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CSR governance practices : interactions and implications for the firm's market valuation

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Par
Amira LAJMI

CSR governance practices: interactions and implications for the firm's market valuation

Les pratiques de gouvernance RSE : interactions et implications en matière de valorisation boursière de l'entreprise

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À mes parents,

A mes soeurs

À toutes les personnes qui me sont chères

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CSR governance practices: interactions and implications for the firm's market valuation

Abstract

This thesis attempts to examine the impact of CSR practices on firm market value. Particularly, we analyze the moderating role of the two sustainability-oriented corporate governance mechanisms, CSR committee and CSR assurance on the relationship between CSR reporting and the firm's market value. Using a sample of French firms belonging to the SBF 120 index over two different periods from 2001 to 2011 and from 2007 to 2017, our results show that both CSR committee and CSR assurance act as a strategic tool to enhance the company's ability to disclose more on CSR duties. We also show that the creation of a CSR committee and the demand for CSR assurance may substitute for each other. By studying their impact on firm market value, we conclude that the advantage of having a CSR committee and/or CSR assurance does not stem from their direct effect on market value, but from their moderating role between CSR reporting and firm's market value. Our results show that while a higher level of CSR reporting is relevant for shareholders when firms have a CSR committee in the board, CSR assurance is specifically relevant only for firms exposed to environmental risks, demonstrating an unequivocal need to enhance the credibility of their CSR reporting. Our research is not limited to evaluating the effects of the presence or absence of external assurance but also investigates the relationship between the issuance of a standalone CSR report and the firm's market value, depending on the quality of assurance services. The result highlights the contribution of higher-quality assurance services to the relevance of standalone CSR reports. This thesis covers several disciplines namely accounting, accountability and corporate governance with may be a great interest for regulators, investors, managers and shareholders.

Key words: CSR reporting, Standalone CSR report, CSR committee, CSR assurance, quality of CSR assurance services, Firm market value.

Les pratiques de gouvernance RSE : interactions et implications en matière de valorisation boursière de l'entreprise

Résumé

Cette thèse propose d'examiner l'impact des pratiques de gouvernance RSE sur la valeur de marché de l'entreprise. En particulier, nous analysons le rôle modérateur que joue le comité RSE et l'assurance RSE, en tant que deux mécanismes de gouvernance axés sur le développement durable, dans la relation entre le reporting en matière de responsabilité sociale et la valeur de marché de l'entreprise. En utilisant un échantillon de sociétés françaises appartenant à l'indice SBF 120 sur deux périodes différentes de 2001 à 2011 et de 2007 à 2017, nos résultats montrent que le comité RSE et l'assurance RSE peuvent constituer un outil stratégique de premier plan pour améliorer la capacité de l'entreprise à divulguer davantage de renseignements sur ses obligations en matière de RSE. L'investigation de terrain permet de conclure que le comité RSE et l'assurance RSE puissent se substituer l'un à l'autre. En étudiant leur impact sur la valeur de marché de l'entreprise, les résultats indiquent que l'avantage de disposer d'un comité RSE et/ou d'une assurance RSE ne provient pas de son effet direct sur la valeur de marché telle que mesurée par le Q de Tobin, mais plutôt de son rôle modérateur entre le reporting RSE et la valeur de marché. En effet, l'impact d'un reporting RSE de qualité sur la valeur de marché de l'entreprise est positif lorsque les entreprises optent pour un comité RSE. En revanche, pour les entreprises faisant recours à l'assurance RSE, l'impact d'un reporting RSE de qualité sur la valeur de marché de l'entreprise n'est positif que pour les entreprises exposées à des risques environnementaux élevés, démontrant un besoin sans équivoque de gérer leur image et de gagner en légitimité. Notre recherche est complétée par l'examen du rôle modérateur de la mise en place des services de l'assurance RSE de qualité, dans la relation entre la divulgation d'un rapport de développement durable autonome et la valeur de marché de l'entreprise. Le résultat trouvé renforce la contribution des services d'assurance de qualité à la pertinence des rapports RSE autonomes.

Mots clés : *Reporting RSE, rapport RSE autonome, comité RSE, assurance RSE, qualité de l'assurance RSE, Valeur de marché de l'entreprise.*

Table of contents

| | |
|--|----|
| List of Tables..... | 14 |
| List of Appendices | 16 |
| List of Acronyms..... | 18 |
| General introduction..... | 20 |
| 1. Theories of CSR reporting, CSR committee and CSR assurance | 25 |
| 1.1. Agency theory versus stakeholder theory | 25 |
| 1.2. Legitimacy theory | 26 |
| 1.3. Resource-based view theory | 27 |
| 2. Motivation | 28 |
| 3. Related literature..... | 30 |
| 3.1. CSR reporting and firms’ market value | 31 |
| 3.2. Standalone CSR report and firm market value | 32 |
| 3.3. The moderating role of the quality of CSR assurance services | 33 |
| 4. Methodology..... | 36 |
| 5. Overview of the thesis’ structure..... | 38 |
| References | 40 |
| Chapter I: Voluntary CSR reporting, CSR committee and CSR assurance: the interaction triangle..... | 48 |
| 1. Introduction | 48 |
| 2. Conceptual framework and hypothesis development..... | 52 |
| 2.1. Improving CSR reporting: a governance perspective | 52 |
| 2.2. CSR reporting and CSR committee | 54 |
| 2.3. CSR reporting and CSR assurance | 56 |
| 2.4. CSR assurance and CSR committee: substitutes or complements?..... | 59 |
| 3. Method..... | 60 |
| 3.1. Sample and data | 60 |
| 3.2. Dependent variables..... | 61 |
| 3.3. Control variables | 64 |
| 3.4. Econometric specification..... | 68 |
| 4. Results | 70 |
| 4.1. Descriptive statistics | 70 |
| 4.2. Univariate analysis..... | 73 |
| 4.3. Multivariate analysis and tests of hypotheses | 77 |
| 4.4. Supplementary analysis | 82 |
| 5. Summary and conclusions | 86 |

| | |
|--|-----|
| References | 89 |
| Chapter II: Sustainability-oriented corporate governance mechanisms and the relevance of CSR reporting | 100 |
| 1. Introduction | 100 |
| 2. Conceptual framework and development of hypotheses | 103 |
| 2.1. CSR reporting and firms' market value | 103 |
| 2.2. The moderating role of the CSR committee | 105 |
| 2.3. The moderating role of CSR assurance..... | 106 |
| 3. Method..... | 109 |
| 3.1. Sample and data | 109 |
| 3.2. Dependent Variables: Tobin's q | 110 |
| 3.3. Endogenous variables | 110 |
| 3.4. Control variables | 111 |
| 3.5. Model | 114 |
| 4. Results | 115 |
| 4.1. Descriptive statistics | 115 |
| 4.2. Multivariate analysis and tests of hypotheses | 119 |
| 4.3. Supplementary analysis: How much does industry matter? | 125 |
| 5. Conclusion | 128 |
| References | 129 |
| Chapter III: Contribution of CSR assurance quality to the relevance of standalone reports . | 136 |
| 1. Introduction | 136 |
| 2. Background and hypotheses | 139 |
| 2.1. Standalone CSR reports and firms' market value..... | 139 |
| 2.2. The moderating role of the quality of CSR assurance services | 142 |
| 2.3. The effect of the mandatory assurance regime | 146 |
| 3. Sampling and research design | 147 |
| 3.1. Sample and data | 147 |
| 3.2. Model | 147 |
| 3.3. Dependent variable: Tobin's Q..... | 150 |
| 3.4. Endogenous variable: Standalone CSR report..... | 150 |
| 3.5. Moderating variables | 151 |
| 3.6. Control variables | 151 |
| 4. Results | 154 |
| 4.1. Descriptive statistics | 154 |
| 4.2. Univariate Analysis..... | 159 |
| 4.3. Propensity Score Matching | 161 |

| | |
|-----------------------------------|-----|
| 4.4. Test of H1a and H1b | 161 |
| 4.5. Test of H2 | 165 |
| 4.6. Test of H3 | 170 |
| 5. Discussion and conclusion..... | 174 |
| References | 176 |
| General conclusion | 181 |
| References | 189 |
| Résumé de la thèse | 191 |

List of Tables

| | |
|--|-----|
| Table I.1: Variables and Their Measurement..... | 59 |
| Table I.2: CSR reporting by industry..... | 61 |
| Table I.3: Descriptive statistics..... | 63 |
| Table I.4: Mean difference test between firms with and without CSR committee..... | 65 |
| Table I.5: Mean difference test between firms with and without CSR assurance..... | 67 |
| Table I.6: Pairwise correlation matrix..... | 69 |
| Table I.7: Results of the seemingly unrelated regression..... | 72 |
| Table I.8: Results of the system GMM regression..... | 73 |
| Table I.9: Results of the seemingly unrelated regression using CSR disclosure rank..... | 75 |
| Table I.10: Results of the system GMM regression using CSR disclosure rank..... | 76 |
| Table II.1: Variables and Their Measurement..... | 102 |
| Table II.2: Descriptive statistics..... | 105 |
| Table II.3: Pairwise correlation matrix | 106 |
| Table II.4: Regression of Tobin's q on CSR reporting, CSR committee and CSR assurance..... | 108 |
| Table II.5: System GMM Regression of Tobin's q on high CSR reporting, CSR committee and CSR assurance..... | 111 |
| Table II.6: System GMM regression of Tobin's q on high CSR reporting, CSR committee and CSR assurance for ESI firms..... | 114 |
| Table III.1: Variables and Their Measurement | 135 |
| Table III.2: Descriptive Statistics..... | 140 |
| Table III.3: The use of standalone CSR reports and the variations of the assurance practices..... | 142 |
| Table III.4: Mean difference test between firm-years with issuance of standalone CSR reports and firm-years without issuance of standalone CSR reports for the entire and matched samples..... | 144 |
| Table III.5: Pairwise correlation | 147 |
| Table III.6: Regressions of Tobin's Q on issuance of standalone CSR reports | 149 |
| Table III.7: System GMM regression of Tobin's Q on the issuance of a standalone CSR report and the quality of assurance services..... | 152 |
| Table III.8: System GMM regression of Tobin's Q on the issuance of a standalone CSR report and the quality of assurance services..... | 153 |
| Table III.9: System GMM regression of market-based value on the use of standalone CSR reports, the CSR assurance statements and the entry into force of the Grenelle II Law..... | 156 |

List of Appendices

| | |
|--|----|
| Graph: Results of the interaction triangle between voluntary CSR Reporting, CSR assurance and CSR committee..... | 78 |
| Appendix A: Items of Grenelle II Act..... | 88 |

List of Acronyms

- AA1000AS** : AccountAbility1000 Assurance Standard
- CEO** : Chief Executive Officer
- CNCC** : National Company of Auditors
- CSR** : Corporate Social Responsibility
- DJSI** : Dow Jones Sustainability Index
- ESG** : Environment, Social and Governance
- GHG** : Greenhouse Gas
- GMM** : General Method of Moments
- GRI** : Global Reporting Initiative
- IAASB** : International Auditing and Assurance Standards Board
- ISAE** : International Standard on Assurance Engagements
- ITO** : Independent Third Party
- NER** : Nouvelles Régulations Economiques
- R&D** : Research and Development
- RSE** : Responsabilité Sociale de l'Entreprise
- SBF** : Société des Bourses Françaises
- SUR** : Seemingly Unrelated Regression
- VIF** : Variance Inflation Factor

General introduction

Corporate social responsibility (CSR) reporting, often called sustainability reporting is still an important area of debate among scholars because of major concern for organizations for making known their social and environmental actions to interested stakeholders and society at large (Gray, Javad, Power, & Sinclair, 2001). In the last decade, the number of companies engaging in CSR reporting has steadily grown, and now amounts to 71 per cent of the top 100 companies from 41 countries surveyed worldwide, either in annual reports or stand-alone CSR reports (KPMG, 2013). While CSR reporting may be defined as an organizational document that provides information only on a firm's social and human actions (Cormier, Aerts, Ledoux, & Magnan, 2009), others studies describe CSR information as both social and environmental disclosures (Campbell, 2004; Gray et al., 2001) or also ethical, social and environmental (Adams, 2002). CSR reporting may be also described as a company's contribution to communicating on sustainable development (Campbell, 2004; Gamerschlag, Möller, & Verbeeten, 2011; Gray et al., 2001). Most definitions describe CSR reporting on a voluntary basis (Bouten, Everaert, & Roberts, 2012; Gamerschlag et al., 2011). Furthermore, while earlier studies often focused on annual reports, more recent studies focus on the various reports that companies could use to disclose CSR information. As well as annual reports, there are also standalone reports and other specific reports (Cormier & Gordon, 2001). In fact, the issuance of standalone CSR reports is viewed as powerful tool for communicating with stakeholder groups in regard to sustainability disclosures (Patten & Zhao, 2014; Thorne, Mahoney, & Manetti, 2014). According to KPMG 2011, 95% of the world's 250 largest corporations publish separate sustainability reports. The lack of completeness and credibility in social, environmental and sustainability reporting, in general (Adams & Evans, 2004; Adams, 2004; Dando & Swift, 2003; Gray, 2006, 2010) and in standalone CSR reports, in particular (e.g., Clarkson, Richardson, & Tsang, 2019; Du & Wu, 2019; Junior, Best, & Cotter, 2014; Simnett,

Vanstraelen, & Chua, 2009) encourages companies to introduce corporate governance mechanisms to monitor CSR practices (Kolk, 2008). For instance, following some studies, Peters and Romi (2015) suggest that a board CSR committee is one of the extended components of the corporate governance mosaic. In the same way, CSR assurance, as an assessment of CSR reports, can be defined as an external corporate governance mechanism.

The creation of a CSR committee as a sustainability-oriented corporate governance mechanism (Peters & Romi, 2015) is viewed as a way to enhancing quality and credibility of CSR reports. Post, Preston, and Sauter-Sachs (2002) assert that the role of CSR committee is to review the effectiveness of policies, practices and conduct with respect to the firm's commitment to ethical, sustainability and social responsibility issues. CSR committee may be seen as a voluntary measure to better monitor management in terms of their sustainability actions and also an effective way to provide advice to management when dealing with CSR issues (Rodrigue, Magnan, & Cho, 2013). The presence of CSR committee is witnessed with increasing the number of social disclosures (Cowen, Ferreri, & Parker, 1987). For Adams (2002), the extensiveness, quality, quantity and comprehensiveness of reporting are to be achieved in the presence of CSR committee. Given that GRI (Global Reporting Initiatives) acts as the ultimate guideline on CSR reporting, creating a CSR committee according to GRI guidelines may reduce information asymmetries and improve transparency (Fuente, García-Sánchez, & Lozano, 2017). Rankin, Windsor, and Wahyuni (2011) consider that firms which have established an environmental committee are more likely to provide more credible disclosure. The existence of CSR committees is related to improving both the quantity and quality of CSR reporting. They attempt to provide reliable and credible information (Fuente et al., 2017). The study of Vigneau, Humphreys, and Moon (2015) support the idea that the CSR committee develops a CSR construct focused on reporting and transparency. Regarding the issuance of a standalone CSR report as a recent type of CSR reporting, Kend (2015) asserts that

the decision to issue standalone sustainability report is positively related to the presence of a CSR committee.

External CSR assurance as an assessment of CSR reports is emerged with a view to enhancing the credibility of CSR reports (Peters & Romi, 2015; Pflugrath, Roebuck, & Simnett, 2011; Simnett et al., 2009; Velte & Stawinoga, 2017). CSR assurance is reflecting a process of normative isomorphism (Boiral & Gendron, 2011; DiMaggio & Powell, 1983), which implies a transposition of professional rules and procedures from financial into non-financial auditing. In contrast to the financial auditing, there is no regulation requiring that the information in sustainability reports has to be assured. The rise of assurance engagements in the area of environmental management and sustainability, has been considered as a result of increased availability of assurance guidelines or guidance statements issued by bodies such AA1000AS and ISAE 3000 (Ackers & Eccles, 2015; Hodge, Subramaniam, & Stewart, 2009; Martínez-Ferrero & García-Sánchez, 2018) and the Global Reporting Initiative (GRI, 2011; Ruhnke & Gabriel, 2013). The evaluative framework of assurance based on these international standards aims to assess the extent to which current assurance practice enhances transparency and accountability (O'Dwyer & Owen, 2005). The GRI encourage independent assurance to increase the quality of CSR reporting (GRI, 2013). The preparation of a sustainability report in accordance with the GRI guidelines thus represents a signal of credibility (Ruhnke & Gabriel, 2013). Furthermore, voluntary assurance of the CSR report increases the credibility of the information provided (Adams & Evans, 2004), reduces the level of information asymmetry (Fuhrmann, Ott, Looks, & Guenther, 2017) and helps companies to manage their image (Gillet-Monjarret, 2015).

Do CSR committee and CSR assurance mechanisms improve the relevance of CSR reporting? The answer to this question is mixed. Based on the principal studies in CSR committee, Mallin and Michelon (2011) point out that the role of a board CSR committee is to

respond to stakeholder requirements at a strategic corporate level through controlling the firm's management. Fuente et al. (2017) consider the moderating role of CSR committees to be highly relevant to satisfy the stakeholders demand for information and thus to increase transparency by disclosing more information. Michelon and Parbonetti (2012) argue that good corporate governance and CSR disclosures can be seen as complementary mechanisms used by companies to enhance relations with stakeholders. However, Rodrigue et al. (2013) indicate that there is no link between environmental committee and environmental regulatory performance. They assert that these committees are being more used as a symbolic gesture to manage stakeholder impressions than to driving substantive operational changes. Secondly and regarding the market reaction's to purchasing assurance on CSR reports, the studies conducted by Simnett et al. (2009) and Moroney, Windsor, and Aw (2012) state that CSR reporting is more relevant for firms with CSR assurance than non-assured firms. Simnett et al. (2009) argue that companies voluntarily assured their CSR reports respond to stakeholders' pressure and thereby reduce the information asymmetry between the company and the market. Moroney et al. (2012) assert that stakeholders are also demanding independent assurance to enhance the quality of corporate environmental disclosures. In contrast, Cho, Michelon, Patten, and Roberts (2014) examine whether assurance on CSR reporting impacts firms' market value in the US context and find that investors in the USA do not perceive that assurance of CSR reports adds incremental value to the disclosing companies. The same result is found by Fazzini and Dal Maso (2016) in the Italian context. Despite the importance of assurance services in increasing the capital market benefits of CSR reports, the potential values of CSR assurance statements had been questionable (Deegan, Cooper, & Shelly, 2006; Mock, Strohm, & Swartz, 2007). The study of Clarkson et al. (2019) indicates that, without higher assurance quality, market participants are reluctant to the provision of a CSR report. Martínez-Ferrero and García-

Sánchez (2018) find that the choice of a different level of assurance and the choice of provider are closely related to the perceived assurance quality.

While there is little empirical evidence regarding the relevance of CSR disclosure (Dhaliwal, Radhakrishnan, Tsang, & Yang, 2012; Nekhili, Nagati, Chtioui, & Nekhili, 2017a), some recent investigations have focused on the fundamental role of the CSR committee and CSR assurance, as two sustainability-oriented corporate governance mechanisms, the first internal and the second external, in the disclosure of CSR activities and on their mutual relationship (Jones & Solomon, 2010; Kend, 2015; Peters & Romi, 2015; Ruhnke & Gabriel, 2013). This thesis attempts in a first chapter to complements previous work by testing, in a voluntary French context, whether CSR committee and CSR assurance, viewed as two sustainability-oriented corporate governance mechanisms, the first internal and the second external, may be useful for enhancing the CSR reporting level and thereafter whether they may complement or be substituted for each other. Secondly, investigating the relationship between CSR reporting and market value, depending on whether the firm has a CSR committee and/or purchases CSR assurance. Among the many stakeholder groups, we focus on shareholders since they are the most concerned with CSR disclosure and they bear the full costs of communication, managerial misbehavior and monitoring. Finally, in the last chapter, we focus on the issuance of standalone CSR reports as a recent form of CSR disclosure after and before the introduction of Grenelle II Law. This law proposes a mandatory framework for French companies listed on a regulated market, since 2012, to disclose information on environmental, social and sustainability performance in accordance with GRI guidelines, and makes external assurance by a third independent party compulsory to verify CSR-related information (Gillet-Montjarret, 2018). This third chapter investigates the relationship between the issuance of a standalone CSR report and firm market value depending on the quality of assurance services. There are four key aspects of assurance services considered in the literature reflecting the higher-quality assurance

process: the scope of assurance, the level of assurance, the compliance with international standards for assurance engagements and the type of assurance provider (e.g., Junior et al., 2014; Mock et al., 2007; O'Dwyer & Owen, 2005, 2007; Velte & Stawinoga, 2017). We test whether this relationship is reinforced or mitigated after the entry into force of the Grenelle II law.

1. Theories of CSR reporting, CSR committee and CSR assurance

To better understand the emerging voluntary CSR reporting, CSR committee and CSR assurance, existing literature is based on four theories namely, stakeholder theory, agency theory, legitimacy theory, and resource-based theory.

1.1. Agency theory versus stakeholder theory

Agency theory explains the relation between principal (e.g. shareholder) and its agents (e.g. directors and managers). The board of directors has the key role to oversee the activities of managers and to resolve conflicts among principal and agents (Fama & Jensen, 1983; Jensen & Meckling, 1976). The relation between CSR reporting and corporate reputation can be also analyzed by the concepts of agency theory and corporate governance (Fama, 1980). In accordance with this theory, firms are motivated to undertake socially responsible initiatives and communicate these in order to respond to the needs of their stakeholders and society (Chiu & Sharfman, 2011). Literature on CSR reporting supports the idea that increased information quality can be an effective means to avoid adverse selection problems. Given that internal governance mechanisms is set with the objective of monitoring management's behavior on behalf of shareholders, CSR committee is defined as an internal sustainability-oriented corporate governance mechanism (Peters & Romi, 2015). Harjoto and Jo (2011) explain the link between corporate governance and CSR by the fact that both of these constructs are a central concern for stakeholders and managers. Thus, the presence of a CSR committee can be interpreted as a signal that the firm sends to stakeholders in order to show its CSR commitment

(Mallin & Michelon, 2011). Regarding the relationship between agency theory and assurance services, Chow (1982) analyzes firms' incentives to adopt voluntary external auditing, a service that helps control any conflict of interest between shareholders and managers/creditors. Moroney et al. (2012) show that assured information reduces information asymmetry between principals (shareholders) and agents (managers). Ruhnke and Gabriel (2013) support the finding that CSR assurance is convenient for reducing agency costs characterized by conflicts of interest and information asymmetries in the principal-agent relationship. Velte and Stawinoga (2017) conclude that the implementation of an effective CSR assurance mechanism enhance the credibility of CSR reports and reduce conflicts of interest between management and different stakeholder groups.

1.2. Legitimacy theory

Legitimacy Theory has become one of the most used theories to substantiate the reason for the voluntary disclosure of sustainable information (Bouten et al., 2012). Corporate legitimacy theory is closely linked to corporate reputation. In this perspective, the disclosure of CSR information is part of the dialogue between an ethical company and its stakeholders that helps legitimize corporate behavior and thus contributes to generate a positive corporate reputation (Mallin & Michelon, 2011). In this context, corporations need to show their environmental commitment to preserve their environmental legitimacy (Rodrigue et al., 2013). So, a firm is behaving legitimately when its CSR actions are perceived as congruent with society's expectations. In response to the legitimacy problem, the creation of a board CSR committee dealing with sustainability issues is important to explain the quality of CSR disclosure (Kend, 2015). The CSR committee, which is in charge of activities and strategies relating to sustainability matters, is more likely to increase the legitimacy of the company in the community (Mallin & Michelon, 2011). Rodrigue et al. (2013) add that the setting up of an environmental committee can be seen as a symbolic gesture to manage stakeholder impressions

from a legitimacy perspective. The assurance of CSR reports constitutes also a valuable corporate governance instrument for the legitimization of sustainability-related aspects (Gillet-Monjarret, 2015). Simnett et al. (2009) support CSR assurance is a response to stakeholders' pressure in order to manage firms' image. Organizations that utilize environmental assurance by external audits may be seeking to signal to the marketplace, regulators and investors that they are managing their environmental risks proactively which may improve their reputation and increase their attractiveness to customers and financiers. They thus, are seeking more external legitimacy and more external credibility (Darnall, Seol, & Sarkis, 2009). The concept of legitimacy is important to frame the examination of the relationship between the emergence of assurance practice with the formulation of sustainability assurance statements and its legitimacy (O'Dwyer, Owen, & Unerman, 2011).

1.3. Resource-based view theory

Resource-based view perspective is useful to understand why firms engage in CSR activities and disclosures. Investments in socially responsible activities may have both internal and external benefits. Internal by helping a firm to develop new resources and capabilities related to corporate culture and external related to its effect on corporate reputation (Branco & Rodrigues, 2006). Based on Resource-based view theory, CSR policies become important in generating broader organizational advantages that allow a firm to capture profits (Russo & Fouts, 1997). They argue that superior environmental performance and its effective communication to stakeholders can give the firm a strong positive reputation as a source of market advantages. Branco and Rodrigues (2006) consider that firms with good social responsibility reputation may improve relations with all stakeholders. Consistent with Resource-based view, CSR committee constitutes a regularly responsible entity for the ecological and social performance evaluation of the company which gives a higher importance for sustainability reports and the credibility of the information they deliver (Ruhnke & Gabriel,

2013). Stakeholders' focus on company sustainability performance as an internal benefit has increased the demand for assurance of environmental disclosure (Simnett et al., 2009). Assurance is also a means of enhancing corporate reputation as an external benefit (Simnett et al., 2009).

2. Motivation

Research on CSR reporting is growing because of more academic interest about CSR practices. Public pressure is the main reason why such reporting began, having been triggered by general awareness of climate change with regard to environmental and social issues (Moroney et al., 2012). The increase in CSR reporting rate arose with the emergence of the sustainability corporate governance framework namely CSR committee and CSR assurance, thus forming an integral part of corporate governance. Despite the recent several studies dealing with the relationship between CSR committee, CSR assurance and disclosure in CSR reports (Chapple, Chen, & Zhang, 2017; Jones & Solomon, 2010; Kend, 2015; Peters & Romi, 2015; Ruhnke & Gabriel, 2013), there is no study that explore the interaction triangle between CSR reporting, CSR committee and CSR assurance and furthermore, the moderating role of CSR committee and/or CSR assurance on the relevance of CSR reporting in French context. The French context is relevant to our research because the importance of governance French law in environmental and social performance regulation. Our first sample for the first two chapters coincides with the implementation of NRE legislation as of 2001. This law recommended that all firms listed on the French Stock Exchange report on their social and environmental activities in connection with the general annual report. In 2009, the promulgation of Grenelle I Act may be viewed as a substitute for governance mechanisms intended to intensify the role of CSR reporting. Grenelle I law stipulates that the quality of information on how companies take into account the social and environmental consequences of their activity and the access to information are essential conditions for good corporate governance. Moreover, our sample has

been extended in the third chapter until 2017. In 2010, French parliament has adopted the Grenelle II Law which proposes a mandatory framework for companies listed on a regulated market to disclose information on environmental, social and sustainability performance in accordance with GRI guidelines, and makes external assurance by a third independent party compulsory to verify CSR-related information (Gillet-Monjarret, 2018). Companies therefore tend to stand out by producing more standalone CSR report in the period following the entry into force in 2012 of the Grenelle II Law and seem to be more aware to increase the quality of assurance services. The Grenelle II law does not formulate specific recommendations regarding the CSR (sustainability) committee, leaving French companies free to implement and to define CSR committee operating procedures.

Given that French companies are domiciled in code law countries and the large majority of CSR reports are assured by external auditors, the lower litigation risk offered by the French Civil Code can make the audit firms less exposed to the ‘deep pockets’ incentive. Thereby, to enhance Investors’ view of CSR assurance, the demand of higher-quality assurance services is likely to be stronger for firms domiciled in countries with weaker investor protection (Ballou, Chen, Grenier, & Heitger, 2018; Herda, Taylor, & Winterbotham, 2014; Sethi, Martell, & Demir, 2017; Simnett et al., 2009). In this respect, literature on the contribution of CSR assurance to the relevance of sustainability reporting was, in most cases, limited to evaluate the presence or not of external assurance (e.g., Casey & Grenier, 2015; Cheng, Green, & Ko, 2015; Coram, Monroe, & Woodliff, 2009; Du & Wu, 2019) or to focus on some of the wide range of key assurance aspects (e.g., Ballou et al., 2018; Hodge et al., 2009; Maroun, 2019; Martínez-Ferrero & García-Sánchez, 2018; Pflugrath et al., 2011). However, there are at least four aspects of assurance services which are considered by previous studies as reflecting the higher-quality assurance process: the scope of assurance, the level of assurance, the compliance with international standards for assurance engagements and the type of assurance provider (Clarkson

et al., 2019; Junior et al., 2014; Mock et al., 2007; O'Dwyer & Owen, 2005, 2007; Velte & Stawinoga, 2017). In France, the National Company of Auditors (CNCC 2003) defines for the auditor three levels of assurance (i.e., reasonable, moderate and limited level) depending on the scope of verification and the percentage of errors acceptable in the assurance mission. The reasonable level of assurance illustrates the improved reliability of the CSR indicators published by the company. Furthermore, the scope of CSR assurance to cover the whole CSR report indicates a wider verification scope, meaning that audited CSR information covers more than 50 percent of the total scope while a narrower scope point out between 10 and 20 percent of the total scope of CSR reporting (Gillet, 2012). Among the main standards aiming to provide guidance on CSR assurance, ISAE 3000 (International Standard on Assurance Engagements) is the standard used by the professional accountant, and AA1000AS (Standard Assurance) is the standard used by assurance providers not members of the accounting profession (Gillet-Monjarret, 2018; Simnett, 2012). Noteworthy, although the implementation of the Grenelle II Act in 2012 giving specific guidance relating to the assurance of sustainability reporting, the four key aspects of CSR assurance process are still made on voluntary basis and are affected by management practices. These arguments motivated us to examine the contribution of CSR assurance and CSR committee to the relevance of CSR reports in France but also going beyond the simple presence of these two mechanisms and examine the contribution of CSR assurance quality to the relevance of standalone report.

3. Related literature

There is a growing literature highlighting the importance of CSR practices for organizations and society in general around the world. This is reflected by an increasing number of firms actively disclosing CSR information to the public, either in annual reports or standalone CSR reports (KPMG, 2013). From international studies, the U.S. has an above-average reporting rate about 87% in 2015 (KPMG, 2015) and Australian firms appear to exhibit a good

level of CSR performance and reporting practice (KPMG, 2013, 2015). For several years, the French government replaces sustainable development at the center of French priorities and in particular in terms of reporting and societal verification (Gillet-Monjarret, 2014). This thesis examines the influence of CSR practices on firm market value.

3.1. CSR reporting and firms' market value

Companies increasingly produce CSR reports to convey useful information and thereby reduce the information asymmetry between the company and the market (Dhaliwal, Li, Tsang, & Yang, 2011). Anderson and Frankle (1980) show that voluntary corporate social and environmental disclosure is important as any other financial data pertaining to a corporation's activity and find that the market positively evaluates such disclosure. Cormier et al. (2009) focus on disclosure concerning social and human capital and find a higher positive impact of quantitative disclosure on market value measured by Tobin's q. They suggest that such disclosure reduces information asymmetry. Recently and in a similar context as ours, Nekhili et al. (2017a, b) develop a content analysis index based on items as defined by the French Grenelle II Act following GRI guidelines and find a positive relationship between voluntary CSR reporting and French firms' market value measured by Tobin's q. However, relationship between CSR reporting and firm value appears unclear according to the study of Cho et al. (2014). The study of Cahan, De Villiers, Jeter, Naiker, & Van Staden (2016) show that the impact of CSR disclosure on firm value measured by Tobin's Q may depend on various factors. They find that unexpected CSR information which is a proxy for the informative portion of CSR disclosure (such as firms in environmentally sensitive industries) is more relevant in terms of market value in countries where financial information is more opaque with less democracy, less press freedom, and less commitment to the environment. Although CSR reporting is viewed by many global executives working in large corporations as critical to improving their corporate reputation (KPMG, 2011), recent academic research suggests that initiation of stand-alone CSR

reporting appears to attract dedicated institutional investors and demonstrate commitment to improve transparency regarding long-term performance and risk management (Dhaliwal et al., 2011).

3.2. Standalone CSR report and firm market value

There is a growing tendency for companies to issue stand-alone nonfinancial reports, hereafter called sustainability reports in order to signal their compliance with CSR commitments (Clarkson et al., 2019; Simnett et al., 2009). Holland and Foo (2003) estimate that the presence of separate reports may be needed for assessing the difference between annual reports and standalone environmental reports, both in amount and type of disclosure. These two forms of disclosure differ in depth and breadth of CSR coverage (Dhaliwal et al., 2011). Kolk (2008) indicates that the percentages of information related to governance and sustainability aspects such as structuring of sustainability within the organization are considerably higher for separate sustainability reports than for the integrated reports. He finds that 54% of the reports by the Fortune Global 250 are a standalone sustainability reports against a percentage of 20% of the companies with integrated sustainability information. The proportion of firms using standalone CSR reports to communicate on CSR information is relatively higher in stakeholder-oriented countries (Simnett et al., 2009). Hodge et al. (2009) argue that a standalone sustainability reports would be considerably more extensive and more detailed to attract more users report. Wang and Li (2016) analyze the value of the standalone CSR reports released by Chinese publicly listed companies and find that the market valuation is higher for firms disclosing higher-quality standalone reports than for firms that do not. However, Guidry and Patten (2010) examine perceived value for shareholders group of publishing a standalone sustainability report and find no significant market reaction. In the same way, Cho et al. (2014) and Clarkson et al. (2019) point out that is not clear that standalone CSR reports should be expected to be correlated

with the firm's market value. For Clarkson et al. (2019), market participants are reluctant to the provision of a CSR report without higher assurance quality.

3.3. The moderating role of the quality of CSR assurance services

Despite the fact that the presence of assurance increases the confidence readers in a CSR report (Deegan et al., 2006) and strengthens the relationship between the CSR information and financial market response (García-Sánchez, Hussain, Martínez-Ferrero, & Ruiz-Barbadillo, 2019), the capital market reacts to CSR assurance quality is still unknown in the existing literature. There is substantial variability in the quality of assurance services, as proxied by the scope of assurance, the level of assurance provided, the use of specific standards, and the type of assurance provider (Casey & Grenier, 2015; Junior et al., 2014; O'Dwyer & Owen 2005, 2007). This variability allows firm management to negotiate the assurance engagement with assurance providers (Gillet-Monjarret, 2014). The choice of higher-quality assurance services may reflect management choice in CSR reporting strategy and degree of information provision.

3.3.1. Level of assurance

In France, the company of the auditors (2003) has drafted a technical opinion in which three levels of verification are identified such as reasonable, moderate and limited level CSR assurance. CSR assurance level determine CSR assurance mission which may be a verification of the processes for establishing CSR information, or also CSR reports information or, at the same time, processes and CSR information (Gillet-Monjarret, 2014). Management may choose a reasonable level of assurance where the information in the sustainability report conforms in all material respects with the identified criteria (Hodge et al., 2009). The provision of reasonable level of assurance illustrates the improved reliability of sustainability indicators published by companies, and therefore report users will place more confidence in the higher level of assurance compared to the limited one (Gillet-Monjarret, 2014; Hodge et al., 2009; Martínez-

Ferrero & García-Sánchez, 2018). This improvement is due to the reinforcement of the reporting and internal control systems implemented by the companies (Gillet-Monjarret, 2014). Hasan, Maijoor, Mock, Roebuck, Simnett, and Vanstraelen (2005) estimate that the percentage of confidence for a moderate level of assurance engagement is 60% while the percentage is 88% for a reasonable level of assurance engagement.

3.3.2. Scope of assurance

The scope of assurance may focus primarily on environmental aspects and aspects related to human resources and security. Other types of indicators are also subject matter, including indicators relating to business ethics and governance, the company's innovative capacity and finally societal dimension (Gillet-Monjarret, 2014). The scope of CSR assurance may reflect management choice in CSR assurance coverage. This choice is made by company and has to be approved by assurance provider (Mock et al., 2007). Firms can determine what information needs to be assured based on the demand by stakeholders, it may be not necessarily for the assurance scope to cover the entire content of the CSR report (Mock et al., 2007). Hodge et al. (2009) and Mock et al. (2007) support that the environmental section is the more assured among the others sections of CSR assurance statements which imply a greater demand for reliable environmental information from stakeholders.

3.3.3. Compliance with International Standards for Assurance Engagements

In compliance with GRI guidelines, the primary CSR assurance standards commonly referenced by assurors are AA1000AS and ISAE 3000 both available to govern the verification mission (Ackers & Eccles, 2015; Hodge et al., 2009; Martínez-Ferrero & García-Sánchez, 2018). AccountAbility1000 Assurance Standard (AA1000AS, 2008) issued by AccountAbility involves the recommendations for conclusions as to the report quality and the responsiveness of the organization to stakeholders demand of information as well as the relevance of these reported information. In the same vein, International Standard on Assurance Engagement 3000

(ISAE 3000, 2013) set by the International Auditing and Assurance Standards Board (IAASB) defines the framework of assurance mission, the type of work to be performed and the certificates allowed. Since ISAE 3000 is an accounting standard, CSR reports are assured according to ISAE 3000 and not to AA1000AS when verification is provided by professional accountants audit firms (Gillet-Monjarret, 2018). The other practitioners, such as engineering firms or consultants are more likely to use AA1000AS (Martínez-Ferrero & García-Sánchez, 2018). For Simnett (2012), ISAE 3000 guidance is destined to enhance assurance quality and, therefore, to help the users of CSR reports in their assessment of the CSR assurance mission.

3.3.4. Type of the Assurance Provider

To conduct CSR assurance service, firms may choose various types of external assurance providers that the most of studies differentiate them by accounting or non-accounting provider (Casey & Grenier, 2015; Perego & Kolk, 2012; Pflugrath et al., 2011; Simnett et al., 2009). Martínez-Ferrero and García-Sánchez (2018) distinguish between assurance provided by professional accountants (i.e., Big Four audit firms) versus engineering and consultancy firms. Accounting firms are found to make more accurate and more detailed audit judgments and offer more discussion about the assurance procedures followed than non-accounting firms (Mock, Rao, & Srivastava, 2013). Their audit expertise and experience providing them a higher perceived quality of assurance and allowing them to report more negative statements which conduct to a higher assurance fees (Simnett et al., 2009). Consequently, Casey and Grenier (2015) suggest that firms seeking to manage stakeholder impressions tend to avoid accounting assurers to minimize the risk of inaccurate, incomplete, or misleading reporting being identified. Likewise, Simnett et al. (2009) do not support that companies with a higher need to enhance credibility are more likely to choose assurance from the audit profession. Nevertheless, they document that companies domiciled in stakeholder-orientated countries, such as France, are more likely to choose accounting profession as assurer provider. However, Pflugrath et al.

(2011) point out that assurance provided by a professional accountant (Big 4 accounting firm) is valued more highly than assurance by sustainability expert in terms of trustworthiness and expertise leading to greater perceived credibility of CSR information and more confidence on sustainability reports. Hodge et al. (2009) find that the report users' confidence in accounting firms is already higher than confidence in specialist consultants.

While the reliability of CSR reports is derived from the marketplace's need for high-quality of assurance services based on four dimensions foregoing mentioned, García-Sánchez et al. (2019) use others measures to understand the quality of CSR assurance which includes among them assurance engagement scope and assurance standard and find a lower relationship between assurance quality and the access to financial capital for the firms that encourage assurance for their CSR reports. They find that investors positively react to the provision of external assurance but are likely to be indifferent about the details of assurance quality and do not assess assurance quality as a mechanism for increasing investors 'confidence in CSR information.

4. Methodology

Endogeneity is a major issue that may bias the relation between CSR practices. Endogeneity problem occurs if an explanatory variable is correlated with the error term. This means that the relationship between dependent and independent variables is affected due to some other (observable or unobservable) factors. The study of the interaction triangle in the first chapter between CSR reporting, CSR assurance and CSR committee may be affected by some unobservable features. Therefore, to avoid problems of multicollinearity in the explanatory variables, we employ seemingly unrelated regression (SUR) approach of Zellner's (1962) to jointly estimate a regression of CSR reporting, CSR committee and CSR assurance. This method of estimating coefficients may be used to improve estimation efficiency by combining information on CSR practices on different equations. It may explain the reverse

causality between CSR reporting, CSR committee and CSR assurance in both ways either the effect of CSR reporting on CSR committee and CSR assurance or the effect of CSR committee and CSR assurance on CSR reporting. In the study of the second chapter relating to the relevance of CSR reporting in the presence of sustainability-oriented corporate governance mechanisms, the classical problem of endogeneity due to certain unobservable features that affect the relation between CSR reporting, CSR assurance and the CSR committee, on the one hand, and market value on the other arises. To deal with this problem, Larcker and Rusticus (2010) recommend the use of the instrumental variables regression model. Meanwhile, the lagged values of endogenous variables may be considered as consistent and efficient instruments (Blundell & Bond 1998). We therefore decided to use the two-step General Methods of Moments (GMM) estimation specification. In a GMM framework, the treatment of several endogenous variables of interest (CSR reporting, CSR committee and CSR assurance) is less problematic than in other estimations methods (Roodman, 2009). The third chapter investigates the moderating role of CSR assurance services (i.e., the level of assurance, the scope of assurance, the use of international standards for assurance engagements, and the choice of the type of assurance provider) on the relationship between the issuance of a standalone CSR report and the firm's market value as measured by Tobin's Q. The association between standalone CSR report and CSR assurance quality, on the one side, and market value, on the other side, may be biased because of some unobservable features, simultaneity, and lagged reverse causality. To deal with this endogeneity problem, we first control for firm level characteristics that might affect the assessment of the value relevance of the standalone CSR report by performing Propensity Score Matching between firm-year issuing standalone CSR reports (treatment group) and the subsample of firm-year not issuing standalone CSR reports (control group) following Wang and Li (2016). Second, we estimate the value relevance of the standalone CSR report as endogenously determined and moderated by the quality of assurance

services by using a system GMM estimation method following Bennouri, Chtioui, Nagati, and Nekhili (2018).

5. Overview of the thesis' structure

This thesis is composed of three chapters. First chapter is based on an article accepted to be published in in French journal entitled *La Revue des Sciences de Gestion; Direction et Gestion des Entreprises*. Second chapter is agreed for publication in the journal "Environmental Economics". The third chapter is under review in *Business Ethics: A European Review*.

First chapter attempts to answer two main questions. Do CSR committee and CSR assurance, considered as two sustainability-oriented corporate governance mechanisms, the first internal and the second external, may enhance the CSR reporting level? Do CSR committee and CSR assurance may complement or be substituted for each other? We started this chapter by introduction and then present the theoretical background of research on CSR practices. This allowed us to formulate hypotheses. The section 4 of the first chapter empirically tests and discusses the effects of the two mechanisms of CSR committee and CSR assurance on CSR reporting and their mutual impact on each other. The results is followed in the last section by discussion, conclusions and suggestions for academic researchers and policymakers. Our first and second chapters use a sample from the French SBF 120 between 2001 and 2011.

In the second chapter, we analyze the moderating role of the CSR committee and CSR assurance as two sustainability-oriented corporate governance mechanisms, the first internal and the second external, on the relationship between voluntary CSR reporting and the firm's market value. First section of the second chapter highlights the relationship between CSR reporting and firms' market value, the moderating role of CSR committee and CSR assurance to enhance the relevance of CSR reporting. After explaining the methodology and analysis in

third section, we present and discuss the results. Finally, we conclude and provide some avenues for future research.

The third chapter discusses the contribution of CSR assurance quality, as proxied by the level of assurance, the scope of assurance, the compliance with international standards for assurance engagements, and the type of assurance provider, to the relevance of standalone CSR report. We extend our sample in this study using a matched sample of large French listed firms belonging to the SBF 120 index between 2007 and 2017. The first section presents the theoretical framework that explains the impact of standalone CSR report on firm market value followed by the moderating role of the quality of CSR assurance services on the relationship between the issuance of a standalone CSR report and Tobin's Q. In addition, we present in this section the effect of the mandatory assurance regime after the entry into force of the French Grenelle II Law, requiring, from 2012, mandatory external CSR assurance by a third party. The introduction of this law is necessary to explain why French context is relevant for studying CSR practices. This review allows us to formulate our hypotheses. Third and fourth sections test our hypotheses and discuss the results obtained to reach a conclusion and addressing finally future research avenues.

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Chapter I: Voluntary CSR reporting, CSR committee and CSR assurance: the interaction triangle

1. Introduction

To address CSR concerns, many organizations now issue reports containing environmental, social and governance information that confirm their ability to satisfy the needs of stakeholders (Ballou, Heitger, Landes, & Adams, 2006; Sethi, Martell, & Demir 2017). Comparable to financial reporting studies measured in monetary terms, CSR reporting focuses on both qualitative and quantitative information to measure the CSR value of a company (Cohen & Simnett, 2015). CSR reporting is defined as the process of communicating social and environmental actions of organizations to particular interest groups within society and to society at large (Campbell, 2004; Gray, Javad, Power, & Sinclair, 2001). Public pressure is the main reason why such reporting began, having been triggered by general awareness of climate change with regard to environmental and social issues (Moroney, Windsor, & Aw, 2012). In the last decade, the number of companies engaging in CSR reporting has steadily grown, and now amounts to 71 per cent of the top 100 companies from 41 countries, either in annual reports or stand-alone CSR reports (KPMG, 2013).

Depending on the sustainability corporate governance framework, the increase in CSR reporting rate arose with the emergence of voluntary CSR assurance with a view to enhancing the credibility of these reports (Simnett, Vanstraelen, & Chua, 2009; Pflugrath, Roebuck, & Simnett, 2011) and the creation of a CSR committee as a sustainability-oriented corporate

governance mechanism (Peters & Romi, 2015). Several studies have dealt with the relationship between CSR committee, CSR assurance and disclosure in CSR reports (Jones and Solomon, 2010; Ruhnke & Gabriel, 2013; Kend, 2015; Peters & Romi, 2015; Chapple, Chen, & Zhang, 2017). The advantage of creating of a specific CSR committee is that it increases transparency by disclosing more information (Fuente, García-Sánchez, & Lozano, 2017). Moreover, the level of alignment of CSR information with Global Reporting Initiative (GRI) guidelines reveals the company's interest in disclosing more CSR information (Ruhnke & Gabriel, 2013; Fuente et al., 2017). Thus, creating a CSR committee according to GRI guidelines may reduce information asymmetries and improve transparency (Fuente et al., 2017). In addition, the demand for assurance is higher when companies prepare sustainability reports in accordance with the GRI application level, thereby delivering a signal of credibility (Ruhnke & Gabriel, 2013). Furthermore, the GRI guidelines also recommend external assurance for sustainability reports (GRI, 2011). Interestingly, the increased call for transparency comes from two different angles, namely CSR committee and CSR assurance, thus forming an integral part of corporate governance.

