CEO talk of sustainability in CEO letters: towards the inclusion of a sustainability embeddedness and value-creation perspective

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Abstract

Purpose – This paper aims to examine how CEO talk of sustainability in CEO letters evolves in a period of increased expectations from society for companies to increase their transition towards becoming more sustainable and to better account for progress and performance within the sustainability areas.

Design/methodology/approach – By adopting an interpretive textual approach, the paper provides a careful analysis of how CEO talk of sustainability in CEO letters of large listed Swedish companies developed during 2008–2017.

Findings – The talk of sustainability is successively becoming more elaborated, proactive and multidimensional. CEOs frame their talk by adopting different perspectives: the distinct environmental, the performance and meso, the product-market-oriented and the sustainability embeddedness and value creation. The shift towards an embeddedness and value-creation perspective in the later letters implies that the alleged capitalistic and short-sighted focus on shareholder value maximisation might be changing towards a greater focus on sustainability embeddedness as an important goal for succeeding with the transition towards a sustainable business.

Practical implications – The findings are relevant for policymakers and government bodies when developing policies and regulations aimed at improving the positive impact of companies on global sustainable development. Findings are also useful for management teams when structuring their sustainability talk as a response to external pressure.

Social implications – The findings provide relevant input on how social norms, values and expectations are shaping the corporate discourse on sustainability.

Originality/value – The findings of this study contribute to an increased understanding of the rhetorical response in influential CEO letters to the surrounding sustainability context, including new national and international policies as well as sociopolitical events and discourses related to sustainability. This 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 communication, CEO letters, Legitimacy, Corporate response, Sustainability embeddedness

Paper type Research paper

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Introduction

It has not escaped anyone's notice that sustainability is climbing higher up on the agendas in all aspects of the society (politics, financial market, business, culture, etc.). Already in 1987, the Brundtland report [UNWCED (United Nation World Commission on Environment and Development), 1987] urged management teams to start running their organisations in a more sustainable manner. The urgency of promoting a sustainable development by combating climate crises and social inequalities is still vigorously manifested in the Paris Agreement, the UN Sustainable Development Goals and the EU and US Green Deals. Sustainability embeddedness is argued to be a prerequisite for a successful transition towards a sustainable business (Dunphy *et al.*, 2007; Benn *et al.*, 2014: Perrott, 2014). Internalising sustainability embeddedness in an organisation is often illustrated as a journey with different phases ranging from rejection, non-responsiveness and compliance of legislation and shifting societal expectations to new sustainability-oriented mindsets, strategies and decision processes aimed at becoming sustainability leaders and ultimately a truly sustainable business (Dunphy *et al.*, 2007; Valente, 2012; Perrott, 2014).

The recently launched roadmaps for a sustainable future together with an increasing amount of compelling scientific evidence have accentuated the need for an efficient sustainability transformation (IPCC, 2014, 2021; IPBES, 2018). This has reinforced society's expectations on companies not only to increase their transition towards becoming more sustainable but also to start acknowledging the need to be more transparent and account for their progress in different sustainability arenas. There is increasing interest and awareness from stakeholders specifically on how the three sustainability dimensions – environmental, social and economic – are incorporated in the management of our companies (Arvidsson, 2019; Thijssens *et al.*, 2015; Wolf, 2014) and whether corporate operations have a positive or negative impact on the global sustainable development (Fernandez-Feijoo *et al.*, 2014).

Corporate communication is considered an important means for management teams to gain legitimacy by accounting for the congruence between their corporate operations and society's values, norms and beliefs (Suchman, 1995; Dowling and Pfeffer, 1975). Communication of sustainability issues in corporate reports is argued to be an efficient way to account to stakeholders about the (sustainable) manner in which a company is being managed according to Mori Junior *et al.* (2014), EU (2013) and Etzion and Ferraro (2010). Sustainability reporting is an increasing reporting trend (KPMG, 2019, 2020), demonstrating that management teams appear aware of the importance these disclosures play in the quest to earn the epithet *sustainable business* and, thus, receive the vital (social) licence to operate (Demuijnck and Fasterling, 2016; Deegan, 2014, 2002). Being granted legitimacy from its stakeholders is considered paramount for corporate survival (Ashforth and Gibbs, 1990; Deegan, 2014; Dowling and Pfeffer, 1975; Meyer and Rowan, 1977; Suchman, 1995).

Corporate sustainability communication has for a long time been questioned by researchers, investors and financial analysts for its lack of value relevance, being of poor quality, not being credible enough and being mere green-, blue- or even SDG-washing (Cordazzo *et al.*, 2020; Abhayawansa *et al.*, 2019; Cho *et al.*, 2015b; Arvidsson, 2014). At the same time, transparent, credible and comparable information on how companies perform in the sustainability arenas is manifested in the EU Green Deal (European Commission, 2019a, 2019b) as well as argued by investors and financial analysts (Barker and Eccles, 2019; Krasodomska and Cho, 2017; Eurosif and ACCA, 2013) to be of critical importance to assess a company's determination and ability to pursue a transition towards a more sustainable businesses and, thereby, contribute to global sustainable development. In response, a myriad of reporting standards/regulations [Global Reporting Initiative (GRI), Non-financial Reporting Directive (NFRD), Corporate Sustainability Reporting Directive (CSRD, the

revised NFRD), the EU Taxonomy] and private initiatives [the Task Force on Climate-related Financial Disclosure (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks] aimed at improving corporate sustainability communication have been launched.

During the past decades, much research attention has been directed towards corporate sustainability communication. This has built up a vast body of sustainability disclosure studies (Patten and Shin, 2019; Deegan, 2017). While sustainability communication in annual reports, integrated reports and (standalone) sustainability reports (Hossain *et al.*, 2019; Adams *et al.*, 2016; Cho *et al.*, 2015a; Tregidga *et al.*, 2014) have been extensively examined, the CEO letter has only to a limited extent been the focus (de Miguel-Molina *et al.*, 2019; Reilly and Hynan, 2014; Barkemeyer *et al.*, 2014; Laine, 2010; Mäkelä and Laine, 2011). Considering that "CEOs are public figures who actively engage in public rhetoric on (what they perceive and assert to be) the important issue of the day" (Amernic and Craig, 2004, p. 44), it is surprising that CEO talk of sustainability in CEO letters has attracted such modest focus.

Recently, we have seen influential corporate leaders engaging more and more in sustainability communication (The Guardian, 2021; Business Roundtable Statement, 2019). CEOs have been found to play an important role in articulating an organisation's sustainability vision and clarifying questions related to this (Çop *et al.*, 2021). This has put an increased focus on what is being written on sustainability in the CEO letter. The 2020 CEO letter of BlackRock even made it to the front page of The New York Times (2020), when CEO Larry Fink claimed that the climate crises will reshape finance. This supports the notion that the CEO letter is the most powerful, influential and read part of an annual report (Na *et al.*, 2020; Mäkelä and Laine, 2011; Amernic *et al.*, 2010, 2007) and that it is an important source for investors and financial analysts for accessing CEO narratives on corporate visions, operations and performance (Boudt and Thewissen, 2019; Yan *et al.*, 2019; Patelli and Pedrini, 2014).

As discussed above, the CEO letter is not only an important way to communicate with stakeholders but also a rich textual manifestation of the corporate voice, bearing witness to how sustainability is addressed by CEOs. By positioning ourselves in the research field focusing on interpretative analysis of CEO talk related to sustainability (Beelitz and Merkl-Davies, 2012; Ihlen and Roper, 2014; Laine, 2010; Milne *et al.*, 2009; Mäkelä and Laine, 2011; Tregidga *et al.*, 2014, Arvidsson and Sabelfeld, *forthcoming*), we contribute to the existing literature by providing longitudinal perspectives on CEO talk of sustainability in *CEO letters*. Hereby, we set out to shed light on how these influential leaders have developed their talk of sustainability in the letter during a period where alarming evidence of an acute climate crisis and aggravated social inequalities has triggered stakeholder awareness and pushed sustainability communication to become a prioritised corporate practice for corporate leaders. By drawing on the theoretical concepts of legitimacy, accountability and transparency, we pose the following research question: *How did CEO talk of sustainability in CEO letters develop in the largest listed Swedish companies during the period 2008–2017?* The data set represents the "corporate voice" of 30 MNCs with Sweden as their domestic origin but with their main presence in the global arena. It is important to emphasise that we do not claim to make any attempts to determine whether there is actual "walk" or any action behind the CEO talk of sustainability. This is left for future research. To further reinforce an in-depth understanding, the analysis is focused on CEO letters from four anchor points, i.e. 2008, 2013, 2015 and 2017, which will be further motivated in the following sections.

The rest of the paper is structured as follows. First, the theoretical and empirical foundations are presented. Then, the reader is presented with the underlying research

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design and methodology. Next, the empirical results are presented and discussed. The paper ends with some concluding remarks.

Literature review

Corporate sustainability communication: a means for increasing transparency, providing accountability and ultimately gaining legitimacy

The theoretical foundation upon which this paper rests is built around the theoretical concepts of legitimacy, accountability and transparency. These concepts are vital when trying to understand corporate communication and CEO talk of sustainability in CEO letters. Not only can these important activities be a means for increasing transparency and, thereby, reducing information asymmetry but also for gaining legitimacy by providing accountability, through the talk, to ensure, at least verbally, that there is a congruence between corporate operations and societal values, norms and beliefs (Deephouse and Suchman, 2008; Suchman, 1995; Dowling and Pfeffer, 1975). Being granted legitimacy from its stakeholders is considered vital for corporate survival (Ashforth and Gibbs, 1990; Deegan, 2014; Dowling and Pfeffer, 1975; Meyer and Rowan, 1977; Suchman, 1995). Thus, literature on corporate communication is often approached through the lenses of legitimacy, accountability, information asymmetry/transparency and stakeholder relations (Adams and Larrinaga, 2019; Arvidsson, 2018; Camilleri, 2018; Deegan, 2017).

