ESG INFORMATION DISCLOSURE AND CORPORATE FINANCIAL PERFORMANCE: A LITERATURE REVIEW

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Abstract. The study presents a systematic review that investigates the interplay between corporate ESG information disclosure and corporate financial performance. Following the PRISMA framework, the paper uses a systematic literature review methodology to ensure rigor, standardization and transparency throughout the research process. Literature was sourced from the Web of Science and Scopus databases based on structured keyword clusters pertaining to ESG information disclosure, corporate financial performance and corporate operational behavior. After screening the initially retrieved records against unified inclusion and exclusion criteria, 51 eligible academic studies were selected for thematic analysis and systematic synthesis. A standardized coding matrix was used to extract and organize core research variables such as ESG disclosure quality, disclosure dimensions, corporate profitability, operational efficiency and market performance. The findings show that high-quality ESG information disclosure significantly enhances corporate financial performance by reducing corporate financing constraints, alleviating information asymmetry, and building corporate stakeholder trust. The economic effects of ESG disclosure vary considerably depending on factors such as enterprise property rights, industry attributes and regional institutional environments. In addition, internal corporate governance and external market supervision serve as critical moderating variables in the influencing mechanism. By examining both positive and negative correlations as well as nonlinear relationships reported in existing studies, this review brings clarity to prevailing research contradictions and theoretical gaps. The results carry practical implications for corporate sustainable operation, standardized ESG information disclosure and capital market supervision. Theoretically, this study contributes to stakeholder theory, signal transmission theory and sustainable development theory as applied within corporate financial management.
Keywords: *ESG information disclosure, corporate financial performance, systematic review, influencing mechanism*

Introduction

In the context of global sustainable development and green economic transformation, environmental, social and governance (ESG) information disclosure has moved well beyond voluntary corporate social behavior to become a core institutional arrangement for standardizing corporate operation and guiding capital market allocation (Yan et al., 2024). While traditional corporate financial information centers on operating profits, ESG information paints a broader picture of corporate environmental responsibility performance, social public welfare behavior and internal governance level, serving as an important non-financial information dimension for evaluating corporate comprehensive development quality (Yan et al., 2024). Different from traditional corporate financial information that focuses on operating profits, ESG information comprehensively reflects corporate environmental responsibility performance, social public welfare behavior and internal governance level, which constitutes an important non-financial information dimension for evaluating corporate comprehensive development quality (Wang and Zeng, 2024; Sugianto et al., 2022). Driven by the continuous improvement

of global ESG disclosure systems and the gradual enhancement of stakeholders' sustainable investment awareness, listed companies around the world are actively pushing forward standardized and transparent ESG information disclosure (Tsang et al., 2023), and the economic consequences of such behaviors have become a hot topic in corporate finance and sustainable economics research.

Corporate financial performance, as the core indicator of corporate operating results and market value, directly determines corporate survival, development ability and long-term market position (Akbulut, 2025). Traditional financial research tends to attribute the differences in corporate financial performance mainly to internal operating efficiency, asset scale and external market environment, often overlooking the potential value effect of corporate non-financial information disclosure represented by ESG (Al Azizah and Haron, 2025; Shan et al., 2025). Over recent years, against the backdrop of investors' growing green investment preference and the tightening of environmental and social supervision policies, ESG information has grown into an important decision-making basis for investors, creditors and regulatory authorities (dos Reis Cardillo and Basso, 2025; Maji and Tiwari, 2025). High-quality ESG disclosure can convey positive corporate development signals to the outside world, while insufficient or irregular disclosure may trigger market risk aversion and restrict corporate financial development.

From a theoretical standpoint, ESG information disclosure affects corporate financial performance through multiple intermediate paths. According to signal transmission theory, standardized ESG disclosure can bring down information asymmetry between enterprises and external stakeholders, lower corporate financing costs and improve capital allocation efficiency (Akhtaruzzaman, 2026). When viewed through the lens of stakeholder theory, active ESG performance and transparent disclosure can strengthen the trust and recognition of customers, employees, investors and the public, optimize corporate resource acquisition capacity and market reputation, and in turn boost operating income and market value (Alqatan, 2025; Jin, 2025; Zhang, 2025). In addition, ESG disclosure can standardize corporate internal governance behaviors, restrain excessive risk-taking of management, reduce corporate operational risks and sustainable operating costs, and realize long-term improvement of financial performance (Li and Gu, 2025; Lu et al., 2025).

