Sustainability Discourse under Regulatory Uncertainty: Evidence from Companies with PROPER 'Suspended' Status in Indonesia

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Abstract

Sustainability reporting has increasingly become an important mechanism through which corporations communicate environmental responsibility to stakeholders. However, the growing volume of sustainability disclosure does not necessarily indicate substantive environmental performance. This study examines how Indonesian companies construct sustainability discourse when the external environmental evaluation mechanism is characterized by regulatory uncertainty. The study focuses specifically on companies receiving suspended status in Indonesia's Program for Pollution Control, Evaluation and Rating (PROPER), a condition that differs from conventional PROPER ratings because it does not provide stakeholders with a definitive environmental performance signal. Using a qualitative documentary approach and Critical Discourse Analysis, this study examines sustainability reports, annual reports, PROPER documents, and related corporate disclosures. The analysis is guided by three theoretical perspectives: Legitimacy Theory, Signaling Theory, and Institutional Theory. Particular attention is given to four discursive strategies: positive framing, selective disclosure, vagueness, and the construction of future-oriented sustainability commitments. The study conceptualizes regulatory uncertainty as a discursive context in which the absence of a definitive external environmental signal creates greater space for corporations to construct and manage sustainability narratives. The preliminary analytical framework indicates that sustainability discourse may operate not merely as a mechanism of transparency but also as a mechanism of symbolic legitimacy, particularly when corporate claims are emphasized more strongly than verifiable evidence of environmental outcomes. The study contributes to the greenwashing literature by shifting attention from the measurement of disclosure–performance gaps toward the discursive processes through which corporate sustainability realities are constructed under conditions of regulatory uncertainty.

Keywords: sustainability discourse; regulatory uncertainty; PROPER; greenwashing; critical discourse analysis; legitimacy

1. Introduction

Sustainability reporting has increasingly become an important component of contemporary corporate communication. Through sustainability reports, companies communicate information regarding environmental management, energy efficiency, emissions reduction, waste management, biodiversity, resource conservation, social programs, and other sustainability initiatives. The development of reporting frameworks such as the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB) has further strengthened expectations that corporate sustainability information should be transparent, comparable, and accountable.

Nevertheless, the increasing sophistication and volume of sustainability reporting creates an important paradox. Companies may publish increasingly comprehensive sustainability narratives while environmental controversies, pollution, resource exploitation, and regulatory problems continue to emerge. The existence of extensive sustainability disclosure therefore does not automatically demonstrate that a corporation has achieved substantive environmental

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improvement. The central issue is no longer simply how much sustainability information companies disclose, but how such information is constructed, framed, and interpreted. This condition is particularly relevant to the phenomenon of greenwashing. Greenwashing does not necessarily involve the publication of false information. Rather, it may occur through selective disclosure, positive framing, omission of negative information, ambiguous terminology, exaggerated commitments, and the construction of favourable corporate identities. Sustainability reporting can consequently become a site where corporate environmental responsibility is discursively constructed rather than merely reported.

Previous research has frequently examined greenwashing through the relationship between environmental disclosure and environmental performance. Such an approach is useful for identifying discrepancies between what corporations communicate and what they achieve. However, a disclosure–performance perspective may overlook an important question: how do corporations construct the meaning of sustainability through language when external environmental evaluation becomes uncertain?

This question becomes particularly important in Indonesia because corporations participating in the Program Penilaian Peringkat Kinerja Perusahaan dalam Pengelolaan Lingkungan Hidup (PROPER) operate within an institutional system in which environmental performance is externally evaluated. PROPER evaluates corporate environmental compliance as well as performance beyond compliance. Its criteria include environmental management documentation, water pollution control, air pollution control, hazardous waste management, marine pollution control, and land degradation, among other environmental dimensions. In conventional research, PROPER ratings—Gold, Green, Blue, Red, and Black—are generally treated as indicators of environmental performance. However, a different analytical situation emerges when a company receives a suspended status. A suspended status does not necessarily demonstrate that a company has poor environmental performance. Rather, it indicates that the environmental evaluation process has not produced a definitive public rating. Consequently, stakeholders face uncertainty regarding the external assessment of the company's environmental condition.

