Audit Committee Features and ESG Disclosure: Evidence from Vietnam Listed Companies

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Abstract

Environmental, social, and governance has become an important part of the investment process due to the growing concern about companies' social impact and sustainability. The study aims to investigate the impact of audit committee characteristics on the level of the environmental, social and governance disclosure. The study investigated 200 annual reports and sustainability reports of 50 Vietnam listed firms for the period from 2018 to 2021. Content analysis and multiple regression method are used to test the relationship between audit committee features and environmental, social, and governance disclosure. Empirical results show that the audit committee size, the frequency of meetings, the proportion of independent audit committee members, financial expertise and gender diversity positively influence environmental, social, and governance disclosure level, while the independence of audit committee chair and the proportion of shares owned by audit committee members are found to have no impact on environmental, social, and governance reporting. Research findings are of interest to business leaders as well as policymakers and regulators with regard to the improvement in environmental, social, and governance information transparency.

Keywords: *audit committee, corporate governance, ESG, disclosure, Vietnam*

1. Introduction

Disasters caused by climate change, pandemic and financial crisis do not only affect the economic aspect, but also negatively influenced the society and the environment. Due to current challenges, corporate social responsibility (CSR) reporting is being emphasized by government agencies, investors, and stakeholders because companies have greater responsibility for sustainable development (Aguinis & Glavas, 2012).

Famous corporate and fraud scandals such as Enron, WorldCom, American insurance corporations, Lehman Brothers and Meadow have shown that modern corporate governance should focus more on ethics, accountability and social responsibility as well as the need to resolve conflicts between agents (Elkington, 2006). As a result, corporate stakeholders now require a greater understanding of how business decisions and strategies in corporate considerations of social, environmental, and economic issues (Amran & Keat Ooi, 2014).

In Vietnam, in addition to financial goals, businesses need to pay more attention to promoting their social responsibility information disclosure and fully disclosing this information to relevant parties because businesses want to access investment capital flows from domestic and foreign sources. According to Circular No. 96/2020/TT – BTC by the Ministry of Finance (2020) effective from January 1, 2021, which is the guidance related to information disclosure on the stock market, public companies need to conduct CSR and/or ESG disclosure activities to ensure the compliance with international standards and enhance their responsibility towards the environment and society. This information can be integrated into the annual report or created as a separate sustainability report.

However, there are still some concerns about the level and quality of ESG disclosure. Managers can use CSR and/or ESG disclosure strategies to hide their opportunistic behavior (Choi, Lee & Park, 2013). Disclosing social responsibility information helps businesses improve their reputation and build business ethics, thereby creating an insurance-like effect that helps minimize the impact of negative events (Shiu & Yang, 2017). Therefore, the audit committee (AC) has stepped in to improve the disclosure of CSR and/or ESG. Today, the broader role of the AC leans towards ensuring that companies are responsible for the long-term social and environmental impact on their stakeholders (Kolk & Pinkse, 2010). Previous studies have examined the relationship between the characteristics of the AC and ESG disclosure. Khan (2010); Appuhami, and Tashakor (2017); Garas, and ElMassah (2018) found the positive role of the existence and characteristics of the AC in enhancing ESG disclosure.

In Vietnam, current literature paid much attention to the investigation of determinants of CSR and/or ESG disclosure as in the studies of Vu, and Buranatrakul (2017); Le Doan Minh Duc, Thuy, Yen, and Tien (2018); Huong, Nguyet, Linh, Hien, and Ha (2022), while there is still little attention to specific characteristics of the AC that affect ESG disclosure. This research gap motivates the study.

2. Objectives

The objective of the study is to examine the impact of AC characteristics on ESG disclosure in Vietnamese listed firms. To address this research purpose, the remainder of the paper is organized as follows. Section 3 reviews the existing literature and illustrates hypothesis development, while section 4 displays the results and discussion. Based on research findings, section 5 shows concluding remarks and recommendations.

3. Materials and Methods

3.1. Literature review and hypothesis development

The audit committee is the most strategic committee in the financial reporting system (Ali & Kamardin, 2018). AC is expected to oversee financial reporting practices and non-financial, thereby minimizing information asymmetry between management and stakeholders (Karamanou & Vafeas, 2005). Additionally, the presence of the AC in public corporations reduces agency cost, which could improve corporate performance (Forker, 1992). According to the agency theory of Hill, and Jones (1992), corporate governance practices including the presence of AC plays an important role in resolving conflicts between managers and owners, setting management goals associated with the interests of owners as well as maximizing corporate financial performance (Bai, Ullah, Arif, Erfanian & Urooge, 2023).

