

# Application of International Sustainability Standards for Corporate Disclosure in China: A Systematic Review

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## ABSTRACT

*China has traditionally been regarded as a country with comparatively limited information disclosure practices compared with Western countries, particularly regarding sensitive issues such as environmental and social matters. As China's business landscape has undergone a significant transformation—from a primarily domestic focus to becoming a major player in the global economy—the imperative for corporate information disclosure has become ever more pressing. Over the past decade, China has implemented a series of national policies and regulations to improve transparency, particularly in sustainability-related information disclosure. However, Chinese sustainability reports have been criticised for showing little improvement over an extended period, and are even viewed as compliance products, 'stamped' with 'government certificates'. At the same time, international sustainability standards have been increasingly embraced by Chinese companies in recent years. It is worth examining the roles these standards have played in Chinese corporate sustainability disclosure. Exploring the application of international sustainability standards in Chinese enterprises offers a valuable perspective on sustainability disclosure in China. Therefore, this paper aims to address these questions by providing a systematic review focused on two key perspectives: the determinants and impacts of adopting international sustainability standards in China. In addition, the researchers propose definitions for substantive and symbolic adoption of sustainability standards. By adopting a systematic approach, the researchers identified 46 relevant articles. The results show that Chinese companies' interests drive substantive adoption of international sustainability standards, and that markets have rewarded these companies. The paper concludes with suggestions for future research.*

*Keywords: International standards; sustainability disclosure; China; systematic literature review*

## INTRODUCTION

Over the past few decades, China has moved from a relatively closed economy with restricted information disclosure practices to becoming a major player in the global economy. This transformation has made corporate information disclosure increasingly inevitable (Noronha et al. 2015). This shift has been particularly evident in sustainability-related matters, where transparency expectations from domestic regulators, international investors, and global partners have grown substantially. Within this transformation, China-ASEAN cooperation has emerged as a driver of regional prosperity. This partnership now extends beyond economic and trade dimensions to encompass green and sustainable development practices, including environmental, social, and governance (ESG) disclosure. Ang (2024) identified three major obstacles to ESG development raised at the 2022 Lien Development Conference regarding China and ASEAN, highlighting greenwashing as a key barrier. Ang further argued that one contributing factor to this phenomenon is the absence of a universally accepted ESG standards framework. Given the varying sustainability challenges across countries, strengthening cross-border coordination of disclosure policies and standards is essential for advancing regional sustainability goals.

Although some Chinese firms have been subject to mandatory sustainability reporting since 2008, the quality of their reports has long been criticised for stagnating, particularly in social and environmental dimensions (Hu et al. 2018; Situ & Tilt 2018); therefore, Chinese sustainability reports have been considered little more than compliance products 'stamped' with 'government certificates' (Qian et al. 2024). In response, the Chinese government has recently introduced new regulations to enhance transparency in disclosures. Notably, the *Guidelines for Sustainability Disclosure of Enterprises—Basic Guidelines (Trial)* were issued by multiple departments of the Chinese central government in November 2024, alongside the *Sustainability Report (Trial)* guidelines released earlier that year by the three major stock exchanges.

Concurrently, many Chinese companies have begun aligning with international sustainability frameworks to meet global stakeholder expectations. According to SynTao—Sustainability Solutions (2024), the most widely used international framework among Chinese sustainability reporters is the Global Reporting Initiative (GRI) standards, while others—including the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Sustainable Development Goals (SDGs), the International Organisation for Standardisation (ISO) 26000, the 10 principles of the United Nations Global Compact (UNGC), and the Sustainability Accounting Standards Board (SASB) standards—are also adopted by companies in China Securities Index 300 in 2023. Given this trend, it is increasingly important to examine how international standards shape sustainability disclosures in Chinese firms, particularly amid growing concerns about greenwashing.

Before assessing corporate adoption of these standards, it is necessary to clarify the definitions of decoupling and greenwashing. The symbolic strategy of decoupling refers to a process by which 'organisations create and maintain a gap between external presentation and internal practice to gain external legitimacy while maintaining internal flexibility'

(Marquis et al. 2017; Meyer & Rowan 1977). Greenwashing represents a well-documented form of decoupling, and various scholars have offered similar definitions of the concept. According to Siano et al. (2017), greenwashing has usually been defined as a gap between symbolic and substantive actions. Lyon and Maxwell (2011) described it as ‘the selective disclosure of positive information about a company’s environmental or social performance, without full disclosure of negative information on these dimensions’. Similarly, Delmas and Burbano (2011) defined it as ‘the intersection of two firm behaviours: poor environmental performance and positive communication about environmental performance’. Building on these existing conceptualisations, this study proposes the following definitions for the current analysis. Symbolic adoption refers to a situation in which a company creates and maintains a gap between its positive sustainability disclosures and poor sustainability performance by selectively complying with standards to gain external legitimacy. Substantive adoption refers to a situation in which a company maintains consistency between its sustainability disclosure and sustainability performance through positive communication in accordance with the relevant standards.

Despite the increasing use of international frameworks, research on their substantive adoption in the Chinese context remains limited. Therefore, understanding the determinants behind firms’ choices between symbolic and substantive adoption is particularly important. Such insights not only illuminate Chinese corporate behaviour but also support stakeholders in promoting accountability and advocating for meaningful reform in sustainability reporting standards. This has significant implications for how China and ASEAN can strengthen communication on sustainability practices going forward. However, before examining this issue in greater depth, it is useful to gain an overview of the development of this research area. Therefore, this study attempts to address the following research questions.

- RQ1. What are the determinants and impacts of Chinese enterprises choosing or adopting international sustainability standards for disclosure?
- RQ2. What are the differences between the determinants and impacts of substantive adoption and those of symbolic adoption?
- RQ3. What are the main gaps and key research questions that require future investigation in this field?

This study aims to synthesise existing literature on the application of international sustainability standards in corporate disclosure within China, in response to the above research questions. This study draws on the theoretical framework developed by Tsang et al. (2023) for reviewing corporate social responsibility (CSR) disclosure, a framework that comprises determinants, consequences, characteristics, and moderators. Given the close link between sustainability disclosure and the adoption of sustainability standards, the framework is adapted to focus on two key dimensions: the determinants and impacts of international sustainability standards adoption in China. Furthermore, given the potential decoupling between sustainability performance and disclosure, this study seeks to extend the framework from sustainability disclosure to the substantive–symbolic adoption of standards. The findings suggest that the interests of Chinese companies drive the substantive adoption of international sustainability standards and that markets have rewarded them.