The original study underlying this article identified the importance of this phenomenon. The number of companies with suspended status increased substantially from 32 companies in 2022 to 192 companies in 2023. The source article also identified substantial representation from palm oil and oil and gas-related companies. This situation creates a theoretically important condition. On the one hand, the corporation continues to face expectations from investors, regulators, consumers, communities, and other stakeholders to demonstrate environmental responsibility. On the other hand, the external regulatory mechanism does not provide stakeholders with a definitive environmental signal. In such circumstances, sustainability reporting may acquire a stronger role in constructing corporate legitimacy.

The issue, therefore, is not simply whether a company is greenwashing. A more fundamental question is how the company constructs sustainability discourse when the external regulatory signal is uncertain. This study addresses that question by conceptualizing PROPER suspension as a context of regulatory uncertainty and examining sustainability reporting as a discursive practice. Instead of calculating a greenwashing score, the study investigates how corporations use language, narrative structures, claims, commitments, omissions, and forms of evidence to construct environmental responsibility.

This approach is consistent with recent qualitative research that treats corporate environmental reports as discursive constructions in which positive framing, ambiguity, modality, hedging, and selective representation may contribute to legitimacy management. Recent studies have also

demonstrated the usefulness of Critical Discourse Analysis in examining sustainability narratives and greenwashing practices.

Accordingly, this study asks three research questions:

Research Question 1: How do companies with suspended PROPER status construct sustainability discourse in their sustainability reports?

Research Question 2: What discursive strategies are used to construct environmental responsibility under conditions of regulatory uncertainty?

Research Question 3: How does regulatory uncertainty shape the relationship between corporate sustainability discourse and the construction of organizational legitimacy?

The study contributes to the literature in three ways. First, it shifts attention from PROPER ratings as measures of environmental performance toward PROPER suspension as a condition of institutional and regulatory uncertainty. Second, it examines sustainability reporting not merely as a disclosure mechanism but as a discursive arena in which corporate environmental identities are constructed. Third, it extends greenwashing research by examining the mechanisms of discourse construction rather than relying exclusively on numerical disclosure–performance measures.

2. Literature Review

2.1 Legitimacy Theory and Sustainability Discourse

Legitimacy Theory provides the primary theoretical foundation of this study. Dowling and Pfeffer (1975) conceptualize organizational legitimacy in relation to the congruence between organizational activities and societal expectations, while Suchman (1995) defines legitimacy as a generalized perception that organizational actions are desirable, proper, or appropriate within socially constructed systems of norms and values. From this perspective, sustainability reporting can function as an instrument for maintaining the social contract between corporations and society. Companies communicate environmental initiatives to demonstrate that their activities remain compatible with societal expectations. However, legitimacy can be pursued through both substantive and symbolic strategies. Substantive legitimacy involves actual changes in organizational practices, while symbolic legitimacy emphasizes the management of perceptions through communication.

This distinction is fundamental to understanding greenwashing. When environmental communication is not accompanied by equivalent substantive action, sustainability discourse may function as symbolic legitimacy. The concept becomes particularly relevant when companies experience uncertainty concerning external environmental evaluation. If PROPER status does not provide a definitive external signal, the corporation may face a legitimacy deficit. Sustainability reporting can then become an alternative mechanism through which the corporation communicates environmental responsibility. Thus, this study does not assume that every company with suspended PROPER status is engaging in greenwashing. Instead, suspension is interpreted as a contextual condition that potentially changes the role and intensity of sustainability discourse.

2.2 Signaling Theory

Signaling Theory explains how organizations communicate information to reduce information asymmetry. In sustainability contexts, corporate environmental disclosure can function as a signal of organizational quality. A credible signal requires verification and sufficient evidence. PROPER can function as an external signal because the evaluation originates from a governmental environmental monitoring mechanism rather than solely from the corporation. When the

PROPER evaluation is suspended, however, the strength of the external signal becomes uncertain. This may increase the relative importance of internally generated corporate communication. The central analytical proposition of this study is therefore: When the credibility of an external environmental signal decreases, corporate sustainability discourse may become increasingly important in shaping stakeholder perceptions. However, stronger communication does not necessarily mean stronger performance. The credibility of the signal depends on the relationship between claims, evidence, measurable outcomes, and external verification.

