



The Impact of Media Pressure on Corporate Sustainability in the Cement Industry: A Portuguese Case Study

Teresa P. Eugénio¹, Isabel C. Lourenço², Ana I. Morais³, Manuel Castelo Branco^{4,*}

¹ *School of Technology and Management, Polytechnic Institute of Leiria, Leiria, Portugal.*

² *UNIDE, Lisbon University Institute (ISCTE-IUL), Portugal.*

³ *ISEG - School of Economics and Management, Lisbon, Portugal.*

⁴ *Faculty of Economics, University of Porto, Porto, Portugal.*

In this study we examine the sustainability reporting practices and sustainability strategies of a leading Portuguese cement company. The Portuguese cement industry had to deal since 1997 with scrutiny and pressure because of its involvement in co-incineration of hazardous industrial waste. Grounded on a lens of analysis combining legitimacy theory and media agenda-setting theory and based on a content analysis of sustainability reports and semi-structured interviews, we analyse the strategies used by the company to deal with said scrutiny and pressure and present its sustainability performance. Media pressure does seem to have impacted sustainability reporting and sustainability strategies as tools for the company to restore its legitimacy. Findings generally suggest that strategies of communication designed to legitimate the company actions were used. In particular, we suggest that the company managed its legitimacy by using simultaneously two sustainability reporting strategies: one of image enhancement and other of avoidance of threatening topics.

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1. Introduction

Recent years have witnessed an increase in the use of expressions like “sustainability”, “sustainable development” and “corporate sustainability”, as they have become important issues on political and organisational agendas. The publication of the Brundtland Report in 1987 and the subsequent Rio and Johannesburg summits sponsored by the United Nations have undoubtedly helped to bring about a shared awareness of the need to “reflect deeply on the ways society can contribute to social welfare without threatening survival of the earth” (Moneva et al., 2006, p. 123).

Although sustainable development is among the publicly stated ideals of many individuals, businesses, NGOs and governments, there has been (and still is) significant confusion and contestation over its meaning and implementation (Russell and Thomson, 2009; Moneva et al., 2006). Some authors use the terms “sustainable development” and “sustainability” interchangeably (Moneva et al., 2006), while others note that sustainability could be considered a state, and SD a process by which human activity moves towards sustainability (Bebbington and Gray, 2001). In this study the terms are used interchangeably.

* Corresponding address: Faculty of Economics, University of Porto, Porto, Portugal.

E-mail address: mcb branco@fep.up.pt (Manuel Castelo Branco)

Cement companies constantly deal with social scrutiny and pressure since they operate in an environmentally sensitive industry (Benhelal et al., 2013). Hence, sustainability is a major issue to them. In Portugal, in addition to these “normal” scrutiny and pressure, cement companies had to deal since 1997 with scrutiny and pressure because of their involvement in co-incineration of hazardous industrial waste (Gonçalves and Delicado, 2009; Jerónimo and Garcia, 2011; Kikuchi and Gerardo, 2009).

Based on a frame of analysis combining legitimacy theory and media agenda-setting theory, this study aims to identify the strategies used by one of the largest Portuguese cement companies to present its sustainability performance and the actions taken by the company in response to social scrutiny and pressure derived from what has just been described. To achieve these aims, a case study was conducted. The company Alfa was selected for the study because in addition to its involvement in co-incineration it has a plant located within the boundaries of an important Portuguese natural park which has been selected has one of the sites for co-incineration. Hence, social scrutiny and pressure are likely to have been more acute in Alfa’s case.

The remainder of the paper is organized as follows: The next section provides a brief background on the co-incineration controversy that occurred in Portugal. Section 3 presents the theoretical lens of analysis adopted. Section 4 describes the research method and types of analysis used. Results are presented in Section 5. Finally, a discussion of the results and some concluding remarks are offered in Section 6.

2. Background on the Co-incineration Controversy

The decision to incinerate hazardous industrial waste in cement plants in Portugal originated the longest and most acrimonious environmental conflict ever to take place in Portugal (Jerónimo and Garcia, 2011). The bitterest period of this conflict took place between 1997, just after the decision of the Portuguese government to implement co-incineration in cement kilns, and 2002, when a new government suspended all plans for co-incineration (ibid.). In view of the threats to public health, life quality and natural ecosystems commonly perceived as consequence of hazardous waste facilities, public resistance at a site proposed for hazardous waste

facilities is the likely consequence (Kikuchi and Gerardo, 2009).

