

# The Benefits–Challenges Paradox of ESG Disclosure in Construction Sector Professional Service Firms: A Systematic Literature Review with Insights into Consultancy Quantity Surveying Practices

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## Abstract

Environmental, Social, and Governance Disclosure (ESGD) has gained prominence as a mechanism for accountability and legitimacy in the construction sector, yet existing frameworks are predominantly designed for asset-intensive firms such as developers and contractors. This leaves a critical gap in recognising the non-asset-intensive Professional Service Firms (PSFs), particularly Consulting Quantity Surveying Practices (CQSPs), whose contributions are advisory rather than resource-based but central to embedding sustainability across construction value chain and project lifecycles. Through a systematic literature review of 77 sources and 11 global, regional, and national ESG disclosure (ESGD) frameworks, this study applies institutional, stakeholder, and legitimacy theory to examine how disclosure practices shape the evolving role of PSFs. Findings reveal that PSF-CQSPs face a benefits–challenges paradox: while ESGD enhances legitimacy, stakeholder trust, and competitiveness, it also imposes barriers through fragmented frameworks, technical complexity, and limited capacity. The study reconceptualises ESGD for PSF-CQSPs by identifying three contextualised domains, namely governance, value and risk management, and trust-based disclosures that align advisory outputs with institutional pressures and stakeholder expectations. In doing so, it reframes disclosure from a compliance burden into an advisory strength, repositioning PSF-CQSPs as pivotal intermediaries of sustainability transitions. This contributes to theory by extending ESGD beyond asset-intensive contexts and to practice by offering sector-specific pathways for advancing transparency, accountability, and long-term value creation.

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## Keywords

ESG disclosure; professional service firms; consulting quantity surveying practices; institutional theory; stakeholder theory; legitimacy; construction sector sustainability; advisory services; benefits–challenges paradox; contextualised frameworks

## 1. Introduction

### 1.1 Background of Study

The growing global emphasis on environmental, social, and governance (ESG) practices has significantly influenced industries globally (Chopra et al., 2024; Truant et al., 2024). The high-impact construction sector (Prieto, 2022) is involved in activities with extensive supply chains, high carbon footprints, and significant waste generation, all of which contribute to environmental degradation and social externalities (Kazemi et al., 2023). These impacts on the environment and society place the asset-intensive developers and contractors under close scrutiny by regulators. Within the construction sector are the non-asset-intensive Professional Service Firms (PSFs), including Consulting Quantity Surveying Practices (CQSPs), which promote sustainability through their service-based expertise in life-cycle costing, risk assessment, value engineering, value delivery (Omran & Hussein, 2009); and project and construction management, project cost control, value and risk management, construction claims, dispute resolution, technical and cost auditing, facilities management, and condition surveys (QS Act, 2015) that incorporate ESG considerations (Jones et al., 2017; Sulaeman et al., 2025; Bani-Khaled, 2025) throughout the construction value chain (Yang et al., 2023) and project life cycles (Omran & Hussein, 2009).

ESGD has become the tool for communicating sustainability information to stakeholders (Ketterling, 2025; McAteer, 2025). Disclosing ESG practices to stakeholders is guided by existing ESGD frameworks. Within the construction sector, ESGD is less studied as compared to other industries despite the sector's significant impact on the environment, society, and governance. The existing frameworks suit asset-intensive construction sector developers and contractors, instead of non-asset-intensive advisory-based PSF-CQSP. (Yang et al., 2023; McAteer, 2025).

While ESGD provides advantages like improved credibility, a competitive edge, and better trust from stakeholders, it also faces ongoing issues such as inconsistent regulations, difficulties in measuring progress, and limited resources (Gerged, 2021; Cortés et al., 2023). This tension reflects a benefits–challenges paradox that requires more profound investigation to understand how PSF-CQSPs can navigate disclosure demands.

### 1.2 Problem Statement

The construction sector's asset-intensive developers and contractors are pressured to disclose ESG practices. At the same time, non-asset-intensive PSF-CQSPs are also under similar institutional pressures and stakeholder expectations (Saleh et al., 2023; Sulaeman et al., 2025) due to their pivotal advisory role in sustainability across construction value chains and project lifecycles (Sulaeman et al., 2025; Reis & Forte, 2023). However, ESGD by PSFs-CQSPs is unexplored in current ESGD research.

Such an absence exposes a paradox in that while ESGD offers PSF-CQSPs clear benefits in credibility, competitive edge, and trust, they also face challenges (Gerged, 2021; Cortés et al., 2023). This creates a gap that limits PSF-CQSPs' ability to disclose their ESG practices, making it harder for stakeholders to evaluate their contributions and weakening their role in sustainability efforts. Addressing this gap requires a systematic investigation into

the benefits and challenges of ESGD by construction sector PSF-CQSPs. The outcome of the investigation, guided by institutional and stakeholder theory, is to formulate a contextualised ESG disclosures that reflect the PSF-CQSP's advisory function that will improve the advisory function and enhancing sustainability practices specific to PSF-CQSPs.

### 1.3 Research Objectives and Questions

Despite the construction sector's (Prieto, 2022) impact on the environment and society placing the asset-intensive developers and contractors under close scrutiny by regulators and stakeholders, the adoption of ESG disclosure (ESGD) by PSF-CQSPs remains largely unexplored in the current literature.

This gap highlights a benefits–challenges paradox. On one hand, ESGD provides PSF-CQSPs with legitimacy, competitive advantage, and strengthened stakeholder trust; on the other hand, they face challenges such as fragmented frameworks, reporting complexity, and capacity constraints (Gerged, 2021; Cortés et al., 2023). This paradox limits PSF-CQSP's ability to disclose their ESG contributions effectively and weakens their strategic role in driving sustainability transitions within the construction sector.

Addressing this gap requires a systematic and theory-informed investigation into the benefits and challenges of ESGD adoption by PSF-CQSPs. Guided by institutional theory (DiMaggio & Powell, 1983; Silva et al., 2023) and stakeholder theory (Freeman, 1984, 2015; Dmytriiev, 2021), this study seeks to generate new insights and contribute to the development of a contextualised ESGD framework that strengthens PSFs' advisory functions and fortifies their contributions to sustainability practices.

This study aims to systematically investigate the institutional and stakeholder pressures, the benefits–challenges paradox, and the sector-specific dynamics of ESG disclosure by PSF-CQSPs in order to develop a contextualised disclosure framework that enhances their legitimacy and advisory role in advancing sustainable construction.

Accordingly, this study is guided by the following questions: 1. In what ways do institutional pressures and stakeholder expectations shape ESG disclosure frameworks within the construction sector? 2. What are the primary benefits and challenges, referred to as the “benefits–challenges paradox”, associated with ESG disclosure by PSFs, and how do these factors influence their advisory role in promoting sustainability? 3. What specific ESG disclosures are necessary to accurately represent the contributions of non-asset-based CQSPs and affirm their legitimacy as PSFs within the construction sector?

### 1.4 Significance of the Study

This study contributes to the ESG disclosure (ESGD) research by redirecting attention from asset-intensive (Darko & Chan, 2018; Gerged, 2021) developers and contractors to non-asset-intensive PSF-CQSPs. This study extends institutional theory (DiMaggio & Powell, 1983; Silva et al., 2023) and stakeholder theory (Freeman, 1984, 2015; Dmytriiev, 2021) to the underexplored non-asset-intensive construction PSF-CQSPs. It advances ESG disclosure research by conceptualising the benefits–challenges paradox, theorising how disclosure simultaneously strengthens legitimacy, competitiveness, and trust while also creating barriers linked to fragmented frameworks and capacity constraints (Gerged, 2021; Cortés et al., 2023).

