

Review Article

Current Status of Research on Environmental, Social and Governance Practices: A Systematic Literature Review

Abstract :

Corporations utilise a significant portion of environmental and human resources for production and related processes. Profit maximisation was the only motive behind any business in the past. However, its long-term existence depends on its involvement with the environment and society, which shows the importance of sustainable practices. This study attempts to analyse the prevailing status of research on corporate sustainability to find the literature gap for future research. Using specific inclusion and exclusion criteria, 114 articles published in the Scopus database were selected for in-depth review and analysis. Analysis indicates that the publication trend was tailed towards recent years. Most of the available literature was found to have been undertaken in developed countries. The most considered themes are the determinants of sustainability, sustainability and firm performance, and compliance level of sustainability. Stakeholder theory is the widely used theory for explaining corporate sustainability. Future studies need a shift towards other aspects like the impact on earnings management, cost of capital, market risk, and the like. The unavailability of an exact measurement scale compelled the researchers to use different proxies to measure corporate sustainability. More efforts are required to find the correct indicator of absolute sustainability level instead of the ESG score provided by different databases.

Keywords: ESG, corporate sustainability, sustainable development, systematic literature review, literature analysis

1.Introduction

Human society continually seeks progress. The resource exploitation has reached an all-time high due to human society's never-ending quest for advancement. The development of the economy brings not only opportunities but also challenges. The relevance of sustainable and comprehensive development has increased again after the spread of COVID-19. Natural resources are being depleted as a result of the unprecedented rapid expansion of economic growth and development, which is being driven by the "must-have and must-buy" economy. The problems of resource exploitation began in the 1940s, and they did not receive enough attention from the UN until 1968. Severe sustainable development problems demanded sustainable development action plans and more concentration on these issues. The United Nations' 2030 agenda created a renewed focus on sustainable development and the role played by businesses (Pranugrahaning et al., 2021). Sustainable development can be defined as development that meets the needs of the present without jeopardising the ability of coming generations to satisfy their own needs. Corporates have a vital role in attaining Sustainable Development Goals (SDG). Corporate sustainability is a corporate strategy that maximises long-term shareholder value by cherishing opportunities and minimising risks associated with social, environmental, and economic changes. Long-term existence is more crucial than availing short-term advantages. Normally, corporate sustainability is measured by using environmental, social, and governance (ESG) practices in business enterprises. Recently, companies began to report their non-financial information through sustainability or integrated reporting that integrates their social and environmental activities and contributions.

Corporates are well responsible for preserving the ecosystem and promoting the vulnerable society as they are the major exploiter of natural and human resources. Sustainability will remain a concept until and unless corporates are seriously concerned about their duties. Similarly, the SDGs will remain as goals rather than in practice or results without real efforts from corporates. On the other hand, if corporates integrate social and environmental practices into their routine, it will be a great move towards sustainability or sustainable development. Recently, corporates have shown positive signs by publishing sustainability reports (Goto & Sueyoshi, 2020) along with their annual reports, which may increase their responsibility and concerns regarding social and environmental activities. However, more actions are needed to rationally use natural resources, focusing on sustainable development (Neto et al., 2020). Companies must be more careful about critical issues like

CO₂ emissions and waste management and should try to reduce carbon footprints. On the other side, stakeholders, including investors, governments, and financial institutions, increased their attention towards sustainability practices and pressured the companies to follow or report them. The sustainability committee is also vital in determining corporate sustainability, forcing the company to execute carbon reduction practices and policies (Roman et al., 2021). In short, corporate sustainability is a critical issue in the present scenario.

