

Determinants of the Gap between the Assurance levels issued by the Assurance Provider and the Sustainability Ratings of Vigeo rating Agency: The Case of CAC 40

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ABSTRACT

The increasing interest in sustainability reporting through the publication of related reports has boosted the interest in assessing the accuracy of such reports which has led to the emergence of the sustainability assurance and the sustainability rating fields. In this paper, we try to identify the determinants of the gap between the level of sustainability assurance issued by the assurance provider and the sustainability ratings provided by the Vigeo rating agency. A double theoretical framework is used in this study, namely, the contractual and the neo-institutional theories. These theories have been widely used over the past years as a basis to explain the sustainability reporting. We have examined the sustainability reports of the CAC40's companies as well as their sustainability ratings provided by Vigeo for the period between 2004 and 2012. The empirical findings revealed that, the sector's sensitivity, the regulatory pressures, the label and the size of the company have shown a significant impact on the existing gap between sustainability assurance levels and Vigeo's sustainability ratings for the CAC40 companies.

1. Introduction

After the promulgation of the New Economic Regulations (NRE) law in France, companies have been pushed to disclose information about the social and the environmental impacts of their activities. The increasing interest in sustainability reporting through the publication of the related reports has boosted the interest in assessing the accuracy of such reports which has led to the emergence of the sustainability assurance and the sustainability rating fields.

The "Grenelle 2" law has established in France the obligation to carry out the sustainability assurance by an independent third party entity in accordance with the procedures set out by the decree no. 557 published on April 24, 2012 relating to companies' transparency obligations in social and environmental fields. This decree states that "the sustainability report must be checked by an independent third party body, as the case may be, by the General Director or the President of the Executive Board, for a period not exceeding six financial years, among the organizations accredited by the French Accreditation Committee (COFRAC) or by any other accreditation body that has signed the multilateral recognition agreement drawn up by the European Coordination of Organizations Accreditation" (Excerpt from Decree No. 2012-557).

The Grenelle 2 law has broadened the scope of the law on New Economic Regulations (NRE) by reinforcing the need for the credibility and the reliability of sustainability reports (Gillet, 2014).

Moreover, the emergence and the development of Environmental, Social and Governance (ESG) rating agencies such that Corporate Social Responsibility (CSR) agencies or sustainability ratings agencies provide investors and different users with all necessary information about CSR's level of the company. In fact, ESG agencies use multiple information sources to rate companies according to social and environmental criteria. They attribute a score to identify the degree of engagement of firms in sustainable practices. Finally, they assess the degree of engagement of companies and determine the "level of responsibility" in terms of CSR practices. In order to strengthen the confidence of the different stakeholders, it is important to reconcile the opinions provided by two different parties, namely, the assurance level issued by the assurance provider and the sustainability rating attributed by Vigeo: a world reputed extra-financial rating agency founded in 2002.

This paper attempts to respond to this research question: What are the determinants of the gap between the assurance levels issued by the assurer and the sustainability rating attributed by Vigeo rating agency?

More precisely, we try to identify the factors that have an impact on the gap that could exist between the assurance levels (low, moderate or reasonable) and the sustainability ratings issued by Vigeo, which, to the best of our knowledge, has not been investigated so far in the European context.

Moreover, this research tries to help improve the understanding of sustainability assurance since the research in this area is still not enough

developed and also it encourages standardization bodies to harmonize regulations to make the assessment of companies comparable from one country to another.

It is important to note that this research is the first study that focuses on two different opinions issued by two different parties. Therefore, the theoretical foundation of this research is mainly based on the sustainability assurance related theories, namely, contractual theory and more specifically the stakeholder theory which broadens the scope of the agency theory to all stakeholders and the institutional theories since this theory explains how organizations behave under pressure and how they become homogeneous as they are attempting to comply to norms and regulations practiced by different institutions.

This empirical study investigates the impact of the characteristics of firms such as label, size, sector, performance, leverage's level, the type of the assurance provider and the regulatory pressure on the gap that often exists between sustainability assurance levels issued by the assurance provider and the sustainability ratings attributed by Vigeo.

The rest of the paper is organized as follows: in section 2, the basic concepts related to sustainability assurance as well as the list of hypotheses are defined. The research methodology is described in Section 3. It includes the description of the data collection process and the applied method. Section 4 presents the results and the main findings. Finally, Section 5 provides some discussion and concludes the paper.