This research offers both theoretical and practical contributions. From a theoretical perspective, it refines the theoretical framework of international standard (substantive/symbolic) adoption determinants through the lens of stakeholder and institutional theories, based on the findings. In practice, it offers recommendations to encourage the substantive adoption of sustainability standards in Chinese companies, while also providing insights to strengthen China–ASEAN cooperation on sustainability practices.

This article includes five sections in total. The methodology is presented in the following section, along with descriptive statistics of the sample articles identified through this process. Section 3 analyses and discusses the main findings of the sample articles. The final two sections present directions for future research and the conclusion, respectively.

## METHODOLOGY

Following the research topic and in line with previous studies (Jain & Tripathi 2023; Khan 2022; Galletta et al. 2022), the researchers used keywords comprising ‘CSR/corporate social responsibility/ sustainability/ sustainable/ ESG/ environment/ social/ carbon/ climate’, ‘disclose/ disclosure/ report/ reporting’, and ‘China/ Chinese’ simultaneously to identify articles about international sustainability standards adoption in China in Web of Science (WoS) and Scopus databases. Considering the short history of China’s sustainability disclosure, no date restriction was applied; the deadline was the end of December 2024. The search was limited to English-language journal articles in the field of business economics. A total of 8,473 articles met the search criteria. After excluding duplicates, conference papers, special issue editorials, unreliable sources, and review papers, an initial screening yielded 6,342 articles. In the next step, the researchers filtered the papers by reading titles, abstracts, and full texts, excluding those that were irrelevant. As a result, 41 articles were collected. In addition, the researchers selected a further five related articles through snowball sampling, as they had not been included in the search results. Figure 1 shows the steps of the search process and the number of selected articles at each step, following the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines (Page et al. 2021). Eventually, 46 articles were selected for this study.

For data extraction, key information from each article was compiled in a spreadsheet. Guided by the framework of Tsang et al. (2023), the selected literature was categorised into two main areas: the determinants and the impacts of

international sustainability standards adoption. Descriptive analysis was first conducted using quantitative techniques, followed by a qualitative content analysis to deepen the findings.

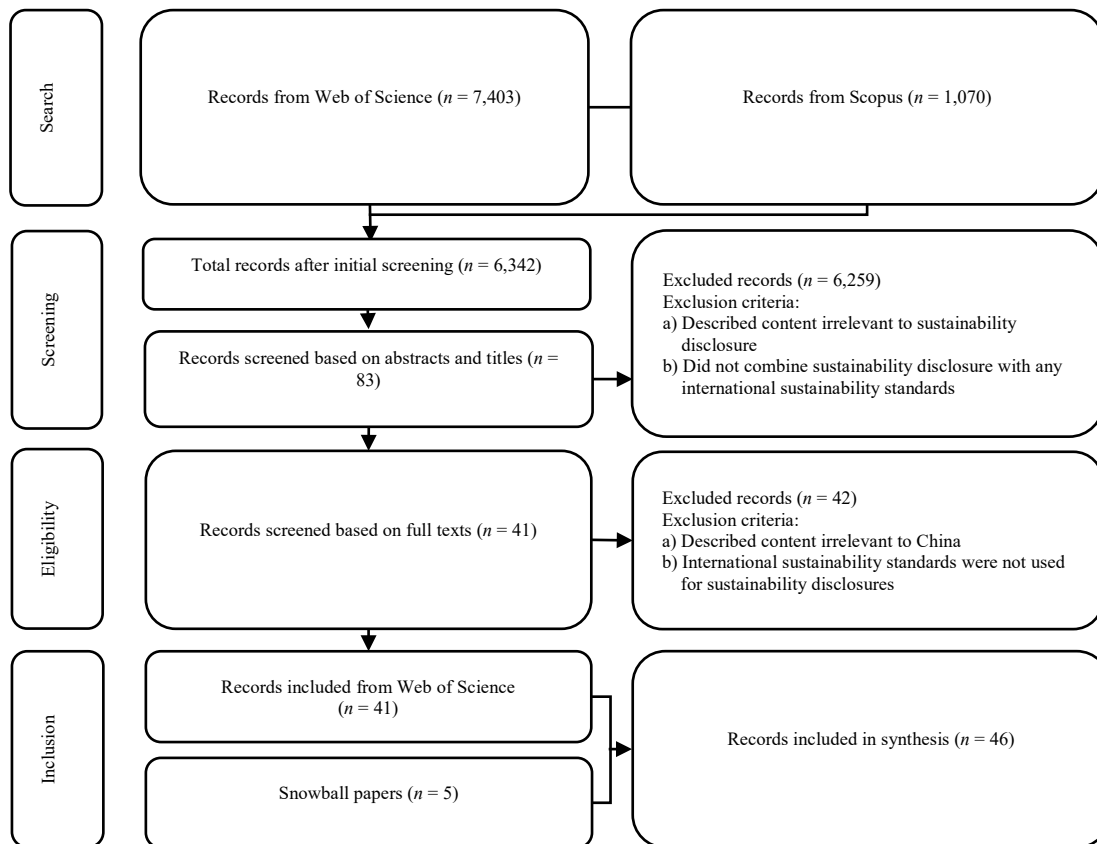


FIGURE 1. Steps of the search process and number of selected articles

### DESCRIPTIVE STATISTICS

As illustrated in Figure 2, the annual distribution of selected studies reveals that the adoption of international sustainability standards in China was initially sporadic and underexplored. However, academic attention has grown substantially in recent years. Notably, 36 of the 46 articles were published within the past five years, reflecting this sharp rise and underscoring the growing relevance of international sustainability disclosure standards in the Chinese context.

