Theories underlying environmental, social and governance (ESG) disclosure: A systematic review of accounting studies

Journal:	*Journal of Accounting Literature*
Manuscript ID	JAL-08-2023-0143.R1
Manuscript Type:	Research Paper
Keywords:	ESG disclosure, ESG reporting, Corporate social responsibility, Integrated sustainability reporting, Sustainable value creation, Systematic review

SCHOLARONE™
Manuscripts

Theories underlying environmental, social and governance (ESG) disclosure: A systematic review of accounting studies

Abstract

Purpose – Environmental, social, and governance (ESG) disclosure has gained momentum in corporate reporting. Addressing a research gap on the subject, this paper aims to explore the theories involved in ESG disclosure studies, thereby shedding light on the dominant theoretical approaches and emerging perspectives that inform this type of disclosure.
Design/methodology/approach – A systematic review of 142 selected accounting studies published up to June 2023 devoted to ESG—and corporate social responsibility (CSR)—disclosure was conducted. The theories underlying these studies were examined through a descriptive performance analysis complemented by a systematic qualitative text analysis using RStudio and QDA Miner software tools.
Findings – The study reveals that five dominant theories stand out among the overall 32 found, stakeholder theory first, followed by legitimacy, institutional, agency, and signaling theories. Theories are often combined into an integrated theoretical framework. The findings also show an array of minor constructs—many of them unconventional—that offer fresh perspectives for studying ESG disclosure, such as upper echelons, stakeholder salience, cognitive cost, and reputation theories, among others.
Originality/value – This paper provides an original literature contribution by offering a comprehensive overview of the mainstream and niche theoretical perspectives underpinning accounting studies focused on ESG disclosure, with a nuanced scope of discussion on the use of ESG/CSR terms.

Keywords: ESG disclosure; ESG reporting; Corporate social responsibility; Integrated sustainability reporting; Sustainable value creation; Systematic review

1. Introduction

Creating long-term sustainable corporate value involves integrating sustainability performance holistically into the business model, strategies, and managerial and reporting processes, encompassing environmental, social, and governance (ESG) aspects. By affecting the corporate value creation process, ESG performance is instrumental in maximizing overall business value, including financial value (Rezaee, 2016). Disclosure of environmental and social strategies within an effective corporate governance system promotes overall corporate sustainability performance (Alsayegh et al., 2020). Global investors in the capital markets increasingly demand ESG-related information for risk assessments in their decisions on capital allocations (Khan et al., 2016). Indeed, disclosure regarding the governance pillar, such as issues of board diversity, bribery and corruption, executive remuneration, and shareholder rights, conveys information on how value-creating strategies are achieved in the interest of investors and stakeholders, thereby increasing their confidence. Social pillar-related disclosure, including employee and local community relationships, working conditions, gender and human rights, informs about a company's accomplishment of its social responsibility mission, aligning with societal and ethical norms. Additionally, environmental pillar-related disclosure, such as responsible resource usage and carbon emissions reduction efforts, informs about a company's position in addressing climate and environmental concerns and how it manages exposure to the related risks (Matsumura et al., 2014; Haque, 2017). In essence, ESG disclosure communicates non-financial and sustainability information about ESG aspects of value creation.

These aspects are not new in the corporate world as they have long been similarly advocated by the traditional corporate social responsibility (CSR) concept, and scholars indeed often use the terms 'ESG' and 'CSR' interchangeably (Rezaee, 2016; Tsang et al., 2023). However, as noted by Gillan et al. (2021), ESG is a more expansive term than CSR as, unlike the latter, the former explicitly includes corporate governance issues in addition to environmental and social issues. Most likely the growing importance of information on corporate governance issues for investors and the influence of

Journal of Accounting Literature

both the chief executive officer (CEO) and board characteristics on ESG disclosure (Li et al., 2018; Suttipun, 2021) have brought the abbreviation 'ESG' into the limelight. Furthermore, national regulations at the global level are progressively mandating corporate ESG disclosure, with many European countries leading the way (Singhania and Saini, 2022). After the first Directive 2014/95/EU, a new European Union's "Corporate Sustainability Reporting Directive" came into force in January 2023 that extends ESG risk disclosure requirements to a wide number of companies, both large and small. ESG disclosure is also emerging as an indicator of CSR practices in developing countries to attract capital from overseas investors (Janah and Sassi, 2021), who increasingly require reliable ESG data for assessing sustainability-related investment risks, such as climate change, energy efficiency, worker social issues, board diversity, and corruption. Comprehensive communication on the overall corporate sustainability performance meets the growing information requests from investors, regulators, and other stakeholders, and in this view, sustainability reporting has become the new language expressing this communication (Diwan and Amarayil Sreeraman, 2023). With this in mind, the two standard-setting boards of the IFRS Foundation—i.e., the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB) —have taken responsibility for further developing the Integrated Reporting (<IR>) Framework (IIRC, 2021) and creating globally accepted sustainability disclosure standards. Indeed, this Framework addresses communication of sustainable corporate value creation over time in a single report, thus encompassing both financial and ESG performance information (Melloni et al., 2017).

In this scenario, *ESG disclosure* is an emerging jargon (Wang et al., 2023) and an increasingly relevant topic of interest among capital market players and accounting scholars, with related research thriving and booming (Tsang et al., 2023). An increasing number of studies are addressing the subject using various explanatory theories to support corporate ESG disclosure through different interpreting lenses (e.g., Arif et al., 2022; Meng-tao et al., 2023). A study that outlines the current picture of these interpretative lenses that ground ESG disclosure on theory is lacking in the existing literature, despite limited similar investigations. For instance, Bartolacci et al. (2023) reviewed theories used in social and environmental sustainability reporting literature up to 2019, showing that legitimacy, institutional, and stakeholder theories were the most widely used to underpin the related non-financial disclosure. Similarly, a previous study (Spence et al., 2010), which also focused on social and environmental reporting literature, identified both legitimacy and stakeholder theories as landmarks for context. Indeed, accounting studies traditionally adopted these two closely related perspectives to explain or justify voluntary non-financial reporting and environmental and CSR disclosures (Guthrie et al., 2006; Bilal et al., 2023; Tsang et al., 2023) under a social contract (Deegan, 2019). Furthermore, Rouf and Siddique (2023) reviewed theories applied in corporate voluntary disclosure literature up to 2021, finding that legitimacy, agency, and stakeholder theories were the most used. Rezaee (2016) also presented a framework of six relevant theories—i.e., agency/shareholder, institutional, legitimacy, signaling, stakeholder, and stewardship theories—to sustainability performance dimensions, including ESG dimensions. Similarly, Lozano et al. (2015) provided an overview of the most used theories contributing to corporate sustainability, including stakeholder and agency theories.

In light of the aforementioned research gap, this paper aims to explore the theories involved in ESG disclosure studies, thereby shedding light on the dominant theoretical approaches and emerging perspectives that inform this type of disclosure. To achieve this, a systematic review of 142 selected studies published on ESG—and CSR—disclosure up to June 2023 was conducted. The findings identify an array of perspectives theoretically grounding the ESG disclosure, both common and less common, thereby paving the way for future research. Specifically, the results of this review provide answers to the following questions:

RQ$_1$: What are the most used theories to support accounting studies focusing on ESG disclosure?

RQ$_2$: What theories are used beyond the dominant trend in the approaches?

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60

The value of this paper lies in its contribution to the ESG literature, providing a current snapshot of the different theories, both mainstream and niche, used in accounting research on ESG disclosure. It also includes a nuanced discussion of ESG/CSR terminology. Unlike previous reviews, this study specifically focuses on ESG (and CSR) disclosure literature grounded in underlying theories. While a few similar studies exist, to the best of the authors' knowledge, this is the first study to systematically review mainstream and emerging theories underpinning ESG disclosure, offering a comprehensive overview. Extending prior research, this overview provides meaningful insights into the range of theories that can be drawn upon to support new investigations and explanations, potentially informing future ESG disclosure research. Given the growth of ESG disclosure studies and the ongoing debate surrounding the communication of ESG issues, this study holds particular relevance.

After this introductory section, the paper continues as follows. Section 2 is devoted to the literature review methodology and data collection. Section 3 presents and discusses the findings. Section 4 concludes the paper by outlining the study's implications and limitations.

2. Systematic review methodology

To examine theories involved in existing ESG disclosure literature, this study adopts the systematic review methodology. Besides being used in a scholarly paper as a traditional, background review to contextualize a study, the literature review can also be conducted as a standalone review, thus serving as a research method that allows scholars to gain new insights by combining evidence from the literature (Tranfield *et al*., 2003; Okoli, 2015). Various approaches and guidelines have been proposed for conducting a literature review, including the systematic approach, which is characterized by a rigid set of rules underlying the process of (systematically) identifying and reviewing the literature to minimize authors' bias and arbitrariness (Snyder, 2019; Linnenluecke et al., 2020). Indeed, according to Okoli (2015, p. 880), a rigorous standalone literature review is characterized by being: i) "*systematic* in following a methodological approach"; ii) "*explicit* in explaining the procedures by which it was conducted"; iii) "*comprehensive* in its scope of including all relevant material"; and iv) "*reproducible* by others who would follow the same approach in reviewing the topic." Furthermore, according to Donthu et al. (2021), the systematic literature review is appropriate when the scope of review is specific, and the dataset is small enough that its contents can be reviewed manually.

Important passages and decisions involved in our systematic review process are detailed in the next subsections according to the four phases outlined by Snyder's (2019) guidelines: 1) design, 2) conduct, 3) analysis, and 4) writing the review.

2.1. Designing the review (Phase:1)

In this phase, the purpose and two research questions of our systematic review were defined, as outlined in the Introduction. To identify relevant literature for inclusion, which focused on ESG disclosure/reporting while also using one or more theories, we made decisions regarding the choice of search strategy, databases, and inclusion/exclusion criteria. As for the search strategy, we relied on a keyword-based search using terms directly related to the research questions, as recommended by Snyder (2019). Accordingly, and also similar to Wang et al. (2023), the terms used, combined with the Boolean operators *OR* and *AND*, were: (ESG OR "environment* soci* govern*") AND (disclosure* OR report* OR information) AND (theor*). Furthermore, considering that ESG disclosure studies often use 'CSR' and 'ESG' terms interchangeably (Rezaee, 2016; Tsang et al., 2023), we also selected "CSR disclosure*" and "CSR reporting" as additional search terms. The Scopus database was selected for conducting the electronic search step, as it represents the largest and most comprehensive bibliographic data source and has also been used in previous systematic reviews to identify and review quality peer-reviewed publications (Baas et al., 2020). The article search and selection process that is detailed in the next subsection involved the following criteria for

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

inclusion: i) no time restrictions; ii) only English manuscripts; iii) only articles and reviews, as they are the only records commonly recognized as *certified knowledge* (Ramos-Rodríguez and Ruíz-Navarro, 2004); iv) which fall in subject areas consistent with the research field at hand (i.e., ESG disclosure/reporting); v) address the disclosure/reporting of ESG information; and vi) rely upon at least one particular theory. To be sure that no high-quality articles were missing, the Scopus search was further supplemented with a manual search for ESG disclosure/reporting in top accounting journals. Consistent with Elshandidy et al. (2018), such journals were those listed both in the ABS (Association of Business Schools) and ABDC (Australian Business Deans Council) lists that ranked as "3", or "4" or "4*" (CABS, 2021) and as "A" or "A*" (ABDC, 2022), respectively. The screened journals and the number of articles collected in addition to those already captured through the Scopus search are listed in Table 1.

2.2. Conducting the review (Phase:2)

An article selection protocol based on the above search plan was established—before conducting the review—to inform the review process that was agreed upon between the two authors. Also, the terms and criteria for article inclusion were initially tested in a pilot sample of papers, the results were then discussed, and the paper selection process was adjusted accordingly. To increase the reliability of the process, the authors conducted the search separately, and by adhering to the agreed protocol, they were able to reach convergent results regarding both the Scopus and the journal searches.

