Tracking the Trend: Is Sustainability Still a Key Area in the Leading Accounting Journals?

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Abstract

The world is undergoing rapid and interconnected changes across environmental, economic, and social dimensions, reinforcing the critical role of sustainability in business and financial markets. This study explores whether sustainability remains a focal topic among academic researchers. By employing keywords such as ESG, CSR, green bonds, human capital, ESG funds, sustainability assurance, climate change, and pollution, we conducted a review of publications in seven top-tier accounting journals ranked "A" by the Scientific Journal Rankings (SJR): British Accounting Review (BAR), Journal of Accounting Research (JAR), Journal of Accounting and Economics (JAE), The Accounting Review (TAR), Review of Accounting Studies (RAS), Accounting, Organizations, and Society (AOS), and Contemporary Accounting Research (CAR). Our findings suggest that sustainability remains a prominent theme in academic discourse, with a notable increase in related research output in recent years. We recommend further exploration into the determinants and implications of sustainability, given its essential role in addressing resource scarcity. This paper contributes to the existing sustainability literature and extends the work of Tsang et al. (2023), who presented a comprehensive review in their study titled "Environmental, Social, and Governance (ESG) Disclosure: A Literature Review.

1. Introduction

Sustainability is not a momentary trend. Since the 2000s, there has been an increasing call for the relevance of sustainability to individuals, firms, and the planet. A common definition of sustainability is “meeting the needs of the present without compromising the ability of future generations to meet their own needs” Brundtland report (1987)1. Sustainability has been associated with the idea that financial position is not the only criterion for firm value in the market. Other factors include the firm's commitment to society and the environment through engagement in sustainability activities.

Therefore, countries still compete to set rules that spur the responsibility acts toward protecting the environment, labor protection and the optimal utilization of resources. For example; imposing “the European Union

[1] The Brundtland Report published in 1987 and retrieved from: https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf

Directive 2014/95" informs large listed firms operating in the EU to disclose their sustainability performance starting from 2017 and beyond. Evidence shows an increase in sustainability activities and disclosure by EU-listed firms even before the directive enters the execution stage (Fiechter et al., 2022). Also, the Securities and Exchange Commission (SEC) founded the Climate and ESG Task Force as a proactive initiative to address ESG violations.

This research is a systematic literature review research and our purpose is to provide a comprehensive review on sustainability literature published in top accounting journals. We examine whether attention to sustainability still exists and infer potential areas for future research.

The rest of this study is organized as follows: We first present our research methodology. Next, we discuss the sustainability publications found and classified into six categories. We discuss avenues for future research, and finally, we present our conclusion and research limitations.

2. Analysis

This research is a systematic literature review research and we follow the study of Tsang et al. (2023) that reviews the ESG publications up to 2021 in seven of the top accounting journals British Accounting Review (BAR), Journal of Accounting Research (JAR), Journal of Accounting and Economics (JAE), The Accounting Review (TAR), Review of Accounting Studies (RAS), Accounting, Organizations and Society (AOS) and Contemporary Accounting Research (CAR). All seven journals are among the Q1-top journals according to scientific journal ranking (SJR). We stretch our review to incorporate all keywords found in prior studies and related to sustainability such as green bonds, human capital, ESG fund, climate change and pollution.
The seven journals have different subject areas, editorial boards and publishers which is considered a challenge to find evidence of the scholars' interest in sustainability. Our analysis reveals that sustainability is still dominant among the approved publications in top journals. We first surveyed each journal's issues manually for 2022-2023 and then searched on Google Scholar using keywords found in prior studies and related to sustainability i.e., (ESG/CSR, climate change, pollution, ESG fund, green bonds, human capital, sustainability assurance) to ensure that we did not miss any sustainability study. We found 57 publications

within two years (2022-2023) compared to the study of Tsang et al. (2023) which found 132 ESG/CSR-related publications between 1978 and 2021. Table 1 shows the publisher and total number of sustainability publications by journal and per year.

Moreover, Sustainability publications exponentially increased massively within a couple of years which doubles from 19 in 2022 to 38 in 2023 indicating that sustainability is still trendy for scholars. Notably, BAR and RAS occupied the first two ranks of top journals that published 55% of the sustainability studies found as shown in Figure1. Most studies were conducted in two giant industrial countries the U.S. and China.

