

Corporate Governance and Sustainability: The Role of the Board of Directors

Stuart Farquhar

Department of Accounting and Finance, University of Northampton,
NN1 5PH, UK, stuart.farquhar@northampton.ac.uk

Abstract.

This chapter provides a review of the literature on the relationship between the board of directors and sustainability performance. It draws on the categorisation of Ludwig and Sasson (2022) to separate out the research into four sub-categories of board variables (board diversity, board independence, board size, and the existence of a board sustainability committee) and their effect on sustainability performance. The findings show a mixture of research methods, with both qualitative and quantitative studies and that the results tend to be inconclusive. On balance the results of the studies would recommend that to enhance sustainability, boards should look to be

larger, more independent, more gender and age diverse, and include directors with sustainability expertise.

Keywords:

Corporate governance, board of directors, sustainability performance, ESG, and greenwashing.

Introduction

As identified by Abdullah, Yamak, Kortzenitskaya, Rahimi, and McClellan (2023), corporate governance (CG) and sustainability have increasingly become a key subject for policymakers, corporations, communities, and scholars. Further as the key internal CG mechanism identified by Jensen (1993) and Gillan (2006) is the board of directors, much of the research on CG and sustainability has focused on the relationship between the board of directors, at the apex of organisational control (Fama and Jensen, 1983) and sustainability performance (Abdullah et al., 2023).

In this respect it is thus important to consider the meaning of sustainability. The United Nations' Brundtland Commission (1987) defined sustainable development as:

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

However, from a board's perspective one could argue that it is organisational sustainability that is important and not sustainable development as such. As identified by Rahman, Wahab, and Latiff (2022), sustainability is a broad, ambiguous, and all-encompassing word that covers the impact of all organisational decisions whether it be environmental, economic, or social. Interestingly, on those lines Zinkin (2020) contends that boards need to consider four separate types of sustainability: environmental sustainability, economic sustainability, employment sustainability, and social sustainability. Whilst Zinkin provides no definition of organisational sustainability it is probable he would support that provided by Varsei, Soosay, Fahimnia, and Sarkis (2014) who define organizational sustainability

as “everything about integrating the goals of sustainable development, for example, societal fairness, economic efficacy, and eco-friendly exposures, into the operating atmosphere of industries”. An alternative, earlier definition provided by Deloitte and Touche (1992) is rather more specific in referring to organisational sustainability as "adopting organizational strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining, and enhancing the human and natural resources that will be needed in the future". This definition is closely aligned to the UN definition of sustainable development in emphasising meeting today's needs whilst protecting those needs in the future. A more recent definition is provided by Rasche, Morsing, Moon, and Kourala, (2023) who define corporate sustainability in the following way: “Corporate sustainability focuses on managing and balancing an enterprise's embeddedness in interrelated ecological, social and economic systems so that positive impact is created in the form of long-term ecological balance, societal welfare and stakeholder value” (p. 9).

For this chapter, we shall use the definition of Rasche et al., (2023) and explore the impact of corporate governance, or more specifically the impact of the board of directors, on organisational sustainability.

Before we can proceed, we must first consider how organisational sustainability is measured in the academic literature. In this regard there are two different but similar approaches, Triple-Bottom Line (TBL) and Environmental, Social, and Governance (ESG). Elkington (1997) was the first to suggest the TBL framework using the terms people, planet and profit to in effect represent social, environment, and economic. On a similar theme, Wilson (2003) proffered that the concept of organisational sustainability depends on three pillars: economic, environmental, and social. Drawing on this categorisation, Ludwig and Sasson (2022), identify the environmental pillar as focusing on sustaining natural capital in the global ecosystem, the social pillar as aiming to meet the current and future generations' basic human needs whilst ensuring equality of opportunities and the economic pillar as being about long-term value creation. This approach largely replicates the triple-bottom line (TBL) concept of

people (social), planet (environmental), and profit (economic) along the lines suggested by triple-bottom-line accounting (Alhaddi, 2015; Elkington, 1997; Gimenez, Sierra and Rodon, 2012). Indeed, Goel (2010) explicitly contends that TBL provides a framework for measuring the performance of a business using three lines: social, environment, and economic. Critically though, as identified by Alhaddi (2013), TBL has been lightly used in empirical research to measure sustainability performance.

