P-ISSN 2664-0422	Pakistan Social Sciences Review	Jul-Sep 2024, Vol. 8, No. 3
O-ISSN 2664-0430	https://doi.org/10.35484/pssr.2024(8-III)01	[93-104]

Pakistan Social Sciences Review
www.pssr.org.pk

RESEARCH PAPER

Environmental, Social, and Governance Controversies and Firm Performance: Moderating Role of Governance Mechanisms

[1]Mehak Ali* [2] Muhammad Alamgir and [3] Muhammad Hanif

1. PhD Scholar, Department of Business Administration, NCBA&E Multan, Punjab, Pakistan
2. PhD Scholar, Department of Business Administration, NCBA&E Multan, Punjab, Pakistan
3. PhD Scholar, Department of Business Administration, NCBA&E Multan, Punjab, Pakistan

***Corresponding Author:** mehk.ali3030@gmail.com

ABSTRACT

In the present research, the relationship between ESG (environmental, social, and governance) and a firm's performance is looked into in the context of corporate governance mechanisms, i.e., board independence and ESG practices, as a moderator. ESG disputes frequently occur when corporations' actions violate moral and environmentally friendly standards. ESG controversies represent the credibility of an organization and pose functional hazards, which can significantly impact its financial position. According to the Pakistan Institute of Corporate Governance (PICG) report, ESG remains an unfamiliar idea and business focus in Pakistan. ESG integration is hampered by common misconceptions, a reluctance for more restrictions, and a lack of knowledge of the relevance and importance of ESG. Obviously, there is an overwhelming need to protect the status quo, which prevents businesses from completely meeting their environmental, social, and governance (ESG) objectives. We used quantitative tools to analyze data from 419 non-financial firms listed on the Pakistan Stock Exchange (PSX) from 2014 to 2023, and the data is readily available. Based on our studies, there is a significant negative relation between ESG controversies & corporate performance. However, good corporate governance standards & institutional ESG plans mitigate these negative consequences and can transform these controversies into opportunities for advancement and repo-building. Legislators, business strategists, and investors can substantially benefit from these findings, which underscore the importance of governance for handling ESG controversies and improving the firm's versatility and endurance. Hence it can be recommended that the same relationship with different data set could be tested in other widely geographically distributed areas other than Pakistan.

KEYWORDS ESG Controversies, Firm Performance, ESG Practices, Board Independence

Introduction

The occurrence of environmental, social, and governance (ESG) characteristics in the current corporate environment denotes a substantial modification concerning the way businesses manage their complex events within more widespread environmental & societal outlines. Boulhaga et. al., (2023) To gain a deeper comprehension of the complex relationship between ESG controversies and firm performance in this ever-changing environment. Hassan, et al., (2021) conclusions identified ESG's immediate and indirect effects on business prosperity. Also, effective operation and successful stakeholder collaboration depend more and more on the incorporation of ESG considerations into corporate objectives. Ghouri et al., (2019) said that an increasing record of observed evidence suggests that obviously expressed ESG purposes have optimistic effects on creativity, organizational repute, and lastly, financial performance. Li, et. al., (2019) explored the fact that the work environment in corporations is still very uniform. ESG disputes typically occur when businesses operate outside of environmental and societal norms. Lange & Washburn, (2012) proved that ESG controversies represent a company's perception and functioning hazards, which can severely harm its financial position. According to the Pakistan Institution of Corporate Governance (PICG) assessment report, the PICG organization is a non-profit organization that was founded in 2004 and is dedicated to developing solid corporate governance procedures throughout the country. Its operations comprise corporate governance assistance and learning, initiatives to raise awareness and help, research materials and analysis, public surveys, and the publication of recommendations and other study resources. ESG is a relatively new idea and commercial concern in Pakistan. ESG integration is hampered by prevalent misunderstandings, a reluctance for more restrictions, and a lack of knowledge of the relevance and value of ESG. Of course, there is an intense motivation to retain the status quo that prevents corporations from completely meeting their environmental, social, and governance (ESG) goals. Although Li et. al., (2019) thoroughly examined the moderating impacts of ESG measures and found this relationship inadequate, we hope that we can offer a comprehensive understanding of this crucial subject by conducting a more detailed investigation of the financial performance dispute. Additionally, Kim et. al., (2018) investigated the complexities and demonstrated that the outcomes of corporate social responsibility on financial performance are neither easily understood nor predictable. Our study focuses on the buffering impacts of ESG practices, especially in the years following business crises.