Increased awareness of the need to combat climate crises and social injustices (IPCC, 2021; IPBES, 2018; EU Commission, 2019) has resulted in a myriad of public policies [CSRD (former NFRD), EU Taxonomy], and private initiatives (TCFD, TNFD) aimed at promoting a corporate transition towards more sustainable businesses. This has gradually shifted societal norms and expectations upward regarding how a company should be managed to be perceived sustainable (Arvidsson and Sabelfeld, *forthcoming*). Arguably, this has accentuated the need for companies to increase their transparency through communication on their impacts and performance in the different sustainability arenas (Arvidsson and Dumay, 2021). Otherwise, they run the risk of losing the vital (social) licence to operate (Deegan, 2002, 2014; Demuijnck and Fasterling, 2016). In tandem with this upward shift in norms and expectations, a gradual increase in sustainability communication in corporate reports has been confirmed (KPMG, 2019, 2020).

Role of the CEO in corporate sustainability communication

While sustainability communication in annual reports, integrated reports and standalone reports has been richly examined, the CEO letter has attracted research attention only to a limited extent. This might have been motivated by the low profile CEOs have kept in the public sustainability debate; however, this appears to be history. Recently there have been several examples of CEOs engaging in sustainability activities and making their voices heard on various sustainability issues (The Guardian, 2021; Business Roundtable Statement, 2019). Following, the argument by Amernic and Craig (2004) that CEOs actively engage in public rhetoric on topics they regard as important, the perceived importance of sustainability issues appears to have increased.

When Business Roundtable announced the release of a new "Statement on the Purpose of a Corporation" (Business Roundtable Statement, 2019) signed by 181 CEOs to commit to leading their companies for the benefit of *all* stakeholders – customers, employees, suppliers, communities and shareholders on 19 August 2019, it marked a milestone. This outlines a modern standard for corporate responsibility in which CEOs strive for shared prosperity and sustainability for both businesses *and* society. In line with the decades-long

predominant focus on maximising shareholder value (Battilana, 2020), the Business Roundtable has since 1997 endorsed principles of shareholder primacy.

Another example when CEOs jointly made their voices heard in the sustainability debate was just before the Biodiversity Summit in China. The Guardian (2021) published an *Open letter from CEOs to Heads of State*, in which 11 CEOs of MNEs, including H&M and Unilever, argued that nature is at a tipping point, which calls for both governments and companies to take action. While the CEOs claimed to take decisive action to reverse nature loss by 2030, they viewed the governmental agenda to be less ambitious. This is quite a turn, considering that corporate leaders for decades have been the ones criticised for insufficient sustainability endeavours (Rafi, 2021; Le manifeste, 2018; The Guardian, 2011).

Recent research has shown that CEOs today play an important role in articulating an organisation's sustainability vision and clarifying questions related to this vision (Çop *et al.*, 2021). Thus, CEOs are found to contribute to increasing transparency and, through their talk, providing accountability. Hosting sustainability events and podcasts (BlackRock Bid podcast), Larry Fink, the CEO of the world's largest asset manager, has become an influential spokesperson for the financial market in the sustainability debate.

Role of the CEO letter
By claiming that climate crises will reshape finance and that climate transition presents a historic investment opportunity, the 2020 CEO letter of BlackRock even made it to the front page of The New York Times (2020). These and the above are only some examples showing that CEOs are taking a more active role in sustainability communication. The extensive attention directed towards the CEO letter of BlackRock further established the CEO letter as an important communication tool also for sustainability-related topics.

The CEO letter has long been viewed as the most powerful, influential and read part of an annual report (Na *et al.*, 2020; Mäkelä and Laine, 2011; Amernic *et al.*, 2007, 2010). This letter is put forward as an important source for investors and financial analysts in accessing CEO narratives on corporate visions, operations and performance (Boudt and Thewissen, 2019; Yan *et al.*, 2019; Patelli and Pedrini, 2014). Aerts and Yan (2017, p. 406) have argued that the CEO letter "[. . .] is taken to represent top management's construal of the most prominent corporate events and achievements, their context and embedded beliefs and values". Mäkelä and Laine (2011, p. 228) concluded 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 [. . .]".

Lai *et al.* (2018) have argued that providing accountability in narratives along financial numbers is becoming *comme il faut* and that the strengthened status of narratives is supported by accounting bodies such as International Accounting Standards Board and European Financial Reporting Avdisory Group (EFRAG). EFRAG's recent call for more research on narratives in corporate reports (EFRAG, 2018) lend credence to this notion. The role of narrative transparency (as well as narrative accountability) as a means to provide more transparent, intimate accounts and assurance of "truth", i.e. what is actually going on inside an organisation, will attract increased attention (Olson, 1999; Press and Arnould, 2014).The fact that CEO letters are unaudited is often argued to allow for some free expression and an opportunity to shape the talk in the letters as the CEO wants (Boudt and Thewissen, 2019; Yan *et al.*, 2019).

CEO communication is argued to have the potential power to influence business society, corporate operations and practices. This rhetorical power of CEOs is argued to be especially vital in times when organisational legitimacy is threatened and CEOs are expected to assume rhetorical leadership (Amernic and Craig, 2004). Considering the increased

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expectations from society for companies to increase their transition towards more sustainable businesses, the past decade is assumed to have required some rhetorical power from leaders in their sustainability talk in CEO letters.

CEO talk of sustainability in CEO letters
While societal and research attention recently has been directed both to the role CEOs play in sustainability communication and the importance of the CEO letter, recent research on examining the actual CEO talk of sustainability in the influential CEO letter is limited. Albertini *et al.* (2021), Barkemeyer *et al.* (2014) and de Miguel-Molina *et al.* (2019) are some meritorious exceptions contributing to research on CEO rhetoric in sustainability communication in CEO letters. While Albertini *et al.* (2021) found that CEOs in their letters emphasise environmental capital as a major contributor to value creation, Barkemeyer *et al.* (2014) found that CEO talk of sustainability fails to provide accountability of sustainability-related performance and, thus, the CEO letter is merely used for legitimating purposes. de Miguel-Molina *et al.* (2019) found that the discourse on social dimensions of sustainability in CEO letters influences corporate investment decisions.

Reviewing earlier research shows that a decade ago, when CEOs still kept a low profile in the sustainability debate, some studies examined CEO talk of sustainability in corporate reports with a focus on the CEO letter (Beelitz and Merkl-Davies, 2012; Ihlen and Roper, 2014; Laine, 2005, 2009, 2010; Milne *et al.*, 2009; Mäkelä and Laine, 2011; Tregidga *et al.*, 2014). Their main focus was to examine how CEOs talk about (the concept) sustainability. Mäkelä and Laine (2011) found that the economic discourse on growth and profitability is paramount in CEO letters in annual reports. Milne *et al.* (2009) concluded that the discourse in sustainability talk safeguards economic values rather than environmental and social values related to sustainability. Thus, they argued that the sustainability discourse in CEO talk reinforces rather than challenges the status quo and that the change the companies posited may be largely rhetoric. This is in line with Beelitz and Merkl-Davies (2012, p. 101), who found that CEOs use discourse strategically as a means to signal change while in fact maintaining the status quo. This finding is supported by Laine's (2010) in his longitudinal study focused on CEO letters from three Finnish companies.

Differences are found between sustainability talk in CEO letters in annual reports compared with letters in sustainability reports. Mäkelä and Laine (2011, p. 222) concluded 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". They found that CEO letters in sustainability reports have a similar focus; however, in this report, the talk adopts the perspective of society at large, and the operations are justified because of their aim of providing well-being to all stakeholders. Mäkelä and Laine (2011) argued that a unification strategy (Thompson, 1990) appears to be adopted in the letters included in sustainability reports because it is more explicitly accentuated that the company is part of society and is determined to acknowledge societal challenges.

Tregidga *et al.*'s (2014) critical analysis of "sustainable organisation" identity constructed in corporate reports, including but not explicitly focused on CEO letters, provides relevant results on developments and shifts in sustainability narratives with interesting ties to legitimacy and accountability. The first period (1992–1999) is characterised by an emphasis on environmental responsibility and compliance. Tregidga *et al.* (2014, p. 486) have argued that the lack of an explicit focus on sustainability is "consistent with the context at the time and the largely absent threat of sustainable development as a concept requiring organizational attention". To maintain legitimacy at that time, they concluded that it was enough to represent a company as environmentally responsible and compliant. Thereafter

(2000–2004), companies stressed their leadership abilities within the sustainability field and tried to prove sustainability credentials by manifesting commitment through voluntary memberships [UN Global Compact (UNGC) and sustainability networks]. This coincided with a stronger reporting context and the launch of GRI, aimed at improving accountability through corporate disclosures. In the last period (2005–2010), companies emphasised that being a sustainable company provides benefits both to the company *and* society. Tregidga *et al.* (2014) argued that this reasoning shows similarities to the win-win discourse common in the business discourse (Milne *et al.*, 2009).

In line with this, Valente (2012, 2015) pointed to emerging evidence indicating that some companies were starting to go beyond a mere proactive orientation towards sustainability to a state where sustainability considerations permeate the whole organisation (sustaincentrism). The sustainability transition literature views sustainability embeddedness as the ultimate goal for a company to strive for (Benn *et al.*, 2014; Valente, 2015). In the sustainability phase model [1] by Dunphy *et al.* (2007), strategic proactivity, where sustainability is viewed as central and management tries to position the company as a leader in sustainability, is the (fifth) phase (after rejection, non-responsiveness, compliance and efficiency) before entering into the last phase where a company ultimately is considered a sustaining corporation. Perrott's (2014) development of the model by Dunphy *et al.* (2007) added an explicit economic dimension, which was left out of the original model. Perrott (2014, p. 32) argued that this dimension is critical to attain "[. . .] a more holistic and strategic view of a successful contemporary sustainable organisation". Thus, to succeed with the transition to a truly sustainable company, environmental, social and *economic* sustainability must be embedded in the organisation's mindset, culture and strategy.