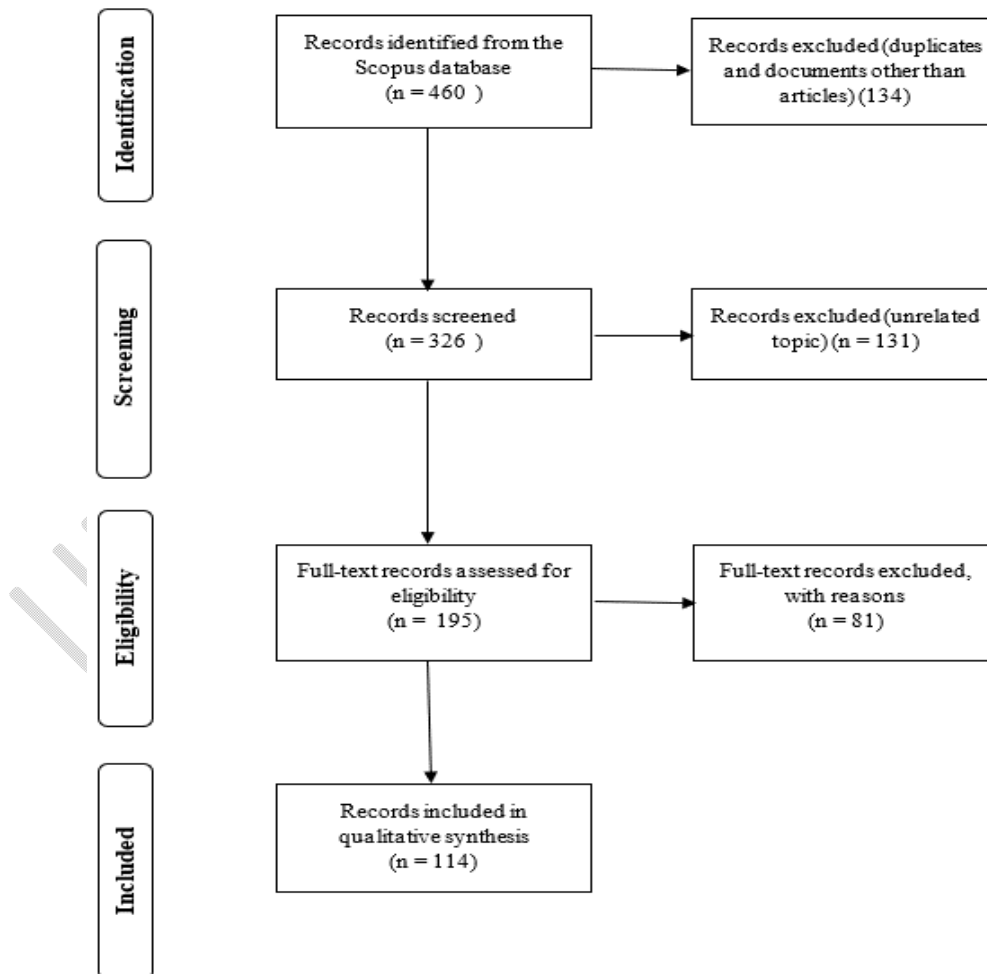
Sustainability and sustainable development play a vital role in protecting the ecosystem and society, which may help preserve it for future generations. Corporate sustainability emerged as a new area of business research that explicitly addresses business enterprises' sustainable practices and remains a contested concept. Reviewing the articles clarifies that the business world progressively and significantly considers sustainability (Pranugrahaning et al., 2021). There are different aspects of corporate sustainability to be analysed, which may not be a replication of available literature. So, consolidation of existing literature will help reduce future researchers' efforts to avoid the explored area and concentrate on unexplored areas. At present, there are few systematic review studies on corporate sustainability practices. Moreover, they mainly focused on factors affecting corporate sustainability practices (Ahmed et al., 2021), organisational characteristics and sustainability performance (Bezerra et al., 2020), CSR practices in family firms (Mariani et al., 2021), and integrative framework for sustainability (de Almeida et al., 2021). There is no comprehensive systematic analysis of existing literature on corporate sustainability; instead, they focused on certain aspects, like the relationship between sustainability and firm performance and sustainable supply chain practices. So this comprehensive review on corporate sustainability may help to reveal over and under-considered themes, relevant theories, research trends, etc. As sustainability becomes more critical and popular, looking back on existing studies is inevitable before further exploring the area. Therefore, this paper aims to understand the current status of research on corporate sustainability and identify unexplored areas in this field. This study aims to analyse the prevailing status of research in corporate sustainability, identify the research gaps, and light the scope for future research.

The remainder of the paper is presented as follows: Section 2 deals with methodology; section 3 presents the results and interpretations; section 4 deals with the discussion; and section 5 discusses the conclusion and the scope for further research in this field.

2. Methodology

Researchers across the globe have already carried out several studies on Corporate Sustainability practices. To systematically analyse the literature in the selected area, the authors have chosen the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analysis) framework(Moher et al., 2009). Data have been downloaded from the Scopus database by using three different keywords, viz., 'Environmental, Social and Governance', 'Sustainable disclosure', and 'Corporate environmental disclosure', with the help of advanced search options available in the Scopus database. Boolean operator 'OR' is also used to arrive at the results. The search was limited to search in title, abstract, and keywords. The study was limited to the last decade, from 2011 to 2021. The search was carried out on 19th February 2021.