Hence, summarizing, we can say that this study contributes to our understanding of the multifaceted intersection of corporate governance and environmental, social, and governance (ESG) concerns, providing both practical as well as theoretical insights.

Literature Review

The Impact of ESG Controversies Besides increasing shareholder income, the theory of stakeholder involvement claims that corporations take part in initiatives relating to CSR, such as ESG procedures, to achieve greater societal objectives, restrict executives' opportunities, and improve their standing in the market (Govindan, 2022). In accordance with the resource-based view (RBV), social and environmental activities might offer a firm a competitive advantage by creating specialist insights and competencies (Hull & Rothenberg, 2008). Corporations often employ CSR, particularly with regard to the performance of the environment, to boost their reputation and brand visibility (Lin, 2019; Veeravel, et. al., 2023). Information disclosure by companies usually increases in response to social restrictions, moral disagreements, or actions that distress environmental sustainability. This happens to be conducted in order to diminish the detrimental effects (Garcia, et. al., 2017). Historically, financial planning literature has mainly concentrated on raising earnings for stakeholders as the ultimate aim of a firm (Battisti, et. al., 2020). The study of CSR originated as an outcome of the stakeholders' theory, which widened the argument by emphasizing that corporations also reflect the opinions of stakeholders (Belyaeva, et. al., 2020). In order to build confidence and strengthen a company's reputation, Chan, et. al., (2014) suggested that firms must provide details concerning their business practices, events, and strategies that affect the public at large as well as other stakeholders. The phrase Environmental, Social, and Economic Governance, or ESG, has become frequently used to describe a variety of CSR operations. It explains the restrictions that corporations have developed to address concerns from stakeholders in order to take into account the environment & society's goals (Muzaffar, et. al., 2024). Bresciani, et al., 2016). However, the relationship between ESG practices and financial performance remains convoluted and subtle. Findings from investigations have been inconsistent, with some suggesting a positive, some negative, or some mixed relationship between financial results & ESG practices. Numerous elements influence how these factors interact with one another. Customers' suspicion of efforts related to CSR can render these approaches ineffective. Also, Kim & Lyon, (2015) claimed that ESG approaches are essentially expenditures with no substantive advantages, perhaps minimizing business performance. Furthermore, the stakeholders in a business may have numerous viewpoints, which might have a beneficial or negative impact on the firm (Nirino, et. al., 2021). Unfavorable assessments could lead to legal proceedings, income's losses, augmented financial-risk, and greater loan payments (Lange & Washburn, 2012). Such events might damage the company's brand and reputation, resulting in unfavorable legal and financial consequences. This is exclusively accurate for publicly operated corporations; their marketplace might overreact (Aouadi & Marsat, 2018).

