Social Visibility and Substance in Corporate Social Sustainability Disclosures

Post-print version of:
Pollach, I. (2005). A typologyPollach, I. & Schaper, S. (in press). Social visibility and substance in corporate social sustainability disclosures, *Corporate Communications: An International Journal*.

Acknowledgements:
We are thankful for comments received on earlier versions of this paper during the 15th EIASM Interdisciplinary Conference on Intangibles and Intellectual Capital, Non-Financial and Integrated Reporting, Governance and Value Creation in Coimbra, Portugal 2019 and the Accounting, Banking & Financial Institutions, the First Virtual Annual Congress of the European Accounting Association 2021 and Corporate Finance Seminar series at Aarhus University. We especially acknowledge the important comments and support in the data analysis from Lorenzo Simoni and Marie Herly and Giovanna Michelon and Javed Siddiqui for their comments.
This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

Social Visibility and Substance in Corporate Social Sustainability Disclosures

Structured Abstract

Purpose: Social and environmental reports have become an increasingly regulated area of corporate reporting and communication. Nevertheless, the substance and level of detail present in such disclosures is largely at the discretion of companies, which has implications for the value of such disclosures to stakeholders. The purpose of this study is to shed light on social visibility as a determinant of the variation in substance found in social disclosures in order to understand underlying reasons for why some firms offer more substance than others in their social disclosures.

Design/methodology/approach: Based on a number of hypotheses, which we combine into social visibility, we investigate whether a firm's social visibility is a determinant of substance in social disclosures. To this end, we use the case of modern slavery statements as a recently introduced and legally mandated form of social sustainability disclosures.

Findings: The findings suggest that social visibility can explain part of the variation in the substance of social disclosures. However, for the remaining part, we argue that substance in social disclosures can also be driven by institutional logics, which shape organizational outcomes in specific contexts, but are largely unobservable.

Originality: This article contributes new insights to the literature on the relationship between corporate social visibility and the substance of social disclosures.

Keywords:
Sustainability, CSR, ESG, Corporate Reporting, Social Disclosures, Substance, Modern Slavery

INTRODUCTION

Corporate social disclosures, such as CSR or environmental and social reports, can reduce the information asymmetry between a company and its stakeholders regarding its CSR performance, which otherwise would be difficult to observe in its entirety for both internal and external stakeholders. However, questions have been raised about the value of such disclosures, as they have been found to over-emphasize positive aspects of a firm's social performance, while downtoning or omitting negative information as far as possible (e.g. Delmas and Burbano, 2011; Walker and Wan, 2012; Schultz et al., 2013; Sethi et al., 2017; Talbot and Boiral, 2018; Einwiller and Carroll, 2020). Corporate social disclosures have therefore been variously dismissed as "greenwashing", "bluewashing", "social washing", "window dressing", "simulacra", "ceremonial", "spin", or "hypocrisy" (e.g. Laufer, 2003; Boiral, 2013; Cho et al., 2015; Pope and Wæraas, 2016; Nardi, 2022). Similarly, CSR performance and CSR reporting have been contrasted as "walk vs. talk" or "symbolism vs. substance", suggesting that there is a discrepancy between what companies report and what they actually do (Hrasky, 2011; Marquis and Qian, 2014; Lalwani et al., 2018; Herold et al., 2019), also referred to as decoupling (e.g. Meyer and Rowan, 1977; Aguilera et al., 2007).

In this paper, we focus on the substance of corporate social disclosures, referring to content that would imply "actual, concrete changes in organizational actions to conform to prevailing social norms" (Rodrigue et al. 2013, p. 109). Substance relates to the above criticism of corporate social disclosures, in that more substance in a corporate disclosure can reduce information asymmetries and stakeholder perceptions of decoupling. Accordingly, one needs to distinguish between substantive content and non-substantive content. While the former presents concrete and potentially verifiable actions, the latter presents vague or forward-looking content that may create the impression that changes have taken place or will take place soon (Islam et al., 2018; Shabana and Ravlin, 2016). In corporate reporting, if non-substantive reporting is intended to distort readers' perception about the company's performance, it is generally referred to as impression management (e.g. Neu et al., 1998). Substance is therefore deemed as an appropriate lens to study the potential impact of social initiatives via the substantive measures reported in corporate social disclosures (Chelli et al., 2018).[1] While the presence of certain themes and topics in social disclosures have been studied for decades (e.g. Patten, 1991; Gray et al., 1995; Tsang, 1998; Gao et al., 2005; Ho and Taylor, 2007; Sweeney

[1] It is worth noting that substance refers to reported content, while it clearly remains impossible to eventually verify the actual actions undertaken by the reporting companies. To uncover these practices, in-depth, on-site, and longitudinal research (see e.g. Dodd et al., 2022; Monciardini et al., 2019) would be required.

and Coughlan, 2008; Legendre and Coderre, 2013; Chelli et al., 2018; Andreas and Chang, 2021), neither the *substance* represented in social disclosures nor its determinants have received much attention. Related work has been conducted on the quality of social disclosures, specifically on the rhetorical strategies that companies use to disclose negative information (Hahn and Lülfs, 2014) and on negative performance disclosures among companies from different cultural clusters (Einwiller and Carroll, 2020). Further, Valor and Zasuwa (2017) studied the quality of corporate philanthropy reports, based on assessments of how comprehensively different issues were addressed in such reports. Recently, Rao et al. (2022) investigated if institutional pressures are related to the quality of modern slavery statements in Australia, but found only partial evidence for some of the isomorphic forces, thus calling for further investigations.

Explanations for corporate social disclosures in general can be found in legitimacy theory and the resource-based view of the firm. While the former suggests that firms adhere to commonly expected norms in order to gain or maintain legitimacy (Dowling and Pfeffer, 1975; Suchman, 1995), the latter explains corporate actions as a response to competitive pressures for uniqueness and differentiation (e.g. Wernerfelt, 1984; Barney, 1986; Barney, 1991). Accordingly, legitimacy theory can explain the adoption of voluntary CSR efforts, including social disclosures, but does not account for the variation among firms regarding these actions. Meanwhile, the resource-based view of the firm suggests that firms striving for positive differentiation would engage in more CSR efforts, including their reporting, than those less interested in this kind of differentiation, but does not enlighten us about the determinants of this quest for differentiation. Thus, neither of the two theories is sufficient in explaining why some companies are more motivated to disclose substance than others.

To extend the limited scholarship on substance in social disclosures and its determinants, the purpose of this paper is to *explain the variation in substance of social disclosures among firms.* Specifically, we hypothesize that more social visibility of a firm leads to higher levels of substance in its social disclosures. We develop a number of hypotheses pertaining to different aspects of a firm's social visibility as predictors of substance. Understanding firm-level determinants of social disclosure substance contributes to improving the transparency of the social impact of firms. Determinants of substance can enlighten us about which types of firms in particular provide more substance than others, which again can highlight those types of firms that need to be motivated to enhance the quality of their reporting and possibly also the underlying actions. Therefore, this research has implications for both managers and policymakers seeking to increase the transparency of business operations.

To test our hypotheses, we draw on a content analysis of modern slavery statements (MSS) issued by a sample of firms from two relevant industries, as well as on firm and media data about these companies. MSS are a fairly recently introduced form of social disclosures, issued by companies in response to legal acts mandating such disclosures, for example in the United Kingdom or Australia (Christ and Burritt, 2021). Given their narrow focus on modern slavery in supply chains, MSS provide us with the opportunity to measure reported substance in great detail and compare it across firms. With other social disclosures, such as comprehensive sustainability reports, valid and comparable measures of substance in content are next to impossible, given the wide range of topics potentially covered by different companies, which may obfuscate different levels of substance across topics.

The paper is structured as follows: It first introduces modern slavery statements as a social disclosure genre, before it presents legitimacy theory as our theoretical framework, within which we position social visibility as a predictor of substance in social disclosures. After this, we explain the operationalization of our variables, our sampling and data collection procedures. In a regression analysis, we eventually explore possible firm characteristics that explain the hypothesized heterogeneity in disclosure substance. The paper concludes with a discussion of the variation in substance in social disclosures as well as limitations and suggestions for future research.

THE CASE OF MODERN SLAVERY STATEMENTS

We focus on modern slavery statements issued in response to the UK Modern Slavery Act 2015, as this was the first national legislation of its kind[1]. This Act requires large companies – defined by turnover – with operations in the UK to issue annual statements about their initiatives taken during a financial year against the risk of modern slavery in their own operations as well as their supply chains. This legal requirement could, in principle, be fulfilled with the mere issuance of a MSS, stating that no such actions were implemented or describing actions and aspirations in rather vague terms. Thus, modern slavery statements are a form of social disclosure that is *per se* legally mandated in the UK, while the level of detail presented is at the discretion of each company, a general cause for concern in such types of reporting requirements (e.g. Shabana and Ravlin, 2016). Thus, when engaging in reporting activities in

[1] The state of California passed the *The California Transparency in Supply Chains Act* already in 2010, which is similar to the UK Act, but less explicit in its requirements. It is available at: https://oag.ca.gov/SB657 (last accessed: 17 October 2022).

response to a regulatory requirement such as the UK Modern Slavery Act, companies can choose from a continuum of possible reporting behaviors: At one end of the spectrum, companies report about the actual status quo of their current practices and aspirations, in line with what Christensen et al. (2013) define as "aspirational talk", i.e. disclosures with the actual intention of implementing changes. At the other end of the spectrum, companies simply depict a picture of compliance without undertaking substantive changes, e.g. by delegating the responsibility for labor standards to other actors in the supply chain rather than taking any concrete measures themselves. The quality of modern slavery statements is receiving increasing attention in research on social disclosures, given their implications for supply chain transparency. In that realm, content analyses have been conducted based on the presence or absence of themes (e.g. Stevenson and Cole, 2018; Flynn and Walker, 2021; Geng et al., 2022), the qualitative vs. quantitative disclosure of certain themes (e.g. Christ et al., 2019; Rao et al., 2022), their compliance with the Modern Slavery Act (Voss et al., 2019; Monciardini et al., 2019) and with statutory and voluntary norms (Pinnington et al., in press), the use of metaphors in MSS (Ras and Gregoriou, 2019), and an in-depth analysis of the development of one company's MSS over time (New and Hsin, 2021). Most of these studies focus on quality aspects of MSS, yet do not take into account the concreteness of the actions reported, which we conceptualize as substance. For instance, Voss et al. (2019) find that, despite increasing levels of compliance with the UK Modern Slavery Act, a significant share of companies in the fashion and textile industry do not report on their actions against modern slavery. This resonates with the risk of the "managerialization" of modern slavery law, i.e. the use of symbolic disclosures as a managerial interpretation of legal compliance, as argued by Monciardini et al. (2019).