The relationship between CSR committee and CSR assurance points to the issue of the complementarity and/or substitutability between the two. For example, Carey, Simnett, and Tanewski (2000), in their sample on the family business environment, argue that internal assurance can serve as a substitute for external assurance. Jones and Solomon (2010), in their interview-based study, obtain mixed findings regarding internal versus external assurance. While half of the interviewees believed that external assurance enhances credibility and trust, the other half was less convinced, believing that internal assurance was sufficient. Ruhnke and Gabriel (2013) show that companies with a sustainability department were more likely to have their sustainability report assured. In addition, the study by Kend (2015) provides evidence that the existence of a sustainability committee has a positive impact on the decision to choose a

reputable assurance provider from the auditing profession. Peters and Romi (2015) examine the linkage between the existence of an environmental committee and the demand for assurance and find that the existence of an environmental committee as a monitoring body may act as a substitute for assurance. Chapple et al. (2017) investigate also the impact of having a sustainability committee and its effectiveness on a company's voluntary decision to obtain CSR assurance.

In our paper, we complement previous studies by testing, in a voluntary context, whether CSR committee and CSR assurance, viewed as two sustainability-oriented corporate governance mechanisms, the first internal and the second external, may be useful for enhancing the CSR reporting level and thereafter whether they may complement or be substituted for each other. To assess the CSR reporting level, we provide a content analysis index based on items as defined by the French Grenelle II Act in accordance with GRI guidelines. In fact, the French institutional context is increasingly of interest in addressing social and environmental issues (Chauvey, Giordano-Spring, Cho, & Patten, 2015). France was the first EU country to engage in extra-financial reporting, with the entry into force in 2001 of the New Economic Regulations Act (NER), which requires all publicly listed firms to report on corporate social responsibility in their management reports. Article 225 of the Grenelle II Act, adopted in 2012, and strengthened the NER Act by requiring an independent third party (ITO) for the assurance of information published, by expanding the number of companies subject to this law and by extending the list of indicators in the annual report regarding environmental and social performance. Our study period coincides with the implementation of NER law as from 2001 and precedes the adoption in 2012 of the Grenelle II Act that extends mandatory disclosure to a greater number of companies and requires verification of CSR reports by an accredited independent third party. Over the 2001-2011 period, French companies that produce CSR reports in accordance with GRI guidelines and adopt CSR assurance by an independent third

party operate exclusively on a voluntary basis (Nekhili, Nagati, Chtioui, & Nekhili, 2017a; Nekhili, Nagati, Chtioui, & Rebolledo, 2017b). The establishment of a CSR committee was under all circumstances still voluntary (Chapple et al., 2017).

Based on a sample of French companies listed on the SBF 120 index from 2001-2011, we use the seemingly unrelated regression and the system GMM estimation approaches by considering CSR reporting, CSR assurance and CSR committee to be endogenously determined. In the framework of an interaction triangle, our results first show that the presence of a CSR committee and the adoption of CSR assurance is linked to the level of voluntary CSR reporting as measured by CSR reporting scores (unweighted disclosure index) and CSR disclosure rank (weighted disclosure measure). In other words, a positive and significant association is found with CSR reporting for both CSR committee and CSR assurance. The association between a CSR committee and CSR assurance is reciprocally and significantly negative. These results show that the creation of a CSR committee and the demand for CSR assurance may substitute for each other.

Our paper is structured as follows. The first section consists of a background/literature review of research on CSR practices, and formulates the hypotheses to be tested, according to which the two mechanisms of CSR committee and CSR assurance positively impact CSR reporting but negatively impact each other. The second section concerns methodology and analysis. The third section analyses the results and is followed in the last section by discussion, conclusions and suggestions for academic researchers and policymakers.

2. Conceptual framework and hypothesis development

2.1. Improving CSR reporting: a governance perspective

Corporate social responsibility (CSR) reporting has received considerable attention from researchers and practitioners for more than two decades (Mathews, 1997). Public awareness of and interest in environmental and social issues and increased media coverage have resulted in more social disclosure from corporations (Deegan & Gordon, 1996; Gray, Kouhy, & Lavers, 1995; Hooghiemstra, 2000; Kolk, 2003). While there is still no universal definition of CSR (Godfrey & Hatch, 2007), CSR disclosure may be described as the information that a company discloses about its social and environmental impact and its relationship with its stakeholders by means of relevant communication channels (Campbell, 2004; Gray et al., 2001). Other studies define a CSR report as an organizational document that provides information on a firm's social actions (Patten, 1991; Cormier, Aerts, Ledoux, & Magnan, 2009). Most definitions describe CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Reverte, 2009; Gamerschlag, Möller, & Verbeeten, 2011). CSR reporting may be also defined as a company's voluntary contribution to communicating on sustainable development that goes beyond the legal requirements (Campbell, 2004; Gamerschlag et al., 2011; Gray et al., 2001). Furthermore, while earlier studies often focussed on annual reports, more recent studies focus on the various reports that companies could use to disclose CSR information. As well as annual reports, there are also stand-alone reports and other specific reports (Cormier & Gordon, 2001). The increase in the number of companies reporting on CSR issues has been followed by the emergence of various types of reports. According to KPMG (2011), 95% of the world's 250 largest corporations publish separate sustainability reports. Annual reports, sustainability reports and triple bottom line reports now often refer to corporate accountability and community engagement and social licence to operate (Deegan, 2004). CSR reports are thus a natural

corollary to the growing pressure on corporations to respond to public concerns about environmental, social and governance issues (Gond & Herrbach, 2006).

According to the legitimacy and stakeholder perspectives, firms are motivated to undertake socially responsible initiatives and communicate these in order to achieve high visibility and respond to the needs of their stakeholders and society (Chiu & Sharfman, 2011). CSR reporting is seen as a governance practice that provides information on 'good' practices (Clatworthy & Jones, 2001; Godfrey, Mather, & Ramsay, 2003; Merkl-Davies & Brennan, 2007), which in turn is closely linked to achieving and maintaining a good reputation (e.g., Bebbington, Larrinaga, & Moneva, 2008). To build a sound reputation in the market, develop their image and identity, and achieve a competitive advantage (Hooghiemstra, 2000), companies need to demonstrate their commitment to CSR by providing clear and verifiable data and information (Perrini, 2005). Brown, Guidry, and Patten (2010) support claim that CSR disclosure can enhance corporate reputation. However, many academic researchers have been critical of key features of this emerging practice, given its tendencies towards managerialism at the expense of accountability and transparency to stakeholder groups (Gray & Milne, 2002; Owen, Swift, Humphrey, & Bowerman 2000). Other studies point to a lack of completeness and credibility in social, environmental and sustainability reporting (Adams & Evans, 2004; Adams, 2004; Dando & Swift, 2003; Gray 2001, 2006, 2010). Kolk (2008) discusses the linkage between corporate governance and CSR reporting and finds that companies tend to introduce a corporate governance section in their reporting and seek external advice on CSR issues. Harjoto and Jo (2011) explain the nexus between corporate governance and CSR by the fact that both of these constructs affect firm performance and are a central concern for stakeholders and managers.

2.2. CSR reporting and CSR committee

A board CSR committee is one of the extended components of the corporate governance mosaic (Peters & Romi, 2015). A CSR committee may also be termed an ethics, sustainable development, environment, health and safety, or public responsibility committee. The role of internal mechanisms such as a CSR committee is to review policies and conduct with respect to the company's principles and commitment on sustainability issues. The CSR committee is also responsible for responding to stakeholder requirements at a corporate strategic level by monitoring the firm's management (Mallin & Michelon, 2011). Establishing a board-level sustainability committee could play a key role in the corporate governance structure and enable firms to implement CSR initiatives (Rodrigue, Magnan, & Cho, 2013). For Peters and Romi (2015), the main purpose of the creation of a CSR committee is to improve firms' CSR performance and reporting by establishing goals and policies, as well as monitoring the accuracy and completeness of CSR disclosure and growth.

Several studies have examined how the presence of a board CSR committee influences the firm's CSR reporting. The results are mixed. Cowen (1987) studies the relationship between a number of corporate characteristics, such as the existence of a corporate social responsibility committee and specific types of social responsibility disclosure, and finds a positive relationship. Michelon and Parbonetti (2012), however, find that the evidence for the relationship between the presence of a CSR committee and disclosure of social information is weak. Eccles, Ioannou, and Serafeim (2012) show that firms with a strong sustainability culture are more likely to assign responsibility to the board of directors for sustainability and to form a separate board committee for sustainability. In relation to governance structures, Kend (2015) finds that the existence of a sustainability committee is positively significant for explaining the decision to produce a stand-alone sustainability report. Thus, the creation of a board-level CSR committee that deals with sustainability issues in response to the legitimacy problem is also

important in explaining the quality of CSR disclosure. Rodrigue et al. (2013) consider that the setting up of an environmental committee, as an entirely voluntary measure by a board, can be seen both as a way to better monitor management in terms of their environmental actions and performance and as an effective way to provide advice to management when dealing with environmental issues. Rankin, Windsor, and Wahyuni (2011) examine the relationship in Australian firms between voluntary adoption of environmental committees and the probability of credible GHG disclosure. They find that firms which have instituted an environmental committee are more likely to provide more credible disclosure. Peters and Romi (2014) find that firms with an environmental committee are more likely to disclose their GHG emissions accounting, but that having an environmental committee does not appear to affect disclosure transparency. Fuente et al. (2017) show in their study on Spanish companies that CSR committees are an important accountability mechanism and ensure the quality of CSR reporting.

Others analyses are based on qualitative embedded case studies. Adams (2002) examines the internal context factors, including the existence of a CSR committee, in determining the extent and nature of corporate social reporting. For this author, a CSR committee is likely to affect the extensiveness, quality, quantity and comprehensiveness of reporting. The findings of Vigneau, Humphreys, and Moon (2015) show that CSR reporting has become the main task of the CSR committee, and that the GRI acts as the ultimate guideline on how to report. The study thus suggests that the CSR committee develops a CSR construct focused on reporting and transparency. It is therefore expected that CSR committee members with a CSR background are experienced in dealing with CSR practices and thus place more emphasis on the quality of CSR reporting. Thus, our first hypothesis is formulated as follows:

H1. A CSR committee, as an internal sustainability-oriented corporate governance mechanism, is positively associated with increased CSR reporting.

2.3. CSR reporting and CSR assurance

Arguably, CSR assurance, as an assessment of CSR reports, can be defined in the same way as an external audit. A social audit, as viewed by Owen et al. (2000), implies that there is a review to ensure that an organization gives due consideration to the social responsibilities directly and indirectly affected by its decisions. Investigating the voluntary demand for assurance has the advantage of eliminating the confounding effect of regulation (Carey et al., 2000). Many recent studies have examined the decision to make use of voluntary CSR assurance (e.g., Adams & Evans, 2004; Park & Brorson, 2005; Simnett et al., 2009; Moroney et al., 2012; Ruhnke & Gabriel, 2013; Gillet-Monjarret & Martinez, 2012; Kend, 2015). Voluntary assurance of the CSR report increases the credibility of the information provided (Adams & Evans, 2004), reduces the level of information asymmetry (Fuhrmann et al., 2017) and helps companies to manage their image (Gillet-Monjarret & Martinez, 2012). The reliability of the assessments provided by verifiers has been questioned by many authors (Adams & Evans, 2004; O'Dwyer & Owen, 2005). The literature provides mixed results in this area. The purpose of assurance is to add credibility to the social and ethical accountability statement and therefore the interests of key stakeholders are borne in mind when preparing the assurance report (ISEA 1999). Owen et al. (2000) find that without genuine change in corporate governance structures, CSR external audit could become monopolized by consultants and/or corporate management and hence amount to little more than a skilfully controlled public relations exercise. In the French context, Gillet-Monjarret (2015) finds evidence that companies use voluntary sustainability assurance in order to influence public opinion through media coverage. At the same time, assurance and the credibility of audit and auditors are given greater emphasis in debates on public accountability, corporate social responsibility and risk management than the quality and purpose of reporting on social, ethical and environmental performance.

Social, ethical and environmental assurance has been criticized for not providing reasonable levels of confidence on the part of stakeholders (Dando & Swift, 2003). Several researchers have been critical of key features of assurance practices, given the absence of established auditing standards and its tendency to ‘managerial capture’ at the expense of accountability and transparency with regard to external publics and stakeholder groups (e.g., Adams, 2004; Dando & Swift, 2003; Gray, 2002; Gray & Bebbington, 2000; Gray & Collison, 2002; O’Dwyer, 2003). Casey and Grenier (2015) find that intense regulatory oversight appears to serve as a substitute form of credibility enhancement of CSR assurance. However, Park and Brorson (2005) consider that assured companies are positive with regard to the perceived benefits from third-party assurance, such as guidance on how to develop efficient internal reporting systems and increased credibility for published data. Assurance for sustainability reporting has become better known as a voluntary practice that plays an important role in ensuring control over the credibility of the environmental and social information disclosed (Kolk & Perego, 2010). In sum, mainstream researchers have thus far considered that the main purpose of purchasing assurance is to enhance the credibility of CSR reporting (e.g. Simnett et al., 2009; Pflugrath et al., 2011; Peters & Romi, 2015).

The examination of the interaction between CSR assurance and CSR reporting has attracted considerable attention in the management, social and environmental accounting literature. Some studies look at whether CSR assurance has an impact on CSR reporting. Public accounting firms have a tremendous market opportunity for providing independent assurance for these reports so as to improve information quality for users (Ballou et al., 2006). Deegan, Cooper, and Shelly (2006) consider assurance statements provided by independent third-parties to be an essential component for adding credibility to the triple bottom line reporting process. Pflugrath et al. (2011) state that financial analysts consider assured CSR information to be more credible than non-assured CSR information. Moroney et al. (2012) find that the quality of

voluntary environmental disclosure increases for assured companies. Thus assurance statements issued by big accounting corporations are able to improve the quality of CSR information. The auditor examines the quality of the report compared to the standards defined by legal obligations (NER law) or acknowledged practices (GRI guidelines or internal standards) in order to formulate an assurance statement. The GRI guidelines also recommend external assurance for the sustainability report (GRI, 2011). Clarkson, Li, Richardson, and Tsang (2019) suggest that issuing stand-alone CSR disclosure and having CSR disclosure assured by an external third-party both bring real benefits to the issuing firms. They consider that CSR disclosure assured by an independent third party increases the likelihood of inclusion in the DJSI (Dow Jones Sustainability Index), a leading indicator for corporate sustainability. A more recent study by Cuadrado-Ballesteros, Martínez-Ferrero, and García-Sánchez (2017) considers that assured sustainability reporting reduces the level of information asymmetry to a greater extent than non-assured reporting.

CSR reporting may also impact the demand for CSR assurance. Kolk and Perego (2010) provide evidence that the probability of producing an assurance sustainability statement is positively linked to countries where there is greater pressure for corporate sustainability. Ruhnke and Gabriel (2013) assert that the assurance of sustainability reports is positively correlated with companies that prepare their sustainability report in accordance in conformity with GRI guidelines. Sethi et al. (2017) examine the effect on the decision to assure CSR reports on the quality of the CSR report. They find that the likelihood of CSR assurance rises with overall CSR reporting quality, shown by a highly significant and positive coefficient on the CSR reporting quality variable. According to Cho, Michelon, Patten, and Roberts (2014), companies with more extensive disclosure in their CSR reports are more likely to seek external assurance. In support of this proposition, Casey and Grenier (2015) find that not only firms concerned about and strong in relation to CSR, but also those producing more CSR disclosure

are likelier to have their CSR reports assured. Clarkson et al. (2019) show that firms with a stronger CSR commitment tend to be more likely to issue CSR disclosure with external assurance. Hence, we present our second research hypothesis:

H2. CSR assurance, as an external sustainability-oriented corporate governance mechanism, is positively associated with the extent of CSR reporting.

2.4. CSR assurance and CSR committee: substitutes or complements?

There are a large number of studies examining the demand for internal and external assurance of CSR reports. Anderson et al. (1993) have argued that internal assurance is an alternative monitoring mechanism. Other authors consider that a reduction in external audit costs is attributable to reliance on internal audits, suggesting a complementary relationship. Using a sample of family firms, Carey et al. (2000) suggest that firms using internal audit are less likely to make use of external audit, and vice versa. In their study on the demand for social and environmental reporting assurance, Jones and Solomon (2010) find, using an interview method, that half the respondents believe that internal assurance is sufficient and that external assurance enhances credibility and trust. Adopting another viewpoint, Darnall, Seol, and Sarkis (2009) argue that the use of both internal and external audits can enhance organizational benefits and improve external credibility to a greater extent.

Research has also been carried out on the linkage between voluntary demand for CSR assurance and the existence of a CSR committee. Many studies consider the impact of a CSR committee on CSR assurance. Gillet-Monjarret and Martinez (2012) find that the existence of a CSR committee encourages companies to obtain CSR assurance. Similarly, Ruhnke and Gabriel (2013) show that companies with a sustainability department are more likely to have their sustainability report assured. Peters and Romi (2015) examine the presence and characteristics of environmental committees on the board of directors and their linkage with CSR assurance. They fail to find any linkage between the existence of an environmental

committee and CSR assurance, and conclude that only environmental committees containing directors with related expertise influence the likelihood of adopting sustainability assurance. Kend (2015) finds that the existence of a sustainability committee has a positive significance on the decision to choose a reputable assurance provider from the auditing profession. Chapple et al. (2017) also investigates the impact of sustainability committee effectiveness on a company's voluntary decision to obtain CSR assurance. Their results suggest that the existence of a sustainability committee and the committee's effectiveness are not associated with the decision to obtain assurance for CSR reports. However, a more effective sustainability committee is more likely to use accounting firms to conduct CSR assurance. This choice may be due to the accounting firms' independence and their extensive professional experience of assurance. Velte and Stawinoga (2017) find that CSR assurance decisions and the choice of the CSR assurance provider are influenced by corporate governance issues such as the presence of a CSR committee. However, to the best of our knowledge, no study has yet considered the impact of CSR assurance on the presence of a CSR committee. Hence we put forward a unidirectional hypothesis on the relation between CSR assurance and the presence of a CSR committee.

H3a. CSR assurance provided by an external auditor is positively associated with the presence of a CSR committee.

H3b. CSR assurance provided by an external auditor is negatively associated with the presence of a CSR committee.

3. Method

3.1. Sample and data

The population considered for the analysis are SBF120 listed companies on the French Stock Exchange. We eliminated 29 financial companies, real estate companies, and foreign

companies in order to avoid special criteria and operating rules that might affect the control variables or government regulations that potentially affect CSR practices. Such companies, therefore, may be different in terms of CSR decisions (Frías-Aceituno, Rodríguez-Ariza, & García-Sánchez, 2013). The final sample is thus composed of 91 non-financial companies listed on the French Stock Exchange over the period 2001-2011, for a total unbalanced panel of 940 firm-years. We collected information about CSR, governance variables and ownership variables from annual reports, stand-alone sustainability reports and company websites (<http://www.morningstar.com>), published for the most part on AMF, which provides comprehensive data on companies' environmental and social performance. Financial data were taken from the ThomsonOne database.

Our sample period coincides with the implementation of the NER (New Economic Regulations) law as from 2001. The French legislation added an “ethical” dimension to financial practices, clarifying competition rules, improving social dialogue and enforcing consumer rights. The governmental decree based on the NER requires French listed companies to provide social and environmental information in their annual reports. Later, the Grenelle II law, which came into force in 2012, clarifies the CSR disclosure requirements for French companies. Companies were now required to provide detailed information on their CSR commitments. The “extra-financial” information included in the report must be verified by a third party (article 225 of the commercial code). In our study, we decided to create an index from the Grenelle II grid, available on www.strategie.gouv.fr.

3.2. Dependent variables

3.2.1. CSR reporting and CSR rank

To establish the CSR reporting index, previous studies ascertain whether a company discloses information on a specific item, assigning a value of 1 if an item of information is disclosed, and zero otherwise. Following Botosan (1997), in the present study we seek to

measure the level of aggregate CSR reporting and the items specific to each of its social, environmental and sustainability reporting components using the unweighted disclosure index methodology. We create a content analysis index based on the Environment Grenelle II Act grid, because of its precision and conformity to European and international standards and to Global Reporting Initiative guidelines (2011). This grid contains 42 items subdivided into three categories: social (19 items), environmental (14 items) and sustainability reporting (9 items). Appendix A provides a complete list of items. Social reporting includes information on employment, work organization, labour relations, occupational health and safety, training, equal treatment and conformity with the basic provisions of the International Labour Organization (ILO). Environmental reporting presents evaluation of environmental policies, measures taken to mitigate the effect of waste and other types of pollution, and risk prevention. Sustainability reporting is required to cite the company's actions on behalf of sustainable development, especially relationships with stakeholders, honesty in practices, and measures in support of human rights.

The level of disclosure is the sum of the scores realized in the three CSR information categories (social, environmental and sustainability reporting). We calculate an index as the ratio of the allocated aggregate score of CSR reporting to the maximum score equal to the sum of relevant items presented in Appendix A. Following Bouten, Everaert, and Roberts (2012), the measure of the level of CSR disclosure based on breadth and depth considers both the number of items and the specificity of the disclosure (i.e., information type, which may be qualitative and quantitative). Our disclosure score can be seen as based on the breadth and depth of CSR disclosure, since items as defined by the Grenelle II Act provide both qualitative and quantitative information (see Appendix A).

In sum, the CSR disclosure index for the j th firm-year (CSR_REP_j) is measured as follows:

$$CSR_REP_j = \sum_{i=1}^{n_j} X_{ij} / n_j$$

Where:

n_j = number of items expected for the j th firm-year

X_{ij} = 1 if the i th item is disclosed by the j th firm-year, and 0 if the i th item is not disclosed

In a complementary analysis, we also use the disclosure rank of CSR-related information. The use of the CSR disclosure rank based on a within-industry/year ranking of the sample data is defined as the rank of a given firm's disclosure score divided by the number of observations having non-missing values of the ranking variable (Botosan and Plumlee, 2002). Following Clarkson, Fang, Li, and Richardson (2013), we determine the within-industry percentile ranking for each disclosure category for each year and base our analyses on these percentile disclosure rank scores. The scores for each category have been 'normalized', ranging between 0 and 1. Thereafter and following Botosan and Plumlee (2002), we rank firms in ascending order, such that firms receiving higher ranks correspond to higher levels of disclosure by using the weighted disclosure measure.

3.2.2. CSR committee

The presence of a CSR committee as an internal sustainability-oriented governance mechanism constitutes one possible way of enhancing the credibility of CSR reporting. The relationship between governance and sustainability can be expressed by a sustainability-oriented committee at board level (Kolk, 2008). CSR committees may be given various names, such as environmental committees, sustainability committees, human resources and governance committees, or environment, health, and safety committees, but they all have jurisdiction over CSR issues (Vigneau et al., 2015; Fuente et al., 2017). CSR committee is likewise a dichotomous variable that takes the value 1 if a company has a CSR (or sustainability) committee; otherwise it takes the value 0.

3.2.3. CSR assurance

The voluntary demand for CSR assurance as an external sustainability-oriented governance mechanism may signal the firm's concern to enhance the credibility of its CSR information. Regarding the choice of assurance provider, we determined whether the assurance provider was a professional accounting firm. The level of independence, maturity of auditing standards, certification requirements, and auditing resources available to professional accountants increase the quality of CSR assurance they provide (e.g. O'Dwyer & Owen, 2005; O'Dwyer et al., 2011; Perego & Kolk, 2012; Simnett et al., 2009; Pflugrath et al., 2011; Peters & Romi, 2015). CSR assurance is a dependent dummy variable taking the value 1 if CSR assurance is provided by a professional accounting firm and 0 otherwise.

3.3. Control variables

Based on insights from the literature on the interaction between CSR reporting, CSR committee and CSR assurance, we include in our model the following corporate governance variables as control variables and their interactions with these endogenous variables. For Giannarakis (2014), board size positively impacts CSR reporting, such that a larger board contributes to a wider exchange and provides diverse and vital resources for promoting CSR activities. Peters and Romi (2015) and Liao, Lin, and Zhang (2018) find that firms with large boards are more likely to engage in CSR assurance. In contrast, Cuadrado-Ballesteros, Martinez-Ferrero and Garcia-Sanchez (2017) suggest that the probability of a company assuring its sustainability reporting decreases with board size, implying that the greater the number of directors, the lower the probability of assuring sustainability reporting. Jizi, Salama, Dixon, and Stratling (2014) find evidence that board independence is positively related to CSR disclosure in the banking sector. Furthermore, the findings of Cuadrado-Ballesteros, Martinez-Ferrero and Garcia-Sanchez (2017) also indicate that a larger number of independent directors increases the

probability of purchasing sustainability assurance services. Focussing on the presence of female directors on the board in the French context, Nekhili et al. (2017a) find that firm-years with at least one female director publish more CSR information, are more likely to have a CSR committee and are more prone to engage an external assurance provider for their CSR reporting than firm-years with no women on the board. The number of board meetings is a proxy of diligence and also an indicator of directors' concerns, such as CSR duties (Giannarakis, 2014). The dual functions of chairman of the board of directors and CEO is defined as a power held by one person. Jizi et al. (2014) find that CEO duality impacts positively on CSR disclosure. Further, Liao et al. (2018) show that CEO-chairman duality is positively and significantly associated with the demand for CSR assurance. Lewis, Walls and Dowell (2014) find evidence that CEOs with long tenure are less likely than newly appointed CEOs to submit to stakeholder pressure regarding voluntary environmental disclosure.

With regard to ownership structure, we consider three control variables: family ownership, institutional ownership and employee share ownership. Family firms are more likely than non-family firms to proactively and voluntarily provide a wider range of stand-alone CSR reports, reflecting the typically greater attention they pay to promoting their visibility and family reputation (Campopiano & De Massis, 2015). Nekhili et al. (2017b) show that family firms report less information on their CSR activities and are less likely to have a CSR committee on their board. However, the proportion of non-family managers and non-family directors is positively associated with the demand for external assurance (Carey et al. 2000). Dhaliwal, Li, Tsang, and Yang (2011) find evidence that voluntary CSR disclosure attracts dedicated institutional investors, who have long investment horizons and play monitoring and governance roles. Consistently with the growing demand for sustainability information by institutional investors and incentives for reporting credibility, Peters and Romi (2015) show that institutional ownership is positively associated with the sustainability report assurance decision. The

involvement of employee investors in the companies' share capital is linked to a growing interest in CSR activities and counterbalances the supremacy of non-employee shareholders (Poulain-Rehm & Lepers, 2013).

Below we describe various other control variables that we use in our multivariate tests. Bouten et al. (2012) find a positive relationship between leverage and the degree of disclosure of social and environmental information. Casey and Grenier (2015) find that highly leveraged firms are less likely to obtain CSR assurance, possibly due to stringent bank monitoring indirectly suppressing the demand. The literature suggests that companies with high systematic risk use social disclosure as a means of risk reduction (Belkaoui & Karpik, 1989; Trotman & Bradley, 1981; Roberts, 1992; Richardson et al., 1999; Casey & Grenier, 2015). Clarkson, Li, Richardson, and Vasvari (2008) focus on discretionary spending, such as investing in new environmental technologies or environmentally related R&D and innovations so as to further enhance future environmental performance. Casey and Grenier (2015) include R&D as a control variable in examining the effect of CSR assurance on capital market responses. We also control for foreign assets in examining the relationship between the degree of internationalization and, simultaneously, CSR reporting, CSR committee and CSR assurance. For Casey and Grenier (2015), firms with a global presence may need CSR assurance to enhance their credibility with foreign stakeholders. Consistently with the majority of findings, we include firm size as an explanatory variable of CSR reporting (Cowen, 1987; Belkaoui & Karpik, 1989; Clarkson et al., 2008; Reverte, 2009; Simnett et al., 2009; Gamerschlag et al., 2011; Gillet-Monjarret, 2015), and find that large companies are significantly more likely to have their CSR reports assured than small companies. Almost without exception, previous studies dealing with CSR practices control for industry in order to take into account the different interests of the various stakeholders (Simnett et al., 2009; Kolk & Perego, 2010; Pflugrath et al., 2011; Gillet-Monjarret, 2015). In our study, we use the Industry Classification Benchmark

(ICB) launched by Dow Jones and FTSE in 2005, and used by the Euronext. Jackson and Apostolakou (2010), Qiu, Shaukat, and Tharyan (2016), Gillet-Monjarret (2015), and Nekhili et al. (2017a,b) also use this classification for industry. Table I.1 summarizes the variables used in our model and their measurement.

Table I.1. Variables and their measurement

| Variable | Definition | Measure ¹ |
|-----------------------------|-------------------------|---|
| <i>Endogenous variables</i> | | |
| CSR_REP | CSR reporting | Aggregate corporate social responsibility reporting index as the ratio of the assigned total score to the maximum score (42 items) (Appendix A) |
| CSR_RANK | CSR ranking | Ascending order for the within-industry/year ranked value of the CSR score |
| CSR_COM | CSR committee | Binary variable that takes the value 1 if the company have a CSR committee and 0 otherwise |
| CSR_ASS | CSR assurance | Binary variable that takes the value 1 if CSR assurance is provided by external third-party and 0 otherwise |
| <i>Control variables</i> | | |
| BOARD_SIZE | Board size | Natural logarithm of the number of directors on the board |
| FEM_DIR | Female directorship | Ratio of women directors to total directors on the board |
| BOARD_IND | Board independence | Ratio of number of non-executive independent directors to total number of board directors |
| MEET | Board meeting | Natural logarithm of the number of annual board meetings |
| DUAL | CEO duality | Dummy variable that takes the value of 1 if the CEO is also the chair of the board and 0 otherwise. |
| TENURE | CEO tenure | The number of years within the company as CEO. |
| FAM_OWN | Family ownership | Percentage of capital held by family |
| INST_OWN | Institutional ownership | Percentage of capital held by institutional investors |
| EMPL_OWN | Employee ownership | Percentage of capital held by employee shareholders |
| LEV | Leverage | Ratio of total financial debt to total assets |
| ROA | Return on assets | Ratio of operating income to total assets |
| TOBIN | Tobin's q | Stock market capitalization plus book value of liabilities as a ratio of total assets |
| RISK | Market risk | Equity beta |
| R&D | R&D intensity | Ratio of Research and Development to total sales |
| FOR_ASS | Foreign assets | Ratio of foreign assets to total assets |
| SIZE | Firm size | Natural logarithm of total assets |
| Industry | Industry | Binary variable that takes the value 1 if the company belongs to the sector in question and 0 otherwise |

3.4. Econometric specification

In our empirical setting, we employ both cross-section and dynamic panel data approaches. These approaches complete each other and are used together to lend robustness to the analysis. The cross-section approach is pursued by applying the seemingly unrelated regression (SUR). The relation between voluntary CSR reporting, CSR assurance and CSR committee may be affected by some unobservable features. Therefore, to avoid problems of multicollinearity due to collinearity in the explanatory variables, we employ of Zellner's (1962) seemingly unrelated regression approach to jointly estimate a regression of voluntary CSR

¹ Variables from ThomsonOne are winsorized at the 1% and 99% levels.

reporting, CSR committee and CSR assurance. A seemingly unrelated regression system consists of several individual relationships that are linked by the fact that any disturbances among them are correlated. There are two main reasons for using SUR in our study. The first is to improve estimation efficiency by combining information on CSR practices on different equations. The second reason is to impose and/or test restrictions that involve parameters in different equations. Taking into account covariance between errors, this method of estimating coefficients is more efficient than an equation-by-equation application of ordinary least-squares (Zellner, 1962). The system model we consider is the following:

$$CSR_REP_{it} = \alpha_0 + \alpha_1 CSR_COM_{it} + \alpha_2 CSR_ASS_{it} + \alpha_3 CONT_{it} + \alpha_4 IND_t + \alpha_5 YEAR_i + \varepsilon_{1it}$$

$$CSR_COM_{it} = \beta_0 + \beta_1 CSR_REP_{it} + \beta_2 CSR_ASS_{it} + \beta_3 CONT_{it} + \beta_4 IND_t + \beta_5 YEAR_i + \varepsilon_{2it}$$

$$CSR_ASS_{it} = \gamma_0 + \gamma_1 CSR_REP_{it} + \gamma_2 CSR_COM_{it} + \gamma_3 CONT_{it} + \gamma_4 IND_t + \gamma_5 YEAR_i + \varepsilon_{3it}$$

Where ε_{it} is the error term and the subscripts i and t stand for firm and year respectively. $CONT_{it}$ is a set of control variables as defined above that simultaneously affect CSR_REP , CSR_COM and CSR_ASS . We control for industry and year effects by integrating industry (IND_t) dummy and year ($YEAR_i$) dummy variables. All variables are as defined in Table I.1.

We use the system GMM estimation for the dynamic panel data approach (Arellano & Bover, 1995; Blundell & Bond, 1998). The system GMM approach allows the relationship between voluntary CSR reporting, CSR committee and CSR assurance to be estimated in levels and first differences simultaneously. The main advantage of the system GMM approach is that it controls for heterogeneous endogeneity (stemming from time-invariant variables) and includes the dynamic structure of the relationship between voluntary CSR reporting and the two sustainability corporate governance mechanisms (i.e., CSR committee and CSR assurance). The use of the one-year lagged value of each dependent variable and differences in explanatory variables as instruments is motivated by the fact that the strategic decision to report more on

CSR duties, to implement CSR committee and/or to purchase CSR assurance, is linked to the current and past CSR related-decision of the firm as well as to other firm characteristics.

4. Results

4.1. Descriptive statistics

Table I.2 shows the level of disclosure of CSR information according to the industry concerned. We find that basic resources, automobiles and parts, retail, travel and leisure, personal and household goods, utilities, and chemicals publish the most societal information. Nevertheless, the automobile sector leads in terms of CSR publication, while the technology and media industries disclose the least. Broadly, firms from different industries adopt different reporting strategies with regard to the various components of their CSR practices. Moreover, when a given industry dominates with regard to the reporting index of one component of CSR information, this does not mean that it dominates with regard to other CSR components. These results suggest that voluntary CSR information disclosure is systematically related to belonging to specific industries.

Table I.2. CSR reporting by industry

| | Percentage of firm / year by sector | Aggregate CSR reporting | Social reporting | Environmental reporting | Sustainability reporting |
|-----------------------------|-------------------------------------|-------------------------|------------------|-------------------------|--------------------------|
| Basic Resources | 2.26% | 55.59% | 60.53% | 47.86% | 63.12% |
| Automobiles & Parts | 6.79% | 62.70% | 66.40% | 59.05% | 65.62% |
| Retail | 3.40% | 55.95% | 55.02% | 45.71% | 70.00% |
| Health Care | 7.93% | 47.35% | 49.25% | 44.79% | 47.68% |
| Travel & Leisure | 4.53% | 50.36% | 46.58% | 47.86% | 66.25% |
| Technology | 12.46% | 27.25% | 29.71% | 14.61% | 45.90% |
| Industrial Goods & Services | 17.33% | 40.13% | 42.41% | 35.85% | 46.24% |
| Media | 13.59% | 29.03% | 35.61% | 16.73% | 35.31% |
| Personal & Household Goods | 6.79% | 50.44% | 50.53% | 44.40% | 62.92% |
| Utilities | 6.79% | 55.36% | 51.66% | 67.02% | 50.00% |
| Chemicals | 1.81% | 50.30% | 44.41% | 60.27% | 51.56% |
| Food & Beverages | 3.40% | 37.30% | 26.49% | 43.81% | 51.66% |
| Oil & Gas | 4.53% | 33.45% | 28.29% | 34.82% | 45.62% |
| Construction & Materials | 7.55% | 48.86% | 44.70% | 49.36% | 63.80% |

Table I.2 presents the level of disclosure of CSR information and its components by industry.

Table I.3 presents descriptive statistics and analysis of our key variables. Regarding the variables of interest, French companies disclose 44.27% of the selected items in their CSR reporting using the unweighted disclosure index methodology (CSR_REP), and are ranked 4.664 on average using the disclosure rank of CSR-related information (CSR_RANK). Moreover, only 20.78% of CSR reports are assured by an external third-party (CSR_ASS) while 18.56% are assured by professional accounting firms, namely the Big Four audit firms. Consistent with Gillet-Monjarret and Martinez (2012, 2015), voluntary CSR assurance is not a common practice for French firms. Note that there are many disparities in CSR assurance practices from country to country. Simnett et al. (2009) show that for the 2,113 companies producing sustainability reports in their sample of 40,993 companies, 655 (31%) have their public reports assure and that 275 (42%) of these reports are assured by the auditing profession. For Australia, Chapple et al. (2017) find that 19.0% for a total of 578 firm-year observations involve CSR assurance. Importantly, among the 110 companies obtaining CSR assurance, the choice of a non-accounting assurance provider declines from 42.9% in 2010 to 9.1% in 2014, and there are only two companies out of the total 110 companies that obtained CSR assurance

from non-accounting assurance providers in 2014. The proportion of companies with a CSR committee (CSR_COM) as an internal sustainability-oriented corporate governance mechanism was low (27.84%). Peters and Romi (2015) find that of the 912 observations of firms issuing sustainability reports in their sample, 425 have environmental committees. Chapple et al. (2017) find, from their final sample of 142 Australian firms, that the ratio of companies with a sustainability committee is around 26%.

For the other control variables, the average number of directors (BOARD_SIZE) is 12 members. The board of directors is independent (BOARD_IND) on average in 42.73% of cases. Female directorship on the board (FEM_DIR) is estimated to be only 8.85% of total board directors. Furthermore, the average number of board meetings (BOARD_MEET) is just over 7 per year. More than half the sampled companies (54.10%) have dual governance structures (DUAL) and the average tenure of the CEO (TENURE) is 9 years. French companies exhibit a concentrated ownership structure (Boubaker & Labégorre, 2008). In this regard, the average of family (FAM_OWN) and institutional ownership (INST_OWN) is 26.64% and 15.44%, respectively, and employees (EMPL_OWN) hold only 2.49% of capital. The average level of corporate debt (LEV) is 26.20%, reflecting a tendency to obtain finance through equity rather than debt. In terms of firms' performance, the average ROA is 4.74% and the average Tobin's q (TOBIN) is 1.13. For the firm-years sampled, companies on average invest 1.92% of their sales in research and development (R&D). Average market risk (RISK) as measured by beta is less than one (0.88), showing that investment by French firms is less volatile than the market. Foreign assets (FOR_ASS) represent on average 38.80% of total assets. Finally, the size of the firm (SIZE) is on average 16.718 billion euros.

Table I.3. Descriptive statistics

| | Mean | Median | Standard Deviation | Minimum | Maximum |
|-----------------------------------|--------|--------|-----------------------|---------|---------|
| CSR_REP | 44.27% | 47.62% | 25.10% | 0 | 90.48% |
| CSR_RANK | 4.664 | 4 | 3.555 | 1 | 17 |
| CSR_COM | 27.84% | 0 | 44.84% | 0 | 100% |
| CSR_ASS (by external third-party) | 20.78% | 0 | 40.59% | 0 | 1 |
| CSR_ASS (by Big auditor) | 18.56% | 0 | 38.90% | 0 | 1 |
| BOARD_SIZE (number of directors) | 11.61 | 12 | 3.96 | 3 | 26 |
| BOARD_IND | 42.73% | 42.86% | 23.46% | 0 | 100% |
| FEM_DIR | 8.85% | 7.14% | 9.30% | 0 | 43.75% |
| BOARD_MEET (number of meetings) | 7.22 | 7 | 3.55 | 0 | 30 |
| DUAL | 54.10% | 1 | 49.85% | 0 | 1 |
| TENURE (number of years) | 9.08 | 7.14 | 6.98 | 0 | 43 |
| FAM_OWN | 26.64% | 22.91% | 26.20% | 0 | 99.37% |
| INST_OWN | 15.44% | 5% | 22.65% | 0 | 90% |
| EMPL_OWN | 2.49% | 0.99% | 4.73% | 0 | 32.75% |
| LEV | 26.20% | 25.27% | 13.63% | 0.93% | 60.07% |
| ROA | 4.74% | 4.10% | 3.69% | -4.46% | 15.70% |
| TOBIN | 1.13 | 0.88 | 0.83 | 0.25 | 4.56 |
| R&D | 1.92% | 0 | 4.45% | 0 | 24.17% |
| RISK | 0.88 | 0.89 | 0.27 | 0.06 | 1.81 |
| FOR_ASS | 38.80% | 37.99% | 29.19% | 0 | 97.36% |
| SIZE (in billions of euros) | 16,718 | 5,185 | 29,785 | 0,004 | 240,559 |

Table I.3 presents descriptive statistics and analysis of the depended and control variables. Variables are as defined in Table I.1.

4.2. Univariate analysis

Table I.4 compares the mean difference between firms with and without a CSR committee. With regard to their CSR-related information disclosure, for firms with a CSR committee 59.01% of CSR reporting is associated with the presence of a CSR committee as opposed to 36.23% for firms without a CSR committee. Furthermore, the voluntary CSR disclosure rank is significantly higher for companies with a CSR committee than those without one (5.632 and 4.290, respectively). This result is consistent with the findings of Cowen (1987) for one aspect of CSR activities, namely the disclosure of human resources information, and consistent with the study by Michelon and Parbonetti (2012) regarding social disclosure. Ceres (2013) argues that these committees are important for integrating sustainability initiatives and developing reporting and goal setting. Peters and Romi (2014) note a positive association

between the likelihood of greenhouse gas emissions disclosure and the existence of an environmental committee. Fuente et al. (2017) confirm the hypothesis that the best CSR disclosure practices are linked to the existence of CSR committees. Consistently with the findings of Kend (2015), Ruhnke and Gabriel (2013) and Gillet-Monjarret and Martinez (2012), our result shows that firm-years with a CSR committee are more prone to demand external assurance than firm-years without a CSR committee. Recently, Chapple et al. (2017) find that the existence of a sustainability committee is not associated with the decision to obtain assurance for CSR reports.

With regard to variables related to governance and ownership, Table I.4 shows that boards with a CSR committee are larger, more diligent and more independent than firm-years without CSR committee. Table I.4 also shows that firms with CSR committee hold more frequent meetings but are less likely to allow the CEO to serve as board chairperson. CEO tenure is higher in firm-years with a CSR committee. Results in Table I.4 also suggest that companies with family ownership are less likely to have a CSR committee. No significance is observed for institutional and employee investors between firm-years with a CSR committee and firm-years without a CSR committee.

With regard to other control variables, leverage is found to be less important in firm-years with a CSR committee. Furthermore, firms which have a CSR committee display a slightly but significantly lower Tobin's q than firms without a CSR committee. Finally, we find that firm size of is significantly higher for firm-years with a CSR committee than firm-years without a CSR committee. No significance is found with respect to R&D, ROA, Beta and foreign assets between firms with or without a CSR committee.

Table I.4. Mean difference test between firms with and without CSR committee

| Variables | Firms with CSR committee (n = 261) | Firms without CSR committee (n = 679) | t-test |
|----------------------------------|---------------------------------------|--|------------------------|
| CSR_REP | 59.01% | 36.23% | 12.492*** |
| CSR_RANK | 5.632 | 4.290 | 5.361*** |
| CSR_ASS | 30.18% | 14.82% | 5.160*** |
| BOARD_SIZE (number of directors) | 13.410 | 10.928 | 8.252*** ^a |
| BOARD_IND | 45.20% | 40.73% | 2.425** |
| FEM_DIR | 7.36% | 8.35% | 1.425 |
| MEET (number of meetings) | 7.887 | 6.915 | 3.495*** ^a |
| DUAL | 46.40% | 56.55% | 2.615** |
| TENURE (number of years) | 9.735 | 8.358 | 2.576** ^a |
| FAM_OWN | 23.77% | 27.80% | 2.143** |
| INST_OWN | 17.23% | 14.73% | 1.538 |
| EMP_OWN | 2.73% | 2.40% | 0.982 |
| LEV | 23.59% | 26.54% | 2.709** |
| R&D | 1.85% | 1.94% | 0.254 |
| ROA | 4.82% | 4.70% | 0.433 |
| TOBIN | 1.057 | 1.203 | 2.055** |
| BETA | 0.906 | 0.881 | 1.156 |
| FOR_ASS | 37.76% | 39.13% | 0.597 |
| SIZE (in billions of euros) | 32.443 | 10.873 | 10.129*** ^a |

Table I.4 presents the results of the mean difference tests between Firms with CSR committee and Firms without CSR committee. Variables are as defined in Table 1.

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively.

^a t-tests are based on natural logarithm transformed values.

Table I.5 compares the mean difference between firms with and without CSR assurance provided by external auditor. The results show that the voluntary CSR reporting index is significantly higher for firms with assured CSR reports (65.98%) than for firms with non-assured CSR reports (37.08%). Further, the CSR disclosure rank is significantly higher for firm-years with CSR assurance than firm-years without CSR assurance (5.261 and 4.472, respectively). This finding is consistent with the studies by Moroney et al. (2012), Ruhnke and Gabriel (2013), Cho et al. (2014), Wong and Wallington (2014) and Sethi et al. (2017) focusing on voluntary environmental disclosure and CSR assurance. Firms reporting a higher level of CSR reporting are more likely to be concerned about their reputation and to assure their CSR duties. Consistently with Ruhnke and Gabriel (2013), Peters and Romi (2015) and Kend (2015) and inconsistently with Chapple et al. (2017), we find that firms with CSR assurance provided by external auditor are more likely to have a CSR committee (44.96% versus 20.92%).

With regard to board characteristics, we find that boards in firms with CSR assurance provided by external auditor are significantly more diligent and more independent than firms without CSR assurance. These findings are consistent with those of Carcello et al. (2002) and Chapple et al. (2017). However, a recent study by Liao et al. (2018) on Chinese listed companies shows that board independence does not affect the CSR assurance decision. In line with the findings of Peters and Romi (2015) and Liao et al. (2018), we find a positive association between board size and CSR assurance. Chapple et al. (2017) show that board size is significantly and positively associated with accounting firms as assurance providers. In line with Liao et al. (2018), we find that having duality of CEO and chairman positions is less important in firm-years with CSR assurance. However, we find that CEO tenure is higher for firms with CSR assurance provided by an external auditor than for non-CSR assured firms. The number of board meetings is positively and significantly associated with the demand for CSR assurance, inconsistently with the findings of Liao et al. (2018).

From the analysis of ownership structure, firms demanding external assurance for their CSR reports have a smaller percentage of their capital owned by family shareholders than firms without CSR assurance. Our results also show that firms with CSR assurance have a higher proportion of institutional investors, suggesting that institutional investors are highly concerned about the credibility of CSR information.