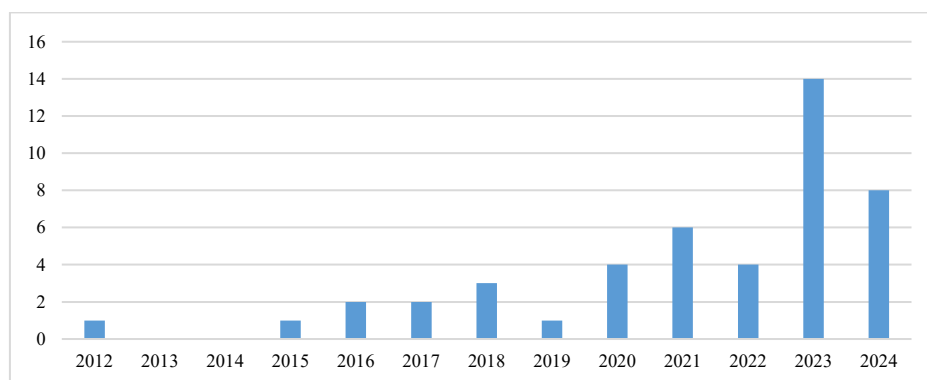


FIGURE 2. Number of selected articles published per year

Figure 3 highlights the prominence of specific international standards in the literature. The GRI standards have received the most extensive coverage, with 36 of the 46 studies (78.26%) focusing on their application in Chinese firms. A notable research gap persists concerning the SASB standards, most likely reflecting Chinese companies' preference for GRI. The differences in the totals reported across the figures may be due to some studies covering multiple dimensions.

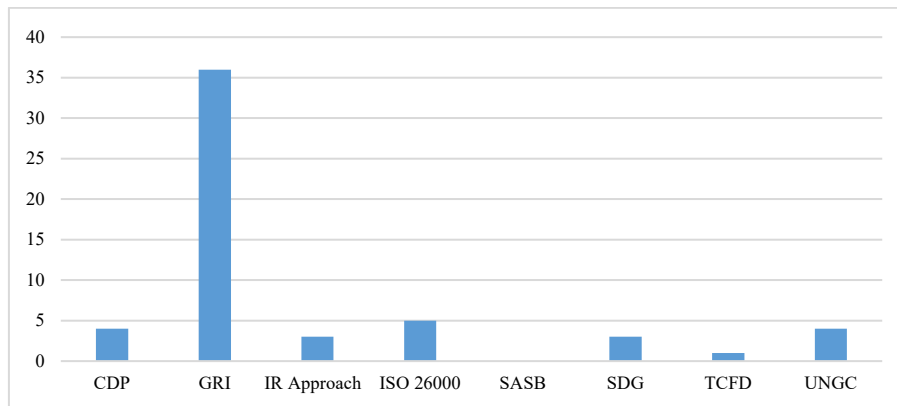


FIGURE 3. Distribution of selected articles by international sustainability standard

Figure 4 further presents the distribution of research on the determinants and impacts of applying various international sustainability standards. The findings reveal that, for Carbon Disclosure Project (CDP), research is equally split between determinants and impacts. However, literature on GRI, SDGs, UNGC, and ISO 26000 predominantly investigates the organisational determinants of adoption, with fewer studies analysing the impacts. Meanwhile, attention to the outcomes of climate disclosure has increased in recent years.

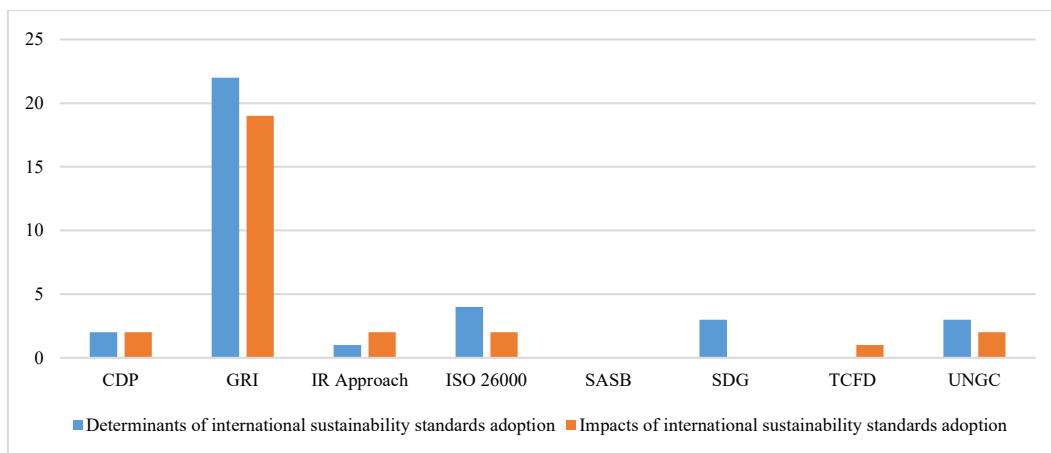


FIGURE 4. The distribution of articles on determinants and impacts of international sustainability standards adoption

## FINDINGS

This section examines the findings from two primary perspectives: the determinants and the impacts of adopting international sustainability standards. As several studies address both aspects concurrently, they are categorised accordingly. Furthermore, the analysis adopts a multidimensional approach, exploring these determinants and impacts along both horizontal (external vs internal determinants) and vertical (symbolic vs substantive adoption) axes.

### DETERMINANTS OF INTERNATIONAL SUSTAINABILITY STANDARDS ADOPTION IN CHINA

Previous studies on the adoption of international sustainability standards by Chinese enterprises often conflate two distinct concepts: the mere selection of, or reference to, a standards framework and the actual degree of its implementation. This study aims to clarify and differentiate between the two. Specifically, it argues that the determinants influencing whether a company references a particular standard may be superficial or short-term, often resulting in symbolic disclosure. In contrast, identifying factors that foster the genuine, in-depth application of standards—termed substantive adoption—offers a more accurate understanding of corporate behaviour. However, much of the extant literature remains focused on the former or implicitly assumes that once a firm opts to follow a standards framework, it does so with full and sincere compliance.

Ali and Wilson (2024) categorised the determinants of international sustainability standard adoption into three levels: macro, meso, and micro. Macro-level factors encompass national political, legal, economic, social, educational, and technological contexts, as well as the level of sustainable development. Meso-level factors focus on different stakeholders, including media, supply chains, competitors, and analysts. Micro-level factors refer to management

governance, ownership structures, and other corporate characteristics. Given this study’s focus on China, these factors are reconceptualised more pragmatically as external and internal corporate determinants (see Table 1).