Given the above, the (final) Scopus search was carried out on June 13, 2023, using the designed search terms and criteria described in the previous subsection. As depicted in Figure 1, we entered two separate queries in the Scopus database as a suitable strategy to compile a diverse dataset combining different strands of literature (de Boer and Van Rijnsoever, 2022). The first Scopus query, which did not include CSR disclosure/reporting terms, yielded 301 records that, therefore, were filtered by excluding: five non-English manuscripts; 36 manuscripts that were not articles and reviews; and 75 manuscripts that fell into unrelated subject areas such as Arts and Humanities, Medicine, Mathematics, Chemistry, and Engineering. As a consequence, only the remaining 185 papers (i.e., 177 articles and eight reviews) were considered and assessed for eligibility, i.e., whether they addressed ESG disclosure using one or more theories. Hence, after carefully reading all the abstracts, and often the entire documents, 99 articles were excluded that did not address the disclosure/reporting of ESG information or, although they did, did not rely upon any theory. We thus obtained a sample of 86 articles selected from Scopus through the initial search query. Their quality ranking was also assessed using the 2021 ABS journal list (CABS, 2021), resulting in 74.4% of articles (N=64) being published in journals included in this list. No articles were further excluded after this assessment to avoid overlooking literature explicitly referred to ESG disclosure. The subsequent Scopus query, which focused on relevant articles using CSR disclosure/reporting terms, yielded 448 records. These were filtered based on the established screening criteria, resulting in a substantial number of 370 articles. Therefore, to achieve a smaller number of papers to be evaluated while keeping the focus on high-quality ones, aligning with prior systematic reviews (e.g., Elshandidy et al., 2018; Bartolacci et al., 2023), only articles published in journals ranked at least "3" in the 2021 ABS journal list were assessed for eligibility. This resulted in an additional 32 articles enriching the Scopus selection, with no overlapping articles between the Scopus search results. Furthermore, 24 additional articles selected through the journal search for ESG disclosure, which had not been already gathered from Scopus (Table 1), were manually added to the sample, bringing the final sample size to 142 articles for review. The Prisma flow diagram depicts the article search and selection process in Figure 1.

Table 1. Top accounting journals (based on ABS and ABDC lists) screened to supplement the Scopus search.

Journal	ABS Rank	ABDC Rank	No. of (further) selected articles included for review
The Accounting Review	4*	A*	1
Accounting, Organizations and Society	4*	A*	3
Journal of Accounting and Economics	4*	A*	0
Journal of Accounting Research	4*	A*	0
Contemporary Accounting Research	4	A*	0
Review of Accounting Studies	4	A*	1
Accounting Auditing and Accountability Journal	3	A*	1
The British Accounting Review	3	A*	8
British Tax Review	3	A*	0
European Accounting Review	3	A*	4
Management Accounting Research	3	A*	1
Abacus	3	A	1
Accounting and Business Research	3	A	0
Accounting Horizons	3	A	1
Behavioral Research in Accounting	3	A	0
Critical Perspectives on Accounting	3	A	1
Financial Accountability and Management	3	A	0
Foundations and Trends in Accounting	3	A	0
The International Journal of Accounting	3	A	0
Journal of Accounting and Public Policy	3	A	1
Journal of Accounting Literature	3	A	1
Journal of the American Taxation Association	3	A	0
Total articles manually selected for review in addition to the Scopus selection			24

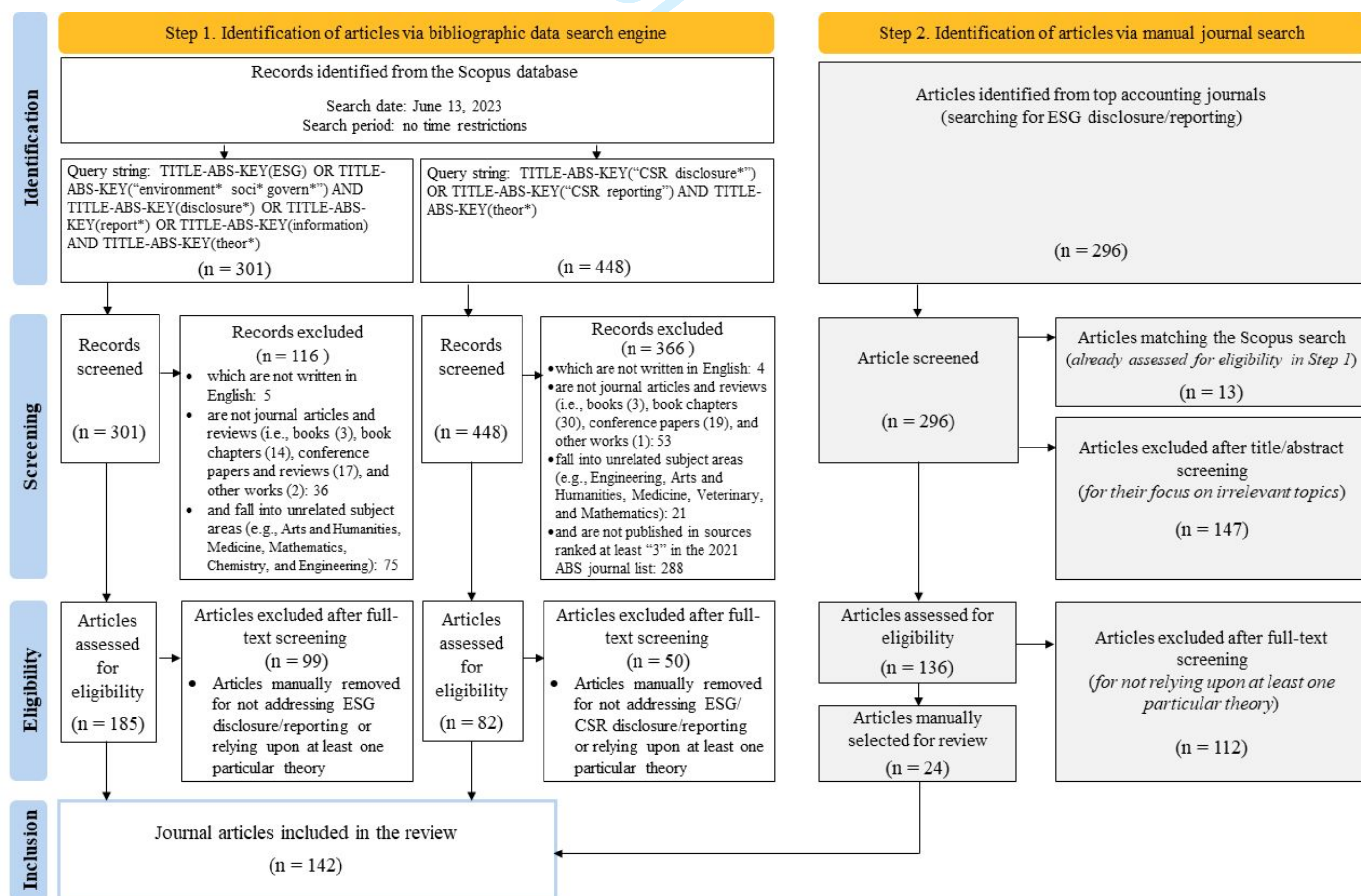

Figure 1. Prisma flowchart of the article search and selection process for systematic review.

2.3. Analysis (Phase:3)

The sample articles selected in the previous phase were analyzed to abstract data about the underlying theories in order to fulfill the purpose of this review (Snyder, 2019). To consistently capture this data in accordance with the two research questions, we used a combined approach: a descriptive performance analysis (Donthu et al., 2021) complemented by a systematic qualitative text analysis (Kuckartz, 2014). In line with Linnenluecke et al. (2020), we conducted descriptive analyses to identify the most influential or cited articles in the selected sample, determine relevant authors based on their publication and citation counts, and analyze the geographical distribution of the sampled articles. To perform these analyses, we used the Bibliometrix package in RStudio statistical software and supplemented it with Excel for data management and structuring. Simultaneously, a qualitative analysis methodology similar to the type-building approach was also used, based on examining and grouping the cases (i.e., the 142 sample articles) by type according to their similarities about selected attributes (Kuckartz, 2014, p. 105). This approach was deemed to be instrumental in identifying the theory(s) underlying each article in our sample—including the articles identified as the most influential. Different "types" of theories were therefore inductively coded across the articles—and thus each article was assigned to one or more theories—using "QDA Miner" qualitative software. To ensure reliability, both authors conducted such a coding step independently, after which they met and compared their results. Having previously agreed and tested a standardized coding protocol, the data abstraction results converged perfectly (Snyder, 2019).

2.4. Writing the review (Phase:4)

In line with Snyder's (2019) suggestions, the design of the review process and the methods for identifying, analyzing, and synthesizing the articles have been transparently reported above. The results are presented and discussed in the next section.

3. Findings and discussion

3.1. Publication trends from the sampled articles

The sample articles identified include studies published between 2009 and June 2023 (Figure 2). The 142 articles comprising it encompass a cross-section of studies that have addressed corporate non-financial disclosure or corporate reporting on *environmental* and/or *social* and/or *governance* aspects, referring to it both directly with the emergent term 'ESG' and indirectly with the more traditional term 'CSR' (Eccles et al., 2020; Gillan et al., 2021), and often using both terms interchangeably. Notably, the term 'ESG' first appeared in the 2004 United Nations report entitled "Who cares wins" but has only gained popularity in recent years, as also demonstrated by recent bibliometric studies showing a substantial increase in ESG publications since 2016, with exponential growth since 2019 (Gao et al., 2021; Wang et al., 2023). Indeed, as observed by Eccles et al. (2020), the investment community has only recently become aware of the financial value and risks associated with ESG issues and is now focusing on companies' ESG data and metrics. Furthermore, as noted by Adams and Abhayawansa (2022), this growing interest among investors in the ESG aspects of companies has led to the emergence of a new data vendor industry that provides investors with ESG data, ratings, and rankings, so that agencies, in turn, are demanding increasingly consistent and comparable ESG disclosure from companies. Consequently, a rising number of companies are pursuing ESG credentials, producing sustainability reports, and demonstrating the environmental and social impacts of their activities and their commitment to achieving the sustainable development goals (SDGs) established by the 2015 United Nations Agenda (Adams and Abhayawansa, 2022). ESG information disclosure has thus gained momentum in corporate reporting, identifying a future research direction for sustainability reporting studies (Bilal et al., 2023).

The earliest study in our sample by Reverte (2009) examined the determinants of firms' CSR disclosure practices through the different interpretative lenses of legitimacy, stakeholder, and agency theories, emphasizing that the CSR concept is not universally defined. Reverte (2009) argued that CSR is mostly described as the voluntary integration of social and environmental concerns into companies' operations in response to the expectations of their stakeholders (employees, shareholders, investors, customers, etc.) to whom they report different, non-uniform types of information in their annual reports or separately in their CSR/sustainability reports. Furthermore, the first study in the sample to use the term 'ESG,' which dates back to 2013 by Murphy and McGrath (2013), highlighted how both social and environmental accounting literature and capital markets typically refer to ESG reporting using a variety of terms, including CSR reporting and sustainability reporting. Moreover, several recent studies in the sample use ESG disclosure scores to measure companies' information disclosures regarding their CSR activities (e.g., Michelon et al., 2015; Islam and Van Staden, 2018; Fan et al., 2021; Moussa et al., 2022). This highlights how 'ESG' has become prominent, indicating three emerging and more structured pillars of CSR and sustainability practices. Advocating agency theory as a potential framework to justify the need for ESG information auditing, Knechel (2021) also argued that ESG reporting is one of the emergent assurance initiatives in capital markets, which requires auditors to ensure ESG information reliability to its users – what the author refers to as a growing challenge since more and more companies are adopting an integrated report. Knechel (2021) also noted that ESG reporting is an area that has seen a significant evolution in the types of information available to markets, which is also described as CSR reporting. It is evident that an ongoing scholarly debate revolves around ESG disclosure, with certain studies emphasizing a differentiation between the terms 'CSR' and 'ESG'. For instance, Tsang et al. (2023), who have consistently documented a significant increase in ESG/CSR-related publications during the decade from 2011 to 2021, specify that CSR does not encompass corporate governance. Figure 2 confirms this growing publication trend, with 109 articles in our sample (i.e.,76.8%) published between 2019 and June 2023, in alignment also with prior ESG literature reviews (Gao et al., 2021; Wang et al., 2023). This signifies a substantial and ongoing academic interest in the study of ESG/CSR disclosures supported by one or more theories.