The alternative and more popular measure of sustainability performance has been ESG (Abdullah et al., 2023). Environment, Social and Governance (ESG) issues were first mentioned in the 2006 United Nation's Principles for Responsible Investment (PRI) report consisting of the Freshfield Report and "Who Cares Wins" and led to the development of ESG metrics. Consequently, ESG data have been used to measure firms' adoption of Corporate Social Responsibility (CSR) or as a proxy for Corporate Social Performance (CSP) or Sustainability Performance (Abdullah et al., 2023). Resulting from the ESG metrics has been an increasing body of research examining

the impact of various board of director characteristics on ESG (Abdullah et al., 2023; Birindelli, Dell’Atti, Iannuzzi, and Savioli, 2018; DeMasi, Slomka-Golebiowski, Becagli, and Paci, 2021). To examine the impact of the board of directors in impacting sustainability, this chapter will provide a summary of the various research on the relationship between the board of directors and ESG or corporate sustainability performance.

Drawing on a systematic literature review, Ludwig and Sassen (2022) identified four sub-categories of the board of directors; board diversity, board independence, board size, and board level sustainability committee whereby there are studies of their impact on corporate sustainability. For this chapter, we shall draw on this classification and the remainder of this chapter will explore the research findings for each sub-category in turn, ending with a conclusion summarising the results, identifying some weaknesses with such studies, and providing suggestions for further research.

Board Diversity and Sustainability Performance

Diversity is a broad, and confusing concept (Harrison and Klein, 2007). There are different types of diversity that can be classified differently. One simple approach is to divide diversity into demographic and non-demographic types. An alternative classification provided by Harrison and Klein (2007) was to break diversity into three categories: separation, variety, and disparity. In terms of board diversity and sustainability performance most of the research has concentrated on aspects of demographic diversity, gender, age, and sexuality, with the dominant one of these being gender diversity (Ludwig and Sassen, 2022). The other diversity factor studied is experience.

The findings of the studies between gender diversity and sustainability are varied. Whilst a clear majority show a positive relationship (Ben-Amar, Chang, and McIlkenny, 2017; Fernandez-Feijoo, Romero, and Ruiz-Blanco, 2014) a smaller number show a neutral relationship or negative relationship (Cucari, De Falco, and Orlando, 2018). Ludwig and Sasson (2022) argue that most studies show a positive relationship is due to women providing a greater

consideration of sustainability issues. This is reinforced by their reference to Cordeiro, Profumo, and Tutore (2020) statement that CSR's environmental level is dependent on the number of women on the board of directors. These studies on balance suggest that boards with more women pay more attention to sustainability issues but one needs to take care before recommending that more women on board will enhance firms' sustainability performance. First, as identified by Ben-Amir et al., (2017) and Fernandez-Feijoo et al., (2014) there appears to be a critical number of women on boards before the impact is positive. Thus simply, having one or two women in the boardroom as a token may not lead to improved sustainability performance. Drawing on their empirical study, De Masi et al., (2021) suggest a minimum number of women of three is necessary to improve ESG reporting. Second, the governance scores (part of ESG metrics) include a measure for the number or percentage of women in the board room. This means that those firms with boards with more women may have a higher governance score and thus a higher ESG score simply because they have more women on the board. This

may not mean women in the boardroom are positively impacting corporate sustainability through strategy decisions. Third, there are other factors that could explain firms with more women in the boardroom having higher sustainability performance. For example, the studies are unable to ascertain who is making strategic decisions on issues of sustainability. What input do board members play with respect to the top management team is just one question that requires further research.

Whilst there are too few studies on other aspects of diversity to draw any significant conclusions, the findings suggest that boards' age and LGBT policies are positive factors for environment performance and leads to enhanced attention to environmental strategies (Elmagrhi, Ntim, Elamer, and Zhang, 2019; Jiraporn, Potosky, and Lee, 2019). Given the paucity of studies care should be taken in reading too much into these findings, but it is a promising avenue for future studies to investigate.

The final aspect of diversity that has attracted attention in research on boards and sustainable performance is that of experience.

