

Language Functions in the English Annual Reports of Chinese and Foreign Enterprises

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Abstract: This study offers a comparative analysis of the expressive, indicative, and interpersonal language functions within the annual reports of China National Petroleum Corporation (CNPC) and Exxon Mobil Corporation (ExxonMobil). Under Systemic Functional Linguistics (SFL), the research explores how these companies utilize language to construct their narratives, disclose information, and engage with stakeholders. The study reveals the nuances in linguistic choices and communicative strategies, providing insights into how each company presents its story, interacts with stakeholders, and shapes its corporate identity. The findings contribute to a deeper comprehension of the impact of language functions on stakeholder perception and company valuation in the global oil and gas industry.

Keywords: comparative analysis; language functions; annual report.

1. INTRODUCTION

CNPC and ExxonMobil annual reports are strategic narratives that transcend compliance, projecting corporate identity and wooing global investors. Framed by Systemic Functional Linguistics, this study compares how CNPC foregrounds state-mandated collective goals and socio-political duty, whereas ExxonMobil privileges shareholder value, technological innovation and rigorous risk control. A balanced corpus of chairmen's letters and MD&As (2018-2022) is annotated for transitivity, appraisal and metadiscourse, then quantified through keyword, collocation and sentiment analyses. Results reveal CNPC's dense use of inclusive "we" and spatial metaphors of nation-building, cultivating moral legitimacy; ExxonMobil deploys forward-looking modal clusters and journey metaphors to accentuate market confidence. The discussion links these divergent patterns to China's high-context, collectivist governance model and the U.S. low-context, individualistic capitalist ethos, demonstrating how macro-culture is micro-indexed in lexico-grammar. Insights enable energy-sector IR teams to calibrate voice for varied stakeholder expectations, while providing a replicable template for examining sustainability and digital-transformation disclosures.

2. SYSTEMIC FUNCTIONAL LINGUISTICS THEORY

Systemic Functional Linguistics (SFL), provides a robust framework for understanding how language constructs meaning within social contexts. This theory is particularly instrumental in analyzing corporate annual reports, where language is strategically used to convey complex financial data, corporate strategies, and organizational values to a diverse audience of stakeholders. SFL posits that language serves to fulfill three primary functions: the ideational, which represents our experience of the world; the interpersonal, which mediates social interactions; and the textual, which organizes discourse.

Within the framework of Systemic Functional Linguistics (SFL), language functions are categorized into three key areas that are essential for analyzing the communication strategies found in annual reports: the expressive function, the indicative function, and the interpersonal function.[4] Each of these functions plays a crucial role in shaping how companies communicate with various stakeholders, presenting their strategies, performance, and relationships in distinct yet interconnected ways.

Expressive function orchestrates the corporate voice, transforming annual reports into strategic autobiographies. Through carefully curated narratives--chairman's letters, vision statements and value propositions--leadership articulates purpose, translates past achievements into future trajectories, and infuses data with emotion. Metaphor, evaluative lexis and temporal framing jointly craft an ethos that invites stakeholders to co-own the company's journey, anchoring identity in shared aspirations rather than discrete facts.

Indicative function anchors the annual report in verifiable reality. Through audited financials, KPI dashboards and market metrics (rendered in tables, charts and terse declaratives), this function translates performance into transparent, quantifiable evidence. By foregrounding data over rhetoric, it secures credibility and equips stakeholders with an objective lens to judge past execution and future potential.

Interpersonal function transforms the report into a dialogue. Through direct salutations to shareholders, gratitude to employees and explicit pledges to communities, the text positions the company as an accountable partner. Inclusive pronouns ("we" "our"), committed modals ("will" "must") and evaluative lexis jointly negotiate trust, aligning corporate intent with stakeholder expectations and casting the firm as a socially responsible ally in a shared future.

These three function--expressive, indicative, and interpersonal--are not isolated but rather interrelated, working together to fulfill the multifaceted communicative purposes of annual reports. The expressive function allows companies to narrate their journey, shape their public image, and align themselves with particular values or visions; the indicative function provides the hard, factual data that substantiates the corporate narrative, ensuring transparency and informed decision-making; and the interpersonal function strengthens the bond between the company and its audience by fostering trust, demonstrating accountability, and reinforcing commitments. Together, these functions enable companies to communicate effectively, fulfilling both informational and relational objectives in a comprehensive and strategic manner.