The nexus between sustainability embeddedness and reporting, specifically integrated reporting, has been the focus of earlier research (Le Roux and Pretorius, 2019; Adams, 2015; Brown and Dillard, 2014; Eccles and Saltzman, 2011). Considering that substantial organisational change is required to succeed with embedding sustainability in a company (Perrott, 2014), it is intriguing that adopting integrated reporting is found to promote a new mindset, contribute to perspective change and facilitate improved sustainability embeddedness (Le Roux and Pretorius, 2019). This further strengthens the notion that sustainability (integrated) reporting plays a role in facilitating and progressing the development of sustainable strategies and practices (Adams, 2015).

Swedish and international sustainability context

Here, we give the backdrop to the Swedish and international sustainability context. During the period 2008–2017, the sustainability context surrounding our selected companies underwent a fierce evolution with, for example, the launch of several sustainability-related public and private initiatives both in the national and international arenas as well as social and political events and discourses relating to various sustainability topics. To various extents, this has influenced the CEO talk of sustainability. The present data set includes CEO letters from MNEs active in the global arena, and the CEO talk of sustainability is shaped in this global context. The Swedish origin of the companies is, however, worth acknowledging not the least because sustainability-related issues in general and ethical and environmental-related issues in specific for decades have had a prominent position on the political, regulative and corporate agendas in Sweden. This might underlie why Swedish companies often are found to be front-runners when it comes to sustainability disclosures (Cahan *et al.*, 2016; KPMG, 2015, 2019) and establishing business ethics practices (Singh *et al.*, 2011; Svensson *et al.*, 2010).

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The Swedish Environmental Code was launched in 1999, and it clearly states that its purpose is to promote sustainable development, which will ensure a healthy and sound environment for present and future generations [2]. The code was viewed as one of the most advanced at that time, and its explicit link to the ideas articulated in the Brundtland Report [UNWCED (United Nation World Commission on Environment and Development), 1987] was rare in an international perspective. The code has influenced the practice development of environmental reporting among Swedish companies. The scope was successively broadened to sustainability reporting, and in 2007–2008, there was an early initiative to regulate sustainability reporting by making GRI guidelines mandatory for Swedish public state-owned companies [3]. This had a positive influence on the sustainability reporting of other Swedish publicly listed companies that started using GRI guidelines on a voluntary basis (Borglund *et al.*, 2010). The ideas behind the international integrated reporting framework [4] launched in 2013 (IIRC, 2013) were influential in the Swedish sustainability debate. Swedish companies are found to be among the leaders in holistic transparency reporting (Frías-Aceituno *et al.*, 2013).

The Swedish government's ambition to advance sustainability reporting among Swedish companies was further reinforced in 2016 when the EU Directive (2014/95/EU) on Non-Financial Disclosure and Diversity [5] was transposed to Swedish law. The Swedish sustainability debate was influenced by the signing of the Paris Agreement and the launch of the SDGs in 2015. While the Paris Agreement has a distinct environmental focus where fighting climate change is the main focus, the adoption of Agenda 2030 and the launch of the SDGs integrated *all* three dimensions of sustainability. The Swedish Government also published the Sustainable Business Guide – the Government's policy for sustainable business [6], which emphasised the tripartite view on sustainability.

The formation of the high-level expert group (HLEG) on sustainable finance (EU, 2018) marked a noticeable milestone in the sustainability context. Now financial market actors, who for long time had been sceptical about sustainability (Arvidsson, 2014; Cho *et al.*, 2015b; Friedman, 1970; Radley Yeldar, 2012), joined forces to explore how to integrate sustainability considerations into their frameworks to mobilise finance for sustainable growth (EU Commission, 2018). Several representatives from the Swedish financial markets became members of the HLEG, and the expert group "A Sustainable Financial Market" was initiated by the Swedish Government as was the Swedish delegation for Agenda 2030. The financial-market perspective was also emphasised by the TNFD. Here, the focus was to develop a framework that promotes an enhancement of the financial risk and scenario analysis perspectives (TCFD, 2017). The establishment of the technical expert group (TEG) on sustainable finance aimed at developing an EU classification system of sustainable activities, the soon to be launched EU Taxonomy, is yet another example of the intensified movement in the sustainable finance area (EU, 2018). All the above contribute to a new context in which CEOs shape their talk of sustainability.

Research design and empirical methodology
Selection of research method, disclosures, country setting, companies and time period
W adopt a *content-analysis methodology*, which is the dominant research method for empirical data collection in sustainability research (Dienes *et al.*, 2016; Hahn and Kühnen, 2013) and is widely used when CEO talk is analysed. To examine how CEO talk of sustainability has developed, an *interpretative textual approach* (Arvidsson and Sabelfeld, *forthcoming*; Wang, 2017; Laine, 2010) has been chosen and the CEO letter in the annual report is the focus. The CEO letter in the *annual report* was chosen to enable an analysis of developments in CEO talk of sustainability in a broader (non-sustainability specific)

corporate communication context [7]. The selection of the CEO letter was motivated by it being an optimal source for capturing how top management teams' talk of sustainability has developed.

The CEO letter is viewed as the most powerful, influential and read part of an annual report (Amernic and Craig, 2004; Amernic *et al.*, 2007, 2010; Fanelli and Grasselli, 2005; Mäkelä and Laine, 2011; Na *et al.*, 2020). The letter is signed by the CEO and addressed to corporate stakeholders. In the letter, the CEO communicates on issues regarded as relevant and high up on the corporate agenda. It cannot be confirmed that the CEOs have structured and written the CEO letters themself. Most likely it is an end product that has been filtered through several layers in the company. Because it is signed by the CEO, it should, however, be regarded as their talk of sustainability and as such representative of the corporate voice.

This study examines CEO letters from the 27 *largest listed Swedish companies* included in the NasdaqOMXS30 index at the Nasdaq Stockholm Stock Exchange (Appendix). This data set represents the corporate voice of influential MNCs active in the global arena. The selection of the largest companies was motivated by their position as first adopters and trendsetters when it comes to corporate disclosure. Earlier sustainability research claims that the impact on society grows with size and that reports from the largest companies are thus best suited for sustainability analyses (Stiller and Daub, 2007).

There are trends in everything, so too in corporate talk of sustainability. However, a lack of longitudinal focus in sustainability research is often emphasised as a shortcoming (Golob *et al.*, 2013; Perez and Sanchez, 2009). An important motivation underlying this study is to examine how CEO talk of sustainability in CEO letters has *developed*. Thus, to identify potential trends, the data include CEO letters from the 10-year period 2008–2017. Considering the complexity of providing a comprehensive and in-depth analysis of *all* CEO letters from the 27 companies over a 10-year period, four anchor points were selected: 2008, 2013, 2015 and 2017. The process of selecting these four years involved 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 was motivated by it being the year when research publications (Hahn and Kühnen, 2013) and popular science articles on sustainability and CSR (Borglund, 2009) increased significantly. This indicates a legitimacy shift manifested in an increasing awareness of sustainability in society and a growing demand for companies to increase their transition towards becoming more sustainable businesses. This might have influenced how CEO 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), additional 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 enabled a comprehensive and in-depth analysis of how CEOs' talk of sustainability has developed since 2008.

Analysis procedure

Chauvey *et al.* (2015) concluded that there is an intense debate in the sustainability field regarding which methods should be adopted to analyse disclosure of sustainability information. Hughes *et al.* (2001) proposed that an analysis of disclosure should identify whether it is quantitative, descriptive, vague or immaterial. Thomson and Bebbington (2005, p. 529) took it one step further and wanted 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".

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To enhance our understanding of the present status and trends in CEO talk of sustainability, an adapted *interpretative* textual analysis (Laine, 2010; Tregidga and Milne, 2006; Wang, 2017) was adopted. Interpretative analysis of text has been an analytical method developed and refined over many years (Laine, 2010; Livesey, 2002; Milne *et al.*, 2004; Tregidga and Milne, 2006; Wang, 2017; Arvidsson and Sabelfeld, 2022). These studies all adopted interpretative analysis aimed at deconstructing corporate language. Like Laine (2010) emphasised, this kind of study is characterised by several readings where an interpretative analysis is adopted to identify themes, perspectives and developments in the text. In this study, we examined the talk of sustainability in the CEO letters and the development of how the CEOs framed their sustainability talk by adopting different perspectives. The analysis procedure involved three stages, which are accounted for in detail below and in Table 1, in which the focus and procedure for the three stages are summarised, along with details concerning the results.

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. During this first round of reading, no notes or mark-ups were done. This was left for the second round of reading when each letter was reread. Now, all passages, including a reference to sustainability, were marked. The tripartite definition of sustainability, i.e. ecological/environmental (henceforth referred to as environmental), social and economic, was applied as the framing of the concept sustainability. Again, the letters were read and marked up in chronological order. All marked-up passages were put into an Excel file where they were coded with respect to company, industry and year. The mark-up phase was repeated twice to make sure that no passages with references to sustainability were missed. All studies adopting interpretative approaches of content analysis are to some extent exposed to subjectivity (Guthrie and Abeysekera, 2006; Laine, 2010). To reduce some of the subjectivity by solving potential ambiguity and a lack of clarity in the mark-up process, a robustness test was performed during the first stage of the analysis. In this test, the author and two independent senior researchers conducting 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 12 letters, were selected. These letters were individually read and marked up, and then the 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.