Unsurprisingly, the few studies here find that boards with directors with sustainability experience have enhanced sustainability performance (Ludwig and Sassen, 2022).

Board Independence and Sustainability Performance

Within many codes of corporate governance, board independence is seen as an important determinant of improved corporate performance. From an agency theory perspective, board independence has two elements: a majority of outside/non-executive, presumably independent directors, and a separate Chief Executive (CEO) and Board Chair (Fama, 1980; Fama and Jensen, 1983). Both recommendations are viewed as critical to enhancing the monitoring of potentially self-interested executive directors to ensure strategic decisions are implemented for the benefit of shareholders. Whilst much of the empirical evidence on the impact of board independence on firm performance is equivocal, codes of corporate governance continue to emphasise the need for board independence and outside/non-executive directors to act independently. Board independence is generally measured by the

proportion of outside/non-executive directors on the board (Coles, Daniel, and Naveen, 2008), or less frequently by the ratio of the independent (non-executive/outside) directors and dependent (executive/independent directors), (Akbas, 2016). The studies examining board independence and sustainable performance have been on two levels. Some have examined sustainable performance at the board level (Jiraporn et al., 2019; Walls, Berrone and Phan, 2012), some have examined sustainability at the level of the director (Cucari et al., 2018; Macauley, Richard, Peng, and Hasenhuttl, 2018), whilst a small number have examined at both levels (Akbas, 2016; Jizi, 2017). The findings of this increasing body of studies investigating the relationship between board independence and firm sustainability performance is not dissimilar to financial measures of firm performance in being inconclusive, albeit the majority show a positive relationship. Several studies find that board independence enhances firm sustainability (e.g., Ben-Amar et al, 2017; Cucari et al., 2018; Macauley et al., 2018). Contrary findings are provided by Walls et al., (2012) who found that board independence was negatively

related to environmental performance, and Crifo, Escrig-Olmedo, and Mottis (2019).

Whilst from the available studies there is evidence of the benefits of board independence there are two factors to consider before we can make any definitive recommendations regarding the importance of board independence for improving sustainable performance. First, whilst in quantitative studies board independence is easily measured using secondary data there are concerns as to whether it is a good measure of independence. Whilst it is easy to provide a definition of independence, be it a majority of outside or non-executive directors, or a more refined version that would consider directors' previous relationships with the organisation, it is not evident simply from such definitions whether directors act independently. It was Roberts, McNulty, and Stiles (2005), derived from interviews with board directors who proposed that directors acting independently is more critical for an effective board than any simple definition. Second, it is feasible that boards with more independent directors have more resources in the form of knowledge and experience of sustainability

and that the critical factor affecting sustainability performance is not board independence but board size or more probably, board sustainability knowledge and experience. In the next section, we shall consider the relationship between board size and sustainable performance.

Board Size and Sustainability Performance

Resource dependency theorists (Pfeffer and Salancik, 1978) suggest that there are advantages for firms in having a larger board. Larger boards can provide additional resources especially in times of increasing uncertainty and greater external dependencies (Pfeffer and Salancik, 1978). The importance of ecological sustainability has created further uncertainties for all organisations of all sizes and types. This has created a need for boards to understand the issues and to adjust strategies to enhance their sustainable performance. One potential solution is to appoint new board members who can bring sustainability expertise to the board room. Larger organisations and larger boards are potentially better placed to bring such critical knowledge resources onto their boards. Thus, drawing

on this resource dependency argument, larger boards would likely have better sustainability performance than smaller boards. This is supported by the findings of most studies examining the impact of board size on sustainability reporting (Ludwig and Sassen, 2022). The findings are however not exclusively supportive of the benefits of larger boards. Uwuigbe, Egbibe, and Ayokunle (2011) find that larger boards are negatively associated with environmental disclosure, whilst Walls et al., (2012) find that larger boards are negatively related to environmental performance. The authors in both papers suggest that environmental performance declines with larger boards due to declining monitoring effectiveness.