Table 1: Total number of sustainability publications

Journal name	**Publisher**	**2022**	**2023**	**Total**	**%**
British Accounting Review (BAR)	Academic Press	6	11	17	30 %
Review of Accounting Studies (RAS)	Springer New York	6	8	14	25 %
Journal of Accounting Research (JAR)	Wiley-Blackwell Publishing Ltd	1	6	7	12 %
Accounting, Organizations and Society (AOS)	Elsevier	1	6	7	12 %
The Accounting Review (TAR)	American Accounting Association	3	2	5	9%
Journal of Accounting and Economics (JAE)	Elsevier	2	2	4	7%
Contemporary Accounting Research (CAR)	Wiley-Blackwell	0	3	3	5%
Total		**19**	**38**	**57**	**100 %**

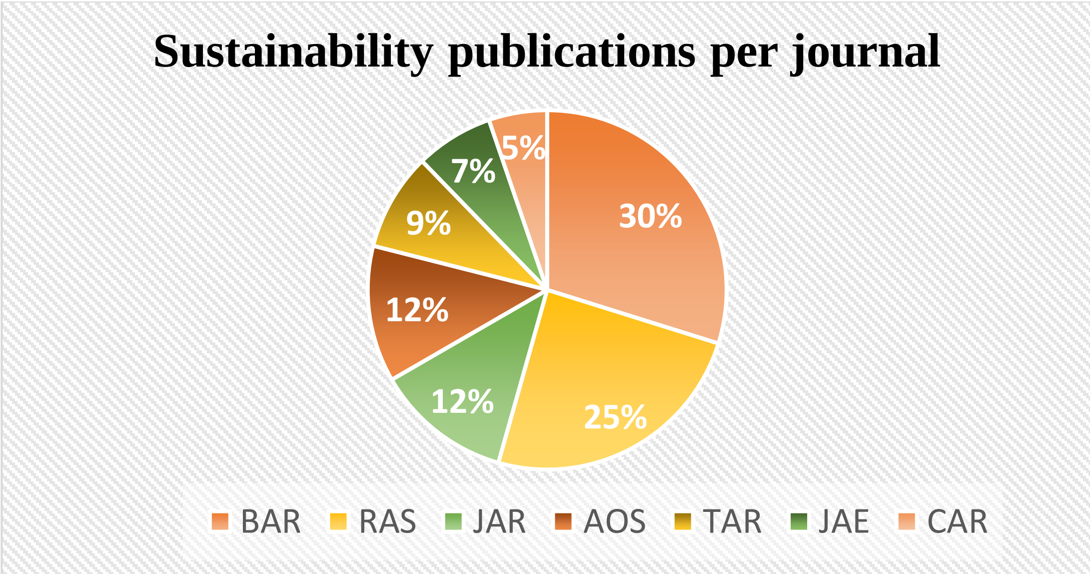

Figure1: Sustainability publications per journal

After reading the title and abstract of each study, we classify the 57 publications into six categories according to the content of each one; the firms' sustainability policies, the board of directors, the environmental performance, the financial institutions, the ESG funds and sustainable bonds and finally the market action vs. reaction. Figure 2 shows the volume of each category and its share of the total number of sustainability publications. The chart indicates that the scholars' major interest is on investigating the market-sustainability nexus. Also, it presents the increase of publications related to assuring sustainability reports are in line with other key categories such as firms' sustainability policies, board of director characteristics and environmental performance. We observe the emergence of new area specified for ESG funds and sustainability bonds. Figure 3 is a conceptual framework that links the six categories with sustainability keywords.

Figure 2: categories share of sustainability publications

2.1 The Firm's Sustainability Policy

Numerous companies have recently become more environmentally conscious. In recent years, sustainability challenges have sparked much interest and debate. Currently, companies are focused on improving their environmental policies in order to improve their company's operations; additionally, stakeholders desire companies that are friendly to the environment, so many companies have implemented specific policies to enhance environmental performance. Prior studies discussed many firm's policies related to sustainability issues. Specifically, Darendeli et al. (2022) explore the role of firms’ environmental efforts when hiring new employees with green skills to improve their CSR performance, and they discover that the policy of firms' investment in green human capital is determined by the percentage of green skills mentioned in job advertising; this percentage leads to an increase in the firm's green score.

Consistently, Smith (2022) examines the consequences of incentivizing employees toward CSR activities labeled as ‘‘Saints employees’’. They find that Saint employees engage in CSR initiatives even though with lower expected compensation. They document that adopting broader CSR initiatives can align with profit maximization. Conversely, Dong et al. (2023) find that firms with poorer labor practices are less likely to meet their targets, as are politically connected firms that receive subsidies in election years.to create or retain a certain number of jobs in the subsidizing state.