Figure 1: Data extraction process



Source: The Author

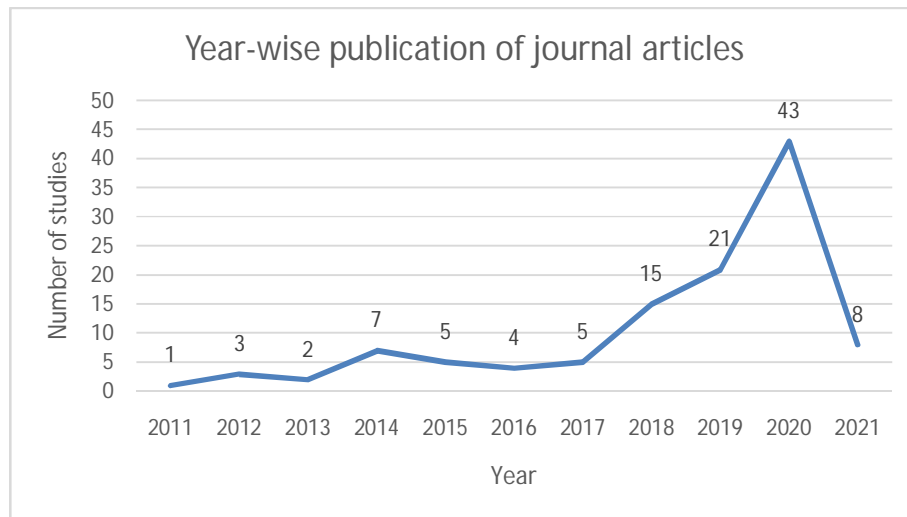
Different inclusion/ exclusion criteria were used to complete the data extraction process and to select relevant articles. Careful scrutiny of the title and abstract of the study helped in arriving best choice of articles in corporate Sustainability practices. We identified 460 documents from the Scopus database and removed 134 documents (duplicates and documents other than articles) using Microsoft Excel. Authors excluded documents other than articles, such as review papers, conference review papers, conference papers, book chapters, books, articles in the press, abstract reports, conceptual papers, and exploratory studies without empirical validation. In short, this study was carried out based on empirical research articles available in the Scopus database. In the screening phase, authors excluded 131 articles that do not exactly deal with corporate sustainability practices, such as those that deal with general sustainable areas like water, forest, soil and timber, which are not directly related to corporates. A full-text evaluation was conducted on 195 articles in order to find the articles that measured the sustainability practices of business organisations. The studies that have concentrated on corporate sustainability practices in certain areas, like determinants of sustainability, compliance level, sustainability impact, stakeholder perception, and the like, have been included.

Employment of the above-stated criteria (see Figure 1) has empowered the authors to choose 114 journal articles. An in-depth analysis was conducted on selected articles, and the required data were recorded in Microsoft Excel. The studies were analysed using descriptive statistics and classified based on author-specified categories such as themes, theories used, variables considered, and others.

3. Results and Interpretation

This section deals with the findings of our literature analysis. The current study has focused on the theme of existing literature, the area of the study, etc. The findings revealed the increasing relevance of the area in the last two decades.

Figure 2: Year-wise classification of articles published during the study period



Source: The Author

After the inclusion/ exclusion criteria were applied, 114 articles were published during the period 2011-2021 and were tailed to recent years. Most of the articles were published in 2020 (See Figure 2). There were 15 studies in 2018, 21 in 2019, and eight in 2021 till 19th February. This result indicates the unquestionable evidence of the increasing popularity of corporate sustainability practices among the researchers and gives momentum to explore more.

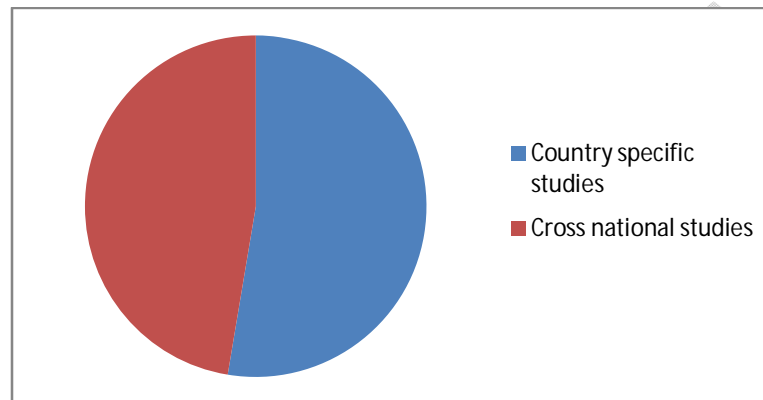
Table 1: Most Published Journals

Journal	Number of articles
Sustainability (Switzerland)	19
Journal of Cleaner Production	13
Business Strategy and the Environment	11
Corporate Social Responsibility and Environmental Management	10
Sustainable Development	5
Journal of Applied Accounting Research	3
Social Responsibility Journal	3
Benchmarking	2
Environmental Science and Pollution Research	2
Journal of International Financial Management and Accounting	2
Journal of Sustainable Finance and Investment	2
Total	72

Source: The Author

After employing the exclusion criteria, the authors included 114 final articles belonging to 53 Scopus-indexed journals. **Table 1** shows the details of the most published journals, which include only those that have published at least two articles. Data indicates that 72 papers were published in 11 journals. The remaining 42 articles belong to 42 different journals. Sustainability (Switzerland) is the leading journal with 19 articles, followed by the Journal of Cleaner Production (13), Business Strategy and Environment (11), and Corporate Social Responsibility and Environmental Management (10).