TABLE 1. Determinants of international sustainability standards adoption in China

External Determinants	Sign	Standard	Symbolic/Substantive Adoption	Sample Period	Sources
International Stakeholders:					
Foreign Stakeholders	+	GRI, ISO 26000, and UNGC	Substantive (Proved)	2009–2013	Marquis et al. 2017
Government:					
	+	GRI, ISO 26000, and UNGC	Symbolic (Proved)	2009–2013	Marquis et al. 2017
State-Mediated Globalisation	+	GRI, ISO 26000, and UNGC	No Discussion	2011–2012	Parsa et al. 2021
	+	GRI	Symbolic (Proved)	2008	Parsa et al. 2018
Regulations	+	GRI	No Discussion	2005–2012	Ioannou & Serafeim 2017
Regulations: China’s Regulation 18	0	GRI	Substantive (Assumed)	2010–2016	Ting & Lee 2024
	0	GRI	Substantive (Assumed)	2007–2016	Dong et al. 2020
Regulatory Pressure: ‘Green Finance’ Policy in 2016	0	GRI	Substantive (Assumed)	2009–2017	Dong et al. 2023
Political Turnover	-	GRI	Substantive (Assumed)	2010–2018	Zhang et al. 2024
Media:					
	+	CDP	No Discussion	2010–2020	Chen et al. 2023
	+	GRI	Substantive (Assumed)	2011–2018	Liu et al. 2023
Media Coverage	+	CDP	No Discussion	2008–2012	Li et al. 2016
Analyst:					
Number of Analysts	+	GRI	Substantive (Assumed)	2011–2018	Liu et al. 2023
Agencies:					
Audit, Insurance, and Sustainability Rating Agencies	+	GRI	Substantive (Assumed)	2011–2018	Liu et al. 2023
Internal Determinants					
	Sign	Standard	Symbolic/Substantive Adoption	Sample Period	Sources
Board Governance:					
Board Size	+	SDG	No Discussion	2016–2018	Jiang et al. 2023
	+	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
	+	SDG	No Discussion	2016–2018	Jiang et al. 2023
Board Independence	+	SDG	No Discussion	2018–2019	Ng et al. 2023
	0	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
Board Diversity (female)	0	SDG	No Discussion	2016–2018	Jiang et al. 2023
	0	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
Annual Board Meeting	0	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
Existence of a Sustainability Committee	+	SDG	No Discussion	2016–2018	Jiang et al. 2023
	0	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
CEO Governance:					
Age	-	GRI	No Discussion	2010–2018	Hussain et al. 2023
	-	GRI	No Discussion	2010–2020	Ashraf et al. 2024
Tenure	-	GRI	No Discussion	2010–2020	Hussain et al. 2023, 2024
Duality	+	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
Ownership Structure:					
Institutional Investors	-	SDG	No Discussion	2016–2018	Jiang et al. 2023
Foreign Investors	-	SDG	No Discussion	2016–2018	Jiang et al. 2023
Foreign Institutional Investors	+	GRI	Substantive (Assumed)	2009–2017	Li et al. 2021
Private	+	CDP	No Discussion	2010–2020	Chen et al. 2023
State-Owned	+	GRI	Substantive (Proved)	2017–2021	Choy 2023
	0	SDG	No Discussion	2016–2018	Jiang et al. 2023
Controlling Shareholder: Under the Unique Situation of Share Pledges	0	GRI	No Discussion	2011–2019	Li et al. 2024a
Sustainability Reporting:					

Sustainability Ranking (sustainability performance)	+	GRI	Substantive (Proved)	2009–2016	Ates 2023
External Assurance	+	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
Compliance with GRI	+	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2022b
The Legitimacy of Standard (international recognition)	+	GRI and ISO 26000	No Discussion	2014	Li & Belal 2018
	+	GRI and ISO 26000	No Discussion	2011–2012	Parsa et al. 2021
Corporate Characteristics:	+	GRI, ISO 26000, and UNGC	No Discussion	2004–2015	Guo et al. 2023
Company Size	+	SDG	No Discussion	2018–2019	Ng et al. 2023
	+	GRI	No Discussion	2006–2009	Zhao 2012
Industrial Difference	+	GRI	Substantive (Proved)	2017–2021	Choy 2023
Internationalisation Level	+	GRI	No Discussion	2006–2007; 2010–2011	Bhatia & Tuli 2018
Past Financial Performance	+	SDG	No Discussion	2016–2017	Banik & Lin 2019
	+	GRI	No Discussion	2008–2020	Li et al. 2024b

Note(s):

Relevance: positive (+), negative (-), or non-significant (0)

Proved = empirically tested and confirmed in the cited study; Assumed = the study does not explicitly test the symbolic/substantive distinction, but the design implies substantive adoption; No Discussion = the cited study does not address this dimension

## EXTERNAL FACTORS

According to stakeholder theory, the existing research mainly discusses the impact of foreign stakeholders, government, media, analysts, and intermediaries on Chinese companies' application of international sustainability standards. Most studies indicate that these stakeholders play a positive role, except for the government. Specifically, research findings show that media coverage, analysts' attention, and intermediary agencies encourage Chinese companies to refer to the GRI standards in their sustainability reports and to actively respond to CDP questionnaires (Chen et al. 2023; Liu et al. 2023; Li et al. 2016). However, these studies lack further verification of substantive adoption.

The impact of the Chinese government is more complex. Political cost theory argues that companies facing heightened risks of regulation, nationalisation, or confiscation are more likely to disclose information to mitigate such costs. Supporting this, research has shown that large state-owned enterprises (SOEs) in China are subject to institutional pressure to adopt international sustainability disclosure standards (Parsa et al. 2021; Parsa et al. 2018; Marquis et al. 2017; Ioannou & Serafeim 2017). Nonetheless, limited evidence suggests that even industry-leading companies, such as State Grid and PetroChina, often engage in symbolic rather than substantive adoption (Parsa et al. 2018; Marquis et al. 2017). Marquis et al. (2017) argued that this phenomenon stems from state-mediated globalisation, in which participation in the international system is facilitated through local government-led approaches. This process prioritises localised adaptations during implementation, often resulting in significant deviations from global standards in practice.

