

IDEAL TYPES OF ENVIRONMENTAL DISCLOSURE: AN ANALYSIS FROM THE PERSPECTIVE OF NGOS

RENATA LUIZA DE CASTILHO ROSSONI

ESCOLA SUPERIOR DE PROPAGANDA E MARKETING - ESPM

MANOLITA CORREIA LIMA

Resumo

Climate change threatens sustainability and development goals, requiring adaptations in production models for resilient ecosystems and institutions. The 2022 IPCC report warns that without drastic emissions reductions, global warming will exceed 1.5°C, worsening extreme weather events. Under pressure from stakeholders and regulators, companies must ethically communicate their environmental actions to gain legitimacy. This study examines how corporate environmental ethics can be organized and consolidated from the perspective of environmental NGOs to ensure corporate legitimacy. In this research, we investigate how different interpretations of corporate environmental ethics in environmental disclosure can be organized and consolidated from the perspective of environmental NGOs for corporate legitimacy. The objective is to understand and consolidate interpretations of corporate environmental ethics from the perspective of environmental NGOs, using corporate legitimacy theory and considering the pressures for sustainability and the climate crisis. We use the approach of environmental disclosure, along with the theories of corporate environmental ethics and corporate environmental legitimacy, to understand the phenomenon under investigation. Environmental disclosure involves corporate responsibility in informing stakeholders about environmental performance. Corporate environmental ethics is linked to corporate social responsibility and environmental sustainability. Corporate environmental legitimacy refers to how companies align their practices and communications with societal expectations to maintain their legitimacy. This qualitative study used interpretative epistemology, considering reality as subjective. Weber's ideal type method was used to create a polythetic typology of NGOs' perceptions of the ethics of environmental disclosure. In-depth interviews were carried out with eight NGOs selected through snowball sampling. The data was analyzed and characterized through content analysis, identifying ideal types of disclosure. The polythetic typology included several perspectives with central, but not identical, properties, guaranteeing a comprehensive view of the phenomenon. The organization and consolidation of interpretations from environmental NGOs revealed four ideal types of environmental disclosure. The illusionist type is characterized by manipulating public perception without a commitment to sustainability. For example, a company might emphasize the use of recyclable materials in its products in its advertising campaigns while continuing to contribute significantly to pollution and environmental degradation in other parts of its operations. The normative type meets minimum legal requirements. Although normative disclosure is legitimate and can improve regulatory compliance, it is often seen as insufficient by stakeholders who expect a deeper commitment to sustainability. This approach tends to be criticized for being reactive rather than proactive in promoting sustainable environmental practices. The transitional type involves continuous communication of progress during periods of adaptation. An example of this is a company investing in transforming its supply chain to reduce its carbon footprint and openly communicating the steps it is taking, the challenges it faces, and the goals it hopes to achieve in the coming years. The transformative type demonstrates a deep and structural commitment to sustainability. This type of disclosure represents a structural transformation in business practices,

where sustainability becomes a central part of the corporate culture (Benlemlih et al., 2018). For example, a company that redefines its business models to be entirely sustainable, from production to distribution, with clear sustainability goals that are reported transparently and verifiably, exemplifies transformational disclosure. These companies lead the industry in environmental practices and serve as examples for others (Albitar et al., 2023). The transformative type is more aligned with the expectations of NGOs. The research proposed a typology of interpretations of corporate environmental ethics in environmental disclosure from the perspective of environmental NGOs. Corporate legitimacy must be sought through environmental ethical principles, considering long-term investments. The theoretical model serves as a tool to assist managers and investors in analyzing companies' environmental disclosure. The Study provides insights for managers to align their environmental practices with ethical and transparent principles, promoting sustainable corporate responsibility and legitimacy. The study contributes to corporate legitimacy theory in the environmental context, revealing power dynamics in environmental disclosure. It highlights the importance of ethical commitment to sustainability, integrating environmental practices into operations and culture. The model distinguishes between types of disclosure, helping to identify greenwashing and promote effective sustainability strategies, emphasizing long-term value. Limitations include the small number of NGOs studied. Future research should analyze different actors using qualitative and quantitative methods.

References Albitar, K., Abdoush, T., & Hussainey, K. (2023). Do corporate governance mechanisms and ESG disclosure drive CSR narrative tones? *International Journal of Finance and Economics*, 28(4), 3876–3890. Baalouch, F., Salma, A. D., Khaled, H., & Hussainey, K. (2019). A study of the determinants of environmental disclosure quality: evidence from French listed companies. *Journal of Management and Governance*, 23, 939–971. Bailey, K. D. (1994). *Typologies and taxonomies: An introduction to classification techniques*. Sage Publications. Benlemlih, M., Shaukat, A., Qiu, Y., & Trojanowski, G. (2018). Environmental and social disclosures and firm risk. *Journal of Business Ethics*, 152(3), 613–626. Bergsteiner, H., & Avery, G. C. (2012). When ethics are compromised by ideology: The global competitiveness report. *Journal of Business Ethics*, 109(4), 391–410. Boiral, O. (2013). Sustainability reports as simulacra? A counter-account of A and A+ GRI reports. *Accounting, Auditing & Accountability Journal*, 26(7), 1036–1071. Burrell, G., & Morgan, G. (1979). *Sociological paradigms and organizational analysis: Elements of the sociology of corporate life*. Heinemann. Chauvey, J.-N., Giordano-Spring, S., Cho, C. H., & Patten, D. M. (2015). The normativity and legitimacy of CSR disclosure: Evidence from France. *Journal of Business Ethics*, 130, 789–803. Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). Sage Publications. Hockerts, K., & Searcy, C. (2023). The landscape of sustainability metrics: perspectives and trends. *Journal of Cleaner Production*, 423, 137–148. Johnsen, C. G. (2021). Organizational Research as a Cynical Process: The Lack of Authenticity in CSR Reporting. *Organization Studies*, 42(7), 1165–1184. Laufer, W. S. (2003). Social accountability and corporate greenwashing. *Journal of Business Ethics*, 43(3), 253–261. Patten, D. M. (2020). Enhancing the social and environmental disclosures of firms: Does community pressure play a role? *Journal of Business Ethics*, 91, 223–235. Ruiz-Blanco, S., Vazquez-Carrasco, R., & Lopez-Ruiz, V. R. (2022). Greenwashing as a self-fulfilling prophecy: A system dynamics Weber, M. (1994; 2016). *Economy and society: An outline of interpretive sociology*. University of California Press.

Palavras Chave

Environmental Disclosure, Weberian Ideal-Type, Corporate Ethics

Agradecimento a órgão de fomento

This study was financed in part by the Coordenação de Aperfeiçoamento de Pessoal de Nível Superior – Brasil (CAPES) – Finance Code 001