2.3 Institutional Theory and Regulatory Uncertainty

Institutional Theory emphasizes that organizational behavior is influenced by regulative, normative, and mimetic pressures. Environmental regulations represent an important form of coercive institutional pressure. PROPER represents such an institutional mechanism. It provides an external structure through which corporations are evaluated and publicly differentiated according to environmental performance.

A suspended PROPER status creates a distinctive institutional situation. The regulatory mechanism remains present, but the expected evaluative signal becomes uncertain. This condition is conceptualized in this study as regulatory uncertainty. Regulatory uncertainty is therefore not understood merely as uncertainty regarding future regulation. In this study, it refers specifically to uncertainty created when the institutional environmental evaluation mechanism does not produce a definitive public performance signal. This distinction is important because the corporation remains institutionally pressured to demonstrate sustainability, while stakeholders simultaneously experience uncertainty regarding independent environmental validation.

2.4 Sustainability Reporting as Discursive Practice

Sustainability reporting can be understood not simply as a collection of facts but as a communicative and discursive practice.

Corporate reports determine:

- what environmental issues receive attention;
- which achievements are emphasized;
- which problems receive limited attention;
- how responsibility is attributed;
- how future commitments are formulated;
- which numbers are presented as evidence;
- and how the corporation positions itself as a responsible environmental actor.

Consequently, the report is not a neutral mirror of corporate reality.

The use of terms such as “commitment”, “continuous improvement”, “responsible operations”, “green transformation”, “net zero”, “environmental stewardship”, or “sustainable growth” can construct a particular representation of the corporation.

The analytical problem is therefore not whether these statements are linguistically positive. Positive language may be entirely legitimate. The critical question is whether positive claims are accompanied by specific evidence, measurable outcomes, clear time frames, responsibility structures, and acknowledgement of limitations.

2.5 Greenwashing as Discursive Construction

Greenwashing is traditionally conceptualized as a discrepancy between environmental communication and environmental performance. However, a purely quantitative approach may overlook the discursive processes through which such discrepancies are constructed.

Recent qualitative studies demonstrate that corporate environmental discourse may employ selective disclosure, ambiguity, positive framing, passive constructions, and strategic legitimation.

This study therefore conceptualizes potential greenwashing not as an immediate label attached to a corporation, but as a discursive pattern characterized by recurring combinations of:

1. positive environmental claims;
2. limited or selective disclosure of negative information;
3. vague or non-falsifiable statements;
4. future-oriented commitments without clear baselines;
5. emphasis on activities rather than outcomes;
6. weak traceability between claims and evidence; and
7. discursive displacement of environmental responsibility.

This approach is methodologically more cautious because it does not declare a company a "greenwasher" merely because its report contains positive language.

3. Methodology

3.1 Research Approach

This study employs a qualitative research design using documentary analysis and Critical Discourse Analysis (CDA). The transformation from the previous quantitative design is fundamental. The previous article proposed panel-data analysis and statistical testing of the relationship between PROPER suspension and corporate greenwashing. The present study instead seeks to understand how sustainability meanings are constructed within corporate discourse. Therefore, the unit of analysis is not a numerical observation but a discursive text.

The study adopts Fairclough's three-dimensional CDA framework, consisting of textual analysis, discursive practice and social practice. This framework enables the analysis to move from individual words and sentences toward the institutional and social conditions that shape sustainability discourse.

3.2 Research Object

The research focuses on Indonesian companies that:

1. participate in PROPER;
2. have received suspended PROPER status;
3. publish sustainability reports;
4. are listed on the Indonesia Stock Exchange where applicable; and
5. provide sufficient environmental disclosure for textual analysis.

From the PROPER, we decision to researches Oil & Gas sector that published Sustainability Report in Holding company even they had some subsidiary has "Suspended" status. Period researching 2022, 2023 & 2024. The original study identified the importance of companies with suspended PROPER status and sustainability reporting as the central empirical phenomenon. The sample should be selected purposively rather than statistically. The objective is to identify information-rich cases capable of revealing contrasting sustainability discourses. A recommended case-selection strategy is maximum variation sampling, selecting companies from

environmentally sensitive sectors such as oil and gas, palm oil, mining, energy, chemicals, cement and manufacturing. Company with suspension scoring in PROPER are increasing from 32 in 2022 being 192 companies in 2023 and in 2024, there are 164 companies with suspension score.