2. Sustainability assurance :Hypotheses Development

Sustainability assurance is a voluntary practice in most companies that enable stakeholders to assess to what extent the operations of an organization are sustainable. However, in France after the promulgation of the Grenelle 2 law, the sustainability assurance becomes an obligation for all listed firms and unlisted firms that meet given criteria.

The sustainability assurance is considered as one of the main domains of the academic research related to non-financial reporting (Erkens et al. 2015). Some authors were interested in sustainability assurance practices (O'Dwyer and Owen 2005; Deegan et al. 2006a; O'Dwyer and Owen 2007; Hodge et al. 2009; Perego and Kolk 2012). Other researchers mainly focused on the determinants of sustainability assurance (Simnett, 2009, Kolk and Perego, 2010, 2012, Peters and Romi 2015). Some others have analysed the factors that affect the sustainability assurance levels issued by different assurance providers and have examined the effect of the type of assurance

provider on the sustainability assurance (Gillet and Martinez, 2015). Recently, studies have attempted to assess the quality of the sustainability assurance (Fonseca, 2010; Fernandez-Feijoo et al., 2012; Romero et al. 2014).

Based on previous empirical studies related to sustainability assurance, the theoretical framework of this study relies on institutional, legitimacy and stakeholder theories. According to Freeman (1984) "stakeholder is by definition any individual or group of individuals that can influence or are influenced by the achievement of the organisation's objectives." According to this theory, with sustainability practices, companies pay more attention to the interest of different stakeholders rather than only shareholders. With regard to institutional theory and to legitimacy theory, firms seek sustainability assurance in response to institutional pressure to meet stakeholders' needs and legitimise their practices. The institutional theory (Scott, 2001) explains the phenomenon of homogeneity of organizations in society that includes several political, social and institutional frameworks. In response to normative, mimetic and coercive pressures, organizations tend to adopt sustainability assurance (DiMaggio and Powell, 1983).

Previous studies related to sustainability ratings have been conducted with the aim of analysing the historical evolution of ESG rating agencies with regard to their strategies, their assessment frameworks and weighing systems. However, in this paper, we examine another facet of sustainability rating which is not yet studied. By comparing the sustainability rating attributed by the Vigeo rating agency and the sustainability assurance level issued in the sustainability report, our research tries to help companies and different stakeholders assess and verify the accuracy of the sustainability reports.

According to Farooq and Villiers (2019), sustainability assurance providers are divided into two categories: the accounting assurance providers and the non-accounting ones. In fact, the increase in demand for sustainability assurance was accompanied by an increase in the number of different providers (Corporate Register.com Limited, 2008; Deegan et al., 2006a; Wallage, 2000). A literature review highlights that accounting firms are assurers of higher quality (Francis 2004) as they have more expertise in conducting financial audit. Moreover, following the ISAE 3000, accounting firms adopt a cautionary approach to conduct the sustainability assurance. However, the non-accounting firms including the consultants, the certifications firms and the different practitioners such as the stakeholder panels have expertise in sustainability and are not bound by any standard however they conduct the sustainability assurance based on the ISAE 1000.

In other words, the level of assurance provided is likely to depend on the type of different assurance providers. As a result, we assume in the first hypothesis that the type of assurance provider explains the gap between the sustainability assurance level and the assurance rating:

H1: The type of the assurance provider has an impact on the gap between the sustainability assurance level and the sustainability assurance rating.

The difference between the sustainability assurance level and the sustainability assurance rating may be explained by the regulation imposed in different countries (Kolk and Perego, 2010; Simnett et al., 2009). Daub (2007) and Alrazi et al. (2015) highlight that regulation and social pressure explain the engagement of companies in sustainability assurance. Companies operating in countries which are more stakeholder oriented are attempting to provide a higher quality of sustainability reports and sustainability assurance. Based on that, we assume that companies located in different countries which adopt different regulations may explain the quality of sustainability assurance which is represented in our study by the difference between the sustainability assurance level and the sustainability assurance rating.

H2: The regulatory pressure has an impact on the gap between the sustainability assurance level and the sustainability rating.