The ministry for the environment and the Portuguese cement companies signed a memorandum to treat hazardous waste by co-incineration in their cement kilns in 1997. The plants chosen as preferable sites were announced in 1998, including one of Alfa plants, leading to strong protests and the establishment of the Committee Against Co-incineration (Jerónimo and Garcia, 2011). An independent committee of experts was set up in 1999, which, in 2000, produced a report concluding in favour of co-incineration and suggesting new locations, including a plant of Alfa different from the previous one and located in a Portuguese natural park. Strong opposition to this decision from environmental groups and the public in general ensued, with the populations of proposed sites being amongst the most active opponents.

In 2002, the new elected government suspends all plans for co-incineration. However, in 2005 another government came to power. The new prime minister had been associated to the attempt at implementing co-incineration in Portugal, as vice-minister for the environment between 1995 and 1997 and minister of the same area from 1999 to 2002. He reaffirmed the intention of turning co-incineration of hazardous industrial wastes into a reality. The process of implementation of co-incineration was re-initiated. The co-incineration of hazardous industrial waste was finally put into practice in 2007, in spite of several judicial actions initiated mainly by the municipalities in which the co-incineration would occur (Gonçalves and Delicado, 2009).

3. Theoretical Framework

There is a wealth of empirical literature successfully using a legitimacy theory lens to examine how corporate sustainability reporting practices (Branco et al., 2008; Brown and Deegan, 1998; Cho, 2009; Coetzee and Van Staden, 2011; Deegan and Rankin, 1996; Deegan et al., 2002; Elijido-Ten, 2011; Eugénio et al., 2013; Islam and Deegan, 2010; Islam and Islam, 2011; Islam and Matthews, 2009; Mahadeo et al., 2011; Pellegrino, 2012). The majority of these studies analyse how companies respond to highly publicised negative events and/or negative media attention, and some of them combine legitimacy theory with media-agenda setting theory.

Legitimacy theory is based on the idea that to ensure successful continued operations, corporations must act within the bounds of what society identifies as socially acceptable behaviour. Legitimacy is conceived as a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995, p. 574).

Issues such as industrial conflict, social and environmental incidents and fraudulent or unethical management behaviour may threaten corporate legitimacy (Deegan, 2002). The penalties for lack of legitimacy may be of an economic, legal or social nature (Dowling and Pfeffer, 1975, p. 122). Lack of legitimacy can threaten the bottom line via, for example, reduced demand for its products, limits to the supply of resources being used, such as financial capital and labour, and legal restrictions on its operations (Deegan, 2002). Because of perceived negative consequences, which in an extreme situation could be a threat to its survival, a corporation may wish to evaluate its legitimacy status and communicate that status to the relevant publics, or they may engage in legitimation efforts (Lindblom, 1994).

It is acknowledged that legitimacy is conferred on the corporation by outsiders, but it may be controlled by the corporation itself. When legitimacy is threatened, a corporation will often embark on a process of legitimation targeting primarily those groups perceived to be its “conferring publics”, i.e., those who have the necessary stakeholder attributes to confer or withdraw legitimacy (O’Donovan, 2002, p. 347).

Two dimensions of companies’ actions to control their legitimacy may be identified: action and presentation (Buhr, 1998). Whereas the former refers to congruence of corporate activities with social values. The latter pertains to the appearance of congruence of said activities with social values. From this point of view, even when corporate activities are in accordance with social values, legitimacy may be threatened because of failures in communicating such congruence. Hence, communication is a crucial element of the legitimation process (Mahadeo et al., 2011).

Based on Dowling and Pfeffer (1975), Lindblom (1993) and O’Donovan (2002), Cho (2009) refers to three broad corporate communication strategies to control legitimacy. The first is image enhancement, which refers to attempts to appear legitimate by

disclosing self-praising information about commitments and accomplishments regarding sustainability matters. The second is avoidance/deflection, and has to do with companies’ attempts to appear legitimate by redirecting or deflecting attention from specific sustainability concern issues to other related (or non-related) matters. Abstain from communication, avoid threatening topics and silencing opposing voices are examples of avoidance/deflection strategies. Finally, the third strategy is disclaimer, and it involves attempts to appear legitimate by denying responsibilities.

