,* 2009; Milne *et al.,* 2009; Moneva *et al.*, 2006; O'Dwyer *et al.*, 2005; Radley Yeldar, 2012; Waddock, 2008). In the critical corporate communication literature, corporate narrative reporting, i.e. CEO talk, is considered as a way to consolidate the private interests of companies instead of aiming for the more positive outcome of increased transparency and accountability (see discussion in Beelitz and Markl-Davies, 2012). Mäkelä and Laine (2011:228) conclude that *"…by framing a company's actions and by universalizing the operations as beneficial to society at large, CEO letters work to further legitimize business operations…".*

Amernic and Craig (2004:44) state that: *"CEOs are public figures who actively engage in public rethoric on (what they perceive and assert to be) the important issue of the day".* The way CEOs frame the debate on sustainability, i.e. how the talk and address sustainability in their various reports is considered not only vital both to those working with sustainability management but also central in the development of the very concept corporate sustainability (see Livesey, 2001:83; Milne *et al.,* 2009). CEO letters are argued to be rich textual manifestations of the business voice. While Milne et al (2009) argue that CEO talk can be viewed as corporate responses to the contexts in which they are operate, Hardy and Philips (1999:1) in their eminent article on discursive struggle put forward that CEO talk even might be seen as an attempt *"…to shape and manage the institutional field of which they are a part"* (Hardy and Philips, 1999:1). Considering that CEOs are influential leaders not only on the business arena but often also in politics, Mäkelä and Laine (2011:229) argue that CEO letters can be viewed as "ideological weapons" (Tinker and Neimark, 1987) with the power to both reinforcing some worldviews and kerbing others. In line with this, Craig and Amernic (2004:44) put forward that the words of CEOs potentially have the power not only to shape perceptions of stakeholders and society they can also create ideology, i.e. the words of CEOs are viewed as a "ideology-creator". Thus, CEOs talk has a potential power to influence business society, corporate operations and business practices. This rhetoric power is argued to be especially vital in times when organisational legitimacy is threatened and when CEOs are expected to assume rhetorical leadership (see Amernic and Craig, 2004). Considering the increased expectations from society for companies to step up their transformation towards more sustainable businesses, the last decade is here assumed to have required some rhetoric power from the CEOs.

Two decades ago, Amernic and Craig (2000) argued that close analysis of CEO talk has the potential to improve the understanding of CEO's ideology often within an accountability framework. From the above it is clear that there is a strong need to enhance our understanding on how the sustainability discourse in CEO talk has developed during the last decade, which is characterised by an increasing pressure on companies to account for their sustainability performance. The field of literature focusing on interpretative analysis of CEO talk and framing related to sustainability include some meritorious studies (e.g. Beelitz and Merkl-Davies, 2012; Ihlen and Roper, 2014; Laine, 2010; Milne *et al.,* 2009; Mäkelä and Laine, 2011; Tregidga *et al.,* 2014). However, there is a lack of more recent studies enabling us to explore how CEOs frame their business in relation to sustainability during the last decade where sustainability-related issues more or less have come to dominate the global debate. Already in 2009, Milne *et* *al*. (2009) argued for the need of further studies focused on analysing CEO talk in the *"…ongoing discursive and ideological contest over environment and development*." (p. 1220). Today, this call is more relevant than ever.

Thus, it is in this area where the present study seeks to make a contribution. We do so by adopting an interpretive textual approach (see e.g. Wang, 2017; Laine, 2010) in the analysis of CEO talk of sustainability. The study aims to answer the following research question: *How has CEO talk of sustainability developed in the largest listed Swedish companies during the period 2008-2017?* The data set represents the 'business voice' of 30 MNCs with Sweden as their domestic origin but with their main presence on the global arena. Thus, the study sets out to enhance our knowledge of how influential giants on the global arena address sustainability in their *talk*. It is important to emphasise that the study does not claim to make any attempts to determine whether there is actual walk or any action behind the CEO talk related to sustainability. This is left for future research.

In the analysis the focus is on the CEO letter. The CEO letter is often argued to be not only the most powerful and influential (Amernic and Craig, 2004; Amernic *et al.,* 2007; 2010; Mäkelä and Laine, 2011) but also the most read (Fanelli and Grasselli, 2005) section of an annual report. Limiting our dataset to the CEO letter, enables us to provide a more in-depth analysis of how the framing of sustainability has developed in CEO talk during a 10-years period 2008-2017. To further reinforce an in-depth understanding, the analysis is focused on CEO letters from four anchor points during this period, i.e. 2008, 2013, 2015 and 2017 (these anchor points will be further motivated in following sections). CEO letters are selected from the companies included in the NasdaqOMXS30 index which represents the largest listed Swedish companies.

The remain of the paper is structured as follows: First, the theoretical and empirical foundations are presented. Then the reader is presented with the underlying research design and methodology. Next, the empirical results are presented and discussed. The paper ends with some concluding remarks.

Literature review

The sustainability context

The sustainability debate has a long history (see e.g. Carson, 1962). Milne et al (2009) and Tregidga *et al.* (2014) provide comprehensive reviews on sustainable-development paradigms and the discursive debate on sustainable development. In Table 1, some of the milestones in the sustainability debate arepresented. They form a sustainability context in which CEO talk of sustainability has developed. The publication of the Brundland Report in 1987 (UNWCED, 1987) is often chosen as a starting point even when the contemporary corporate sustainability debate is discussed. The report was authored with the objective to launch the ideas behind the global agenda for a sustainable development, which were to be the focus at the Rio Earth Summit in 1992. Thereafter followed several prominent world conferences including the so-called or Earth Summits (2002 and 2012) aimed at further reinforcing the need to promote a sustainable development by transforming our organisations into more sustainable whereby more considerations should be put on environmental, social and economic aspects. In hindsight, their success in planting these ideas globally were so on so.

Other milestones assisting in the process of reaching a sustainable development are the launches of voluntary so-called accountability standards, which were developed to provide management teams with guidance (e.g. through frameworks and principles) for how to run their businesses in a more sustainable manner (see Rasche, 2009). The most acknowledged are the principle-based standard UN Global Compact and the reporting-based standard Global Reporting Initiative (GRI) (see Waddock, 2008). As a response to the argued need for legislative initiatives opt for enhancing credibility and comparability of sustainability information, came the EU directive (2014/95/EU) on non-financial reporting (EU Commission, 2014). Through national laws, the Directive mandates through the largest EU companies to disclose social and environmental information in their corporate reports. While the Paris Agreement from 2015 has a clear environmental focus where fighting climate change is main foci, the adoption of Agenda 2030 and the launch of the UN Sustainable Development Goals (SDGs) earlier that same year integrate all three dimensions of sustainability, i.e. environmental, social and economic.

The recent formation of the EU High Level Expert (HLEG) Group on Sustainable Finance is a noticeable milestone not the least since the actors on the financial markets, who for a long time have taken a sceptical position towards sustainability (Arvidsson, 2014; Cho *et al.*, 2015; Friedman, 1970; Radley Yeldar, 2012), now have joined forces to examine how to integrate sustainability consideration into their financial policy framework in order to mobilise finance for sustainable growth (EU Commission, 2018). The financial-market perspective is also emphasised in the work by the Task Force on Climate-related Financial Disclosures (TCFD). Here the focus is to develop a framework that promotes an enhancement of climate related financial disclosure by including financial-risk and scenarios-analysis perspectives TCFD (2017). The establishment of the Technical Expert Group (TEG) on Sustainable Finance with the aim to develop an EU classification system of sustainable activities, i.e. an EU taxonomy is yet another example of the movement in the sustainable-finance area (TEG, 2008).

Year	**Milestone**	**Focus/Objective**	**Additional**
1987	The Brundtland Report: "Our common Future" was published	The World Commission for Environment and Development (WCED)	Referred to as "the global agenda for change" (see WCED, 1987 p. ix)
1990	The World Business Council for Sustainable Development (WBCSD) was formed	This group was formed to provide the *business voice* along with advice and guidance to the UNCED secretariat in their process of organising the Earth Summits	
1992	The United Nations Conference on the Environment and Development (UNCED) in Rio de Janeiro	The Brundland Report provided momentum to this first Earth Summit	Referred to as the 1st Earth Summit or the Rio Earth Summit
1999	The launch of United Nations Global Compact (UNGC)	UNGC was announced by UN Secretary-General Kofi Annan in an address to the World Economic Forum on 31 January 1999	A non-binding principal-based framework encouraging businesses worldwide to adopt sustainable and socially responsible policies and report on their implementation
2000	The Global Reporting Initiative (GRI) released its first draft on Sustainability Reporting Guidelines	A voluntary reporting framework for sustainability information	
2002	The World Summit on Sustainable Development (WSSD) was held in Johannesburg, South Africa.	This conference was held 10 years after the first Earth Summit.	The 2st Earth Summit or the ONG Earth Summit or Rio + 10
2012	The United Nations Conference on Sustainable Development was held in Rio de Janeiro	An agreement was made on the Climate Change Convention, which later led to the Kyoto and Paris Agreement	The 3rd Earth Summit or the Rio Earth Summit 2012 (Rio + 20)

2015	The Paris Agreement – an agreement within the United Nations Framework Convention on Climate Change (UNFCCC)	The central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius	This agreement was adopted by consensus at the 21 Conference of the Parties of the UNFCCC in Le Bourget.
2015	The 2030 Agenda for Sustainable Development, was adopted by all UN Member States	It provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), where all three dimensions of sustainability (environmental, social and economic) are at focus	The SDGs build on decades of work by countries and the UN.
2016	EU High-Level Expert Group (HLEG) on Sustainable Finance was formed	The aim was for EU to examine how to integrate sustainability (environmental, social and governance) considerations into its financial policy framework in order to mobilise finance for sustainable growth	The HLEG was established by the European Commission
2016	The Task Force on Climate-related Financial Disclosures (TCFD) was formed	TCFD will develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders	
2017	The EU directive (2014/95/EU) on non-financial information	The Directive has been transposed into national laws and mandates the largest EU companies to disclose social and environmental information in corporate reports.	Explicitly mandates companies to disclose social and environmental information in relation to business model, risks and outcome
2018	The EU Technical Expert Group (TEG) on Sustainable Finance was established	Develop an EU classification system for sustainable activities	The TEG was established by the European Commission

Table 1. Milestones in the process of promoting a global sustainable development

Sustainability disclosures – a global reporting trend with a questioned ability to provide accountability

It is in the above discussed sustainability context that sustainability disclosure and CEO talk of sustainability has developed. The development has been fragmented and it is not until the last decade we have witnessed an intensified focus on sustainability in business society and how this has triggered a considerable increase in corporate sustainability disclosure (KPMG, 2019; 2015). Even though the decision to provide sustainability disclosure has been voluntary in most countries it has become nothing less than a global reporting trend. This trend has of course been reinforced by the emergence of reporting-based standards like the Global Reporting Initiative (GRI) and the Integrated Reporting (IIRC, 2013).