The assurance of sustainability reports is mandatory in France. However, there are several international standards that can be used for the assurance of sustainability reports. Assurance providers use different combinations of the AA1000, the ISAE 3000 and the Global reporting Initiatives (GRI) in order to achieve a certain level of assurance. This is consistent with the study of Perego and Kolk (2012) which indicates that the most frequent adoption of standards among providers for the Fortune Global 250 firms is a combination of the AA1000, the ISAE 3000 and GRI guidelines and that accounting firms use the ISAE 3000 more frequently. Following Lansen-Rogers and Oelschlaege (2005), the GRI, AA1000AS and ISAE 3000 guidelines are not in competition. Therefore, the diversity of assurance standards increases the variability of opinions (Fonseca 2010). Hence, we formulate the following hypothesis:

H3: The choice of the sustainability assurance standards explains the gap between the sustainability assurance level and the sustainability rating.

The article 53 of the first law of 2009 states that: "the government supports companies of all sizes to create labels attesting the quality of their

management especially in the environmental and social fields". In this study, we assume that the labeled companies provide good quality sustainability reports compared to not labeled companies

H4: The Label has an impact on the gap between the sustainability assurance level and the sustainability rating.

Based on legitimacy theory, firms operating in sensitive sectors such as financial services, oil, gas and materials are highly exposed to environmental or social risk (Simnett 2009; Kolk and Perego 2010; Gillet 2011). Highly visible companies try to counteract by issuing sustainability reports (Cho and Pattern, 2007) which affect the levels of sustainability assurance and the rating issued by Vigeo. Hence, we formulate the following hypothesis:

H5: The sector's sensitivity has an impact on the gap between the sustainability assurance level and the sustainability rating.

Several researchers have pointed out how the firm's size affects (positively) the sustainability assurance (Kolk and Perego 2010; Gillet 2011; Sierra and al. 2013). In other words, larger firms tend to be more visible and are more likely to adopt sustainable practices. Based on legitimacy theory, some previous studies revealed that larger firms are more likely to disclose voluntarily sustainability information in order to hedge reputational risks. Hence, we formulate the following hypothesis:

H6: The size of the firms has an impact on the gap between the sustainability assurance level and the sustainability rating.

Previous studies have found that a positive relationship exists between the financial performance of the firms and the extent of its disclosed sustainability information (Cormier and Magnan 1999; Simnett et al. 2009). More profitable firms are more likely to have the financial resources to engage in activities promoting sustainable development (Artiach et al., 2010). On the other hand, companies with a higher performance are more likely to obtain assurance of their sustainability reporting (Alon, 2015). Hence, we expect that the firm performance may explain the gap as formulated in the following hypothesis:

H7: The firm's performance has an impact on the gap between the sustainability assurance level and the sustainability rating.

According to agency theory, firms that have higher debt are prone to higher agency cost (Alsaed, 2006). Consequently, firms tend to be more transparent and more responsible in order to avoid agency costs and to reduce information asymmetries (Inchausti 1997). Sierra et al. (2013) have shown that the adoption of sustainability assurance largely depends on the

leverage's level. Therefore, we expect that the leverage's level may also explain the gap:

H8: The leverage's level has an impact on the gap between the sustainability assurance level and the sustainability rating.

A summary of all hypotheses is shown in *Figure 1*

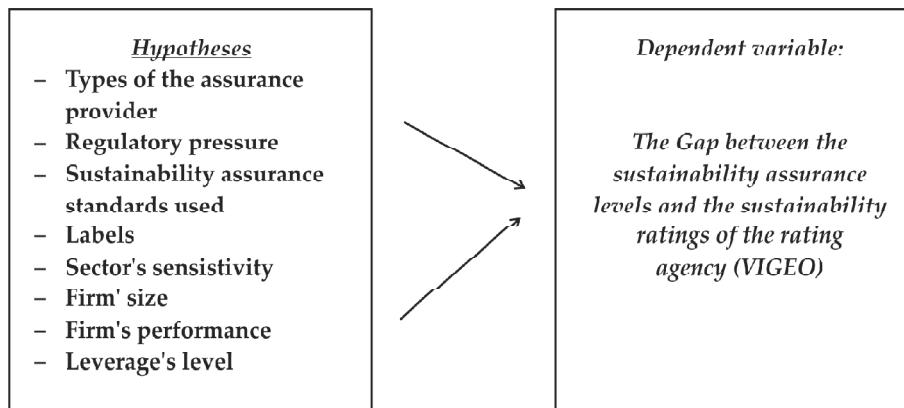


Figure 1: Summary of the hypotheses

3. Research methodology

3.1. Sample and data

The sample is composed of the CAC40 French firms. This sample represents French companies listed on the stock exchange and which are subject to the application of article 116 of the NRE law.