THEORETICAL FRAMEWORK

Corporate motivations for engaging in social responsibility efforts can be explained from both a legitimacy perspective and a resource-based perspective (e.g. Wood, 1991; Burke and Logsdon, 1996). Organizational legitimacy is conceptualized as the general perception that the behavior of an organizations conforms to societal expectations of appropriate behavior (Dowling and Pfeffer, 1975). Firms gain legitimacy when they conform to such norms or at least create the appearance of doing so. Alternatively, firms can attempt to change these norms in their own favor. In both cases, gaining and maintaining legitimacy requires firms to communicate with their stakeholders to demonstrate their adherence to these norms and shape stakeholders' perceptions of corporate practices (Suchman, 1995). Any divergence from established norms of appropriate behavior may be sanctioned by stakeholders, which can ultimately threaten the firm's survival (Dowling and Pfeffer, 1975). Legitimacy has been commonly used as an explanation of corporate social disclosures (e.g. Clarke and Gibson-Sweet, 1999; Campbell, 2000; Branco and Rodrigues, 2006; Cho and Patten, 2007; Castelló and Lozano, 2011; Benlemlih et al., 2018), as firms seek to demonstrate their adherence to societal expectations by reporting annually their social and environmental accomplishments. At the same time, legitimacy theory is recognized as insufficient to comprehensively explain the complex nature of firms' disclosure practices (e.g. Unerman and Chapman, 2014; Cho et al., 2015), as its main focus is on how the firm's socio-political environment affects corporate behavior, ignoring economic incentives that may also impact corporate behavior.

What legitimacy theory does not adequately take into account is supplemented by the resource-based view of the firm, which explains corporate actions as a response to competitive pressures to be different and unique in order to gain a competitive advantage by obtaining valuable, rare, in-imitable, and non-substitutable resources, such as processes, knowledge, capabilities, or reputation (e.g. Wernerfelt, 1984; Barney, 1986; Barney, 1991). CSR is one area that can build a foundation for a firm's reputation as a form of positive differentiation, when it is made visible to stakeholders (e.g. McWilliams and Siegel, 2001; McWilliams et al., 2006; Melo and Garrido-Morgado, 2012). CSR disclosures are therefore important strategic tools for firms, through which they can signal the seriousness of their efforts to their stakeholders and build a reputation for ethical practices that go beyond the minimum that is legally mandated (e.g. Brammer and Pavelin, 2004; Unerman, 2008), especially in sensitive industries (García-Meca and Martínez-Ferrero, 2021).

Since the exact motives of corporate social disclosures are not identifiable from the documents as such, legitimacy theory and the resource-based view function as complementary explanations of disclosure outcomes. Both legitimacy and reputation are socially constructed attributes of organizations, resulting from corporate communication efforts with relevant stakeholders (e.g. Suchman, 1995; Fombrun and Van Riel, 1997; Thomas, 2007). As firms need legitimacy in order to build a strong reputation, the two concepts are also intertwined rather than opposite poles of a continuum (Zyglidopoulos, 2003; Bitektine, 2011).

Since both legitimacy and reputation can be motivations for firms to provide social disclosures in the first place, as suggested above, we conclude that they can provide a basis for understanding why firms would choose to issue substantive rather than symbolic content in these social disclosures. However, legitimacy theory and the resource-based view alone do not suffice to explain why some firms disclose more substance than others and where their higher motivation to do so originates from. According to legitimacy theory, companies would respond similarly to the same external pressures. This can explain the adoption of voluntary action against unsustainable practices as well as the adoption of voluntary social disclosures, but cannot explain the variation among firms, especially not regarding the substance of their disclosures. The resource-based view of the firm, meanwhile, suggests that firms keen on positive differentiation through CSR efforts would respond differently than those firms for which this is less relevant, but cannot enlighten us as to which firms would be more likely to seek such differentiation.

HYPOTHESIS DEVELOPMENT

To understand the variation in substance that firms disclose, we draw on social visibility, which can be conceptualized as a firm's degree of exposure to its stakeholders' explicit or implicit claims and expectations (Yu and Liang, 2020). Thus, a firm's level of social visibility influences the level of social interest it will be subject to (Meznar and Nigh, 1995), because stakeholders pay more attention to visible firms and observe their actions more closely, which also makes negative stakeholder reactions more likely when stakeholders' expectations are not met. In previous CSR-related research, social visibility has been identified as a determinant of the amount of CSR disclosures, with more visible firms disclosing more content (e.g. Branco and Rodrigues, 2008; Gamerschlag et al., 2011). We hypothesize that a firm's social visibility also impacts the substance of its social disclosures. We use consumer proximity, stock exchange listing, media visibility, and headquarters as proxies for the overall social visibility of a firm that we predict to determine the substance of its social disclosures.

Consumer Proximity

Previous research has found industry differences regarding the extent of social and environmental disclosures due to the pressures they face from their respective environments (Gray et al., 1995; Hackston and Milne, 1996), which makes some industries more likely to disclose CSR reports than others. To apply such industry differences to substance in social disclosures, we apply the concept of consumer proximity, which has been defined as a firm's "position or echelon occupied in the value chain" (González-Benito and González-Benito, 2006, p. 93). Even though there is also pressure on suppliers of raw materials and/or intermediate products to abide by certain social and environment standards, the pressure on firms supplying the final products is higher due to their higher visibility to final consumers (González-Benito and González-Benito, 2006). Consumer proximity has been identified as a determinant of the presence of certain topics in CSR disclosures (Branco and Rodrigues, 2008; Gamerschlag et al., 2011) and of more comprehensive CSR practices (Abreu et al. 2012; Cho et al., 2019; Dias et al., 2019), since this proximity to consumers leads to more implicit or explicit pressures on companies to make their practices transparent. Therefore, we argue that proximity to consumers in the value chain either increases the pressure on firms to provide more substance in their social disclosures as a form of isomorphism among companies or increases a company's own motivation to do so in order to differentiate itself from competing firms. We therefore hypothesize:

H1: *Firms in industries with higher consumer proximity issue social disclosures with more substantive content than firms in industries with lower consumer proximity.*

Stock Exchange Listing

While stock exchange listing can be used as a proxy of size (e.g. Flynn and Walker, 2021), it also implies extra visibility that firms not quoted on any stock exchange are not subject to, as listed companies are routinely scrutinized for their environmental, social, and governmental (ESG) performance by institutional investors and possibly also private investors. Stock-listed companies compete for money publicly and therefore might be pressured to conform with market trends. Shareholders will not support CSR initiatives that only increase costs, but will support initiatives that secure legitimacy and mitigate future risks, since such initiatives will shield the firm against reputational damage (Godfrey, 2005; Godfrey et al., 2009; Dam and Scholtens, 2012; Joireman et al., 2015). Especially mandatory social disclosures may create a net cost for shareholders, if companies with human rights abuses in their supply chains are forced to disclose them (Elayan et al., 2021). Investors may thus shun firms that do not signal any efforts in improving reputational capital or mitigating risks (e.g. Petersen and Vredenburg, 2009). In the context of social disclosures, this could mean that firms seeking to attract capital may engage in more efforts to signal to their investors that they are taking initiatives to prevent future scandals. Du et al. (2017), for example, found that investors respond positively to the disclosure of sustainability reports by incorporating information about companies' sustainability performance into their stock valuations. In addition, listed companies in some countries are subject to more reporting requirements than non-listed companies. These pressures also lead to the fact that most of these listed companies are audited by "Big-4" audit firms, which are the same professional service firms that also offer guidance on how to prepare social disclosures, such as modern slavery statements (e.g. PwC, 2021). For instance, Rao et al. (2022) found evidence that firm size and the assistance of Big-4 audit firms are drivers of the number of different themes addressed in social disclosures, such as MSS, while companies' listing status was unrelated to this. However, Du et al. (2017) argue that the newness of the information about companies' non-financial performance in such disclosures is what the stock market pays attention to and integrates into its stock valuation. This suggests that stock exchange listing is a driver of substance in social disclosures, as substantive information is valued by investors. We therefore hypothesize:

H2: *Firms listed on a stock exchange issue social disclosures with more substantive content than those not listed on a stock exchange.*

Media Visibility

The news media are an influential part of a firm's social environment, as they can exert some sort of pressure on companies and their initiatives, when they direct their readers' attention to certain companies and certain social issues, thereby shaping and reinforcing the societal norms of acceptable behavior (Brown and Deegan, 1998; Reverte, 2009; Nikolaeva and Bicho, 2011; Bednar et al., 2013; Pan et al., 2022). As the general public expects highly visible companies to perform well in all areas, including financial performance, product and service quality, and social performance (Fombrun and Shanely, 1990), high media visibility could pressure companies to behave in ways congruent with societal values, as their salience on the public agenda increases the chance of being exposed even for small incongruencies with societal values (Graf-Vlachy et al., 2020), which may be picked up by NGOs or other social movements and lead to additional scrutiny (Perkiss et al., 2021). At the same time, the news media play a crucial role as propagators of corporate legitimacy in general, since their continued reporting about some companies makes these companies more visible and influences the perceptions of all other stakeholder groups (Hellgren et al., 2002). Previous research has found a positive association between the amount of CSR disclosure and the amount of media coverage (Deegan et al., 2002; Branco and Rodrigues, 2008; Gamerschlag et al., 2011; García-Sanchez et al., 2014). Flynn (2019) could not confirm media exposure as a significant determinant of modern slavery disclosures, but measured only the specific news coverage a company received for its labor standards, which is different from a company's general level of media visibility. Taking departure in a company's overall media presence as a form of stakeholder pressure, we hypothesize:

H3: *Firms with higher levels of media presence issue social disclosures with more substantive content than firms wither lower levels of media presence.*

Headquarters

The location of a firm's headquarters is an important determinant of CSR activities (Ding et al., 2019) and the comprehensiveness of CSR disclosures (Sethi et al., 2017). In the specific context of the UK Modern Slavery Act, firms headquartered in the UK might attribute more attention to this legislation than companies headquartered outside the UK, given the general level of attention that the modern slavery legislation has received in the UK business community (e.g. Fortado, 2016; Flynn and Walker, 2021), even if the UK Modern Slavery Act affects all companies with operations in the UK. We therefore hypothesize:

H4: *Firms headquartered in countries with reporting legislation issue social disclosures with more substantive content than firms not headquartered in such countries.*

While this hypothesis is well-testable for MSS in our case, based on legitimacy theory we further argue that it could generally be valid for regulatorily enforced forms of social sustainability disclosures of different kinds. Indeed, in some countries, e.g. France or Denmark, large companies have been required to produce CSR reports for a long time. The EU Directive 2014/95, which mandates CSR reporting by large listed companies in the EU, has been demonstrated to have effects on the CSR activities of the affected companies (Fiechter et al., 2022). In a similar vein, it has been found that companies – contingent upon a series of pressures – pay interest to what their own country perceives as important (Amor-Esteban et al., 2018). In such cases, it can be argued that those firms with domestic headquarters in closer proximity to the regulator and the overall socio-political context are more prone to conform to or exceed (for instance with more substance) local expectations in order to seek legitimacy.