Firms' strategies have proven their effect on CSR performance where Firms that concentrate on innovation differentiation benefit from their high CSR performance compared to firms that adopt marketing differentiation and cost leadership (Banker et al., 2023); firms that have ‘‘business networks’’ with China and Italy were more likely to proactively set work-from-home policies to protect their employees to control the severity of the COVID-19 crisis in its early stages (Liu & Shirley Lu, 2023); firms that freeze their retirement savings programs increase CSR participation much more than control firms (Anantharaman et al., 2022). Preuss & Max (2023) assume that firms with higher sociopolitical claims contribute relatively more to politicians who promote diversity and environmental protection. Nevertheless, the results reveal that firms’ majority donations are received by politicians with low preferences toward human and environmental claims.

In the same line, the link between a firm's gender diversity policy and CSR performance has been discussed well in previous studies. They provided evidence that board gender diversity leads to reduced waste generation in companies and enhances environmental performance; in addition, this effect is notable with two or more female representatives (Dyck et al., 2023; Gull et al., 2023). On the other hand, some studies examine the adopters and non-adopters of ESG pay policies around the globe. Cohen et al. (2023) address the firm's policy where they tie the executive compensation to the firm's ESG performance. They observe that firms may adopt ESG pay to align executives' interests with the desires of specific shareholders, and this adoption leads to more improvement in ESG performance.