The *second stage* of the analysis procedure involved numerous in-depth reviews of all marked-up passages. In this stage, the focus was on structuring, interpreting and coding insights from each marked-up passage. 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, we often returned 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 was read and then its letter from 2013, 2015 and 2017, respectively. Detailed notes were included related to the identification of thematical developments in a *specific company's CEO talk* and their (potentially) different use of perspectives throughout the examined period. This fed into the second round of coding, in which all the CEO letters from a specific anchor point (i.e. 2008, 2013, 2015, 2017) were read, and now detailed notes

First stage of analysis	Second stage of analysis	Third stage of analysis
Focus on getting deep inside the CEO talk by carefully reading each of the CEO letters. During the first round of reading, no notes or mark-ups were done. Then followed two rounds of mark-up with focus on identifying all passages, including a reference to sustainability. Robustness tests were conducted before a final mark-up round	Focus on structuring, interpreting and coding insights from each marked-up passage. Throughout this procedure, detailed notes were written down on how the insights in the passages were structured, interpreted and coded. Numerous in-depth reviews of all marked-up passages and notes. Robustness tests were conducted. All built into a database	Focus on identifying developments in how the CEOs frame their sustainability talk by adopting different perspectives. Close attention given to identify similarities and differences in the CEO talk between the years but also on capturing how the adoption of (a) certain perspective (s) appeared and disappeared over the examined period. All marked-up passages, insights and comments were carefully read and re-read. Comments were enhanced and an interpretative analysis of the features and developments of the CEO talk of sustainability was performed
2008 *We have a responsibility to reduce the environmental impact of our production and the utilization of our products* *Thanks to our international experi-ence, which we have gathered into a green toolbox, we can make a difference to the environment at a global level* *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*	*2008* Reduced environmental impact Greenhouse gas emissions Implementation of environmental systems and processes Forward looking and progressive approach (towards sustainability) Ambitions to establish environmental/green leadership Downplaying the conflict between sustainability and economic growth/profits	*2008* *The distinct environmental perspective*
2013 *[The company's] environmental performance during the year was good and our reduced emission and discharge goals have been met with a good margin in most areas* *We also assume responsibility for suppliers and partners through our Codes of Conduct and monitoring practices*	*2013* A focus on sustainability performance Relate performance to sustainability goals and targets Social dimensions of sustainability Supply-chain perspective and beyond own organisation responsibility scope	*2013* *The performance/efficiency and meso perspective*
2015 *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*	*2015* Customer demand and market trends push for sustainable focus in operations Good Samaritan approach: helping (others) customers to become more sustainable	*2015* *The product-market oriented perspective*

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First stage of analysis	Second stage of analysis	Third stage of analysis
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	Extended stakeholder-driven demand Product and service offers framed as being (environmentally) sustainable Adoption of sustainability certifications	
2017 *In brief, sustainability is a natural part of [the company's] business concept, corporate culture and method of running [the company] [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*	*2017* Integration through structural embeddedness Framing of the sustainable business Sustainable as a prefix to corporate value/financial concepts From shareholder value to stakeholder value Increased focus on the SDGs	*2017* *The sustainability embeddedness and value-creation perspective*

Table 1.

were included related to the identification of thematic developments and (potentially) different uses of perspectives in the *aggregated CEO talk* at a *specific* anchor point. In the end of the second stage, an extensive database with detailed and in-depth comments on the developments in CEO talk of sustainability in CEO letters was created.

In the *third stage*, the focus was to identify developments in how the CEOs framed their sustainability talk by adopting different perspectives. The marked-up insights and the comments pertaining to each insight were carefully read and reread. The comments were enhanced, and an interpretative analysis of the features and developments of the CEO talk of sustainability was performed. In this process, close attention was paid not only to revealing similarities and differences in the CEO talk between the years but also to capturing how the adoption of (a) certain perspective (s) appeared and disappeared over the examined period.

Presentation and discussion of empirical results
In this section, the CEO talk of sustainability in the letters from each anchor point (2008, 2013, 2015 and 2017) is analysed and discussed in separate sections. To portray the development in CEO talk of sustainability over time, a rich number of quotes from the CEO letters are included.

CEO letters 2008 – the distinct environmental perspective
After having examined the CEO talk of sustainability in the letters from 2008, it became clear that the talk from this period was dominated by the environmental dimension of sustainability.

Most of the talk was framed around reducing environmental impact, CO_2 emissions and the implementation of environmental systems and processes. Thus, we propose that in 2008, CEOs adopted a *distinct environmental perspective* in their talk. This might not be too surprising considering that there has been a (predominant) environmental focus for a long time in the global sustainability debate. The CEOs of companies belonging to the industrial industry were the ones most active in adopting this frame. The second most active industry was consumer goods. This result is in line with Andersson and Arvidsson (2022), who found that industrial companies and also those companies selling directly to end consumers (such as consumer goods) appear to be more proactive in their sustainability work. They argued that the potentially negative impact industrial companies have on the environment and the pressure from end consumers to reduce negative environmental impact might explain why these industries are especially active. Both these arguments might be relevant also when understanding our results, in which CEOs of industrial companies (and to some extent CEOs of consumer goods) seem to have been first adopters in their sustainability talk. Below, we discuss the CEO talk in these letters in more detail.

A clear focus on the environmental dimension of sustainability
In this first period, there was a prevailing focus on the environmental dimension of sustainability, often from a compliance frame. About 75% of the CEOs focused on how their companies might reduce their negative environmental impact. The reduced-impact perspective [8] is highlighted in the Quotes 1–4 in Table 2, where the CEOs relate their endeavours to reduce the company's *main*, *negative* or, simply put, *environmental impact*. We found that all CEOs of the industrial companies framed their talk around a reduced-impact perspective. The negative environmental impact that industrial companies potentially have might trigger these CEOs to adopt this framing. Furthermore, our results showed that only a few CEOs touched upon the social and economic dimensions of sustainability. Perrott (2014) has argued that without a clear focus on *all* three sustainability dimensions, an organisation cannot become truly sustainable. Our result of a predominance towards the environmental dimension is in line with that of Tregidga *et al.* (2014), where companies were found to place strong emphasis on environmental responsibility and compliance with environmental legislation. Their results, however, stemmed from the period 1992–1999. The findings herein imply that still in 2008, a distinct focus on the environmental dimension of sustainability endures among Swedish companies. This might in some part be influenced by Sweden's strong commitment to various environmental issues and its far-reaching environmental legislation (OECD, 2004) articulated in the powerful Swedish Environmental Code. Relating to the sustainability phase model (Dunphy *et al.*, 2007; Perrott, 2014) [9], the CEOs seem to have focused their talk in the earlier letters on the compliance phase, which was primarily reactive in nature and focused both on increased legal requirements and societal expectations (legitimacy driven). From the literature review, it was clear that the environmental dimension of sustainability for a long time (and even still) received more focus in the sustainability debate. This focus appears to have influenced the CEO talk of sustainability. Only a few of the CEOs (of companies in the industrial and consumer goods industries) *explicitly* used the word *sustainability* in the CEO letters from 2008. Tregidga *et al.* (2014) also confirmed a lack of an explicit focus on sustainability.

A majority of the CEOs primarily focused on their *own* company's endeavours to reduce environmental impacts. This is showcased in Quotes 4–7. In this period, the CEOs still do not seem to have reflected on or included a supply-chain or a customer-usage perspective when it came to addressing environmental impact. Instead, the CEOs appear to have centred the responsibility on the company itself and its operations. The focus was not on the impact stemming from their suppliers or on their customers' use of their products or services. While

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Reduced environmental impact

" reducing the [company's] main environmental impact " – Industrials (1)
" reduce energy consumption and CO_2 emission" – Industrials (2)
" reducing our negative impact on the environment " – Consumer goods (3)
" we have a responsibility to reduce the environmental impact of our production " – Industrials (4)

Greenhouse gas emissions
" reducing carbon dioxideemissions from our factories and transports" – Basic Materials (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)

Implementations of environmental systems and processes
" 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)

Forward looking and progressive approach (towards sustainability)
"We will continue to build up our environmental know-how and will be prepared for the upturn" – Industrials (16)
"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 (17)
"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 (18)

Ambitions to establish environmental/green leadership
"Our ambition is to be the leading green [company] in our markets" – Industrials (19)
"We have a frontline position that meets future emission requirements " – Industrials (20)
"[The company] is a leader in this area [environmental-friendly products] " – Consumer goods (21)

Downplaying the conflict between sustainability and economic growth/profits
"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 (22)
"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 (23)
"There is no conflict between the development of products with lower environmental impact and the creation of profitable growth" – Industrials (24)

Table 2.
Illustrative quotes
from the CEO letters
of 2008

downstream and upstream today have become two concepts often present in the sustainability debate when a company's sustainability impact is in focus, the letters from this period show a distinct (micro) focus on the own company, thereby risking overlooking negative impacts caused by suppliers and customers.

What is also evident from our analysis is the CEOs' narrow focus towards CO_2 when environmental impact was discussed. The quotes in Table 2 illustrate this link. All but two of the CEOs emphasised emissions in their talk of sustainability. Only in a few letters was the scope extended beyond emissions to also include energy (Quote 2) and water. However, compared with emissions, these areas receive modest attention in the letters.

Implementation of environmental systems and processes
Our results revealed that some CEOs did not stop at promising that they would reduce negative environmental impacts. About one third of the CEOs (all but one from the

industrial industry) discuss in the letters how the reduction of greenhouse gas emissions and their negative impacts would be carried out. To safeguard the reduction of negative impacts on the environment, these CEOs emphasised that they had started to implement what could be referred to as environmental systems and processes. From the letters, it is hard to judge how sophisticated these systems and processes actually were. Without being specific about details, the CEOs exemplified this implementation process by highlighting, for example, environmental management systems, green toolboxes and environmental impact lifecycle assessment processes (see quotes in Table 2).

Thus, after decades of scepticism regarding sustainability not being integrated into corporate routines and processes (Arvidsson, 2019), it is interesting to note that at least some of the CEOs *verified or demonstrated* their commitment to sustainability by highlighting the implementation or adoption of systems and/or processes aimed at enhancing the company's sustainability (or more correctly, its environmental) work. This might be the first generation of sustainability (environmental) governance systems.

A future-looking and proactive self-initiated approach aimed at establishing the company as a leader within sustainability

The analysis of the letters has revealed a forward-looking or even a progressive tone in how the CEOs talked about sustainability. A majority of the CEOs emphasised the adoption of a *proactive* approach towards sustainability. The CEO talk appears to have been related to the fifth phase (of six) in the sustainability phase model (Dunphy *et al.*, 2007; Perrott, 2014), where strategic proactivity is argued to manifest sustainability as central to the corporate strategy. Sustainability transition scholars argue that it is important that an organisation does not stop at being a proactive organisation when it comes to sustainability but becomes a truly embedded organisation. Companies have often been criticised for chiefly adopting a reactive approach towards sustainability and only acting when a scandal or some kind of misconduct has already been confirmed (consequentialism or utilitarianism; see Brytting, 2005). The finding of a more emphasised proactivity in the CEO talk of sustainability is in line with that of Arvidsson (2010), who found that investor-relations managers around this time started to adopt a proactive tone in their CSR communication. Quotes 16–18 in Table 2 indicate that at least the environmental focus of sustainability would continue to increase in the years to come.

