CORPORATE ENVIRONMENTAL REPORTING IN THE CHINA CONTEXT: THE INTERPLAY OF STAKEHOLDER SALIENCE, SOCIALIST IDEOLOGY AND STATE POWER

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ABSTRACT

Research considers that the increase in corporate environmental reporting over the past decades has been a response to stakeholder demand and pressure within and beyond the boundaries of business operations. Recent empirical studies have begun to extrapolate the stakeholder concept and rationale into developing countries when explaining their growing reporting practices. However, how this global trend is played out in the particular institutional developing country context remains unanswered. This research addresses the issue by employing a case study of a leading mining company in China. The study finds that corporate managers do understand the importance of stakeholder communication and engagement. Such importance has been framed into national social obligations within the socialist ideology long embedded and more recently reinforced in the minds of managers. It reveals an imprinting process of ideological prioritisation through which imprinted socialist philosophies and values are entrenched in perceived stakeholder salience and responsibility for environmental reporting. This process is decoupled from delivering procedural compliance via accountability reporting because of the dominance of State power and national collective interests over individual rights. This study suggests that socially and politically embedded philosophies and ideology ingrained in a country can create another layer of criteria when managers interpret and determine the salience of individual stakeholders and make reporting decisions. It highlights that the extent to which the salience of stakeholders is understood and responded to in the environmental reporting process is conditioned by the structure and operation of a country's political and social system.

Key words: environmental reporting, stakeholder salience, socialist ideology, stakeholder responsibility, imprinting, China

Article Classification: Research paper

1. INTRODUCTION

Corporate sustainability has received growing attention from government, investors, customers, media and the community. This has led to a world-wide increase in corporate social and environmental disclosures over recent decades. These disclosures have taken the forms of sustainability reports, environmental reports, or corporate social responsibility (CSR) reports, etc. Evidence shows that the increase in corporate disclosures over the past decade has been marked, with over 96% of the world leading companies producing sustainability reports in 2020, increasing from just over 60% in 2005 (KPMG 2020). More recently, this phenomenon has begun to spread in developing countries. Notably, Asia-Pacific regions have exhibited an exceptional growth in sustainability reporting. The latest KPMG survey (2020) finds that 84% of top companies in the Asia-Pacific area publish sustainability reports, while this figure was only 49% in 2011.

The dramatic increase in social and environmental disclosure has been viewed as an active corporate response to the public call for sustainable development (Burritt and Schaltegger 2010). It has been increasingly recognised that corporate commitment to sustainability has not only economic, but also political and social implications (Situ, Tilt and Seet 2018; Qian and Chen 2021). A growing consensus is that business corporations can and must operate within a broader value system encompassing a wide range of stakeholders who can influence or be influenced by them (Freeman 1984; Clarkson 1995). In order to survive and grow, companies tend to react to social and environmental challenges expressed by stakeholders within and beyond the boundaries of business operations in this broader system (Deegan 2002; Dong, Burritt and Qian 2014). As such, corporate disclosures have been used as an instrument to communicate a much broader suite of information to a wider range of stakeholders, ostensibly seeking to demonstrate that the company is attempting to fulfil societal expectations, thereby establishing its legitimacy and acceptability to society (Deegan 2002; Schaltegger and Hörisch 2017).

This view has been applied in many previous studies, especially in the Western context (Deegan 2002; Branco and Rodrigues 2008; Schaltegger and Hörisch 2017). However, in developing countries, although the concepts of legitimacy and stakeholders are being increasingly embraced, their meaning and influence remain elusive. This is due to many differences in developing nations in terms of their regulatory systems and implementation mechanisms, institutional and political environments, and economic development levels and ambitions, to name but a few (Tilt 2016; 2018; Parsa et al. 2020; Qian, Tilt and Belal 2021). These differences and the subsequent implications in a developing country context can have a significant impact on how corporate managers perceive and respond to stakeholder pressures.

The country of focus in this study is China, the largest and fastest growing developing country among the Asian emerging economies. In the past decade, China has experienced the largest national transformation and increase in corporate social and environmental reporting. KPMG (2020) reveals that 78% of top companies in China issued sustainability reports in 2020. This figure was 59% in 2011 and virtually unobservable before 2008 (KPMG 2011). Despite dramatic growth in the numbers of reports, empirical studies often report relatively poor quality disclosures in developing countries compared with international standards (Ratanajongkol et al. 2006; Kuo et al. 2012; Noronha et al. 2015; Du and Gray 2013). The KPMG survey (2013) of the quality of corporate responsibility in 2013 reveals that China's disclosure quality scores were only 39 out of 100, compared to 85 in Italy, 79 in Spain and 76 in the UK. This has not significantly improved in recent years (KPMG 2015; 2020).

While the empirical research into corporate disclosure in developing countries has seen a significant expansion, it is dominated by content analysis of reports or quantitative techniques applied to large samples of archival data (Kimber and Lipton 2005; Weber 2014; He and Loftus 2014). These studies tend to extrapolate a Western stakeholder rationale, attributing corporate reporting practice in China mostly to powerful economic stakeholder pressures (Dong et al. 2014; Hu et al. 2018), growing awareness among social communities (Hu and Karbhari 2015), and government regulation and rules, especially those initiated during China's 11th Five-Year Plan between 2006 and 2011 (Luo, Wang and Zhang 2017; Qian, Ping and Tilt 2022). The lack of quality reporting is therefore seen as a result of the absence of one or more stakeholder pressures and increasing such pressures is advocated as a solution (Dong et al. 2014; Situ and Tilt 2018). However, research has found that low quality reporting persists in spite of mounting regulations and guidelines with respect to social responsibility and environmental protection (Qian, et al. 2022) and increasing shareholder and public image concerns in China (Hu and Karbhari 2015).

A few recent studies have highlighted that the global trend of stakeholder influences could be played out differently within different institutional contexts of developing countries like China (Tilt 2018; Qian et al. 2021). In particular, the dominant role of the powerful (authoritarian) state in Chinese society may impact on management perceptions of stakeholders and their importance to companies in practising reporting (Situ et al. 2018; Situ Tilt and Seet 2021). Corporate environmental reporting could also be politicised to retain political connection and legitimacy rather than reacting to other stakeholder pressures (Qian and Chen 2021). The ideological pursuit imprinted in society and recently revigorated under President Xi's new 'China Dream' ambition (Zhu, Sardana and Cavusgil 2020) appears to be another important element related to corporate social responsibility (Jiang, Zalan, Tse and Shen 2018) and disclosure practice in China (Marquis and Qiao 2020; Liu and Luo 2022). The unique political and societal settings, along with the rapid economic development and the accompanying issues of environmental pollution and social inequality, may suggest different perceptions and implications of stakeholder demands and pressures in this country's context. Therefore, given the paucity of in-depth explorations of stakeholder impact on corporate environmental reporting in China to date, this study sets out to investigate *how companies perceive and respond to stakeholder demands for environmental* *reporting within the particular economic, political and societal settings in China*. Through this investigation, this study attempts to reveal (1) how stakeholder relationships may have been managed and/or prioritised differently in China to meet its unique national social political and economic needs and (2) how this difference may influence or explain the (perceived low) quality of environmental reporting.

We adopt a stakeholder salience lens to guide our exploration of the stakeholder issues evolved and resolved in the environmental reporting process. Although stemming fundamentally from legitimacy and stakeholder theories, stakeholder salience provides a distinctive perspective of the attributes of stakeholders and differentiates stakeholder interest and importance according to their power and legitimacy (Mitchell et al. 1997; Neville, Bell and Whitwell 2011). The salience perspective in observing stakeholder influences is relevant to the context of this study because this context often presents hierarchical features, culturally and institutionally, within their societal and political structures. The actors or stakeholders in such structures tend to possess significantly different power and relational bases (Kimber and Lipton 2005; Belal and Momin 2009; Du and Gray 2013; Belal et al. 2015; Qian and Chen 2021). Different dimensions and attributes explicated in stakeholder salience perspectives will provide an opportunity to obtain a deeper understanding of the stakeholder relationships and influences in this particular context. In addition, we use an imprinting lens to complement our understanding of management interpretations of stakeholder salience in this country context. Like many other developing countries, China presents its own long embedded economic, political and ideological priorities and complexities. The deep-seated structures, systems and ideologies have been seen as various imprints that can endure over time and explain diverse, significant phenomena in society such as corporate sustainability reporting (Marquis and Qiao 2020; Liu and Luo 2022). Therefore, imprinting in a country is likely to shape management perceptions of stakeholders and their salience, thereby leading to particular reporting behaviour and decisions.

For the purpose of this study, we chose a large mining company as our case study for the field investigation. The company is one of the leading mining companies listed in Shanghai Stock Exchange. Its high environmental sensitivity, its State-owned status and its significant market shares and influence all make the company a representative case for large polluting companies in China.

The remainder of the paper is structured as follows. The next section reviews the stakeholder salience concepts discussed in sustainability reporting research. This is followed by a further review of diverse stakeholder views on environmental reporting in the China context. In Section 3, a review of imprinting lens is provided and its connection with the views of stakeholder salience in the Chinese context is discussed. Section 4 provides an overview of the case study method including framing of the case and data collection. Section 5 presents the results for the study, followed by further discussion and the implications and contributions of this study in the conclusion section.