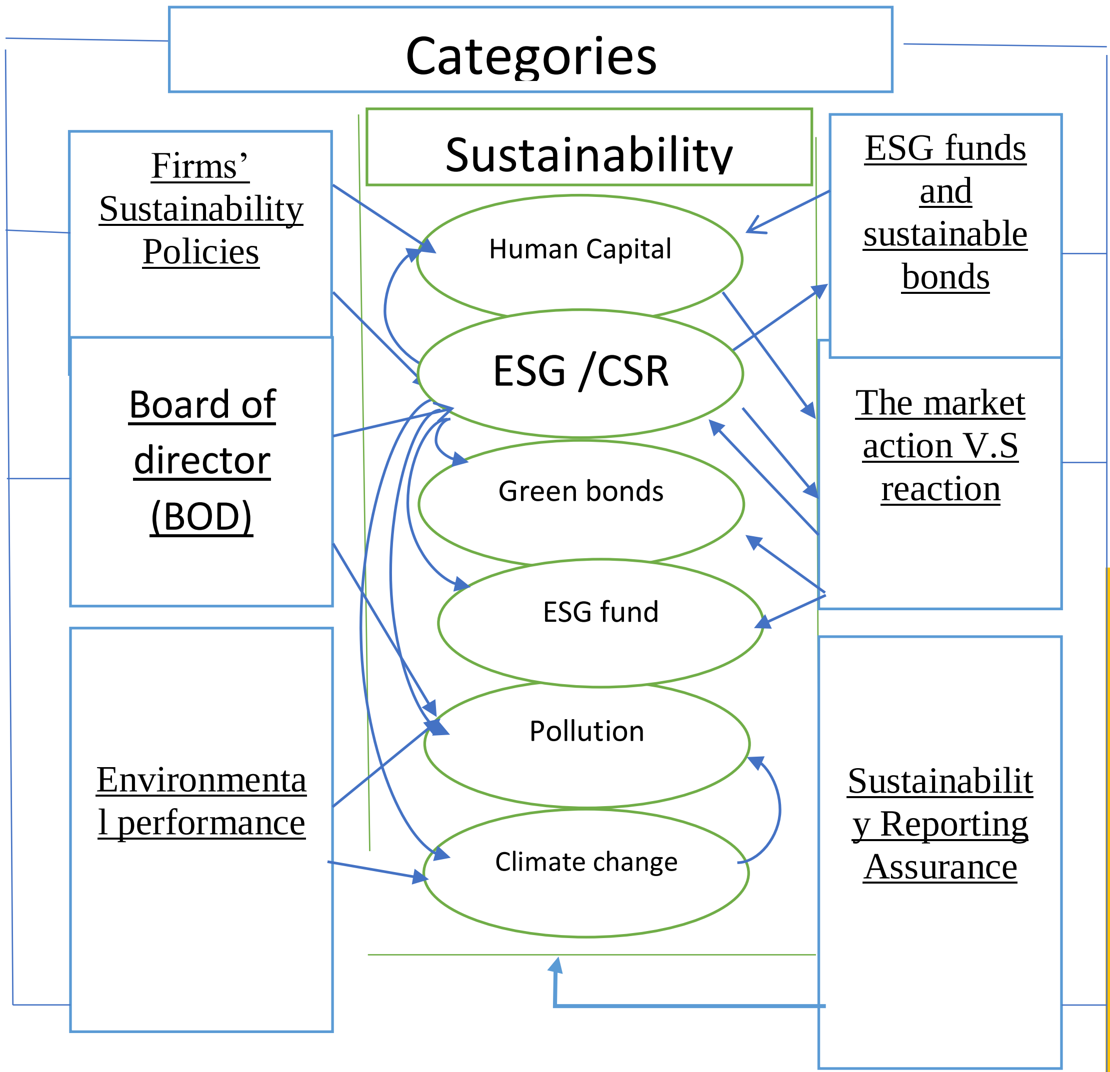

Figure 3: Conceptual Framework

Moreover, researchers tried to answer the following questions: Do corporations reduce pollution expenses to increase earnings in years where they meet benchmarks? If true, does the relationship weaken for enterprises with higher environmental scores? By applying on the U.S. Thomas et al. (2022) find that corporations pollute more if they meet or exceed typical profits per share (EPS) estimations, indicating that achieving predictions is a higher priority than decreasing pollution. This policy is stronger for companies with greater environmental scores.

In conclusion, existing literature discusses many firm policies related to CSR concerns, such as the green hiring policy; which shows that firms tend to hire new employees with green skills to improve their CSR performance (Darendeli, Law, et al., 2022), and the pension freeze policy; which indicates that enterprises that freeze their retirement savings programs increase CSR participation much more than control firms (Anantharaman et al., 2022), the board gender diversity policy; states that the representation of females in the firm's BOD leads to improving the firm's CSR activities (Dyck et al., 2023; Gull et al., 2023), the ESG pay policy; indicates that firms should align between director's incentives and stakeholder's desires, particularly when firms tie their manager's incentives with CSR rates (Cohen et al., 2023), and the meat, beat, and pollute policy; the companies adopt this policy when they achieve their financial targets and CSR scores; they may reduce the costs of CSR activities and pollute more the environment (Thomas et al., 2022).

2.2 The Board of Director Characteristics

Boards of directors (BODs) play a crucial role in a company's performance by appointing executives, hiring general managers, and determining functional roles. The board's strategic function is to provide the mission, objectives, and vision of the company. The BOD is in charge of developing work policies, plans, programs, and goals; establishing duties and authority for each firm department as well as assessing performance procedures, and establishing partnerships with stakeholders. Therefore, a strand of prior literature indicated that BOD characteristics enhance the quality of firm decision-making (Gull et al., 2023).

Top management is an essential component of the strategic management process, and its quality and features have an impact on organizational outcomes. In particular, the CEO is regarded as the most significant individual in managerial positions and can select the most optimal and effective plan for designing and organizing the corporation's CSR activities.

Previous studies indicate that potential employers consider a corporation's financial performance as an indicator of managerial aptitude when evaluating external executive hiring (Chen et al., 2023; Dai et al., 2023). Similarly, Welch & Yoon (2023) investigate whether high-ability executives may direct company resources toward ESG initiatives that boost shareholder value. They document that senior managers with excellent employee ratings can make ESG investments that increase shareholder value.

Furthermore, studies suggest that CEOs consider the voluntary reporting of CSR an effective strategy for signaling their future financial performance. Through comparative analysis between later-tenure CEOs and early-tenure CEOs, Chen et al. (2023) argue that early-tenure CEOs have a greater motivation to use voluntary CSR disclosure to signal their future performance. In support of signaling theory, Dai et al. (2023) reveal that CEOs leaving companies with high CSR performance are more likely to be employed as directors by public companies.

However, Feng et al. (2023) try to answer the questions: ‘‘do prosocial CEOs have different corporate practices in place for their companies' stakeholders than non-prosocial CEOs? And how do prosocial CEOs affect firm value?’’. Using individuals’ engagement with charitable institutions as a proxy for prosocial behavior, they discover that companies with prosocial CEOs have lower turnover, adopt more employee-friendly strategies, have higher customer satisfaction, provide more CSR activities, and improve firm value.

