

Research paper

The sustainability report by an entity from the electric sector

*Submitted in 31, August 2016**Accepted in 04, April 2017**Evaluated by a double blind review system*

ADRIANA SILVA¹
CRISTINA GONÇALVES GÓIS²

Structured Abstract

Purpose: The main objective of this study is to investigate whether a company, classified as the world leader in the sector, when drawing up its sustainability report all information is disclosed in a transparent way according to its status in the international rankings.

Design/methodology/approach: To assess if exist a lack of transparency in the in voluntary information disclosed in the sustainability reports the research design intends to evaluate the correlation between the number of negative media attention that are published in newspapers and the number of words in the disclosure that are reported by the company in the sustainability report.

Research limitations: The most important limitation of the paper is the short period of the reasearch due the company just started to publish the sustainability report in 2008. The negative news search based on only a single newspaper, can become another limitation to the study.

Findings: The obtained results allow us to conclude that, in spite of EDP's worldwide reputation, is verify a lack of transparency. Our findings show that the negative news about the company, in most situations, are not reflect in the sustainability reports.

Originality/Value: The main contribution of this study is to add empirical support that even companies with the best position of commitment to the GRI guidelines reveal a greater disconnection concerning the real activities and as result cannot be classifies as transparent in their sustainability reports.

Keywords: Sustainability report; Divuligation level; Transparency; Negative news.

1. Introduction

The EDP – Energias de Portugal (EDP) is the most important portuguese energy operator that develops activity not only in electricity production, commercialization and distribution but also in gas commercialization and distribution. It is a group that works in Iberian Peninsula, France, Belgium, Poland, Rumania, United Kingdom, United States of America and Brazil, one of the most important portuguese companies and above all it is considered as a model in the national and international sustainability divulgation. At the present it is considered as having the best sustainability reports

¹ Faculty of Economics University of Coimbra – FEUC, Portugal. E-mail: adrianaafsilva@gmail.com.

² Instituto Politécnico de Coimbra – Instituto Superior de Contabilidade e Administração de Coimbra, Portugal. E-mail: cgois@iscac.pt.

integrating of the Dow Jones Sustainability Index - DJSI, since 2008. One year later, in 2009, it got a world position among the thirteen best ones and was considered as one of the European best seven. In 2010, 2011 and 2013 it was the world leader in sustainability reports of the Utilities sector. Having in this last year obtained the best score. According to a study published by *Diário Económico* it was possible to conclude that among the largest thirty energy sector in Portugal, five belong to the energy sector, all of them integrating the EDP group (Carvalho, 2013).

In line with the study by Islam and Deegan (2010), in the current investigation we propose to evaluate the correlation between the number of negative news published in the newspapers and the number of words reported by the company in the Annual Report for each year and for different themes. Being the EDP in 2010, 2011 and 2013 the world leader in the sustainability reports of the Utilities sector, we intend to investigate if the company disclosure is in fact transparent making known the negative situations published in the media.

The current study analyses the time span between 2008 and 2012, having been studied each one of these five years. Firstly we made a content analysis. We selected eight subjects –Business, Ethics, Investigation, development and Innovation (I&D and Innovation), Environment, Costumer and Product, Suppliers and Community. The information about each theme was collected through the number of negative news published by the newspapers and the number of words contained in the entity Annual Report. Subsequently, after defining the variables to be analysed in our investigation, we started the statistical analysis. We developed a correlation analysis between the number of words contained in the entity Annual Report and the number of negative news published in the newspapers about those themes.

2. Literature review

Lately, the attention from the corporate world over the corporate social responsibility (CSR) as been increasing, making it an integral part of the business. The academic people destined a considerable attention in this area (Šontaitė-Petkevičienė, 2015). CSR has enough influence the change these perceptions, therefore contributing into maximising the earning potential of corporate reputation (Unerman, 2008).

The sustainability reports are nowadays a way of communication and management. They are an instrument used by the entity to relate how the company activity was developed and which were its sustainability performances. However, these reports have been used by the companies as impression management instruments. Impression management can be understood as a study of how people attempt to manage or control the other's perceptions of them (Paliszkiewicz & Madra-sawicka, 2016; Kacmar & Tucker, 2016; Bozeman & Kacmar, 1997; Drory & Zaidman 2007). In fact, these documents are often elaborated with the intention to manipulate the way how the others see the entity, we mean, with the objective to create a "positive image" of the entity (Bogo, 2014). The CSR image's importance to an organization influences that image's salience and its perceived incongruence, and influence the extent to which the organization is motivated to reduce incongruence between desired and current CSR images (Tata & Prasad, 2015). Reputation affects all stakeholders in a way that it determines how an organization is perceived and plays a role in determining the company's success or failure (Aksaka, Ferguson & Dumanc, 2016).