Data was collected for the period from 2004 to 2012 to conduct a nineyear analysis. Ratings of the CAC40 companies have been gathered from the Vigeo rating agency for the same period (2004 to 2012) as Vigeo has started using a new methodology called Equitics from 2004. In the final database we have only kept those observations for which we have both assessments (the auditor's assurance level and Vigeo's rating). The total number of observations used in this study is 643. The process of identifying the gap between the assurance level and Vigeo's sustainabilityrating for a given firm in a given year is presented in Figure 2.

The assessment methodology applied by Vigeo since 2004 is the "Ecquitics" method. Vigeo's field of analysis covers 38 criteria that are grouped into six main areas: (1) Human Rights, (2) Human Resources, (3) Environment, (4) Market Behaviour, (5) Governance and (6) Sustainability commitment. A score is assigned to each domain(a value from 0 to 100)

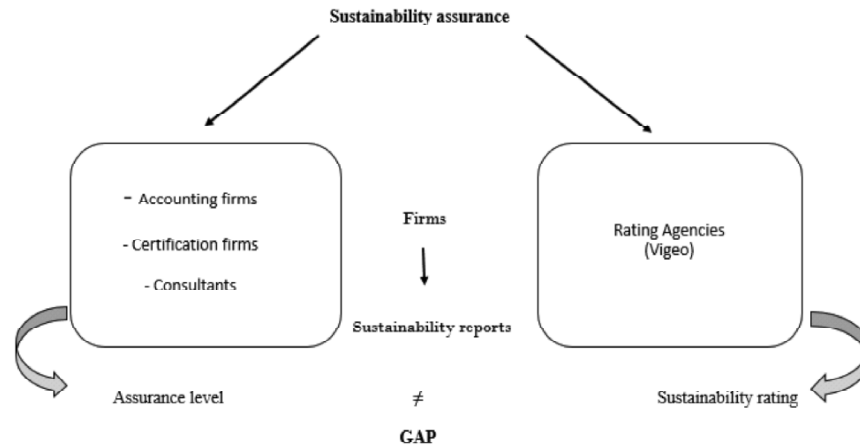


Figure 2: Process of gap assessment

which is computed by the equi-weighted average of the three items (Policy / Deployment / Results) of the different criteria belonging to each domain. The final phase is the “Rating” which provides an indicator of a company’s sustainability commitment in each of the six areas. The scores of the firms are ranked later in relation to companies in the same sector.

3.2. Model description

Based on the nature of our variables, a logistic regression-based model will be used to find the relationship between the independent variables namely (the type of the assurance provider, the regulatory pressures, the labels, the sector of activity, the size, the performance and the leverage’s level) and the dependent variable, which is the gap between the “assurance level” issued by the assurance provider and the sustainability rating provided by Vigeo. The logistic regression model will determine the correlation between the dichotomous dependent variable Y_i which has two modalities (1: there is a gap) and (0: No gap) and the aforementioned independent variables:

The model is defined as follows:

$$GAP = \beta_0 + \beta_1 TYP_PROVIDER + \beta_2 QUOTATION + \beta_3 STANDARDS + \beta_4 LABELS + \beta_5 SECTOR + \beta_6 SIZE + \beta_7 PERF + \beta_8 LEVERAGE + \varepsilon$$

4. Results and Analysis

4.1. Descriptive Statistics

The descriptive statistics are presented in Table 2. Results show that the size of the firm (the log of turnover) varies between 3.04 and 6.622. On the

other hand, the performance (the ratio between the net income and the assets) varies between -0.069 and 0.177 with an average performance of 45.6% knowing that the dispersion of this variable is strong (standard deviation = 0.443). Moreover, the average of firm's leverage level is 47.02% with low dispersion.

Regarding the binary independent variables, results reported in Table 3 show that 81.3% of the CAC40 companies of our sample are companies that operate in a sensitive sector. In addition, 92.2% of the companies of our sample ask professionals from the accounting profession to conduct the sustainability assurance mission. The assurance of the sustainability information is recommended to enhance the confidence of the stakeholders which is coherent with the requirements of the NRE law. Besides, results also show that 56.3% of the auditors use the sustainability assurance standards such as (GRI / AA1000 / ISAE3000) to verify the sustainability information. We can also see that 87.5% of the companies in our sample are multi-listed which explains the exposure of these companies to the regulatory pressures of each country.