Previous research has examined the relationship between AC and ESG disclosure. Hussainey, Elsayed, and Razik (2011) studied factors affecting the disclosure of CSR in Egypt. Using a sample of 111 listed companies in Egypt during the period 2005 - 2010, Hussainey et al. (2011) found a negative relationship between CSR disclosure and the AC. Meanwhile, Qaderi, Alhmoud, and Ghaleb (2020) studied the characteristics of the AC and CSR disclosure in 96 Jordanian companies listed on the Amman Stock Exchange in the period 2011-2016. The study used content analysis to measure the level of CSR disclosure and regression analysis to test the proposed relationships. The study presents four characteristics of the AC that have an impact on the disclosure of corporate social responsibility, which are (1) Size of the AC, (2) Independence of the AC, (3) Financial expertise of the AC and (4) Owning shares of the AC. The results show that CSR disclosure of listed companies in Jordan is low, suggesting that companies have less incentive to disclose their CSR activities. In addition, the independence and share ownership of the AC have a positive influence on the disclosure of corporate social responsibility. However, other researchers show that the AC has no influence on CSR disclosure. Akbas (2016) examined the relationship between board characteristics and environmental information disclosure at listed companies in Türkiye. The study analyzes the relationship between selected characteristics of the board of directors and the level of environmental disclosure in annual reports, using 62 non-financial companies listed on the BIST-100 index at the end of 2011. The results show that independent ACs have no influence on environmental information disclosure. Based on previous studies, there is a controversy related to the impact of AC features on CSR and/or ESG disclosure.

According to the provisions of Article 161 of Law No. 59/2020/QH14 Law on Enterprises by the National Assembly (2020), the AC is a special agency under the board of directors with two or more members. According to Bédard, and Gendron (2010), the number of members of the AC is large, with different professional capacities and perspectives to ensure appropriate supervision. They can reduce the likelihood of information asymmetry and agency problems. Findings by Madi, Ishak, and Manaf (2014); Appuhami, and Tashakor (2017); Setiany, Hartoko, Suhardjanto, and Honggowati (2017) showed that the size of the AC has a positive effect on ESG disclosures. Thus, hypothesis 1 is formulated:

H1: There is a positive relationship between the size of the audit committee and ESG disclosure level.

The frequency of AC meetings allows directors more time to effectively perform their supervisory role and improve the company's information disclosure (Karamanou & Vafeas, 2005). Similarly, Abbott, Parker, and Peters (2004) believe that the AC holding regular meetings can promptly resolve information disclosure issues related to accounting, auditing or possibly corporate social responsibility. Li, Mangena, and

Pike (2012) examined 100 listed companies in the UK and found a positive association between the number of AC meetings and the level of information disclosure.

H2: There is a positive relationship between the number of audit committee meetings and ESG disclosure level.

Pucheta-Martínez, and De Fuentes (2007) pointed out that an AC established by independent and external members will bring better accountability and transparency to organizations. According to Lin, Xiao, and Tang (2008), for ACs to be effective, they must not be influenced by senior management. Independent AC members can protect stakeholders from opportunistic behavior by managers by improving the effectiveness of the monitoring process, thereby increasing the level of CSR disclosure (Li et al., 2012). This is completely consistent with the agency theory. Some previous studies found a positive impact of AC independence on the level of voluntary financial disclosure (Setiany et al., 2017). Garas, and ElMassah (2018) found a positive impact of AC independence on ESG disclosure. Therefore, the study proposes the following research hypothesis:

H3: There is a positive relationship between the proportion of independent audit committee members and ESG disclosure level.

According to Clause 2, Article 282 of Decree No. 155/2020/ND-CP by the Vietnamese Government (2020), the chair of the AC must be an independent member of the Board of Directors. García-Sánchez, Frias-Aceituno, and Garcia-Rubio (2012) indicated that separating the positions of chair of the Board of Directors and chair of the AC can also encourage AC members to strengthen supervision activities and governance practices, thus increase the level of ESG disclosure. Some previous studies including Li et al. (2012); Hamdan, and Al Mubarak (2017) provided evidence that the presence of independent directors on the AC is associated with more voluntary information disclosure. Thus, the following hypothesis is proposed:

H4: There is a positive relationship between the independence of audit committee chair and ESG disclosure level.