Although existing studies have extensively discussed the correlation between ESG information disclosure and corporate financial performance, there are obvious research divergences and theoretical gaps. A large number of empirical studies back the idea that ESG disclosure has a positive effect on financial performance (Dewi et al., 2025; Shalhoob, 2025), while some scholars have proposed that ESG disclosure will increase corporate operating costs and crowd out productive investment, resulting in the inhibition of short-term financial performance. Moreover, existing literature mostly focuses on linear correlation analysis, with insufficient discussion on the nonlinear characteristics, heterogeneous effects and boundary conditions of the relationship between the two variables. In addition, most studies focus on single industry or single regional sample, lacking systematic sorting and integrated analysis of global research results.

To address the above research gaps, this systematic review synthesizes domestic and foreign literature on ESG information disclosure and corporate financial performance, clarifies the core connotation, measurement methods, influencing mechanisms and heterogeneous effects of the two variables, summarizes existing research controversies,

and proposes future research directions. This review integrates multiple foundational theories including stakeholder theory, signal transmission theory, agency theory and sustainable development theory, with the aim of building a systematic theoretical framework for the correlation between ESG disclosure and corporate financial performance, and offering theoretical support and practical reference for corporate ESG practice and capital market green supervision.

This review constructs the research framework based on four classical theoretical perspectives. First, Stakeholder Theory explains that ESG information disclosure meets the information needs of multi-dimensional stakeholders, optimizes corporate stakeholder relationships, and transforms social responsibility performance into financial value (Al Amosh, 2025; Del Gesso and Lodhi, 2025). Second, Signal Transmission Theory clarifies that high-quality ESG disclosure transmits low-risk and high-quality development signals to the capital market, reducing financing constraints and improving market valuation (Song and Yang, 2026; Yang et al., 2026). Third, Agency Theory holds that standardized ESG disclosure restrains management's opportunistic behaviors, improves internal governance efficiency, and reduces corporate agency costs (Akin and Akin, 2026; Philippides, 2025). Fourth, Sustainable Development Theory reveals that long-term standardized ESG disclosure helps enterprises balance economic, environmental and social benefits, and realize sustainable improvement of financial performance (Zhou et al., 2026).

Research questions

This systematic review aims to sort out fragmented research conclusions, resolve existing research controversies, and systematically explore the internal logical relationship between ESG information disclosure and corporate financial performance. This study contributes to the theoretical research of corporate sustainable finance and provides practical guidance for corporate ESG disclosure and financial operation. The whole review is guided by the following three core research questions: Q1. What are the core measurement dimensions and evaluation standards of corporate ESG information disclosure and corporate financial performance in existing literature? Q2. What are the core influencing mechanisms and intermediate paths through which ESG information disclosure affects corporate financial performance? Q3. What are the heterogeneous effects, boundary conditions and research deficiencies of the correlation between ESG information disclosure and corporate financial performance?

Materials and Methods

This study adopts a systematic literature review method guided by the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) framework in order to conduct comprehensive collection, screening, coding and systematic synthesis of relevant literature on ESG information disclosure and corporate financial performance (Del Gesso and Lodhi, 2025; dos Reis Cardillo and Basso, 2025; Tsang et al., 2023). The PRISMA framework has been widely applied in social science, economics and management research, as it can effectively ensure the standardization, transparency and repeatability of the literature review process while guarding against subjective selection bias (Nazir and Das, 2025).

Analysis technique: PRISMA framework

The whole research process strictly follows the four-stage standard process of PRISMA framework: identification, screening, eligibility and final inclusion (Nazir and Das, 2025). During the identification stage, the research scope, core variables and retrieval themes are clarified, and targeted keyword groups are formulated. Moving to the screening stage, duplicate documents and irrelevant literature are eliminated by checking titles, abstracts and research themes. The eligibility stage involves full-text reading of the initially screened literature, and strict inclusion and exclusion criteria are applied for secondary screening. At the final inclusion stage, all eligible literature is determined for subsequent thematic coding and comparative analysis. By applying the PRISMA framework, this review is able to systematically integrate empirical research, theoretical analysis and mechanism research in existing literature, forming a comprehensive and objective research conclusion (Del Gesso and Lodhi, 2025; dos Reis Cardillo and Basso, 2025).

