GIVING SENSE TO ESG

A QUALITATIVE STUDY ON HOW INVESTOR RELATIONS SHAPE HOW ESG INFORMATION IS UNDERSTOOD

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Abstract

This qualitative study explores how investor relations communicate ESG information and influence stakeholder interpretations within the context of evolving ESG regulation and stakeholder demands. It does so by drawing on sensegiving theory, focusing on the concepts of framing and narratives. The analysis is based on 18 semi-structured interviews with investor relations professionals at Swedish listed companies. Findings indicate that investor relations strategically employ cognitive and relational framing to align ESG with financial value creation and broader stakeholder responsibilities, while action and contrasting narratives are used to enhance engagement and credibility of ESG communication. Additionally, ESG regulation, notably CSRD, constrains investor relations ability to strategically construct meaning through sensegiving tools, prompting them to rely increasingly on voluntary communication channels for ESG messaging. Finally, investor relations are taking a more active internal role to support coherent ESG communication. This study contributes a contemporary perspective to investor relations- and ESG literature by examining investor relations as sensegivers in ESG communication and how regulatory evolution shapes different communication forms.

Keywords:

Investor relations, ESG communication, sensegiving, framing, narratives

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1. Introduction

Investor relations (IR) play a key role in enabling informed investor decisions through communication and transparency (Deller et al., 1999; Hoffmann & Fieseler, 2012; NIRI, 2025; Åhblom, 2017). Over time IR's responsibilities has evolved beyond merely a shareholder-centric disclosure function into a strategic role that shapes non-financial information and engages a broader range of stakeholders (Laskin, 2009; Brown et al., 2019; Fieseler, 2011; Hockerts & Moir, 2004). This shift has been driven by increasing shareholder expectations for transparency and accountability (Hoffmann & Fieseler, 2012; Laskin, 2016), especially as Environmental, Social and Governance (ESG) factors gain prominence in investor interest and investment decisions (Bock et al., 2025; Cederberg, 2019; Crifo et al., 2019; Hockerts & Moir, 2004; Solomon et al., 2013; Young-Ferris & Roberts, 2023).

As ESG expectations grow, new demands are placed on how IR operates (Hockerts & Moir, 2004). IR must increasingly act as a bridge between ambiguous corporate sustainability efforts and a wide range of internal and external stakeholders with diverse interests and expectations (Crifo et al., 2019; Fieseler, 2011). Ongoing ESG dialogue further positions the function as both educators and drivers of strategy and transparency for ESG matters (Hockerts & Moir, 2004). This expansion of the IR function has occurred in parallel with rising ambitions in sustainability reporting (Baumüller & Sopp, 2022) and growing complexity of non-financial information (Brühl & Falkheimer, 2023), further broadening the scope of IR responsibilities. In line with this development, ESG has been receiving growing attention among IR professionals (Arvidsson, 2011).

Still, despite this growing responsibility and complexity, little is known academically how IR professionals strategically influence stakeholder interpretations (Hoffmann, 2019), especially so regarding ESG information. This paper seeks to address that gap by exploring IR within the context of ESG for three key reasons:

First, despite the rise of ESG, research on how IR works with ESG remains limited (Brühl & Falkheimer, 2023; Crifo et al., 2019; Hoffmann et al., 2018; Laskin, 2016). With the only notable exception being the well-regarded study by Hockerts and Moir (2004). Which while valuable, is outdated due to the field's fast-paced development over the last two decades (Crifo et al., 2019). This highlights a need for updated research to clarify how IR, as the central function for investor communication, engages with ESG in today's evolving landscape.

Second, while ESG has become a force in investing (Young-Ferris & Roberts, 2023), many companies still struggle to communicate it effectively in a fast-evolving and ambiguous landscape (Fieseler, 2011). The expanded corporate responsibility pressures IR to navigate subjective non-financial disclosures while meeting rising internal and external expectations alongside existing duties (Brühl & Falkheimer, 2023; Crifo &

Rebérioux, 2016; Hoffmann & Fieseler, 2012; Laskin, 2016). Furthermore, as ESG gains influence in financial decisions, investors increasingly rely on IR to translate ESG data into actionable insights, raising expectations for their expertise (Crifo et al., 2019). Additionally, given the complexity and variability of ESG metrics, IR plays a critical role in contextualizing and communicating sustainability efforts in ways that investors understand (Solomon & Solomon, 2006).

This means that IR is responsible for not only conveying ESG performance, but also for making it meaningful and credible to stakeholders. These evolving responsibilities place IR in unfamiliar territory, making the quality of ESG communication a critical factor in building investor trust and shaping company valuation (Bock et al., 2025; Crifo et al., 2019). This shift challenges traditional IR boundaries and raises questions about how well they are prepared to meet these new demands.

Third, ESG information has long been weakly institutionalized, with no clear standards guiding how it should be reported (Moroney & Trotman, 2016). ESG disclosures often lacking the depth and reliability as they vary in format, content, and quality, in comparison to financial data, which is standardized (Moroney & Trotman, 2016). However, incoming regulatory shifts, like the CSRD, are pushing ESG reporting toward greater standardization and transparency, forcing quick adaptation to unprecedented sustainability reporting demands (Baumüller & Grbenic, 2021).

Considering that regulatory change is one of the most significant challenges IR professionals faces (Laskin, 2009), and much of IR's communication can be understood as driven by compliance demands (Hoffmann et al., 2018), adaptation to the CSRD regulation may position IR professionals to take a more active role in ESG. Further extending IR's responsibilities as the function holds considerable influence over corporate disclosures and are often evaluated on how well they manage it (Brown et al., 2019). IR's position between internal sustainability initiatives, regulatory compliance, and external investor expectations, underscores the importance of understanding how IR professionals approach ESG communication in practice, particularly within a shifting regulatory landscape. Thus, the interpretive role of IR in ESG is becoming formalized, making it crucial to understand how they preliminarily adapt to evolving regulation.

Together, these developments position IR as a key actor in ESG communication, helping stakeholders interpret the complex and ambiguous information. Thus, applying a sensegiving lens allow us to better understand how IR construct meaning (Kuperman, 2003), especially in the context of ESG (Hoffmann et al., 2018). With this as a foundation the study aims to examine the following research question:

How do IR professionals use sensegiving tools to shape stakeholder understanding of ESG communication?

To address the research question, a series of semi-structured interviews were conducted with IR professionals from Swedish listed companies. To guide the analysis, the study draws upon sensegiving and utilizes the theoretical concepts of framing and narratives by Logemann et al. (2019). The findings of the study show that: First, IR professionals strategically use sensegiving tools, such as framing and narratives, to tailor ESG messages differently to different stakeholder groups. Second, IR professionals increasingly shift ESG communication to voluntary settings, where sensegiving tools can be more effectively applied, because of incoming ESG regulation. Thirdly, IR professionals role has expanded to include sharing investor insights- and collecting information broadly across departments, thereby fostering cross-functional alignment and more coherent ESG communication.

The remainder of this thesis is structured as follows: Chapter 2 lays the theoretical foundation by first reviewing the literature on IR, ESG in capital markets, and their intersection in section 2.1, followed by the conceptual framework of sensegiving, with a focus on framing and narratives in section 2.2. Chapter 3 outlines the research methodology. Chapter 4 presents the empirical findings alongside the analytical insights. In chapter 5, these findings are discussed in relation to prior research and theoretical concepts. Finally, chapter 6 concludes the thesis by summarizing the key contributions, discussing practical implications, and suggesting avenues for future research.

2. Theory

In order to explore how IR give sense to ESG information, this chapter lays the theoretical groundwork for the study. In section 2.1 we introduce previous literature, first within the evolving role of investor relations, then the emergence of ESG factors within capital markets, and finally the intersection between IR and ESG. Building on this foundation, we present the conceptual framework of sensegiving, focusing on the tools of framing and narratives in section 2.2.

2.1. Previous literature

2.1.1. Investor relations

IR in publicly traded companies serves as the primary link between the organization and the capital markets, facilitating communication with shareholders, prospective investors, and financial analysts (Åhblom, 2017). IR is responsible for managing financial disclosures, crafting reports, and ensuring that senior executives are well-prepared for earnings calls and investor presentations (Åhblom, 2017). The function plays a critical role in building investor confidence and effectively positioning the company within the financial community (Hoffmann & Fieseler, 2012). IR thus play a central and dynamic role in building and nurturing trust-based relationships between the company and its stakeholders (Hoffmann, 2019). It acts as an interface between the company's management team and its investors, playing a central role in making the strategic direction of companies to be understood by every stakeholder in the corporate landscape (EY, 2018).

The role of IR has increased in relevance over time, gaining wider corporate recognition in the 1980's, initially driven by social activism and later shaped by financial scandals that pressured firms to emphasize credibility and openness (Hoffmann et al., 2018). As a result, companies have been compelled to adopt more proactive and strategic approaches to IR, emphasizing credibility, compliance, and open communication (Hoffmann et al., 2018). Tasked with the additional responsibility of building and repairing trust with the market, the IR function saw increasing relevance over time (Laskin, 2009).

Furthermore, over the past decades capital markets have become more specialized, professionalized, and globalized, leading investors to adopt a more systematic and data-driven approach to capital allocation (Hoffmann et al., 2018). As a result, companies now engage with highly informed investors who actively question executive decisions and demand transparency (Hoffmann et al., 2018). This shift has made effective IR functions essential for maintaining trust, managing expectations, and ensuring alignment between corporate strategy and market demands (Hoffmann et al., 2018). Thus, as the investor landscape continued its development throughout the 2000's, the role of IR evolved

alongside beyond broadcasting financial reporting, to become a key part of strategic corporate communication (Laskin, 2011). Today, IR includes broader strategic responsibilities via managing relationships, facilitating expectations, knowledge exchange, and even advising executives on market expectations (Hoffmann et al., 2018; Hockerts & Moir, 2004; Laskin, 2011).

IR faces increasing pressure to broaden its focus and consider a wider range of actors in its communications, not only between the company and its shareholders, but also its stakeholders (Hoffmann & Fieseler, 2012). This shift is driven by investors increasing understanding of the relevance of company reputation, public perception, and stakeholder relationships, thus also of expectations around corporate transparency, social responsibility, and sustainability (Hoffmann & Fieseler, 2012). Regulators, institutional investors, and the public increasingly demand that companies engage with multiple stakeholders such as employees, customers, communities, and policymakers, ensuring that corporate strategies align with broader societal concerns (NIRI, 2023). As a result, IR must increasingly integrate financial and non-financial information and adapt its communication and processes accordingly (Laskin, 2016).

As expectations on corporate transparency and accountability have grown, companies today are required to go beyond traditional financial reporting (Fieseler, 2011; Laskin, 2016). They must also explain the impact of their business model, articulate long-term strategy, and disclose non-financial factors that influence performance (Laskin, 2016). This shift reflects the growing sophistication of investors, who increasingly seek broader insights and contextual analysis to interpret financial data (Laskin, 2016). However, investor communication often continues to prioritize financial metrics, overshadowing the demand for non-financial information that helps investors reduce uncertainty and assess a company's long-term value (Brühl & Falkheimer, 2023).

Within research on IR, much effort has historically been directed towards evaluating the market outcomes of IR and its impact on firm value (Brown et al., 2019). Scholars have analyzed effects such as increased liquidity, lower cost of capital, increased visibility, increased liquidity and lower stock price volatility (Brennan & Tamarowski, 2000; Bushee & Miller, 2012; Hong & Huang, 2005; Chapman et al., 2017). This stream of research focuses on what IR accomplishes, rather than how it works or what it involves, emphasizing its value by looking at the outcomes it creates.

In parallel to market outcome focused studies, a growing stream of research explores the evolving practices and processes of IR, examining how professionals manage communication, relationships, and internal-external dialogue. Central to this research is Laskin (2009), which finds that the IR function not only communicates information from the company to investors, but also play a central role in bringing investor feedback back to top management, making two-way communication a core aspect of the IR function. Laskin (2016) further stresses that while financial data remains central to investor

communication, there is growing recognition of the need to also explain non-financial information, such as corporate strategy, management quality, and ESG. The paper also argues that non-financial information plays a growing role in shaping corporate value, and insufficient communication of these aspects to investors may result in company undervaluation.

This evolving understanding of IR is further developed by Hoffmann & Fieseler (2012), who argue that IR should be seen as a strategic communication function rather than merely a reporting tool. Emphasizing that the quality of a company's communication plays a critical role in shaping strong relationships with the capital market (Hoffmann & Fieseler, 2012). Hoffmann (2023) continues on Kuperman (2003) original idea of IR being a sensegiving function, that provides the financial community with cues to help them construct reliable mental model of corporations and offering guidance for forming a coherent understanding of company aspects. This perspective influences how investors perceive a company by shaping perceptions, building relationships, or taking advantage of how investors think (Hoffmann, 2023).