There are three main concerns with the findings of these studies that prevent a clear recommendation on board size. The first is that all but one of the studies have examined the relationship between board size and sustainability disclosure. Disclosure is not of itself a measure of sustainability performance. Whilst some might argue that companies with superior sustainable performance are more willing to be transparent and increase their disclosures, others have

identified concerns with greenwashing. Whilst there is no universally accepted definition of greenwashing most scholars use either an Oxford English Dictionary (OED) definition or one provided by Greenpeace, the global non-governmental organisation that campaigns largely on environmental issues (Seele and Gatti, 2017). The OED defines greenwashing as “disinformation disseminated by an organisation so as to present an environmentally responsible public image”. Greenpeace provide a similar but slightly different definition of greenwashing as, “the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service”. Both these definitions highlight that greenwashing is about providing misleading information regarding environmental policies, but as identified by Seele and Gatti (2017) several scholars (e.g., Mitchell and Ramey, 2011; Nyilasy, Gangadharbatla, and Paladino, 2012) suggest that greenwashing requires a deliberate act by the organisation rather than one made in error. This has implications for corporate disclosures relating to environmental policies. Santos, Coelho, and

Marques (2023) highlight that society is showing increasing concern regarding environmental practices of organisations and that firms need to respond to different stakeholder groups' demands regarding environmental practices. This has led to more firms being prepared to provide greater environmental disclosures but also provides potential opportunities for more greenwashing activities. As highlighted by Santos et al., (2023) there is a burgeoning body of research on greenwashing and its implications. As this is not the focus of this chapter, the details are not provided here, but the potential negative effects on consumers, brands, and organisations shown in some of the studies ought to be a concern for boards and all organisational stakeholders.

The second concern with the findings of the studies of board size relate to the likelihood that larger boards will have more members with greater expertise on sustainability issues, and thus there is a question whether it is board size or board expertise that is the main driver of improved sustainability performance.

The third issue is related to the second in that larger boards are more likely to have a sustainability sub-committee and it might be that having a sub-committee specifically addressing sustainability issues and strategy drives superior sustainability performance (Abdullah et al., 2023). The next section will thus review the expanding body of research examining the impact of sustainability committees on organisational sustainability performance.

Board Sustainability Committee and Sustainability Performance

With an increasing number of company boards appointing sustainability committees there has been an emerging research interest in recent years on the impact of sustainability committee characteristics on a range of sustainability performance measures (Abdullah et al., 2023; Ludwig and Sassen, 2022). Synthesising work of Burke, Hoitash, and Hoitash, (2019) and Valle, Esteban, and Perez (2019), Abdullah et al., (2023: 3) provided a helpful definition of what constitutes a sustainability committee.

A sustainability committee is a voluntary board committee comprised of internal and independent directors who meet at least quarterly whose remit is to oversee a firm's sustainability approach. This includes robust scrutiny of critical aspects of ESG performance and both identifying and managing opportunities and risk management to limit the impact of any negative sustainability performance on both the firm and all stakeholders.

These studies on the impact of sustainability committees have drawn on a range of theoretical perspectives, including agency theory (e.g., Noja, Cristea, Jurcut, Buglea, and Lala Popa, 2020), stakeholder theory (e.g., Chams and Blandon, 2019), resource dependency theory (Abdullah et al., 2023; Orazlin, 2020), and legitimacy theory (Abdullah et al., 2023).

The findings of the studies have been mixed. Some studies have found that sustainability committees with a positive impact on sustainability outcomes (e.g. Biswas, Mansi, and Pandey, 2018; Burke et al., 2019). Supporting these results is the study of Villalba-Rios, Barroso-Castro, Vecino-Gravel, and Villegas-Perinan (2023),

who found that the lack of a sustainability committee is associated with low environmental performance. Alternatively, a few studies show a negative link between sustainability committees and sustainability performance (e.g., Al-Shaer and Zaman, 2018; Chams and Garcia-Blandon, 2019). Perhaps highlighting the mixed results, the recent fine-grained study of sustainability committee characteristics on ESG scores by Abdullah et al., (2023) found variable results. They found a positive relationship between frequency of sustainability committee meetings and age diversity with governance scores, but a negative association between frequency of committee meeting and environmental scores. However, of most interest is their finding that sustainability committees do not improve sustainability performance as measured by ESG scores (Abdullah et al., 2023). As argued by Abdullah et al., (2023) the lack of clear benefits of sustainability committees in relation to sustainability performance could be best explained by legitimacy theory. Whilst an increasing number of boards are setting up sustainability committees this may be simply to create a positive