More recent studies tend to support the political connection hypothesis, which offers a more nuanced understanding than political cost theory. Political connections appear to exert dual effects. On the one hand, 80% of Chinese financial institutions are found to possess political ties, and these connections are significantly associated with higher sustainability disclosure quality (Dong et al. 2020). Although the 'green finance' initiative launched in 2016 did not exert sufficient regulatory pressure to improve disclosure practices markedly, the adoption rate of GRI standards among banks remains substantially higher than among non-banking firms (Dong et al. 2023), suggesting that political connections can encourage the adoption of international standards. On the other hand, evidence shows that politically connected firms are less likely to adopt GRI guidelines during periods of political turnover, likely due to concerns over revealing unfavourable information while establishing new political connections (Zhang et al. 2024). In such contexts, political connections may, in fact, inhibit adoption.

In summary, from the perspective of external factors, the coercive and normative isomorphic pressures—as conceptualised in institutional theory—have largely failed to facilitate the substantive adoption of international sustainability standards in Chinese companies, often resulting in symbolic practices. Conversely, the mimetic pressures stemming from foreign stakeholders, such as international investors or customers, appear more effective in promoting substantive adoption among companies with high levels of internationalisation. According to stakeholder theory, by adopting substantive measures to enhance information transparency and reduce investment risks, these companies have strengthened global investors' confidence and investment appetite. However, existing research rarely combines stakeholder theory and institutional theory to explain companies' substantive–symbolic adoption practices.

## INTERNAL FACTORS

Certain attributes of board governance—particularly board size and independence—are found to positively influence the adoption of international sustainability standards by Chinese enterprises. These findings are frequently interpreted through the lenses of resource dependence theory and agency theory. According to the resource dependence perspective, larger boards can enhance sustainability disclosure by drawing on a wider range of knowledge, experience, and viewpoints, thereby compensating for individual directors' limitations and generating more robust solutions. At the same time, agency theory posits that independent directors, functioning as external monitors, help mitigate information asymmetry and strengthen oversight, thereby improving disclosure quality. Empirical studies offer nuanced evidence. While board independence appears unrelated to substantive adoption of the IR approach (Sun et al. 2022b), both board size and independence are associated with a greater likelihood of SDG integration into sustainability reporting (Jiang et al. 2023; Ng et al. 2023). Moreover, board size is shown to positively affect the substantive quality of IR disclosures among Chinese A-share listed firms (Sun et al. 2022b). However, board meeting frequency, gender diversity, and the presence of a sustainability committee do not significantly influence IR integration (Sun et al. 2022b). Of note, while sustainability committees are associated with greater SDG integration, the impact of female directors appears limited, possibly because their average board representation (9.9%) remains well below the 30% threshold recommended by critical mass theory (Jiang et al. 2023).

As the core decision-maker in the management team, the CEO plays a crucial role in applying international sustainability standards within companies. Although CEO duality correlates positively with substantive IR implementation (Sun et al. 2022b), CEO age and tenure are negatively associated with the likelihood of issuing GRI-based reports (Ashraf et al. 2024; Hussain et al. 2023; Hussain et al. 2024). Drawing from upper echelons theory and agency theory, scholars argue that CEO traits—such as values and life experiences—significantly shape decision-making. Older or long-tenured CEOs, particularly those approaching retirement, may exhibit increased opportunism and risk aversion, thereby preferring short-term decisions over long-term sustainability initiatives. In the Chinese context, where leaders' performance is tied to their term, incumbent executives may be discouraged from committing to sustainability efforts whose benefits extend beyond their tenure.

Corporate characteristics such as firm size, degree of internationalisation, financial and sustainability performance, and sector-specific traits are generally found to have a positive influence on the adoption of international sustainability standards (Li et al. 2024b; Ates 2023; Choy 2023; Ng et al. 2023; Zhao 2012). However, the impact of ownership structure remains inconsistent. This is particularly evident in the case of foreign ownership, where limited shareholdings by foreign investors restrict their ability to effectively influence managerial decisions, leading to a preference for short-term financial gains (Chen et al. 2023; Choy 2023; Jiang et al. 2023; Li et al. 2021).

Furthermore, although management characteristics are underexplored in the context of substantive adoption, limited evidence suggests that sustainability performance, state ownership, and industry-specific features are positively associated with substantive implementation (Ates 2023; Choy 2023). It is worth noting that these findings are based on samples of the top 100 Chinese firms listed in Hong Kong, which are subject to stricter regulatory oversight and typically exhibit greater internationalisation.

## IMPACTS OF INTERNATIONAL SUSTAINABILITY STANDARDS ADOPTION IN CHINA

Numerous studies examining the adoption of international sustainability standards among Chinese firms have primarily focused on the quality of sustainability reporting (see Table 2). A key distinction has emerged between companies that engage in symbolic versus substantive adoption. While the former may disclose a greater volume of sustainability information, their reports often lack materiality and balance (Chang et al. 2020; Islam et al. 2016; Noronha et al. 2015). This pattern can be attributed to China's historically weak institutional environment, where symbolic adoption served as a strategic response to ensure alignment with national interests and maintain legitimacy (Noronha et al. 2015; Wang 2014). In contrast, firms that adopt sustainability standards substantively tend to achieve higher sustainability ratings, producing reports that are more reliable and comparable (Choy 2023). Consistent with signalling theory, such disclosures enable firms to differentiate themselves and convey credibility to stakeholders (Ioannou & Serafeim 2017).

The role of international sustainability standards also varies depending on the company's initial level of disclosure. For companies with limited disclosure experience, initial adoption significantly enhances report quality (Lin & Huang 2023; Ting & Lee 2024; Zhang et al. 2021 2024; Dong et al. 2023; Liu et al. 2023). At this stage, standards function primarily as corrective tools. Accordingly, scholars have used indicators such as reliability, comparability, and quantity to evaluate disclosure quality (Situ et al. 2020; Ioannou & Serafeim 2017). For example, Sun et al. (2024) found that GRI adoption helps curb tone manipulation and mitigates corporate hypocrisy in Chinese listed companies. Interestingly, GRI adoption has also been found to be positively associated with the adoption of the IR approach (Sun et al. 2022b), suggesting that the uptake of one international standard may predispose firms to adopt others—a cascading adoption effect with implications for the broader diffusion of sustainability frameworks in China. However, for companies under mandatory disclosure regimes with basic reporting capacity, research tends to emphasise materiality and balance (Chang et al. 2020; Islam et al. 2016; Noronha et al. 2015), suggesting that international standards may facilitate symbolic compliance at this stage. Finally, Choy (2023) observed that for companies with the

highest levels of disclosure, the marginal benefit of adopting international standards diminishes due to their stringent existing regulatory requirements.