Practically, the outcome of this study offers actionable guidance for professional institutions and regulators in formulating a contextualised ESG disclosures that aligns with the advisory functions for PSF-CQSPs. In doing so, it enhances the visibility of non-asset-intensive PSF-CQSP contributions and strengthens their role in advancing sustainability outcomes across the construction sector (Abidin et al., 2020; Mad Kaidi et al., 2025; Yang, 2025).

## 2. Methodology

### 2.1 Research Design

This study adopts a Systematic Literature Review (SLR) methodology to examine the evolution of ESGD frameworks and evaluate their applicability to PSFs within the construction sector, with specific attention to CQSPs. The SLR approach was selected because of its ability to ensure methodological rigour and replicability through a structured process of literature identification, selection, appraisal, and synthesis (Carrera-Rivera et al., 2022; Tingelhoff et al., 2024).

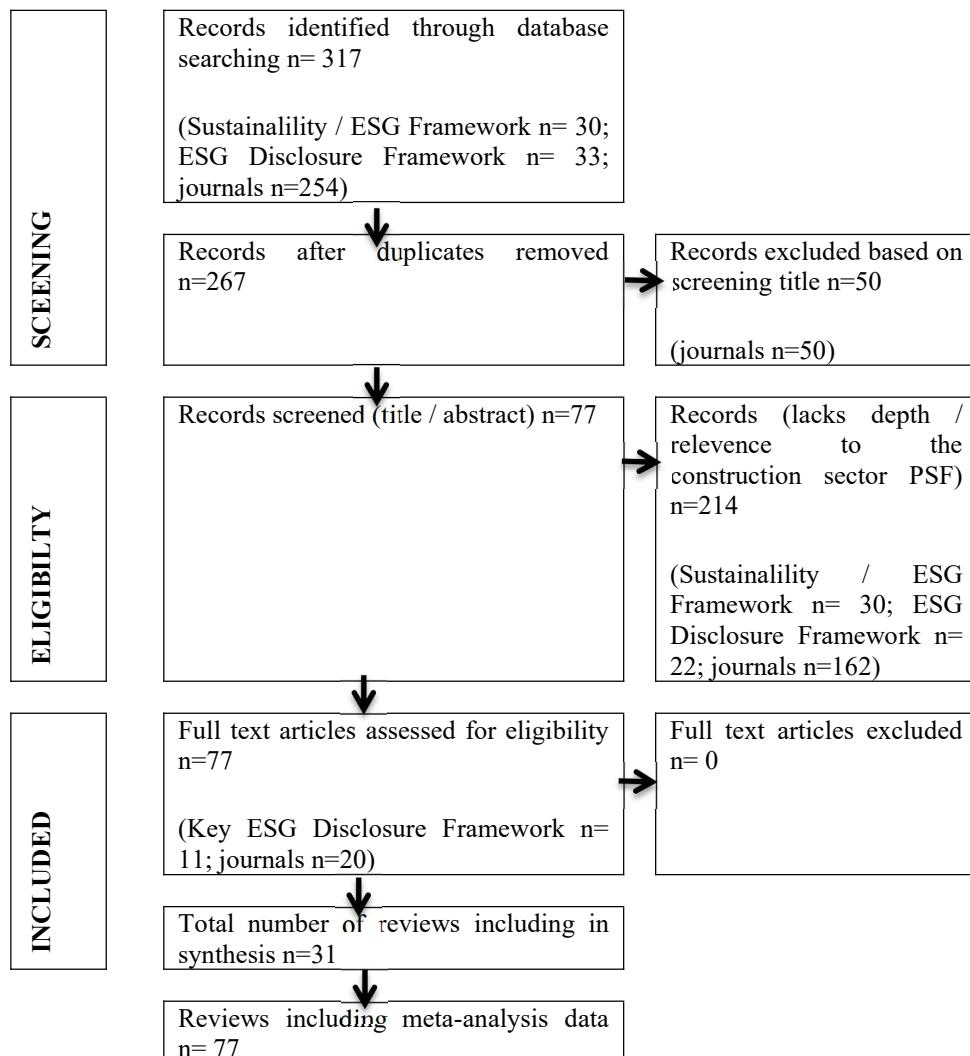


Figure 1: PRISMA Flow diagram of literature screening

Given the limited body of ESGD research on construction sector PSFs, the review integrates both academic publications and authoritative institutional frameworks to consolidate fragmented knowledge and support the development of a context-sensitive ESG disclosure framework suited to non-asset-intensive PSFs.

The SLR process was guided by the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) protocol (Moher et al., 2009; Page et al., 2021), which provides a robust framework for identifying, screening, and reporting relevant literature. The process comprised three stages: (i) Planning and protocol development, including the formulation of research objectives, definition of search terms, and establishment of inclusion and exclusion criteria; (ii) Data collection and quality appraisal, involving the selection of relevant studies and assessment of methodological quality; and (iii) Thematic analysis and synthesis, focusing on the extraction and interpretation of key findings related to ESG disclosure practices and frameworks applicable to PSFs in the construction sector.

## 2.2 Data Collection

A comprehensive literature search was conducted across leading academic databases, including Scopus, Web of Science, ScienceDirect, and Emerald Insight, targeting publications from 2010 to 2024. The search strategy employed Boolean operators and keywords such as "ESG disclosure", "framework", "professional service firms", "construction professionals", and "quantity surveying". To ensure breadth and relevance, the search also incorporated grey literature and authoritative documents, including (i) global frameworks: GRI Standards, International Integrated Reporting Council (IIRC), Integrated Reporting <IR> Framework, ISSB/IFRS S1 & S2, ISO IWA 42:2022, ISO IWA 48:2024. (ii) Regional frameworks: European Sustainability Reporting Standards (ESRS, draft), Chinese Sustainability Disclosure Standards (CSDS, draft), ASEAN Simplified ESG Disclosure Guide (ASEDG). (iii) National frameworks: Bursa Malaysia Sustainability Reporting Framework, National Sustainability Reporting Framework (NSRF), Simplified ESG Disclosure Guide (SEDG).

The inclusion criteria specified that literature (i) directly addressed ESG disclosure frameworks, (ii) focused on the construction sector, professional service firms, and quantity surveying practices, and (iii) was peer-reviewed or published by recognised institutions. Literature was excluded if it lacked relevance to ESG or ESG disclosure or was not published in English.

Following this protocol, an initial pool of 317 records was identified. After the removal of duplicates and screening of titles and abstracts, 77 full-text articles were assessed for eligibility. Ultimately, the 77 high-quality sources were retained for final synthesis, based on their relevance, rigour, and alignment with the research objectives.

## 2.3 Data Analysis and Synthesis

Data were analysed through thematic analysis (Braun & Clarke, 2006, 2020; Byrne, 2022), enabling systematic identification, categorisation, and interpretation of recurring themes. (i) Extraction focuses on key global, regional, and national ESGD frameworks relevant to the construction sector. (ii) Stakeholder and institutional pressures influencing ESG disclosure. (iii) Theoretical integration of institutional and stakeholder lenses (iv) Benefits-challenges paradox associated with ESG disclosure. (v) The sectorality of ESGD to PSF-CQSPs. A

qualitative content analysis further examined how ESGD frameworks align (or fail to align) with the governance, accountability, and advisory functions of PSFs, particularly in emerging markets. The interpretation was informed by institutional theory (DiMaggio & Powell, 1983; Silva et al., 2023), which explains how coercive, normative, and mimetic pressures drive ESGD adoption, and stakeholder theory (Freeman, 1984, 2015; Dmytriyev, 2021), which highlights how disclosure practices respond to evolving stakeholder expectations. Together, these perspectives framed the synthesis of insights into ESG disclosure within construction PSF-CQSPs.