In contemporary corporate finance, there is a wealth of research on the makeup of corporate boards and their impact on performance and organizational decisions. Numerous investigations have generated incompatible results concerning the strong connotation between board composition & firm performance, specifically when considering U.S. corporate firms (Amin et al., 2022). The idea that is fundamental to the governance model, i.e., board structure, is that it determines and regulates the firms' accessing and execution situations, which is reinforced by the deficiency of a clear underlying relationship (Muzaffar, et. al., 2023; Moursli, 2020). Autonomous executives on the boards are the type of governance that can impact corporate social responsibility performance, primarily through greater transparency & unintentional failure (Terjesen, et. al., 2016). Previous research highlighted the advantageous involvement that members of the autonomous board make in the development of effective CSR activities. Beji, et. al., (2021) have concluded that there is a positive connection between CSR performance and the strength of autonomous directors on boards. One description could be that since they don't have insider information, independent directors seek data that is made to be publicly accessible, like financial reports. Furthermore, since their standing is directly related to the company's goodwill, independent directors might very well support significant CSR programs to improve their own prestige. ESG practices, in the face of pressure from stakeholders and organizational assumptions, have an important role in influencing how organizations handle issues and how they affect the way they perform financially. Studies have shown that ESG investing opportunities improve firm financial success (Franceschelli, et. al., 2019). These actions are thought to provide a competitive edge and, in the long run, increase stakeholder trust (Birindelli, et. al., 2015). Businesses frequently adopt both substantive and contextual sustainable practices. Symbolic practices seek to convey a positive image, but if they are not supported by actual resources, they risk losing credibility over time (Kim et al., 2012). On the other hand, substantive techniques are strategic initiatives that generate enhanced cumulative benefits at the expense of interim costs (Wang & Sarkis, 2017). Sincere and sustained efforts may enhance a business's reputation among shareholders and its financial results (Park, et. al., 2014).

Furthermore, by studying all the literature, it can be said that there hasn't been much academic research done on the impact of ESG factors when making investment decisions (Aninze, et. al., 2018; Omopariola, et. al., 2021; Stewardson, et. al., 2023; Umar, et. al., 2020;) or behavioral elements on the choices made by individual investors in their investments, such as behaviors, social standards, and preconceptions (Pellinen, et al., 2016). Whereas, Elamer & Boulhaga (2024) investigated European non-financial enterprises' ESG controversies and performance. However, the impact of various ESG controversies on the profitability of Pakistani non-financial enterprises remains unexplored. That is the reason why the current study examines the association between ESG controversies and firm performance in the context of governance mechanisms, i.e., board independence & ESG practices as moderators of non-financial enterprises registered on the Pakistan Stock Exchange for the duration of 2014 to 2023.

Hypothesis

H1. ESG controversies significantly affects the firm's performance.

H2. The level of board independence is moderated by ESG controversies and firm's performance

H3. The ESG practices is moderated by ESG controversies and firm's performance

Material and Methods

Table 1
Sample description

Part A: Selection technique		
Initial observations of all listed firms for ten years 2014-2023		4190
Less: observations of financial firm		1553
Less: missing observations		707
Ultimate sample		**2089**
Part B: Industry-wise Alignment	**Number of observations**	**%age**
Automobile assembler	70	3.35
Automobile parts & Accessories	80	3.83
Cable & Electrical goods	50	2.39
Cement	168	8.04
Chemical	53	2.54
Engineering	69	3.30
Food & Personal care products	97	4.64
Glass & Ceramics	54	2.58
Leather & Tanneries	41	1.96
Miscellaneous	176	8.43
Oil & Gas exploration companies	23	1.10
Oil & Gas marketing companies	57	2.73
Paper & Board	81	3.88
Pharmaceuticals	94	4.50
Property	48	2.30
Power Generation & Distribution	97	4.64
Refinery	39	1.87
Sugar & Allied industries	77	3.69
Synthetic & Rayon	68	3.26
Technology & Communication	59	2.82
Textile Composite	198	9.48
Textile Spinning	213	10.20
Textile Weaving	56	2.68
Tobacco	36	1.72
Transport	48	2.30

Vanaspati & Allied industries	37	1.77
Total	**2089**	**100**
Year-wise composition	**Number of observations**	**%age**
2014	136	6.51
2015	159	7.61
2016	172	8.23
2017	153	7.32
2018	214	10.24
2019	280	13.40
2020	267	12.78
2021	245	11.73
2022	325	15.56
2023	138	6.61
Total	**2089**	**100**

