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Introduction

In the past we have published proceedings for all of our conferences but have decide to no longer do so automatically. Most people wish for their contributions to be published in either a journal or a book rather than in proceedings. As all delegates to all our conferences will know, we strongly encourage all researchers who have presented at our conferences to publish their work. Moreover we do not seek to get people to publish in our outputs; instead we recommend that everyone publish in the outlet which is best for their own particular needs.

We recognise however that some people wish for their papers to be published in the Proceedings so we continue to publish these for every conference. They only however contain those papers of the delegates who have specifically requested this form of publication. The papers contained herein therefore represent such papers and have been presented at the conference.

Table of papers presented

Do independent board directors improve anti-corruption disclosure? Evidence from the two tier board model
Maria Aluchna & Małgorzata Wrzosek

Accounting and the environment: Literature review
Maria da Conceição da Costa Marques

What's in a name? Or, in Hannah Arendt's words, On Lying and Politics: Discourses on inequality
Miriam Green

Corporate Governance and Risk Management in Financial Institutions in Developing and Emerging Markets
Victor Ediagbonya

The Impact of Technological Innovation on Financial Inclusion and Stability in the Global South
Victor Ediagbonya

How do female directors respond to institutional pressures? Evidence for the EU regulatory framework on diversity and inclusion transparency
Isabel-María García-Sánchez, Esther Ortíz-Martínez, Salvador Marín-Hernández & Beatriz Aibar-Guzmán

Community Development Through Passionate Individuals – A Case
Prabir Kumar Bandyopadhyay

Role of gender in stakeholder communication
Evans Akwasi Gyasi

Why some accounting reforms tend to fail? Developments and answers towards new challenges
Christos Tsatsis

Corporate governance model and CSR disclosure: Anglo- American versus European model
Rim Khemiri, Nadia Ben Farhat Toumi & Amal Hamrouni

The Artificial Intelligence In Businesses: Opportunities Or Threats?
Marc Selgas-Cors

Climate Change Activism and the Law on Sustainability in the UK
Edwin Mujih

Unraveling the Multidimensionality of Environmental Operational Performance in the Oil & Gas Industry: A Conceptual Approach
Antonio García-Amate & Eduardo Terán-Yépez

Culture and its Role in Socio-Economic Development
Aaron Gwebu & Md. Humayun Kabir

Relationship Between Firm's Humanistic Culture and Corporate Social Responsibility: South African Companies
Md. Humayun Kabir

Public Procurement and the UN 2030 Agenda. Towards Responsible and Sustainable Public Procurement: The Case of the Canary Islands
David Curbelo Perez

The localization of the UN 2030 Agenda from the perspective of the Public Sector: Challenges and Opportunities: The case of the Canary Islands.
David Curbelo Perez

From institutional entrepreneurship to conformity: changing the logic compatibility of the social enterprise in state-led markets
Raghda El Ebrashi

An analysis of press releases on results: The words importance
Cristina Góis & Tânia Pacheco

Gamified virtual CSR initiative and consumer engagement: the mediating role of consumer trust in the brand
Feng Zhonghui & Kuppelwieser Volker

Trade Unions focus on SDG: Insights on Accountability and Sustainability in Portugal
Guilherme Crucho & Rute Abreu

Boosting Employee Loyalty via CSR: A Cross-National and Cross-Generational Comparison
Ovidiu Ioan Moisescu, Oana Adriana Gică, Radomir Lăcrămioara & Ioana Loredana Mihalca

Sustainability of Hairdressers and Beauty Institutes: Do performance and private investor capability matter?
Inês Dias, Rute Abreu & Liliane Cristina Segura

How do CEF.-UDIMA graduates evaluate sustainability in companies in accounting matters?
Ana Lejárraga García, Esther Ortiz Martínez & Salvador Marín-Hernández

Influential factors behind SDGs related-disclosure in large Portuguese companies: an ISO Certification approach
Alice Loureiro, Sónia Monteiro, Verónica Ribeiro & Kátia Lemos*

Case Study on a Tool for SMEs Developing Business Models for Sustainability
Heidi Myyryläinen & Joona Kallinen

Enhancing business reporting: analysis of the determinant factors for value creation in Portugal
Cristina Gois, Mariana Ramos & Clara Viseu

Is there an overemphasis on profit/wealth maximisation in accounting education and training at the expense of ethics and society? Interview findings from UK early career professionals (ECPs) and final year business school students (FYSs)
Chandres Tejura, Sean McCartney & Gherardo Girardi

Integrated Reporting Europe vs. Africa according to IIRC from 2021 to 2023
Manuela Cañizares-Espada, Salvador Marín-Hernández & Esther Ortiz-Martínez

Learning outcomes about collaboration and participation in associative organizations: bases for social responsibility´s resignification.
Mariana Lima Bandeira

Disclosure on Sustainable Development Goals 2030 in Spanish first division Football Clubs
Sónia Maria da Silva Monteiro, Rudemarlyn Urdaneta-Camacho & Juan Carlos Guevara Pérez

The influence of Gender Diversity on Boards of Directors and the Institutional and Cultural Context on Business Innovation: A Study in the European Context
Liliana Pimentel, Helena Maria Oliveira & Susana Lopes Pinto

Does board diversity affect CSR performance: Evidence from the listed companies in Belgium, France, Portugal and Spain
Catarina Gonçalves & Pedro Pinheiro

The Determinants of CSR Disclosure
Pedro Pinheiro & Manuela Sarmento

The register as a decision-making tool for the municipalization of the implementation of the Sustainable Development Goals
Rosmel Rodriguez, Rute Abreu & Armando Dias-da-Fé

Sustainability Reporting Through the Lens of Legitimacy Theory
Banu Dincer & Caner Dincer

Standardizing Sustainability Communication: Consumer Perception and Effective Strategies
Caner Dincer & Banu Dincer

The perception of clients about the tax benefits obtained by companies with social responsibility initiatives
Ana Clara Borrego, Rute Abreu, Paulo Caldeira, Ana Maria Bandeira, Francisco Carreira, Carolina Santos & Filipe Caetano

Social Responsibility Management System: how to implement in a textile industry company
Francisca Pires Vaz Meneses Lopes & Maria Manuela dos Santos Natário

The future of fireworks is sustainable? Challenges between the cultural use, hazard factors and regulations
José Góis & Jorge Raposo

Investigating the effect of corporate governance, and IFRS16 on audit fees and its impact on risk-taking in the airline industry
Alicia Ramírez Orellana, Anne Marie Garvey, Laura Parte Esteban & José Antonio Gonzalo Angulo

Learning outcomes from the academy perspective: A bibliometric study about Community-Based Tourism and Regional Development
Philipe Lira de Carvalho, Mariana Lima Bandeira, José Rogério Lopes, Airton Cardoso Cançado