METHODS

Data Collection

Due to the novelty of modern slavery statements, we relied on the UK Modern Slavery Registry[2], which is an archive of modern slavery statements from companies operating in the UK, grouped into various industries (cf. Voss, el., 2019). A purposeful sampling approach (Palinkas et al., 2015; Patton, 2015; 2002) was used for the data collection, driven by the variable *consumer proximity*. Accordingly, we collected all modern slavery statements available in the registry from firms in the textile and the mining industry, with the former representing an industry with high consumer proximity and the latter representing an industry with low consumer proximity. For these companies, we not only collected all modern slavery statements available in the registry, but also searched their websites for additional statements. This resulted in a sample of 183 modern slavery statements from a total of 70 different firms with an average of 2.6 reports per firm (Min. 2, max. 4). Of these, 46 belong to the textile and apparel industry and 24 to the mining and metals industry. This sample of firms enables us to collect a rich and varied dataset, as it includes firms of various sizes, firms with headquarters in the UK as well as outside the UK, and firms listed on a stock exchange as well as unlisted firms. While the submission of a modern slavery statement to the registry is voluntary and the motivation to do so is not known, what these firms still have in common is that they pay some level of attention to modern slavery, as they otherwise would avoid submitting their statements to the registry. This attention to modern slavery makes them a relevant sample for the study of substance in modern slavery statements. The modern slavery statements available in the registry were issued in the early years after the Modern Slavery Act was enforced, i.e. in the period from 2015/2016 to 2018/2019, as some firms issue one statement per calendar year, while others choose the financial year. No earlier data is available, as modern slavery statements did not exist before the UK Modern Slavery Act was passed in 2015. We did not collect data from the years after the onset of COVID-19, as the pandemic added a series of emergent risks that might have influenced firms' prioritization of modern slavery risks.

[2] https://www.business-humanrights.org/en/from-us/modern-slavery-statements/ (last accessed: 12 May 2020). Henceforth available at: https://modern-slavery-statement-registry.service.gov.uk/ (last accessed: 17 October 2022)

Method of Analysis

To test our hypotheses, we use a panel regression model with random effects. A random effects model appears adequate for the following two reasons. First, we want to test the effects of some variables that are time-invariant, i.e. consumer proximity, stock exchange listing, and headquarters. A fixed effect model would omit such variables. Second, the Hausman test was not significant, thus suggesting that a random effects model is better suited for our analysis. The dependent variable is a disclosure score, indicating the relative amount of substantive content in social disclosures. Our main independent variables are the firms' proximity to consumers, stock-listing, media visibility, and headquarters (HQ). Further, we control for firm size (Natural logarithm of total assets), profitability (Return on equity; ROE), and level of indebtedness (Gearing) and year fixed effects. These specifications yield the following regression model:

$$\text{Disclosure\_Score}_i = \beta_0 + \beta_1\text{Proximity}_i + \beta_2\text{Stock\_listed}_i + \beta_3\text{Media}_i +_i \beta_4\text{HQ}_i + \beta_5\text{Size}_i + \beta_6\text{ROE}_i + \beta_7\text{Gearing}_i + \text{Year controls} + \varepsilon_i$$

These variables are described in detail in the two sections below. The year controls account for the fact that our dataset contains multiple year-observations for each company.

Dependent Variable

Our dependent variable is a disclosure score of substantive content based on a content analysis of modern slavery statements. Substantive content was operationalized as those actions reported in a modern slavery statement that can positively affect working conditions in the supply chain, but disregards general policies or future intentions. The coding scheme is based on a previous coding scheme of modern slavery statements developed by the Business & Human Rights Resource Centre (BHRRC)[3], which consists of 54 codes. We adopted the BHRRC's broad coding categories "Due diligence", "Risk assessment", "Effectiveness" and "Training", but eliminated 9 of their codes, as they did not capture specific actions against modern slavery. We did not use any of the 16 codes from the categories "Policies" and "Structure", as these were not in line with our definition of substantive content (e.g. *"The*

[3] Their coding scheme is made available in the document entitled "FTSE100 MSA Report Methodology 2018.xlsx" accessible at: https://www.business-humanrights.org/en/from-us/briefings/ftse-100-the-uk-modern-slavery-act-from-disclosure-to-action/ (last accessed: 17 October 2022).

company discloses leadership responsible for human rights strategy, including modern slavery"). Our final coding scheme therefore consisted of 29 codes that take into account concrete actions intended to prevent or eliminate modern slavery (e.g. *"The company discloses how often it provides modern slavery training"*). With this fine-grained coding scheme for modern slavery statements, we coded how many items of substantive content are present in each modern slavery statement. Since the codes did not require any form of human assessment or judgement, they were coded as present when the company reported the action defined by the code. Two coders performed the coding of the 183 modern slavery statements manually. Details of the coding procedure, the coder training and the codes are documented in Schaper and Pollach (2021). Each code that was present in a modern slavery statement received a score of 1, which resulted in a maximum score of 29 points per firm. The Disclosure Score was then calculated as the percentage of substantive codes present in the modern slavery statement relative to the total number of possible codes. We calculated this score for each of our 183 firm-year observations.

Independent Variables

To test our hypotheses, we included the following four main independent variables, complemented with three control variables described later in this section.

Consumer Proximity

We selected textile and apparel manufacturers as an industry with high consumer proximity (Branco and Rodrigues, 2008) and the mining and metals firms as an industry with low consumer proximity, as they sell raw materials rather than finished products (González-Benito and González-Benito, 2006; Andreas and Chang, 2021). Both industries have been subject to harsh criticism for poor labor conditions and are therefore equally relevant industries regarding the risk of modern slavery. The textile industry has always been notorious for poor labor standards and has received continued global attention since the anti-sweatshop movement of the 1990s (e.g. Moore et al., 2012; Rivoli, 2003; Emmelhainz and Adams, 1999). As a response, a multitude of NGOs have emerged over the past decades that scrutinize supply chains in the textile industry in low-wage countries (e.g. Better Cotton Initiative, Sustainable Apparel Coalition, Fair Wear Foundation, Clean Clothes Campaign). The metals and mining industry has become a focal industry regarding labor standards more recently, reinforced by the increased demand for lithium batteries used in laptops and smartphones for which "conflict minerals" are needed in vast amounts (Vidal, 2015; Reinecke and Ansari, 2016; Arikan et al., 2017; Böhling et al., 2019; Elayan, et al., 2021; Sovacool, 2021). We measured consumer proximity as a dummy variable with 0 being low (mining) and 1 being high (textile).

Stock Listing

We recorded whether or not a firm was quoted on a stock exchange as a binary dummy variable equaling 1 for those companies whose shares were publicly traded and 0 else. We retrieved the firms' listing status from the Morningstar website[4].

Media Visibility

For each company, we counted the number of English-language news articles that were tagged with the company name in the *Factiva*[5] database in the "Major News and Business Sources" group of newspapers. We conducted this search for the entire period 1/2012 - 12/2018 to capture the firms' media profile more robustly over a longer period. We averaged the counts from the database to arrive at a lagged measure of the average media coverage of at least 3 years preceding the year of the first report. Since media visibility turned out to be rather skewed across the firms, analogous to previous studies, we scaled media coverage by the firms' total assets (in millions) to increase comparability (cf. Burke and Hoitash, 2019). The resulting "Media" variable therefore accounts for possible differences in firm size.

Headquarters (HQ)

Headquarters measured whether the firm was headquartered in the United Kingdom, where the UK Modern Slavery Act was passed. Headquarters was measured as a binary dummy variable with 0 indicating headquarters outside the UK and 1 indicating headquarters in the UK.

---

[4] https://www.morningstar.com
[5] https://www.dowjones.com/professional/factiva/

Control Variables

In line with previous studies in the disclosure literature, we have included several control variables. Due to our heterogenous sample, containing companies of very different sizes, control variables were limited to the three below, which were available for all companies. The measures for these variables were retrieved from the *Orbis*[6] database, containing information on companies of different sizes, which is very crucial for our heterogenous sample, ranging from rather small to very large companies.

- *Size:* Firm size is usually viewed as a driver for disclosure of companies and, by affecting a firm's visibility and thus public scrutiny, as an antecedent of corporate legitimacy (Deephouse and Carter, 2005; Aerts and Cormier, 2009; Chen et al., 2016). In line with previous studies, we use total assets to control for it (e.g. Branco and Rodrigues, 2008; Brammer and Pavelin, 2004). Specifically, following the accounting literature (e.g. Aerts and Cormier, 2009; Dhaliwal et al., 2011; Bini et al., in press), we use the natural logarithm of the firms' total assets as a measure for their size and expect firms of larger size to have higher levels of disclosure (Gao et al., 2016).
- *Profitability (ROE):* Based on some previous studies, also the profitability of firms can have an effect on, or be associated with, the level of disclosure or its quality (e.g. Lim et al., 2007). Arguably, since higher profitability comes with enhanced possibilities to dedicate resources to social issues, several studies have documented positive relationships between companies' profitability and their social and environmental disclosure levels (e.g. Murray et al., 2006). However, not all studies have found significant evidence for such a positive relationship (Gao et al., 2016). Hence, we use Return on Equity (ROE), calculated as the ratio between operating profit and common equity as a proxy to control for profitability.
- *Level of Indebtedness (Gearing):* Following the indications from previous disclosure studies, also leverage (or gearing) can influence the level and quality of disclosures. Indeed, the level of indebtedness can play a role in driving companies' motivation for more extensive reporting in an attempt to legitimize themselves in the eyes of their stakeholders (Richardson and Welker, 2001; Chen et al., 2016). Similar to previous

[6] https://www.bvdinfo.com/en-gb/our-products/data/international/orbis
In some isolated cases, information for a variable was not available in the database. In these cases, we proceeded as follows: i) we tried to find it in other external reports, ii) if missing for the entire firm, the data record corresponding to the coded statement was excluded. While this occurred only on a limited number of observations, and mainly for ROE and Gearing data, it has reduced the final dataset to 170 (i.e. 159 full data records instead of 183).

studies using leverage, we use the gearing measure from the Orbis database, defined as the ratio of a company's debt to its equity, to control for companies' levels of indebtedness.