For the remaining control variables, we find, in line with Simnett et al. (2009) and Casey and Grenier (2015), that large companies are more likely than small companies to have their sustainability reports assured. Inconsistently with Casey and Grenier (2015), we find that highly leveraged firms are more likely to seek CSR assurance. Moreover, we observe that firms with CSR assurance display a slightly but significantly lower Tobin's q than firms that do not obtain CSR assurance. This result is in contrast to Moroney et al. (2012), Cho et al. (2014) and Fazzini and Dal Maso (2016), who find that CSR assurance is not correlated with the firm's market

value. Finally, we find no significance for R&D intensity, ROA and foreign assets between the two groups of firms.

Table I.5. Mean difference test between firms with and without CSR assurance

| Variables | Firms with CSR assurance (n = 195) | Firms without CSR assurance (n = 745) | t-test |
|----------------------------------|---------------------------------------|--|------------------------|
| CSR_REP | 65.98% | 37.08% | 13.914*** |
| CSR_RANK | 5.261 | 4.472 | 2.809*** |
| CSR_COM | 44.96% | 20.92% | 6.321*** |
| BOARD_SIZE (number of directors) | 13.932 | 11.075 | 7.913*** ^a |
| BOARD_IND | 54.43% | 39.23% | 7.343*** |
| FEM_DIR | 7.09% | 8.33% | 1.608 |
| MEET (number of meetings) | 8.026 | 6.987 | 3.752*** ^a |
| DUAL | 46.98% | 55.36% | 1.865* |
| TENURE (number of years) | 11.045 | 8.223 | 4.613*** ^a |
| FAM_OWN | 18.76% | 28.69% | 4.176*** |
| INST_OWN | 20.03% | 14.14% | 2.903*** |
| EMP_OWN | 2.70% | 2.45% | 0.663 |
| LEV | 28.70% | 25.16% | 2.823*** |
| R&D | 2.07% | 1.88% | 0.462 |
| ROA | 4.52% | 4.79% | 0.908 |
| TOBIN | 0.966 | 1.209 | 3.024*** |
| BETA | 0.974 | 0.869 | 4.182*** |
| FOR_ASS | 40.15% | 38.44% | 0.673 |
| SIZE (in billions of euros) | 46.755 | 10.016 | 14.074*** ^a |

Table I.5 presents the results of the mean difference tests between Firms with CSR assurance and Firms without CSR assurance. Variables are as defined in Table II. Variables are as defined in Table I.1

*, *** Represent significance at 0.10 and 0.01 levels, respectively.

^a t-tests are based on natural logarithm transformed values.

4.3. Multivariate analysis and tests of hypotheses

Table I.6 shows the correlations between all variables considered in our model. The results show that there are no correlations higher than 0.5. We established that collinearity between explanatory variables is not a serious problem in the analysis. Variance Inflation Factors (VIFs) were 2.65, which is less than the standard limit of 3, indicating that multicollinearity problems do not seriously affect the regression results.

Table I.6. Pairwise correlation matrix

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | VIF |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|---------|------|
| 1. CSR_REP | 1.000 | | | | | | | | | | | 1.52 |
| 2. CSR_RANK | 0.429* | 1.000 | | | | | | | | | | 1.16 |
| 3. CSR_COM | 0.389* | 0.169* | 1.000 | | | | | | | | | 1.25 |
| 4. CSR_ASS | 0.422* | 0.090* | 0.176* | 1.000 | | | | | | | | 1.44 |
| 5. BOARD_SIZE | 0.376* | 0.115* | 0.238* | 0.268* | 1.000 | | | | | | | 2.18 |
| 6. BOARD_IND | 0.215* | 0.131* | 0.086* | 0.253* | 0.096* | 1.000 | | | | | | 1.58 |
| 7. FEM_DIR | -0.026 | -0.087* | 0.017 | 0.032 | -0.253* | -0.168* | 1.000 | | | | | 1.41 |
| 8. BOARD_MEET | 0.138* | 0.016 | 0.151* | 0.146* | 0.055 | -0.041 | 0.116* | 1.000 | | | | 1.20 |
| 9. DUAL | 0.071 | 0.072 | -0.094* | -0.050 | 0.038 | -0.175* | 0.061 | 0.012 | 1.000 | | | 1.20 |
| 10. TENURE | 0.265* | 0.002 | 0.136* | 0.218* | 0.163* | 0.028 | 0.148* | -0.043 | 0.172* | 1.000 | | 1.27 |
| 11. FAM_OWN | -0.083 | 0.001 | -0.069 | -0.213* | -0.148* | -0.278* | -0.037 | -0.101* | -0.020 | 0.017 | 1.000 | 1.62 |
| 12. INST_OWN | 0.178* | 0.028 | 0.049 | 0.136* | 0.060 | 0.301* | 0.023 | -0.072 | 0.046 | -0.061 | -0.426* | 1.41 |
| 13. EMPL_OWN | 0.127* | 0.141* | 0.031 | 0.036 | 0.179* | -0.017 | 0.024 | 0.025 | 0.188* | 0.110* | -0.173* | 1.29 |
| 14. LEV | 0.009 | -0.063 | -0.056 | 0.079 | 0.023 | -0.006 | 0.015 | 0.120* | 0.045 | -0.079 | -0.046 | 1.20 |
| 15. R&D | 0.110* | 0.154* | -0.006 | 0.019 | -0.033 | 0.086* | -0.156* | -0.002 | -0.067 | 0.168* | 0.037 | 1.26 |
| 16. ROA | -0.049 | -0.039 | 0.014 | -0.029 | -0.116* | 0.027 | -0.028 | -0.062 | -0.111* | 0.158* | 0.284* | 1.86 |
| 17. TOBIN | -0.157* | -0.066 | -0.067 | -0.119* | -0.253* | -0.179* | 0.030 | -0.071 | -0.085 | 0.082 | 0.282* | 2.04 |
| 18. RISK | 0.073 | 0.109* | 0.040 | 0.153* | 0.002 | 0.104* | 0.059 | 0.239* | -0.033 | 0.042 | -0.224* | 1.30 |
| 19. FOR_ASS | 0.007 | -0.032 | -0.022 | 0.001 | 0.059 | 0.247* | -0.173* | 0.036 | -0.117* | 0.107* | -0.106* | 1.25 |
| 20. SIZE | 0.465* | 0.171* | 0.273* | 0.462* | 0.459* | 0.308* | -0.155* | 0.139* | -0.079 | 0.146* | -0.265* | 2.65 |

Table I.6. Continued

| | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|--------------|---------|---------|---------|--------|---------|---------|--------|--------|-------|
| 12. INST_OWN | 1.000 | | | | | | | | |
| 13. EMPL_OWN | 0.083 | 1.000 | | | | | | | |
| 14. LEV | 0.049 | -0.093* | 1.000 | | | | | | |
| 15. R&D | -0.067 | -0.101* | -0.192* | 1.000 | | | | | |
| 16. ROA | -0.122* | -0.136* | -0.212* | 0.096* | 1.0000 | | | | |
| 17. TOBIN | -0.192* | -0.236* | -0.206* | 0.233* | 0.627* | 1.000 | | | |
| 18. BETA | -0.017 | -0.071 | -0.031 | 0.084* | -0.089* | 0.019 | 1.000 | | |
| 19. FOR_ASS | 0.063 | -0.168* | -0.052 | 0.001 | 0.036 | -0.062 | 0.093* | 1.000 | |
| 20. SIZE | 0.091* | 0.100* | 0.104* | -0.012 | -0.155* | -0.281* | 0.200* | 0.127* | 1.000 |

Table 6 provides the Pearson correlation analysis and variance inflation factors for variables considered in our estimation model. Variables are as defined in Table 1. * Represents significance at 0.01 level.

Tables I.7 and I.8 include the results of the SUR and the system GMM estimations, respectively. Unlike in the SUR estimation, we include in the system GMM estimations the lagged values of all variables in interest (CSR reporting, CSR committee, CSR assurance as an explanatory variable). Overall, the signs and the magnitude of the coefficient of the SUR and system GMM estimations are quite similar, meaning that the results are consistent in both regressions. Results of Column 1 in Tables I.7 and I.8 show a positive and significant impact of CSR committee on CSR reporting and a positive and significant impact of CSR assurance on CSR reporting. These findings imply that both the existence of a board CSR committee and the purchase of CSR assurance increase the level of voluntary CSR reporting. Our results complement and support previous studies (Cowen, 1987; Moroney et al., 2012; Clarkson et al., 2019; Kend, 2015; Fuente et al., 2017). Results of Column 2 show that CSR reporting also positively and significantly impacts the establishment of a CSR committee. Companies that decide to create a board CSR committee signal their concern for social issues and tend to be more transparent in regard to CSR (Cowen et al., 1987; Adams, 2002). Likewise, CSR committees are important for integrating sustainability initiatives and risk management, developing performance protocols, reporting, and goal setting, and for implementing policies and practices to foster sustainability growth within the organization (Ceres, 2013). In Column 3 of Tables I.7 and I.8, the effect of CSR reporting on the voluntary purchase of CSR assurance is also positive and significant. Our results are consistent with Ruhnke and Gabriel (2013), Sethi et al. (2017), Casey and Grenier (2015) and Cho et al. (2014), who find that the likelihood of CSR assurance rises with increasing CSR disclosure.

Results of Column 2 in Tables I.7 and I.8 show that CSR assurance impacts negatively and significantly the CSR committee. This result implies that the voluntary purchase of CSR assurance as an external sustainability-oriented corporate governance mechanism is negatively associated with the existence of a CSR committee. The results of Model 3 also show that the

impact of CSR committee on CSR assurance is significantly negative, implying that having a CSR committee acts as a substitute for the voluntary purchase of CSR assurance. These results are consistent with those of Peters and Romi (2015) and Chapple et al. (2017) and inconsistent with Ruhnke and Gabriel (2013) and Kend (2015), who find that companies with a CSR committee are more likely to voluntarily purchase CSR report assurance. These results imply that the two sustainability-oriented corporate governance mechanisms (i.e., CSR committee and CSR assurance) may substitute for each other, thus leading to the rejection of hypothesis H3. This substitution can be explained by the higher cost associated with the simultaneous presence of these two sustainability-oriented corporate governance mechanisms.

For the remaining control variables, Tables I.7 and I.8 show that board independence is negatively associated with CSR committee (albeit not significant in Table 8) and positively with CSR assurance, a finding that is consistent with the results of Cuadrado-Ballesteros, Martinez-Ferrero and Garcia-Sanchez (2017) showing that a higher number of independent directors increases the probability of purchasing sustainability assurance services. In addition, our results reveal a negative and significant association between female directorships, CSR reporting and CSR committee. Inconsistently with Liao et al. (2018), we find a positive and significant impact of the number of board meetings on CSR assurance. In accordance with Jizi et al. (2014), we find that CEO duality positively impacts CSR disclosure. We also find that CEO tenure impacts only CSR assurance positively and significantly. Regarding ownership structure, we find, in line with Campopiano and De Massis (2015), that family ownership is positively associated with CSR reporting. Institutional ownership also positively impacts CSR reporting, consistently with Dhaliwal et al. (2011). In line with the study by Poulain-Rehm and Lepers (2013), our results reveal a positive link between employee ownership and CSR reporting. Furthermore, the impact of leverage on CSR reporting is positive, in accordance with Reverte (2009) and Bouten et al. (2012), but negative on CSR committee. However, the effect

of R&D is positive and significant only on CSR assurance. The two ratios of firm performance (i.e. ROA and Tobin's q) are not significant. Beta as systematic risk positively impacts CSR assurance. Foreign assets are negatively associated with CSR committee and CSR assurance. This finding is consistent with many previous studies to the effect that firm size positively impacts CSR reporting (Gray & Bebbington, 2000; Jones et al., 2007; Moroney et al., 2012). In accordance with Simnett et al. (2009), firm size is found to be positively associated with the voluntary purchase of CSR assurance.

Table I.7. Results of the seemingly unrelated regression.

| Variables | Equation 1: CSR Reporting | | Equation 2: CSR Committee | | Equation 3: CSR Assurance | |
|------------------------------------|------------------------------|--------|------------------------------|--------|------------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| CSR_REP | | | 1.103*** | 14.81 | 0.669*** | 10.19 |
| CSR_COM | 0.205*** | 14.81 | | | -0.253*** | -8.86 |
| CSR_ASS | 0.171*** | 10.18 | -0.348*** | -8.86 | | |
| BOARD_SIZE | 0.011 | 0.55 | 0.015 | 0.32 | -0.028 | -0.70 |
| BOARD_IND | 0.050 | 1.62 | -0.149** | -2.09 | 0.127** | 2.09 |
| FEM_DIR | -0.153** | -2.04 | -0.450*** | -2.60 | 0.122 | 0.82 |
| MEET | -0.015 | -1.15 | 0.087*** | 2.85 | 0.059** | 2.25 |
| DUAL | 0.083*** | 6.62 | -0.198*** | -6.83 | -0.112*** | -4.49 |
| TENURE | -0.014 | -1.25 | -0.008 | -0.31 | 0.038* | 1.76 |
| FAM_OWN | 0.063** | 2.17 | -0.122* | -1.82 | -0.053 | -0.92 |
| INST_OWN | 0.053* | 1.77 | 0.006 | 0.09 | 0.080 | 1.34 |
| EMPL_OWN | 0.595*** | 4.39 | -0.966*** | -3.05 | -0.422 | -1.56 |
| LEV | 0.120*** | 2.55 | -0.435*** | -4.01 | -0.053 | -0.57 |
| R&D | 0.204 | 1.34 | -0.119 | -0.34 | 0.842*** | 2.82 |
| ROA | -0.076 | -0.44 | -0.060 | -0.15 | -0.535 | -1.55 |
| TOBIN | -0.003 | -0.35 | 0.011 | 0.50 | 0.021 | 1.13 |
| BETA | 0.014 | 0.54 | 0.033 | 0.56 | 0.082* | 1.64 |
| FOR_ASS | 0.016 | 0.73 | -0.141*** | -2.85 | -0.152*** | -3.62 |
| SIZE | 0.028*** | 5.99 | 0.015 | 1.30 | 0.051*** | 5.40 |
| INDUSTRY | Yes | | Yes | | Yes | |
| YEAR | Yes | | Yes | | Yes | |
| Number of observations | 940 | | 940 | | 940 | |
| R-squared | 16.32% | | 37.69% | | 31.74% | |
| Chi-squared | 8679.88 ($p = 0.000$) | | 1235.02 ($p = 0.000$) | | 1207.34 ($p = 0.000$) | |
| Breusch-Pagan test of independence | | | 91.299 ($p = 0.000$) | | | |
| (Chi-squared, p -value) | | | | | | |

Table I.7 provides the results of the seemingly unrelated regression in which CSR reporting, CSR committee and CSR assurance are jointly determined. Variables are as defined in Table I.1
*, **, *** indicate significance at 0.10, 0.05 and 0.01 levels, respectively.

Table I.8. Results of the system GMM regression

| Variables | Model 1: CSR_REP | | Model 2: CSR_COM | | Model 3: CSR_ASS | |
|-------------------------------------|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| <i>Lag</i> CSR_REP | 0.853*** | 54.84 | | | | |
| <i>Lag</i> CSR_COM | | | 0.672*** | 20.18 | | |
| <i>Lag</i> CSR_ASS | | | | | 0.813*** | 40.48 |
| CSR_REP | | | 1.654*** | 9.26 | 0.622*** | 5.60 |
| CSR_COM | 0.043*** | 5.66 | | | -0.180*** | -10.44 |
| CSR_ASS | 0.022*** | 2.60 | -0.188*** | -6.66 | | |
| BOARD_SIZE | -0.005 | -0.70 | 0.025 | 0.52 | -0.013 | -0.35 |
| BOARD_IND | 0.005 | 0.35 | -0.094 | -1.11 | 0.020 | 0.52 |
| FEM_DIR | -0.070** | -2.48 | -0.002 | -0.01 | -0.049 | -0.63 |
| MEET | -0.001 | -0.12 | 0.017 | 0.53 | 0.034* | 1.96 |
| DUAL | 0.019*** | 3.87 | -0.144*** | -5.11 | -0.043*** | -2.51 |
| TENURE | 0.006* | 1.82 | -0.013 | -0.59 | 0.028* | 1.97 |
| FAM_OWN | -0.019* | -1.70 | -0.064 | -0.80 | -0.017 | -0.46 |
| INST_OWN | 0.003 | 0.22 | -0.109** | -2.09 | 0.013 | 0.39 |
| EMPL_OWN | 0.189*** | 4.56 | -1.243*** | -4.16 | -0.516*** | -2.60 |
| LEV | 0.003 | 0.15 | -0.205* | -1.93 | -0.066 | -0.92 |
| R&D | 0.027 | 0.50 | -0.594 | -1.58 | 0.085 | 0.42 |
| ROA | -0.073 | -0.78 | -0.081 | -0.19 | -0.227 | -0.87 |
| TOBIN | 0.007 | 1.53 | 0.029 | 1.63 | 0.015 | 1.42 |
| BETA | -0.030*** | -2.96 | 0.004 | 0.10 | -0.019 | -0.66 |
| FOR_ASS | 0.006 | 0.61 | -0.087 | -1.50 | -0.067** | -2.28 |
| SIZE | 0.008*** | 3.60 | -0.054*** | -5.27 | -0.002 | -0.35 |
| INTERCEPT | -0.021 | -0.61 | 0.253 | 1.61 | -0.491*** | -3.40 |
| INDUSTRY | Yes | | Yes | | Yes | |
| YEAR | Yes | | Yes | | Yes | |
| Number of observations | 790 | | 790 | | 790 | |
| R-squared | 4333.73 ($p = 0.000$) | | 2171.95 ($p = 0.000$) | | 2769.34 ($p = 0.000$) | |
| Arellano-Bond test for AR(1) | -4.73 ($p = 0.000$) | | -5.83 ($p = 0.000$) | | -4.73 ($p = 0.000$) | |
| Arellano-Bond test for AR(2) | 0.99 ($p = 0.323$) | | 1.07 ($p = 0.284$) | | -0.54 ($p = 0.323$) | |
| Sargan test of overid. restrictions | 1003.10 ($p = 0.000$) | | 662.88 ($p = 0.000$) | | 668.91 ($p = 0.000$) | |
| Hansen test of overid. restrictions | 66.04 ($p = 0.191$) | | 65.98 ($p = 0.192$) | | 50.90 ($p = 0.517$) | |

Table I.8 provides the results of the system GMM in which CSR reporting, CSR committee and CSR assurance are jointly determined. Variables are as defined in Table I.1

*, **, *** indicate significance at 0.10, 0.05 and 0.01 levels, respectively.

4.4. Supplementary analysis

In order to control for the importance of the industry in CSR issues and for the potential time-specific factors, we follow Botosan and Plumlee (2002) and Clarkson et al. (2013) in measuring CSR disclosure using the within-industry/year ranked value of the CSR score obtained from items included in the CSR index. Firms are ranked in ascending order, such that

we assign a higher CSR rank to a higher level of CSR disclosure. We then also use the seemingly unrelated and the system GMM approaches to jointly estimate a regression of CSR rank, CSR committee and CSR assurance.

Tables I.9 and I.10 present the seemingly unrelated regression (SUR) and the system GMM results of the endogenous variables (i.e., CSR disclosure rank, CSR committee, CSR assurance) and the remaining control variables. The coefficient for the main effect of CSR committee on CSR disclosure rank is positive and significant. Likewise, the impact of CSR assurance on CSR disclosure rank is also positive and significant, supporting H1 and H2. Our results suggest that the establishment of each of these two sustainability-oriented corporate governance mechanisms (i.e., CSR committee and CSR assurance) improves the within-industry/year ranked value of the CSR score.

The results of Column 2 in Tables I.9 and I.10 show that the CSR disclosure rank impacts positively and significantly CSR committee, indicating that companies with a higher voluntary CSR disclosure rank, as a proxy for a firm's relative CSR disclosure within its industry, have an interest in setting up a CSR committee. The results of Column 3 also show that the effects of CSR disclosure rank on CSR assurance is significantly positive, implying that improved CSR rank leads companies to voluntarily purchase CSR assurance.

In Tables I.7 and I.8, we find that CSR assurance negatively impacts CSR committee. This result supports the suggestion that the presence of CSR assurance is not suitable when the firm has a CSR committee. We thus reject hypothesis H3. Likewise, we find that the presence of a CSR committee is negatively associated with the voluntary purchase of CSR assurance. Our results lead us to conclude that the two sustainability-oriented corporate governance mechanisms (i.e., CSR committee and CSR assurance) do not appear to complement each other. Peters and Romi (2015) and Chapple et al. (2017) also consider the simultaneous presence of both CSR assurance and a sustainability committee, but find no significant relationship. Our

findings in Tables I.9 and I.10, using CSR rank of the total CSR disclosure score based on a within industry/year ranking, support preliminary results conducted with CSR reporting scores.

For the remaining control variables, although board independence and CEO duality are positively and significantly associated with CSR disclosure rank, we find that the number of board meeting negatively impacts the CSR disclosure rank. The same result as in Tables I.7 and I.8 is observed for ownership structure in relation to family, institutional and employee ownership. Return on Assets (ROA) is negative on CSR disclosure rank. Finally, R&D and firm size have a positive impact on CSR disclosure rank. No significance is attributable to the other control variables.

Table I.9. Results of the seemingly unrelated regression using CSR disclosure rank

| Variables | Equation 1: CSR_RANK | | Equation 2: CSR_COM | | Equation 3: CSR_ASS | |
|--|-----------------------------|--------|-----------------------------|--------|-----------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| CSR_RANK | | | 0.054*** | 11.07 | 0.032*** | 7.56 |
| CSR_COM | 2.486*** | 11.07 | | | -0.216*** | -7.56 |
| CSR_ASS | 2.044*** | 7.56 | -0.300*** | -7.55 | | |
| BOARD_SIZE | 0.147 | 0.45 | 0.020 | 0.42 | -0.030 | -0.74 |
| BOARD_IND | 1.073** | 2.17 | -0.169** | -2.33 | 0.120* | 1.96 |
| FEM_DIR | -1.439 | -1.20 | -0.609*** | -3.49 | 0.067 | 0.45 |
| MEET | -0.515** | -2.42 | 0.107*** | 3.45 | 0.070*** | 2.63 |
| DUAL | 1.126*** | 5.61 | -0.177*** | -6.04 | -0.092*** | -3.66 |
| TENURE | -0.183 | -1.04 | -0.017 | -0.67 | 0.033 | 1.50 |
| FAM_OWN | 1.722*** | 3.71 | -0.154** | -2.24 | -0.070 | -1.21 |
| INST_OWN | 0.816* | 1.69 | 0.032 | 0.45 | 0.099 | 1.64 |
| EMPL_OWN | 8.674*** | 3.99 | -0.802** | -2.50 | -0.297 | -1.09 |
| LEV | 0.701 | 0.92 | -0.371*** | -3.35 | 0.003 | 0.03 |
| R&D | 4.584* | 1.88 | -0.075 | -0.21 | 0.948*** | 3.14 |
| ROA | -9.162*** | -2.66 | 0.632 | 1.24 | 0.108 | 0.25 |
| TOBIN | -0.035 | -0.22 | 0.002 | 0.09 | 0.010 | 0.49 |
| BETA | 0.013 | 0.03 | 0.057 | 0.98 | 0.101 | 2.00 |
| FOR_ASS | 0.103 | 0.30 | -0.144*** | -2.88 | -0.153*** | -3.61 |
| SIZE | 0.372*** | 4.93 | 0.032*** | 2.83 | 0.062*** | 6.61 |
| INDUSTRY | Yes | | Yes | | Yes | |
| YEAR | Yes | | Yes | | Yes | |
| Number of observations | 940 | | 940 | | 940 | |
| R-squared | 48.19% | | 30.97% | | 41.11% | |
| Chi-squared (<i>p</i> -value) | 3976.08 (<i>p</i> = 0.000) | | 1104.48 (<i>p</i> = 0.000) | | 1140.64 (<i>p</i> = 0.000) | |
| Breusch-Pagan test of independence (Chi-squared, <i>p</i> -value) | | | 54.213 (<i>p</i> = 0.000) | | | |

Table I.9 provides the results of the seemingly unrelated regression in which CSR disclosure rank, CSR committee and CSR assurance are jointly determined. Variables are as defined in Table I.1

Table I.10. Results of the system GMM regression using CSR disclosure rank

| Variables | Model 1: CSR_RANK | | Model 2: CSR_COM | | Model 3: CSR_ASS | |
|-------------------------------------|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| <i>Lag</i> CSR_RANK | 0.836*** | 44.92 | | | | |
| <i>Lag</i> CSR_COM | | | 0.751*** | 29.65 | | |
| <i>Lag</i> CSR_ASS | | | | | 0.793*** | 36.00 |
| CSR_RANK | | | 0.088*** | 9.82 | 0.047*** | 4.48 |
| CSR_COM | 0.930*** | 7.02 | | | -0.194*** | -8.11 |
| CSR_ASS | 0.792*** | 6.52 | -0.131*** | -4.58 | | |
| BOARD_SIZE | 0.034 | 0.36 | 0.030 | 0.81 | -0.004 | -0.10 |
| BOARD_IND | 0.233 | 1.15 | -0.088 | -1.50 | -0.001 | -0.02 |
| FEM_DIR | -0.060 | -0.14 | 0.134 | 0.95 | -0.087 | -0.88 |
| MEET | -0.159* | -1.94 | 0.024 | 0.83 | 0.058*** | 2.90 |
| DUAL | 0.333*** | 4.34 | -0.115*** | -4.66 | -0.073*** | -3.60 |
| TENURE | 0.060 | 1.37 | -0.010 | -0.58 | 0.026 | 1.48 |
| FAM_OWN | 0.447*** | 3.14 | -0.059 | -0.77 | -0.106** | -2.01 |
| INST_OWN | 0.311** | 1.98 | -0.094** | -2.35 | 0.019 | 0.49 |
| EMPL_OWN | 1.376*** | 6.37 | -1.085*** | -4.36 | -0.666*** | -3.32 |
| LEV | -0.402 | -1.13 | -0.146 | -1.42 | 0.024 | 0.28 |
| R&D | 0.257 | 0.28 | -0.729** | -2.00 | 0.020 | 0.09 |
| ROA | -1.561 | -0.90 | 0.536 | 1.22 | 0.628 | 1.62 |
| TOBIN | -0.039 | -0.45 | 0.016 | 0.90 | -0.001 | -0.02 |
| BETA | -0.163 | -1.14 | 0.036 | 0.89 | -0.009 | -0.26 |
| FOR_ASS | 0.113 | 0.90 | -0.063* | -1.66 | -0.051** | -2.22 |
| SIZE | 0.021 | 0.65 | -0.027*** | -3.02 | -0.001 | -0.03 |
| INTERCEPT | -0.994* | -1.74 | 0.486*** | 3.02 | 0.173 | 0.91 |
| INDUSTRY | Yes | | Yes | | Yes | |
| YEAR | Yes | | Yes | | Yes | |
| Number of observations | 790 | | 790 | | 790 | |
| R-squared | 6975.19 ($p = 0.000$) | | 3356.28 ($p = 0.000$) | | 5365.07 ($p = 0.000$) | |
| Arellano-Bond test for AR(1) | -4.44 ($p = 0.000$) | | -5.81 ($p = 0.000$) | | -4.70 ($p = 0.000$) | |
| Arellano-Bond test for AR(2) | -0.74 ($p = 0.458$) | | -0.95 ($p = 0.342$) | | -0.11 ($p = 0.323$) | |
| Sargan test of overid. restrictions | 859.99 ($p = 0.000$) | | 690.19 ($p = 0.000$) | | 618.13 ($p = 0.000$) | |
| Hansen test of overid. restrictions | 69.56 ($p = 0.152$) | | 63.98 ($p = 0.123$) | | 55.51 ($p = 0.344$) | |

Table I.10 provides the results of the system GMM in which CSR disclosure rank, CSR committee and CSR assurance are jointly determined. Variables are as defined in Table I.1

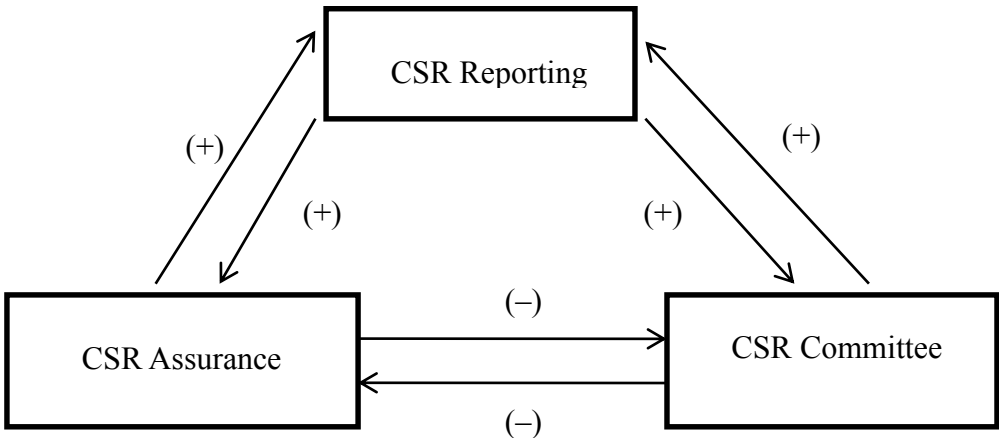
*, **, *** indicate significance at 0.10, 0.05 and 0.01 levels, respectively.

5. Summary and conclusions

This study investigates the interaction triangle between voluntary CSR reporting and two sustainability-oriented corporate governance mechanisms, namely CSR committee and CSR assurance. Assurance on CSR reports is relatively recent (Simnett et al., 2009; Kolk & Perego, 2010; Cohen & Simnett, 2015), and the literature is limited on CSR assurance from the

perspective of firms' sustainability corporate governance (Peters & Romi, 2015; Kend, 2015; Chapple et al., 2017). Previous studies consider CSR committee as a determinant of the assurance decision, but do not consider their mutual interaction. The aim of our study is to develop greater insight into the degree of substitutability between CSR committee and CSR assurance, and their mutual interaction with the level of CSR reporting.

Our findings suggest that CSR committee and CSR assurance may act as a strategic tool to enhance the company's ability to disclose more on CSR duties. We find that CSR committee, as an internal sustainability-oriented corporate governance mechanism, is positively associated with the level of CSR reporting. Consistently with Peters and Romi (2015), this finding seems to imply that the presence of such a committee may play an important role in better promoting and managing firms' voluntary CSR disclosure. We also find that CSR assurance, as an external sustainability-oriented corporate governance mechanism, is positively associated with CSR reporting. Although the presence of each of the two sustainability-oriented corporate governance mechanisms positively affects the level of voluntary CSR reporting, the linkage between the existence of a CSR committee and the adoption of CSR assurance is reciprocally and significantly negative. Our results are unchanged when we use CSR disclosure rank instead of CSR disclosure index. A summary of our results is displayed in the graph below.



Graph I: Results of the interaction triangle between voluntary CSR Reporting, CSR assurance and CSR committee

Our study opens up opportunities for future research and provides suggestions for policymakers. Our 2001-2011 sample period coincides with the early development of these CSR practices in French firms, including only the simple adoption of CSR assurance provided by external auditor and CSR committee. Future research should go beyond the simple presence of these two mechanisms and take into account the characteristics of CSR committee as well as the level, the criteria and the scope of CSR assurance (Peters & Romi, 2015; Chapple et al., 2017). In our paper, we find evidence that both CSR committee and CSR assurance act as a strategic tool to enhance the company's ability to disclose more on CSR duties. The findings call into question the scope of the French Grenelle II law of 2012 which imposes the purchase of external assurance to verify CSR-related information and obscures the issue of the CSR committee.

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Appendix A: Items of Grenelle II Act

| Components | Description |
|---|---|
| 1 Social Reporting (19 items) | |
| 1.1 Employment | 1.1.1 Number of employees and how they are split up according to age, gender and geographic distribution (based on numbered data and diagram) 1.1.2 Hiring and firing 1.1.3 Remuneration and its evolution |
| 1.2 Organisation of work | 1.2.1 Organisation of working time (flexibility of working hours, weekly working 1.2.2 Absenteeism |
| 1.3 Labour relations | 1.3.1 Social dialogue (information procedures, consultation of the staff and negotiating with employers) 1.3.2 Outcome of the collective agreements |
| 1.4 Occupational health and safety | 1.4.1 Health and safety conditions at work 1.4.2 Outcome of the collective agreements signed with trade unions and staff representatives regarding occupational health and safety 1.4.3 Frequency and seriousness of accidents |
| 1.5 Training | 1.5.1 Policies implemented regarding training 1.5.2 Total number of training hours |
| 1.6 Equal treatment | 1.6.1 Measures promoting equality between women and men 1.6.2 Measures promoting the employment and the integration of people disabilities 1.6.3 Policy against discrimination |
| 1.7 Respect for the clauses of fundamental conventions of the International Labour Organisation (ILO) | 1.7.1 Respect for the right to organize and collective bargaining 1.7.2 Abolition of discrimination in employment and occupation 1.7.3 Abolition of forced or compulsory labour 1.7.4 Abolition of child labour |
| 2 Environmental Reporting (14 items) | |
| 2.1 Environmental policy | 2.1.1 Organisation of the company to take into account environmental concerns, and, if applicable, environmental evaluation and verification approaches 2.1.2 Training of and information to employees on environmental protection 2.1.3 Budget devoted to environmental protection and environmental risk mitigation 2.1.4 Financial provisions for environmental risks |
| 2.2 Pollution and Waste Management | 2.2.1 Prevention, reduction and fixing of air/water/soil emissions 2.2.2 Prevention, recycling and cutting waste 2.2.3 Noise pollution and other type of pollution |
| 2.3 Sustainable use of resources | 2.3.1 Water consumption and supply considering local resources 2.3.2 Consumption of raw materials and measures taken to improve the efficiency of raw materials use 2.3.3 Energy consumption and measures to improve energy efficiency and the use of renewable energy 2.3.4 Land use |
| 2.4 Climate change | 2.4.1 Greenhouse gas emissions 2.4.2 Measures to adapt to climate change |
| 2.5 Protection of biodiversity | 2.5.1 Measures taken to save and develop biodiversity |
| 3 Sustainability reporting (9 items) | |
| 3.1 Territorial, economic and social impact of the activity | 3.1.1 Measures in favour of environment, employment and regional development 3.1.2 Measures regarding populations living in the area around the business |
| 3.2 Relationships with stakeholders | 3.2.1 Conditions for dialogue with stakeholders 3.2.2 Measures promoting partnership or sponsorship |
| 3.3 Subcontracting and suppliers | 3.3.1 Importance of subcontracting 3.3.2 Taking into account social and environmental responsibility with suppliers and subcontractors |
| 3.4 Honesty in practices | 3.4.1 Measures to prevent corruption 3.4.2 Measures in favour of health consumers' security |
| 3.5 Measures in favour of human rights | 3.5.1 Measures preventing all forms of discrimination and promoting equal treatment |

Chapter II: Sustainability-oriented corporate governance mechanisms and the relevance of CSR reporting

1. Introduction

Corporate social responsibility (CSR) reporting is of major concern for organizations for making known their social and environmental actions to interested stakeholders and society at large (Gray, Javad, Power, & Sinclair, 2001). The literature on CSR reporting has greatly expanded with the development of CSR practices (Perrini, 2005). At the same time, CSR reporting is viewed as a part of the dialogue between the firm and its stakeholders (Gray, Kouhy, & Lavers, 1995), following the evolution of firms' governance systems. CSR reporting has, however, been widely criticized for not providing meaningful information and for being partial and, in most cases, relatively trivial (Gray, 2006). Such communication is unable to provide reliable estimates for readers of the organization's CSR performance (Cho, Michelon, Patten, & Roberts, 2014). Among the many stakeholder groups, shareholders are primarily concerned with the CSR disclosure strategy, since they bear the full costs of communication, managerial misbehavior and monitoring. Although research on CSR is growing, there is little empirical evidence regarding the relevance of CSR disclosure (Dhaliwal, Radhakrishnan, Tsang, & Yang, 2012; Nekhili, Nagati, Chtioui, & Nekhili, 2017a). Some recent investigations have focused on the fundamental role of the CSR committee and CSR assurance, as two sustainability-oriented corporate governance mechanisms, the first internal and the second external, in the disclosure of CSR activities and on their mutual relationship

(Jones & Solomon, 2010; Ruhnke & Gabriel, 2013; Kend, 2015; Peters & Romi, 2015). In this respect, the signal of high quality reporting and the signal of credibility complement each other (Ruhnke & Gabriel, 2013). While the publication of sustainability reports in accordance with GRI guidelines implies an interest in publishing high quality information (Simnett, Vanstraelen, & Chua, 2009; Ruhnke & Gabriel, 2013), voluntary assurance engagement and the creation of a CSR committee may signal the credibility of both the information and the source (Peters & Romi, 2015). With regard to the credibility of CSR reporting, some studies have addressed the question of the complementarity/substitutability between the two mechanisms (i.e., the CSR committee and CSR assurance). For instance, Jones and Solomon (2010) use an interview method to determine whether social and environmental reporting assurance is necessary and find that half the respondents believed that internal assurance as provided by a CSR committee is sufficient to build credibility and trust. However, the other half felt that external assurance enhances credibility and trust more than internal assurance. Similarly, Peters and Romi (2015) consider that the existence of a CSR committee may influence the likelihood of demanding sustainability assurance and that each may act as a substitute for the other. Gillet-Monjarret and Martinez (2012) and Ruhnke and Gabriel (2013) show that the existence of a sustainability committee (or a separate sustainability department) is positively related to the demand for voluntary assurance. Kend (2015) finds that an active sustainability committee is relevant in explaining the choice of assurance provider. Our study complements previous work by investigating the relationship between CSR reporting and market value, depending on whether the firm has a CSR committee and/or purchases CSR assurance. To the best of our knowledge, no studies have yet investigated the marginal effect of CSR committee and/or CSR assurance on the relevance of CSR reporting. To measure the level of CSR reporting, we develop a content analysis index based on items defined by the French Grenelle II Act in accordance with the Global Reporting Initiative (GRI) guidelines. Using a sample of French

companies listed in the SBF 120 index from 2001 to 2011, we use the system GMM estimation approach by considering CSR reporting, CSR assurance and the CSR committee as endogenously determined. Our results show that the advantage of having a CSR committee and/or CSR assurance does not come from their direct effect on market value as measured by Tobin's q . Using a joint test procedure, our results show that the marginal effect of a CSR committee on the relationship between market value and the level of CSR reporting is positive and significant. In contrast, the value relevance of voluntary reporting of CSR-related information is negatively perceived after providing CSR assurance. Our findings call into question the scope of the French Grenelle II law which proposes a framework for companies to report information on environmental and social performance in their annual report, in accordance with GRI guidelines, and imposes the purchase of external assurance to verify CSR-related information. Nevertheless, the Grenelle II law obscures the issue of the CSR (sustainability) committee. In a supplementary analysis, our results show that CSR assurance is mainly relevant and outperforms the CSR committee for firms that are more exposed to environmental risks. Our results support the legitimacy theory which considers CSR assurance as a response to stakeholders' pressure in order to manage firms' image (Simnett et al., 2009; Gillet-Monjarret, 2015). Our paper is organized as follows. The next section includes a background/literature review on research on CSR practices and formulates the hypotheses to be tested. After explaining the methodology and analysis, we present and discuss the results. Finally, we conclude by providing suggestions for academic researchers and policymakers.

2. Conceptual framework and development of hypotheses

2.1. CSR reporting and firms' market value

Over the past two decades, the literature on CSR reporting has greatly expanded in parallel with the development of CSR practices as the most direct expression of companies' attitudes and behavior regarding social responsibility (Perrini, 2005). The increase in the number of companies issuing corporate social responsibility (CSR) reports has therefore been valued in the global market by various interested parties (Simnett et al., 2009). Companies voluntarily produce such reports to convey useful information and thereby reduce the information asymmetry between the company and the market (Dhaliwal, Li, Tsang, & Yang, 2011). Anderson and Frankle (1980) find that voluntary corporate social and environmental disclosure is as important as any other financial or non-financial data pertaining to a corporation's activity and show that the market positively evaluates such disclosure. On this basis, reporting on CSR issues should be carried out comprehensively and conscientiously. Corporate commitment to publishing high quality CSR reporting is clearly linked to the requirement to provide credible information (Cho et al., 2014).

Several studies have examined whether investors attribute significant value to the information provided in CSR reports. Cormier, Aerts, Ledoux, & Magnan (2009) focus on disclosure concerning social and human capital and find a positive impact of quantitative disclosure on market value measured by Tobin's q. Similarly, Qiu, Shaukat, and Tharyan (2016) find that firms with higher environmental and social disclosure scores have higher share prices, thus implying that investors care about CSR disclosure. Recently, Nekhili et al. (2017a, b) develop a content analysis index based on items as defined by the French Grenelle II Act in accordance with GRI guidelines and find a positive relationship between voluntary CSR reporting and French firms' market value measured by Tobin's q. Considering each

component of CSR reporting, Nekhili et al. (2017a) detect a positive relationship between the levels of both social and environmental reporting and market-based performance.

Although most studies seem to point to a positive relationship between CSR reporting and firm value, the direction of this relationship is still unclear and may depend on various factors. Cho et al. (2014) point out that it is still uncertain whether CSR disclosure should be expected to correlate with the firm's market value. Cahan, De Villiers, Jeter, Naiker, and Van Staden (2016) investigate whether nation-level institutional factors influence the relationship between CSR disclosure and firm value measured by Tobin's Q. Studying CSR disclosure by firms in 21 countries, they find that additional information provided by unexpected CSR disclosure is more relevant in terms of market value in countries where financial information is generally more opaque, that is, in countries with less democracy, less press freedom, and less commitment to the environment. In addition to country-level institutional factors, others studies point to firm-level confounding factors affecting the relevance of CSR disclosure. Nekhili et al. (2017a) find that market participants negatively perceive a higher level of CSR reporting by firms faced with greater stakeholder skepticism, such as those with all-male boards of directors. Nekhili et al. (2017b) find that CSR reporting is relevant for family firms but not relevant for non-family firms. Family firms thus obtain shareholders endorsement more easily than non-family firms and benefit greatly from communicating with regard to their CSR commitment.

Overall, the effect of CSR reporting on firms' market value is ambiguous. We therefore formulate two alternative hypotheses:

H1a. The extent of CSR reporting positively impacts the firm's market value.

H1b. The extent of CSR reporting negatively impacts the firm's market value.

2.2. The moderating role of the CSR committee

The CSR committee is generally responsible for evaluation of the company's environmental and social performance as well as for the integration of sustainability concerns into operational and strategic planning and corporate management. Such committees are also responsible for both reporting and evaluation and control, thus allowing companies to provide more reliable social information (Ruhnke & Gabriel, 2013). Firms develop corporate governance practices in order to manage and monitor sustainability concerns. Many organizations have thus introduced environmental committees on their corporate boards (Ruhnke & Gabriel, 2013). More often, firms include environmental committees on the board of directors as an important internal corporate governance mechanism for dealing with sustainability risks and opportunities (Peters & Romi, 2015).

Results of prior research examining the impact of CSR committee on broader stakeholder issues, such as CSR concerns, are mixed. Amran, Lee, & Devi (2014) find that the presence of a CSR committee positively impacts CSR reporting quality. Peters and Romi (2014) support the idea that firms with an environmental committee are more likely to disclose their GHG emissions information, but appear not to be linked to a greater level of GHG disclosure transparency. Rodrigue, Magnan, and Cho (2013) examine whether the presence of an environmental committee on the board is linked to environmental performance. They find that it is unclear whether the linkage is a reflection of these committees being used as a symbolic gesture to manage stakeholder impressions (legitimacy theory) or whether it is an artifact of the committees' constrained roles as monitors. In examining the response of managers to shareholder activism, David, Bloom, and Hillman (2007) conclude that managers may opt for symbolic, rather than substantive, responses to external (shareholder) pressures. Rodrigue et al. (2013) assert that these committees focus more on avoiding reputational and/or regulatory harm, as opposed to driving substantive operational changes. Similarly, Berrone and Gomez

Mejia (2009) point out that it might be easier for a company to set up a board environment committee than to actually reduce or eliminate toxic emissions. Accordingly, Michelin and Parbonetti (2012) argue that the evidence is weak with regard to the relationship between the existence of a CSR committee and disclosure of sustainability information.

Authors that defend the importance of the CSR committee argue that companies that decide to create a board CSR committee signal their concern for social issues and tend to be more transparent in terms of CSR (e.g., Cowen, Ferreri, & Parker, 1987; Mallin & Michelin, 2011; Ruhnke & Gabriel, 2013). The role of a board CSR committee is then to assess and monitor stakeholder needs at a strategic corporate level through oversight of the firm's management (Mallin & Michelin, 2011). Fuente, García-Sánchez, and Lozano (2017) consider CSR committees to be an important accountability mechanism by providing reliable and credible information to all stakeholders and by playing a key role in the oversight of risk management. Kend (2015) finds that the existence of sustainability committee is positively related to the decision to produce a standalone sustainability report. Fuente et al. (2017) note the moderating role of CSR committees that seem to be highly relevant for satisfying stakeholders' demand for information and thus increase transparency by disclosing more CSR information. They find that the existence of a CSR committee is important in the successful disclosure of CSR information in accordance with GRI guidelines, leading to more relevant CSR reporting. One indicator of a sustainability report's comprehensiveness is the degree to which the reporting entity follows these guidelines (Simnett et al., 2009; Ruhnke & Gabriel, 2013).

H2. CSR reporting is more relevant in the presence of a CSR committee.

2.3. The moderating role of CSR assurance

To better understand the emerging voluntary assurance market, prior research has investigated factors associated with voluntary demand for external CSR assurance. The

reasons for these assurance relationships have been explored through various overlapping theoretical frameworks, including stakeholder theory, agency theory, legitimacy theory, and resource-based theory among others.

Chow (1982) uses an agency theory framework to analyze firms' incentives to adopt voluntary external auditing, a service that helps control any conflict of interest between shareholders and managers/creditors. Moroney, Windsor, and Aw (2012) show that assured information reduces information asymmetry between principals (shareholders) and agents (managers). Ruhnke and Gabriel (2013) support the finding that the greater the company's agency costs, the higher the probability of voluntary external assurance on the sustainability report. Consequently, CSR assurance is an effective monitoring mechanism to reduce stakeholder agency costs and to enhance the credibility of the sustainability-related aspects of a CSR report (Velte & Stawinoga, 2017).