In line with the strategic and communicative aspects of IR, Hockerts and Moir (2004) examine how IR is adapting in response to rising investor interest in ESG. Their findings indicate that IR has moved beyond simply broadcasting ESG information, instead engaging in more interactive, two-way exchanges with investors, aligning with previously mentioned findings of Laskin (2016). This shift reflects a broader transformation in IR, from a traditional focus on financial disclosure to relational management role, that involves both conveying investor concerns to management and shaping how the company communicates its ESG commitments to investors (Hockerts and Moir, 2004).

A related contribution is offered by Brühl and Falkheimer (2023) who examine how IR professionals themselves make sense of and communicate corporate purpose as part of strategic IR communication. According to the authors, key parts of IR work becomes to first make sense of the company's purpose along with internal activities, and then translating that understanding into clear communication for the financial community. Brühl and Falkheimer (2023) find that the way IR professionals understand information, influences how they present it externally, and that their ability to guide investor interpretation improves when they are familiar with how the financial public processes information. It is further established that IR draw on insights from both internal actors and external stakeholders to develop their understanding of the organization, and in addition that IR professionals should use corporate purpose more strategically, as to make the information more relevant to investors (Brühl & Falkheimer, 2023).

Complementing these studies, Brown et al. (2019) shift the focus toward the practical routines of IR professionals, exploring how they influence the corporate narrative. The authors outline the IR professionals most fundamental responsibility as engaging in dialogue with the financial community, to shape the corporate narrative, helping investors

understand corporate disclosures and then relaying feedback to management. Brown et al. (2019) find that IR professionals wield significant influence on all forms of corporate disclosures and place higher value on private communication with institutional investors, compared to other forms of communication such as annual reports or on-site visits. Conference calls and private follow-ups are viewed as important complements to formal disclosures, such as annual reports and earnings guidance, as these verbal interactions provide IR professionals with opportunities to add context and shape how their narrative is interpreted by investors (Brown et al., 2019). Furthermore, the calls were often carefully scripted in advance, reflecting their strategic importance in narrative management (Brown et al., 2019).

Similarly, Mayew (2012) finds that the depth of disclosure varies by medium, with interactive formats leading to more nuanced and differentiated communication. Hoffmann (2019) extends this by establishing that the persuasive effect of IR largely comes from voluntary channels, especially for non-financial information. Describing voluntary disclosure channels as a space where companies can actively demonstrate their understanding of investor expectations and differentiate themselves through tailored, strategic communication.

Together, these scholars illustrate how IR has developed from a primarily one-way financial disclosure function into a more strategic, holistic, and two-way role (Brown et al., 2019; Hockerts and Moir, 2004; Hoffmann & Fieseler, 2012; Laskin, 2009). And as stakeholder expectations on transparency, engagement, and long-term value communication continue to rise (Hoffmann & Fieseler, 2012; Laskin, 2016), IR is increasingly judged on broader criteria. This shift sets the stage for a closer look at how non-financial considerations, specifically ESG, have gained traction, and thus the next segment explores the growing body of research on ESG.

2.1.2. ESG in capital markets

ESG was introduced in 2004 by the UN initiative The Global Compact to connect growing sustainability concerns with financial decision-making (United Nations Global Compact, 2004). Since then, it has become a widely used framework for evaluating corporate responsibility and guiding responsible investing (Li et al., 2021; Schmidt & Winkler, 2021). The framework consists of three pillars: first, the Environmental dimension focuses on a company's ecological impact, such as emissions and resource use; second, the Social aspect looks at how a company treats its employees, customers, and communities; and third, the Governance component addresses leadership and oversight, including executive pay, shareholder rights, and internal controls (Kräussl et al., 2024).

While ESG has gained prominence in recent years, it is often discussed alongside and used interchangeably with the older concept of Corporate Social Responsibility (CSR). It

is important to acknowledge, however, that CSR is generally more qualitative and self-regulated while ESG offers a more structured and measurable framework particularly suited to investor assessments (Corporate Governance Institute, 2025). Despite these distinctions, the interchangeable use of the terms in the literature supports a consistent use of ESG throughout this thesis, enabling a clearer and more focused discussion while still reflecting their shared foundations.

The integration of ESG considerations into capital markets is becoming increasingly essential, as non-financial factors play a growing role in investment decision-making, driving demand for ESG metrics and ultimately impacting resource allocation in the economy (Cederberg, 2019). The UN Principles for Responsible Investment encourage investors to consider ESG factors, as failing to account for ESG information could lead to stock mispricing and negatively affect long-term financial performance (Young-Ferris & Roberts, 2023). Simultaneously, institutional investors are recognizing the material impact of ESG issues, fueling the rise of Socially Responsible Investment (SRI) (Solomon et al., 2013). Overall, this trend reflects a broader acknowledgment that sustainability and ethical governance are critical to long-term business success (Hockerts & Moir, 2004; Hoffmann & Fieseler, 2012; Wagemans et al., 2013).

However, integrating ESG into capital markets presents several challenges, particularly in balancing a company's priorities with stakeholder expectations in non-financial disclosures (Dumay et al., 2015). In Dumay et al. (2015), the authors highlight the difficulty of achieving "material legitimacy", which refers to an organization's ability to align what is important to the business with the main concerns of its stakeholders. To maintain credibility, companies must carefully manage stakeholder expectations while ensuring their sustainability efforts remain aligned with business objectives (Dumay et al., 2015). The challenge becomes even greater when combining financial and non-financial aspects, as sustainability goals may sometimes conflict with traditional business performance measures. This balancing act can complicate the effective communication of sustainability performance, requiring companies to ensure that the information they share is both relevant and trustworthy (Dumay et al., 2015).

While companies frequently disclose ESG information, many fail to provide detailed reports on specific climate-related risks and dependencies. This discrepancy underscores the difficulties in creating meaningful and standardized environmental reporting, especially within frameworks like the TCFD, raising concerns about the effectiveness and reliability of current sustainability disclosures (Demaria & Rigot, 2021). Historically, organizations have had significant flexibility in deciding what to include in their sustainability reports. As a result, these reports often contain excessive or selectively presented information, which can blur the issues that matter most to stakeholders (Moroney & Trotman, 2016).

While sustainability reporting has the potential to promote accountability and transparency (Adams, 2004; Bebbington et al., 2008; Unerman, 2000), some argue that it is often used more as a way to maintain legitimacy and meet external expectations rather than to provide meaningful insights (Adams, 2008; Archel et al., 2009; Bebbington et al., 2008; Cho et al., 2012; Cho & Patten, 2007; Palazzo & Scherer, 2006). Further complicating this, institutional investors generally assume that companies are not attempting to deceive them and rarely question the accuracy of ESG reports (Solomon et al., 2013). In Solomon et al. (2013), the authors argue that ESG integration is largely symbolic, as financial considerations take priority over social and environmental factors. Although investors allocate time and resources to social and environmental reporting, they remain fully aware that financial reporting ultimately takes precedence (Solomon et al., 2013).

In response to concerns about the credibility of sustainability reporting, the evolution of sustainability reporting in the EU has seen a considerable increase in ambition over the past two decades (Baumüller & Sopp, 2022). As part of this, the European Union introduced the CSRD in December 2022, in tandem with the European Green Deal (European Union, 2022). Thus, mandating over 50,000 companies to incorporate sustainability disclosures into their financial statements to better meet stakeholder expectations and support the EU's transition to a sustainable economy (European Union, 2022). Unlike previous frameworks that often focused narrowly on specific issues such as climate change, the CSRD adopts a broader scope and introduces the principle of double materiality. This requires companies to report not only on how sustainability issues affect their operations, but also on how their own activities impact society and the environment, including factors like employment and carbon emissions (EFRAG, 2022).

While the CSRD is concluded to enhance the quality and comparability of sustainability reporting, it also faces criticism because of the significant administrative demands it places on companies (Baumüller & Grbenic, 2021). Demands that forces companies to quickly adapt to new and unprecedentedly broad and large sustainable reporting standards (Baumüller & Grbenic, 2021). In recognition of these challenges, the European Commission introduced the Omnibus Simplification Package to revamp sustainability regulations and reduce the burden on businesses (Forbes, 2025). Nonetheless, considerable uncertainty remains regarding how the CSRD will ultimately be implemented and which firms will fall within its scope, reflecting a broader ambiguity that continues to define ESG regulation in the financial sector.

ESG is though not only difficult to incorporate into financial reporting but also challenging to integrate into investment practices. One of the main reasons is that ESG is difficult to quantify in monetary terms (Hayat & Orsagh, 2015). The financial services industry relies heavily on financial metrics as its primary calculative tools, with their usefulness largely determined by their ability to assess a firm's market value (Arjaliès & Bansal, 2018). Since ESG factors are not always directly linked to financial performance,

they are often perceived as less relevant or harder to incorporate into traditional valuation models (Arjaliès & Bansal, 2018).

Despite its growing relevance, ESG remains largely excluded from mainstream investment frameworks, which are traditionally grounded in conventional investment theory, risk-return analysis and financial valuation models (Young, 2013). Compounding this issue is the limited availability and quality of ESG disclosures. Solomon and Solomon (2006) found that although institutional investors considered ESG disclosures as useful for decision-making, publicly available information was often insufficient for making fully informed investment judgments. As a result, investors turned to private communication with investee companies to access more detailed ESG insights (Solomon & Solomon, 2006). This reliance on informal channels highlights the limitations of public ESG reporting in terms of depth and reliability, further complicating its effective integration into conventional investment analysis.

2.1.3. Investor relations and ESG

The traditional definition of corporate governance emphasizes maximizing shareholder value and aligning managerial interests with those of shareholders (Crifo et al., 2019). However, the stakeholder model has since been presented as an alternative view, arguing that a range of other actors also have a legitimate interest in how companies are governed (Crifo et al., 2019). Proponents of this model believe that firms should be accountable for their broader impact on employees, customers, communities, and the environment (Tirole, 2006). Building on this, IR would under the shareholder model primarily focus on financial communication, whereas under the stakeholder model, IR also includes non-financial disclosures to address the interests of a wider group of stakeholders.

Aligning with the stakeholder model, the role of IR is evolving beyond traditional financial reporting to include broader responsibilities in corporate valuation and stakeholder engagement, as discussed in section 2.1.1 Investor relations. While IR has traditionally been assessed based on financial information, growing investor interest in ESG is reshaping its function (Hockerts & Moir, 2004). IR now extend beyond financial disclosures to facilitate ongoing dialogue between companies and the market on social and environmental matters, a shift that has positioned them as strategic drivers of corporate change and influencers in how firms approach ESG integration (Hockerts & Moir, 2004). In this expanded role, IR play a vital part in embedding ESG factors into financial communication strategies, helping investors make more informed decisions and bridging the information gap between internal stakeholders and the broader investment community (Fieseler, 2011).

This shift is further driven by new regulations requiring companies to disclose non-financial information in their annual reports, prompting firms to place greater emphasis on ESG transparency and reporting practices (Crifo & Rebérioux, 2016). Building on this,

Gelb et al. (2008) examine how differences in international regulatory environments influence voluntary disclosure, showing that IR activities are particularly responsive to variations in regulatory standards. At the same time, ESG factors are increasingly being recognized not only as compliance requirements but also as potential sources of competitive advantage and enhanced financial performance (Bénabou & Tirole, 2010; Crifo & Forget, 2015; Kitzmueller & Shimshack, 2012).

Despite increasing awareness of ESG issues, their integration into traditional IR practices remains in its early stages and is according to Laskin (2016) rated as low importance information by both IR and investors. IR professionals are further argued to take a more active role in strategic management, facilitate interactive dialogues on ESG matters, and proactively communicate sustainability strategies (Laskin, 2016). Arvidsson (2011), drawing on survey data from Sweden, observes that although sustainability and ESG information still trail other non-financial metrics in perceived importance, they are increasingly gaining traction among IR professionals.

Research has shown that IR influences a company's ESG rating, as the functions is instrumental in integrating ESG considerations into corporate strategies (Crifo et al., 2019). As a result, companies can strategically invest in IR quality to enhance their ESG ratings (Bock et al., 2025). Additionally, according to Reppmann et al. (2025) there is a communication balance since both too little and too much ESG communication can negatively impact organizational change. The impact is amplified by increased stakeholder monitoring, highlighting the need for IR to balance communication intensity to avoid greenwashing or greenhushing to strategically manage stakeholder expectations (Reppmann et al., 2025).

While some quantitative studies have examined the intersection of IR and ESG (Bock et al., 2025; Crifo et al., 2019; Reppmann et al., 2025), qualitative research on the communicative dimensions of ESG integration within IR remains limited. The only qualitative study that appears to examine ESG, from the perspective of IR, is Hockerts and Moir (2004), which provides early insights into how IR professionals approached corporate responsibility two decades ago. Development since prompts the need for a follow-up study that revisits and expands upon the findings of Hockerts and Moir (2004) in light of today's ESG landscape.