The discrepancy between what is disclosed and the real company performance has been object of several investigation studies wrangling the transparency of the disclosed

information (Laufer, 2003; Milne, Kearins & Walton, 2006; Deegan, Cooper & Shelly, 2006; Cho & Patten, 2007; Duchon & Drake, 2009). The study published by Boiral (2016) argue that the mining organizations are defending their social legitimacy and environmental responsiveness using one of the four methods: they claim of a net positive or neutral impact on biodiversity, they deny that they have a significant impact, they distance themselves from the impact of their actions, and they play down their responsibilities. Another article published by Boiral (2013) shows the evidence that even entities with high Global Reporting Initiative (GRI) classifications use in their sustainability reports to show a perfect image of the company excluding the real existent daily problems.

Following the above described investigation line the aim of our work is just to analyse if the sustainability reports reproduce diary events in a transparent way. Based on the investigations made by Islam and Deegan (2008) and Islam and Deegan (2010) that analysed the case of two multinational companies, the specific objective of our work is just to analyse the reports of EDP, a company considered as a worldwide reference in the field of sustainability reporting (world leader in utilities sector according to the Dow Jones Sustainability Index), and evaluate if the sustainability reports reflect all the daily events that took place in EDP group or only those ones the company wants to reveal. Thus our research question is: does the EDP Sustainability Report reflect the negative news published in the media?

3. Research methods and achieved results

3.1. Content analysis

The content analysis is considered a valid empirical methodology in the study of the sustainability of the companies in their annual reports (Gray, Kouhy & Lavers, 1995; Gallego, 2006; Larrinaga, Archel & Fernández, 2008; Branco & Rodrigues, 2008). This methodology is more and more used in organizations studies improving a continuous progress and increasing their scientific rigor. Content analysis has been applied in quite a lot of sustainability reports studies with evidence to the studies by Islam and Deegan (2008); Rodrigues, Santos and Mello (2009); Islam and Deegan (2010); Siqueira, Costa and Baumworcel (2011); Bogo (2014). So in the initial step of our investigation it is important to employ this methodology to codify qualitative information into quantitative data.

3.1.1. Sample selection and variables definition

In the current study our purpose is to analyse the time span of five years between 1st January 2008 and 31st December 2012. We limited the time period to these five years for the following reasons. Firstly, in spite of the first EDP sustainability report was written in 2003 only after 2008 the company began to include the economics, social and environmental components in its reports and just at the same moment it began to integrate the Dow Jones Index (EDP, 2012, p. 286) as well.

Additionally, when we started the current investigation we detected that the 2013 EDP report was not completely at one's disposal. Therefore, this was just one more reason why we limited the time span to the period between the beginning of 2008 (when the

sustainability report, respecting the three sustainability areas, was published) and the end of 2012.

After defining the time span in review we investigated in several portuguese news publication web pages. This first research englobed all the positive and negative news related with EDP. To formulate our study, we needed that the information platform allowed us to look for the news for each time span. We checked out this condition in the analysed sites and we came to the conclusion that the research was only possible in four of those web pages. This initial research considered all the positive and negative news about EDP. To make this study we needed that the information platform allowed us to inquire each time span. After checking up this condition in the sites we had analysed, we concluded that the research was only possible in four of those web pages: *Jornal de Negócios*, *Jornal de Notícias*, *Diário de Notícias* and *Correio da Manhã*. Referring to the time span, between 1st January 2008 and 31st December 2012, *jornal de negócios* and the “EDP” research show 9.373 news (*Jornal de Negócios*, 2014). On the other side inserting the same data in the *diário de notícias* website’s search engine we found 3.433 news (*Diário de Notícias*, 2014). *Correio da Manhã* reveals 2.417 news (*Correio da Manhã*, 2014). At last, inserting the same searching items, *Jornal de Notícias* shows an amount of 1.339 news (*Jornal de Notícias*, 2014). In order to obtain a stronger researching, our study was restricted to the news disclosed by means of *Jornal de Negócios* web page, in a total of 9.373 news as we already said above.

After selecting all the news connected with EDP, during the span time in review, we had to restrict them to the themes related with the objective of our investigation.

The sustainability report is a document that should disclose information about social, environmental and economic performances so the themes in study will be related with these issues. So we adopted with some adjustments the themes proposed by Islam and Deegan (2010) based in previous investigations (Ernst & Ernst, 1978; Guthrie, 1982; Gray et al, 1995; Hackston & Milne, 1996).

The Islam and Deegan (2010) study was focalized in the human resources. Following the same investigation line our research will consider the following themes referred in his study: Environment, Employees, Product and Community as well as Business, Ethics, I&D and Innovation, Costumer and Suppliers. This way the themes in review were the following:

- Business;
- Ethics;
- I&D and Innovation;
- Environmental;
- Employees;
- Costumer and Product;
- Suppliers;
- Community.