2. Environmental Reporting for Salient Stakeholder Communication

2.1 Concepts of Stakeholder and Stakeholder Salience

Research to date has argued strongly that communication with stakeholders is crucial to corporations' effective discharge of their social and environmental responsibilities (Darnall et al. 2009; Burritt and Schaltegger 2010; Schaltegger and Hörisch 2017). This is consistent with KPMG's survey results revealing that more than half of the world's leading companies consider improving stakeholder relationships as a motivation for sustainability reporting (KPMG 2008). Corporate managers have felt increasing pressures to be responsive and responsible to a broader range of stakeholders beyond conventional shareholders and investors who have direct financial interests in the company. This argument for broader stakeholder communication is based on stakeholder theory, from which disclosing and being accountable to internal and external stakeholders for sustainability performance are seen as a way to demonstrate corporate conformity to social norms and stakeholder expectations, in pursuit of societal survival and success (Deegan 2002; Zimmerman and Zeitz 2002; Cho and Patten 2007).

The stakeholder perspective originates from and relies on its normative core and moral focus (Freeman 1984; Phillips 2003; Donaldson and Preston 1995; Neville et al. 2011). In Freeman's (1984) seminal work that provides a solid and lasting foundation for many continuing efforts to build stakeholder models, frameworks and theories, a stakeholder is "a group or individual who can affect or is affected by the achievement of the organisation's objectives" (Freeman 1984, p.46). Stakeholders have or claim ownership, rights or interests in a corporation and its activities, past, present or future (Clarkson 1995). These claimed rights or interests may be legal or moral, individual or collective (Clarkson 1995). It seems that the legitimacy or normative validity aspect of stakeholder theory is fundamental to the theory (Donaldson and Preston 1995; Derry 2012). Stakeholders and stakeholder groups have "legitimate interests in procedural and/or substantive aspects of corporate activity" and they are "identified by their interest regardless of whether the company has any corresponding interest in them" (Donaldson and Preston 1995, p. 67).

Nevertheless, although companies are characterized by relationships with many stakeholders, each with the power to affect the firm's performance and/or having a stake/interest in the firm's performance, when managers actually embark on the huge process of stakeholder management, they tend to prioritise various stakeholders' interests and demands, and respond to their requests differently (Mitchell et al. 2017). Stakeholder relationships have varying degrees of importance or "usefulness" to corporate managers sometimes irrespective of whether stakeholders have highly legitimate, relevant or critical voices (Derry 2012). As Clarkson (1995) emphasises, companies do not simply handle social responsibility issues as such. In the normal course of conducting business, "corporate managers do not think or act in terms of the concepts of corporate social responsibilities and responsiveness, nor of social issues and performance" (Clarkson 1995, p.98). In light of this argument, stakeholder theory is also instrumental or managerial. Some research has revealed that companies practising stakeholder management are likely to be more successful in conventional performance terms such as profitability, stability, growth, etc. (Liu and Anbumozhi 2009), as well as improving the levels and quality of sustainability disclosure (Smith et al. 2005).

Companies can be instrumental in managing and balancing stakeholder interests because of different characteristics or attributes held by different stakeholders. Mitchell et al. (1997, 2017) theorised three distinctive attributes that define stakeholder salience to organisations. These attributes are power, legitimacy and urgency. According to Mitchell et al. (1997, pp.865-868), power reflects the ability of a stakeholder to enforce their point of view or desires in a particular relationship, legitimacy refers to the appropriateness of stakeholders' actions and their relationship with the organisation, and urgency incorporates a temporal dimension of the relationship by measuring the time sensitivity of the stakeholders' claims on the organisation. These attributes collectively enable managers to evaluate the importance/salience of a stakeholder (group). Neville et al. (2011) further argue that the salience of a stakeholder varies depending on the number as well as the degrees of the attributes the stakeholder possesses. The greater the power, legitimacy and urgency that the stakeholder possesses, the more likely his/her claims or needs will be responded to and possibly in a swifter and more visible way. Consequently, stakeholders who possess all three attributes are regarded as definitive stakeholders and those that possess two or one attribute(s) are viewed as expectant and latent stakeholders respectively. Based on these conceptual propositions, Parent and Deephouse (2007) provide empirical evidence confirming the positive relationship between the numbers of stakeholder attributes and perceived stakeholder salience.

Clarkson (1995) also broadly differentiates primary and secondary stakeholder groups (stakeholders with similar interests, claims, or rights are viewed as belonging to the same group) based on whether the stakeholder has a formal contractual bond with the firm (such as shareholders and employees) or direct legal authority over the firm (such as government regulators). A primary stakeholder group is one "without whose continuing participation the corporation cannot survive", whereas a secondary stakeholder group is one that "influences or affects, or is influenced or affected by", the corporation, but is not bounded by any contractual relationship with the corporation so that it may not be essential for the corporation's survival (Clarkson 1995, p.106). There are obviously some analogies in Clarkson's (1995) and Mitchell et al.'s (1997) categorisation of stakeholders. Government authorities that stipulate laws are clearly primary stakeholders without whose support companies may cease to exist. Also, they are definitive stakeholders whose claims are perceived as powerful, legitimate and urgent. This suggests that power can override other attributes in terms of its effectiveness. For example, Parent and Deephouse (2007) find that power has the most important effect on perceived salience, followed by urgency and legitimacy. In the context of green stakeholders, Harvey and Schaefer (2001) reveal that environmental stakeholders with an institutional power base, such as government via legislation or environmental and industry regulators, are perceived as the most immediately influential stakeholders. However, some primary or definitive stakeholders such as economic stakeholders are generally considered not very interested in corporate social and environmental performance despite their possession of power and legitimacy (Harvey and Schaefer 2001).

Outside constituencies such as the public, local communities and advocacy groups are likely to be secondary or marginal stakeholders on which companies are not dependent for survival (Derry 2012). The influence of secondary stakeholders is often based on strength of voice rather than direct contractual bonding. Generally companies have limited interest in these less powerful stakeholders even though they may have legitimate claims upon companies. But research does find that at times less salient stakeholders are likely to have capacity to urge changes, oppose corporate performance, mobilize public opinion, or cause damage to corporate reputation (Clarkson 1995). For example, Eesley and Lenox (2006) find that secondary stakeholders' requests are likely to be met by the targeted company when stakeholder actions are taken by groups with greater power relative to the targeted company and whose requests are more legitimate. The consolidated power or momentum is likely to help them to achieve desired outcomes and urge changes. In addition, Agle et al. (1999) propose that urgency is sometimes a more important attribute in determining stakeholder salience than power and legitimacy. This means secondary stakeholder demands may at a given time attract more attention (Phillips 2003; Tang and Tang 2016).

2.2 Salient stakeholders and environmental reporting in China

To the country of focus in this study, previous research has presented divergent views when interpreting the stakeholder-related motivations for the growing environmental and CSR reporting practice. The first strain of literature focusses on the power attribute and corporate responses to regulatory demands. This view posits that authority plays the most important role in defining stakeholder salience (Parent and Deephouse 2007). Therefore business managers have to pay the greatest attention to the demands/requests from the powerful regulators.

Since China's 11th Five-Year Plan initiated the idea that China should pursue a more harmonious and balanced society, various regulations and guidelines for social and environmental disclosures from the government and its economic agencies –stock exchanges, have been put in place (Dong et al. 2014). Major ones[1] include "The

[1] Several albeit less influential national programs include for example, the "China Green Watch Program" jointly initiated by the World Bank's InfoDev Program and the State MEP. While these programs provide a mechanism to identify poor environmental performers in the market and encouraged changes, their enforcement power is weak (Wang et al. 2004; Liu et al. 2007).

Guideline on Corporate Social Responsibility for State-Owned Enterprises (SOEs)" released by The State-Owned Assets Supervision and Administration Commission of the State Council (SASAC) in 2008. This formally established directions and boundaries for SOEs' responsibility and sustainability. which for China, represented uncharted waters at that time. In the same year, following the Order of the State Ministry of Environmental Protection (MEP), a trial version[2] of "Measures for the Disclosure of Environmental Information (MDEI)" (Order No. 35) was enacted. MDEI encouraged environmental disclosure and specifically nominated nine areas for disclosure (e.g. environmental objectives and achievements, annual resource consumption and investment). To support the implementation of MDEI, the MEP published detailed "Guidelines for Drafting on Corporate Environmental Report" (HJ617-2011) in 2011, which set out reporting principles, framework, procedures and indicators. In response to the call for more social and environmental disclosure, China's two stock exchanges (Shanghai and Shenzhen) also promoted their own disclosure guidelines for listed companies during 2006 and 2008 (e.g. "Shenzhen Stock Exchange Social Responsibility Guidelines for Listed Companies 2006" and "Shanghai Stock Exchange Guidelines on Environmental Information Disclosure by Listed Companies 2008"). For the first time, stock exchanges pressed heavily polluting companies to disclose environmental information that meets the minimum standards.

Against the regulatory pressure, China did experience a significant rise of corporate responsibility reports, especially those produced by SOEs (Yang et al., 2015; Hu et al., 2018; Parsa et al. 2020). Nonetheless, the quality issues persist. Both the Guidelines and MDEI released at the national level appeared largely voluntary, lacking clear implementation mechanisms and enforcement power. The stock exchange guidelines were more generic, lacking specific quality requirements. As far as their substance was concerned, the stock exchange guidelines were limited to upholding and reinforcing the national Guidelines and MDEI. In essence, listed companies may issue environmental reports, but there is no control over the quality of their reports from regulators (Situ and Tilt 2018). Research reveals that less than half of the listed companies in China have made substantial environmental disclosure (Liu and Anbumozhi 2009; Noronha et al. 2013; Yu et al., 2017) and even fewer have produced stand-alone sustainability reports (Du and Gray 2013). The empirical evidence seems to suggest that the regulatory power in influencing environmental reporting substance is limited even within this authoritarian context (Situ et al. 2018). Li and Belal (2018) recently argue that previous literature has overstated the overriding role of regulations in driving CSR reporting in China. Other internal, national and international dynamics also mediate CSR initiatives especially among Chinese SOEs (Li and Belal 2018). A few studies explicitly report that regulatory pressure on reporting quality is relatively

[2] An update on MDEI (Exposure Draft 2010-09) was endorsed and released by the Ministry of Environmental Protection (MEP) in 2010, which further strengthened disclosures of indicators. An interim reporting requirement to disclose unexpected environmental events or major regulatory breaching and fines was also strengthened later. After several revisions, the Guidelines were formally released in 2011 with a final title of "Corporate Environmental Reporting Guidelines (HJ617－2011)".

weak, as rules in China still focus mostly on the production rather than the quality of sustainability reports (Hu et al. 2018; Situ and Tilt 2018).

