CHAPTER 1: INTRODUCTION

Corporate Social Responsibility (CSR) reporting has been described as a procedure for informing certain interest groups in society at large of the economic, social, and environmental effects of the organization's actions (Gray et al., 1987; Mathews, 1984). This study investigates CSR reporting levels and how institutional factors, and corporate governance mechanisms influence CSR reporting behavior in a developing country, Bangladesh. The present chapter achieves this by outlining the basic context and definitions for the research study's current issues as well as its goals and objectives. For this reason, the chapter begins with a discussion of the research background in section A, and in section B, the problem statement is stated, while in section C, the research questions and objectives are presented, finally in section D, explains the contribution and originality of the research.

A. Research Background

The demand to consider how corporate activities affect society and the environment has been progressively increasing over the last few decades (Kolk, & Perego, 2014; Castelo Branko et al., 2011). Companies are fundamentally responsible to their stakeholders in four areas: ensuring financial returns, complying with rules and regulations, acting morally beyond legal requirements and being willing to participate in voluntary activities (Clarkson, 1995; Carroll, 1983 p.608). At first, the company's role was considered as maximizing shareholder returns and the fundamental reason for its existence. Masud et al., (2019) mentioned that the main goal of corporate management was to increase shareholders' wealth while remaining within the law. Such a responsibility causes corporate executives to ignore other stakeholders in the areas where they operate, such as the environment, ecology, and society (Uwuigbe et al., 2018). However, because of globalization, increased stakeholder activity, and the free flow of information, firms must now conduct business in a socially responsible and transparent way. The function of a firm has extended to becoming a social agent with significant duties to society because of adopting and developing socially responsible practices (Ghelli & Schrøder, 2013; Carroll,1991). To maintain the long-term stability of their businesses, companies are expected to act morally and as good corporate citizens. The idea of corporate social responsibility (CSR) was born out of the belief that businesses may have a positive and strong impact on social development while also enjoying the potential advantages of doing so (Carroll,1979; Du, Bhattacharya, & Sen, 2010). Over the years, the concept of CSR has grown significantly with the concept that businesses have obligations to society beyond making a profit (Caroll & Shabana, 2010; Dahlsrud, 2008). CSR is *"a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis"* (The European Commission, 2001, p.6). The United Nations Industrial Development Organization (UNIDO) defines corporate social responsibility (CSR) as a management philosophy in which businesses integrate social and environmental issues into their internal operations and interactions with stakeholders. It is a means for a company to strike a balance between fiscal, environmental, and social imperatives while still meeting the needs of different stakeholders (UNIDO, 2020). In this study, CSR is characterized as reporting procedures and administrative frameworks used by businesses to lessen the negative effects of their operations on people and the environment. The definition includes CSR reporting or sustainability reporting (Gray et al., 1996; De Villiers & Alexander, 2014), which speaks to business disclosures regarding their effects on society or the environment (De Villiers & Alexander, 2014). CSR offers a variety of opportunities for businesses to better their communities and the ones in which they operate (KPMG, 2020). CSR is now viewed as an enduring investment by businesses. The development of new business networks, better hiring and employee retention, enhanced brand perception, and increased financial performance as a source of profits are all associated with CSR and all improve a company's reputation (Kahreh et al., 2014). Weber, (2008) outlined five potential advantages for businesses participating in CSR activities. Firstly, CSR may improve a company's image and reputation (Dutot et al., 2016), which improves its competitiveness (Gray & Balmer, 1998). Secondly, employee motivation, retention, and recruitment are all boosted by CSR, as employees are more spirited when working in a dynamic setting or contributing to CSR activities (Pedersen, 2015). Thirdly, cost savings are a possible benefit for business firms. Establishing a sustainability strategy or building a good relationship with a particular stakeholder, like regulators, can aid businesses in becoming more efficient, saving time, and gaining access to funding, claimed Epstein & Roy, (2001). Additionally, CSR may enhance revenue through higher sales and market share, which are often acquired indirectly through a strong brand reputation (Branco & Rodrigues, 2006). Finally, by participating in CSR initiatives, businesses can mitigate and manage risks such as negative headlines, boycotts, and dissatisfied customers (Weber, 2008; Luo, & Bhattacharya, 2006).