Based on the agency theory, a company's Board of Directors, especially the AC, needs to have important expertise and skills to effectively oversee management and supervise the preparation of financial statements (Fama & Jensen, 1983). According to Clause 3, Article 282 of Decree 155/2020/ND-CP by the Vietnamese Government (2020), AC members must have accounting and auditing knowledge as well as general understanding of law and company operations. According to Bédard, and Gendron (2010), expertise in the financial sector allows AC members to dig deeper and ask important questions that challenge management and auditors. Li et al. (2012) confirmed the view that members with financial expertise will improve reporting quality and reduce information asymmetry. Empirical studies examining the impact of AC financial expertise on ESG disclosure show controversial results. Madi et al. (2014) found that financial expertise of AC members does not affect the level of voluntary information disclosure, and Appuhami, and Tashakor (2017) reported an insignificant association between AC financial expertise and the level of CSR information disclosure. However, other studies such as Mangena, and Pike (2005) showed a positive relationship between these two variables. Therefore, the study hypothesizes:

H5: There is a positive relationship between the proportion of audit committee members with financial expertise and ESG disclosure level.

Gender diversity represents the representation of both men and women on the Board of Directors and Board committees. Gul, Wu, and Yang (2013) argue that gender diversity increases the ability of the board of directors and its committees to better monitor corporate disclosure and reporting, and enhances disseminate information from investors on the board of directors. Green, and Homroy (2018) have demonstrated that gender diversity in the AC has the effect of improving enterprise productivity and committee effectiveness. Additionally, women's prudent and ethical qualities improve corporate governance and reduce risks and potential fraud risks. Gender diversity in the AC can play an important role in encouraging and improving companies' transparency and CSR information disclosure. These arguments suggest that gender diversity in the AC improves the effectiveness of AC supervision and the level of ESG disclosure. Therefore, the following hypothesis is proposed:

H6: There is a positive relationship between the gender diversity of the audit committee and ESG disclosure level.

The agency theory indicates that the interests of directors who hold a high percentage of company shares will be more closely aligned with the interests of other shareholders. It is also expected that they may be more enthusiastic about monitoring management activities, which could improve the financial reporting system and encourage higher quality of capital market disclosure (Karamanou & Vafeas, 2005). However, some contrary arguments argue that a higher percentage of AC stock ownership may cause weak supervision of members because they tend to act in their own interests to the detriment of other shareholders. This can have a negative impact on their effectiveness (Mangena & Pike, 2005). Several authors have previously provided indirect evidence of a significant negative impact of AC stock ownership on the level of voluntary information disclosure (Mangena & Pike, 2005; Li et al., 2012). Thus, there are controversies among results of previous studies about the impact of AC ownership on disclosure level. However, based on the agency theory, the researchers propose the following hypothesis.

H7: There is a positive relationship between the percentage of shares held by audit committee members and ESG disclosure level.

3.2. Methodology

In order to investigate the impact of AC features on ESG disclosure level of Vietnamese listed companies, we adopted qualitative and quantitative methods. First, secondary information was collected from previous studies on AC features that affect ESG disclosure level. Second, secondary data was collected from annual reports and sustainability reports of sample listed companies. Third, collected data was cleaned by removing missing values and winsorising extreme values. Finally, multiple regression analysis and descriptive statistics were adopted by using Stata 14 software.

Sample and data

We obtained panel data for a set of 50 Vietnamese listed firms in Hanoi stock exchange between 2018 and 2021. The sample covers 7 industries including manufacturing, chemical production, power production, wholesale, air, service and management consulting. Annual reports and sustainability reports of sample listed firms are the main sources of data.

