Guest editorial: Sustainability accounting, sustainable finance and governance: towards ecosystems

1. Introduction

Global governance, finance and economic systems are undergoing profound transformation. A confluence of interlinked disruptions, the COVID-19 pandemic, accelerating climate change, geopolitical fractures and resurgent economic nationalism, has exposed deep structural vulnerabilities within prevailing institutional frameworks. These intersecting crises have intensified global uncertainty and challenged the capacity of existing models to ensure stability, resilience and social legitimacy. Against this turbulent backdrop, the Paris Agreement committed to limiting global warming to 1.5°C above pre-industrial levels. Successive COP summits, from Glasgow (COP26) to Dubai (COP28), have reinforced this commitment. Mitigation, adaptation, finance and collaboration have emerged as operational pillars of a global transition that demands fundamental reconfiguration of economic functions, corporate strategies and capital allocation. Financial markets have increasingly pivoted towards green finance. Yet the intricate interdependencies between accounting practices, financial mechanisms and governance architectures remain critically underexplored. A multidisciplinary understanding of these interconnections is essential to catalyse meaningful governance reform and fully unleash the transformative potential of accounting and finance in addressing defining social and environmental challenges.

At the heart of this transformation lies the rapid ascendancy of Environmental, Social and Governance (ESG) priorities, which have fundamentally redefined corporate accountability and legitimacy. Propelled by initiatives such as the European Green Deal and COP26/COP27 outcomes, global ESG investment is projected to reach $33.9tn by 2026. Yet this meteoric rise has exposed profound tensions between sustainability rhetoric and tangible impact. Pervasive greenwashing, fragmented disclosure standards and disparate regulatory approaches continue to obfuscate the distinction between symbolic compliance and substantive transformation. These inconsistencies amplify the demand for coherent, globally harmonised frameworks capable of restoring stakeholder confidence and embedding transparent sustainability governance.

In response, international standard-setting bodies and national regulators are embracing integrated, ecosystem-based governance models. The International Sustainability Standards Board (ISSB), established under the IFRS Foundation at COP26, is pioneering comprehensive sustainability metrics. These encompass water stewardship, biodiversity and ecosystem impacts, complemented by the Taskforce on Nature-related Financial Disclosures (TNFD). Simultaneously, national frameworks such as the UK Corporate Governance Code (2024) and UK Sustainability Disclosure Standards (UK-SDS, 2024) embed ESG accountability into board-level governance, risk management and reporting systems. Collectively, these developments herald a paradigmatic shift towards outcome-orientated, multistakeholder governance that embeds integrity, resilience and environmental stewardship at the core of institutional and corporate decision-making.

Digitalisation introduces further complexity and opportunity. It reshapes financial, cost and management accounting while presenting novel challenges and possibilities for accounting and control systems. The convergence of Industry 4.0 technologies, big data

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analytics and advanced reporting infrastructures demands a critical reassessment of how we measure, verify and communicate sustainable performance. Although extant literature has yielded substantial insights into corporate business model transformation and sustainability disclosure, empirical research examining governance dimensions of climate commitment and ecosystem preservation remains nascent. The complex interdependencies between sustainability accounting, sustainable finance and governance structures have yet to be comprehensively theorised and empirically validated.

This special issue, Sustainability Accounting, Sustainable Finance and Governance: Towards ecosystems, was conceived precisely to address this critical lacuna. It provides a dynamic platform for scholars to advance this evolving field through diverse theoretical and methodological approaches. The scholarly community responded with remarkable vigour and intellectual breadth. The contributions traverse carbon accounting, green finance, governance mechanisms, net-zero transitions, ESG performance and digitalisation. Collectively, they substantially enrich our understanding of sustainable ecosystems and yield actionable insights for policymakers, practitioners and researchers. We are proud to present this compelling collection. We trust it will significantly advance academic discourse and policy debates, ultimately guiding us towards ecosystems that are resilient, equitable, transparent and enduring.

2. Scope and thematic priorities

This Special issue brings together diverse, interdisciplinary research at the nexus of sustainability accounting, sustainable finance and governance. The contributions are unified by a shared commitment to ecosystem-based approaches in corporate and institutional decision-making, recognising the profound interdependencies between economic performance, social well-being and environmental integrity. The contributions interrogate how organisations measure, manage and report their environmental and social impacts and how governance architectures can be reformed to incentivise authentic sustainability outcomes beyond symbolic compliance, greenwashing and superficial adherence to regulatory mandates. The scope spans a broad spectrum of theoretical perspectives, including stakeholder theory, institutional theory, legitimacy theory, resource dependence theory, critical mass theory, agency theory, stewardship theory and critical accounting, each offering distinct lenses to examine the complex, multi-faceted nature of sustainability transitions. By embracing theoretical diversity, this special issue recognises that no single framework can adequately capture sustainability governance complexity and that interdisciplinary dialogue across traditions is essential for advancing collective understanding.