After defining the study span time, identifying all the found news and a short introduction of the themes in review we will start with the two investigation parts. This way, subsequently we will measure, in a concrete way, for each year and each defined theme, the number of words and the number of negative news published in the newspapers.

3.1.1.1. Number of words

In our investigation in order to measure the entity disclosure level, we counted, for each topic under review, the number of words included in EDP Annual Report that is the only document where all the information about the company is annually issued.

This way, concerning the five years under review, we identified in each Annual Report the part concerning the topics under review (EDP, 2008, 2009, 2010, 2011, 2012). It is important to notice that in 2008, 2009, and 2010 the topic Ethics includes what EDP names as “Recognition” and “Corporate approach.” In 2011 the topic “Community” included some of the items concerning “Communication” because these themes are interrelated with the main themes (ethics and community) and are reported in those themes included in annual report 2012.

We add the words concerning each topic making use of the word count tool included in Microsoft Word processor and we achieved the following results (table 1):

Table 1 – Number of words for each topic

	Number of words								Total
	Business	Ethics	I&D and Innovation	Enviromental	Employees	Customer and product	Suppliers	Community	
2008	22445	1783	945	4503	5096	3027	1031	3078	41908
2009	13060	2256	1623	3544	4587	4191	1627	3987	34875
2010	16600	2981	1767	4235	4853	3247	2293	4697	40673
2011	6622	1042	2051	5439	4092	3612	2616	3395	28869
2012	6959	1039	1665	5689	5046	3647	2712	2764	29521
Total	65686	9101	8051	23410	23674	17724	10279	17921	175846

Source: Own elaboration.

It is the one with the greatest number of words, accounting for about 37% of all subjects. There is a minimal discrepancy between the words concerning Environmental and Employees accounting for about 13% of all subjects. They are followed by Costumer and Product and Community that, in a similar situation the preceding topics, represent each of them approximately 10% of total words. In a lower level emerge Ethics, I&D and Innovation and Suppliers with a number of words between eight and ten thousand words and with the lowest percentage of words reaching 5% and 6%.

3.1.1.2. Negative news

For each year in review we searched the number of negative news published in the newspaper. We consider negative news the ones connected with earnings decline, lost of costumers, investments diminution, actions against environment or even incorrect behaviors put into practice by EDP entity. For each topic in review, the website`s search engine identified themes, words, or references. Concerning the topic Ethics we searched references to ethics and responsibility. For I&D and Innovation we searched references to: EDP renewables, production technologies, intelligent net, energetic efficiency.

Concerning Environment we searched the words climatic changes, biodiversity and water. For the topic Employees we looked for synonymous words like worker and staff. All the news connected with the EDP performance in the stock market was excluded. It was possible to achieve the data represented in table 2.

Table 2 – Number of news found in Jornal de Negócios

	Number of negative news								
	Business	Ethics	I&D and Innovation	Enviromental	Employees	Customer and product	Suppliers	Community	Total
2008	15	4	0	0	1	6	0	1	27
2009	15	6	0	0	5	6	2	1	35
2010	9	4	0	0	2	12	1	1	29
2011	15	4	1	0	3	5	0	5	33
2012	7	5	2	1	4	11	0	4	34
Total	61	23	3	1	15	40	3	12	158

Source: Own elaboration.

It can be seen that in the five years under review, we identified 158 news concerning the topics under review. The Business theme is the one with the greatest number of news, accounting for about 39% of all subjects. It is followed by “Customer and Product, with 25,3% of news, Ethics, representing approximately 15% of total data, the theme Employees having a share of roughly 10%. Weighing 7,6% of the data, we find the Community variable, the I&D issues and the Innovation and Suppliers have an equal percentage of 1.9%, since they have the same number of news. Finally, the issue Environment emerges with fewer published negative news and, therefore, the lowest percentage of news not reaching 1%.

3.1.1.3. Variables definition

With the researched data introduced above the previous point we can define the variables to support the empiric study that we are going to develop in the next point. So we selected the following variables:

- Number of Business words;
- Number of Ethics words;
- Number of I&D and Innovation words;
- Number of Environment words;
- Number of Employees words;
- Number of Costumer and Product Words;
- Number of Suppliers words;
- Number of Community words;
- Number of Business negative news;
- Number of Ethics negative news;
- Number of I&D and Innovation negative news;
- Number of Environment negative news;
- Number of Employees negative news;
- Number of Costumer and Product negative news;
- Number of Suppliers negative news;
- Number of Community negative news.

3.2. Statistical analysis

Spearman’s rho correlation coefficient allows us to know the type and the intensity or the association degree between two variables, being possible to obtain a weak, moderate or strong correlation. This coefficient varies between -1 and 1, making possible to conclude about the kind of correlation that can be positive or negative. The table 3 shows the coefficient correlation results for each theme achieved through SPSS program.