The role of misericordias in the scope of the importance of charities for the third sector
Augusto Simões & Humberto Ribeiro

Smart cities and touristic destinations: the case of Lisbon
Liliana Fernandes Mendes, Maria Margarida Santos Gomes, Rodrigo Gonçalves Santos, Eduardo Manuel de Almeida Leite, Sandra Raquel Pinto Alves, Humberto Nuno Rito Ribeiro, Augusto Simões & Élvio Camacho

Strategic Foresight and Business Analytics: A Systematic Exploration of Mediated Impacts on Organizational Resilience
Hiba Al saidi & David Crowther

Sustainable Finance: Disclosure regulation framework and implementation - Evidence from banking sectors in Europe
Lan Jiang

Financial Innovation: The development of derivative markets for risk management in trading carbon certificates on international emission trading system
Lan Jiang

Understanding Hedonic Shopping Motivations of Precycling Lifestyle and Its Implications on Recycling Behaviour
Nathalia Suchek, Ricardo Gouveia Rodrigues, Elisabeth Baía, and João Pereira

Can African ethics improve disclosure and practices in corporate organisations in Africa? A philosophical and legal perspective
Bolaji Salam

Enhancing the Corporate Social Responsibility (CSR) Impacts of SMEs in Developing and Emerging Markets: Corporate Governance Can Help But Which Framework?
Franklin N. Ngwu

Taxonomy of the sector oil and gas exploration companies that disclose sustainability information according to SASB Standards.
Patricia Victor-Ponce, Esther Ortiz-Martínez & Salvador Marín-Hernández

Organizational Resilience: towards a universally accepted definition
Hiba Alsaidi

Workshops

The Poverty or Wealth of Historicism; what can we learn from history
Shahla Seifi & David Crowther

Getting published internationally
David Crowther

Decarbonisation Colloquium

Overcoming the Barriers to Vehicle Fleet Decarbonisation through Academic Engagement (Insight from the South-East New Energy and Eastern New Energy ERDF projects)

Short overview by Evans Gyasi (Track Chair)

Clarifying the Complexity of Decarbonisation with Cohered Emergent Theory and Action Research
Frank Nyame-Asiamah

SMEs' adoption of electric commercial vehicles toward fleet decarbonisation in East England
Brendon Shaw &Tom Stacy

New work norm – How organisations and sales employees are adapting to reduced business travel and remote work post-Covid
Elisha Rasif & Chris Ivory

Sustainability Reporting Through the Lens of Legitimacy Theory

Banu Dincer & Caner Dincer

ABSTRACT

The objective of this paper is to analyze impacts of sustainability reporting, based on the sustainability reporting standards in the EU, and the IFRS Foundation, with a special emphasize on their sustainability disclosures' differences in terms of target stakeholders, scope of application, materiality and reporting boundaries (Giner and Luque-Vílchez, 2022; Wagenhofer, 2023) through the lens of legitimacy theory. Beyond the increasing requirements, the companies will face with sustainability reporting divergence according to the standards chosen among the two different set of standards,which will leads to higher compliance costs and additional challenges. The collaboration between the two standard-setters would smooth the widespread adoption.

Keywords: Sustainability Reporting, Standardization, Legitimacy Theory

1.Introduction

The years 2020 and 2021 witnessed a remarkable surge in sustainability reporting (SR) particularly within the European Union (EU) but also globally. Prior to this period, the development and leadership of SR standards were primarily driven by private institutions such as the Global Reporting Initiative (GRI), the Task Force on Climate-related Financial Disclosures (TCFD), the Climate Disclosure Standards Board (CDSB), the International Integrated Reporting Council (IIRC), among others (Machado,2020). Significant advancements have taken place in the realm of sustainability reporting, leading to the emergence of new influential standard-setting bodies alongside established institutions. Firstly, within Europe, the European Commission has entrusted the European Financial Reporting Advisory Group (EFRAG) with the responsibility of developing new sustainability standards, with a target release date before December 2022. As a part of the Green Deal, the EU has issued the European Sustainability Reporting Standards (ESRS) alongside other finance and governance initiatives. This comprehensive set of standards, applicable across various sectors, comprises twelve regulations that are adopted by European Commission on July 31, 2023, and will take effect from 2024. Additionally, the plan includes two more sets of standards: one catering to sector-specific requirements and the other tailored for listed SMEs, expected to come into effect in the following years (EFRAG, 2023). Secondly, The International Financial Reporting Standards (IFRS) Foundation has collaborated with prominent sustainability organizations and formed the International Sustainability Standards Board (ISSB). The evolving landscape underscores the uncertainty surrounding SR and prompts a critical examination of its

trajectory and the role of longstanding institutions. Each of them asserts its authority and influence in the realm of corporate sustainability reporting, with the aim of setting standards and guidelines that shape reporting practices (IFRS, 2021a). As of June 2023, the International Sustainability Standards Board (ISSB) has released its initial set of IFRS Sustainability Disclosure Standards. These standards include IFRS S1*General Requirements for Disclosure of Sustainability-related Financial Information* and IFRS S2 *Climate-related Disclosures* (IFRS, 2023a).

In 2020, two new players, the European Commission (EC) partnering with the European Financial Reporting Advisory Group (EFRAG), and the International Financial Reporting Standards (IFRS) Foundation, entered the SR domain alongside established pioneers. These newcomers later integrated with select SR bodies. We argue that, given the abovementioned trends, The roles of both the EFRAG and the IFRS Foundation are projected to expand concerning our primary research focus, which centers on the SR standard developing landscape. In a way, the continuous harmonization effort, and the discussion around the alignment of SR standards mirror a trend like what started in financial reporting more than 40 years ago, but at a faster rate. By reducing differences between distinct local standards, accounting harmonization aimed to improve comparability in reporting procedures (Nobes, 1991). This was accomplished in the EU with the implementation of EC accounting rules in the 1980s, and it was further advanced with the adoption of IFRS in 2005. The research on SR emphasizes several benefits of harmonization, such as increased transparency in reporting procedures (Einwiller et al., 2016). This has prompted some scholars to advocate for public engagement in sustainability information as a means to enhance the quality of such disclosures. (Deegan, 2002). As we consider the involvement of the EFRAG and the IFRS Foundation in the realm of sustainability reporting, it becomes apparent that their perspectives diverge significantly. The EFRAG's move to establish SR standards aligns with the goals outlined in the European Green Deal, reflecting a dynamic approach aimed at influencing firms' behavior towards sustainable development. In contrast, the Foundation's entry into the area has been more susceptible, responding to external calls. Unlike the EFRAG's intention, the Foundation's focus has been on drawing economic reality through standards, rather than actively driving change (IFRS, (2021b); (IFRS, (2021c).