The contributions address thematic priorities at the intersection of sustainability accounting, sustainable finance and governance. These include sustainability accounting and ESG performance, examining how accounting practices and reporting standards influence ESG outcomes and shape stakeholder perceptions and investment decisions; SDG disclosure, investigating how organisations align reporting with the SDG framework and translate global goals into measurable targets; carbon accounting and strategic investment, exploring carbon budgeting and control systems in shaping investment decisions and driving emissions reductions; and accounting for waste, water and biodiversity, addressing environmental dimensions beyond carbon, including circular economy, water stewardship and biodiversity preservation. Further, priorities encompass environmental management accounting and control systems supporting sustainability decision-making and resource efficiency; big data and advanced technologies enhancing reporting quality and credibility; accounting for social issues, including health and safety, human rights and community engagement; digitalisation and management accounting, examining how cloud computing, blockchain and advanced analytics are transforming accounting and control systems; and accounting for stakeholders and human capital to promote long-term value creation.

The scope also extends to auditing sustainable performance and the role of assurance in enhancing the credibility of sustainability information; sustainable public sector accounting and budgeting reforms; the intersection of Industry 4.0 technologies with sustainability accounting; eco-innovation capabilities driving net-zero business model transformation; corporate governance structures shaping climate disclosure quality; green finance instruments mobilising capital for climate action; climate risk assessment influencing sustainable investment decisions; and governance structures shaping strategic investment decisions in the transition towards a net-zero economy.

3. Contributions and impact

By weaving together these diverse yet deeply interconnected contributions, this special issue significantly advances our collective understanding of how accounting, finance and governance can synergistically drive the transition towards sustainable ecosystems, systems that are resilient, transparent, accountable and capable of balancing economic prosperity with planetary health and social well-being. The research presented herein not only enriches academic discourse but also offers practical guidance for policymakers, corporate leaders and financial institutions navigating the complexities of sustainability transitions. We trust that this collection will serve as a catalyst for further interdisciplinary inquiry and inspire continued innovation in the pursuit of a more just, sustainable and prosperous global future.

The contributions of this special issue are organised around three thematic pillars, each addressing a critical dimension of the sustainability-accounting-governance nexus. These pillars collectively capture the multi-faceted nature of sustainability transitions, recognising that progress towards resilient ecosystems requires simultaneous attention to governance architecture, financial intermediation and incentive structures, each of which operates at different levels of analysis, from boardroom dynamics to macroeconomic policy frameworks and each of which is shaped by distinct institutional logics, regulatory environments and stakeholder expectations. The interdisciplinary nature of these contributions reflects the special issue's commitment to bridging accounting, finance and governance scholarship, fostering dialogue across traditionally siloed disciplines and generating insights that are both theoretically rigorous and practically relevant for diverse stakeholders navigating the complexities of sustainability transformations in an era of unprecedented global challenges.

3.1 Governance architecture and board dynamics in driving sustainability

A dominant theme emerging from this special issue is the critical role of governance structures in shaping corporate sustainability outcomes. These structures include board composition, diversity, oversight mechanisms and the interplay between formal and informal governance arrangements. Their influence varies across diverse institutional contexts, organisational forms and regulatory environments. Sanad (2026) provides compelling empirical evidence from the Gulf Cooperation Council (GCC) region. This context is characterised by high per capita emissions, substantial family ownership concentration, progressive yet uneven gender diversity policies and rapidly evolving corporate governance frameworks. The study demonstrates that female board representation has a significant impact on enhancing environmental disclosure. Family ownership amplifies this positive effect through long-term reputational concerns, socio-emotional wealth considerations and enduring stakeholder relationships that elevate the salience of environmental stewardship.