A core argument for engaging in sustainability disclosure is that companies need to account to their stakeholders for how their corporate operations and business activities facilitate a global sustainable development (see Gray, 2010; Kolk, 2003; 2010). Thus, the sustainability disclosures are used as a means for stakeholders to monitor corporate activities in order to ascertain a congruence with societal norms, values and beliefs related to a satisfying sustainable business conduct. On the other hand, management is assumed to use sustainability disclosure as means of managing organisational legitimacy (Beelitz and Merkl-Davies, 2012).

The ability of sustainability disclosures to play an important role in the management's quest of pursuing legitimacy by providing accountability for a sustainable business conduct have, however, often been questioned. The disclosures are criticised not only for being of poor quality, lacking credibility and being a mere greenwashing activity (see Arvidsson, 2019) but also for using a "manipulative" rhetoric that convey a more sympathetic representation of the company than is true (see Collison, 2003) or for even signalling a fake change towards more sustainable business conduct (Beelitz and Merkl-Davies, 2012; Laine, 2010; Milne *et al.,* 2009).

Today, the increased awareness and interest from external stakeholders, not the least from the actors on the financial markets, for assessing how a company actually *performs* on the different sustainability arenas place an even more acute need for informative and credible sustainability information. To promote this development there is a shift from primarily voluntary initiatives towards legislative and normative initiatives (see e.g. EU Commission, 2018; 2014; 2013) aimed at enhancing the quality of corporate disclosure on sustainability.

CEO talk of sustainability

During the first decade of the 21th century there was an increased interest in directing research interest towards sustainability talk in corporate reports often with a special focus on the CEO letter (e.g. Beelitz and Merkl-Davies, 2012; Ihlen and Roper, 2011; Laine, 2005; 2009; 2010; Milne *et al.,* 2009; Mäkelä and Laine, 2011; Tregidga *et al.,* 2014). The main foci has been to examine how CEO talk about (the concept) sustainability. Mäkelä and Laine (2011) find that the economic discourse of growth and profitability is paramount in CEO letters in annual reports. Milne et al. (2009) conclude that the discourse in sustainability talk rather safeguards economic values than environmental and social values related to sustainability. Thus, they argue that the sustainability discourse in CEO talk reinforces rather than challenges status quo and that the change the companies posit may be largely rhetoric. This is in line with Beelitz and Merkl-Davies, 2012 (2012:101) who find that CEOs use discourse strategically as a means to signal change, but in fact they maintain status quo. This finding is further supported by Laine (2010) in his longitudinal study focused on CEO letters from three Finnish companies. Mäkelä and Laine (2011) conclude from their analysis that CEO letters in annual reports *"present the companies in terms of their financial performance, strategically aiming at constant growth, and 'see' no stakeholders beyond the shareholders*." (p. 222). They find that CEO letters in sustainability reports have a similar focus, however, in this report the talk adopt the perspective of society at large and the operations are justified due to their aim of providing well-being to all stakeholders. Mäkelä and Laine (2011) argue that a unification strategy (Thompson, 1990) appears to be adopted in the letters included in sustainability reports since it is more explicitly accentuated that the company is part of society and is determined to acknowledge societal challenges.

Tregidga *et al.* (2014) conduct a critical analysis of 'sustainable organization' identity constructed in corporate reports. Over the period 1992-2010, they identify three identities, i.e. ways in which companies represent themselves as a 'sustainable organisation'. The first identity is referred to as '*Environmentally responsible and compliant organisations'* (1992-1999) and is characterised by an emphasis on environmental responsibility and compliance with environmental legislation. During this period, the reports lack an explicit focus on sustainability. Tregidga *et al.,* (2014:486) highlight that there is "a low level of consideration of the organization's identity specifically in relation to sustainable development' and that this *"is consistent with the context at the time and the largely absent threat of sustainable development as a concept requiring organizational attention*" Thus, for maintaining legitimacy, they argue that at this time it was enough to represent a company as environmentally responsible and complaint. The second identity, Tregidga *et al.*, (2014) refer to as '*Organizations as leaders in sustainable development*' (2000-2004) and here characteristics as committed, transparent/accountable and knowledgeable are found to be pronounced in corporate reports. The companies stress their leadership abilities and try to prove their sustainability credentials. The companies are also found to manifest their commitment to sustainability through voluntary membership of various associations with no mandatory requirements of sustainable practices and actions (e.g. UN Global Compact and sustainability networks). In this period, Tregidga *et al*. (2014) find that the strong reporting context, e.g. the launch of GRI, is evident in the reports in relation to how it is demonstrated that sustainable organisations are accountable and transparent. Overall, Tregidga *et al.* (2014) argue that this second identity show increased corporate awareness towards the need for promoting a sustainable development. The last identity, Tregidga *et al.* (2014) refer to as '*Strategically 'good' organisations'* (2005-2010). The reports from this period often include an emphasis that being a sustainable business provides benefits both to the organisation *and* society. Thus, Tregidga *et al.* (2014) argue that this reasoning shows similarities to the win-win discourse common in the business discourse (see Milne *et al.*, 2009).

Research design and empirical methodology

In this section, the reader will be presented with how the research design and empirical methodology was structured. The section starts with presenting the motivations underlying the selection of research method, disclosures, data set, companies and time period. Next up is a discussion on the herein focus on the CEOs' talk of sustainability and how it is not to be interpreted as the actual walk. The section ends with providing the reader with an in-depth understanding of the different stages underlying the comprehensive analysing procedure.

Selection of research method, disclosures, country setting, companies and time period

Designing research is a delicate matter. The present study applies a *content-analysis methodology*. This research method has a long history (see e.g. Barrett, 1976; Guthrie and Abeysekera, 2006; Singhvi and Desai, 1971) and its focus is on analysing the content in various corporate communication materials. It is found to be the dominant research method for empirical data collection in sustainability research (Dienes *et al.*, 2016; Hahn and Kühnen, 2013; Parker, 2005, Tewari, 2011) and it is widely used when CEO talk is analysed. To examine how CEOs' talk of sustainability has developed, an *interpretative textual approach* (see e.g. Wang, 2017; Laine, 2010) is focused on CEO talk in CEO letters. The selection of the CEO letter as foci of the analysis, is due to it being an optimal source for capturing how top-management teams' talk of sustainability has developed. As discussed above, the CEO letter is viewed the most powerful, influential and read part of the annual report (Amernic and Craig, 2004; Amernic *et al.*, 2007; 2010; Fanelli and Grasselli, 2005; Mäkelä and Laine, 2011). It is a signed letter addressed to the company's stakeholders were the CEO highlights, focuses and elaborates on e.g. business events, strategic ambitions and topics deemed relevant and high-up on the management team's agenda. Of course, it cannot be confirmed that the CEO actually has structured and written the CEO letter him/herself, and instead most likely is an end-product that has been filtered through several layers in the organisation. However, it is signed by the CEO and must, therefore, be regarded as his/hers talk of sustainability and as such representing the business voice.

This study examines CEO letters from the *largest listed Swedish companies*. The 30 companies included in NasdaqOMXS30 index were selected. This index includes the 30 most traded shares at Nasdaq Stockholm Stock Exchange. After adjusting for companies with more than one of its shares in the index or with a domicile other than Sweden, the final list of companies includes 27 Swedish companies (see Appendix 1). This data set represents the business voice of influential MNCs active on the global arena. The selection of the largest companies is motivated by their position as first-adopters and trendsetters when it comes to corporate disclosure. Furthermore, earlier sustainability research claim that the impact on society grows with company size and that reports from the largest companies, thus, are best suited for sustainability analyses (see Stiller and Daub, 2007). Chen and Bouvain, 2009 (p. 303) argue that *"…global technological and also institutional forces are leading to the stateless firm."*. While Whittington and Mayer (2000) claim that the decline or weakening of national financial systems promote the stateless firm, Levi-Faur (2005) argues that the stateless firm originates from learning across borders and the internationalisation of 'best practices'. Thus, national cultures and differences in social and political context might not be so influential upon sustainability disclosure. At least not for the largest companies, which are *"…economic giants with operations transcending national boundaries."* (Adams *et al.*, 1998, p. 2). However, other researchers put forward the importance of home embeddedness even for MNEs and the impact of their national domicile (Hall and Soskice, 2001; Whitley, 1999). Thus, the Swedish origin of the data set might be worth acknowledging since Swedish companies are viewed as being among the best when it comes to provide their stakeholders with sustainability disclosure (see Cahan *et al.*, 2016; KPMG, 2019; 2015) and also perceived to have quite well-established business-ethics practices (see Singh *et al*., 2011; Svensson *et al.*, 2010).

There are trends in everything, so also in corporate talk of sustainability. However, when shortcomings with sustainability research are discussed, a lack of longitudinal focus is often emphasised (Golob *et al.*, 2013; Perez and Sanchez, 2009). An important motivation underlying this study is to examine how CEO talk of sustainability has *developed*. Thus, in order to identify potential trends, the data includes CEO letters from a 10-year period of 2008-2017. Considering that it would be too complex to provide a comprehensive and in-depth analysis of *all* CEO letters from the 27 companies over a 10-year period, the following four anchor points were selected: 2008, 2013, 2015 and 2017. Thus, the result of this paper is based on in-depth analyses of the companies' CEO letters from these four years. The process of selecting these four years, were characterised of careful considerations. While CEO letters from the financial year 2017 were the latest available during the data-collection process, the choice to focus on 2008 as the starting year is motivated by this year being the year when research publications on sustainability (Hahn and Kühnen, 2013) and popular science articles on sustainability and CSR (Borglund, 2009**)** significantly increased. Relating to the above discussion on legitimacy, not least the increased focus on and awareness of sustainability in society and the growing demand for companies to step up their transformation towards more sustainable businesses might have affected/influenced how CEOs' talk of sustainability has developed. Considering that the proportion of companies that included a sustainability focus in their corporate reports was found to increase around 2013 (KPMG, 2015), the additional two anchor points were selected in the later part of the examined period, i.e. 2013 and 2015. The selection of CEO letters from these four years enables a comprehensive and in-depth analysis of how CEO talk of sustainability has developed since 2008.