public image and reputation to protect the company's legitimacy rather than leading to enhanced sustainability performance. This suggestion is not that dissimilar to the concept of greenwashing previously discussed. The setting up of a sustainability committee may give a potentially misleading impression that the board and by implication the organisation are concerned with sustainability issues when it might be a form of greenwashing. A further interesting argument of Abdullah et al., (2023) is that whilst the setting up of a sustainability committee may enable firms to increase the number of women in the boardroom, the limited number of women in sustainability committees may explain the weak association between sustainability committees and sustainability performance. Given the earlier identification that various studies find a positive association between women in the boardroom and sustainability performance the suggestion of Abdullah et al., (2023) has some validity.

Conclusion

This chapter has provided a survey of an increasing body of research studies examining the relationship between a variety of characteristics of the board of directors and sustainability performance. These studies have applied a variety of theoretical perspectives, mainly agency theory, legitimacy theory, resource dependency theory, and stakeholder theory to examine how board characteristics impact sustainable performance, measured frequently by ESG scores. Research methods have been both quantitative mainly using secondary data and qualitative data, usually in the form of interviews. Whilst the findings have been mixed, on balance the studies suggest that larger, independent boards with more women, greater age diversity and more expertise leads to improved sustainability outcomes. However, perhaps surprisingly the presence of a sustainability committee does not guarantee better sustainable performance and might simply be being used as a form of impression management or to aid legitimacy.

Before we conclude that the solution to better corporate sustainability is a board which is larger, independent, with greater

gender and age diversity we need to consider that the studies have several limitations. First, whilst most of the studies are in America, Asia, and Europe, the majority are undertaken in a single country. Second, the quantitative studies tend to be focussed on larger companies where data is readily available. Third, the results of qualitative studies may result from a tendency of board members or senior managers to over-state the priority towards sustainability to enhance their company's legitimacy in the eyes of specific stakeholder groups or to engage in a form of greenwashing. Fourth, whilst many of the studies have used ESG metrics to measure sustainability performance there are several issues with ESG. One, there is no standard for ESG metrics, which means that data are fragmented and inconsistent due to differences in data collection, incompatible data formats, and different levels of quality control (Sethi, 2005, Juravle & Lewis, 2008). This leads to doubts about the reliability of the data. Two, there are issues with weighting so many disparate qualitative factors against each other. Three, ESG data suffers also from temporal inconsistencies and lack of details

regarding the concerns or controversies. Four, some studies have also uncovered other measurement issues including bias toward larger companies and a lack of predictive power (Chatterji, Levine, & Toffel, 2009). Five, relates to a specific concern regarding the use of G, governance. Within the metrics for G include several board characteristics, including independence, and gender diversity measures. Given that these are board-characteristics themselves, then there are potentially tautological arguments, and multicollinearity issues in the data, when examining relationships between board variables and governance. Part of G is in effect used as an independent variable, whilst G as part of ESG is used as a dependent variable. Thus, boards with higher levels of gender diversity and greater independence are likely to have higher G scores almost by a matter of definition. Sixth, when considering ESG as a measure of organisational sustainability it is lacking a measure of financial (or economic) sustainability. Given that financial performance is still important for organisational survival, ESG has a significant limitation as a single measure of corporate sustainability.

To summarise, current practices in ESG measurement need to improve significantly if ESG metrics are to be reliable and valid (Busch, Bauer, and Orlitzky, 2016). Despite the evolution of ESG metrics and their popularity as a proxy for sustainability performance, the metrics remain flawed.

A fifth and final limitation of the studies emerges from those examining corporate sustainability reporting. In most countries such reporting is voluntary and thus the studies tend to be on firms who engage with such practices and thus there is a potential self-selection bias. It is possible that it is firms with better sustainability practices that are more willing to voluntarily disclose such practices. This will distort the true picture on sustainability performance.