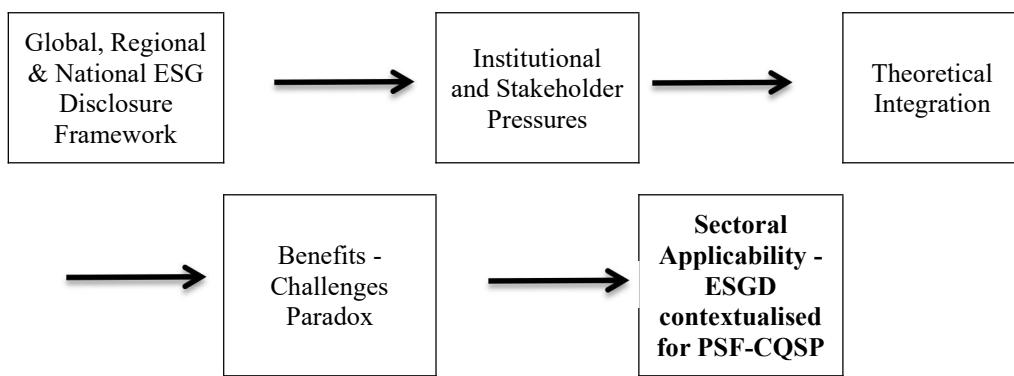


Figure 2: Conceptual structure of ESG Disclosure in Construction Sector Professional Services Firm - Consulting Quantity Surveying Practice (PSF-CQSP)

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### 3.0 Findings

#### 3.1 Influences of ESG disclosure frameworks

##### 3.1.1 Global, regional, and national ESG disclosure frameworks

The thematic analysis has identified 11 key disclosure frameworks that are pertinent to the construction sector PSF, as determined by a critical review of ESG disclosure frameworks at the global, regional, and national levels. Table 1 presents an analysis of the key ESG disclosure frameworks and their alignment with major frameworks.

Table 1 - Comparative Overview of Key ESG Disclosure Frameworks: Purpose and Content Elements

Key Framework	Purpose	Main Content Elements	Reference
<b>IFC D&amp;T</b>	Enhance governance and stakeholder engagement in emerging markets	Leadership & culture, board structure, internal controls, disclosure & transparency, minority shareholder rights, stakeholder engagement	International Finance Corporation Disclosure & Transparency Framework - IFC D&T (2015)
<b>IIRC &lt;IR&gt;</b>	Promote integrated thinking and long-term value creation	Governance, business model, risks & opportunities, strategy, performance, outlook, basis of presentation	International Integrated Reporting Council Integrated Reporting <IR> Framework - IIRC (2021)
<b>ISSB/IFRS</b>	Align sustainability with financial reporting standards	Governance, strategy, risk management, metrics & targets	International Sustainability Standards Board (ISSB) / International Financial Reporting Standards (IFRS) S1 & S2 - ISSB/IFRS (2023a, 2023b)
<b>GRI</b>	Enable all organizations to report material sustainability issues	Environmental, social, economic, governance	Global Reporting Initiative - GRI (2021)
<b>ISO IWA</b>	Guide embedding ESG culture, measurement, and reporting	Environment (carbon, energy, water), social (labour, supply chain), governance (compliance, risk)	ISO IWA 42:2022 & IWA 48:2024 - ISO (2022, 2024)
<b>ESRS (Draft)</b>	Ensure EU-level transparency & material impact disclosures	Governance, strategy, impacts, risks, metrics & targets	European Sustainability Reporting Standards (Draft) - ESRS (2023 - Draft)
<b>CSDS (Draft)</b>	Establish unified ESG disclosure system in China	Environment, social, governance	Chinese Sustainability Disclosure Standards (Draft) - CSDS (2023 - Draft)
<b>ASEAN-ASEDG</b>	Support SMEs in ASEAN adopting ESG	Simplified E, S, G focus	ASEAN Simplified ESG Disclosure Guide - ASEAN ASED (2023)
<b>Bursa SRF</b>	Align PLC disclosures with NSRF & global frameworks	GRI- and TCFD-aligned ESG disclosures	Bursa Malaysia Sustainability Reporting Framework - Bursa SRF (2022)
<b>NSRF</b>	Set national, high-quality sustainability disclosure in Malaysia	Climate, energy, waste, biodiversity, labour, DEI, governance, ethics	National Sustainability Reporting Framework - NSRF (2024)
<b>SEDG</b>	Simplified SME-level adoption guide	Simplified E, S, G issues	Simplified ESG Disclosure Guide SEDG (2024)

A review of the key ESGD framework in the above table shows that IFC D&T emphasises leadership, board functioning, and stakeholder governance, reflecting the need for emerging markets to comply with multilateral finance and development mandates (IFC, 2022). The ISSB/IFRS S1 & S2 standards treat climate-related disclosure as equally important as financial reporting and necessitate that their sustainability efforts follow the same. At the national level, NSRF aims to improve clarity and consistency among publicly listed companies, showing how national regulators influence ESGD. The GRI Standards and

ISO IWA 42/48 include professional service delivery, supply chain responsibility, and governance ethics (Reis & Forte, 2023) from various stakeholders in terms of how services are delivered, how supply chains are managed, and how governance is handled. The IIRC and draft ESRS exemplify how organisations emulate best practices and competitive benchmarking to create value and manage long-term risks (Abidin et al., 2020; Mad Kaidi et al., 2025). The draft CSDS mirrors global disclosure templates in response to global investor scrutiny.

In summary, Table 1 demonstrates the diversity of ESG disclosure frameworks, spanning from globally investor-orientated standards to governance and transparency-focused models, as well as regionally specific initiatives. Collectively, these frameworks reveal a growing convergence around core elements such as governance, strategy, and risk, while still diverging in emphasis, whether prioritising financial immateriality, stakeholder inclusivity, or regulatory compliance. ESG disclosure frameworks function under institutional pressure while operationalising stakeholder demands for transparency and accountability by embedding inclusivity in disclosure templates, acknowledging organisational capacity constraints, and reinforcing the imperative for transparency.

The analysis indicates that ESG disclosure practices in the construction sector are strongly mediated by institutional pressures and stakeholder expectations. From the perspective of institutional theory, regulatory frameworks, which require compliance for legitimacy, generate coercive forces. Normative pressures are reinforced by professional standards, such as those embedded in the QS Act (2015), which set expectations for governance, procurement, and risk management practices. Emulating global standards to remain competitive and credible in transnational markets leads to mimetic pressures.

### 3.1.2 Institutional Pressures and Stakeholder Expectations

Table 2 presents a comparative analysis of the key frameworks, outlining each framework's purpose and content focus in relation to the drivers influenced by institutional pressures and stakeholder expectations.