Table 3 – Spearman’s Rank correlation coefficient for each theme/topic in review

Variables		Number of words							
		Business	Ethics	I&D and Innovation	Enviromental	Employees	Customer and product	Suppliers	Community
Number of negative news	Business	0,112							
	Ethics		-0,112						
	I&D and Innovation			0,447					
	Enviromental				0,707				
	Employees					-0,500			
	Customer and product						-0,103		
	Suppliers							-0,335	
	Community								-0,447

Source: Own elaboration.

When the correlation coefficient values are less than 0,2, we are in the presence of a weak variables correlation (Laureano & Botelho, 2012, p. 273). As it can be seen there is a positive correlation and a low association degree between the business variables and the published negative news. This means that there is no correlation between the number of negative news published in the media and the information included in the EDP Annual Report.

Concerning Ethics variables, the correlation value is negative so we could say that they diverge in an opposite way. We mean that in a specific year a greater number of negative news published in the newspapers would match to a fewer number of words written in the section of the Annual Report, connected with this topic. However, it is important to underline that there is a weak association degree between the variables. These results prove, once more, that EDP, in its Annual Report, does not disclose negative news concerned with less correct practices published in the media.

With a correlation coefficient for about 0,5, we can affirm the intensity between the variables is moderate (Laureano & Botelho, 2012, p. 273). It is not possible to affirm that there is a strong association degree because the correlation coefficient is fewer than 0,7. However concerning I&D and Innovation we can say there is a moderate intensity correlation (0.4) between the number of negative news published in the newspapers and the number of words written in the EDP Annual Report.

As it was already said a correlation value for about 0,7, allows us to affirm that there is a high association degree between the variables. Concerning Environment topic our results show a positive correlation between the number of negative news published in

the newspapers and the number of words included in the EDP Annual Report. This means that the negative news published in the newspaper are reflected in the environmental issues disclosed by the entity in its report. As it can be seen the number of disclosures revealed by the EDP entity increase as far as bad news about environmental performance are published in the newspapers. Therefore, we verify the entity makes an effort to reflect those same news in its report.

Regarding Employees topic it can be seen a correlation coefficient with negative values. In these variables we verify a moderate intensity of opposite way. Although we did not obtain a strong correlation between the variables we can refer that, in opposition to what would be expected to an entity like this, during the years under review, when there was an increase of published negative news about the activities connected with EDP employees we verified a decrease of the entity disclosures about this topic.

The topic Costumer and Product, similarly to Ethics one, shows a negative correlation of weak intensity. So we cannot conclude that, during the years in which more negative news about EDP costumers as well as EDP products were published, less words about these same themes were written in the entity Annual Report.

Similarly to what we have been verified about the previous themes, the variables concerned with Suppliers show a negative correlation coefficient value and of weak intensity. As we are talking of a negative value situated between 0,2 and 0,5 and as it is not near to the last one it is not possible to associate a great intensity to the correlation.

At last the topic Community shows that there is a negative correlation and a moderate association degree between the number of the words and the number of the published negative news. Although the association degree between the variables be not strong, the number of negative news published about suppliers varies lightly in the inverse way of the number of the words enclosed in the Annual Report.

4. Analysis and discussion of the achieved results

The purpose of our study is only to obtain data able to prove that EDP (world leader in sustainability reporting) reflects in a transparent way in its Annual Report all the situations connected with its daily activity. We analysed during the time span of five consecutive years if the information reported in the EDP Annual Report for each of the defined topics is correlated with the negative news published in the media.

We observed that all most all the published articles about these subjects were based on the analysis of a group of companies and not on researches of a specific company. It is important to underline that our investigation is not a comparative analysis among several entities but it is just a case study about a specific company leader of the DJSI – EDP.

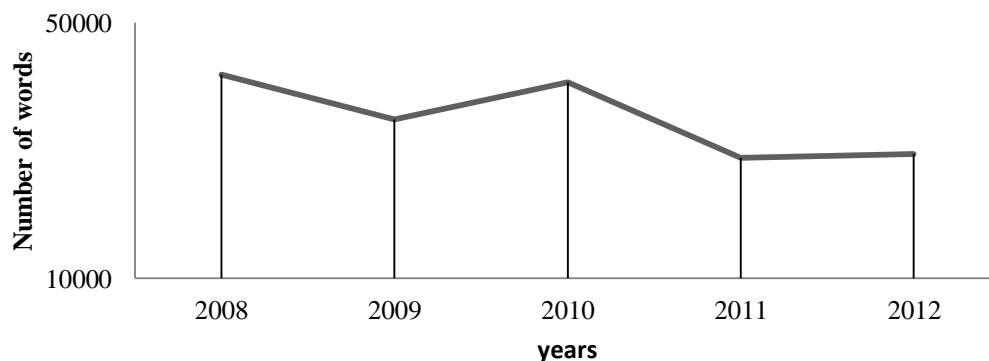
In the EDP Annual Report, Business emerges with the greatest number of words. Therefore EDP pays a great attention to the information connected with business. This topic represents 37% of all the themes in review. It is followed by Environment and Suppliers with about 13%, Costumer and Product and Community account 10% of all the words. According to the study by Islam and Deegan (2010) the topics connected with environment and social areas are the most issued in the entities disclosure.