Table 1 above represents that the sample used in this study consists of 419 non-financial companies that were listed on the stock exchange of Pakistan during a ten-year span, i.e., between 2014 and 2023, with a total of 4190 observations. Because of industry-specific characteristics and credit organization's accounting standards, we excluded the financial sector from the original population. And after eliminating financial firm observations and missing observations, we had a sample of 2089 for further analysis. The information was obtained from the PSX website. The reliability of our findings is supported by this restrictive selection process, which also offers a strong basis for examining the connection between ESG controversies and firm performance outside of the financial domain.

Variables measurements

The worth of the company A well-known financial indicator for evaluating a company's worth is Tobin-Q, especially when comparing asset value to market value. This study used Tobin-Q as a dependent variable. The whole market value, long-term debt, and value of preferred stock are divisible by the total assets in our analysis to determine Tobin-Q. Our study adheres to recognized procedures in financial research by utilizing Tobin-Q, as precedented by Nirino et al. (2021). This technique offers an ethical and relevant method of evaluating business value in the context of ESG issues.

Here, ESG controversies are taken as independent variables. One of the most significant metrics for estimating a firm's performance and contribution to ESG features is the ESG controversy score rate (Li et al., 2019). This score rate, which is created on a series between 0 to 100 and was designed by Thomson Reuters, denotes the extent to which the company has elaborated on diverse ESG issues. This detailed tactic enables a deep understanding of the ways in which a firm's heritage and apparently financial performance are obstructed by ESG controversies that cover a wide range of topics. This score, which we used in our study, offers an inclusive valuation of a company's ESG associated complications and serves as a beneficial instrument for inspecting the connection between ESG controversies and the company's valuation.

Moreover, board independence & ESG practices are taken as moderating elements. ESG practices are assessed by using the ESG score rate, whereas the proportion of non-executive associates on the board governs the board's independence.

Also, several control variables are included in this study to guarantee a thorough analysis. (Boulhaga et al., 2023) The size and profitability of the company are indicated by the firm's size (FSIZE), which is computed as the log of total assets and return on assets (ROA) and dividing net income by total assets. These are important considerations because shareholders tend to place a higher value on larger, more profitable companies. The study also looks at whether the CEO's role is distinct from other executive functions (CEO-DUAL) or the size of the board (F-SIZE). A more diversified picture of the company's financial health and governance structure is offered by these control variables.

Model specification

The moderating effects of board independence and ESG practices in the link between ESG controversies and business performance are assessed in this research based on the previously indicated hypotheses.

$Tobin\text{-}Q_{it} = \beta0 + \beta_1 ESG\text{-}CONT_{it} + \beta_2 BD\text{-}IND_{it} + \beta_3 ESG\text{-}CONT_{it} \times BD\text{-}ND_{it} + \beta_4 F\text{-}SIZE_{it} + \beta_5 ROA_{it} + \beta_6 BD\text{-}SIZEit + \beta_7 CEO\text{-}DUAL_{it} + \varepsilon_{it}$

$Tobin\text{-}Q_{it} = \beta0 + \beta_1 ESG\text{-}CONT_{it} + \beta_2 ESG\text{-}P_{it} + \beta_3 ESG\text{-}CONT_{it} \times ESG\text{-}P_{it} + + \beta_4 F\text{-}SIZE_{it} + \beta_5 ROA_{it} + \beta_6 BD\text{-}SIZEit + \beta_7 CEO\text{-}DUAL_{it} + \varepsilon_{it}$

Where:

Tobin-Q = firm value ESG-CONT= corporate controversies,

BD-IND: board independence, ESG-P = ESG practices

F-SIZE = total number of assets for the period t, ROA= Return on asset

BD-SIZE= total independent directors, CEO-DUAL= CEO Duality.