Figure 3: Place of study

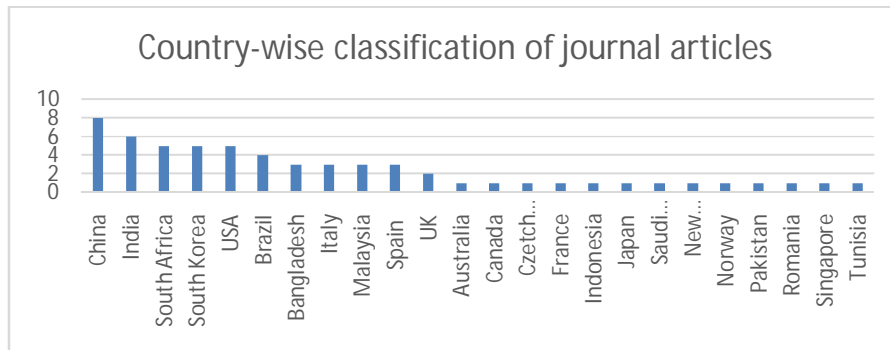


Source: The Author

Few studies have taken place in one particular country, and some other studies have considered companies from different countries. Figure 3 shows that the selected articles include 60 country-specific studies and 54 cross-country studies. Most of the studies are based on data retrieved from prominent databases, which may be the reason behind the increased number of cross-country studies.

The countries in which country-specific studies have been conducted are shown in Figure 4. Country-specific studies spread over 24 countries of different continents. Of these, ten were in Asian countries, followed by seven in Europe, two each from Australia and North America and one in Africa and South America. Around 40 per cent of the studies are from Asia, in which China leads the list by contributing eight studies, followed by India with six articles.

Figure 4: Country-wise studies undertaken



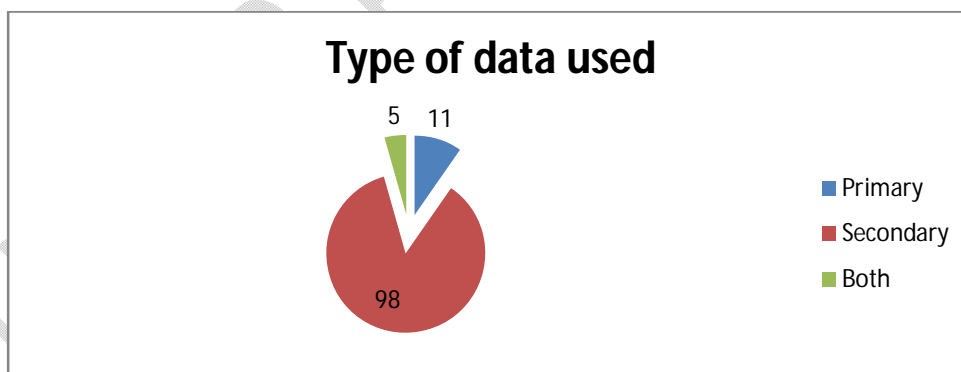
Source: The Author

There are five studies from South Africa, the USA and South Korea, and four from Brazil. Bangladesh, Italy, Malaysia, and Spain have three studies, and the UK published two. The remaining 13 articles belong to 13 different countries. Developed countries, especially the European and American continents, dominated the number of studies conducted while considering country-specific and cross-country studies.

3.1 Content analysis

3.1.1 Nature of the Study

Figure 5: Type of data used



Source: The Author

All the studies are quantitative in nature, which empirically tested the determinants of corporate sustainability practices, the impact of sustainability practices on financial performance, the level of sustainability disclosure and so on. Most of the studies (86 per cent) are secondary data-based, and only 11 studies (approximately 10 per cent) are based on primary data. Five studies considered both primary and secondary data (Vide Figure 5).

3.1.2 Themes of the study

Figure 6: Themes of studies on corporate sustainability



Source: The Author

Literature analysis shows that selected articles deal with various aspects of corporate sustainability practices explored by multiple researchers worldwide at different points of time. Figure 6 shows the different themes identified and combined by the researchers. More than 30 per cent of the studies explored the impact of sustainability practices on firm performance. Thirty-two studies considered factors influencing corporate sustainability practices, and 21 studies dealt with sustainability compliance levels. Only seven studies explored the stakeholders' perceptions regarding corporate sustainability practices using primary data. Other 19 studies have dealt with seven different themes which is combined as others.