Whist legitimacy theory highlights managers’ reactions to social expectations, the media agenda setting theory gives centre stage to how the media influences and shapes social expectations (Islam and Deegan, 2010; Islam and Islam, 2011; Islam and Matthews, 2009). Many of the studies with a legitimacy theory based frame of analysis referred above conjugate said theory with media agenda setting theory (Brown and Deegan, 1998; Deegan et al., 2000; Eljido-Ten, 2011; Islam and Deegan, 2010; Islam and Islam, 2011; Islam and Matthews, 2009). These studies use news media coverage as a measure of societal pressure and community concern, and their findings suggest that as the media contributes to raise the community’s social and environmental concern, corporations respond by changing sustainability reporting strategies.

4. Research Design

In this study, the case study methodology was employed (Yin, 2003). The company Alfa was selected for our case study. It is one of Portugal’s leading cement producers and heads a corporate group with operations in several countries besides Portugal.

Data was obtained from different sources. General background information about the company was collected from corporate publications that include the annual report, the web site, newsletters, sustainability reports, press releases, CD-ROMs and videos. Media articles about Alfa were then collected and semi-structured interviews were conducted. Such triangulation ensures the validity and reliability of qualitative research (Yin, 2003) and allows us to gain a better understanding of Alfa’s background and the sustainability strategies considered important in the company context. The

next sections provide a detailed description of the methodological approaches that were used.

We analysed the articles about Alfa published in a Portuguese newspaper. This allowed us to get a sense of how the organization was perceived externally and to identify Alfa's "hot topics". The articles were taken from the *Expresso* newspaper (one of the most reputable Portuguese newspapers and one that has enjoyed wide circulation in the last few decades). The newspaper includes articles on economic, social and political issues. It also adequately reflects the media attention given to the issues being examined in this study and the public's concern with these same issues.

The search period was between 1998 and 2008. A search was carried out using the name of the company "Alfa" as a keyword. Subsequently, the search results were carefully examined to exclude articles that did not specifically relate to Alfa and to environmental issues. Repeated articles were excluded. A final sample of 26 articles was identified.

Annual reports and sustainability reports published by Alfa in the period 1998-2008 were analysed in order to identify how Alfa dealt with the co-incineration and the plant in the natural park controversies, to identify what kind of communication strategies Alfa used. To ensure validity and reliability, the reports were analysed by two of the authors. No discrepancies were detected.

Interviews are one of the most important sources of case study information (Yin, 2003). The archival documents are supplemented by eight semi-structured interviews with sustainability Alfa staff involved in accounting and reporting processes. All interviews were tape recorded and transcribed verbatim. The length of the interviews ranged from 27 min to 43 min, with an average length of 35 min. Interviews were conducted during 2009.

For data analysis, we followed Miles and Huberman's (1994) model of data reduction, data display and conclusion drawing. Miles and Huberman (1994, p. 10) explain that data reduction refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcription. Data display refers to the organized, compressed assembly of information that permits conclusion drawing and action. The third element of analysis is conclusion drawing and verification that the conclusions proceed directly from the analysis of the data.

As is the case with many case studies (Cho, 2009), being based on a single case company that faced a very specific legitimacy threatening event, the extent to which the results obtained in this study are generalizable cannot be determined.

5. Results

In a first step, assessment of public pressure is made by analysing media articles referring to environmental topics involving Alfa, to identify the extent of public concern and the topics broached by the media. O'Donovan (2002) says that legitimacy gaps exist when there is incongruence between a corporation's actions and the society's perceptions of what these actions should be. Alfa's legitimacy gaps are identified. In a second and a third steps, sustainability reports and semi-structured interviews were analysed in order to determine the strategies used by Alfa to present its sustainability performance and its activities in response to media pressure.

5.1. Public concerns and media pressure

Media articles from the newspaper *Expresso* were examined. The number of articles on Alfa pertaining to environmental issues for 11-year period 1998-2008 are displayed in Table 1.