Hockerts and Moir (2004) show that IR at the time primarily perceived ESG through a financial lens, considering it relevant only as it affected shareholder value. This interpretation reflected the broader investment environment at the time, where both mainstream investors and sell-side analysts demonstrated limited interest in ESG, leading IR departments to devote minimal time to sustainability-related activities (Hockerts & Moir, 2004). The study also highlights a shift in the IR role from merely broadcasting information to external parties, toward a more interactive, relationship-based function that involves two-way communication between both the organization and external

stakeholders (Hockerts & Moir, 2004). In this emerging role, IR were expected to educate analysts and investors about corporate responsibility, signaling an early transformation of the IR profession (Hockerts & Moir, 2004).

However, these communicative practices were at the time driven by the interest and influence of the then emerging SRI, an interest that has since been adopted by mainstream investors as well (Fieseler, 2011). This shift may place the IR function under increased pressure, potentially giving ESG a more prominent role in IR activities. Hockerts and Moir (2004) moreover found that IR were beginning to recognize the need for improved disclosure and reporting of social and environmental information. Nevertheless, they anticipated that progress would be gradual, as mainstream investors were expected to adopt ESG considerations slowly. Since then, ESG has become increasingly embedded in both regulatory frameworks and investor expectations (Baumüller and Sopp, 2022; Crifo et al., 2019).

While Hockerts and Moir (2004) provides important insights into how IR began adapting to the growing relevance of ESG, it reflects an early stage context that no longer captures the complexity or strategic significance of ESG in today's capital markets. Against this backdrop, there is a need for a follow-up study that revisits how IR engages and give sense to ESG in a constantly evolving landscape, where regulation, responsible investment, and non-financial disclosure have become increasingly integral to financial communication (Crifo et al., 2019).

2.2. Conceptual framework

2.2.1. Introduction to sensegiving

Gioia & Chittipeddi (1991, p.442) states that sensemaking "has to do with meaning construction and reconstruction by the involved parties as they attempted to develop a meaningful framework for understanding the nature of the intended strategic change.", and that sensegiving "is concerned with the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organizational reality."

Sensemaking is in other words about how people interpret ambiguous or complex situations, such as a strategic change, by constructing a shared understanding that enables coordinated action (Gioia & Chittipeddi, 1991). Its less about finding out the truth and more about creating plausible meaning that guides behavior. Sensegiving is, on the other hand, described as the process aimed at shaping meaning for a specific audience (Weick et al, 2005). Thus, we can say that sensemaking is how one creates meaning for oneself, while sensegiving concerns the process of affecting and impacting the sensemaking processes of others.

Subsequent researchers have expanded on the concept. For example, Maitlis and Lawrence (2007) identify sensegiving as a widespread phenomenon in organizations,

noting it is undertaken by both leaders and organizational stakeholders. Maitlis and Lawrence (2007) argue that sensegiving is initiated when individuals foresee a potential sensemaking gap, i.e. ambiguity or differences in the shared understanding by others. This is the starting point of the sensegiving process, which is then supported by two key enablers: the communicator's skill in crafting persuasive narratives and mechanisms that support effective delivery. Thus, sensegiving depends not only on intentional communication, i.e. using various linguistic devices to shape meaning, but also on the social and technical conditions of the organizations (Maitlis & Lawrence, 2007). It is further found that sensegiving frequently initiates in times of strategic change, and scenarios with unpredictability or involving numerous diverse stakeholders (Maitlis & Lawrence, 2007).

As previously noted, the IR function extends beyond the communication of financial information, providing non-financial information and insights that help shape investors understanding of companies (Laskin, 2016). Thus, they are making way for investors to have more holistic and detailed understandings of firms, indicating that they are active in sensegiving processes (Kuperman, 2003). In this context, company evaluation can be seen as an interpretative process, where investors integrate newly received information and corporate communications into their existing cognitive frameworks, aiding their sensemaking (Hoffmann & Fieseler, 2012).

Kuperman (2003) describes IR as a sensegiving function as it provides the financial community with information that allows them to develop a more realistic understanding of companies. Furthermore, to successfully shape how stakeholders understand the company IR needs to recognize how people already think and feel about what is being communicated (Kuperman, 2003). Additionally, Rouleau (2005) establishes that those who engages in sensegiving, and the strategies used, can significantly affect organizational outcomes, such as the success of change initiatives or the integration of stakeholder perspectives.

Overall, the literature describes sensegiving as a way for organizations to actively shape how people understand and interpret information, helping to guide their perspectives alongside their own sensemaking. It allows us to analyze how IR professionals attempt to create understanding in a context where meaning is not self-evident from the start, such as the evolving ESG landscape.

2.2.2. Sensegiving in strategic change

To answer the research question *"How do IR professionals use sensegiving tools to shape stakeholder understanding of ESG communication?"*, we draw upon the framework by Logemann et al. (2019) regarding framing and narratives as sensegiving tools in strategic change. On the basis of a longitudinal case study of a European multinational corporation during a CEO change, Logemann et al. (2019) examines how managers help employees

understand and support major changes to the company's direction, structure, and way of working. Accordingly, strategic change is defined as something that transform a company's strategy, structure, or culture and often causes disruption and instability in organizational life (Balogun & Johnson, 2004; Bartunek et al., 2006 as cited in Logemann et al., 2019). This also implies a fundamental change in how stakeholders are meant to view an organization. In other words, strategic change involves "a redefinition of the organization's mission and purpose or a substantial shift in overall priorities and goals" (Gioia et al., 1994, p. 364).

In light of this definition, we propose that ESG should be understood as a form of strategic change, as it often entails shifts in organizational priorities, resource allocation, and stakeholder engagement. According to the EY (2022), 82% of U.S. CEOs view ESG as a key driver of strategic value. McKinsey & Company (2019) similarly emphasizes that strong ESG performance can reduce regulatory and legal interventions, offering firms greater strategic flexibility and lessening compliance burdens. Thomson Reuters (2024) further argues that ESG strategies should be approached as transformational change initiatives to support long-term organizational resilience. Combined with growing regulatory demands for standardized ESG reporting (Baumüller and Sopp, 2022), which require companies to adapt internal processes and structures (Demaria & Rigot, 2021), ESG is increasingly being integrated into corporate practice. This development aligns with the definition of strategic change by Gioia et al. (1994), as used by Logemann et al. (2019).

Given that ESG represents a strategic change for companies, it becomes essential for external stakeholders to understand this transformation. Gelb and Strawser (2001) argue that ESG disclosure is driven by strategic imperatives rather than shareholder demand: as companies ramp up their ESG efforts, they strive to reflect this positioning to all stakeholders, including investors. This, in turn, positions IR as a key factor in shaping stakeholders sensemaking processes through the use of sensegiving tools. Furthermore, Hockerts and Moir (2004) also state that IR professionals take a broader role as a conduit for strategic change in ESG communication. Thus, the theoretical framework proposed by Logemann et al. (2019) provides a fitting foundation for our thesis.

Studies on sensegiving around strategic change have, for the most part, focused on two kinds of tools: framing and narratives. Both framing and narratives involve the construction of socially situated meaning in organizations (Cornelissen & Werner, 2014). Prior research indicates that managers employ sensegiving in the form of framing tools (Carton et al., 2014; Cornelissen et al., 2012; Sonenshein, 2006) alongside different narrative forms (Maitlis, 2005; Maitlis & Sonenshein, 2010; Sonenshein, 2010) to shape how organizational members and external stakeholders interpret and make sense of situations.

Since Logemann et al. (2019) focus is on how recipients within the organization are influenced by sensegiving tools. In contrast, we apply the theoretical concepts somewhat differently by examining how the sensegivers employs and adapts these sensegiving tools, rather than how the recipient is affected by them. According to Kuperman (2003), IR should be understood as a sensegiving function, as it provides the financial community with crucial input that enables them to form a more reliable and nuanced understanding of the company. Therefore, we contribute to Logemann et al.'s (2019) theoretical framework of framing and narratives as sensegiving tools in strategic change by interviewing those who use these tools, rather than analyzing the recipients sensemaking processes.

2.2.3. Framing

Logemann et al. (2019) defines framing as "the systematic use of a set of keywords, catchphrases, metaphors, and idioms to provide an interpretive frame of reference for a change" (Fiss & Zajac, 2006; Gioia & Chittipeddi, 1991 as cited in Logemann et al., 2019, p.2). Framing uses familiar language that connects to shared cultural understanding, helping people make sense of the change and encouraging them to support it (Cornelissen & Werner, 2014). By invoking culturally resonant expressions, framing makes complex or abstract topics more intelligible and familiar (Cornelissen & Werner, 2014). It is especially powerful in contexts of strategic change, where meaning is contested, and organizational actors must align around new directions.

In the case study by Logemann et al. (2019), framing was found to be particularly influential in helping organizational members grasp the urgency and necessity of change. The authors identify three forms of framing used by the CEO in their study: symbolic, relational, and cognitive. Symbolic framing relied on metaphors like "must-win battles" to condense the strategy into a tangible and motivational call to action. Relational framing employed inclusive language to foster shared ownership and collective responsibility. Cognitive framing, in contrast, used technical language and business terminology like "fixed costs," "profitability," and "competitive advantage" to justify change through rational arguments (Logemann et al., 2019, p. 9). However, the effect of framing was not uniform across the case used in Logemann et al. (2019). While symbolic and relational framing, especially the "must-win battle" metaphor, were broadly adopted, cognitive framing resonated only among top managers (Logemann et al., 2019). This highlights an important insight: the success of framing depends not only on what is said, but on how well it aligns with the audience's interpretive resources.

In this thesis, we extend the notion of framing to the domain of IR, with a focus on ESG communication. Here, framing is used not only to guide internal understanding, but to shape external perceptions. As seen in Logemann et al. (2019), relational and symbolic framing had the strongest effect because they were simple, evocative, and tied to action. Similarly, in ESG communication, inclusive and meaningful framing could help IR

professionals create coherence around sustainability efforts and guide investors in how to interpret them. Thus, framing becomes a powerful sensegiving tool that not only conveys meaning but enables interpretation in uncertain and evolving strategic domains such as ESG.

2.2.4. Narratives

Narratives though, is defined as "grammatically structured (discursive) constructions that actors use to shape their own and to impact others' understandings" (Sonenshein, 2010, p. 480 as cited in Logemann et al., p.3). Narratives present a sequence of events involving people and actions that progress from the past and present toward a preferred future. This envisioned future often serves as the central storyline that justifies and inspires the change process (Fisher, 1984). The strength of narratives lies in the way they are structured: managers simplify complex events, organize them, and turn them into a storyline that shows specific actions and expected outcomes over time (Brown & Humphreys, 2003; Rhodes & Brown, 2005; Robichaud et al., 2004, as cited in Logemann et al., 2019). This structured storytelling makes narratives especially effective for helping people make sense of transitions and for building support for new directions (Logemann et al., 2019).

According to Logemann et al. (2019), narratives are especially effective during the execution phase of strategic change, when framing alone may not be enough. While framing introduce concepts and help create urgency, narratives offer a way to operationalize and contextualize those concepts by anchoring them in a relatable storyline. In their case study, Logemann et al. (2019) distinguish two narrative forms: action narratives that chart a desired course, and contrasting narratives that juxtapose past and present performance to motivate continued change.

Action narratives are forward-looking and often send a strong message that people need to act together. These narratives chart a desired trajectory and outlines what needs to be done, by whom, and why, in order to create engagement (Logemann et al., 2019). Contrasting narratives, by contrast, work through juxtaposition (Logemann et al., 2019). They compare the organization's current or past state with a desired future. Acknowledging prior achievements while emphasizing remaining challenges, thereby validating past efforts while maintaining pressure for continued improvement and thus creating credibility (Logemann et al., 2019). These narratives are crucial in avoiding complacency and sustaining engagement during the often lengthy and complex implementation of strategic initiatives (Logemann et al., 2019).

In this study, we extend the application of narratives as a tool of sensegiving to the field of IR. We view narratives not merely as internal coordination tools but as externally oriented stories that IR professionals use to communicate a company's value proposition and future orientation. In contrast to Logemann et al. (2019), who studied how employees made sense of internal strategy execution, our focus is on how IR actors build and convey

narratives to shape external stakeholder perceptions of companies ESG strategy. These narratives often frame the company not only as a viable business but also as an attractive investment object, a concept rooted in how investors construct understandings of organizational purpose (Hägglund, 2001). As Hoffmann (2023) notes, the use of narratives by IR is particularly interesting to analyze in the context of sustainability, where organizations seek to communicate not only performance but also purpose.

As emphasized by Reppmann et al. (2025), firms can benefit from crafting sustainability narratives that signal transformation and alignment with stakeholder expectations, while being mindful of the risks of overcommunication that may compromise credibility. IR professionals must therefore navigate the fine line between leveraging opportunity-driven narratives and avoiding perceptions of opportunism.

As Logemann et al. (2019) suggest, narratives have a broader and more contagious effect on organizational sensemaking than framing alone. In our context, they similarly offer IR professionals an elastic form that can be tailored to fit investor expectations and firm-specific trajectories. By studying how ESG-related narratives are constructed and communicated externally, we aim to uncover how IR professionals work to influence not just what investors know, but how they feel and think about ESG in the context of corporate strategy. Narratives, as Hoffmann (2023) points out, offer communicative advantages by enabling firms to convey complex and evolving strategies in an accessible and emotionally resonant way. This makes them particularly suitable for IR professionals seeking to align financial messaging with broader ESG concerns.