Potential future SR standards, oriented towards stakeholders' needs, might be perceived as communication tools for uniform reporting across contexts. However, this could overlook the transformative power of reporting in shaping behavior, as observed with IFRS, leading to unintended consequences. Given the sensitive nature of sustainability information, these incidental outcomes could have significant repercussions. At this point, it is important to remind that, particularly within the context of.new regulations, the approach of addressing the information asymmetry between society and corporations, which is one of the regulatory theories, particularly the Public Interest Theory, will create a social contract between society and corporations and ensure the legitimacy of corporations. The basis of legitimacy theory is the unwritten and stated anticipations that society holds regarding how a business should

conduct its operations (Abbott & Monsen, 1979; Ramanathan, 1976). The social contract is dynamic, it is renewed according to the expectations of the society.

Especially in sustainability reports, considering stakeholders as the entire society and creating reports that encompass this perspective will be crucial for economic and social impacts.

Given this, we have conducted an analysis of crucial documents recently issued by the aforementioned institutions: the European Commission's Corporate Sustainability Reporting Directive (CSRD) proposal (European Commission, 2021a), the IFRS Foundation's Consultation Paper on Sustainability Reporting (CPSR) (IFRS, 2021a), along with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 Climate-related Disclosures (IFRS, 2023), ESRS 1, and ESRS 2. We focus on how important SR factors, such as target stakeholders, scope, materiality, and reporting border, are taken into account in both proposals with a special emphasize on their sustainability disclosures' differences (Giner and Luque-Vílchez; 2022) through the lens of legitimacy theory.

The paper will be organized into sections addressing the following key areas: Firstly, the newly established standard setters will be discussed. Secondly, their reporting perspective on target audience, scope, materiality, and reporting boundaries will be examined. Finally, conclusions and suggestions will be elaborated.

2.Evolution of the New Standard Developer Authorities: EFRAG and ISSB-IFRS Foundation

In this section the historical milestones and the perspectives of the newly established standards developers will be explained relatively with their backround.

2.1. The European Financial Reporting Advisory Group (EFRAG)

In the realm of financial accounting reporting, the European Commission (EC) has been involved for over 40 years, issuing directives to standardize accounting practices across Member States. The EC has also mandated the adoption of International Accounting Standards (IAS) through regulations. In this context, the European Financial Reporting Advisory Group (EFRAG), established in 2001, has played a pivotal role by providing endorsement advice on new or revised IAS.

The European Commission's commitment to sustainability dates back to the early 2000s when it started advocating for corporate social responsibility and accountability. A pivotal moment occurred with Directive 2014/95/EU, which made non-financial disclosure obligatory for large corporations. Nevertheless, there have been ongoing apprehensions about the quality of the disclosed information (EC, 2021a).

The update to Directive 2014/95/EU brought about a new strategy, placing EFRAG in a central position. In 2020, EFRAG was entrusted with the responsibility of establishing a task force to offer technical guidance on potential European non-financial reporting standards. This task force, under EFRAG's leadership, promptly produced 54 comprehensive recommendations for the forthcoming European Sustainability Reporting Standard (ESRS) (EFRAG, 2021).The

speed of EFRAG's work can be attributed to its commitment to collaboration and avoiding duplication of efforts. EFRAG aimed to establish a strong collaborative partnership with other European and international standard-developers, selecting the Global Reporting Initiative (GRI) as the initial collaborator. The shared objectives of EFRAG and GRI, focused on public interest and sustainable development, reinforced this partnership (GRI, 2021)

EFRAG's revised governance framework included a Sustainability Reporting Board responsible for developing ESRS, which is adopted by European Commission in July 2023 and will be transmitted to European Parliament in the latter part of August 2023 to become mandatory in the EU. This development aligned with the revision of Directive 2014/95/EU, now named the Corporate Sustainable Reporting Directive (CSRD), which closely followed EFRAG's recommendations and acknowledged EFRAG's responsibility in shaping sustainability standards (EC, 2021b).

In essence, EFRAG's role in the roadmap of ESRS has been crucial, encompassing collaboration with key partners, driving recommendations, and shaping the evolving landscape of SR in Europe.

The concept behind the European Green Deal revolves around transforming Europe into the world's inaugural climate-neutral continent while simultaneously establishing a sustainable, equitable, and thriving society. CSRD is one of the milestone such as Sustainable Finance Disclosure Regulation, Taxonomy Regulation, European Green Bond Regulation to reach this aim (EC, 2023).

2.2. The International Financial Reporting Standards Foundation (IFRS Foundation) and International Sustainability Standards Board (ISSB)

IFRS Foundation, founded in 2001, has traditionally focused on financial reporting standards to ensure transparency and efficiency in global financial markets. However, since 2020, it has been taking significant steps in the SR domain, driven by the importance it places on capital markets and creditors (IFRS, 2023b).

With the influence of mounting insistence from the corporate entities and numerous position papers advocating for simplified sustainability reporting, the IFRS Foundation ventured into the realm of sustainability reporting. The release of the Consultation Paper on Sustainability Reporting (CPSR) in September 2020 marked a pivotal moment in this transition. The IFRS Foundation's efforts in this realm have been guided by a distinct perspective compared to EFRAG's approach. While EFRAG prioritizes public interests, the IFRS Foundation's primary concentration remains on the requirements of investors and creditors operating within capital markets (Wagenhofer, 2023).

Acknowledging feedback received on the CPSR, the IFRS Foundation's Trustees swiftly responded by proposing changes to their Constitution. These changes were aimed at accommodating the establishment of the International Sustainability Standards Board (ISSB), a new entity intended to craft international sustainability standards. Notably, the ISSB's core

mission centers on addressing the information requirements of creditors and investors within the capital markets landscape (Afolabi et al., 2023).

This focus on interconnectivity between financial and non-financial reporting is demonstrated by the IFRS Practice Statement 1 Management Commentary, which serves as a potential bridge between the existing International Accounting Standards Board (IASB) and the prospective ISSB. This Statement aims to provide comprehensive insight into companies' long-term likelihoods, encompassing sustainability-related matters. This alignment underscores the IFRS Foundation's commitment to ensuring that capital markets and creditors have access to holistic, meaningful information for making informed decisions (IFRS, 2021d)

EFRAG took the Global Reporting Initiative (GRI) as a reference and emphasized collaboration for the broader public interest whereas the IFRS Foundation's collaboration has been targeted towards institutions like the Task Force on Climate-related Financial Disclosures (TCFD), the Climate Disclosure Standard Board (CDSB), the Value Reporting Foundation (VRF), and the World Economic Forum (WEF). This strategic partnership approach emphasizes catering to the specific needs of investors, creditors, and capital markets participants (Wagenhofer, 2023).