Corporate Sustainability and Financial Performance: The main objective of a business is to make maximum profit, and a company's success is usually analysed by looking at its financial performance. It may be the reason for exhaustive consideration of sustainability practices' impact on the firm's performance and specific literature reviews in this relation (Friede et al., 2015). Some authors classified financial performance as accounting-based financial performance (ROA, ROE, etc.) and market-based financial performance (Market to book

value, Tobin's Q, etc.) (Madaleno & Vieira, 2020). There are mixed results from their analysis; most of the studies found that corporate sustainability practices have a direct relationship with financial performance (Bodhanwala & Bodhanwala, 2018; De Lucia et al., 2020; Martinez-Ferrero & Frias-Aceituno, 2013; Ortas et al., 2015; Skare & Golja, 2012; Ting et al., 2020; Yoon et al., 2018; Zhao et al., 2018). But some authors found a negative relationship between sustainability and financial performance (Forgione et al., 2020; Sharma et al., 2019). Madaleno and Vieira (2020) found that corporate sustainability positively influenced the firms' market-based performance (Market Capitalization and Tobin's Q). But it was negative on ROA and ROE due to the additional cost of implementing sustainability practices. Moneva et al. (2020) and Neto et al. (2020) found a neutral relationship between sustainability practices and firm performance indicators (ROA, ROE, ROIC). Most of the studies which investigated the effect of ESG on firm performance considered both the combined impact of ESG and the individual effect of ESG separately (Sharma et al., 2019). The impact of ESG on firm financial performance was found to have heterogeneous results across sectors (Johnson et al., 2019).

Factors Influencing Corporate Sustainability: Corporate Governance variables are the most considered factors in research dealing with corporate sustainability antecedents (Kouaib et al., 2020; Martínez-Ferrero & García-Meca, 2020). The existing studies have evaluated various corporate governance factors, mainly board gender diversity, independent directors, board size, CEO duality, auditor reputation, non-executive directors, CSR committee, and board meeting attendance. Few studies tested the impact of country, industry (Arminen et al., 2017; Ortas et al., 2019), socio-cultural and legal characteristics of an entrepreneur (Niu et al., 2020), and institutional traits other than corporate governance factors like financial profile (Garcia et al., 2017; Singal, 2014), foreign ownership (Rustam et al., 2019), and CSR strategy (Orazalin & Baydauletov, 2020). Some authors exclusively investigated the impact of board gender diversity (Masi et al., 2021; Zahid et al., 2020) and the sustainability committee on sustainability practices (Orazalin, 2020).

ESG Practices or Compliance Level: As corporate sustainability recently emerged as a part of the mainstream and still it is somewhat voluntary, authors interestingly dealt with the compliance level of sustainability (Calvin & Street, 2020; Petrescu et al., 2020) or ESG performance of companies by comparing standards like Globally Reporting Initiatives (GRI), UN Sustainable Development Goals (UN SDGs), United Nations Principles of Responsible

Investment (UN PRI), Task Force on Climate-Related Financial Disclosure (TCFD), and Global Core Indicators of the USA. Cho et al. (2020) and Papoutsis and Sodhi (2020) considered the progress and quality of sustainability reporting. Authors exclusively considered different sectors like insurance (Nogueira et al., 2018), mining (Dong & Xu, 2016), and banks (Islam & Chowdhury, 2016). However, Weber et al. (2014) have undertaken a comparative study to distinguish the financial sector from others regarding ESG compliance. One article exclusively considered the compliance level of remuneration and incentives with G4 guidelines of GRI in South African banks (Smit & Van-Zyl, 2016). Another study focused on mutual fund managers adopting ESG practices and revealed the ignorance of ESG practices by concentrating on increasing financial return (Fakoya & Malatji, 2020).

Stakeholders' Perception Regarding Sustainability: Some authors explained the perception of different stakeholders regarding corporate sustainability practices by collecting primary data. Sultana et al. (2018) investigated the investor's perception of corporate sustainability in Bangladesh by applying the Theory of Planned Behaviour (TPB), Behavioural Asset Pricing Model (BAPM), and Goal-Setting Theory. Results indicate that long-term investors consider sustainability practices more than short-term investors. Investors believe that better ESG-performed firms can perform well in the long run. Palma-Ruiz et al. (2020) studied the changes in investors' decisions in response to corporate donations (considered sustainability practice) in Spain during COVID-19. Their findings indicate that the respondents boycotted investing in companies without commitment during the pandemic. Dimitrov & Davey (2011) considered the role of the Chief Financial Officer (CFO) in the sustainable performance of companies in New Zealand. The CFOs believe that stakeholders are not aware of the difficulties in adopting sustainability. Investors have unrealistic expectations about sustainability. CFOs argue that sustainability is a costly process that cannot contribute to financial performance; instead, it has some non-monetary benefits (Dimitrov & Davey, 2011). Some authors studied the perception or attitude of managers toward sustainability (Camilleri, 2019; Moyeen & West, 2014; Rangaswamy et al., 2020).

Others: Other 19 articles belong to seven different themes. Sustainable supply chain practice is an important theme considered by researchers, which concentrated on factors affecting sustainable supply chain (Sebastianelli & Tamimi, 2020), sustainable supply chain and firm performance (Wang & Sarkis, 2013). Recent studies considered carbon performance (Ali et al., 2021) and factors affecting carbon disclosure (Roman et al., 2021). Sustainability and

earnings management is another area considered. Grimaldi et al. (2020) studied the impact of sustainability engagement on earnings management practices and discovered a small negative impact. Ji et al. (2019) considered both accrual-based and real earnings management to measure earnings management and analyse the effect of sustainable management on earnings management. Some studies have explored the interdependence between environmental, social, and governance dimensions (Mitra & Gaur, 2020). While Budsaratagoon and Jitmaneroj (2019) and Sidhoum and Serra (2018) considered four pillars of sustainability by including the economic pillar with ESG (quadruple bottom line approach), Svensson et al. (2018) tested among Economic, Environmental and Social elements (Triple Bottom Line (TBL)).