Results and Discussion

Table 2
Descriptive statistics

Variables	n	Mean	Std. Dev	Mini.	Maxi.
Tobin-Q	2089	0.23	0.13	0.07	3.02
ESG-CONT	2089	0.81	0.37	0.04	2.03
BD-IND	2089	83.67	17.03	0.02	91.00
ESG-P	2089	64.71	23.86	1.17	97.85
F-SIZE	2089	28.37	1.96	9.87	22.77
R.O.A	2089	0.13	0.29	- 0.81	4.79
BD-SIZE	2089	12.14	6.05	2.01	36.00
CEO-DUAL	2089	0.31	0.52	0.03	1.21

Table 2 gives a thorough rundown of the descriptive statistics related to every variable taken into account in the research. The central tendency and also the characteristics of dispersion that illustrate the dataset's original nature and conducts are captured by each metric, which provides an illustrative snapshot.

Table 3
Pearson's Correlation

Variable	Tobin-Q	ESG-CONT	BD-IND	ESG-P	F-SIZE	R.O.A	BD-SIZE	CEO-DUAL
Tobin-Q	1							
ESG-CONT	-0.073	1						
BD-IND	-0.061	-0.054	1					
ESG-P	0.328	-0.189	0.108	1				
F-SIZE	0.216	-0.331	0.467	0.772	1			
R.O.A	-0.239	0.441	-0.077	-0.005	-0.285	1		
BD-SIZE	0.179	-0.307	0.365	0.517	0.618	-0.098	1	
CEO-DUAL	0.082	-0.070	-0.007	0.263	0.103	-0.164	0.313	1

Correlation is significant at the 0.01 level (2-tailed).

Table 3 displays a relationship matrix that shows the relationships between different variables, starting with board independence (BD-IND) and ESG controversies (ESG-CONT), and then extending to the control variables. The correlation between ESG-CONT and Tobin-Q is negative (-0.073), which is a noteworthy finding. It suggests that companies with more ESG-related controversies typically have relatively low valuations. Studies that have already been done and show the possible financial impact of ESG disputes on businesses give legitimacy to this observation (Flammer, 2013). Board independence (BD-IND) has a weak and negative association (-0.064) with ESG-CONT, meaning that companies with more independent boards tend to be involved in fewer ESG-related controversies. This validates the idea that independent boards can reduce the likelihood that ESG problems will surface, which is in line with earlier research (Harjoto & Jo, 2011). By inspecting the control variables, it proved that firm size (F-SIZE) & ESG practices (ESG-P) have an optimistic connection with the Tobin-Q. This suggests that companies with stronger ESG practices and a larger size typically command higher market values. ROA exhibits a negative correlation, which is consistent with former studies (Titman & Wessels, 1988). Additional information about the financial effects of ESG disputes can be gained from the positive correlation observed between ESG-CONT and other significant variables, such as ROA. The possible enhancement of value amongst these structures of governance is suggested by the positive correlations found between Tobin-Q and CEO duality (CEO-DUAL). To summarize, the correlation matrix results offer empirical evidence that enhances and expands upon the existing literature in the field, thereby aiding in our comprehension of the connections between firm performance & ESG controversies.

Table 4
The moderating role of BD-IND, ESG-P between the ESG-CONT and firm performance (ROA).

Variables	Model (1)	Model (2)	Model (3)	Model (4)
TB-Q	0.430***	0.459***	0.504***	0.503***
	(268.32)	(107.46)	(425.03)	(551.69)
ESG-CONT	- 0.133***	0.007***	- 0.008***	0.014***
	(- 45.06)	(9.71)	(-4.81)	(65.21)
BD-IND	-0.003***		-0.0008***	
	(-55.34)		-25.71	
ESG-CONT*BD-IND	0.002***		0.0003***	
	(37.64)		(7.97)	
ESG-P	-0.002***			
	(-67.17)			