The data for ROE and Gearing was winsorized at the 1st and 99th percentiles, a common method to account for outliers.

FINDINGS

Main Analysis

We conducted the above specified panel regression analysis to test our hypotheses about whether the social visibility variables are associated with variation in substance in modern slavery statements. Table I displays the descriptive statistics for all variables. What stands out in particular is that the disclosure score of the modern slavery statements is on average approx. 26%, indicating a rather low level of disclosure. The relatively high standard deviation of the disclosure score (SD=0.17), however, indicates a fairly high level of variation among the companies. The correlation matrix in Table II shows a clear association of *disclosure score* with *stock listed* (.2269, p<.01), *media visibility* (.2070, p<.01) and *size* (.2293, p<.01) and a less significant association with *consumer proximity* (.1900, p<.05). To control for collinearity, we calculated the variance inflation factor (VIF) of our regression, which is on average 1.43, with a maximum of 2.34. Therefore, we do not consider collinearity as a problem for our results.

TABLE I AROUND HERE

TABLE II AROUND HERE

Our panel regression model in Table III covers a period of four years of modern slavery statements. The model shows strongly significant and positive coefficients for *consumer proximity* (.1166, p<.01), thus confirming our hypothesis H1 that companies with higher consumer proximity have higher levels of substantive social disclosures. Thus, the fact that a company is in the textile industry is associated with a significant increase in the disclosure score compared to being in the mining industry. Further, *stock listed* (.0785, p<.10) and *media visibility* (.0048, p<.10) are positive and significant in our model. These results confirm our hypotheses H2 and H3, suggesting an influence of stock listing and the level of media visibility of a firm on its disclosure score. This means that companies that need to retrieve capital on the public market might face higher accountability pressures and thus publish more substantive social disclosures. Similarly, companies that are more exposed in the media release more substantive social disclosures. Interestingly, in the context of the UK Modern Slavery Act, on which our study is based, it seems not to be of any importance whether companies are headquartered in the UK or not. Accordingly, we do not find support for our H4 regarding the influence of *headquarters* on the substance of disclosures. Also, the control variable for *size* (.0185, $p<.10$) is positive and weakly significant, thus confirming expectations in line with previous studies. Lastly, the result of our regression analysis shows a strong and significant year-effect, i.e. the disclosure levels increase with every additional year (.0794, $p<.01$; .1452, $p<.01$; .2029, $p<.01$; .3220, $p<.05$) after the disclosure requirement was introduced in 2015. In conclusion, our regression analysis has shown that the variation in substantive content reported in modern slavery statements can partly be attributed to the social visibility of companies. We found strong support for *consumer proximity* (H1) and more modest support for *stock listing* (H2) and *media visibility* (H3). Our findings therefore suggest that the social visibility of a company is a relevant factor in understanding substance in social disclosures.

TABLE III AROUND HERE

Additional Analysis

To assess the robustness of the results from our main analysis above, we conducted two additional analyses inspired by Chauvet and Collier (2008): We conducted sensitivity analyses using an alternative measure for our dependent variable based on the "quality index" in Urquiza et al. (2009), as well as another test by using a (censored) Tobit model as a different regression model to the one in our main analysis. The Tobit model was used on the original disclosure score and is a suitable model for those cases in which the dependent variable assumes limited values, as in our case the disclosure score does with a range from 0 to 1. The alternative dependent variable based on Urquiza et al. (2009) is a standardized index that takes into account the minimum and maximum levels of disclosure of the research sample, which we named *adjusted disclosure score*. It is calculated as follows: $Adj\_Disc\_Score_i = (Disclosure\_Score_i – Min) / (Max – Min)$, where:

- *Disclosure_Score*$_i$ is the disclosure score of a specific company in a specific year from the main analysis.
- *Min* is the lowest level of disclosure of the research sample.
- *Max* is the highest level of disclosure of the research sample.

Thus, different from our main disclosure index, the adjusted disclosure score is a measure calibrated on the sample, i.e. expresses the disclosure score of each company relative to the minimum and maximum disclosure levels of the entire sample. Like the original disclosure score, the adjusted disclosure score also ranges from 0 to 1. Table IV reports the results of these two robustness tests. The results are highly consistent with the main analysis, thus strengthening our findings. Specifically, the coefficients for *consumer proximity, stock listing, media visibility*, and *size* based on the model with the alternative dependent variable (Table IV, Panel A) are also positive and significant, i.e., .1537 ($p<.01$), .1035 ($p<.10$), .0063 ($p<.10$), and .0244 ($p<.10$), respectively. Further, these coefficients are also confirmed to be significant in the Censored Tobit model (Table IV, Panel B), i.e., .1192 ($p<.01$), .0806 ($p<.10$), .0052 ($p<.05$), and .0195 ($p<.05$). Further, in both robustness tests, all year variables are also significant at the .01 or .05 levels. Due to the heterogeneity of companies in our research sample and the partly very limited availability of data for some of them, it was not possible to collect additional or different independent variables for sensitivity analyses.

INSERT TABLE IV AROUND HERE

DISCUSSION AND CONCLUSION

Our findings suggest that social visibility as a determinant of social disclosure substance can be operationalized as proximity to consumers, stock listing and media visibility, while headquarters turned out not to be relevant in this regard. Based on this conceptualization, the social visibility of firms is therefore an adequate explanation for some of the variation in social disclosure substance. Consumer proximity as a strong determinant for substance in the textile industry stands to reason, given the long-standing anti-sweatshop movement that has impacted labor practices in this industry for decades (e.g. Moore et al., 2012; Rivoli, 2003; Emmelhainz and Adams, 1999), whereas the mining industry has become subject to public scrutiny more recently. On the other hand, stock listed companies are often also subject to more media visibility and scrutiny from a broader range of stakeholders including also regulators, thus creating higher incentives for more substantive disclosures. Our findings have both theoretical and practical implications for corporate social disclosures and suggest a number of avenues for future research. In particular, this study contributes to the understanding of the conditions under which social disclosures lead to more substance and hence the enhanced quality of social disclosures.

Theoretical Implications

While legitimacy theory and the resource-based view can explain the publication of social disclosures and the desire to use them for reputation building, respectively, they do not enlighten us about the determinants for higher levels of substance. Our results indicate that social visibility can explain variation in disclosure substance to some extent. The social visibility of firms can enrich the above theories meaningfully by explaining the variation in the substance of social disclosures, indicating that firms in industries closer to consumers, firms that are stock-listed, and firms with higher media visibility are overall more likely to report more substance. However, since our model is able to explain only part of the variation in substance, our results also suggest that there must be additional contextual variables that might even be unobservable. This shortcoming of our model could be due to the limits of legitimacy and reputation to explain differences in behavior among companies, because the definition of what constitutes appropriate and desirable behavior is not universal, but varies according to each company's unique culture, history, and top management attention.

More specifically, it has been argued that the criteria for defining legitimate behavior in a specific organizational context are embedded in and shaped by institutional logics (cf. Suddaby and Greenwood, 2005), which could therefore explain additional variation in our data. Institutional logics can be broadly defined as beliefs, assumptions, practices, values, and rules that shape cognitions and decisions in an organization (Thornton and Ocasio, 1999; Lounsbury, 2007). Broadly, institutional logics in organizations are either market-driven or community-driven, but all organizations routinely operate with both logics, which may result in tensions for the organization, when these logics contradict each other (Kraatz and Block, 2008; Schildt and Perkmann, 2017; Besharov and Smith, 2014). While the market-logic is driven by profit maximization, risk minimization, cost control, competitive advantage, efficiency, or reputation enhancement, the community logic is characterized by benevolence, respect for the individual, and concerns for the social welfare of others (e.g. Friedland and Alford, 1991; Marquis et al., 2007; Thornton et al., 2012; Glynn and Raffaelli, 2013; Brown et al., 2018; Hesse et al., 2019).

Institutional logics are, however, deeply grounded within an organization and thus not empirically observable with ease, e.g. requiring in-depth and embedded case study research methods. However, in our case, institutional logics can arguably provide supplementary explanations for those variations in substantive content that our model does not explain. Dodd et al. (2022), for instance, found in their 24-month study that a social purpose within their case company informed its reduction of modern slavery risks through a series of managerial controls.

The institutional logics perspective has been applied for studies on the adoption of CSR practices, as it can show how "broader systems of meaning" (Glynn and Raffaelli, 2013, p. 175) shape organizational practices. CSR programs therefore can and do incorporate both a market logic and a community logic for the various activities included in the CSR program, given that a community logic might result in increased costs, while a market logic seeks to control costs (Glynn and Raffaelli, 2013; Dahlmann and Grosvold, 2017). Since the market logic and the community logic are compatible at the organizational level, even if competing, organizations may implement some CSR practices based on a market logic with minimal effort and an eye on profitability, while they may devote more attention to areas of CSR that are central to the company and its stakeholders with a focus on social outcomes rather than costs. CSR activities implemented based on a market logic may just be intended to ensure compliance with relevant legislation rather than instigate substantive change in corporate practices (Dahlmann and Grosvold, 2017). This also has implications for CSR practices, including social disclosures, which can have more ceremonial than substantive character and would focus CSR efforts on those activities that the market rewards, if any, and minimize their efforts in those areas that are not valued by the market (e.g. Unerman et al., 2018). When following a community logic, companies meet or even exceed stakeholder demands with their activities, i.e. engage in behaviors for which there is no direct reward from the market, but do so in order to be congruent with what they perceive as shared values of the community. This would then arguably lead to more CSR activities and eventually more substantive content being reported. Thus, the institutional logics perspective suggests that some companies may report more substance based on a community logic, while other companies may engage in the same kind of reporting driven by a market logic to meet the stakeholder demands arising from social visibility, which studies of reports and firm characteristics cannot account for.