The assurance of CSR reports constitutes also a valuable corporate governance instrument for the legitimization of sustainability-related aspects (Gillet-Monjarret, 2015), thereby enhancing the report's credibility and promoting these activities so as to match those of the firm's main competitors (Simnett et al., 2009). Organizations that utilize assurance by external audit may be able to signal more legitimately to the marketplace, regulators and investors that they are managing their environmental risks proactively, thereby potentially improving their reputation and increasing their attractiveness to customers and financiers (Darnall, Seol, & Sarkis, 2009). The assurance process and assurance statement generally play a crucial role in establishing legitimacy (Simnett et al., 2009; O'Dwyer et al., 2011; Gillet-Monjarret, 2015). Consistent with the resource-based view, Russo and Fouts (1997) argue that superior environmental performance and its effective communication to stakeholders can give the firm competitive advantages by generating a strong positive reputation. Stakeholders' focus on company environmental performance has

increased the demand for assurance of environmental disclosure (Simnett et al., 2009). Assurance is therefore a means of enhancing corporate reputation (Simnett et al., 2009). Nevertheless, Perego and Kolk (2012) point out that firms should be aware of the operational and reputational risks associated with the selection of allegedly lenient assurers if they intend to maintain acceptable levels of transparency and accountability over time.

Cho et al. (2014) examine whether assurance on CSR reporting impacts firms' market value in the US context and find that investors in the USA do not perceive that assurance of standalone CSR reports adds incremental value to the disclosing companies. Similarly to Cho et al. (2014), Fazzini and Dal Maso (2016) find no significant perceptions of CSR assurance by market participants in the Italian context. In contrast, Casey and Grenier (2015) find that CSR assurance is associated with reduced cost of capital, especially when it is provided by an accounting firm. Undeniably, the advantage of implementing CSR assurance may derive not from its direct effect on market performance but from its moderating role between CSR reporting and the firm's market value. For Ruhnke and Gabriel (2013) and Peters and Romi (2015), assurance demand is linked to the commitment to publish high quality CSR information as measured by the firm's adherence to GRI guidelines. Likewise, Moroney et al. (2012) show that the quality of voluntary environmental disclosure is significantly higher for assured companies than non-assured companies, in that stakeholders demand independent assurance to enhance the quality and the credibility of corporate environmental disclosures. The above considerations lead to the following hypothesis:

H3. CSR reporting is more relevant for firms with CSR assurance.

3. Method

3.1. Sample and data

Our empirical study analyzes French companies listed in the SBF 120 for the period 2001–2011. We removed financial, insurance and real estate companies from our sample because of the specific nature of their operations and regulation. Our sample period coincides with the implementation of NRE legislation as of 2001 and precedes the entry into force of the Grenelle II Act in 2012. Governance variables, ownership variables and CSR information were hand-collected from firms' annual reports. Previous studies had assessed CSR disclosure mainly from annual reports. Financial data were taken from the ThomsonOne database.

In France, since the NRE (New Economic Regulations) legislation of May 2001, governments and legislators have recommended that all firms listed on the French Stock Exchange report on their social and environmental activities in connection with the general annual report. Claims for transparency and accountability have encouraged organizations to place corporate social responsibility (CSR) on the agenda. The KPMG International Survey of Corporate Responsibility Reporting 2008 shows that France ranks second, after Japan, in publicly reporting CSR, with 79% of companies doing so compared to 86% for Japan. However, the New Economic Regulations legislation had certain limitations, leading to the introduction of the Grenelle II Act, which came into force in 2012. The latter legislation requires companies to include information on environmental and social performance in their annual report, in accordance with GRI guidelines (Nekhili et al., 2017a, b). Ruhnke and Gabriel (2013) argue that the preparation of a sustainability report in accordance with GRI guidelines makes it in their interest to publish high quality information and constitutes a signal to stakeholders on the nature of the reporting. Grenelle II also requires a third party to verify “extra-financial” information included in the report (article 225 of the Code de Commerce). Before 2012, CSR reporting in accordance with the GRI guidelines and CSR

assurance by an independent third party were implemented solely on a voluntary basis (Nekhili et al., 2017a, b). France currently has no legislation requiring or recommending the setting up of a CSR (or environmental) committee.

3.2. Dependent Variables: Tobin's q

Following Cahan et al. (2016) and Nekhili et al. (2017a, b), we use Tobin's q to measure the market's assessment of a firm's long-term expected value. Tobin's q is measured by the market value of common equity plus book value of preferred stock, book value of long-term debt and current liabilities, divided by book value of total assets. Tobin's q is a market-based measure of firm performance that reflects investors' expectations and incorporates potential growth opportunities and future operating performance (McConnell & Servaes, 1990).

3.3. Endogenous variables

Three variables are simultaneously and endogenously determinants: CSR reporting, CSR committee and CSR assurance. To measure the extent of CSR reporting, we develop a content analysis index based on the grid of the Grenelle II Act in accordance with GRI guidelines. On the basis of the un-weighted disclosure index methodology proposed by Botosan (1997), we seek to measure the level of aggregate CSR reporting and the items specific to each of its social, environmental and sustainability reporting components. The grid contains 42 items sub-divided into three categories: social (19 items), environmental (14 items) and sustainability reporting (9 items). Appendix A shows the complete list of all items. The report on the social impact of firms' activities is required to include information on employment, work organization, labor relations, occupational health and safety, training, equal treatment, and adherence to the clauses of the basic conventions of the International Labor Organization (ILO). The environmental section of the report must demonstrate the company's general policies on evaluating the environmental impact of its activities and risk prevention together with measures taken to

mitigate the effect of waste and other types of pollution, including noise. The report is also required to present the company's actions in favor of sustainable development, notably relationships with stakeholders, honesty in practices and measures concerning human rights. We present our scoring index along with descriptive statistics on the percentage level of firms' disclosure by means of dichotomous items. The level of disclosure is the sum of the scores in the three categories of CSR information with reference to each of its components (social, environmental and sustainability reporting). We then calculate an index as the ratio of the allocated aggregate score of CSR reporting to the maximum score equal to the sum of relevant items presented in Appendix A.

The CSR committee and CSR assurance are two sustainability-oriented corporate governance mechanisms, the first internal and the second external, engaged by firms to enhance the credibility of their CSR reporting and to signal their special interest in sustainability-related topics. Each of these two mechanisms is a dichotomous variable that takes the value of 1 if the firm has a CSR committee / CSR assurance; otherwise it takes the value of 0.²

3.4. Control variables

Within the varied literature on CSR, we can identify several control variables. For Giannarakis (2014), board size positively impacts CSR reporting such that a larger board contributes to a wider exchange and brings diverse and vital resources promoting CSR activities. Peters and Romi (2015) and Liao, Lin, and Zhang (2018) find that firms with a large board size are more likely to engage in CSR assurance. In contrast, Martinez-Ferrero and Garcia-Sanchez (2017) suggest that the probability of a company assuring its sustainability reporting decreases with board size. Focusing on the presence of female directors on the board, Nekhili et al. (2017a) find that a gender-diverse board enhances the relevance of CSR reporting.

² CSR committee titles were expanded to environmental committee, sustainability committee, corporate social responsibility committee, health and safety committee, etc.

Consequently, CSR assurance seems to act as a substitute sustainability disclosure. However, board independence is likely to increase the probability of purchasing sustainability assurance services (Martinez-Ferrero & Garcia-Sanchez, 2017). The concerns, such as CSR obligations (Giannarakis, 2014). CEO duality, as a proxy for power held by one individual, is likely to lead to neglect of transparency in relation to social activities (Giannarakis, 2014; Nekhili et al., 2017a, b) and may then influence the demand for CSR assurance (Liao et al., 2018). For Hermalin and Weisbach (1998), CEO tenure is a robust proxy for the overall strength of the board vis-a-vis the CEO. Along similar lines, Lewis, Walls, and Dowell (2014) find evidence that high-tenured CEOs are less likely than newly appointed CEOs to comply with stakeholders' needs regarding voluntary environmental disclosure.

With regard to ownership structure, we consider three control variables: family ownership, institutional ownership and employee ownership. Despite the fact that family-owned firms report less information on their CSR obligations, they may be able to gain shareholders' support more easily than non-family firms (Nekhili et al., 2017b). Dhaliwal et al. (2011) find evidence that voluntary CSR disclosure attracts dedicated institutional investors, who have long-term investment horizons and play monitoring and governance roles. Peters and Romi (2015) suggest that institutional ownership is positively associated with the sustainability report assurance decision, consistently with the growing demand for sustainability information by institutional investors and incentives for reporting credibility. The participation of employees in the firm's capital counterbalances the shareholder supremacy orientation and accounts for the growing interest of firms in CSR activities (Poulain-Rehm & Lepers, 2013). In common with prior studies, we also control for firms' accounting and financial characteristics, such as Beta, R&D, foreign assets, leverage and firm size, which may affect the relationship between CSR reporting and market performance (e.g., Nekhili et al., 2017a, b).

In order to comply with the French regulatory context, we refer to the Grenelle I legislation passed in Parliament on 23 July 2009 and enacted on 3 August 2009.³ The Grenelle I Act may be viewed as a substitute for governance mechanisms intended to intensify the role of CSR reporting. Grenelle I (GRE1) is a binary variable equal to 1 after the adoption of the Grenelle I Act in 2009 and 0 otherwise. Almost without exception, previous studies dealing with CSR practices control for industry in order to take into account the different interests of the various stakeholders (e.g., Simnett et al., 2009; Qiu et al., 2016; Gillet-Monjarret, 2015; Nekhili et al., 2017a, b). Table II.1 below summarizes the variables used in our model and their measurement.

³ Specifically, Article 53 of the Grenelle I Act stipulates that: “quality of information on how companies take into account the social and environmental consequences of their activity and the access to information are essential conditions for good corporate governance”.

Table II.1. Variables used in model and their measurement

| Variable | Definition | Measure ⁴ |
|--|-------------------------|---|
| <i>Dependent variables: Firm performance</i> | | |
| TOBIN | Tobin's q | Stock market capitalization plus book value of liabilities as a ratio of total assets |
| <i>Endogenous variables:</i> | | |
| CSR_REP | CSR reporting | Aggregate corporate social responsibility reporting index as the ratio of the assigned total score to the maximum score (42 items) (Appendix A) |
| CSR_COM | CSR committee | Binary variable that takes the value 1 if the company has a CSR committee and 0 otherwise |
| CSR_ASS | CSR assurance | Binary variable that takes the value 1 if CSR assurance is provided by external third-party and 0 otherwise |
| <i>Control variables</i> | | |
| BOARD_SIZE | Board size | Natural logarithm of the number of directors on the board |
| FEM_DIR | Female directorship | Ratio of women directors to total directors on the board |
| BOARD_IND | Board independence | Ratio of the number of non-executive independent directors to the total number of board directors |
| BOARD_MEET | Board meeting | Natural logarithm of the number of annual board meetings |
| DUAL | CEO duality | Dummy variable that takes the value of 1 if the CEO is also the chair of the board and 0 otherwise. |
| TENURE | CEO tenure | The number of years within the company as a CEO. |
| FAM_OW | Family ownership | Percentage of capital held by family |
| INST_OW | Institutional ownership | Percentage of capital held by institutional investors |
| EMPL_OW | Employee ownership | Percentage of capital held by employee shareholders |
| LEV | Leverage | Ratio of total financial debt to total assets |
| RISK | Market risk | Equity beta |
| R&D | R&D intensity | Ratio of Research and Development to total sales |
| FOR_ASS | Foreign assets | Ratio of foreign assets to total assets |
| GRE1 | Grenelle I | Binary variable equal to 1 after the adoption of the Grenelle I Act in 2009 and 0 otherwise |
| SIZE | Firm size | Natural logarithm of total assets |
| Industry | Industry | Binary variable that takes the value 1 if the company belongs to the sector in question and 0 otherwise |

3.5. Model

The relation between CSR reporting, CSR assurance and the CSR committee, on the one hand, and market value on the other may be affected by certain unobservable features. Further, as reported by Cai, Lee, Wu, Xu, & Zeng (2017), past performance may affect firms' CSR disclosure. The classical problem of endogeneity arises here. We therefore decided to use the two-step General Methods of Moments (GMM) estimation specification following Blundell and Bond (1998).

⁴ Variables from ThomsonOne are winsorized at the 1% and 99% levels.

$$\begin{aligned}
\text{TOBIN} = & \beta_0 + \beta_1 \text{Lag TOBIN} + \beta_2 \text{CSR_REP} + \beta_3 \text{CSR_COM} + \beta_4 \text{CSR_ASS} + \beta_5 \\
& \text{BOARD_SIZE} + \\
& \beta_6 \text{BOARD_IND} + \beta_7 \text{FEM_DIR} + \beta_8 \text{MEET} + \beta_9 \text{DUAL} + \beta_{10} \text{TENURE} + \beta_{11} \text{FAM_OWN} + \\
& \beta_{12} \text{INST_OWN} + \beta_{13} \text{EMPL_OWN} + \beta_{14} \text{LEV} + \beta_{15} \text{RISK} + \beta_{16} \text{R\&D} + \beta_{17} \text{FOR_ASS} + \beta_{18} \\
& \text{SIZE} + \beta_{18} \text{GREI} + \beta_{18} \text{INDUSTRY} + \varepsilon
\end{aligned}
\tag{Equation 1}$$

All variables are as defined in Table II.1. We consider two specification tests to address the consistency of the GMM estimators: the second-order autocorrelation test for the error terms and the Sargan/Hansen test of over-identifying restrictions.

4. Results

4.1. Descriptive statistics

Table II.2 presents summary descriptive statistics for our dependent, endogenous, and control variables. The average of Tobin's q, defined as firm market value, is 1.13. With reference to items in the Grenelle II Act on social, environmental and sustainable development activities, French companies disclose 44.27% of these selected items in their CSR reporting. Few companies have found it useful to create CSR committees (27.84%) to implement their environmental, social and sustainability policies. This proportion is lower than those reported by Ruhnke and Gabriel (2013) in Germany (60%), Netherlands (36.5%) and Great Britain (66%). Results of Table II.2 also show that while 20.78% of firm-year observations are assured by external third-party, the large majority of them (18.56%) are assured by Big 4 accounting firms. This finding is in line with the one of Gillet-Monjarret and Martinez (2012), giving evidence that assurance is not a widespread practice for French firms in the period preceding the implementation of the Grenelle II law in 2012.

Table II.2 also shows that the average number of directors is eleven. Female directorship on the board is estimated at only 8.85% of total board directors. An average of 42.73% of boards

of directors are independent. Furthermore, the average number of board meetings is just over seven a year. 54.10% of our firm-year observations have duality governance structures, where the CEO is also chair of the board, and the average tenure of the CEO is equal to nine years. Regarding ownership, the percentage of capital held on average by families is 26.64%, by institutional shareholders 15.44% and by employees only 2.49%. The average level of corporate debt is 26.20%, reflecting a tendency to obtain financing through equity rather than debt. Average market risk as measured by beta is less than one (0.88), suggesting that investment by French firms is less volatile than the market. The firms sampled on average invest 1.92% of their sales in R&D. Foreign assets represent on average 38.80% of total assets. Finally, the size of the firm is on average 16,718 million euros.

Table II.2. Descriptive statistics

| | Mean | Median | Standard Deviation | Minimum | Maximum |
|-----------------------------------|--------|--------|-----------------------|---------|---------|
| TOBIN | 1.13 | 0.88 | 0.83 | 0.25 | 4.56 |
| CSR_REP | 44.27% | 47.62% | 25.10% | 0 | 90.48% |
| CSR_COM | 27.84% | 0 | 44.84% | 0 | 100% |
| CSR_ASS (by external third-party) | 20.78% | 0 | 40.59% | 0 | 1 |
| CSR_ASS (by Big auditor) | 18.56% | 0 | 38.90% | 0 | 1 |
| BOARD_SIZE (number of directors) | 11.61 | 12 | 3.96 | 3 | 26 |
| BOARD_IND | 42.73% | 42.86% | 23.46% | 0 | 100% |
| FEM_DIR | 8.85% | 7.14% | 9.30% | 0 | 43.75% |
| BOARD_MEET (number of meetings) | 7.22 | 7 | 3.55 | 0 | 30 |
| DUAL | 54.10% | 1 | 49.85% | 0 | 1 |
| TENURE (number of years) | 9.08 | 7.14 | 6.98 | 0 | 43 |
| FAM_OWN | 26.64% | 22.91% | 26.20% | 0 | 99.37% |
| INST_OWN | 15.44% | 5% | 22.65% | 0 | 90% |
| EMPL_OWN | 2.49% | 0.99% | 4.73% | 0 | 32.75% |
| LEV | 26.20% | 25.27% | 13.63% | 0.93% | 60.07% |
| R&D | 1.92% | 0 | 4.45% | 0 | 24.17% |
| RISK | 0.88 | 0.89 | 0.27 | 0.06 | 1.81 |
| FOR_ASS | 38.80% | 37.99% | 29.19% | 0 | 97.36% |
| SIZE (in millions of euros) | 16718 | 5185 | 29785 | 4 | 240559 |

Variables are as defined in Table 1.

Table II.3 shows the correlations between all variables considered in our model. Correlations were calculated with a view to providing an early indication of multicollinearity problems which, if present, might pose a threat to the multivariate analysis. For this reason, we evaluated the variance inflation factors (VIF) for each of our explanatory variables. The results revealed that the highest VIF does not exceed the general limit of 3. Hence there are no major multicollinearity problems that might influence the estimation results.

Table II.3. Pairwise correlation matrix

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | VIF |
|---------------------|---------|---------|--------|---------|---------|---------|---------|---------|---------|---------|--------|---------|------|
| 1. TOBIN | 1.000 | | | | | | | | | | | | |
| 2. <i>Lag</i> TOBIN | 0.774* | 1.000 | | | | | | | | | | | 1.40 |
| 3. CSR_REP | -0.157* | -0.150* | 1.000 | | | | | | | | | | 1.52 |
| 4. CSR_COM | -0.067 | -0.047 | 0.389* | 1.000 | | | | | | | | | 1.25 |
| 5. CSR_ASS | -0.119* | -0.096* | 0.422* | 0.176* | 1.000 | | | | | | | | 1.44 |
| 6. BOARD_SIZE | -0.253* | -0.248* | 0.376* | 0.238* | 0.268* | 1.000 | | | | | | | 2.18 |
| 7. BOARD_IND | -0.179* | -0.184* | 0.215* | 0.086* | 0.253* | 0.096* | 1.000 | | | | | | 1.58 |
| 8. FEM_DIR | 0.030 | 0.042 | -0.026 | 0.017 | 0.032 | -0.253* | -0.168* | 1.000 | | | | | 1.41 |
| 9. BOARD_MEET | -0.071 | -0.060 | 0.138* | 0.151* | 0.146* | 0.055 | -0.041 | 0.116* | 1.000 | | | | 1.20 |
| 10. DUAL | -0.085 | -0.087 | 0.071 | -0.094* | -0.050 | 0.038 | -0.175* | 0.061 | 0.012 | 1.000 | | | 1.20 |
| 11. TENURE | 0.082 | 0.099* | 0.265* | 0.136* | 0.218* | 0.163* | 0.028 | 0.148* | -0.043 | 0.172* | 1.000 | | 1.27 |
| 12. FAM_OWN | 0.282* | 0.278* | -0.083 | -0.069 | -0.213* | -0.148* | -0.278* | -0.037 | -0.101* | -0.020 | 0.017 | 1.000 | 1.62 |
| 13. INST_OWN | -0.192* | -0.197* | 0.178* | 0.049 | 0.136* | 0.060 | 0.301* | 0.023 | -0.072 | 0.046 | -0.061 | -0.426* | 1.41 |
| 14. EMPL_OWN | -0.236* | -0.233* | 0.127* | 0.031 | 0.036 | 0.179* | -0.017 | 0.024 | 0.025 | 0.188* | 0.110* | -0.173* | 1.29 |
| 15. LEV | -0.206* | -0.209* | 0.009 | -0.056 | 0.079 | 0.023 | -0.006 | 0.015 | 0.120* | 0.045 | -0.079 | -0.046 | 1.20 |
| 16. R&D | 0.233* | 0.262* | 0.110* | -0.006 | 0.019 | -0.033 | 0.086* | -0.156* | -0.002 | -0.067 | 0.168* | 0.037 | 1.26 |
| 17. RISK | 0.019 | 0.005 | 0.073 | 0.040 | 0.153* | 0.002 | 0.104* | 0.059 | 0.239* | -0.033 | 0.042 | -0.224* | 1.30 |
| 18. FOR_ASS | -0.062 | -0.045 | 0.007 | -0.022 | 0.001 | 0.059 | 0.247* | -0.173* | 0.036 | -0.117* | 0.107* | -0.106* | 1.25 |
| 19. SIZE | -0.281* | -0.258* | 0.465* | 0.273* | 0.462* | 0.459* | 0.308* | -0.155* | 0.139* | -0.079 | 0.146* | -0.265* | 2.65 |

Table II.3. Continued

| | 13 | 14 | 15 | 16 | 17 | 18 | 19 |
|--------------|--------|---------|---------|--------|--------|--------|-------|
| 13. INST_OWN | 1.000 | | | | | | |
| 14. EMPL_OWN | 0.083 | 1.000 | | | | | |
| 15. LEV | 0.049 | -0.093* | 1.000 | | | | |
| 16. R&D | -0.067 | -0.101* | -0.192* | 1.000 | | | |
| 17. BETA | -0.017 | -0.071 | -0.031 | 0.084* | 1.000 | | |
| 18. FOR_ASS | 0.063 | -0.168* | -0.052 | 0.001 | 0.093* | 1.000 | |
| 19. SIZE | 0.091* | 0.100* | 0.104* | -0.012 | 0.200* | 0.127* | 1.000 |

Variables are as defined in Table 1

* Represents significance at 0.01 level.

4.2. Multivariate analysis and tests of hypotheses

4.2.1. Preliminary results⁵

Table II.4 presents the step-by-step results of Equation 1. Results of Model 1 show a negative and significant impact of CSR reporting on firm market value ($\beta_2 = -0.132$, $t = 2.27$, $p < 0.01$), suggesting that voluntary CSR disclosure, albeit in accordance with the GRI guidelines, is negatively valued by shareholders. This finding is consistent with that of Nekhili et al. (2017a) in the French context and confirms the credibility problem surrounding voluntary CSR disclosure.

In Model 2 of Table II.4, we find that the impact of CSR reporting on Tobin's q changes from negative and significant to positive and non-significant when we consider endogenously the presence of CSR committee. This result suggests that the CSR committee may play an important role in reducing the level of information asymmetry between managers and investors with regard to CSR obligations. However, the CSR committee negatively and significantly impacts Tobin's q ($\beta_3 = -0.099$, $t = -3.38$, $p < 0.01$). Although companies decide to create a board CSR committee to signal their concern for social issues and tend to be more transparent in the field of CSR (Cowen et al., 1987; Mallin & Michelon, 2011; Ruhnke & Gabriel, 2013; Fuente et al., 2017), our result indicates that shareholders do not respond positively to the presence of this mechanism. This result indicates that shareholders may be doubtful about the usefulness of such committees.

In Model 3 of Table II.4, we consider the presence of both the CSR committee and CSR assurance. The effect of the CSR committee remains unchanged. The impact of CSR assurance on Tobin's q is also negative and significant at the 1% level ($\beta_4 = -0.089$, $t = -$

⁵In untabulated results, we perform correlation analysis between all variables considered in our model. The results revealed that the highest VIF does not exceed the general limit of 3. Hence there are no major multicollinearity problems that might influence the estimation results

3.32). This result may be explained by the fact that shareholders are concerned about the cost of purchasing assurance, because they may believe that assurance does not add value to the reporting system (Cho et al., 2014). Our result is, however, inconsistent with the findings of Cho et al. (2014), Peters and Romi (2015) and Fazzini and Dal Maso (2016), who find no significant difference between firms with and without assurance with respect to market value.

Table II.4. Regression of Tobin's q on CSR reporting, CSR committee and CSR assurance

| Variables | Model 1 | | Model 2 | | Model 3 | |
|---|-----------|--------------------------|-----------|--------------------------|-----------|--------------------------|
| | Coef. | z-test | Coef. | z-test | Coef. | z-test |
| Lag TOBIN | 0.636*** | 92.47 | 0.630*** | 64.39 | 0.629*** | 38.02 |
| CSR_REP | -0.132** | -2.27 | 0.058 | 0.71 | 0.162 | 1.42 |
| CSR_COM | | | -0.099*** | -3.38 | -0.175*** | -4.97 |
| CSR_ASS | | | | | -0.089*** | -3.32 |
| BOARD_SIZE | -0.088*** | -4.30 | -0.100*** | -3.90 | -0.086*** | -3.07 |
| BOARD_IND | -0.037 | -1.16 | -0.050 | -1.18 | -0.072* | -1.76 |
| FEM_DIR | -0.297*** | -3.74 | -0.319*** | -3.47 | -0.374*** | -4.39 |
| BOARD_MEET | -0.058*** | -3.56 | -0.039* | -1.79 | -0.025 | -1.03 |
| DUAL | -0.077*** | -5.16 | -0.095*** | -4.56 | -0.116*** | -5.83 |
| TENURE | -0.001 | -0.02 | 0.011 | 0.79 | 0.004 | 0.24 |
| FAM_OWN | 0.141*** | 3.23 | 0.140*** | 3.21 | 0.101 | 1.61 |
| INST_OWN | -0.041 | -1.00 | -0.061 | -1.43 | -0.036 | -0.99 |
| EMPL_OWN | -0.810*** | -4.60 | -1.063*** | -4.25 | -1.059*** | -3.90 |
| LEV | -0.298*** | -6.22 | -0.265*** | -3.92 | -0.317*** | -4.15 |
| R&D | -0.062 | -0.46 | -0.104 | -0.60 | -0.054 | -0.24 |
| RISK | 0.069** | 2.50 | 0.040 | 0.93 | 0.099** | 2.36 |
| FOR_ASS | -0.123*** | -3.98 | -0.147*** | -4.34 | -0.178*** | -4.52 |
| SIZE | -0.001 | -0.17 | -0.011 | -1.43 | -0.011 | -1.22 |
| GRE1 | 0.078*** | 9.23 | 0.082*** | 7.40 | 0.102*** | 7.89 |
| Intercept | 0.979*** | 8.17 | 1.044*** | 6.87 | 0.873*** | 6.93 |
| Industry_FE | | Yes | | Yes | | Yes |
| Number of observations | | 784 | | 784 | | 784 |
| Fisher (Prob > F) | | 41666.59 ($p = 0.000$) | | 11427.45 ($p = 0.000$) | | 34160.63 ($p = 0.000$) |
| Arellano-Bond test AR(1) (z, p -value), | | -2.89 ($p = 0.007$) | | -2.88 ($p = 0.004$) | | -2.90 ($p = 0.004$) |
| Arellano-Bond test AR(2) (z, p -value), | | 1.37 ($p = 0.172$) | | 1.36 ($p = 0.174$) | | 1.40 ($p = 0.163$) |
| Sargan test (Chi-square, p -value), | | 637.82 ($p = 0.000$) | | 638.48 ($p = 0.000$) | | 637.07 ($p = 0.000$) |
| Hansen test (Chi-square, p -value), | | 78.60 ($p = 0.225$) | | 78.54 ($p = 0.525$) | | 75.37 ($p = 0.309$) |

Variables are as defined in Table 1

*, **, *** Represent significance at 0.05, 0.01 and 0.001 levels, respectively.

With regard to control variables, the results of Model 1 in Table II.4 are similar to previous studies conducted in the French context (Nekhili et al., 2017a): Tobin's q is negatively associated with board size, board gender diversity, board meetings, CEO duality and employee ownership, and positively associated with family ownership. No significance, however, is found with respect to board independence, board tenure, CEO duality, and institutional ownership. Table II.4 also reveals a positive relationship between market risk, as measured by beta, and firm market value. The regressions show that increases in the ratio of foreign assets and leverage very much tend to reduce firm value. Finally, we find a significant positive impact of Grenelle I on Tobin's q at the 1% level, allowing us to conclude that the market reacts positively to the implementation of Grenelle I legislation. This law states that CSR reporting and the quality of reporting are an essential part of good corporate governance (Article 53 of Grenelle I).

4.2.2. Tests of H2 and H3

Our hypotheses H2 and H3 state that CSR reporting is more relevant in the presence of a CSR committee and CSR assurance, respectively. We test these hypotheses by implementing the joint test technique. Accordingly, we derive a dummy variable (high CSR reporting) that takes the value one if the level of CSR reporting is greater than the median (47.62% in Table II.2) and zero otherwise. The coefficient for the main effect of high CSR reporting on firm market value is negatively significant in Model 1, suggesting that more extensive voluntary CSR reporting is negatively perceived by shareholders. This result is in accordance with Nekhili et al. (2017a), who confirm that a high level of CSR voluntary disclosure does not provide value relevant information. As mentioned earlier in Table II.4, the impacts of the CSR committee and CSR assurance remain significantly negative on Tobin's q.

To determine how high CSR reporting and CSR committee conjunctively affect firm market value, we conduct, after implementing the results of Model 2, a joint test of the

coefficients for high CSR reporting “HCSR_REP” and the interaction term “HCSR_REP * CSR_COM”.

$$\text{Tobin's } q = \beta_0 + \beta_1 \text{Lag TOBIN} + \beta_2 \text{HCSR_REP} + \beta_3 \text{CSR_COM} + \beta_4 \text{CSR_ASS} + \beta_5 (\text{HCSR_REP} * \text{CSR_COM}) + \beta_6 \text{Control variables} + \varepsilon \quad \text{Equation 2}$$

In support of hypothesis H1, results of Table II.4 show that the joint coefficients are positive and significant at the 1% level ($\beta_2 + \beta_5 = 0.312$, $t = 4.33$, $p < 0.01$). Because of the importance of CSR committee for addressing sustainability risks and opportunities and for evaluating and controlling social information (Cowen et al., 1987; Mallin & Michelon, 2011; Ruhnke & Gabriel, 2013; Fuente et al., 2017), high CSR reporting will be more relevant for shareholders when firms have a CSR committee in the board.

In order to determine how high CSR reporting and CSR assurance conjunctively affect firm market value, we conduct a joint test of the coefficients for high CSR reporting “HCSR_REP” and the interaction term “HCSR_REP * CSR_ASS”.

$$\text{Tobin's } q = \beta_0 + \beta_1 \text{Lag Tobin's } q + \beta_2 \text{HCSR_REP} + \beta_3 \text{CSR_COM} + \beta_4 \text{CSR_ASS} + \beta_5 (\text{HCSR_REP} * \text{CSR_ASS}) + \beta_6 \text{Control variables} + \varepsilon \quad \text{Equation 3}$$

The sum of the coefficients of (HCSR_REP + HCSR_REP * CSR_ASS) suggests a nontrivial negative effect of high CSR reporting on Tobin’s q for firms having CSR assurance ($\beta_2 + \beta_5 = -0.292$, $t = -2.44$, $p < 0.01$). Inconsistently with hypothesis H2, the impact of high CSR reporting on firm market value is negative when firms adopt CSR assurance, indicating that the market undervalues the provision of high CSR reporting when firms provide assurance of their sustainability reports by external auditors.

Table II.5. System GMM Regression of Tobin's q on high CSR reporting, CSR committee and CSR assurance

| Variables | Model 1 | | Model 2 | | Model 3 | |
|---|--------------------------|--------|-------------------------|--------|-------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag TOBIN | 0.643*** | 42.99 | 0.658*** | 33.30 | 0.647*** | 49.51 |
| HCSR_REP | -0.092*** | -3.35 | -0.083* | -1.70 | -0.069* | -1.78 |
| CSR_COM | -0.142*** | -4.85 | -0.573*** | -8.21 | -0.119*** | -3.65 |
| CSR_ASS | -0.077** | -2.18 | -0.167*** | -5.77 | 0.149 | 1.22 |
| HCSR_REP * CSR_COM | | | 0.396*** | 5.65 | | |
| HCSR_REP * CSR_ASS | | | | | -0.223* | -1.67 |
| BOARD_SIZE | -0.070 | -2.25 | -0.141*** | -3.27 | -0.082*** | -2.80 |
| BOARD_IND | -0.001 | -0.02 | -0.112* | -1.78 | -0.065 | -1.16 |
| FEM_DIR | -0.334*** | -3.28 | -0.456*** | -3.96 | -0.281** | -2.48 |
| BOARD_MEET | -0.036 | -1.45 | 0.004 | 0.11 | -0.059** | -2.40 |
| DUAL | -0.080*** | -3.93 | -0.137*** | -4.85 | -0.074*** | -3.76 |
| TENURE | 0.006 | 0.34 | 0.017 | 0.85 | 0.002 | 0.08 |
| FAM_OWN | 0.171*** | 3.35 | 0.137** | 2.24 | 0.101 | 1.62 |
| INST_OWN | 0.006 | 0.13 | 0.031 | 0.70 | -0.003 | -0.07 |
| EMPL_OWN | -0.875*** | -3.15 | -1.072*** | -3.96 | -0.827*** | -3.21 |
| LEV | -0.313*** | -4.29 | -0.226*** | -2.80 | -0.283*** | -3.59 |
| R&D | 0.026 | 0.11 | 0.176 | 0.89 | -0.239 | -0.50 |
| RISK | 0.126*** | 3.21 | 0.072 | 1.45 | 0.097** | 2.36 |
| FOR_ASS | -0.166*** | -4.30 | -0.172*** | -3.50 | -0.169*** | -4.37 |
| GRE1 | 0.009 | 0.94 | 0.028** | 2.31 | 0.013 | 1.42 |
| SIZE | 0.130*** | 10.92 | 0.164*** | 12.96 | 0.127*** | 9.62 |
| Intercept | 0.581*** | 3.23 | 0.511** | 2.35 | 0.656*** | 3.92 |
| Industry_FE | Yes | | Yes | | Yes | |
| Number of observations | 784 | | 784 | | 784 | |
| Wald Chi2 (Prob > F) | 27253.75 ($p = 0.000$) | | 2413.80 ($p = 0.000$) | | 9881.94 ($p = 0.000$) | |
| Arellano-Bond test AR(1) (z , p -value), | -2.88 ($p = 0.004$) | | -2.92 ($p = 0.004$) | | -2.90 ($p = 0.004$) | |
| Arellano-Bond test AR(2) (z , p -value), | 1.42 ($p = 0.155$) | | 1.47 ($p = 0.141$) | | 1.40 ($p = 0.161$) | |
| Sargan test (Chi-square, p -value), | 637.31 ($p = 0.000$) | | 138.64 ($p = 0.000$) | | 290.51 ($p = 0.000$) | |
| Hansen test (Chi-square, p -value), | 74.92 ($p = 0.322$) | | 65.91 ($p = 0.280$) | | 71.58 ($p = 0.269$) | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_COM) | | | 0.312*** | 4.33 | | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_ASS) | | | | | -0.292** | -2.44 |

4.3. Supplementary analysis: How much does industry matter?

Our previous results show that high CSR reporting is not relevant when firms adopt CSR assurance. This result may be due to the fact that CSR assurance is specifically relevant for firms exposed to environmental risks, demonstrating an unequivocal need to enhance the credibility of their CSR reporting (Simnett et al., 2009; Gillet-Monjarret, 2015). To illustrate this argument, we conduct a joint test of the coefficients for high CSR reporting and CSR assurance (and/or CSR committee) for firms operating in environmentally sensitive industries (ESI). We then specify ESI status by a dummy variable that takes the value of 1 if the firm is from a more environmentally sensitive industry and 0 otherwise. Following several researchers, we classify the following “polluting” sectors: Pulp and Paper, Chemicals, Oil and Gas, Metals and Mining, and Utilities. Using this classification, we obtain a sample of 201 observations of firms operating in “polluting” sectors and 747 observations of firms operating in “nonpolluting” sectors.

$$\text{Tobin's } q = \beta_0 + \beta_1 \text{Lag TOBIN} + \beta_2 \text{HCSR_REP} + \beta_3 \text{CSR_ASS} + \beta_4 \text{CSR_COM} + \beta_5 (\text{HCSR_REP} * \text{CSR_ASS} * \text{ESI} \text{ or } \text{HCSR_REP} * \text{CSR_COM} * \text{ESI} \text{ or } \text{HCSR_REP} * \text{CSR_ASS} * \text{CSR_COM} * \text{ESI}) + \beta_6 \text{Control variables} + \varepsilon \quad \text{Equation 4}$$

In Table II.6, three joint tests are carried out for ESI firms to assess the relevance of a high level of CSR reporting in the presence of a CSR committee, CSR assurance and these two sustainability-oriented corporate governance mechanisms jointly. The results obtained in Model 2 confirm those observed in Table II.5 for the total sample, with a higher impact in the case of ESI firms. Interestingly, the results obtained for ESI firms that provide CSR assurance are directly opposed to what we observe for the total sample in Table II.5. Indeed, the results of Model 3 show that the impact of the interaction term “HCSR _REP * CSR_ASS” on firm market value is meaningfully differentiating whether or not we consider ESI industry. The

joint coefficient of high CSR reporting and the interaction term (HCSR _REP * CSR_ASS * ESI) on firm market value is highly positive and significant at the 1% level ($\beta_2 + \beta_5 = 1.315$, $t = 13.14$). This result is in line with the prediction by Simnett et al. (2009) and GilletMonjarret (2015) that CSR assurance by an independent third party is specifically relevant for firms that are more exposed to environmental risks in order to manage their image and to achieve legitimacy.

Table II.6. System GMM regression of Tobin's q on high CSR reporting, CSR committee and CSR assurance for ESI firms

| Variables | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
|---|--------------------------|--------|--------------------------|--------|-------------------------|--------|--------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag TOBIN | 0.665*** | 60.51 | 0.655*** | 52.87 | 0.630*** | 39.79 | 0.652*** | 56.23 |
| HCSR_REP | -0.089*** | -6.10 | -0.053*** | -3.15 | -0.178*** | -9.74 | -0.057*** | -3.89 |
| CSR_COM | -0.049*** | -2.78 | -0.168*** | -10.34 | -0.082*** | -4.47 | -0.094*** | -4.43 |
| CSR_ASS | 0.009 | 0.47 | -0.032* | -1.89 | -0.245*** | -9.99 | -0.058*** | -4.48 |
| ESI | -0.011 | -0.47 | -0.177*** | -8.07 | -0.462*** | -8.78 | -0.086*** | -3.67 |
| HCSR_REP * CSR_COM * ESI | | | 0.770*** | 13.81 | | | | |
| HCSR_REP * CSR_ASS * ESI | | | | | 1.494*** | 14.59 | | |
| HCSR_REP * CSR_COM * CSR_ASS*ESI | | | | | | | 0.561*** | 10.45 |
| BOARD_SIZE | -0.034 | -1.42 | -0.065*** | -2.85 | -0.039 | -1.45 | -0.050* | -1.89 |
| BOARD_IND | -0.036 | -1.22 | -0.063 | -1.55 | -0.098 | -1.43 | -0.050 | -1.40 |
| FEM_DIR | -0.147* | -1.85 | -0.118 | -1.59 | -0.188* | -1.71 | -0.138* | -1.81 |
| BOARD_MEET | -0.037** | -2.31 | -0.059*** | -4.24 | -0.080*** | -3.33 | -0.054*** | -3.76 |
| DUAL | -0.042*** | -2.94 | -0.079*** | -4.26 | -0.084*** | -4.08 | -0.060*** | -4.07 |
| TENURE | 0.057*** | 5.55 | 0.072*** | 4.88 | 0.136*** | 9.44 | 0.072*** | 7.26 |
| FAM_OWN | 0.119*** | 2.62 | 0.153*** | 3.52 | 0.255*** | 4.87 | 0.141*** | 3.08 |
| INST_OWN | 0.025 | 0.75 | 0.056* | 1.71 | 0.114*** | 3.98 | 0.020 | 0.62 |
| EMPL_OWN | -0.958*** | -6.04 | -1.009*** | -3.87 | -0.996*** | -3.56 | -0.901*** | -3.94 |
| LEV | -0.370*** | -8.09 | -0.347*** | -4.98 | -0.485*** | -5.81 | -0.387*** | -6.04 |
| R&D | 0.027 | 0.32 | 0.117 | 1.15 | 0.263** | 2.34 | 0.119 | 1.01 |
| RISK | -0.024 | -1.38 | -0.066*** | -2.89 | 0.057* | 1.76 | -0.017 | -0.79 |
| FOR_ASS | -0.112*** | -4.53 | -0.048 | -1.61 | -0.120*** | -3.78 | -0.089*** | -3.97 |
| GRE1 | 0.074*** | 8.24 | 0.067*** | 6.82 | 0.053*** | 4.04 | 0.062*** | 5.58 |
| SIZE | -0.019*** | -3.01 | -0.024*** | -3.45 | -0.017* | -1.78 | -0.022*** | -3.24 |
| Intercept | 0.911*** | 10.01 | 1.124*** | 11.27 | 0.908*** | 5.95 | 1.007*** | 10.70 |
| Number of observations | 784 | | 784 | | 784 | | 784 | |
| Wald Chi2 (Prob > F) | 50158.62 ($p = 0.000$) | | 25760.27 ($p = 0.000$) | | 6522.52 ($p = 0.000$) | | 11172.32 ($p = 0.000$) | |
| Arellano-Bond test AR(1) (z , p -value), | -2.90 ($p = 0.004$) | | -2.95 ($p = 0.003$) | | -2.94 ($p = 0.003$) | | -2.92 ($p = 0.003$) | |
| Arellano-Bond test AR(2) (z , p -value), | 1.36 ($p = 0.173$) | | 1.38 ($p = 0.169$) | | 1.36 ($p = 0.173$) | | 1.37 ($p = 0.170$) | |
| Sargan test (Chi-square, p -value), | 630.15 ($p = 0.000$) | | 627.26 ($p = 0.000$) | | 631.01 ($p = 0.000$) | | 631.50 ($p = 0.000$) | |
| Hansen test (Chi-square, p -value), | 80.20 ($p = 0.190$) | | 79.10 ($p = 0.190$) | | 77.36 ($p = 0.229$) | | 79.55 ($p = 0.181$) | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_COM * ESI) | | | 0.717*** | 13.26 | | | | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_ASS * ESI) | | | | | 1.315*** | 13.14 | | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_COM * CSR_ASS * ESI) | | | | | | | 0.503*** | 8.80 |

5. Conclusion

CSR practices are subject to concerns regarding perceived credibility and the market perception of the information provided (Gray, 2006). This study provides evidence of the relationship between CSR reporting and firm market value according to whether or not firms have a CSR committee on their board and whether or not they include CSR assurance in their CSR reports. Based on a sample of French firms over the period 2001-2011, our results firstly show that market value is negatively and significantly associated with the adoption of a CSR committee and CSR assurance. The advantage of having a CSR committee and/or CSR assurance does not therefore stem from their direct effect on market value as measured by Tobin's q , but from their moderating role between CSR reporting and firm's market value. Interestingly, our study shows that voluntary CSR reporting in accordance with GRI guidelines is more relevant after setting up a CSR committee, thus giving support to the idea that higher reporting quality requires credible CSR information (Cowen et al., 1987; Mallin & Michelon, 2011; Ruhnke & Gabriel, 2013; Fuente et al., 2017). In contrast, the value relevance of the voluntary reporting of CSR-related information is negatively perceived after providing CSR assurance.

In a supplementary analysis, we test the importance of CSR assurance for industries having a greater need to manage social or environmental risks and to achieve legitimacy. We find that CSR assurance is mainly relevant for firms that are exposed to environmental risks, thereby demonstrating an unequivocal need to enhance the credibility of their CSR reporting. For these industries, we show that CSR assurance outperforms a CSR committee in terms of the relevance of CSR reporting. Our result supports the legitimacy theory argument that CSR assurance is conducted to respond to stakeholders' pressure and to manage firms' image (Simnett et al., 2009; Gillet-Monjarret, 2015).

Our results provide several implications for academic researchers and policymakers. Our sample period over 2001-2011 precedes the entry into force of the Grenelle II Act in 2012, requiring companies to include information on environmental and social performance in their annual report, in accordance with GRI guidelines and to purchase an external assurance. Despite its important role in the relevance of CSR reporting, the Grenelle II law does not formulate specific recommendations regarding the CSR (sustainability) committee, leaving French companies free to implement and to define CSR committee operating procedures. Beyond the credibility and the legitimacy gains, CSR committee and CSR assurance may also enhance management information systems, internal control, and processes through detection of weaknesses and opportunities (Casey & Grenier, 2015). Accordingly, future research should consider other firm performance measures to investigate whether CSR committee and CSR assurance is valuable for all stakeholders and not only for shareholders. To go beyond the simple presence of these two mechanisms, future research should also take into account the characteristics of CSR committee (size, independence, CSR experience, diligence, etc.) as well as the level, the criteria and the scope of CSR assurance (Peters & Romi, 2015).