Table 2: Comparative Overview of Key ESG Disclosure Frameworks: Institutional Pressures and Stakeholder Expectations

Key Framework	Primary Driver(s)	Institutional Pressures / Stakeholder Expectations	Rationale / Linkage
IFC D&T	Governance, transparency, accountability	Pressure from multilateral lenders (World Bank/IFC) and host-country governments	Builds trust in emerging markets, aligns with global financial governance norms
IIRC <IR>	Capital markets, investor priorities	Investor expectation for integrated financial + non-financial narrative	Emphasises value creation for financial capital providers through holistic disclosure
ISSB/IFRS	Regulatory harmonisation, comparability	Global investor and regulator demand for consistent disclosures	Provides standardisation akin to IFRS, enhancing cross-border comparability
GRI	Stakeholder inclusivity, accountability	Broad stakeholder demand for social, environmental, and governance accountability	Widely adopted for multi-stakeholder engagement and transparency

<b>ISO IWA</b>	Process reliability, global comparability	Professional and industry expectation for operational consistency	Embeds ESG into organisational culture and internal management practices
<b>ESRS (Draft)</b>	EU legal compliance, investor demands	EU directives impose binding ESG disclosure on firms	Creates a legally enforceable reporting regime for EU-listed firms
<b>CSDS (Draft)</b>	National competitiveness, global convergence	Pressure on Chinese firms to align with global investor standards	Promotes ESG convergence with international frameworks, strengthening legitimacy
<b>ASEAN-ASEDG</b>	SME support, voluntary adoption	Regional expectation to support SMEs with simplified ESG pathways	Provides tailored guidance for resource-constrained firms in ASEAN markets
<b>Bursa SRF</b>	Domestic market regulation	Bursa Malaysia requirement for listed firms to disclose ESG	Ensures transparency, comparability, and investor confidence in Malaysian firms
<b>NSRF</b>	National integration	Government and regulator demand for unified ESG reporting	Anchors Malaysian ESG reporting to global best practices while strengthening national competitiveness
<b>SEDG</b>	SME adoption, gradual progression	Expectation from clients, funders, and local communities for entry-level ESG	Acts as an accessible starting point for MSMEs, supporting legitimacy-building and stepwise disclosure

A review of the key ESGD frameworks in the above table shows that ESG practices are shaped by different institutional pressures and stakeholder expectations, which influence the adoption and implementation across contexts. Firstly, institutional theory explains coercive pressures from regulators (e.g., Bursa SRF, ESRS), normative pressures from professional norms (ISO IWA, ASEAN-ASEDG), and mimetic pressures for global convergence (CSDS, ISSB). Secondly, stakeholder theory underscores the expectations of stakeholders and communities for greater accountability (GRI, IIRC <IR>, SEDG). Finally, legitimacy theory illustrates how the adoption of disclosure practices signals conformance with societal expectations either through substantive compliance (e.g., ISSB, NSRF) or symbolic actions (e.g., CSR reporting aligned with GRI).

In summary, the frameworks show that ESG disclosure is not just a reporting exercise but a response to intertwined pressures of compliance, accountability, and legitimacy (Saleh et al., 2023; Sulaeman et al., 2025; McAteer, 2025).

The analysis indicates that ESG disclosure practices in the construction sector are influenced by institutional pressures, which provide the structural mandate, and stakeholder expectations, which define the substantive content of disclosures, thereby shaping how PSFs-CQSPs navigate the benefits–challenges paradox of ESGD adoption.

### 3.1.3 Theoretical Integration

Table 3 provides how the key ESGD frameworks and their underlying theories affect disclosure practices and the changing role of QSP in incorporating ESG practices into their advisory function to the construction sector's asset-intensive developers and contractors across the construction value chain and project lifecycle.

Table 3 - Mapping Key ESG Disclosure Frameworks to Theoretical Lenses with reasoned rational and CQSP Implications

Key Framework	Theoretical Lens	Rationale / Linkage	PSF-CQSP Implications
<b>IFC D&amp;T</b>	Institutional (coercive)	Builds trust in emerging markets, aligns with World Bank principles	Enhances advisory on governance compliance, procurement transparency, and reporting
<b>IIRC &lt;IR&gt;</b>	Stakeholder & legitimacy	Emphasises value creation narrative for financial capital providers	Supports in linking cost planning, lifecycle costing, and value management to sustainability
<b>ISSB/IFRS</b>	Institutional (coercive, mimetic)	Global standardisation similar to IFRS financial rules	Aligns reporting with investor-grade ESG data (e.g., climate risk costings)
<b>GRI</b>	Stakeholder & legitimacy	Multi-stakeholder input, broad ESG coverage	Expands role in materiality assessment, social procurement, and carbon reporting
<b>ISO IWA</b>	Normative institutionalism	Embeds ESG in organisational culture & practices	Enables to develop ESG measurement tools (carbon cost indices, procurement metrics)
<b>ESRS (Draft)</b>	Coercive institutionalism	Standardises ESG across EU with legal enforceability	Requires to provide granular ESG cost disclosures (energy, biodiversity, DEI)
<b>CSDS (Draft)</b>	Coercive & mimetic	Aligns Chinese firms with global disclosure norms	Guides in procurement audits and ESG compliance reporting for China-linked projects
<b>ASEAN-ASEDG</b>	Normative & stakeholder	Simplifies ESG for resource-constrained firms	Provides entry pathway for firms to adopt ESG (labour, ethics, energy)
<b>Bursa SRF</b>	Coercive institutionalism	Enforces ESG transparency for listed firms	Raises expectation to integrate ESG metrics into PLC consultancy
<b>NSRF</b>	Coercive & normative	Anchors Malaysian reporting to international best practice	Positions QS to align project costings with carbon, labour, biodiversity targets
<b>SEDG</b>	Stakeholder & legitimacy	Provides entry-level guidance for small firms	Enables firms to scale ESG adoption while demonstrating basic compliance

A review of the key ESGD frameworks in the above table shows that the IFC's D&T is rooted in institutionalism, emphasising accountability and transparency as critical tools for market confidence, particularly in emerging economies (IFC, 2018). The IIRC <IR> framework adopts a stakeholder and legitimacy perspective, prioritising investor-oriented disclosures and integrated thinking (IIRC, 2013). The ISSB/IFRS S1 and S2 standards increase pressure on organisations to follow rules by including ESG disclosures in global financial reporting standards (IFRS Foundation, 2023). Frameworks such as the GRI Standards extend stakeholder inclusivity by broadening ESG coverage across social, environmental, and governance domains (GRI, 2021). The ISO IWA guidance embeds ESG within organisational culture through normative institutionalism (ISO, 2022, 2024). At a regional level, the European Sustainability Reporting Standards (ESRS) show that there are strong rules requiring ESG disclosures across the EU that can be legally enforced. Similarly,

the China CSDS draft aligns domestic disclosure standards with international norms, reflecting both coercive and mimetic pressures (CSRC, 2023). Local frameworks like the ASEAN-ASEDG and Malaysia's Bursa SRF, NSRF, and SEDG show how both social expectations and legal requirements influence businesses in those areas. The ASEAN-ASEDG simplifies ESG adoption for SMEs, offering firms an entry point to integrate ESG with minimal resource strain (ASEAN, 2023). The Bursa SRF, by contrast, enforces coercive compliance for listed firms, directly raising the bar for advisory-based professionals to integrate ESG cost metrics into their consultancy for PLC projects (Bursa Malaysia, 2022). The NSRF elevates national ESG integration, ensuring project costs reflect international targets for carbon, biodiversity, and labour rights (MIA, 2024). The SEDG provides a legitimacy-driven stepping stone for firms, enabling them to progressively scale ESG adoption while maintaining basic compliance and credibility with stakeholders (MIA, 2024).

Key ESGD frameworks indicate that institutional theory, stakeholder theory, and legitimacy theory explain the rules, expectations from stakeholders, and the need for social acceptance that affect how organisations communicate disclosures. Without a theoretical foundation, ESGD research may become fragmented, addressing surface-level factors without connecting them to deeper institutional logics or strategic objectives (Corley & Gioia, 2011). By basing the framework on proven theories, this study achieves conceptual clarity and analytical rigour, allowing for each driver of ESG disclosure to be methodically connected to its underlying logic and the processes by which it functions. Additionally, by anticipating changes in ESGD practices due to global sustainability agendas, regulatory regimes, and industry-specific contexts, the theoretical grounding enables the framework to adapt to various institutional environments, sectoral characteristics, and cultural settings (DiMaggio & Powell, 1983; Freeman, 1984, 2015; Suchman, 1995; Dmytryev, 2021; Silva et al., 2023).