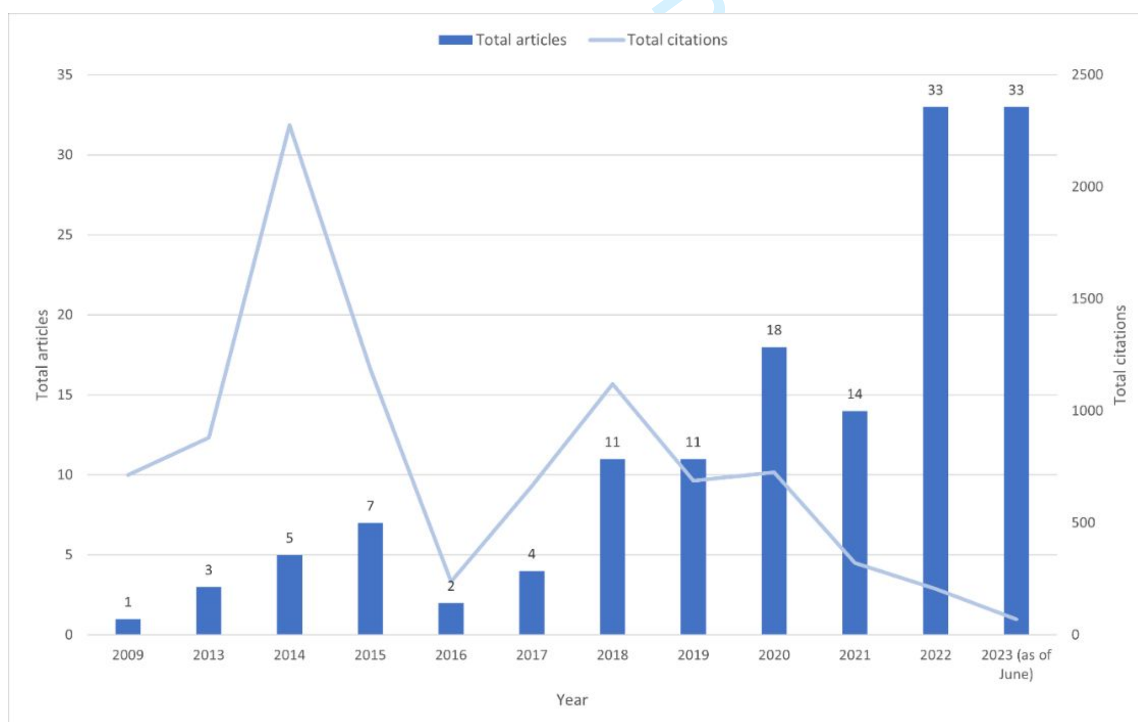

Figure 2. Distribution per year of the 142 sample articles.

3.2. Top articles, authors, and associated theories

Figure 3 lists the 22 most influential articles among the 142 sampled, based on the number of citations they received on Scopus (more than 100). Table 2 presents a review of these articles, which are mostly quantitative studies relying on one or more theories to address various aspects related to corporate disclosure/reporting of environmental information, or more broadly, ESG information, and information concerning social responsibility activities. Stakeholder, legitimacy, and institutional theories are the most frequently used in these 22 top-cited studies, often considered in combination. Notably, stakeholder theory is most frequently adopted in studies using the term 'ESG,' while legitimacy and institutional theories are extensively employed, particularly in those using the term 'CSR.' Indeed, legitimacy theory has traditionally been the primary lens for examining substantive or symbolic commitment to CSR, with other theories emerging over time, notably institutional theory (Marquis and Qian, 2014; Cho et al., 2015; Michelon et al., 2015). This is also hinted at in Figure 4, which concerns the top authors.

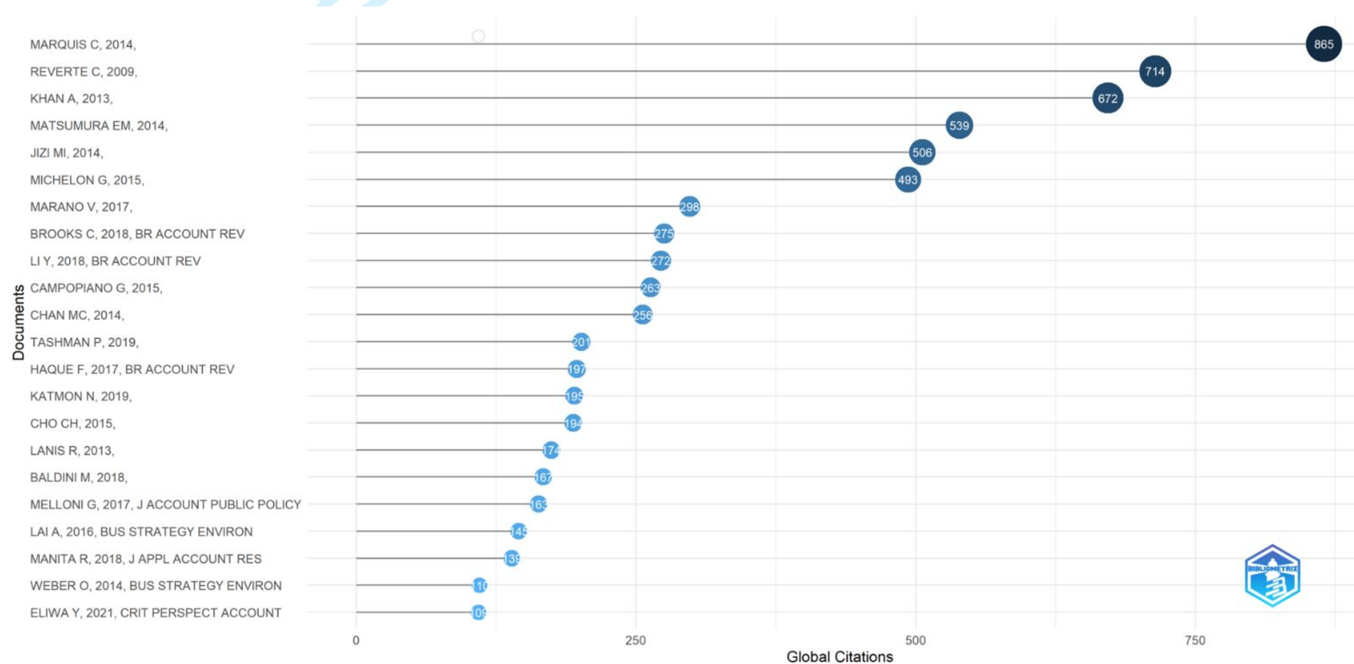

Figure 3. The most cited articles in the sample (100+ citations).

Table 2. Review of the most cited articles in the sample (100+ citations) and theories they rely on.

	Article	Aim	Theories used	Main findings
1	Marquis and Qian, 2014	To investigate factors leading firms to strategically adhere to government signals on legitimate corporate activity.	*Institutional theory* is used to build a model explaining how government dependency and monitoring affect symbolic or substantive CSR reports.	Government signals expose firms to legitimacy pressures and prompt substantive CSR reporting.
2	Reverte, 2009	To examine potential determinants of CSR disclosure practices by Spanish-listed firms.	A multi-theoretical framework combining *legitimacy theory*, *stakeholder theory*, and *agency theory* is used to explain the difference in the disclosure practices.	Media exposure is the primary determinant of firms' CSR disclosure practices, primarily explained by legitimacy theory.
3	Khan et al., 2013	To examine relationships between corporate governance and CSR disclosures in Bangladeshi companies' annual reports.	The perspective of *legitimacy theory* is adopted to understand the influence of corporate governance characteristics on the level of disclosure.	Corporate governance characteristics, namely public ownership, foreign ownership, board independence, and the presence of audit committee, positively influence CSR disclosures, playing a crucial role in ensuring organizational legitimacy.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

4	Matsumura et al., 2014	To examine the effects on firm value of both carbon emissions and the managers' choice of voluntarily disclosing carbon emissions information.	The study relies on *voluntary disclosure theory* to examine managers' disclosure decisions.	Capital markets penalize companies both for carbon emissions and for not disclosing related information.
5	Jizi et al., 2014	To assess corporate governance's impact on the quality of CSR disclosure in US-listed banks' annual reports.	*Agency theory is* used to frame hypotheses on relationships between board characteristics and CSR disclosure.	Board independence and size, and CEO duality positively impact CSR disclosure.
6	Michelon et al., 2015	To investigate the quality of information disclosure in companies using CSR reporting practices.	The study relies on *legitimacy theory* to explore whether CSR reporting practices align with a substantive approach to CSR.	Companies do not provide high-quality disclosure, which demonstrates the symbolic use of CSR reporting practices.
7	Marano et al., 2017	To examine the relationship between home-country institutional voids and CSR reporting adoption by emerging market multinational enterprises.	*Institutional theory* is used to propose a positive relationship between institutional voids and CSR reporting.	Emerging market multinational enterprises are pushed by home-country institutional voids to use CSR reporting practices to gain legitimacy internationally.
8	Brooks and Oikonomou, 2018	To survey the literature on ESG disclosure and performance and their effects on firm value.	*Stakeholder theory* and *legitimacy theory* are discussed as they provide foundations for social disclosure in terms of enhancing corporate legitimacy and persuading stakeholders. *Slack resources theory* and *portfolio theory* are discussed as they provide foundations for business investments in social performance.	ESG disclosure and better corporate performance are generally related, but the exact shape of this relationship remains to be understood.
9	Li et al., 2018	To investigate the relationship between ESG disclosure level and firm value and the role of the CEO in ESG disclosure as a driver of this relationship.	*Stakeholder theory* is used to explain that firms derive financial "rewards" for ESG disclosure from stakeholders. *Affordability theory* is used to test causal relationships between ESG disclosure and profitability.	A positive relationship between ESG disclosure level and firm value was found. High CEO power enhances this relationship.
10	Campopiano and De Massis, 2015	To examine differences in CSR reporting between family and non-family firms.	The study draws on *institutional theory* to examine CSR reporting.	Differences in the types and content of reports were found between family and non-family firms.
11	Chan et al., 2014	To investigate the association between corporate governance quality and CSR disclosure.	*Legitimacy theory* and *stakeholder theory* are used for framing the study of relationships between firms' characteristics and CSR disclosure.	Firms' size, industry profile, and creditor power/leverage are positively associated with voluntary CSR disclosure.
12	Tashman et al., 2019	To investigate conditions driving emerging market multinational enterprises to CSR decoupling.	The study draws on *institutional theory* to propose two institutional drivers of CSR decoupling.	CSR decoupling is influenced by institutional voids in the multinational enterprises' home countries and their level of internationalization.
13	Haque, 2017	To examine the effects of board characteristics and sustainable compensation policy on carbon reduction initiatives.	An integrated theoretical framework of *agency theory* and *resource-dependence theory* is used to support notions these theories provide about the board's monitoring and resource-provisioning roles.	Positive associations were found both between board independence and board gender diversity and carbon reduction initiatives and between ESG-based compensation policy and carbon reduction initiatives.
14	Katmon et al., 2019	To examine the relationship between board diversity dimensions and CSR disclosure quality in Malaysia.	*Resource-based view theory* is used to explain board diversity as a valuable resource.	Board diversity dimensions, namely education level, tenure, and gender, positively influence CSR disclosures.
15	Cho et al., 2015	To examine CSR disclosure changes in the influence of legitimacy factors.	*Legitimacy theory* is argued to be the most applied theory in explaining CSR disclosure.	While environmental and social disclosure increased, the relationship between legitimacy factors and CSR disclosure remained unchanged between 1977 and 2010.