A market logic could potentially also lead to under-reporting of relevant actions against modern slavery, which we cannot account for empirically either. Companies might decide not to disclose all positive information for reasons of proprietary costs (see Verrecchia, 1983), as the disclosure of specific activities might harm their competitive advantage. These considerations usually apply to information that is connected with a company's sources of competitive advantage (e.g. intellectual capital, business model or strategy), but could also include CSR activities. An extreme example of the latter is when companies deliberately reduce the quality of their reports to mislead their competition or other stakeholders, which is also referred to as strategic ambiguity (e.g. Davenport and Leitch, 2005). Further, companies could make use of such ambiguity in their disclosures to obscure the fact that they do not engage in costly actions against modern slavery (see Meehan and Pinnington, 2021). Lastly, companies might want to avoid disclosing too much positive information about their actions in order to minimize the risk of being considered hypocritical, if their CSR commitments, for example to a slavery-free supply chain, turn out not to be true. Indeed, counter accounts and subsequent negative media coverage could be reasons for companies to avoid detailed and specific disclosures in order to minimize possible reputational risks (e.g. Massey, 2004; Coombs, 2012).

Overall, the theoretical implications of our study are that determinants of substance in social disclosures consist of a combination of observable firm characteristics as well as largely unobservable belief systems. We subsumed the firm-level characteristics under the concept of 'social visibility', which is closely tied to legitimacy and reputation seeking behavior but specifies why certain firms are more likely to engage in substantive reporting than others. The variation that cannot be explained by these firm-level characteristics can be found in the heterogenous beliefs, assumptions, and values subsumed under the concept of 'institutional logics' that drive actions of individual firms.

Practical Implications

Our study of determinants of substance in social disclosures has provided insights into which firm characteristics motivate firms to publish more substantive disclosures. These findings have a number of implications for both managerial and regulatory practice. On the practical side, this study highlights substance as a quality indicator that goes beyond covering different themes in the report, but emphasizes the importance of concrete actions for social impact. As our study has shown, it is particularly less visible companies that present less substance in their social disclosures. Our study cannot clarify whether this is due to a lack of action or a mere lack of substance in the reporting of their actions. Our findings therefore suggest that corporate social reporting initiatives, standards, and regulations should set an explicit focus on the substance of the reports in order to motivate companies not only to engage in more concrete actions but also to report such actions with an adequate level of detail. Regarding the variety of substance found in our sample, this study can inspire especially less visible companies to (re)consider the substance of their social disclosures. More substance in reporting increases the transparency of corporate actions overall, which provides more relevant information to external stakeholders, such as regulators, NGOs, and financial stakeholders.

For the specific context of modern slavery statements, this study raises awareness of substance as an important quality criterion, through which companies can not only differentiate themselves from others in the form of higher levels of credibility and transparency, but can also communicate their measures to mitigate risks in the supply chain to financial stakeholders. Given the newness of modern slavery statements, it stands to reason that no detailed reporting standards based on mimetic behavior among companies have emerged yet. The content analysis scheme applied in this study could guide companies towards more substance in their modern slavery reporting and could be extended to labor standards in the supply chain in general.

Moreover, the presented evidence would be of relevance for policy-makers and regulators that ought to intervene in the market dynamics, e.g. by requiring more disclosure or monitoring companies with certain characteristics. For regulators, this study highlights that smaller and less visible companies need incentives to improve the substance and hence the quality of their disclosures. At the same time, it is also clear that smaller firms are limited in their capabilities to address social issues, especially in multi-tier supply chains (Geng et al., 2022). However, increased societal demands for more substance will eventually also trigger more action, within the given means of each company. Conversely, the continued absence of such requirements and a lack of incentives for providing more substance might over time even lead to the diffusion of more non-substantive reporting practices through isomorphism among companies and the managerialisation of modern slavery law, where managers define what constitutes legal compliance, as argued by Monciardini et al. (2019). Lastly, the findings of the modern slavery disclosure score can provide financial analysts and other users of corporate reports with knowledge to guide their attention and scrutiny towards certain types of risks in corporate supply chains.

Limitations and Future Research

This study is not without limitations. First, our choice of modern slavery statements as our empirical material enabled us to calculate our disclosure score based on a fine-grained content analysis of social disclosures, but may also limit the generalizability of our findings. In other social disclosures, firms may vary the level of substance among the various social or environmental efforts they report on, thus possibly disclosing substantive content for some topics and non-substantive content for other topics. Although we consider reporting behavior over a number of years – unlike e.g. Rao et al. (2022) – another limitation we faced in this regard was the limited number of years for which modern slavery statements are available and the disruption of supply chains due to the COVID-19 pandemic, which would have made additional data collection futile. However, despite the limited number of years in our panel data, significant relationships were found, which still suggests that we can assume some influence of social visibility on substantive content over time. As time progresses and modern slavery statements become more integrated into corporate CSR communication, new opportunities will emerge to study this genre of corporate communication over time and revisit our social visibility hypotheses. Other limitations we faced were missing data for some of the company variables. Lastly, our purposive sampling strategy of collecting modern slavery statements from companies that have volunteered to submit their MSS to a public registry may have led to a bias towards companies with sufficient resources to address modern slavery.

Despite these limitations, our study suggests a number of avenues for future research on social reporting practices. First, our conceptualization of substance is clearly superior to considering only the existence of disclosures, their length, or the topics they address. Substance highlights concrete actions that are reported that have the potential to impact social outcomes. Accordingly, substance provides a more nuanced and realistic picture of actions reported by companies. Clearly, this also entails that only specific types of disclosures or specific parts of more comprehensive disclosures can be studied with this approach in view of the level of detail required for the coding procedure. Further, our study suggests that social visibility as a multidimensional construct can be applied to integrate the pressures from consumers, investors, and the news media into one comprehensive model that gauges the impact of these pressures on corporate action and communication. The social visibility construct could be extended fruitfully to other domains of corporate communication to explain and explore the impact of stakeholder expectations on other types of corporate behavior and communication outcomes, such as carbon and environmental accounting, data privacy statements, or gender and diversity reports. Lastly, our study highlights the potential relevance of institutional logics as more local, contextual drivers of corporate behavior, in addition to legitimacy and reputation as the overarching drivers of firm behavior. However, institutional logics might be undiscoverable, even in qualitative inquiries, as they may not be applied consciously or companies might not be frank about their motives. Thus, the logics perspective might be relevant only theoretically, without enabling us to get a clear handle on its impact empirically. Future research should also explore corporate social disclosure practices more qualitatively and in direct contact with specific companies (see Dodd et al., 2022; Monciardini et al., 2019). Such studies could specifically focus on understanding the institutional logics companies apply regarding the substance of social disclosures in the context of high or low social visibility and how companies connect social visibility and social disclosure substance. In addition, such studies could provide empirical evidence of and rationales for under-reporting behavior in corporate social disclosures, which we currently can only speculate about.

REFERENCES

Abreu, M.C.S., Castro, F., Soares, F.A., and Silva Filho, J.C.L. (2012), "A comparative understanding of corporate social responsibility of textile firms in Brazil and China", *Journal of Cleaner Production*, Vol. 20 No. 1, pp. 119-126.

Aerts, W. and Cormier, D. (2009), "Media legitimacy and corporate environmental communication", *Accounting, Organizations and Society*, Vol. 34 No. 1, pp. 1-27.

Aguilera, R.V., Rupp, D.E., Williams, C.A., and Ganapathi, J. (2007), "Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations", *Academy of Management Review*, Vol. 32 No. 3, pp. 836-863.

Amor-Esteban, V., Galindo-Villardón, M.-P., and Fátima David, F. (2018), "Study of the importance of national identity in the development of corporate social responsibility practices: A multivariate vision", *Administrative Sciences,* Vol. 8 No. 50, pp. 1-33.

Andreas, H.H. and Chang, M.L. (2021), "The effect of consumer proximity and media exposure on corporate social responsibility disclosure", *International Journal of Society Systems Science*, Vol. 13 No. 1, pp. 46-58.

Arikan, O., Reinecke, J., Spence, C., and Morrell, K. (2017), "Signposts or weathervanes? The curious case of corporate social responsibility and conflict minerals", *Journal of Business Ethics*, Vol. 146 No. 3, pp. 469-484.

Barney, J.B. (1986), "Strategic factor markets: Expectations, luck, and business strategy", *Management Science*, Vol. 32 No. 10, pp. 1231-1241.

Barney, J.B. (1991), "Firm resources and sustained competitive advantage", *Journal of Management*, Vol. 77 No. 1, pp. 99-120.

Bednar, M.K., Boivie, S., and Prince, N.R. (2013), "Burr under the saddle: How media coverage influences strategic change", *Organization Science*, Vol. 24 No. 3, pp. 910-925.

Benlemlih, M., Shaukat, A., Qiu, Y., and Trojanowski, G. (2018), "Environmental and social disclosures and firm risk", *Journal of Business Ethics*, Vol. 152, pp. 613-626.

Besharov, M.L. and Smith, W.K. (2014), "Multiple institutional logics in organizations: Explaining their varied nature and implications", *Academy of Management Review*, Vol. 39 No. 3, pp. 364-381.

Bini, L., Giunta, F., Miccini, R., and Simoni, L. (in press), "Corporate governance quality and non-financial KPI disclosure comparability: UK evidence", *Journal of Management and Governance*. OnlineFirst.

Bitektine, A. (2011), "Toward a theory of social judgments of organizations: The case of legitimacy, reputation, and status", *Academy of Management Review*, Vol. 36 No. 1, pp. 151-179.

Böhling, K., Murguía, D.I., and Godfrid, J. (2019), "Sustainability reporting in the mining sector: Exploring its symbolic nature", *Business & Society*, Vol. 59 No. 1, pp. 191-225.

Boiral, O. (2013), "Sustainability reports as simulacra? A counter-account of A and A+ GRI reports", *Accounting, Auditing & Accountability*, Vol. 26 No. 7, pp. 1036-1071.

Brammer, S. and Pavelin, S. (2004), "Voluntary social disclosures by large UK companies", *Business Ethics: A European Review*, Vol. 13 No. 2/3, pp. 86-99.

Brammer, S. and Pavelin, S. (2008), "Factors influencing the quality of corporate environmental disclosure", *Business Strategy & the Environment*, Vol. 17 No. 2, pp. 120-136.

Branco, M. and Rodrigues, L.L. (2008), "Factors influencing social responsibility disclosure by Portuguese companies", *Journal of Business Ethics*, Vol. 83 No. 4, pp. 685-701.

Branco, M.C. and Rodrigues, L.L. (2006), "Communication of corporate social responsibility by Portuguese banks: A legitimacy theory perspective", *Corporate Communications: An International Journal*, Vol. 11 No. 3, pp. 232-248.

Brown, J.A., Clark, C., and Buono, A.F. (2018), "The United Nations Global Compact: Engaging implicit and explicit CSR for global governance", *Journal of Business Ethics*, Vol. 147 No. 4, pp. 721-734.