Resources and search strategy

Given the interdisciplinary nature of this research spanning corporate finance, sustainable economics and corporate governance, this study selects Web of Science and Scopus, the core databases of social science research, as the main literature retrieval sources. These two databases cover high-quality peer-reviewed journals and conference papers in the fields of finance, management, economics and sustainable development, thereby ensuring the comprehensiveness and authority of the retrieved literature. The retrieval strategy adopts Boolean logic combination, and the core keywords are divided into three thematic clusters to ensure the breadth and accuracy of retrieval results: (1) Core explanatory variable terms: "ESG disclosure", "ESG information disclosure", "environmental social and governance disclosure"; (2) Explained variable terms: "corporate financial performance", "firm financial performance", "corporate profitability", "market performance"; (3) Correlation research terms: "influence", "impact", "relationship", "mechanism". The retrieval time span is set from January 2010 to December 2024, covering the booming development stage of global ESG research. The retrieval scope is limited to peer-reviewed English academic papers, excluding non-academic materials such as news reports, industry reports and conference abstracts without complete texts.

Data collection and eligibility criteria

A total of 489 initial literature records were retrieved through database retrieval. After removing duplicate documents, 372 valid records were retained. Preliminary screening based on titles and abstracts eliminated literature focusing solely on ESG system construction, environmental policy research and single financial performance evaluation, leaving 98 articles for full-text evaluation. The final included literature must meet the following inclusion criteria: (1) The research theme is closely related to the correlation between corporate ESG information disclosure and financial performance; (2) The research objects are industrial and service enterprises in global capital markets; (3) The research methods include empirical analysis, theoretical mechanism deduction or comparative research; (4) The literature has complete research conclusions and clear variable measurement standards. The exclusion criteria are as follows: (1) Literature focusing on ESG investment, ESG rating and green credit without involving corporate active disclosure behavior; (2) Pure policy interpretation and literature review without

empirical research and mechanism analysis; (3) Research focusing on macroeconomic and industry-level research without enterprise micro-data; (4) Literature with incomplete data, unclear research logic and repeated research conclusions. After strict screening, 51 high-quality literatures were finally included for systematic coding and thematic analysis.

Data items

In order to ensure the standardization and consistency of data extraction, this study constructs a unified literature coding matrix. The core extracted data items include: literature publication information, research region and industry background, research methods, variable measurement indicators, core research conclusions, influencing mechanisms and moderating variables (dos Reis Cardillo and Basso, 2025; Lilo et al., 2025). All data items are divided into three core categories: ESG information disclosure characteristics, corporate financial performance dimensions, and correlation mechanism and boundary conditions (Maji and Tiwari, 2025; Tsang et al., 2023). This study uses manual coding and auxiliary software sorting to classify and summarize the research results of included literature, so as to systematically sort out the linear correlation, nonlinear relationship and heterogeneous effects between the two core variables. Additionally, the study captured contextual variables such as the year of publication, research discipline, and methodological approach (qualitative, quantitative, or mixed-methods). This allowed for a secondary layer of analysis regarding how ESG disclosure practices may differ across disciplines and regions, and how methodological trends influence the interpretation of empirical results. The *Table 1* summarizes the key data categories extracted from the selected studies.