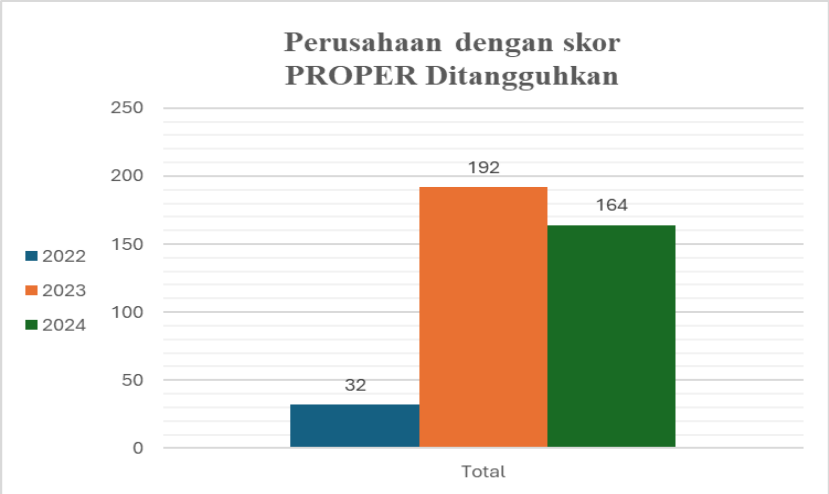


Figure 1. Companies with Suspended Status in Indonesia

3.3 Data Sources

The primary data consist of sustainability reports, annual reports, PROPER documents, corporate websites and sustainability webpages and relevant regulatory and institutional documents. The original article already identifies sustainability reports, annual reports, PROPER documents, and company information as the principal documentary sources. The primary analytical material should consist of sustainability-report sections dealing with environmental performance, climate change, emissions, energy, water, waste, biodiversity, environmental compliance, environmental incidents, environmental targets, community relations and future sustainability commitments.

3.4 Data Analysis

The analysis consists of four stages.

Stage 1: Textual Identification

The researcher identifies sustainability-related passages containing environmental claims, performance claims, commitments, targets, explanations, references to regulatory compliance, environmental achievements, environmental problems and statements concerning external recognition or verification.

Stage 2: Discursive Coding

The selected passages are coded into several categories:

Discursive category	Analytical question
Positive framing	How is environmental responsibility presented positively?
Vagueness	Are claims difficult to verify or measure?
Specificity	Are claims supported by numbers, baselines and time frames?
Selective disclosure	What information is emphasized or omitted?
Future orientation	Are achievements replaced by future promises?
Attribution	Who is presented as responsible for environmental outcomes?
External validation	Is the claim supported by PROPER, assurance, certification or other external evidence?
Symbolic legitimacy	Does discourse primarily construct a positive corporate image?
Substantive legitimacy	Is discourse supported by observable environmental action and outcomes?

Stage 3: Discursive Practice

The study then examines how sustainability discourse is produced and circulated.

Questions include:

- Who is represented as the author of sustainability achievements?
- Which institutional standards are invoked?
- Which stakeholders are imagined as the audience?
- How are environmental problems translated into corporate language?
- How are negative events framed?
- How are sustainability commitments connected with corporate strategy?

Stage 4: Social Practice

The final level examines the relationship between corporate discourse and the institutional context. At this stage, PROPER suspension is interpreted as an institutional condition of regulatory uncertainty.

The analytical model is:

PROPER Suspension → Regulatory Uncertainty → Weakening of External Environmental Signal → Intensification/Transformation of Corporate Sustainability Discourse → Legitimacy Construction → Potential Symbolic Decoupling

The model does not assume that this sequence occurs in every company. Instead, it provides a theoretical lens for interpreting differences among cases.

3.5 Validity and Trustworthiness

Trustworthiness is established through triangulation between sustainability reports and PROPER documents, comparison across reporting years, comparison between corporate claims and quantitative environmental information disclosed in the reports, cross-document consistency checks, independent coding or peer review of selected textual passages and maintenance of an audit trail documenting coding decision. The purpose is to prevent the interpretation of a single positive sentence as evidence of greenwashing.