Brown, N. and Deegan, C. (1998), "The public disclosure of environmental performance information. A dual test of media agenda setting theory and legitimacy", *Accounting and Business Research*, Vol. 29 No. 1, pp. 21-41.

Burke, J.J. and Hoitash, R. (2019), "Auditor response to negative media coverage of client environmental, social, and governance practices", *Accounting Horizons*, Vol. 33 No. 3, pp. 1-23.

Burke, L. and Logsdon, J.M. (1996), "How corporate social responsibility pays off", *Long Range Planning*, Vol. 29 No. 4, pp. 495-502.

Campbell, D.J. (2000), "Legitimacy theory or managerial reality construction? Corporate social disclosure in Marks and Spencer Plc annual corporate reports 1969-1997", *Accounting Forum*, Vol. 24 No. 1, pp. 80-100.

Castelló, I. and Lozano, J.M. (2011), "Searching for new forms of legitimacy through corporate responsibility rhetoric", *Journal of Business Ethics*, Vol. 100 No. 1, pp. 11-29.

Chauvet, L. and Collier, P. (2008), "What are the preconditions for turnarounds in failing states?", *Conflict Management and Peace Science*, Vol. 25 No. 4, pp. 332-348.

Chelli, M., Durocher, S., and Fortin, A. (2018), "Normativity in environmental reporting: A comparison of three regimes", *Journal of Business Ethics*, Vol. 149 No. 2, pp. 285-311.

Chen, L., Srinidhi, B., Tsang, A., and Yu, W. (2016), "Audited financial reporting and voluntary disclosure of corporate social responsibility (CSR) reports", *Journal of Management Accounting Research*, Vol. 28 No. 2, pp. 53-76.

Cho, C.H. and Patten, D.M. (2007), "The role of environmental disclosures as tools of legitimacy: A research note", *Accounting, Organizations and Society*, Vol. 32 No. 7-8, pp. 639-647.

Cho, C.H., Laine, M., Roberts, R.W., and Rodrigue, M. (2015), "Organized hypocrisy, organizational façades, and sustainability reporting", *Accounting, Organizations and Society*, Vol. 40 No. 1, pp. 78-94.

Cho, C.K., Cho, T.S., and Lee, J. (2019), "Managerial attributes, consumer proximity, and corporate environmental performance", *Corporate Social Responsibility & Environmental Management*, Vol. 26 No. 1, pp. 159-169.

Christ, K.L. and Burritt, R.L. (2021), "Accounting for modern slavery risk in the time of COVID-19: Challenges and opportunities", *Accounting, Auditing & Accountability Journal*, Vol. 34 No. 6, pp. 1484-1501.

Christ, K.L., Rao, K.K., and Burritt, R.L. (2019), "Accounting for modern slavery: An analysis of Australian listed company disclosures", *Accounting, Auditing & Accountability Journal*, Vol. 32 No. 3, pp. 836-865.

Christensen, L.T., Morsing, M., and Thyssen, O. (2013), "CSR as aspirational talk", *Organization*, Vol. 20 No. 3, pp. 372-393.

Clarke, J. and Gibson-Sweet, M. (1999), "The use of corporate social disclosures in the management of reputation and legitimacy: A cross-sectoral analysis of UK Top 100 companies", *Business Ethics: A European Review*, Vol. 8 No. 1, pp. 5-13.

Coombs, W.T. (2012), *Ongoing Crisis Communication. Planning, Managing, And Responding,* 3rd ed. Sage, Thousand Oaks.

Dahlmann, F. and Grosvold, J. (2017), "Environmental managers and institutional work: Reconciling tensions of competing institutional logics", *Business Ethics Quarterly*, Vol. 27 No. 2, pp. 263-291.

Dam, L. and Scholtens, B. (2012), "Ownership concentration and CSR policy of European multinational enterprises", *Journal of Business Ethics*, Vol. 111 No. 1, pp. 117-126.

Davenport, S. and Leitch, S. (2005), "Circuits of power in practice: Strategic ambiguity as delegation of authority", *Organization Studies*, Vol. 26 No. 11, pp. 1603-1623.

Deegan, C., Rankin, M., and Tobin, J. (2002), "An examination of the corporate social and environmental disclosures of BHP from 1983-1997: A test of legitimacy theory", *Accounting, Auditing & Accountability Journal*, Vol. 15 No. 3, pp. 312-343.

Deephouse, D.L. and Carter, S.M. (2005), "An examination of differences between organizational legitimacy and organizational reputation", *Journal of Management Studies*, Vol. 42 No. 2, pp. 329-360.

Delmas, M. and Burbano, V.C. (2011), "The drivers of greenwashing", *California Management Review*, Vol. 54 No. 1, pp. 64-87.

Dhaliwal, D., Li, O. Z., Tsang, A., and Yang, Y. G. (2011), "Voluntary nonfinancial disclosure and the cost of equity capital: The initiation of corporate social responsibility reporting", *The Accounting Review*, Vol. 86 No. 1, pp. 59-100.

Dias, A., Rodrigues, L.L., Craig, R., and Neves, M.E. (2019), "Corporate social responsibility disclosure in small and medium-sized entities and large companies", *Social Responsibility Journal*, Vol. 15 No. 2, pp. 137-154.

Ding, D.K., Ferreira, C., and Wongchoti, U. (2019), "The geography of CSR", *International Review of Economics & Finance*, Vol. 59, pp. 265-288.

Dodd, T., Guthrie, J., and Dumay, J.J. (2022), "Management controls and modern slavery risks in the building and construction industry: Lessons from an Australian social housing provider", *The British Accounting Review*, 101098.

Dowling, J. and Pfeffer, J. (1975), "Organizational legitimacy: Social values and organizational behavior", *Pacific Sociological Review,* Vol. 18 No. 1, pp. 122-136.

Du, S., Yu, K., Bhattacharya, C.B., and Sen, S. (2017), "The business case for sustainability reporting: Evidence from stock market reactions", *Journal of Public Policy & Marketing*, Vol. 36 No. 2, pp. 313-330.

Einwiller, S.A. and Carroll, C.E. (2020), "Negative disclosures in corporate social responsibility reporting", *Corporate Communications: An International Journal*, Vol. 25 No. 2, pp. 319-337.

Elayan, F.A., Brown, K., Li, J., and Chen, Y. (2021), "The market response to mandatory conflict mineral disclosures", *Journal of Business Ethics*, Vol. 169 No. 1, pp. 13-42.

Emmelhainz, M.A. and Adams, R.J. (1999), "The apparel industry response to 'sweatshop' concerns: A review and analysis of codes of conduct", *Journal of Supply Chain Management*, Vol. 35 No. 3, pp. 51-57.

Fiechter, P., Hitz, J.M., and Lehmann, N. (2022), "Real effects of a widespread CSR reporting mandate: Evidence from the European Union's CSR directive", *Journal of Accounting Research,* Vol. 60 No. 4, pp.1499-1549.

Flynn, A. (2019), "Determinants of corporate compliance with modern slavery reporting", *Supply Chain Management: An International Journal*, Vol. 25 No. 1, pp. 1-16.

Flynn, A. and Walker, H. (2021), "Corporate responses to modern slavery risks: An institutional theory perspective", *European Business Review*, Vol. 33 No. 2, pp. 295-315.

Fombrun, C. and Shanley, M. (1990), "What's in a name? Reputation building and corporate strategy", *Academy of Management Journal*, Vol. 33 No. 2, pp. 233-258.

Fombrun, C. and Van Riel, C.B.M. (1997), "The reputational landscape", *Corporate Reputation Review*, Vol. 1 No. 1-2, pp. 5-13.

Fortado, L. (2016), "Lacklustre compliance on anti-slavery law", *Financial Times*, 7 March, available at: https://www.ft.com/content/d8147d76-e22d-11e5-9217-6ae3733a2cd1 (last accessed: 17 October 2022).

Friedland, R. and Alford, R.R. (1991), "Bring society back in: Symbols, practices, and institutional contradictions", Powell, W.W. and DiMaggio, P.J. (Eds.), *The New*

Institutionalism in Organizational Analysis, University of Chicago Press, Chicago, IL, pp. 232-263.

Gamerschlag, R., Möller, K., and Verbeeten, F. (2011), "Determinants of voluntary CSR disclosure: Empirical evidence from Germany", *Review of Managerial Science*, Vol. 5 No. 2-3, pp. 233-262.

Gao, F., Dong, Y., Ni, C., and Fu, R. (2016), "Determinants and economic consequences of non-financial disclosure quality", *European Accounting Review*, Vol. 25 No. 2, pp. 287-317.

Gao, S.S., Heravi, S., and Xiao, J.Z. (2005), "Determinants of corporate social and environmental reporting in Hong Kong: A research note", *Accounting Forum*, Vol. 29 No. 2, pp. 233-242.

García-Meca, E. and Martínez-Ferrero, J. (2021), "Is SDG reporting substantial or symbolic? An examination of controversial and environmentally sensitive industries", *Journal of Cleaner Production*, Vol. 298, 126781.

García-Sanchez, I.M., Cuadrado-Ballesteros, B., and Sepulveda, C. (2014), "Does media pressure moderate CSR disclosures by external directors?", *Management Decision*, Vol. 52 No. 6, pp. 1014-1045.

Geng, R., Lam, H.K.S., and Stevenson, M. (2022), "Addressing modern slavery in supply chains: An awareness-motivation-capability perspective", *International Journal of Operation & Production Management*, Vol. 42 No. 3, pp. 331-356.

Glynn, M.A. and Raffaelli, R. (2013), "Logic pluralism, organizational design, and practice adoption: The structural embeddedness of CSR programs", Lounsbury, M. and Boxenbaum, E. (Eds.), *Institutional Logics in Action, Part B. Research in the Sociology of Organizations: Structured Attention through Values Identification,* Emerald Group, Bingley, pp. 175-197.

Godfrey, P.C. (2005), "The relationship between corporate philanthropy and shareholder wealth: A risk management perspective", *Academy of Management Review*, Vol. 30 No. 4, pp. 777-798.

Godfrey, P.C., Merrill, C.B., and Hansen, J.M. (2009), "The relationship between corporate social responsibility and shareholder value: An empirical test of the risk management hypothesis", *Strategic Management Journal*, Vol. 30 No. 4, 425-445.

González-Benito, J. and González-Benito, Ó. (2006), "A review of determinant factors of environmental proactivity", *Business Strategy and the Environment*, Vol. 15 No. 2, pp. 87-102.

Graf-Vlachy, L., Oliver, A.G., Banfield, R., König, A., and Bundy, J. (2020), "Media coverage of firms: Background, integration, and directions for future research", *Journal of Management*, Vol. 46 No. 1, pp. 36-69.

