Auditors' Reports on Sustainability Statements of European Energy Com-panies: Communicative Boundaries and the Sustainability Expectation Gap

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Abstract:

Purpose: This study examines how auditors' reports on sustainability statements evolve under the Corporate Sustainability Reporting Directive (CSRD). Focusing on European energy com-panies—a highly emission-intensive and strongly regulated sector central to the decarbonisa-tion transition—the study investigates auditors' reports on sustainability statements and out-lines variations in their communicative architecture across jurisdictions.

Design/Methodology/Approach: The study applies a qualitative content analysis of auditors' reports on sustainability statements issued between 2023 and 2025 by major European energy companies. The sample captures jurisdictions with differing CSRD transposition status and as-surance traditions. The analysis follows a deductive–inductive coding framework covering ma-teriality, risk and uncertainty, liability, intended users, assurance level, regulatory ambiguity, and legal basis.

Findings: The findings show that auditors' reports provide relatively high transparency regard-ing the formal architecture of assurance, but offer limited insight into the substantive reliability and completeness of sustainability disclosures. Double materiality is predominantly addressed at a procedural level, while limited assurance and increasing uncertainty disclosures constrain the depth of assurance. As a result, auditors' reports primarily support procedural legitimacy but provide limited guidance for users in assessing the credibility and decision-usefulness of sustainability information. Rather than reducing uncertainty, the communicative structure of these reports may reinforce the Sustainability Expectation Gap (SEGAP), particularly by ob-scuring the boundaries and implications of assurance.

Research Limitations/Implications: The study focuses on auditors' reports as communicative artefacts and does not directly capture the perspectives of auditors or standard setters. Further-more, the analysis is limited to the European energy sector and the early phase of CSRD imple-mentation.

Originality/Value: The study contributes to sustainability assurance research by conceptualising auditors' reports as communicative artefacts that shape how assurance is understood, bounded, and legitimised in practice. Applying the SEGAP framework, it demonstrates that auditors' reports generate legitimacy not primarily through assurance depth, but through linguistic fram-ing, structural standardisation, and regulatory alignment. By linking assurance communication to the credibility of sustainability disclosures in a sector critical to climate transition, the study connects academic insight with real-world transformation challenges and highlights implica-tions for achieving the Sustainable Development Goals (SDGs).

Keywords:

Sustainability Assurance, Auditors's Report, Sustainability Expectation Gap, Eu-ropean Energy Sector, SDGs.