The second vein of literature takes an explicit managerial/instrumental perspective on stakeholder salience and focuses on not only ‘powerful’ but also ‘useful’ stakeholders, most noticeably, economic or contractual bonding stakeholders in China. Although still called a transitional or emerging market economy, China has experienced the largest marketization and State-led capitalist development since its economic reform (Yee 2012; Situ et al. 2018). Market oriented stakeholders in company value chains have become more influential in business decision-making. Sometimes, the pursuit of economic interests and materialism is even stronger and perceived more urgent in this emerging country than in more advanced capitalist systems (Ezzamel and Xiao 2011). This has triggered surging studies looking into the link between environmental reporting and economic benefits. These studies constantly evidence that the fast growing economic powers such as institutional investors (Lu and Abeysekera 2014; Hu et al. 2018), customers (Wu 2015), foreign buyers (Islam and Deegan 2008; Dong et al. 2014; Hu et al. 2018) and supply chain partners (Lu and Abeysekera 2014) exert significant pressures on companies to improve environmental reporting.

This school of thought assumes managerial legitimacy which directly points to the instrumental purpose of disclosure as a response to “useful” stakeholders for advancing economic interests (Mahadeo et al. 2011). Corporate responses to the stakeholder call is directly inspired by or related to often compelling and urgent economic motivations, such as increasing shareholder wealth (Xu et al. 2014; Qiu et al. 2016), market competitiveness (Yu et al. 2017), market value (Weber 2017) and/or customer satisfactory (Wu 2015). In this stream of empirics, stakeholders included are mostly narrowed only to definitive/primary stakeholders such as investors, shareholders and creditors (Lu and Abeysekera 2014; Hu et al. 2018). Yet, in so doing, these studies predominately embrace the assumption of free market value in China, ignoring the interests of secondary or latent stakeholders such as communities and employees and their influences within the rapidly changing society.

The third and growing view on stakeholder communication emphasises the legitimacy core of stakeholder theory, which was increasingly applied to developing nations including China (Hu and Karbhari 2015; Yu et al. 2017; Weber 2017). The underlying assumption is that environmental awareness among corporate stakeholders and society at large in developing countries is growing, prompting companies to take broader responsibility for the wider social system within which they operate (Patten et al. 2015; Zhao and Patten 2016). To seek such social legitimacy, companies have to increase sustainability disclosure (Weber 2014). Therefore, despite the regulatory pressure and economic benefits, societal expectations are perceived as equally crucial drivers for environmental reporting in China (Hofman et al. 2017). Some studies find that Chinese managers perceive peer and public pressures concerning social and environmental responsibility as outweighing regulatory requirements in motivating their environmental actions (Lu and Abeysekera 2014; Hu and Karbhari 2015; Zhao and Patten 2016). If society's legitimate claims draw media's attention, as an expectant but 'dangerous' stakeholder (Mitchell et al. 1997), the media can exert even stronger disclosure pressure on businesses because of the increasing urgency of such legitimate claims (Tang and Tang 2016).

It is clear that this stream of literature more or less follows a moral and democratic spirit of the stakeholder approach where society and the community are empowered and mobilised to drive corporate change for sustainability. However, there has been some lingering scepticism regarding societal power and media independence in China because the country is sometimes criticised for not being a pluralistic society as in many Western contexts (Yee 2012; Modell and Yang 2018). The function of government, the value of society and the structure of economy are all different and unique in this prominent developing country. As such, the elements and priorities historically ingrained in this function, value and structure are likely to shape different perceptions and interpretations of stakeholder salience discussed in the above divergent views.

3. Stakeholder Salience through an imprinting lens

While the highly conceptualised stakeholder attributes are discussed as objective terms, managers' subjective perceptions of stakeholder salience will determine their actions and reactions (Harvey and Schaefer 2001; Magness 2008; Joos 2019). The attributes (power, legitimacy and urgency) or characteristics (primary and secondary) of stakeholders are subject to managers' perception, prediction or even intuition (Harvey and Schaefer 2001; Parent and Deephouse 2007). To understand management perceptions, Joos (2019) notes that not only the 'inner context' such as position and knowledge of managers, but also the 'outer context' such as country environment and system, need to be considered. The socio-cultural system (Ho and Lau 2016) and political architecture (Olsen 2017) are likely to be important constituents of country contexts that influence and sometimes constrain management cognition and decision of stakeholder salience. As Wood, Mitchell, Agle and Bryan (2021) recently highlight, the major economic shift from the West to the East prompts the need to address different history, culture and structural characteristics when applying stakeholder salience views in developing countries.

As a socialist country with Chinese characteristics, China has apparent particularities in its political and social contexts. The authoritative and dominant role of the central government led by the single ruling party (the Communist Party) is evident in the entire societal setup (Yee 2012; Modell and Yang 2018). This absolute State power dominance has been long-lasting since the 'New China' (current PRC) was founded in 1949. Although significant economic reforms have transformed China from a planned to a market economy since the 1980s, government power and its involvement in business and societal activities have not fundamentally changed (Li, Gong, Zhang,

& Koh, 2018; Qian and Chen 2021). It may be fair to say that every aspect of management perception and behaviour is customarily attributed to State authority and its deep-seated political imprint in such regime (Marquis and Qian 2014; Qian et al. 2021). Another lasting characteristic accompanying the political imprint is the spirit of socialism still prevailing in Chinese society and its government's agenda. Arguably, since the economic reform in the 1980s, China has shifted from the orthodox socialist ideology emphasizing public ownership and central planning to a "socialism-oriented market system" emphasizing mixed ownership and economic development with programmatic and rational choice. However, the socialist ideology remains an important part of its social and political structure throughout its economic reform and development (Ezzamel and Xiao 2015; Jiang et al. 2018). The production and co-operative management of the economy for the purpose of the common good, i.e., serving the needs of the public, the community and people in the entire society, is deeply rooted in the promoted socialist democracy and tradition (Yee 2012; Jiang et al. 2018). Such ideological influence has been found to be entrenched in many aspects of social and economic development in China (Yee 2012; Ezzamel and Xiao 2015), especially in SOEs whose founding conditions are subject to social and political objectives (Han, Zheng and Xu 2014; Li and Belal 2018).

The imprinting lens provides a valuable explanation that can assist in understanding the lasting effect of founding conditions and values in shaping individual or organisational behaviour and decisions (Simsek, Fox and Heavy 2015). It suggests that individuals and organisations are historically contingent on their initial upbringing or founding conditions (Stinchcombe 1965). In their later development, the founding characteristics are reproduced because of "inertial forces such as tradition, vested interests, ideology, or lack of competition" (Stinchcombe 1965 p. 169). As a result, the founding conditions have a lasting effect on individual or organisational behaviour, strategies and practices (Stinchcombe, 1965; Kriauciunas and Kale 2006; Marguis and Tilcsik 2013). Imprinting emphasises that certain characteristics that reflect individual or organisation's prominent features of the context during their founding period or a period of susceptibility continue to persist despite significant contextual changes in subsequent periods (Marquis and Tilcsik, 2013, p. 199). That means an imprint will endure even when the context which gave rise to the imprint is no longer present (Dobrev and Gotsopoulos 2010; Marquis and Tilcsik 2013).

Many empirical studies have evidenced the existence of the imprinting effect and how external contextual factors such as experiences, values and events formulated during the sensitive founding period can leave a long-lasting impact on individuals and organisations, shaping their interpretation of what constitutes appropriate behaviours and rules of action later in life. For example, Kriauciunas and Kale (2006) find that the strong socialist imprinting at the time of the firm's founding makes it harder for firms to change their knowledge sets to meet different business needs under socialism and capitalism. "The past never dead" is the key message conveyed by Albu, Albu, Apostol and Cho (2021) who observed that the Romanian communism period has left a cultural imprint which later made an impact on the take-up of social and environmental reporting in the country. Han, Zheng and Xu (2014) also find that historical imprints such as socialist ideology and ownership structure have influenced the willingness of Chinese companies to provide social insurance for workers. At the individual imprinting level, Liu and Luo (2022) find that business leaders' ideological imprint significantly influences the extent to which companies take employee-related responsibility in China. This influence is even stronger if the business leader joined the Communist party during the Mao era (the founding period of China) when socialist ideology dominated in society. Similarly, Marquis and Qiao (2020) reveal that managers with a strong communist imprint (i.e., who were Communist party members before founding the business) are significantly less likely to accept foreign investment or invest in foreign companies as they are assumed under capitalist systems. Wang, Du and Marquis (2019) further find that the imprint effect influences the number of private companies allowed to join political councils in Chinese cities as city mayors following their socialist roots are likely to harbour a lingering distrust of private capital.