Journal of Accounting Literature

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

16	Lanis and Richardson, 2013	To test legitimacy theory by comparing CSR disclosures of tax-aggressive vs. non-tax-aggressive corporations in Australia.	*Legitimacy theory* is empirically tested in context.	Confirming legitimacy theory, a positive and statistically significant association between corporate tax aggressiveness and CSR disclosure was found.
17	Baldini et al., 2018	To investigate the extent to which social structures and legitimization influence ESG disclosure practices and each pillar.	Combined into an integrated theoretical framework, the *institutional theory* is used to investigate social structures and *legitimacy theory* to investigate social legitimation.	Country-level characteristics, such as a political system, a labor system, and a cultural system, significantly affect ESG disclosure practices, but heterogeneously the three pillars. Firm-level characteristics positively and homogeneously influence ESG disclosure practices and each pillar.
18	Melloni et al., 2017	To assess conciseness and completeness (i.e., coverage of ESG topics) in integrated reports.	The study considers impression management strategies embodied in *legitimacy theory*. Furthermore, findings support *signaling theory* arguments.	Both firms with weak financial performance and firms with worse social performance have less concise and less complete integrated reports.
19	Lai et al., 2016	To investigate whether the decision to adopt integrated reporting stems from the need to repair legitimacy threats.	Using the *legitimacy theory* notion, the adoption of integrated reporting is investigated as a legitimation strategy.	Firms adopting integrating reporting have Bloomberg ESG disclosure ratings higher than non-adopters; therefore, the adoption decision is not a response to poor ESG disclosure scores.
20	Manita et al., 2018	To examine whether and how board gender diversity affects ESG disclosure.	The authors draw from *stakeholder theory* by highlighting that one function of the board is also to increase the sustainable behavior and accountability of a company towards its stakeholders.	The study did not find a significant relationship between board gender diversity and ESG disclosure.
21	Weber, 2014	To examine corporate ESG disclosure of Chinese companies and its relationship with financial performance.	Institutional pressures (*institutional theory*) and stakeholder accountability and management (*stakeholder theory*) are used as rationales for explaining ESG reporting.	Ownership status and stock exchange membership influence the frequency of ESG disclosure. ESG disclosure affects both environmental and financial performance.
22	Eliwa, 2021	To investigate whether lending institutions reward firms in 15 EU countries for their ESG performance and disclosure in terms of lowering their cost of debt capital.	Both *legitimacy theory* and *institutional theory* are used to support the study.	Lending institutions take ESG information into account in their credit decisions and reward firms' ESG practices by lowering their cost of debt.

Figure 4 displays the top 12 relevant authors in our database, based on the number of articles published over time and their related citations. The size of the circle reflects the number of articles published in that year, whereas the circle's darker color indicates a higher number of total citations (i.e., TC per year). Furthermore, the red or blue star next to each author's name indicates whether they use 'ESG' or 'CSR,' respectively—exclusively or predominantly in cases where they use both. This figure also illustrates the theories used by each author in their articles. It can be observed that authors who explicitly address ESG disclosure tend to employ an integrated theoretical framework, with stakeholder, legitimacy, institutional, and agency theories being mostly used in combination with each other or with other theories. Alongside these, which appear to be the dominant theoretical approaches, unconventional theories such as upper echelons, stakeholder salience, and social norm theories can also be glimpsed.

Journal of Accounting Literature

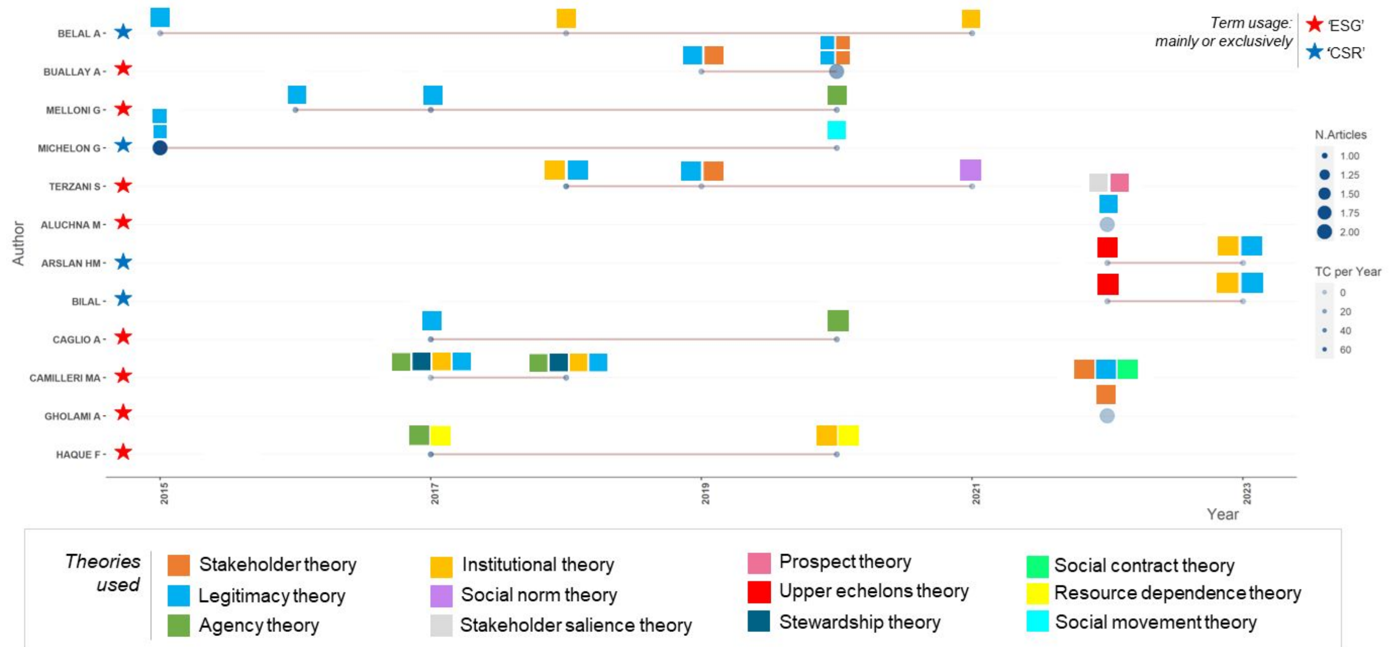

Figure 4. Top 12 most relevant authors in the sample and theories they used.

3.3. Geographical distribution of sampled articles

Table 3 shows that contributions from the 142 sampled articles originate from 43 authors' affiliated countries worldwide. The United Kingdom (UK), China, Australia, Italy, and the United States (USA) emerge as the top five most contributing countries. Additionally, this table showcases the usage trends of the terms 'ESG' and 'CSR' for each of the 43 countries. These trends are visually represented in Figure 5, enabling immediate identification of geographical regions where articles predominantly employ 'ESG' (in red) over 'CSR' (in blue). From this figure, it is evident that the term 'ESG' is widely adopted, with some countries using it exclusively, particularly those in South America, as well as certain nations in Europe (e.g., Sweden and Poland), Asia (e.g., Indonesia), and Africa (e.g., Ghana). Some countries also predominantly use 'ESG,' such as Italy, Spain, and France in Europe; India and Malaysia in Asia; and Canada in North America. Conversely, a few countries exclusively employ the term 'CSR,' such as Greece and Finland, or predominantly, as is the case with the USA. On the other hand, several countries interchangeably use both terms, like China and New Zealand, as well as the UK and Australia, though these latter two lean toward 'CSR.'

Table 3. Production of articles (sample) by country and usage trends of 'ESG' and 'CSR' terms.

	Country	Tot. No. of documents per country	'ESG' usage focus		'CSR' usage focus	
			Doc. count	%	Doc. count	%
European countries	UK	47	22	46.8	25	53.2
	Italy	33	25	75.8	8	24.2
	France	11	7	63.6	4	36.4
	Sweden	8	8	100.0	0	0.0
	Poland	8	8	100.0	0	0.0
	Germany	7	4	57.1	3	42.9
	Spain	6	4	66.7	2	33.3
	Switzerland	6	2	33.3	4	66.7
	Netherlands	5	1	20.0	4	80.0
	Norway	4	4	100.0	0	0.0
	Romania	3	3	100.0	0	0.0
	Greece	3	0	0.0	3	100.0
	Belgium	2	0	0.0	2	100.0
	Austria	2	0	0.0	2	100.0

Accounting Literature

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60

	Denmark	2	1	50.0	1	50.0
	Finland	1	0	0.0	1	100.0
Asian countries	China	46	24	52.2	22	47.8
	Malaysia	20	13	65.0	7	35.0
	India	16	13	81.3	3	18.8
	Indonesia	10	10	100.0	0	0.0
	Bahrain	6	6	100.0	0	0.0
	Kuwait	6	5	83.3	1	16.7
	United Arab Emirates	6	4	66.7	2	33.3
	Sri Lanka	4	1	25.0	3	75.0
	Thailand	4	4	100.0	0	0.0
	Pakistan	3	1	33.3	2	66.7
	Japan	2	1	50.0	1	50.0
	Saudi Arabia	2	2	100.0	0	0.0
	Singapore	2	2	100.0	0	0.0
	Turkey	2	2	100.0	0	0.0
	Lebanon	1	0	0.0	1	100.0
	South Korea	1	1	100.0	0	0.0
Oceanian countries	Australia	43	18	41.9	25	58.1
	New Zealand	4	2	50.0	2	50.0
North American countries	USA	21	5	23.8	16	76.2
	Canada	7	6	85.7	1	14.3
African countries	Egypt	6	3	50.0	3	50.0
	Tunisia	5	4	80.0	1	20.0
	Ghana	3	3	100.0	0	0.0
	South Africa	2	2	100.0	0	0.0
South American countries	Brazil	5	5	100.0	0	0.0
	Chile	1	1	100.0	0	0.0
	Colombia	1	1	100.0	0	0.0