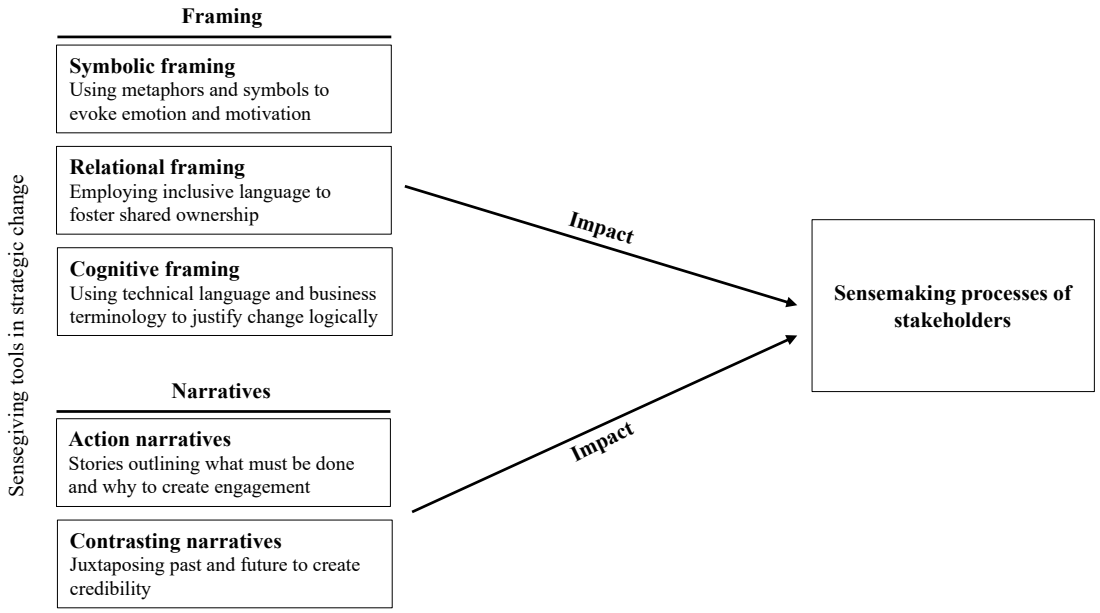


Figure 1. Illustration of conceptual framework

3. Methodology

This chapter outlines the methodological choices guiding this study. Section 3.1 presents the research design, including the rationale for adopting a qualitative, cross-sectional approach. Section 3.2 describes the data collection process, covering the sampling strategy and interview procedures. Section 3.3 details the abductive data analysis process. Finally, section 3.4 discusses the quality criteria applied to ensure the trustworthiness and authenticity of the study.

3.1. Research design

To explore how IR communicate and give sense to ESG information, a cross-sectional qualitative study based on semi-structured, in-depth interviews was conducted. A qualitative method was selected to allow for a deeper exploration of the subject, capturing its complexity and subtle variations (Bell et al., 2019). Given the limited research on the intersection of IR and ESG, the use of a qualitative approach aligns with Yin's (2003) suggestion that such methods are appropriate for exploratory studies in under-researched fields. Consequently, qualitative research enables the empirical data to inform and guide the researcher's interpretation of the phenomenon (Edmondson & McManus, 2007).

Furthermore, we adopted an interpretative social science methodology, as described by Neumann (2000), which assumes that individuals understand and perceive the world differently. According to Neumann (2000), this methodology is particularly suited for examining dynamic and multifaceted contexts where personal interpretations shape practices. This makes it especially appropriate for our study, as previous research concludes that how IR professionals understand information influences how they present it externally (Brühl & Falkheimer, 2023).

Moreover, previous research highlights that an interpretative approach is useful in the case of sustainability reporting since it is a field prone to continuous legislative updates and change (Troshani & Rowbottom, 2024), forcing companies to adapt without standardized frameworks. An interpretative approach thus helps us to investigate the understandings and interpretations of how IR professionals make sense of, and respond to, the evolving sustainability reporting regulation of CSRD that possess great challenges and puts considerable pressure on companies (Baumüller & Grbenic, 2021). Therefore, the qualitative and interpretive research approach was considered suitable to explore how IR professionals give sense to ESG information.

Other research designs were also considered. For instance, a longitudinal design could offer valuable insight into how ESG practices develop within specific organizations over time. It may also help capture internal dynamics and strategic adaptation in a way that a cross-sectional, one-time snapshot cannot. However, as a follow-up to Hockerts and Moir

(2004), the aim in the paper is not to observe dynamics within individual firms over time, but rather to assess how current IR practices have been shaped by the past two decades of regulatory and institutional shifts. A cross-sectional approach is therefore well-suited to provide a broad, contemporary view of how ESG is communicated across the profession, mapping developments by examining how multiple IR professionals currently engage with ESG communication. While it cannot capture temporal dynamics, it allows for the broad and contemporary identification of key themes and tensions in current practice, and offers a timely contrast to earlier research by Hockerts and Moir (2004). Moreover, it lays the contemporary groundwork for future studies that may investigate these developments using longitude designs.

Additionally, while a document-based analysis of external communications, such as sustainability reports and corporate websites, could offer more precise insight into how IR formulate themselves, it provides limited understanding of how those disclosures are shaped internally. These materials are often carefully curated and influenced by compliance requirements, revealing little about the strategic reasoning or internal negotiation behind ESG messaging. Moreover, they offer no information on how IR professionals operate in non-public settings, such as one-on-one meetings with investors, which constitute a central part of their communication efforts. By interviewing IR professionals directly, while using preexisting sustainability reports as concrete examples, this study captures the underlying considerations, informal practices, and organizational dynamics that inform ESG communication. Insights that would remain hidden in a purely document-based approach. This complements the study's cross-sectional design, providing a deeper understanding of how ESG communication is constructed in practice.

3.2. Data collection

Similar to Hockerts & Moir (2004), which is the only qualitative research paper that study the intersection of IR and ESG from an IR perspective, we completed semi-structured interviews with IR professionals. A semi-structured interview approach was adopted to balance consistency with flexibility. A set of prepared questions helped guide the conversation, while allowing room for follow-up questions that could explore unexpected but relevant topics as they came up (Bell et al., 2019). To make comparisons across interviews possible, a similar structure throughout was used. However, each interview guide was adapted slightly to reflect the specific context of the IR professional being interviewed. These adjustments helped ensure that the questions were relevant and allowed us to capture insights specific to each company. Most notably, before each interview, we reviewed the company's sustainability communication and identified concrete examples, which we raised during the interview to encourage interviewees to reflect on their underlying reasoning and communication strategies related to framing and narratives.

The first version of the interview guide was broad and exploratory. Over time, it was refined to better fit the scope of the study and the theoretical lens we applied. This development was ongoing throughout the process, with revisions made to improve the structure and flow of the interviews. At the same time, the semi-structured format gave us the flexibility to shift direction when new insights emerged. For instance, in the early interviews, we began by asking about the participants day-to-day tasks. While interesting, we realized this line of questioning didn't directly support our research focus. The guide was therefore adjusted to concentrate more specifically on ESG communication, as presented in Appendix B. This approach allowed us to gather data that was both consistent and open to new perspectives. Each interview started with a brief introduction and a short overview of the study. While enough context for the interviewees to understand the topic were given, we chose not to reveal all details beforehand in order to keep their responses as natural and unfiltered as possible.

In order to investigate how IR package and communicate ESG information, 18 in-depth interviews have been conducted during March-April, as presented in Appendix A, with individuals representing 18 Swedish listed companies who have engaged with communication of ESG information such as sustainability reports. The interviews were conducted through a combination of in-person and virtual interviews. Since we wanted to investigate the practices of IR professionals, we only interviewed people that were in charge of the investor relations at the company. IR professionals was in the study defined as individuals responsible for managing communication between a company and its investors, analysts, and other financial stakeholders. Some companies do not have a dedicated IR professional, instead, investor relations are sometimes handled by the CFO or CEO. However, since this study aims to investigate the specific processes of IR professionals, interviews were only be conducted with individuals explicitly holding an IR role.

The organizations were chosen using a purposeful sampling method, meaning they were specifically selected because they could provide valuable insights for answering the research question (Marshall, 1996). For this thesis, this implied a sample of organizations regularly communicating ESG information. To identify relevant companies, we reviewed the largest listed companies in Sweden across several industries whose business models are influenced by sustainability measures, for example energy, real estate, and materials. Each company was then assessed to determine whether they have an IR representative and to what extent their investor communication engages with ESG topics. The aim was to ensure that the IR professionals selected had substantial experience with ESG communication. Priority was given to the largest companies that met these criteria, as they are generally more engaged in investor relations communication than smaller companies (Karolyi et al., 2020).

When scheduling interviews, participants were be given the choice between in-person interviews at their workplace or virtual interviews via Microsoft Teams. This flexibility

was intended to accommodate their preferences and ensure their comfort. All interviews were recorded and then transcribed using either the built-in AI transcription tool in Microsoft Teams or the transcription feature in Microsoft Word, for further analysis of the empirical data. In all cases, this was done with the interviewee's permission for both recording and transcription. However, all transcriptions were read through and corrected by one of the researchers to remove errors in translation. Using this record and transcribe process rather than, for instance, simply taking notes, ensured that no details or nuances were lost (Bell et al., 2019).

One day before the interview a GDPR consent form were sent out for the participant to sign. The GDPR consent form informed the participant about how collected information would be handled. Although the thesis is written in English, the majority of the interviews were carried out in Swedish. This choice was made to ensure that interviewees felt comfortable and could express themselves openly in their native language. As a result, the transcribed interview material had to be translated into English when writing the empirical section. In cases where the translation allowed for more than one possible meaning, the interviewees were consulted to clarify their intended message and minimize the risk of misinterpretation. Furthermore, interviews were framed as exploratory rather than evaluative, and participants were assured of full anonymity and confidentiality to reduce image management and encourage openness.

Altogether, the purpose of the data collection was to generate insights that could help answer our research question. More precisely, the interviews were designed to uncover recurring themes and potential challenges related to ESG communication. By conducting interviews, we sought to explore the participants' perspectives, underlying beliefs, and day-to-day practices as thoroughly as possible given our level of access, an approach that aligns with our interpretive research perspective (Chua, 1986).

3.3. Data analysis

Conducting the empirical analysis, we followed an abductive approach. This approach begins with empirical observations and then seeks to make sense of them, often through a back-and-forth movement between theoretical concepts and empirical material (Bell et al., 2019). Given that our study was inspired by an identified gap in the IR literature, abductive reasoning was a natural fit. It is particularly useful when the goal is to generate new insights rather than to test or validate pre-existing theories (Dubois & Gadde, 2002).

As our study evolved, we explored several theoretical lenses before identifying one that offered a suitable explanation of the empirical patterns we encountered. Our initial method theory was impression management, which we later switched to sensegiving and the conceptual framework of framing and narratives by Logemann et al. (2019). Additionally, the study initially focused on solely the internal processes of how IR professionals communicate ESG information. However, it became clear that this area was

important but with limited insights to be gained. As the study progressed, the focus expanded to include the entire process of how IR work with ESG information.

The data analysis process started immediately after completing the first interview and continued throughout the data collection phase. After each round of interviews, we set aside time to discuss what had been said and identify the key takeaways. In the early stages, when the interviews were more exploratory, our discussions revolved around getting a general understanding of the field uncovering the topics we wanted to explore further. As more interviews were conducted and our theoretical lens became clearer, our discussions became more focused and theory-driven.

Next, we thematically analyzed the data as codes and citations were grouped into themes as exemplified in Appendix C, where we looked for differences, similarities and patterns in the data (Bell et al., 2019). The empirical themes were then matched against theoretical concepts, and as new insights were gained from the empirics, new theoretical concepts were introduced, all in line with our abductive approach.

In addition, the analysis followed an interpretive approach, where attention was paid not only to what was said but also to what was emphasized, downplayed, or left unsaid, providing further insight into the often unspoken aspects of how IR professionals navigate ESG communication.

3.4. Data quality

In qualitative research, the quality of a study is often judged using the concepts of trustworthiness and authenticity (Lincoln & Guba, 1985). Lincoln and Guba (1985) outline four key criteria for trustworthiness: credibility, transferability, dependability, and confirmability.

Credibility concerns the confidence that can be placed in the truth of the findings and establishes whether the findings represent correct interpretations of the participants' original views (Lincoln & Guba, 1985). In this study, credibility was improved by having both researchers attend and take part in all interviews. Transferability is about whether the results could apply in other situations or settings (Lincoln & Guba, 1985). While this is generally more limited in qualitative research, we've included detailed descriptions of our methods and context to help others judge if the findings could be relevant elsewhere. Dependability involves ensuring that the findings of the study are all supported by the data received from the participants and confirmability refers to the degree to which the study could be replicated by other researchers (Lincoln & Guba, 1985). To support both of these, we have carefully documented everything, such as interview recordings, transcripts, notes, our interview guide, and a list of all interviews.