Gray, R., Kouhy, R., and Lavers, S. (1995), "Corporate social and environmental reporting: A review of the literature and a longitudinal study of UK disclosure", *Accounting, Auditing & Accountability Journal*, Vol. 8 No. 2, pp. 47-77.

Hackston, D. and Milne, M.J. (1996), "Some determinants of social and environmental disclosures in New Zealand companies", *Accounting, Auditing & Accountability Journal*, Vol. 9 No. 1, pp. 77-108.

Hahn, R. and Lülfs, R. (2014), "Legitimizing negative aspects in GRI-oriented sustainability reporting: A qualitative analysis of corporate disclosure strategies", *Journal of Business Ethics*, Vol. 123 No. 3, pp. 401-420.

Hellgren, B., Löwstedt, J., Puttonen, L., Tienari, J., Vaara, E., and Werr, A. (2002), "How issues become (re)constructed in the media: Discursive practices in the AstraZeneca merger", *British Journal of Management*, Vol. 13 No. 2, pp. 123-140.

Herold, D., Farr-Wharton, B., Lee, K.-H., and Groschopf, W. (2019), "The interaction between institutional and stakeholder pressures: Advancing a framework for categorising carbon disclosure strategies", *Business Strategy and Development*, Vol. 2, pp. 77-90.

Hesse, A., Kreutzer, K., and Diehl, M.-R. (2019), "Dynamics of institutional logics in a cross-sector social partnership: The case of refuge integration in Germany", *Journal of Business Ethics*, Vol. 159 No. 3, pp. 679-704.

Ho, L.-C.J. and Taylor, M.E. (2007), "An empirical analysis of triple bottom-line reporting and its determinants: Evidence from the United States and Japan", *Journal of International Financial Management & Accounting*, Vol. 18 No. 2, pp. 123-150.

Hrasky, S. (2011), "Carbon footprints and legitimation strategies: Symbolism or action?", *Accounting, Auditing & Accountability Journal*, Vol. 25 No. 1, pp. 174-198.

Islam, M.A., Dissanayake, T., Dellaportas, S., and Haque, S. (2018), "Anti-bribery disclosures: A response to networked governance", *Accounting Forum*, Vol. 42 No. 1, pp. 3-16.

Joireman, J., Smith, D., Liu, R.L., and Arthurs, J. (2015), "It's all good: Corporate social responsibility reduces negative and promotes positive responses to service failures among value-aligned customers", *Journal of Public Policy & Marketing*, Vol. 34 No. 1, pp. 32-49.

Kraatz, M.S. and Block, E.S. (2008), "Organizational implications of institutional pluralism", Greenwood, R., Oliver, C., Suddaby, R., and Sahlin-Andersson, K. (Eds.), *Handbook of Organizational Institutionalism*, Sage, Thousand Oaks, CA, pp. 243-275.

Lalwani, S.K., Nunes, B., Chicksand, D., and Boojihawon, D.K. (2018), "Benchmarking self-declared social sustainability initiatives in cocoa sourcing", *Benchmarking: An International Journal*, Vol. 25 No. 9, pp. 3986-4008.

Laufer, W.S. (2003), "Social accountability and corporate greenwashing", *Journal of Business Ethics*, Vol. 43 No. 3, pp. 253-261.

Legendre, S. and Coderre, F. (2013), "Determinants of GRI G3 application levels: The case of the Fortune Global 500", *Corporate Social Responsibility & Environmental Management*, Vol. 20 No. 3, pp. 182-192.

Lim, S., Matolcsy, Z., and Chow, D. (2007), "The association between board composition and different types of voluntary disclosure", *European Accounting Review*, Vol. 16 No. 3, pp. 555-583.

Lounsbury, M. (2007), "A tale of two cities: Competing logics and practice variation in the professionalizing of mutual funds", *Academy of Management Journal*, Vol. 50 No. 2, pp. 289-307.

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

Marquis, C., Glynn, M.A., and Davis, G.F. (2007), "Community isomorphism and corporate social action", *Academy of Management Review,* Vol. 32 No. 3, pp. 925-945.

Massey, J.E. (2004), "Managing organizational images: Crisis response and legitimacy restoration", Millar, S.P. and Heath, R.L. (Eds.), *Responding to Crisis. A Rhetorical Approach to Crisis Communication*, Lawrence Erlbaum, pp. 233-246.

McWilliams, A. and Siegel, D.S. (2001), "Corporate social responsibility: A theory of the firm perspective", *Academy of Management Review*, Vol. 26 No. 1, pp. 117-127.

McWilliams, A., Siegel, D.S., and Wright, P.M. (2006), "Corporate social responsibility: Strategic implications", *Journal of Management Studies*, Vol. 43 No. 1, pp. 1-18.

Meehan, J. and Pinnington, B.D. (2021), "Modern slavery in supply chains: Insights through strategic ambiguity", *International Journal of Operations & Production Management*, Vol. 41 No. 2, pp. 77-101.

Melo, T. and Garrido-Morgado, A. (2012), "Corporate reputation: A combination of social responsibility and industry", *Corporate Social Responsibility and Environmental Management*, Vol. 19 No. 1, pp. 11-31.

Meyer, J.W. and Rowan, B. (1977), "Institutionalized organization: Formal structure as myth and ceremony", *American Journal of Sociology*, Vol. 83 No. 2, pp. 340-363.

Meznar, M.B. and Nigh, D. (1995), "Buffer or bridge? Environmental and organizational determinants of public affairs activities in American firms", *Academy of Management Journal*, Vol. 38 No. 4, pp. 975-996.

Monciardini, D., Bernaz, N., and Andhov, A. (2019), "The organizational dynamics of compliance with the UK Modern Slavery Act in the food and tobacco sector", *Business & Society*, Vol. 60 No. 2, pp. 181-191.

Moore, L.L., de Silva, I., and Hartmann, S. (2012), "An investigation into the financial return on corporate social responsibility in the apparel industry", *Journal of Corporate Citizenship*, Vol. 45, pp. 105-122.

Murray, A., Sinclair, D., Power, D., and Gray, R. (2006), "Do financial markets care about social and environmental disclosure?", *Accounting, Auditing and Accountability Journal*, Vol. 19 No. 2, pp. 228-255.

Nardi, L. (2022), "The corporate social responsibility price premium as an enabler of substantive CSR", *Academy of Management Review*, Vol. 47 No. 2, pp. 282-308.

Neu, D., Warsame, H.A., and Pedwell, K.A. (1998), "Managing public impressions: Environmental disclosures in annual reports", *Accounting, Organizations and Society*, Vol. 23 No. 3, pp. 265-82.

New, S. and Hsin, L. (2021), "Deconstructing modern slavery statements: A detailed analysis of Arcadia Group and Babcock International". *Available at SSRN 3768495*.

Nikolaeva, R. and Bicho, M. (2011), "The role of institutional and reputational factors in the voluntary adoption of corporate social responsibility reporting standards", *Journal of the Academy of Marketing Science*, Vol. 39 No. 1, pp. 136-157.

Palinkas, L.A., Horwitz, S.M., Green, C.A., Wisdom, J.P., Duan, N., and Hoagwood, K. (2015), "Purposeful sampling for qualitative data collection and analysis in mixed method implementation research", *Administration and Policy in Mental Health and Mental Health Services Research*, Vol. 42 No. 5, pp. 533-544.

Pan, X., Chen, X., and Yang, X. (2022), "Examining the relationship between negative media coverage and corporate social responsibility", *Business Ethics, the Environment and Responsibility*, Vol. 31 No. 3, pp. 620-633.

Patten, D.M. (1991), "Exposure, legitimacy, and social disclosure", *Journal of Accounting and Public Policy*, Vol. 10 No. 4, pp. 297-308.

Patton, M.Q. (2002), "Designing qualitative studies" [excerpt: Purposeful sampling], *Qualitative Research and Evaluation Methods* (pp. 230-247). Sage.

Patton, M.Q. (2015), *Qualitative Research & Evaluation Methods: Integrating Theory and Practice* (4th ed.). Sage.

Perkiss, S., Bernardi, C., Dumay, J., and Haslam, J. (2021), "A sticky chocolate problem: Impression management and counter accounts in the shaping of corporate image", *Critical Perspectives on Accounting*, Vol 81, 102229.

Petersen, H.L. and Vredenburg, H. (2009), "Morals or economics? Institutional investor preferences for corporate social responsibility", *Journal of Business Ethics*, Vol. 90 No. 1, pp. 1-14.

Pinnington, B., Benstead, A., and Meehan, J. (in press), "Transparency in supply chains (TISC): Assessing and improving the quality of modern slavery statements", *Journal of Business Ethics*. OnlineFirst.

Pope, S. and Wæraas, A. (2016), "CSR-washing is rare: A conceptual framework, literature review, and critique", *Journal of Business Ethics*, Vol. 137 No. 1, pp. 173-193.

PwC (2021), "Human rights and modern slavery", available at: https://www.pwc.co.uk/who-we-are/our-purpose/fair-trusted-business/human-rights-and-modern-slavery.html (last accessed: 17 October 2022).

Rao, K.K., Burritt, R.L., and Christ, K. (2022), "Quality of voluntary modern slavery disclosures: Top Australian listed companies", *Pacific Accounting Review*, Vol. 34 No. 3, pp. 451-478.

Ras, I. and Gregoriou, C. (2019), "The quest to end modern slavery: Metaphors in corporate modern slavery statements", *Anti-Trafficking Review*, Vol. 13, pp. 100-118.

Reinecke, J. and Ansari, S. (2016), "Taming wicked problems: The role of framing in the construction of corporate social responsibility: Taming wicked problems", *Journal of Management Studies*, Vol. 53 No. 3, pp. 299-329.

Reverte, C. (2009), "Determinants of corporate social responsibility disclosure ratings by Spanish listed firms", *Journal of Business Ethics*, Vol. 88 No. 2, pp. 351-366.

Richardson, A.J. and Welker, M. (2001), "Social disclosure, financial disclosure and the cost of capital", *Accounting, Organizations and Society*, Vol. 26 No. 7/8, pp. 597-616.

Rivoli, P. (2003), "Labor standards in the global economy: Issues for investors", *Journal of Business Ethics*, Vol. 43 No. 3, pp. 223-232.

Rodrigue, M., Magnan, M., and Cho, C. (2013), "Is environmental governance substantive or symbolic? An empirical investigation", *Journal of Business Ethics,* Vol. 114 No. 1, pp. 107-129.

Schaper, S. and Pollach, I. (2021), "Modern slavery statements: From regulation to substantive supply chain reporting", *Journal of Cleaner Production*, 127872.