ESG-CONT* ESG-P	0.003***			
	(72.94)			
F-SIZE	0.004***	0.003**	0.004***	0.001***
	(4.71)	(12.52)	(37.02)	(23.80)
R.O.A	-0.017***	-0.017***	-0.017***	-0.022***
	(-27.01)	(-13.54)	(-38.51)	(-32.01)
BD-SIZE	0.005***	0.003***	0.004***	0.0013***
	(66.03)	(19.58)	(32.31)	(47.17)
CEO-DUAL	0.009***	0.003***	0.007***	0.0077***
	(12.10)	(6.05)	(12.07)	(27.03)
N	2089	2089	2089	2089

Note: *, **, *** at 10%, 5%, and 1% significant level.

In this section, we look into the impact of ESG disputes on a company's performance. We also examine the possible moderating effects on this relationship between board independence and ESG practices. Table 4 presents the primary results and conclusions.

Model (1) of Table 4 shows that ESG controversies (ESG-CONT) have a significant negative coefficient (-0.133), which is in line with H1 analysis of the impact of ESG controversies on a firm's performance. This outcome is consistent with the views expressed by Lange & Washburn (2012) and lends credence to the claim that ESG scandals, which frequently represent risks related to operations and reputation, can have a negative impact on a company's bottom line. It means that if in any organization ESG controversies increase, it will badly affect the performance of the firm.

H2 emphasizes the moderating function of board independence. The board independence coefficient (BD-IND) has a significantly negative value (i.e., -0.003). This is consistent with findings by Hermalin & Weisbach (2003), who found that although board independence is important for corporate governance, improved firm performance is not a direct consequence of it. Additionally, Model (1) explores H3, looking at the moderating impact of ESG practices. A negative exponent of -0.002 is revealed when looking at ESG practices (ESG-P), which contrasts with the literature's positive sentiment (e.g., Malik, 2015). positive association between ESG practices and ESG-CONT (0.001), suggesting that strong ESG frameworks may enhance the performance benefits of the ESG controversies.

Also, within Model (1) of Table 4, the story of economies of scale is reflected in the firm size (F-SIZE) metric, where larger firms exhibit a positive effect on performance due to their size (Panayides & Gong, 2002). The idea supported by Titman and Wessels (1988) that proportionate returns cannot be guaranteed by simply accumulating assets is revealed by the negative R.O.A. coefficient. Within the context of corporate governance, CEO duality (CEO-DUAL) and board size (BD-SIZE) provide insightful information. The notion that a larger board is positively correlated with performance is consistent with the findings of Adams and Ferreira (2007), who proposed that a wider range of expertise and skills on a board can contribute to promoting the decision-making process. Not only does each control variable make a statement statistical construct, but it is also supported by numerous studies, which together introduce our complex knowledge of the factors influencing company performance in relation to the E.S.G controversies.

Conclusion

In order to understand the relationships between environmental, social, and governance (ESG) issues and company performance is still crucial in the intricate story of the corporate world. The purpose of this study was to identify these dynamics while also assessing the moderating impact of corporate governance components, such as board independence & ESG practices. Several significant findings emerged from our empirical analysis. We discovered a strong negative association amongst ESG controversies and firm performance, indicating the harmful effects of such issues on enterprises. Though this link is not massive, it is significantly inclined by factors of corporate governance, specifically board-independence & ESG practices. Board-independence appeared as an important mediator, with firms that have a large share of autonomous directors showing greater flexibility to the negative effects of ESG controversies. The part about ESG practices inside firms emphasized these links even more. Our conclusions revealed that widely recognized inner ESG contexts have the capability to transform conflicts into prospects, thereby boosting organizational growth and reputation.