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Appendix A. Items of Grenelle II Act

| Components | Description |
|---|---|
| 1 Social Reporting (19 items) | |
| 1.1 Employment | 1.1.1 Number of employees and how they are split up according to age, gender and geographic distribution (based on numbered data and diagram) 1.1.2 Hiring and firing 1.1.3 Remuneration and its evolution |
| 1.2 Organisation of work | 1.2.1 Organisation of working time (flexibility of working hours, weekly working 1.2.2 Absenteeism |
| 1.3 Labour relations | 1.3.1 Social dialogue (information procedures, consultation of the staff and negotiating with employers) 1.3.2 Outcome of the collective agreements |
| 1.4 Occupational health and safety | 1.4.1 Health and safety conditions at work 1.4.2 Outcome of the collective agreements signed with trade unions and staff representatives regarding occupational health and safety 1.4.3 Frequency and seriousness of accidents |
| 1.5 Training | 1.5.1 Policies implemented regarding training 1.5.2 Total number of training hours |
| 1.6 Equal treatment | 1.6.1 Measures promoting equality between women and men 1.6.2 Measures promoting the employment and the integration of people disabilities 1.6.3 Policy against discrimination |
| 1.7 Respect for the clauses of fundamental conventions of the International Labour Organisation (ILO) | 1.7.1 Respect for the right to organize and collective bargaining 1.7.2 Abolition of discrimination in employment and occupation 1.7.3 Abolition of forced or compulsory labour 1.7.4 Abolition of child labour |
| 2 Environmental Reporting (14 items) | |
| 2.1 Environmental policy | 2.1.1 Organisation of the company to take into account environmental concerns, and, if applicable, environmental evaluation and verification approaches 2.1.2 Training of and information to employees on environmental protection 2.1.3 Budget devoted to environmental protection and environmental risk mitigation 2.1.4 Financial provisions for environmental risks |
| 2.2 Pollution and Waste Management | 2.2.1 Prevention, reduction and fixing of air/water/soil emissions 2.2.2 Prevention, recycling and cutting waste 2.2.3 Noise pollution and other type of pollution |
| 2.3 Sustainable use of resources | 2.3.1 Water consumption and supply considering local resources 2.3.2 Consumption of raw materials and measures taken to improve the efficiency of raw materials use 2.3.3 Energy consumption and measures to improve energy efficiency and the use of renewable energy 2.3.4 Land use |
| 2.4 Climate change | 2.4.1 Greenhouse gas emissions 2.4.2 Measures to adapt to climate change |
| 2.5 Protection of biodiversity | 2.5.1 Measures taken to save and develop biodiversity |
| 3 Sustainability reporting (9 items) | |
| 3.1 Territorial, economic and social impact of the activity | 3.1.1 Measures in favour of environment, employment and regional development 3.1.2 Measures regarding populations living in the area around the business |
| 3.2 Relationships with stakeholders | 3.2.1 Conditions for dialogue with stakeholders 3.2.2 Measures promoting partnership or sponsorship |
| 3.3 Subcontracting and suppliers | 3.3.1 Importance of subcontracting 3.3.2 Taking into account social and environmental responsibility with suppliers and subcontractors |
| 3.4 Honesty in practices | 3.4.1 Measures to prevent corruption 3.4.2 Measures in favour of health consumers' security |
| 3.5 Measures in favour of human rights | 3.5.1 Measures preventing all forms of discrimination and promoting equal treatment |

Chapter III: Contribution of CSR assurance quality to the relevance of standalone reports

1. Introduction

Corporate social responsibility (CSR), often termed sustainability, has been extended over time, leading to a growing tendency for companies worldwide to issue standalone CSR reports (Cohen & Simnett, 2015; Guidry & Patten, 2010; Patten & Zhao, 2014; Simnett, Vanstraelen, & Chua, 2009). While the use of standalone CSR reports is viewed as a powerful tool for communicating with stakeholder groups in regard to sustainability disclosure (Patten & Zhao, 2014; Thorne, Mahoney, & Manetti, 2014), companies are not subject to mandatory issuance of standalone CSR reports. Despite the benefits of issuing separate sustainability reports and financial reports, firms' motivations for issuing standalone CSR reports are subject to concerns about the perceived credibility of the information provided (Cho, Michelon, & Patten, 2012, 2014; Du & Wu, 2019; Mahoney, Thorne, Cecil, & LaGore, 2013; Wang & Li 2016) and it being as a tool for image enhancement (Birkey, Michelon, Patten, & Sankara, 2016; Patten & Zhao 2014; Michelon, Pilonato, & Ricceri, 2015). Among stakeholder groups, shareholders are the most concerned with standalone CSR reports, since they bear the full costs of communication, managerial misbehavior and monitoring. Prior empirical studies find mixed results regarding the relationship between the issuance of a standalone CSR report and market valuation (Berthelot, Coulmont, & Serret, 2012; Cho et al., 2014; Dhaliwal, Li, Tsang, & Yang 2011; Guidry & Patten, 2010; Mervelskemper & Streit, 2017; Wang & Li, 2016), thus underlining the credibility problem regarding the information in these reports.

Some recent studies focus on the fundamental role of third-party assurance as a valuable managerial tool for addressing concerns regarding the credibility and the perceived reliability of CSR-related information disclosed in standalone CSR reports (e.g., Clarkson, Li, Richardson, & Tsang, 2019; Du & Wu, 2019; Junior, Best, & Cotter, 2014; Simnett et al., 2009). Such enhanced credibility of CSR reports through independent third-party assurance is reflected in investors' greater willingness to invest (Cheng, Green, & Ko, 2015), lower equity capital costs, reduced analyst forecast dispersion and errors (Casey & Grenier, 2015; Dhaliwal et al., 2011, 2014), and higher market valuation (Clarkson et al., 2019; Coram, Monroe, & Woodliff, 2009).

The demand for higher-quality assurance services is likely to be stronger for firms domiciled in countries with weaker investor protection (Ballou, Chen, Grenier, & Heitger, 2018; Herda, Taylor, & Winterbotham, 2014; Sethi, Martell, & Demir, 2017; Simnett et al., 2009). In this regard, comparison of the French and Anglo-American contexts is of particular interest. Moreover, the literature on the contribution of CSR assurance to the relevance of sustainability reporting has, in most cases, been limited to evaluating the effects of the presence or absence of external assurance (e.g., Casey & Grenier, 2015; Cheng et al., 2015; Coram et al., 2009; Du & Wu, 2019) or to focusing on some of the many key aspects of assurance (e.g., Ballou et al., 2018; Hodge, Subramaniam, & Stewart, 2009; Maroun, 2019; Martínez-Ferrero & García-Sánchez, 2018; Pflugrath, Roebuck, & Simnett, 2011). Our study complements previous work by investigating the relationship between the issuance of a standalone CSR report and the firm's market value, depending on the quality of assurance services. At least four key aspects of assurance services are considered in the literature as indicative of higher quality: the scope of assurance, the level of assurance, compliance with international standards for assurance engagements and the type of assurance provider (Clarkson et al., 2019; O'Dwyer & Owen, 2005, 2007; Junior et al., 2014; Mock, Strohm, & Swartz, 2007; Velte & Stawinoga,

2017). As far as we know, no study has yet investigated the marginal effect of the quality of assurance services on the relationship between the issuance of a CSR report and the firm's market value.

In the absence of strong regulation of assurance services, the value relevance of CSR assurance may be questionable due to the variation in key aspects of assurance services, such as the level of assurance, the scope of assurance engagement, the use of specific standards for assurance engagement, and the type of assurance provider (Casey & Grenier, 2015; Smith, Haniffa, & Fairbrass, 2011; Junior et al., 2014). In 2010, French parliament passed the Grenelle II Law which provides a mandatory framework for listed companies in a regulated market. This legislation requires companies, as from end December 2011, to disclose information on their environmental, social and sustainability performance in accordance with GRI guidelines, and makes external assurance by a third independent party compulsory for the verification of CSR-related information (Gillet-Montjarret, 2018). Nevertheless, although the entry into force of the Grenelle II Law in 2012 gave specific guidance to the assurance of sustainability reporting, key aspects of the CSR assurance process may be affected by management practices that alter the relevance and the completeness of CSR reporting (Casey & Grenier, 2015; O'Dwyer & Owen 2007; Smith et al., 2011; Velte & Stawinoga, 2017).

Using a sample of French companies listed in the SBF 120 index from 2007 to 2017, we use the system GMM estimation approach to assess the value relevance of standalone CSR reports as endogenously determined and moderated by the quality of assurance services. Our results show that the perceived negative value relevance of issuing a standalone CSR report is reduced by the use of higher-quality assurance services. On the basis of a joint test approach, our results show that the marginal effects of a reasonable level of assurance, broader scope of assurance, compliance with international standards for assurance engagements and the choice of a professional accountant as assurance provider (even when the statutory auditor is the

assurance provider) are positive and significant on the relationship between the issuance of a standalone CSR report and the firm's market value. Additionally, our results show that the key aspects of assurance services are even more relevant under a mandatory assurance regime.

The remainder of the paper is structured as follows. The second section discusses the background and presents our hypotheses. The third section describes the sample and research design. Empirical results are discussed in the fourth section. In the final section, we conclude and provide implications for practice and public policy.

2. Background and hypotheses

2.1. Standalone CSR reports and firms' market value

In response to disclosure requirements in relation to the general public, many firms provide CSR information through standalone non-financial reports to signal their compliance with CSR commitments (Clarkson et al., 2019; Simnett et al., 2009). These firms are willing to make shareholders bear additional costs of communication so as to distinguish themselves from firms with poor sustainability development performance (Berthelot et al., 2012; Clarkson, Li, Richardson, & Vasvari, 2008; Mahoney et al., 2013). Standalone CSR reports may be variously referred to as "Sustainability Reports", "Environmental Reports", "GRI Reports" and "Citizenship Reports" (Mahoney et al., 2013; Thorne et al., 2014). The rapid increase in CSR reporting in recent years testifies to a steadily growing willingness to voluntarily produce standalone CSR reports (Dhaliwal et al., 2011). The proportion of firms using standalone CSR reports to publicize their CSR activities, compared to firms using integrated reports, varies from country to country, with a relatively higher proportion observed in stakeholder-oriented countries (Simnett et al., 2009). Holland and Foo (2003) consider that the existence of separate sustainability reports may be needed for assessing the difference between annual reports and standalone environmental reports, in terms both of the extent and type of disclosure. These two forms of disclosure (standalone reports and integrated reports) differ in their depth and breadth

of CSR coverage (Dhaliwal et al., 2011). Kolk (2008) shows that the percentage of information related to governance and sustainability aspects is considerably higher for firms issuing separate sustainability reports than for firms producing integrated reports. Hence standalone CSR reports are likely to provide incrementally useful information for investors for evaluating firms' adoption of long-term sustainability practices (Dhaliwal et al., 2011).

Several studies have investigated the factors motivating the issuance of standalone CSR reports. Dhaliwal et al. (2011) point out that firms publishing standalone CSR reports demonstrate additional effort and commitment to improve transparency regarding long-term performance and risk management. Mahoney et al. (2013) find that firms voluntarily issuing standalone CSR reports aim to signal their higher CSR performance scores. Patten and Zhao (2014) examine the growing adoption of standalone CSR reporting by the U.S. retail industry and find that firms issuing standalone CSR reports have better environmental reputations than firms not doing so. Birkey et al. (2016) argue that standalone CSR reports are more likely to be used to enhance the environmental image of the issuing companies rather than being a signaling device to corporate investors. Giving support to arguments from signaling theory, Clarkson et al. (2019) find a positive association between issuing a CSR report and inclusion in the DJSI (Dow Jones Sustainability Index), considered by the authors as an objective measure of a firm's reputation for sustainability.

Despite the growing empirical literature revisiting market responses to the issuance of standalone CSR reports (Berthelot et al., 2012; Cho et al., 2014; Guidry & Patten, 2010; Dhaliwal et al., 2011; Mervelskemper & Streit, 2017; Wang & Li, 2016), there is limited evidence on their impact on users' perception of the credibility of the information. The issuance of standalone sustainability reports may attract more users in that such reports are more extensive and more detailed (Hodge et al., 2009). Dhaliwal et al. (2011) produce evidence that firms issuing a standalone CSR report with superior CSR performance are associated with a

lower cost of capital. An empirical study by Berthelot et al. (2012) in the Canadian context shows that investors value positively the potential benefits of issuing a standalone sustainability report. Wang and Li (2016) analyze the value of standalone CSR reports released by Chinese publicly listed companies and find that the market valuation is higher for firms disclosing higher-quality standalone reports than for firms that do not. More specifically, Guidry and Patten (2010) examine the perceived value for shareholders of publishing a standalone sustainability report and find no significant market reaction. However, they find that investors' reactions vary according to the quality of standalone CSR reports measured by reference to GRI recommendations and that the market reacts positively to higher-quality standalone reports. Similarly, Cho et al. (2014) and Clarkson et al. (2019) point out that it is not clear that standalone CSR disclosure should be expected to be correlated with the firm's market value. On the other hand, Mervelskemper and Streit (2017) find that environmental, social and governance (ESG) performance is strongly valued by investors when ESG information is published in an integrated report compared to a standalone ESG report. For Michelon et al. (2015), standalone CSR reports appear to provide more, but not better quality of, CSR information than that reported in annual reports. Obviously, integrated reports are clearer and qualitatively superior to reports separating financial and nonfinancial information contextually (Eccles & Serafeim, 2017; Maroun, 2019). For Clarkson et al. (2019) it is clearly the case that, without higher assurance quality, market participants are reluctant to respond favorably to the provision of a CSR report.

From the above discussion, it is still unclear how the issuance of standalone CSR reports is perceived by shareholders. We therefore formulate two alternative hypotheses:

H1a. The issuance of a standalone CSR report is positively related to the firm's market value.

H1b. The issuance of a standalone CSR report is negatively related to the firm's market value.

2.2. The moderating role of the quality of CSR assurance services

Despite the importance of assurance services in increasing the capital market benefits from the issuance of standalone CSR reports, the potential value of CSR assurance statements have been questionable (Deegan, Cooper, & Shelly, 2006; Mock et al., 2007). At least four key aspects of assurance services are considered in the literature as potentially reflecting CSR assurance quality: the scope of assurance, the level of assurance, compliance with international standards for assurance engagements, and the identity of the assurance provider (Clarkson et al., 2019; O'Dwyer & Owen, 2005, 2007; Junior et al., 2014; Mock et al., 2007; Velte & Stawinoga, 2017). These constituent elements of the assurance process as provided in CSR assurance statements are still referred to as 'aspects of practice' between firms and assurance providers (Smith et al., 2011), giving management an extensive margin of discretion in the portrayal of CSR assurance services (Velte & Stawinoga, 2017).

In 2003 in France, the National Company of Auditors (CNCC) issued a technical report in which three levels of verification are identified (reasonable, moderate and limited level of CSR assurance). Management may choose a reasonable level of assurance where the information in the environmental and social report conforms in all material respects to the identified criteria (Hodge et al., 2009). Given that the nature, timing and extent of the procedures carried out tend to be broader for the reasonable level of assurance engagement compared to the limited level, users' confidence and their perceptions of the credibility of CSR reports are significantly higher when the level of assurance is reasonable (Hodge et al., 2009; Maroun, 2019; Martínez-Ferrero & García-Sánchez, 2018). Hasan, Maijor, Mock, Roebuck, Simnett, and Vanstraelen (2005) suggest that the percentage of confidence for a moderate level of assurance engagement is 60%, whereas it is 88% for a high level of assurance engagement. They show that while a moderate level of assurance is a common way of expressing negative

assurance, the wording used in expressing moderate assurance, including positive statements, can also alter users' understanding of the level of assurance.

The scope of CSR assurance may reflect management's choice with regard to CSR reporting and CSR assurance services. Choices are made by the company and have to be approved by the assurance provider (Mock et al., 2007). Sustainability assurance statements may focus primarily on environmental aspects and aspects related to human resources and security. It may not be necessary for the assurance to cover the entire content of the CSR report. Firms can determine what information needs to be assured based on the demand by stakeholders for certain information and on assurance providers' capabilities in terms of auditing this information (Mock et al., 2007). Companies are always looking to improve CSR report users' understanding of the scope and the rigor of the CSR assurance engagement process, as long as the quality and extent of the CSR assurance provided do not necessarily depend on the level of assurance (Ackers & Eccles, 2015). Providing a narrower scope of assurance may then be seen as assurance for detailed subject matter and requires more specific professional knowledge and experience in the assurance of environmental and social activities (Hodge et al., 2009). Analyzing the content of sustainability assurance reports issued by companies from different countries in 2002-2003, Mock et al. (2007) find that 67% of CSR reports provided complete assurance, 16% of CSR reports assured on both environmental and social information and 16% assured on environmental issues only. The environmental section receives greater coverage than other sections of CSR assurance statements, implying greater demand for reliable environmental information from stakeholders (Hodge et al., 2009; Mock et al., 2007). Management restrictions on the scope of assurance engagement (such as being environmentally focused) may reflect lack of concern for the completeness of CSR reporting (Adams & Evans, 2004; O'Dwyer & Owen, 2005, 2007) and, importantly, the desire of managers to remove from

the assurance process information on prominent CSR duties such as human resources, security, business ethics and governance.

CSR assurance is framed by a set of standards for implementing CSR practices and serving as a support for achieving the verification mission of CSR information. In compliance with GRI guidelines, the primary CSR assurance standards commonly referenced by assurers are AA1000AS and ISAE 3000 (Hodge et al., 2009; Ackers & Eccles 2015; Martínez-Ferrero & García-Sánchez, 2018). The International Standard on Assurance Engagement 3000 (ISAE 3000, 2013) set by the International Auditing and Assurance Standards Board (IAASB) provides guidance on principles and procedures for carrying out the verification mission of CSR information. The ISAE 3000 standard also defines the framework of accounting firms for the CSR assurance mission including the mission letter, the acceptance framework of assurance mission, the type of work to be performed and the certificates allowed. ISAE 3000 is the most commonly referenced standard in CSR assurance engagements, which the audit profession is required to comply with (Ackers & Eccles, 2015). Other practitioners are more likely to use AA1000AS (Martínez-Ferrero & García-Sánchez, 2018), since it is supplied by an organization that is not involved with accounting standard setting (Mock, Rao, & Srivastava, 2013). According to Simnett (2012), ISAE 3000 guidance is intended to enhance assurance quality and therefore to help the users of CSR reports in their assessment of the CSR assurance mission and the credibility of CSR reporting.

To carry out their CSR assurance engagements, firms may choose various types of external assurance providers in the accounting or non-accounting profession (Simnett et al. 2009; Pflugrath et al. 2011; Casey & Grenier 2015). Martínez-Ferrero and García-Sánchez (2018) distinguish between assurance provided by professional accountants (i.e., Big-4 audit firms) and by engineering and consultancy firms. Accounting firms are found to make more accurate and more detailed audit judgments and offer more discussion about the assurance

procedures followed (Ballou et al., 2018). They have high reputational capital due to their audit expertise and experience and provide a higher perceived quality of assurance, thus allowing them to report more negative statements than non-accounting firms (Mock et al., 2013). Martínez-Ferrero and García-Sánchez (2018) and Ballou et al. (2018) provide evidence about the greater ability of Big-4 audit firms to detect errors, omissions or misrepresentations in a sustainability report. Moreover, accounting firms are subject to ethics and independence requirements and follow global professional standards, which ensure that the assurance provided is of a consistently high quality, resulting in higher assurance fees (Simnett et al., 2009). Accounting firms apply a more conservative and cautious approach than sustainability consultants (Maroun, 2019) and use similar wording as in financial statement audits (Hodge et al., 2009). Sustainability consultants outside the auditing profession may possess specific skill sets and extensive knowledge of some subject matter for assurance engagements but may not outperform accounting providers' competencies, integrity, objectivity, confidentiality and professional behavior in the provision of specific services (Hodge et al., 2009; Huggins, Green, & Simnett, 2011). Consequently, firms seeking to manage stakeholder impressions tend to avoid accounting assurers in order to minimize the risk of inaccurate, incomplete, or misleading reporting being identified (Casey & Grenier, 2015). Prior research on stakeholders' perception of the choice of assurance provider for CSR reports shows mixed evidence, giving rise to an apparent contradiction. Simnett et al. (2009) find little evidence that companies with a greater need to enhance credibility are more likely to choose assurance from the audit profession. Nevertheless, they show that companies domiciled in stakeholder-orientated countries, such as France, are more likely to choose the accounting profession as assurance providers. Conversely, Pflugrath et al. (2011) point out that assurance by a professional accountant outperforms assurance provided by a sustainability expert in terms of trustworthiness and expertise, leading

to greater perceived credibility of CSR information and more confidence in sustainability reports.

In some instances, the reliability of CSR reports seems to be closely linked to the quality of assurance services as reflected through the choices regarding the scope of the assurance, the level of assurance, the type of assurer, and compliance with international standards for assurance engagements. Accordingly, we propose the following hypothesis:

H2. The issuance of standalone SCR report is more valuable in the presence of higher-quality assurance services.

2.3. The effect of the mandatory assurance regime

In a voluntary and unregulated setting for assurance services, there is substantial variability in the quality of assurance services, as proxied by the scope of assurance, the level of assurance provided, the use of specific standards, and the type of assurance provider (Casey & Grenier, 2015; Junior et al., 2014; O'Dwyer & Owen 2005, 2007). Variability across assurance practices is likely to affect the usefulness of assurance services for capital market participants (Hodge et al., 2009; Pflugrath et al., 2011). Meaningfully, the lack of CSR assurance standardization in a voluntary context of CSR assurance impairs the ability of stakeholders to understand the nature and scope of CSR assurance engagements (Ackers & Eccles, 2015). In this respect, Casey and Grenier (2015) argue that intense regulatory oversight may serve as a substitute form of credibility enhancement of CSR assurance when management fears the regulatory repercussions of not addressing the relevance or completeness of CSR reporting. Based on the study by Simnett et al. (2009), Casey and Grenier (2015) also argue that such regulation is of concern for all categories of stakeholders in different industries. In the same vein, Gillet-Monjarret (2018) states that the entry into force in 2012 of the French Grenelle II Law, requiring mandatory external CSR assurance by a third party, reinforces the desire to

give credibility to societal information disseminated by French companies. Consequently, our third hypothesis is as follows.

H3. The contribution of higher-quality assurance services to the relevance of standalone report is amplified in a mandatory assurance regime.

3. Sampling and research design

3.1. Sample and data

Our initial sample includes SBF 120 companies listed on the French Stock Exchange between 2007 and 2017. We eliminate 15 financial companies, real estate companies and foreign companies from our sample because of differences in regulation and corporate governance (Bennouri, Chtioui, Nagati, & Nekhili, 2018). Our final sample is limited to firm-years with CSR assurance statements, leading to an unbalanced panel of 596 observations after removing firms with missing information. About 65% of firms in our initial sample did not issue voluntary CSR assurance statements before the entry into force in 2012 of the Grenelle II Law. A qualitative content analysis is made on CSR assurance statements of each firm-year to determine the status of the key aspects of assurance process and to code each of the moderating (dummy) variables considered in our study as proxies for the quality of assurance services (level, scope, compliance with international standards on assurance engagements, and assurance provider). ESG performance data is obtained from the Thomson Reuters Asset4 database. Governance and ownership variables are obtained from the Orbis Database (Bureau Van Dijk). Accounting and financial information were gathered from ThomsonOne DataStream.

3.2. Model

The purpose of this paper is twofold. First, we aim to examine the association between Tobin's Q and the issuance of a standalone CSR report, considered as endogenously

determined. Second, we investigate the moderating role of CSR assurance services (i.e., the level of assurance, the scope of assurance, the use of international standards for assurance engagements, and the choice of the type of assurance provider) on the relationship between the issuance of a standalone CSR report and Tobin's Q . The relation between the firm's market value, as measured by Tobin's Q , and the issuance of a standalone report may be affected by some unobservable features, simultaneity, and lagged reverse causality. Following Bennouri et al. (2018), we decided to use the two-step General Methods of Moments (GMM) estimation specification of Blundell and Bond (1998) in order to mitigate the different endogeneity concerns. Our Equation 1 is then expressed as follows:

$$\begin{aligned} \text{Tobin} = & \beta_0 + \beta_1 \text{Lag Tobin} + \beta_2 \text{Stand} + \beta_3 \text{AssQual} + \beta_4 \text{GrenLaw} + \beta_5 \text{ESGPer} + \beta_6 \text{CSRCom} \\ & + \beta_7 \text{BOARD_SIZE} + \beta_8 \text{BOARD_IND} + \beta_9 \text{BOARD_MEET} + \beta_{10} \text{Dual} + \beta_{11} \text{CEO_TEN} \\ & + \beta_{12} \text{FAM_OWN} + \beta_{13} \text{INST_OWN} + \beta_{14} \text{ROA} + \beta_{15} \text{Debt} + \beta_{16} \text{R\&D} + \beta_{17} \text{Size} + \beta_{18} \\ & \text{Year_FE} + \beta_{19} \text{Industry_FE} + \varepsilon \quad (1) \end{aligned}$$

where AssQual is an indicator variable of CSR assurance quality and was split into the four key aspects of assurance services as defined by the level of assurance (Level), the scope of assurance (Scope), the use of international standards for assurance engagements (InternStand), and the type of assurance provider (Provider). All other variables are defined in Table III.1. To measure the consistency of the GMM estimation, two specification tests are considered: the second-order autocorrelation test for the error terms and the Sargan/Hansen test of over-identifying restrictions.

Table III.1. Variables and their measurement

| <i>Variable</i> | <i>Definition</i> | <i>Measure</i> ⁶ |
|---------------------------------------|---|---|
| <i>Dependent variable: firm value</i> | | |
| Tobin | Tobin's q | Market value of assets plus book value of liabilities divided by book value of total assets. |
| <i>Endogenous variables</i> | | |
| Stand | Standalone CSR report | Dummy variable taking the value one if the company issues a standalone report and zero otherwise. |
| <i>Moderating variables</i> | | |
| Level | Level of assurance | Dummy variable taking the value one when the company obtains high/reasonable level of CSR assurance and zero when the company obtains moderate/limited level CSR assurance. |
| Scope | Scope of assurance | Dummy variable taking the value one when the whole CSR report is assured, and zero otherwise. |
| InternStand | International standards for assurance engagements | Dummy variable taking the value one when firm comply with international standards for assurance engagements (ISAE 3000), and zero otherwise. |
| Provider | Professional accountant as assurance provider | Dummy variable taking the value one if CSR assurance is provided by a professional accountant, and zero otherwise. |
| ProvStat | Statutory auditor as assurance provider | Dummy variable taking the value one if CSR assurance is provided by the statutory auditor, and zero otherwise. |
| GrenLaw | Grenelle II Law | Binary variable equal to one after the entry into force of the Grenelle II Law in 2012 and zero otherwise. |
| <i>Control variables</i> | | |
| ESGPer | Environmental, social and governance performance | ESG performance is the Thomson Reuters Asset4 ESG rating. The rating is normalized using z-scoring and lies between 0 and 100%. |
| CSRCom | CSR committee | Dummy variable taking the value one if the company has a CSR committee and zero otherwise. |
| BOARD_SIZE | Board size | The log of the total number of board directors. |
| BOARD_IND | Board independence | Ratio of the number of non-executive independent directors to the total number of board directors. |
| BOARD_MEET | Board meetings | The log of the number of annual board meetings. |
| DUAL | CEO duality | Dummy variable coded one if the CEO is the chair of the board; zero otherwise. |
| CEO_TEN | CEO tenure | Number of years at the company before being appointed to a CEO position. |
| FAM_OWN | Family ownership | Percentage of capital family owned |
| INST_OWN | Institutional ownership | Percentage of capital owned by institutional investors |
| ROA | Return on assets | Ratio of EBITDA and total assets. |
| LEV | Debt ratio | Total financial debt reported to total assets. |
| R&D | Research and Development | Ratio of R&D expenditure to total sales. |
| Size | Firm size | The log of total assets. |

⁶ We winsorize all variables from ThomsonOne at the 1% and 99% tails.

3.3. Dependent variable: Tobin's Q

Following previous studies, we use Tobin's Q to measure the market's assessment of a firm's long-term expected value as, for example, the value of CSR reporting (e.g., Cahan, De Villiers, Jeter, Naiker, & Van Staden, 2016; Nekhili, Nagati, Chtioui, & Nekhili, 2017a, b) and of assurance services (Cho et al., 2014). Tobin's Q is measured by the market value of assets plus book value of liabilities divided by book value of total assets. Tobin's Q , as a market-based measure of firm performance, reflects investors' expectations and incorporates potential growth opportunities and future operating performance. The advantage of using Tobin's Q over accounting-based performance measures such as ROA and ROE is that it is less affected by accounting standards and by managers' manipulation of earnings (Dechow, Sloan, & Sweeney, 1996). Tobin's Q is thus more suitable than accounting-based performance in the assessment of the financial impact of the CSR communication strategy (Hillman & Keim, 2001).

3.4. Endogenous variable: Standalone CSR report

The issuance of a standalone CSR report (Stand) is our endogenous variable. Stand is represented by a dummy variable that takes the value of 1 if the company issues a standalone CSR report and 0 otherwise. Voluntary standalone CSR reports are known by many different names, such as "sustainability report", "environmental report", and others (e.g., Mahoney et al., 2013; Thorne et al., 2014). To date, there is no consensus on whether CSR information contained in standalone reports is more credible than information integrated into annual reports (Cho et al., 2012, 2014; Maroun, 2019) and on how the issuance of a standalone report will affect the firm's market value (Cho et al., 2014; Clarkson et al., 2019; Guidry & Patten, 2010; Wang & Li, 2016).

3.5. Moderating variables

The moderating variables are themselves somewhat interrelated and represented by four dummy variables as proxies of the quality of the CSR assurance services, including the level of assurance (Level), the scope of assurance (Scope), the adoption of international standards for assurance engagements (InternStand), and the type of CSR assurance provider (Provider). The level of assurance (Level) takes the value of 1 when the company obtains a reasonable level of CSR assurance and 0 when the company obtains a moderate or a limited level of CSR assurance. The scope of assurance (Scope) takes the value of 1 when the whole CSR report is assured, and 0 otherwise. The variable related to the use of international standards for assurance engagements (InternStand) equals 1 when assurance is provided in compliance with international standards for assurance engagements (AA1000AS or ISAE 3000), and 0 otherwise. The identity of the assurance provider (Provider) equals 1 when CSR assurance is provided by an accounting firm and 0 otherwise. Because higher-quality CSR assurance contributes to the credibility of the CSR information disclosed (e.g., Clarkson et al., 2019; Hodge et al., 2009; Pflugrath et al., 2011; Martínez-Ferrero & García-Sánchez, 2018), the four variables reflecting the quality of the assurance services are expected to moderate positively the relationship between the issuance of standalone CSR report and the firm's market value, as measured by Tobin's Q . Considering separately the different aspects of assurance services helps us to understand the extent to which each aspect of the assurance process matters for market participants.

3.6. Control variables

Following previous empirical studies, we identify various features of firms that potentially influence both the decision to issue a standalone CSR report and the firm's market value. The extrafinancial performance (ESG performance) is a rating provided by independent extra-financial agencies aiming to assess the relationship between the firm and its stakeholders.

The ESG performance helps investors to analyse the firm's financial and extra-financial prospects. Firms committing to better CSR performance are more likely to issue standalone CSR reports (Clarkson et al., 2019; Mahoney et al., 2013). Regarding governance structure, Kend (2015) finds that the presence of a sustainability (CSR) committee impacts positively the decision to issue a standalone sustainability report. Michelon and Parbonetti (2012) find that board size is positively correlated with corporate sustainability disclosure through standalone CSR reports as compared to annual reports. Insofar as the issuance of a standalone report can be used by management as a tool for image enhancement (Birkey et al., 2016; Patten & Zhao, 2014; Michelon et al., 2015), we control for board-CEO power as a factor influencing the CSR disclosure strategy (Muttakin, Khan, & Mihret, 2018). Following previous studies (e.g., Nekhili et al., 2017a, b), two measures of board-CEO power are considered in our study: CEO duality and CEO tenure. With regard to board gender diversity, Fernandez-Feijoo, Romero, and Ruiz (2012) find that boards with three or more women are more willing to produce standalone reports rather than including CSR information in their annual reports. We consider two features of ownership structure that may be related to the CSR disclosure strategy: family ownership and institutional ownership. Campopiano and De Massis (2015) argue that family firms are more proactive than non-family firms in their response to stakeholders' needs and may produce a wider range of standalone CSR reports. Dhaliwal et al. (2011) focus on standalone CSR disclosures and find evidence that voluntary CSR disclosure attracts institutional investors with far-reaching investment horizons and plays a major role in terms of monitoring and governance. In line with the majority of previous studies, we control for ROA (Clarkson et al., 2019; Dhaliwal et al., 2011, 2014), leverage (Dhaliwal et al., 2014; Simnett et al., 2009), R&D intensity (Dhaliwal et al., 2014), firm size (Dhaliwal et al., 2011; Simnett et al., 2009) and industry membership (Clarkson et al., 2019; Simnett et al., 2009). All variables cited above are

also commonly held to be prominent factors affecting the firm's market value, as measured by Tobin's Q (e.g., Nekhili et al., 2017a, b).

4. Results

4.1. Descriptive statistics

Table III.2 presents summary descriptive statistics for the dependent, endogenous, moderating and control variables in our study. The average value of Tobin's Q is 1.193, which implies that the market value is on average higher than the amount invested. On average, 58.05% of companies communicate on their CSR activities through a standalone CSR report. As highlighted by Simnett et al. (2009), companies residing in stakeholder-oriented countries are more likely to disclose CSR information through a standalone sustainability report. As regards the moderating variables, 20.64% of firm-year observations have a higher (reasonable) level of assurance and 69.24% of them provide a broader scope of CSR assurance. On average, 80.01% of our sampled firms comply with international standards for assurance engagement (InternStand). An overwhelming proportion of firm-year observations (92.77%) choose accounting firms (Provider) and 83.19% of them appoint their statutory auditor to carry out CSR assurance engagements (ProvStat). For all aspects of assurance services, with the one exception of the type of assurance provider, the standard deviation is relatively high (more than 40%), implying substantial variation among firm-year observations in sustainability assurance practices. Average ESG performance (ESG_PER) is 66.17% and varies from a minimum of 39.27% to a maximum of 83.3%. A large proportion of our sampled firms (67.28%) have a CSR committee, signaling their commitment to environmental, social and sustainability duties. The average number of directors is 13. The board of directors is independent on average in 54.22% of cases. The average number of board meetings is just over seven a year. The majority of our sampled firms (61.74%) have a CEO who is also chair of the board and the average tenure of the CEO is eight years. Companies are owned on average at 38.12% by families and at 17.95% by institutional shareholders. The average ROA is 4.47%. Sampled firms are

leveraged at 24.22% and spend on average 2.66% of their revenues on R&D. Finally, mean firm size, as measured by total assets, is 28.613 billion euros.

Table III. 2. Descriptive statistics

| | Mean | Standard Deviation | Minimum | Maximum | 25 th percentile | 50 th percentile | 75 th percentile |
|----------------------------------|--------|-----------------------|---------|---------|--------------------------------|--------------------------------|--------------------------------|
| Tobin | 1.193 | 1.076 | 0.252 | 7.026 | 0.623 | 0.871 | 1.347 |
| Stand | 58.05 | 49.39 | 0 | 1 | 0 | 1 | 1 |
| Level (%) | 20.64 | 40.50 | 0 | 1 | 0 | 0 | 0 |
| Scope (%) | 69.24 | 46.18 | 0 | 1 | 0 | 1 | 1 |
| InternStand (%) | 80.01 | 40.03 | 0 | 1 | 1 | 1 | 1 |
| Provider (%) | 92.77 | 25.92 | 0 | 1 | 1 | 1 | 1 |
| ProvStat | 83.19 | 37.42 | 0 | 1 | 1 | 1 | 1 |
| ESGPer (%) | 66.17 | 7.94 | 39.27 | 83.3 | 61.4 | 66.55 | 71.9 |
| CSRCom (%) | 67.28 | 46.96 | 0 | 1 | 0 | 1 | 1 |
| BOARD_SIZE (Number of directors) | 13.277 | 2.884 | 6 | 21 | 11 | 13 | 15 |
| BOARD_IND (%) | 54.22 | 18.96 | 0 | 1 | 41.67 | 53.85 | 66.67 |
| BOARD_MEET (Number of meetings) | 7.434 | 3.172 | 2 | 24 | 5 | 7 | 9 |
| DUAL (%) | 61.74 | 48.64 | 0 | 1 | 0 | 1 | 1 |
| CEO_TEN (Number of years) | 7.993 | 7.601 | 1 | 56 | 3 | 6 | 10 |
| FAM_OWN (%) | 38.12 | 31.17 | 0 | 90.66 | 5.11 | 36.74 | 64.75 |
| INST_OWN (%) | 17.95 | 22.48 | 0 | 91.85 | 0 | 5.58 | 37.54 |
| ROA (%) | 4.47 | 4.52 | -11.99 | 21.7 | 2.31 | 4.14 | 6.57 |
| LEV (%) | 24.22 | 15.06 | 0.10 | 82.36 | 13.93 | 22.10 | 32.32 |
| R&D (%) | 2.66 | 4.66 | 0 | 25.69 | 0 | 0.82 | 3.34 |
| Size (in billions of euros) | 28.613 | 42.671 | 1.207 | 278.941 | 5.029 | 15.642 | 30.553 |

Table III.3 presents the use of standalone CSR reports and variations in assurance practices over an 11-year time scale from 2007 to 2017. Issuance of a standalone CSR report varied from 69.56% in 2007 to a 52.21% in 2017. We find a slight decrease in the use of standalone reports in the period preceding the entry into force in 2012 of the Grenelle II Law. With regard to the French firms' concern regarding the quality of assurance services, the Grenelle II Law is likely to allow some standardization of the assurance engagement process. Indeed, we observe that the level of assurance increased significantly from 13.04% in 2007 to 24.12% in 2017, suggesting that, although this proportion is very low, French companies seem to be more aware of the value of obtaining a reasonable level of assurance. For the scope of assurance (Scope), companies tend to cover the whole CSR report, showing a spectacular growth in the percentage of the broader scope of assurance from 8.69% in 2007 to 97.56% in 2017, with a notable increase observed from 2012. As well as for the scope of assurance, there is an upward trend for companies in their use of ISAE 3000 and AA1000AS (InternStand) as standards for CSR assurance, particularly from the period coinciding with the entry into force in 2012 of the Grenelle II Law. In this respect, it is important to note that companies for which CSR assurance is provided by an accounting firm are required to comply with the ISAE 3000 standard (Gillet-Monjarret, 2018; Simnett, 2012). Accounting firms as compared to specialist consultants tend also to cover the whole CSR report rather than to focus on some aspects of CSR duties (Hodge et al., 2009). Traditionally, as shown in Table III.3, French listed companies prefer a member of the auditing profession for their CSR assurance process, most often one of their statutory auditors. This choice is not likely to be affected by the entry into force in 2012 of the Grenelle II Law.

Table III.3. The use of standalone CSR reports and the variations of the assurance practices

| | Stand (%) | Level (%) | Scope (%) | InternStand (%) | Provider (%) | ProvStat (%) |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2007 | 69.56 | 13.04 | 8.69 | 13.04 | 86.96 | 86.96 |
| 2008 | 72 | 20.00 | 4.01 | 32.01 | 88.00 | 84 |
| 2009 | 83.33 | 16.67 | 6.67 | 46.67 | 86.67 | 76.67 |
| 2010 | 76.47 | 23.53 | 5.88 | 55.88 | 85.29 | 76.47 |
| 2011 | 65 | 25.00 | 5.03 | 67.50 | 92.50 | 80.01 |
| 2012 | 51.61 | 16.13 | 57.38 | 88.52 | 93.44 | 81.96 |
| 2013 | 51.32 | 15.79 | 94.74 | 84.21 | 93.42 | 82.89 |
| 2014 | 54.54 | 20.78 | 96.10 | 90.91 | 93.51 | 83.12 |
| 2015 | 57.14 | 23.38 | 96.10 | 94.81 | 96.10 | 85.71 |
| 2016 | 51.31 | 23.68 | 97.37 | 94.74 | 94.74 | 85.62 |
| 2017 | 52.21 | 24.12 | 97.56 | 94.04 | 94.22 | 85.42 |
| Total | 58.05 | 20.64 | 69.24 | 80.01 | 92.77 | 83.19 |
| Analysis of variance for mean | 2.28 | 0.48 | 142.67*** | 24.94*** | 0.88 | 0.35 |
| difference test: F-value (<i>p</i> -value) | (<i>p</i> = 0.013) | (<i>p</i> = 0.905) | (<i>p</i> = 0.000) | (<i>p</i> = 0.000) | (<i>p</i> = 0.553) | (<i>p</i> = 0.966) |
| Mann-Kendall test: Z-value (<i>p</i> -value): | -3.66*** | 1.18 | 18.14*** | 12.06*** | 2.52 | 1.09 |
| | (<i>p</i> = 0.000) | (<i>p</i> = 0.236) | (<i>p</i> = 0.000) | (<i>p</i> = 0.000) | (<i>p</i> = 0.012) | (<i>p</i> = 0.275) |

4.2. Univariate Analysis

In Table III.4, we present the results of the mean difference tests between firm-years with issuance of a standalone report (n = 250) and firm-years without (n = 346). We first observe that firm-years with issuance of a standalone reports have a significantly lower Tobin's Q than firm-years without issuance of standalone reports. Consistently with the findings of Clarkson et al. (2019), ESG performance is significantly higher for companies issuing a standalone CSR report than for their counterparts (67.09 and 59.95, respectively). In line with Kend (2015), the results of Table 4 show that firm-year observations with a standalone report are more likely to have a CSR committee than firm-year observations without a standalone report. Additionally, we find that boards of firms issuing standalone reports are larger than those of firms not issuing standalone reports. No significance is found for either board independence or the number of board meetings between the two sub-samples. Results in Table III.4 also suggest that firm-year observations with standalone CSR reports are more prone to have a longer tenured CEO, who often serves as board chairperson. From the analysis of ownership structure, firms issuing standalone CSR reports have a higher percentage of the capital owned by family shareholders, but a smaller proportion of institutional investors, than firms without standalone CSR reports. Finally, we find that firm-years with issuance of standalone CSR reports are characterized by relatively lower financial performance as measured by ROA (4.27% versus 4.98%), lower spending on research and development (R&D), less leveraging, and greater size than their counterparts.

Table III.4. Mean difference test between firm-years with issuance of standalone CSR reports and firm-years without issuance of standalone CSR reports for the entire and matched samples

| Variables | Total sample | | | Matched sample | | |
|----------------------------------|---|---|----------|-------------------|-------------------|---------|
| | Firm-years issuing standalone CSR reports (n = 250) | Firm-years not issuing standalone CSR reports (n = 346) | t-value | Treated (n = 239) | Control (n = 239) | t-value |
| Tobin | 1.038 | 1.376 | -4.35*** | 1.046 | 1.158 | -1.13 |
| ESGPer (%) | 67.09 | 59.95 | 10.79*** | 65.453 | 65.88 | -0.61 |
| CSRCom (%) | 67.81 | 56.78 | 3.24*** | 65.272 | 63.60 | 0.38 |
| BOARD_SIZE (Number of directors) | 14.011 | 11.96 | 10.17*** | 13.506 | 13.38 | 0.52 |
| BOARD_IND (%) | 51.75 | 51.72 | 0.02 | 53.327 | 53.20 | 0.07 |
| BOARD_MEET (Number of meetings) | 7.369 | 7.359 | 0.04 | 7.159 | 7.105 | 0.20 |
| DUAL (%) | 62.27 | 54.44 | 2.25** | 53.97 | 54.81 | -0.18 |
| CEO_TEN (Number of years) | 8.383 | 7.187 | 2.20** | 7.511 | 6.879 | 0.94 |
| FAM_OWN (%) | 37.94 | 31.49 | 2.99*** | 38.774 | 39.28 | -0.18 |
| INST_OWN (%) | 17.78 | 23.75 | -3.58*** | 16.86 | 18.50 | -0.79 |
| ROA (%) | 4.27 | 4.98 | -2.19** | 4.32 | 4.73 | -0.97 |
| LEV (%) | 22.76 | 25.68 | -2.66*** | 23.92 | 22.39 | 1.19 |
| R&D (%) | 1.96 | 3.44 | -4.25*** | 2.28 | 2.11 | 0.50 |
| Size (in billions of euros) | 31.828 | 17.558 | 5.34*** | 24.932 | 27.647 | -0.84 |

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively. All variables are as defined in Table 1.

4.3. Propensity Score Matching

The possible overlaps between the issuance of a standalone CSR report and the firm's other characteristics may lead to inconsistencies in the assessment of the value relevance of the standalone CSR report. In view of these inconsistencies, we use the propensity score matching (PSM) approach to control for self-selection bias. Following Wang and Li (2016), we match without replacement every firm-year with issuance of standalone CSR reports (treatment group) with firm-years without issuance of standalone CSR reports (control group), based on all control variables considered in our study. We consider both the treatment and control group connecting firm-years with issuance of standalone CSR reports and those without that have nearest-neighbor characteristics to obtain a final matched sample of 478 firm-years: 239 treated cases issuing standalone CSR reports and 239 control cases not issuing standalone CSR reports. The post-match results in Table III.4 show no significant mean difference between the two sub-samples for all control variables in our study, which means that our matching is effective (Nekhili et al., 2017a). Furthermore, when we compare via the PSM approach the treatment group (firm-years with standalone CSR reports) with the control group (firm-years without standalone CSR reports), results of Table 4 show a non-significant mean difference in the firm's market value, as measured by Tobin's Q , between the two sub-samples. These results show that firms issuing standalone CSR reports are not better perceived by market participants. The use of a PSM sample to regress Tobin's Q on issuance of standalone CSR reports should then be more effective in separating the effects of firms' control variables on Tobin's Q from those on the issuance of standalone CSR reports.

4.4. Test of H1a and H1b

Before proceeding to the regression analysis, we determine a pairwise correlation matrix. Based on the matched sample, Table III.5 shows that the correlation between the test variable (Stand), the moderating variables (Scope, Level, InternStand and Provider) and the remaining

explanatory variables is not excessively high. Similarly, the variance inflation factors are lower than the standard limit of 3, showing that multicollinearity problems do not seriously affect the results of the regressions.

Table III.5. Pairwise correlation

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | VIF |
|----------------|---------|---------|--------|---------|---------|--------|--------|---------|--------|---------|---------|---------|------|
| 1. Tobin | 1.000 | | | | | | | | | | | | |
| 2. Stand | -0.051 | 1.000 | | | | | | | | | | | 1.09 |
| 3. GrenLaw | 0.143* | -0.054 | 1.000 | | | | | | | | | | 2.92 |
| 4. Level | -0.194* | 0.042 | -0.027 | 1.000 | | | | | | | | | 1.34 |
| 5. Scope | 0.156* | -0.166* | 0.776* | -0.084 | 1.000 | | | | | | | | 2.72 |
| 6. InternStand | 0.088 | -0.112 | 0.578* | -0.045 | 0.488* | 1.000 | | | | | | | 1.95 |
| 7. Provider | 0.068 | -0.086 | 0.241* | 0.001 | 0.043 | 0.439* | 1.000 | | | | | | 2.22 |
| 8. ESGPer | -0.060 | -0.027 | 0.190* | -0.058 | 0.053 | 0.167* | 0.230* | 1.000 | | | | | 1.40 |
| 9. CSRCom | 0.139* | 0.017 | 0.169* | -0.057 | 0.143* | 0.160* | 0.090 | 0.173* | 1.000 | | | | 1.22 |
| 10. BOARD_SIZE | -0.198* | 0.008 | -0.026 | 0.312* | -0.069 | 0.059 | -0.031 | -0.086 | 0.119* | 1.000 | | | 1.70 |
| 11. BOARD_IND | -0.083 | 0.003 | 0.128* | -0.121 | 0.091 | 0.086 | 0.030 | 0.401* | 0.060 | -0.315* | 1.000 | | 1.45 |
| 12. BOARD_MEET | 0.008 | 0.019 | 0.076 | 0.086 | 0.097 | 0.063 | -0.029 | 0.134* | 0.129* | -0.032 | 0.033 | 1.000 | 1.16 |
| 13. DUAL | -0.207* | -0.008 | 0.015 | 0.204* | -0.041 | 0.040 | -0.072 | -0.109 | 0.004 | 0.261* | -0.205* | -0.112 | 1.21 |
| 14. CEO_TEN | -0.061 | 0.032 | 0.124* | -0.051 | 0.167* | 0.099 | -0.020 | -0.041 | 0.012 | 0.075 | 0.013 | -0.088 | 1.13 |
| 15. FAM_OWN | -0.201* | -0.008 | -0.048 | 0.095 | -0.081 | -0.087 | -0.110 | 0.214* | 0.080 | 0.081 | 0.289* | 0.095 | 2.27 |
| 16. INST_OWN | 0.328* | -0.036 | 0.050 | -0.251* | 0.095 | 0.060 | 0.164* | -0.373* | 0.066 | -0.049 | -0.402* | -0.196* | 1.43 |
| 17. ROA | 0.677* | -0.044 | -0.030 | -0.263* | 0.016 | -0.022 | -0.017 | -0.081 | 0.074 | -0.192* | -0.082 | -0.066 | 2.08 |
| 18. LEV | 0.085 | 0.054 | -0.032 | -0.002 | -0.082 | -0.032 | 0.081 | 0.078 | 0.042 | 0.004 | 0.061 | 0.013 | 1.17 |
| 19. R&D | -0.110 | 0.023 | 0.029 | -0.003 | -0.024 | 0.056 | 0.052 | 0.191* | -0.073 | 0.009 | 0.056 | 0.211* | 1.20 |
| 20. Size | -0.339* | 0.028 | -0.068 | 0.283* | -0.202* | -0.052 | 0.090 | 0.340* | 0.078 | 0.350* | 0.098 | 0.060 | 1.77 |

Table III.5. Continued

| | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|--------------|---------|---------|---------|---------|---------|---------|--------|-------|
| 13. DUAL | 1.000 | | | | | | | |
| 14. CEO_TEN | 0.104 | 1.000 | | | | | | |
| 15. FAM_OWN | -0.002 | 0.068 | 1.000 | | | | | |
| 16. INST_OWN | -0.022 | 0.171* | -0.463* | 1.000 | | | | |
| 17. ROA | -0.145* | -0.045 | -0.174* | 0.315* | 1.000 | | | |
| 18. LEV | -0.025 | -0.054 | -0.006 | -0.199* | -0.068 | 1.000 | | |
| 19. R&D | -0.072 | -0.167* | 0.113 | -0.160* | -0.172* | -0.202* | 1.000 | |
| 20. Size | 0.052 | -0.067 | 0.272* | -0.395* | -0.299* | 0.101 | 0.191* | 1.000 |

* Represents significance at 0.01 level.