Authenticity, as described by Lukka and Modell (2010), involves providing a genuine account of the conducted study so that readers can trust the researcher's fieldwork, and

ensure the authentic perspectives of interviewees. To support authenticity, we used direct quotes from our interviews throughout the analysis. This helped make sure the findings reflect what participants actually said, and not just our interpretations. This also helped increase the study's trustworthiness, especially in terms of confirmability.

That said, we recognize that interview-studies has challenges that must be acknowledged. A primary concern is that much of what IR professionals do in practice may be so ingrained or routine that it is not consciously reflected upon or verbalized during an interview. To address this challenge the use of semi-structured interviews allowed for flexibility and follow-up questions, enabling the interviewer to probe beyond initial surface-level responses and explore areas that might otherwise be glossed over. Interviewees were also encouraged to share concrete examples, such as recent stakeholder engagement or ESG communication, which helped bring implicit routines to light.

4. Empirical analysis

This chapter presents an in-depth empirical analysis based on 18 interviews with IR professionals at Swedish listed companies. Using sensegiving as the guiding theoretical lens, the analysis is structured around a holistic view of the ESG communication process. It begins in section 4.1 by outlining the key challenges IR face when making ESG meaningful. Section 4.2 then examines how IR professionals manage their internal processes for ESG communication. Section 4.3 explores how IR aims to shape external understanding of ESG information, and finally, section 4.4 discusses how IR incorporate feedback and adjust their ESG communication.

4.1. Challenges in making ESG meaningful

Across all interviews, ESG communication emerged as a task fraught with complexity, uncertainty, and evolving expectations. This complexity is not only driven by the technical nature of ESG metrics but also by the rapidly shifting regulatory landscape. A primary source of this complexity is the upcoming CSRD regulation, which was repeatedly described as a complication and source of frustration. While the regulation seeks to enhance transparency and comparability, many IR professionals noted that the preparatory work ahead of its implementation has created confusion and an overwhelming administrative burden around how ESG data should be collected and communicated. One interviewee stated: "*It's a massive amount of data that we're not used to collecting [...] The administrative burden is the real challenge with CSRD."* (Interview 6). Another IR professional stated: "*Because of CSRD and the EU Taxonomy, I've suddenly ended up with 15 controllers who now have to sit and collect sustainability data and emissions data just to comply with the regulations."* (Interview 12). The ambiguity surrounding what qualifies as material information, combined with the excessive level of required detail and the absence of previous examples, has pushed many organizations into a trial-and-error approach to compliance, not because of unwillingness, but because the regulatory instructions are so difficult to interpret that even experienced sustainability professionals struggle to make sense of them.

> "The level of detail is completely insane. If you've worked as a Head of Sustainability for 20 years, like ours has, and even she doesn't understand the instructions on what we're supposed to report on, then the idea of finding an easier way falls apart." (Interview 9)

These external pressures feed into what many IR professionals described as "ESG fatigue". As companies stretch to meet growing regulatory and investor demands, some employees question the purpose and impact of these efforts. Part of this ESG fatigue also stems from the fact that some analysts and other external stakeholders only seem to understand ESG information in annual reports if it is phrased in a specific way and uses

certain key terms. This issue is most evident when it comes to ESG ratings, where it's crucial to use specific terminology and certain linguistics.

> "There are also a lot of rating agencies that collect information about us. It might be an analyst who has no real understanding, or an AI robot that knows even less. They scan through our annual report, and if they don't find the exact word they're looking for, we get a poor rating. That's why it's become more important to make sure that both AI robots and analysts can easily find the keywords they're looking for in our reports and on our website. We've gotten a bit better at that, because it's unnecessary to receive a lower rating just because the information isn't phrased in a certain way." (Interview 13)

Much of this fatigue can also be traced back to the sheer volume of frameworks and disclosure demands. While CSRD attempts to unify reporting, it still coexists with GRI, SFDR, TCFD, and other frameworks that compete for attention. Several interviewees described this as a 'compliance jungle', with reporting cycles and investor questionnaires colliding and producing information overload. "*It's a patchwork of frameworks and regulations, and it's incredibly hard to pull it all into a cohesive message."* (Interview 16). The result is not just a logistical burden, but a strategic one, as IR struggle to prioritize what matters and how to communicate it.

> "Right now, it's really a balancing act between: how much time should we spend on adapting to reporting? And how much time should we spend on actually making a difference?" (Interview 10)

This strategic tension is reflected in the perceived struggle to balance compliance with communicative clarity. As companies strive to meet regulatory standards, IR professionals often find that the resulting reports, though technically complete, lack the clarity needed to convey a clear strategic message. Several IR professionals pointed out that the denser a report becomes, the more likely it is to discourage the audience. *"The more detailed our ESG reports become, the less people seem read them."* (Interview 5). The challenge lies in crafting ESG disclosures that satisfy regulatory frameworks while remaining readable and engaging.

> "The new reporting under CSRD is a huge challenge because it becomes so much drier. There's no room to work with storytelling. And that's unfortunate, because I've viewed the annual report as kind of a library that you can draw from, a place where you can work much more proactively, and that's something people don't really dare to do anymore." (Interview 9)

Closely connected to this is the tension between credibility and visibility. Several IR professionals described ESG communication as walking a tightrope. Being too bold risks allegations of greenwashing, while being too cautious invites criticism for doing too little.

This dilemma becomes even more severe when ESG initiatives are still in development or when the scope and maturity of the projects are limited.

> "It's always a balancing act, and I think it's really important to make sure you talk about things in the right way so that you don't give them too much weight. It can be various pilot projects we're working on that easily sound like, "oh, this is something the entire company is doing," but that's not the case. We're just testing it in this specific market, so it's important to provide accurate information, not to sound bigger or more advanced than we actually are. That can be a bit tricky sometimes." (Interview 4)

Adding another layer to this complexity is the increasing politicization of ESG. Several interviewees emphasized how geopolitical tensions, particularly backlash in the U.S or diverging EU taxonomy interpretations, influence how ESG messages are framed and received. This external sensitivity can spill over into internal tensions, as communication teams and legal departments debate how much to disclose and how to frame achievements clearly and in line with stakeholders. This results in a cautious communication climate where the perceived reputational risk is ever-present.

> "It has become a political issue in some countries, which forces us to weigh our words even more carefully depending on where we communicate. In certain markets, even factual ESG statements can be interpreted through a political lens, so we have to adapt some of our messaging to avoid backlash." (Interview 14)

These tensions are further compounded by shifts in investor behavior. Some IR professionals noted that ESG interest peaked around 2020, driven by global movements and regulatory pressure. However, in the years since, investor engagement has become more segmented. While some long-term institutional investors continue to demand deep ESG disclosures, others have reduced their focus. This results in uncertainty about how centrally ESG should feature in communication materials.

> "It's very mixed, some investors are extremely informed and actively ask detailed questions about our ESG strategy and metrics, while others barely want to hear about ESG at all. They either see it as irrelevant or view it as a distraction from financials." (Interview 5)

This shift reflects a broader challenge of audience heterogeneity. IR teams are often faced with the task of communicating ESG to both ESG-savvy investors and those with minimal interest. In one meeting, an IR professional might face technical questions about Scope 3 emission calculations, while in the next, investors may bypass ESG entirely. Crafting a message that resonates across this spectrum requires tailoring and strategic segmentation.

> "We have a large slide deck that we usually present to investors. And depending on which investors we're talking to, we show different slides. When we have meetings with American investors, we often skip the ESG slides entirely." (Interview 3)

These challenges illustrate how ESG communication is shaped by complexity, regulation, audience heterogeneity, and reputational risk. The resulting uncertainty creates a communicative environment where IR professionals must not only share information but actively construct meaning. This positions IR as key sensegivers, underscoring the importance of employing sensegiving tools to shape how stakeholders make sense of ESG information. Crucially, this also requires IR professionals to adapt their framing of ESG messages depending on the stakeholder's expectations, level of understanding, and sensitivity to the topic. This may involve tailoring communication for an investor focused on financial performance, a rating agency scanning for keywords, or a market with political resistance to ESG language.

4.2. Internal processes behind ESG communication

Given the challenges outlined in the previous section, IR professionals have developed a range of internal processes to communicate ESG information effectively. These preparatory actions play a crucial role in how companies ultimately communicate their sustainability agenda. The internal work of sensegiving begins here, by constructing coherence from the complexity of ESG.

A foundational step in this internal process is competence-building. Many IR professionals admitted that they had limited ESG expertise when regulatory and investor expectations began to escalate. Consequently, they embarked on an informal self-directed learning journey, leveraging peer comparisons, regulatory documentation, internal expertise, and hands-on involvement in sustainability work due to the absence of structured internal training programs on ESG. This learning process was not only about mastering technical definitions, but also about understanding how ESG concepts connect with financial performance and strategic positioning.

> "I read up on ESG. I attend seminars. I have lots of lunches with other IR professionals and friends who work in the field. I subscribe to every mailing list I can find. Now I might be one of the most knowledgeable in the company, except for the controllers." (Interview 11)

As this competence developed, IR professionals increasingly stepped into the role of ESG translators, bridging the language gap between sustainability experts and capital markets. A common example involved reworking dense climate disclosures into slides and narratives investors could easily digest. This translation work is not merely about language; it is a strategic effort to reframe ESG from a technical compliance matter into a compelling investment hypothesis. As one interviewee explained:

> "We have to make it comprehensible for investors. It's not about dumbing it down or oversimplifying the issues. We respect that many investors are smart and informed, but the language and structure of ESG reporting is often completely foreign to them, so it's about translating that complexity into something they can relate to." (Interview 12)

To perform this role effectively, IR teams rely on extensive cross-functional collaboration. As articulated by one interviewee: *"Overall, the reporting has definitely pushed me to work more closely with the other departments."* (Interview 9). Sustainability data is often scattered across departments, from HR and operations to procurement and finance. Rather than acting as passive recipients of this ESG data, IR professionals described themselves as orchestrators who collect, coordinate, and then strategically present this information. As one IR professional stated:

> "I work very closely with our sustainability team. We have very skilled controllers in the sustainability department who then report to the finance department. Which is necessary, because sustainability is often a bit more complex, financial figures are easier to understand in terms of how they've been calculated, whereas sustainability often requires a bit more explanation. I then try to stich that explanation together." (Interview 4)

Another interviewee addressed a similar point, focusing instead on the process of identifying and gathering relevant material from within the organization:

> "From a communication perspective, a big part of the work is actually about going into the organization and finding the right stories, identifying what's happening in the business that we can lift and use to explain our sustainability work. For example, the [X] project is one of those success stories. It ticks all the boxes: environmental impact, economic viability, and satisfied [customers]. We're always trying to uncover these kinds of examples internally so we can use them in presentations and reports." (Interview 13)

In firms where internal collaboration around ESG matters was interpreted by us as more developed, IR professionals participate in ESG governance structures, including sustainability steering groups and board-level ESG briefings. This early involvement not only improves access to data but allows IR to influence how sustainability priorities are set and communicated, often advocating for ESG topics that investors care about but which may lack internal traction.

> "We've worked a lot with focus groups and internal trainings. I created a crash course on the GHG protocol, and I locked the CEO in a room and said, "We're going to go through this until you can explain it back to me." I wasn't very popular that day, I get that. But this needs to be done." (Interview 11)

While differences in internal collaboration could partly be attributed to other contextual factors such as industry characteristics or company size, which are aspects beyond the scope of this study, the interviews also revealed that the personal commitment of the IR professional played a notable role. In several cases, it became clear that ESG engagement was not solely driven by formal structures or mandates but was significantly shaped by individual interest and motivation. Rather than being fully institutionalized, ESG priorities can remain partially dependent on individual actors. As one interviewee observed:

> "A lot depends on the personal interest of the person working with IR. If the person replacing me isn't interested, the sustainability issues might end up somewhere else or be deprioritized […] I have a genuine personal interest in these issues. I actually enjoy working with sustainability, so of course that's influenced how much energy I put into ESG." (Interview 1)

IR professionals also use internal feedback loops and rehearsal settings to refine their messaging. Several described running scenario analyses, where they pre-test ESG narratives against anticipated investor questions, prompting recalibration before disclosure. Such practices reflect an awareness that investor communication is not just reactive, but performative, it must be planned and staged.

> "Before CMDs we often dry-run things, we go through the key slides, test the messaging, and simulate investor reactions. It helps us fine-tune the language and anticipate what might trigger pushback or confusion." (Interview 3)

Beyond the messaging calibration, some IR professionals see themselves as drivers of ESG matters. Especially when investor interest is strong, IR can use external pressure to push internal change. For instance, feedback from investors has been used by IR professionals to accelerate internal data collection or elevate sustainability on the executive agenda. One IR professional stated: *"We use market expectations as a tool to get internal buy-in, it gives legitimacy."* (Interview 8). Another interviewee echoed this dynamic, describing how IR played a central role in advancing their company's alignment with the Science Based Targets initiative: *"We started pushing the issue of joining the Science Based Targets initiative internally. I spoke with our sustainability manager, we looked at what our shareholders thought, and then we pushed the matter upwards in the organization."* (Interview 1). Further illustrating how IR professionals act not only as translators of ESG information, but as internal change agents who use investor sentiment to legitimize and drive sustainability decisions.