This study has various contributions. First, the policy implications of the results we found are significant. We offer policymakers sophisticated, statistically-based conclusions that are critical for developing informed and context-specific policies. Policies become more adaptable and sensitive to the dynamic terrain of ESG concerns, resulting in rules that effectively handle both existing and forthcoming difficulties. Second, the company's both leaders & policymakers are provided with an opportunity that possesses strong strategic intelligence. It is not enough to navigate the muddy seas of ESG debates; it is also necessary to turn these probable obstacles into possibilities for economic growth, establishing durability, and repute modification. The concepts and conclusions presented in this study provide a framework for thoughtful strategy planning and corporate decisions. The resulting consequences for ESG strategy are important, indicating that effective ESG risk management requires an aggressive, governance-focused perspective. Third, this report serves as a beacon for the investing community. It clarifies and illuminates the multifaceted relationship between ESG issues, firm performance, and corporate governance. Decisions about investments can now be founded on empirical facts, increasing their resilience and reactivity to the changing corporate context.

Recommendations

This study offered further insights for tailoring techniques to future business scenarios. Furthermore, our dependence on secondary data sources may add stereotypes, as they may not cover all significant ESG controversies or corporate governance developments. Also, this study is restricted to Pakistan; further, the same relationship could be tested in other widely geographically distributed areas. And from the findings of this study, policymakers, business strategists, and investors can benefit, which underscores the importance of governance for handling ESG controversies and boosting the firm's versatility and endurance.

References

Amin, A., Ali, R., Ur Rehman, R., & Elamer, A. A. (2022). Gender diversity in the board room and sustainable growth rate: the moderating role of family ownership. *Journal of Sustainable Finance & Investment*, 13(4), 1577–1599

Aninze, F., El-Gohary, H., & Hussain, J. (2018). The role of microfinance to empower women: The case of developing countries. *International Journal of Customer Relationship Marketing and Management (IJCRMM)*, *9*(1), 54-78.

Malik, M. (2015). Value-enhancing capabilities of CSR: A brief review of contemporary literature. *Journal of Business Ethics*, 127, 419–438

Adams, R. B., & Ferreira, D. (2007). A theory of friendly boards. *The journal of finance*, *62*(1), 217-250.

Panayides, P. M., & Gong, X. (2002). The stock market reaction to merger and acquisition announcements in liner shipping. *International journal of maritime economics*, *4*, 55-80.

Aouadi, A., & Marsat, S. (2018). Do ESG controversies matter for firm value? Evidence from international data. *Journal of Business Ethics*, 151, 1027–1047.

Battisti, E., Miglietta, N., Nirino, N., & Villasalero Diaz, M. (2020). Value creation, innovation practice, and competitive advantage: Evidence from the FTSE MIB index. European Journal of Innovation Management, 23(2), 273–290.

Beji, R., Yousfi, O., Loukil, N., & Omri, A. (2021). Board diversity and corporate social responsibility: Empirical evidence from France. *Journal of Business Ethics*, 173, 133–155.

Belyaeva, Z., Shams, S. R., Santoro, G., & Grandhi, B. (2020). Unpacking stakeholder relationship management in the public and private sectors: the comparative insights. EuroMed *Journal of Business,* 15(3), 269–281

Boulhaga, M., Bouri, A., Elamer, A. A., & Ibrahim, B. A. (2023). Environmental, social and governance ratings and firm performance: The moderating role of internal control quality. *Corporate Social Responsibility and Environmental Management,* 30(1), 134–145.

Bresciani, S., Ferraris, A., Santoro, G., & Nilsen, H. R. (2016). Wine sector: companies' performance and green economy as a means of societal marketing. Journal of Promotion Management, 22(2), 251–267.

Elamer, A. A., & Boulhaga, M. (2024). ESG controversies and corporate performance: The moderating effect of governance mechanisms and ESG practices. *Corporate Social Responsibility and Environmental Management*.