Matos et al. (2020) Analysed the impact of ESG practices on the stability of dividend policy and revealed a positive relation, but it was negative for the social dimension. Another study dealt with the performance of socially responsible portfolios and the impact of the geographical area on such ESG performance (Badfa et al., 2020). Xiang et al. (2020) Examined the relationship between companies' environmental disclosure and green innovation, mediating the role of financing channels, sales, and media attention.

3.1.3 Theoretical Models

Extant literature has used different corporate governance models and theories in studies related to corporate sustainability practices. Literature analysis indicates that agency theory (Said et al., 2017), Stakeholder Theory (Gangi et al., 2019; Garcia et al., 2017), Institutional Theory (Camilleri, 2019; Ortas et al., 2019), Resource-Based View ((Sharma et al., 2019; Taylor et al., 2018) and Legitimacy Theory ((Kouaib et al., 2020; Niu et al., 2020) are the extensively used theories. Authors employed these theories individually or collectively to establish a relationship with corporate sustainability. Studies also used some other theories like Slack Resource Theory, Instrumental Stakeholder Theory (Moneva et al., 2020), Upper Echelons Theory (Niu et al., 2020; Orazalin & Baydauletov, 2020), Signalling Theory (Papoutsis & Sodhi, 2020), Imprinting Theory (Niu et al., 2020), Critical Mass Theory (Masi et al., 2021), Theory of Planned Behaviour (TPB), Goal Setting Theory (GST) and Behavioural Asset Pricing Model (BAPM) (Sultana et al., 2018).

Agency theory addresses the conflicting interest between the principal (shareholder) and agent (management) due to information asymmetry and opportunistic behaviour of agents (Shahbaz et al., 2020) and the governance mechanism used to reduce such problems (Govindan et al., 2021). Said et al. (2017) state that agency problems exist between society

and management; managers should consider social issues even if they work for cost reduction and sales maximisation. Agency theory considers only economic aspects and concentrates on financial stakeholders instead of all stakeholders (Kouaib et al., 2020). So, the researchers focused on other approaches to overcome these limitations. The importance of sustainability can be explained using the Stakeholder theory. An organisation consists of different stakeholders having opposite interests. So, the company's activities and decisions should reflect all stakeholders' interests and expectations (Bonson & Bednarova, 2015). Sustainability disclosure may act as a tool for discharging the demand for information to various stakeholders (Grimaldi et al., 2020). Corporate sustainability helps organisations protect stakeholders' interests, including those of suppliers, customers, investors, community, and government, and safeguard the environment, as explained by stakeholder theory.

Hence, corporate behaviour depends highly on the institutional environment of a country. The Institutional theory is used to explain how the country's institutional characteristics determine the internal structure and practices of the company. This theory helps understand and explain the reason behind the disparity among the countries or regions in adopting and practising sustainability (Ortas et al., 2019). Resource dependence theory explains the board of directors' values, such as experience, skill, information and knowledge. A well-structured and diversified board adds effective resources to the organisation. Female directors help to improve sustainable performance and company reputation by maintaining a solid relationship with stakeholders (Orazalin & Baydauletov, 2020). Svensson et al. (2018) expanded the Resource-Based View (RBV) into Natural Resource-Based View (NRBV) and Social Resource-Based View (SRBV). TBL has three elements: economic, environmental and social. So RBV explains the financial aspects, NRBV explains the environmental aspects, and SRBV will explain social factors.

Researchers discovered that the non-financial information disclosure insights stem from the Legitimacy theory (Bonson & Bednarova, 2015). The legitimacy theory explains the 'social contract' prevailing between business and society. Corporate sustainability helps organisations to attain the social contract by protecting the interest of vulnerable societies and the environment. So, the increasing significance of non-financial practices can be explained using the Legitimacy theory. Corporates have to work to reduce the legitimacy gap in accordance with the expectations of stakeholders (Grimaldi et al., 2020).

Systematic analysis of the literature confirms that the extant studies used different dependent variables to analyse the cause and effect of corporate sustainability practices. The authors measured sustainability performance using different proxies, including the ESG score

provided by databases like MSCI, Thomson Reuters, and Bloomberg. The TBL approach calculates the sustainability score based on economic, environmental, and social elements; however, some authors measure sustainability by using content analysis of the sustainability report. Studies used accounting-based and market-based performance indicators like ROA, ROE, ROCE, ROIC, EPS, Tobin's Q, etc., to measure firm performance. Stock market-based studies used theories like CAPM, BAPM, Goal Setting Theory, TPB, etc. Researchers used various theories like agency, stakeholder, legitimacy, and resource dependency theories to explain the antecedence of corporate sustainability practices.