All variables are as defined in Table 1.

Table III.6 presents the step-by-step results of the regressions of market-based value on the issuance of a standalone CSR report using three different regression models: OLS, fixed effect and system GMM. The results of the system GMM estimation approach seem to be more effective and significant than the other regression models. Results of Model 3 show a negative and significant impact of issuing a standalone CSR report on firm market value ($\beta_2 = -0.049$, $t = -1.99$), suggesting that shareholders are reluctant to use such information in their assessment of CSR activities. This finding is consistent with Guidry and Patten (2010) and Wang and Li (2016), who find that a positive market reaction is affected by the quality of standalone CSR report.

With regard to the control variables, the results of Model 3 in Table III.6 indicate, in line with Mervelskemper and Streit (2017), that ESG performance is positively valued by investors. Consistently with Kend (2015), we find that the existence of a CSR committee is highly correlated with the issuance of a standalone report. Similarly to previous studies conducted in the French context (Nekhili et al., 2017a), there is a non-significant association between Tobin's Q and board size, board independence, board meetings and CEO tenure, but a negative association is found with CEO duality. We also fail to find any significant association between Tobin's Q and institutional ownership. Nevertheless, Tobin's Q is found to be negatively associated with family ownership. Table 6 also reveals a positive relationship between ROA and the firm's market value, a finding that is consistent with Wang and Li (2016). The regressions show that increases in the ratio of leverage tend to raise the firm's market value. Inconsistently with Nekhili et al. (2017a), we find a non-significant association between Tobin's Q and R&D.

Table III.6. Regressions of Tobin's Q on issuance of standalone CSR reports

| Variables | Model 1: OLS | | Model 2: Fixed effect | | Model 3: System GMM | |
|---|-----------------|-----------------------|--------------------------|-----------------------|------------------------|-------------------------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| <i>Lag</i> Tobin | | | | | 0.914*** | 119.68 |
| Stand | -0.061 | -0.89 | -0.056 | -1.14 | -0.049*** | -1.99 |
| ESGPer | 0.571 | 1.06 | 1.137*** | 2.94 | 0.371*** | 4.85 |
| CSRCom | 0.201*** | 2.62 | 0.331*** | 4.77 | 0.065*** | 3.63 |
| BOARD_SIZE | -0.065 | -0.33 | -0.111 | -0.60 | -0.011 | -0.27 |
| BOARD_IND | -0.130 | -0.58 | 0.204 | 1.13 | -0.070 | -1.21 |
| BOARD_MEET | 0.097 | 1.20 | 0.001 | 0.01 | 0.018 | 1.24 |
| DUAL | -0.200*** | -2.72 | -0.108* | -1.71 | -0.070*** | -3.85 |
| CEO_TEN | -0.046 | -0.92 | 0.032 | 0.79 | -0.007 | -0.73 |
| FAM_OWN | -0.047 | -0.37 | -0.056 | -0.34 | -0.052** | -2.27 |
| INST_OWN | 0.617*** | 2.88 | 0.606* | 1.64 | -0.018 | -0.37 |
| ROA | 13.699*** | 16.79 | 5.276*** | 8.01 | 1.271*** | 5.02 |
| LEV | 1.310*** | 5.05 | 1.574*** | 5.71 | 0.388*** | 7.07 |
| R&D | 1.655 | 1.60 | 3.443 | 1.59 | -0.223 | -0.76 |
| Size | -0.141*** | -3.77 | -0.846*** | -10.70 | -0.050*** | -7.82 |
| Intercept | 2.152*** | 2.86 | 13.510*** | 9.82 | 0.646*** | 4.53 |
| Year | | Yes | | Yes | | Yes |
| Industry | | Yes | | No | | Yes |
| Number of obs. | | 478 | | 478 | | 440 |
| R Squared | | 54.02% | | 47.80% | | |
| F (Prob > F) | | 38.86 ($p = 0.000$) | | 25.71 ($p = 0.000$) | | 7564.91 ($p = 0.000$) |
| Arellano-Bond test AR(1) (z, p -value): | | | | | | -2.73 ($p = 0.003$) |
| Arellano-Bond test AR(2) (z, p -value): | | | | | | 0.30 ($p = 0.767$) |
| Sargan test (Chi-square, p -value): | | | | | | 221.02 ($p = 0.000$) |
| Hansen test (Chi-square, p -value): | | | | | | 46.09 ($p = 0.165$) |

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively. All variables are as defined in Table

4.5. Test of H2

H2 states that higher-quality assurance service moderates positively the relationship between the issuance of a standalone report and the firm's market value. We test H2 by estimating the marginal effect of each key aspect of assurance practice on the value relevance of the standalone CSR report. To do this, we use the joint test approach.

$$\begin{aligned} \text{Tobin} = & \beta_0 + \beta_1 \text{Lag Tobin} + \beta_2 \text{Stand} + \beta_3 \text{AssQual} + \beta_4 (\text{Stand} * \text{AssQual}) + \beta_5 \text{GrenLaw} + \\ & \beta_6 \text{ESGPer} + \beta_7 \text{CSRCom} + \beta_8 \text{BOARD_SIZE} + \beta_9 \text{BOARD_IND} + \beta_{10} \text{BOARD_MEET} + \\ & \beta_{11} \text{DUAL} + \beta_{12} \text{CEO_TEN} + \beta_{13} \text{FAM_OWN} + \beta_{14} \text{INST_OWN} + \beta_{15} \text{ROA} + \beta_{16} \text{LEV} + \\ & \beta_{17} \text{R\&D} + \beta_{18} \text{Size} + \beta_{19} \text{Year_FE} + \beta_{20} \text{Industry_FE} + \varepsilon(2) \end{aligned}$$

where AssQual is an indicator variable of higher-quality CSR assurance and was split into the four primary aspects of CSR assurance services as defined by the level of assurance (Level), the scope of assurance (Scope), compliance with international standards for assurance engagements (InternStand), and the type of assurance provider (Provider). All other variables are defined in Table III.1.

Results of Table III.7 show that, while shareholders are likely to react negatively to the issuance of a standalone CSR report, they respond positively to higher-quality assurance services as reflected by a broader scope of assurance, a reasonable level of assurance, compliance with international standards for assurance engagements, and the choice of a professional accountant as assurance provider. Since we are measuring the marginal effect of higher-quality CSR assurance on the relevance of issuing a standalone report, the important test is the joint test of the sum of the coefficients on Stand (β_2) and (Stand*AssQual) (β_4). In Models 1, 2, 3 and 4 of Table III.8, we include the interaction term between issuing a standalone CSR report and each aspect of CSR assurance services (Stand*AssQual). We find that the issuance of a standalone CSR report combined with each proxy of higher-quality assurance services (broader scope of assurance, higher level assurance, compliance with international standards, and the use of professional accountant as assurance provider) impacts positively the firm's market value. The joint test of the sum of the coefficients on the issuance of a standalone CSR report (Stand) and its intersection with each proxy of higher-quality assurance services (Stand + Stand*AssQual) is carried out in order to assess the marginal effect of higher-quality CSR assurance. In accordance with H2, the results of Models 1, 2, 3 and 4 in Table III.8 show that the joint coefficients ($\beta_2 + \beta_4$) are positive and significant, providing evidence that the relevance of issuing a standalone CSR report is markedly enhanced when combined with a broader scope of assurance, a higher level assurance, the adoption of international standards and the use of accounting firm as assurance provider.

The marginal effect observed in Table III.8 for the choice of a Big-4 accounting firm as assurance provider on the relevance of standalone CSR reports may be altered if firms choose an independent third party as their statutory auditor for carrying out assurance engagements. To test this proposition, we estimate Equation 2 by considering the third-party statutory auditor (ProvStat) as moderating variable. In untabulated results, we find that the marginal effect of the choice of the statutory auditor as assurance provider on the relevance of the standalone CSR report is highly positive and strongly significant.⁷

⁷ Untabulated results are available upon request from the authors.

Table III.7. System GMM regression of Tobin's Q on the issuance of a standalone CSR report and the quality of assurance services

| Variables | Model 1: Level | | Model 2: Scope | | Model 3: InternStand | | Model 4: Provider | |
|--|-------------------------|--------|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag Tobin | 0.836*** | 92.41 | 0.812*** | 63.75 | 0.805*** | 67.16 | 0.796*** | 64.83 |
| Stand | -0.162*** | -10.45 | -0.156*** | -6.58 | -0.170*** | -5.82 | -0.101*** | -3.77 |
| Level | 0.075*** | 4.62 | | | | | | |
| Scope | | | 0.087*** | 2.56 | | | | |
| InternStand | | | | | 0.189*** | 6.70 | | |
| Provider | | | | | | | 0.309*** | 7.22 |
| GrenLaw | 0.022* | 1.79 | -0.051 | -1.35 | -0.079*** | -5.99 | -0.025 | -1.52 |
| ESGPer | 0.125 | 1.41 | -0.708*** | -5.36 | -0.602*** | -4.25 | -0.635*** | -3.23 |
| CSRCom | 0.087*** | 6.31 | 0.600*** | 10.86 | 0.476*** | 9.61 | 0.451*** | 12.33 |
| BOARD_SIZE | -0.072* | -1.78 | -0.377*** | -4.43 | -0.309*** | -4.60 | -0.149** | -2.25 |
| BOARD_IND | -0.143*** | -2.79 | -0.141 | -1.28 | -0.144* | -1.81 | -0.127 | -1.61 |
| BOARD_MEET | 0.024** | 2.01 | -0.127*** | -3.52 | -0.059** | -2.15 | -0.080*** | -3.13 |
| DUAL | -0.113*** | -9.81 | -0.114*** | -3.94 | -0.106*** | -4.73 | -0.109*** | -4.97 |
| CEO_TEN | 0.011 | 0.87 | -0.009 | -0.35 | -0.014 | -0.66 | -0.032 | -1.52 |
| FAM_OWN | -0.076*** | -2.59 | -0.068 | -1.27 | -0.088** | -2.37 | -0.124*** | -2.88 |
| INST_OWN | -0.087 | -1.52 | -0.223** | -2.26 | -0.222*** | -2.97 | -0.351*** | -4.43 |
| ROA | 2.683*** | 10.09 | 1.979*** | 4.98 | 2.324*** | 6.54 | 2.605*** | 8.61 |
| LEV | 0.514*** | 12.60 | 0.569*** | 4.88 | 0.488*** | 5.33 | 0.321*** | 3.56 |
| R&D | 0.316 | 1.22 | 1.251** | 2.41 | 0.964** | 2.34 | 0.815* | 1.85 |
| Size | -0.074*** | -10.79 | -0.087*** | -5.53 | -0.088*** | -6.36 | -0.105*** | -7.32 |
| Intercept | 1.396*** | 8.06 | 2.973*** | 10.40 | 2.669*** | 12.86 | 2.536*** | 10.00 |
| Industry (?) | Yes | | Yes | | Yes | | Yes | |
| Number of obs. | 440 | | 440 | | 440 | | 440 | |
| F (Prob > F) | 4296.06 ($p = 0.000$) | | 4479.63 ($p = 0.000$) | | 7979.12 ($p = 0.000$) | | 5946.64 ($p = 0.000$) | |
| Arellano-Bond test AR(1) (z, p -value): | -2.69 ($p = 0.001$) | | -2.96 ($p = 0.001$) | | -2.91 ($p = 0.002$) | | -2.93 ($p = 0.002$) | |
| Arellano-Bond test AR(2) (z, p -value): | -0.76 ($p = 0.449$) | | -0.29 ($p = 0.765$) | | -0.27 ($p = 0.788$) | | -0.61 ($p = 0.544$) | |
| Sargan test (Chi-square, p -value): | 219.05 ($p = 0.000$) | | 191.54 ($p = 0.000$) | | 196.58 ($p = 0.000$) | | 210.94 ($p = 0.000$) | |
| Hansen test (Chi-square, p -value): | 44.67 ($p = 0.528$) | | 42.95 ($p = 0.473$) | | 48.42 ($p = 0.376$) | | 48.14 ($p = 0.273$) | |

*, **, *** Represent significance at 0.05, 0.01 and 0.001 levels, respectively.

Table III.8. System GMM regression of Tobin's Q on the issuance of a standalone CSR report and the quality of assurance services

| Variables | Model 1: Stand*Level | | Model 2: Stand*Scope | | Model 3: Stand*InternStand | | Model 4: Stand*Provider | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|----------------------------|-------------------------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag Tobin | 0.825*** | 60.93 | 0.861*** | 72.85 | 0.880*** | 114.02 | 0.856*** | 92.06 |
| Stand | -0.332*** | -11.47 | 0.071** | 2.14 | -0.280*** | -3.66 | -0.074 | -0.46 |
| Level | -0.233*** | -4.79 | | | | | | |
| Stand*Level | 0.611*** | 8.14 | | | | | | |
| Scope | | | -0.055** | -2.00 | | | | |
| Stand*Scope | | | 0.128*** | 3.01 | | | | |
| InternStand | | | | | 0.192*** | 2.70 | | |
| Stand*InternStand | | | | | 0.514*** | 7.26 | | |
| Provider | | | | | | | 0.111 | 0.81 |
| Stand*Provider | | | | | | | 0.223** | 2.33 |
| GrenLaw | 0.185*** | 6.93 | 0.065*** | 3.79 | -0.010 | -0.57 | -0.001 | -0.03 |
| ESGPer | 0.401*** | 4.30 | 0.044 | 0.35 | 0.187* | 1.79 | -0.212* | -1.78 |
| CSRCom | 0.101*** | 5.31 | 0.365*** | 8.29 | -0.011 | -0.22 | 0.353*** | 7.58 |
| BOARD_SIZE | -0.109* | -1.95 | -0.212*** | -3.56 | -0.281*** | -6.66 | -0.192*** | -2.84 |
| BOARD_IND | -0.241*** | -4.87 | -0.206*** | -2.96 | -0.502*** | -7.43 | -0.207*** | -3.19 |
| BOARD_MEET | -0.001 | -0.06 | -0.073** | -2.34 | -0.011 | -0.63 | -0.053** | -2.33 |
| DUAL | -0.142*** | -6.96 | -0.013 | -0.49 | -0.098*** | -3.92 | -0.055** | -1.99 |
| CEO_TEN | 0.007 | 0.39 | -0.023* | -1.87 | -0.013 | -0.75 | -0.002 | -0.11 |
| FAM_OWN | -0.023 | -0.46 | -0.052 | -1.44 | -0.027 | -0.76 | -0.077* | -1.81 |
| INST_OWN | -0.041 | -0.49 | -0.206*** | -3.34 | -0.212*** | -3.35 | -0.369*** | -4.36 |
| ROA | 2.806*** | 8.81 | 2.102*** | 6.93 | 2.163*** | 10.76 | 2.294*** | 7.03 |
| LEV | 0.464*** | 6.09 | 0.612*** | 9.35 | 0.514*** | 7.90 | 0.405*** | 5.49 |
| R&D | 0.627 | 1.43 | 0.890*** | 2.86 | -0.351* | -1.70 | 0.376 | 1.10 |
| Size | -0.056*** | -4.98 | -0.078*** | -6.79 | -0.042*** | -3.33 | -0.089*** | -6.26 |
| Intercept | 1.064*** | 4.54 | 1.744*** | 9.65 | 1.467*** | 5.49 | 2.030*** | 6.29 |
| Industry (?) | | Yes | | Yes | | Yes | | Yes |
| Number of obs. | | 440 | | 440 | | 440 | | 440 |
| F (Prob > F) | | 7114.26 ($p = 0.000$) | | 2030.87 ($p = 0.000$) | | 8445.63 ($p = 0.000$) | | 7132.20 ($p = 0.000$) |
| Arellano-Bond test AR(1) (z, p -value): | | 4.71 ($p = 0.000$) | | -2.83 ($p = 0.004$) | | -2.81 ($p = 0.004$) | | -2.81 ($p = 0.004$) |
| Arellano-Bond test AR(2) (z, p -value): | | -0.90 ($p = 0.336$) | | -0.83 ($p = 0.406$) | | -0.74 ($p = 0.459$) | | -0.51 ($p = 0.610$) |
| Sargan test (Chi-square, p -value): | | 194.87 ($p = 0.000$) | | 414.43 ($p = 0.000$) | | 391.24 ($p = 0.000$) | | 409.40 ($p = 0.000$) |
| Hansen test (Chi-square, p -value): | | 43.94 ($p = 0.474$) | | 52.46 ($p = 0.207$) | | 56.96 ($p = 0.152$) | | 52.31 ($p = 0.183$) |
| Difference-in-difference test: Stand + (Stand*Level) | | 0.279*** | 4.88 | | | | | |
| Difference-in-difference test: Stand + (Stand*Scope) | | | | 0.198*** | 6.98 | | | |
| Difference-in-difference test: Stand + (Stand*InternStand) | | | | | | 0.234*** | 8.01 | |
| Difference-in-difference test: Stand + (Stand*Provider) | | | | | | | 0.148*** | 5.50 |

*, **, *** Represent significance at 0.05, 0.01 and 0.001 levels, respectively.

4.6. Test of H3

H3 states that the marginal effect of higher-quality assurance services on the relevance of standalone reports may be amplified in a mandatory CSR assurance regime. To test this hypothesis, we estimate the following model:

$$\begin{aligned} \text{Tobin} = & \beta_0 + \beta_1 \text{Lag Tobin} + \beta_2 \text{Stand} + \beta_3 \text{AssQual} + \beta_4 \text{GrenLaw} + \beta_5 (\text{Stand} * \text{AssQual}) + \beta_6 \\ & (\text{Stand} * \text{GrenLaw}) + \beta_7 (\text{Stand} * \text{AssQual} * \text{GrenLaw}) + \beta_8 \text{ESGPer} + \beta_9 \text{CSRCom} + \beta_{10} \\ & \text{BOARD_SIZE} + \beta_{11} \text{BOARD_IND} + \beta_{12} \text{BOARD_MEET} + \beta_{13} \text{DUAL} + \beta_{14} \text{CEO_TEN} + \beta_{15} \\ & \text{FAM_OWN} + \beta_{16} \text{INST_OWN} + \beta_{17} \text{ROA} + \beta_{18} \text{LEV} + \beta_{19} \text{R\&D} + \beta_{20} \text{Size} + \beta_{21} \text{Year_FE} + \beta_{22} \\ & \text{Industry_FE} + \varepsilon(3) \end{aligned}$$

where AssQual is an indicator variable of higher-quality CSR assurance and was split into the four key aspects of assurance services as defined by the level of assurance (Level), the scope of assurance (Scope), compliance with international standards for assurance engagements (InternStand), and the choice of assurance provider (Provider). All other variables are defined in Table III.1.

The results of Table III.9 show that, after the entry into force in 2012 of Grenelle II Law, the impact of issuing a standalone CSR reports on firms' market value is significantly positive when firms adopt a reasonable level of CSR assurance (Model 1), opt for a broader scope of CSR assurance (Model 2), comply with international standards for assurance engagements (Model 3), and choose a professional accountant as assurance provider (Model 4).⁸ Importantly, the joint coefficients ($\beta_2 + \beta_7$) observed in Table III.9 are greater in magnitude than those obtained in Table III.8, suggesting that the entry into force in 2012 of the Grenelle II Law strengthens the contribution of higher-quality assurance services to the relevance of issuing a

⁸ In untabulated results, we find that the contribution of the statutory auditor as assurance provider to the relevance of the standalone report is also strengthened in a mandatory context of CSR assurance.

standalone CSR report. These results lend additional support to previous studies (Casey & Grenier, 2015; Clarkson et al., 2019; Deegan et al., 2006; Du & Wu, 2019; Gillet-Monjarret, 2018; Junior et al., 2014; Smith et al., 2011), by providing evidence that the mandatory regime requiring companies to provide CSR assurance allows shareholders to have more confidence in CSR information when the issuance of a standalone CSR report is associated with a higher quality of CSR assurance engagement.

Table III.9. System GMM regression of market-based value on the use of standalone CSR reports, the CSR assurance statements and the entry into force of the Grenelle II Law

| Variables | Model 1: Stand* | | Model 2: Stand* | | Model 3: Stand* | | Model 4: Stand* | |
|---------------------------|--------------------|--------|--------------------|--------|---------------------|--------|--------------------|--------|
| | Level*GrenLaw | | Scope*GrenLaw | | InternStand*GrenLaw | | Provider*GrenLaw | |
| | Coef. | t-test | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag Tobin | 0.859*** | 74.80 | 0.884*** | 61.60 | 0.803*** | 49.74 | 0.800*** | 58.46 |
| Stand | 0.512*** | 12.71 | 0.214*** | 5.50 | -0.135 | -1.38 | 0.591* | 1.73 |
| GrenLaw | 0.352*** | 8.32 | 0.908*** | 4.03 | 0.648*** | 4.22 | 1.299*** | 3.04 |
| Stand*GrenLaw | -0.544*** | -8.27 | -0.876*** | -3.69 | -1.075*** | -3.70 | -7.527* | -1.71 |
| Level | 1.014*** | 7.27 | | | | | | |
| Stand*Level | -0.787*** | -5.73 | | | | | | |
| Level*GrenLaw | -0.688*** | -3.96 | | | | | | |
| Stand*Level*GrenLaw | 1.328*** | 3.56 | | | | | | |
| Scope | | | 0.078 | 1.21 | | | | |
| Stand*Scope | | | 0.596*** | 5.19 | | | | |
| Scope*GrenLaw | | | -0.926*** | -3.67 | | | | |
| Stand*Scope*GrenLaw | | | 0.361 | 1.35 | | | | |
| InternStand | | | | | 0.249*** | 2.61 | | |
| Stand*InternStand | | | | | -0.019 | -0.12 | | |
| InternStand*GrenLaw | | | | | -0.669*** | -3.85 | | |
| Stand*InternStand*GrenLaw | | | | | 1.103*** | 3.53 | | |
| Provider | | | | | | | 0.444 | 1.25 |
| Stand*Provider | | | | | | | -0.350 | -0.95 |
| Provider*GrenLaw | | | | | | | -1.075** | -2.50 |
| Stand*Provider*GrenLaw | | | | | | | 7.288* | 1.65 |
| ESGPer | 0.340** | 2.50 | 0.059 | 0.35 | -0.563*** | -3.79 | -1.068*** | -4.44 |
| CSRCom | 0.342*** | 8.31 | 0.339*** | 6.76 | 0.493*** | 7.63 | 0.310*** | 4.17 |
| BOARD_SIZE | -0.359*** | -5.16 | -0.241*** | -3.10 | -0.404*** | -4.27 | -0.295** | -2.45 |
| BOARD_IND | 0.212* | 1.95 | -0.253*** | -2.84 | -0.406*** | -3.08 | -0.694*** | -4.11 |
| BOARD_MEET | -0.081* | -1.82 | -0.038 | -1.00 | -0.025 | -0.90 | 0.200*** | 3.89 |
| DUAL | -0.094** | -2.45 | -0.056** | -2.02 | -0.142*** | -4.70 | -0.417*** | -7.12 |
| CEO_TEN | 0.013 | 0.61 | -0.027 | -1.37 | 0.013 | 0.70 | 0.125*** | 3.62 |
| FAM_OWN | -0.004 | -0.09 | -0.057 | -1.51 | -0.131*** | -2.71 | -0.743*** | -6.32 |
| INST_OWN | 0.213* | 1.93 | -0.094 | -1.04 | -0.428*** | -3.75 | -1.023*** | -5.53 |
| ROA | 2.199*** | 4.22 | 1.390*** | 3.94 | 2.412*** | 5.32 | 2.812*** | 6.29 |
| LEV | 0.644*** | 6.94 | 0.776*** | 9.98 | 0.515*** | 4.93 | -0.676*** | -3.66 |
| R&D | 1.120** | 2.31 | 0.642* | 1.67 | 0.408 | 0.87 | -2.362*** | -3.09 |

| | | | | | | | | |
|--|-------------------------|------|-------------------------|------|-------------------------|------|-------------------------|------|
| Intercept | 2.110*** | 6.41 | 1.647*** | 6.55 | 2.464*** | 6.87 | 1.291** | 2.01 |
| Industry (?) | Yes | | Yes | | Yes | | Yes | |
| Number of obs. | 440 | | 440 | | 440 | | 440 | |
| F (Prob > F) | 2743.53 ($p = 0.000$) | | 2591.42 ($p = 0.000$) | | 7972.48 ($p = 0.000$) | | 3563.77 ($p = 0.000$) | |
| Arellano-Bond test AR(1) (z, p -value): | -2.73 ($p = 0.006$) | | -2.32 ($p = 0.020$) | | -2.93 ($p = 0.003$) | | -2.19 ($p = 0.028$) | |
| Arellano-Bond test AR(2) (z, p -value): | 0.21 ($p = 0.834$) | | 0.13 ($p = 0.894$) | | -0.11 ($p = 0.912$) | | 0.06 ($p = 0.307$) | |
| Sargan test (Chi-square, p -value): | 357.24 ($p = 0.000$) | | 316.46 ($p = 0.000$) | | 176.93 ($p = 0.000$) | | 283.19 ($p = 0.000$) | |
| Hansen test (Chi-square, p -value): | 45.11 ($p = 0.343$) | | 46.91 ($p = 0.278$) | | 47.13 ($p = 0.236$) | | 45.04 ($p = 0.307$) | |
| Difference-in-difference test: Stand + (Stand*Level*GrenLaw) | 1.840*** | 4.62 | | | | | | |
| Difference-in-difference test: Stand + (Stand*Scope*GrenLaw) | | | 0.575** | 2.10 | | | | |
| Difference-in-difference test: Stand + (Stand*InternStand*GrenLaw) | | | | | 0.968*** | 2.65 | | |
| Difference-in-difference test: Stand + (Stand*Provider*GrenLaw) | | | | | | | 7.879*** | 4.78 |

5. Discussion and conclusion

Using a sample of French listed companies in the SBF 120 index over the period 2007-2017, we investigate the extent to which issuance of standalone CSR reports is value relevant depending on the quality of CSR assurance services. By using an appropriate econometric specification, we first find that issuing a standalone CSR report has a negative impact on the firm's market value. Nevertheless, this impact becomes positive with a reasonable level of assurance, a broader scope of assurance, the adoption of international standards for assurance engagements and the choice of a Big-4 accounting firm as assurance provider. Going beyond previous studies (Casey & Grenier, 2015; Clarkson et al., 2019; Deegan et al., 2006; Du & Wu, 2019; Gillet-Monjarret, 2018; Junior et al., 2014; Smith et al., 2011), our results show that all key aspects of assurance practices considered in our study significantly contribute to the credibility and the relevance of standalone reports. Our results are in contrast with Maroun's (2019) finding that not all assurance services contribute to the quality of CSR reporting, albeit in integrated reports.

Based on the fact that the lack of CSR assurance standardization may impair the ability of stakeholders to understand the nature and the scope of CSR assurance engagements (Ackers & Eccles, 2015; Casey & Grenier, 2015), we investigate the extent to which the mandatory requirement of independent third-party assurance reinforces the relationship between higher-quality assurance services and the firm's market value. We find that the entry into force of the French Grenelle II Law in 2012 strengthens the contribution of CSR assurance quality to the value relevance of standalone CSR reports. Meaningfully, after the Grenelle II Law came into force, investors' perception of issuance standalone CSR reports is found to be more favorable toward firms with higher-quality assurance services.

Our study offers insightful implications for practitioners and public policy makers, in view of the merits of a more regulated CSR assurance process. Even if there is lower litigation

risk faced by management and the third-party assurance provider for inaccurate or incomplete reporting, a regulatory assurance regime, in line with Ackers and Eccles (2015) and Casey and Grenier (2015), emerges as a leading source of credibility enhancement of CSR assurance. Nevertheless, the disclosure of fees paid to the assurance provider is an important aspect that should be considered by policy makers. After discussions with assurance providers in at least three countries, Simnett et al. (2009) highlight that, for the same engagements, the fees charged by audit firms are up to five times those charged by environmental consultants. In France, as in many other countries around the world, the disclosure of CSR assurance fees is not yet mandatory (Cohen & Simnett, 2015; Simnett et al., 2019). For audit and non-audit fees, the situation is strictly different, in that the Financial Security Law of 2003 requires French firms to disclose the audit fees paid to audit firms. The question for regulators then becomes that of the relevance of mandatory disclosure of assurance fees. Furthermore, non-audit fees are known to compromise the independence of auditors (e.g., Ashbaugh, LaFond, & Mayhew, 2003; DeFond, Raghunandan, & Subramanyam, 2002; Frankel, Johnson, & Nelson, 2002). The second question is to determine to what extent CSR assurance fees, as a part of non-audit fees, may alter the independence of the statutory auditor as assurance provider. Finally, it is well known that external audit is mainly addressed to external shareholders. In this respect, it is difficult to discern how an accounting firm, as compared to a non-accounting firm, may convey the benefits of independent assurance to the different primary stakeholders (customers, employees, and other business partners).

We conclude by addressing future research avenues. Our study is limited to the largest French firms of the SBF 120 stock market index. Future research should determine whether our results also apply to smaller companies. Given the variability across countries in the quality of assurance services, an international study comparing the marginal effect of the quality of assurance services on the relevance of CSR report is also warranted.

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General conclusion

The starting point of this thesis was the aspiration to uncover the interaction between corporate social responsibility (CSR) practices and their effects on firm market value. Understanding key determinants of CSR practices has been an important area of research but researchers mainly focused on Anglo-Saxon economies (e.g., US and UK) despite the fact that CSR practices are an important area of concern for organizations around the world. In this regard, this thesis seeks to explore the interaction between CSR practices and their moderating role on firm market value in French context by asking three research questions. First, is there an interaction triangle between CSR reporting, CSR committee, and CSR assurance in French firms? Second, how CSR committee and CSR assurance, as two sustainability-oriented corporate governance mechanisms, influence the relationship between CSR reporting and the firm's market value in the French context? Third, what is the moderating role of the quality of assurance services, as proxied by the level of assurance, the scope of assurance, the compliance with international standards for assurance engagements, and the type of assurance provider, on the relationship between the issuance of a standalone CSR report and the firm's market value in the French context? This dissertation proceeds to answer these questions along three chapters.

Is there an interaction triangle between CSR reporting, CSR committee, and CSR assurance in French firms?

The first chapter investigates the simultaneous relationship between the extent of CSR reporting and the presence of a CSR committee and CSR assurance viewed as two sustainability-oriented corporate governance mechanisms, the first internal and the second external. More specifically, we investigate their mutual interaction in French context which we called the interaction triangle. Following the GRI guidelines, we use a content analysis index based on items as defined by the French Grenelle II Act to evaluate the CSR reporting level. In

fact, France was the first EU country to engage in CSR reporting with the entry into force in 2001 of the New Economic Regulations Act (NRE), which recommend that all listed firms have to report on CSR information in their annual report. Later, the introduction of the Grenelle II Act in 2012 strengthened the NRE Act by requiring an independent third party (ITO) for the assurance of information published. Our study period coincides with the implementation of NRE law as from 2001 and precedes the adoption in 2012 of the Grenelle II Act. This choice of period thus allows us to study the behavior in terms of CSR reporting as well as the use of CSR assurance in a voluntary context. Using a sample of French companies listed on the SBF 120 index from 2001-2011, we show that the adoption of both CSR committee and CSR assurance enhance the level of voluntary CSR reporting as measured by CSR reporting scores (unweighted disclosure index) and CSR disclosure rank (weighted disclosure measure). However, the mutual interaction between a CSR committee and CSR assurance is significantly negative showing their possible substitutability for each other. For our first chapter, we use the seemingly unrelated regression (*SUR*) estimation approach and consider CSR reporting, CSR assurance and CSR committee to be endogenously determined.

How CSR committee and CSR assurance influence the relationship between CSR reporting and the firm's market value in the French context?

The second chapter of this thesis analyzes the moderating role of the two sustainability-oriented corporate governance mechanisms, CSR committee and CSR assurance on the relationship between voluntary CSR reporting and the firm's market value. First and following existing literature, we study the effect of CSR reporting on firms' market value measured by Tobin's *Q*. Particularly we try to identify if voluntary CSR disclosure is positively or negatively valued by shareholders. As in the first chapter, we measure the level of CSR reporting by CSR reporting scores. Second, we introduce the high CSR reporting measured by a binary variable taking the value of one if the level of CSR reporting is greater than the median, and zero

otherwise. We examine firstly how high CSR reporting and CSR committee conjunctively affect the firm's market value and then how high CSR reporting and CSR assurance conjunctively affect the firm's market value. Using a sample of 784 French listed firms-years over the period 2001 to 2011 and after controlling for endogeneity, we find for our first hypothesis a negative and significant impact of CSR reporting on firm market value confirming that of Nekhili, Nagati, Chtioui, and Nekhili (2017a) in the French context about the credibility problem surrounding voluntary CSR disclosure. Furthermore, the importance of CSR committee for addressing and controlling sustainability information make high CSR reporting more relevant for shareholders when firms have a CSR committee in the board. However, the impact of high CSR reporting on firm market value is negative when firms adopt CSR assurance. In a supplementary analysis, we focus only on firms operating in environmentally sensitive industries (ESI) and we find that the moderating role of CSR assurance on the relationship between high CSR reporting and firm market value is highly positive and significant for ESI French firms. This result supports the legitimacy theory argument that CSR assurance is conducted to response to stakeholders' pressure and to manage firms' image (Gillet-Monjarret, 2015; Simnett, Vanstraelen, & Chua, 2009). To deal for endogeneity problem between CSR reporting, CSR committee and CSR assurance, we use the system GMM estimation approach.

What is the moderating role of the quality of assurance services on the relationship between the issuance of a standalone CSR report and the firm's market value in the French context?

Finally, in the third chapter, we study the moderating role of CSR assurance services proxied by the level of assurance, the scope of assurance, the use of international standards for assurance engagements, and the choice of the type of assurance provider on the relationship between the issuance of a standalone CSR report and the firm's market value. In particular, we explore the relation between the issuance of a standalone CSR report and the Tobin's Q in the

first hypothesis. Then, we explore the contribution of higher-quality assurance services to the relevance of standalone CSR reports. We test finally the relevance of the key aspects of assurance services in a mandatory assurance regime. Using a matched sample of large French listed firms belonging to the SBF 120 index between 2007 and 2017, we extend our sample from the period preceding the adoption in 2012 of the Grenelle II Act on a voluntary basis to the period following the entry into force of the Grenelle II law five years later. Our results show that the relationship between the issuance of a standalone CSR report and the Tobin's Q is negative but turns to be positive when firms are looking for a higher-quality of assurance services. A high quality of assurance is proxied by a reasonable level of assurance, a broader scope of assurance, the compliance with international standards for assurance engagements and the choice of a Big-4 accounting firm as assurance provider. Interestingly, we find in the period following the introduction of Grenelle II law that the mandatory context of CSR assurance strengthens the relevance of standalone CSR reports in presence of higher-quality assurance services. This result is in accordance with our expectations as soon as French companies seem to be more aware of the interest to introduce a higher-quality assurance services given they are contributing significantly to the credibility and the relevance of standalone reports. We use the system GMM estimation approach to assess the value relevance of the standalone CSR report as endogenously determined and moderated by the quality of assurance services.

Taken together, findings of the thesis provide deep insights on the interaction between CSR practices and their relationship with firm market value in French context. We clearly show that the adoption of both CSR committee and CSR assurance enhance the level of voluntary CSR reporting but may substitutes for each other. In addition to this, given that the market react negatively to CSR reporting, our findings provide evidence to suggest that the presence of CSR committee as one of a sustainability-oriented corporate governance mechanisms enhance shareholders perception of high CSR reporting. However, the second sustainability-oriented

corporate governance mechanisms CSR assurance is negatively valued by shareholders. In fact, for firms operating in environmentally sensitive industries (ESI), shareholders react positively to high CSR reporting in presence of CSR assurance may be because of the importance role of CSR assurance for this type of firms to increase shareholders confidence of the credibility of CSR reports. Finally, on the basis of our findings, the market participants perceive negatively the issuance of a standalone CSR report. This result turns to be positive when firms purchase a higher-quality assurance services signaling the credibility and the relevance of standalone reports and especially after the mandatory context of CSR assurance with the French Grenelle II law.

Contributions

This thesis contributes to the literature on corporate governance as well as the relevance of sustainability reporting. As a part of growing field of literature, this thesis investigates the relevance of CSR reporting in presence of the two sustainability-oriented corporate governance mechanisms namely, CSR committee and CSR assurance firstly and the relevance of standalone reports in presence of a higher-quality assurance services namely, a reasonable level of assurance, a broader scope of assurance, the compliance with ISAE 3000 and the choice of a Big-4 accounting firm as an assurer. Further, we contribute to the broader literature related to governance and sustainability aspects by showing that CSR committee, CSR assurance and their specific services play an important role to enhance the relevance of CSR reporting and that of standalone reports.

Previous studies have already examined the effect of CSR committee on a company's voluntary choice to obtain CSR assurance (Chapple, Chen, & Zhang, 2017; Kend, 2015; Peters & Romi, 2015; Ruhnke & Gabriel, 2013). Nevertheless, this thesis is one of the first studies to analyze the interaction triangle between CSR reporting and the two sustainability-oriented

corporate governance mechanisms CSR committee and CSR assurance in the French context and to develop the degree of substitutability between CSR committee and CSR assurance. Further, this study is the first attempt to explore the market perception of CSR reporting according to the adoption of a CSR committee and CSR assurance. Existing literature evaluates the contribution of CSR assurance to the relevance of sustainability reporting (e.g., Casey & Grenier, 2015; Cheng, Green, & Ko, 2015; Cho, Michelon, Patten, & Roberts, 2014; Coram, Monroe, & Woodliff, 2009; Du & Wu, 2019; Fazzini & Dal Maso, 2016) but, to the best of our knowledge, none of the previous studies highlight the contribution of CSR committee to the relevance of CSR reporting. Another important contribution of the thesis is that it investigates the relationship between the issuance of a standalone CSR report and firm market value depending on the quality of assurance services namely, the scope of assurance, the level of assurance, the compliance with international standards for assurance engagements and the type of assurance provider. However, existing studies are limited to evaluate the presence or not of external assurance or to focus on some of key assurance aspects (e.g., Ballou, Chen, Grenier, & Heitger, 2018; García-Sánchez, Hussain, Martínez-Ferrero, & Ruiz-Barbadillo, 2019; Hodge, Subramaniam, & Stewart, 2009; Maroun, 2019; Martínez-Ferrero & García-Sánchez, 2018; Pflugrath, Roebuck, & Simnett, 2011). García-Sánchez et al. (2019) investigate the value relevance of CSR disclosure and assurance quality and use others measures to understand the quality of CSR assurance including among them assurance engagement scope and assurance standard. There is no existing study that explores this relationship in French context and after introducing Grenelle II Law which proposes a mandatory framework for CSR reporting and CSR assurance.

In relation to the theories used, this thesis considers the view point of stakeholder theory, agency theory, legitimacy theory, and resource-based theory to explain voluntary demand for internal CSR committee and external CSR assurance.

Future paths of research

Our study offers insightful implications for practitioners and public policy makers, considering the merits of more regulated CSR committee and CSR assurance process. In our finding, despite the evidence that both CSR committee and CSR assurance act as a strategic tool to enhance the company's ability to disclose more on CSR information, the scope of the French Grenelle II law of 2012 imposes the purchase of external assurance to verify CSR-related information but obscures the issue of the CSR committee leaving French companies free to implement and to define CSR committee operating procedures. Future research should also take into account the characteristics of CSR committee (size, independence, CSR experience, diligence, etc.).

For our first two chapters over 2001-2011, while our study is limited to evaluate the presence or not of external assurance in French listed companies, we complement our works by third chapter from 2007 to 2017 investigating the characteristics of CSR assurance defined by level of assurance, scope of assurance, the adoption of international standards for assurance engagements and the choice of assurer, these elements are considered as the quality of CSR assurance services. Our findings have some important implications for policy setters because of the lower litigation risk faced by management and the accounting provider for inaccurate or incomplete reporting. Thus, the establishment of a regulatory assurance regime is an important source of credibility enhancement of CSR assurance namely, the disclosure of fees paid to assurance provider given that as highlighted by Simnett et al. (2009), the level of fees charged by audit firms represent up to five times the fees charged by environmental consultants. In France, as in many other countries around the world, the disclosure of CSR assurance fees is not yet mandatory (Cohen & Simnett, 2015) conversely to audit fees paid to audit firms which may compromise the independence of auditors as assurance provider.

Future research should go beyond external shareholders perceptions' and study the benefits of independent assurance to the different primary stakeholders (customers, employees, and other business partners). Furthermore, we suggest for future research not to be only limited to the largest French firms of the SBF 120 stock market index but also expand the sample to smaller companies.

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Les pratiques de gouvernance RSE : interactions et implications en matière de valorisation boursière de l'entreprise

Résumé de la thèse

Ce travail doctoral s'appuie sur une actualité dans le contexte Français. En effet, durant les deux dernières décennies, la législation française a montré un intérêt croissant pour la responsabilité sociale de l'entreprise (ci-après RSE) (loi NRE, loi Grenelle I, loi Grenelle II) avec ses différents pratiques de reporting sociétal et de mise en place de mécanismes de vérification RSE.

Les recherches antérieures ont montré que les actionnaires sont les plus concernés et les plus intéressés par les initiatives RSE de leurs entreprises (Gillet-Monjarret & Martinez, 2012; O'Dwyer, Owen, & Unerman, 2011; Simnett, Vanstraelen, & Chua, 2009) et la mise en place de ces pratique RSE peut sans doute améliorer la crédibilité et la légitimité de l'information RSE (Casey & Grenier, 2015; Ruhnke & Gabriel, 2013). L'engagement RSE, qui reflète la prise en compte des attentes et des besoins des différentes parties prenantes, et en particulier les actionnaires, est devenu un critère important pour la prise de décisions d'investissement ou de désinvestissement. Ainsi, selon la théorie de l'agence, la vérification externe volontaire en tant qu'outil d'éradication de conflits d'intérêt entre actionnaires et manager (Chow, 1982) réduit l'asymétrie informationnelle entre le principal (actionnaires) et les agents (managers) (Moroney, Windsor, & Aw, 2012). Dans le cadre de la théorie de la légitimité, la divulgation d'informations RSE peut aussi être insuffisante pour atteindre une positive perceptivité des actionnaires quant aux questions RSE. Dans ce cas, le comité RSE et l'assurance RSE

deviennent un instrument précieux de gouvernance permettant de légitimer différentes activités liées au développement durable (Gillet-Monjarret & Martinez, 2012; O'Dwyer et al., 2011; Ruhnke & Gabriel, 2013; Simnett et al., 2009). Dans ce sens, la mise en place des mécanismes de gouvernance pourrait influencer positivement la perception que font les investisseurs de l'information RSE diffusée.

L'objectif de cette thèse est de contribuer à la littérature sur la gouvernance d'entreprise ainsi qu'à la pertinence du reporting RSE en répondant à la question de recherche suivante : Comment le marché perçoit-il la divulgation d'informations RSE lorsque les entreprises adoptent les mécanismes de gouvernance axé sur le développement durable ? Deux formes de mesure de la divulgation RSE sont étudiées dans ce travail de recherche à savoir, le reporting RSE au moyen d'un indice d'analyse de contenu du rapport RSE et la divulgation d'un rapport de développement durable autonome. Quant aux mécanismes de gouvernance sont présentés par la présence d'un comité RSE et par l'adoption de l'assurance RSE. Un examen portant sur la qualité des services de l'assurance RSE fera aussi l'objet de cette étude. Ce travail de thèse procède pour répondre à la question de recherche le long de trois chapitres.

Existe-t-il un triangle d'interaction entre le reporting RSE, le comité RSE et l'assurance RSE dans les entreprises françaises ?

Notre premier chapitre examine la relation simultanée entre l'étendue des rapports sur la responsabilité sociale des entreprises (RSE) et la mise en œuvre de deux mécanismes de gouvernance retenus par les entreprises à orientation RSE : le premier interne (existence d'un comité RSE), et le second externe (recours à une assurance RSE). Sur la base d'un échantillon de sociétés françaises cotées du SBF120, les résultats de la recherche indiquent la présence d'une interaction entre *reporting* volontaire RSE, comité RSE et assurance RSE. De manière significative, les auteurs montrent d'une part, que, dans un contexte volontariste, le *reporting* RSE est mutuellement et positivement associé à la fois à l'existence d'un comité RSE et à la

demande volontaire d'assurance RSE, d'autre part, que le comité RSE et l'assurance RSE sont mutuellement et négativement associés. Dans la mesure où ils jouent un rôle important dans l'amélioration de la promotion et de la gestion de la divulgation volontaire d'informations RSE par les entreprises, il semble que le comité RSE et l'assurance RSE puissent se substituer l'un à l'autre.

Dans quelle mesure le comité RSE et l'assurance RSE peuvent-elles influencer la relation entre le reporting RSE et la valeur de marché de l'entreprise dans le contexte français ?