The IFRS Foundation's transition into the SR has garnered support from influential bodies such as the International Organization of Securities Commission (IOSCO) and the International Federation of Accountants (IFAC). This support further underscores the Foundation's dedication to enhancing the relevance and comparability of sustainability information for capital markets participants (IOSCO, 2021).

In summary, the IFRS Foundation's entry into SR signifies its commitment to address the needs of capital markets and creditors. Unlike EFRAG, which emphasizes public interests, the ISSB's formation and activities are guided by the imperative to provide investors and creditors with comprehensive, comparable, and decision-relevant sustainability information. This approach aligns with the Foundation's history of fostering transparency and efficiency in financial markets and extends it to the domain of SR (Afolabi et al., 2023).

3. Critical Distinctions Between IFRS Sustainability Disclosure Standards and European Sustainability Disclosure Standards

This section will discuss the basic differences with key factors already categorized in the literature (Adams, 2021; Christensen et al., 2021).

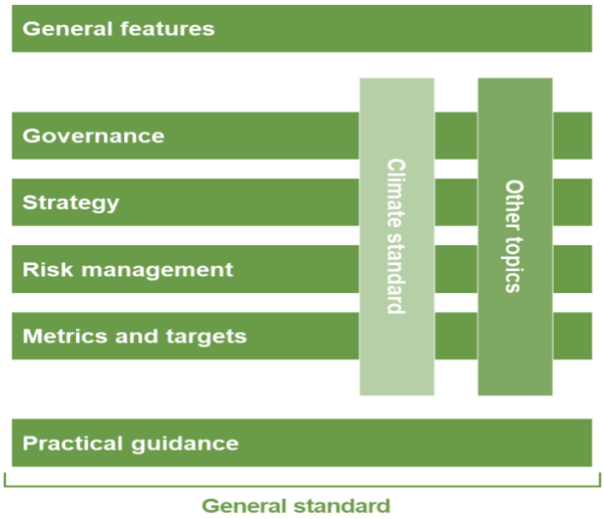
3.1.Target Stakeholders

According to CDSB, Trustee Task Force has engaged informally with a diverse range of stakeholders engaged in sustainability reporting, incorporating investors, central banks, preparers regulators, auditing firms, service providers and public policy makers. This engagement revealed a unanimous recognition of the growing significance of SR for these

stakeholders. *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* as well as *IFRS S1 Accompanying Guidance on General Requirements for Disclosure of Sustainability-related Financial Information* define primary users as *"existing and potential investors, lenders and creditors.* Besides, in CSRD paragraph 9 and ESRS 1 paragraph 22 the stakeholders are divided into two groups: those impacted by a project's actions and users of sustainability statements, including investors, creditors, business partners, unions, civil society, governments, and analysts, who rely on these statements to evaluate a project's effects and sustainability practices across its value chain. In brief, for EFRAG, the stakeholders cover the society as a whole.

3.2. Scope

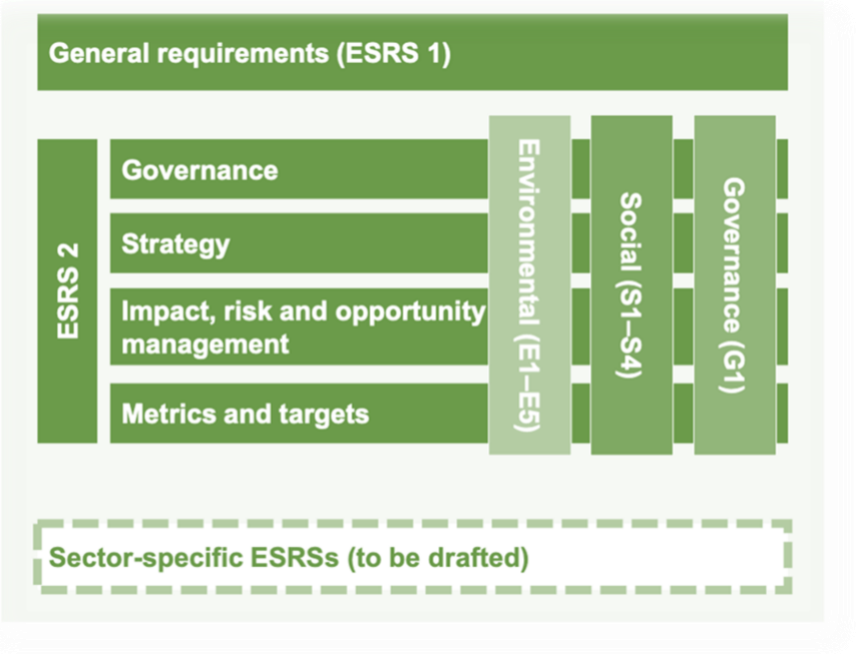
Based on existing frameworks and standards, including TCFD and SASB, the first two standards introduced by the ISSB establish a framework for companies to report on various sustainability-related subjects (IFRS, 2021a). These areas encompass governance, risk management, strategy as well as metrics and targets. The first standard provides a foundational framework that can be utilized to a broad spectrum of sustainability-related subjects, enabling companies to disclose relevant information across various areas while the second standard, referred to as the climate standard, offers more detailed guidance specifically focused on reporting climate-related risks and opportunities (IFRS, 2023)



Source: KPMG, (2023a), p.4

The ESRS consist of the same twelve standards as in the preceding drafts, comprising two cross-cutting standards, which address General Requirements and General Disclosures, along with ten standards focused on specific topics. Every company is obliged to adhere to the general requirements outlined in ESRS 1 and fulfill the general disclosure prerequisites outlined in ESRS 2, irrespective of materiality. It's important to note that ESRS 2 is mandatory for all companies within the scope of the CSRD. For the ten topical standards, as well as the specific disclosure prerequisites and data points within them, a materiality assessment is

required. This assessment helps ascertain which aspects are material to the company's



operations (EC, 2023).

Source: KPMG, (2023b), p.4

The ISSB standards have been crafted by an international entity that lacks regulatory authority. As a result, these standards are intended to be adopted on a voluntary basis by jurisdictions, regulators, and companies. This means that their application is not obligatory, and their adoption will depend on the willingness of the involved parties. In contrast, the ESRS (European Single Reporting Format) was established with a distinct purpose. It was introduced to facilitate the enforcement of mandatory sustainability disclosures mandated by the CSRD (Corporate Sustainability Reporting Directive). As of 2024, large companies operating within the EU are obligated to adhere to these SR requirements. Unlike the ISSB standards, the ESRS carries legal weight and enforceability within its specified jurisdiction, ensuring that applicable companies comply with the stipulated SR obligations (Wagenhofer, 2023).