Analysing procedure

Chauvey *et al.*, (2015) conclude that there is an ongoing debate in the sustainability literature considering which methods should be used to analyse the disclosure of sustainability information. They categorise the objectives with the chosen methods in previous studies into changes in the *extent* of disclosure (space) and changes in *quality* (scope, breadth, informational quality assessment). Hughes *et al.*, (2001) argue that an analysis should focus on whether disclosures are quantitative, descriptive, vague or immaterial. Furthermore, Thomson and Bebbington (2005, p. 529) urge researchers using content-analysis methodology to move:

> ”…towards a more qualitative understanding of what reporters are actually saying (both explicitly and implicitly). This suggests that a more careful and sophisticated reading of accounts is necessary.”

In order to enhance our understanding of present status and trends in CEOs' talk of sustainability, an adapted *interpretative* textual analysis (see Laine, 2010; Tregidga and Milne, 2006; Wang, 2017) is adopted. Interpretative analysis of text has been an analytical method developed and refined over many years (see e.g. Laine, 2010; Livesey, 2002; Milne *et al.*, 2004; Tregidga and Milne, 2006; Wang, 2017;), In common to these studies is that they adopt interpretative analysis aimed at deconstructing business language. Like Laine (2010) emphasises, this kind of study is characterised by numerous readings and re-readings paired with an interpretative analysis of themes, perspectives and developments in the text. Thus, this is not a study that counts words but examine the *actual* CEO talk of sustainability in the letters and the development of how the CEOs frame their sustainability talk by adopting different perspectives. Throughout this procedure, the focus was on identifying themes, patterns, differences and similarities in how CEOs' talk has developed over time. The analysing procedure involved three stages, which are presented in detail below.

In the *first stage*, the focus was to get deep inside the CEO talk by carefully reading each of the CEO letters (the English versions of the letters were selected). The letters were read in chronological order, i.e. first the letters from 2008 were read and last the letters from 2017. During this first round of reading no notes or mark-ups were done. This was left for the second round of reading were each letter was re-read. Now, all passages including a reference to sustainability were marked. The tripartite definition of sustainability, i.e. ecological/environmental (henceforth referred to environmental), social and economic was applied as the framing of the concept sustainability. Also now, the letters were read and marked-up in chronological order. All marked-up passages were built into an excel file were they were coded with respect to company, industry and year. The mark-up phase was repeated twice in order to make sure that no passages with reference to sustainability was missed in the reading. Subjectivity is more or less present in all studies using interpretative approaches of content analysis (see Guthrie and Abeysekera, 2006; Laine, 2010;). In order to reduce some of the subjectivity by solving any ambiguity and unclearness in the mark-up process, a robustness test was performed in this first stage of the analysis. In this test, the author and two independent senior researchers who conduct research within the field of sustainability accounting and disclosure were involved. Three randomly selected letters from each of the four years, i.e. a total of twelve letters were selected. The author and the two independent researchers then read and marked-up the twelve letters individually and their results were compared. This comparison revealed only small differences in the results. These differences were discussed and appropriate means were taken to clarify and, thus, enhance the robustness of the subsequent mark-up process of the whole sample. The first stage of the analysis was completed with the CEO letters once again being marked-up, however, this time the outcome of the robustness test was considered in the process.

In the *second stage* of the analysing procedure, the marked-up passages were carefully examined. Now the focus was to structure, interpret and code the insights that each passage included. Throughout this procedure, detailed notes were written on how the insights in the passages were structured, interpreted and coded. All this information was included in the database. Although all marked-up passages now were in the database, this stage also included going back to the original CEO letter to make sure that the context from which a specific passage was extracted was included in the analysis. In the first round of coding, the CEO letters were examined on an individual corporate level, i.e. first company X's letter from 2008 were read and then its letter from 2013, 2015, 2017 respectively. Detailed notes were included related to the identification of thematical developments in a *specific company's CEO talk* and his/her (potentially) different use of perspectives throughout the examined period. In the second round of coding, all the CEO letters from a specific anchor point (i.e. 2008, 2013, 2015, 2017) was read and now detailed notes were included related to the identification of thematical developments and (potentially) different use of perspectives in the *aggregated CEO talk* during a *specific* anchor point. In the end of this second stage, an extensive database with detailed and in-depth comments on the CEOs' talk of sustainability was created.

In the third stage of the analysing procedure, the focus was to identify developments in how the CEOs frame their sustainability talk by adopting different perspectives. The marked-up insights and the comments to each insight were carefully read and re-read. The comments were enhanced and an interpretative analysis of the features and developments of the CEOs' talk of sustainability was performed. In this process, close attention was placed not only on revealing similarities and differences in the CEOs' talk between the years but also on capturing how the adoption of (a) certain perspective(s) appeared and disappeared over the examined period. In the next section, the results of this interpretative analysis are presented and the perspectives, which the CEOs adopt on their talk of sustainability are discussed in detail. In order to provide the reader with an in-depth understanding of how CEO talk of sustainability has developed during the examined period, an active decision was made to be generous in including quotes illustrating these developments.

Presentation and discussion on empirical results

This section starts with presenting demographic information related to the CEO letters and the companies, in which the letters are included. Then, the CEOs' talk of sustainability in the letters from each anchor point (2008, 2013, 2015 and 2017) are analysed and discussed in separate sections. To enhance our understanding of how the CEOs' talk of sustainability has developed, each of these four sections includes quotes from the CEO letters, which illustrate this development. In the end of these four sections, we sum-up the findings from the specific anchor point and propose what perspective the CEOs adopt to frame their talk of sustainability. In the end of the whole section, the findings from each of the anchor points are drawn together in order to form a portrait on the development of CEO talk of sustainability in Swedish CEO letters during the 10-year period, 2008-2017.

Demographic information: CEO letters and companies

The study includes CEO letters from 27 Swedish companies included in the NasdaqOMXS30 index at Nasdaq Stockholm Stock Exchange (see Appendix 1). The companies come from eight different GICS categories, basic materials (3), consumer goods (3), consumer services (2), financials (5), health care (1), industrials (10), technology (1) and telecommunications (2). Reviewing Table 2 shows that a total of 108 Swedish CEO letters were examined.

	2008	**2013**	**2015**	**2017**	**Total**
Number of CEO letters (n)	27	27	27	27	108
Number of CEO letters including CEO talk of sustainability (%)	10 (37.0 %)	20 (74.1 %)	24 (88.9 %)	24 (88.9 %)	

Table 2. Summary information on CEO letters

Considering that the main foci of this study is to examine how CEO talk of sustainability has developed in CEO letters during the period 2008-2017, it is interesting to note that in 2008 almost 2/3 (63.0 per cent) of the CEO letters did *not* include any CEO talk of sustainability. Those companies that did include talk about sustainability in their CEO letter from 2008 belong to the industries Industrials (70.0 per cent), Consumer Services (20.0 per cent) or Consumer Goods (10.0 per cent). It is often argued that the more harmful a company's operations are from a sustainability perspective, e.g. emissions, pollution, global export and import affecting human rights, anticorruption etc., the more these companies appear to communicate on sustainability matters. Considering the nature of companies belonging to the industry Industrials, this might be a possible explanation to why these companies are found to be early adopters when it comes to having their CEOs address sustainability. The significant increase in stakeholders' awareness and interest in sustainability issues, which often is dated around 2008 (see Borglund, 2009; Hahn and Kühnen, 2013), might explain why CEOs of companies belonging to industries selling directly to end-consumers (like Consumer Services and Consumer Goods) here are found to be extra prone to start addressing sustainability.

From Table 2, we see a gradual increase in the number of CEO letters addressing sustainability. In 2013 almost 3/4 (74.1 per cent) of the CEOs highlight sustainability. Now the CEO letters including CEO talk of sustainability are from all industries except Financials and Health Care. Still most of these letters (40 per cent) come from companies belonging to Industrials. The lack of sustainability talk in letters from companies belonging to Financials might be due to the alleged scepticism towards corporate sustainability disclosure from the actors on the financial markets (Arvidsson, 2014; Cho et al. 2015; Friedman, 1970; Radley Yeldar, 2012). Both in 2015 and in 2017, close to 90 per cent (88.9) of the CEOs talk about sustainability in their CEO letters. Now the distribution of letters is over all industries. Thus, the number of CEOs that talk about sustainability in their letters does not appear to continue to increase between 2015 and 2017. This might be an indication that no more CEOs of the 30 largest Swedish companies feel inclined to engage in corporate talk of sustainability – at least not in their CEO letters. If this decision will be kept to in the future is for future studies to confirm.