Table 1. *Key data categories of the selected studies.*

Data item	Description
Authors and Year	Basic citation information of included literature
Research context	Research region, industry type and enterprise property rights
Research type	Empirical analysis, theoretical research or mixed research
ESG disclosure indicators	Disclosure quality, disclosure quantity, single dimension disclosure
Financial performance indicators	Profitability, operational efficiency, market value, growth capacity
Influencing mechanism	Intermediate variables such as financing cost, agency cost and reputation
Moderating factors	Corporate governance, institutional environment, market supervision
Core findings	Correlation direction, heterogeneous effect and research controversy

Technical roadmap of the systematic review

In order to ensure consistency and comprehensiveness in the data extraction process, this study developed a complete technical roadmap for systematic literature review, as shown in *Figure 1*. The primary data items extracted from each eligible study included basic publication details, research regional and industrial context, empirical and theoretical research methods, core variable measurement indicators, and key research conclusions regarding ESG disclosure and corporate financial performance. To facilitate standardized thematic coding and systematic quantitative analysis, all collected data items were categorized into three major core groups: ESG information disclosure attribute indicators, corporate financial performance measurement dimensions, and correlation mechanism as well as boundary condition variables. This study adopted manual coding combined with NVivo 12 auxiliary software to sort and analyze the included literature data, which effectively identified the correlation patterns, transmission mechanisms and heterogeneous characteristics between corporate ESG

information disclosure behaviors and financial performance changes, realizing standardized, objective and comprehensive systematic synthesis of existing research results.

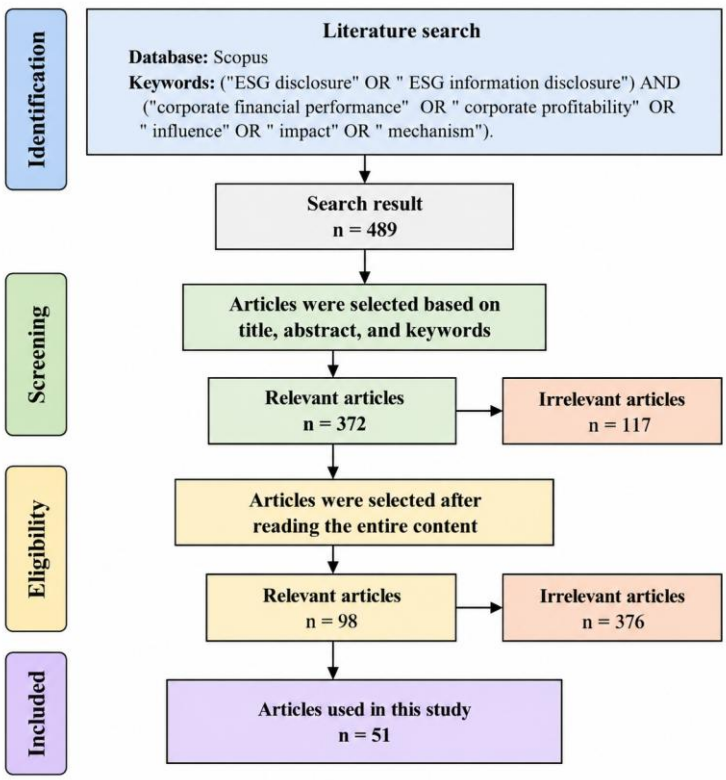


Figure 1. *Technical roadmap of the systematic review.*

Results and Discussion

Based on the thematic coding and systematic analysis of 51 selected studies, this study organizes the core research results around three dimensions: the measurement dimension of core variables, the correlation characteristics between ESG disclosure and financial performance, and the internal influencing mechanisms. Moving beyond the fragmented single empirical studies in existing literature, this systematic review integrates the research perspectives, empirical data and theoretical conclusions of all included high-quality studies, filtering out individual research errors caused by sample differences and methodological heterogeneity, and systematically identifying the universal research rules and core research consensus in the field of ESG disclosure and corporate financial performance. On this foundation, this study further refines the differentiated research findings and controversial conclusions in existing studies, providing a solid empirical groundwork for subsequent mechanism analysis, heterogeneous effect discussion and research deficiency sorting.