3.1.4 Measures of corporate sustainability

Most of the studies used ESG scores provided by databases like Thomson Reuters, Bloomberg DJSI, MSCI, WIND, etc. Some authors calculated sustainability based on content analysis of sustainability reports of relevant companies. TBL, another method used to measure corporate sustainability, is based on the companies' economic, environmental, and social performance. Another technique, named the quadruple bottom line approach, uses economic, environmental, social, and governance aspects (Budsaratragoon & Jitmaneeroj, 2019; Sidhoum & Serra, 2018). Fakoya and Malatji (2020) considered Economic, Human, Social and Natural Capital, which is known as the four-capital sustainability model. Some studies exclusively considered environmental performance to describe the sustainability of companies (Bager & Lambin, 2020; Corvino et al., 2020; Garzon-Jimenez & Zorio-Grima, 2021; Liu et al., 2021); and authors also considered both Environmental and Social elements for measuring corporate sustainability (Fiandrino et al., 2019; Orazalin, 2020; Orazalin & Baydauletov, 2020).

3.1.5 Target group

Selected studies have focused on different target groups. Most commonly, companies are divided into financial-based companies (Weber et al., 2014), which include banks (Amidjaya & Widagdo, 2020; Gallego-Sosa et al., 2020), insurance companies (Nogueira et al., 2018), etc. and non-financial companies (Campanella et al., 2021; Fiandrino et al., 2019; Rustam et al., 2019). The majority of the studies dealt with non-financial companies. Researchers also focused on specific sectors like energy (Shahbaz et al., 2020), food, tourism (Moneva et al., 2020), mining ((Dong & Xu, 2016), banking (Islam & Chowdhury, 2016; Smit & Van Zyl, 2016), textile (Abreu et al., 2012), manufacturing (Goto & Sueyoshi, 2020), telecommunication (Jasni et al., 2020), and logistic (Govindan et al., 2021). Garcia et al. (2017) classified the target group into environmentally sensitive and non-sensitive

organisations, and Miralles-Quiros et al. (2018) and Yoon et al. (2018) included energy, material, and utility-related sectors as environmentally sensitive sectors. Some studies focused on companies listed in certain databases like MSCI, Thomson Reuters and Bloomberg (Iamandi et al., 2019; Rajesh, 2020) or on companies listed in certain stock markets (Miralles-Quiros et al., 2018; Smit & Van Zyl, 2016). Some studies focused on particular geographical parts like countries and continents (De Lucia et al., 2020; Zahid et al., 2020).

3.1.6 Latest trends

To trace out the latest trends, recent studies published from 2020 and 2021 till February 19th were considered, resulting in the choice of 51 articles. Future scholars would benefit greatly from keeping a close eye on recent articles to grasp the present state of studies in the domain of corporate sustainability and correctly guide them in choosing the best path to take. Recently, carbon performance began to be considered as the dependent variable, which can be used instead of overused measures.

30 out of 51 studies were conducted in a specific country, and 21 were cross-national studies. Among the country-specific studies, 14 out of 30 were conducted in the Asian continent. Seventeen country-specific studies were conducted in developing countries. Forty-five studies used secondary data; three were based on primary data, and the remaining three used primary and secondary data. Factors affecting sustainability is the most considered theme in recent times, and Stakeholder theory is the most used theory. Recently, two studies have considered the upper echelons theory (Niu et al., 2020; Orazalin & Baydauletov, 2020).

4. Discussion

Due to the growing need to safeguard the ecosystem from climate change's effects, corporate sustainability has become a hot topic among researchers. Researchers have paid due attention to sustainability and its importance in the recent past. Corporates are the major exploiters and users of natural and human resources, and extant literature has duly given much attention to revealing the role of corporates in sustainability. Importantly, the UN 2030 agenda may be the main reason for exhaustive consideration of sustainability among researchers and others. **Corporate sustainability and its importance are recognised globally, regardless of whether an economy is developed or developing.** Still, the sustainability practices differ from country to country, and the result is not inspiring as they have not yet reached the expected mark in developing economies. So, it shows the relevance of corporate sustainability studies in developing economies.

In the latter decade, the study was conducted, and the frequency of publication in this area began to increase in gallops. The rapid increase in the number of publications can be evaluated as a welcome sign of encouragement. The focus is on determinants of sustainability, the link between corporate sustainability and firm performance, and the compliance level of sustainability practices. The majority of the studies that considered sustainability antecedents focused on certain corporate governance variables, and the results were inconclusive. Studies dealing with the relationship between corporate sustainability and firm performance also found mixed results, concentrating on specific performance indicators instead of all relevant ones. The results were different for different indicators. It is imperative for the government and regulating authorities to have perfect knowledge of the factors that motivate adopting and continuing sustainability practices in business organisations.