Dans un deuxième chapitre, nous analysons le rôle modérateur que joue le comité RSE et l'assurance RSE, en tant que deux mécanismes de gouvernance axés sur le développement durable, dans la relation entre le reporting volontaire en matière de responsabilité sociale et la valeur de marché de l'entreprise. À partir des données recueillies auprès d'un échantillon d'entreprises françaises du SBF 120 entre 2001 et 2011, les auteurs constatent que l'avantage de la mise en œuvre de ces deux mécanismes ne provient pas de leur effet direct sur la valeur de marché, mais de leur rôle modérateur entre le reporting volontaire et la valeur de marché de l'entreprise. Nos résultats montrent que l'impact d'un reporting RSE de qualité sur la valeur de marché de l'entreprise est positif lorsque les entreprises optent pour un comité RSE. Ce résultat suggère que le comité RSE pourrait jouer un rôle important dans la réduction du niveau d'asymétrie d'information entre gestionnaires et investisseurs au regard des obligations RSE. En revanche, pour les entreprises faisant recours à l'assurance RSE, l'impact d'un reporting RSE de qualité sur la valeur de marché de l'entreprise n'est positif que pour les entreprises exposées à des risques environnementaux élevés, démontrant un besoin sans équivoque de gérer leur image et de gagner en légitimité. Les résultats confortent la théorie de la légitimité qui considère l'assurance RSE comme une réponse pertinente pour préserver l'image de l'entreprise face à la pression exercée par les parties prenantes. Pour ces firmes, l'assurance RSE surpasse le comité RSE en termes de pertinence du reporting RSE.

Dans quelle mesure la qualité des services de l'assurance RSE contribue-t-elle à la pertinence des rapports de développement durable autonomes ?

En élargissant le champ de notre deuxième question de recherche, le dernier chapitre examine le rôle modérateur des services de l'assurance RSE de qualité, tel que déterminé par le niveau d'assurance, l'étendu de l'assurance, la conformité aux normes internationales pour les missions d'assurance et le type de vérificateur, dans la relation entre la divulgation d'un rapport de développement durable autonome et la valeur de marché de l'entreprise. En utilisant un échantillon apparié de grandes entreprises françaises appartenant à l'indice SBF 120 entre 2007 et 2017, nous constatons que le marché réagit négativement à la divulgation d'un rapport de développement durable autonome, mais aussi positivement lorsque les entreprises choisissent un niveau d'assurance raisonnable, un étendu d'assurance plus large, se conforment aux normes internationales pour les missions d'assurance et optent pour un commissaire aux comptes parmi les grands cabinets d'audit « Big-4 » en tant que vérificateur RSE. Il est intéressant de noter que rendre l'assurance RSE obligatoire renforce la contribution des services d'assurance de qualité à la pertinence des rapports de développement durable autonomes. Notre étude offre des implications perspicaces pour les praticiens et les décideurs politiques, sur la base des mérites d'un processus d'assurance RSE plus réglementé.

Nous présentons dans ce qui suit un résumé des trois chapitres de notre thèse. Chaque résumé de chapitre comprend une brève présentation de la littérature suivie de la formulation des hypothèses. Ensuite, nous présentons la méthodologie utilisée et en particulier l'échantillon, les sources de données utilisées ainsi que les définitions des variables. Enfin, nous exposons les principaux résultats.

Chapitre I : Reporting RSE–comité RSE–assurance

RSE : une approche interactionniste

La responsabilité sociale de l'entreprise (RSE) occupe de plus en plus une place grandissante dans les stratégies et les pratiques des entreprises. Elles publient des rapports contenant des informations environnementales, sociales et de gouvernance en vue de satisfaire les besoins de multiples parties prenantes (Sethi, Martell, & Demir, 2017). Au cours de la dernière décennie, le nombre d'entreprises qui se sont engagées dans la production de rapports RSE n'a cessé d'augmenter : il représente aujourd'hui 71 % des 100 premières entreprises de 41 pays, que ce soit dans des rapports annuels ou dans des rapports RSE spécifiques (KPMG, 2013).

Pour accroître la crédibilité du reporting RSE, les entreprises n'hésitent pas à recourir à un double mécanisme de gouvernance : (1) le recours à une assurance RSE, autrement dit confier à un tiers indépendant, la plupart du temps un cabinet d'audit, la vérification de la présence et de la sincérité des données environnementales et sociales dans le rapport annuel ou le rapport RSE (Pflugrath, Roebuck, & Simnett, 2011 ; Simnett et al., 2009) ; (2) la création au sein du Conseil d'Administration d'un comité RSE chargé de veiller au respect de pratiques environnementales et sociales par rapport à un engagement RSE pris par l'entreprise (Peters & Romi, 2015). Plusieurs recherches ont ainsi traité de la relation entre le comité RSE, l'assurance RSE et la divulgation d'informations RSE (Chapple, Chen, & Zhang, 2017 ; Jones & Solomon, 2010 ; Kend, 2015 ; Peters & Romi, 2015 ; Ruhnke & Gabriel, 2013). L'avantage inhérent à la création d'un comité RSE est d'abord d'accroître la transparence en divulguant plus d'informations (Fuente, García-Sánchez, & Lozano, 2017) et ainsi la demande d'assurance RSE

par un cabinet d'audit permet d'envoyer un puissant signal de crédibilité à attribuer au reporting RSE (Ruhnke & Gabriel, 2013) dans la mesure où les lignes directrices de la GRI recommandent le recours à une assurance RSE (GRI, 2011). En bref, la réponse à une exigence de transparence accrue repose sur deux piliers d'une gouvernance vue comme un antécédent de la politique RSE (Sahut, Mili, & Teulon, 2018), à savoir le comité RSE et l'assurance RSE.

La relation entre comité RSE et assurance RSE soulève la question de la complémentarité et/ou de la substituabilité entre les deux piliers. Jones et Solomon (2010) obtiennent des résultats mitigés sur le sujet : alors que la moitié des personnes interrogées estiment que l'assurance RSE renforce la confiance des parties prenantes envers l'entreprise, l'autre moitié est moins convaincue, estimant que la certification interne s'avère suffisante. De leur côté, sur un plan organisationnel, Peters et Romi (2015), examinant le lien entre l'existence d'un comité RSE et la demande d'assurance RSE, concluent au fait que la présence d'un comité RSE en tant qu'organe de surveillance peut remplacer efficacement une assurance RSE. Il ressort de ce rapide survol d'une littérature foisonnante une incapacité à établir des conclusions robustes sur le lien existant entre comité RSE, assurance RSE et reporting RSE, ce qui constitue un gap potentiel pour la recherche académique.

Dans ce premier chapitre, nous souhaitons ainsi combler une partie du gap en vérifiant, dans un contexte de démarche volontaire, si le comité RSE et l'assurance RSE, considérés comme deux mécanismes de gouvernance orientés RSE, le premier interne et le second externe, peuvent être utiles pour améliorer le niveau de reporting RSE, en se complétant ou en se substituant l'un à l'autre. Le contexte institutionnel retenu est celui de la France, compte tenu d'un intérêt croissant qui s'y manifeste pour les questions environnementales (Chauvey, Giordano-Spring, Cho, & Patten, 2015). La France a été le premier pays de l'UE à s'engager dans la divulgation d'informations extra-financières, avec l'entrée en vigueur en 2001 de la Loi sur les Nouvelles Régulations Economiques (NRE), obligeant toutes les entreprises cotées à

rendre compte de leurs pratiques RSE dans leurs rapports annuels. L'Article 225 de la Loi Grenelle II, adoptée en 2012, renforce la Loi NRE, à la fois en exigeant le recours à un tiers indépendant pour produire une assurance RSE, en augmentant le nombre de sociétés soumises à cette Loi et en étendant la liste des indicateurs du rapport annuel en matière de performance RSE (Mercier, 2018). Nous retenons ainsi pour période d'étude la décennie 2001-2011, qui coïncide avec la mise en œuvre de la Loi NRE et précède l'adoption de la Loi Grenelle II. Sur la période en question, les entreprises françaises qui produisent un reporting RSE conformément aux directives de la GRI, et qui recourent à un cabinet d'audit pour l'assurance RSE, opèrent exclusivement sur une base volontaire. Ceci doit nous permettre de mieux comprendre les ressorts stratégiques de la prise de décision et la réelle volonté des équipes dirigeantes de s'engager dans une politique dynamique de communication RSE.

I.1 Revue de la littérature et développement des hypothèses

I.1.1 Reporting RSE et comité RSE

Plusieurs recherches ont analysé comment la présence d'un comité RSE au sein du Conseil d'Administration influe sur le reporting RSE, et les résultats obtenus de fait sont mitigés. Cowen, Ferreri, et Parker (1987), étudiant la relation entre un certain nombre de caractéristiques de l'entreprise, comme l'existence d'un comité RSE et des types particuliers de divulgation d'informations RSE, identifient une relation positive. En ce qui concerne les structures de gouvernance, Kend (2015) estime que l'impact de l'existence d'un comité RSE est positivement significatif dans la décision de produire un rapport de développement durable autonome. Rodrigue, Magnan, et Cho (2013) considèrent que la mise sur pied volontaire d'un comité RSE peut être considérée à la fois comme un moyen de mieux surveiller la gestion en termes d'actions et de performances environnementales, et comme un moyen efficace de conseiller la Direction Générale dans le traitement des questions environnementales. Une première hypothèse peut ainsi être formulée comme suit :

H1. Un comité RSE, en tant que mécanisme interne de gouvernance orienté RSE, est positivement associé à une qualité accrue du reporting RSE.

I.1.2 Reporting RSE et assurance RSE

L'interaction entre assurance RSE et reporting RSE a suscité l'attention de nombreux chercheurs en comptabilité sociale et environnementale. Pour Pflugrath et al. (2011), les analystes financiers considèrent que l'information validée par une assurance RSE est plus crédible que l'information non assurée. Moroney et al. (2012) et Pucheta-Martinez, Bel-Oms, et Rodrigues (2019) constatent que la qualité de la divulgation environnementale volontaire augmente pour les entreprises ayant recours à une assurance RSE ; ainsi, les déclarations d'assurance émises par les grands cabinets d'audit, comme les « Big 4 », sont en mesure d'améliorer la qualité des informations RSE. Le reporting RSE peut également avoir une incidence sur la demande d'assurance RSE. Selon Cho, Michelon, Patten, et Roberts (2014), les entreprises dont le reporting RSE contient plus d'informations sont plus susceptibles de demander une assurance RSE auprès d'un tiers indépendant.

H2. L'assurance RSE, en tant que mécanisme externe de gouvernance orienté RSE, est positivement associée à l'étendue du reporting RSE.

I.1.3 Assurance RSE et comité RSE : substituables ou complémentaires ?

Gillet-Monjarret et Martinez (2012) constatent ainsi que l'existence d'un comité RSE encourage les entreprises à obtenir une assurance RSE, conclusion confirmée par l'investigation de Ruhnke et Gabriel (2013) soulignant que les entreprises dotées d'un service de développement durable sont plus susceptibles de disposer d'un reporting RSE assuré par un tiers indépendant. Peters et Romi (2015), concluent que la présence d'un comité RSE en tant qu'organe de surveillance peut remplacer efficacement une assurance RSE. Cela qui conduit à

avancer une troisième hypothèse sur la relation entre assurance RSE et présence d'un comité RSE formulée comme suit :

H3. L'assurance RSE fournie par un tiers indépendant est positivement associée à la présence d'un comité RSE.

I.2 Méthodologie

Cette section décrit notre échantillon ainsi que les différentes variables utilisées dans la partie empirique de cette étude.

I.2.1 Echantillon

Pour examiner l'approche interactionniste entre le reporting RSE, le comité RSE et l'assurance RSE, l'échantillon final est ainsi composé de 91 sociétés non financières cotées au SBF 120 sur la période 2001-2011, pour un ensemble total de 940 observations. Les informations RSE, les variables de gouvernance et les variables d'actionnariat ont été collectées à partir des rapports annuels, des rapports de développement durable publiés pour la plupart par l'Autorité des Marchés Financiers qui fournit des données complètes sur les performances environnementales et sociales des sociétés. Les données financières proviennent de la base de données ThomsonOne.

I.2.2 Les variables dépendantes

I.2.2.1 Reporting RSE et rang RSE

Le niveau global de reporting RSE est mesuré par un indice d'analyse de contenu, fondé sur la grille de la Loi Grenelle II et conforme aux directives de la GRI. Cette grille contient 42 éléments subdivisés en trois catégories : (1) reporting social (19 éléments) ; (3) reporting environnemental (14 éléments) ; et (3) reporting développement durable (9 éléments). L'indice

proprement dit est le rapport entre la note globale attribuée au reporting RSE et la note maximale possible.

Le rang de divulgation d'informations RSE est également utilisé dans une analyse complémentaire. Il se définit comme le classement de la note de divulgation d'une entreprise donnée divisé par le nombre d'observations ayant des valeurs non manquantes de la variable du classement (Botosan & Plumlee, 2002).

1.2.2.2 Comité RSE

La présence d'un comité RSE en tant que mécanisme de gouvernance interne orienté RSE constitue un moyen possible d'accroître la crédibilité du *reporting* RSE. Celui-ci est également une variable dichotomique qui prend la valeur 1 si une entreprise dispose d'un comité RSE (ou développement durable), et 0 sinon.

1.2.2.3 Assurance RSE

La demande volontaire d'assurance RSE auprès d'un tiers indépendant, entendue comme un mécanisme de gouvernance externe orienté RSE. L'assurance RSE est ainsi une variable muette dépendante prenant la valeur 1 si l'assurance RSE est fournie par un cabinet d'experts-comptables, et 0 sinon.

1.2.3 Les variables de contrôle

Suivant les recherches antérieures (par exemple Liao, Lin, & Zhang, 2018 ; Nekhili, Nagati, Chtioui, & Nekhili, 2017a ; 2017b ; Peters & Romi, 2015), nous utilisons un ensemble de variables de contrôles censées influencer le reporting RSE, le comité RSE et l'assurance RSE. Nous contrôlons pour la taille du conseil d'administration (BOAD_SIZE), l'indépendance du conseil (BOARD_IND), la présence d'une femme administrateur dans le conseil d'administration (FEM_DIR), le nombre de réunion du conseil d'administration (MEET), la dualité des fonctions du CEO (DUAL), le mandat du CEO (TENURE), l'actionnariat familial

(FAM_OWN), l'actionnariat institutionnel (INST_OWN), l'actionnariat salarié (EMPL_OWN), l'effet de levier (LEV), Rentabilité des actifs (ROA), Q de Tobin (TOBIN), le risque systématique (RISK), les actifs étrangers (FOR_ASS), l'intensité des investissements R&D (R&D), la taille de l'entreprise (SIZE), et finalement l'industrie (INDUSTRY).

I.2.4 Modèle empirique

La relation entre le reporting RSE, l'assurance RSE et le comité RSE peut être affectée par certaines caractéristiques inobservables. Par conséquent, pour éviter les problèmes de multi-colinéarité dus à la colinéarité des variables explicatives, nous utilisons une *seemingly unrelated regression* (SUR), telle que formalisée par Zellner (1962). Le modèle empirique que nous considérons est le suivant :

$$CSR_REP_{it} = \alpha_0 + \alpha_1 CSR_COM_{it} + \alpha_2 CSR_ASS_{it} + \alpha_3 CONT_{it} + \alpha_4 IND_t + \alpha_5 YEAR_i + \varepsilon_{1it}$$

$$CSR_COM_{it} = \beta_0 + \beta_1 CSR_REP_{it} + \beta_2 CSR_ASS_{it} + \beta_3 CONT_{it} + \beta_4 IND_t + \beta_5 YEAR_i + \varepsilon_{2it}$$

$$CSR_ASS_{it} = \gamma_0 + \gamma_1 CSR_REP_{it} + \gamma_2 CSR_COM_{it} + \gamma_3 CONT_{it} + \gamma_4 IND_t + \gamma_5 YEAR_i + \varepsilon_{3it}$$

Pour estimer simultanément la relation existante entre le *reporting* RSE, le comité RSE et l'assurance RSE, nous avons utilisé la Méthode des Moments Généralisés (GMM) en panel dynamique développée par R. Blundell et S. Bond (1998). La présente technique économétrique d'estimation permet de contrôler l'endogénéité hétérogène (découlant de variables qui sont des invariants temporels) et inclut la structure dynamique de la relation entre le *reporting* RSE et les deux mécanismes de gouvernance relatifs à la RSE, à savoir le comité RSE et l'assurance RSE. L'utilisation de la valeur décalée sur un an de chaque variable dépendante et la prise en compte des différences dans les variables explicatives en tant qu'instruments est motivée par le fait que la décision stratégique de davantage divulguer d'informations RSE, de mettre en place un comité RSE et/ou de recourir à une assurance RSE, est liée à la décision actuelle et aux décisions passées de l'entreprise en matière de politique RSE.

I.3 Résultats

Les résultats des estimations de la SUR et de la régression GMM dans les tableaux I.1 et I.2 signalent dans la colonne 1 un impact positif et significatif à la fois du comité RSE et de l'assurance sur le reporting RSE. Ces résultats complètent et appuient les recherches antérieures de Cowen et al. (1987), de Moroney et al. (2012), de Kend (2015) et de Fuente et al. (2017). Les résultats de la Colonne 2 (Equation 2 et Modèle 2) indiquent que le reporting RSE a un impact positif et significatif sur la création d'un comité RSE ; les entreprises qui décident de créer un comité RSE envoient un signal quant à leur préoccupation pour les questions RSE et ont tendance à être plus transparentes en la matière, comme le signalent Cowen et al. (1987) et Adams (2002). Enfin dans la Colonne 3 (Equation 3 et Modèle 3), l'effet du reporting RSE sur le recours volontaire à une assurance RSE est également positif et significatif, ce qui est en phase avec les contributions de Ruhnke et Gabriel (2013), Cho et al. (2014), Casey et Grenier (2015) et Sethi et al. (2017) qui constatent que la probabilité de recours à une assurance RSE augmente avec l'augmentation du niveau de divulgation d'informations RSE. Il en ressort que les hypothèses H1 et H2 sont validées.

Les résultats de la Colonne 2 (Equation 2 et Modèle 2) des Tableaux I.1 et I.2 indiquent que l'assurance RSE a un impact négatif et significatif sur le comité RSE ($\beta_2 = -0.348$, $t = -8.86$, $p < 0.01$). Ceci implique que le recours volontaire à une assurance RSE en tant que mécanisme externe de gouvernance orienté RSE est associé de façon négative à l'existence d'un comité RSE. Les résultats du Modèle 3 montrent également que l'impact du comité RSE sur l'assurance RSE est très négatif ($\gamma_2 = -0.253$, $t = -8.86$, $p < 0.01$), ce qui implique que le fait d'avoir un comité RSE agit comme un substitut au recours volontaire à une assurance RSE. Ces constats concordent avec ceux de Peters et Romi (2015) et de Chapple et al. (2017), mais s'opposent à ceux de Ruhnke et Gabriel (2013) et Kend (2015) estimant que les entreprises dotées d'un comité RSE sont plus susceptibles de recourir volontairement à une assurance RSE.

Nos résultats impliquent que les deux mécanismes de gouvernance orientés RSE (comité RSE, assurance RSE) peuvent se substituer l'un à l'autre. Cette substitution s'explique par le coût plus élevé associé à la présence simultanée des deux mécanismes de gouvernance. Il en ressort que l'hypothèse H3 n'est pas validée.

Tableau I.1: Résultats de régression SUR

| Variables | Equation 1 : <i>Reporting RSE</i> | | Equation 2 : <i>Comité RSE</i> | | Equation 3 : <i>Assurance RSE</i> | |
|---|--------------------------------------|--------|-----------------------------------|--------|--------------------------------------|--------|
| | Coeff. | t-test | Coeff. | t-test | Coeff. | t-test |
| REP_RSE | | | 1.103*** | 14.81 | 0.669*** | 10.19 |
| COM_RSE | 0.205*** | 14.81 | | | -0.253*** | -8.86 |
| ASS_RSE | 0.171*** | 10.18 | -0.348*** | -8.86 | | |
| BOARD_SIZE | 0.011 | 0.55 | 0.015 | 0.32 | -0.028 | -0.70 |
| BOARD_IND | 0.050 | 1.62 | -0.149** | -2.09 | 0.127** | 2.09 |
| FEM_DIR | -0.153** | -2.04 | -0.450*** | -2.60 | 0.122 | 0.82 |
| MEET | -0.015 | -1.15 | 0.087*** | 2.85 | 0.059** | 2.25 |
| DUAL | 0.083*** | 6.62 | -0.198*** | -6.83 | -0.112*** | -4.49 |
| TENURE | -0.014 | -1.25 | -0.008 | -0.31 | 0.038* | 1.76 |
| FAM_OWN | 0.063** | 2.17 | -0.122* | -1.82 | -0.053 | -0.92 |
| INST_OWN | 0.053* | 1.77 | 0.006 | 0.09 | 0.080 | 1.34 |
| EMPL_OWN | 0.595*** | 4.39 | -0.966*** | -3.05 | -0.422 | -1.56 |
| LEV | 0.120*** | 2.55 | -0.435*** | -4.01 | -0.053 | -0.57 |
| R&D | 0.204 | 1.34 | -0.119 | -0.34 | 0.842*** | 2.82 |
| ROA | -0.076 | -0.44 | -0.060 | -0.15 | -0.535 | -1.55 |
| TOBIN | -0.003 | -0.35 | 0.011 | 0.50 | 0.021 | 1.13 |
| BETA | 0.014 | 0.54 | 0.033 | 0.56 | 0.082* | 1.64 |
| FOR_ASS | 0.016 | 0.73 | -0.141*** | -2.85 | -0.152*** | -3.62 |
| SIZE | 0.028*** | 5.99 | 0.015 | 1.30 | 0.051*** | 5.40 |
| INDUSTRY | Oui | | Oui | | Oui | |
| YEAR | Oui | | Oui | | Oui | |
| Nombre d'observations | 940 | | 940 | | 940 | |
| R2 | 16.32% | | 37.69% | | 31.74% | |
| Chi2 | 8679.88 ($p = 0.000$) | | 1235.02 ($p = 0.000$) | | 1207.34 ($p = 0.000$) | |
| Test d'indépendance de Breusch-Pagan (Chi2, p -value) | | | 91.299 ($p = 0.000$) | | | |

*, **, *** représentent respectivement une signification à 10%, 5% et 1%.

Tableau I.2: Resultats des estimations de la régression GMM

| Variables | Modèle 1 : REP_RSE | | Modèle 2 : COM_RSE | | Modèle 3 : ASS_RSE | |
|---|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | Coeff. | t-test | Coeff. | t-test | Coeff. | t-test |
| Lag REP_RSE | 0.853*** | 54.84 | | | | |
| Lag COM_RSE | | | 0.672*** | 20.18 | | |
| Lag ASS_RSE | | | | | 0.813*** | 40.48 |
| REP_RSE | | | 1.654*** | 9.26 | 0.622*** | 5.60 |
| COM_RSE | 0.043*** | 5.66 | | | -0.180*** | -10.44 |
| ASS_RSE | 0.022*** | 2.60 | -0.188*** | -6.66 | | |
| BOARD_SIZE | -0.005 | -0.70 | 0.025 | 0.52 | -0.013 | -0.35 |
| BOARD_IND | 0.005 | 0.35 | -0.094 | -1.11 | 0.020 | 0.52 |
| FEM_DIR | -0.070** | -2.48 | -0.002 | -0.01 | -0.049 | -0.63 |
| MEET | -0.001 | -0.12 | 0.017 | 0.53 | 0.034* | 1.96 |
| DUAL | 0.019*** | 3.87 | -0.144*** | -5.11 | -0.043*** | -2.51 |
| TENURE | 0.006* | 1.82 | -0.013 | -0.59 | 0.028* | 1.97 |
| FAM_OWN | -0.019* | -1.70 | -0.064 | -0.80 | -0.017 | -0.46 |
| INST_OWN | 0.003 | 0.22 | -0.109** | -2.09 | 0.013 | 0.39 |
| EMPL_OWN | 0.189*** | 4.56 | -1.243*** | -4.16 | -0.516*** | -2.60 |
| LEV | 0.003 | 0.15 | -0.205* | -1.93 | -0.066 | -0.92 |
| R&D | 0.027 | 0.50 | -0.594 | -1.58 | 0.085 | 0.42 |
| ROA | -0.073 | -0.78 | -0.081 | -0.19 | -0.227 | -0.87 |
| TOBIN | 0.007 | 1.53 | 0.029 | 1.63 | 0.015 | 1.42 |
| BETA | -0.030*** | -2.96 | 0.004 | 0.10 | -0.019 | -0.66 |
| FOR_ASS | 0.006 | 0.61 | -0.087 | -1.50 | -0.067** | -2.28 |
| SIZE | 0.008*** | 3.60 | -0.054*** | -5.27 | -0.002 | -0.35 |
| INTERCEPT | -0.021 | -0.61 | 0.253 | 1.61 | -0.491*** | -3.40 |
| INDUSTRY | Oui | | Oui | | Oui | |
| YEAR | Oui | | Oui | | Oui | |
| Nombre d'observations | 790 | | 790 | | 790 | |
| R2 | 4333.73 ($p = 0.000$) | | 2171.95 ($p = 0.000$) | | 2769.34 ($p = 0.000$) | |
| Test d'Arellano-Bond pour AR(1) | -4.73 ($p = 0.000$) | | -5.83 ($p = 0.000$) | | -4.73 ($p = 0.000$) | |
| Test d'Arellano-Bond pour AR(2) | 0.99 ($p = 0.323$) | | 1.07 ($p = 0.284$) | | -0.54 ($p = 0.323$) | |
| Test des restrictions de sur-identification de Sargan | 1003.10 ($p = 0.000$) | | 662.88 ($p = 0.000$) | | 668.91 ($p = 0.000$) | |
| Test des restrictions de sur-identification de Hansen | 66.04 ($p = 0.191$) | | 65.98 ($p = 0.192$) | | 50.90 ($p = 0.517$) | |

*, **, *** Represent significance at 0.05, 0.01 and 0.001 levels, respectively.

I.4 Analyses Supplémentaires

Nous avons adopté la démarche de Botosan et Plumlee (2002) et de Clarkson, Fang, Li, & Richardson (2013) pour mesurer la divulgation d'informations RSE en utilisant la valeur classée par branche / année du score RSE obtenu pour les éléments inclus dans l'indice RSE construit par nos soins. Les entreprises sont classées par ordre croissant, de sorte que nous attribuons un rang RSE plus élevé en présence d'un niveau plus élevé de divulgation

d'informations RSE. Nous utilisons ensuite l'approche SUR et GMM pour estimer conjointement une régression du rang RSE, du comité RSE et de l'assurance RSE. Nos résultats sont similaires à ceux trouvés dans les tableaux I.1 et I.2, suggèrent ainsi que l'établissement de chacun des deux mécanismes de gouvernance orientés RSE (comité RSE, l'assurance RSE) améliore la valeur du rang RSE attribué au sein des observations industrie / année. Il en ressort que les hypothèses H1 et H2 sont validées (Tableau I.3 et I.4). De même, nous constatons que la présence d'un comité RSE est associée négativement au recours volontaire à une assurance RSE. L'investigation de terrain permet de conclure que les deux mécanismes de gouvernance orientés RSE (comité RSE, assurance RSE) ne se complètent pas, mais se substituent. Il en ressort que l'hypothèse H3 n'est pas validée.

Tableau I.3 : Résultats de la régression SUR en référence au rang RSE

| Variables | Equation 1 : RANG_RSE | | Equation 2 : COM_RSE | | Equation 3 : ASS_RSE | |
|--|-----------------------------|--------|-----------------------------|--------|-----------------------------|--------|
| | Coeff. | t-test | Coeff. | t-test | Coeff. | t-test |
| RANG_RSE | | | 0.054*** | 11.07 | 0.032*** | 7.56 |
| COM_RSE | 2.486*** | 11.07 | | | -0.216*** | -7.56 |
| ASS_RSE | 2.044*** | 7.56 | -0.300*** | -7.55 | | |
| BOARD_SIZE | 0.147 | 0.45 | 0.020 | 0.42 | -0.030 | -0.74 |
| BOARD_IND | 1.073** | 2.17 | -0.169** | -2.33 | 0.120* | 1.96 |
| FEM_DIR | -1.439 | -1.20 | -0.609*** | -3.49 | 0.067 | 0.45 |
| MEET | -0.515** | -2.42 | 0.107*** | 3.45 | 0.070*** | 2.63 |
| DUAL | 1.126*** | 5.61 | -0.177*** | -6.04 | -0.092*** | -3.66 |
| TENURE | -0.183 | -1.04 | -0.017 | -0.67 | 0.033 | 1.50 |
| FAM_OWN | 1.722*** | 3.71 | -0.154** | -2.24 | -0.070 | -1.21 |
| INST_OWN | 0.816* | 1.69 | 0.032 | 0.45 | 0.099 | 1.64 |
| EMPL_OWN | 8.674*** | 3.99 | -0.802** | -2.50 | -0.297 | -1.09 |
| LEV | 0.701 | 0.92 | -0.371*** | -3.35 | 0.003 | 0.03 |
| R&D | 4.584* | 1.88 | -0.075 | -0.21 | 0.948*** | 3.14 |
| ROA | -9.162*** | -2.66 | 0.632 | 1.24 | 0.108 | 0.25 |
| TOBIN | -0.035 | -0.22 | 0.002 | 0.09 | 0.010 | 0.49 |
| BETA | 0.013 | 0.03 | 0.057 | 0.98 | 0.101 | 2.00 |
| FOR_ASS | 0.103 | 0.30 | -0.144*** | -2.88 | -0.153*** | -3.61 |
| SIZE | 0.372*** | 4.93 | 0.032*** | 2.83 | 0.062*** | 6.61 |
| INDUSTRY | Oui | | Oui | | Oui | |
| YEAR | Oui | | Oui | | Oui | |
| Nombre d'observations | 940 | | 940 | | 940 | |
| R2 | 48.19% | | 30.97% | | 41.11% | |
| Chi2 (<i>p</i> -value) | 3976.08 (<i>p</i> = 0.000) | | 1104.48 (<i>p</i> = 0.000) | | 1140.64 (<i>p</i> = 0.000) | |
| Test d'indépendance de Breusch-Pagan (Chi2, <i>p</i> -value) | | | 54.213 (<i>p</i> = 0.000) | | | |

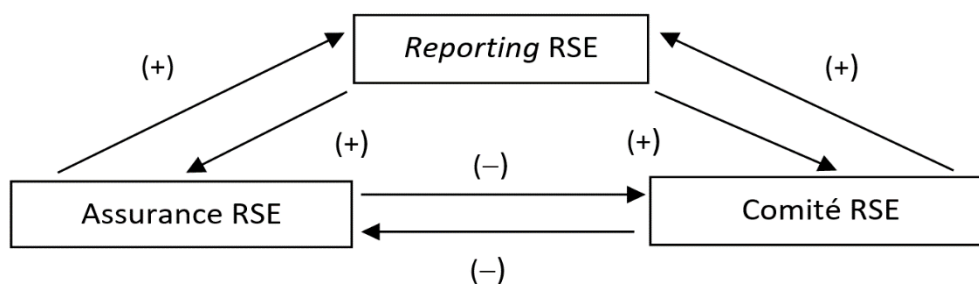
*, **, *** représentent respectivement une signification à 10%, 5% et 1%.

Tableau I.4 : Résultats de la régression GMM en référence au rang RSE

| Variables | Modèle 1 : RANG_RSE | | Modèle 2 : COM_RSE | | Modèle 3 : ASS_RSE | |
|---|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | Coeff. | t-test | Coeff. | t-test | Coeff. | t-test |
| Lag RANG_RSE | 0.836*** | 44.92 | | | | |
| Lag COM_RSE | | | 0.751*** | 29.65 | | |
| Lag ASS_RSE | | | | | 0.793*** | 36.00 |
| RANG_RSE | | | 0.088*** | 9.82 | 0.047*** | 4.48 |
| COM_RSE | 0.930*** | 7.02 | | | -0.194*** | -8.11 |
| ASS_RSE | 0.792*** | 6.52 | -0.131*** | -4.58 | | |
| TAI_CA | 0.034 | 0.36 | 0.030 | 0.81 | -0.004 | -0.10 |
| IND_CA | 0.233 | 1.15 | -0.088 | -1.50 | -0.001 | -0.02 |
| FEM_CA | -0.060 | -0.14 | 0.134 | 0.95 | -0.087 | -0.88 |
| DIL_CA | -0.159* | -1.94 | 0.024 | 0.83 | 0.058*** | 2.90 |
| DUAL | 0.333*** | 4.34 | -0.115*** | -4.66 | -0.073*** | -3.60 |
| LONG | 0.060 | 1.37 | -0.010 | -0.58 | 0.026 | 1.48 |
| PRO_FAM | 0.447*** | 3.14 | -0.059 | -0.77 | -0.106** | -2.01 |
| PRO_INST | 0.311** | 1.98 | -0.094** | -2.35 | 0.019 | 0.49 |
| PRO_SAL | 1.376*** | 6.37 | -1.085*** | -4.36 | -0.666*** | -3.32 |
| LEV | -0.402 | -1.13 | -0.146 | -1.42 | 0.024 | 0.28 |
| R&D | 0.257 | 0.28 | -0.729** | -2.00 | 0.020 | 0.09 |
| RA | -1.561 | -0.90 | 0.536 | 1.22 | 0.628 | 1.62 |
| QT | -0.039 | -0.45 | 0.016 | 0.90 | -0.001 | -0.02 |
| BETA | -0.163 | -1.14 | 0.036 | 0.89 | -0.009 | -0.26 |
| INTERN | 0.113 | 0.90 | -0.063* | -1.66 | -0.051** | -2.22 |
| TAI | 0.021 | 0.65 | -0.027*** | -3.02 | -0.001 | -0.03 |
| INTERCEPT | -0.994* | -1.74 | 0.486*** | 3.02 | 0.173 | 0.91 |
| IND | | Oui | | Oui | | Oui |
| ANNEE | | Oui | | Oui | | Oui |
| Nombre d'observations | | 790 | | 790 | | 790 |
| R2 | 6975.19 ($p = 0.000$) | | 3356.28 ($p = 0.000$) | | 5365.07 ($p = 0.000$) | |
| Test d'Arellano-Bond pour AR(1) | -4.44 ($p = 0.000$) | | -5.81 ($p = 0.000$) | | -4.70 ($p = 0.000$) | |
| Test d'Arellano-Bond pour AR(2) | -0.74 ($p = 0.458$) | | -0.95 ($p = 0.342$) | | -0.11 ($p = 0.323$) | |
| Test des restrictions de sur-identification de Sargan | 859.99 ($p = 0.000$) | | 690.19 ($p = 0.000$) | | 618.13 ($p = 0.000$) | |
| Test des restrictions de sur-identification de Hansen | 69.56 ($p = 0.152$) | | 63.98 ($p = 0.123$) | | 55.51 ($p = 0.344$) | |

*, **, *** Represent significance at 0.05, 0.01 and 0.001 levels, respectively.

Figure I



Chapitre II : Reporting volontaire en matière de responsabilité sociale : un effet modérateur de comité RSE et de l'assurance RSE

Si la littérature sur le reporting RSE s'est largement enrichie avec le développement des pratiques en la matière (Perrini, 2005), Il n'en reste pas moins que le reporting RSE demeure critiqué dans la mesure où il n'est pas toujours en mesure de fournir des estimations fiables sur la performance de l'organisation en matière de RSE (Cho et al., 2014) : il n'apporte pas d'informations suffisantes, s'avère partial et, dans la plupart des cas, relativement trivial (Gray, 2006). Certaines récentes études se sont concentrées sur le rôle fondamental du comité RSE et l'assurance RSE, en tant que deux mécanismes de gouvernance d'entreprise axés sur le développement durable, le premier interne et le second externe, dans la divulgation des activités RSE et sur leur relation mutuelle (Jones & Solomon, 2010; Ruhnke & Gabriel, 2013; Kend, 2015; Peters & Romi, 2015). Cependant, à notre connaissance, aucune recherche n'a encore pris en compte le rôle modérateur que joue le comité RSE et l'assurance RSE dans la relation entre le reporting RSE volontaire et la valeur de marché de l'entreprise.

Dans ce chapitre, nous nous intéressons à la perception des actionnaires à la divulgation des informations RSE en présence de ces deux mécanismes de gouvernance orientés RSE tout en considérant que le reporting RSE, le comité RSE et l'assurance RSE sont déterminés de manière endogène. Pour cela, nous nous appuyons sur des données recueillies auprès d'un échantillon d'entreprises françaises du SBF120 entre 2001 et 2011, traitées en recourant à la Méthode des Moments Généralisés (GMM) en panel dynamique. Nos résultats montrent que l'impact d'un

reporting RSE de qualité sur la valeur de marché de l'entreprise est positif lorsque les entreprises optent pour un comité RSE et négatif pour les entreprises faisant recours à l'assurance RSE. En effet, l'impact d'un recours à une assurance RSE sur la valeur perçue du reporting RSE n'est positif que pour les entreprises exposées à des risques environnementaux élevés, démontrant un besoin sans équivoque de gérer leur image et de gagner en légitimité. Ce chapitre vient compléter le chapitre précédent en étudiant le rôle modérateur du comité RSE et de l'assurance RSE entre le reporting RSE et la valeur de marché.

II.1 Revue de la littérature et développement des hypothèses

II.1.1 Reporting RSE et valeur de marché de l'entreprise

Bien que les travaux sur la relation entre le reporting RSE et la valeur de marché de l'entreprise soient aujourd'hui nombreux, la nature de la relation n'est pas encore clairement identifiée et dépend de divers facteurs. Cho et al. (2014) soulignent qu'il n'est pas certain qu'un niveau donné d'informations RSE corresponde à une valeur donnée de marché. Plus récemment, Nekhili et al. (2017a) développent un indice original d'analyse de contenu fondé sur les éléments définis par la loi Grenelle II, conformément aux lignes directrices de la GRI, et ont identifié une relation positive entre reporting RSE volontaire et valeur de marché des entreprises françaises mesurée par le Q de Tobin. Dans l'ensemble, l'effet du reporting RSE sur la valeur de marché des entreprises est ambigu. Nous formulons donc deux hypothèses alternatives:

H1a. Le reporting RSE a un impact positif sur la valeur de marché de l'entreprise.

H1b. Le reporting RSE a un impact négatif sur la valeur de marché de l'entreprise.

II.1.2 Rôle modérateur du comité RSE

Les auteurs qui défendent l'importance du comité RSE soutiennent que les entreprises qui décident de créer un comité RSE signalent leur préoccupation pour les questions sociales et ont tendance à être plus transparentes en termes de RSE (par exemple, Cowen et al., 1987; Mallin & Michelon, 2011; Ruhnke & Gabriel, 2013). Fuente et al., (2017) considèrent le comité RSE comme étant un mécanisme de responsabilité important fournissant des informations fiables et crédibles à toutes les parties prenantes et jouant un rôle clé dans la surveillance de la gestion des risques.

H2. Le reporting RSE est plus pertinent pour les entreprises disposant d'un comité RSE.

II.1.3 Rôle modérateur de l'assurance RSE

Tandis que les recherches de Cho et al., (2014) et Fazzini et Dal Maso (2016) ne notent aucune perception significative et positive de l'assurance RSE par les investisseurs, Moroney et al. (2012) montrent que la qualité de la divulgation environnementale volontaire est nettement plus élevée pour les entreprises assurées que pour les entreprises non assurées, dans la mesure où les parties prenantes exigent une assurance indépendante pour améliorer la qualité et la crédibilité des informations environnementales d'entreprise. Les considérations ci-dessus conduisent à l'hypothèse suivante:

H3. Le reporting RSE est plus pertinent pour les entreprises ayant recours à une assurance RSE.

II.2 Méthodologie

Cette section décrit notre échantillon, les différentes variables utilisées ainsi que notre modèle empirique.

II.2.1 Echantillon

L'étude empirique porte sur les sociétés françaises cotées au SBF120 pour la période 2001-2011. Les sociétés financières, immobilières et d'assurance ont été retirées de l'échantillon en raison de la nature particulière de leurs activités et de la réglementation s'y appliquant. La période de référence coïncide avec la mise en œuvre de la loi NRE (Nouvelles Régulations Économiques) en 2001 et précède l'entrée en vigueur de la loi Grenelle II en 2012. Selon la loi NRE, la divulgation RSE est non coercitif, et donc purement volontaire. Les variables relatives à la gouvernance, à la propriété du capital et à la RSE ont été recueillies directement dans les rapports annuels des entreprises, tandis que les données financières proviennent de la base de données ThomsonOne.

II.2.2 Les variables de régression

II.2.2.1 Variable dépendante : *Q de Tobin*

À la suite des contributions de Cormier, Aerts, Ledoux, & Magnan (2009), Cahan, De Villiers, Jeter, Naiker, & Van Staden (2016) et Nekhili et al. (2017a, b), le Q de Tobin est ici utilisé pour mesurer la valeur de marché des entreprises. Le Q de Tobin est calculé par le rapport entre la valeur de l'entreprise (capitalisation boursière + valeur comptable des dettes financières) et la valeur comptable de l'actif total.

II.2.2.2 Variable endogène : *le reporting RSE, le comité RSE et l'assurance RSE*

En référence à la méthodologie proposée par Botosan (1997), l'objectif est de mesurer le niveau global de *reporting* RSE à partir de chacune de ses trois dimensions (*reporting* social, *reporting* environnemental, *reporting* en matière de durabilité). La grille contient au final 42 items répartis en trois catégories. L'indice d'analyse de contenu de la divulgation est le rapport entre la note globale attribuée au *reporting* RSE et la note maximale égale à la somme des éléments pertinents. Le comité RSE est une variable dichotomique qui prend la valeur 1 si

une entreprise dispose d'un comité RSE, et 0 sinon. De son côté, l'assurance RSE est également une variable dichotomique qui prend la valeur 1 si l'entreprise recourt à une assurance RSE, et 0 sinon.

II.2.2.3 Variables de contrôle

Suivant les recherches antérieures (par exemple Liao, Lin, & Zhang, 2018 ; Nekhili et al., 2017a, b ; Peters & Romi, 2015), nous utilisons un ensemble de variables de contrôles censées influencer le reporting RSE, le comité RSE, l'assurance RSE et la valeur de marché de l'entreprise. Nous contrôlons pour la taille du conseil d'administration (BOARD_SIZE), l'indépendance du conseil (BOARD_IND), la présence d'une femme administrateur dans le conseil d'administration (FEM_DIR), le nombre de réunion du conseil d'administration (MEET), la dualité des fonctions du CEO (DUAL), le mandat du CEO (TENURE), l'actionnariat familial (FAM_OWN), l'actionnariat institutionnel (INST_OWN), l'actionnariat salarié (EMPL_OWN), l'effet de levier (LEV), le risque systématique (RISK), l'intensité des investissements R&D (R&D), les actifs étrangers (FOR_ASS), la loi Grenelle I (GRE1), la taille de l'entreprise (SIZE), et enfin l'industrie (INDUSTRY).

II.2.3 Modèle empirique

La relation entre le reporting RSE, l'assurance RSE, d'une part, et la valeur de marché, d'autre part, peut être affectée par certaines caractéristiques non observables. En outre, comme l'indiquent Cai, Lee, Wu, Xu, & Zeng (2017), le rendement passé peut influencer sur la divulgation RSE des entreprises. Le problème classique de l'endogénéité se pose donc ici. Pour le résoudre, nous avons utilisé la Méthode des Moments Généralisés (GMM) en deux étapes de Blundell de Bond (1998), et nous avons effectué une estimation du modèle suivant (Équation 1) :

$$\text{TOBIN} = \beta_0 + \beta_1 \text{Lag TOBIN} + \beta_2 \text{CSR_REP} + \beta_3 \text{CSR_COM} + \beta_4 \text{CSR_ASS} + \beta_5 \text{BOARD_SIZE} + \beta_6 \text{BOARD_IND} + \beta_7 \text{FEM_DIR} + \beta_8 \text{MEET} + \beta_9 \text{DUAL} + \beta_{10} \text{TENURE} +$$

$$\beta_{11} \text{FAM_OWN} + \beta_{12} \text{INST_OWN} + \beta_{13} \text{EMPL_OWN} + \beta_{14} \text{LEV} + \beta_{15} \text{RISK} + \beta_{16} \text{R\&D} + \beta_{17} \text{FOR_ASS} + \beta_{18} \text{SIZE} + \beta_{18} \text{GREI} + \beta_{18} \text{INDUSTRY} + \varepsilon$$

II.3 Résultats

II.3.1 Résultats préliminaires

Les résultats du modèle 1 du tableau II.1 soulignent un impact négatif et significatif du reporting RSE sur la valeur de marché de l'entreprise (avec $\beta_2 = -0,132$, $t = 2,27$, $p < 0,01$), ce qui suggère que la divulgation volontaire en matière de RSE, bien que conforme aux lignes directrices de la GRI, est évaluée de manière négative par les actionnaires. Cette constatation est conforme à celle de Nekhili et al. (2017a) dans le contexte français et confirme un problème récurrent de crédibilité de la divulgation volontaire en matière de RSE. L'hypothèse H1b est validée.

Tableau II.1 : Régression du Q de Tobin sur le *reporting* RSE

| Variables | Equation 1 : <i>Reporting RSE</i> | |
|---------------------------------------|--------------------------------------|--------|
| | Coeff. | t-test |
| Lag TOBIN | 0.636*** | 92.47 |
| REP_RSE | -0.132** | -2.27 |
| COM_RSE | | |
| ASS_RSE | | |
| BOARD_SIZE | -0.088*** | -4.30 |
| BOARD_IND | -0.037 | -1.16 |
| FEM_DIR | -0.297*** | -3.74 |
| MEET | -0.058*** | -3.56 |
| DUAL | -0.077*** | -5.16 |
| TENURE | -0.001 | -0.02 |
| FAM_OWN | 0.141*** | 3.23 |
| INST_OWN | -0.041 | -1.00 |
| EMPL_OWN | -0.810*** | -4.60 |
| LEV | -0.298*** | -6.22 |
| R&D | -0.062 | -0.46 |
| BETA | 0.069** | 2.50 |
| FOR_ASS | -0.123*** | -3.98 |
| SIZE | -0.001 | -0.17 |
| GRE 1 | 0.078*** | 9.23 |
| Intercept | 0.979*** | 8.17 |
| INDUSTRY | | Oui |
| Nombre d'observations | | 784 |
| Fisher (Prob > F) | 41666.59 (p = 0.000) | |
| Arellano-Bond test AR(1) (z, p-value) | -2.89 (p = 0.007) | |
| Arellano-Bond test AR(2) (z, p-value) | 1.37 (p = 0.172) | |
| Sargan test (Chi-square, p-value), | 637.82 (p = 0.000) | |
| Hansen test (Chi-square, p-value) | 78.60 (p = 0.225) | |

*, **, *** Represent significance at 0.05, 0.01 and 0.001 levels, respectively.