Table 1: Articles about Alfa related to the environment published by *Expresso*

	98	99	00	01	02	03	04	05	06	07	08	Total
Co-incineration	5	7	4					1	1	2	1	21
Plant location at a natural park				1								1
Environmental investments							1	1				2
CO2										1		1
Environmental management systems		1										1
Total	5	8	4	1	0	0	1	2	1	3	1	26

Results show that the subject that attracted most media attention was co-incineration (which accounted for 81 percent of the total articles). Other environment-related subjects included the plant located within the boundaries of a Portuguese natural park, environmental investments, CO₂ emissions and environmental management systems. The location of a plant in a natural park is an issue that negatively affects Alfa when it comes to public concern. We found only one article about this subject published in the *Expresso* between 1998 and 2008, but from the interviews we conducted and the other sources consulted, we determined that media pressure represented another legitimacy gap that Alfa had to deal with. Alfa is still dealing with this problem, as the local population is unhappy with the plant location.

5.2. Alfa's sustainability reporting

Regarding information disclosed through annual reports, Alfa presents a section on "Waste recovery and recycling" at least since 1998, which has been used to provide telegraphic information regarding the co-incineration process. Information on the suspension of the process in 1998 and on its final suspension in 2002 has been provided.

Alfa has changed from a neutral stance towards the co-incineration controversy when informing about the former event to an "activist" stance when commenting the latter. When commenting the final suspension of the co-incineration process in the 2002 Annual Report, Alfa considered co-incineration as reliable process that is compatible with a healthy environment. The 2002 governmental decision was depicted as "another instance of blatant inequality of treatment, creating a competitive disadvantage for the industry, without any gains for the Portuguese community: political exploitation of the country's cultural backwardness in relation to its European partners means that a very serious ecological problem will go unsolved, whilst penalizing Portuguese industry and its workforce."

Regarding subsequent reports, only in the 2007 annual report the co-incineration process is mentioned again, and only to inform about the prediction that co-incineration of hazardous waste would begin in 2008. In the 2008 annual report there is only one mention, pertaining to seminar covering the theme "Study of Environmental Impact – Co-incineration of Hazardous Waste".

In what concerns the sustainability reports of Alfa, the one pertaining to 2007 is the one in which

more information on the co-incineration of hazardous waste in the plant located at the natural park is offered. Sustainability reports from other years include almost none information regarding this issue.

Alfa produced its first "environmental and social report" in 2000 and has since continued to produce a report on sustainability issues every year. The first of these reports adopting the name "sustainability report" is the 2005 report, also the first in which Alfa used the GRI guidelines. The 2007 report is the first making reference to the level of compliance with the requirement of the GRI (level C). The 2008 report, which marks the initiation of integrated reporting at Alfa, makes no such reference. The 2009 report refers a level of compliance B. Although the GRI identifies the benefits of having an external audit of the sustainability report done, so far Alfa has chosen not to have it audited.

The first report devoted to sustainability issues adopting the name "sustainability report" is the 2005 report, which is also the first of these type of reports providing information on co-incineration. The only mention made to this issue is a reference made to the visit of anonymous citizens and journalists to the plant located in the natural park to verify, in loco, the process of testing co-incineration of ordinary industrial waste.

In the 2007 sustainability report the beginning of the co-incineration of ordinary industrial waste and biomass at one of the other plants of Alfa is mentioned. More importantly, two pages are devoted to an Environment Impact Study of the process of co-incineration of hazardous industrial wastes that Alfa has decided to voluntarily draw up. Alfa claims that this has been done "because it believes that the legitimate concerns of citizens have always come before the legal requirements and that they still do. It believes that transparency is an attribute of citizenship, and it trusts in the virtues of science and technology for the making of decisions."

Regarding co-incineration of hazardous industrial wastes, it is presented as "a process that has been widely used in industrialised countries, especially in Europe, for more than 20 years, not only being legal under Community law, but also a practice that is recommended by the Stockholm Convention for the disposal of" said wastes.

Alfa then presents the positive conclusions of the environmental impact study: the minor risk of accidents involving the transport of the wastes; the

inexistence of increase in the air emissions, which are far below the legal limit; and inexistence of impact of the emissions on humans or plants and animals of the natural park in which the plant is implemented.

An additional page is devoted to the risk assessment associated with the operation of the installation for the reuse of hazardous industrial wastes at the plant located in the natural park.