In summary, the theory serves not only as an interpretative lens but also as the structural foundation of the conceptual framework. It directs the mapping of theories, drivers, focus areas, and frameworks to ensure the model is analytically rigorous and practical for industry stakeholders. This study explains why certain ESG disclosure frameworks gain dominance in specific institutional contexts while others diffuse due to stakeholder or legitimacy pressures by systematically linking them to their primary drivers and theoretical underpinnings (Higgins et al., 2015; Sulaeman et al., 2025). Institutional theory explains the escalating pressures—coercive (laws and regulations), normative (professional standards), and mimetic (peer emulation)—that shape ESG disclosures. Theories describe why and how certain events occur, advancing research beyond descriptive accounts to explanatory and predictive analysis (Whetten, 1989; Grant & Oswick, 1996).

Table 4 Summary of Key ESG Disclosure Frameworks to Theoretical Lenses

Key Frameworks	Theoretical Lens	Examples of Influences on ESG Disclosure	Reference
<b>ISSB, GRI, IFRS S1/S2, Bursa Malaysia, EU CSRD</b>	Institutional Theory	Regulation, industry norms, coercive and mimetic pressures, global standard adoption	DiMaggio & Powell, 1983; Scott, 2008; Silva et al., 2023
<b>SASB, TCFD, PRI, IFC Performance Standards</b>	Stakeholder Theory	Investor demands, client requirements, employee expectations, NGO/community pressure	Freeman, 1984; Donaldson & Preston, 1995; Dmytryev, 2021

UN SDGs, UNGC, Integrated Reporting <IR>, National Sustainability Agendas	Legitimacy Theory	Reputation management, trust building, crisis response, alignment with sustainability agendas	Suchman, 1995; Deegan, 2002
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For PSF-CQSPs in the construction sector, ESG disclosure legitimises their role in sustainability transitions and redefines their professional identities from technical specialists to institutional practitioners navigating complex governance, market, and stakeholder landscapes. Their advisory role now extends beyond cost control to encompass transparency in procurement, anti-corruption oversight, and stakeholder reporting across the project lifecycle. By embedding narrative approaches to value creation, CQSPs connect lifecycle costing and value management with sustainability outcomes. For practices engaged in international markets, especially this evolution demands granular ESG disclosures covering supply chain accountability, professionalising ESG advisory as a core dimension of QS service.

### 3.2 The Benefits - Challenges Paradox of ESG Disclosure Across Frameworks

#### 3.2.1 The benefits and significance of ESGD

The Global Reporting Initiative (2024) and the International Sustainability Standards Board (ISSB) under the IFRS Foundation (2023) underscore that ESG disclosure frameworks provide distinct advantages, highlighting and reinforcing the importance of transparent sustainability reporting across industries. Table 5 provides a consolidated comparison of the benefits and significance across key ESG disclosure frameworks relevant to the construction sector.

Table 5 - Benefits and Significance of ESG Disclosure Across Key Frameworks

Key Framework	Benefits of Disclosing ESG	Significance of ESG Disclosure
<b>IFC D&amp;T</b>	Builds credibility and access to capital by demonstrating responsible governance and sustainability efforts	Helps investors evaluate ESG risks, enabling more informed investment decisions in developing markets
<b>IIRC &lt;IR&gt;</b>	Shows how ESG factors contribute to value creation over time, linking strategy and outcomes	Enables stakeholders to assess an organisation's stewardship of capitals, including natural and social
<b>ISSB/IFRS</b>	Helps entities disclose material sustainability-related risks and opportunities that could affect cash flows	Aligns sustainability and financial performance, facilitating better investment decision-making
<b>GRI</b>	Empowers stakeholders to assess a company's impact on the economy, environment, and society	Strengthens stakeholder trust and supports stakeholder-driven ESG improvements
<b>ISO IWA</b>	Drives operational efficiency, innovation, and risk reduction by embedding ESG into processes	Supports compliance, brand reputation, and value chain integration
<b>ESRS (Draft)</b>	Disclosures enable understanding of both financial and impact materiality (e.g. biodiversity, climate)	Enhances accountability, public scrutiny, and data-driven ESG performance

<b>CSDS (Draft)</b>	Encourages responsible corporate behavior aligned with Chinese ecological and social goals	Increases trust and market access for firms in and outside of China
<b>ASEAN-ASEDG</b>	Enables SMEs to disclose material ESG actions and plans in simplified language	Helps SMEs access sustainable finance and become ESG-ready suppliers
<b>Bursa SRF</b>	Encourages disclosures on governance, environmental impacts, employee welfare, and supply chain	Strengthens market resilience, transparency, and stakeholder engagement
<b>NSRF</b>	Encourages industry-specific ESG indicators and data transparency	Builds investor confidence and ensures national competitiveness in ESG
<b>SEDG</b>	Provides step-by-step ESG disclosure roadmap (e.g. carbon, energy, governance)	Enables SMEs to meet buyer expectations and comply with future regulations

A review of the key ESGD frameworks in the above table shows how the frameworks relevant to the construction sector can be applied to enhance ESG practices, providing competitive advantage and transparent sustainability reporting.

Although ESG disclosure frameworks differ in scope, maturity, and regional orientation, they collectively highlight the strategic and operational significance of transparent reporting. The IFC Disclosure & Transparency (D&T) framework builds trust by communicating their responsible practices, which allows investors to evaluate ESG-related risks (IFC, 2021). The IIRC <IR> Framework connects ESG practices, creating long-term value and providing stakeholders information on financial, natural, and social resource management (de Villiers et al., 2022). Similarly, the ISSB/IFRS standards integrate sustainability and financial disclosures, enhancing comparability and improving capital allocation decisions (Ketterling, 2025).

Broader stakeholder-driven GRI Standards and ISO IWA emphasise the importance of accountability, stakeholder engagement, and operational integration. This focuses on ESG practices throughout value chains (Reis & Forte, 2023). Regionally, the ESRS (draft) and CSDS (draft) highlight the importance of double materiality and contextual ecological–social priorities, strengthening accountability and market access (Sulaeman et al., 2025). Nationally, the ASEAN-ASEDG, Malaysia's Bursa SRF, and the NSRF provide for SMEs and listed firms to build ESG capacity, enhance resilience, and attract sustainable financing (Yang, 2025). Similarly, the Simplified ESG Disclosure Guide (SEDG) provides SMEs with a stepwise roadmap to meet stakeholder and regulatory expectations.

Overall, these frameworks demonstrate that ESGD not only offers advantages such as access to capital, increased efficiency, and readiness for the market, but also holds strategic importance by fostering trust, enhancing competitiveness, and facilitating transitions towards sustainability across sectors (Abidin et al., 2020; Mad Kaidi et al., 2025; McAteer, 2025).

### 3.2.1 Challenges & Outcomes of ESGD

Despite the benefits and growing pressure, significant challenges continue to hinder the integration of ESG reporting practices. Table 6 provides the consolidation and comparison

of challenges in adopting the key frameworks relevant to the construction sector, as well as the strategic outcomes associated with overcoming these barriers.