These limitations notwithstanding there is still a need for further research on the relationship between board characteristics and sustainability performance. Future studies could focus on a range of firm sizes, firm types, as well as adopting a cross-country approach. An additional potentially fruitful area of research on sustainability committees could be to explore directors' knowledge and

experience as well as the specific impact of gender and age in such committees. A further dimension could be to examine the characteristics of the CEO in relation to the board and how that might influence sustainability performance. A final suggestion would be to explore alternative metrics that include financial measures with ecological (environmental) and social along the original lines of triple-bottom-line accounting as a potentially superior method of measuring organisational sustainability.

To conclude, there is a burgeoning number of studies examining the relationship between the characteristics of the board of directors and corporate sustainability performance. On balance the results of the studies would recommend that to enhance sustainability, boards should look to be larger, more independent, more gender and age diverse, and include directors with sustainability expertise. But to end on a note of caution, such prescriptive solutions may not suit all organisations and could lead to boards simply looking to simplistic, structural solutions as opposed to attitudinal changes where sustainability is the key focus in all boardrooms. This argument is

supported by Bhattacharya, (2020) who suggested that for sustainable performance to be enhanced it requires a sustainability culture to be embedded within organisations but led by the board of directors.

References

- Abdullah, A., Yamak, S., Korzhenitskaya, A., Rahimi, R., & McClellan, J. (2023) Sustainable development: The role of sustainability committees in achieving ESG targets. *Business Strategy and the Environment*, 1–19. <https://doi.org/10.1002/bse.3596>
- Akbas, H.E. (2016) The relationship between board characteristics and environmental disclosure: evidence from Turkish listed companies, *South East European Journal of Economics and Business*, 11 (2): 7-19. <https://doi.org/10.1515/jeb-2016-0007>
- Alhaddi, H. (2015) Triple bottom line and sustainability: A literature review, *Business and Management Studies*, 1(2): 6-10. <https://doi.org/10.11114/bms.v1i2.752>
- Al-Shaer, H., & Zaman, M. (2018) Credibility of sustainability reports: The contribution of audit committees, *Business Strategy and the Environment*, 27, 973–986. <https://doi.org/10.1002/bse.2046>
- Ben-Amar, W., Change, M., & McIlkenny, P. (2017) Board gender diversity and corporate response to sustainability initiatives: evidence from the carbon disclosure project, *Journal of Business Ethics*, 142 (2), 369-383.

Bhattacharya, C. B. (2020) *Small actions, big difference: Leveraging corporate sustainability to drive business and societal value*. London: Routledge. <https://doi.org/10.4324/9780429321696>

Birindelli, G., Dell'Atti, S., Iannuzzi, A., & Savioli, M. (2018) Composition and activity of the board of directors: impact on ESG performance in the banking system, *Sustainability*, 10 <https://doi.org/10.3390/su10124699>

Biswas, P. K., Mansi, M., & Pandey, R. (2018). Board composition, sustainability committee and corporate social and environmental performance in Australia, *Pacific Accounting Review*, 30: 517–540. <https://doi.org/10.1108/PAR-12-2017-0107>

Brundtland, G. (1987). *Our common future: The world commission on environment and development*. Oxford: Oxford University Press.

Burke, J. J., Hoitash, R., & Hoitash, U. (2019). The heterogeneity of board level sustainability committees and corporate social performance, *Journal of Business Ethics*, 154: 1161–1186. <https://doi.org/10.1007/s10551-017-3453-2>

Busch, T., Bauer, R., & Orlitzky, M. (2016) Sustainable development and financial markets: Old paths and new avenues, *Business & Society*, 55 (3): 303-329. <https://doi.org/10.1177/0007650315570701>

Chams, N., & García-Blandon, J. (2019). Sustainable or not sustainable? The role of the board of directors, *Journal of Cleaner*

Production, 226, 1067–1081.

<https://doi.org/10.1016/j.jclepro.2019.04.118>

Chatterji, A. K., Levine, D. I., & Toffel, M. W. (2009) How well do social ratings actually measure corporate social responsibility, *Journal of Economics and Management Strategy*, 18 (1): 125-169.

<https://doi.org/10.1111/j.1530-9134.2009.00210.x>

Coles, J. L., Daniel, N. D., & Naveen, L. (2008) Boards: Does one size fit all? *Journal of Financial Economics*, 87 (2): 329-356.