3.3. Materiality

Materiality plays a pivotal role in numerous deliberations aimed at upholding or enhancing the relevance of corporate reporting to its intended users (Edgley, 2014).

While the implementation of the concept might pose challenges, relying on the discretion of those preparing the information (IFAC, 2017), the IASB, as it operates on a principle-based approach, has offered a relatively lucid description in its Conceptual Framework. Hence, it asserts that *"Information is material if omitting it or misstating it could influence decisions that the primary users of financial reports [. . .] make on the basis of those reports"* (IASB, 2018, paragraph 2.11). The IASB provides additional guidance, examples, and illustrative material alongside the financial materiality to help preparers and auditors apply the standards

consistently and appropriately (IASB, 2017), to address the challenges such as judgment, subjectivity, and consistency.

The concept of materiality in the sustainability domain introduces additional complexities compared to its traditional usage in financial reporting. Materiality within the scope of sustainability denotes the significance of an environmental, social, or governance (ESG) matters concerning company's overall sustainability performance and its impact on various stakeholders, which seek to legitimize their actions and behaviors to maintain their social and moral standing in the eyes of stakeholders. The views and interests of various stakeholders (such as employees, communities, customers, and NGOs) play a significant role in determining what is considered material, whereas This assessment is influenced by the need to maintain legitimacy. In long term, avoid disclosing some ESG issues would affect the company's societal consensus and reputation over time. In the realm of business, regaining social agreement and earning back trust, once they've been lost, entails significantly higher costs (Khan et al, 2016) Legitimacy theory underscores the importance of fostering openness and responsibility in businesses. Therefore, legitimacy theory encourages businesses to adopt practices of transparency and accountability from the outset. This proactive stance is aimed at maintaining alignment with societal values and expectations, ultimately safeguarding the company's credibility and favorable standing in the eyes of stakeholders and the public The concept of double materiality closely intertwines with legitimacy theory. Double materiality recognizes that issues can be material not only from a financial perspective but also from a societal viewpoint. By being transparent about their societal materiality, companies uphold their legitimacy by demonstrating responsiveness to the broader concerns of society. In doing so, businesses enhance their credibility, mitigate risks, and contribute to a sustainable and resilient relationship with their stakeholders (Jørgensen et al, 2021). The European Green Deal outlines specific targets and initiatives to achieve climate neutrality, reduce greenhouse gas emissions, and promote sustainable energy, among other goals. This reflects the EU's commitment to addressing climate change while fostering economic growth and job creation. Hence, the core principles of "double materiality" and the "multi-stakeholder perspective" form the bedrock of EU sustainability standards. EFRAG has introduced the concept of double materiality, which encompasses both "financial materiality" and "impact materiality." It's essential to note that disclosure requirements tied to materiality aren't optional; information must be disclosed if it's considered material. The evaluation of materiality within a company's operations is also subject to external verification, in accordance with the guidelines detailed in the Accounting Directive (EFRAG, 2021). The IFRS Foundation draws guidance and input from a select group of influential organizations, including IOSCO, Accountancy Europe, and IFAC and they have an outside-in-perspective-financial materiality- which showcases how social and environmental matters influence an organization's capacity to generate value.

Incorporating materiality into the sustainability domain acknowledges that a company's value and impact extend beyond just financial metrics, recognizing the importance of being

responsive to a broader array of factors that contribute to long-term success and sustainable development.

3.4. Reporting Boundary

The term "reporting boundary" is elucidated as the foundation for establishing the scope within which entities, activities, transactions, and impacts are included in the reporting process (Layne, 2022). Financial boundary based on financial control is not enough for SR which considers sustainability control (Antonini and Larrinaga, 2017). This latter is connected to organizational boundaries and operational boundaries. Organizational boundaries are related to the continuum of ownership structure whilst the other one refers to the value chain. This perspective, adopted by CSRD, is totally new for organizations and must be distinguished especially when evaluation the materiality of climate-related information cross the entire supply chain from upstream to the downstream (European Commission, 2018). The ISSB, in line with TCFD, follows an inside-out perspective through the disclosure of GHG Emissions under Scope 1, Scope 2 and Scope 3.

Conclusion

The echoes of sustainability reports cannot and will not resemble those of financial reports. While financial reports primarily cater to the primary users defined within a conceptual framework, the essence of sustainability reports should be rooted in businesses giving back to society what they receive from it. Many businesses, especially those in sectors with significant environmental impact, share indicators and outputs in their sustainability reports to signal their efforts in preserving the environment and contributing positively to society. However, in our current world, society is cognizant of and evaluates businesses' environmental and social effects.

The anchoring of sustainability reports to specific standards rests on the premise of widespread implementation and providing accurate and reliable information to society. This approach facilitates not only the reduction, even elimination, of carbon emissions, but also progress in social, human rights, and corporate governance aspects. The ESRSs developed by EFRAG are essentially pieces of the puzzle aligned with the goals of the European Green Deal. Conversely, the scope of the ISSBs developed by the IFRS Foundation is narrower than that of the ESRSs in terms of target audience, materiality, and reporting boundaries. Beyond the increasing requirements, the companies will face with SR divergence according to the standards chosen among the two different set of standards, which will lead to higher compliance costs and additional challenges. The collaboration between the two standard developers would smooth the widespread adoption.

While the argument holds that an excess of information might diminish its significance, it's important to remember that every segment of society is a part of sustainability and that accessing information is a fundamental right. As known from regulatory theories, new regulations bring about political influences, lobbying by interest groups, and stakeholders'

attempts to influence standard setters. However, this issue concerns societal interests, and losing legitimacy in the eyes of society is easy, while regaining it is highly costly

Therefore, taking a comprehensive perspective, the collaborative creation of standards by the IFRS Foundation and EFRAG, serving every facet of society, will be for the greater good. This harmonization process is a challenging journey. Numerous parameters will be considered, and standards, similar to the evolution seen in the development of accounting theories, will evolve as they are applied and the impacts of their implementation results shape their trajectory.