Perhaps most importantly, IR teams are involved in crafting the strategic narrative behind ESG communication. This involves more than selecting the right facts, it means building a storyline that links ESG performance with business purpose. Interviewees described spending significant time calibrating how this narrative should be structured, rehearsed,

and delivered across formats. In doing so, they shape how ESG is understood both inside and outside the organization.

> "We craft our own story. Not just what we do, but why we do it, how it aligns with our values, and how it all connects to our broader strategy. It's about building a narrative that makes sense to investors, employees, and other stakeholders, so they understand the bigger picture and not just isolated actions." (Interview 14)

The internal work of IR professionals, from building ESG competence to translating complex data and crafting coherent narratives, underscores their active role in initiating the sensegiving process. This work is collaborative, requiring IR to coordinate between departments to collect and synthesize fragmented ESG information. IR professionals both distribute investor insights internally and gather input from departments, ultimately fostering cross-functional alignment. These behind-the-scenes practices serve as the foundation for external communication of ESG messages, and highlight the importance of preparatory construction as a prerequisite for shaping meaning in external communication.

4.3. Shaping external understanding of ESG

Once ESG information is prepared internally, it is projected outward through a strategic and selective communication process. IR professionals seemed to act as curators and authors, deciding what to emphasize, how to communicate it, and through which channels to convey it. This outward communication is where internal processes transform into external sensegiving, aiming to shape how stakeholders understand the firm's ESG commitments and positioning.

IR professionals frequently framed ESG as a form of value creation, rather than a regulatory obligation. One interviewee said: *"We build ESG directly into our strategy, it's part of how we present the investment case and how we explain future market growth."* (Interview 14). They described positioning sustainability initiatives not only in ethical terms, but as contributors to cost efficiency and long-term competitiveness. For example, energy-efficient upgrades were described not merely as environmental achievements, but as drivers of margin expansion and operational resilience.

> "It gives us such a strong competitive advantage. We see it very often. We are a more expensive option on the market, so we have to offer added value. And that's where things like being more sustainable come in. It's simply better quality." (Interview 7)

Further building on this, another interviewee stressed the importance of avoiding sustainability as the primary selling point, and instead reframing it in terms of practical value:

> "It's very important that sustainability itself doesn't become the actual selling point, like for example: "come to us and you can buy a more sustainable product and that will make you feel good." Instead, the message should be: "buy this product that saves energy, meaning you can lower your heating costs, and by the way, this is also great for the climate since you're reducing your energy consumption." (Interview 10)

However, there was no one-size-fits-all approach to how sustainability was communicated. Some IR professionals expressed hesitation about emphasizing ESG too strongly in investor meetings. They feared that overselling ESG could appear opportunistic or provoke skepticism. Others embraced ESG framing more fully, particularly when their business model naturally aligned with sustainability goals. This variation reflects the cultural and sectoral diversity in how ESG is integrated into corporate identity.

> "We highlight ESG when it fits, because we of course don't want it to come across as greenwashing, especially in areas where our progress is less obvious." (Interview 4)

The framing of ESG also tended to shift depending on the audience. Several IR professionals described adjusting their messaging to emphasize their ethical responsibilities and societal value when addressing wider stakeholder groups, rather than focusing on financial outcomes. In these stakeholder facing contexts, IR often adopted more inclusive and collective language to signal shared responsibility and align with wider stakeholder expectations.

> "We always aim to keep the core message consistent, but for when we reach broader audiences, we often naturally include a bit more on how we take our responsibility and the wider impact we have, because that's what tends to resonate more." (Interview 2)

Another powerful tool in ESG communication was storytelling. IR professionals described using concrete, relatable examples to make ESG concepts tangible for investors. This might involve sharing a story about a local emission-reduction project or linking a product innovation to broader climate goals. *"You have to highlight the most essential and interesting parts from the reporting and present them in stories so that they understand."* (Interview 9). These stories often followed a familiar arc: beginning with a challenge, followed by action, and ending with positive impact. The objective was to move ESG out of abstraction and into narratives, turning data points into human-centered explanations.

> "If we take the [example project] again, it's really a success story. It's a project with positive environmental aspects and satisfied tenants who are now based in the property. It's fully leased. So, it's not a charity project, but something that's also

> economically sustainable. These kinds of stories can really be used in communication to make sustainability more tangible and easier to understand." (Interview 18)

However, several interviewees noted that the expectations around ESG storytelling have shifted. While general stories were once sufficient, investors now increasingly demand hard data to support ESG claims, especially regarding certain measurable outcomes such as emissions. This hasn't diminished the role of qualitative communicative support, but rather it has increased the need to qualitatively put numbers into context and embed them within a story that adds understanding and meaning. As one IR professional reflected:

> "Before, storytelling about our initiatives was enough, but that's no longer the case, investors now ask directly how much a specific initiative reduces emissions. They want numbers for everything. So now it's even more important how we talk about those numbers and make sure they actually make sense, by putting it in the right context. [...] Financial figures are straightforward. However, with ESG we have to explain why our emissions are high and give nuance to the story, otherwise, it's easy for investors to misunderstand." (Interview 4)

While metrics mattered, their role was carefully managed. Most IR professionals recognized that quantitative data, such as emissions, diversity ratios, or circular economy metrics, was essential for credibility. Yet they also acknowledged that such data often required packaging to be meaningful. *"Numbers are important, but they need packaging, otherwise they risk being ignored."* (Interview 16). As a result, ESG numbers were often distilled into a few compelling highlights and embedded in a simple, memorable story to ensure they resonated with the audience.

> "I usually say that we're Europe's most sustainable [sector] company. And then I highlight three examples. That's it. If you dig too deep into the details and throw out too many numbers, no one will remember anything. It's better to keep it simple, just go with the basics. 1-2-3. Bang bang bang." (Interview 13)

This balance between stories and data was further complicated by concerns over credibility. IR professionals were acutely aware of the reputational risks associated with both overstatement and understatement. Greenwashing and greenhushing formed two ends of a spectrum they had to navigate. Some companies chose to make sure only communicate after taking real action, so their message would feel more trustworthy and avoid skepticism.

> "We have a pretty simple solution to the "greenhushing vs greenwashing" dilemma: we act first and talk about it later." (Interview 10)

Tailoring content to different audiences was essential. IR teams described how ESG content was partially modulated based on investor type, geography, and perceived ESG interest. Long-term institutional investors, particularly in Europe, often demanded deep

ESG insights, while others, such as hedge funds or U.S.-based investors, showed limited interest. One interviewee put it:

> "There's greater interest from European investors, I actually don't think I ever have had a sustainability meeting with an American investor." (Interview 3)

This strategic segmentation extended to communication formats. Although ESG regulations aim to improve comparability, several IR professionals emphasized that they also constrain communication flexibility. Mandatory channels, such as the annual report, once a strategic ESG communication tool, is now often seen by the interviewees as a compliance product with limited strategic value. One interviewee illustrated this decline in relevance by recounting how their team forgot to update the page references in the sustainability section, and no one, including the auditors, noticed:

> "When you make the annual report, you take last year's report, reformat it, change a few pictures, and then you use the old index which has to be updated with the correct page references. One year we forgot to do that in the sustainability section, so it ended up with the old page references. No one noticed. Not even the auditors noticed. So yeah, no one at [the audit firm] caught it, and they were supposed to review it." (Interview 13)

Because mandatory sustainability disclosures are seen as failing to capture stakeholder attention or engagement, IR professionals are increasingly shifting their ESG communication toward voluntary arenas. In these forums, such as Capital Markets Days, investor meetings, or standalone ESG reports, IR teams are freer to present their communication in ways that are strategic, engaging, and forward-looking. This migration reflects a deeper reorientation: rather than viewing the annual report as the flagship of investor communication, IR professionals now see it as one output among many, often the least dynamic one. As one interviewee put it, the annual report is no longer where the company promote its identity or impact:

> "The annual report is an outdated document. Especially when it comes to sustainability reporting, the development has gone in the direction where the forward-looking part, where you used to be able to be more creative, is shrinking, while the backward-looking part is expanding. […] I believe we're heading toward a situation where the annual report becomes a fully regulatory, rather dull publication. The inspiring narratives and polished visuals will decrease. Instead, we'll find other forums for that kind of communication, whether that's at Capital Markets Day, in one-on-one meetings, or through another type of publication, where you can talk about the sustainability work over ten pages without graphs or taxonomy reporting. I believe that's where we're headed. In any case, we no longer view the annual report as the primary document for promoting the company." (Interview 12)

Several IR professionals described seeking out new communication channels, where they could still shape and highlight the ESG story with greater freedom. The growing scrutiny constrained the communicative flexibility available to IR professionals in required reporting, as they described a shrinking space for presenting ESG information in a way that felt natural or strategically tailored. Instead, communication increasingly had to fit strict templates, checkboxes and external expectations, limiting the room for broader messaging or nuance.

> "You have to be a bit careful with how you talk about things, it can be easy to feel boxed in when you're trying to talk about ESG. But I guess we will just have to work with where we present different messages. Maybe put more on the website instead." (Interview 18)

This sentiment was echoed by another interviewee, who pointed out that the constraints under the preparation of CSRD have already started to impact how freely they can frame their messages:

> "The CSRD reporting leaves much less room for storytelling. We barely dare to use words like "circular", because the auditor might question it. So instead, we have to find ways to tell those stories outside the annual report, for example, on our website." (Interview 9)

An important part of storytelling, in conjunction with scrutiny, was to acknowledge that ESG work is still ongoing. Some IR professionals mentioned the importance of being open about areas still in need of improvements, rather than portraying ESG efforts as complete. Being honest about limitations while pointing toward future goals helped to maintain trust and manage stakeholder expectations.

> "We try to be honest about where we're not perfect, and not done yet, it's better to show we're on a journey than to pretend we've already solved everything." (Interview 14)

This transparent communication style was also reflected in how current ESG efforts were presented in contrast to earlier shortcomings, thus also emphasizing the progress that had been made. By acknowledging where the company had previously lacked ESG data, structure, or internal knowledge, IR professionals were able to portray current initiatives as meaningful steps forward while also strengthening credibility, even if challenges still remained. As one IR professional noted:

> "Honestly, our internal scope 3 data is something we have struggled with quite a bit, but that is also inherent to our industry. But now we also try to emphasize that we've put a consistent framework in place, and that we're improving every year. It's a work in progress, and that is what we try to show." (Interview 2)

This demonstrates how IR professionals use different tools to shape how different stakeholder groups interpret ESG information, in different communication forms. As regulatory ESG demands in annual reports tighten, IR professionals find their communicative flexibility increasingly constrained, prompting a shift toward alternative, voluntary channels where they can more freely apply communication tools. Cognitive framing is frequently employed to align ESG with financial performance, while relational framing is used to appeal to broader stakeholder values in public-facing communication, whereas symbolic framing is deliberately avoided to minimize the risk of being perceived as greenwashing. Meanwhile, action and contrasting narratives are used to drive engagement and enhance the credibility of ESG communication. In sum, ESG communication is not a one-size-fits-all endeavor. It is an iterative, tailored, and often contested process where IR professionals must constantly balance strategic clarity with regulatory caution. This ongoing calibration reinforces the need for feedback mechanisms, which are explored in the next section.

4.4. Iterating ESG communication based on feedback

The final phase of the ESG communication process involves a dynamic feedback loop in which IR professionals iteratively assess the effectiveness of their messaging and make necessary adjustments. Interviewees consistently emphasized that feedback comes in multiple forms, direct questions from investors during meetings, structured questionnaires from investors, comments from analysts, and even the absence of engagement. Each of these signals can indicate effectiveness of ESG communication, and whether it aligns with the expectations. For instance, the presence or absence of ESG-related questions in roadshows or CMDs was treated as an informal barometer of relevance.

> "We notice that some slides get skipped entirely, that tells us a lot about what's not working." (Interview 5)

Such subtle cues often trigger a process of communication refinement. IR professionals analyze which storylines resonated and which failed to gain traction, often modifying emphasis or structure in future presentations. This process reflects not only an attentiveness to investor signals but a broader commitment to maintaining credibility and relevance.

> "After each roadshow, we try to review the questions we got and what messages stuck, that shapes the next version. Sometimes we realize we've overexplained something no one asked about, or we missed what actually mattered to investors. So, we adjust the storyline accordingly." (Interview 3)

Importantly, the feedback loop does not end at the communication layer. In several cases, investor feedback prompted internal shifts. For example, repeated inquiries about water

targets and sustainability KPIs in compensation systems led a company to accelerate internal data collection processes and adjust the compensation system. This underscores the dual role of IR professionals, not just as messengers, but as translators between market signals and corporate decision-making.