On the other hand, concerning the negative news published in the analysed newspaper the Business variable emerges again as the greatest, accounting about 38% of the total data. The world crisis, that took place during the time span under review, can be considered the main reason for the achieved results. During 2008 there was a world

business break and EDP was not an exception. The published negative news refer problems, intimately connected with the world crisis, like profit decline, lost of costumers, investments decrease among others. Secondly appear negative news connected with Costumers and Product reflecting 25% of total data. Then are identified the topics Ethics, Suppliers and Community representing 15%, 9% and 8%, respectively. According to the Islam and Deegan (2010) study the topic with the highest percentage of negative news was “human resources”, just on the reverse of what we can verify regarding EDP report where this topic gets the fourth position. There are two possible reasons for these results discrepancy. The first one is the fact of the entities being of different areas and so with different environmental, social and economic responsibilities. The second is related with the fact of the study, mentioned above, be mainly connected with companies (Nike e H&M) that employ cheap workers from countries with childish work and low pay and so the study purpose is just to analyse childish exploitation and work conditions in developing countries.

Concerning the measures of central and uncentral tendency we want to underline that, connected with the number of words for each theme in review, the highest average we found refers to the variable Business. As we already stated before it is an area considered of great relevancy by the entity what is just the reason why the disclosures are higher than those about the other ones. On the opposite side I&D and Innovation is the topic with the lowest number of words during the time span in review. In our opinion the explanation for this result is the fact of I&D and Innovation, as well as Environment, be in development. Through a deeper analysis of the company Annual Report it can be seen that the number of words related to I&D and Innovation has been increasing year after year to 2011. However, in 2012 we can observe a small fall. In 2008 this topic reached only 945 words but in 2010 and 2011 it achieved 1767 and 2051 respectively. In 2012 we can verify a slight falling back but not higher than the initial value. We can confirm that the increasing of the words related to the theme I&D and Innovation is of 117% from 2008 to 2011 and of 76% in 2012. We believe that during the next years the EDP, in its Annual Report, will give more emphasis to these disclosures than to the ones associated with other themes. In a general way as it can be seen in the following chart there is a reduction tendency concerned with the number of words contained in the EDP Annual Report. This will happen due to the emergence of a new paradigm of the disclosures issued by the entities. A few time ago reports should included a lot of information but at the moment the tendency is to present an integrated reporting, including more compact disclosures and therefore offering more transparency about the entity.

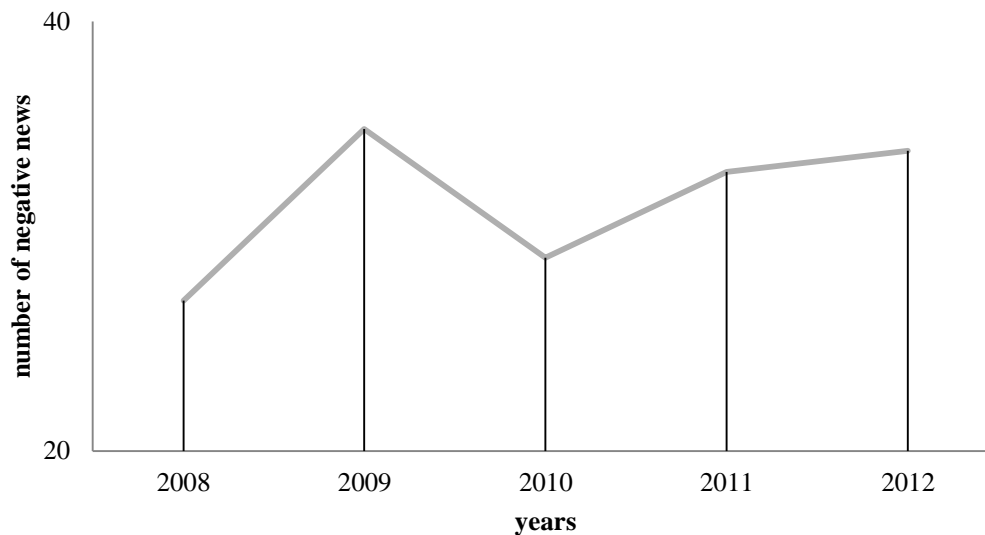
Chart 1 – Tendency of the number of words in the EDP Annual Report



Source: Own elaboration.