CEO letters 2008 – The sticky-environmental perspective

Reviewing the CEO letters that do include CEO talk of sustainability, reveals that there is a prevailing focus on the environmental dimension of sustainability. This is in line with the findings in Tregidga *et al.* (2014) where companies were found to place a strong emphasis on environmental responsibility and compliance with environmental legislation. Their results, however, stem from the period 1992-1999. The herein findings imply that there in 2008 still is a stickiness towards the environmental dimension of sustainability in CEO talk. This might in some part be influenced by Sweden's strong (global) commitment on various environmental issues and its far-reaching environmental legislation (OECD, 2004). However, the companies included in this study are all to be regarded as MNCs and as such they are often argued to be so-called stateless companies, which originate form learning across borders and the internationalisation of 'best practices' (see e.g. Adams *et al.*, 1998; Chen and Bouvain, 2009; Levi-Faur, 2005;). Thus, following this line of reasoning would imply that the global sustainability debate and context are more likely to influence the CEOs' talk of sustainability. From the literature review above it was clear that the environmental dimension of sustainability for decades (and even still) acknowledged a superior focus in the sustainability debate, This environmental focus appears have influences also the CEOs' talk of sustainability. As we will see later in this section (quote 25-28), a couple of the CEOs talk about activities related to the social dimension of sustainability but often in a subordinated clause. Actually, only a few of the CEOs *explicitly* use the word *sustainability* in the CEO letters from 2008. Tregidga et al (2014) also confirmed a lack of an explicit focus on sustainability. It is of course no end in itself to use the word sustainability. The CEOs 'negligence' of using the word sustainability might be due to the strong focus towards the environmental dimension throughout the decades of sustainability debate. The following quotes (1-4) demonstrate that the environmental focus is primarily discussed from a reduced-impact perspective[1]:

"…reducing the [company's] main environmental impact…" Industrials (1)

"…reduce energy consumption and CO emission." Industrials (2)

"…reducing our negative impact on the environment…" Industrials (3)

"…we have a responsibility to reduce the environmental impact of our production…". Industrials (4)

The above quotes, highlight that the CEOs relate their endeavours to a reduction of the company's *main*, *negative* or simply put *its environmental impact*. From the latter quote (4) and also from the ones below (5-7), it is apparent that the CEOs primarily have a focus on their *own* company's endeavour in reducing the environmental impact. Thus, there still does not seem to be a reflection on or inclusion of neither a supply-chain or a customer-usage perspective. The CEOs appear to centre the responsibility scope on the company itself and its operations *not* on the sustainability impact (or perhaps better the environmental impact) stemming from their suppliers or on their customers' usage of their products or services. Today, downstream and upstream have become two concepts often present in the sustainability debate when a company's sustainability impact is at focus. The quotes below illustrate the CEOs focus on talking about environmental impact in relation to CO_2 and greenhouse gas emissions. In fact, all but two of the CEOs emphasise emissions in their talk of sustainability.

"…reducing carbon dioxideemissions from our factories and transports." Industrials (5)

"…now having our first completely CO_2 neutral factory building…" Industrials (6)

"…increased our work on reducing the greenhouse gas emissions at our factories." Industrials (7)

"…to move towards a low-carbon future.". Industrials (8)

In a few letters the scope is extended beyond emissions to also include energy and water, However, compared to emissions these areas receive modest focus in the CEO talk of sustainability.

"[The company] has a broad approach to the environment, which includes setting criteria for low consumption of electricity, water and gas…" Consumer Goods (9)

"…reduce the energy or water consumption…" Industrials (10)

"…increase the energy efficiency of processes…" Industrials (11)

"…improve the energy efficiency…" Industrials (12)

Considering the substantial scepticism throughout the years towards sustainability (work) being not properly integrated in organisational routines and processes but mere window-dressing activities (see Arvidsson, 2019) it is interesting to note that many of the CEOs *verify or demonstrate* their commitment to sustainability by highlighting the implementation or adoption

1 After each quote, the industry (GICS) to which the company belong is included.

of systems and/or processes aimed at enhancing the company's sustainability (or more correct, its environmental) work. The focus is still primarily on the environmental dimension of the sustainability work. Although, the CEO in the last quote (18) is quite vague as to which goals are being integrated, he/she at least goes beyond the strict environmental focus and makes a reference to a sustainable development.

"…have implemented an environmental management system." Industrials (13)

"…we implemented an environmental impact lifecycle assessment as a standard for our new product-development projects." Industrials (14)

"Thanks to our international experience, which we have gathered into a green toolbox, we can make a difference to the environment at a global level." Industrials (15)

"In 2008, we embedded more non-financial criteria in our business-decision making processes…" Industrials (16)

"In 2008, we developed a new sustainability strategy…" Consumer Services (17)

"We continuously work towards integrating our goals for sustainable development into our daily operations, throughout the company." Industrials (18)

There is a forward-looking or perhaps even a progressive tone in how the CEOs talk about sustainability. The following quotes (19-21) show what seems to be a shared expectation, more or less implicitly expressed, among the CEOs that at least the environmental focus of sustainability will continue to increase in the years to come. From the quotes below, we also notice that the CEOs emphasise the adoption of a *proactive* approach towards sustainability. Companies have often been criticised for chiefly adopting a reactive approach towards sustainability, i.e. that they only act when a scandal or some kind of misconduct already has been confirmed, i.e. consequentialism or utilitarianism (see Brytting, 2005). The finding of a more emphasised proactivity in the CEO talk of sustainability is in line with Arvidsson (2010) who found that investor-relations managers around this time started to adopt a proactive tone in their talk related to CSR activities.

"We will continue to build up our environmental know-how and will be prepared for the upturn." Industrials(19)

"The next set of emissions rules, Euro 6, will enter into force at the end of 2013. [The company] has already developed technologies to meet its standards." Industrials (20)

"We invest substantial amounts of money in the development(…)that meet new emission regulations that will become effective throughout the world during the next few years." Industrials (21)

This proactive approach appears to be aimed at establishing the company as the *leading* one (see quotes 22-24 below). Thus, the CEOs at least seem to want to communicate that they have a wish/desire/objective to excel in their sustainability endeavours. During the period 2000-2004, Tregidga et al (2014) also found that companies started to represent themselves as leaders on the sustainability arenas. These findings are indeed interesting, if we relate it to the discussion of diminishing returns and the self-promotor paradox (see Morsing and Schultz, 2006) but also to the argument that it, at least a decade ago, was acceptable to be (only) good enough and compliant in the environmental area to maintain legitimacy (see Tregidga *et al.*, 2014). It should also be noted that the CEOs do not refer to this development as being driven by demand from stakeholders. Instead it is framed as being their own initiative, i.e. a self-initiated approach towards sustainability is adopted. From the quotes below, we once again see that the emphasis is on the environmental dimension.

"Our ambition is to be the leading green [company] in our markets." Industrials (22)

"We have a frontline position(…)that meets future emission requirements…" Industrials (23)

"[The company] is a leader in this area [environmental-friendly products]…" Consumer Goods (24)

Even though the environmental dimension of sustainability is dominant in the CEOs talk of sustainability in the letters from 2008, a few CEOs do incorporate the social dimension in their talk of sustainability. There is, however, no clear focus as to what the CEOs include in the social dimension. Although one company (quote 28) highlights social injustices (not defined in more detail) and corruption, the CEOs appear to be in search of a mutual understanding or an agreed-upon terminology related to the social dimension of sustainability.

"Ultimately, we hope that our products will help create better conditions for people in their everyday life." Industrials (25)

"For [the company], it is self-evident to take responsibility for social issues and the environment." Consumer Services (26)

"…the environment and improving the living conditions on our planet are an obvious priority for us." Industrials (27)

"…we want to ensure that our way of doing business does not add to social injustices or corruption. Accordingly, [the company's] operations are managed in terms of their environmental impact, social responsibility, business ethics and transparency." Industrials (28)

The economic dimension of sustainability is vaguely touched up in the CEOs' talk of sustainability. In common to the quotes below (29-31) is that they primarily appear to underpin a shift from the good-enough perspective to leading perspective as was discussed above (quote 22-24).

"Developing [the company] in a sustainable way is not only our responsibility as a corporate citizen in the communities where we work, but also one of our best business opportunities." Industrials (29)

"We have long recognized that non-financial issues – from our social environmental and human rights obligations, to the way we treat our employees – have a clear impact on our bottom line." Industrials (30)

"There is no conflict between the development of products with lower environmental impact and the creation of profitable growth." Industrials (31)

In the first quote above (29), the CEO ascertains that he/she does not regard the company's sustainability work as mere philanthropy but as activities that besides doing good for society also result in business opportunities. Thus, what we see here can be interpreted as a reference to the business-case perspective introduced in the 70s by Andrews (1973). In the second quote (30), a distinct relation is made by the CEO to the notion underlying triple-bottom line (Elkington, 1998). In the last quote (31), the CEO explicitly claims that there is no conflict between being good and providing profits. This appear to be related to Friedman (1970) and the debate around if social and financial performance can be combined (see Margolis and Walsh, 2003; Zhao and Murrell, 2016).

After having examined the CEOs' talk of sustainability in the letters from 2008, it becomes clear that the most characterising from the CEOs' talk is that the environmental dimension of sustainability still is dominant. Most of their talk is framed by adopting an environmental perspective. Thus, we propose that in 2008 CEOs adopt a *sticky-environmental perspective* when they talk about sustainability. As discussed above, this stickiness might not be too surprising considering that there has been a (predominant) environmental focus for decades in the global sustainability debate. Tregidga *et al.* (2014) also confirmed a main foci on the environmental dimension, however, this was in the period 1992-1999. Table 3 include a summary of the CEOs' talk of sustainability in the CEO letters from 2008.

2008: The sticky-environmental perspective	
Focus in the CEOs talk of sustainability	**Comments**
A clear focus on the environmental dimension of sustainability	Reduction of environmental impact is at focus. Primarily a focus on emissions. The CEOs' talk include only vague focus on the social and economic dimensions of sustainability
A distinct focus on the *own* company when the company's responsibility scope related to sustainability is discussed	A micro focus is adopted, i.e. suppliers and customers are not at focus
Emphasise a future-looking and proactive self-initiated approach aimed at establishing the company as a leader within sustainability	The proactive approach is not framed as a result of stakeholder demand but self-initiated Implies that "good enough" is no longer an option
Verbalise an implementation of (environmental) systems and processes	The implementation is exemplified by highlighting e.g. environmental management systems, green toolbox, environmental impact lifecycle assessment.

Table 3. A summary of the CEOs' talk of sustainability in the CEO letter from 2008

CEO letters 2013 – The performance and meso perspective

Although the main foci in this study is the developments in CEOs' talk of sustainability, it is relevant to highlight aspects related to the context in which this talk is provided. One such aspect is the use of sub-headings. In 2013, 45 percent of the CEOs that included talk of sustainability in their letters also highlight *sustainability* in a sub-heading. In 2008 it was 10 percent. Most of these sub-headings consist of one word, i.e. sustainability. However, some are slightly more elaborated, which is illustrated in the quotes below (32-34). A difference from 2008, is that the CEOs explicitly and frequently use the word *sustainability* in their letters from 2013. As we will see more of below in this section, the latter quote (34) highlights two areas, i.e. safety and diversity, which the CEOs now have started to devote much attention to.