Schildt, H. and Perkmann, M. (2017), "Organizational settlements: Theorizing how organizations respond to institutional complexity", *Journal of Management Inquiry*, Vol. 26 No. 2, pp. 139-145.

Schultz, F., Castelló, I., and Morsing, M. (2013), "The construction of corporate social responsibility in network societies: A communication view", *Journal of Business Ethics*, Vol. 115 No. 4, pp. 681-692.

Sethi, S., Martell, T., and Demir, M. (2017), "An evaluation of the quality of corporate social responsibility reports by some of the world's largest financial institutions", *Journal of Business Ethics*, Vol. 140 No. 4, pp. 787-805.

Shabana, K.M. and Ravlin, E.C. (2016), "Corporate social responsibility reporting as substantive and symbolic behavior: A multilevel theoretical analysis", *Business and Society Review*, Vol. 121 No. 2, pp. 297-329.

Sovacool, B.K. (2021), "When subterranean slavery supports sustainability transitions? Power, patriarchy, and child labor in artisanal Congolese cobalt mining", *The Extractive Industries and Society*, Vol. 8 No. 1, pp. 271-293.

Stevenson, M. and Cole, R. (2018), "Modern slavery in supply chains: A secondary data analysis of detection, remediation and disclosure", *Supply Chain Management: An International Journal*, Vol. 23 No. 2, pp. 81-99.

Suchman, M.C. (1995), "Managing legitimacy: Strategic and institutional approaches", *Academy of Management Review*, Vol. 20 No. 3, pp. 571-610.

Suddaby, R. and Greenwood, R. (2005), "Rhetorical strategies of legitimacy", *Administrative Science Quarterly*, Vol. 50 No. 1, pp. 35-67.

Sweeney, L. and Coughlan, J. (2008), "Do different industries report corporate social responsibility differently? An investigation through the lens of stakeholder theory", *Journal of Marketing Communications*, Vol. 14 No. 2, pp. 113-124.

Talbot, D. and Boiral, O. (2018), "GHG reporting and impression management: An assessment of sustainability reports from the energy sector", *Journal of Business Ethics*, Vol. 147 No. 2, pp. 367-383.

Thomas, D.E. (2007), "How do reputation and legitimacy affect organizational performance?", *International Journal of Management*, Vol. 24 No. 1, pp. 108-116.

Thornton, P.H. and Ocasio, W. (1999), "Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958-1990", *American Journal of Sociology*, Vol. 105 No. 3, pp. 801-843.

Thornton, P.H., Ocasio, W., and Lounsbury, M. (2012), *The Institutional Logics Perspective: A New Approach to Culture, Structure, and Process,* Oxford University Press, New York, NY.

Tsang, E.W.K. (1998), "A longitudinal study of corporate social reporting in Singapore: The case of the banking, food and beverages and hotel industries", *Accounting, Auditing & Accountability Journal*, Vol. 11 No. 5, pp. 624-635.

Unerman, J. (2008), "Strategic reputation risk management and corporate social responsibility reporting", *Accounting, Auditing & Accountability Journal*, Vol. 21 No. 3, pp. 362-364.

Unerman, J. and Chapman, C. (2014), "Academic contributions to enhancing accounting for sustainable development", *Accounting, Organizations and Society*, Vol. 39 No. 6, pp. 385-394.

Unerman, J., Bebbington, J., and O'Dwyer, B. (2018), "Corporate reporting and accounting for externalities", *Accounting and Business Research*, Vol. 48 No. 5, pp. 497-522.

Urquiza, F.B., Navarro, M.C.A., and Trombetta, M. (2009), "Disclosure indices design: Does it make a difference?", *Revista de Contabilidad*, Vol. 12 No. 2, pp. 253-277.

Valor, C. and Zasuwa, G. (2017), "Quality reporting of corporate philanthropy", *Corporate Communications: An International Journal*, Vol. 22 No. 4, pp. 486-506.

Verrecchia, R. (1983), "Discretionary disclosure", *Journal of Accounting and Economics*, Vol. 5, pp. 179-194.

Vidal, J. (2015), "How developing countries are paying a high price for the global mineral boom", *The Guardian*, 15 August, available at: https://www.theguardian.com/global-development/2015/aug/15/developing-countries-high-price-global-mineral-boom (last accessed: 17 October 2022).

Voss, H., Davis, M., Sumner, M., Waite, L., Ras, I.A., Singhal, D., and Jog, D. (2019), "International supply chains: Compliance and engagement with the Modern Slavery Act", *Journal of the British Academy*, Vol. 7 No. s1, pp. 61-76.

Walker, K. and Wan, F. (2012), "The harm of symbolic actions and green-washing: Corporate actions and communications on environmental performance and their financial implications", *Journal of Business Ethics*, Vol. 109 No. 2, pp. 227-242.

Wernerfelt, B. (1984), "A resource-based view of the firm", *Strategic Management Journal*, Vol. 5 No. 2, pp. 171-180.

Wood, D.J. (1991), "Corporate social performance revisited", *Academy of Management Review*, Vol. 16 No. 4, pp. 691-718.

Yu, S.-H. and Liang, W.-C. (2020), "Exploring the determinants of strategic corporate social responsibility: An empirical examination", *Sustainability*, Vol. 12, 2368.

Zyglidopoulos, S.C. (2003), "The issue life-cycle: Implications for reputation for social performance and organizational legitimacy", *Corporate Reputation Review*, Vol. 6 No. 1, pp. 70-81.

Table I: Descriptive statistics

Variable	N	Mean	Median	SD
Disclosure_Score	170	.26	.21	.17
Stock_listed	170	.46	0	.50
HQ	170	.68	1	.47
Media	170	1.28	0.37	6.42
Proximity	170	.64	1	.48
Size	170	20.36	20.27	2.63
ROE[a]	160	13.93	15.67	38.01
Gearing[a]	159	85.95	49.18	122.84

[a] Indicates data winsorized at the 1st and 99th percentiles

Table II: Correlation matrix

	Disclosure_Score	Stock_listed	HQ	Media	Proximity	LN_assets	ROE_op
Stock_listed	0.2269***						
	(0.0029)						
HQ	-0.0941	-0.4145 ***					
	(0.2224)	*(0.0000)*					
Media	0.2070***	-0.1591**	0.1346*				
	(0.0068)	*(0.0383)*	*(0.0801)*				
Proximity	0.1900**	-0.2251***	0.0507	0.1436*			
	(0.0131)	*(0.0032)*	*(0.5114)*	*(0.0617)*			
Size	0.2293***	0.6429***	-0.5001***	-0.1885**	-0.4148***		
	(0.0026)	*(0.0000)*	*(0.0000)*	*(0.0138)*	*(0.0000)*		
ROE[a]	-0.0517	0.1501*	-0.0613	0.0412	0.01140	0.0717	
	(0.5160)	*(0.0582)*	*(0.4411)*	*(0.6054)*	*(0.1512)*	*(0.3673)*	
Gearing[a]	0.0064	-0.0511	0.0436	0.0432	-0.0347	-0.0155	-0.0689
	(0.9365)	*(0.5227)*	*(0.5854)*	*(0.5891)*	*(0.6639)*	*(0.8466)*	*(0.3911)*

***; **; * stand for significance levels at .01, .05, .10 respectively, values reported in italics in parenthesis

[a]Indicates data winsorized at the 1st and 99th percentiles

Table III: Regression results of main analysis

Dependent variable: Disclosure_Score	Coefficent	Stand. Err.	z	P > |z|
Stock_listed	.0785*	.0466	1.69	0.092
HQ	.0323	.0435	0.74	0.457
Media	.0048*	.0026	1.81	0.070
Proximity	.1166***	.0401	2.91	0.004
Size	.0185*	.0101	1.83	0.067
ROE[a]	-.0001	.0002	-0.57	0.568
Gearing[a]	-1.27e-06	.0001	-0.02	0.988
Year:				
2016	.0794***	.0292	2.71	0.007
2017	.1452***	.0293	4.96	0.000
2018	.2029***	.0297	6.83	0.000
2019	.3220**	.1544	2.09	0.037
_cons	-.4016	.2208	-1.82	0.069
Number of obs = 157		R-sq:	within = 0.4701	
Number of groups = 65			between = 0.3032	
Wald chi2(11) = 103.51***			overall = 0.3349	

[a] Indicates data winsorized at the 1st and 99th percentiles

***; **; * stand for significance levels at .01, .05, .10 respectively.

Table IV: Regression results of additional analyses

(Panel A) Alternative dependent variable					*(Panel B) Censored Tobit model*				
Dependent variable: Adj_Discl_Score	Coefficent	Stand. Err.	z	P > |z|	Dependent variable: Disclosure_Score	Coefficent	Stand. Err.	z	P > |z|
Stock_listed	.1035*	.0614	1.69	0.092	Stock_listed	.0806*	.0433	1.86	0.063
HQ	.04226	.0573	0.74	0.457	HQ	.0318	.0404	0.79	0.432
Media	.0063*	.0035	1.81	0.070	Media	.0052**	.0025	2.08	0.038
Proximity	.1537***	.0529	2.91	0.004	Proximity	.1192***	.0373	3.19	0.001
Size	.0244*	.0133	1.83	0.067	Size	.0195**	.0094	2.06	0.039
ROE[a]	-.0002	.0003	-0.57	0.568	ROE[a]	-.0002	.0002	-0.64	0.521
Gearing[a]	-1.67e-06	.0001	-0.02	0.988	Gearing[a]	-4.06e-06	.0001	0.05	0.960
Year:					Year:				
2016	.1046***	.0385	2.71	0.007	2016	.0742**	.0294	2.53	0.012
2017	.1914***	.0386	4.96	0.000	2017	.1458***	.0294	4.96	0.000
2018	.2675***	.0391	6.83	0.000	2018	.2042***	.0298	6.86	0.000
2019	.4244**	.2035	2.09	0.037	2019	.3254**	.1453	2.24	0.025
_cons	-.5294	.2911	-1.82	0.069	_cons	-.4249	.2062	-2.06	0.039
Number of obs = 157		R-sq:	within = 0.4701		Number of obs = 157			Number of groups = 65	
Number of groups = 65			between = 0.3032		Uncensored = 153				
Wald chi2(11) = 103.51***			overall = 0.3349		Left-censored = 4			Integration pts. = 12	
					Right-censored = 0			Wald chi2(11) = 111.94***	

[a] Indicates data winsorized at the 1st and 99th percentiles

***; **; * stand for significance levels at .01, .05, .10 respectively.