> "We work a lot with feedback. For example, investors asked for a water target. And then we realized that we needed a water target that's easy to explain, so we accelerated that process because we received that feedback. A few years ago, we also got the question: if you think sustainability is so important, why do you only have financial KPIs in your variable compensation system? So, I went back to our CEO and said that we should include some kind of sustainability-related compensation. He immediately thought it was a good idea, and things moved quickly, and suddenly, it was in place. So yes, we work a lot with feedback." (Interview 4)

Ultimately, IR professionals described ESG communication as a constantly evolving craft, one that demands attentiveness, flexibility, and strategic judgment. No company claimed to have found the perfect formula. Instead, IR teams saw themselves as orchestrators of an iterative process. Testing, refining, and adapting their ESG communication in response to shifting expectations.

> "We don't have a finished recipe, we're constantly testing, evaluating, and adjusting. What works in one setting might fall flat in another, so we have to stay agile and learn from every interaction. It's really about fine-tuning our approach over time." (Interview 1)

The iterative nature of ESG communication, where feedback leads to communication refinement and message adaptation, highlights sensegiving as a dynamic and evolving process. This reinforces the view of IR professionals not only as communicators but as active agents shaping how ESG is understood and enacted, both internally and externally.

5. Discussion

In this chapter, the empirical analysis presented in chapter 4 is discussed in relation to existing academic research. Section 5.1 examines how IR professionals apply the sensegiving tool of framing in the context of ESG communication, while section 5.2 explores their use of narratives for the same purpose. Section 5.3 synthesizes how these practices collectively contribute to evolving of the IR profession. Finally, section 5.4 contrasts our findings with those of Hockerts and Moir (2004), in order to reflect the contemporary dynamics of IR work under today's evolving ESG landscape.

5.1. Framing adaptation across stakeholder groups

Among the three systematic uses of framing found by Logemann et al. (2019), cognitive framing is the most recurring in the empiric material. In congruence with findings of Logemann et al. (2019), cognitive framing was done through including words, such as cost-reduction or long-term profitability, to associate the ESG information as business related, or to value creation. This practice appeared to be driven by the IR professionals perception that analysts and investors prioritize financially oriented information over non-financial information, aligning with previous findings of Fieseler (2012) and Solomon et al. (2013). Further the empirics also aligns with Young (2013), who suggests that emphasizing the financial materiality of ESG factors may enhance its relevance for institutional investors.

Previous research has positioned IR as a sensegiving function that shapes how investors interpret and respond to corporate information by providing cues and interpretive guidance (Hoffmann, 2023; Kuperman, 2003). Our findings extend this perspective by showing how IR professionals adapt their use of sensegiving tools specifically when communicating ESG information. While ESG turned out to be cognitively framed in terms of value creation for investors and analysts, it is often presented differently in publicly available communication. In these contexts, the study found that ESG is more commonly framed as a collective ethical obligation directed toward stakeholders such as regulators, employees, and consumers. Consequently, relational framing was more prevalent in communication that is publicly accessible, as IR professionals acknowledged a tendency to adopt more collective and inclusive language in public contexts.

However, symbolic framing, such as using metaphors or slogans to add emotional weight, was rarely used by the IR professionals we interviewed. Many viewed such language as risky, fearing it could come across as vague or even greenwashing, as interviewees noted that investors are increasingly skeptical to how companies communicate ESG. Instead, IR professionals focused on clear, fact-based communication. Their limited use of symbolic framing seems to reflect a strategic effort to maintain trust, particularly among

financially oriented audiences. While this may reduce emotional impact, it highlights how IR carefully balance persuasive metaphors with the need to avoid overstatement.

Thus, while our findings support prior research suggesting that financial information still tends to outweigh non-financial (Laskin 2016), we observe a shift in IR. The IR function indicates expansion from a shareholder-oriented role toward a broader stakeholder-oriented role. This became evident in our findings regarding relational framing, which highlights the transition toward a stakeholder-oriented role by emphasizing collective responsibility and inclusive language aimed at engaging a wider set of stakeholders beyond merely investors. While this aligns with research showing that IR adapts messaging based on knowledge about the recipient (Brühl & Falkheimer, 2023) and that the possibilities to shape narrative interpretations vary across communication channels (Brown et al., 2019), findings further develop the knowledge of how IR adapts to stakeholders when communicating specifically ESG information.

Overall, our study contributes to the growing body of research on the evolving role of IR within the stakeholder model (Brühl & Falkheimer, 2023; Crifo et al., 2019; Hockerts & Moir, 2004; Hoffmann & Fieseler, 2012; Laskin, 2009), by demonstrating how IR professionals strategically adapt their communication across different stakeholder groups in ESG communication. By analyzing the use of cognitive, relational, and symbolic framing, we show that IR professionals do not rely on a uniform sensegiving approach but rather adjust their framing practices depending on the intended audience. This highlights the increasingly context-sensitive nature of IR work, where the framing of ESG information is carefully calibrated to align with the expectations and interests of diverse stakeholder groups. Through this lens, our findings extend the understanding of how IR operates as a strategic and dynamic communication function in a stakeholder-oriented environment.

5.2. Constructing narratives to guide understanding

Our findings show that IR professionals use narratives as sensegiving tools in their ESG communication. Across the interviews when the IR professionals described how they communicated ESG projects, the narratives they emphasized in their communication consistently followed a recognizable structure: they began by presenting a challenge (e.g., emissions, inefficiencies), moved on to describe concrete actions taken (e.g., retrofitting buildings, supply chain initiatives), and concluded by highlighting tangible impacts (e.g., reduced emissions, tenant satisfaction). This structure mirrors the action narrative form outlined by Logemann et al. (2019), helping IR professionals map out a preferred future and foster engagement, a tool that proved particularly effective in the ESG context. Importantly, these narratives were anchored in concrete achievements rather than abstract promises, thereby serving as a perceived safeguard against credibility loss, much like the cautious approach IR professionals took by limiting their use of symbolic framing discussed in section 5.1. One potential reason why action narratives may be particularly

effective in the ESG context is the very nature of ESG itself. ESG efforts are typically driven by a challenge that requires change from the status quo. As such, action narratives, which begin with a problem, outline concrete steps taken, and end with measurable outcomes, seemed especially well suited for communicating ESG progress.

Beyond action narratives, contrasting narratives also played a role in ESG communication. During the interviews, we saw examples of IR professionals juxtaposing past shortcomings or current limitations against an aspirational future, highlighting the progress still needed. By acknowledging past gaps in areas such as ESG data quality, a common phenomenon according to Demaria and Rigot (2021), or social sustainability initiatives while presenting clear trajectories for improvement, IR professionals managed to sustain a sense of urgency without undermining trust. This balancing act proved crucial in a context where audiences are increasingly demanding but also sensitive to greenwashing. Contrasting narratives thus created a cognitive tension that motivated continued support for ESG initiatives, reinforcing a perception of ESG as an ongoing, evolving journey rather than a completed achievement.

Finally, the empirical findings reveal that narratives were not static but continuously refined through feedback loops with stakeholders. Much like Brühl and Falkheimer (2023) describe, that IR engage in a continuous sensemaking process shaped by internal and external discussion, we found that IR professionals adapted their narratives iteratively based on investor reactions, ensuring that their sensegiving remained dynamic, credible, and strategically aligned. Through these practices, IR professionals leveraged both action- and contrasting narratives to actively shape external stakeholders sensemaking of ESG information, enabling interpretation and reinforcing trust amid an evolving ESG landscape.

Thus, by showing how IR professionals strategically construct and adapt both action and contrasting narratives to guide stakeholder sensemaking of ESG information, our findings contribute to the expanding research stream that repositions IR as a strategic communication function. While prior studies (Brown et al., 2019; Hockerts & Moir, 2004; Hoffmann & Fieseler, 2012) have highlighted the growing relational role of IR, our study deepens this understanding by revealing how narrative construction operates as an ongoing sensegiving practice in the ambiguous ESG landscape. In particular, we extend existing literature by demonstrating that IR professionals do not merely transmit ESG information but actively shape its meaning across different stakeholder audiences through iterative narrative strategies.

5.3. Evolving investor relations responsibilities

Our study analyzes IR as a sensegiving function in its developed role involving multiple stakeholder groups. Previous research has found that investor communication often prioritizes financial data, which overshadows investors need for non-financial insights

that help them interpret information, reduce uncertainty, and accurately assess the company's value (Brühl & Falkheimer, 2023). Although our study also showed that financial data continues to dominate, we observed a growing integration of non-financial information into investor communication. Similar to Hoffmann & Fieseler (2012) and Laskin (2016), we found that IR faces increasing pressure to broaden its focus and consider a wider range of actors in its communication, not only shareholders, but also a broader set of stakeholders. Whereas IR previously gave sense primarily to financial numbers to justify the share price (Hockerts & Moir, 2004), it is now a sensegiving function in many other contexts.

The study reveals that this expansion of the IR role has required professionals to develop new competencies beyond traditional financial expertise. As IR practitioners increasingly communicate complex ESG topics to a broader set of stakeholders (Hoffman & Fieseler, 2012), many interviewees noted that they must acquire interdisciplinary knowledge and build a deeper understanding of sustainability frameworks. Furthermore, our findings indicate that IR's role has expanded to include sharing investor insights across departments and collecting input from internal teams. Thus, fostering cross-functional alignment and more coherent stakeholder-facing ESG communication. This shift is particularly valuable to examine through the sensegiving lens, guided by Logemann et al.'s (2019) framework on framing and narratives, since communicating information beyond financials requires IR professionals to make unfamiliar content understandable to shareholders. Moreover, as the study revealed that delivering the same information to varied stakeholder groups necessitates a greater degree of adaptation and tailoring, this further underscores the relevance of applying a sensegiving lens.

Furthermore, our study shows that sensegiving tools play a central role in how IR professionals communicate ESG information effectively. Prior research has established the role of IR as a sensegiving function. For instance, Kuperman (2003) describes IR as a mechanism that provides the financial community with information enabling a more accurate understanding of companies. Building on this, Hoffmann (2023) elaborate that IR offers cues that help investors construct reliable mental models of corporations, guiding them toward a coherent interpretation of corporate realities. While our results align with these prior insights, we extend the literature by applying Logemann et al.'s (2019) theoretical framework to explore how IR functions as a sensegiving actor specifically during strategic change, where effective sensegiving is crucial (Logemann et al., 2019). By highlighting how sensegiving tools are employed in moments of strategic change, our study deepens the understanding of IR's communicative role and provides a more nuanced perspective on how IR supports changes and stakeholder alignment. This contributes to the literature by showing that IR professionals are not just messengers of ESG data, but interpreters who actively shape stakeholder perceptions during periods of strategic change.

Understanding these findings is important because they show how the role of IR is changing. IR professionals no longer merely explain financial results to shareholders, they also help other stakeholders make sense of non-financial information (Brühl & Falkheimer, 2023; Hoffmann & Fieseler, 2012; Laskin, 2016). As expectations around ESG grow (Crifo & Rebérioux, 2016; Hoffmann & Fieseler, 2012; Reppmann et al., 2025; Solomon et al., 2013), our study found that IR professionals use sensegiving tools to shape how people understand this kind of non-financial information.

5.4. Return to ESG broadcasting

While Hockerts and Moir (2004) found that the rising demand for ESG information fostered two-way communication between firms and external stakeholders, where IR conveyed the investment community's concerns back to management, our study finds that this is no longer sufficient. As the complexity and regulatory demands on ESG communication grows (Baumüller & Grbenic, 2021; Baumüller & Sopp, 2022), our study find that there is a greater necessity for cross-functional collaboration. With IR professionals increasingly sharing and integrating ESG knowledge across departments, not just with management, to ensure coherent communication. Thereby, resulting in a higher degree of cross-functional alignment than what was identified by Hockerts and Moir (2004).

A key contextual consideration in interpreting our findings is that Hockerts and Moir's (2004) study was conducted prior today's sustainability focused regulatory frameworks, such as the EU Taxonomy and the emerging CSRD. Hockerts and Moir (2004) found over 20 years ago that IR were beginning to recognize the need for improved disclosure and reporting of social and environmental information. Our study extends this by showing that the increased regulatory complexity (Baumüller & Grbenic, 2021; Baumüller & Sopp, 2022) and uncertainty in ESG reporting (Moroney & Trotman, 2016), have now led to regulatory overload among IR professionals and heightened their caution in mandatory communication channels such as annual reports. Which is also in line with Gelb et al. (2008), who finds that IR is especially sensitive to differences in regulatory standards. Our study finds that the current scope of ESG regulation constrains IR's ability to engage in strategic communication within mandatory channels, as regulatory requirements limit the use of approaches that enhance comprehensibility, such as sensegiving tools.

CSRD's concept of double materiality aligns ESG reporting more closely with financial materiality (European Union, 2022), thus reinforcing the role of cognitive framing in making ESG information relevant to investors. However, the increasing pressure on standardized ESG disclosure seem to simultaneously limits the space for symbolic framing. As regulatory templates prioritize verifiable and objective information (European Union, 2022), we found that the use of emotive language, metaphors, and broader symbolic cues becomes more constrained, as such expressions where perceived

as risking to be regarded as non-compliant or even misleading. Similarly, our findings further reveal that the use of narratives is also affected, as the rigid reporting structures appears to offer limited room for storytelling that connects ESG initiatives to broader strategic change trajectories according to the interviewees. Thus, while regulations like the CSRD promote greater comparability of ESG information (Baumüller & Grbenic, 2021), we find that it also narrows the use of sensegiving tools that IR professionals previously leveraged to shape stakeholder perceptions.

