Previous studies indicate two possibly asymmetric findings about the relationship between corporate social performance (CSP) and annual report disclosure practices: (a) disclosure practices of companies with favorable CSP emanate from a sense of ethical duty, and (b) there are strategic reasons to link CSP with disclosure practices. To test the relationship between CSP and annual report disclosure, this study divided S&P 500 companies into two groups, defined for low CSP (resulting $n = 148$) and high CSP (resulting $n = 69$). For the low CSP group of companies, disclosure was positively related to CSP strengths. For the high CSP group of companies, disclosure was positively related to CSP weaknesses. The authors conclude that low CSP disclosure practices are related to CSP strengths to build or repair reputation, whereas high CSP disclosure practices are associated with CSP weaknesses to protect favorable CSP brand.

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