TABLE 2. Impacts of international sustainability standards adoption in China

Impacts	Sign	Standard	Symbolic/Substantive Adoption	Sample Period	Sources
Quality of Information:					
Readability and Conciseness	-	GRI	No Discussion	2014–2018	Sun et al. 2022a
Information Homogenisation	+	GRI	No Discussion	2017	Ervids 2023
The Length of Reporting	+	GRI	No Discussion	2006–2009	Zhao 2012
	-	GRI	Symbolic (Proved)	2005–2012	Islam et al. 2016
Materiality	-	GRI and ISO 26000	Symbolic (Proved)	2009–2013	Noronha et al. 2015
Balanced Disclosure in Sustainability Subitems	-	GRI	Symbolic (Proved)	2015–2018	Chang et al. 2020
More Sustainability Information	+	GRI	Symbolic (Proved)	2005–2012	Islam et al. 2016
More Information about Social Performance	+	GRI	Substantive (Assumed)	2005–2012	Ioannou & Serafeim 2017
More Information about Environmental Performance	+	GRI	Substantive (Assumed)	2007–2011	Situ et al. 2020
Better Quality (sustainability ranking)	+	GRI	Substantive (Proved)	2017–2021	Choy 2023
Reliability and Comparability	+	GRI	Substantive (Assumed)	2005–2012	Ioannou & Serafeim 2017
Strengthen the Influence of the Academic Experience of CFO (IV) on Sustainability Assurance	+	GRI	No Discussion	2008–2017	Khalid et al. 2022
Quality of Sustainability Reporting and Engagement	+	GRI	Substantive (Assumed)	2008–2014	Lin & Huang 2023
Restricts the Use of Vague Language and Helps in Addressing Issues like ‘Selective Reporting’ for Greenwashing	+	GRI	No Discussion	2010–2019	Sun et al. 2024
Consistent with Other Sustainability Standards:					
IR Approach	+	GRI	Substantive (Assumed)	2006–2019	Sun et al. 2022b
Firm Value:					
Tobin’s Q	-	IR Approach	Substantive (Assumed)	2006–2019	Sun et al. 2023
Market Value	+	GRI	Substantive (Proved)	2005–2012	Ioannou & Serafeim 2017
Financial Performance:	+	CDP	Substantive (Proved)	2009–2015	Jiang et al. 2021
ROA	+	GRI	No Discussion	2006–2016	Yang et al. 2021
Earnings Management through Discretionary Accruals	+	GRI	Substantive (Assumed)	2016–2018	Zhang et al. 2021
Financing Constraint:					
SA Index -Mediating Effect of Alleviating Information Asymmetry and Increasing Corporate Reputation	-	CDP	Substantive (Proved)	2016–2020	Huang et al. 2025
Cost of Capital:					
Cost of Debt	-	GRI	Substantive (Assumed)	2005–2012	Xu et al. 2021
Analyst:					
Attention of Financial Analysts	+	GRI(Partially)	No Discussion	2015	Zhang et al. 2020
Sustainability Practice:					
Sustainability Reporting and Sustainability Activities	0	GRI, ISO 26000 and UNGC	Symbolic (Proved)	2009–2013	Marquis et al. 2017
	+	IR Approach	Substantive (Proved)	2012–2020	Sun 2024
	+	TCFD	Substantive (Assumed)	2009–2021	Gao et al. 2024
Green Innovation	+	GRI	Substantive (Assumed)	2003–2012	Ding et al. 2022

Note(s):

Relevance: positive (+), negative (-), or non-significant (0)

Proved = empirically tested and confirmed in the cited study; Assumed = the study does not explicitly test the symbolic/substantive distinction, but the design implies substantive adoption; No Discussion = the cited study does not address this dimension

Beyond report quality, symbolic and substantive adoption may exert divergent impacts on corporate outcomes. Although direct evidence on substantive adoption remains limited, substantial empirical support suggests that adherence to frameworks such as the GRI, TCFD, and CDP enhances companies’ sustainability practices and transparency. These benefits include improved financial performance, reduced financing constraints, lower cost of debt, enhanced green innovation, and increased firm value (Gao et al. 2024; Huang et al. 2025; Ding et al. 2022; Jiang et al. 2021; Xu et al. 2021; Yang et al. 2021). Conversely, companies engaging in symbolic adoption tend to demonstrate weaker sustainability performance and are more likely to engage in earnings management through discretionary accruals (Zhang et al. 2021; Marquis et al. 2017).

#### FUTURE RESEARCH

This paper reviews the existing literature on the application of international sustainability standards for sustainability disclosure in China. Among the 46 selected studies, only eight employed qualitative methodologies, indicating a methodological gap in the field. Figures 5 and 6 summarise the core findings, highlighting key perspectives, research outcomes, representative references, and remaining gaps. Specifically, Figure 5 presents a conceptual framework grounded in stakeholder and institutional theories, suggesting that the substantive or symbolic adoption of standards is shaped by pressures from core stakeholders, as determined by firm-specific characteristics. Future studies may advance this framework by validating or refining its theoretical propositions.