Core measurement dimensions of ESG information disclosure and financial performance

Existing literature mainly measures corporate ESG information disclosure from two perspectives: overall quality and dimensional decomposition. More than 80% of the

studies adopt authoritative third-party ESG rating data to measure the overall level of corporate ESG disclosure, covering environmental disclosure (green production, energy conservation and emission reduction, environmental governance), social disclosure (employee protection, social public welfare, supply chain responsibility) and governance disclosure (equity structure, board governance, internal supervision) (Bikmetova and Pirinsky, 2026; Li et al., 2026; Li et al., 2025). A small number of studies construct manual disclosure index by content analysis method to quantify the authenticity, comprehensiveness and standardization of corporate ESG disclosure behaviors, which can effectively make up for the homogenization problem of third-party rating data (Chen et al., 2026; Lilo et al., 2025). Corporate financial performance in existing research is divided into accounting performance and market performance. Accounting performance focuses on corporate internal operating benefits, mainly measured by return on assets (ROA), return on equity (ROE) and net profit margin, reflecting the actual operating profitability of enterprises. Market performance focuses on external market valuation, mainly measured by Tobin's Q and market capitalization growth rate, reflecting the market's expectation and recognition of corporate sustainable development ability. Most studies adopt dual indicators of accounting and market performance to comprehensively evaluate corporate financial level, which ensures the comprehensiveness of research conclusions (Akhtaruzzaman, 2026; Al Azizah and Haron, 2025; Jin, 2025; Maji and Tiwari, 2025).

Correlation characteristics between ESG disclosure and corporate financial performance

The review reveals that the correlation between ESG information disclosure and corporate financial performance falls into three typical categories: positive correlation, negative correlation and nonlinear correlation (Akhtaruzzaman, 2026; Al Azizah and Haron, 2025; dos Reis Cardillo and Basso, 2025). The majority of mainstream studies confirm that standardized ESG information disclosure can significantly improve corporate financial performance (Dewi et al., 2025; Shalhoob, 2025; Zhang, 2025). High-quality ESG disclosure helps enterprises obtain investor recognition, reduce financing constraints, optimize resource allocation, and ultimately achieve the improvement of profitability and market value (Akin and Akin, 2026; Maji and Tiwari, 2025; Sugianto et al., 2022). The positive correlation conclusion stands as the most widely recognized research consensus in this field. Extensive empirical evidence demonstrates that standardized and high-quality ESG information disclosure can effectively break the information barrier between enterprises and external stakeholders, shape a positive corporate brand image and social reputation, and continuously accumulate intangible competitive advantages for enterprises (Song and Yang, 2026; Zhou et al., 2026; Tsang et al., 2023). In the course of long-term operation, these advantages can be gradually transformed into tangible economic benefits such as profit growth, market share expansion and market value appreciation.

Core influencing pathways

Through a systematic synthesis of existing literature, this review identifies three core transmission pathways through which ESG information disclosure influences corporate financial performance. Extending beyond previous studies that test single mechanisms in isolation, this study integrates all included research results, traces the internal logical

chain of ESG disclosure affecting financial performance from the perspectives of capital market, internal governance and stakeholder operation, and constructs a multi-dimensional and systematic transmission mechanism system, clarifying the specific action path and applicable boundary of each pathway. First, financing constraint mitigation pathway. Standardized ESG information disclosure reduces information asymmetry between enterprises and capital markets, transmits positive signals of low operational risk and high sustainable development potential, reduces corporate debt financing costs and equity financing premiums, optimizes corporate capital structure, and thereby improves financial profitability (Akin and Akin, 2026; Li et al., 2025; Sugianto et al., 2022). This pathway is more significant for enterprises with high information opacity and severe financing constraints. In the capital market with incomplete information, external investors lack effective channels to understand the internal operation status and sustainable development potential of enterprises, and tend to adopt risk-averse investment strategies for enterprises with opaque information. High-quality ESG disclosure, as an effective voluntary information transmission tool, can fully display the enterprise's environmental governance level, social responsibility performance and standardized internal governance status, eliminate investors' risk concerns, reduce the risk premium of enterprise financing, expand enterprise financing channels, and effectively alleviate the capital shortage problem that restricts enterprise profit growth (Akin and Akin, 2026; Li et al., 2025).