CSR reporting trend started to manage public opinion and satisfy stakeholders with the use of annual reports (Patten, 1992; Cormier, & Magnan, 2003). CSR reporting started with employee reporting, then expanded to provide more specialized categories including social reporting, sustainability reporting, triple bottom line reporting, and environmental reporting (Bhur & Grafström, 2007; Adams, 2002). Stakeholders are also made aware through CSR reporting from companies that firms act ethically, as well as for economic and social reasons (Rashid et al., 2020). CSR reporting started to receive increased attention in the early 1990s for several reasons, including rising stakeholder pressure, public awareness, and social concerns about unethical business practices (Tschopp & Nastanski, 2014). The importance of CSR reporting as a tool to manage these duties has increased with the increasing significance of important stakeholders and the recognition of more accountability needs from stakeholders with non-financial expectations (Gray, Owen, & Adams, 1996). This phenomenon has emerged as a research topic, in line with the relevance of CSR reporting. Different academics and organizations have given different definitions of CSR reporting. It has also been referred to as social responsibility accounting and sustainability reporting (Mathews, 1984), corporate social disclosures (Belal, 2001), and social accounting (Gray, 2000). Sometimes understanding such a wide variety of phrases can be challenging, necessitating clarification (Gray, 2000; Mathews, 1984). Simply described, it involves making a company's social, legal, and environmental problems public (Belal, 2008). The following are some instances of CSR reporting definitions: According to Mathews *"voluntary disclosure of information, both qualitative and quantitative, made by organizations to inform or influence a range of audiences."* (Mathews, 1984, p.204). CSR reporting was defined by Hackston and Milne *"Corporate social reporting can be defined as the provision of financial and non-financial information relating to an organization's interaction with its physical and social environment, as stated in annual report or separate social reports"* (Hackston & Milne, 1996, p.78). Gray et al. (2001) claim that *"Social and environmental disclosure can typically be thought of as comprising information relating to a corporation's activities, aspirations and public image with regard to environmental, community, employee and consumer issues."* (Gray *et al.*, 2001, p.329). CSR reporting was also defined by the World Business Council for Sustainable Development (WBCSD, 2002) as *"public reports by companies to provide* *internal and external stakeholders with a picture of corporate position and activities on economic, environmental and social dimensions".* Despite terminological differences and a lack of agreement on the concept, most of the definitions of CSR reporting include it as a means for firms to inform various stakeholders of their CSR actions (Golob & Barlett, 2007; Perez, 2015). To avoid misunderstandings, a definition of CSR reporting has been developed for the purpose of this study, taking into account the phenomena of Bangladesh, a developing country: *"CSR reporting is defined as mechanism in which companies report social and environmental information, either mandatory or voluntary, regarding issues of community involvement, human resources, products and consumers, and environmental reporting to wide range of stakeholders through different channels, such as annual reports, websites, separate reports, brochures, et*c.". The definition has taken into consideration both mandatory and voluntary reporting. According to Mirfazli, (2008), reporting can be either mandatory or voluntary. It is mandatory for information reporting conducted by a corporation based on a specific regulation or standard. Reporting may also be voluntary; the need to disclose information outweighs the legal minimum (Mirfazli, 2008, p.278). Some authors, like Mathews, (1984) focused more on voluntary reporting, emphasizing CSR reporting as a voluntary disclosure of information intended to inform and influence a wider range of audiences. Mandatory and voluntary reporting are both significant factors, though they are rarely emphasized when defining CSR reporting. National laws, rules, or listing requirements can all be used to create mandatory CSR reporting requirements. According to Woodward's, (1997) suggestion, both sorts of disclosure are thus included in the definitions. CSR reporting with annual reports has become a high trend in the last years, with an increasing number of nations, such as European Union, United State, India, Indonesia, Denmark, Argentina, France, China, Malaysia, and others, adopting mandatory reporting for CSR information with their annual reports (KPMG, 2020).