II.3.2 Test des hypothèses H2 et H3

Nous dérivons une variable muette, à savoir un reporting RSE de qualité (HCSR_REP), qui prend la valeur 1 si le niveau de reporting RSE est supérieur à la médiane (47,62%), et 0 sinon. Les résultats indiquent que le coefficient d'effet d'un reporting RSE de qualité sur la valeur de marché de l'entreprise est significativement négatif dans le modèle 1, ce qui suggère que les actionnaires perçoivent négativement une divulgation RSE plus riche et plus étendue. Ce constat est en phase avec celui de Nekhili et al. (2017a), qui confirment qu'un niveau élevé de divulgation volontaire en matière de RSE ne fournit pas d'informations pertinentes.

Afin de déterminer dans quelle mesure un reporting RSE de qualité et une assurance RSE affectent conjointement la valeur du marché de l'entreprise, un test conjoint des coefficients a été effectué pour un reporting RSE de qualité HCSR_REP et la somme des coefficients « HCSR_REP * CSR_COM » (Équation 2) :

$$\text{Tobin's } q = \beta_0 + \beta_1 \text{ Lag TOBIN} + \beta_2 \text{ HCSR_REP} + \beta_3 \text{ CSR_COM} + \beta_4 \text{ CSR_ASS} + \beta_5 (\text{HCSR_REP} * \text{CSR_COM}) + \beta_6 \text{ Control variables} + \varepsilon$$

Il en ressort que la somme des coefficients [HCSR_REP + HCSR_REP*CSR_COM] suggère l'existence d'un effet positif et significatif sur le Q de Tobin. En raison de l'importance du comité RSE pour aborder les questions RSE, un reporting RSE de qualité sera plus pertinent pour les actionnaires lorsque les entreprises possèdent un comité RSE au sein du conseil. L'hypothèse H2 est validée.

Pour déterminer dans quelle mesure un reporting RSE de qualité et une assurance RSE affectent conjointement la valeur de marché de l'entreprise, nous effectuons un test conjoint des coefficients de reporting RSE de qualité «HCSR_REP» et du terme d'interaction « HCSR_REP * CSR_ASS» (Equation 3) :

$$\text{Tobin's } q = \beta_0 + \beta_1 \text{Lag Tobin's } q + \beta_2 \text{HCSR_REP} + \beta_3 \text{CSR_COM} + \beta_4 \text{CSR_ASS} + \beta_5 (\text{HCSR_REP} * \text{CSR_ASS}) + \beta_6 \text{Control variables} + \varepsilon$$

Le résultat suggère l'existence d'un effet négatif d'un reporting RSE de qualité sur le Q de Tobin pour les entreprises ayant recouru à une assurance RSE (avec $\beta_2 + \beta_5 = -0,292$, $t = -2,44$, $p < 0,01$), ce qui est en contradiction avec H3. Ceci signifie que le marché sous-estime la présence d'un reporting RSE de qualité lorsque les entreprises font appel à des auditeurs externes pour disposer d'une assurance de leurs rapports RSE.

Tableau II.2 : Régression du Q de Tobin sur le reporting RSE de qualité, le comité RSE et l'assurance RSE

| Variables | Model 1 | | Model 2 | | Model 3 | |
|---|-----------|--------------------------|-----------|-------------------------|-----------|-------------------------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag TOBIN | 0.643*** | 42.99 | 0.658*** | 33.30 | 0.647*** | 49.51 |
| HCSR_REP | -0.092*** | -3.35 | -0.083* | -1.70 | -0.069* | -1.78 |
| CSR_COM | -0.142*** | -4.85 | -0.573*** | -8.21 | -0.119*** | -3.65 |
| CSR_ASS | -0.077** | -2.18 | -0.167*** | -5.77 | 0.149 | 1.22 |
| HCSR_REP * CSR_COM | | | 0.396*** | 5.65 | | |
| HCSR_REP * CSR_ASS | | | | | -0.223* | -1.67 |
| BOARD_SIZE | -0.070 | -2.25 | -0.141*** | -3.27 | -0.082*** | -2.80 |
| BOARD_IND | -0.001 | -0.02 | -0.112* | -1.78 | -0.065 | -1.16 |
| FEM_DIR | -0.334*** | -3.28 | -0.456*** | -3.96 | -0.281** | -2.48 |
| BOARD_MEET | -0.036 | -1.45 | 0.004 | 0.11 | -0.059** | -2.40 |
| DUAL | -0.080*** | -3.93 | -0.137*** | -4.85 | -0.074*** | -3.76 |
| TENURE | 0.006 | 0.34 | 0.017 | 0.85 | 0.002 | 0.08 |
| FAM_OWN | 0.171*** | 3.35 | 0.137** | 2.24 | 0.101 | 1.62 |
| INST_OWN | 0.006 | 0.13 | 0.031 | 0.70 | -0.003 | -0.07 |
| EMPL_OWN | -0.875*** | -3.15 | -1.072*** | -3.96 | -0.827*** | -3.21 |
| LEV | -0.313*** | -4.29 | -0.226*** | -2.80 | -0.283*** | -3.59 |
| R&D | 0.026 | 0.11 | 0.176 | 0.89 | -0.239 | -0.50 |
| RISK | 0.126*** | 3.21 | 0.072 | 1.45 | 0.097** | 2.36 |
| FOR_ASS | -0.166*** | -4.30 | -0.172*** | -3.50 | -0.169*** | -4.37 |
| GRE1 | 0.009 | 0.94 | 0.028** | 2.31 | 0.013 | 1.42 |
| SIZE | 0.130*** | 10.92 | 0.164*** | 12.96 | 0.127*** | 9.62 |
| Intercept | 0.581*** | 3.23 | 0.511** | 2.35 | 0.656*** | 3.92 |
| Industry_FE | | Yes | | Yes | | Yes |
| Number of observations | | 784 | | 784 | | 784 |
| Wald Chi2 (Prob > F) | | 27253.75 ($p = 0.000$) | | 2413.80 ($p = 0.000$) | | 9881.94 ($p = 0.000$) |
| Arellano-Bond test AR(1) (z, p -value), | | -2.88 ($p = 0.004$) | | -2.92 ($p = 0.004$) | | -2.90 ($p = 0.004$) |
| Arellano-Bond test AR(2) (z, p -value), | | 1.42 ($p = 0.155$) | | 1.47 ($p = 0.141$) | | 1.40 ($p = 0.161$) |
| Sargan test (Chi-square, p -value), | | 637.31 ($p = 0.000$) | | 138.64 ($p = 0.000$) | | 290.51 ($p = 0.000$) |
| Hansen test (Chi-square, p -value), | | 74.92 ($p = 0.322$) | | 65.91 ($p = 0.280$) | | 71.58 ($p = 0.269$) |
| Joint test: HCSR_REP + (HCSR_REP * CSR_COM) | | | 0.312*** | 4.33 | | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_ASS) | | | | | -0.292** | -2.44 |

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively.

II.4 Analyses Supplémentaires : Quelle importance l'industrie a-t-elle ?

Nos résultats précédents montrent qu'un reporting RSE de qualité n'est pas pertinent lorsque les entreprises adoptent l'assurance RSE. Ce résultat peut être dû au fait que l'assurance RSE est spécifiquement pertinente pour les entreprises exposées aux risques environnementaux, démontrant un besoin sans équivoque de renforcer la crédibilité de leurs rapports RSE (Simnett et al., 2009; Gillet-Monjarret, 2015). Pour illustrer cet argument, nous effectuons un test conjoint des coefficients de reporting RSE de qualité et d'assurance RSE (et/ou comité RSE) pour les entreprises opérant dans des industries écologiquement sensibles (ESI). Nous spécifions ensuite le statut ESI par une variable muette qui prend la valeur 1 si l'entreprise appartient à une industrie plus sensible à l'environnement et 0 sinon (Equation 4) :

$$\text{Tobin's } q = \beta_0 + \beta_1 \text{Lag TOBIN} + \beta_2 \text{HCSR_REP} + \beta_3 \text{CSR_ASS} + \beta_4 \text{CSR_COM} + \beta_5 \text{ESI} + \beta_5 (\text{HCSR_REP} * \text{CSR_ASS} * \text{ESI} \text{ or } \text{HCSR_REP} * \text{CSR_COM} * \text{ESI} \text{ or } \text{HCSR_REP} * \text{CSR_ASS} * \text{CSR_COM} * \text{ESI}) + \beta_6 \text{Control variables} + \varepsilon$$

Les résultats obtenus dans le modèle 2 concernant la mise en place d'un comité RSE confirment ceux observés dans le tableau II.2 pour l'échantillon total. En revanche, les résultats du modèle 3 montrent que l'impact du terme d'interaction «HCSR _REP * CSR_ASS» sur la valeur de marché de l'entreprise diffère de manière significative si nous considérons ou non l'industrie ESI. Le test conjoint des coefficients de reporting RSE de qualité et le terme d'interaction (HCSR _REP * CSR_ASS * ESI) sur la valeur de marché de l'entreprise est très positif et significatif au niveau de 1% ($\beta_2 + \beta_5 = 1,315$, $t = 13,14$). Ce résultat est conforme à la prédiction de Simnett et al. (2009) et GilletMonjarret (2015) que l'assurance RSE par un tiers indépendant est spécifiquement pertinente pour les entreprises plus exposées aux risques environnementaux afin de gérer leur image et d'acquérir une légitimité.

Tableau II.3 : Régression du Q de Tobin sur le reporting RSE de qualité, le comité RSE et l'assurance RSE pour les entreprises ESI

| Variables | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
|---|--------------------------|--------|--------------------------|--------|-------------------------|--------|--------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag TOBIN | 0.665*** | 60.51 | 0.655*** | 52.87 | 0.630*** | 39.79 | 0.652*** | 56.23 |
| HCSR_REP | -0.089*** | -6.10 | -0.053*** | -3.15 | -0.178*** | -9.74 | -0.057*** | -3.89 |
| CSR_COM | -0.049*** | -2.78 | -0.168*** | -10.34 | -0.082*** | -4.47 | -0.094*** | -4.43 |
| CSR_ASS | 0.009 | 0.47 | -0.032* | -1.89 | -0.245*** | -9.99 | -0.058*** | -4.48 |
| ESI | -0.011 | -0.47 | -0.177*** | -8.07 | -0.462*** | -8.78 | -0.086*** | -3.67 |
| HCSR_REP * CSR_COM * ESI | | | 0.770*** | 13.81 | | | | |
| HCSR_REP * CSR_ASS * ESI | | | | | 1.494*** | 14.59 | | |
| HCSR_REP * CSR_COM * CSR_ASS*ESI | | | | | | | 0.561*** | 10.45 |
| BOARD_SIZE | -0.034 | -1.42 | -0.065*** | -2.85 | -0.039 | -1.45 | -0.050* | -1.89 |
| BOARD_SIZE | -0.036 | -1.22 | -0.063 | -1.55 | -0.098 | -1.43 | -0.050 | -1.40 |
| FEM_DIR | -0.147* | -1.85 | -0.118 | -1.59 | -0.188* | -1.71 | -0.138* | -1.81 |
| BOARD_MEET | -0.037** | -2.31 | -0.059*** | -4.24 | -0.080*** | -3.33 | -0.054*** | -3.76 |
| DUAL | -0.042*** | -2.94 | -0.079*** | -4.26 | -0.084*** | -4.08 | -0.060*** | -4.07 |
| TENURE | 0.057*** | 5.55 | 0.072*** | 4.88 | 0.136*** | 9.44 | 0.072*** | 7.26 |
| FAM_OWN | 0.119*** | 2.62 | 0.153*** | 3.52 | 0.255*** | 4.87 | 0.141*** | 3.08 |
| INST_OWN | 0.025 | 0.75 | 0.056* | 1.71 | 0.114*** | 3.98 | 0.020 | 0.62 |
| EMPL_OWN | -0.958*** | -6.04 | -1.009*** | -3.87 | -0.996*** | -3.56 | -0.901*** | -3.94 |
| LEV | -0.370*** | -8.09 | -0.347*** | -4.98 | -0.485*** | -5.81 | -0.387*** | -6.04 |
| R&D | 0.027 | 0.32 | 0.117 | 1.15 | 0.263** | 2.34 | 0.119 | 1.01 |
| RISK | -0.024 | -1.38 | -0.066*** | -2.89 | 0.057* | 1.76 | -0.017 | -0.79 |
| FOR_ASS | -0.112*** | -4.53 | -0.048 | -1.61 | -0.120*** | -3.78 | -0.089*** | -3.97 |
| GRE1 | 0.074*** | 8.24 | 0.067*** | 6.82 | 0.053*** | 4.04 | 0.062*** | 5.58 |
| SIZE | -0.019*** | -3.01 | -0.024*** | -3.45 | -0.017* | -1.78 | -0.022*** | -3.24 |
| Intercept | 0.911*** | 10.01 | 1.124*** | 11.27 | 0.908*** | 5.95 | 1.007*** | 10.70 |
| Number of observations | 784 | | 784 | | 784 | | 784 | |
| Wald Chi2 (Prob > F) | 50158.62 ($p = 0.000$) | | 25760.27 ($p = 0.000$) | | 6522.52 ($p = 0.000$) | | 11172.32 ($p = 0.000$) | |
| Arellano-Bond test AR(1) (z , p -value), | -2.90 ($p = 0.004$) | | -2.95 ($p = 0.003$) | | -2.94 ($p = 0.003$) | | -2.92 ($p = 0.003$) | |
| Arellano-Bond test AR(2) (z , p -value), | 1.36 ($p = 0.173$) | | 1.38 ($p = 0.169$) | | 1.36 ($p = 0.173$) | | 1.37 ($p = 0.170$) | |
| Sargan test (Chi-square, p -value), | 630.15 ($p = 0.000$) | | 627.26 ($p = 0.000$) | | 631.01 ($p = 0.000$) | | 631.50 ($p = 0.000$) | |
| Hansen test (Chi-square, p -value), | 80.20 ($p = 0.190$) | | 79.10 ($p = 0.190$) | | 77.36 ($p = 0.229$) | | 79.55 ($p = 0.181$) | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_COM * ESI) | | | 0.717*** | 13.26 | | | | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_ASS * ESI) | | | | | 1.315*** | 13.14 | | |
| Joint test: HCSR_REP + (HCSR_REP * CSR_COM * CSR_ASS * ESI) | | | | | | | 0.503*** | 8.80 |

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively.

Chapitre III : Contribution de la qualité de l'assurance RSE à la pertinence des rapports de développement durable autonomes

La responsabilité sociale des entreprises (RSE), souvent appelée développement durable, a été étendue au fil du temps, ce qui a conduit à une tendance croissante des entreprises à publier des rapports RSE autonomes (Cohen & Simnett, 2015; Guidry & Patten, 2010; Patten & Zhao, 2014; Simnett et al., 2009). Bien que l'utilisation de rapports RSE autonomes soit considérée comme un outil puissant pour communiquer avec les groupes de parties prenantes en matière de divulgation RSE (Patten et Zhao, 2014; Thorne et al., 2014), Il n'en reste pas moins que les rapports autonomes RSE demeure critiqué quant à la crédibilité perçue des informations fournies (Cho, Michelon, & Patten, 2012, 2014; Du & Wu, 2019; Mahoney, Thorne, Cecil, & LaGore, 2013; Wang & Li 2016) et comme outil de gestion de l'image (Michelon, Pilonato, & Ricceri, 2015 ; Patten & Zhao 2014). La demande de services d'assurance de qualité peut ainsi être un outil de gestion pertinent pour répondre aux préoccupations concernant la crédibilité et la fiabilité perçue des informations liées à la RSE divulguées dans les rapports RSE autonomes.

En utilisant un échantillon de sociétés françaises cotées du SBF 120 sur une période allant de 2007 à 2017, nous utilisons l'approche d'estimation du système GMM pour évaluer la pertinence des rapports RSE autonomes tels que déterminés et modérés de manière endogène par la qualité des services d'assurance. Nos résultats montrent que la valeur de marché négative perçue de l'émission d'un rapport RSE autonome est réduite par le recours à des services d'assurance de qualité. Sur la base d'une approche de test conjoint, nos résultats montrent que

les effets marginaux d'un niveau d'assurance raisonnable, d'un étendu d'assurance plus large, du respect des normes internationales pour les missions d'assurance et du choix d'un commissaire aux comptes comme vérificateur RSE sont positifs et significatifs sur la relation entre l'émission d'un rapport RSE autonome et la valeur de marché de l'entreprise. De plus, nos résultats montrent que les aspects clés des services d'assurance sont encore plus pertinents dans le cadre d'un régime d'assurance obligatoire.

III.1 Revue de la littérature et développement des hypothèses

III.1.1 Rapports RSE autonomes et valeur de marché de l'entreprise

Malgré la littérature empirique croissante revisitant les réponses du marché à la publication des rapports RSE autonomes (Berthelot, Coulmont, & Serret, 2012; Cho et al., 2014; Dhaliwal, Li, Tsang, & Yang, 2011; Guidry & Patten, 2010; Wang & Li, 2016), les évidences de leur impact sur la perception de la crédibilité des informations auprès des parties prenantes sont limitées. La publication des rapports RSE autonomes peut attirer plus d'utilisateurs dans la mesure où ces rapports sont plus complets et plus détaillés (Hodge, Subramaniam, & Stewart, 2009). En revanche, Guidry et Patten (2010) ne notent aucune perception significative et positive de la divulgation d'un rapport de développement durable par les investisseurs. Récemment, Wang et Li (2016) constatent pour les sociétés chinoises cotées en bourse, que le marché réagit positivement à l'émission des rapports RSE autonomes de qualité. Ceci nous conduit à formuler deux hypothèses alternatives:

H1a. La publication d'un rapport RSE autonome a un impact positif sur la valeur de marché de l'entreprise.

H1b. La publication d'un rapport RSE autonome a un impact négatif sur la valeur de marché de l'entreprise.

III.1.2 Le rôle modérateur des services de l'assurance RSE de qualité

Il existe au moins quatre aspects clés des services d'assurance considérés dans la littérature comme reflétant potentiellement la qualité de l'assurance RSE: le niveau de l'assurance, l'étendu de l'assurance, la conformité aux normes internationales pour les missions d'assurance et le type du prestataire d'assurance (Clarkson, Li, Richardson, & Tsang, 2019; Junior, Best, & Cotter, 2014; Mock, Strohm, & Swartz, 2007). La fiabilité des rapports RSE semble être étroitement liée à la qualité des services d'assurance, ce qui conduit à avancer une deuxième hypothèse formulée comme suit :

H2. La publication d'un rapport RSE autonome est plus pertinente en présence de services d'assurance de qualité.

III.1.3 L'effet obligatoire du régime d'assurance

Gillet-Monjarret (2018) précise que l'entrée en vigueur en 2012 de la loi française Grenelle II, exigeant une assurance RSE externe obligatoire par un tiers, renforce la volonté de crédibilité des informations sociétales diffusées par les entreprises françaises. Par conséquent, notre troisième hypothèse est la suivante.

H3. La contribution des services d'assurance de qualité à la pertinence du rapport RSE autonome est renforcée dans un régime d'assurance obligatoire.

III.2 Méthodologie

Cette section décrit notre échantillon, les sources de données, les différentes variables utilisées ainsi que le modèle empirique.

III.2.1 Echantillon

Pour examiner nos hypothèses de recherche, nous utilisons un échantillon de sociétés françaises cotées au SBF 120 (les sociétés financières, d'assurance et immobilières ayant été

exclues en raison des différences de réglementation et de gouvernance d'entreprise), sur une période de 11 ans, de 2007 à 2017. Notre échantillon final est limité à 596 observations. Une analyse qualitative du contenu est effectuée sur les déclarations d'assurance RSE de chaque observations afin de déterminer l'état des principaux aspects du processus d'assurance et de coder chacune des variables modératrices muettes (niveau, étendu, conformité aux normes internationales et prestataire d'assurance). Les données de performance ESG sont obtenues à partir de la base de données Thomson Reuters Asset4. Les variables de gouvernance et de propriété sont obtenues à partir de la base de données Orbis (Bureau Van Dijk). Les informations comptables et financières ont été recueillies auprès de ThomsonOne DataStream.

III.2.2 Les variables de régression

III.2.2.1 Variable dépendante : Q de Tobin

En s'appuyant sur les travaux antérieurement conduits de Cahan et al. (2016) et Nekhili et al. (2017a, b), nous utilisons le Q de Tobin pour mesurer la valeur de marché de l'entreprise. Le Q de Tobin, en tant que mesure de la performance des entreprises basée sur le marché, reflète les attentes des investisseurs et intègre les opportunités de croissance potentielles et les performances opérationnelles futures. L'avantage d'utiliser le Q de Tobin par rapport aux mesures de performance basées sur la comptabilité telles que le ROA et le ROE est qu'il est moins affecté par les normes comptables et par la gestion des bénéfices par les managers (Dechow, Sloan, & Sweeney, 1996).

III.2.2.2 Variable endogène : Le rapport RSE autonome

Le rapport RSE autonome est représenté par une variable dichotomique qui prend la valeur 1 si l'entreprise émet un rapport RSE autonome et 0 sinon.

III.2.2.3 Variables modératrices : AssQual

AssQual est une variable indicatrice de la qualité de l'assurance RSE et a été divisée en quatre variables modératrices représentées par quatre variables muettes tels que définis par le niveau d'assurance, l'étendu de l'assurance, l'adoption de normes internationales pour les missions d'assurance et le choix du type de prestataire d'assurance. Le niveau d'assurance prend la valeur 1 lorsque l'entreprise obtient un niveau raisonnable d'assurance RSE et 0 lorsque l'entreprise obtient un niveau d'assurance RSE modéré ou limité. L'étendu de l'assurance prend la valeur 1 lorsque l'ensemble du rapport RSE est assuré, et 0 sinon. La variable liée à l'utilisation des normes internationales pour les missions d'assurance est égale à 1 lorsque l'assurance est fournie conformément aux normes (AA1000AS ou ISAE 3000), et 0 sinon. Le type du prestataire d'assurance est égale à 1 lorsque l'assurance RSE est fournie par un cabinet d'audit et à 0 sinon. La loi Grenelle II est une variable modératrice binaire égale à 1 après l'entrée en vigueur de la loi Grenelle II en 2012 et 0 sinon.

III.2.2.4 Variables de contrôle

Nous utilisons un ensemble de variables de contrôles censées influencer la décision d'émettre un rapport RSE autonome et la valeur de marché de l'entreprise. Nous contrôlons pour la performance ESG (ESGPer), la présence de comité RSE (CSRCom), la taille du conseil d'administration (BOARD_SIZE), l'indépendance du conseil (BOARD_IND), le nombre de réunion (BOARD_MEET), la dualité des fonctions du CEO (Dual), le mandat du CEO (CEO_TEN), l'actionnariat familial (FAM_OWN), l'actionnariat institutionnel (INST_OWN), rentabilité des actifs (ROA), l'effet de levier (LEV), l'intensité des investissements R&D (Research and Development), la taille de l'entreprise (Size).

III.2.3 Modèle empirique

La relation entre la valeur de marché de l'entreprise, mesurée par Q de Tobin, et la publication d'un rapport RSE autonome peut être affectée par certaines caractéristiques inobservables. Pour le résoudre, nous avons utilisé la Méthode des Moments Généralisés (GMM) en deux étapes de Blundell de Bond (1998), afin d'atténuer les différents problèmes d'endogénéité. Notre équation s'exprime alors comme suit:

$$\begin{aligned} \text{Tobin} = & \beta_0 + \beta_1 \text{Lag Tobin} + \beta_2 \text{Stand} + \beta_3 \text{AssQual} + \beta_4 \text{GrenLaw} + \beta_5 \text{ESGPer} + \beta_6 \text{CSRCom} \\ & + \beta_7 \text{BOARD_SIZE} + \beta_8 \text{BOARD_IND} + \beta_9 \text{BOARD_MEET} + \beta_{10} \text{Dual} + \beta_{11} \text{CEO_TEN} + \\ & \beta_{12} \text{FAM_OWN} + \beta_{13} \text{INST_OWN} + \beta_{14} \text{ROA} + \beta_{15} \text{LEV} + \beta_{16} \text{R\&D} + \beta_{17} \text{Size} + \beta_{18} \text{Year_FE} \\ & + \beta_{19} \text{Industry_FE} + \varepsilon \end{aligned}$$

III.3 Résultats

III.3.1 Test des hypothèses H1a et H1b

Les résultats de l'approche d'estimation du système GMM (Model 3) montrent un impact négatif et significatif de la publication d'un rapport RSE autonome sur la valeur de marché de l'entreprise ($\beta_2 = -0,049$, $t = -1,99$), ce qui suggère que les actionnaires hésitent à utiliser ces informations dans leur évaluation des Activités RSE. Cette constatation est cohérente avec Guidry et Patten (2010) et Wang et Li (2016). L'hypothèse H1b est validée et nous rejetons l'hypothèse H1a.

Tableau III.1 : Régression du Q de Tobin sur la publication d'un rapport RSE autonome

| Variables | Model 1: OLS | | Model 2: Fixed effect | | Model 3: System GMM | |
|---|-----------------------|--------|--------------------------|--------|-------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| <i>Lag</i> Tobin | | | | | 0.914*** | 119.68 |
| Stand | -0.061 | -0.89 | -0.056 | -1.14 | -0.049*** | -1.99 |
| ESGPer | 0.571 | 1.06 | 1.137*** | 2.94 | 0.371*** | 4.85 |
| CSRCom | 0.201*** | 2.62 | 0.331*** | 4.77 | 0.065*** | 3.63 |
| BOARD_SIZE | -0.065 | -0.33 | -0.111 | -0.60 | -0.011 | -0.27 |
| BOARD_IND | -0.130 | -0.58 | 0.204 | 1.13 | -0.070 | -1.21 |
| BOARD_MEET | 0.097 | 1.20 | 0.001 | 0.01 | 0.018 | 1.24 |
| Dual | -0.200*** | -2.72 | -0.108* | -1.71 | 0.070*** | -3.85 |
| CEO_TEN | -0.046 | -0.92 | 0.032 | -0.79 | -0.007 | -0.73 |
| FAM_OWN | -0.047 | -0.37 | -0.056 | -0.34 | -0.052** | -2.27 |
| INST_OWN | 0.617*** | 2.88 | 0.606* | 1.64 | -0.018 | -0.37 |
| ROA | 13.699*** | 16.79 | 5.276*** | 8.01 | 1.271*** | 5.02 |
| LEV | 1.310*** | 5.05 | 1.574*** | 5.71 | 0.388*** | 7.07 |
| R&D | 1.655 | 1.60 | 3.443 | 1.59 | -0.223 | -0.76 |
| Size | -0.141*** | -3.77 | -0.846*** | -10.70 | -0.050*** | -7.82 |
| Intercept | 2.152*** | 2.86 | 13.510*** | 9.82 | 0.646*** | 4.53 |
| Year | Yes | | Yes | | Yes | |
| Industry | Yes | | No | | Yes | |
| Number of obs. | 478 | | 478 | | 440 | |
| R Squared | 54.02% | | 47.80% | | | |
| F (Prob > F) | 38.86 ($p = 0.000$) | | 25.71 ($p = 0.000$) | | 7564.91 ($p = 0.000$) | |
| Arellano-Bond test AR(1) (z, p -value): | | | | | -2.73 ($p = 0.003$) | |
| Arellano-Bond test AR(2) (z, p -value): | | | | | 0.30 ($p = 0.767$) | |
| Sargan test (Chi-square, p -value): | | | | | 221.02 ($p = 0.000$) | |
| Hansen test (Chi-square, p -value): | | | | | 46.09 ($p = 0.165$) | |

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively.

III.3.2 Test de l'hypothèse H2

Nous testons H2 en estimant l'effet marginal de chaque aspect clé des services d'assurance sur la pertinence de la publication du rapport RSE autonome. Pour ce faire, nous utilisons l'approche de test conjoint.

$$\begin{aligned} \text{Tobin} = & \beta_0 + \beta_1 \text{Lag Tobin} + \beta_2 \text{Stand} + \beta_3 \text{AssQual} + \beta_4 (\text{Stand} * \text{AssQual}) + \beta_5 \text{GrenLaw} + \beta_6 \\ & \text{ESGPer} + \beta_7 \text{CSRCom} + \beta_8 \text{BOARD_SIZE} + \beta_9 \text{BOARD_IND} + \beta_{10} \text{BOARD_MEET} + \beta_{11} \\ & \text{Dual} + \beta_{12} \text{CEO_TEN} + \beta_{13} \text{FAM_OWN} + \beta_{14} \text{INST_OWN} + \beta_{15} \text{ROA} + \beta_{16} \text{LEV} + \beta_{17} \text{R\&D} \\ & + \beta_{18} \text{Size} + \beta_{19} \text{Year_FE} + \beta_{20} \text{Industry_FE} + \varepsilon \end{aligned}$$

Les résultats du tableau III.2 montrent que, bien que les actionnaires soient susceptibles de réagir négativement à la publication d'un rapport RSE autonome, ils réagissent positivement

à des services d'assurance de qualité, témoignent un étendu d'assurance plus large, un niveau d'assurance raisonnable, le respect des normes internationales pour les missions d'assurance, et le choix d'un cabinet d'audit comme prestataire d'assurance. Conformément à H2, les résultats des modèles 1, 2, 3 et 4 du tableau III.2 montrent que les coefficients conjoints ($\beta_2 + \beta_4$) sont positifs et significatifs, ce qui prouve que la pertinence de la publication d'un rapport RSE autonome est nettement améliorée lorsqu'il est combiné avec les services d'assurance de qualité.

Tableau III.2 : Régression du Q de Tobin sur la publication d'un rapport RSE autonome et les services d'assurance de qualité

| Variables | Model 1: Stand*Level | | Model 2: Stand*Scope | | Model 3: Stand*InternStand | | Model 4: Stand*Provider | |
|---|-----------------------------|--------|-----------------------------|--------|-------------------------------|--------|-----------------------------|--------|
| | Coef. | t-test | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag Tobin | 0.825*** | 60.93 | 0.861*** | 72.85 | 0.880*** | 114.02 | 0.856*** | 92.06 |
| Stand | -0.332*** | -11.47 | 0.071** | 2.14 | -0.280*** | -3.66 | -0.074 | -0.46 |
| Level | -0.233*** | -4.79 | | | | | | |
| Stand*Level | 0.611*** | 8.14 | | | | | | |
| Scope | | | -0.055** | -2.00 | | | | |
| Stand*Scope | | | 0.128*** | 3.01 | | | | |
| InternStand | | | | | 0.192*** | 2.70 | | |
| Stand*InternStand | | | | | 0.514*** | 7.26 | | |
| Provider | | | | | | | 0.111 | 0.81 |
| Stand*Provider | | | | | | | 0.223** | 2.33 |
| GrenLaw | 0.185*** | 6.93 | 0.065*** | 3.79 | -0.010 | -0.57 | -0.001 | -0.03 |
| ESGPer | 0.401*** | 4.30 | 0.044 | 0.35 | 0.187* | 1.79 | -0.212* | -1.78 |
| CSRCom | 0.101*** | 5.31 | 0.365*** | 8.29 | -0.011 | -0.22 | 0.353*** | 7.58 |
| BOARD_SIZE | -0.109* | -1.95 | -0.212*** | -3.56 | -0.281*** | -6.66 | -0.192*** | -2.84 |
| BOARD_IND | -0.241*** | -4.87 | -0.206*** | -2.96 | -0.502*** | -7.43 | -0.207*** | -3.19 |
| BOARD_MEET | -0.001 | -0.06 | -0.073** | -2.34 | -0.011 | -0.63 | -0.053** | -2.33 |
| DUAL | -0.142*** | -6.96 | -0.013 | -0.49 | -0.098*** | -3.92 | -0.055** | -1.99 |
| CEO_TEN | 0.007 | 0.39 | -0.023* | -1.87 | -0.013 | -0.75 | -0.002 | -0.11 |
| FAM_OWN | -0.023 | -0.46 | -0.052 | -1.44 | -0.027 | -0.76 | -0.077* | -1.81 |
| INST_OWN | -0.041 | -0.49 | -0.206*** | -3.34 | -0.212*** | -3.35 | -0.369*** | -4.36 |
| ROA | 2.806*** | 8.81 | 2.102*** | 6.93 | 2.163*** | 10.76 | 2.294*** | 7.03 |
| LEV | 0.464*** | 6.09 | 0.612*** | 9.35 | 0.514*** | 7.90 | 0.405*** | 5.49 |
| R&D | 0.627 | 1.43 | 0.890*** | 2.86 | -0.351* | -1.70 | 0.376 | 1.10 |
| Size | -0.056*** | -4.98 | -0.078*** | -6.79 | -0.042*** | -3.33 | -0.089*** | -6.26 |
| Intercept | 1.064*** | 4.54 | 1.744*** | 9.65 | 1.467*** | 5.49 | 2.030*** | 6.29 |
| Industry (?) | Yes | | Yes | | Yes | | Yes | |
| Number of obs. | 440 | | 440 | | 440 | | 440 | |
| F (Prob > F) | 7114.26 (<i>p</i> = 0.000) | | 2030.87 (<i>p</i> = 0.000) | | 8445.63 (<i>p</i> = 0.000) | | 7132.20 (<i>p</i> = 0.000) | |
| Arellano-Bond test AR(1) (<i>z</i> , <i>p</i> -value): | 4.71 (<i>p</i> = 0.000) | | -2.83 (<i>p</i> = 0.004) | | -2.81 (<i>p</i> = 0.004) | | -2.81 (<i>p</i> = 0.004) | |
| Arellano-Bond test AR(2) (<i>z</i> , <i>p</i> -value): | -0.90 (<i>p</i> = 0.336) | | -0.83 (<i>p</i> = 0.406) | | -0.74 (<i>p</i> = 0.459) | | -0.51 (<i>p</i> = 0.610) | |
| Sargan test (Chi-square, <i>p</i> -value): | 194.87 (<i>p</i> = 0.000) | | 414.43 (<i>p</i> = 0.000) | | 391.24 (<i>p</i> = 0.000) | | 409.40 (<i>p</i> = 0.000) | |
| Hansen test (Chi-square, <i>p</i> -value): | 43.94 (<i>p</i> = 0.474) | | 52.46 (<i>p</i> = 0.207) | | 56.96 (<i>p</i> = 0.152) | | 52.31 (<i>p</i> = 0.183) | |
| Difference-in-difference test: Stand + (Stand*Level) | 0.279*** | 4.88 | | | | | | |
| Difference-in-difference test: Stand + (Stand*Scope) | | | 0.198*** | 6.98 | | | | |

| | | | | |
|--|----------|------|----------|------|
| Difference-in-difference test: Stand + (Stand*InternStand) | 0.234*** | 8.01 | | |
| Difference-in-difference test: Stand + (Stand*Provider) | | | 0.148*** | 5.50 |

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively.

III.3.3 Test de l'hypothèse H3

H3 indique que l'effet marginal des services d'assurance de qualité sur la pertinence des rapports RSE autonomes peut être amplifié dans un régime d'assurance RSE obligatoire. Pour tester cette hypothèse, nous estimons le modèle suivant:

$$\begin{aligned} \text{Tobin} = & \beta_0 + \beta_1 \text{Lag Tobin} + \beta_2 \text{Stand} + \beta_3 \text{AssQual} + \beta_4 \text{GrenLaw} + \beta_5 (\text{Stand} * \text{AssQual}) + \beta_6 \\ & (\text{Stand} * \text{GrenLaw}) + \beta_7 (\text{Stand} * \text{AssQual} * \text{GrenLaw}) + \beta_8 \text{ESGPer} + \beta_9 \text{CSRCom} + \beta_{10} \\ & \text{BOARD_SIZE} + \beta_{11} \text{BOARD_IND} + \beta_{12} \text{BOARD_MEET} + \beta_{13} \text{DUAL} + \beta_{14} \text{CEO_TEN} + \beta_{15} \\ & \text{FAM_OWN} + \beta_{16} \text{INST_OWN} + \beta_{17} \text{ROA} + \beta_{18} \text{LEV} + \beta_{19} \text{R\&D} + \beta_{20} \text{Size} + \beta_{21} \text{Year_FE} + \beta_{22} \\ & \text{Industry_FE} + \varepsilon \end{aligned}$$

Les résultats du tableau III.3 montrent qu'après l'entrée en vigueur en 2012 de la loi Grenelle II, l'impact de la publication de rapports RSE autonomes sur la valeur de marché des entreprises est significativement positif lorsque les entreprises adoptent un niveau raisonnable d'assurance RSE (modèle 1), opter pour un étendu plus large de l'assurance RSE (modèle 2), se conformer aux normes internationales pour les missions d'assurance (modèle 3) et choisir un cabinet d'audit comme prestataire d'assurance (modèle 4). La loi Grenelle II renforce la contribution des services d'assurance de meilleure qualité à la pertinence de publier un rapport RSE autonome. L'hypothèse H3 est donc validée.

Tableau III.3 : Régression du Q de Tobin sur la publication d'un rapport RSE autonome et les services d'assurance de qualité après l'entrée en vigueur de la loi Grenelle II

| Variables | Model 1: Stand* | | Model 2: Stand* | | Model 3: Stand* | | Model 4: Stand* | |
|---------------------------|--------------------|--------|--------------------|--------|---------------------|--------|--------------------|--------|
| | Level*GrenLaw | | Scope*GrenLaw | | InternStand*GrenLaw | | Provider*GrenLaw | |
| | Coef. | t-test | Coef. | t-test | Coef. | t-test | Coef. | t-test |
| Lag Tobin | 0.859*** | 74.80 | 0.884*** | 61.60 | 0.803*** | 49.74 | 0.800*** | 58.46 |
| Stand | 0.512*** | 12.71 | 0.214*** | 5.50 | -0.135 | -1.38 | 0.591* | 1.73 |
| GrenLaw | 0.352*** | 8.32 | 0.908*** | 4.03 | 0.648*** | 4.22 | 1.299*** | 3.04 |
| Stand*GrenLaw | -0.544*** | -8.27 | -0.876*** | -3.69 | -1.075*** | -3.70 | -7.527* | -1.71 |
| Level | 1.014*** | 7.27 | | | | | | |
| Stand*Level | -0.787*** | -5.73 | | | | | | |
| Level*GrenLaw | -0.688*** | -3.96 | | | | | | |
| Stand*Level*GrenLaw | 1.328*** | 3.56 | | | | | | |
| Scope | | | 0.078 | 1.21 | | | | |
| Stand*Scope | | | 0.596*** | 5.19 | | | | |
| Scope*GrenLaw | | | -0.926*** | -3.67 | | | | |
| Stand*Scope*GrenLaw | | | 0.361 | 1.35 | | | | |
| InternStand | | | | | 0.249*** | 2.61 | | |
| Stand*InternStand | | | | | -0.019 | -0.12 | | |
| InternStand*GrenLaw | | | | | -0.669*** | -3.85 | | |
| Stand*InternStand*GrenLaw | | | | | 1.103*** | 3.53 | | |
| Provider | | | | | | | 0.444 | 1.25 |
| Stand*Provider | | | | | | | -0.350 | -0.95 |
| Provider*GrenLaw | | | | | | | -1.075** | -2.50 |
| Stand*Provider*GrenLaw | | | | | | | 7.288* | 1.65 |
| ESGPer | 0.340** | 2.50 | 0.059 | 0.35 | -0.563*** | -3.79 | -1.068*** | -4.44 |
| CSRCom | 0.342*** | 8.31 | 0.339*** | 6.76 | 0.493*** | 7.63 | 0.310*** | 4.17 |
| BOARD_SIZE | -0.359*** | -5.16 | -0.241*** | -3.10 | -0.404*** | -4.27 | -0.295** | -2.45 |
| BOARD_IND | 0.212* | 1.95 | -0.253*** | -2.84 | -0.406*** | -3.08 | -0.694*** | -4.11 |
| BOARD_MEET | -0.081* | -1.82 | -0.038 | -1.00 | -0.025 | -0.90 | 0.200*** | 3.89 |
| DUAL | -0.094** | -2.45 | -0.056** | -2.02 | -0.142*** | -4.70 | -0.417*** | -7.12 |
| CEO_TEN | 0.013 | 0.61 | -0.027 | -1.37 | 0.013 | 0.70 | 0.125*** | 3.62 |
| FAM_OWN | -0.004 | -0.09 | -0.057 | -1.51 | -0.131*** | -2.71 | -0.743*** | -6.32 |
| INST_OWN | 0.213* | 1.93 | -0.094 | -1.04 | -0.428*** | -3.75 | -1.023*** | -5.53 |
| ROA | 2.199*** | 4.22 | 1.390*** | 3.94 | 2.412*** | 5.32 | 2.812*** | 6.29 |
| LEV | 0.644*** | 6.94 | 0.776*** | 9.98 | 0.515*** | 4.93 | -0.676*** | -3.66 |

| | | | | | | | | |
|--|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|
| R&D | 1.120** | 2.31 | 0.642* | 1.67 | 0.408 | 0.87 | -2.362*** | -3.09 |
| Size | -0.129*** | -7.54 | -0.078*** | -5.97 | -0.063*** | -3.50 | 0.014 | 0.47 |
| Intercept | 2.110*** | 6.41 | 1.647*** | 6.55 | 2.464*** | 6.87 | 1.291** | 2.01 |
| Industry (?) | Yes | | Yes | | Yes | | Yes | |
| Number of obs. | 440 | | 440 | | 440 | | 440 | |
| F (Prob > F) | 2743.53 ($p = 0.000$) | | 2591.42 ($p = 0.000$) | | 7972.48 ($p = 0.000$) | | 3563.77 ($p = 0.000$) | |
| Arellano-Bond test AR(1) (z, p -value): | -2.73 ($p = 0.006$) | | -2.32 ($p = 0.020$) | | -2.93 ($p = 0.003$) | | -2.19 ($p = 0.028$) | |
| Arellano-Bond test AR(2) (z, p -value): | 0.21 ($p = 0.834$) | | 0.13 ($p = 0.894$) | | -0.11 ($p = 0.912$) | | 0.06 ($p = 0.307$) | |
| Sargan test (Chi-square, p -value): | 357.24 ($p = 0.000$) | | 316.46 ($p = 0.000$) | | 176.93 ($p = 0.000$) | | 283.19 ($p = 0.000$) | |
| Hansen test (Chi-square, p -value): | 45.11 ($p = 0.343$) | | 46.91 ($p = 0.278$) | | 47.13 ($p = 0.236$) | | 45.04 ($p = 0.307$) | |
| Difference-in-difference test: Stand + (Stand*Level*GrenLaw) | 1.840*** | 4.62 | | | | | | |
| Difference-in-difference test: Stand + (Stand*Scope*GrenLaw) | | | 0.575** | 2.10 | | | | |
| Difference-in-difference test: Stand + (Stand*InternStand*GrenLaw) | | | | | 0.968*** | 2.65 | | |
| Difference-in-difference test: Stand + (Stand*Provider*GrenLaw) | | | | | | | 7.879*** | 4.78 |

*, **, *** Represent significance at 0.10, 0.05 and 0.01 levels, respectively.

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Titre : Les pratiques de gouvernance RSE : interactions et implications en matière de valorisation boursière de l'entreprise

Mots clés : Reporting RSE, rapport RSE autonome, comité RSE, assurance RSE, qualité de l'assurance RSE, Valeur de marché de l'entreprise.

Résumé : Cette thèse propose d'examiner l'impact des pratiques de gouvernance RSE sur la valeur de marché de l'entreprise. En particulier, nous analysons le rôle modérateur que joue le comité RSE et l'assurance RSE, en tant que deux mécanismes de gouvernance axés sur le développement durable, dans la relation entre le reporting en matière de responsabilité sociale et la valeur de marché de l'entreprise. En utilisant un échantillon de sociétés françaises appartenant à l'indice SBF 120 sur deux périodes différentes de 2001 à 2011 et de 2007 à 2017, nos résultats montrent que le comité RSE et l'assurance RSE peuvent constituer un outil stratégique de premier plan pour améliorer la capacité de l'entreprise à divulguer davantage de renseignements sur ses obligations en matière de RSE. L'investigation de terrain permet de conclure que le comité RSE et l'assurance RSE puissent se substituer l'un à l'autre. En étudiant leur impact sur la valeur de marché de l'entreprise, les résultats indiquent que l'avantage de disposer d'un comité RSE et/ou d'une assurance RSE

ne provient pas de son effet direct sur la valeur de marché telle que mesurée par le Q de Tobin, mais plutôt de son rôle modérateur entre le reporting RSE et la valeur de marché. En effet, l'impact d'un reporting RSE de qualité sur la valeur de marché de l'entreprise est positif lorsque les entreprises optent pour un comité RSE. En revanche, pour les entreprises faisant recours à l'assurance RSE, l'impact d'un reporting RSE de qualité sur la valeur de marché de l'entreprise n'est positif que pour les entreprises exposées à des risques environnementaux élevés, démontrant un besoin sans équivoque de gérer leur image et de gagner en légitimité. Notre recherche est complétée par l'examen du rôle modérateur de la mise en place des services de l'assurance RSE de qualité, dans la relation entre la divulgation d'un rapport de développement durable autonome et la valeur de marché de l'entreprise. Le résultat trouvé renforce la contribution des services d'assurance de qualité à la pertinence des rapports RSE autonomes.

Title : CSR governance practices: interactions and implications for the firm's market valuation

Keywords: CSR reporting, Standalone CSR report, CSR committee, CSR assurance, quality of CSR assurance services, Firm market value.

Abstract: This thesis attempts to examine the impact of CSR practices on firm market value. Particularly, we analyze the moderating role of the two sustainability-oriented corporate governance mechanisms, CSR committee and CSR assurance on the relationship between CSR reporting and the firm's market value. Using a sample of French firms belonging to the SBF 120 index over two different periods from 2001 to 2011 and from 2007 to 2017, our results show that both CSR committee and CSR assurance act as a strategic tool to enhance the company's ability to disclose more on CSR duties. We also show that the creation of a CSR committee and the demand for CSR assurance may substitute for each other. By studying their impact on firm market value, we conclude that the advantage of having a CSR committee and/or CSR assurance does not stem from their direct effect on market value, but from their moderating role between CSR reporting and firm's market value.

Our results show that while a higher level of CSR reporting is relevant for shareholders when firms have a CSR committee in the board, CSR assurance is specifically relevant only for firms exposed to environmental risks, demonstrating an unequivocal need to enhance the credibility of their CSR reporting. Our research is not limited to evaluating the effects of the presence or absence of external assurance but also investigates the relationship between the issuance of a standalone CSR report and the firm's market value, depending on the quality of assurance services. The result highlights the contribution of higher-quality assurance services to the relevance of standalone CSR reports. This thesis covers several disciplines namely accounting, accountability and corporate governance with may be a great interest for regulators, investors, managers and shareholders.