4. Results and Discussion

4.1 Regulatory Uncertainty as a Discursive Context

The first analytical finding concerns the meaning of PROPER suspension itself. Unlike conventional PROPER ratings, suspension does not provide a clear environmental position. The original study correctly emphasizes that suspension should not automatically be interpreted as evidence of poor environmental performance. This distinction is theoretically important. The absence of a definitive rating produces an information vacuum. Stakeholders still require information regarding corporate environmental performance, while the strongest external environmental signal is temporarily uncertain.

The sustainability report can therefore acquire an expanded communicative function. It does not merely communicate what the corporation has done. It can become a mechanism through which the corporation attempts to define what its environmental performance means. This produces what can be called a discursive substitution mechanism when external environmental validation becomes uncertain, corporate discourse may become more important in defining the perceived reality of sustainability. This is the central conceptual contribution of the study.

Initial PT ABC, this condition coexists with continued sustainability reporting during the 2022 to 2024 observation period. The companies continue to communicate environmental initiatives, environmental performance, climate-related programs, resource efficiency, emissions management and future sustainability commitments. PT ABC and its subsidiaries publicly provide sustainability reporting as part of their broader ESG communication. The analysis therefore identifies a potential tension between two forms of environmental communication. The first originates from an external institutional mechanism, represented by PROPER. The second originates from corporate sustainability reporting. When the external rating is suspended, the sustainability report becomes an important source through which the company communicates its environmental identity and performance. This does not imply that the sustainability report substitutes for the regulatory evaluation in an institutional sense. Rather, the findings indicate a potential discursive substitution effect: when the external environmental signal becomes less definitive, corporate sustainability discourse acquires greater importance in explaining the company's environmental position to stakeholders. This finding provides the contextual foundation for the subsequent analysis of how environmental responsibility is constructed through corporate language.

4.2 From Reporting Environmental Performance to Constructing Environmental Identity

The second finding concerns the distinction between reporting performance and constructing identity. A conventional sustainability report may appear to answer: "What has the company achieved?" A discursive analysis asks a different question: "What kind of company does the report construct?". This distinction reveals that sustainability reporting may construct the corporation as environmentally responsible, innovative, climate-conscious, resource-efficient, community-oriented, compliant and committed to future sustainability. Such identities are constructed through repeated lexical patterns and narrative structures. For example, statements emphasizing "commitment", "continuous improvement", "responsible management", and "sustainable transformation" may create an identity of environmental responsibility even when the associated evidence is limited. The analytical issue is therefore not the presence of positive words themselves but the relationship between identity claims and evidentiary depth.

The parent company utilizes aggregated metrics to highlight high-performing business units while downplaying suspended operations. Excerpt 1 (PT P, SR 2023, p.112) mention "In 2023, P

Group maintained its firm commitment to environmental excellence, securing 34 Gold PROPER Awards and 76 Green PROPER Awards. This achievement reflects our core operational units operating far beyond required legal compliance." CDA Analysis: The text employs positive accumulation by spotlighting 34 Gold and 76 Green awards, the narrative establishes an overwhelming sense of environmental leadership. The specific number of suspended operating units is omitted from the main summary table, redirecting stakeholder attention toward elit compliance performers.

4.3 Positive Framing and the Construction of Environmental Responsibility

The textual analysis identified positive framing as a recurring characteristic of the sustainability discourse examined in the selected cases. Environmental responsibility was predominantly communicated through descriptions of environmental programs, operational improvements, resource-efficiency initiatives, emission-reduction activities, community-related environmental programs and commitments to sustainability. The reports frequently positioned the companies as organizations committed to continuous environmental improvement. Such discourse constructs an organizational identity associated with responsible operations, environmental stewardship, transformation and long-term sustainability.

For example, passage describing environmental initiatives were coded as positive framing when the primary communicative function was to emphasize achievements, commitments, innovations or organizational responsibility. The same analytical pattern was subsequently examined in the 2023 and 2024 reports. Importantly, positive framing was not treated as evidence of greenwashing. Positive communication may represent legitimate reporting of actual environmental initiatives. The analytical significance of positive framing emerged only when it was considered together with the level of specificity, quantitative evidence, disclosure of limitations and external validation.