Although the economic reforms have transformed China into a more open and market-oriented country, and undoubtedly stakeholder ideas and approaches are being increasingly embraced by this ever-growing economy, like many other developing countries, the historical imprints and characteristics in the country context still matter significantly. The governing and controlling system is likely to induce a pro-forma conformity to regulations and rules, while in substance, conformity to powerful hegemonic leadership may remain the top priority in the corporate reporting agenda (Situ et al. 2018; 2021; Qian and Chen 2021). The deep-rooted ideological philosophy and traditional values oriented towards balancing social order and justice, and encouraging mutuality and harmony in every societal function, are likely to determine or define meaningful disclosure of environmental information for salient stakeholders.

As Simsek, Fox and Heavy (2015) note, imprints can also be amplified whereby leading to an escalation of certain commitments or path dependence. Since the consolidation of political power since 2012, it is more evident that corporate environmental reporting behaviour has become politicised (Qian and Chen 2021). This is particularly the case for SOEs given their founding conditions of State ownership. The influence of state power is likely to be cemented for every economic activity throughout the company development history. More recently, social ideology has been enhanced under the 'China Dream' advocated by China's leadership. An important element in President Xi's 'China Dream', the national goal to achieve great rejuvenation, is to push forward the great cause of socialism and build a harmonious socialist modernized nation (Zhu et al. 2020). A significant shift of emphasis in the economic policy from the market economy to socialism and social equity has been observed since 2013 (Zhu et al. 2020)., For example Han et al (2014) find that firms founded in the state socialist era and firms founded as SOEs were infused with socialist institutional logics of labor relations and tended to comply with social insurance policies even in the present market socialist era. Clearly, the application and examination of stakeholder salience presents nuances in terms of long-lasting social and political settings in the country.

The majority of prior literature relies on archival analysis rather than field investigation. This risks ignoring the important and rich context (Belal and Momin 2009; Du and Gray 2013; Tilt 2016) and limits our ability to understand the complex and multifarious factors imprinted in the broader social-political structure that shape managers' views of reporting and stakeholders influences in practice. Taking reporting as a socially constructed process, this paper uses a case study to unpack the complexity and peculiarity of the interrelationship between distinctive stakeholder demands, legitimacy and socialist ideology, and their influences on environmental reporting within an authoritarian political setting.

4. RESEARCH METHOD

Field based case study method was employed to explore the subject issue for this study. The qualitative case based method enables the complexity of inter-related influences that shape practices in individual organisations to be better understood within their natural and real-life context (Scapens 2004). In this way, a rich set of information that provides in-depth understanding of the processes, issues and perceptions can be generated (Cresswell 2013; Yin 2013) and insights of general significance from in-depth analysis and subjects can be produced (Simons 2009). This is especially useful when the boundaries between phenomenon and context are not clearly evident (Yin 2013). For most social phenomena, such as organisational behaviour and management decisions, it is impossible to isolate the phenomena themselves from their real-life contexts. Corporate behaviour, activities and relationships are clearly influenced by and/or influence the context of their operating environment (Hartley 2004) and the context of observations from a single case and its underlying causal inferences may resemble other similar cases (Bennett and Elman 2006). Hence the case study method was selected to facilitate gaining insights into reporting decisions by management within the field of investigation.

4.1 Framing of the case

Several factors were considered in case selection. First, the institutional setting in the current reporting context has been primarily directed towards public companies listed in stock markets. These companies are usually large in size and subject to much higher public and stakeholder scrutiny in terms of their environmental reporting and performance. In addition, state-owned enterprises (SOEs) have been identified as leading environmental reporters and performers in China (Liu et al. 2010; Weber 2014). Compared with private companies, SOEs are by nature more engaging with society and the government because of their socialist origins and orientation, a unique characteristic in China. Therefore, we selected a publicly listed SOE for the case study.

Second, heavy polluting companies have always been a target in government policies and public environmental debates. Because of their environmental sensitivity, heavy polluting industries such as mining, energy and utilities have attracted greater attention in environmental reporting research (Frost and Wilmshurst 2000; Cho and Patten 2007; Qian and Chen 2021). China is one of the world's largest mining countries. The past decades have seen the most rapid growth in China's mineral imports and use due to its rapid industrialisation and urbanisation (MMSD 2002). But along with this development is the increasing environmental pollution and degradation and blame for this is often attributed to the mining industry (Dong et al. 2014).

Third, we focused on domestic rather than foreign market oriented companies. Due to growing economic power and resource competition, expanding foreign market shares has become a strategic direction for some supersized national companies in China. These companies are more strongly influenced by international communities in terms of their environmental reporting practice (Kimber and Lipton 2005; Dong et al. 2014). This is similar to large multinational companies in many other developing countries (e.g. Islam and Deegan 2008; Momin and Parker 2013), where international pressures, notably the demands from international buyers, are a major incentive for producing environmental or CSR reports. However, this type of company only reflects a small proportion of businesses in most developing countries. Investigating the majority of companies focusing on the domestic market can help derive more valuable nationally relevant policy implications than investigating the generally smaller national proportion of global conglomerates in a developing country. In addition, most mining companies in China are not heavily exposed to international buyers because of strong domestic demands for resources. Therefore, their environmental reporting is involved more with a variety of stakeholders domestically rather than subject to much international scrutiny.

With these considerations in mind, we approached the case company, one of the leading mining and metallurgical companies listed in the Shanghai Stock Exchange. The company is a large SOE (the State controls nearly 53% of its share capital) with total assets over RMB￥33 billion (US $ 5.3 billion). Its main products include zinc, lead, copper and other nonferrous metals, and its business operations cover geological exploration, mining, processing, metallurgical, etc. The company's lead and zinc are also registered products in London Metal Exchange and Shanghai Futures Exchange. While the company ranks among the top listed companies, its main market shares and business operations are domestically orientated with only a few subsidiary companies and branches in Canada, Australia and other countries.

Operating in a heavy polluting industry, the company has been experiencing several main environmental challenges, including soil and crop pollution, solid and hazardous wastes, excessive energy consumption leading to carbon and water pollution, and inefficient resource consumption. Under increasing environmental scrutiny, the company has strengthened its technological innovation and started to promote clean production with its environmental protection technology highly rated in China.

4.2 Data collection and analysis

In our case study, interviews were used as the major data collection method. Interviews generate a source of rich data consistent with the nature of the phenomena studied (Yin 2013). Interviews allow researchers to explore the world of interviewees through a set of questions that can be modified, abandoned or replaced to comprehend any related topic emerging from the field (Bernard and Ryan 2009). Most questions in this study were semi-structured open-ended questions where the interviewer had minimum control over the interviewee's responses. This exploration allowed researchers to probe the unknown in a spontaneous flow of discussion and to establish more accurate interpretation and expectations (Bernard 2000; Kvale and Brinkmann 2009).

A total of sixteen interviews were conducted with the company senior management group in 2015. Table 1 presents the positions and environmental responsibility of each interviewee.

Table 1: The profile of interviewees and their roles in environmental reporting

No.	Position	Roles in environmental management and reporting
1	General Manager /CEO	The first responsibility leader for the company's environmental protection, operation and management. Oversee the preparation of annual environmental reports.
2	Deputy General Manager/CEO	Overall responsibility for company operation, management and environmental protection. Assist in the preparation and review of annual environmental reports.
3	Chief Secretary	Responsible for compiling, disclosing and reviewing annual environmental reports.
4	CFO	Oversee the input of accounting information in environmental reports and provide financial advice on corporate environmental investment, costs and budget and performance.
5	Manager of Department of Finance	Provide accounting information for environmental reporting, such as environment-related investment and costs.
6	Director of Office of Securities Affairs	Assist the secretary of the board of directors to deal with environmental reports, including submit it for approval, disclose it to public and answer external questions.
7	Director of Supply Chain Management	Responsible for communicating with the suppliers on the environmental protection requirements, including the environmental management concepts, principles and policies of the company.
8	Director of Smelting Management Centre	Responsible for environmental management and reporting of the smelting centre and relevant subsidiary companies.
9	Director of Mining Management Centre	Responsible for environmental management and reporting of the mining centre and relevant subsidiary companies.
10	Head of Safety and Environment Protection Department, Smelting	Review and prepare environmental reports of the Smelting

	Management Centre	Management Centre.
11	Head of Safety and Environment Protection Department, Mining Management Centre	Review and prepare environmental reports of the Mining Management Centre.
12	Manager of the Lead Smelting Factory, a major production line	Organize and prepare environmental reports of the major lead smelting factory.
13	Director of Fuming Furnace Workshop of the Lead Smelting Factory	Organize and provide environmental information about the workshop which involves major safety and environmental issues of the factory.
14	CEO of a major subsidiary1	Organize and provide environmental compliance information about the subsidiary company 1.
15	CEO of a major subsidiary2	Organize and provide environmental compliance information about the subsidiary company 2.
16	CEO of a major subsidiary3	Organize and provide environmental compliance information about the subsidiary company 3.

At the time of this study, on average the interviewees had served the company for 15 years, with the maximum being 28 years and the minimum 7 years. Most interviewees had held their position in the firm between 2 and 7 years and their relative organisational position presented them as interviewees with knowledge particularly relevant to this study's objective.

The time span of the interviews ranged from 20 mins to 1.5 h. All interviews were recorded with consent. However, interviewees were assured of the strict confidence of the recordings and that any information provided internally would be held confidentially. It was agreed that the names of the interviewees and the research participants at any informal meetings would be kept anonymous in published work relating to this study.