"Long tradition of sustainability" Financials (32)

"Innovation and sustainability drive business" Consumer Goods (33)

"Safety and diversity for greater sustainability" Industrials (34)

While the CEOs in the letters from 2008 barely discussed how the company performed on the sustainability arenas, much of the CEOs' talk of sustainability is now from a performance perspective. Tregidga *et al.* (2014) found that companies already in the period 2000-2004 started to prove their sustainabilityy credentials. However, judging from the herein findings it was not until a decade later that the performance perspective was included in the CEOs' talk of sustainability. At least not in the CEO letters. Even though the CEOs now appear to have added a performance perspective on their sustainability talk, they seldom provide hard facts, i.e. a quantification of the actual performance. Instead the performance or progress is discussed in qualitative terms, i.e. *performance…was good* (quote 36), *have made progress* (quote 37), has *made great progress* (quote 38) and *moving closer to our vision* (quote 39). Tregidga *et al.* (2014) also found a lack of quantified performance measures. Although quantified measures have been emphasised as necessary to track sustainability performance (see Epstein and Roy, 2001; MacLean and Rebernak, 2007), the difficulties with developing them is also acknowledged in the debate (see Carroll, 2000). Outside the scope of this study is to examine if the sustainability performance is quantified later in the report. However, also research focused on the entire corporate report has, concluded a lack of quantified performance measures related to sustainability (Perez and Sanchez, 2009; Salzmann *et al.*, 2005; Searcy and Buslovich, 2014). One possible explanation to why the CEOs now talk about sustainability from a performance perspective might be an acknowledgment of or response to the considerable critique against sustainability disclosures for their lack of demonstrating the value relevance and value-creation potential of sustainability investments (see Arvidsson, 2019). In the quotes below, we see how performance related to different sustainability areas now is discussed.

"About 3 500 managers took the annual corruption awareness program." Industrial (35)

"[The company's] environmental performance during the year was good and our reduced emission and discharge goals have been met with a food margin in most areas." Basic Materials (36)

"We have made progress during the year and we will continue to use our strength to ensure that technology is a force for positive change in the world." Technology (37)

"Effective resource utilisation is an area where [the company] has made great progress." Industrials (38)

"Step by step, we are moving closer to our vision of zero workplace accidents." Industrials (39)

Most of the CEOs primarily put forward examples of positive progress when they talk about their sustainability endeavours from a performance perspective. However, some more regressive examples are also highlighted (quotes 40-41).

"One area, which despite a strong focus, has not developed as well is our safety work." Basic Materials (40)

"The lost time injury frequency rate declined significantly at [the company] in 2013. Regrettably, however, we also experienced misfortune during the year." Industrials (41)

In relation to their talk on sustainability performance, several CEOs also highlight that they have set goals and targets to track performance. These goals and targets, are, however, seldom specified (if they are so later in the report is for future studies to examine). This is similar to the findings in Mäkelä and Laine (2011) where few explicit targets related to sustainability were found.

"We have also set ambitious goals in the area of diversity and inclusion." Industrials (42)

"We continued implementing the group environmental targets in all business units…" Telecommunications (43)

A clear difference from how the CEOs talked about sustainability in the letters from 2008, is that they now have broadened their focus to also include the social dimension of sustainability.

Already, some of the quotes above lend credence to this finding (see e.g. quote 35, 39, 40 & 42). In 2013, the CEOs actually appear to focus more on the social dimensions of sustainability than on the environmental. Besides anticorruption and safety/health, the CEOs talk much about promoting gender equality and diversity.

"Today, [the company] has a management team that better reflects the Group's diversity profile, with a more international character and better gender balance than before." Industrials (44)

"In 2013, [the company] focused on actively recruiting more female employees." Industrials (45)

"One aspect of increasing our value as an employer is to build greater diversity. A diverse workforce is critical to meet the needs of diverse markets too." Industrials (46)

"Safety is our highest priority." Industrials (47)

The analysis of the CEOs talk of sustainability shows that the CEOs appear to have widened their perspective not only when it comes to what dimensions of sustainability, they address but also related to micro versus meso focus. In the letters from 2008, they had a main focus on the *own* company's sustainability endeavours (micro). Now they appear to have adopted a meso focus by adding a supply-chain perspective when they discuss sustainability. This is in line with the public debate on sustainability where the supply-chain perspective gradually has received increased focus (see Mani *et al.*, 2017) not the least triggered by several scandals where misconduct has been identified in the supply-chain (DeLaurentis; 2009; Doward, 2012; Garside, 2013). From the quotes below (particularly 48 & 50), it appears as if the CEOs regard the implementation of this perspective to be prioritised. It also becomes evident from examining the CEO talk that the companies are in the middle of the process of developing and establishing processes and standards for implementing this supply-chain perspective in their businesses (quote 48 & 49). Interesting to note is also that some CEOs address a "responsibility scope" on sustainability, where their own company is highlighted as having responsibility not only for the conduct of their own operations but also for how the work is carried out in the supply chain and by partners (quote 52). To ensure this, suppliers and partners are assumed to be governed by the company's Codes of Conduct and be subject to various monitoring practices (quote 52).

"One particular area where we devoted a great deal of attention in 2013 was with regard to our suppliers, implementing new standards and control procedures to help evaluate and ensure continued progress by our suppliers in maintaining high standards of conduct." Consumer Goods (48)

"…worked to establish standard procedures for responsible supply chain management." Industrial (49)

"Our supply chain must be able to meet the increased focus on the local sourcing in emerging markets." Industrials (50)

"We also assume responsibility for suppliers and partners through our Codes of Conduct and monitoring practices." Industrials (51)

For the first time, *one* of the CEOs addresses sustainability assurance and emphasises its positive effects on credibility and transparency. In the sustainability debate, assurance by third party has often been suggested as a means to overcome the alleged lack of credibility and transparency in sustainability disclosures (O'Dwyer, 2011; Perego and Kolk, 2012).

"To assure the credibility, transparency and balanced view of our sustainability issues, the sustainability Report has been externally assured by third party." Telecommunications (52)

Considering that stakeholders have had major concerns related to the perceived lack of credibility, accountability and transparency when companies discuss their sustainability engagements (see MacLean and Rebernak, 2007), it might be expected that more CEOs (explicitly) would include an assurance or credibility/transparency perspective in their talk of sustainability. This might be something that will be more common in the later CEO letters. On the other hand, the finding that the CEOs place a stronger focus on providing information on performance and highlight that targets at least are set might be seen as an implicit tactic to respond to these concerns.

In 2013, 25 per cent of the CEOs that include talk of sustainability in their letters highlight that their companies are signatories to UN Global Compact (UNGC). How this voluntary membership affects the company and its operations is, however, not something that the CEOs elaborate on. In the letters from 2008 none of the CEOs made a reference to this principle-based standard (see Waddock, 2008), which was initially launched in 1999 and now is considered to be the world's largest accountability standard (see Rasche, 2009). Tregidga *et al.* (2014) confirmed that companies alrady in the period 2000-2004 started to manifest their commitment to sustainability by emphasising their voluntary membership to UNGC. However, their focus was the entire report. The herein findings indicate that this voluntary membership did not enter into the CEO letters until a decade later. A possible explanation to this lag might be that UNGC not until then was considered important enough to be included in the limited space of a CEO letter.

After having examined the CEOs talk of sustainability in the letters from 2013, it becomes clear that two things are most characterising in their talk. *First*, the CEOs have included a performance perspective on their sustainability endeavours. *Second*, they have broadened their responsibility scope related to sustainability. Now they do not only consider the own company but do also incorporate suppliers and partners. This we refer to as the CEOs have moved from a micro to a meso focus in their responsibility scope related to sustainability. The adoption of these perspectives is a development since the first anchor point. Thus, we propose that in 2013 the CEOs adopt a *performance and meso perspective* in their talk of sustainability. This indicates a development in the CEOs

2013: The performance and meso perspective	
Focus in the CEOs talk of sustainability	**Comments**
An explicit performance focus on sustainability	Performance related to various sustainability areas is framed qualitatively, e.g. "*performance was good"*, "*have made progress"*, "*moving closer to our vision"*. No quantification of performance.
Verbalise that target/goals are set to track performance related to the company's different sustainability areas	Still a lack of specification of set targets and goals. No exemplifications.
Include a supply-chain perspective when their company's responsibility scope related to sustainability is discussed	Broadened corporate responsibility scope where corporate conduct also includes their suppliers' conduct. Implies a development from a micro (own company) to a meso perspective (supply-chain added) on sustainability.
Inclusion of social dimensions of sustainability	E.g. gender balance, diversity, safety
Modest adoption of sustainability-related certifications/accountability standards	Only focus on voluntary membership to the principle-based standard UN Global Compact

Table 4. A summary of the CEO talk of sustainability in the CEO letter from 2013

CEO letters 2015 – The product-market oriented perspective

Still a little more than 40 per cent (41.7) of the CEO letters where CEO talk of sustainability is included, highlight sustainability in a sub-heading. There is still as mix of sub-headings only including the word *sustainability* and those slightly more elaborated (e.g. "Sustainability high up on the agenda", "Sustainability a pillar in strategy", "Continued focus on sustainable development" and "Sustainability targets"). In common to the elaborated ones is that they often appear to indicate (propose, claim?) a (strong) corporate focus on sustainability. Thus, the CEOs still appear to regard it as important to *prove* their commitment to sustainability. This might be explained by the long critique against companies only engaging in sustainability activities to *appear* good and not to *be* good (see Brytting, 2005).