It has also been seen that research has been increasing in the last almost two decades into the corporate governance (CG) of company organization (Rouf, 2011; Khan et al., 2013; Barakat et al., 2015; Sharhan & Bora, 2020). It has been a very important topic for multiple stakeholders around the world. CG has also been a central issue for discussion and debate about reforming state-owned institutions and creating a new business or corporate structure. Previous work on these relevant subjects have been carried out (Thao Tran, 2018; Masud, Nurunnabi & Bae, 2018; Gallego-Álvarez & Pucheta-Martínez, 2020; Rouf, 2011; Khan, Muttakin & Siddiqui, 2013; Barakat, López & Ariza, 2015; BSEC, 2018; Sharhan & Bora, 2020; Brouwer *et al.*, 2007; Belal & Owen, 2007). Corporate governance is the concept of the rules, frameworks, and procedures that govern and manage corporations. Its foundation is the idea that top-notch CG facilitates the effective and efficient allocation of scarce resources in any business. The variety of CG definitions is expanding along with the quantity of research in the area. Over the past two decades, scholarly literature has addressed a variety of meanings because there isn't a single term that is accepted by everybody (Balc et al., 2013). The definitions of CG typically fall into two categories: narrow and broad (Solomon, 2020). The focus of CG's limited perspective is the relationship between corporations and their stockholders (Solomon, 2020). The limited perspective reflects the traditional accounting perspective, which is expressed in agency theory, according to which CG is only accountable to the owner. The broad view, on the other hand, puts more emphasis on governance structures, practices, and procedures. It explains that, according to the stakeholder theory, boards of directors are accountable to stakeholders for the company's CG, whereas shareholders are responsible for appointing directors and auditors to ensure that governance measures are implemented. Goergen, (2012) claims that businesses' focus on value maximization is not justified by their legal status as shareholders. In support of this argument, Ireland, (2010) stated that companies should be considered common property rather than the private property of shareholders since they are "the product of the collective labor of many generations". These opinions are consistent with the stakeholder approach, which sees CG as a set of connections that extends beyond the business and its owners to include its employees, clients, suppliers, and other parties (Solomon, 2020).This plan has drawn a lot of attention lately and is currently regarded as the more comprehensive strategy for CG that this study focuses on. OECD provides the example of CG definitions that include this stakeholder perspective: *"Corporate governance involves a set of relationships between a company's management, its board, its shareholders, and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined."* (OECD, 2004; p.11). According to Claessens (2006, p. 94), *"The relationship between shareholders, creditors, and corporations: between financial markets, institutions, and corporations; and between employees and corporations. Corporate governance would also encompass the issues of corporate social responsibility, including such aspects as dealings of the firm with respect to culture and the environment."*. This strategy has been modified by Sir Adrian Cadbury in his modern interpretation, which was presented in the "Global Corporate Governance Forum" of the World Bank in 2000: *"Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to* *align as nearly as possible the interests of individuals, corporations, and society."* (Cadbury, 2000, p.vi). As a result of various points of view, CG has progressed into a more comprehensive and clear idea. Outsider stakeholders (particularly local, regional, and global societies) whose interests might be influenced by their operations are included in the definition, as well as numerous stakeholders connected with corporations, such as shareholders, consumers, managers, employees, and traders (Tricker, 2012). This viewpoint raises a slew of philosophical questions about the interplay between people, the government, and corporations (Tricker, 2012). Despite the diversity in perspectives, Solomon, (2020), claims that the literature's definitions of CG share many characteristics, and one of those is accountability. A broad viewpoint encourages a high level of accountability, not just to owners but also to other stakeholders, while a narrow perspective concentrates on shareholder accountability.

Corporate governance mechanisms are the laws, practices, and controls that are used to govern a company and reduce inefficiencies. Business owners and executives utilize these tools to help managers and staff members comprehend what is and is not appropriate behavior when handling corporate functions. Separating ownership from management demonstrates the value of sound corporate governance in the business field (Brouwer et al., 2008; Belal & Owen, 2007).There have been massive economic crises recorded as a result of poor CG, with major corporations such as Enron, Tyco, Imclone Systems, and WorldCom failing (Tran, 2018; Masud, Nurunnabi & Bae, 2018; Gallego-Álvarez & Pucheta-Martínez, 2020), in south and south east Asian financial crisis in 1997-1998 (Rouf, 2011; Khan et al., 2013; Barakat et al.,, 2015; Sharhan & Bora, 2020). These crises sparked a new discussion about the importance of implementing good corporate governance mechanisms, which can help businesses achieve greater accountability and performance assessment.