Regarding to negative news published in the newspaper the highest average is, once more, concerning the topic Business. This theme shows the greatest number of negative news accounting 61news during the years in review and the annual average of the published news is 12. On the reverse Environment is the topic with the lowest value of published negative news. This is an area where the entity has great responsibilities since it is connected with a production with a strong environmental impact thus the EDP mistakes are immediately published in the great majority of the newspapers. Generally, during the years in review, as it can be seen in the chart below there is an increasing tendency of negative news published in the newspapers. As we can see there is a slight fall in 2010 but during the next years the number of negative news has been increasing. These results corroborate the ones we will explain the correlation coefficient, since we verify that there is an inverse association degree concerning the variables in a general way. When the number of negative news published in the newspapers increases the number of disclosures in the entity Annual Reports decreases.

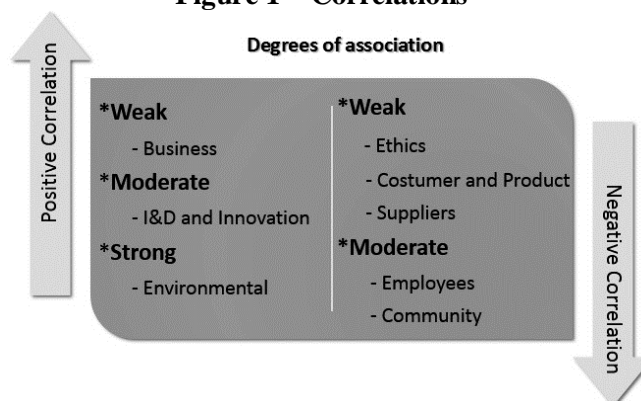
Chart 2 – Tendency of the number of negative news published in the media



Source: Own elaboration.

Considering the main purpose of our study we will analyse the measures of association, more exactly the discussion of the achieved results of the Spearman’s rank correlation coefficient. As we can verify in the following picture we got three association degrees among the variables: weak, moderate and strong.

Figure 1 – Correlations



Source: Own elaboration.

It was obtained a negative correlation in the variables Ethics, Costumer and Product, Suppliers, Employees and Community. It is important put in evidence the intensity of the correlation on the different topics. We only obtained two types of intensity to the negative correlation: weak and moderate. Through this information is not possible to state the existence of a strong intensity of inverse sense between the variables. So we cannot say that there is an inverse relationship between an increase in the number of negative news and the declining number of words in the entity's annual report. We suppose the entity discloses less information in the Annual Report when negative news are published in the newspapers. These results are in consonance with the ones achieved in the study by Islam and Deegan (2010) about Nike entity and relating to the item others (Islam and Deegan, 2010, p. 141).

In our study we found some positive correlations but with different intensity levels. For the variables Business we verified a low intensity level meaning that there is no correlation between the variables. The entity does not disclose the information published in the newspapers. Concerning this topic the entity Annual Report does not try to clarify or even to attenuate the negative news. On the other hand tries to emphasize the positive points occulting the mistakes published in the newspapers. Concerning the variables I&D and Innovation, after determining the correlation coefficient, the achieved value allows us to conclude there is a moderate intensity. This means that in spite of the achieved association degree be not strong we can affirm that, in a certain way, the negative news published in the newspapers are related to the section of the Annual Report connected with I&D and Innovation. At last in relation to Environment and on the back of what we verified about the other variables, above described, we achieved data that allow us to conclude there is a strong correlation between the variables number of words written in the report and the negative news published in the newspapers about this topic. In a more explicit way this coefficient shows that the negative news are connected with the number of words written about Environment in the EDP Annual Report. This means that the negative news are mentioned in the report. Our conclusion corroborates the conclusions by Islam and Deegan (2010). The mentioned authors concluded that in H and M entity there was a strong correlation between the same variables: number of negative news published and positive disclosures revealed in the entity annual report. Regarding Nike Company the achieved result was the opposite. This way, in spite of being entities of different activities, similar values were achieved in relation to the entity under review in our study and in the H and M entity.

5. Conclusion

In Portugal there are no regulations regarding reports about sustainability practices therefore entity disclosures have a voluntary character. The purpose of our study was to obtain and analyse data able to prove that EDP (an entity that integrates Dow Jones Sustainability Index since 2008 and was world leader in sustainability reports of Utilities sector in 2010, 2011, and 2013) reflected in a transparent way the negative news published by the media. We want to evaluate if the disclosure, containing several themes connected with sustainability, issued by the entity in its Annual Report, is or is not correlated with the negative news published by the media.