The interviews encompassed three major phases. The first phase introduced the interview process and interviewees. This introductory phase helped the researchers understand the contextual environment of the reporting process and the role of personnel in preparing environmental reports. The interviewees were also introduced to the research project, the objective of the project, and the importance of their participation and contribution. The second phase explored the essential questions about the aim of environmental reporting and how managers perceived the role and involvement of various stakeholders in their report preparation and decisions. The third phase of the interviews involved a probing process attempting to understand how and why different stakeholders were engaged in the reporting process and influenced the reporting decisions. Given the exploratory nature of the study, the interview questions were mostly open-ended to allow flexibility in responses and to facilitate the probing process. The Appendix provides the list of interview questions.

Complementing the formal interviews was the use of field observation and the access to all available reports to support the exploration. The field study was carried out over a 10-month period from April 2015 to February 2016 with three field visits made during this period. In addition to interviews, informal discussion with staff and employees and passive participant observation during meeting attendance were frequently used during the study. Secondary documents assessed include six annual reports, five environmental reports, and five social responsibility reports, supplemented with environmental and sustainability related information from corporate website.

Content analysis was used to codify texts (both interview transcripts and secondary documents) into groups or categories so that themes could inductively emerge for interpretation and gaining insights (Creswell 2013). Two levels of coding were applied in the analysis: manifest coding and latent coding (Neuman 2013). Manifest coding consists of identifying and counting recurring key words which are visible from the surface content of the text. This coding approach is relatively objective and can directly pinpoint the significant themes or factors highlighted by interviewees or in documents, but it ignores the connotations of a phrase or a word, thereby possibly overlooking the rich meaning embedded in the text. Conversely, latent coding looks for underlying and implicit themes in the text. This aimed to identify and reveal richer and sometimes more accurate meaning of the text. The themes and semantic meanings identified from the interviews and corporate reports were consolidated to inform the analysis and results.

5. Findings

In order to develop a thorough understanding of the reporting process, our investigation started with understanding the purpose of environmental reporting in managers' minds and beliefs. Then open and probing questions were employed to seek answers and clarifications with respect to perceived important/salient stakeholders of environmental reporting, and how the case company communicated with them in preparing environmental reports. Following these, we explored whether and how the company's engagement with stakeholders reflected in the actual environmental/CSR reports and illuminated in the managers' views and perceptions.

5.1 Stakeholder communication for a normative objective

There were no divergent views on the purpose of environmental reporting for stakeholder communication. It was evident that managers understood the importance of stakeholder interests, as advocated in most Western literature of stakeholder theory, and the normative reporting objective was almost unambiguously stated by the interviewees. To meet the information demand from various stakeholders such as local communities, residents and the general public was perceived as a core objective of environmental reporting:

> The publication of environmental information is to build a *bridge* between the company, society and *various relevant stakeholders*. It is a tool, an

> information communication tool to make the company and our environmental strategy known to others, *making stakeholders aware* of who we are, what we are doing and then they can make right decisions about our company. (Interviewee 2)
>
> Environmental report is to serve society, the public, the investors, and local community and residents - *everyone* that *cares* about our environmental performance and activities. This is a fundamental principle of environmental reporting. (Interviewee 10)

The managers were vocal about the overarching goal of reporting as a means to 'serve society'. They declared a belief in the legitimate rights of the community and society in demanding environmental information, elucidating a normative spirit of producing environmental reporting. There was also a tendency to frame this essential purpose of environmental reporting within the grand vision of environmental responsibility of the company. Taking care of and being responsible for society and the environment were unequivocally viewed as core business value and leadership. As such, "responsibility" and "obligation" became recurring narratives for environmental reporting.

> Environmental reporting is the *obligation* as to what should be done and should be fulfilled. It shows how we fulfill our *responsibilities* and *obligations to society* and community. (Interviewee 9)
>
> As a *responsible* mining company, it is important to disclose environmental information to the public. The annual environmental report is *a statement of the company's responsibility* for the environment. It is a report to the public and subject to public and society scrutiny. (Interviewee 8)
>
> Environmental disclosure provides a useful channel for the public to participate in environmental communication. We aim to achieve excellence, presenting a *responsible* corporate citizenship image. (Interviewee 1)

Internally, the managers emphasised that the increasingly visible environmental problems prompted them to rethink the meaning of "*value* to a business entity" (Interviewee 16). The reporting process was perceived to enable the changes in management thinking and reflection, making sure that the strategic position of the company to achieve environmental leadership was aligned with fulfilling a moral duty and social objective of the company as a responsible SOE.

5.2 Salience of stakeholders – social legitimacy vs. economic interest

In line with the normative objective of environmental reporting, the community (both public and local) was directly mentioned as the most salient stakeholder within many discursive utterances. This legitimate stakeholder group, frequently referred to as "the public", "society" and "people" in general, and "the local community", "residents" and “villagers” more specifically, was perceived as having growing power. The interview narratives were around the felt social responsibility for this increasing “voice” and meeting their demands.

> Environmental report is meant to be useful for *community stakeholders* to understand our environmental activities, performance and achievements. (Interviewee 2)
>
> *Society, local communities*, the surrounding *residents*, *village* committee members… are no longer passive report receivers. They become more active, keen to seek environmental information. This is a positive signal, a positive communication between the company and our *community*. (Interviewee 3)

Two interviewees explicitly claimed that if stakeholder salience was prioritised, the government and community would be equally ranked at the first place, ahead of investors, banks and shareholders. One interviewee specifically emphasised that at the local level, residents and communities were more important stakeholders than government as they could have more collective power, through increasing government intervention and media attention.

> Government is a ‘regulatory’ stakeholder, making rules and regulations, and overseeing their compliance. However, it is the community and local people that are *directly influenced* by what we do. They are direct *‘environmental’ stakeholders*. Any air or wastewater pollution is going to affect their daily life. For environmental reporting, they are obviously more *important stakeholders* to us. (Interviewee 9)

In contrast to fulfilling social obligations and meeting community needs, the importance of economic stakeholders was mostly downplayed by the interviewees, despite their economic power and influence in business transactions. That is, reporting was seen as demand-driven rather than performance-driven. Shareholders and investors were considered important “environmental stakeholders” only when their economic interest was affected by environmental violation risks.

> Shareholders’ and investors’ interest in environmental reports is much *less than in annual financial reports*, compared to relevant environmental institutions and communities. Shareholders, especially small and medium-sized shareholders, mostly pay attention to *environmental violation or accidents*, as these might affect the company’s *profitability and share price.* (Interviewee 1)
>
> Investors generally *do not directly pay attention* to the content of the environmental report itself, unless there are major environmental protection policies introduced or any changes in the system. (Interviewee 5)

Likewise, the reporting demands from banks, lenders and supply chain partners were seen as indirect and moderate. These powerful "economic" stakeholders were seen as secondary "environmental" stakeholders, lacking a direct interest or environmental bond with the company. The situation could change only at the time of project financing and approval, during which the demand for environmental information disclosure became *urgent*, and environmental information could be censored extensively to ensure minimal risk.

> In daily operation and borrowing activities, these reports do *not attract special attention* from financial institutions. But in new project financing, *specific reports* such as safety assessment, soil and water conservation, and environmental impact assessment (EIA) *must be* provided. This is a prerequisite for project loans. *After the loan*, the bank is *not* concerned too much about providing environmental reports *anymore*. (Interviewee 15)

It seems clear that environmental reporting was perceived as a "means" to fulfil its own "normative" social objective instead of to achieve an economic benefit ("end"). Economically powerful stakeholders were not viewed as being significant or interested in environmental reporting decisions, "*unless there was any serious environmental accident that could 'activate' their interests*" (Interviewee 5).

Although a managerial stakeholder relationship has often been observed in the Western literature and some correlations between managing/reporting environmental responsibility and financial performance (e.g. ROA or sales growth) have been reported in large scale empirical research (Clarkson et al. 2011; Hu et al. 2018), this cause and effect was not clearly shown in the management views in this exploratory study. As explicitly stated by Interviewee 4,

> Compared to many other mining companies, our environmental investment is very *high*. It won't always be cost effective, you know, sometimes you won't have obvious economic benefit, …environmental investment could be *costly* and sometimes *not economically profitable*. (Interviewee 4)

However, such investment was made to "*accomplish corporate responsibilities and obligations*" (Interviewee 4), rather than to link with economic benefits or for obtaining reputational dividends from the economic market.

At times, the reporting and data collection process helped the company improve its environmental performance, which could potentially enhance the company's economic competitiveness relative to other peers. However, the "means" (environmental reporting) to reach such economic "end" was often an unintended outcome, as it did not stem from the initial purpose/objective of reporting, but appeared to be a by-product of reporting which turned out to be a reward or incentive for the company to improve environmental performance.

5.3. Social legitimacy, responsibility and socialist ideology

In claiming for the need of gaining social legitimacy from local communities and people, the managers interviewed often reiterated that fundamentally social and environmental responsibility undertaken by SOEs meant to be delivering the greater good for local areas and society. This felt need to achieve the greater good seemed to reflect the imprinting of the social objective of China's market economy, which is to meet the country's (capital) needs based on its founding policy for economic reform and development (QiuShi 2018) and from the traditional philosophy that urges those who are in positions of responsibility to exercise collective responsibility for the well-being of others (Yee 2012). As detailed by the CFO, although this major SOE's own factory plants were mostly newly built and equipped with advanced clean technology, the conundrum lied in those old smelting plant areas where lots of historical "debts" were involved and had to be cleared by them:

> Irrespective of who caused the environmental problems in the past, it is the current companies that are *held responsible* and *have to pay the "bill"*… Someone has to *solve the problems for local people and villagers.* We are the largest SOE in the area and we end up paying the bill despite it causing a heavy financial burden to us. Yes, it goes *beyond our own environmental responsibility*, but we have *broader* social and political responsibility to take. (Interviewee 4)

Despite the marketization and capitalist development in China, as discussed previously (Yee 2012; Situ et al. 2018), the pursuit of socialism and social ownership of the means of production and cooperative management of the economy for the purpose of serving the needs of society and people never waned in the social structure of China (Han et al. 2014; Jiang, et al. 2018). Instead, this pursuit has been significantly reinforced under the recent leadership in China, through Xi's new vision and collective aspiration of China's rejuvenation. In such a society with solid imprints of socialist ideology and culture, the State and party leaders are seen as paternalist authorities, having not only absolute control and power, but also unlimited responsibility to fulfil the normative (social) objectives of the nation and bear "unlimited liability" to society, economy, the environment and ultimately communities and people while exercising power.