Notably, the critical mass threshold of 30% female directors does not yield statistically significant results. This suggests that even “token” female directors can exert meaningful influence on board deliberations where gender diversity remains nascent and institutional pressures for sustainability disclosure are still evolving. These findings challenge conventional assumptions about critical mass theory and invite further theoretical refinement regarding the conditions under which minority representation translates into substantive governance outcomes. By extending the gender diversity-environmental disclosure literature to an underexplored regional setting, Sanad (2026) uses robust econometric techniques, including fixed effects regression, two-stage least squares and weighted disclosure indices, to address endogeneity and measurement sensitivity. The study provides empirical support for social role and resource dependence theories in explaining board dynamics within emerging economies. It offers practical implications for policymakers seeking to enhance corporate governance frameworks and gender diversity quotas. It also equips environmentally conscious investors with evidence that board composition matters for corporate transparency and accountability, particularly where institutional pressures for sustainability disclosure remain nascent. Zaidan and Melhem (2026) extend governance inquiry to Jordan, a developing economy marked by concentrated ownership, family dominance, political-business networks and evolving corporate governance practices. Using novel intra-board diversity (IDiB) and inter-board diversity (IDoB) indices, they capture demographic and governance differences within boards and variation across firms. The study reveals a nuanced pattern. IDiB positively influences CSR disclosure. This suggests that heterogeneous boards, characterised by diverse perspectives and attributes, are more attuned to stakeholder expectations, committed to transparency and better equipped to navigate sustainability trade-offs. Conversely, IDoB negatively impacts CSR disclosure. This indicates that inconsistent governance practices across organisations may undermine coherent and credible sustainability reporting. More notably, politically connected board members play a dual and paradoxical role. They serve as stabilisers by mitigating the negative effects of IDoB. Yet they also function as disruptors by weakening the positive effects of IDiB. This reveals the complex and context-dependent nature of political connections in shaping corporate governance and sustainability outcomes in Jordan. By drawing on elite theory, Zaidan and Melhem (2026) illuminate how politically connected elites influence board dynamics and CSR decision-making. They move beyond monolithic views of political connections as uniformly beneficial or detrimental. Their study offers novel empirical evidence that challenges simplistic assumptions about political connections in emerging economies. It also highlights the need for context-sensitive governance reforms that account for the intricate interplay between business, politics and institutional development.

Samour *et al.* (2026) extend the governance discourse to audit committees, a cornerstone of corporate accountability, financial integrity and stakeholder protection. Despite their fundamental importance, audit committees have received limited empirical attention in the sustainability literature. The study analyses a comprehensive sample of GCC-listed firms from 2014 to 2023. This region is characterised by concentrated ownership, evolving governance frameworks, increasing stakeholder demands for sustainability transparency and regulatory reforms promoting gender diversity and board independence. Employing ordinary least squares regression with robust checks, the study addresses endogeneity and omitted variable bias. The findings demonstrate that corporate sustainability performance is positively and significantly associated with audit committee independence (ACI). This underscores the critical importance of independent oversight in fostering credible, substantive and verifiable sustainability practices beyond symbolic compliance. Notably, audit committee tenure (ACT) has only a limited and statistically insignificant effect on sustainability practices. This suggests that the independence, objectivity and expertise of audit committee members may be more consequential than their length of service. This finding carries significant implications for board composition and refreshment policies in the region. CEO duality positively and significantly moderates the nexus between ACI and corporate sustainability performance. This indicates that concentrated power, where the CEO also serves as board chair, may counterintuitively amplify the positive influence of independent audit committees.

These governance-focused studies underscore that governance architecture is not a one-size-fits-all solution. Its effectiveness in driving sustainability is contingent upon institutional context, ownership structures, political dynamics, regulatory frameworks, cultural norms and the interplay between formal and informal governance mechanisms. This is particularly evident in emerging markets where governance frameworks are still evolving, institutional voids persist and the relationship between business and politics remains defining. The findings challenge the universal applicability of governance best practices developed in Western contexts. They highlight the importance of context-sensitive, theoretically informed and empirically rigorous research that accounts for distinct socio-economic, cultural and political realities across regions. Further, these studies demonstrate that governance mechanisms, whether board diversity, audit committee independence or CEO duality, do not operate in isolation. They interact in complex and often unpredictable ways. Their outcomes are contingent upon the broader governance architecture, the specific institutional environment and the strategic objectives of key actors. This invites further research examining the interplay between multiple governance mechanisms and their combined effects on sustainability outcomes.