After the recession, developing countries recognized the value of CG and saw it to re-establish investor faith and confidence. To assist companies in improving their CG structure, new norms, best practices, guidelines, and codes have been created (Brouwer, 2008; Belal & Owen, 2007). In this situation, Bangladesh felt the importance of good CG, and Bangladesh Securities and Exchange Commission (BSEC) CG Guidelines were introduced in 2006. The BSEC took a stride forward in 2012 when it published the Corporate Governance Guidelines (CGG, 2012), which established a "compliance" basis for publicly traded firms. CGG 2012 included the issue of CSR reporting in general, as well as the environmental damage caused by the listed firms. The BSEC later issued the Corporate Governance Code (CGC, 2018) in June 2018 replacing the CGG, 2012 which now specifically addresses these issues. The checks and balances of a public company can be strengthened if all the standards outlined in the new Code are met (Esa & Ghazali, 2012; Lone et al., 2016). As of December 2018, all the listed companies mentioned must comply with the new CGC (BSEC, 2018). For CSRR, there is no universal, optimal model of CG and specific board attributes seem to exist and the board configuration appropriateness depends on the institutional context (Villegas et al., 2018).

Many developing countries' institutional factors have been influenced by complex shifts in the global climate. These modifications indicate a shift in how accountability and openness are perceived. This strategy has greatly increased the pressure on individuals in positions of power to consider the social and environmental implications of their decisions. Previous studies have shown that investment fund regulators and those who develop financial reporting standards (IFRS) are more aware of the value of corporate sustainability (Clarkson et al., 2008; Sobhani et al., 2009; Ashfaq & Rui, 2019). While CSR reporting and corporate governance (CG) have both grown into well-researched areas in industrialized nations (Chan et al., 2014; Alvarez & Martinez, 2020), and in developing countries (Rouf & Hossain, 2020; Biswas et al., 2018; Nour et al., 2020; Nguyen et al., 2021) but there has been comparatively little emphasis on creating a relationship between the two variables in terms of developing countries (Alvarez & Martinez, 2020). Because it is influenced deeply by the decisions, inspirations, and values of those who carry out actions, management systems should be a concern for the managers as well (Haniffa & Cooke, 2005). The World Bank stated, “Corporate Social Responsibility (CSR) as an institutional commitment to support economic development by working closely with the workers, their families, local communities, and wider society in a way that is essential for business and development” (Starks, 2009).

Companies always strive to be good corporate citizens by being transparent about their actions that reduce environmental harm or have beneficial environmental effects, demonstrating their legitimacy to interested parties (Dawkins & Ngunjiri, 2008). Kohlberg, (1981) identified three stages in the development of morality: the first is characterized by living and acting in accordance with accepted social norms; the second is characterized by seeking approval from others through one's behavior; and the third is characterized by understanding the universal principle and the development of autonomous decision-making based on one's own internal perspectives of right and wrong, ethics, and others, as opposed to those influenced by others. Nevertheless, CSRR is influenced by institutional factors and CG mechanisms, particularly board compositions (Villegas et al., 2018); It might be crucial for research (Aksoy et al., 2020; Rouf &

Hossain, 2020). The corporate board takes vital decisions about CSR and CSRR because they are responsible for formatting sustainable business strategies and supervising the use of assets of the company (Khan et al., 2013; Ullah et al., 2019).