Finally, as much as five pages are devoted to a social impact assessment that was carried out as part of the environmental impact study. It included a survey by questionnaire to a broad range of stakeholders, which allowed Alfa to conclude that "overall it appears that there are more supporters of the presence" of the plant located in the natural park than opponents.

The 2008 and 2009 sustainability reports are integrated in the annual reports. The mention to co-incineration is the same in both reports, and pertains to a seminar covering the theme "Study of Environmental Impact – Co-incineration of Hazardous Waste" involving a number of employees.

5.3. Interviewees' responses to questions about sustainability strategies

Interviews provided the means of acquiring relevant information for this study. We were particularly interested in finding out about aspects of the reporting process and the attitudes and views of key players in that process, as well as about how the key players in sustainability perceived the organization's legitimacy with respect to the main issues – the co-incineration process and the plant location – were also collected in the second part of the interview. In this section we present summarized ideas. Interviewees are identified by a code number from P1 to P8.

The sustainability reporting process (attitudes and views of key players):

(1). All the interviewees said that the board of directors was the decision maker. Curiously, they also said that the administration had always cared about sustainability issues and pointed out different situations that reflected the administration's concern dating back to the 1960s (the company has been around since 1918). They also agree that Alfa decided to publish a sustainability report in order to communicate with stakeholders and explain exactly what they have been doing in this field. The objective

is to inform the relevant publics about the company's sustainability actions. P6 reports that:

Alfa has already done many things, but they simply never reported them.

Others also mentioned public pressure as a reason for Alfa to begin reporting their sustainability actions. Some plainly stated that public concerns regarding corporate impacts, especially with respect to co-incineration "forced" the company to disclose more.

P5 adds:

It is a question of transparency and of obtaining the people's confidence as we are installed in the natural park. It is important to show that we are doing everything we can to minimize our environmental impact; show our concern with the communities, with employees (...)

The view of P2 was:

This is a policy question, we need to give performance information to the stakeholders (...). Alfa does everything it is required to do in order to comply with all the guidelines, so there is no reason not to publish sustainability information (...). These reports only serve to publish what has actually happened. There was already compliance with the standards and the initiatives have already been implemented.

(2) Alfa uses experts in the different subject areas to collect, produce and write their sustainability report. For example, all the interviewees (P1 to P8) were involved in writing sustainability reports. The sustainability department director (P6) decides what content should be included and then a final draft is reviewed by the board of directors who give the final opinion.

P6, who participates in many meetings of the board of directors, declares that a lot of sustainability information is integrated into the decision-making process and explains how it is done. He often travels to other countries (mainly European countries) to participate in sustainability meetings in order to find new business opportunities for the Group and, more particularly, to find out about sustainability issues that may arise with the foreseeable approval of new legislation or new regulations in the cement manufacturing sector. He collects all this information to present at the board of directors meeting. This information is very welcome and the board uses it to inform their

decision-making. P6 emphasises the board of directors' intention of ensuring ongoing sustainable development actions and the adoption of a solid environmental and safety policy. Almost all the interviewees agree with this point of view, although some do not have as clear an idea of how the decisions are made.

(3) Despite the perceived interest in using an international model of sustainability guidelines, the interviewees were clearly all very reticent to claim performance improvements connected with the adoption of GRI guidelines in the production of the sustainability reports. But, they all mention the benefits of having the structure of an international standard of reporting and a sense of direction regarding the different sustainability issues. P5 provides some insight into the reasons for this:

The adoption of the GRI guidelines is just a question of orientation. We already have all the information required, we already comply with everything that is suggested there. They (GRI) don't make us change anything (...)

However, P5 goes on to say that:

They (GRI guidelines) alerted us to the need for dialogue with the stakeholders. We realize we need to improve this, to find out exactly what they think. (...) We have some ideas for improving this dialogue, such as holding meetings with civil society, inviting NGOs like Quercus (...)

(4) All of the interviewees stated that the sustainability report should include social, environmental and economic information. Almost all mention that the emphasis given to each topic should be the same. But P5 argues that it is natural for the amount of information disclosed to vary because it depends on the type of business. For example, in her opinion, in Alfa's case, it is natural to have more environmental information than social or economic information because Alfa operates in an environmentally sensitive industrial sector.