Interesting to note from the letters is that this proactive approach appears to have been aimed at establishing the company as the *leading* one (see Quotes 19–21). The CEOs seem to have wanted to communicate that they had 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 in the sustainability arenas. These findings are interesting to relate to the discussion of diminishing returns and the self-promotor paradox (Morsing and Schultz, 2006) but also to the argument that at least a decade ago it was acceptable to be (only) good enough and compliant in the environmental area to maintain legitimacy (Tregidga *et al.*, 2014). For about half of the CEOs, "good enough" seemed no longer to be an option. This leadership frame was also most prominent in the talks from CEOs of industrial companies, followed by companies belonging to consumer goods.

The CEOs did not refer to this development as being driven by demand from stakeholders. Instead, this proactive approach was framed as being their own initiative. Thus, a self-initiated approach towards sustainability appears to have been adopted. Also, when ambitions to establish leadership were discussed, the emphasis was on the environmental dimension.

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Start of downplaying the conflict between economic perspectives and sustainability?
As mentioned above, the economic dimension of sustainability, which Perrott (2014) argued
is vital to acknowledge if a company aims at becoming truly sustainable, is only vaguely
touched upon in the CEO talk of sustainability. However, let us review the few companies
that did refer to this dimension and how the economic perspective was discussed in relation
to sustainability. First, let us highlight that it only in three letters was this discussed. The
CEOs were all from an industrial company. These letters (see quotes in Table 2) all primarily
appear to underpin a shift from the good-enough perspective to a leading perspective, as
was discussed above (Quotes 19–21 in Table 2).

In Quote 22, the CEO ascertains that they do not regard the company's sustainability
work as mere philanthropy but as an activity that besides doing good for society also results
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 (23),
a distinct relation is made by the CEO to the notion underlying the triple bottom line
(Elkington, 1998). In the last quote (24), the CEO explicitly claims that there is no conflict
between being good and providing profits. This appears to be related to Friedman (1970)
and the debate concerning whether social and financial performance can be combined
(Margolis and Walsh, 2003; Zhao and Murrell, 2016). Thus, we see that the conflict between
economic perspectives of growth/profits, on the one hand, and sustainability, on the other
hand, was starting to be downplayed by some of the CEOs already in the letters from 2008.
Although this was (still) not a widespread focus in the letters, Quotes 23–24 are in line with
the findings in Albertini *et al.* (2021) with an emphasis in CEO letters of a positive
relationship between an environmental focus and corporate value creations.

CEO letters 2013 – the performance/efficiency and meso perspective
The letters from 2013 revealed two strong characteristics in the CEO talk. *First*, the CEOs
included a performance/efficiency perspective on their sustainability endeavours. *Second*, they
broadened their scope of responsibility related to sustainability. Now they not only considered
their own company in relation to responsibility but do also incorporate suppliers and partners.
This we refer to as the CEOs having moved from a micro to a meso focus in their scope of
responsibility related to sustainability. Yet we do not see any signs of a downstream focus where
consumers are brought into the responsibility scope. Thus, we propose that, in 2013, the CEOs
adopted a *performance/efficiency and meso perspective* in their talk of sustainability. Still, CEOs of
industrial companies were most active in adopting a sustainability frame for their talk in the CEO
letters. However, we see how CEOs from the other industries started to engage more actively in
sustainability talk during this period. Below, we discuss the talk in these letters in more detail.

An explicit focus on sustainability performance and targets
At this period of time, the EU Directive (2014/95/EU) was soon to be launched. The directive
has a clear focus on mandating companies to report on their sustainability outcomes and
performance. Our results can be interpreted as if the CEOs had started to adapt their talk to
the intention of the upcoming directive. While the CEOs in the letters from 2008 barely
discussed how the company *performed* in the different sustainability arenas, much of the
CEO talk now included a performance/efficiency perspective. Again, the CEO talk can be
related to the sustainability phases in the model by Dunphy *et al.* (2007), later elaborated by
Perrott (2014). The talk resembles the characteristics of the fourth phase, *efficiency*,
positioned after the compliance phase and before the strategic proactivity phase, where the
advantages of performing well in the sustainability arenas were beginning to be
acknowledged by the management team. We can see from Table 3 how performance and

efficiency related to *different* sustainability areas – not only environmental – were beginning to be discussed. Tregidga *et al.* (2014) found that companies had already in the period 2000–2004 started to prove their sustainability credentials. Judging from the findings herein, it was not until a decade later that the performance perspective was included, at least not in the CEO letters. Even though close to 75% of the CEOs, with representation from all included industries, now appeared to have added a performance perspective, they seldom provided hard facts, i.e. a quantification of the actual performance. This is exemplified in Table 3 where we can see that performance or progress is discussed in qualitative terms, i.e. *performance* [. . .] *was good* (Quote 26), *have made progress* (Quote 27) and *moving closer to our vision* (Quote 28). Tregidga *et al.* (2014) also found a lack of quantified performance measures, and Barkemeyer *et al.* (2014) found that CEO talk of sustainability in CEO letters failed to provide accountability of sustainability-related performance.

Although quantified measures have been emphasised as necessary to track sustainability performance (Epstein and Roy, 2001; MacLean and Rebernak, 2007), the difficulties with developing these is acknowledged in the debate (Carroll, 2000). Outside the scope of this study is to examine whether the sustainability performance was quantified *elsewhere* in the report. However, research focused on the entire report has also confirmed a lack of quantified performance measures related to sustainability (Perez and Sanchez, 2009; Salzmann *et al.*, 2005; Searcy and Buslovich, 2014). One possible explanation for why the CEOs now talked about sustainability from a performance perspective might be an acknowledgment of or response to the critique against sustainability disclosures for failing to demonstrate the value relevance and value-creation potential of sustainability investments (Arvidsson, 2019).

A focus on sustainability performance

"About 3500 managers took the annual corruption awareness program" – Industrial (25)
"[The company's] environmental performance during the year was good and our reduced emission and discharge goals have been met with a good margin in most areas" – Basic materials (26)
"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 (27)
"Step by step, we are moving closer to our vision of zero workplace accidents" – Industrial (28)

Relate performance to sustainability goals and targets
"We have also set ambitious goals in the area of diversity and inclusion" – Industrials (29)
"We continued implementing the group environmental targets in all business units " – Telecommunications (30)

Social dimensions of sustainability
"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 (31)
"In 2013, [the company] focused on actively recruiting more female employees" – Industrials (32)
"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 (33)
"Safety is our highest priority" – Industrials (34)

Supply-chain perspective and responsibility scope
"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 (35)
" worked to establish standard procedures for responsible supply chain management" – Industrial (36)
"We also assume responsibility for suppliers and partners through our Codes of Conduct and monitoring practices" – Industrials (37)

Table 3.
Illustrative quotes from the CEO letters of 2013

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Half of the CEOs also highlighted that they had set goals and targets to track this performance. It was not just goals and targets related to environmental sustainability that were highlighted. Diversity and inclusions were two new social dimensions of sustainability highlighted by some CEOs in relation to sustainability performance. Table 3 shows how targets and goals are discussed in the letters (Quotes 29 and 30). Common to how the CEOs addressed sustainability goals and targets – whether related to environmental dimensions or social dimensions – is that they were seldom specified nor were examples provided. This is similar to the findings of Mäkelä and Laine (2011), where few explicit targets related to sustainability were found.

Inclusion of social dimensions of sustainability
There is a clear difference from how the CEOs talked about sustainability in the letters from 2008 compared with those from 2013. While there was a distinct environmental focus in the previous letters, we found that almost 90% of the CEOs had broadened their focus in 2013 to also include social dimensions. Already, some of the quotes in the previous section lend credence to this finding (see Quotes 25, 28 and 29). In 2013, some CEOs appear to have focused more on the social dimensions of sustainability than on the environmental. This is in line with de Miguel-Molina *et al.*'s findings (2019) attesting to increasing discourse on social dimensions of sustainability in CEO letters.

Besides anticorruption and safety/health, the CEOs talked about promoting gender equality and diversity (Table 3). The CEOs might have been influenced to adopt this gender and diversity focus by the discussions at this time around the preparation of the soon-to-be-launched EU Directive (2014/95/EU).

Adoption of a supply-chain perspective and widened responsibility scope
The analysis also showed that the CEOs have widened their perspective not only when it came to what dimensions of sustainability they addressed but also from a micro to a meso focus. In 2008, the CEOs had a main focus on their *own* company's sustainability endeavours (micro). Now 75% of the CEOs, across all industries, appear to have adopted a meso focus by adding a supply-chain perspective when they discussed sustainability. This is in line with the public debate on sustainability where the supply-chain perspective gradually has received increased focus (Mani *et al.*, 2018) as a result of increasing scandals where misconduct has been revealed in supply chains (Doward, 2012; Garside, 2013). This is in line with the strategic proactivity phase where management starts to consider the strategic need to go beyond their own organisation and also include supply-chain partners in their sustainability strategies (Perrott, 2014). From the quotes in Table 3, we illustrate how the CEOs seem to have prioritised the implementation of this meso perspective. A careful reading of the talk in these letters revealed that the companies appear to have been in the middle of developing processes and standards for implementing a supply-chain perspective in their businesses (Quotes 35 and 36). It is interesting to note that some CEOs addressed a "responsibility scope" on sustainability. Here their own company was 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 37). To ensure this, a few of the CEOs highlighted that suppliers and partners would be governed by the company's code of conduct and various monitoring practices. This is a difference from the letters of 2008, in which the focus was set on their own business. This was around the period when the updated Swedish Corporate Governance Code was soon to be launched, which might have influenced the CEOs to adopt an extended code of conduct focus.