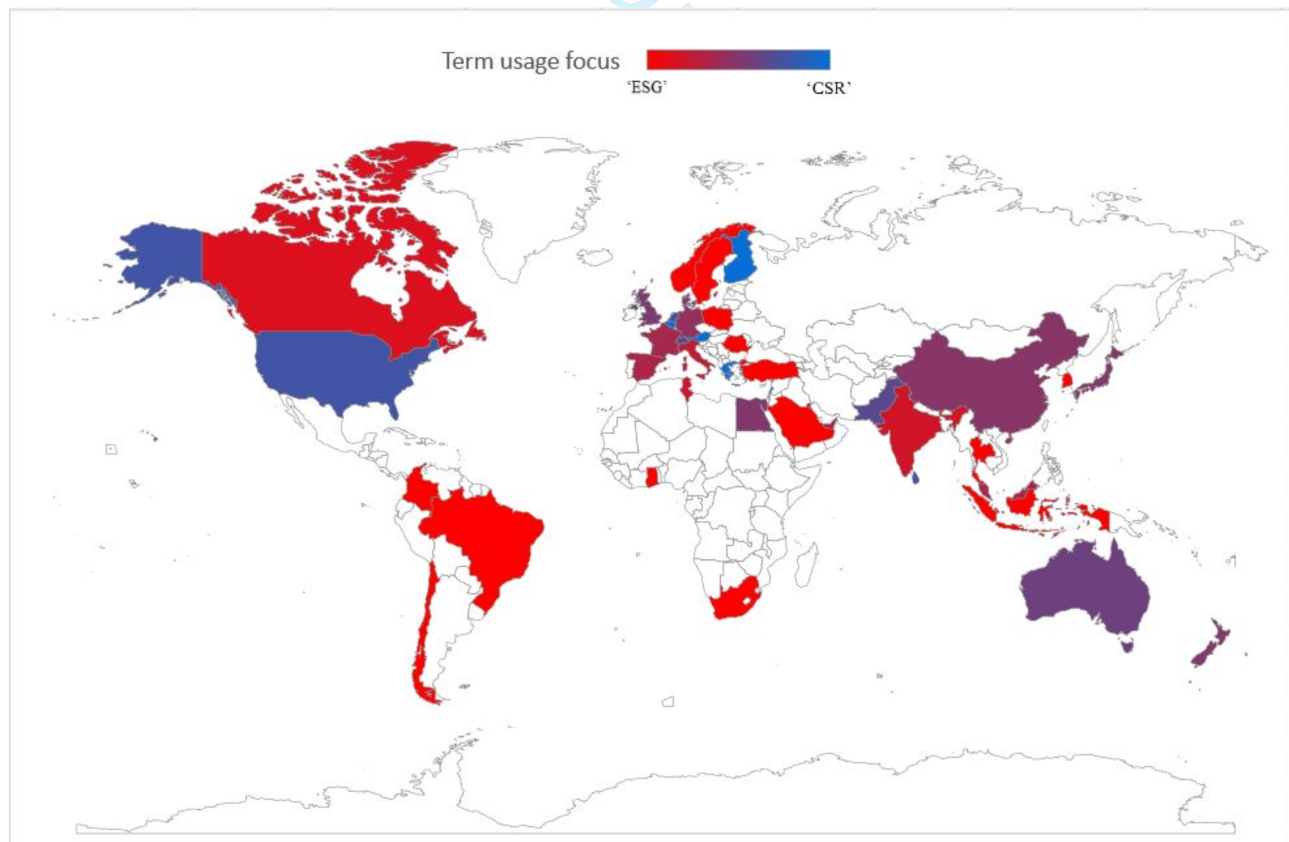

Figure 5. Dissemination of the usage of the term 'ESG' across the 43 sampled article-contributing countries.

3.4. Dominant theories underlying the sample articles

Figure 6 presents a gradient word cloud displaying 32 theories, shifting from purple (more frequent) to light blue (less frequent). These theories were identified overall through qualitative text analysis of the 142 sample articles. In response to the first *RQ*, five theories stand out that dominate the others, with stakeholder theory first, followed by legitimacy, institutional, agency, and signaling theories. These are confirmed to be the major theories underpinning the debate on integrated corporate sustainability reporting, thus corroborating the theoretical framework proposed by Rezaee (2016). It is observed that while legitimacy and institutional theories are commonly considered both in articles that mainly or exclusively use the more traditional term 'CSR' and in those that use the more recent term 'ESG,' stakeholder, agency, and signaling theories tend to be more frequent in those using 'ESG' (Figure 6). In particular, as also shown in Figure 7, the most used theoretical perspectives to support the studies in the sample are stakeholder theory (53 cases out of 142; 37.3%) and legitimacy theory (50 cases; 35.2%). This result is consistent with previous studies highlighting that both are mainstream theories in social and environmental accounting literature that offer plausible motivations for corporate sustainability disclosure (Spence et al., 2010; Guthrie et al., 2006; Deegan, 2019; Bilal et al., 2023; Rouf and Siddique, 2023). Additional major theories used across the sample papers are institutional theory (35 cases; 24.6%), agency theory (29 cases; 20.4%), and signaling theory (16 cases; 11.3%). Unlike a previous similar study that reviewed theories used in social and environmental sustainability reporting literature up to 2019 (Bartolacci et al., 2023), which found limited use of agency and signaling theories, our results suggest that these latter theories are both on the rise with ESG disclosure studies, while legitimacy, institutional, and stakeholder theories continue to be predominantly used. Our results also differ from Rouf and Siddique (2023) who also found limited use of signaling theory.

Figure 6. Word cloud gradient showing dominant and minor theories and their usage trends in the 142 sampled articles.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

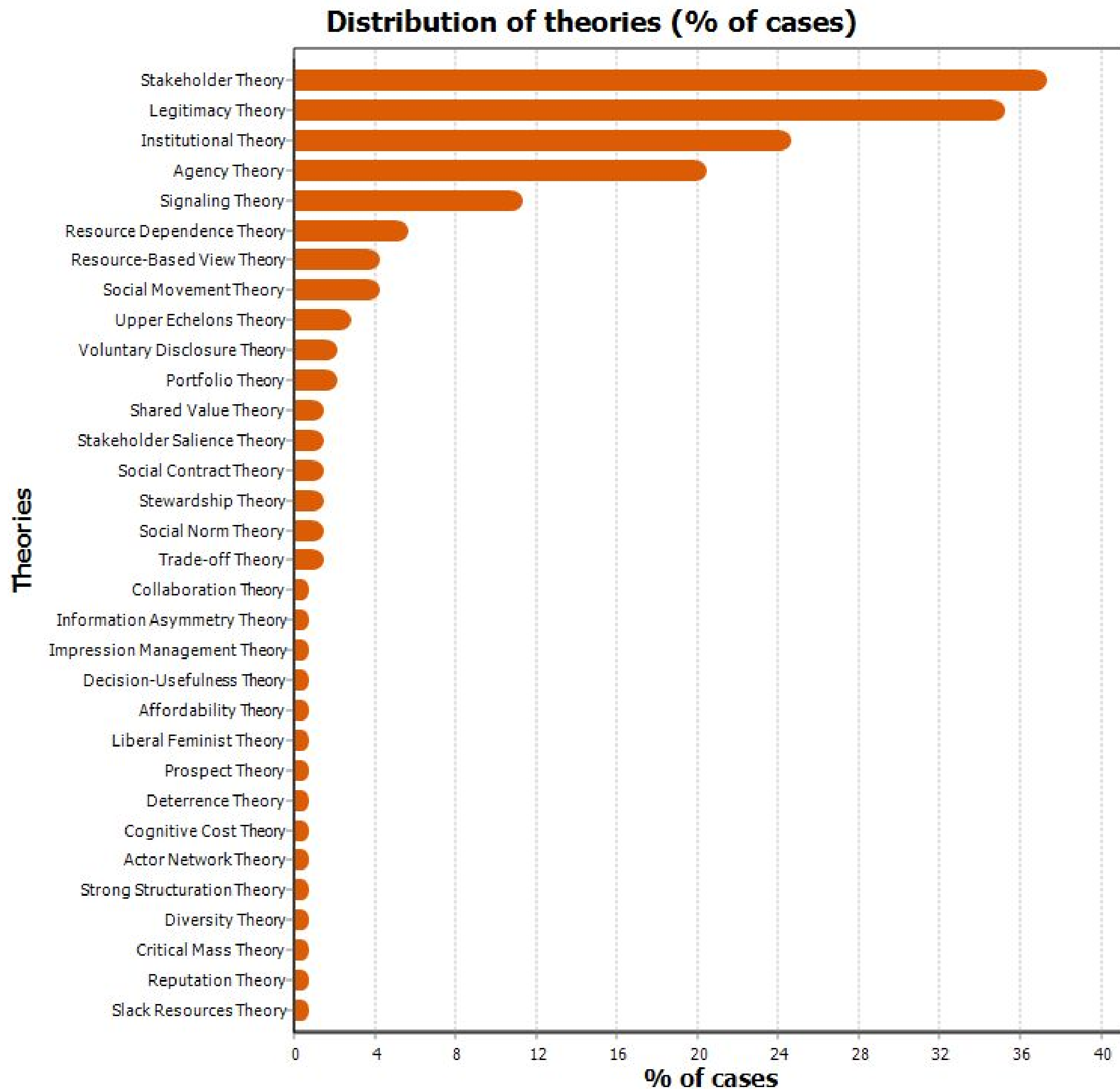

Figure 7. Distribution of theories across the 142 sample articles (cases).

Freeman's *stakeholder theory* emphasizes an organization's accountability to various stakeholders influencing its operations and value creation, including investors, consumers, suppliers, employees, local government, and the larger community. This accountability involves meeting their information needs, which go beyond financial performance disclosure (Guthrie et al., 2006; Lozano et al., 2015; Rezaee, 2016). A review of the 53 sample articles that used stakeholder theory—either alone or in combination with others—leads to the conclusion that it provides theoretical underpinnings for explaining the benefits of reporting ESG information in managing stakeholder relationships as part of corporate strategy. This is by satisfying their expectations and information demand, safeguarding their interests, and increasing their trust, which may enhance corporate performance and profitability (e.g., Weber, 2014; Li et al., 2018; Buallay, 2020; Jasni et al., 2020; Gholami et al., 2022; Sepúlveda-Alzate et al., 2022; Suttipun et al., 2023). These articles seem to agree that ESG disclosure is apt to address issues raised by different stakeholders and gain their approval, as stakeholder support is paramount to corporate survival. Furthermore, corporate governance, one of the most frequently occurring terms in the 53 articles (Figure 8), plays a crucial role in engaging in ESG disclosure (Manita et al., 2018). Similarly, Chan et al. (2014) emphasized how CSR and corporate governance are two companies' complementary mechanisms to enhance their stakeholder relationships. Moreover, Weerathunga et al. (2020) highlighted how stakeholder theory provides compelling

arguments for addressing CSR disclosure in the current phase of corporate reporting transformation, in which corporate managers are facing increasing regulatory and stakeholder pressures.

Figure 8. Most frequently mentioned words in the 53 articles using stakeholder theory (based on authors' keywords).

Legitimacy theory examines how organizations seek to gain public acceptance and support by aligning their behavior with societal norms and values—i.e., fulfilling their social contract (Rezaee, 2016). It suggests that the failure to comply with this contract can have negative effects on an organization's societal perception and financial stability. Therefore, disclosures about environmental, social aspects, or CSR actions are used to maintain or repair organizations' legitimacy in the eyes of stakeholders (Guthrie et al., 2006; Michelon et al., 2015; Deegan, 2019). Legitimacy theory, in fact, represents the primary theory upon which studies traditionally relied to explain CSR reporting practices, as it provides the theoretical foundation to investigate an instrumental use of non-financial disclosure to manage companies' legitimation (Reverte, 2009; Lanis and Richardson, 2013; Cho et al., 2015). In this vein, Lai et al. (2016) investigated the integration of ESG information as a remedial strategy for poor legitimacy. Furthermore, Maama (2021a) relied on legitimacy theory to explain the relationship between ESG reporting and banks' financial sustainability. Also, Reber et al. (2022) used this theory to corroborate its legitimacy arguments around proper sustainable business behavior by demonstrating that voluntary ESG disclosure helps reduce firm-specific risks. Overall, 50 articles in our sample used legitimacy theory, both alone (18 articles) and combined with other theories, especially with stakeholder theory (21 articles, e.g., Chan et al., 2014; Buallay, 2020; Jasni et al., 2020; Gholami et al., 2022; Moussa et al., 2022) and institutional theory (nine articles, e.g., Eliwa, 2021). As highlighted by Jasni et al. (2020), legitimacy theory and stakeholder theory, coupled with ESG issues, share similar perspectives and are complementary theories. There also appears to be a growing consensus regarding this complementarity view, with legitimacy theory looking at a company's relationship with society as a whole and stakeholder theory emphasizing relationships with specific stakeholders (Chan et al., 2014). This complementarity between the two theories also emerges from Figure 9, showing the most frequently occurring terms in the 50 articles that used legitimacy theory, from which it can be seen how several words correspond to Figure 8.