Previous studies indicate that investors can get their environmental preferences represented on boards that are capable of refreshing their thinking, such as by majority voting or more gender representation. As a result, upcoming board decision-making ought to more represent the preferences of the company's investors, resulting in increased investment in environmental performance (Dyck et al., 2023).

Moreover, a strand of previous studies statistically showed that board gender diversity enhances the quality of a firm's decision-making, especially in CSR issues (Dyck et al., 2023; Gull et al., 2023). Board gender diversity significantly minimizes waste generation (waste recycling) in businesses that were effective with two or more female directors, and this is predominantly driven by female managers' independence. In addition, they discussed racial diversity and argued that black directors are more likely to have important skills for stakeholder connections, such as CSR activities (Balakrishnan et al., 2023).

To sum up, prior studies used many theories when they discussed the relationship between BOD characteristics and CSR issues. Additionally, the voluntary disclosure theory suggests that a signaling impact is large when the cost of execution is high Chen et al. (2023). In addition, critical mass theory indicates that two or more female directors on a board obtain influence (Gull et al., 2023), and signal theory supports the idea that high social performance indicates managerial skill in the labor market (Chen et al., 2023).

2.3 The Environmental performance

The firm's environmental performance is based on its contribution to the environment and its commitment to curb pollution, Greenhouse gases (GHG), and carbon emissions to the lowest level and the optimal utilization of resources and efficient waste management. Recently, the Security Exchange Committee (SEC) mandated the disclosure of climate-related information that has a material effect on the business in the annual accounting report 10-k. Mandating the disclosure of such information in the 10-k report is a serious step taken by the SEC to increase the stakeholders' awareness that sustainability reporting is as relevant as financial reporting. Kim et al. (2023) investigate the real effects of climate change risk disclosure on management's decisions. The results reveal that firms disclose climate change risk in their 10-k report, and engage more in pro-environmental activities than anti-environmental activities. Moreover, institutional investors (Cohen et al.,

2023) and the environmental performance of peers (Chircop et al., 2023) are evident in influencing firms' environmental performance.

To mitigate the negative effects of climate change firms should reduce their pollution shares and improve their environmental performance. Thomas et al. (2022) investigate the ethical dilemma between the long-term burden of reducing pollution levels and the short-term burden of meeting the earning threshold. Specifically, when meeting the earning benchmark, do firms reduce their commitment to the environment and release more pollution due to the increased production level? And does it make any difference with high-ESG firms? They find that meeting earning benchmarks is a dominant target over protecting the environment in U.S firms. When meeting or just beating the earnings, these firms relentlessly pollute more. Surprisingly, this nexus is more pronounced for firms with high ESG performance.

It is notable that the board of directors plays a crucial role in influencing the environmental pillar of firms' sustainability performance. In this regard, the results reveal that BOD's committees assigned by risk management tasks are associated with environmental performance (de Villiers et al. (2022); boards composed of two or more females increase their waste recycling (Gull et al., 2023); boards' mechanisms such as ''cumulative voting, staggered boards/classified boards, poison pills, limits to amend bylaws, fair price amendments and board renewal'' affect the firms' release of pollution and the future environmental performance (Dyck et al., 2023; Khan & Wald, 2023).

Furthermore, the countries' commitment toward the environment and the subsequent law setting may influence the firms' financial behavior. Chow et al. (2023) find a positive association between ground-level ozone pollution and firms' tax planning intensity. Therefore, countries should endeavor to increase the citizens' awareness and encourage the friendly behavior toward the environment. In this regard, Millar et al. (2023) suggest that adopting green practices may accompanied by unexpected costs. By applying to the taxi drivers of New York City, they find that green business practices ''such as driving a hybrid'' smooth the way for NYC taxi drivers to commit fraudulent actions and overcharge their customers.

To sum up, environmental performance including climate change effects and adopting the green culture have occupied a remarkable portion in the accounting realm and opened uncovered research areas of how external factors effects attract the stakeholders' attention and perceptions of firms.

2.4 The ESG funds and sustainable bonds

The substantial interest in ESG activities emerges a specified funding pertains to ESG projects ‘‘ESG funds’’ that spur firms to classify and disclose projects and activities funded by sustainability bonds such as green and social bonds. We discuss ESG funds and whether they ‘‘walk on their talk’’ by granting funds dedicated only to friendly ESG projects and then we shed light on sustainability bonds.