CEO letters 2015 – the product-market-oriented perspective
The letters from 2015 revealed that this was the year when the CEOs framed 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 (UNGC, CDP, DJSI, FTSE4GOOD, SDGs, the Paris Agreement).

A common feature to these themes is that they all are connected to the product market. Thus, we propose that, in 2015, the CEOs adopted a *product-market-oriented perspective* in their talk of sustainability. While the CEOs of the industrial companies were most prone to introduce new sustainability themes in their letters (for example, the Good Samaritan approach), all CEOs during this period included more elaborate talk of sustainability in the letters regardless of the industry. Below, we discuss these findings in more detail.

An acknowledgment of increased stakeholder demand for sustainable products and services
Much of the CEO talk of sustainability in the letters from 2015 was focused on showing that the CEOs *acknowledged* an increased sustainability-related interest and demand from stakeholders, primarily customers (Table 4). About 60% of CEOs discussed that the customers not only demand sustainable solutions but also *require* these solutions to be provided by companies, which are managed in a sustainable manner. Thus, our results indicate that customers seem to have put pressure on our sample companies to become more sustainable. This transition seems to be a requirement for staying on as a customer. In the earlier letters, the adaptation towards becoming a more sustainable company and offering more sustainable solutions was not discussed by the CEOs as being driven by customers but more framed as being initiated by the companies *themselves*, i.e. a self-initiated approach (see section CEO letters 2008). Now demand in the product market was framed as the driving force. Our analysis indicates that legitimacy reasons might underlie this adaptation, i.e. the CEOs wanted to maintain legitimacy from customers, which resulted in a more explicit focus on a legitimacy-driven response. In common to the letters is that the CEOs adopted a positive attitude towards responding to these market developments/requirements because of changing societal norms and expectations related to sustainability. About half of the CEOs explicitly emphasised that this development benefitted the company. This means that we once again found a business-case orientation in the CEO talk relating to Andrews (1973) (see Quote 38). Even more of the CEOs (about 70%) claimed that they were (fully) prepared to meet this demand. Thus, also in the letters from 2015, we found that a majority of the CEOs articulated their commitment to assist in the transition towards a sustainable development (Tregidga *et al.*, 2014).

It is interesting to note that one-third of the CEOs (all from industrial companies) included a Good Samaritan argumentation to support their adaptation towards providing more sustainable solutions. Thus, they framed it as *helping* customers (or other stakeholders) to become more sustainable and better in meeting *their* sustainability goals. Quotes 41–43 illustrate this.

Even though the CEOs primarily talked about the increased demand for sustainable offers as being customer-driven, an "extended stakeholder-driven demand" beyond customers was adopted in about half of the letters. In Quote 44, we see an illustrative example of when a CEO extended the demand *beyond* customers to include investors and employees. Also, the regulative environment is discussed by one of four CEOs as influencing their intent to provide more sustainable solutions (Quote 45).

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Customer demand and market trends push for sustainable focus in operations

"Sustainability - external demands and expectations benefit [the company's] business" – Consumer services (38)
"More and more clients are also requiring us to include social initiatives in our projects" – Industrials (39)
"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 (40)

Good Samaritan approach: helping (others) customers to become more sustainable
"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 (41)
" ideal partner to help utilities meet the new challenge of building digital grid to manage network complexity and integrate renewable energies" – Industrials (42)
"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 (43)

Extended stakeholder-driven demand
"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 (44)
"Our innovative efforts go hand in hand with broader global trends such as the legislative requirements to cut emissions" – Basic materials (45)

Product and service offers framed as being (environmentally) sustainable
"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 (46)
"Our products reduce energy consumption and optimize the use of resources in many industrial processes" – Industrials (47)
"We continue to lead the industry in working with providing solutions to sustainable development challenges" – Technology (48)
"We have also increased the percentage of sustainable [input materials] in the product range" – Consumer Services (49)

Adoption of sustainability certifications
"[The Company] is a signatory of the UN Global Compact" – Consumer goods (50)
"In addition to our internal governance documents and guidelines, [the Company] is also a member of the voluntary UN initiatives Global Compact" – Financials (51)
"We were included in the Dow Jones Sustainability Index for 2015, which means that we rank as one of the ten most sustainable companies in the world in our industry" – Industrial (52)
"Once again we were recognized by the Dow Jones Sustainability Index as the industry leader" – Consumer goods (53)
"[The Company] achieved the following recognitions: inclusion in Dow Jones Sustainability Index and FTSE4Good" – Industrials (54)
"The global community came together last year at the Paris Climate Conference and took a major step against climate change. The agreement, which aims to keep warming at "well below 2 °C", is positive for [the Company]" – Industrials (55)

Sustainability frame on products/service offers and increased adoption of sustainability certifications
In the letters, the CEOs emphasised that increased stakeholder demand and market trends pushed not only the company *per se* but also their product and service offers towards becoming more sustainable. Related to this, we also found that about 70% of CEOs put a strong focus on their product/service offers and discussed what actions and considerations

they had taken to improve the sustainable character of their offers. This is illustrated in Quotes 46–49 in Table 4. This focus seems logical. *First*, the CEOs acknowledged an increased demand for sustainable solutions. *Then*, they discussed how their product/service offers (would) meet this demand. This strengthens our notion that the companies appear to have adopted a legitimacy-driven response, which can be related to Milne *et al.*'s (2009) argument that CEO talk can be viewed as corporate responses to the contexts in which they operate. In the letters from 2015, we witness how corporate responses are explained by contextual changes manifested in new market trends and shifted stakeholder demand. Relevant to highlight from the analysis is that although the CEOs acknowledged a demand for *sustainable* solutions (see Quotes 38–40, where sustainability is more or less explicitly emphasised), a majority of the CEOs fell back to focusing on the *environmental* dimension of sustainability when they framed their product/service offers. This is exemplified in Quotes 46 and 47.

To showcase that product/service offers are truly sustainable and that the companies are committed to sustainability (Tregidga *et al.*, 2014), the CEOs started providing "evidence" in the form of various sustainability certifications to manifest this development. Again, the compliance focus entered into the CEO talk. In these letters, the compliance focus was not directed to sustainability-related legislation – as it was in the earliest letters – but towards compliance to voluntary standards and certifications. Thus, we can see that the CEOs' use of frames and focus shifted back and forth over the period examined. It is clear that the CEO talk of sustainability was evolving. We are witnessing a type of maturity process involving a search of a corporate discourse and voice congruent to societal expectations and to the global agenda for the ongoing sustainability transition.

Two out of three CEOs stressed that the company met standards or that the company was included in indexes or awarded prizes related to sustainability areas. In the letters from 2008, none of the CEOs made reference to the principle-based standard UNGC (Waddock, 2008). In 2013, one in four CEOs highlighted that their companies were signatories to the UNGC. Analysing the letters from 2015 showed that the proportion of CEOs highlighting their voluntary membership to the UNGC continued to increase. However, none of the CEOs discussed *how* this standard was implemented in their corporate operations or business conduct; instead, the UNGC was addressed quite vaguely (see Quotes 50 and 51). Already in the period 2000–2004, Tregidga *et al.* (2014) confirmed that companies started to manifest their commitment to sustainability by emphasising their voluntary membership in the UNGC. However, their focus was the entire annual report. The findings herein indicate that this membership did not enter into the Swedish CEO letters until a decade later. A possible explanation for this lag might be that the CEOs had not until then considered the UNGC to be important enough to be included in the limited space of a CEO letter. Compared with the earlier letters, there is a notable difference. In 2015, the CEOs went *beyond* the *UNGC* and broadened their scope by also highlighting sustainability-related certifications, such as the Dow Jones Sustainability Index (DJSI) and FTSE4GOOD (see Quotes 52–54). Overall, the CEOs' increased focus on highlighting the adoption of various sustainability certifications as some sort of evidence for taking action might be interpreted as a response to the notion that corporate sustainability activities often are mere window-dressing (Arvidsson, 2019).

The year 2015 was characterised by two seminal milestones in the quest to reach global sustainable development. The SDGs were adopted, and at the UN Conference on Climate Change COP21, the world leaders committed to limit the global temperature increase to 2 degrees. Did the CEOs reflect on these milestones in their letters? Only to a minor extent. While the SDGs were addressed by one of the CEOs, the Paris Agreement was addressed by

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three CEOs (see Quote 55). This might indicate that the environmental dimension of sustainability (again) attracted more interest among the CEOs than the SDGs, which include a more explicit focus on *all* three sustainability dimensions.

CEO letters 2017 – the sustainability embeddedness and value-creation perspective
The CEO talk of sustainability in 2017 is quite different from the talk in the earlier letters. *First*, the CEOs devoted much of their talk to emphasising (or convince) how sustainability was being firmly embedded in the company via, for example, strategies, operations, processes, methods, business concepts, culture and value chain. In the transition towards becoming a sustainable organisation, sustainability embeddedness is a prerequisite (Benn *et al.*, 2014; Valente, 2015). *Second*, they put forward, connected and associated sustainability with their company's value-creation process. This explicitly emphasised that the link between engaging in sustainability activities and effects on the value-creation process was all new compared with the CEO talk in the earlier letters. Thus, we propose that, in 2017, the CEOs adopted a *sustainability embeddedness and value-creation perspective* on their talk of sustainability. Considering the often harsh critique that companies neglect these perspectives, we argue that it is in the CEO talk from 2017 that we can identify the two most prominent development shifts in the past decade's CEO talk of sustainability. We also see that the sustainability talk was now more holistic and strategic than in the earlier letters and that it introduced several different sustainability-related themes instead of only a specific theme. Adopting a strategic and holistic view on sustainability is vital to the process of becoming a truly sustainable organisation (Perrott, 2014). However, whether this new direction is only in the CEO talk or whether it has also influenced corporate behaviour, strategies and processes (Adams, 2015) is highly relevant to examine but outside the scope of this study where CEO talk is the focus. Below, we discuss the findings from these letters in more detail.