No interviewee finds any disadvantages in this kind of disclosure, but P5 argues:

I see no disadvantage except for the time it consumes. I actually spend a lot of time on preparing this document because I have to examine the information several times, very carefully, to make sure that everything is right.

They identify some benefits, such as the opportunity to inform stakeholders of all the social

and environmental initiatives the company is involved in, which contributes to a better understanding of Alfa's corporate activities and can reduce criticism and clarify the public's perception of Alfa's activity and its production processes. Other benefits were identified, including better internal systems to organise information and better decision-making that takes sustainability issues into account and minimises risks (of unforeseen issues taking the company by surprise, for example).

(5) P2 is the best informed about who receives the sustainability reports, as P2 is the director of the institutional communication department and the communication department was in charge of sending it to outside entities. P2 gives us a complete picture of all the entities that receive the sustainability report:

The sustainability report is available on the web page and we give it to some visitors to our factories. We send an e-mail to all public sector entities involved in decision-making in this area, to companies that are members of BCSD (Business Council for Sustainable Development Portugal) and of COTEC (Business Association for Innovation), to our university partners, to the monitoring committee members of our factories, to the partner associations, to our most important suppliers and customers, to our business partners such as banks and insurance companies and to all our staff.

Students (P5) and local community (P3) were also identified as relevant publics.

P3 mentions that:

It is available for anyone who wants to read it. But it is a document that the average person is not really interested in. If "ordinary mortals" were interested in it, it would be a short and simple document with more specific subjects. For this audience, we have a magazine which is distributed with the regional newspaper ..., and an edition has also been distributed with the Expresso newspaper.

Alfa makes its sustainability report available to employees (many of them said they receive it by intranet). As P2 explains, publication of the sustainability reports is announced through various media, including the intranet, and copies are available to be picked up. P3 said that a variety of other media are used to communicate environmental and social information, including the company's Internet webpage; newsletters covering specific issues; press releases; conferences, such as

one in 2008 where Alfa gave a talk about the company's biodiversity project; CD-ROMs and videos to explain special projects or initiatives; and others. P8 adds public meetings with local communities, in particular with local schools.

The organization's legitimacy with respect to the main issues: co-incineration and the plant locate in a natural park (how the key players perceived it):

The interviewees in general had more difficulty answering some of these questions, and many of them gave short answers.

(1) Except for one, all the interviewees claimed to recognize the co-incineration process as a threat to Alfa's legitimacy. The question of the location of one of the plants inside a natural park was mentioned by only a few of them.

P4 replied clearly questions regarding these issues:

The case of co-incineration was the most distressing question we had.

We have a gift of nature and love working here (in the hills). It is clear that progress is made at the expense of something ... But the company has done a remarkable job of reforestation and creating nurseries of plants to be re-introduced in the mountains. This is remarkable work that has been little appreciated by the population. But the company has already won awards for its landscape recovery work.

An interesting response from the company was to hold an employee's meeting to explain exactly what had happened and make them understand that co-incineration is not an illegal process and reassure them that Alfa would not close its doors.

P6 also said that in the beginning the shareholders were not particularly concerned: "we are not doing anything wrong, so we do not need to do anything". But then they realised that public pressure was very important and that they had to act. They realised that the controversy had become bigger than they thought. They had to react. They were forced to do it in response to public pressure. Internally, as already mentioned, they held a staff meeting where the board of directors explained exactly what was happening and reassured the employees: - "Alfa will not close the doors. We are here to do everything that is necessary".

(2) Interviewees admit that co-incineration is a situation where Alfa was acting within the law but

the relevant public did not accept it. All the interviewees had that perception. "We realize that Alfa employees are quite well informed about the process and heartily defend Alfa the company. This is undoubtedly one of Alfa's strengths".

6. Discussion and Concluding Comments

The analysis of newspaper articles relating to Alfa gave us a sense of how the organisation was perceived externally and allows us to identify the issues that were the object of media pressure: co-incineration and one of its plants location in a natural park. From the results and from other information we collected, we concluded that co-incineration was the situation that caused media attention and a legitimacy gap for Alfa.