ESG mutual funds claim that their financing is directed to ESG projects. Raghunandan & Rajgopal (2022) investigate whether the beneficiaries of ESG mutual funds are those firms with a good track record for labor and environmental law compliance labeled as ‘‘stakeholder-friendly track records’’. the results reveal that ESG funds’ portfolios contain firms that disclose the performance of carbon emissions voluntarily and firms with average high ESG scores. Nevertheless, some portfolios also contain firms with ‘‘higher carbon emissions per unit of revenue’’ and stocks of firms track records with worse labor and environmental laws compliance. Consistently, Dikolli et al. (2022) find that ESG funds prefer ES proposals over G proposals and are more likely to prefer and vote for ES proposals than non-ESG funds.

Despite the rapid increase of the green bond market in the last two decades, its share percentage relative to the global bond market is unobservable. Sangiorgi & Schopohl (2023) Survey the incentives and barriers related to green bond issuance. They find the benefits gained by green bond issuers include reputational value-added, the green bonds' signaling power via the market, and the motive to mitigate the unfavorable effects of climate change. The barriers include the lack of awareness and appropriate green projects, besides the market’s insufficient devolvement.

Assessing the quality of green bonds is the core focus of investors and policymakers with green bond preferences. Ghitti et al. (2023)

investigate the informative content of the green bond's quality assessment conducted by external reviewers representing a Second Party's Opinions (SPOs). SPOs shade the greenness color of the green bonds (dark-medium-light), the shade is based on the impact of the financial projects financed by these green on the environment. As the green bonds are shaded darker, the stronger the financial projects' positive impact on the environment and the best evaluation obtained by the SPOs. In the absence of a formal credit rating, Ghitti et al. (2023) find that SPOs have a positive effect in mitigating the information asymmetry between green bond issuers and investors.

Recently, the interest to social bond is increasing rapidly. Using an experimental study, Burke (2022) examines the role of social bond strength on employees' behavior in a situation where recognition of employees with high performance is publicly provided in the presence of non-competing employees known as "recognition visibility". The results confirm the relevance of social bonds on employees' behavior and show that employees reacted more favorably to public recognition than to private recognition when social bonds are strong. Also, public recognition with weak social bonds results in less beneficial employee behavior.

2.5 The market action V.S reaction

The relevance of sustainability performance raises the debate of the extent to which sustainability matters to the market and whether the market always reacts to or sometimes affects firms' sustainability performance. The evidence found documents a variety of market players i.e., investors, suppliers, analysts, creditors and ESG rating agencies) that contribute to sustainability area.

During the financial crisis of 2008-2009, Amiraslani et al. (2023) document that high-E&S firms profited from narrowing the spreads of bonds (the difference in interest rates between two different bonds) i.e., those firms increase their bond issuance for longer maturities and at narrow differences in interest rates.

Scholars also examine the market reaction to specific situations (firms with racial issues or generally low ESG performance covered by media, high CSR performance in restatement and fraud situations, and the firm's decision to cease the ESG initiative). Evidence shows crashes in stock prices and drops in the valuations for; firms with racial diversity (Balakrishnan et al., 2023); firms with low ESG performance (Wong & Zhang, 2022); firms with high CSR performance driven from immaterial CSR activities and experiencing fraud restatements (Hoang & Phang, 2023) and firms cease their ESG initiatives (Garavaglia et al., 2023). In addition, the divergence of CSR performance between bidder and target firms, negatively affect the outcomes of Mergers and Acquisitions (M&A) globally by revealing a reduction in the firm value and complications in the M&A integration (Alexandridis et al., 2022).

However, the market reacts favorably to firms with high CSR/ ESG ratings, Zheng et al. (2023) state that analysts positively recommend firms with higher CSR performance, there is contradicted evidence low employee protection can drive employees to dig for information and prevent the management hoarding of bad news. Chen et al. (2023) document that firms operating in countries with less stringent labor laws and fewer labor protection are less likely to experience sudden and severe crashes in their stock prices within the next year.

Focusing on suppliers, She (2022) studies how mandatory disclosure of firms' CSR performance affects human rights infringement by their suppliers. The results reveal an improvement in the suppliers' performance of human rights. Consistently, Darendeli et al. (2022) examine the extent to which supply chain contracts are influenced by CSR information following Thomson Reuters’ expansion of rating coverage to include Russell 2000 firms. They document the existence of ‘‘CSR information shock’’ that affects the Russell firms with low CSR ratings negatively, where the Russell firms (as suppliers) experience a reduction in their contracts and corporate customers numbers.

