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CSR and its Role in Communicating Climate Change Challenges

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The aim of this study is to provide a review **of research activities and existing scholarly literature on corporate sustainability framework from the perspective of CSR and climate change or environmental reporting (in hospitality/tourism)**. Climate and environmental impact are one of the most important parts of CSR reporting and communication. Firms, communities, and individuals must shift their perspectives on CSR from voluntary actions to almost obligatory initiatives. In light of expected climate challenges, this study **advocates concentrating CSR reporting and increasing inquiry into the role of communication in environmental efforts**.

The study has reviewed CSR dimensions and initiatives, CSR reporting and role of communication in environmental challenges. This research has used **secondary qualitative method**, reviewing previously published scholarly literature and studies on the selected topic.

The findings cannot be considered exhaustive and conclusive, but have provided a better insight and perspective on the mentioned frameworks and their interpretations. Communication was frequently viewed as a means of enhancing a business reputation and credibility, and has been used to address climate change and environmental concerns to a lesser extent. Researchers and practitioners must consider the role of CSR communication in a broader context. Given the **difficulties connected with climate change, good communication is critical for mobilization and deciding on goals through consensus**.

Sustainable Development in Hospitality

In recent years the **customers themselves are becoming increasingly aware of sustainability issues, including environmental, social, and economic implications**; and sustainable consumer behaviour and mindset has been extensively reviewed in various academic researches as well as has gathered significant attention in the hospitality consumer marketplace (Heesup, 2021; Tasci, 2017; Verma, Chandra, 2018; Demir et al., 2021).

Deloitte (2020) argued that **sustainability will become a defining factor for the industry in 2020 and beyond** “COVID-19 has highlighted what can be achieved to support sustainability; include sustainability in your supply chain review to thrive in the longer term”,

“...focusing corporations **not just on the economic value they add, but also on the environmental and social value they add - and destroy**” (Elington, 2017).



Sustainable Development and CSR

Triple bottom line (TBL) was first mentioned by Elington in 1977, and then defined as “Focusing corporations not just on the economic value they add, but also on the environmental and social value they add—and destroy (Elington, 2017). (See Fig. 1).

CSR is considered to be **a part of sustainable development or corporate sustainability**. See next slide.

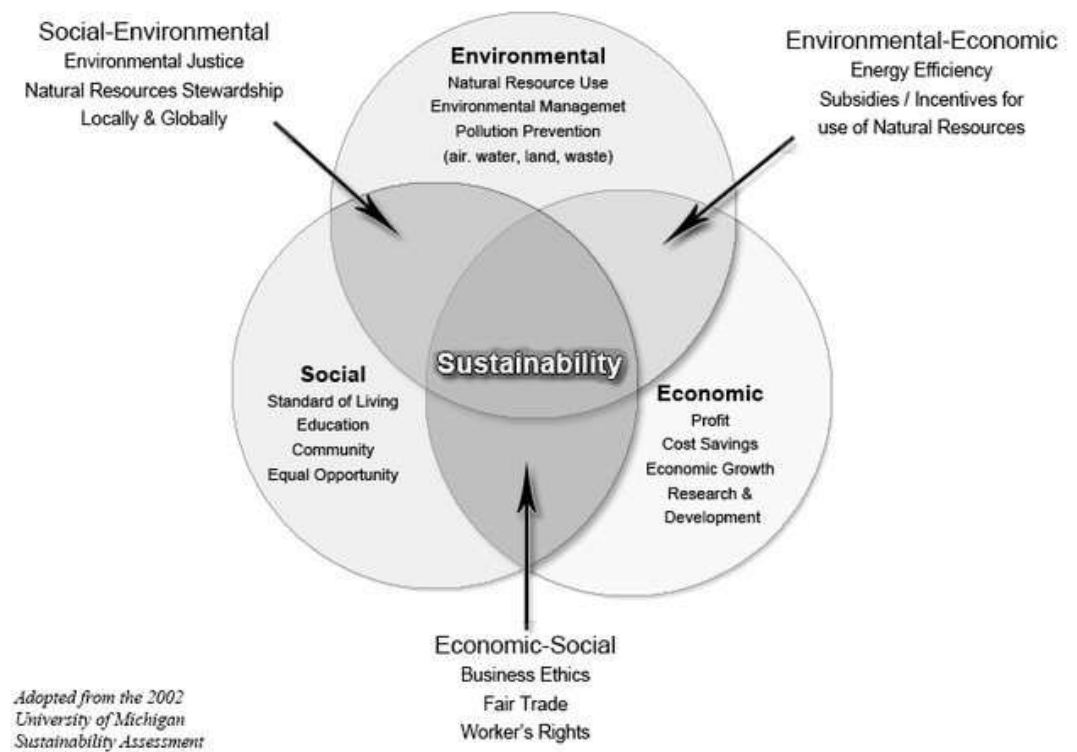


Fig. 1. Triple Bottom line

Source: (Source: Sustainability Assessment and Reporting for the University of Michigan's, 2002, p.8).