<https://doi.org/10.1016/j.jfineco.2006.08.008>

Cordeiro, J. J., Profumo, G., & Tutore, I. (2020) Board gender diversity and corporate environmental performance: the moderating role of family and dual-class majority ownership structures, *Business Strategy and the Environment*, 29 (3): 1127-1144 <https://doi.org/10.1002/bse.2421>

Crifo, P., Escrig-Olmedo, E., & Mottis, N. (2019) Corporate governance as a key driver of corporate sustainability in France: the role of board members and investor relations, *Journal of Business Ethics*, 159 (4): 1127-1146

Cucari, N., De Falco, S. E., Orlando, B. (2018) Diversity of board of directors and environmental social governance: Evidence from Italian listed companies, 25 (3): 250-266.

<https://doi.org/10.1002/csr.1452>

DeMasi, S., Slomka-Golebiowski, A., Becagli, C., & Paci, A. (2021) Toward sustainable corporate behaviour: The effect of the critical mass of female directors on environmental, social, and governance disclosure, *Business Strategy and the Environment*, 2021: 1-14

<https://doi.org/10.1002/bse.2721>

Elkington, J. (1997). *Cannibals with forks – Triple bottom line of 21st century business*. Stoney Creek, CT: New Society Publishers.

Elmagrhi, M. H., Ntim, C. G., Elamer, A. A., & Zhang, Q. (2019) A study of environmental policies and regulations, governance structures, and environmental performance: the role of female directors, *Business Strategy and the Environment*, 28 (1): 206-220.

<https://doi.org/10.1002/bse.2250>

Fama, E.F., (1980) Agency problems and the theory of the firm, *Journal of Political Economy*, 88, 288-307.

Fama, E. F., and Jensen, M. C. (1983) Separation of ownership and control, *Journal of Law and Economics*, 26, 301-325

Fernandez-Feijoo, B., Romero, S., & Ruiz-Blanco, S. (2014) Women on boards: Do they affect sustainability reporting? *Corporate Social Responsibility and Environmental Management*, 21 (6): 351-364.

<https://doi.org/10.1002/csr.1329>

Gillan, S. L. (2006), Recent developments in corporate governance: An overview, *Journal of Corporate Finance*, 12 (3), 381-402

Gimenez, C., Sierra, V., & Rodon, J. (2012) Sustainable operations: Their impact on the triple bottom line, *International Journal of Production Economics*, 140 (1): 149-159
<https://doi.org/10.1016/j.ijpe.2012.01.035>

Goel, P. (2010). Triple bottom line reporting: An analytical approach for corporate sustainability. *Journal of Finance, Accounting, and Management*, 1 (1), 27-42.

Harrison, D. A., & Klein, K. J. (2007) What's the difference? Diversity constructs as separation, variety or disparity in organisations, *Academy of Management Review*, 32 (4): 1199-1228.

Jensen, M. C. (1993) The modern industrial revolution, exit, and the failure of internal control systems, *Journal of Finance*, 48, 831-880.

Jiraporn, P., Potosky, D., & Lee, S. M. (2019) Corporate governance and lesbian, gay, bisexual, and transgender-supportive human resource policies from corporate social responsibility, resource-based, and agency perspectives, *Human Resource Management: Advancing Human Resource Research and Practice*, 58 (3): 317-336.
<https://doi.org/10.1002/hrm.21954>

Jizi, M. (2017) The influence of board composition on sustainable development disclosure, *Business Strategy and the Environment*, 26 (5): 640-655. <https://doi.org/10.1002/bse.1943>

Juravle, C., & Lewis, A. (2008) Identifying impediments to SRI in Europe: a review of the practitioner and academic literature,

Business Ethics, the Environment & Responsibility, 17 (3): 285-310.

<https://doi.org/10.1111/j.1467-8608.2008.00536.x>

Ludwig, P., & Sassen, R. (2022) Which internal governance mechanisms drive corporate sustainability? *Journal of Environmental Management*, 301.