Consequently, our study observes a shift whereby the IR functions increasingly allocate strategically important ESG communication to voluntary communication forms, as annual reports have become saturated with mandated ESG disclosures that may hold limited strategic relevance for the company. IR professionals thus, increasingly rely on other important communication channels such as Capital Markets Days, Q&A sessions, and one-on-one investor meetings, aligning with findings from Brown et al. (2019), to reintroduce the use of sensegiving. We found that these voluntary communication forums allow IR to frame complex sustainability data into digestible, narrative-rich formats tailored to specific audiences. Which is in line with Mayew (2012) who found those interactive formats results in more nuanced and differentiated communication. This further aligns with Hoffmann (2019) who similarly highlights voluntary channels as means for companies to demonstrate investor awareness and distinguish themselves through strategic communication. Furthermore, while Hoffmann and Fieseler (2012) emphasize the value of voluntary IR communication by highlighting how it offers investors "soft" cues, such as narrative structure, prioritization, and tone, our findings suggest that this dynamic is intensified in the context of ESG due to the evolving regulatory environment. This shift is especially relevant given the inherent interpretive difficulties of ESG disclosures, as noted in Moroney and Trotman (2016).

This development invites a reconsideration of the communicative shifts observed by Hockerts and Moir (2004), who emphasized a movement from broadcasting toward a more interactive and feedback-oriented model of ESG communication. While their findings captured the early stages of this transition, driven by increasing ESG relevance in capital markets, our study nuances this trajectory. Specifically, we find that regulatory intensification in ESG, especially via the CSRD (Baumüller & Grbenic, 2021), introduces countervailing pressures that reinforce a return to broadcasting in certain communication arenas. In particular, interviewees witnessed that the strict structure and language of mandatory disclosures in annual reports limits adaptability, reducing the potential for stakeholder understanding, and iterative meaning-making in mandatory corporate communication. In this sense, annual reports have, while intending to enhance transparency and stakeholder engagement (Baumüller & Grbenic, 2021), unintentionally made understanding ESG information more difficult.

In sum, as regulatory evolution has formalized ESG content in mandatory communication channels, our study reveals that it has simultaneously heightened the need for dialogic

ESG communication. We find that the intensification of ESG regulation (Baumüller & Grbenic, 2021) has shifted mandatory communication formats back toward a broadcasting mode, thereby pushing voluntary communication channels toward a more interactive role. Our study shows that this shift has created a demand for the use of sensegiving tools in voluntary communication, where IR professionals help stakeholders interpret the complex ESG information presented in mandatory formats. We thus reveal a dual communicative burden placed on IR professionals. On one hand, adhering to increasingly regulatory requirements in mandatory communication forms, and on the other, ensuring clarity through sensegiving tools elsewhere.

6. Conclusion

The purpose of this thesis has been to explore how IR professional communicate and give sense to ESG information. Drawing on sensegiving theory, we have aimed to answer the following research question:

How do IR professionals use sensegiving tools to shape stakeholder understanding of ESG communication?

Overall, we contribute to the existing literature on IR not only by acknowledging the expanded role of IR professionals who must now consider a broader range of stakeholders beyond just shareholders, but also by examining how the new role is enacted in practice. This expands their responsibilities to include the domain of ESG information, an evolution the academic literature has not kept up with, except for the study by Hockerts and Moir (2004), which was conducted in a different temporal era. More specifically, we examine how IR professionals communicate ESG information, make it understandable, and assign it meaning, an effort made particularly challenging by the scale of the strategic shift that ESG integration represents for both companies and their stakeholders. Our findings indicate that increasing ESG regulations limit IR professionals ability to use sensegiving tools within mandatory formats like annual reports. As a result, they shift toward voluntary communication forums, such as Q&A sessions, one-on-one meetings, and Capital Markets Days, where they can more effectively shape understanding. These settings allow for greater use of sensegiving tools, such as framing and narratives, to make ESG information more accessible and meaningful.

This study contributes to the literature on sensegiving in IR by illustrating how they selectively apply different sensegiving tools to adapt ESG communication across different stakeholder groups. Contrasting Logemann et al. (2019), who found cognitive framing to be the least utilized tool in internal strategic change processes, our findings show that cognitive framing is the most frequently employed strategy in IR's external ESG communication. This tool was primarily used to link ESG topics to financial value creation, allowing IR professionals to align ESG disclosures with expectations of investors and analysts. Relational framing, on the other hand, was more prevalent in publicly accessible communication aimed at broader stakeholder groups such as regulators, employees, and consumers, where inclusive and collective language was used to emphasize shared responsibility. Symbolic framing, characterized by the use of metaphors or emotionally charged language, was rarely applied due to concerns about credibility and greenwashing. Instead, IR professionals favoured fact-based language to maintain trust among increasingly ESG-sensitive investors.

In addition to framing, our study finds that action- and contrasting narratives play an important role in structuring ESG communication in a way that is both tangible and adaptable. Action narratives helped IR professionals present ESG efforts through

coherent storylines of challenges, actions, and outcomes, making sustainability initiatives more relatable and goal oriented. Contrasting narratives, on the other hand, allowed them to acknowledge past limitations while outlining a desired future trajectory, thereby sustaining credibility and reinforcing progress. By illustrating how IR professionals actively tailor sensegiving tools depending on audience and channel, our findings extend Logemann et al.'s (2019) framework and positions IR as a strategic communication function that not only shares information but actively constructs meaning in a diverse and increasingly regulated environment.

Beyond its theoretical contributions, our study offers several practical implications for IR professionals navigating the increasingly complex ESG landscape. First, our findings highlight the expanding scope of the IR role. As ESG continues to grow in strategic importance, IR professionals are required to act not only as financial communicators but also as translators of non-financial information across a wide range of stakeholder groups. This calls for an expansion of skill sets, including a deeper understanding of sustainability frameworks and regulatory developments. Additionally, the study provides examples of how IR professionals work with ESG information in practice. The findings underscore the importance of cross-functional alignment. IR professionals who were able to drive ESG messaging internally often did so by leveraging investor feedback to shape decision-making, highlighting their role as drivers of strategic alignment. By sharing examples of effective ESG communication strategies and illustrating how IR navigate regulatory constraints, particularly around CSRD, this study offers guidance for IR professionals seeking to enhance the strategic clarity of their ESG communication. Ultimately, both point to the expanded responsibilities of IR in today's stakeholder landscape.

The findings of this study are subject to limitations. First, the analysis is based solely on interviews with IR professionals, which means it captures only the communicator's perspective, not how ESG communication is interpreted by investors or other stakeholders. This focus may also partly explain the limited emphasis on symbolic framing in our findings. While IR professionals were generally cautious about using emotional or metaphorical language, it is possible that such framing appears more frequently in actual communication materials than interview responses suggest. Second, many of the anticipated effects of the CSRD are still evolving. Since full implementation has not yet occurred, our conclusions regarding its impact are based on expectations and preparatory experiences rather than observed outcomes.

This study opens for further research. As the CSRD has not yet been fully implemented, future studies could revisit this topic after the directive takes full effect to assess how ESG communication practices have evolved in response. It would also be valuable to complement the IR perspective with insights from the recipients of ESG communication, such as analysts and institutional investors, to understand how framing and narratives are interpreted. A longitudinal study could further track how the IR function continues to adapt over time as regulatory, market, and stakeholder pressures evolve.

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8. Appendix

Appendix A: List of interviews

Interviewee	Role	Duration	Date
1	Head of IR	52 minutes	11/03/2025
2	Head of IR	53 minutes	14/03/2025
3	Head of IR	47 minutes	14/03/2025
4	Head of IR	54 minutes	18/03/2025
5	Head of IR	55 minutes	21/03/2025
6	CFO & Head of IR	52 minutes	21/03/2025
7	CCO & IR	32 minutes	26/03/2025
8	Head of IR	33 minutes	27/03/2025
9	Head of IR	54 minutes	27/03/2025
10	Head of IR	56 minutes	27/03/2025
11	Head of IR	59 minutes	28/03/2025
12	Head of IR	60 minutes	31/03/2025
13	Head of IR	60 minutes	31/03/2025
14	Head of IR	59 minutes	07/04/2025
15	SVP of CC & IR	58 minutes	07/04/2025
16	CFO & Head of IR	44 minutes	07/04/2025
17	Head of IR	57 minutes	11/04/2025
18	IR Coordinator	61 minutes	14/04/2025

Appendix B: General interview guide

Theme	Example Question
Background	▪ Can you briefly introduce yourself and your role within investor relations?
General reflections on ESG communication	▪ How does your role as IR professional involve sustainability issues? ▪ Have you encountered challenges when communicating ESG information? ▪ Are there specific ESG topics that have been particularly difficult to communicate?
Framing	▪ Are there specific phrases or common ways of formulating yourself you use when communicating your ESG efforts? ▪ Do you use any metaphors or imagery in investor presentations or reports? ▪ How do you balance presenting ESG as value-creating versus regulatory compliance? ▪ Do you adapt ESG communication depending on the audience? If so, how? ▪ Have you noticed any changes over time in how ESG must be packaged for investors?
Narratives	▪ Do you incorporate ESG into the company's investment story? If so, how do you do it? ▪ Are there specific initiatives that serve as highlights in your ESG communication? If so, how do you present those?
Navigating ESG compliance	▪ How do you manage communication amidst multiple ESG regulations and frameworks? ▪ How do you balance the increasing regulatory reporting with maintaining engaging communication?
Internal ESG competence	▪ How do you ensure sufficient ESG knowledge within the IR team? ▪ How do you build your ESG competence? Do you have any strategies internally in the company?
Closing question	▪ If you could improve one aspect of how your company approaches ESG communication, what would it be?

Appendix C: Coding table examples

Code	Empirical Theme	Theoretical theme	Example Quote
ESG as value creation	Linking ESG to strategy and finance	Cognitive framing	*It gives us such a strong competitive advantage. […] We are a more expensive option on the market, so we have to offer added value. And that's where things like being more sustainable come in.*
Avoiding greenwashing	Framing with caution	Symbolic framing (absent)	*We highlight ESG when it fits, because we of course don't want it to come across as greenwashing […].*
Tailoring messages to stakeholders	Stakeholder-sensitive communication	Relational framing	*We always aim to keep the core message consistent, but […] we often naturally include a bit more on how we take our responsibility and the wider impact we have […].*
Success Stories	Making ESG tangible	Action narratives	*If we take the [example project] again, it's really a success story. It's a project with positive environmental aspects and satisfied tenants […] not a charity project, but something that's also economically sustainable*
Work in progress	Acknowledging ESG as an ongoing journey	Contrasting narrative	*We try to be honest about where we're not perfect, and not done yet it´s better to show we're on a journey than to pretend we've already solved everything.*

Appendix D: Statement on the use of Generative AI

In accordance with the SSE guidelines and academic integrity requirements, this appendix outlines the extent and nature of how Generative AI tools have (or have not) been used during the thesis process.

General principle: The core empirical, theoretical, and analytical work presented in this thesis is the result of independent academic effort. No content generated by AI has been used as a substitute for original thinking, data analysis, or theoretical reasoning. All sources cited have been read, understood, and interpreted by the authors.

Use of GenAI tools: Throughout the writing of this thesis, OpenAI's ChatGPT was used in a limited and transparent manner as a language and structure support tool, never for content generation or empirical analysis. Specifically, the tool was used for:

- **Language refinement:** We used GenAI to check and improve grammar, syntax, and clarity of English formulations in certain sections. This was particularly helpful for ensuring formal tone, consistent academic style, and improving sentence structure in complex passages.
- **Feedback on flow:** In selected cases, ChatGPT was used to provide feedback on paragraph cohesion or transitions between sections. This was treated as a form of digital peer review, not as a source of content.
- **Quote translation support:** For the empirical chapter, we consulted GenAI to cross-check our own English translations of quotes from Swedish to ensure clarity and fluency, without altering meaning.

What was not done:

- No empirical data (e.g., codes, quotes, summaries) was generated using AI.
- No theoretical frameworks or arguments were produced or suggested by GenAI.
- No sources suggested by AI were cited without being retrieved and read in full.

Reflections on limitations and possible implications: While GenAI was helpful as a language aid, we were mindful of its limitations and never relied on its output uncritically. All edits or suggestions proposed by the tool were assessed and modified by us to ensure quality and academic integrity. However, even our limited use of GenAI tools raises considerations about how such tools may shape academic writing processes. They carry the risk of introducing subtle shifts in tone that differ from traditional drafting methods. This was addressed by critically reviewing all AI-generated suggestions to ensure that every revision reflected our own intent, reasoning, and academic voice, thereby maintaining full control over the content.