Firstly, we made a content analysis in the EDP Annual Reports about the five years under review (2008 to 2012) with the objective to identify themes related to sustainability. These topics were based on the study by Islam and Deegan (2010). After defining the themes in review, we analysed its content and identified the number of

words contained in the EDP Annual Report connected with each theme. Besides we searched in a newspaper with national reputation all the negative news connected with each topic under review.

The most important results achieved through the content analysis and statistics allow us to conclude that EDP Company does not reflect in a transparent way, in most situations, all its activity. We do not verify high association degrees between the number of negative news published in the newspapers and the disclosure issued by the company. It was expected that a company classified as world leader in the field of sustainability reporting in the Utilities sector disclosed data able to prove its credibility, transparency and confidence. We suppose the company is interested on revealing positive information with the objective to create a “positive image” of the entity, occulting the real problems that took place in the company and are revealed in the newspapers. With the achieved values that allow us to relate the published news with the number of words contained in the Annual Report we only found the theme Environment. It is a very sensitive theme requiring a special attention by the company because environment can be prejudiced by its activity if the necessary precautions/safety measures were not taken. Several environmental associations make a daily control of the behaviors adopted by the company and so the particular attention of the company concerning on revealing more detailed information about this theme. On the other hand, in five of the eight analysed topics we obtained a negative correlation with low intensity what does not allow us to conclude that these themes vary in opposite sense.

The achieved results on our research allow us to conclude that in spite of EDP's worldwide reputation as the prestigious model in the field of sustainability reporting the company does not reflect, in the most situations, the negative news associated with the entity. So we can conclude that its report reflects impression management and is quite far from the required sustainability reporting transparency. This conclusion refutes previous studies that identified EDP as the most transparent (Bogo, 2014) and it is in consonance with the conclusions by Boiral's study (2013) that emphasize that companies classified by GRI are those that, in their sustainability reports, reveal a greater disconnection concerning the real activities, distort the revealed information and are not transparent.

The main limitation of this study is related to the small number of years under review (5 years). This limitation is justified by the company only start in 2008 to publish the sustainability report. The negative news search based on only a single newspaper, can become another limitation to the study. We could have done the research in other newspapers to increase the number of news found, nevertheless this procedure could also compromise the analysis by duplicate news not identified as such.

Consequently, this work is a contribution to the study of impressions manipulation that add empirical evidence that companies are not transparent when they issue information with voluntary nature particularly when such information is of negative character. These results are even more important because they were obtained through the case study of a world leader company in its activity area what emphasizes the importance of the achieved conclusions.

References

Aksaka, E. O., Ferguson, M. A., and Dumanc, S. A. (2016). Corporate social

- responsibility and CSR fit as predictors of corporate reputation: A global perspective. *Public Relations Review*, 42(1), 79–81.
- Bogo, A. M. (2014). Relatório de Sustentabilidade e Impression Management: análise da natureza do conteúdo informacional. *OTOC - In XIV Congresso Internacional de Contabilidade e Auditoria - A contabilidade pública como fator de transparência*, 1–17.
- Boiral, O. (2016). Accounting for the Unaccountable: Biodiversity Reporting and Impression Management. *Journal of Business Ethics*, 135(4), 751–769.
- Boiral, O. (2013). Sustainability reports as simulacra? A counter-account of A and A + GRI reports. *Accounting, Auditing and Accountability Journal*, 26, 1036-1071.
- Bozeman, D. P., & K. M. Kacmar. (1997). A Cybernetic Model of Impression Management Processes in Organizations. *Organizational Behavior and Human Decision Process*, 69(1), 9–30.
- Branco, M. & Rodrigues, L. (2008). Factors Influencing Social Responsibility Disclosure by Portuguese Companies. *Journal of Business Ethics*, 685-701.
- Carvalho, R. (2013). 1000 Maiores Empresas. *Diário Económico 5814*, pp. 1-40.
- Cho, C. H., & Patten, D. M. (2007). The role of environmental disclosures as tools of legitimacy: a research note. *Accounting, Organizations and Society*, 32, 639-647.
- Correio da Manhã. (2014). *Pesquisa detalhada*. Retrieved from: http://www.cmjornal.xl.pt/search.aspx?pesquisa=edpanddate_de=1%2F1%2F2008anddate_ate=31%2F12%2F2012andfilt=andorder=andpage=1andpagres=10 [7 April 2014].
- Deegan, C., Cooper, B. J., & Shelly, M. (2006). An investigation of TBL report assurance statements: UK and European evidence. *Managerial Auditing Journal*, 21, 329-371.
- Drory, A., & N. Zaidman. 2007. Impression Management Behavior. *Journal of Managerial Psychology*, 22, 290–308.
- Diário de Notícias. (2014). *Pesquisa detalhada*. Retrieved from: <http://www.dn.pt/pesquisa/default.aspx?Pesquisa=edp> [7 April 2014].
- Duchon, D., & Drake, B. (2009). Organizational Narcissism and Virtuous Behavior. *Journal of Business Ethics*, 85(3), 301–308.
- EDP (2008). *Relatório and Contas – Um dia, Toda a Energia Será Renovável* (1º ed.). Lisboa: EDP.
- EDP (2009). *Relatório and Contas - All We Need is Earth* (1º ed.). Lisboa: EDP.
- EDP (2010). *Relatório and Contas - Smart Energy World*. (1º ed.). Lisboa: EDP.
- EDP (2011). *Relatório and Contas - A better Energy, a better Future, a better World* (1º ed.). Lisboa: EDP.
- EDP (2012). *Relatório and Contas 2012 - A World full of Energy*. Lisboa: EDP.
- Ernst and Ernst (1978). *Social responsibility disclosure: survey of fortune 500 annual reports*. United States of America, Cleveland: E. and E.
- Gallego, I. (2006). The use of economic, social and environmental indicators as a measure of sustainable development in Spain. *Corporate Social Responsibility and Environmental Management*, 13, 78-97.