Variable measurement

With regard to dependent variable, previous research on corporate sustainability has adopted content analysis to construct ESG disclosure score (Appuhami & Tashakor, 2017; Qaderi et al., 2020). We used the list of CSR information disclosure according to Circular No. 96/2020/TT – BTC by the Ministry of Finance (2020) and the handbook "Guidelines for preparing a Sustainable Development Report" which is published by State Securities Commission of Vietnam, and International Finance Corporation (2013). This handbook is based on GRI standards and provides basic processes and criteria to help Vietnamese businesses develop their own Sustainability Report for their businesses. Therefore, the checklist includes 37 ESG items in 3 main categories (1) Environmental indicators, (2) Social indicators, and (3) Governance indicators. Through this process of content analysis, qualitative and quantitative information are encoded into different groups. Then, the level of ESG disclosure of the company is determined as follows:

$$ESGD_j = \frac{\Sigma_{t=1}^{n_j} ESG_{ij}}{n_j}$$

where:
$ESGD_j$ is ESG disclosure index of company j,$0 \leq ESGD\,j \leq 1$
$ESG_{ij}$is 1 if item i index of company j is published in company j's annual report; 0 otherwise
n_j: number of elements in the ESG disclosure checklist (n = 37)

Measurement of variables used in the study is presented as follows.

Table 1 Variable measurement

Variable	Definition	Measurement
Dependent variable		
ESGD	ESG disclosure level	Average score of 37 environmental, social and governance index in the checklist
Independent variables		
ACSIZE	Size of AC	Total number of members of the AC
MEETING	Frequency of AC meetings	Total number of meetings of the AC per year
ACIND	The independence of the AC	Proportion of independent members in the AC
INDCHAIR	The independence of AC chair	One if AC chair is independent and not the same as board chair; zero otherwise
ACEXPERT	Financial expertise of AC members	Proportion of AC members with finance or accounting degrees in the AC
GENDIV	Gender diversity of AC members	One if AC has both female and male members; zero otherwise
ACSHARE	AC ownership	Percentage of shares held by AC members
Control variables		
ROA	Financial performance	Return on assets
FSIZE	Firm size	Log of book value of total assets
LEV	Financial leverage	Total liabilities divided by the book value of total assets
BIND	The independence of the Board of Directors	Percentage of non-executive memberson the Board

Model specification

To determine the influence of AC features on ESG disclosure level in the Vietnamese stock market, we estimate the following ordinary least squares (OLS) regression model. We winsorise all variables that have extreme values to overcome the effect of the outlier:

$$ESGD_{i,t+1} = \alpha_0 + \alpha_1 AuditCommitteFeatures_{i,t} + \beta Control\ variables_{i.t} + \varepsilon$$

4. Results and Discussion

Descriptive statistics of sample companies are reported in Table 2. It depicts descriptive statistics of ESG disclosures, AC characteristics and control variables. The mean of ESG disclosures is 0.588 with the highest and lowest values being 0.92 and 0.35 respectively, which indicates that on average, listed companies in Vietnam disclose 58.8% of the items included in the ESG checklist in their annual reports.

In terms of AC features, the number of AC members ranges from 2 to 6 people with an average of approximately 3.03. This shows that the majority of companies have a minimum of 3 members and comply with the provisions of Article.137 of the Law No. 59/2020/QH on Enterprises (i.e., the number of members of the AC is two or more). The average number of meetings held in a year is 4.065 and ranges from 0 to 12 meetings, and the standard deviation for meetings is 1.88. The mean ratio of companies with independent AC members is about 81.69 percent. On average, 88.67 percent of AC members have financial expertise, which includes academic qualifications or experience in finance or accounting. Regarding gender diversity, 74 percent of ACs have both female and male directors. The mean of share ownership is 0.0216, showing that most of members of the ACs do not hold shares in the company.

In terms of control variables, the average profitability (ROA) of the businesses in the sample is 7.81 percent, showing that the majority of businesses are profitable but this figure is not too high. The mean of firm size and financial leverage are 11.7870 and 0.3957 respectively. For board independence, the mean ratio of non-executive directors on the board is 33.6 percent.