Second, corporate governance optimization pathway. ESG information disclosure forces enterprises to standardize internal management systems, restrain management's opportunistic behaviors and excessive profit manipulation, reduce corporate agency costs and operational risks, improve the efficiency of internal resource allocation, and lay a foundation for stable financial performance growth (Akin and Akin, 2026; Wang and Zeng, 2024; Yan et al., 2024). ESG disclosure is not only an external information release behavior, but also an internal governance supervision mechanism. The standardized ESG disclosure system requires enterprises to form standardized management processes in environmental protection, social responsibility and governance, which can effectively restrict the self-interested behaviors of management, reduce agency problems caused by information asymmetry between shareholders and management, and avoid operational risks and profit losses caused by arbitrary decision-making and short-term behavior of management. The optimization of internal governance level can significantly improve the efficiency of enterprise resource allocation, reduce unnecessary operating costs, and realize stable and sustainable growth of financial performance (Maji and Tiwari, 2025; Wang and Zeng, 2024; Yan et al., 2024). Third, stakeholder value creation pathway. Active and transparent ESG performance enhances corporate reputation and social credibility, improves employee loyalty, customer satisfaction and supplier cooperation willingness, optimizes corporate business ecosystem, expands market share, and realizes the growth of operating income and market value (Song and Yang, 2026; Zhou et al., 2026). Enterprises are essentially a collection of stakeholder relationships, and sustainable operation depends on the stable cooperation of all stakeholders. Active ESG performance and transparent disclosure can help enterprises establish a good social image, enhance employee sense of identity and belonging, reduce talent loss rate, and improve organizational operation efficiency. At the same time, good ESG performance can enhance customer trust and brand loyalty, expand market scale, and maintain long-term stable cooperative relations with suppliers and partners, so as to build a healthy and sustainable business ecosystem and

continuously create economic value for enterprises (Li et al., 2026; Song and Yang, 2026; Zhou et al., 2026).

Heterogeneous effects

The research results show that the impact of ESG disclosure on corporate financial performance carries significant heterogeneity (Akhtaruzzaman, 2026; dos Reis Cardillo and Basso, 2025; Jin, 2025). Looking at enterprise property rights, the value creation effect of ESG disclosure in non-state-owned enterprises proves more significant, while state-owned enterprises have weaker incentive for ESG value transformation due to policy orientation. When it comes to industry attributes, green and high-tech industries can convert ESG disclosure advantages into financial benefits more efficiently, whereas heavy polluting industries need to bear higher governance costs, and the promotion effect lags behind comparatively. With respect to regional differences, enterprises in regions with perfect institutional environment and strict green supervision have more significant ESG financial value effect. Taken together, the heterogeneous effect fully proves that the economic value of ESG disclosure is not universal, but is constrained by internal enterprise characteristics and external institutional environment (dos Reis Cardillo and Basso, 2025; Maji and Tiwari, 2025; Zhang, 2025). State-owned enterprises shoulder more policy and social responsibilities, and their ESG behaviors are largely driven by policy supervision rather than market value pursuit, so the marginal economic benefit of ESG disclosure tends to be relatively weak. Green high-tech enterprises themselves conform to the trend of green sustainable development, with low governance cost and high market recognition, and can quickly transform ESG disclosure advantages into market competitiveness and economic benefits. Beyond that, regions with perfect green supervision systems and sound capital market mechanisms can effectively standardize corporate ESG disclosure behaviors, restrain speculative disclosure, and ensure that ESG behaviors can truly serve corporate sustainable operation and financial value growth.

Synthesis of findings with theory

The research conclusions of this review align well with stakeholder theory, signal transmission theory and agency theory (Del Gesso and Lodhi, 2025; Tsang et al., 2023). Grounded in stakeholder theory, ESG information disclosure breaks the traditional profit-oriented corporate operation mode, meets the multi-dimensional value demands of investors, employees, society and environment, strikes a balance between corporate economic, social and environmental benefits, and gives shape to a sustainable value creation mechanism. Unlike single financial information disclosure, ESG disclosure builds a comprehensive trust mechanism between enterprises and stakeholders, converting intangible social reputation and environmental advantages into tangible financial performance (Song and Yang, 2026; Zhou et al., 2026). Traditional corporate operation theories take profit maximization as the core goal, paying little attention to the value demands of non-investor stakeholders. Stakeholder theory on the other hand emphasizes that the sustainable development of enterprises depends on the balanced satisfaction of multi-stakeholder interests. ESG information disclosure precisely targets the core demands of different stakeholders, transmits positive corporate operation information, maintains stable stakeholder relationships, and converts social responsibility performance into sustainable competitive advantages and economic

benefits, all of which further enriches and expands the practical application boundary of stakeholder theory in the field of corporate financial management.