<https://doi.org/10.1016/j.jenvman.2021.113780>

Macauley, C. D., Richard, O. C., Peng, M. W., & Hasenhuttl, M. (2018) Alliance network centrality, board composition, and corporate social performance, *Journal of Business Ethics*, 151 (4): 997-1008.

Mitchell L. D., & Ramey W. D. (2011) Look how green I am! An individual-level explanation for greenwashing, *Journal of Applied Business and Economics*, 12 (6): 40–45.

Noja, G. G., Cristea, M., Jurcut, C. N., Buglea, A., & Lala Popa, I. (2020). Management financial incentives and firm performance in a sustainable development framework: Empirical evidence from European companies. *Sustainability*, 12, 7247.

<https://doi.org/10.3390/su12187247>

Nyilasy, G, Gangadharbatla, H, & Paladino A. (2012) Greenwashing: a consumer perspective. *Economics and Sociology* 5 (2): 116–123.

Orazalin, N. (2020). Do board sustainability committees contribute to corporate environmental and social performance? The mediating role of corporate social responsibility strategy. *Business Strategy*

and the Environment, 29: 140–153.

<https://doi.org/10.1002/bse.2354>

Pfeffer, J., & Salancik, G. (1978) *The external control of organisations: A resource dependence perspective*, New York: Harper & Row

Rahman, M., Wahab, S. A., & Latiff, A. S. A. (2022) Definitions and concepts of organisational sustainability: A literature analysis, *Society and Sustainability*, 4(2): 21-32.

<https://doi.org/10.38157/ss.v4i2.496>.

Rasche, A., Morsing, M., Moon, J., & Kourala, A. (2023) *Corporate Sustainability: Managing Responsible Business in a Globalised World*, 2nd edition, Cambridge: Cambridge University Press.

Roberts, J., McNulty, T., and Stiles, P. (2005) Beyond agency conceptions of the work of the non-executive director: creating accountability in the boardroom, *British Journal of Management*, 16, S5-S26.

Santos, C., Coelho, A., & Marques, A. (2023) A systematic literature review on greenwashing and its relationship to stakeholders: state of art and future research agenda, *Management Review Quarterly*.

<https://doi.org/10.1007/s11301-023-00337-5>

Seele, P., & Gatti, L. (2017) Greenwashing revisited: In search of a typology and accusation-based definition incorporating legitimacy

strategies, *Business Strategy and the Environment*, 26 (2): 239-252.

<https://doi.org/10.1002/bse.1912>

Sethi, S. P. (2005) Investing in socially responsible companies is a must for public pension funds – because there is no better alternative, *Journal of Business Ethics*, 56: 99-129

Uwuigbe, U. N., Egbibe, B-C., & Ayokunle, A. M. (2011) The effect of board size and board composition of corporate environmental disclosure: A study of selected firms in Nigeria, *Acta Universitatis Danubius*, 7 (5): 164-176

Walls, J. L., Berrone, P., & Phan, P. H. (2012) Corporate governance and environmental performance: Is there really a link? *Strategic Management Journal*, 33 (8): 885-913.

<https://doi.org/10.1002/smj.1952>

Wilson, M. (2003) Corporate sustainability: what is it and where does it come from? *Ivey Business Journal*, 67(6): 1-5

Valle, I. D. D., Esteban, J. M. D., & Pérez, Ó. L. D. F. (2019).

Corporate social responsibility and sustainability committee inside the board, *European Journal of International Management*, 13 (2): 159–176. <https://doi.org/10.1504/EJIM.2019.098145>

Varsei, M., Soosay, C., Fahimnia, B., & Sarkis, J. (2014) Framing sustainability performance of supply chains with multidimensional indicators, *Supply Chain Management: An International Journal*, 19(3): 242-257.

<https://www.emerald.com/insight/content/doi/10.1108/SCM-12-2013-0436/full/html>

Villalba-Ríos, P., Barroso-Castro, C., Vecino-Gravel, J. D., & Villegas-Periñan, M. D. M. (2023) Boards of directors and environmental sustainability: Finding the synergies that yield results, *Business Strategy and the Environment*, 32: 3861–3886.

<https://doi.org/10.1002/bse.3342>

Zinkin, J. (2020) *The challenge of sustainability: corporate governance in a complicated world*, Berlin: De Gruyter.