Table 2 Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
ESGD	200	0.5884	0.1213	0.3500	0.9200
ACSIZE	200	3.0300	0.4473	2.0000	6.0000
MEETING	200	4.0650	1.8811	0.0000	12.0000
ACIND	200	0.8169	0.3085	0.0000	1.0000
INDCHAIR	200	0.8617	0.3572	0.0000	2.0000
ACEXPERT	200	0.8867	0.1885	0.3300	1.0000
GENDIV	200	0.7400	0.4510	0.0000	2.0000
ACSHARE	200	0.0216	0.1007	0.0000	0.6700
ROA	200	0.0781	0.0698	-0.2000	0.3000
FSIZE	200	11.7870	2.1296	4.3500	13.9000
LEV	200	0.3957	0.2038	0.0200	0.8700
BIND	200	0.3356	0.2628	0.0000	0.8600

Pearson correlation presented in Table 3 is calculated to check for potential multicollinearity. The highest correlation is 0.697 between AC independence and the independence of AC chair, which is below the critical level of 0.8 (Greene, 1999). The results also show positive correlation between ESG disclosure level and the size of AC (ACSIZE), the number of meetings (MEETING), the proportion of independent members (ACIND), the independence of the chair (INDCHAIR), gender diversity (GENDIV). However, there is a negative correlation between ESG disclosure level and the proportion of members with financial expertise (ACEXPERT), the proportion of shares held by AC members (ACSHARE). In addition, results for VIFs are shown in Table 4. VIFs range from 1.12 to 2.91, which is less than 10. This indicates that multicollinearity does not occur (Greene, 1999).

Table 3 Pearson correlation matrix

Variables	ESGD	ACSIZE	MEETING	ACIND	INDCHAIR	ACEXPERT	GENDIV	ACSHARE	ROA	FSIZE	LEV	BIND
ESGD	1.000											
ACSIZE	0.197***	1.000										
MEETING	0.323***	0.099	1.000									
ACIND	0.221***	-0.024	0.251***	1.000								
INDCHAIR	0.062	0.120*	0.153**	0.697***	1.000							
ACEXPERT	-0.148**	0.071	0.081	0.197***	0.135*	1.000						
GENDIV	0.241***	0.163**	-0.045	-0.023	-0.058	0.061	1.000					
ACSHARE	-0.056	0.352***	-0.023	-0.355***	-0.006	0.061	0.050	1.000				
ROA	-0.092	0.023	0.132*	0.011	0.055	0.061	0.023	0.329***	1.000			
FSIZE	0.313***	-0.142**	0.072	0.271***	0.041	0.061	0.128*	-0.412***	-0.223***	1.000		
LEV	-0.157**	0.014	-0.082	-0.043	-0.054	0.061	-0.030	-0.125*	-0.331***	0.022	1.000	
BIND	0.151**	-0.032	-0.197***	0.031	0.038	0.061	0.202***	0.126*	0.031	-0.057	-0.085	1.000

Note: *** p <0.01, ** p <0.05, * p <0.10. Variable definitions are presented in Table 1.

Table 4 describes the empirical results of multiple linear regression models between the characteristics of the AC and the level of ESG disclosures. The regression model is significant at the 1% level. The adjusted R-squared is 37.4%, showing that the regression model is valid and the independent variables are associated with ESG disclosure level.

Table 4 Results of regression models

Variables	Unstandardised coefficients Coef.	Std. Error	Standardised coefficients Beta	t	Sig.	VIF
(Constant)	0.240	0.074	0.386	3.230	0.001	
ACSIZE	0.057	0.017	0.090	3.330	0.001***	1.250
MEETING	0.020	0.004	0.028	5.100	0.000***	1.160
ACIND	0.096	0.038	0.171	2.560	0.011**	2.910
INDCHAIR	-0.052	0.029	0.005	-1.810	0.071	2.310
ACEXPERT	-0.160	0.038	-0.085	-4.190	0.000***	1.120
GENDIV	0.043	0.016	0.075	2.690	0.008***	1.130
ACSHARE	0.088	0.092	0.270	0.960	0.338	1.860
ROA	-0.261	0.112	-0.039	-2.320	0.021	1.330
FSIZE	0.017	0.004	0.024	4.580	0.000***	1.350
LEV	-0.082	0.036	-0.011	-2.280	0.023	1.150
BIND	0.068	0.028	0.123	2.430	0.016	1.170
R-squared			0.408			
Adj R-squared			0.374			
Std.error			0.096			
F value			11.790			
Sig. F			0.000***			

Note: *** p <0.01, ** p <0.05, * p <0.10. Variable definitions are presented in Table 1.

Regarding the features of the AC, the regression results show that the size of AC (ACSIZE) has a significant positive relationship with the ESG disclosures at the 1% level. Therefore, the result supports hypothesis H1. This finding shows that companies with larger ACs will effectively carry out better monitoring and reporting responsibilities, thereby improving ESG disclosure level. This is also consistent with the findings of Li et al. (2012); Appuhami, and Tashakor (2017).