When discussing the market's role in sustainability performance, it is imperative to discuss the role of the financial institutions. The major source of generating profits in financial institutions, streams from lending activities. The banks' commitment to sustainability responsibilities forces them to adjust their lending policies to include environmental and societal considerations when granting these loans.

Basu et al. (2022) investigate the relationship between achieving a high score in ESG and home mortgage loan issuance. They argue that the social and economic consequences attached to mortgage lending are negative. Thus, banks with high ESG scores issue fewer numbers and dollar amounts of mortgage loans than low ESG-scored banks. Consequently, banks' borrowers improve their environmental and social performance after the banks' mandatory adoption of ESG disclosure Wang (2023). As a result, the market positively evaluates banks with outstanding "green credit performance" (Tian et al., 2023) and react aggressively to banks with low social performance ratings (Chen et al., 2023).

In addition, (Shen & Zheng (2023) state that the entrance of foreign banks affects the social performance of the host country's firms by improving the local firms' CSR performance. Regarding the country characteristics that may impact the financial institutions' disclosure behavior, Guo et al. (2022) find that financial institutions headquartered in countries with "high levels of civil liberties" publicly release more information about their E&S performance than those headquartered in countries with "low levels of civil liberties".

Christensen et al. (2022) examine the relationship between firms' ESG disclosure and disagreements among ESG rating agencies and the consequences of these disagreements. They find that excessive ESG disclosure drive ESG rating disagreements. They also state the market reaction to these disagreements, which incorporate larger movements of absolute price, higher volatility of return, and a reduction in the probability of external financing issuance.

Furthermore, the relevance of sustainability to the market incentivizes companies to develop the algorithm of their machine learning application and increase their efficiency to timely capture more accurate analysis of financial texts. Huang et al. (2023) document that FinBERT (machine learning model specifically designed for the finance sector) shows excellence over other models) in identifying discussions related to ESG issues.

On the other hand, there is considerable evidence documenting the likelihood that the market may affect the firms' sustainability performance. Cohen et al. (2023) find that the disclosure of carbon-related information due to firms' reduction of carbon emissions is positively affected by institutional investors' interest in such information. Hales (2023) present a review of Cohen et al. (2023) and state that institutional investors benefit from the CDP by acting as signatories in getting data and analysis to support investment and engagement decisions. Moreover, (Chircop et al. (2023) present evidence showing that the presence of comparable peer firms with low toxic releases disclosure favorably leads to a larger reduction in firm environmental violations. Regarding the financial institutions' role, Wang (2023) documents that Following the mandate of ESG disclosure on financial institutions, Borrowers improve their E&S performance.

To conclude, the scholars' majority focus is on the market which proved itself to be a key player in affecting and reacting to sustainability performance. It also, indicates how sustainability activities are promoted to include such effects on the market.

2.6 Sustainability Reporting Assurance

However, Sustainability reporting has become a standard company practice worldwide. Academic scholars are exploring the internal and external elements that influence organizations' decisions to issue CSR reports. Nevertheless, despite a rising trend of publishing CSR reports and extensive research on the subject, there are still issues regarding the transparency and reliability of the reports' content. Integrating financial and non-financial reports helps reveal ESG factors that impact organizational success and align activities with societal norms, values, and beliefs, so the integrating reporting addresses all stakeholders' sustainability concerns while also emphasizing ESG factors that might enhance an entity's financial value (Vera-Muñoz, 2023). In the context of increased economic policy uncertainty, firms prefer to publish CSR reports that are similar to their previous reports (Xue et al., 2023). Gibbons et al. (2023) discuss that investors question the credibility and comparability of sustainability reporting and point out that voluntary disclosure of ESG performance is endogenous to the firm that mainly signals high ESG performance. Moreover, excessive ESG disclosure may drive ESG rating disagreement (Christensen et al., 2022). Therefore, mandating sustainability disclosure with specified quantity and quality can curb the credibility and comparability Christensen

(2022) document that the mandatory disclosure of sustainability reporting leads to increased information transparency. Thus, the call of assuring the sustainability reports has increased with the increase in parties that provide such assurance.

The existence of sustainability assurance can improve the confidence and trustworthiness of a company's sustainability report, as well as decrease the level of information asymmetry for stakeholders. The providers of this assurance can be classified into two main groups: assurance providers with accounting experience (firm's auditor) and assurance providers with non-accounting experience (such as nonprofit institutions, consultants, and certification bodies).