Much of the CEOs' talk of sustainability in the letters from 2015 is focused on the CEOs *acknowledging* an increased sustainability-related interest and demand from stakeholders, primarily customers. The customers are acknowledged to demand *firstly*, sustainable solutions and *secondly* that these sustainable solutions are provided by companies, i.e. suppliers, which are being managed in a sustainable manner. In the earlier letters, the adaption towards more sustainable organisations and solutions were not explicitly discussed as being driven by customers but more framed as being initiated by the companies *themselves*, i.e. a self-initiated approach was adopted towards sustainability. Now demand in the product market is framed as the driving force. Here, we assume that legitimacy reasons underlie this adaptation in the CEOs' talk of sustainability (i.e. an aim to maintain legitimacy from customers). Later in this section (quotes 62-63), we will see how also a stakeholder-driven demand beyond customers is acknowledged by the CEOs in their talk of sustainability. In all the CEO letters, the increased demand from stakeholders is discussed in positive terms. The CEOs often emphasise both that it is believed to benefit the company (again we see a business-case orientation in the CEOs talk, which relates to Andrews, 1973) and that they are (fully) prepared for meeting this demand. Thus, once again we find that the CEOs manifest their commitment to sustainability (see Tregidga et al. 2014). Below are some quotes (53-58), exemplifying how the CEOs talk about this increased stakeholder demand.

"Sustainability - external demands and expectations benefit [the company's] business." Industrials (53)

"More and more clients are also requiring us to include social initiatives in our projects." Industrials (54)

"Sustainability is one of the most important commercial drivers in the industry and is integrated in our product development from the concept stage to the materials recycling". Industrials (55)

"We are sensitive to the needs of our clients and communities and we are equipped to meet increasing demands." Industrials (56)

"Long term, we will continue to benefit from larger global trends; these include the industry's drive for emission reduction." Industrials (57)

"In recent years we have seen increased interest in private sector companies like us being engaged in developing the wider community." Industrials (58)

Some CEOs include a good Samaritan-aspect underlying their adaptation towards providing more sustainable solutions (see quotes 59-61). Thus, they frame it as they are *helping* their customers (or other stakeholder) to become more sustainable and better in meeting *their* sustainability goals.

"By launching energy efficient solutions, we enable our customers to raise their productivity, lessen their environmental impact and improve health and safety of their employees." Industrials (59)

"…ideal partner to help utilities meet the new challenge of building digital grid to manage network complexity and integrate renewable energies." Industrials (60)

"More and more often we are helping community through initiatives that go beyond traditional(…)services. For example we offer internship/apprentice programs and employment within our projects to people who for various reasons find themselves outside the labor market." Industrials (61)

Even though the CEOs primarily talk about the increased demand for sustainable offers as being customer-driven, an 'extended stakeholder-driven demand' beyond customers is sometimes included in their talk. In the first quote below (62), we see one illustrative example of when the CEO extends the demand beyond customers to also include investors and employees. Also, the regulative environment is discussed as influencing the focus on providing more sustainable solutions (quote 63).

"Every year, we receive a growing number of questions from customers and investors about the environmental impact of our products and about our work practices, not the least our efforts to combat corruption. Our employees are also asking more questions about our work on various sustainability aspects – everything from human rights to environmental impact." Industrials (62)

"Our innovative efforts go hand in hand with broader global trends such as the legislative requirements to cut emissions." Industrials (63)

The analysis of the CEOs talk of sustainability reveals that along with highlighting the increased demand for sustainable solutions, the CEOs put a strong focus on their product/service offers and what considerations they have taken to improve the sustainable character of their products/services. This seems logical. *First*, the CEOs acknowledge an increased demand for sustainable solutions. *Then*, they discuss how their product/service offers meet this demand, i.e. they provide a legitimacy-driven response. This can be related to Milne *et al.* (2009) and their argument that CEO talk can be viewed as corporate responses to the contexts in which they operate. Thus, here we witness a clear example in the CEO talk of how corporate responses are induced by contextual changes manifested in changes in customer demand. The quotes below (64-68) are good examples illustrating how the CEOs talk about their product/service offers from a sustainability perspective. The quotes also reveal that although the CEOs acknowledge a demand for *sustainable* solutions (see quotes 53-58 above, where sustainability is more or less explicitly emphasised) they again often fall back into focusing on the *environmental* dimension of sustainability when they frame their product/service offers (see especially quotes 64-66).

"We now work regularly on EPDs (Environmental Product Declarations) for our products and solutions and are developing entire eco-product ranges, with large materials and operational savings." Industrials (64)

"Our products reduce energy consumption and optimize the use of resources in many industrial processes." Industrials (65)

"To this end, we work continuously with technological developments that will increase our energy efficiency, reduce emissions and discharges, and minimise the risk of environmental accidents." Basic Materials (66)

"We continue to lead the industry in working with providing solutions to sustainable development challenges" Technology (67)

"We have also increased the percentage of sustainable [input materials] in the product range." Consumer Services (68)

To support that their product/service offers are truly sustainable and that they are committed to sustainability (see Tregidga *et al.*, 2014), the CEOs focus a lot of their talk on providing some kind of "evidence" to manifest this commitment. This might be a response to the claim that sustainability is primarily a window-dressing activity (see Arvidsson, 2019). They do so by stressing that the company meets standards, is included in indexes or is awarded prizes in the sustainability area. This is exemplified in the quotes below (69-75). Compared to the CEO talk from 2013, the CEOs now include various sustainability-related certifications beyond UNGC, e.g. Dow Jones Sustainability Index, FTSE4GOOD, Carbon Disclosure Project. At the same time, the proportion of CEOs highlighting their voluntary membership to UNGC increases. In 2015, 41.6 per cent of the CEOs that include talk of sustainability in their letters highlight that they are signatories of UN Global Compact. Thus, it appears as if the start of a trend was identified in the letters from 2013 (when 25 per cent acknowledged this membership). Most CEOs still only mention that they are included in these indexes or that they are signatories to UNGC not *how* this is implemented in their corporate operations or business conduct. However, in the last quote below (74) we see a rare example of when a CEO elaborates on how their UNGC membership is affecting the business.

"The UN Global Compact is a guiding light for us, and this is reflected in our Business Code of Practice." Industrials (69)

"Once again we are recognized by the Dow Jones Sustainability Index as the industry leader. [The company] is signatories of the UN Global Compact." Consumer Goods (70)

"Our inclusion in the Dow Jones Sustainability World and Europe indices, as well as our above average Carbon Disclosure Project scores, indicate the progress we have made." Consumer Services (71)

"We were included in the Dow Jones Sustainability Index for 2015, which means that we rank as one of the then most sustainable companies in the world." Industrials (72)

"We therefore actively work with the ten principles of UN Global Compact in our operations." Industrials (73)

"[The company] maintained its inclusion in the prominent FTSE4GOOD index." Telecommunications (74)

"[The company] has been a signatory to the UN's Global Compact for a number of years. This makes clear our responsibility vis à vis the environment, people and communities that are affected by our operations. This report forms part of our communication on how our operations are aligned with Global Compact principles. We will continue to support the UN's Global Compact principles with regard to the environment, human rights, employee conditions and anti-corruption, and work further to integrate these principles into our operations, culture and value-chain." Industrials (75)

When examining the CEOs talk of sustainability from the letters of 2015, it is relevant to reflect on that this year was characterised by two seminal milestones in the quest for sustainable development. In September 2015, the UN's Sustainable Development Goals (SDG) were adopted and in December 2015 at the UN Conference on Climate Change COP21 the world leaders committed to limit the global temperature increase by 2 degreed. Did the CEOs reflect on these milestones and talk about them to manifest their commitment to sustainability through voluntary adoption of these sustainability certifications? Well, not as much as perhaps could have been expected. The SDGs were addressed by one of the CEOs, the Paris Agreement was addressed by three CEOs. This might indicate that the environmental dimension of sustainability (again) attracts more interest among the CEOs than the SDGs, which include a more explicit focus on *all* three dimensions, i.e. environmental, social and economic sustainability.

After having examined the CEOs talk of sustainability in the letters from 2015 it becomes clear that this is the year when the CEOs frame sustainability in relation to three main themes 1) increased customer demand for sustainable solutions provided by sustainable businesses, 2) the sustainability character of their product/service offers and 3) sustainability certifications (e.g. UN Global Compact, CDP, Dow Jones Sustainability Index, FTSE4GOOD, SDGs, the Paris Agreement). In common to these themes is that they all are connected to the product market. Thus, we propose that in 2015 the CEOs adopt a *product-market oriented perspective* in their talk of sustainability.

2015: The product-market oriented perspective	
Focus in the CEOs talk of sustainability	**Comments**
Acknowledge an increased demand from stakeholders (customers) for sustainable product/service offers and for their wish to build relationships with sustainable businesses (i.e. suppliers)	Customers require a transformation towards a sustainability focus both in the product/service offer(s) and of the organisation itself An 'extended stakeholder driven demand' is started to be discussed in the CEO talk
Verbalise a positive attitude towards responding to market developments/requirements and changing societal norms/expectations related to sustainability	More explicit focus on legitimacy-driven response
Ascertain (or validate) their position above via exemplifying different "evidence":	Focus on highlighting "walk" and not mere "talk"
• Product/service offer(s) is/are framed as being (environmentally) sustainable	Still a lack of including the social and economic dimensions of sustainability Adopt the 'Good Samaritan'-approach, i.e. they (the suppliers) *help* customers to meet their sustainability targets
• Increased and broadened adoption of sustainability-related certifications/accountability standards)	<u>Prime focus:</u> UN Global Compact, Dow Jones Sustainability Index, FTSE4GOOD <u>Modest focus:</u> Paris Agreement and UN's Sustainable Development Goals (SDG)

Table 5. A summary of the CEO talk of sustainability in the CEO letter from 2015

CEO letters 2017 – The embeddedness and value-creation perspective

In the earlier letters, the CEOs did not *explicitly* claim that sustainability was integrated in their company. Instead their talk was interpreted as an *implicit* claim that sustainability was integrated (*2008:* implementation of (environmental) systems and processes; *2013:* inclusion of sustainability performance facts; *2015:* adoption of sustainability certifications/accountability standards). However, in the letters from 2017, we find that the CEOs both explicitly and powerfully emphasise that sustainability is *embedded* in the company. The CEOs do not even stop at this, they also elaborate on *how* sustainability is being integrated. The quotes below (76-80) show that integration is put forward as being manifested through *structural embeddedness* (in e.g. operations, processes, methods, value chain, everyday business) and/or *individual embeddedness* (in e.g. commitment, culture). The examples above from the CEO talk in the 2008, 2013 and 2015 letters, as well as the present more explicit integrative perspective included in the CEOs talk (see quotes below), can be interpreted as a response to the sceptics arguing that sustainability is not being integrated in companies but only a window-dressing activity (see Arvidsson, 2019). Since the scepticism regarding the value of integrating sustainability in corporate operations has been particularly harsh from the capital-market actors (Arvidsson, 2010; 2019), it is interesting to note that CEOs in the companies belonging to Financials now are especially active in emphasising their strong commitment to (fully) embedding sustainability in their organisation and operations.