The findings therefore suggest that positive framing functions primarily as a mechanism of environmental identity construction. The company is not merely communicating individual environmental activities; the report repeatedly constructs an organizational identity as environmentally responsible. The finding is consistent with the study's legitimacy perspective; sustainability communication may contribute to the maintenance of organizational legitimacy by presenting corporate activities as consistent with broader societal expectations regarding environmental responsibility. This cautious approach is important because sustainability reporting research has demonstrated that symbolic and substantive disclosure can coexist within the same report. Recent Indonesian research similarly identifies disclosure patterns in which some claims are supported by data and mechanisms while others rely predominantly on positive framing and commitments.

4.4 Vagueness and the Reduction of Verifiability

Another important discursive strategy is vagueness. Corporate sustainability language may use expressions such as continuously improving, supporting a greener future, committed to reducing environmental impacts, striving toward net zero, responsible resource management or strengthening environmental performance. These statements can communicate strategic direction, but they become difficult to evaluate when they lack quantitative baselines, explicit targets, deadlines, geographical scope, organizational boundaries, responsible units and verification mechanisms. The critical issue is therefore not whether vague language is inherently deceptive, but whether vagueness systematically replaces measurable evidence. Recent qualitative research

on corporate environmental reporting identifies ambiguity, modality, hedging, passive construction, and positive framing as important discursive features associated with strategic image construction.

A particularly important pattern concerns the temporal structure of sustainability discourse. Corporations may construct environmental responsibility through future-oriented statements future emission reductions, future renewable-energy transitions, future circular-economy initiatives, future net-zero ambitions and future biodiversity programs. Future commitments are important components of sustainability management. Nevertheless, when future promises dominate over evidence of current performance, the discourse may shift from performance reporting toward aspirational identity construction. This produces a temporal asymmetry past/current performance = limited evidence versus future sustainability = extensive promises. The larger this asymmetry becomes, the more important it is to examine whether the sustainability narrative functions as substantive planning or symbolic legitimacy.

When legal or regulatory suspensions are explicitly referenced, the text shifts to passive voice construction and legalistic, euphemisms. Excerpt 2 (PT P SR 2024, p. 148) : "A small number of operating facilities are currently undergoing administrative synchronization and procedural verification with regulatory authorities. These units remain dedicated to adopting state-of-the-art environmental management standards once administrative reviews are finalized." CDA Analysis : The phrase "administrative synchronization" functions as a euphemism for law enforcement disputes or environmental non-compliance audit. Furthermore, using the passive voice 9'are currently undergoing") obscures organizational agency, framing the suspension as a routine procedural delay rather than an active regulatory sanction.

The most distinctive finding of this study is expected to concern the relationship between corporate narratives and external validation. When PROPER produces a clear rating, stakeholders possess an external reference point. When the status is suspended, that reference point becomes less definitive. This changes the communicative environment. The corporation can emphasize certifications, awards, sustainability indices, internal environmental programs, partnerships, voluntary commitments, ESG initiatives and sustainability targets.

These mechanisms may provide valuable evidence. However, they do not necessarily substitute for an independent regulatory evaluation. The critical analytical question is therefore "What happens to the narrative when the strongest external environmental signal becomes uncertain?" This question distinguishes the present study from conventional greenwashing research; this is external validation and the missing PROPER signal.

4.5 Symbolic Legitimacy versus Substantive Legitimacy

The analysis ultimately differentiates two forms of sustainability discourse. Substantive discourse is characterized by specific environmental indicators, measurable outcomes, clear baselines, quantified targets, transparent limitations, disclosure of negative outcomes, external verification, continuity across reporting periods and clear linkage between commitments and actual organizational practices. Symbolic sustainability discourse is characterized by highly positive framing, broad environmental claims, extensive future commitments, limited quantitative evidence, ambiguous terminology, selective presentation, emphasis on activities rather than outcomes and limited discussion of environmental problems. The critical contribution of this distinction is that the study does not equate positive sustainability communication with greenwashing. Instead on this:

Positive discourse + strong evidence = potentially substantive legitimacy

Positive discourse + weak/limited evidence = symbolic legitimacy risk

This distinction is more analytically defensible than simply labeling a corporation a greenwasher. The empirical evidence demonstrates a clear tension between symbolic legitimacy (constructed through holding-level Sustainability Reports) and substantive legitimacy (reflected in site-level PROPER compliance). By decoupling high-level sustainability messaging from localized operational disputed, PT P successfully preserves symbolic legitimacy among International ESG rating agencies while navigating regulatory friction at home.