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Corporate Social Responsibility

CSR was defined as **business's contribution to sustainable development that does not only positively benefit the stakeholders, economic gains, and competitive advantage, but also caters to societal and environmental needs** (OECD, 2001).



Fig. 2. Corporate Social Responsibility included into integrated Corporate Sustainability framework

Source: Gerner, 2019

Climate Change Challenges

Climate crisis changes our world in various ways including: seasonality issues, increases of events disruption, forced migrations, food and beverage insecurity, disease and death (Olya, 2019; Odou & Schill, 2020). Hospitality and tourism industry is among main contributors to greenhouse gas emissions; however, it is not clear how the industry will be affected under different scenarios of climate change.

Several authors have proposed definitions of **ethical consumer behaviors** as a conscious and deliberate decision **to make consumption choices based on personal beliefs, values and purchasing behavior that considers environmental issues (e.g., climate crisis)** related the production and distribution of goods and services within hospitality and tourism industry (e.g., Olya et al., 2019).

Refocusing CSR efforts in light of projected climate challenges and expanding the role of communication in such efforts. **Communication is more than a tool to craft a positive corporate image** so as to gain or protect legitimacy. It is the means through which CSR sustainability related initiatives are created and disseminated within organizations and **among their key stakeholders - i.e., governments, communities, competitors, supply chains, employees.**

CSR Communication ≠ CSR Reporting

Communication about CSR and sustainability has generally been previously narrowly thought of in terms of public relations, marketing, public affairs, and crisis management strategies. Most often communication was seen as a way to improve a corporate actor's reputation and legitimacy. (Signitzer & Prexl, 2008)

Increasingly scholars are talking about the idea of corporate social responsiveness versus corporate social responsibility. Responsiveness requires communication. Responsiveness emphasizes *“how organizational processes and structures need to react to the social needs and values of a wide range of individuals and groups who have an interest in the organization ...”* (Seeger & Hipfel, 2007).

Communication occurs at the intrapersonal, interpersonal, group, organizational, interorganizational, and macro environmental level. Theories and research exists to guide communicators at each level in creating CSR or sustainability related SMART (i.e., strategic, memorable, accurate, relevant, and trustworthy) messages and disseminating them through an organization, through a supply chain, and within interorganizational collaborations (Allen, 2016).



Fig. 3. Sustainability reporting dimensions – normative, internal, external.

Source: Hahn & Kühnen (2013).

Time dimension:

While the triple bottom line incorporates the social, economical and environmental (People, Planet, Profit) dimensions of sustainable development, it does not explicitly address **the fourth dimension: time**. The time dimension focuses on preserving current value in all three other dimensions for later. This means assessment of short term, longer term and long term consequences of any action (Lozano, 2012).

CSR Reports' Structure and Content Evolution

Commonly used communication channels past researchers have investigated are **CSR reports** and, more recently, **sustainability reports**. Scholars have traced the evolution (e.g., Bowers 2010; Maharaj and Herremans 2008) and content of both types of reports (Morali & Searcy, 2013; Tate et al., 2010):

1. Social reports published in the 1970s and 1980s were often **advertising instruments lacking honesty, transparency, significant quantitative data, explanations for trends, negative news, or proposed future actions to improve negative results**. They largely occurred in response to public pressure following an environmental disaster and stressed regulatory compliance. By the end of the 1970s, although many companies stopped publishing such information, some were successful in their framing efforts (Allen 2016).
2. In the recent years, corporate actors located across the globe are publishing more uniform reports often using **the Global Reporting Initiative (GRI)* comprehensive sustainability reporting framework. Global Reporting Initiative (GRI) guidelines, the most widespread CSR reporting model worldwide, and its application by a leading sustainability reporter** (Garcia et al., 2019).

***The Global Reporting Initiative (GRI)** is an international independent organisation that helps businesses, governments and other **organisations understand and communicate the impact of businesses on critical sustainability issues such as climate change** (GRI, 2022).

Environmental standard disclosures (GRI 300)

1. [GRI 301] Materials 2016
2. [GRI 302] Energy 2016
3. [GRI 303] Water 2018
4. [GRI 304] Biodiversity 2016
5. [GRI 305] Emissions 2016
6. [GRI 306] Waste 2020
7. [GRI 307] Environmental Compliance 2016
8. [GRI 308] Supplier Environmental Assessment 2016

The 2020 KPMG Survey of Sustainability Reporting found **almost all (96%) of the world's largest 250 companies (the G250) report on their sustainability performance.** For the N100 –5,200 companies comprising the largest 100 firms in 52 countries – 80% do so (KPMG, 2020).

Across all companies surveyed, the **GRI Standards is the only sustainability reporting framework that can demonstrate widespread global adoption.** Around three-quarters (73%) of the G250 and two-thirds (67%) of the N100 now use GRI.