Figure 9. Most frequently mentioned words in the 50 articles using legitimacy theory (based on authors' keywords).

Institutional theory is the third major theory identified in the sampled articles. According to the conceptual lens of this theory, which argues that social institutions, such as laws, norms, and cultural values, shape and influence organizations' behavior and structures more than other influences, ESG disclosure would be a response of organizations to institutional pressures (Weber, 2014). Institutional theory emphasizes the importance of conforming to established institutional norms and practices in a context—the so-called coercive, mimetic, or normative isomorphism—to gain legitimacy and acceptance in society (Eliwa, 2021). In fact, it is often combined with legitimacy theory, as observed in eight articles (e.g., Eliwa, 2021; Sepúlveda-Alzate et al., 2022). The term "legitimacy" also appears among those most mentioned in the 35 articles that used institutional theory (Figure 10). A review of these articles leads to the conclusion that surrounding forces that act outside an organization, such as those at the market or country-system level like economic conditions and governmental, regulatory, or political structure, exert influence on ESG disclosure practices. Many CSR reporting studies in our sample also examined and demonstrated this legitimacy management-related influence, grounded in institutional theory. For example, they investigated this influence in terms of global market challenges and domestic-specific dynamics, or government policies and disclosure mandates (e.g., Marquis and Qian, 2014; Marano et al., 2017). However, it is important to note that external forces are not the sole determinants shaping organizations' behavior. Internal dynamics and factors also matter to ESG/CSR disclosure practices (e.g., Campopiano and De Massis, 2015; Baldini et al., 2018; Aureli et al., 2020; Maama, 2021b).

Figure 10. Most frequently mentioned words in the 35 articles using institutional theory (based on authors' keywords).

After stakeholder, legitimacy, and institutional theories, *agency theory* is the most widely used among the 142 sample articles. It is used both alone (10 articles, e.g., Suttipun, 2021) and combined with other theories (19 articles), for example, with stakeholder and institutional theories (Zhang et al., 2023). Agency theory examines the relationship between the management/executives (agents) and corporate owners/shareholders (principals) or investors of an organization. Agency theory suggests that conflicts of interest may arise between these two groups due to divergent goals and information asymmetry (Rezaee, 2016). This theory provides underpinnings to understand corporate governance mechanisms and how to align interests between principals and agents. These mechanisms appear to be crucial in the ESG disclosure context. Indeed, in Figure 11, which illustrates the most frequently occurring terms in the 29 articles using agency theory, "corporate governance" is much more prominent than in Figures 8, 9, and 10 related to stakeholder, legitimacy, and institutional theories, respectively. Reviewing these articles, we concluded that agency theory is gaining traction in explaining the rationale for a company's ESG disclosure. ESG disclosure is indeed influenced by firms' board composition, characteristics, and mechanisms, including the executive pay gap, which highlights the importance of regulation and controls on this disclosure (e.g., Suttipun, 2021; Ramadhan et al., 2023; Zhang et al., 2023). Jizi et al. (2014) also demonstrated that a more independent and larger board of directors can promote CSR disclosure quality, and Knechel (2021) emphasized the need for independent auditors to provide assurance over related non-financial information.

Accounting Literature

Figure 11. Most frequently mentioned words in the 29 articles using agency theory (based on authors' keywords).

Among the theories most combined with others is *signaling theory*. It is indeed combined with several other theories in 12 articles out of the 16 that use it in our sample, including stakeholder, legitimacy, agency, reputation, resource dependence, and resource-based view theories (e.g., Wong and Zhang 2022; Meng-tao et al., 2023). According to signaling theory (also called disclosure theory), organizations differentiate themselves positively using credible signals to convey information about their qualities or intentions to others to reduce "information asymmetry"—one of the most mentioned terms in the 16 articles using it (Figure 12)—and build trust in various contexts (Rezaee, 2016). In this vein, Melloni et al. (2017) argue that their findings imply that companies with high ESG performance are motivated to signal their superior sustainability performance to the market through ESG disclosure and vice-versa. Meng-tao et al. (2023) offer new evidence to understand the benefit of ESG disclosure from both signaling theory and reputation theory, showing that ESG information provides positive signals to investors in companies in developing countries and helps build their public reputation. As Wong and Zhang (2022) argue in their study drawing on both signaling theory and resource-based view theory, corporate reputation is increasingly considered a valuable intangible asset by investors and adverse ESG disclosure negatively affects investors' firm valuation.

Figure 12. Most frequently mentioned words in the 16 articles using signaling theory (based on authors' keywords).

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

3.5. Minor, niche theories used in the sample articles

Figures 6 and 7 display an array of theoretical perspectives applied to a lesser extent in the sampled studies, in addition to the predominantly used theories discussed above. In response to the second *RQ*, this sub-section briefly reviews these minor theories, many of which are unconventional within the context of integrated corporate sustainability reporting.

Resource-dependence theory and *resource-based view theory* are two perspectives traditionally used to underpin corporate disclosure issues (Bartolacci et al., 2023). Both emphasize the strategic importance of resources for corporate survival and success. The former focuses on dependence on external resources and relationships as the key driver, whereas the latter emphasizes the uniqueness of internal resources and capabilities. However, these perspectives are used in only eight and six articles, respectively, and are always combined with other theories, except for Katmon et al. (2019), who used the resource-based view perspective alone to argue the uniqueness of board diversity in relation to CSR disclosure quality. For instance, Aureli et al. (2020) combined resource-dependence and institutional theories to examine companies' compliance with mandatory ESG requirements, arguing that these theories help to identify corporate governance's strategic responses to external environment pressures. Wong and Zhang (2022) supported the resource-based view of ESG corporate reputation, demonstrating its relevance to investors. Furthermore, in their study of stock market reaction to firms' carbon neutrality commitments, Xie et al. (2023) linked the resource-based view theory to the *trade-off theory* premise that a company's responsibility is to elevate its profitability. They concluded that higher ESG performance and carbon disclosure could mitigate adverse market reactions.

From the *slack resource theory* perspective, surplus resources can act as an incentive for companies to engage in ESG disclosure. The latter can potentially reduce investment risks by assisting investors in their portfolio diversification decisions, in accordance with *portfolio theory* (Brooks and Oikonomou, 2018). Additionally, consistent with the *decision-usefulness theory*, as employed by Arif et al. (2022) in combination with legitimacy theory, these authors demonstrated that enhanced ESG disclosure mitigates the information asymmetry issue among financial analysts, thereby aiding investors and stakeholders in their decision-making. *Affordability theory*, or the financial capacity to afford goods, was used by Li et al. (2018) in combination with stakeholder theory to demonstrate that superior ESG disclosure increases firm value, suggesting that companies can disclose ESG information without burdening the organization's financial resources. Furthermore, Alsayegh et al. (2020) identified a positive relationship between ESG disclosure and Asian firms' sustainability performance using integrated theoretical underpinnings, including *shared value theory* arguments that emphasize the synergy between business profitability goals and societal progress. This is also consistent with *stewardship theory*'s assumption that managers' decision-making and actions serve a shared value purpose prioritizing organizational and stakeholder long-term interests (Rezaee, 2016).

Intersected with stakeholder theory, s*ocial movement theory* explains ESG disclosure as an outcome of social pressures exerted by activist groups advocating for social justice or political and cultural change (Tsang et al., 2023). Based on this theory, Michelon et al. (2020) explored how collective shareholder activism demanding CSR transparency drives an increase in disclosure. Building upon both social movement theory and *collaboration theory*, Islam and Van Staden (2018) demonstrated that collaborating with social movement organizations leads to more complete and transparent social disclosure. Similarly, *social contract theory* provides a philosophical foundation for conceiving ESG disclosure as a way for companies to fulfill their part of the social contract by providing transparent and accountable reporting on their efforts to address broader societal concerns and stakeholder interests. Accordingly, Gholami et al. (2022) drew on this theory to ground their study of ESG performance disclosure on stakeholder and legitimacy theories. *Stakeholder salience* and *prospect theories* also intersect with stakeholder theory and have been used by Aluchna et al.

Journal of Accounting Literature

(2022) as relevant perspectives for understanding the investors' influence on corporate decisions concerning the scope of ESG disclosure. Moreover, by applying stakeholder salience theory, Thijssens et al. (2015) examined how secondary stakeholders influence companies' decisions regarding environmental disclosure. According to this theory, stakeholders are categorized based on their power to influence an organization's decision-making, thereby orienting its information policy.

Similar to signaling theory, *voluntary disclosure theory*, a rather popular perspective in the social/environmental reporting area and traditional CSR discourses, suggests that companies share additional information beyond what is legally required to build trust with stakeholders and potentially influence investor perceptions (Melloni et al., 2017). Relying on this theory, Matsumura et al. (2014) showed that capital markets have regard for the act of voluntary carbon disclosure in their firm valuations. In their study on carbon information asymmetry and the adoption of carbon assurance, Fan et al. (2021) used *information asymmetry theory*, which posits that information asymmetry between parties leads to power imbalances and potential adverse outcomes that affect decision-making, particularly in financial markets. Furthermore, Moussa et al. (2022) documented that firms with the highest environmental risks tend to have symbolic environmental disclosure, thus providing support for the *impression management theory*—in addition to legitimacy and stakeholder theories. Indeed, impression management theory postulates the manipulation of corporate communication in the absence of actual actions to influence stakeholders' impressions and gain public legitimacy. This theory is thus closely related to legitimacy theory, with which it is traditionally combined (Bartolacci et al., 2023). Consistent with *reputation theory*, a company's reputation plays a critical role in shaping stakeholders' perceptions and decisions, and a firm's good ESG reputation can thus help strengthen its market competitiveness and valuation (Meng-tao et al., 2023).

Upper echelons theory, whose use was found in a few latterly published studies, can be considered a fresh theoretical approach to ESG disclosure. This theory posits that an organization's success depends on the characteristics and decisions of its top management, and strategies reflect the experiences, knowledge, and visions of its leaders (Hambrick and Mason, 1984). For example, Kind et al. (2023) relied on this theory to observe the effect of CEO narcissism on ESG disclosure. Also applying this theory, Ma et al. (2020) argued that voluntary disclosure of CSR activities reflects the professional and ethical values and standards of their top executives. Furthermore, *social norm theory*, which suggests that individuals conform to established social norms within their community, was also used in two recent studies. These studies explored religiosity as a determinant of firms' ESG disclosure from 33 countries (Terzani and Turzo, 2021) and CSR reporting in bank firms from the USA (Chantziaras et al., 2020), respectively.

