Peer Review

Review of: "Greening the Bottom Line: Exploring the Impact of Sustainability Disclosure on Financial Performance"

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Topic

The study investigates the effect of sustainability disclosure on financial performance, addressing a critical area within the sustainability literature where prior findings remain inconclusive. Given the inconsistent results reported in existing studies, further empirical exploration is both necessary and timely. See, for instance, Appiah-Kubi, E., Boateng, R. N., Dogbe, C. S. K., & Kumah, S. P. (2024). Organisational sustainability and SMEs performance: The role of control environment. *Journal of Cleaner Production*, *452*, 142026.

Abstract

- Although the abstract appropriately outlines the purpose, methodology, findings, originality, and practical implications, the following points should be addressed in revising the manuscript:
- In the design/methodology section, the authors list several financial indicators such as liquidity, leverage, profitability, and company size. However, company size is not a financial indicator and would be more appropriately treated as a control variable.
- The statement 'The study evaluates the quality of sustainability disclosures and examines their relationship with these financial indicators' should be removed, as this point has already been clearly indicated earlier in the purpose section. Instead, you need to indicate the sample and analytical technique.

Introduction

- The introduction typically begins with an uncited opening statement. Therefore, the first sentence, 'Companies' sustainability information disclosure has evolved significantly [1], with recent

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developments like the introduction of IFRS S1 and S2 set for implementation in 2024,' should not include a citation. In addition, since the manuscript is being prepared in 2025, the reference to IFRS S1 and IFRS S2 as forthcoming in 2024 should be revised to reflect their current status.

- Overall, the introduction does not transition/flow smoothly. The current sentences do not correspond/flow from the previous, affecting the readability of the report. Besides, the research gap(s) is not clear and well justified by literature. You have to indicate related studies with mixed results and indicate why your study is worth investigating to bridge this gap. You can refer to 'Appiah-Kubi, E., Boateng, R. N., Dogbe, C. S. K., & Kumah, S. P. (2024). Organisational sustainability and SMEs performance: The role of control environment. *Journal of Cleaner Production*, *452*, 142026.'
- As a suggestion, present the introduction chronologically as: background, problem statement, gap(s), objectives, significance/contributions, structure of the remaining sections.

Literature Review

- While three theories were included, legitimacy theory and impression management theory were not cited. Nevertheless, I recommend including one theory and going deeper into it. Integrate the theory into the research objectives and determine how your study advances the theory. I suggest you go by the stakeholder theory.
- Titles of tables should appear on top of the tables, please.
- The theoretical framework and hypothesis development part need to be reworked as it currently presents quite a descriptive overview of theories and the research variables. To enhance its academic rigor, the literature review needs to provide a more rounded view and a robust integration of the theories to enhance the conceptual underpinning of this study.
- The hypotheses could be better integrated into the preceding discussions rather than appearing as addenda at the end of each subsection.
- Also, the stated hypotheses do not show any direction. Please indicate if the directions are expected to be positive or negative.

Methodology

- Justify how your variables were measured. You can do this by indicating similar studies that measured the same variables.

Results

- This section is appropriate as the analyses were conducted in line with the study's objectives. A robustness test was carried out to substantiate the study's results. Descriptive analysis was conducted to describe the data.

Discussion

This section is also appropriate as it was done with reference to prior studies.

Conclusions, Recommendations, and Limitations

- While the conclusion section is appropriate since it summarises the main findings, provide specific recommendations to cover managerial/practical implications, theoretical implications, and policy implications.
- Finally, the limitations and directions for future research are sensible, though somewhat narrow. The authors could extend these by suggesting comparative cross-country analyses, mixed-methods approaches, or sectoral studies that would allow richer insights into the dynamics under study.

All the best in your revision!!!

Declarations

Potential competing interests: No potential competing interests to declare.