Although there has been some effort to combine CG and CSR, they have been successful in establishing themselves as separate academic fields (Khan et al., 2013). The methods of CG, as well as the values, standards, and decisions of those involved in corporate decision-making have all been related to CSR (Khan et al., 2013; Haniffa & Cooke, 2005). The majority of the study in this field has shown a positive correlation between CG components such board independence and the chairman's multiple directorships and CSR success (Harjoto & Jo, 2011). CSR reporting has traditionally been linked with developed countries (Belal, 2000), although in recent years, both CSR and CG literature in the context of underdeveloped countries has received a lot of interest (Mehjabeen & Bukth, 2020). Bangladesh Securities and Exchange Commission (BSEC), The Bangladesh Bank (BB), Institute of Chartered Accountants of Bangladesh (ICAB), Bangladesh Enterprise Institute (BEI), and Institute of Cost and Management Accountants of Bangladesh (ICMAB) are the first institutions committed to ensuring CG regulations compliance in Bangladesh as a developing economy (Ahmed, 2006). These organizations are responsible for publishing the Bangladesh Code of Corporate Governance, various reports, holding seminars, issuing notifications, and enforcing several laws and guidelines, including as the Companies Act of 1994, the SEC rules, and other stock exchange guidelines, as well as the Bangladesh Accounting Standards (BAS) and Bangladesh Auditing Standards (BSA) (Mir & Rahaman, 2005). Previously, accounting reports were prepared and audited primarily in accordance with two sets of regulations: the Companies Act of 1913 and the stock exchange listing criteria, which were later revised as the Company Act of 1994. The

Security Exchange Commission (SEC) was established as a stand-alone organization to enhance the stock market, with donor agencies advising and funding it. Listed firms must comply with the SEC's listing standards to trade on stock exchanges, along with the provisions of the Companies Act 1994. The SEC has periodically released a number of guidelines and notices to ensure good CG practices in listed public limited companies (Imam, 2006). Previous studies in Bangladesh observed few CSRR and largely supplied descriptive information about employees, raising concerns about data reliability (Rashid et al., 2020). Only one-sixth of Bangladesh's publicly traded corporations willingly disclosed CSR issues, according to research by Azim et al., (2009). Bangladesh's publicly listed firms apparently did not report on CSR in the most persuasive ways, according to a study of Belal & Cooper, (2011).

Dhaka Stock Exchange (DSE) is the official exchange authority for shares in Bangladesh. DSE started running in 1954 before the independence of Bangladesh and came into existence in its current form in 1976 after five years of independence from Pakistan. The Bangladesh Securities and Exchange Ordinance 1969, the BSEC Act 1993, and the Companies Act 1994 are the authority for monitoring, supervising, and controlling the DSE.

B. Statement of the Problem

In recent decades, the development of CSRR literature has led to an increase in CSR (Social and Environmental) reporting research (Zaini et al., 2018; El-Halaby & Hussainey, 2015; Kolsi, 2017). The issue of whether a company should engage in CSR activities and provide meaningful reporting of those actions has been highly debated since its development in the 1950s (Rashid, 2020). Most of the research on the relationship between CSRR practices and their influential factors has taken place in developed countries context (Fifka, 2013; Kolsi, 2017; Sharma & Davey, 2013; Belal et al., 2013; Elfeky, 2017). While developing countries face more challenges than developed countries in terms of increasing CSR reporting awareness due to several factors (Mahadeo et al., 2011). Low levels of economic development may exist in developing nations, for example (Belal, 1999; Islam & Deegan, 2008; Visser, 2014). Legal systems might not have sufficient influence to uphold CSR activities (Biswas et al., 2018). Cultural norms, values, and practices differ, which has an impact on CSR initiatives (Haniffa & Cooke, 2002; Ntim & Soobaroyen, 2013). Strong CSR reporting pressure organizations and/or activists aren't likely to have a big impact on business activity (Islam & Deegan, 2008; Muttakin & Khan, 2014). After all, business behavior may be impacted by the presence of corruption in high-ranking positions (Nurunnabi, 2018).

As a result, CSR reporting practices, as well as the factors that influence them and the consequences they have, may differ from those seen in developed world, as they may not reflect the situations in developing regions (Muttakin & Khan, 2014; Ntim & Soobaroyen, 2013). Exploring CSR reporting practices in developing nations such as Bangladesh would therefore lead to a better understanding of reporting practices. In this regard, a firm's operational settings may play a significant impact in determining its policies and operations, including CSR reporting (DiMaggio & Powell, 1991; Haniffa & Cooke 2005; Masud et al., 2018). CSR reporting studies have primarily concentrated on a small number of countries, including Malaysia, Singapore, South Africa, and China (Fifka, 2013; Ali et al., 2017; Belal & Momin, 2009). 80 percent of firms globally currently disclose their CSR (sustainable) activities, according to a KPMG, (2020) survey on the topic. Since the recent