In this case, Alfa found itself in the spotlight and saw its legitimacy threatened, not because it was doing something detrimental to the environment but because the potential for detrimental environmental impacts resulting from its activities became the focus of the public and media attention (Branco et al., 2008). The more problematic years of the co-incineration controversy (1998-2002) coincide to a great extent with the results in Table 1, which shows the distribution of the dates when articles were published in the *Expresso*. We can observe that it was between 1998 and 2000 that Alfa was more present in the news related to the co-incineration controversy. The other important period is from 2005 to 2008. This a period beginning when the government elected in 2005 accounted for the intention of re-initiating the co-incineration process to when co-incineration was initiated at the plants chosen.

In its sustainability reporting, Alfa has not directly engaged with the co-incineration process until some kind of real decision on the process occurred. Only when the process was suspended Alfa has decided to refer explicitly to the process for the first time in the 2002 annual report and only when co-incineration has been actually implemented in 2007 has Alfa decided to offer a substantial amount of information on the environmental and social impact studies it has voluntarily decided to prepare. It is also noteworthy that Alfa's first social and environmental report dates from 2000, and its sustainability reporting has evolved over the years from social and environmental reporting to true sustainability reporting in 2005 (even using the GRI guidelines), to

reference to the level of compliance with the requirements of the GRI in 2007, and to initiation of integrated reporting in 2008.

As mentioned in the interviews, the board of directors intends to ensure ongoing sustainable development actions and the adoption of a solid environmental and safety policy. All interviewees mention the benefits of having an international standard to structure the reporting process and provide guidance on the different sustainability issues. They identify some benefits of preparing the reports, such as the opportunity to inform the public about all the initiatives the company undertakes in the social responsibility and environmental arena, which contributes to a better understanding of the company's activities and can reduce criticism and clarify the public's perception of the company's activity and production processes. Other benefits identified included a better internal system of organising information and better decision-making that takes sustainability issues into account and minimises the risk of unforeseen issues taking the company by surprise.

Alfa makes its sustainability report available to its various stakeholders. A variety of media are also used to transmit environmental and social responsibility information. These include the company's Internet webpage, brochures, press conferences, CD-ROMs and videos to explain special projects and initiatives, and others.

Other sustainability strategies employed by the company in response to media pressure included a positive set of actions like holding meetings with employees to explain exactly what the co-incineration process is and to give confidence to the staff. Because of this we found that, in general, employees are well informed about the process and strongly defend Alfa. This is undoubtedly one of Alfa's strengths. At the same time, Alfa created a monitoring committee with a group of relevant stakeholders to advise the company about environmental initiatives. This contributes to meeting the expectations of the public. As for the plant located in a natural park, Alfa is reforesting and creating nurseries of plants to be re-introduced in the mountains.

We conclude that media pressure has had an impact on sustainability reporting and sustainability strategies as tools for the company to restore its legitimacy. It is acknowledged that legitimacy is conferred on the corporation by outsiders, but may be controlled or influenced by the corporation itself.

It is posited that when legitimacy is threatened, a corporation will embark on a process of legitimation targeted primarily at those groups perceived to be its "conferring publics", those who have the necessary stakeholder attributes to confer or withdraw legitimacy (O'Donovan, 2002, p. 347). Alfa follows this strategy.

We interpret Alfa's sustainability reporting strategy as one of simultaneous utilization of the image enhancement and the avoidance/deflection strategies presented in section 2. As suggested by Cho (2009, p. 39), the two strategies can be used concomitantly, "creating an overlap between both tactics". During periods of indecision, Alfa has decided to avoid the issue of co-incineration whilst showing its commitment to the environment and more widely to sustainability by initiating autonomous reporting on these issues and developing such reporting.

This study contributes to existing literature regarding the application of legitimacy theory and media agenda-setting theory by examining the responses of a company that found itself in the spotlight because the potential for detrimental environmental impacts resulting from its activities became the focus of media attention. Previous studies considering these theories focus only on confirmed negative impacts. Our findings suggest that companies need to manage their legitimacy by means of their sustainability reporting in situations in which they have not been responsible for nothing of confirmed detrimental to the society. This has implications for how sustainability reporting managers view the role of corporate sustainability information in the dialogue between corporations and society. If events not directly related to a company actual impacts affect how they are viewed by the public, this should be acknowledge and communication strategies should be designed according to it.

Regarding future research, we consider that it would also be interesting to expand the pool of interview subjects to get a picture not only from inside the company but also from outside the company. Interviews could be done out in the community and with other stakeholders.

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