"Sustainability has been integrated in all Group processes for many years." Industrials (76)

"At [the company], we are committed to acting sustainable in our everyday business." Financials (77)

"In brief, sustainability is a natural part of [the company's] business concept, corporate culture and method of running [the company]." Financials (78)

"We will continue to support these principles with regard to the environment human rights, employee conditions and anti-corruption, and we work to further integrate these into our operations, culture and value chain." Industrials (79)

"For us at [the company], sustainability is nothing new. We were already working with these issues long before they were pulled together as a concept called 'sustainability'. It is not so much as natter of adoption to the demands of the present but of continuing to work with issues we have always worked with." Financials (80)

Yet, another interesting finding is that the concept *sustainable business* not only appears for the first time in the CEOs' talk of sustainability but seem to be widely established among the CEOs. The CEOs frequently use 'sustainable' as an epithet when they address their own company. This can also be interpreted as a way of *embedding* sustainability in the organisation. In the first two quotes below (81-82) it appears as if the CEOs are providing their definition or explanation to what they regard as vital for being a sustainable business. Here integration of sustainability aspects in the *entire* organisation and strong relationships with stakeholders are being emphasised. The following two quotes (83-84), highlight "good for everyone" and "prerequisite", which are aspects often put forward by the CEOs when they argue for *why* establishing their company as a *sustainable* business is deemed important. These findings are in line with Tregidga *et al.* (2014) where companies also are found to emphasis that being a sustainable provides benefits both to the organisation and society, i.e. a win-win discourse (see Laine, 2010). While Tregidga *et al.* (2014) found that this emphasis, on benefits both to the organization and its stakeholders, entered into the sustainability talk in corporate reports in the period 2005-2010, we found it to enter into the CEOs talk in CEO letters about a decade later. Thus, once again we find indications of a lag between when certain CEO talk of sustainability enters into the space-limited CEO letter compared to when it enters into the more voluminous annual report.

"We will create sustainable business by integrating sustainability into all our products and offerings." Financials (81)

"Only with these strong relationships, and the passion and innovative spirit of our employees, in line with our core values, are we best able to deliver a growing and sustainable business." Consumer Goods (82)

"In the long run, everyone benefits from a long-term sustainable business." Telecommunications (83)

"Sustainable business – a prerequisite." Telecommunications (Highlighted in sub-heading) (84)

"Sustainable Business" Industrials (Highlighted in sub-heading) (85)

Sustainable is not only used when the CEOs refer to their business but also as a prefix to value, profitability and growth (quotes 86-90). This finding indicates a radical change. Never before, despite decades of critique (see Arvidsson, 2014; Cho *et al.,* 2015; Radley Yeldar, 2012), have CEOs explicitly related sustainability to corporate value, profits and growth. Thus, in the letters from 2017 the CEOs now explicitly include a sustainability perspective on their value-creation process. In quote no 90, we see that all three dimensions of sustainability is put forward as vital for a successful value creation. The CEOs also highlight that the value-creation process is not only a concern for shareholders but for *all* stakeholders (quotes 91-93). Some CEOs explicitly clarify that there is no contradiction between paying interest to shareholders or paying interest to other stakeholders, i.e. society. Thus, the CEOs now explicitly communicate that they acknowledge other stakeholders beyond shareholders. This is a difference from a decade ago when Mäkelä and Laine (2011:222) found that CEOs do not "see" any other stakeholders than shareholders when they discuss sustainability in their letters in the annual reports. This implies that the unification strategy (Thompson, 1990), that Mäkelä and Laine (2011) found in sustainability reports now also appears to be applied when CEOs talk about sustainability in in the letters in annual reports. In the last two quotes (94-95), the CEOs even claim that shareholders too will benefit from a more sustainable value-creation process. Thus, from the CEOs talk of sustainability in the letters from 2017, it appears as if the CEOs now appear more convinced that being sustainable is compatible with upholding a positive value-creation process. This refutes Friedman (1970) and his followers. Worth noticing is that this standpoint is not related to a specific industry but evenly distributed over all industries included in the data set. This was also true when the concept sustainable business was identified in the CEOs talk (see section above).

"Our focus firmly remained on achieving sustainable profitability…" Consumer Goods (86)

"…thereby continuing to create long-term sustainable value for shareholders." Basic Materials (87)

"Creating sustainable value." Basic Materials (highlighted in sub-heading) (88)

"This was achieved through our consistent focus on driving sustainable profitability, resulting in improved earnings across all business areas." Consumer Goods (89)

"[The company's] mission is to deliver sustainable profitable growth. This means that we grow our business in a way that will help us perform well on all three bottom lines over long term: financial, environmental and social. Incorporating this approach in everything we do helps us stay competitive and successful." Industrials (90)

"We are building value for employees, customers and shareholders." Consumer Goods (91)

"…we will ensure that our industrial ecosystem generates the highest possible value for our customers, our owners and for society as a whole." Consumer Goods (92)

"There is no contradiction between the interests of the owner, the employee, the customer or the broader society. In the long run, everyone benefits from a long-term sustainable business." Telecommunications (93)

"I am confident our actions will benefit shareholders too." Industrials (94)

"We firmly believe that contributing to society will also create shareholder value." Industrials (95)

The trend to highlight sustainability in headings continues to increase. Now 62.5 per cent of the CEO letters where talk of sustainability is included, highlight sustainability in a sub-heading (54.2 per cent). Some even put forward sustainability in the heading for the entire letter (4.2 per cent). A trend that do not continue to increase is the trend to highlight membership to UN Global

Compact. Now only 25 per cent (41.6) of the CEOs mention UN Global Compact. A closer examination of the CEOs' talk reveals that other types of sustainability certifications/accountability standards (e.g. CDP, Dow Jones Sustainability Index, FTSE4GOOD) also are less talked about in these letters than in the letters from 2015. Instead, there is an increasing focus on UN's Sustainable Development Goals (SDGs). This is illustrated in quotes 96-100.

When examining the CEOs talk of sustainability from 2017, we find that 25 per cent of the CEOs now address the SDGs. Although the focus is stronger than in the letters from 2015, 75 per cent of the CEOs still do not at all focus on the SDGs. While most CEOs that do focus on the SDGs do so briefly, some CEOs appear to have started to reflect on impacts through SDG mapping (see primarily quotes 99 &100) (see Connelly, 2007 for a conceptual discussion of mapping sustainable development).

"We support United Nations Sustainable Development Goals." Industrials (96)

"I am convinced that our solutions will contribute towards fulfilling the UN's Sustainable Development Goals." Industrials (97)

"We took further steps to align our strategy with our commitment to the UN's sustainable development goals." Telecommunications (98)

"We see the SDGs as the future direction and will link sustainability at [the company] to our selected SDGs." Financials (99)

"In 2017, [the company] began using these goals to measure the performance and contributions of the Group's sustainability work. The UN goal of sustainable cities and communities – making cities inclusive, safe, resilient and sustainable – is most relevant to [the company] providing us with the greatest opportunities to effect positive change." Industrials (100)

In the letters from 2017, we see for the first time that a few CEOs start to focus their talk on employer branding from a sustainability perspective (see App *et al.*, 2012). This new trend might be further reinforced by the Paris students manifest for an ecological awakening autumn 2018 (see https://pour-un-reveil-ecologique.fr for Le manifeste étudiant pour un réveil écologique), in which it is emphasised that today's students will not work for organisations that do not actively participate in promoting a global sustainable development.

"Sustainability has also become an increasingly important component when young people decide on an employer and may be crucial in attracting top talent." Industrials (101)

"A company is only as successful as the people that builds it. Being able to attract and keep talent is key. I'm convinced that we can offer a truly interesting work environment helping customers to solve real societal problems in a global setting." Industrials (102)

After having analysed the CEOs' talk of sustainability in the letters from 2017, it becomes clear that this year's talk is characterised by the inclusion of an embeddedness and value-creation perspective. *First*, the CEOs devote much of their talk to emphasise (or convince) how sustainability is being firmly embedded in the organisation via e.g. strategies, operations, processes, methods, business concepts, culture and value chain. *Second*, they put forward, connect and associate sustainability with their company's value-creation process. This explicitly emphasised link between engaging in sustainability activities and the effects on the value-creation process is all new in CEOs' talk. Thus, we propose that in 2017 the CEOs adopt an *embeddedness and value-creation perspective* on their talk of sustainability. Considering the long-lived critique that companies in particularly neglect these perspectives, we humbly propose that it is in the CEOs' talk from 2017 where we identify the two most prominent development shifts in CEOs' talk of sustainability.

2017: The embeddedness and value-creation perspective	
Focus in the CEOs talk of sustainability	**Comments**
Acknowledge that a transformation towards more sustainable organisations is good for everyone and a prerequisite for doing business today	Being sustainable is framed as a prerequisite benefiting everyone
Verbalise an explicit and powerful integration of sustainability dimensions in the company	An explicit focus on the ongoing process of transforming the business into more sustainable
Ascertain that the integration of sustainability dimensions is manifested via:	A distinct focus on exemplifying with evidence that this integration is real and not mere talk
• Structural embeddedness	Operations, processes, methods, value chain, everyday business
• Individual embeddedness	Commitment and culture
• Refer to the company as a sustainable business	Implying that the business has been transformed into a sustainable business
Acknowledge and verbalise a positive relationship between sustainability and the corporate value-creation process	Value, growth and profitability is framed as sustainable Sustainability is framed as vital for a successful value creation and for corporate survival
From a distinct shareholder to a broadened stakeholder perspective	Besides customers, the focus is now on employees, partners and society (see above: good for everyone)
Continued adoption of sustainability-related certifications/accountability standards	<u>Increasing focus:</u> UNs Sustainable Development Goals (SDGs) <u>Modest focus:</u> UN Global Compact, Dow Jones Sustainability Index, FTSE4GOOD

Table 6. A summary of the CEO talk of sustainability in the CEO letter from 2017

Concluding remarks

In this study, we set out to provide insights into how CEOs' talk of sustainability has developed in the largest listed Swedish companies during the period 2008-2017. Considering the increased expectations from society for companies to step up their transformation towards more sustainable businesses, the last decade is assumed to have required some rhetoric power from the CEOs, which further motivates the herein careful analysis of how CEOs' talk of sustainability has developed during this period. Once again, we want to emphasise that this study does *not* provide any findings enabling us to say anything about these companies' sustainability work *per se*. This is left for future research to focus on. This study explores the CEO's *talk* of sustainability – not their actual walk or corporate actions related to sustainability. However, by enhancing our understanding of how the business voice of influential giants present on the global arena frame sustainability by adopting different perspectives we at least gain some insights regarding the focus of their sustainability discourse and more essentially might identify shifts in their focus. These findings provide relevant inputs into the debate on how CEOs provide accountability to their stakeholders by framing their talk of sustainability from different perspectives. These findings are of interest and relevance not only to policy makers and legislative authorities at national and international level but also to the business and academic communities in their on-going quest of developing sustainability reports of high informational quality satisfying the needs of various stakeholders.

