

Does Supervisory Board Composition Influence Sustainability Reporting Quality?

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Abstract : Sustainability reporting has become a central element of modern corporate governance practice. This paper is the first to recognize supervisory board independence, sustainable expertise and gender diversity in two European two tier countries and their impact on sustainability reporting quality. For a sample of 188 German and Austrian companies which are listed at the Prime Standard of the Frankfurt and Vienna Stock Exchange for the business years 2012-2013, descriptive findings show that CSR reporting quality is still low in both countries. Furthermore, multiple regressions state that independent and female members in the supervisory board do have a positive impact on CSR reporting quality in Germany and Austria. However, the existence of sustainable experts in the supervisory board both in Germany and Austria shows a positive but insignificant impact. Our findings suggest that the current European corporate governance regulations can be a useful instrument to increase the quality of modern CSR reporting for the stakeholders.

Keywords : sustainability reporting, corporate governance, gender diversity, board independence

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