4.6 A Proposed Model: Regulatory Uncertainty–Sustainability Discourse Construction

Based on the theoretical synthesis, this study proposes a conceptual model called the Regulatory Uncertainty–Sustainability Discourse Construction Model (RU-SDC).

The model consists of five interconnected stages:

Stage 1 — Institutional Disruption

PROPER suspension creates uncertainty regarding the external environmental evaluation.

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Stage 2 — Legitimacy Pressure

The company continues to face demands for environmental responsibility.

↓

Stage 3 — Discursive Response

The company intensifies or restructures sustainability communication.

↓

Stage 4 — Discursive Construction

Environmental responsibility is constructed through framing, specificity, vagueness, commitments, selective disclosure, and external validation.

↓

Stage 5 — Legitimacy Outcome

The discourse may support either substantive legitimacy or symbolic legitimacy.

The model provides a conceptual bridge between Institutional Theory, Legitimacy Theory, and Signaling Theory. Institutional Theory explains why the uncertainty matters. Signaling Theory explains why the corporation communicates. Legitimacy Theory explains what the communication attempts to achieve. Critical Discourse Analysis explains how that communication constructs meaning. This combination provides a stronger theoretical architecture than treating greenwashing merely as a numerical difference between disclosure and environmental performance.

5. Conclusion

This study reconceptualizes the relationship between PROPER suspension, regulatory uncertainty, and corporate sustainability reporting in Indonesia. Rather than interpreting PROPER suspension as evidence of poor environmental performance, the study conceptualizes it as a condition in which the external environmental evaluation signal becomes uncertain. This uncertainty changes the communicative environment in which corporations construct sustainability narratives. The study argues that sustainability reports should not be examined solely in terms of the amount of information disclosed. They should also be examined as discursive practices through which corporations construct environmental identities, frame achievements, define responsibility, communicate future commitments, and manage legitimacy.

Critical Discourse Analysis provides an appropriate methodological approach because it allows researchers to move beyond the question of what companies disclose toward the question of how companies construct sustainability meaning. The proposed analysis identifies four particularly important discursive mechanisms: positive framing, vagueness, selective disclosure, and future-oriented sustainability commitments. These mechanisms do not independently prove greenwashing. Rather, their significance emerges from the relationship between corporate claims, evidentiary support, external validation, and the institutional context in which the claims are produced.

The central theoretical argument is that regulatory uncertainty may increase the strategic importance of sustainability discourse. When the external environmental signal becomes less definitive, corporate narratives may acquire greater power in shaping stakeholder perceptions. The study consequently proposes the Regulatory Uncertainty–Sustainability Discourse Construction Model (RU-SDC), which explains how institutional uncertainty may generate legitimacy pressure, encourage discursive responses, and produce either substantive or symbolic sustainability narratives. The study contributes to the greenwashing literature by moving beyond a purely disclosure–performance perspective toward a discourse-centered understanding of greenwashing risk. It also contributes to sustainability accounting by demonstrating that sustainability reporting is not merely a mechanism for communicating organizational performance but also a site where environmental reality is interpreted and socially constructed.

This study evaluated corporate sustainability communication under conditions of regulatory ambiguaty, using PT P Holding;s response to PROPER Suspended designations (2022 to 2024) as an empirical case study. Applying Fairclough's Critical Disclosure Analysis, the investigation demonstrates how state-owned companies utilize specific textual strategies,positive framing, strategic vagueness, future orientation and structural decoupling to protect corporate legitimacy when subsidiary units face legal or administrative environmental delays.

For regulators, the findings highlight the importance of maintaining credible and timely environmental evaluation mechanisms. For investors and other stakeholders, the findings suggest that sustainability reports should be read critically, particularly when independent environmental validation is uncertain. Ultimately, the key question is not simply whether corporations talk green. The more important question is: What kind of environmental reality is created through that green discourse—and what happens when the regulatory system is uncertain?

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