Table 1
Summary of variables

<i>Variable</i>	<i>Measure</i>
GAP	Binary dependent variable that takes 1 in case there is a difference between the assurance level issued by the assurance provider and the sustainability rating of the rating agency Vigeo and 0 in the absence of difference between them.
TYP_VER	Binary independent variable that represents the type of sustainability reporting auditor who takes 1 if the auditor belongs to the accounting profession and 0 otherwise.
QUOTATION	Binary independent variable that represents regulatory pressures that takes 1 if the firm is listed on more than one market and 0 if the firm is listed only on the local market.
STANDARDS	Binary independent variable that takes 1 if the sustainability assurance standard used is (GRI / AA1000 / ISAE 3000) and 0 otherwise.
LABELS	Binary independent variable that takes 1 if the firm is labelled and 0 otherwise.
SECTOR	Binary independent variable that takes 1 if it is a sensitive sector and 0 otherwise.
SIZE	Continuous independent variable that is measured by the log of the turnover.
PERF	Continuous independent variable that is measured by the ratio of earnings to equity
LEVERAGE	A continuous independent variable that is measured by the ratio of medium and long-term debt to equity.

Table 2
Descriptive statistics of the continuous independent variables

<i>Variable</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Standard-Deviation</i>
SIZE	3,0405	6,6220	4,3138	0,6164
PERF	-0,0690	0,1770	0,4567	0,4435
LEVERAGE	0,1000	0,9320	0,4702	0,1891

Table 3
Descriptive statistics of the binary independent variables

<i>Variable</i>	<i>Number</i>		<i>Percentage (%)</i>
SECTOR	0	1	1252
TYP_PROVIDER	0	1	559
QUOTATION	0	1	856
STANDARDS	0	1	2836
LABEL	0	1	2836

The descriptive statistics presented in Table 4 show that 51.6% of the firms show a gap between the assurance level and the sustainability rating provided by Vigeowhile 48.4% of firms have no gap. This is due to the fact that the sustainability assurance was a relatively recent practice in France before 2012, however it became mandatory with the promulgation of the Grenelle 2 law in 2012 which obliged firms to verify their sustainability information.

4.2. Correlation matrix and Multi-Collinearity

By analyzing the correlation results, we can see that all Spearman correlation coefficients are below the 0.7 threshold (Evrard et al, 2003). As a result, there is no significant correlation between the independent variables. Table 6 presents the collinearity statistics (Variance Inflation Factor(VIF) correlation coefficients and Tolerance). VIF analysis confirms the absence of multi-collinearity since the maximum value is 1.503 with a minimum tolerance of 0.665.

4.3. Regression Analysis

Table 7 reports the Nagelkerke R^2 which represents the variance explained by the model. In our model, the R^2 is 0.322 which means that the model explains 32.2% of the variance of the dependent variable "GAP". Subsequently, the -2log (likelihood) is examined. According to Bressoux (2008), the higher the likelihood value, the poorer the model fits. On the other hand, the model fits well when the value of this statistic is low. In our case, we consider that the value is high 71.005, hence the quality of the model is mediocre.

Table 4
Descriptive statistics of the dependent variable « GAP »

		Number	Percentage (%)
GAP	0 1	3133	48,451,6

Table 5
Spearman Correlation Matrix

	SECTOR	TYP_P ROVI DER	QUOT ATION	LABEL	STAN DARDS	SIZE	PERF	LEVE- RAGE
SECTOR	1	-0,140	-0,182	0,061	0,061	0,403	-0,063	0,140
TYP_PROVIDER	-0,140	1	-0,110	0,213	-0,257*	0,206	0,107	0,254*
QUOTATION	-0,182	-0,110	1	-0,048	-0,238	-0,004	-0,068	-0,183
LABEL	0,061	0,213	-0,048	1	0,111	0,067	-0,162	0,100
STANDARDS	0,061	-0,257*	-0,238	0,111	1	0,110	-0,096	0,176
SIZE	0,403**	0,206	-0,004	0,067	0,110	1	0,035	0,260*
PERF	-0,063	0,107	-0,068	-0,162	-0,096	0,035	1	-0,115
LEVERAGE	0,140	0,254*	-0,183	0,100	0,176	0,260*	-0,115	1