KPMG poll in 2017, this underlying global CSR reporting rate has increased from 75% to 80%. The Asia Pacific has grown to 84% and leading countries in this region including 100 percent Japan, 99 percent Malaysia, 98 percent India, 93 percent Taiwan, and 92 percent Australia, Pakistan scored 90%, and China scored 78% of their CSR reports (KPMG, 2020). According to GRI, (2019) CSR (Sustainability) reporting trends in South Asia at Bangladesh from 320 DSE listed companies, only 15% of companies disclosed their CSR reports whereas neighboring developing countries India 99% and Sri Lanka 45% disclosed their CSR reports (GRI, 2019). From the above present CSR reporting status, it is a big issue that why companies in Bangladesh are far behind in reporting their CSR activities.

With the above present CSR reporting level connections, we studied peer-reviewed prior empirical research works from 1999 to May 2021 and found that most of the investigations concentrated in big companies in developing countries, the small companies are less involved (see Table 5 in sub-chapter 2.2). From a recent review, Aqif & Wahab, (2021) also stated the same view. In the context of Bangladesh, it is found that most of the studies are investigated eighter one aspect or considered single industry (see, Table 4 and 6 in sub-chapter 2.2) and with a short-range and a small number of samples and that investigation's results are not mostly generalized. Moreover, it is found no recent study (except Muttakin et al., 2016) investigated considering all industries of listed firms in Bangladesh to find present CSRR levels. Muttakin et al., (2016) consider the data from DSE listed firm’s annual reports between 2005 and 2013. After that period, many steps have been taken for CSR engagement and reporting practice to the companies of Bangladesh. Bangladesh Bank issued notifications to the financial institutions in December 2014 for CSR reporting. Bangladesh initiated SDG 2030 in 2015 with the

United Nations as a member country. Moreover, the new Corporate Governance Code was imposed in 2018 (CGC, 2018) for better CSR practice and reporting after modified and developed the CGG2012. Based on the review discussion we found the first literature gap and attempt to investigate the present CSR reporting levels and patterns considering all DSE listed firms in Bangladesh. The result will bring a clear understanding for generalizing with more accurate outcomes of present CSR reporting practices.

CSR activity and reporting level may influence external and internal influential factors of a firm. Few studies have examined the effects of external (institutional) determinants in developing nations, according to the literature review; similar attention has been given in reviews by Velte, (2021); Fifka, (2013); and Belal & Momin, (2009). Few research has looked into how one or two external variables interact with other internal variables (Othman et al., 2011; Anas, Rashid & Annuar, 2015; Haniffa & Cooke, 2005). Though the impact of external institutional factors on CSR reporting is not prioritized by the relevant researcher, the importance of institutional factors cannot be neglected because CSR practice and reporting approaches are strongly influenced by legal, cultural, and normative issues (Campbell, 2007; DiMaggio & Powell, 1983). We found only a single study (see, Table 4 in sub-chapter 2.2) from Bangladesh by Islam & Deegan, (2008) who studied only considering the textile industry examining the impact of normative and coercive factors by identifying the institutional isomorphism. As a result, this study contributed to the body of literature by introducing a novel method for quantifying institutional pressures in Bangladesh that considers all three dimensions (regulative, normative, and cultural-cognitive isomorphism), as described by DiMaggio & Powell in 1983, and by analyzing the effects of such pressures on CSR reporting via the mentioned institutional factors. The reason raises the second research hole in the investigation, namely the lack of comprehensive studies on CSR reporting that consider the impact of external (institutional) factors. Moreover, investigating this issue through the lenses of neo-institutional theory is severely constrained (Ntim & Soobaroyen, 2013; Arman & Haniffa, 2011; Rashid, 2018).To address this second research gap for Bangladesh perspective we examined (such as CSR reporting guideline, CG Code 2018, Auditing with BIG 4, firms with multinational operations, Adoption of GRI Standard, and Membership with CSR Promoting Associations) hypotheses and applied neo-institutional theory to identify and examine systematically relevant institutional factors that may influence the level of CSR reporting. Our review of the literature reveals that all prior research data relating to corporate governance and CSR reporting in context of Bangladesh were collected before to reforming the CGC 2018 (see, Table 6 in sub-chapter 2.2). As a result, the findings of prior studies have no impact of reformed CGC 2018 on CSR reporting levels in Bangladesh. Another focus of this research is to see how the reformed CGC 2018 implementation impacted CSR reporting in Bangladesh. To address this research gap, we have attempted to examine Corporate Governance mechanisms (such as Board Size; Board Independence; Women on Board; Foreign Member on Board; Institutional Ownership, and Director Ownership) hypothesis and applied multiple theories such as legitimacy theory, stakeholder theory, and stakeholder-agency theory to identify and examine systematically the CG mechanisms that may impact the level of CSR reporting. By filling the 3rd research gap, this study's findings will bring important value to literature.