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Standardizing Sustainability Communication: Consumer Perception and Effective Strategies

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Abstract

Communication, especially "sustainability communication" plays a crucial role in today's world. This communication can have an impact on the consumers' perception and also on the company. To standardize companies' communication efforts in this field, various frameworks and standards have been developed to guide companies in reporting their sustainability practices to be better understood by stakeholders and consumers and to facilitate promoting transparency, comparability, and accountability. In this work, first, we made a synthesis of prior research based on a literature review to understand how consumers comprehend corporate sustainability communications. The selection of the articles and related works is based on the presence of the keyword "sustainability communication" in the title, abstract, or author-specified keywords since the year 2000 provided us with 46 results. The analysis of these articles from a standardization point of view led us to have two groups of articles. In the first group, the researchers of 23 articles analyzed the companies communicating according to frameworks such as the Global Reporting Initiative, Sustainability Accounting Standards Board, and the Task Force on Climate-related Financial Disclosures, and in the other group of 9 articles, the companies were communicating about their sustainability efforts only during specific campaigns. We synthesized these works in two groups based on their content analysis and related theories of the field. The research showed that the companies in both two groups are moving towards greater interaction with consumers to understand their needs, to offer them the best products and services possible, and to achieve effective communication with them. Accordingly, it is particularly important to understand how consumers interpret different communication campaigns. The attribution theory, the effect of congruence and the impact of standardization are important concepts for the area. We also see the positive effect of long-term communication on the perception of internal motivation through standardization. Our research highlights societal sensitivity and skepticism in the consumer's perception of sustainable communication and its interpretation of the company's motivations. The research will help identify the causal determinants of behavior and produce more effective sustainability messages.

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Keywords: Sustainability Communication, Standardizing, Consumer Perception

1. Introduction

In the context of growing societal awareness, consumers are setting higher expectations for companies. In response, businesses are not only adopting socially responsible practices but also communicating them effectively. This has given rise to "sustainability communication," which encompasses conveying corporate social responsibility with consideration for economic, social, and environmental concerns, as well as stakeholder interests (Berger, 2021).

Corporate communication has evolved significantly in recent years, becoming more strategic. Sustainability communication plays a pivotal role in establishing a company's credibility, enhancing brand equity, and engaging stakeholders through dialog and interactive platforms like websites and social media (Kwon et al., 2015).

Sustainability communication is a relatively new term, defined as a global social process aimed at improving ecological, economic, and social well-being. The term covers various issues and operates across different levels of public discourse and social systems. It can be categorized into three modes: deliberative (open dialogue and transparency), instrumental (one-way communication for specific goals), and communication for sustainability (calls to action). While instrumental communication often dominates in Sustainability and CSR discussions, there's a growing argument for emphasizing deliberative communication to stimulate creative and committed solutions for sustainability.

Similar to sustainability, sustainability communication is a multidisciplinary phenomenon, drawing from various fields and disciplines (Godemann, 2011). It also finds representation in marketing and advertising literature, often referred to as 'green advertising,' which primarily focuses on environmental aspects in advertising (Kilbourne, 2004). However, there's a growing recognition of the need for a more comprehensive approach. Consequently, sustainability communication is an emerging field with somewhat flexible boundaries (Weder et al., 2021). This underscores the importance of gaining deeper insights into sustainability communication research to understand its potential.

Companies play a pivotal role in shaping a sustainable future, and one of their essential tools in this endeavor is sustainability communication. By communicating their impacts, companies promote transparency, which, in turn, assists them in proactively identifying risks. Furthermore, it provides valuable information to decision-makers within the company and investors. The standards enable companies to harness transparency to generate social, environmental, and economic advantages for all stakeholders (Mitnick et al. 2021). In today's business landscape, transparency regarding the positive and negative impacts of business operations is not just an opportunity but increasingly a necessity. This type of communication also helps companies gain a deeper understanding of their effects on critical issues such as climate change, human rights, and labor relations within their communities and opens doors to new opportunities in global markets. Moreover, the legislation and regulations encourage companies to embrace greater transparency, benefiting everyone.

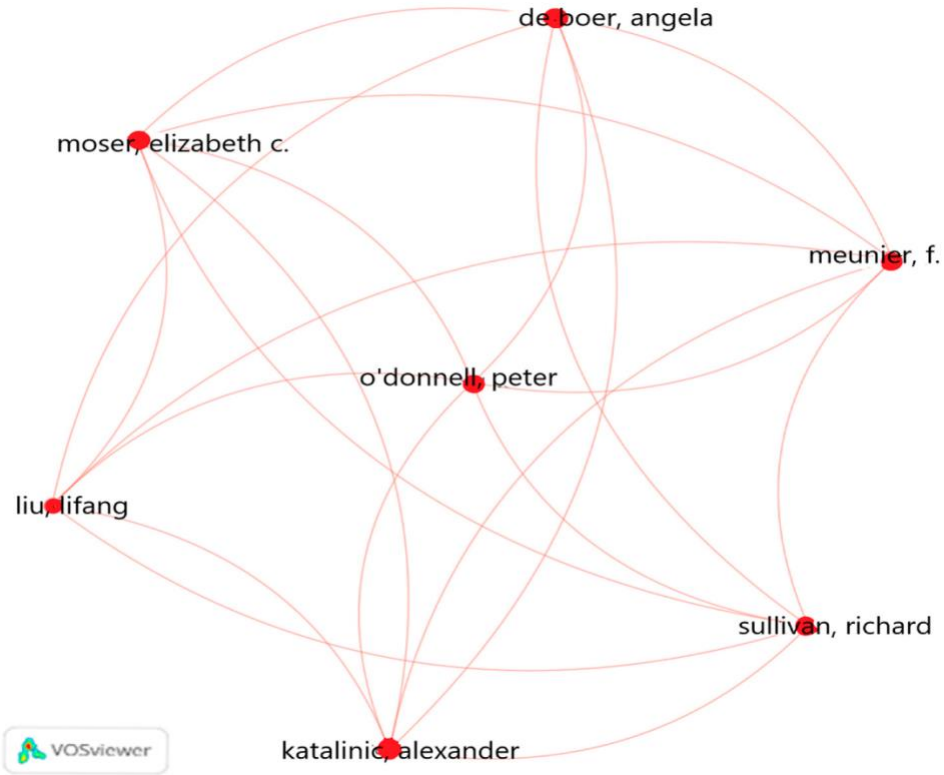
This article aims to capture the different approaches to see how consumers comprehend sustainability communication that researchers use in relation to standardization and to see how the field has evolved over time and the importance of standardization.

2. Method

Using the last two decades' major works on sustainability communication, we draw up a summary of the research conducted in this direction. The selection of the articles and related works is based on the presence of the keyword "sustainability communication" in the title, abstract, or keywords of a research paper in the Scopus database. The results provided us at first with 83 results for the research papers with "sustainability communication" in these fields. However, the limitation of the research field to business management and accounting, economics, and social sciences and to the English language made a final list of 46 papers since the year 2000. These articles are screened for eligibility based on the inclusion criteria (overlap of sustainability communication and/or standardization issues from a communication perspective). This process narrowed the selection to 36 articles, and further refinement based on a discussion of ambiguous cases yielded 32 articles.

We synthesized these works in two groups based on their content and according to related theories of the field to see important differences in their approach.