Towards a holistic embeddedness of sustainability in the company
The ideas behind the international integrated reporting framework (IIRC, 2013) shaped the Swedish sustainability debate in 2010 and thereafter (Frías-Aceituno *et al.*, 2013). The adoption of integrated reporting has been found to facilitate improved sustainability embeddedness (Le Roux and Pretorius, 2019), which implies that sustainability (integrated) reporting plays a role in facilitating and progressing the development of sustainable strategies and practices (Adams, 2015). The analysis of the letters from the different anchor points has shown that this integrative approach towards sustainability successively influenced the CEO talk. In the earlier letters, the CEOs did not *explicitly* claim that sustainability was integrated into their companies. Instead, their talk was interpreted as an *implicit* claim that sustainability was integrated (*2008*: implementation of environmental systems and processes; *2013*: verbalisation of targets to track sustainability performance; *2015*: adoption of sustainability certifications). However, in the letters from 2017, about 80% of the CEOs explicitly and powerfully emphasised that sustainability was *embedded* in the company. The CEOs did not stop at this; they elaborated on *how* sustainability was integrated. Quotes 56–60 in Table 5 show that integration is put forward as being manifested through *structural embeddedness* (in operations, processes, methods, value chains, everyday business, commitment, culture). Thus, over the examined period, our analysis reveals a gradual development in the CEO talk towards the inclusion of a sustainability-embeddedness perspective. The explicit integrative perspective included in the CEO talk of 2017 can be interpreted as a (legitimacy) response to the sceptics arguing that sustainability is not being adequately integrated in companies but is only a

Integration through structural embeddedness

"Sustainability has been integrated in all Group processes for many years" – Industrials (56)
"At [the company], we are committed to acting sustainable in our everyday business" – Financials (57)
"In brief, sustainability is a natural part of [the company's] business concept, corporate culture and method of running [the company]" – Financials (58)
"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 (59)
"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 matter of adoption to the demands of the present but of continuing to work with issues we have always worked with" – Financials (60)

Framing of the sustainable business
"We will create sustainable business by integrating sustainability into all our products and offerings" – Financials (61)
"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 (62)
"In the long run, everyone benefits from a long-term sustainable business" – Telecommunications (63)
"Sustainable business – a prerequisite" – Industrials (64)

Sustainable as a prefix to corporate value/financial concepts
"Our focus firmly remained on achieving sustainable profitability " – Consumer goods (65)
" thereby continuing to create long-term sustainable value for shareholders" – Basic materials (66)
"Creating sustainable value" – Basic materials (highlighted in sub-heading) (67)
"This was achieved through our consistent focus on driving sustainable profitability, resulting in improved earnings across all business areas" – Consumer goods (68)
"[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 (69)

From shareholder value to stakeholder value
"We are building value for employees, customers and shareholders" – Consumer goods (70)
" 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 (71)
"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 (72)
"I am confident our actions will benefit shareholders too" – Industrials (73)
"We firmly believe that contributing to society will also create shareholder value" – Industrials (74)

Increased focus on the SDGs
"I am convinced that our solutions will contribute toward fulfilling the UN's Sustainable Development Goals!" – Industrials (75)
"We see the SDGs as the future direction and will link sustainability at [the company] to our selected SDGs" – Financials (76)
"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 (77)

Table 5.
Illustrative quotes
from the CEO letters
of 2017

window-dressing activity (Arvidsson, 2019). This can be related to the notion of Suchman (1995) that legitimacy is both time- and place-specific and can only be gained/maintained by moving in line with social norms and beliefs. Because the scepticism regarding the value of integrating sustainability into corporate operations has been particularly harsh from the

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financial market actors (Arvidsson, 2010, 2019), it is interesting to note that CEOs in companies belonging to financials are especially active in emphasising a strong commitment to embedding sustainability in their companies and operations. In 2017, both the national and international sustainability contexts were characterised by the formation of the HLEG and TEG on sustainable finance (EU, 2018) and the TCFD (TCFD, 2017). This might have influenced in particular CEOs of companies belonging to the financial sector to frame their talk more from a sustainability perspective than before.

Another interesting finding is that the concept *sustainable business* appears for the first time in the letters. This coincides in time with when the Swedish Government published the Sustainable Business Guide articulating a policy for sustainable business [10]. A majority of the CEOs frequently used "sustainable" as an epithet when they addressed their own company. This might imply that the CEOs wanted to demonstrate that their companies were undergoing a transition to being a sustainable business. This can also be interpreted as a way of *embedding* sustainability in the company. It appears as though the CEOs were focused on providing their definition or explanation for what they regarded as vital for being a sustainable business and thereby needed to be legitimate and granted the essential license to operate (Demuijnck and Fasterling, 2016; Deegan, 2002, 2014; Meyer and Rowan, 1977; Suchman, 1995). This is exemplified in Quotes 61–62 in Table 5. The integration of sustainability aspects in the *entire* company and strong relationships with stakeholders are emphasised. "Good for everyone" and "prerequisite" are aspects often put forward by the CEOs when they argued *why* establishing their company as a *sustainable* business was deemed important (see Quotes 63 and 64 for exemplifications). They seem to have wanted to stress that they acknowledged that a transition towards more sustainable businesses was good for everyone and even a prerequisite for doing business today. A firmly rooted ideology of working for a sustainable world is argued to be an important characteristic of a sustaining corporation (Dunphy *et al.*, 2007; Perrott, 2014). The finding of a win-win discourse (Laine, 2010) is also in line with that of Tregidga *et al.* (2014) where companies were found to emphasise that being sustainable provides benefits both to the company and society. While Tregidga *et al.* (2014) found that this emphasis entered into the sustainability talk in corporate reports in the period 2005–2010, we found that it entered the CEO letters about a decade later. Thus, once again, there appears to have been a lag between when certain CEO talk of sustainability entered into the space-limited CEO letter and when it entered into the more voluminous annual report. How high up on a management team's agenda a certain topic needs to be in order for it to be considered for inclusion in the CEO letter is indeed an intriguing area for future studies to explore further.

Towards a value-creation frame on sustainability and a broadened stakeholder focus
The word *sustainable* was not only used when the CEOs referred to their business, but it was also used by half of the CEOs (with representation in all industries) as a prefix to value, profitability and growth (Quotes 65–69 in Table 5). This finding indicates a change in line with the ambitions of the EU Commission to promote a closer integration of sustainability into the financial-market perspective and to mobilise finance for sustainable growth (EU Commission, 2018). Our analysis reveals that the CEOs had never before, in spite of decades of critique (Arvidsson, 2014; Cho *et al.*, 2015b; Radley Yeldar, 2012), explicitly related sustainability to corporate value, profits and growth. In 2017, the CEOs explicitly included a sustainability perspective on their value-creation process. Several CEOs also highlighted that the value-creation process is not only a concern for shareholders but for *all* stakeholders (see Quotes 70–72). A few CEOs even argued that there is no contradiction between paying interest to shareholders and paying interest to other stakeholders. Thus, in these letters, the CEOs communicated that they acknowledge other stakeholders beyond shareholders. This

is a difference from a decade ago when Mäkelä and Laine (2011) found that CEOs did not "see" any other stakeholders than shareholders when they discussed 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 in CEO letters. Two of the CEOs even claimed that shareholders *too* benefitted from a more sustainable value-creation process (Quotes 73 and 74). It appears as if the CEOs now were more convinced that being sustainable was compatible with upholding a positive value-creation process. This refutes Friedman (1970) and his followers. The CEO talk seems to have been influenced by the discussions preceding the new "Statement on the Purpose of a Corporation" (Business Roundtable Statement, 2019) where 181 CEOs committed to lead their companies for the benefit of *all* stakeholders (Business Roundtable Statement, 2019). It is worth noting that this standpoint was not related to a specific industry but was 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).

There was a continued focus on sustainability certifications. While the CEOs focused less on the UNGC, DJSI and FTSE4GOOD, the focus on the SDGs increased. About one in four CEOs addressed the SDGs. This means that two years after the launch of the SDGs, three of four CEOs did not refer to the SDGs. In the letters where the CEOs highlighted the SDGs, we found that more focus was placed on acknowledging the need for transition, new directions and a positive change. While most CEOs that did focus on the SDGs did so quite vaguely (Quote 75), a few CEOs appear to have started to reflect on impacts through SDG mapping (Connelly [2007] for a conceptualisation). This is exemplified in Quotes 76 and 77.

Concluding remarks

Our paper set out to contribute to the ongoing conversation about how CEO talk of sustainability in CEO letters evolves over time. By analysing the talk in CEO letters, we have identified changes in the corporate view towards sustainability from the perspective of the CEO. These changes are to various extents influenced by the surrounding sustainability context. Our findings add to an increased understanding of the rhetorical response in the influential CEO letter (Amernic *et al.*, 2007, 2010; Mäkelä and Laine, 2011; Na *et al.*, 2020) to the surrounding sustainability context, including new national and international policies as well as sociopolitical events and discourses related to sustainability. Our findings are relevant not only to policymakers and government bodies in their process of developing and revising policies and regulations aimed at improving the positive impact of companies on the global sustainable development but also to management teams by providing valuable insights into the process of designing and structuring their sustainability communication during the ongoing transition towards becoming a sustainable business.

The data set on which our findings are based represents the "corporate voice" of MNCs with Sweden as their domestic origin. However, these companies have their main presence in the global arena, which suggests that the findings are potentially transferable to other contexts involving MNCs outside Sweden. Comparative studies including CEO letters from companies in different countries could add valuable insights to the findings herein.

