

**The Moderating Effect of Third-Party Assurance on the Relationship Between CSR  
Disclosure and Investor Judgments**

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## **Abstract:**

Corporate social responsibility (CSR) activities and disclosures represent a considerable commitment of resources on the part of reporting firms. At the same time, the assurance of the CSR disclosures represents a significant opportunity for accounting firms. In this experiment, we investigate whether disclosed CSR performance and the level of assurance influence investors' perceptions of corporate reputation, and whether these perceptions of corporate reputation affect investors' assessments of firms as attractive investments. Our findings suggest that, when they are assured, CSR disclosures positively influence investors' assessment of corporate reputation, particularly when reported CSR performance is all positive. Better corporate reputation in turn leads to greater investment attractiveness. These findings have implications for both research and practice.

**Key Words:** Corporate social responsibility, sustainability, voluntary disclosure, corporate reputation, investor judgements, assurance, Global Reporting Initiative.