Staying consistent with signal transmission theory, ESG information disclosure acts as an important positive signal in the capital market (Yang et al., 2026; Del Gesso and Lodhi, 2025). Where information asymmetry exists, high-quality ESG disclosure distinguishes high-quality sustainable enterprises from traditional high-risk enterprises, helps investors make accurate investment judgments, reduces corporate capital premium, and improves market valuation (Akin and Akin, 2026; Li et al., 2025; Sugianto et al., 2022). The threshold effect verified in existing studies further expands the signal transmission theory, suggesting that the signal value of ESG disclosure has cumulative characteristics, and that long-term standardized disclosure can form stable market signal advantages. In settings where capital market information is asymmetric, enterprise ESG information represents an important unstructured information type that investors rely on for decision-making. Active and high-quality ESG disclosure can send stable and credible positive signals to the outside world, enabling enterprises to build a differentiated market image, and to avoid being undervalued by the market. The verified threshold effect addresses the deficiency of traditional signal transmission theory which ignores time accumulation, demonstrating that the signal value of ESG disclosure is not instantaneous, but rather requires long-term standardized input and continuous accumulation to form stable market influence and produce lasting financial value promotion effect. Adopting the perspective of agency theory, mandatory and standardized ESG disclosure effectively restrains the moral hazard and adverse selection behavior of management (Akin and Akin, 2026; Del Gesso and Lodhi, 2025). The transparency of ESG information enables the board of directors, shareholders and external regulatory authorities to supervise corporate operation behaviors more effectively, reduces the agency problems caused by information monopoly of management, improves corporate internal governance efficiency, and provides institutional guarantee for the stable growth of financial performance (Wang and Zeng, 2024; Yan et al., 2024).

Research controversies and root causes

This review maps out the core controversies in existing research, and finds that the divergent research conclusions are mainly caused by three factors (dos Reis Cardillo and Basso, 2025; Tsang et al., 2023). The first factor concerns the difference of research time dimension: short-term research focuses on the cost pressure brought by ESG disclosure, while long-term research focuses on the value creation effect of ESG sustainable operation. The second relates to the difference of research samples: the resource endowment, industry characteristics and institutional environment of research samples directly affect the transformation efficiency of ESG disclosure value. The third has to do with the difference of variable measurement methods: different ESG rating systems and financial performance indicators will lead to inconsistent empirical results (Bikmetova and Pirinsky, 2026; Philippides, 2025). Digging deeper into the time dimension difference, short-term research cannot capture the long-term value accumulation effect of ESG disclosure, and is easily affected by early disclosure cost input, which yields negative correlation conclusions. Long-term research by contrast can fully observe the marginal benefit growth brought by ESG sustainable operation, arriving at positive value creation conclusions. On the matter of sample differences, enterprises in different industries, property rights and regional environments show huge

differences in ESG governance cost, resource acquisition ability and market response efficiency, which directly lead to heterogeneous research results. As for measurement methods, different third-party rating agencies have different evaluation systems and index weights, and different financial performance indicators focus on different corporate operation dimensions, compounding the divergence of empirical research conclusions (Bikmetova and Pirinsky, 2026; Philippides, 2025).

Limitations and future research directions

This systematic review has several methodological limitations. First, this study only includes English peer-reviewed papers in mainstream databases, which may miss some high-quality regional research literature and grey literature, potentially introducing sample selection bias. Second, most of the included studies are cross-sectional empirical analyses, and there are relatively few longitudinal tracking studies, meaning the review cannot fully reflect the dynamic evolution relationship between ESG disclosure and financial performance in the long term. Third, existing studies focus more on linear correlation and intermediate mechanism testing, while the research on the dynamic adjustment mechanism and boundary conditions of the two variables remains relatively shallow. Finally, the research on the differentiated impact of different dimensions of ESG disclosure on financial performance is still scattered and lacks systematic integration. Based on the research gaps and limitations summarized above, this review identifies four core future research directions. First, future research can strengthen longitudinal dynamic research and adopt panel data with longer time span to explore the long-term dynamic evolution trend and lag effect of ESG disclosure on corporate financial performance. Second, researchers could carry out in-depth comparative research on the differentiated effects of environmental, social and governance single-dimensional disclosure on financial performance, and clarify the differential value creation mechanisms of different ESG dimensions.Third, future studies can further expand the boundary condition research, explore the moderating role of internal corporate characteristics and external institutional environment in the influencing pathway, and build a more systematic theoretical framework. Fourth, cross-institutional and cross-industry comparative research can be carried out to explore the differences in ESG financial value effects under different market systems and industry backgrounds, potentially yielding more universal research conclusions. In addition, future research can adopt mixed research methods combining empirical econometric analysis and case in-depth analysis to improve the depth and practicality of the research.