Figure 1. The main authors of 46 works with keyword "sustainability communication" in the title, abstract or author-specified keywords. Source: VOSviewer.



In these articles, we see that drawing upon the theory of attribution, which examines how individuals explain observed actions, numerous studies aim to gain insight into consumers' perceptions and interpretations of sustainability from companies considering a standard framework.

These studies have emphasized that attributing an action to external circumstances or the actor can significantly influence an individual's attitude toward that actor and the level of trust they place in them, and in the first group of articles, we see that the standardization of this communication plays an important role in the perception and evaluation of companies (Forehand and Grier, 2003).

Sustainable communication campaigns commonly revolve around social or environmental themes. However, they may pertain to activities that are either closely related to or detached from a company's primary role. This brings us to the concept of congruence, which has been the subject of extensive research examining its impact on various marketing aspects, such as word-of-mouth, brand loyalty, and consumer responses. Recognizing that consumers do not interpret all actions in the same manner, our research is also interested in investigating the congruence theory in this context.

Main common theories used in the chosen articles are Attribution Theory and Congruence Theory. These theories are used as a framework in both groups of articles, 15 in the first group of articles considering the standards and 4 on the second group.

2.1. Attribution Theory

Attribution theory examines how individuals make causal explanations for events by using available information. It delves into the process of gathering and combining information to form judgments about causality.

Consumer skepticism plays a significant role in how consumers respond to communication campaigns and assess businesses. In the context of societal initiatives and sustainable commitments, misunderstanding corporate motivations can be a source of this skepticism. It refers to consumers' distrust of corporate actions, communications promoting the company's good practices, and the motivations behind these actions.

To explain the diversity in consumer responses to socially responsible business initiatives, the literature emphasizes consumer perceptions regarding the motivations behind these activities. This involves determining whether consumers associate a company's actions with self-serving or public-interest motives.

Attribution theory, originally developed by Heider, explains how individuals attribute causes to events and how this cognitive perception influences their subsequent attitudes and behaviors. It suggests that causal analysis is inherent in people's need to understand and interpret events (Forehand and Grier, 2003).

Attribution theory categorizes cases into two main types: causes related to the actor's internal factors and those linked to external factors in the environment. Previous research has applied this theory to explain the evaluation of sustainable business communication. Actions attributed to intrinsic motives are seen as genuine and transparent, while those attributed to extrinsic motives indicate opportunism.

Recent research delves into the complexity of societal initiatives, suggesting that consumers identify various causal inferences for sustainable business engagement. These inferences include selfish motives, values-based motives, strategic motives, and stakeholder motives.
Self-motivated assignments view the company's sustainable commitment as exploitation, leading to skepticism about the company's ethics. Values-based assignments associate the company's engagement with its moral values, reflecting genuine concern for societal issues. Strategic assignments believe the company can achieve business goals while supporting the cause, but this can lead to concerns about profit-driven motives. Stakeholder assignments suggest the company is responding to pressure from interest groups, leading to doubts about the company's commitment.
Consumer perceptions of business motivations have a significant impact on their relationship with the company or brand, affecting brand assessment, attitudes toward the company, perceived sincerity of communication, and brand capital. The perceived congruence between sustainable communication and business activity plays a role in shaping these perceptions.
In summary, attribution theory helps us understand how consumers perceive and interpret the motivations behind a company's sustainable communication efforts, which, in turn, influence their attitudes and behaviors toward the company. The alignment between sustainable communication and business activities is a crucial factor in shaping these perceptions.

2.2. Congruence Theory

The literature reveals a body of research focused on investigating the impact of perceived congruence between a company's sustainable communication and its core competencies on consumers' perceptions of the company's motivation and their subsequent evaluations of the company. However, there is no consensus on the nature of this impact, and findings regarding how consumers interpret this congruence vary.
Some studies suggest that when businesses launch communication campaigns about societal activities that align closely with their core competencies, consumers tend to perceive a selfish motivation behind these initiatives. In contrast, they attribute true altruism when the company's activities and the underlying cause do not align with its primary business scope. Initiatives outside the core business scope tend to be viewed more favorably by consumers, as they believe the motivations behind them are less profit-driven and more aligned with societal well-being.
On the other hand, research has supported a positive relationship between congruence and consumer responses. It suggests that communication campaigns aligned with a company's core business and societal initiatives tend to yield better results. This aligns with the theory of associative networks, which emphasizes that consumers perceive events as more suitable when they are highly consistent with the company's core activities. This can lead to more favorable attributions and improved consumer attitudes toward the company.
Additionally, congruence theory posits that individuals prefer harmony and consistency in their thoughts and try to avoid conflicting thoughts. Recent studies have demonstrated that this principle applies to various research fields, including advertising and client referral

programs. In the context of a company's societal initiatives, results suggest that consumers evaluate associations while attempting to reconcile differences with their existing thoughts, leading to greater credibility for initiatives that exhibit some congruence (Stumpf and Baum, 2016).

When there is strong congruence between a sustainable communication campaign and the core business, consumers are more likely to integrate this information easily into their cognitive structure (Feldman and Lynch, 1988). They do not infer selfish motives because they see it as a logical continuation of the company's perspective. In contrast, lack of congruence requires consumers to reinterpret the communication to establish a connection, potentially hindering the attribution process and leading to doubts about the company's motives and interests.

Overall, supportive research indicates a positive effect of congruence between sustainable communication and a company's core business on consumers' perceptions of motivation.

2.3. Standardization

The term "sustainability standards" refers to predefined voluntary norms and procedures that guide organizational behavior in the realms of social and environmental issues. These standards aim to systematically evaluate, measure, and communicate the social and environmental practices of organizations. Unlike codes of conduct, which organizations create themselves, sustainability standards are typically developed and assessed by international organizations, governments, or multi-stakeholder initiatives external to the adopting organization. Their purpose is to prescribe and influence what organizations should and shouldn't do in the sustainability sphere.

Sustainability standards often emerge in "governance voids," where organizations operate in transnational spaces lacking enforceable regulations, making it likely that norms will not be adhered to. They gain popularity because they serve as substitutes for public regulations on a global scale, essentially providing "private rules." These standards offer organizations opportunities to differentiate themselves and enhance competitiveness, particularly for producers and traders (McCoy and Chi, 2022).

Moreover, sustainability issues evolve over time and across contexts. Its open-ended nature allows for sense-making and participation from diverse stakeholders with various interests and expectations.