During recent years, we have witnessed how CEOs are more frequently engaging in sustainability activities and making their voices heard on various sustainability issues (BlackRock Bid Podcast; The Guardian, 2021; Business Roundtable Statement, 2019). The results of this study add to the notion that CEOs are taking a more active role in sustainability communication and playing an important role in articulating the company's sustainability visions (Çop *et al.*, 2021). We found that the CEOs successively increased their talk of sustainability in the CEO letters. This indicates that the letter is becoming an

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important source for CEO narratives not only on general corporate visions, operations and performance (Boudt and Thewissen, 2019; Yan *et al.*, 2019; Patelli and Pedrini, 2014) but also on visions, operations and performance related to sustainability. The tradition among Swedish companies of being good at holistic transparency reporting (Frias-Aceituno *et al.*, 2013) has started to influence also the CEO talk of sustainability in CEO letters. Throughout the period examined, the talk became more elaborate and holistic, and CEOs brought in several, instead of fewer, sustainability-related themes. Our findings indicate that the CEOs, because of legitimacy concerns, successively increased information transparency in the sustainability realm by offering more detail about their sustainability endeavours in the letters. Overall, our findings confirm that the CEO letter gradually is becoming a more important source of information related to the corporate sustainability transition.

Our analysis also shows that the CEOs framed their talk by adopting different perspectives. Four perspectives were identified along the anchor points; *the distinct environmental perspective* (2008), *the performance and meso perspective* (2013), *the product-market-oriented perspective* (2015) and *the sustainability embeddedness and value-creation perspective* (2017). While the CEOs in 2008 primarily included an environmental and a micro (corporate) focus, much centred around compliance, in their talk of sustainability, the analyses of the later letters confirmed a gradual augmentation and increased proactivity with respect to bringing in the other dimensions of sustainability as well as supply-chain, performance/efficiency and product-market-orientation perspectives. Considering that these aspects gradually have entered into the 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 (Milne *et al.*, 2009). It is in the latest letters that we have identified what we interpret as the most interesting development shifts in the CEO talk – towards an inclusion of an embeddedness and a value-creation perspective. We found a gradual shift in the direction of the CEO talk from a focus on compliance, efficiency and proactivity towards more of sustainability embeddedness. This development shows resemblance to the hierarchy of the sustainability phase model (Dunphy *et al.*, 2007; Perrott, 2014) where compliance, efficiency, proactivity and sustainability embeddedness are the four last phases. Although this model originally was developed to capture different phases of *organisational change* for corporate sustainability, we consider it useful also when discussing the changes in CEO talk of sustainability.

A note on industry differences is relevant. We found that the CEO letters from industrial companies often were front-runners. The CEOs of these companies had already adopted a sustainability frame in the earliest letters when other CEOs did not direct much rhetorical focus towards sustainability. Throughout the examined period, the letters from the industrial and also consumer goods companies included some of the most elaborate talk of sustainability. While this finding needs to be confirmed in larger samples, it is in line with Andersson and Arvidsson (2022), who found that industrial companies and companies selling directly to end consumers (such as consumer goods) appear to be more proactive in their sustainability work and move faster towards sustainability embeddedness. A possible explanation to why companies in these industries are front-runners might be that they experience stronger external pressure from, for example, legislation and consumers.

As indicated above, perhaps the most noteworthy finding from our analysis of the letters was the shift in the CEO talk of sustainability towards a more pronounced inclusion of a sustainability embeddedness and value-creation perspective. The sustainability transition literature views sustainability embeddedness as the ultimate goal for which a company should strive (Benn *et al.*, 2014; Valente, 2015). However, in the ongoing transition towards more sustainable companies, a scepticism often verbalised in the sustainability debate has

centred around companies' modest integration of sustainability aspects in their operations and decision-making as well as a too slow incorporation of sustainability in a value-creation perspective (Arvidsson, 2019). Although our findings can be interpreted as legitimacy-driven responses to this scepticism, more research is needed. From the analysis, however, we found that the CEOs, at least in the later letters, started framing their *talk* of sustainability from a more pronounced integrative and value-creation perspective. Whether this shift in the direction of the CEOs talk has also promoted and facilitated a change in the overall corporate mindset, strategy and decision-making process are for future studies to explore. The fact that sustainability (integrated) reporting has been found to play a role in facilitating improved sustainability embeddedness (Le Roux and Pretorius, 2019) and progressing the development of sustainable strategies and practices (Adams, 2015) is relevant also when it comes to addressing the role and impact of CEO talk of sustainability in CEO letters. The connection between sustainability (integrated) reporting and sustainability embeddedness (Le Roux and Pretorius, 2019; Adams, 2015; Brown and Dillard, 2014; Eccles and Saltzman, 2011) is a research avenue that deserves more attention. This study is merely focused on the CEO talk of sustainability in the CEO letter, and the finding of an increased focus on sustainability embeddedness in the letters does not reveal anything regarding the actual status of sustainability embeddedness in the company. Considering that sustainability embeddedness is deemed the ultimate goal in the process of transitioning to a sustainable business (Benn *et al.*, 2014; Valente, 2015), we urge scholars to examine if and how the increased CEO focus on this desirable outcome affects the actual sustainability embeddedness in a company and its transition process towards becoming a truly sustainable company. Exploring the role of the CEO's narrative and rhetoric in transitioning a company beyond a mere proactive organisation towards a truly embedded organisation in terms of sustainability would certainly result in valuable management implications.

After decades of critique (Arvidsson, 2014; Cho *et al.*, 2015b; Radley Yeldar, 2012) and probably influenced by the ambitions of the Platform for Sustainable Finance (EU Commission, 2018), the analysis has revealed that the CEOs in the later letters explicitly started relating sustainability to corporate value, profits and growth. The CEOs began to highlight in their talk that the value-creation process was not only a concern for shareholders but for *all* stakeholders. At this point in time, the CEO talk seems to have been influenced by the discussions preceding the Business Roundtable's new "Statement on the Purpose of a Corporation" (Business Roundtable Statement, 2019) where 181 CEOs committed to lead their companies for the benefit of *all* stakeholders (Business Roundtable Statement, 2019). Thus, for decades, the predominant focus on maximising shareholder value (Battilana, 2020) appears to be reduced in the CEO talk in the later letters. These findings merit further attention in future research.

Thus, to various extents, often with a time lag, the CEO talk of sustainability seems to have been influenced by external pressure manifested in the surrounding sustainability context, including new national and international policies and private initiatives as well as sociopolitical events and discourses related to sustainability [the Swedish Environmental Code; NFR Directive (2014/95/EU), the launch of the SDGs, the Paris Agreement, TCFD, the formation of the HLEG and TEG on sustainable finance, the IPCC and IPBES reports]. At the end of the period, our findings imply that the intensified global sustainability debate has shortened the time lag between when a sustainability topic takes centre stage in the debate and when it enters into the letters. The CEOs were found to be more responsive to the rhetoric, policies and events in the sustainability context than in the earlier letters. This

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might be because of the more pronounced urgency regarding the discourse on the global sustainability debate.

In the later letters, the CEOs' talk of sustainability appears to have evolved more in tandem with developments in the surrounding sustainability context. Several reasons, separate or in combination, might underlie this timelier responsiveness. Following our discussion in the literature review, the reasons could have been caused by, for example, changes in how (relevant) CEOs viewed sustainability and/or by changes in the sustainability context shifting the bar regarding what is perceived as legitimate. The awareness of the surrounding sustainability context might, for example, have increased among CEOs. This would imply that their talk would be influenced more by different sustainability-related themes. An increased recognition among CEOs that sustainability performance is positively related to value creation and even long-term corporate survival could also result in an upward shift in the perceived relevance of sustainability-related themes. This would probably also affect their rhetoric in the letters. On the other hand, we have witnessed a period of increased external pressure, not the least stemming from more policies and regulations, as well as louder stakeholder voices for promoting a transition towards more sustainable companies, all of which raise the bar for being regarded as legitimate from a sustainability perspective. These are some potential explanations, and we call for research that goes beyond reporting- and communication-based studies, preferably including in-depth interviews with CEOs. This type of research might unravel if and how the evolution in CEO talk of sustainability can be explained by changes in the CEOs' views towards sustainability and/or by legitimacy-driven responses to (increased) external pressure.

The rhetoric of the CEOs (at least in the CEO letters) is moving in the direction of sustainability embeddedness. Now we need to engage in close dialogue with the CEOs and move inside the company to find out if their rhetoric is powerful enough to promote the organisational change needed to succeed in transitioning our companies into truly sustainable organisations.

Notes

1. The sustainability phase model (Dunphy *et al.*, 2007; Perrott, 2014) was originally developed to capture different phases of *organisational change* for corporate sustainability.

2. www.naturvardsverket.se/en/laws-and-regulations/the-swedish-environmental-code/

3. www.oecd.org/sweden/1929709.pdf

4. https://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf

5. www.carrotsandsticks.net/reporting-instruments/transposition-of-eu-nfr-directive-corporate-sustainability-reporting-and-diversity-policy/.

6. www.regeringen.se/49e20a/contentassets/60a67ba0ec8a4f27b04cc4098fa6f9fa/handlingsplan-agenda-2030.pdf

7. It is interesting to note that most sustainability reports from Swedish companies lacked a CEO letter during the period of the analysis.

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

9. As mentioned in the literature review, the sustainability phase model (Dunphy, 2017; Perrott, 2014) was originally developed to capture different phases of *organisational change* for corporate sustainability. When analysing our findings, we came to consider the model useful also for discussing the shifts in direction and focus identified in the CEO talk of sustainability.

10. www.regeringen.se/49e20a/contentassets/60a67ba0ec8a4f27b04cc4098fa6f9fa/handlingsplan-agenda-2030.pdf

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Appendix

Company	GICS industry	% (industry)
Boliden AB	Basic materials	11
Lundin Petroleum AB		
SSAB AB		
Electrolux AB	Consumer goods	11
SCA AB		
Swedish Match AB		
H&M AB	Consumer services	7
MTG AB		
Investor AB	Financials	19
Nordea AB		
SEB AB		
Svenska Handelsbanken AB		
Swedbank AB		
Getinge AB	Health care	4
ABB AB	Industrials	37
Alfa Laval AB		
Assa Abloy AB		
Atlas Copco AB		
Sandvik AB		
Scania AB		
Securitas AB		
Skanska AB		
SKF AB		
Volvo AB		
Ericsson AB	Technology	4
Tele 2 AB	Telecommunications	7
TeliaCompany AB		
Total	27	100

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