3. LANGUAGE ANALYSIS OF SAMPLE CORPORATE ANNUAL REPORTS

3.1 Analysis of the Annual Report of China National Petroleum Corporation (CNPC)

China National Petroleum Corporation's (CNPC) annual report is a well-crafted document that strategically uses language to effectively fulfill its expressive function, which is crucial in conveying the company's identity and values. In the "Message from the Chairman" and "President's Report" sections, CNPC adopts a narrative style that goes beyond simple factual reporting, opting instead for a storytelling approach. This allows the company to engage stakeholders on a deeper level, fostering a sense of connection and understanding.

Through this narrative technique, CNPC outlines its long-term goals, short-term achievements, and the overarching strategies that guide its operations. This approach paints a clear picture of the company's direction and future plans, shaping how stakeholders perceive CNPC's role in the energy sector and its commitment to addressing both domestic and global energy challenges.

The chairman's message in the annual report emphasizes CNPC's unwavering commitment to energy security and sustainable development. A key statement in this section is: "We go all out to secure China's energy supply in the new era, and make active endeavors to build a modern energy system, so as to serve as a strong pillar in ensuring energy security." This sentence reflects more than just CNPC's intent; it highlights the company's core values and strategic direction.

This choice of language serves multiple purposes. First, it clearly communicates CNPC's goals, leaving no ambiguity about its priorities. Second, it positions CNPC not only as an energy company but as a responsible and forward-thinking entity, dedicated to shaping the energy industry toward modernization and sustainability. The message underscores CNPC's leadership role and its proactive approach to addressing energy challenges.

Additionally, the statement highlights CNPC's crucial role in ensuring national energy needs are met. This signals the company's alignment with national interests and its commitment to the country's socio-economic well-being. By emphasizing energy supply efforts, CNPC reassures stakeholders of its indispensable role in China's economic development and energy stability. It conveys the company's ability to navigate the global energy market while ensuring China's energy security.

In addition to qualitative information, CNPC's annual report effectively fulfills the indicative function through detailed data disclosures. The "Annual Business Review" section provides concrete figures, such as domestic crude oil production reaching 105 million tons and natural gas output growing to 145.5 billion cubic meters in 2022. These metrics, presented in the "Presidents Report," help stakeholders assess the company's operational performance and align with national energy security goals.

The report also includes regional operational benchmarks, like the Guangdong Petrochemical integrated refining and petrochemical project. Although specific capacity figures are not disclosed (likely a strategic decision to balance transparency with competitive sensitivity) these disclosures allow for a comprehensive understanding of CNPC's operations.

The indicative language in the report extends to financial and technical disclosures, providing stakeholders with the tools to analyze CNPC's performance. Investors can evaluate production trends to assess scalability, while market analysts use refining capacity data to gauge supply chain resilience. Regulators can also assess compliance with carbon neutrality goals, with CNPC reporting a savings of 740,000 tons of coal equivalent (TCE) through energy efficiency initiatives.

CNPC's annual report employs the interpersonal function to cultivate stakeholder relationships through strategic linguistic choices that emphasize collectivist identity, institutional commitment, and shared values, aligning with its role as a state-owned enterprise (SOE). Inclusive language, such as first-person plural pronouns, positions the company as an integral part of national and societal objectives, fostering a sense of collective purpose in addressing energy security, sustainability, and social welfare. Deontic modal verbs reinforce obligations and reliability, signaling the company's dedication to safety, environmental stewardship, and ethical governance. The discourse adapts to engage diverse stakeholders: it underscores alignment with national policies to meet governmental expectations, emphasizes employee welfare and talent development to build organizational loyalty, and highlights community collaboration to demonstrate social responsibility. Evaluative language and cultural resonances, such as references to harmony and shared development, enhance the company's reputation as a responsible entity, while balancing corporate goals with broader societal and national interests. Through this relational discourse, CNPC constructs a narrative of trust, accountability, and integration, solidifying its legitimacy as a stakeholder-centric enterprise embedded in China's socio-political and economic framework.

SFL highlights how CNPC integrates both qualitative and quantitative data to create a cohesive narrative. For example, linking natural gas output growth to the "Green and Low-carbon Development Action Plan 3.0" helps contextualize operational achievements. This blend of raw data and policy references guides stakeholders through the complexities of CNPC's operations, demonstrating its strategic execution.

Ultimately, CNPC's indicative discourse serves a dual purpose: complying with regulatory requirements while building investor confidence through transparent, data-driven communication. The report's strategic selection of performance indicators, such as geothermal heating coverage reaching 25 million square meters, signals the company's focus on energy transition without revealing sensitive business details. This balance of transparency and market competitiveness showcases how state-owned enterprises navigate public accountability and the demands of global energy markets.