- Gray, R., Kouhy, R., & Lavers, S. (1995). Constructing a research database of social and environmental reporting by UK companies. *Accounting, Auditing and Accountability Journal*, 8, 78-101.
- Guthrie, J. (1982). *Social Accounting in Australia: Social Responsibility Disclosure in the Top 150 Listed Australian Companies 1980 Annual Reports*. Western Australian Institute of Technology Ed.
- Hackston, D., & Milne, M. J. (1996). Some determinants of social and environmental disclosures in New Zealand companies. *Accounting, Auditing and Accountability Journal*, 9, 77-108.
- Islam, M. A., & Deegan, C. (2008). Motivations for an organization within a developing country to report social responsibility information: evidence from Bangladesh. *Accounting, Auditing and Accountability Journal*, 21, 850-874.
- Islam, M. A., & Deegan, C. (2010). Media pressures and corporate disclosure of social responsibility performance information: a study of two global clothing and sports retail companies. *Accounting, and business research*, 40, 131-148.
- Jornal de Notícias. (2014). *Pesquisa detalhada*. Retrieved from: <http://www.jn.pt/pesquisa/default.aspx?Pesquisa=edp> [7 April 2014].
- Jornal de Negócios. (2014). *Pesquisa detalhada*. Retrieved from: http://www.jornaldenegocios.pt/Search.aspx?q=edpanddate_de=1%2F1%2F2008anddate_ate=31%2F12%2F2012andfilt=andorder [7 April 2014].
- Kacmar, K., & Tucker, R. (2016). The Moderating Effect of Supervisor's Behavioral Integrity on the Relationship between Regulatory Focus and Impression Management. *Journal of Business Ethics*, 135(1), 87-98.
- Larrinaga, C., Archel, P., & Fernández, M. (2008). The Organizational and Operational Boundaries of Triple Bottom Line Reporting: A survey. *Environmental Management*, 41, 106-117.
- Laufer, W. (2003). Social accountability and corporate greenwashing. *Journal of Business Ethics*, 48, 253-261.
- Laureano, R., & Botelho, M. (2012). *SPSS–O meu manual de consulta rápida* (2ª edição). Lisboa: Edições Sílabo.
- Milne, M. J., Kearins, K., & Walton, S. (2006). Creating adventures in wonderland: the journey metaphor and environmental sustainability. *Organization*, 13, 801-839.
- Paliszkievicz, J., & Madra-sawicka, M. (2016). Impression Management in Social Media: The Example of LinkedIn. *Management*, 11(3), 203-212.
- Rodrigues, F., Santos, R. B. D., & Mello, M. C. B. D. (2009). Análise do disclosure ambiental da empresa Petrobras no período de 1997 a 2007. In *9º Congresso USP – Controladoria e Contabilidade*, Brasília.
- Siqueira, J. R. M. D., Costa, A. d. S. M. D., & Baumworcel, G. (2011). Relatórios de Sustentabilidade no Setor Petrolífero: Um Estudo de Caso na Petrobras. *Revista de Contabilidade da UFBA*, 5, 63-80.
- Šontaitė-Petkevičienė, M. (2015). CSR reasons, practices and impact to corporate reputation. *Procedia - Social and Behavioral Sciences*, 213, 503–508.
- Tata, J., & Prasad, S. (2015). CSR Communication: An Impression Management Perspective. *Journal of Business Ethics* 35(4), 765-778.

Unerman, J. (2008). Strategic reputation risk management and corporate social responsibility reporting. *Accounting, Auditing and Accountability Journal*, 21(3), 362-364.