To SOEs, where the State retains a high degree of control, politically and economically, achieving the ideological alignment with the country's socialist aim and interest is often a non-negotiable essential. As mentioned previously, since 2012 when President Xi took the leadership in China, the ideological adherence to socialism by SOEs has been even more strengthened. As such, the case company became a similar "unlimited liability" bearer in taking social obligations for the nation.

> A SOE like us has much *higher social and political obligation*, compared to a private company. (Interviewee 2)

The interview below illustrated an example as to how the company compensated country villagers and worked with local government to solve environmental problems beyond the "self" – its own economic/environmental responsibility, in order to fulfil its broader social and political responsibility:

> In the past decade, township and village mining firms grew very fast. They were not properly regulated in terms of environmental protection. Some of them dumped waste and damaged the groundwater. When they were gone due to stricter rules in place, *people came to us* and asked us to take action and help recover the environment. *When they can't find those liable, they come to us* as we are the largest mining SOE in those areas. Even a few days ago, I was *communicating with the town government* and discussed about the solution. (Interviewee 15)

The results consistently showed that corporate environmental responsibility was underpinned by a belief that it fulfilled a socially legitimate request which aligned with the nation's and the State's ideological pursuit about what the purpose of reporting should be. The strong connection and alignment between a SOE and the State further strengthened such national socialist thinking and belief long embedded in the Chinese society.

5.4 Stakeholder salience – ideological value and prioritisation

It appeared that the primacy of collective goods is at the core of the socialist ideology and cultural value in China. Individualised actions and interests, although grow significantly as a result of economic transition and marketization, are ultimately suppressed in exchange of individuals (the 'self') thinking of collective interest and responsibility (for the 'nation'). This fundamental value *prioritises responsibility* (as a society) over *accountability* (as individuals to others). Therefore, the salience of stakeholders is likely to be framed within this broader ideological context. As a response to the communication with stakeholders such as local community, the interviewees constantly linked the salience of stakeholders to mutual benefits and common goods for all:

> They are important, our subsidiary companies are responsible to directly communicate with *local residents and villagers* around their factories…Our responsibility is to make sure the environmental protection work we carried out *benefit all of us*, our *common goal* for local and regional development. (Interviewee 2)

> We are *all* located in the mine area, so we *all* have this *responsibility to develop, protect and stabilize the whole area*. (Interviewee 15)

The notion of salience was viewed more through the ideological lens at the country and societal/collective level, than through the management lens at the individual (organisation) level. The interviewees strongly believed the normative objective of environmental reporting and aligned this with the notions of 'responsibility' and 'caring' as an important regional SOE in a socialist nation. Intuitively, the interviewees often assumed the same 'responsibility' taken by other economic, but more importantly, social players:

> If the project is not meeting environmental standards or it has an environmental risk, banks will not proceed with the loan assessment, because it is a risk not only to them, to investors, but also *to our people*, to *our communities*… We all know our *responsibility for people*, *for residents in (name of) Province*. (Interviewee 4)

Working and partnering with local authorities was perceived as a norm to fulfil this broader ideological obligation and establish a 'meaningful' community dialogue, because ultimately it was not about the 'self', rather, it was about the 'unlimited' responsibility for the common social objectives and interests. The interviewees were vocal about this inseparable responsibility:

> When local residents and people have issues and difficulties, for example, waste water or water pollution, they may *go to the government first*… We will all *sit down together* to look at the issues… We often go to local town and county governments and talk to the environmental protection bureaus, to *understand particular need and demand from local residents*. (Interviewee 15)

As can be seen that the nation's ideological value and philosophies cemented in the managers' mind have significantly shaped their perceptions of stakeholder salience and the way to engage with stakeholders to achieve the normative purpose of environmental management and reporting.

5.5 Salience of stakeholders in environmental reports

To reveal how stakeholders and their salience were expounded in the actual reports against management views, an analysis of environmental reporting contents was undertaken. The company had been producing standalone environmental reports since 2011, with a small amount of environmental information also included in annual financial reports and CSR reports. Environmental information was mainly collected from various production/operations and environmental departments as well as subsidiaries that were directly involved with environmental issues. However, the final collage of the environmental information and its preparation for the aggregated reports, were conducted by several senior managers including the CEOs and their supporting staff.

Similar to the interview analysis, the examination of 15 company reports again revealed homogeneity across the board, but in different forms. While the interviewees were unequivocal about social legitimacy and the objectives of environmental reporting, the environmental reports examined consistently showed that the State power and regulatory authorities were definitive stakeholders in enforcing reporting procedures and compliance based on national guidelines. The related words such as the generic term ‘the government’ or specific regulatory bodies such as MEP, Regulatory Commission for Securities were explicitly stated in every single environmental report examined, and in most CSR reports, although the compliance was also centred at the national/country level, such as to comply with national development strategies, to lead nationally, etc. However, at this level, the words such as “community”, “public”, “residents”, frequently mentioned as salient “environmental stakeholders” seldom appeared in the reports. The following provides some brief examples.

Board’s address

Environmental reports all started with the board’s commitment to environmental protection, as guided by the national development strategies and plans. Explicitly, attention was drawn to the importance of aligning the company’s environmental strategy with the State’s development strategy and decision. Examples included not only the constantly recurring words such as “national”, “government”, “the Communist Party of China (CPC)” and “party committee”, but also the direct reference to government policies, regulations and plans, such as following the nation’s 12th five-year (2011-2015) plan, developing “harmonious society”, creating “circular economy” and promoting “ecological civilisation”. The salience of government authorities and hegemony of the political party (i.e. CPC) appeared unquestionable and achieving the company’s environmental targets was clearly tied with achieving the national target, for example:

> 2015 is the last year of the 12th five-year plan. In this year, we have focused on environmental risk prevention, strengthened environmental infrastructure building, solved many *historically* remaining environmental issues, and successfully achieved environmental protection targets, all of which helped provide *a perfect ending for the 12th five-year plan*. (2015 Environmental Report)

Environmental leadership

Consistent with the claimed leading position for environmental management, the environmental reports presented much evidence to “validate” such claims. This evidence included numerous national, provincial and industrial awards (e.g. the national green mine award, being selected as one of the first national circular economy experimental enterprises, national clean production exemplar enterprise winner, the industrial environmental protection excellence award, etc.). These awards and honorary titles were first outlined in each board’s address in text, and then detailed in a separate section in each environmental report, mostly illustrated in photographs. The increasing list and photographs of these awards significantly contributed to the increase of reporting length over years. These awards were predominantly bestowed by government and regulatory agencies, accentuating the importance of authorities to the company’s environmental leadership claims.

> [Company name] has won the *national honor* of "resource-saving, environmental-friendly" pioneering enterprise this year…, among the hundreds of *national and provincial awards* we have won. As a result, we were *awarded* one of the "most valuable listed companies for investment during the 12th five-year plan period" (2013 Environmental Report)

Environmental Management and compliance

In addition to a separate section listing environmental activities, operations and training, each environmental report had a significant section titled 'environmental compliance' – to reiterate the regulatory compliance involving meeting waste reduction and emission targets, evaluation of cleaner production, payment of waste pollution fee, management of hazardous chemicals, and a long list of compliance metrics. Non-compliance areas appeared rarely reported. Every annual and CSR report also contained a section (usually < 10 lines in annual reports, but more extensive in CSR reports) about environmental risk management, where recurring words such as "government policy", "standards", "guidelines", "laws" and "regulations" were used to reassure stakeholders of regulatory compliance.

Again, substantial photographic presentation of certificates, licences, and official approvals was used to complement the textual information as stronger evidence of compliance. Comparing the 15 reports, it was clear that this phenomenon was on the rise over those years, from a total of 64 photos included initially in 2011 to 86 photos in 2015. In addition to scenic photos of factories and plants, most of photographic disclosure was related to awards, certificates and licences, which was indicative of the definitive salience of regulatory authorities.

External engagement

There was a short section specifically dedicated to external engagement. However, the highlights reported in this section were dominated by a series of cooperative events with government authorities, such as participation in the MEP workshops, meeting with environmental authorities' inspection teams, discussion of environmental performance with national bureau of statistics, etc. The narratives almost remained the same across the five years of reporting time, with just different photos used to update the relevant activities.

The examples in the actual reports all seemingly indicated that environmental reports overwhelmingly focused on creating discursive spaces for the company to demonstrate compliance with powerful stakeholders. When these reports focussed on government awards and policy compliance, there was little room for other stakeholders and society members to have a voice in reports. Any other stakeholder groups, claimed as important or related to the normative objective of environmental reporting, were much less addressed and cast more as dependent or secondary stakeholders.

