Chapter 9
Exploring the Role of Corporate Governance and CSR Strategy on the Level of ESG Disclosure:
Evidence From Euro-Asian Firms

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ABSTRACT

We refer to devote this paper on investigating the impact of Global Compact membership, GRI Standards adoption, board size, audit committee independence', ESG controversies, remuneration of the board of directors members on the ESG disclosure. The methodology proposed will draw on the multidimensional scaling as a multivariate assessment tool to evaluate and prioritize the effect of corporate governance on the environmental, social and governance disclosure. This paper uses a cross-country sample of 455 listed firms located in thirty eight countries from Europe and Asia over the period 2010–2018. We found evidence provide that the Global Compact membership, GRI Standards adoption and CSR strategy index' affect positively the ESG disclosure level. Likewise, the results have highlighted and important effect of audit committee independence' and board compensation on the ESG disclosure for both of European and Asian firms. Our results suggest a negative relation between ESG Controversies, Board Size' and firm ESG Disclosure

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for our sample of studies.

1. INTRODUCTION

Corporate social responsibility has burst into economic, political and social life. In the beginning, many companies refused to communicate their responsibility to the outside world, either because they saw no advantage in it, or because they feared communicating so-called confidential and sensitive information (see Wu *et al.* (2021)). The new context pushed them to think about more open and transparent communication. More than a defensive method against social pressures, communication on CSR in particular and ethical strategy in general offers market opportunities to companies. The first response of many companies consists of an extension of the communication policy on the theme of their corporate social responsibility (see Guo *et al.* 2021).

The concept of corporate social responsibility only appeared in this debate in the early 1990s on the occasion of the Earth Summit in Rio. The very last world summit, held in September 2002 in Johannesburg, finally emphasized the need for companies to commit to the path of progress that constitutes sustainable development. This notion has sparked a lot of debate around its definition and the very development of its foundations. Many researchers have seen it as a fad that companies follow, a simple marketing tool to disguise corporate communication with a social complexion) "greenwashing or white washing" (see Wolak-Tuzimek, & Duda, 2021).

Other researchers see the corporate social responsibility as a ground swell, "an essential strategy" to adapt to the new data of the modern economy and to continue to exist on the market. It is an evolving and multidimensional concept that affects several dimensions: the economy, the environment and the social, indeed, the corporate social responsibility approach is calculated according to certain predefined criteria. These criteria are ESG (environment, social and governance) are analytical criteria that make it possible to assess the consideration of sustainable development and long-term issues in corporate strategy. ESG analysis dates back to the 1960s, when some organizations adopted ethical filters to identify and possibly exclude from their portfolios companies that did not respect their moral values. The objective of our research is to evaluate the impact of board characteristics and corporate social responsibility in environmental, social and governance disclosure and which governance mechanisms that shapes the environmental, social disclosure index and governance.

This study evaluates the impact associated with the characteristics of the board of directors such as the size of the board of directors, the type of board, the independence of the board, of functions, gender diversity, the aspect of sustainable development,

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