The analysis confirms that over the examined period, 2008-2017, an increasing proportion of the CEOs in the largest Swedish companies engage in talk of sustainability in their CEO letters. The study also reveals that some industries (Industrials and Consumer services & goods) appear to be first adopters when it comes to include talk of sustainability in their CEO letters. Altogether, sustainability as a phenomenon appears to have climbed higher on the CEOs agendas. Today, most CEOs (88.9 per cent) regard sustainability to merit focus also in the CEO letters.

So, let us return to the above research question and unravel *how* CEO talk of sustainability has developed during the period 2008-2017? From the analysis, it is clear that the last decade's growing societal demand for companies to step up their transformation towards more sustainable businesses have affected how CEOs talk of sustainability has developed. This is in line with our assumption that CEO talk can be seen as a corporate response to the context in which they operate (see Milne *et al.,* 2009). In common with earlier research (see e.g. Tregidga *et al.,* 2014), the talk of sustainability in the CEO letters from the beginning of the examined period is rather general, passive and takes a one-dimensional approach towards sustainability, i.e. the environmental dimension is the main foci. However, in this study we (finally) see that the talk in the later letters are becoming much more elaborated, proactive and also adopts a multi-dimensional approach towards sustainability, i.e. the environmental, social *and* economic dimensions are all reflected on in the CEOs' talk. Thus, during the examined period we confirm a gradual shift in the way the CEOs provide accountability to their stakeholders.

From the readings of the CEO letters, it appears as if the CEOs are becoming more eager to convey a notion that their companies are in the process of undergoing a proactive (and fierce) adaptation or change to meet the demands of a changed sustainability context. They appear to involve themselves in the development of the sustainability discourse and context in which they are present. If this change in the CEOs' talk is endorsed by legitimacy reasons or a genuine will actively work for promoting a global sustainable development and the reaching of Agenda 2030 is, however, outside the scope of this study to decide. Earlier research has frankly concluded that changes revealed in CEO talk are to be regarded as mere rhetoric (Beelitz and Merkl-Davies, 2012; Milne et al, 2009; Laine, 2010) and not sufficient to provide for social and environmental betterment (Tregidga et al, 2014). A difference in the findings of this study is, however, that the CEOs highlight several various evidences, e.g. partnerships, examples related to product/service offer, sustainability-related certifications/accounting standards (UNGC, Dow Jones Sustainability Index, FTSE4GOOD, GRI) that they appear to put forward as support to *real* changes. Although, this might indicate that there today is more walk behind the CEOs' talk of sustainability (at least compared to a decade ago) this is, as emphasised above, outside the scope of this study. It is, however, an important area for future research to direct attention towards.

The CEOs' talk of sustainability has not only developed into more elaborated, proactive and multi-dimensional, it is also herein confirmed that the CEOs frame their talk by adopting different perspectives. From the analysis, four perspectives are identified along the anchor points; *the sticky environmental perspective* (2008), *the performance and meso perspective* (2013), *the product-market oriented perspective* (2015) and *the embeddedness and value-creation perspective* (2017). While the CEOs in 2008 primarily include an environmental and a micro (corporate) focus in their talk of sustainability, the analyses of the later CEO letters confirm a gradual augmentation and increased proactivity when it comes to bringing in the other dimensions of sustainability, as well as, supply-chain-, performance- and product-market orientation perspectives. Considering that aspects related to supply-chain, performance and product-market orientation gradually have entered into the last decade's sustainability debate, the identified perspectives also support the assumption that CEO talk can be viewed as a corporate response to the context in which the companies operate. Thus, the way these CEOs approach these issues in their talk of sustainability appear influenced by the ongoing sustainability debate and the various initiatives at both political and industry level (see discussion in section *Sustainability context*).

It is in the latest letters, we identify what we interpret as the most interesting development shifts in the CEOs' talk of sustainability, i.e. shifts towards an inclusion of (1) an embeddedness and (2) a value-creation perspective. Let us start with the value-creation perspective. In these letters, the CEOs appear to have become aware of the fact that the scepticism from the financial markets requires (if not organisational attention so at least) discursive attention. Thus, in the letters from 2017 they start framing their talk of sustainability from a value-creation perspective. Now the CEOs explicitly argue that sustainability is vital for a successful value creation and for corporate survival. They also refer to the former so strict financial concepts (value, growth and profitability) as sustainable. This is indeed intriguing findings, not the least since the extensive scepticism from financial-market actors have been present for decades (Arvidsson, 2014; Cho et al. 2015; Friedman, 1970; Radley Yeldar, 2012) without resulting in any significant responses from business society (Arvidsson, 2019). Now, also the CEOs of companies belonging this specific industry, i.e. Financials are actively putting forward the link between sustainability and the value-creation process. The herein findings differ from the ones in Mäkelä and Laine (2009), which confirmed that the economic discourse of growth and profitability are paramount in CEO letters. Thus, there appear to be a shift in the discourse around the link between corporate-value creation and sustainability. The findings indicate that the alleged capitalistic and short-sighted focus on value maximization and profitability in CEO talk might be changing for an embeddedness of sustainability dimensions. Recent prominent financial-market initiatives e.g. the formation of the EU High Level Expert Group on Sustainable Finance and the Task Force on Climate-related Financial Disclosures, TCFD) aimed at integrating sustainability consideration into financial-policy frameworks in order to mobilise finance for sustainable growth (EU Commission, 2018) (see also Table 1) might have triggered the CEOs to acknowledge the need for them, at least in their sustainability discourse, to direct attention towards this area. Future research needs to further explore why this shift in the CEOs talk of sustainability came now. What internal- and/or external factors were most prominent in pushing for this shift required by various stakeholders for a long time? If the critique arguing that the capitalistic and short-sighted focus hinders companies to promote a global sustainable development (see Beder, 2002) no longer hold true, does this automatically mean that companies now should be viewed as an efficient means in the process of promoting environmental, social and economic dimensions of sustainability (e.g. Holliday *et al.*, 2002; Porritt, 2012)? Overall, these findings open up for an avenue of issues meriting further research attention. Not the least do we need to enhance our knowledge of whether there is a relationship between CEOs' sustainability discourse and organisational practices. Does a shift in CEOs' talk of sustainability promote organisational change?

Let us focus on the other significant development shift: the inclusion of an embeddedness perspective. Altogether, the analysis of the letters from 2017 implies that it is in this period that we are witnessing a significant rhetoric change in the CEOs' talk of sustainability. Besides starting to frame their talk from a value-creation perspective, we also see that the CEOs now use an elaborated embeddedness perspective (e.g. structural, individual) when they frame their talk. This also indicates a rhetoric change that is unseen in the earlier letters where the embeddedness perspective is much less explicit. The last decades' critique from stakeholders against companies neglecting to initiate a fully corporate integration of sustainability (e.g. in value-chains, operations, processes, mind-sets) cannot have escaped anyone especially not the CEOs who the critique has cantered around. Why is 2017 the year when the CEOs start acknowledging the need to provide accountability to their stakeholders by explicitly framing their talk of sustainability both from a value-creation and an embeddedness perspective? Future studies need to direct attention towards exploring reasons underlying the up-ward shift in (discursive and/or organisational) attention related to these perspectives. We must keep in mind that the herein study focuses on sustainability talk from CEOs in MNEs representing the business voice of global giants. Although they are argued to be best suited for sustainability analyses due to a significant impact on society with respect to sustainability issues (see Stiller and Daub, 2007), we call for a broadening of the corporate span beyond the largest listed companies to enable insights into the CEOs' talk of sustainability in small and medium sized companies. Are the herein identified development shifts present also in the CEOs' talk of SMEs? Although there is a prevailing notion that MNEs are more or less stateless (see Chen and Bouvain, 2009; Whittington and Mayer, 2000), it is of relevance to analyse if these shifts are also identified in the business talk of MNEs with a domicile other than Sweden with its long tradition of sustainability-related disclosure (see Cahan *et al.*, 2016; KPMG, 2019; 2015) and well established business-ethics practices (see Singh *et al.*, 2011; Svensson *et al.*, 2010)? These avenues, we leave for future research to embark on.

APPENDIX 1

Swedish companies included in the disclosure study

Company	GICS code
ABB	Industrials
Alfa Laval AB	Industrials
Assa Abloy AB	Industrials
Atlas Copco AB	Industrials
Boliden AB	Basic Materials
Electrolux AB	Consumer Goods
Ericsson AB	Technology
Getinge AB	Health Care
Hennes & Mauritz AB	Consumer Services
Investor AB	Financials
Lundin Petroleum AB	Basic Materials
Modern Times Group MTG AB	Consumer Services
Nordea Bank AB	Financials
Sandvik AB	Industrials
Scania AB	Industrials
Securitas AB	Industrials
SEB AB	Financials
Skanska AB	Industrials
SKF	Industrials
SSAB AB	Basic Materials
SCA AB	Consumer Goods
Svenska Handelsbanken AB	Financials
Swedbank AB	Financials
Swedish Match AB	Consumer Goods
Tele2 AB	Telecommunications
TeliaSonera AB	Telecommunications
Volvo AB	Industrials

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