Garcia, A. S., Mendes-Da-Silva, W., & Orsato, R. J. (2017). Sensitive industries produce better ESG performance: Evidence from emerging markets. *Journal of Cleaner Production,* 150, 135–147

Ghouri, A. M., Akhtar, P., Shahbaz, M., & Shabbir, H. (2019). Affective organizational commitment in global strategic partnerships: The role of individual-level microfoundations and social change. *Technological Forecasting and Social Change,* 146, 320–330.

Govindan, K. (2022). Theory Building Through Corporate Social Responsibility 4.0 for Achieving SDGs: A Practical Step Toward Integration of Digitalization with Practice-Based View and Social Good Theory. *IEEE Transactions on Engineering Management*, 71, 2103–2120.

Hassan, A., Elamer, A. A., Lodh, S., Roberts, L., & Nandy, M. (2021). The future of non-financial businesses reporting: Learning from the Covid-19 pandemic. *Corporate Social Responsibility and Environmental Management*, 28(4), 1231–1240

Hull, C. E., & Rothenberg, S. (2008). Firm performance: The interactions of corporate social performance with innovation and industry differentiation. *Strategic Management Journal*, 29(7), 781–789.

Kim, E. H., & Lyon, T. P. (2015). Greenwash vs. brownwash: Exaggeration and undue modesty in corporate sustainability disclosure. *Organization Science*, 26(3), 705–723.

Kim, K. H., Kim, M., & Qian, C. (2018). Effects of corporate social responsibility on corporate financial performance: A competitive-action perspective. *Journal of Management,* 44(3), 1097–1118.

Lange, D., & Washburn, N. T. (2012). Understanding attributions of corporate social irresponsibility. *Academy of Management Review*, 37(2), 300–326

Lange, D., & Washburn, N. T. (2012). Understanding attributions of corporate social irresponsibility. *Academy of Management Review*, 37(2), 300–326

Li, J., Haider, Z. A., Jin, X., & Yuan, W. (2019). Corporate controversy, social responsibility and market performance: International evidence. *Journal of International Financial Markets Institutions and Money,* 60, 1–18.

Lin, Y. (2019). Legitimating negative aspects in corporate social responsibility reporting: evidence from China. *IEEE Transactions on Professional Communication*, 62(3), 263–278

Moursli, R. M. (2020). The effects of board independence on busy directors and firm value: Evidence from regulatory changes in Sweden. *Corporate Governance: An International Review,* 28(1), 23–46

Muzaffar, M., Fern, Y. S., & Yaseen, Z. (2023). Governance Dilemma: A Way Forward For Third World States, *Journal of Research Administration 5*(2), 9792-9803

Muzaffar, M., Fern, Y. S., & Yaseen, Z (2024). Good Governance and Citizen's Trust in Pakistan: A Moderation Effect of Unethical Behavior**,** *Asian Journal of Human Services, 26*, 91-108

Nirino, N., Santoro, G., Miglietta, N., & Quaglia, R. (2021). Corporate controversies and company's financial performance: Exploring the moderating role of ESG practices. *Technological Forecasting and Social Change*, 162, 120341

Omopariola, E. D., Windapo, A., Edwards, D. J., & El-Gohary, H. (2021). Level of financial performance of selected construction companies in South Africa. *Journal of Risk and Financial Management*, *14*(11), 518.

Park, J., Lee, H., & Kim, C. (2014). Corporate social responsibilities, consumer trust and corporate reputation: South Korean consumers' perspectives. *Journal of Business Research,* 67(3), 295–3

Pellinen, K. (2016). *CSR communication challenges: communication channels, sustainability reporting, and stakeholder engagement.* A case study of four Finnish companies (Master's thesis, Nord universitet).

Terjesen, S., Couto, E. B., & Francisco, P. M. (2016). Does the presence of independent and female directors impact firm performance? A multicountry study of board diversity. *Journal of Management and Governance*, 20, 447–483.

Wang, Z., & Sarkis, J. (2017). Corporate social responsibility governance, outcomes, and financial performance. *Journal of Cleaner Production,* 162, 1607–1616.