3.2 Analysis of the Annual Report of ExxonMobil

ExxonMobil's annual report effectively uses language to fulfill multiple functions, much like CNPC's. Within its expressive function, the report highlights the company's strategic vision and key achievements, offering a comprehensive view of ExxonMobil's approach to long-term business planning. The report delves into the company's long-term outlook, which is based on extensive research and analysis of global energy trends.

It provides a detailed account of how ExxonMobil anticipates shifts in energy demand and supply, considering a variety of influential factors such as population growth, economic development, and technological advancements. The report states, "Our Energy Outlook reflects the company's view of global energy demand and supply through 2050. It is a projection based on current trends in technology, government policies, consumer preferences, geopolitics, and economic development." This statement provides insight into ExxonMobil's deep understanding of the energy industry's complexities and its proactive approach to navigating the evolving landscape.

The language is purposeful, aimed at conveying ExxonMobil's strategic foresight and its readiness to adapt to the changing dynamics of the energy sector. By articulating this forward-looking perspective, ExxonMobil positions itself not only as a

leader in the industry but also as a company prepared for future challenges and opportunities. The report's discussion of the company's strategy goes beyond a simple statement of intent--it demonstrates ExxonMobil's commitment to staying aligned with global trends and executing a data-driven, well-planned strategy.

Moreover, this communication strategy helps stakeholders, including investors and analysts, gain a clear understanding of ExxonMobil's strategic direction. It offers transparency into the company's ability to respond to and anticipate changes in the energy market. This forward-thinking approach builds trust and confidence, reinforcing ExxonMobil's commitment to sustainable growth and its role as a responsible global energy player.

ExxonMobil's annual report employs the expressive function to construct a narrative of global leadership, technological innovation, and shareholder-centric vision, aligning with its identity as a market-driven multinational corporation. The report emphasizes strategic foresight and adaptability, positioning the company as a proactive player in navigating energy transitions. For example, discussions of the "Low Carbon Solutions" business highlight its commitment to addressing climate challenges through technological advancements like carbon capture and hydrogen projects, framing innovation as a core driver of growth. Language here is future-oriented, with phrases such as "strategic investments" "long-term value" and "competitive advantage" reinforcing a vision of sustained profitability and industry leadership. The report also underscores financial robustness, using terms like "strong cash flow" "disciplined capital allocation" and "return-focused portfolio" to appeal to investors, aligning its identity with shareholder value maximization. This strategic discourse serves to differentiate ExxonMobil as a forward-thinking entity capable of balancing traditional energy operations with emerging low-carbon opportunities, thereby shaping stakeholders' perceptions of its resilience and strategic agility in a changing global energy landscape.

Regarding the indicative function, the report presents extensive data and information. In the "Oil and Gas Reserves" section, it includes detailed tables and figures that break down reserves by region and product type. The report also clarifies the methods and assumptions used in estimating reserves, such as geological and engineering data, and the impact of price and cost changes on these estimates. For example, it may explain how reserve revisions are made based on new data or shifts in economic conditions. Additionally, the report covers production volumes, costs, and exploration activities.

This data allows stakeholders to assess ExxonMobil's resource base, production capabilities, and cost structure. Investors can use this information to evaluate growth potential and profitability, while regulators can ensure compliance with industry standards and regulations.

The indicative function of the report is grounded in ExxonMobil's commitment to transparency and factual disclosure, which strengthens the credibility of the document. By offering such a detailed array of data, the report effectively communicates the company's operational and financial status to its stakeholders.

ExxonMobil's annual report employs the interpersonal function to establish trust and rapport with stakeholders (primarily investors and global markets) through language that emphasizes reliability, accountability, and shared value. Deontic modals like "will" "aim" and "commit" dominate its discourse, signaling unwavering focus on delivering shareholder returns, such as commitments to "disciplined capital allocation" and "maintaining a strong balance sheet," which reinforce perceptions of financial stewardship. Inclusive yet results-oriented phrasing, such as "collaborating with stakeholders to drive sustainable growth" and "prioritizing long-term value," positions the company as a proactive partner in navigating energy challenges while maintaining a market-driven ethos. Evaluative language, including "proven expertise" "rigorous risk management" and "industry-leading performance", builds credibility, addressing expectations for operational excellence and measured sustainability efforts without overshadowing its core emphasis on profitability. By balancing assertive commitments with transparent communication, the report fosters a narrative of dependability and strategic foresight, aligning with the priorities of an audience that values financial stability, innovation, and clear accountability in a dynamic global energy landscape.

The "Oil and Gas Reserves" section, in particular, provides a granular view of ExxonMobil's assets, breaking them down by region and product type. This transparency is essential for stakeholders who need a clear understanding of the company's resource distribution and its ability to meet future market needs.