The government and authorities of different countries are establishing and adopting various standards and programs to ensure corporate sustainability, even though it is very relevant to ensure the quality of such country-level standards and the ability to contribute to attaining the 2030 agenda of the United Nations. The standards and practices are weaker in developing countries than in developed ones. The lack of demand from investors to adopt sustainability practices may be the reason for the issue. Investors from European and American countries were more concerned regarding companies' social, environmental, and governance practices, a level that is lower in other parts of the world.

Stakeholder theory, Institutional theory, Resource Dependence theory, Legitimacy theory, and Agency theory are the widely adopted theories to explain corporate sustainability practices. Recently, some authors (Niu et al., 2020) began to adopt theories like the upper echelons theory, which is used to analyse the relationship between the demographic profile of executives and the sustainability behaviour of corporates. The background and life experience of executives significantly influence the adoption of sustainability strategies. Signalling theory is another relevant model used to explain the importance of disclosing sustainability information and its signs to investors and other stakeholders. Firms with strong sustainability practices may disclose their efforts more than a company with lesser effort. Companies disclose ESG information only when the benefits from disclosure exceed the cost (Papoutsi & Sodhi, 2020).

There is no single standard method to measure corporate sustainability, so different authors used different proxies to measure corporate sustainability. So, researchers came up with inconsistent and contradictory results. It is urged that an accurate standard be developed

to measure corporate sustainability. Real spending on sustainability practices may serve the purpose to a great extent.

5. Conclusion and Scope for Future Research

The systematic literature review indicates that studies on corporate sustainability practices are still in infancy, albeit showing a rising trend. **Corporate sustainability research has become increasingly important in light of the significant climate change we are currently experiencing.** The publication trend shows an increasing trend and tailed towards the end of the area attracting more researchers after the Paris Agreement 2015. The partly attained aim of corporate sustainability practices attracts researchers to explore more. More specified and diversified investigations are required to prove sustainability's importance and benefits.

Most of the research has been concentrated on developed countries, and future studies have to focus on emerging countries. Sustainability practices/ compliance of companies, determinants of sustainability, and the impact of sustainability on firm performance are the themes that have been explored the most in this field. Exclusive consideration is essential for the effects of sustainability on the cost of capital, risk, dividend stability, and earnings management.

The studies show inconsistent results while explaining the impact of sustainability on firm performance. Thus, empirical evidence and explanations are required to consolidate such results. Future researchers can combine all the variables used to indicate firm performance, which helps better understand the impact of each performance indicator. Antecedents of corporate sustainability is another area that is extensively considered, and it is crucial to understand the moderating and mediating variables that affect the antecedents of sustainability. Gender diversity of the board and related committees is an important and widely considered factor affecting sustainability. Still, most studies measured diversity as a categorical variable so that future studies may measure it as a continuous variable. Future studies have to consider factors such as sustainability committees, foreign ownership, and the composition of various committees as antecedents of corporate sustainability practices. Top-level employees' social and demographic characteristics are essential factors determining corporate sustainability, which can be explored using resource Dependency theory, Upper Echelons theory and Imprinting theory.

Primary data-based studies in this area are scarce. Few researchers have explored the perception, awareness, and consideration of sustainability among various stakeholders like investors, top-level executives, employees, and customers. There is an urge to identify and

validate precise corporate sustainability indicators. Most researchers stick to ESG scores provided by different databases, which may not reflect a clear picture of corporate sustainability. Researchers may overcome this limitation by using the actual spending of companies for sustainable practices. The TBL model and carbon performance may also serve future researchers' needs. The measurement of corporate sustainability using various proxies that are not real sustainability indicators may lead to inconsistent results.

Studies that considered the impact of sustainability restricted their analysis on firms' financial performance so that researchers could extend the same to other performance indicators. Extant literature proved the importance of sustainability in defending information asymmetry so future researchers can empirically test the impact of sustainability on earnings management practices. Various corporate governance theories were used in the existing literature. But, legitimacy theory and RBV got more attention. Stock market-based studies can use various psychological or behavioural theories like TPB and BAPM.

Meta-analysis and systematic literature review papers are scarce in the selected area. Meta-analysis may help synthesise and consolidate the effect of various factors that influence corporate sustainability. It may also help to conclude the relationship between corporate sustainability and financial performance.

Humans have changed the ecosystem in the last couple of years more than any period in history to meet their greed rather than needs. The world needs developmental practices that ensure social and environmental diversity and preserve the resources for future generations. The authorities and world organisations framed different norms and standards to secure the ecosystem and society. Nevertheless, the existing practices are not up to the mark. It is essential to understand the factors leading to corporate sustainability, and there is a need to prove the benefits that can be achieved through sustainable practices. The findings of this study contribute to the academicians, researchers and student communities.

Disclaimer (Artificial intelligence)

The author hereby declares that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc.) and text-to-image generators have been used during the writing or editing of manuscripts.

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