Table 6 - Challenges & Outcomes of ESG Disclosure Framework Adoption

Key Framework	Key Challenges in Adoption	Outcome of Overcoming the Challenge
<b>IFC D&amp;T</b>	Lack of internal ESG capacity and governance understanding, especially in MSMEs	Improved risk management, enhanced investor trust, and access to green financing
<b>IIRC &lt;IR&gt;</b>	Difficulty integrating financial and non-financial data; organizational silos	Enhanced corporate value creation and stakeholder connectivity
<b>ISSB/IFRS</b>	Complexity of climate-related financial disclosure (especially Scope 3 emissions); capacity-building needs	Increased comparability of ESG data; stronger investor confidence
<b>GRI</b>	Difficulty in determining material topics; high reporting burden for SMEs	Transparent stakeholder engagement and improved reputation
<b>ISO IWA</b>	Ambiguity in interpretation of ESG operational metrics; non-binding guidance limits enforcement	Harmonized ESG terminology and consistent understanding across value chains
<b>ESRS (Draft)</b>	Prescriptive and technical requirements are resource-intensive; challenge of double materiality	Increased accountability and alignment with EU Green Deal; better stakeholder outcomes
<b>CSDS (Draft)</b>	Limited data disclosure practices; underdeveloped ESG culture in domestic companies	Enhanced global integration of Chinese firms into sustainable finance systems
<b>ASEAN-ASEDG</b>	Limited awareness and ESG expertise among ASEAN SMEs	Encourages stepwise ESG adoption; improved supply chain resilience
<b>Bursa SRF</b>	Inconsistent understanding of sustainability themes and materiality assessments	Stronger alignment with investors' expectations; better Bursa compliance
<b>NSRF</b>	Lack of national harmonization across sectors and industries	Coherent ESG narrative across sectors; facilitates future ESG mandates
<b>SEDG</b>	Difficulty in data collection and lack of templates suited for MSMEs	Promotes ESG literacy, facilitates phased reporting for MSMEs

A review of the key ESGD frameworks in the above table shows how these frameworks differ in focus, accessibility, and applicability while interpreting strengths and limitations in relation to the sector's needs.

The IIRC Framework faces difficulties integrating financial and non-financial data due to entrenched organisational silos; yet, successful implementation can enhance corporate value creation and strengthen stakeholder connectivity (de Villiers et al., 2022). The ISSB/IFRS and ESRS drafts encounter technical difficulties and resource limitations, as the requirements for climate-related disclosures and double materiality impose a significant reporting burden, but tackling these challenges can result in improved data comparability, accountability, and stakeholder confidence. The GRI Standards and ISO IWA are challenged by the issues related to materiality determination and interpretive ambiguity; however, resolving these matters can promote transparent stakeholder engagement and facilitate ESG practices throughout value chains (Reis & Forte, 2023). Regional and sectoral frameworks, such as CSDS, ASEAN-ASEDG, and Malaysia's Bursa SRF, NSRF, and SEDG, face challenges

from low ESG awareness, inconsistent interpretations, and limited disclosure capabilities; however, overcoming these barriers can lead to gradual adoption, improved supply chain resilience, alignment with investor expectations, and phased ESG readiness (Abidin et al., 2020; Mad Kaidi et al., 2025; Yang, 2025). Collectively, these outcomes demonstrate that although the challenges of ESG disclosure remain structural, technical, and cultural, addressing them can generate significant strategic benefits, such as enhanced comparability, strengthened stakeholder trust, and improved competitiveness.

In summary, challenges hinder the adoption of ESG disclosure frameworks, despite their provision of robust structures for sustainability reporting. Effectively navigating these complexities would benefit from enhanced legitimacy, market competitiveness, and long-term value creation. Standardisation initiatives, such as interoperability efforts and capacity-building guidelines, hold the potential to reduce barriers and accelerate more consistent reporting practices.

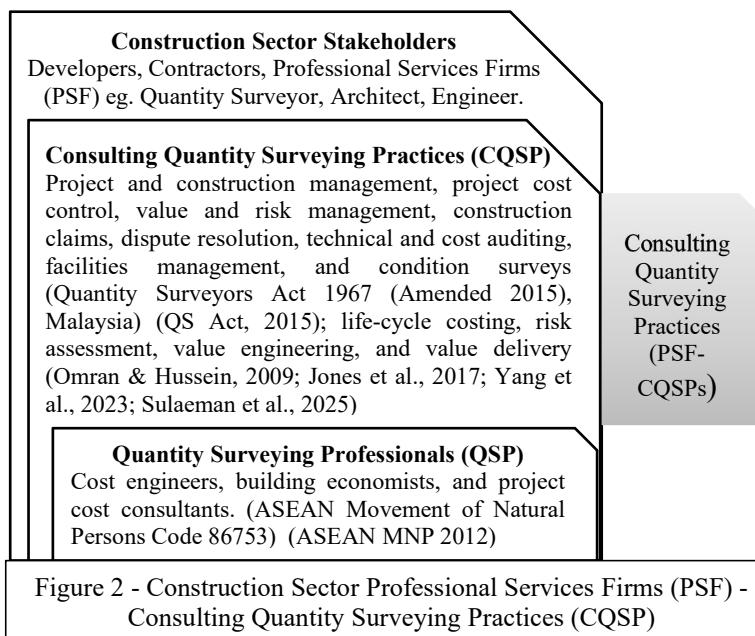
### 3.2.2 The Benefits–Challenges Paradox of ESG Disclosure in the construction sector PSFs.

The construction sector is increasingly subject to regulatory and stakeholder scrutiny due to its environmental and societal impacts, placing asset-intensive developers and contractors under pressure to align with sustainability imperatives. Within the sector, there is non-asset-intensive PSF.

The benefits–challenges paradox of ESG disclosure is evident from the above study on the key frameworks relevant to the construction sector. The benefits position the PSF role as trusted advisors in promoting sustainability across the construction value chains and project lifecycles (Abidin et al., 2020; Mad Kaidi et al., 2025; McAteer, 2025; Sulaeman et al., 2025; Reis & Forte, 2023). The challenges underscore structural and cultural barriers for PSFs, limiting their ability to translate disclosure requirements into actionable strategies. This benefits–challenges paradox ultimately shapes PSFs' advisory role in the construction sector. On one hand, ESG disclosure strengthens legitimacy and enhances stakeholder trust, reinforcing their strategic position as knowledge intermediaries. On the other hand, navigating fragmented frameworks and technical burdens demands additional interpretive capacity and professional judgement, requiring PSFs to act as translators between evolving global standards and localised construction practices. By mediating between the benefits and challenges of ESG disclosure, PSFs not only guide developers and contractors through compliance but also embed an ESG-orientated advisory role in construction value chains and project lifecycles, ultimately positioning themselves as enablers of sustainable transformation in the construction sector (Omran & Hussein, 2009; Jones et al., 2017; Yang et al., 2023; Bani-Khaled, 2025).

## 4.0 Sectoral Applicability: Contextualising ESG Disclosure for PSF-CQS

QSPs are formally recognised under ASEAN MNP Code 86753 (2012) as cost engineers, building economists, and project cost consultants. Malaysian QSPs and PSF-CQSPs are regulated by the QS Act (2015).



Non-asset-intensive PSF-CQSPs contribute to stakeholder decision-making through advisory functions rather than direct resource consumption (Reis & Forte, 2023; Sulaeman et al., 2025). PSF-CQSPs play a pivotal role in embedding ESG consideration as well as promoting sustainability by providing service-based advisory in project and construction management, project cost control, value and risk management, construction claims, dispute resolution, technical and cost auditing, facilities management, and condition surveys (QS Act, 2015); life-cycle costing, risk assessment, value engineering, and value delivery (Omran & Hussein, 2009; Jones et al., 2017; Yang et al., 2023; Sulaeman et al., 2025; Bani-Khaled, 2025). Table 7 provides the relationship between PSF-CQSPs professional services from ESGD domains and impacts through to legitimacy.

Table 7. Contextualising ESG Disclosure across PSF-CQSP services.