Table 6
Test VIF

Variable	Collinearity	
	Tolerance	VIF
Label	0.865	1.156
Sector	0.696	1.436
Typ-provider	0.665	1.503
Quotation	0.860	1.162
Standards	0.741	1.350
Size	0.706	1.416
Perf	0.878	1.139
Leverage	0.834	1.186

Table 7
Specification Test and Model Fit Quality

	Khi-2	df	Significance
Step 1 Step	17,655	8	0,024
Block	17,655	8	0,024
Model	17,655	8	0,024
Step	-2log-Likelihood	R2 Cox & Snell	R2 Nagelkerke
1	71,005	0,241	0,322

Moreover, given the value of R2 (32.2%) and the Khi-2 statistic which is significant ($p = 0.024 < 0.05$), a significant proportion of the gap existing between the assurance level issued by the assurance provider and the sustainability rating of 'Vigeo' is explained by this model.

Table 8
Classification table

	GAP		Percentage	
	0	1	0	1
Step 1				
GAP	0	20	11	64,5%
	1	9	24	72,7%
Global Percentage				68,8%

Table 8 shows the overall percentage to test the strength of the model.

In the classification table, it is indicated that the overall percentage that makes it possible to check the strength of the model is 68.8%, which means that the model correctly classified 68.8% of the cases in our sample. In other words, if a CAC40 company has the characteristics presented in the model, this company will be a part of the group having a gap between the assurance level and the sustainability rating in 68.8% of cases. Therefore, the results reveal an acceptable robustness of the explanatory model.

Table 9
Results of the Binary Logistic Regression

	B	SE	Wald	Df	Sig	Exp(B)
SECTOR	-1,645	0,975	2,849	1	0,091*	0,193
TYP_PROVIDER	-0,315	1,429	0,048	1	0,826	0,730
QUOTATION	-1,765	1,015	3,020	1	0,082*	0,171
STANDARDS	-1,074	,697	2,373	1	0,123	0,342
LABEL	1,990	0,679	8,592	1	0,003***	7,314
SIZE	1,230	0,673	3,334	1	0,068*	3,420
PERF	0,883	6,808	0,017	1	0,897	2,419
LEVERAGE	-0,584	1,659	0,124	1	0,725	0,558
CONSTANTE	-2,421	2,836	0,729	1	0,393	0,089

Significant: *** ($p < 0.01$), ** ($p < 0.05$) and * ($p < 0.1$).

From Table 9, several remarks can be made: (1) The independent variables namely "SECTOR", "QUOTATION", "LABEL" and "SIZE" are significant with regard to the Wald statistic. (2) Three variables are significant

at 10% level: "SECTOR", "QUOTATION" and "SIZE" while the "LABEL" variable is significant at 1% level. From Table 9, it is important to note that the Exp(B) represents the odds ratio that helps us interpret the results: a positive B coefficient corresponds to an odds ratio (Exp (B)) greater than 1. In this case, the occurrence of the "GAP" is more frequent for companies with a given modality of the independent variable. On the other hand, a negative B coefficient corresponds to an odds ratio lower than 1. In this case, the "GAP" is less likely to occur for companies belonging to a given modality of the independent variable.

4.4. Research findings

Results in Table 9 show that, the sensitivity of the sector has a negative impact on the gap between the assurance providers' conclusions and Vigeo's sustainability score. Firms belonging to sensitive sectors are less likely to have a gap between the assurance level and the sustainability rating. Hence, we accept hypothesis 5. According to legitimacy theory, this negative relationship may be explained by the fact that firms operating in sensitive sectors are attempting to legitimate their activities and to show that they are adopting corporate social responsibility practices. As a consequence, those firms will produce and disclose sustainability reports of a good quality. This result is in line with previous studies that consider that companies belonging to sensitive sectors as presented by Simnett (2009), Kolk and Perego (2010) and Gillet (2011) namely "Oil, gas and raw materials", "Industries and consumer goods", "Utilities And "Financial Corporations" are more likely to disclose information related to the social and environmental impacts of their activities.