Moreover, according to our review (see, Table 4, 5, and 6 in sub-chapter 2.2) the inquiry shows that there is no research has been examined the CSR reporting levels in a developing country like Bangladesh with the combined effect of institutional factors and CG mechanisms. Majeed et al., (2015) also mentioned the similar attention for South Asian countries. To fill this research gap, this study aims to investigate more the accurate degree of CSR reporting in Bangladesh in relation to all institutional and CG-related influencing factors. This is the 4th research gap in literature and will be fulfilled with this study.

Another focus of this study is the under-theoretical issue of CSR reporting studies in developing countries like Bangladesh, which has been mentioned in prior literature (Belal & Momin, 2009; Ali et all., 2017). This study attempted to respond to this criticism by conducting research with relevant theoretical frameworks. Haider, (2010) argues that the theories used should consider the variables influencing a company's decision to participate in CSR reporting. Mehedi & Jalaludin, (2020) on the other hand, underlined that the selection of a theory should be based on the value system of the society in which they operate. Accordingly, two independent theoretical frameworks for CSR reporting institutional and CG influential factors are constructed. Neo-institutional theory (extension of institutional theory, see Fernando, & Lawrence, 2014) is well-matched for determining the effect of institutional (isomorphism)influences in the context of developing country Bangladesh. However, because the study focuses on CSR reporting, which is based on a wider perspective of stakeholders where stakeholder theory, for the legal issue the legitimacy theory and for agency problem relating to CSR The stakeholder-agency the three theories that have been dominant in many CSR reporting investigations (Chan et al., 2014; Anas et al., 2015; Tan, Benni, & Liani, 2016; Hill & Jones, 1992; Velte, 2023).

The multi-theoretical framework of legitimacy theory and stakeholder theory not only enables the development of argumentation for the impact of corporate governance mechanisms on CSR reporting but also explains firms' participation in CSR reporting. In addition, this is the first study so far in Bangladesh (except Islam & Deegan, 2008) attempting to apply for external and internal influential factors of CSR reporting with the four dominant theories, the neo-institutional theory for institutional effects on CSRR and the legitimacy theory, the stakeholder theory, and the stakeholder-agency theory for corporate governance effects on CSRR as two theoretical frameworks (See Tables 3 in sub-chapter 2.1). Finally, the study attempts to investigate the four empirical and one theoretical research gaps. The research gaps for CSR reporting are detailed in the theoretical framework sub-chapter 2.1.

C. Research Questions and Objectives

The goal of this study is to fill the gaps in the literature mentioned above by looking at the following research questions:

Question No.1: What kind and how much level of CSR issue do Bangladeshi listed companies report in their annual reports?

Question No.2: What institutional factors significantly effects CSR reporting in Bangladesh?

Question No.3: What are the corporate governance mechanisms importantly effects on CSR reporting in Bangladesh?

Question No.4: What are the combined (institutional and corporate governance) factors effect on CSR reporting in Bangladesh?

The following study objectives have been stated to address the questions raised above:

(1). To identify the practice of CSR Reporting level of listed firms in Bangladesh through the corporate annual reports.

(2). To identify and investigate the effects of relevant external such as legal, cultural, and normative factors effects on CSR reporting level of listed firms in the context of Bangladesh.

(3) To identify and evaluate the effects of CG board characteristics and ownership structure effect on CSR reporting practices of DSE-listed firms in Bangladesh.

(4). To identify and investigate the combined effect of relevant external and internal factors on CSR Reporting of the listed firms in Bangladesh.