The number of AC meetings has a significant and positive relationship with ESG disclosure at the 1% level. Therefore, hypothesis H2 is not rejected. This is also consistent with findings of Pucheta-Martínez, and De Fuentes (2007); Appuhami, and Tashakor (2017), who found a positive association between the frequency of AC meetings and CSR disclosure. This finding suggests that companies with the higher frequency of AC meetings are better able to detect fraud and improve their ESG disclosures (Appuhami & Tashakor, 2017). Li et al. (2012) argue that the AC meeting in a year gives directors a greater opportunity to discuss and evaluate issues that may arise.

The proportion of independent AC members has a positive and significant correlation with ESG disclosure level at the 5% level. Thus, hypothesis H3 is accepted. This was also found in previous studies of Mangena, and Pike (2005); Qaderi et al. (2020). However, regarding the fourth hypothesis, results show that the independence of the chair has no significant relationship with ESG disclosures. This is consistent with Appuhami, and Tashakor (2017). Results suggest that the independence of the AC chair of the board may not contribute to the higher level of ESG disclosures.

Financial expertise of the AC members has a significant relationship with ESG disclosure at the 1% level. Therefore, H5 is accepted, showing that the financial or accounting qualifications and/or experience of AC members. However, this result is contrary to previous studies by Appuhami, and Tashakor (2017); Qaderi et al. (2020) who found that the financial expertise of the AC does not impact CSR disclosures, while Shaukat, Qiu, and Trojanowski (2016); Dwekat, Seguí-Mas, Tormo-Carbó, and Carmona (2020) found a positive relationship between the financial expertise of the AC and the level of voluntary information disclosure.

The results for hypothesis H6 about the relationship between gender diversity in the AC and the level of ESG disclosure are positive and statistically significant at the 1% level. Hypothesis H6 is accepted. The quality of discussion is improved when the AC includes both men and women, and achieves better supervision of the company's ESG information disclosure. This result is similar to some studies such as Appuhami, and Tashakor (2017) showing that gender diversity has a significant and positive influence on social responsibility information disclosure. Rezaei Pitenoei, Safari Gerayli, and Khozein (2022) believe that the presence of female AC in the AC increases transparency and the level of social responsibility information disclosure.

Finally, results for hypothesis 7 show that the proportion of members holding shares in the AC has no impact on ESG disclosure level. Therefore, hypothesis H7 is rejected. This research result is found in several studies by Salehi, Moradi, and Paiydarmanesh (2017), explaining that share ownership by management does not make the company more concerned about social responsibility activities.

Regarding the control variables, firm size and the independence of the board have positive and significant relationships with ESG disclosure, showing that these characteristics play important roles in improving the disclosure of ESG issues. Profitability (ROA) and financial leverage has negative correlation with ESG disclosure level.

5. Conclusion

CSR and/or ESG initiatives have been one of the requirements in the business. The study investigated the correlation between AC features and ESG disclosure level. It tests seven features of AC including size, frequency of AC meeting, independence, independence of AC chair, financial expertise, gender diversity and ownership. Results indicate that AC size, frequency of AC meetings, independence, financial expertise and gender diversity have positive relationships with ESG disclosure. However, the independence of AC chair and ownership have no impact on ESG disclosure. The findings of this study confirm the agency theory. The study results are consistent with Li et al. (2012); Appuhami, and Tashakor (2017); Qaderi et al. (2020); Rezaei Pitenoei et al. (2022).

The study results have implications for businesses and government agencies in terms of improving ESG disclosure level. For businesses, even in the absence of mandatory disclosure requirements in Vietnam, the presence of an AC with adequate features promotes the level of ESG reporting. ACs and corporate governance are of great importance to more effective and sustainable CSR practices. For policymakers and regulators in formulating and reforming regulations related to CSR and/or ESG disclosure in order to enhance the compliance by listed companies.

The study has a few limitations. First, the scope of the topic is limited to only 50 businesses listed on the stock exchange. Second, findings from the study have little generalization because of the specific feature of the sample which is from a developing country. Despite these limitations, the evidence provided in this study makes an interesting contribution regarding the role of AC members in the practice of ESG reporting.

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