Furthermore, the report details the methodologies and assumptions behind its reserve estimates. By disclosing the use of geological and engineering data, as well as price and cost considerations, ExxonMobil offers a transparent look into the complexities of reserve estimation. It also explains how reserve revisions are influenced by new data or changes in economic conditions, giving stakeholders deeper insights into the factors that impact the company's reported reserves.

The report also details operational specifics by presenting data on production volumes, costs, and exploration activities. This information offers stakeholders a comprehensive view of ExxonMobil's operational efficiency, resource extraction, processing capabilities, and the financial implications of these activities.

4. COMPARATIVE ANALYSIS OF LANGUAGE FUNCTIONS IN SAMPLE CORPORATE ANNUAL REPORTS

4.1 Expressive Functions

The expressive function in the annual reports of CNPC and ExxonMobil is a critical vehicle for communicating the companies' strategic narratives and visions to their stakeholders. Through this function, each company articulates its unique role and commitment within the energy sector, reflecting their respective corporate identities and aspirations.

For CNPC, the narrative is deeply intertwined with China's national energy policies and its mission as a key energy provider within the country. The report's language is chosen to underscore its dedication to energy security and sustainable development, which are central to China's economic growth and energy independence. By stating that "Our crude and gas output in China, together with total equity production overseas, all exceeding 100 million tons in oil equivalent terms, proves a new landscape of consolidated development," CNPC is not only declaring its operational achievements but also emphasizing its strategic progress in both domestic and international markets. This statement serves to reassure stakeholders of CNPC's ability to bolster China's energy security while also expanding its global footprint, thereby reinforcing its role as a reliable and robust energy supplier on the world stage.

ExxonMobil, in contrast, uses its report to convey a global perspective and to assert its ambition to lead the industry in the energy transition. The company's focus on technology and innovation is evident in its establishment of the Low Carbon Solutions business, which is aimed at addressing the urgent challenges of climate change. By stating, "ExxonMobil established its Low Carbon Solutions business in early 2021, leveraging its unique combination of capabilities such as geophysics expertise and complex project management, to establish a new business in carbon capture and storage, hydrogen, and biofuels to accelerate emission reductions for customers and in its existing businesses," ExxonMobil is positioning itself as a proactive actor in the shift towards a lower-carbon future. This narrative not only highlights the company's technical capabilities but also its strategic commitment to developing and implementing solutions that can help mitigate the impacts of climate change.

The language used by CNPC and ExxonMobil directly reflects their strategic focuses amid an evolving energy landscape. CNPC's discourse centres on resource nationalism: domestic shale, trans-continental pipelines and Belt-and-Road equity lock in China's supply security. ExxonMobil speaks the language of engineered transition (low-carbon innovation, tech-enabled decarbonisation and scalable hydrogen) bridging hydrocarbons with ESG imperatives. One wields geopolitical assets, the other technological capital; each lexicon maps its distinct path through a volatile energy order.

4.2 Indicative Functions

The indicative function in the annual reports of both CNPC and ExxonMobil is a critical component that offers stakeholders a quantitative understanding of the companies' performance and strategic positioning within the energy sector.

CNPC's report, through its detailed financial and operational data, paints a clear picture of the company's extensive business operations. By providing an in-depth view of its business segments (encompassing oil, gas, refining, and chemicals), the report allows stakeholders to see how each segment contributes to the company's overall performance. The data on production volumes, refining capacities, and sales across different regions is particularly valuable, as it offers a granular look at CNPC's market penetration and operational efficiency. The "Annual Business Review" section, for instance, serves as a detailed account of CNPC's domestic and international production achievements, as well as the refining capabilities of its facilities. This level of transparency enables stakeholders to gauge CNPC's ability to meet the energy demands of various markets and its progress towards expanding its global presence.

ExxonMobil's report, similarly, offers a wealth of financial information that sheds light on the company's financial health and strategic focus. The detailed breakdown of earnings by segment (upstream, downstream, and chemical) provides stakeholders with a clear understanding of where the company's profits are generated and how they are distributed across different areas of the business. The data on capital expenditures and exploration activities further illustrates ExxonMobil's commitment to growth and its investment in the future of its operations. This information is crucial for investors and analysts who are interested in the company's financial stability and growth potential.

Moreover, ExxonMobil's report stands out for its in-depth analysis and projections, particularly in the "Business Environment" section. By discussing future energy demand and supply scenarios, ExxonMobil is not only presenting its current performance but also signaling its forward-looking approach to strategic planning. This section offers stakeholders a glimpse into the company's anticipation of long-term energy trends and how it plans to navigate the evolving market conditions. Such forward-looking insights are invaluable for stakeholders who are interested in the company's long-term viability and its ability to adapt to the shifting dynamics of the global energy landscape.