Companies face increased pressure to safeguard their reputation on environmental, social, and governance challenges. Auditors can provide ESG risk management experience and assurance since they have a thorough awareness of their clients' ESG-related reputation risk as well as assurance reporting competence. Thus, Bright & Lambert (2023) investigate whether external auditors help organizations control elevated ESG risk in cases of reputation crises. The findings indicate a positive connection between tainted reputation and non-audit services, as well as their interaction with future company value. In addition, Liu et al. (2023) demonstrate a positive link between clients who intend to expand their sustainability reporting and auditors with a higher sustainability concentration, with sustainability alignment being an aspect of the client approach to reliably reporting sustainability information. However, the economic policy uncertainty affects CSR reporting quality negatively.

In the same vein, Xiao & Shailer (2022) state that source credibility and assurance variables significantly impact stakeholders' perceptions of the reliability of the reporting of sustainability. Nevertheless, in the context of increased economic policy uncertainty, firms are likely to publish CSR reports that are similar to their previous reports

Moreover, Meyst et al. (2023) explore if there is assurance of CSR disclosures and whether sellers are incentivized to invest in CSR using two markets: sellers (as CSR disclosure preparers) and purchasers (as CSR disclosure users). They demonstrate that the assurance pushes vendors to more accurately report their CSR activities; in addition, the assurance of CSR disclosures influences economic outcomes, particularly when sellers obtain incentives to invest in CSR against when incentives are not provided, as incentives can boost market participants' expectations that CSR is essential.

In sum, sustainability reporting is not about costs and profits; as accountants, societies should shift their perspectives and embrace alternative measurement techniques when assessing environmental and social implications. Costs associated with information processing limit investors' capacity to express their sustainability preferences through acquiring choices. Investors have limited opportunity to disclose their sustainability preferences through investment options, and because of political system weaknesses, government regulation has a limited role in assuring sustainability information (Dechow, 2023). Sustainability reporting research generally follows the institutional and legitimacy theories and suggests that sustainability reporting is a reactive company reaction or a product of pressure arising from interaction with external factors, such as requests from international organizations, institutions, and regulation (Thoradeniya et al., 2022).

3. Conclusion

We present an extensive and systematic literature review of studies regarding sustainability concerns. Following the study of Tsang et al. (2023), we reviewed seven of the top accounting journals and found 57 publications within two years (2022-2023) compared to the study of Tsang et al. (2023) which found only ESG/CSR-related publications between 1978 and 2021.

We performed many analyses and synthesized them into six major categories of sustainability publications; market reaction, firm's sustainability policy, BOD characteristics, environmental performance, ESG fund and sustainability bonds, the market reaction and sustainability reporting assurance. These analyses will assist both scholars and practitioners in understanding what we currently understand and in what accurate circumstances, allowing them to avoid repeating previously conducted research. Although this study is complementary to the study of Tsang et al. (2023), we contribute six new categories in sustainability publications. These categories should assist future researchers in determining which areas/themes of research to continue investigating. We recommend that standards setters should consider the market reaction to firms' sustainability disclosure type; whether voluntary or mandatory ESG/CSR disclosure, sustainability performance activities; material or immaterial. The recommendations aim to assist future researchers in conducting more significant research, leading to enhanced knowledge and guidance for practitioners and policymakers. While our study extensively examined the selected papers, it also has limitations. Further research may examine published articles from other top accounting journals.

Our study provides several valuable contributions. First, we expand our review horizontally to include the top seven accounting journals with different interest areas, editorial boards, and publishers and vertically by including the most recent years. Second, separately highlight the roles of firms' policies, BOD and the market in sustainability performance. Third, we add to sustainability literature by systematically reviewing papers using keywords such as (ESG/CSR, climate change, pollution, ESG fund, green bonds, human capital, sustainability assurance). Fourth, we provide documented evidence of the increasing interest in sustainability performance as the published sustainability publications increased by double between 2022 and 2023, which confirms that Sustainability is still trendy.

Our recommendations for future researchers are to investigate whether it is a natural feature of positive sustainability disclosure to work as a shield against the market's negative reaction in specific situations or if it is the act of greenwashing. Future research can also explore the importance of sustainability reporting assurance. Moreover, it can investigate the material consequences of mandating climate change disclosure. It can also examine the tradeoff between controlling the pollution levels versus meeting or beating the benchmark on reporting quality.

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