In commenting on the 15 reports prepared by the company, the CEOs and direct report preparers reaffirmed their regulatory and procedural compliance. The deputy CEO reiterated that:

> We have fully cooperated and communicated with the *Security Management and Regulatory Commission*, through which we *can understand the requirements better*. In the end, this *ensures* our environmental report quality and achieving environmental leadership and excellence in the industry. (Interviewee 2)

However, despite the regulatory and political compliance pressures, it was acknowledged by the managers that in practice, the current reporting guidelines emphasised predominantly "*whether* a disclosure was made" (Interviewee 6) or "*whether* we fulfil the obligation of producing an environmental report" (Interviewee 3), "rather than how and the real contents or substance" (Interviewee 6). This aspect perhaps reflected the persistent problem of environmental disclosure quality in China, as regulatory compliance focussed more on ensuring the presence of environmental reports than on ensuring the quality of reports. Political adherence focused merely on conformity to political will (Situ et al. 2018). As a result, environmental reports became a compliance product rather than an accountability tool.

The urgency of fulfilling the compliance obligation was felt only when there was a perceived environmental problem, or if the company was in the process of seeking environmental licences or approvals from regulatory bodies. It was under these circumstances that the detailed procedure to comply with quality/substantive disclosure was instigated and compelling.

> If any subsidiary company incurs any environmental violation, as the person in charge of this large SOE, I would be like *sitting on a barrel of gunpowder*. If that happens, every *detail* of environmental activities could be *closely monitored*, environmental disclosures subject to the *closest examination* by regulatory authorities. (Interviewee 1)

> When going through the refinancing *procedure* with the Regulatory Commission for Securities, environmental impact assessments and outcome reports are a must. It is like *a sword constantly hanging over your head*. The assessment process is very *long*, often taking more than half a year. It goes to many *details* of environmental performance reporting, what is achieved, what is reported, what is the problem… all sorts of information. (Interviewee 4)

Other than the compliance urgencies, the interviewees were all confident about the company's positive progress in producing environmental reports each year. One visible development highlighted was the increase in environmental reporting volume. There was a substantial growth of reporting length. The first environmental report produced in 2011 was only 9 pages in length and environmental information contained in CSR report was 11 pages. In 2015, the length of environmental report had increased to 34 pages (nearly quadrupled) and that of environmental information in CSR report had increased to 30 pages (almost tripled). The continuous production of environmental reports in accordance with national guidelines and political directions clearly eased the compliance pressure.

5.6 Procedural compliance, state power and accountability

Reporting as a compliance product can help companies in China to maintain a close link with the state power for political purposes (Situ et al. 2021; Qian and Chen 2021). The deep-seated political structure and hierarchy in the country have left no doubt in managers' minds that a company's environmental performance may greatly influence their promotion prospects and political career advancement (Qian et al. 2022). It is thus not surprising to observe State dominance in the reports, because of their absolute power manifested through rules/guidelines, their demand urgency due to the time sensitivity of compliance, and the legitimacy of their orders and political will in this hierarchical system. Environmental reports, as a mandate and as a justification for the importance of political relationship, could reinforce the rules and controls from the government (power) side and procedural compliance from the company side. The endorsement of compliance may bring in immediate economic benefits and reputational rewards:

> *Every* environmental *inspection* by relevant *government departments* is highly valued. They *confirm* our environmental achievements and leadership, which *endorses* and *improves* our image in the industry, the region and regional economic communities. (Interviewee 7)

It was also envisaged that the dominance of state power and its perceived unlimited responsibility for all, prevailed across the entire society. For example, due to the lack of interest from economic stakeholders, environmental reports were good evidence of "compliance" as banks' or suppliers' assessment of environmental performance mostly "relied on the company's *compliance* with government reporting policies and guidelines (e.g. MDEI) rather than assessing company reports by themselves" (Interviewee 16).

> Suppliers and customers focus on regulatory *compliance* of our environmental reports and whether our products and production process *comply* with international and national *standards*. They are not particularly interested in report itself (Interviewee 7).

As the dominant power to define accountability and control reporting procedures for discharging such accountability resided only in the state or government in China, reports became a compliance product "stamped" with "government certificates". During the interview period, the company was constantly grappling with numerous government inspections, honours, evaluations and interventions which were to ensure that a SOE's historically imprinted social and political responsibility was never forgotten and should be captured in its reporting. This social and political alignment was particularly revitalised in the new ideological pursuit of the Chinese Dream. Although the interviewees exhibited pride in winning hundreds of national and provincial awards, it appeared that dealing with numerous government policy compliance meetings and regulatory inspections by government officials as "part of daily routine" limited their time and ability to think through the real value and objective of reporting. As the deputy CEO highlighted:

> Participating in government reporting *policy studies* and accommodating government and regulatory environmental *inspections* were *part of daily routine, our duty*. (Interviewee 2)

> What happened to Zijin Mining group was a good lesson for us (its environmental violation resulted in not just heavy fines and but significant 'special' government intervention). You know the Ministry of Environmental Protection even organised *special training classes* for mining industry companies and required the senior management team of Zijin Mining to *attend and study regularly*. What we learned from Zijin Mining was enormous. (Interviewee 11)

Communities eventually became passive report recipients rather than active participants in the reporting decision.

> We release environmental reports on the corporate website. If they are concerned, they can *go to the internet and read them*. (Interviewee 10)

This appears to show a disparity or decoupling between the normative reporting objective aligned with the ideological value of responsibility to stakeholders and the actual discourse developed in the reporting practice for procedural compliance and political adherence. However, in comparing the management views on the salient stakeholders of environmental reporting and those in the actual reports, noteworthy omissions were observed. None of the environmental compensation for villagers, clear up the historical "debts" for local communities, and engagement with town government for solving regional environmental problems was included in the environmental reports. Yet these had been undertaken beyond the scope of the company's 'self' environmental responsibility to fulfil the broader social obligation and objectives for the 'nation' and society. Therefore, the observed decoupling does not suggest the 'words' do not match with 'actions' (Cho et al. 2012). On the contrary, it seems to be the opposite in this case.

6. DISCUSSION

In reflecting on the findings concerning the role of stakeholders, the debate over the instrumental and normative stakeholder perspectives merits reconsideration first. Despite the increasing literature pointing to the instrumental approach to stakeholder communication, the comparison between the different views on salient stakeholders in our case study in China suggests a fundamental belief that environmental reporting must be approached from a normative stance. Central to this belief is that the company has a responsibility to inform and serve the community and attend to their right and needs. This reflects some moral principles that underpin the attitudes to preparing environmental and social responsibility reports. More importantly, business managers understand the importance of stakeholder legitimacy when visioning corporate responsibility reporting and frame it into social obligations and socialist ideology at a country level. In this respect, business management does not fail to identify key stakeholders such as communities and the public at large, or lack an intention to be inclusive in stakeholder engagement when initiating the reporting process.

This central ideological prioritisation of reporting for fulfilling social responsibility for the common good has rendered the reporting process an “end” rather than “means” to synthesize ethics and economic performance (Jones, 1995). The essential assumption of the instrumental stakeholder perspective (i.e. treating the ultimate objective of corporate decisions as competitive advantage and financial success, and making stakeholder management a “means” towards that “end”) (Jawahar and McLaughline 2001, p. 399), was not observed in this study in China. The findings suggest that it will be premature to analyse and critique social and environmental disclosure in China from the same theoretical standpoints as typically adopted by researchers when examining Western companies and critiquing their observed pragmatic or instrumental approach to the natural environment and sustainable development (Tregidga and Milne et al. 2006; Milne et al. 2009). While much Western literature either identifies a prevailing corporate business case approach to sustainability (Schaltegger and Burritt 2018) or contends that the win-win outcomes only “reinforces a continuing business capacity to damage” the environment (Milne et al. 2009, p. 1231), companies in China such as the case study examined here, seem to be working to a different agenda.

In the China context, what constitutes stakeholder responsibility and accountability is somewhat unique to its national political and social structure. The broader responsibility for national/regional benefits was institutionalised as a ‘taken-for-granted’ rule congruent with long lasting socialist ideological values. Stakeholder dialogue is considered important for upholding these national ideological values and obligations. Chinese managers’ culturally and ideologically embedded perceptions of national socialism and the prioritisation of collective benefits over individual (organisational) interests appear to drive how the salience of stakeholders should be defined to achieve the normative objective of reporting. The legitimacy core of stakeholder theory, promoted in many Western studies (e.g. Phillips 2003; Darnall et al. 2009), is framed into meeting the socialist objective and the “people-first’ philosophy advocated as being in the national interest since China’s foundation. This felt responsibility for ‘the greater good’ as a society is still evident in corporate behaviour and their relationship with other stakeholders. This is particularly the case in SOEs as observed in this study. The long embedded ideology adhering to the grand vision and goals of the nation has clearly been revived in SOEs’ views on their environmental responsibility. This has prompted the case company of this study to take much broader environmental responsibility for the communities, the region and the nation as a whole. Some recent studies such as Li and Soobaroyen (2021) emphasised the need to understand the role of ideological demands in the superstructure of the country when interpreting management perceptions and decisions. That is, the standard Wheel and Spoke model of stakeholders may not be applicable in countries such as China where the role of government and the influence of social-cultural ideologies are significantly larger (Wood et al. 2021).

However, the importance of reporting as the mechanism to ensure stakeholder accountability could be lost in such a context. First, as we understand, the notion of ‘accountability’ connotes the sense of ‘self’ and how the ‘self’ is seen by others (Roberts, 1991). Stakeholder accountability includes a delegation of responsibility that requires formal verification and entails the need for reporting from the ‘self’ to others (Lindkvist and Llewellyn, 2003). As such, reporting/disclosure is regarded as an essential requirement of the individual (organisation) being accountable to others (stakeholders). Because of this, accountability, in many respects, emphases more on instrumentality, procedures and external controls, while less on ethical content (Roberts, 1991). In comparison, the concept of responsibility to a greater extent contains ethical concerns, morality and inner controls (Lindkvist and Llewellyn, 2003). In a society fostering collective value and responsibility for the greater good over individual rights, using reporting to discharge accountability from an individual ‘self’ to others is likely to be ineffective or the quality of reports compromised.