We also found other uncommon theories for the ESG disclosure context, predominantly used alone in individual articles. Specifically, three different theories were used in respective studies addressing gender-related issues. *Diversity theory* and *critical mass theory* were used to show a positive influence of board diversity on ESG disclosure, while the *liberal feminist theory*'s paradigm of equal gender rights was used to prove that gender pay equity disclosure matters to investors (e.g., Austin et al., 2021). In addition, *cognitive cost* and *actor-network* theories were each used in two separate studies focusing on ESG disclosure within the <IR> Framework adoption as a tool for network-building. For instance, Rabaya and Saleh (2022) examined whether ESG information in the IR reporting format affects firms' competitiveness, drawing on arguments from cognitive cost theory that people rely on mental shortcuts to simplify decision-making. Furthermore, Simpson et al. (2022) investigated the assurance of ESG disclosure in Ghana, using Stones' *strong structuration theory*. This theory emphasizes the dual role of both structure and agency in shaping societal patterns and is based on four elements: external structures, internal structures, active agency, and outcomes. Finally, using the avoidance perspective of *deterrence theory*, Murphy and McGrath (2013) explained ESG reporting motivations as a response to the threat of financial penalties resulting from class actions.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

4. Conclusion and implications

By performing a systematic literature review, this study aimed to explore the theories used to support ESG disclosure studies. A sample of 142 selected articles was analyzed to answer two research questions. In response to the first *RQ* (i.e., which theories are most used), this study revealed that five dominant theories stand out among the overall 32 found, stakeholder theory first, followed by legitimacy, institutional, agency, and signaling theories. This was to be expected as these sustainability theories provide convincing explanations for corporate ESG disclosure (Rezaee, 2016; Alsayegh et al., 2020). These five theoretical perspectives are often used in combination with each other, especially the legitimacy and stakeholder and institutional theories. These are indeed mainstream, complementary constructs to comprehensively explain ESG non-financial-related disclosure (Jasni et al., 2020; Sepúlveda-Alzate et al., 2022), thus continuing to be predominantly used to support it (Bartolacci et al., 2023). Agency and signaling theories were also found to be the foremost interpretive lenses underpinning ESG disclosure, ranking fourth and fifth, respectively, among the most used. This suggests that both are becoming mainstream theories for the ESG reporting context, conceivably in light of the relevant role that corporate governance mechanisms and features play in disclosure strategies and corporate information policy while emphasizing the ESG governance pillar. However, signaling theory is almost never used alone but mostly within an integrated theoretical framework. Overall, studies in the analyzed literature tended to combine two theories (e.g., Baldini et al., 2018; Li et al., 2018; Arif et al., 2022) or more than two (e.g., Zhang et al., 2023). In response to the second *RQ* (i.e., which theories are also used beyond the dominant approaches), the findings show an array of minor constructs—many of them unconventional—that offer fresh perspectives for studying ESG disclosure, such as upper echelons, stakeholder salience, cognitive cost, and reputation theories, among others. Notably, the upper echelons theory could be convenient to further investigate, in future studies, whether and how corporate governance characteristics and decisions may drive ESG reporting and the quality and reliability of information. The roles of good governance, CEO and board traits, and leadership styles in ESG disclosure efforts could also be addressed in light of this theory.

This study has some limitations related to the search strategy employed, which focused on ESG disclosure/reporting articles, including those using the term 'CSR,' prioritizing studies published in high-quality journals to contain the sample size. Consequently, relevant articles from lower-ranked journals may have been overlooked. Moreover, relevant environmental, social, or sustainability disclosure studies might not have been captured by the search terms used, although we did include several such studies in this review through the manual journal search. For example, we incorporated papers that addressed sustainability reporting and specific disclosures on climate risks, carbon emissions, human rights, and other environmental or social matters framed within the ESG context.

The study offers a picture of possible theoretical frameworks for framing future studies on corporate ESG disclosure, which may help scholars on the subject to undertake new directions for prospective research. Furthermore, as for practical implications, this study provides an overview of the reasons for ESG reporting based on theoretical underpinnings, which may help regulators, corporate leaders, and practitioners further their engagement in ESG issues affecting sustainable corporate value creation. As ESG disclosure is becoming increasingly mandated or its regulation considered by an increasing number of jurisdictions worldwide, the traditional scenario, in which theories helped interpret the rationale behind voluntary disclosure practices, is evolving rapidly. The landscape of sustainability disclosure requirements is varied, with firms across sectors and categories having different degrees of discretion about the type of information to disclose (Ma et al., 2020; Arif et al., 2022), which points to a need for harmonization (Adams and Abhayawansa, 2022), controls (Zhang et al., 2023), and independent auditing (Knechel, 2021) of non-financial integrated reporting. In this changing scenario, new interpretative ESG disclosure rooms emerge that mainstream and some niche theories identified herein could inform, including stakeholder, stakeholder salience, agency, upper echelons, and institutional theories, to name a few. These theories provide conceptual

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

frameworks for addressing new challenges related to sustainability and corporate social responsibility and understanding how they influence corporate disclosure. They may help identify effective disclosure practices that not only meet regulatory requirements but also create value for companies and their stakeholders. What is more, theories can be refined and evolved by being informed by increased ESG disclosure practices. While mandates and standards may lead to increased and more standardized disclosure, theories remain critical tools for understanding whether and why companies and their governance leaders strategize disclosure choices, how these choices affect market and stakeholder perceptions, and how they can create long-term sustainable value.

References

ABDC (Australian Business Deans Council) (2022), "ABDC Journal Quality List", available at https://abdc.edu.au/abdc-journal-quality-list/#

Adams, C.A. and Abhayawansa, S. (2022), "Connecting the COVID-19 pandemic, environmental, social and governance (ESG) investing and calls for 'harmonisation' of sustainability reporting", *Critical Perspectives on Accounting*, Vol. 82, p. 102309.

Alsayegh, M.F., Abdul Rahman, R. and Homayoun, S. (2020), "Corporate economic, environmental, and social sustainability performance transformation through ESG disclosure", *Sustainability*, Vol. 12 No. 9, p. 3910.

Aluchna, M., Roszkowska-Menkes, M., Kamiński, B. and Bosek-Rak, D. (2022), "Do institutional investors encourage firm to social disclosure? The stakeholder salience perspective", *Journal of Business Research*, Vol. 142, pp. 674-682.

Arif, M., Gan, C. and Nadeem, M. (2022), "Regulating non-financial reporting: evidence from European firms' environmental, social and governance disclosures and earnings risk", *Meditari Accountancy Research*, Vol. 30 No. 3, pp. 495-523.

Aureli, S., Del Baldo, M., Lombardi, R. and Nappo, F. (2020), "Nonfinancial reporting regulation and challenges in sustainability disclosure and corporate governance practices", *Business Strategy and the Environment*, Vol. 29 No. 6, pp. 2392-2403.

Austin, C.R., Bobek, D.D. and Harris, L.L. (2021), "Does information about gender pay matter to investors? An experimental investigation", *Accounting, Organizations and Society*, Vol. 90, p. 101193.

Baas, J., Schotten, M., Plume, A., Côté, G. and Karimi, R. (2020), "Scopus as a curated, high-quality bibliometric data source for academic research in quantitative science studies", *Quantitative Science Studies*, Vol. 1 No. 1, pp. 377-386.

Baldini, M., Maso, L.D., Liberatore, G., Mazzi, F. and Terzani, S. (2018), "Role of country-and firm-level determinants in environmental, social, and governance disclosure", *Journal of Business Ethics*, Vol. 150, pp. 79-98.

Bartolacci, F., Bellucci, M., Corsi, K. and Soverchia, M. (2022), "A systematic literature review of theories underpinning sustainability reporting in non-financial disclosure", Cinquini, L., De Luca, F. (Eds), *Non-financial Disclosure and Integrated Reporting. Theoretical Framework and Empirical Evidence*, Springer, Cham, pp. 87-113.

Bilal, Gerged, A.M., Arslan, H.M., Abbas, A., Chen, S. and Manzoor, S. (2023), "A bibliometric review of corporate environmental disclosure literature", *Journal of Accounting Literature*, Vol. ahead-of-print No. ahead-of-print.

Brooks, C. and Oikonomou, I. (2018), "The effects of environmental, social and governance disclosures and performance on firm value: A review of the literature in accounting and finance", *The British Accounting Review*, Vol. 50 No. 1, pp. 1-15.

Buallay, A. (2020), "Sustainability reporting and firm's performance: Comparative study between manufacturing and banking sectors", *International Journal of Productivity and Performance Management*, Vol. 69 No. 3, pp. 431-445.

CABS (Chartered Association of Business Schools) (2021), "Academic Journal Guide", available at https://charteredabs.org/topic/academic-journal-guide/

Campopiano, G. and De Massis, A. (2015), "Corporate social responsibility reporting: A content analysis in family and non-family firms", *Journal of Business Ethics*, Vol. 129, 511-534.

Chan, M.C., Watson, J. and Woodliff, D. (2014) "Corporate governance quality and CSR disclosures", *Journal of Business Ethics*, Vol. 125, pp. 59-73.

Chantziaras, A., Dedoulis, E., Grougiou, V. and Leventis, S. (2020), "The impact of religiosity and corruption on CSR reporting: The case of US banks", *Journal of Business Research*, Vol. 109, pp. 362-374.

Cho, C.H., Michelon, G., Patten, D.M. and Roberts, R.W. (2015), "CSR disclosure: the more things change…?", *Accounting, Auditing & Accountability Journal*, Vol. 28 No. 1, pp. 14-35.

de Boer, T. and Van Rijnsoever, F. (2022), "In search of valid non-cognitive student selection criteria", *Assessment & Evaluation in Higher Education*, Vol. 47 No. 5, pp. 783-800.

Deegan, C.M. (2019), "Legitimacy theory: Despite its enduring popularity and contribution, time is right for a necessary makeover", *Accounting, Auditing & Accountability Journal*, Vol. 32 No. 8, pp. 2307-2329.

Diwan, H. and Amarayil Sreeraman, B. (2023), "From financial reporting to ESG reporting: a bibliometric analysis of the evolution in corporate sustainability disclosures", *Environment, Development and Sustainability*, pp. 1-37.

Donthu, N., Kumar, S., Mukherjee, D., Pandey, N. and Lim, W.M. (2021), "How to conduct a bibliometric analysis: An overview and guidelines", *Journal of Business Research*, Vol. 133, pp. 285-296.

Eccles, R.G., Lee, L.E. and Stroehle, J.C. (2020), "The social origins of ESG: An analysis of Innovest and KLD", *Organization & Environment*, Vol. 33 No. 4, pp. 575-596.

Eliwa, Y., Aboud, A. and Saleh, A. (2021), "ESG practices and the cost of debt: Evidence from EU countries", *Critical Perspectives on Accounting*, Vol. 79, p. 102097.

Elshandidy, T., Shrives, P.J., Bamber, M. and Abraham, S. (2018), "Risk reporting: A review of the literature and implications for future research", *Journal of Accounting Literature*, Vol. 40, pp. 54-82.

Fan, H., Tang, Q. and Pan, L. (2021), "An international study of carbon information asymmetry and independent carbon assurance", *The British Accounting Review*, Vol. 53 No. 1, p. 100971.

Gao, S., Meng, F., Gu, Z., Liu, Z. and Farrukh, M. (2021), "Mapping and clustering analysis on environmental, social and governance field a bibliometric analysis using Scopus", *Sustainability*, Vol. 13 No. 13, p. 7304.

Gholami, A., Murray, P.A. and Sands, J. (2022), "Environmental, social, governance & financial performance disclosure for large firms: is this different for SME firms?", *Sustainability*, Vol. 14 No. 10, p. 6019.

Gillan, S.L., Koch, A. and Starks, L.T. (2021), "Firms and social responsibility: A review of ESG and CSR research in corporate finance", *Journal of Corporate Finance*, Vol. 66, p. 101889.

Guthrie, J., Petty, R. and Ricceri, F. (2006), "The voluntary reporting of intellectual capital: comparing evidence from Hong Kong and Australia", *Journal of Intellectual Capital*, Vol. 7 No. 2, pp. 254-271.

Hambrick, D.C. and Mason, P.A. (1984), "Upper echelons: The organization as a reflection of its top managers", *Academy of Management Review*, Vol. 9 No. 2, pp. 193-206.

Haque, F. (2017), "The effects of board characteristics and sustainable compensation policy on carbon performance of UK firms", *The British Accounting Review*, Vol. 49 No. 3, pp. 347-364.

IIRC (2021), *International <IR> Framework*, International Integrated Reporting Council, London, available at https://www.integratedreporting.org/wp-content/uploads/2021/01/InternationalIntegratedReportingFramework.pdf

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Islam, M.A. and Van Staden, C.J. (2018), "Social movement NGOs and the comprehensiveness of conflict mineral disclosures: evidence from global companies", *Accounting, Organizations and Society*, Vol. 65, pp. 1-19.