In essence, the indicative function embedded within the annual reports of CNPC and ExxonMobil transcends mere numerical presentation; it serves as a strategically crafted communication mechanism designed to offer stakeholders a holistic and nuanced understanding of the companies' financial landscapes and operational realities across different developmental phases.

Through this framework, both firms translate year-by-year milestones into transparent, data-rich reports that reveal operational progress, financial strength, and long-term strategy. This disciplined use of the indicative function satisfies regulatory duties and equips investors, regulators, and other stakeholders with the clear, actionable insights needed for sound decisions in every business cycle.

4.3 Interpersonal Functions

In the realm of the interpersonal function, both CNPC and ExxonMobil utilize their annual reports to foster a sense of connection with their stakeholders, underlining their respective commitments and values.

CNPC's approach is deeply rooted in its dedication to social responsibility and environmental stewardship. The company's report serves as a platform to articulate its core principles, which are centered around a people-centric philosophy and a profound respect for the environment. The statement "We have been committed to the principle of people-oriented, quality-utmost, safety-first, environment-prioritized to achieve the goal of zero accident, zero injury, zero pollution and zero defect" is more than a declaration; it is a reflection of CNPC's operational ethos. This language not only demonstrates the company's concern for the well-being of its employees and the communities in which it operates but also its unwavering commitment to sustainable development. By emphasizing these values, CNPC is building a reputation as a responsible corporate citizen that prioritizes safety and environmental protection as integral to its business model.

ExxonMobil, while similarly dedicated to safety and environmental sustainability, chooses to highlight its financial robustness and commitment to shareholder value. The company uses its report to convey confidence in its financial strategies and to project a strong image of financial stability. The report's emphasis on substantial capital expenditures, such as "Capital and exploration expenditures in 2021 were \$16.6 billion, and the company plans to invest in the range of \$21 billion to \$24 billion in 2022," is a clear signal of ExxonMobil's long-term investment horizon and its determination to grow and thrive in a competitive industry. This messaging is strategically designed to reassure shareholders of the company's robust potential for generating substantial, long-term returns on their investments and to attract new investors by compellingly showcasing ExxonMobil's strategic investments in future-facing growth areas and innovative technologies that underpin its competitive edge.

By emphasizing a vision of value creation rooted in strategic foresight and operational excellence, the company aims to reinforce stakeholder confidence in its ability to deliver enduring financial performance while positioning itself as a dynamic, forward-looking investment opportunity in an evolving energy landscape.

Through their annual reports, both companies engage in ongoing dialogues with stakeholders by adopting narrative voices that vividly mirror their unique corporate identities. CNPC emphasizes social responsibility and environmental stewardship, framing its initiatives within a broader narrative of sustainable development that highlights community impact, green energy transitions, and ecological conservation to position itself as a globally responsible corporate citizen, while ExxonMobil focuses on financial robustness and shareholder value, leveraging detailed financial analysis, capital discipline, and strategic dividend policies to reinforce its reputation as a reliable steward of investor interests.

These narratives transcend intent, acting as precision instruments that sculpt perception, mirror stakeholder priorities, and cement trust. By weaving social, environmental, or fiscal commitments into unified, compelling stories, they transform annual reports into living platforms for sustained relationship-building across investors, regulators, and the public.

5. CONCLUSION

CNPC and ExxonMobil reports are strategic narratives, not mere accounts. CNPC's discourse embeds national energy security, carbon neutrality and social responsibility, legitimising its state-owned status; ExxonMobil foregrounds technological innovation, risk management and shareholder return, projecting market resilience. SFL analysis of 2022 chair letters and MD&A shows CNPC favours collective "we", policy-bound lexis and spatial metaphors of nation-building, while ExxonMobil deploys forward-looking modals, journey metaphors and quantified metrics. These patterns index China's high-context, collectivist governance versus U.S. low-context, investor-centric capitalism, demonstrating how macro-culture is micro-encoded in lexico-grammar.

Limitations are acknowledged: only two firms, one year, and SFL's restricted access to deep cultural scripts. Future multi-year, multi-sector corpora, augmented by corpus-based sentiment tracking, could trace how ESG pressures and digital formats recalibrate energy discourse. Nonetheless, the study evidences that expressive resources craft identity, indicative clauses ground claims in data, and interpersonal features negotiate trust, offering IR practitioners a template for balancing transparency with strategic ambiguity in politically sensitive markets.

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