In China, the prioritisation of collectivism and moral mutuality makes the corporate ‘self’ and its own pursuit of an equal, more democratic discourse with ‘other’ stakeholders at any *individual* level very unlikely. Although social and environmental reporting may be seen as an effective communication mechanism to improve corporate accountability to society and empower affected parties, this “talk” (report) (Cho et al. 2012) to legitimise ‘self” to ‘others’ is not perceived as important as ‘walk’ (action) within a collective culture. This is why in the case company examined, reporting was often construed in management perceptions as achieving the alignment with broader social ideological objectives rather than being an accountability tool to demonstrate being an accountable ‘self’ to external ‘others’. Also, those environmental investments and engagement undertaken beyond the boundary of the company’s own environmental responsibility for the benefit of a socialist nation, are not mentioned anywhere in the environmental reports. It seems the decoupling of ‘words’ and ‘deeds’ takes another form in China, resulting in the persistent quality problem of environmental reporting.

Second, as accountability is procedural by nature (Roberts, 1991), the presence of the powerful government in the China context has made the actual reports and reporting processes in the case company being practised as required procedures for compliance with environmental rules and the powerful ‘voice’. Government policies and political obligation become the primary focus of the compliance procedure, resulting in it being perceived as the default surrogate for other stakeholders in actual reports. By complying with reporting policy and regulations, and pursuing government awards and recognition, corporate management sees itself as meeting and winning recognition for its overall accountability as government authorities or state power are perceived to champion the interests of all other stakeholders in these environmental reports. Hence it appears to be difficult for other stakeholders to be empowered to participate in such a reporting process. The sustained unity of SOEs and the government at the national strategic level makes reporting to include material information to satisfy the expectation of 'other' stakeholders even more unlikely.

A more critical outcome is that the report itself increases rather than reduces power asymmetry between powerful stakeholders and latent/dependent stakeholders. That is, instead of reducing the power difference between the dominant stakeholder and other stakeholders, the attempt to render a balanced account via reporting is likely to produce a reinforcement of power asymmetry or imbalance. This may also contribute to explaining the perceived low quality of environmental reporting in China. In particular, the quantum of standards, policies and inspections imposed by the government reporting requirements constrain management's time and energy available for understanding and realising values of stakeholder accountability through transparent reporting. The overriding power in the reporting compliance procedures has arguably constrained the company's self-development, self-criticism, and more innovative and liberalised thinking about stakeholder needs and dynamics from the individual 'self' perspective.

7. CONCLUSION

As Belal and Momin (2009), Momin and Parker (2013) and more recently Qian et al. (2021) elucidate, any analysis of corporate disclosures in developing countries would be incomplete if it fails to capture the socio-political and economic contexts in which the disclosures are made. This study adds a new dimension to the developing country environmental accounting literature and explains how stakeholders and their relationships with companies can impact on corporate environmental reporting in the China context. Using a stakeholder salience perspective, complemented by the imprinting lens, this study conducted an investigation of environmental reporting process in a large leading mining company in China. We find that managers do understand the importance of stakeholder communication and engagement. With respect to the company's management of its normative and instrumental orientations towards environmental reporting, declarations of normative commitment to responsibility to communities, people and the nation are readily apparent, while the importance of economic and instrumental stakeholders is accorded less emphasis. We further find that the company's pursuit of social legitimacy is envisaged through the socialist objectives within the deeply rooted national ideological values and paternalistic culture. Environmental reporting is envisioned as a package of responsibility with moral and ethical contents and actions for societal stakeholders for the common good and value. The case exploration clearly shows an imprinting process of ideological prioritisation through which socialist philosophies and values are entrenched in management perceptions of stakeholder salience and responsibility when they frame the social objective of environmental reporting.

However, the subordination of the individual 'self' to collective benefits for the 'nation' has led to a prioritisation of ideological responsibility over procedural accountability in practising environmental reporting. The utmost importance of achieving collective value and mutuality in framing and practising stakeholder engagement and reporting may have limited the role of reporting as an accountability mechanism to render an accountable individual 'self' to external 'others'. While offering new understandings of this leading developing country's approach to environmental responsibility and reporting, this study may open up new avenues for critical assessment of the related accountability processes and their outcomes.

In parallel, due to the dominant role of State power in the political context, the overwhelming orientation of environmental reports has to lie in procedural compliance to government rules. Government and regulatory bodies are the dominant stakeholder groups to whom corporate environmental reporting appears to be directed. Reporting regulations become the vehicle for government asserting its dominance as the most salient stakeholder, thereby reinforcing its power and control in procedural compliance and political adherence. This further limits the organisation's ability to use environmental reports as an accountability tool to engage a broader set of stakeholders and provide a full environmental 'account' from its individual 'self' perspective. This may ultimately risk diluting any claimed moral socialist commitment or ideological principle of responsibility towards a wider suite of stakeholders.

Given this particular developing country context, our findings suggest that the extent to which stakeholder salience is understood and to which it is responded when preparing environmental reporting are conditioned by the structure and operation of a country's political and social system. The national collective interests over individual rights and voices, the dominance of one stakeholder, and the dependence and connection between the State power and all other stakeholders in a collective society have all played an important role in shaping management perceptions and assessment of salience attributes to environmental reporting and the ultimate quality of environmental reports.

This study makes several contributions to the literature, theory and practice. First, developing countries often have different cultural, institutional structures and governance contexts to those in developed countries. Penetrating such situational contexts may reveal significantly different environmental reporting scenarios than hitherto assumed by predominantly Western based research investigations. Environmental accounting studies in developing countries tend to generalise Western theories, such as stakeholder theory, using large scale empirical data, to developing country contexts (Tilt 2016; Qian et al. 2021). This research provides new understandings of management perception and responses to stakeholder demands for environmental reporting germane to developing country contexts. Through the field investigation, this study reveals the significant differences in business perceiving and framing stakeholder relationships in China to meet its unique societal and political needs, and these differences explain the persistent quality issue in environmental reporting. We therefore suggest that overlooking the particular economic, political and societal contexts of a developing country may lead to incorrect interpretation of its environmental reporting practice and quality.

Second, this study is a timely response to Wood et al.'s (2021) call to attend cultural and structural differences between the East and the West in the application of stakeholder salience theory. We use the insights of Joos (2019) and Ho and Lau (2016) on the influence of contexts on management perceptions and the imprinting lens (Marquis and Qiao 2020; Liu and Luo 2022) to confirm that socially and politically embedded philosophies and ideologies ingrained in a particular country context can create another layer of criteria when business managers determine the salience of stakeholders based on their attributes of power, legitimacy and urgency. Sometimes, this layer of criteria may override the salience attributes in management perception and pre-determine the (perceived) salience of a stakeholder under the particular social and political structure. While such environmental reporting relationships and influences identified in this study are particularly observable in the China context, they are also arguably present in other countries with traditional culture philosophies, and in developing countries with histories of less apparent but nonetheless potent political and government control over public and private sector organisations. Recognising these stakeholder salience relationships can allow us to see beneath the surface of publicly available environmental reporting in different national settings, to understand the motivations and agendas of both governments and reporting entities under their influence.

In addition to the above theoretical interpretation and contribution, this study also identifies some possible pathways for advancing environmental reporting and accountability in China. For example, our case study revealed that the current report rules still pay little attention to the need for companies to detail stakeholder engagement or dialogue. The focus of the MEP guidelines is predominantly on reporting metrics and technical solutions. While having a socialist ideological pursuit in mind, and compliance with government sanctioned reporting guidelines and winning government agency awards and recognition, may advance the quantum of environmental reporting, it nonetheless risks excluding key stakeholder groups and ignoring their concerns and voices. Reporting quality, usefulness and impact merits attention to the full range of salient stakeholders, empowering them, listening and responding to their voices and concerns. Given the political and social structure in China, this can arguably only be realised through the inclusion of such requirements in government regulatory guidelines and the associated rules, policies and measures.

Also, while it must be acknowledged that in particular national political and institutional contexts, corporations may feel compelled to comply with government and ruling political party requirements, in an increasingly global environment within which those corporations operate, they may need to find innovative ways of acting on their normative commitments and accountabilities to the wider range of stakeholder groups beyond government and its powerful agencies. In a developing country context in which government directly influences corporate activity and reporting, this requires actions from both sides. The central authority may need to moderate its political and economic intervention and provide more space for companies to think critically and pioneer their own ways of engaging with stakeholders and discharging relevant accountability to them. To be able to compete internationally, corporate management in developing countries such as China need to find solutions beyond solely meeting political and ideological expectations, building a more democratic environmental reporting process and relationship with a broader range of national and global stakeholders.

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Appendix

Interview Questions

Introduction questions:

1. What is your current job position?
2. How long have you been working at this position?
3. How are you involved with environmental/sustainability management in your company?
4. How to describe your job responsibility that relates to environmental/sustainability disclosure in your company?

Main questions:

5. What is your company's strategic position for environmental management?
6. Has this changed over time?
7. What do you see as the purpose of environmental disclosure in your company?
8. To what extent, in your opinion, does this align with the company's strategic goal of environmental management?
9. For whom do you consider your company's environmental reports are prepared?
10. To what extent do you engage with them when preparing the reports? Why (or why not)?
11. Do you see the engagement with them related to fulfilling the purpose of environmental disclosure? Why (or why not)?