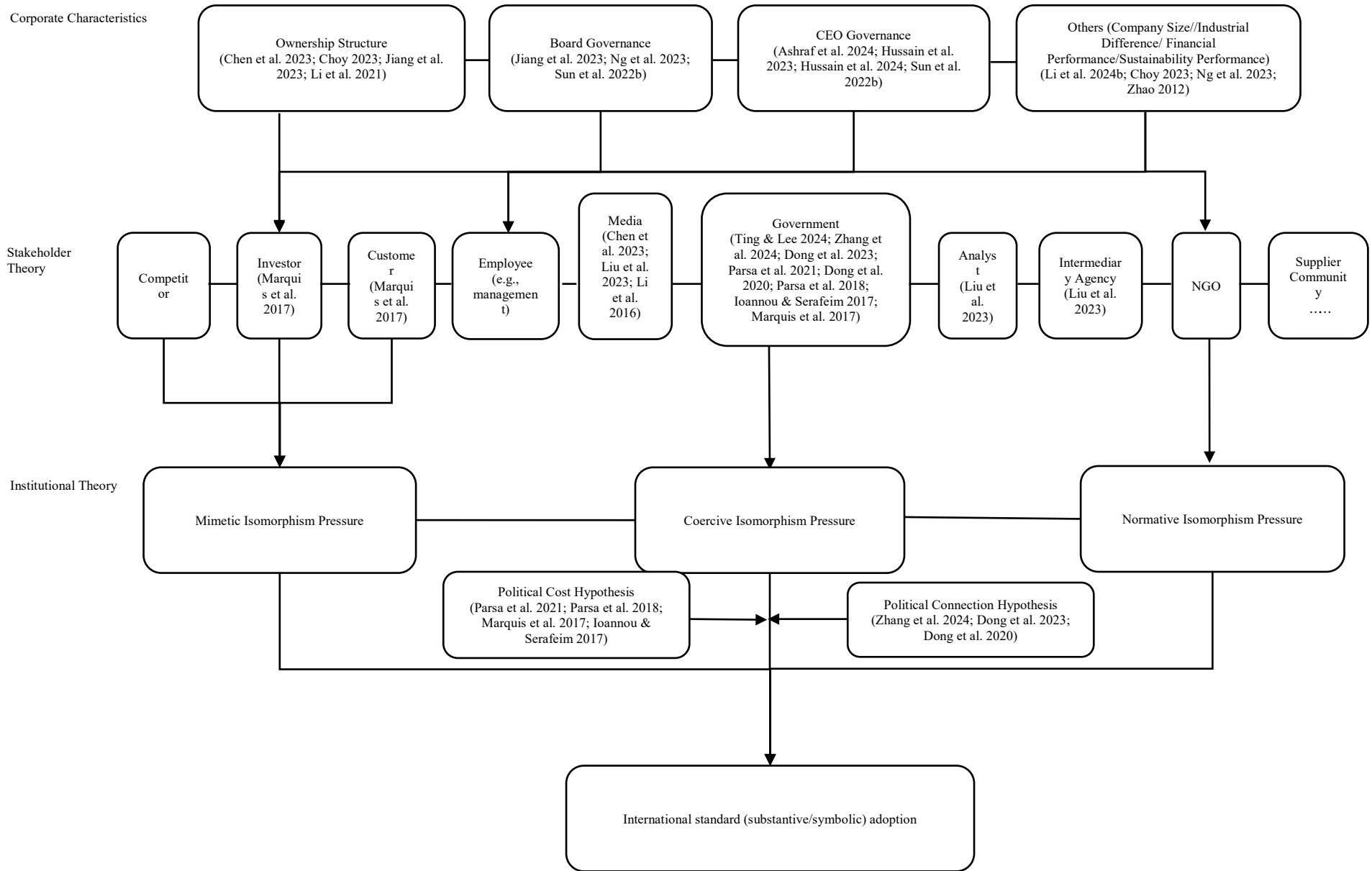


FIGURE 5. Research framework for sustainability standard adoption in China

Despite the growing body of research, the determinants of standard adoption in China remain insufficiently explored. Horizontally, existing studies have examined certain corporate characteristics but have largely overlooked others, such as firm age, cross-listing status, and managerial attributes. They also rarely distinguish between symbolic and substantive adoption. In addition, while stakeholders such as governments, analysts, intermediaries, media, and foreign investors have been discussed, other influential groups have received limited attention. Vertically, few studies have examined the full causal chain from corporate characteristics to stakeholder salience and institutional pressures, leading to fragmented conclusions. Therefore, this paper recommends that future research investigate the determinants of the symbolic–substantive adoption of sustainability disclosure standards, using the theoretical framework presented in Figure 5. Given potential variations across regions, industries, and companies of different sizes, such exploration would yield a more comprehensive understanding of both the commonalities and differences in adoption patterns, thereby informing targeted policy and governance recommendations.

There is also a lack of comparative analysis between the determinants of symbolic and substantive adoption. Chinese evidence suggests that policy developments—such as the introduction of green finance in 2017 and environmental tax reform in 2018—may have inadvertently shifted firms’ focus from genuine sustainability practices to the disclosure of sustainability performance, thereby encouraging greenwashing (Jin et al. 2024; Yu et al. 2024; Hu et al. 2023). At the same time, recent data indicate a significant increase in support for international standards among Chinese companies (SynTao–Sustainability Solutions 2024). However, in the absence of robust verification, high levels of compliance may reflect superficial legitimacy-seeking rather than actual performance improvement. For example, the adoption of GRI standards and ISO 26000 is often used for impression management (Zhong et al. 2022), although some studies find that such adoption can narrow the scope for greenwashing (Sun et al. 2024). These findings suggest that the nature of adoption—whether symbolic or substantive—leads to fundamentally different outcomes.