Table 1: showing the links between research questions, objectives, and sources of data:

No	Questions of the research	Objectives of the research	Data source
1	What kind and how much level of CSR issue do Bangladeshi listed companies report in their annual reports?	To identify the practice of CSR Reporting level of listed firms in Bangladesh through the corporate annual reports.	Annual reports, CSR reports, MD's / Chairman's messages of DSE listed firms in Bangladesh.
2	What institutional factors significantly effects CSR reporting in Bangladesh?	To identify and investigate the effects of relevant external such as legal, cultural, and normative factors effects on CSR reporting level of listed firms in the context of Bangladesh.	DSE listed the Firm's annual reports; CSR reports and MD's / Chairman's message; the firm's corporate websites; the DSE website and the BSEC website.
3	What are the corporate governance mechanisms importantly effect on CSR reporting in Bangladesh?	To identify and evaluate the effects of CG board characteristics and ownership structure effect on CSR reporting practices of DSE-listed firms in Bangladesh.	DSE listed the company's annual reports; the firm's corporate websites; the DSE website, BSEC website.
4	What are the combined (institutional and corporate governance) factors effect on CSR reporting in Bangladesh?	To identify and investigate the combined effect of relevant external and internal factors on CSR reporting of the listed firms in Bangladesh.	Firm's annual reports; CSR reports and MD's/ Chairman's message; the firm's corporate websites; DSE website, BSEC website.

D. Contributions and Originality of the Research

This research objective is to add to the body of knowledge by expanding on previous research and aiming to address the limitations of existing studies in several ways.

Firstly, the research has added to the existing literature by presenting current CSR reporting levels, especially in the context of Bangladesh, a developing nation. As a result, it has provided a more current view of DSE-listed firms' social and environmental reporting status in Bangladesh. Accordingly, this research has aided Bangladeshi policymakers in identifying best practices in businesses that can assist in establishing accountability and thus enhance transparency. Additionally, the UN established the SDGs in 2015 as a rallying call to eliminate poverty, protect the environment, and guarantee that everyone lives in peace and prosperity by the year 2030. As a UN member, hopefully, Bangladesh will be benefited from this research in understanding the impact of the SDG objective action plans in Bangladesh, though there has a little dissimilarity with current CSR reporting objectives.

Secondly, the world CSR reporting trend is shown by KPMG, (2020), and GRI, (2019), is that Bangladesh is a lower CSR reporting country than other neighboring developing countries in South Asia. The country already has taken some initiatives to develop their CSR practice and disclosure levels such as CG guidelines amendments two times, Bangladesh bank-issued notifications to financial institutions for mandatory CSR reporting, the national board of revenue declared tax rebate for CSR engagement to all firms. Now it is also a vital issue to understand that the total (internal and external) CSR influential factors affect the next initiative to reinforce the CSR practicing and CSR reporting action plans.

Thirdly, the reformed CG Code 2018 was imposed immediately on DSE-listed firms in 2018 for good corporate governance. It is also necessary for investigating how CGC 2018 affects CSR reporting performance in comparison to CG Guideline 2012. This pioneering research has aided the policymakers and investors in making safe investments decision.

Fourthly, this research-backed up two distinct theoretical frameworks. A single theoretical framework based on the theory of neo-institutional is applied to support the institutional elements' effects on CSR reporting. Moreover, A multi-theoretical framework based on Legitimacy, Stakeholder, and stakeholder-agency theory is applied to support the effects of CG mechanisms (board compositions and ownership structure) for CSR reporting, while the results of this study contributed to a better comprehension of how the theories might be used to explain business behavior and corporate governance in a developing nation.

Fifthly, this research has provided an overview of existing CSR reporting practices in Bangladesh. Considering Bangladesh is in the process of transitioning from an undeveloped to a developing country (UNCTAD, 2019; Masum et al., 2020), where stronger CSRR practices are important. As a result, this research would assist the government and regulators in identifying helpful methods to encourage the practices of company CSR engagement and reporting.

Finally, this research attempted to advance the body of knowledge about how national external institutional pressures like legal, cultural, and normative variables and internal CG mechanisms influence CSR reporting in a developing country, Bangladesh.

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