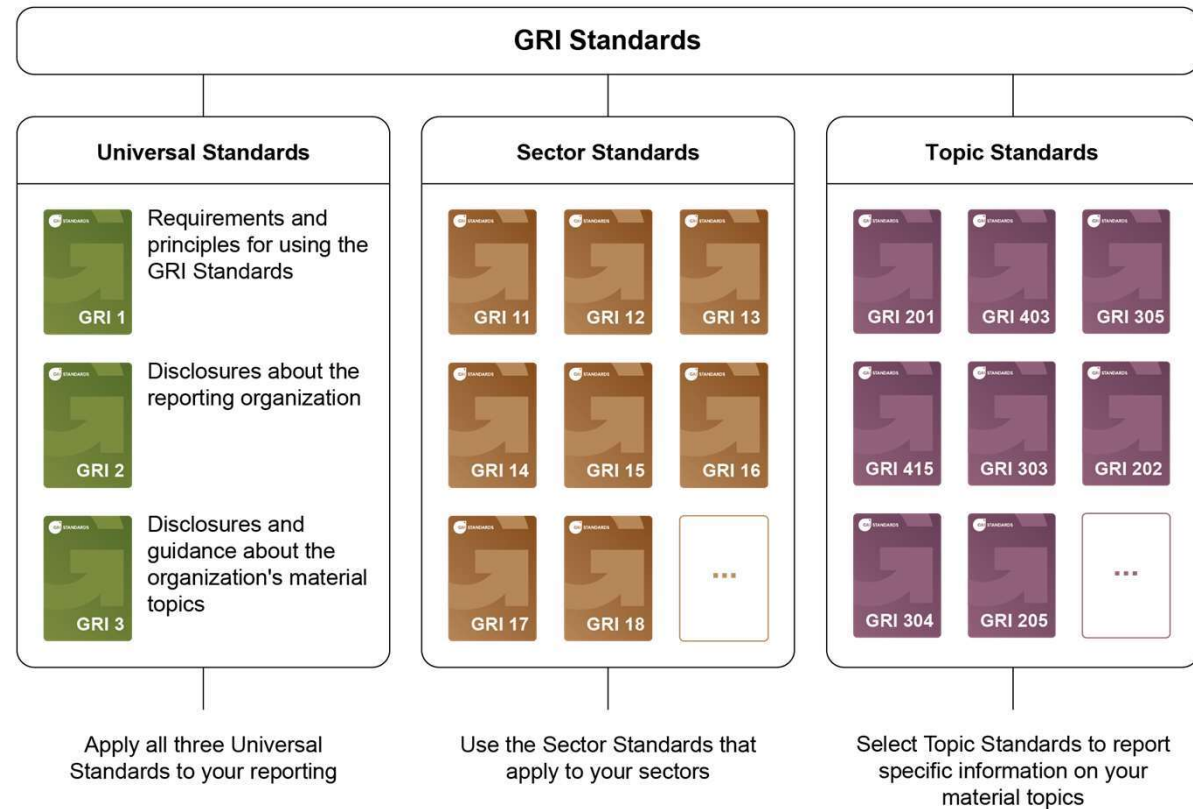


Fig. 4. The Global Reporting Initiative standards
Source: GRI (2022).



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Interim Findings

1. CSR is considered to be a part of sustainable development or corporate sustainability. Sustainability **TBL framework is widely utilized** when constructing CSR policy or reporting.
2. Among the disclosed CSR reports, the **number and percentage of verified CSR reports are low**. The verification of the CSR report is a strong guarantee of its credibility (Gürtürk & Hahn, 2016; Kolk, 2008).
3. Strategic communication scholars note the need for more theory development and comprehensive empirical investigations into these efforts. It is important to study the impact and the processes associated with initiatives. **Shareholder activism can be a driver for positive change in corporate CSR behaviors**. Activism is a form of persuasive, and often public, communication.
4. Across all companies surveyed, the **GRI Standards is the only sustainability reporting framework that can demonstrate widespread global adoption**. Around three-quarters (73%) of the G250 and two-thirds (67%) of the N100 now use GRI.
5. Global Reporting Initiative (GRI) guidelines, the most widespread CSR reporting model worldwide, and its application by a leading sustainability reporter. The findings indicate that **GRI guidelines suffer from significant limitations that hamper the production of reports accounting for CSR impact**.



Conclusions and Recommendations

- Future research is needed on how hospitality organizations can shape up the CSR (CSR report and sustainability reports) efforts in light of projected climate challenges and **the role of communication** – finding the right channels, format and content to reach each particular stakeholder group.
- **Ethical accountability and stakeholder's engagement** - responsible includes being legally or ethically accountable for the care or welfare of another, personally accountable or having the ability to act without guidance or superior authority, capable of making moral or rational decisions on one's own and therefore answerable for one's behavior (in regards of climate change challenges).
- Scholars should research **not only the number or percentage of the disclosed CSR reports, but also the level of information disclosure and verification of CSR reports**, especially environmental disclosure – that would improve climate change awareness, both internally and externally. **Misinformation / Greenwashing.**
- More research efforts should be directed at adopting **new reporting frameworks**, as GRI reporting framework is one of the most used, some of the researchers have indicated that the reports themselves are serving only as marketing tools, **there are difficulties in understanding the proposed GRI guidelines – they are complex, ambiguous, and too flexible, which undermined both the standardization of the reports and the ability to compare reports.**



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Thank you for your attention!