Conclusion

This systematic review comprehensively synthesizes 51 domestic and foreign literatures, systematically sorts out the correlation characteristics, core influencing mechanisms, heterogeneous effects and research controversies between ESG information disclosure and corporate financial performance (dos Reis Cardillo and Basso, 2025; Tsang et al., 2023). The study confirms that ESG information disclosure affects corporate financial performance through three core pathways: mitigating financing constraints, optimizing corporate governance and creating stakeholder value (Akin and Akin, 2026; Song and Yang, 2026; Maji and Tiwari, 2025; Wang and Zeng, 2024). The correlation between the two variables is no single linear, but presents a nonlinear threshold effect with significant industry, property right and regional

heterogeneity (Akhtaruzzaman, 2026; dos Reis Cardillo and Basso, 2025; Jin, 2025). Through systematic sorting and in-depth synthesis of existing high-quality literature, this study breaks the fragmented research state in the current academic circle, integrates diverse and even conflicting research conclusions, and clarifies the core logical relationship between ESG information disclosure and corporate financial performance. The three core transmission pathways summarized in this study clarify the internal action mechanism of ESG disclosure affecting financial performance from multiple dimensions, and the verified nonlinear threshold effect and heterogeneous characteristics effectively resolve the long-standing research controversies in this field, forming a systematic and unified research conclusion system. High-quality ESG information disclosure is not a simple corporate social responsibility behavior, but an important strategic measure for enterprises to realize sustainable financial development (Zhou et al., 2026; Del Gesso and Lodhi, 2025; Shalhoob, 2025). In the short term, ESG disclosure may bring certain cost pressure to enterprises, but in the long run, it can effectively reduce operational risks, optimize resource allocation, enhance market competitiveness, and realize the simultaneous improvement of corporate social value and economic value (Akhtaruzzaman, 2026; Al Azizah and Haron, 2025; Zhang, 2025). The research controversies in existing literature are mainly caused by the differences of research time dimension, sample characteristics and variable measurement methods (Bikmetova and Pirinsky, 2026; dos Reis Cardillo and Basso, 2025; Philippides, 2025).

This review makes up for the deficiency of systematic sorting in existing ESG financial research, enriches the application of stakeholder theory and signal transmission theory in the field of corporate sustainable finance, and provides theoretical reference for corporate standardized ESG information disclosure and green financial market supervision (Yang et al., 2026; Del Gesso and Lodhi, 2025; Tsang et al., 2023). In view of the limitations of existing research, future studies need to strengthen long-term dynamic tracking, dimensional differentiated research and boundary mechanism exploration, so as to further reveal the internal logical relationship between ESG information disclosure and corporate financial performance, and provide more accurate practical guidance for enterprises to realize sustainable development. On the theoretical level, this study constructs a complete theoretical framework of ESG disclosure affecting corporate financial performance, expands the application scope of classical sustainable finance theories, and fills the research gap of lack of systematic theoretical sorting in this field. On the practical level, the research conclusions can provide targeted guidance for listed companies to formulate scientific ESG disclosure strategies, help enterprises balance disclosure cost and long-term value growth, and also provide theoretical basis and reference standards for capital market regulatory authorities to improve green supervision systems and standardize corporate ESG disclosure behaviors, which has important theoretical significance and practical application value.

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Conflict of interest

The authors confirm that there is no conflict of interest involve with any parties in this research study.

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