Researchers increasingly view organizations not as fixed entities but as dynamic creations that emerge through communication practices. Communication is not a separate domain within organizations but is integral to their foundation, evolution, and transformation. This perspective recognizes that organizations are constructed through communication activities. In this context, subscribing to sustainability standards can be seen as a specific form of communication. Communicating standards and applying them shapes the organization. For instance, when managers and an organization adopt a particular standard or deliberate on ways to reduce electricity consumption according to its guidelines, they are not simply applying a fixed reality but are engaged in the process of creating a "new" organization. In this newly communicated organization, sustainability awareness becomes a significant

distinguishing characteristic. So, sustainability standards can lead to the formation of new organizational identities and practices.

Organizations can adhere to a standard in various ways, depending on the type of standard and how it's implemented. While different standards vary in their potential for flexibility, whether a standard evolves or becomes a routine compliance exercise also depends on the communicative practices used in its application and daily use. These practices significantly influence both the organization and, potentially, the standard itself (Costa et al., 2022).

Sustainability standards have the potential to evolve into productive spaces for diverse discussions, but this can only happen if a range of viewpoints are encouraged, and existing stances are consistently questioned (Christensen, Morsing and Thyssen 2013). However, achieving this necessitates communication principles that can sustain an ongoing dialogue about sustainability standards by incorporating a diversity of interpretations, methods, and innovative approaches. The works on standards show that the management should focus on participation and change.

The consumers and stakeholders should have the opportunity to participate to advance the sustainability agenda. However, this approach doesn't advocate for entirely unrestricted, unstructured, or unqualified participation. Stakeholders and consumers focus on establishing an organized, concrete, and local system of participation that encourages and guides involvement without stifling the emergence of new ideas and solutions. While some employees may possess knowledge about the potential benefits and drawbacks of a particular sustainability standard, it can be challenging for subordinates to express such knowledge convincingly to management. The standards should support a system permitting self-reflection and discussion regarding shared values, ideals, and practices. This can be formally organized, involving systematic and recurring collection of input from relevant stakeholders, or it may manifest informally through various forms of openness and appreciation for feedback.

Sustainability communication should show the standard as an agent of change rather than a mere technical tool for guiding sustainability administration toward compliance contrary to much existing research that characterizes the sustainability manager as an internal advocate, promoter, disseminator, or enforcer responsible for ensuring that the standard is adopted and followed according to prescribed guidelines (e.g., Maon, Lindgreen and Swaen 2009; Wickert and de Bakker 2015). This perspective implies a more important role for sustainability communication. It should take a strategic role in fostering debate and encouraging aspirations.

3. Results

The interpretation of sustainable corporate communication campaigns can vary from person to person, contingent on the perceived motivations driving the company's actions. Consumers may attribute diverse motives to these practices, ranging from the conventional distinctions between internal and external motivations, and personal and public interests, to

more specific categorizations such as selfish, strategic, corporate, or stakeholder-related reasons (Marjerison et al., 2021).

This variance in causal inferences can be attributed to various factors. Some of these factors are related to the consumer, such as their situational context and personal experiences. Others are connected to the firm itself, including its societal reputation and the nature of the underlying cause under scrutiny in this research.

As previously discussed in the literature, the perceived alignment between sustainable communication and business activities is subject to differing interpretations by consumers. Some interpret it as a reflection of altruistic behavior driven by internal motivations, while others view it as indicative of opportunistic and selfish behavior stemming from external motivations (Fischer et al., 2021). However, the positive impact of congruence between the company's underlying cause and its actions on the perceived motivations of the company appears to be most prominent among consumers who exhibit lower levels of skepticism regarding societal information and possess a heightened awareness of societal issues (Weder et al., 2021). These consumers tend to be more engaged in scrutinizing the company's sustainable communications and evaluating the efforts made in this regard.

4. Conclusions

Companies are increasingly engaging with consumers to better understand their needs, offer improved products and services, and establish effective communication channels. Consequently, comprehending how consumers perceive various communication campaigns and the role of used standards is of paramount importance (Verk et al., 2021; Costa et al., 2022).

Drawing on prior research and attribution theory, this study contributes to our understanding of how consumers interpret and perceive sustainable corporate communication campaigns. A literature review was conducted to respond to the call from researchers and practitioners for a more profound theoretical and practical understanding of effective sustainability communications grounded in attribution theory. A systematic review is particularly apt for assessing intervention effectiveness and considering the contextual factors that shape sustainability communication.

To enhance our empirical understanding of sustainability communication, this study proposes an interdisciplinary research agenda centered around attribution theory, congruence theory and the effect of standardization. These overarching concepts can be explored more fruitfully now that we have explored the fundamental points.

Our research underscores the positive impact of sustainability communication with businesses on the nature of perceived motivation, particularly regarding the perception of internal motivation through the company's perceived effort and standards. We also highlight the moderating roles of societal sensitivity and skepticism in consumer perceptions of sustainable communication and their interpretations of a company's motivations. This research aids in identifying the causal factors influencing behavior and crafting more effective

sustainability messages. Practitioners can leverage insights into congruence factors and understand the relative importance of sustainability attributes.

While perceived congruence is significant for a favorable interpretation of sustainable communication, it is not the sole determinant of effectiveness. Our research underscores the substantial influence of the adoption of standards by the company.

At the managerial level, companies seeking to develop sustainable communication campaigns are advised to identify signals that can positively influence consumer perceptions and prioritize elements that reduce consumer skepticism. Neglecting this skepticism can impede a company's efforts. Additionally, adopting standards and highlighting significant and costly engagements by firms in their communications can motivate consumers, reduce skepticism, and enhance credibility, as suggested in Christensen et al. (2015).

Furthermore, there should be a shift towards broadening the prevailing one-way communication approach within sustainability communication to encompass other communication perspectives, such as two-way, deliberative, and constitutive communication. This expanded view of communication can better capture its complexity and its potential role within sustainability.

Future studies should also concentrate on both micro and macro aspects related to SC. Instead of isolated studies focused on instrumental perceptions and consumer behavior, there should be a move towards a more comprehensive approach. This approach would provide a better understanding of how the diverse context and institutional factors influence sustainable practices. Such a holistic perspective would extend the current focus on sustainability to encompass more dimensions.

This study has certain limitations. It is subject to biases because it focuses on a single database over a two-decade period. However, the review and content analysis of chosen studies inherently provide partial solutions to practical issues.

In this research, the examination of the link between the nature of sustainable communication and perceived company motivation has been limited to the congruence with the company's core activities. This limitation should be acknowledged. When discussing sustainable communication's nature, other elements such as the social vs. environmental engagement axis, the communication source (company vs. independent body), and the perceived motivation of each type of sustainable communication could be considered.

Finally, it must be emphasized that sustainability communication is a critical issue. Given that companies are formed and largely rely on communication processes, establishing sustainability communication is essential for economic operation, validating a company's activities, and integrating companies into a changing society to ensure their continued presence. It's crucial to highlight that sustainability communication presents an opportunity rather than a cost-cutting tool.

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