CQSP Professional Services	Contextualised ESG Disclosure	Value Chain & Project Lifecycle Impacts	Legitimacy Outcomes
<b>Life-cycle costing &amp; cost management</b>	Governance-related disclosures (e.g., cost transparency, sustainable procurement practices)	Informs sustainable budget allocation, enables green procurement across supply chain	Strengthens procedural legitimacy through accountability and transparency
<b>Risk assessment &amp; risk evaluation incorporating ESG</b>	Value & risk management disclosures (e.g., ESG-sensitive risk registers, resilience strategies)	Enhances resilience of projects to climate, social, and governance risks	Demonstrates pragmatic legitimacy by aligning client outcomes with ESG compliance
<b>Value engineering &amp; value delivery</b>	Performance disclosures (e.g., lifecycle carbon costing, energy/waste efficiency impacts)	Integrates sustainability metrics into design, procurement, and operations	Reinforces normative legitimacy through adherence to professional and societal sustainability norms

<b>Project cost control, auditing &amp; contract administration</b>	Governance and assurance disclosures (e.g., equitable risk allocation, fair contract terms, independent audits)	Ensures fairness in risk-sharing and builds trust across project stakeholders	Builds moral legitimacy by embedding fairness, equity, and stakeholder trust
<b>Dispute resolution &amp; claims management</b>	Stakeholder trust disclosures (e.g., transparency in dispute outcomes, equitable settlements)	Reduces transaction costs and enhances collaborative project delivery	Consolidates relational legitimacy through trust-building with clients and regulators
<b>Facilities management &amp; condition surveys</b>	Operational sustainability disclosures (e.g., asset performance benchmarking, O&M ESG performance)	Extends ESG performance beyond construction into operations and maintenance	Sustains long-term legitimacy by evidencing continuous contribution to sustainability outcomes

A review of Table 7 shows how contextualised ESG disclosure captures value chain and project lifecycle impacts alongside the institutional pressures faced by PSF-CQSPs, thereby demonstrating their legitimacy, sustainability contributions, and alignment with stakeholder expectations.

Three salient domains emerge. First, governance-related disclosures (e.g., procurement transparency, equitable risk allocation, cost management practices) embed accountability into project structures (Abidin et al., 2020; Mad Kaidi et al., 2025). Second, value and risk management disclosures (e.g., lifecycle costing, carbon-sensitive budgeting, contract administration) operationalise sustainability objectives across project lifecycles (Sulaeman et al., 2025). Third, trust and relationship-based disclosures are based on the relationship PSF-CQSPs cultivate with regulators and stakeholders, which institutional theory interprets as legitimacy-building under coercive and normative pressures (Saleh et al., 2023). This reconceptualisation of ESG disclosure, shifting from asset intensity to advisory influence, underscores both its theoretical and practical significance. By tailoring ESGD to reflect non-asset-based contributions, PSF-CQSPs address sector-specific institutional pressures, hence strengthening legitimacy and reinforcing their pivotal advisory role to embed ESG consideration as well as promote sustainability across the construction value chain and project lifecycle.

In summary, these contextualised ESG disclosures reposition PSF-CQSPs from being perceived as professional service providers in the construction sector to essential professionals for ESG advice whose legitimacy rests on demonstrating compliance with institutional pressures that respond to the expectations of stakeholders, regulators, and society. In this way, CQSPs extend their professional identity by showing how advisory expertise contributes to transparency, accountability, and sustainability, hence aligning their disclosure practices with both institutional theory and stakeholder theory.

Ultimately, contextualised ESG disclosures enable PSF-CQSPs to legitimise their role under institutional pressures while enhancing responsiveness to stakeholder demands and repositioning them as pivotal intermediaries in advancing sustainability across the construction sector.

## 5. Discussion: Literature Review Perspective

This study contributes to the expanding literature on ESGD by focusing on PSF-CQSPs, a domain that has received limited scholarly attention. Unlike asset-intensive developers and contractors, who are increasingly subject to regulatory scrutiny and stakeholder pressure due to their direct environmental impacts, non-asset-intensive PSF-CQSPs operate largely outside the ambit of mandatory ESGD requirements. Yet as this study demonstrates, CQSPs are not immune to pressures that shape disclosure practices (RQ1). Their advisory and governance roles place them at the centre of sustainability decision-making, requiring them to navigate the benefits–challenges paradox of ESG disclosure (RQ2), where disclosure is both a compliance burden and a pathway to enhanced legitimacy, competitiveness, and stakeholder trust. In the absence of PSF-CQSPs' ability to demonstrate accountability to stakeholders, regulators, and society are hindered. Yet, as this study demonstrates, their advisory roles place them at the centre of sustainability decision-making, making the absence of a contextualised disclosure framework (RQ3) a critical institutional and regulatory gap.

### 5.1 Comparison with Previous Literature

Prior ESG disclosure (ESGD) research in the construction sector has largely concentrated on asset-intensive developers and contractors, emphasising operational footprints, compliance, and project-level performance metrics (e.g., GRI- and ISSB/IFRS-aligned climate and risk reporting) (GRI, 2021; ISSB/IFRS, 2023; Yang, 2025). Within this are benefits to investor confidence and comparability, while challenges relate to data quality and reporting burden (de Villiers et al., 2022; Ketterling, 2025). By contrast, non-asset-intensive service-based professionals receive limited attention despite their contribution to sustainability across the construction value chain and project lifecycles (Omran & Hussein, 2009; Jones et al., 2017; Reis & Forte, 2023; Bani-Khaled, 2025).

Findings from this study reinforce and also extend prior research on ESG disclosure frameworks (ESRS draft; CSDS draft) and guidance for SMEs (ASEAN-ASEDG; SEDG; Bursa SRF; NSRF), which has stopped short of translating into professional advisory service-based ESGD (Abidin et al., 2020; Mad Kaidi et al., 2025; Sulaeman et al., 2025; Yang, 2025).

This study shifts the focus of ESGD research away from asset-intensive industry players to non-asset-intensive professional firms, thereby filling a critical gap. It contributes in three ways. First, it maps PSF-CQSPs professional services to ESG disclosure domains (governance/procurement transparency, value and risk management, and trust/assurance), demonstrating how advisory outputs shape sustainability decisions and legitimacy outcomes across the value chain. Second, it theorises the benefits–challenges paradox for PSF-CQSPs, where disclosure both enhances comparability, trust, and competitiveness, extending a literature previously dominated by construction sector asset-intensive contractors and developers (IFC, 2021; McAteer, 2025). Third, it operationalises contextualised disclosure for PSF-CQSPs, aligning international frameworks (GRI; ISSB/IFRS; IIRC <IR>) with sector-specific practices and regional mandates (ISO IWA; ESRS/Bursa/NSRF), thereby providing a structured pathway for PSF-CQSPs to demonstrate legitimacy under institutional and stakeholder pressures (Reis & Forte, 2023; Sulaeman et al., 2025).

### 5.2 Unique ESGD Context for PSF-CQSPs

The uniqueness of this study lies in reframing the benefits–challenges paradox of ESG disclosure within the underexplored domain of non-asset-intensive PSF-CQSPs. Unlike developers and contractors, who tie their ESGD obligations to measurable environmental footprints, PSFs derive their influence from advisory legitimacy rather than asset ownership. This creates a paradoxical space where disclosure is simultaneously a legitimacy-enhancing opportunity and a capacity-constraining burden, shaped by institutional pressures and stakeholder expectations. By contextualising ESGD around governance, value/risk management, and trust-based domains, this study advances a distinctive understanding of how professional services, not physical outputs, anchor sustainability transitions in the construction sector.

### 5.3 Implications for the Benefits–Challenges Paradox of ESG Disclosure in PSFs

This study highlights the benefits–challenges paradox of ESG disclosure for non-asset-intensive PSF-CQSPs. While disclosures enhance legitimacy, build stakeholder trust, and extend QS practices into sustainability advice, they are constrained by fragmented frameworks, limited reporting capacity, and the absence of tailored regulation. Dual pressures arise from this paradox: firms must provide investor-grade ESG data, but they lack sector-specific guidance. At the same time, these pressures drive professionalisation, pushing PSF-CQSPs to develop tools such as carbon cost indices and procurement governance benchmarks. Thus, ESG disclosure emerges as both a burden and an opportunity, repositioning PSF-CQSPs as legitimacy-seeking advisors navigating stakeholder demands across the construction value chain and project lifecycle.