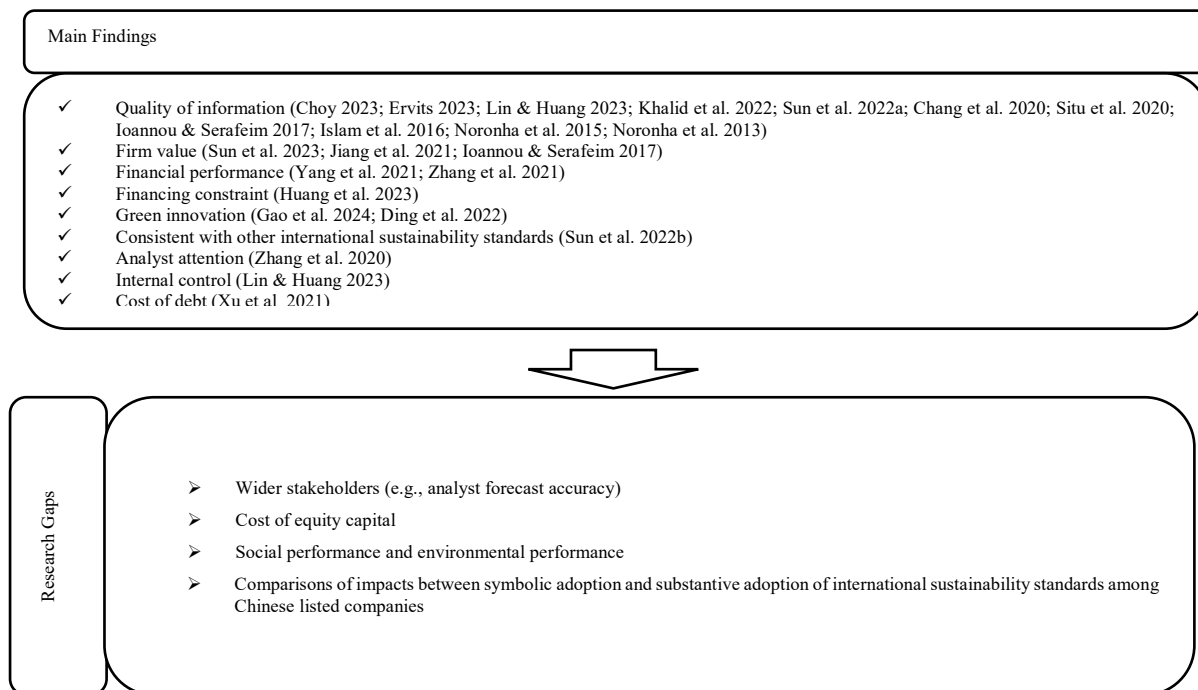


FIGURE 6 Summary of main research findings and identified gaps

Similarly, research on the effects of international sustainability standards on Chinese enterprises remains incomplete. Although numerous studies have demonstrated positive impacts on firm value, financial outcomes, green innovation, and financing costs, the influence on broader stakeholders and report users has not been fully assessed. Moreover, cross-national evidence consistently shows that large enterprises are more likely than small and medium-sized firms to adopt international standards (Ng et al. 2023; Subramaniam et al. 2023). However, Chinese small and medium-sized enterprises have received little attention in this context. In addition, global research confirms that adoption of these standards contributes to improved environmental outcomes, such as lower carbon emissions and greater resource efficiency (Luo & Tang 2023; Downar et al. 2021). Furthermore, the effect of international sustainability standard adoption on the cost of equity capital has not been examined in the Chinese context. Given that reduced information asymmetry is theoretically expected to lower equity risk premiums, this represents a promising avenue for future research. Yet, there is limited understanding of how such standards influence actual environmental and social performance in China.

## CONCLUSION

By reviewing the existing studies, this paper draws the following principal conclusions. At present, unlike the positive influence of international stakeholders and excellent sustainability performance, political and institutional pressures have had little effect on the substantive adoption of international standards in Chinese companies. Despite widespread criticisms, the substantive adoption of certain international sustainability standards has indeed benefited Chinese companies in terms of market valuation. In contrast, weak governmental oversight has led to widespread symbolic adoption, whereas companies that engage in substantive adoption have received meaningful, positive feedback from key stakeholders—particularly financial markets. The substantive adoption of international sustainability standards in China is primarily driven by commercial and reputational incentives—particularly the prospect of improved market valuations and investor confidence—rather than by regulatory compulsion. Accordingly, this study highlights the importance of shareholder activism as a driving force in promoting sustainability disclosure practices among Chinese enterprises. While structural constraints on shareholder activism remain significant in the Chinese context—given the prevalence of state ownership—the growing presence of foreign institutional investors and ESG-focused funds suggests that market-based pressure is increasingly viable as a mechanism for promoting substantive adoption. Furthermore, the latest self-regulatory guidelines jointly issued by China’s three major stock exchanges, as noted at the outset of this paper, are largely aligned with international standards—specifically those of the ISSB and the GRI. Therefore, how the Chinese government can effectively promote the substantive adoption of international sustainability standards in the future will be pivotal to the success of China’s sustainability reporting accountability mechanism.

This study offers both practical and theoretical insights. Although international sustainability disclosure standards are gaining traction in China, they are often implemented symbolically. This pattern is consistent with findings of widespread greenwashing in Chinese sustainability reporting. As the main regulatory authority, the Chinese government has had limited success in curbing this issue. Instead, market-driven incentives appear to be more effective in encouraging substantive adoption. To address this challenge, investor-oriented ESG governance should be prioritised. While prior research in ASEAN emphasises board governance effectiveness and the establishment of sustainability committees (Ab Aziz et al. 2025b; Octavio et al. 2025), this study argues for further reforms. For instance, integrating ESG metrics into executive compensation, assigning sustainability committees responsibility for compliance disclosure and risk oversight, and developing assurance mechanisms for sustainability reporting are all effective measures (Jiang et al. 2023; Nandy et al. 2023; Subramaniam et al. 2023). Additionally, harmonising sustainability disclosure policies between China and ASEAN would enhance cross-border communication. Policymakers should also consider regional governance differences, such as the need to incentivise family-owned ASEAN firms and to implement more rigorous oversight of Chinese companies with political connections (Ab Aziz et al. 2025a; Zhang et al. 2024). Furthermore, the development of sustainability disclosure standards for regional compliance should account not only for the commonalities among countries but also for their distinct differences, to ensure meaningful implementation and prevent purely symbolic adoption.

Drawing on stakeholder and institutional theories, this study proposes a three-level framework linking corporate characteristics to stakeholder salience, isomorphic pressures, and ultimately the type of standard adoption—whether substantive or symbolic. Importantly, similar institutional pressures can yield divergent outcomes depending on the firm’s political context, as illustrated by the case of politically connected firms during leadership transitions (Zhang et al. 2024; Dong et al. 2020). Future research should comprehensively examine this chain to identify reliable determinants at each level.

## LIMITATIONS

Despite its contributions, this study has certain limitations. First, information was sourced only from the Web of Science and Scopus databases. Although five papers from other sources were included through snowball sampling, the scope of the database search may have resulted in some relevant studies being excluded from this investigation. Second, the search was limited to English-language publications, potentially excluding relevant studies published in Chinese academic journals. Given that a significant body of sustainability-related research in China is published in Chinese, this language restriction may have introduced a selection bias. Third, the classification of studies as reflecting substantive or symbolic adoption—particularly those labelled ‘Assumed’—is based on the current authors’ interpretive judgement rather than the explicit findings of the cited studies. This introduces a degree of subjectivity that future systematic reviews may seek to address through more formalised coding protocols. Fourth, the review focuses exclusively on listed companies, and the findings may not be generalisable to unlisted firms, state enterprises, or small and medium-sized enterprises in China. Fifth, given the rapidly evolving regulatory landscape in China—including the 2024 sustainability disclosure guidelines—some findings may become outdated as new empirical studies emerge.

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