Janah, O.O. and Sassi, H. (2021), "The ESG impact on corporate financial performance in developing countries: A systematic literature review", *International Journal of Accounting, Finance, Auditing, Management and Economics*, Vol. 2 No. 6, pp. 391-410.

Jasni, N.S., Yusoff, H., Zain, M.M., Md Yusoff, N. and Shaffee, N.S. (2020), "Business strategy for environmental social governance practices: evidence from telecommunication companies in Malaysia, *Social Responsibility Journal*, Vol. 16 No. 2, pp. 271-289.

Jizi, M.I., Salama, A., Dixon, R. and Stratling, R. (2014), "Corporate governance and corporate social responsibility disclosure: Evidence from the US banking sector", *Journal of Business Ethics*, Vol. 125, pp. 601-615.

Katmon, N., Mohamad, Z.Z., Norwani, N.M. and Farooque, O.A. (2019), "Comprehensive board diversity and quality of corporate social responsibility disclosure: Evidence from an emerging market", *Journal of Business Ethics*, Vol. 157, pp. 447-481.

Khan, A., Muttakin, M.B. and Siddiqui, J. (2013), "Corporate governance and corporate social responsibility disclosures: Evidence from an emerging economy", *Journal of Business Ethics*, Vol. 114, pp. 207-223.

Khan, M., Serafeim, G. and Yoon, A. (2016), "Corporate sustainability: First evidence on materiality", *The Accounting Review*, Vol. 91 No. 6, pp. 1697-1724.

Kind, F.L., Zeppenfeld, J. and Lueg, R. (2023), "The impact of chief executive officer narcissism on environmental, social, and governance reporting", *Business Strategy and the Environment*, pp. 1-19.

Knechel, W.R. (2021), "The future of assurance in capital markets: Reclaiming the economic imperative of the auditing profession", *Accounting Horizons*, Vl. 35 No. 1, pp. 133-151.

Kuckartz, U. (2014), *Qualitative text analysis: A guide to methods, practice & using software*, SAGE Publications Ltd, London.

Lai, A., Melloni, G. and Stacchezzini, R. (2016), "Corporate sustainable development: is 'integrated reporting' a legitimation strategy?", *Business Strategy and the Environment*, Vol. 25 No. 3, pp. 165-177.

Lanis, R. and Richardson, G. (2013), "Corporate social responsibility and tax aggressiveness: a test of legitimacy theory", *Accounting, Auditing & Accountability Journal*, Vol. 26 No. 1, pp. 75-100.

Li, Y., Gong, M., Zhang, X.Y. and Koh, L. (2018), "The impact of environmental, social, and governance disclosure on firm value: The role of CEO power", *The British Accounting Review*, Vol. 50 No. 1, pp. 60-75.

Linnenluecke, M.K., Marrone, M. and Singh, A.K. (2020), "Conducting systematic literature reviews and bibliometric analyses", *Australian Journal of Management*, Vol. 45 No. 2, pp. 175-194.

Lozano, R., Carpenter, A. and Huisingh, D. (2015), "A review of 'theories of the firm' and their contributions to Corporate Sustainability", *Journal of Cleaner Production*, Vol. 106, pp. 430-442.

Ma, Z., Zhang, H., Zhong, W. and Zhou, K. (2020), "Top management teams' academic experience and firms' corporate social responsibility voluntary disclosure, *Management and Organization Review*, Vol. 16 No. 2, pp. 293-333.

Maama, H. (2021a), "Achieving financial sustainability in Ghana's banking sector: is environmental, social and governance reporting contributive?", *Global Business Review*, pp. 1-13.

Maama, H. (2021b), "Institutional environment and environmental, social and governance accounting among banks in West Africa", *Meditari Accountancy Research*, Vol. 29 No. 6, pp. 1314-1336.

Manita, R., Bruna, M.G., Dang, R. and Houanti, L. (2018), "Board gender diversity and ESG disclosure: evidence from the USA", *Journal of Applied Accounting Research*, Vol. 19 No. 2, pp. 206-224.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Marano, V., Tashman, P. and Kostova, T. (2017), "Escaping the iron cage: Liabilities of origin and CSR reporting of emerging market multinational enterprises", *Journal of International Business Studies*, Vol. 48, pp. 386-408.

Marquis, C. and Qian, C. (2014), "Corporate social responsibility reporting in China: Symbol or substance?", *Organization Science*, Vol. 25 No. 1, pp. 127-148.

Matsumura, E.M., Prakash, R. and Vera-Munoz, S.C. (2014), "Firm-value effects of carbon emissions and carbon disclosures", *The Accounting Review*, Vol. 89 No. 2, pp. 695-724.

Melloni, G., Caglio, A. and Perego, P. (2017), "Saying more with less? Disclosure conciseness, completeness and balance in Integrated Reports", *Journal of Accounting and Public Policy*, Vol. 36 No. 3, pp. 220-238.

Meng-tao, C., Da-peng, Y., Wei-qi, Z. and Qi-jun, W. (2023), "How does ESG disclosure improve stock liquidity for enterprises—Empirical evidence from China", *Environmental Impact Assessment Review*, Vol. 98, p. 106926.

Michelon, G., Pilonato, S. and Ricceri, F. (2015), "CSR reporting practices and the quality of disclosure: An empirical analysis", *Critical Perspectives on Accounting*, Vol. 33, pp. 59-78.

Michelon, G., Rodrigue, M. and Trevisan, E. (2020), "The marketization of a social movement: Activists, shareholders and CSR disclosure", *Accounting, Organizations and Society*, Vol. 80, p. 101074.

Moussa, T., Kotb, A. and Helfaya, A. (2022), "An empirical investigation of UK environmental targets disclosure: The role of environmental governance and performance", *European Accounting Review*, Vol. 31 No. 4, pp. 937-971.

Murphy, D. and McGrath, D. (2013), "ESG reporting – class actions, deterrence, and avoidance", *Sustainability Accounting, Management and Policy Journal*, Vol. 4 No. 2, pp. 216-235.

Rabaya, A.J. and Saleh, N.M. (2022), "The moderating effect of IR framework adoption on the relationship between environmental, social, and governance (ESG) disclosure and a firm's competitive advantage", *Environment, Development and Sustainability*, Vol. 24 No. 2, pp. 2037-2055.

Ramadhan, M.A., Mulyany, R. and Mutia, E. (2023), "The irrelevance of R&D intensity in the ESG disclosure? Insights from top 10 listed companies on global Islamic indices", *Cogent Business & Management*, Vol. 10 No. 1, p. 2187332.

Ramos-Rodríguez, A.R. and Ruíz-Navarro, J. (2004), "Changes in the intellectual structure of strategic management research: A bibliometric study of the Strategic Management Journal, 1980–2000", *Strategic Management Journal*, Vol. 25 No. 10, pp. 981-1004.

Reber, B., Gold, A. and Gold, S. (2022), "ESG disclosure and idiosyncratic risk in initial public offerings", *Journal of Business Ethics*, Vol. 179 No. 3, pp. 867-886.

Reverte, C. (2009), "Determinants of corporate social responsibility disclosure ratings by Spanish listed firms", *Journal of Business Ethics*, Vol. 88, pp. 351-366.

Rezaee, Z. (2016), "Business sustainability research: A theoretical and integrated perspective", *Journal of Accounting Literature*, Vol. 36 No. 1, pp. 48-64.

Rouf, M.A. and Siddique, M.N.E.A. (2023), "Theories applied in corporate voluntary disclosure: a literature review", *Journal of Entrepreneurship and Public Policy*, Vol. 12 No. 1, pp. 49-68.

Sepúlveda-Alzate, Y.M., García-Benau, M.A. and Gómez-Villegas, M. (2022), "Materiality assessment: the case of Latin American listed companies", *Sustainability Accounting, Management and Policy Journal*, Vol. 13 No. 1, pp. 88-113.

Simpson, S.N.Y., Aboagye-Otchere, F. and Ahadzie, R. (2022), "Assurance of environmental, social and governance disclosures in a developing country: Perspectives of regulators and quasi-regulators", *Accounting Forum*, Vol. 46, No. 2, pp. 109-133.

Singhania, M. and Saini, N. (2022), "Quantification of ESG regulations: a cross-country benchmarking analysis", *Vision*, Vol. 26 No. 2, pp. 163-171.

Snyder, H. (2019), "Literature review as a research methodology: An overview and guidelines", *Journal of Business Research*, Vol. 104, pp. 333-339.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60

Spence, C., Husillos, J. and Correa-Ruiz, C. (2010), "Cargo cult science and the death of politics: A critical review of social and environmental accounting research", *Critical Perspectives on Accounting*, Vol. 21 No. 1, pp. 76-89.

Suttipun, M. (2021), "The influence of board composition on environmental, social and governance (ESG) disclosure of Thai listed companies", *International Journal of Disclosure and Governance*, Vol. 18 No. 4, pp. 391-402.

Suttipun, M., Yordudom, T. and Khunkaew, R. (2023), "The Relationship Between Environmental, Social and Governance (ESG) Disclosure and Financial Performance: Evidence from Thailand", *Journal of Environmental Accounting and Management*, Vol. 11 No. 1, pp. 63-74.

Tashman, P., Marano, V. and Kostova, T. (2019), "Walking the walk or talking the talk? Corporate social responsibility decoupling in emerging market multinationals", *Journal of International Business Studies*, Vol. 50, pp. 153-171.

Terzani, S. and Turzo, T. (2021), "Religious social norms and corporate sustainability: The effect of religiosity on environmental, social, and governance disclosure", *Corporate Social Responsibility and Environmental Management*, Vol. 28 No. 1, pp. 485-496.

Thijssens, T., Bollen, L. and Hassink, H. (2015), "Secondary stakeholder influence on CSR disclosure: An application of stakeholder salience theory", *Journal of Business Ethics*, Vol. 132, pp. 873-891.

Tranfield, D., Denyer, D. and Smart, P. (2003), "Towards a methodology for developing evidence-informed management knowledge by means of systematic review", *British Journal of Management*, Vol. 14 No. 3, pp. 207-222.

Tsang, A., Frost, T. and Cao, H. (2023), "Environmental, Social, and Governance (ESG) Disclosure: A Literature Review", *The British Accounting Review*, Vol. 55 No. 1, p. 101149.

Wang, N., Pan, H., Feng, Y. and Du, S. (2023), "How do ESG practices create value for businesses? Research review and prospects", *Sustainability Accounting, Management and Policy Journal*, Vol. ahead-of-print No. ahead-of-print.

Weber, O. (2014), "Environmental, social and governance reporting in China", *Business Strategy and the Environment*, Vol. 23 No. 5, pp. 303-317.

Weerathunga, P.R., Xiaofang, C., Nurunnabi, M., Kulathunga, K.M.M.C.B. and Swarnapali, R.M.N.C. (2020), "Do the IFRS promote corporate social responsibility reporting? Evidence from IFRS convergence in India", *Journal of International Accounting, Auditing and Taxation*, Vol. *40*, p. 100336.

Wong, J.B. and Zhang, Q. (2022), "Stock market reactions to adverse ESG disclosure via media channels", *The British Accounting Review*, Vol. 54 No. 1, p. 101045.

Xie, X., Lu, J., Li, M. and Dai, J. (2023), "Does carbon neutrality commitment enhance firm value?", *Journal of Chinese Economic and Business Studies*, Vol. 21 No. 1, pp. 49-83.

Zhang, D., Pan, L., Liu, L. and Zeng, H. (2023), "Impact of executive pay gap on environmental, social, and governance disclosure in China: Is there a strategic choice?", *Corporate Social Responsibility and Environmental Management*, pp. 1-16.

Journal of Accounting Literature