### 5.4 Closing the Gap

The analysis of 11 ESGD frameworks across global, regional, and national contexts (Table 1) reveals that institutional pressures and stakeholder expectations influence ESG disclosure in the construction sector. Institutional theory offers a valuable perspective: coercive pressures arise from obligatory frameworks (e.g., Bursa SRF, ESRS), normative pressures originate from professional standards and codes (e.g., ISO IWA, ASEAN-ASEDG), and mimetic pressures develop through benchmarking against global best practices (e.g., ISSB/IFRS, CSDS). Stakeholder theory emphasises stakeholders' demand for transparency, accountability, and sustainability (e.g., GRI, IIRC, and SEDG), compelling PSF-CQSPs to align their disclosure practices with compliance and legitimacy requirements. Current frameworks, originally designed for asset-intensive firms, demonstrate challenges in application by non-asset-intensive professional service firms. This evolution extends beyond environmental footprints to include advisory influence throughout project lifecycles.

The findings indicate a paradox of benefits and challenges regarding the influence of ESG disclosure on the advisory role of PSFs. ESGD enhances legitimacy and strengthens stakeholder trust, positioning CQSPs as credible advisors in sustainability transitions (GRI, ISSB, IFC). Conversely, fragmented frameworks and the technical complexity of requirements, like double materiality and limited ESG practices, pose significant challenges (ESRS, CSDS, ISO IWA). The dual dynamics necessitate that they function as intermediaries of ESG frameworks, connecting global disclosure standards with local construction practices via procurement, risk management, and lifecycle costing. The paradox highlights PSF-CQSPs' strategic function as knowledge intermediaries who must navigate compliance while remaining responsive to stakeholders, regulators, and society, thus converting disclosure from a compliance obligation into an advisory resource.

This study improves research on disclosure frameworks by providing contextualised ESGD suited for the non-asset-intensive contributions of CQSPs. Three domains are identified as central. Governance-related disclosures, such as cost transparency, procurement accountability, and equitable risk allocation, enhance procedural legitimacy by integrating accountability within project frameworks. Secondly, disclosures related to value and risk management, such as lifecycle costing, carbon-sensitive budgeting, and contract administration, implement sustainability objectives throughout project lifecycles, illustrating practical legitimacy in aligning results with stakeholder and societal priorities. Third, disclosures grounded in trust and relationships, such as transparency in dispute resolution, the cultivation of stakeholder trust, and the establishment of fair contract terms, enhance normative legitimacy by responding to institutional and stakeholder pressures. These contextualised disclosures reframe PSF-CQSPs from construction sector professional service providers to essential professionals for ESG advice throughout the construction value chain and project lifecycle.

In summary, this study closes a critical gap in ESGD research by shifting attention from asset-intensive firms, where disclosure has been widely examined, to non-asset-intensive PSFs such as CQSPs. Unlike developers and contractors, PSF-CQSPs face a benefits–challenges paradox: ESGD offers legitimacy, stakeholder trust, and access to sustainable opportunities, yet its fragmented frameworks, technical complexity, and limited SME capacity hinder adoption. Positioned between global ESG standards and local construction realities, PSF-CQSPs navigate institutional pressures while responding to diverse stakeholder expectations for sustainability. By contextualising disclosure around governance, risk/value management, and trust building, this study demonstrates how PSFs can transform ESGD from a compliance burden into an advisory strength, extending their role in shaping sustainability across the construction value chain and project lifecycle.

## 6. Conclusion and Policy Implications

### 6.1 Conclusion

This study enhances ESG disclosure (ESGD) research by redirecting focus from asset-intensive developers and contractors to the less examined area of non-asset-intensive PSFs, particularly CQSPs. It emphasises that CQSPs, although not directly involved in environmental impacts, are crucial in integrating sustainability within the construction value chain and project lifecycles. This study theoretically expands ESG disclosure research by reinterpreting disclosures for PSF-CQSPs, illustrating how institutional and stakeholder pressures influence practices in contexts characterised by advisory rather than resource-based contributions. It offers regulators and professional organisations guidance for formulating contextualised ESG disclosures that reflect the PSF-CQSP's advisory function. This study reconsiders ESGD specifically for PSF-CQSPs, addressing a significant gap by positioning these firms as knowledge intermediaries that link institutional compliance with stakeholder trust to facilitate sustainable transitions in construction.

### 6.2 Policy and Practice Implications

The findings of this study carry important implications for both policy and practice in advancing ESGD within PSFs. For policymakers, the analysis underscores the need to extend disclosure frameworks beyond asset-intensive construction sector developers and contractors

to include non-asset-intensive PSFs, such as CQSPs, whose advisory roles shape procurement, lifecycle costing, and governance across the construction value chain. Contextualised ESGD guidelines that recognise advisory contributions rather than resource ownership would reduce structural gaps and enhance legitimacy under institutional pressure. This study highlights how PSF-CQSPs can transform disclosure from a compliance exercise into a source of competitive advantage by embedding transparency, accountability, and sustainability into stakeholder-facing services. This repositioning requires developing new measurement tools (e.g., carbon cost indices, procurement governance benchmarks) and cultivating disclosure capacities to meet stakeholder-driven expectations. By addressing the benefits–challenges paradox in practice, PSF-CQSPs can strengthen their legitimacy, enhance market resilience, and consolidate their role as strategic enablers of sustainability transitions in the construction sector.

## 7. Closing

This study advances understanding of the benefits–challenges paradox of ESG disclosure in professional service firms (PSFs), with particular focus on consulting quantity surveying practices (CQSPs) in the construction sector. While asset-intensive construction sector developers and contractors have been the subject of disclosure frameworks, the unique position of non-asset-intensive PSFs has remained largely overlooked. By synthesising global, regional, and national frameworks through theoretical lenses, this review demonstrates that contextualised ESG disclosures are essential for capturing the advisory, value chain, and lifecycle contributions of PSFs. The paradox lies in the fact that although challenges of structural, technical, and cultural capacity hinder adoption, overcoming them generates strategic benefits, enhancing transparency, accountability, and legitimacy under institutional and stakeholder pressures. In doing so, ESG disclosure repositions CQSPs from being perceived as construction sector professional service providers to being recognised as enablers of sustainability transitions across the construction value chain project lifecycle. Addressing this gap strengthens sectoral ESG integration and provides a pathway for PSF-CQSPs to transform disclosure into a strategic instrument of long-term value creation.

## 8. Limitations and Future Research

Although this study offers novel insights into the benefits–challenges paradox of ESG disclosure in PSFs, additional research is necessary to expand and refine its applicability across institutional contexts. To facilitate an improved understanding of the evolution of disclosure practices in response to regulatory, professional, and societal pressures, future research should transition from conceptual mapping to empirical validation, cross-market comparison, and temporal analysis. Investigate the evolution of contextualised ESG disclosure in PSFs across various regulatory and cultural environments, with a focus on the impact of global–local interactions on professional legitimacy, as influenced by coercive, normative, and mimetic pressures. Examine how different stakeholder groups, including stakeholders, regulators, and society, prioritise elements of ESGD, and assess the extent to which PSFs can adjust their advisory positions to address these conflicting expectations. Investigate the manner in which PSFs navigate substantive versus symbolic disclosure practices over time, and determine whether contextualised ESGD enhances long-term societal legitimacy or is perceived as compliance-driven signalling. Scholars can enhance sector-specific ESGD frameworks, extend explanatory power across diverse contexts, and assess the dynamic legitimacy of PSFs as pivotal sustainability intermediaries by connecting these

future research directions to core theoretical lenses. This study serves as the foundation for this endeavour.

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