Similarly, in line with Hypothesis 2, the regulatory pressure which is presented by the 'QUOTATION' variable has a negative and significant coefficient at 10% level ($B = -1.765$, $Sig = 0.082$). Unlike companies listed on the domestic market, multi-listed companies are less likely to show a gap between the assurance levels and the sustainability ratings provided by Vigeo. According to the institutional theory, companies are influenced by normative pressure. These pressures lead companies to abide to rules, norms and standards. Indeed, companies belonging to the written law operate in a solid legal system and are more oriented to the stakeholders whereas companies operating in a weak legal system are more shareholders oriented (Ball et al., 2000 La Porta et al., 1997). Moreover, previous studies related to sustainability assurance have revealed that, in a sound legal system, companies tend to verify their sustainability information more closely (Simnett et al., 2009, Kolk and Perego, 2010, Gillet, 2010, Kolk and Perego, 2012). The study conducted by Kolk and Perego (2012) found that

the variability of the sustainability assurance and more specifically the assurance level is mainly associated with external institutional pressures. Consequently, companies listed on a local French market are subject only to written law, which explains the implementation of the sustainability assurance (Gillet, 2011). Our findings confirm that quoting on a domestic market has a positive effect on the gap between assurance levels and sustainability ratings.

Results related to the relationship between the "LABEL" variable and the gap are shown in Table 9. Results reveal that the coefficient is significant and positive at 1% level ($B = 1.990$, $Sig = 0.003$). This indicates that labelled companies have a positive effect on the occurrence of that offset. It is important to note that a label represents an indicator of the company's commitment to sustainable development. As a result, labelled companies tend to respond to the need of legitimacy and the pressure practised by different stakeholders. Therefore, labelled companies are more likely to have a "GAP" between the assurance level and the sustainability rating. Hence, hypothesis 4 is accepted.

As for Hypothesis 7, we have found that the size of the firm has a positive effect on the gap between the assurance providers' level and Vigeo's sustainability score. This means that large companies are more likely to show a gap between the assurance level and the sustainability score. Our results show that large companies are more visible than small companies. Consequently, large companies tend to disclose more information because they are highly visible and are under pressure from different stakeholders. According to the legitimacy theory, companies seek to enhance and repair their legitimacy by disclosing sustainability reports. Since their actions are so visible, those companies are attempting to legitimate their

Table 10
Summary of the results

<i>Variable</i>	<i>Direction</i>	<i>Sig</i>
SECTOR	(-)	S
TYP_PROVIDER	(-)	NS
QUOTATION	(-)	S
STANDARDS	(-)	NS
LABEL	(+)	S
SIZE	(+)	S
PERF	(+)	NS
LEVERAGE	(-)	NS

S: Significant NS: Non-Significant

activities by disclosing sustainability reporting. However, our results show that the sustainability information disclosed is not of good quality as there is a gap between the assurance level and the sustainability rating. This result is consistent with the results reported in the previous literature claiming that large firms disclose more sustainability information due to their political visibility and are more concerned with their reputation (Cormier and Magnan, 1999, 2003; al., 1998, Leuz and Verrechia, 2000, Cormier et al., 2006, Ben Rhouma, 2008, Simnett et al., 2009, Gabriel and Rhunk, 2013). Regarding the sustainability assurance, Simnett et al. (2009), Kolk and Perego (2010), Gillet (2011) and Nishitani et al. (2013) use the size as a control variable to explain the implementation of the sustainability assurance. Simnett et al. (2009) and Gillet (2010) found a positive and significant relationship with the sustainability assurance whereas Kolk and Perego (2010) found no significant relationship with the sustainability assurance.

Our findings are summarized in Table 10.

5. Conclusion and future work

This paper aims at attaining a better understanding of the sustainability assurance and the sustainability rating in the French context. More specifically, the primary goal of our paper is to answer to the following research question: "What are the determinants of the gap between the assurance level issued by the assurance provider and Vigeo's sustainability rating?". The empirical results provide evidence that the sensitivity of the sector, the regulatory pressures, the label and the firm's size are determinants of the gap that could exist between the assurance levels and Vigeo's sustainability ratings. From a practical perspective, our results help different users of sustainability reports such as investors, assurance providers and sustainability rating agencies to determine whether companies are disclosing sustainability reports of good quality or not and help them assess the performance of companies to support decision making.

From this study, it is clear that the obtained results can be considered as a starting point for a reflection on new research directions in this area. One direction is to think about a reliable and universal measure of CSR that allows a better interpretation of different opinions issued by the assurance provider as well as by the extra-financial rating agencies.

Moreover, it would be interesting to include other variables that could explain the gap between the assurance levels and the sustainability, such as media pressure and governance. These variables are likely to have an effect on the gap which would allow a better understanding of the

sustainability assurance on the one hand and the sustainability rating on the other hand.

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