3.2 Sustainable finance, capital providers and institutional intermediaries

A second thematic pillar examines financial institutions, capital providers and institutional intermediaries. These actors mediate the relationship between financial systems and sustainability outcomes. The flow of capital, efficiency of financial intermediation and strategic objectives of external funders critically shape corporate sustainability practices, investment decisions and the broader trajectory of sustainable development. Salem and Abualazm (2026) offer a pioneering comparative analysis of ESG compliance and financial performance across Islamic and conventional banks in the MENAT region. They address a critical gap in sustainable finance literature by examining how Shariah-compliant banking models, characterised by distinct ethical foundations, governance structures, risk-sharing principles and prohibitions on interest and speculation, differentially mediate the ESG–performance nexus. Using panel data from 43 banks (2018–2022), the study addresses endogeneity, unobserved heterogeneity and dynamic panel bias. It uncovers nuanced, non-linear relationships that challenge the conventional assumption of a uniform ESG–performance link. Islamic banks exhibit a concave relationship. Moderate ESG engagement enhances return on assets, but marginal benefits decline at higher levels. Conventional banks display a convex pattern. ESG initially imposes costs but becomes increasingly beneficial at higher adoption levels. This divergence reflects distinct governance structures, ethical frameworks, regulatory environments and stakeholder expectations. Islamic banks' Shariah principles align closely with social and environmental considerations, emphasising risk-sharing, ethical investment and social justice. Conventional banks face a steeper adjustment curve, requiring more significant organisational change and strategic realignment to embed sustainability into their operations. The heterogeneous effects across ESG dimensions reveal that environmental and social pillars carry differential weight.

Environmental considerations are more prominent in conventional banking, driven by regulatory pressures and reputational concerns. Social dimensions resonate more strongly with Islamic banks due to their foundational commitments to social justice, community development and ethical conduct.

This study demonstrates that the ESG–performance relationship is not monolithic. It is shaped by institutional logics, regulatory environments, ethical foundations and strategic objectives of financial intermediaries. These findings resonate with the special issue's emphasis on ecosystem-based governance models that integrate economic performance with social and environmental sustainability across diverse institutional contexts.

Complementing this micro-level analysis, Elkhaldi and Mongi (2026) provide a macroeconomic and institutional perspective. They investigate financial inclusion and sustainability across 11 MENA countries from 2004 to 2022. They also examine the moderating role of financial institution efficiency (FIE), a dimension that has received limited empirical attention despite its importance for translating inclusive financial policies into tangible sustainability outcomes. Using panel quantile regression modelling, the study examines relationships across different points of the sustainability distribution. This approach avoids assuming uniform effects. The researchers constructed composite indices of financial inclusion and SDG performance. The study reveals a persistent and nuanced impact of financial inclusion on sustainability across all quantile distributions. Effects are pronounced at extreme quantiles. This suggests the relationship is contingent on a country's existing sustainability baseline, institutional capacity and stage of economic development. Notably, the research uncovers an N-shaped impact under normal sustainability conditions. This becomes inverted at extreme tails of SDG scores. The financial inclusion–sustainability nexus is characterised by complex non-linear dynamics that vary across different stages of institutional and economic development. This finding challenges the conventional assumption of a linear or monotonically positive relationship. It underscores the importance of context-sensitive policy design that accounts for country-specific conditions, institutional capacities and development trajectories. The results remain consistent after incorporating FIE's moderating role. However, the moderating effect exhibits pronounced negative outcomes at the median and high quantiles. It weakens at extremely high quantiles. This suggests that greater banking efficiency does not uniformly amplify sustainability benefits. In some contexts, it may introduce trade-offs or unintended consequences. These include the potential for efficiency-driven institutions to prioritise profitable segments over vulnerable populations or to allocate resources towards short-term returns rather than long-term sustainability gains. Elkhaldi and Mongi (2026) offer a novel contribution. They address FIE's moderating role in accordance with the World Bank's emphasis on affordable access. Their study demonstrates that financial inclusion cannot be effectively leveraged for sustainability gains without corresponding attention to the efficiency, quality and governance of financial institutions that mediate resource flows to underserved populations and productive sectors.

From a capital provider perspective, Rojahn and Zechser (2026) leverage innovative Bayesian methodologies. They examine how external capital providers, specifically the largest shareholders and debtholders, influence ESG performance. The study covers 135 European industrial firms from the STOXX Europe 600 Index from 2019 to 2023. This period begins after the adoption of the Sustainable Finance Disclosure Regulation and the European Green Deal, providing timely insights for policymakers, regulators and minority shareholders. The study uses both frequentist regression-based analyses and Bayesian approaches. This methodological innovation quantifies the probability that capital providers affect ESG performance positively or negatively. It moves beyond traditional significance testing, offering more nuanced inferences. The findings reveal a differentiated pattern of influence. Ownership concentration negatively affects social and governance scores. This suggests concentrated ownership may prioritise financial returns over stakeholder-orientated considerations. Conversely, corporate ownership positively affects environmental performance. This likely reflects synergies, operational efficiencies and strategic complementarities between industrial firms that enable more effective environmental management. Notably, financial investors appear to respond more to ESG controversies than to actively shaping ESG efforts. They react to reputational and regulatory risks. This indicates reactive rather than proactive engagement with sustainability issues. This finding raises questions about financial intermediaries' role in driving sustainability transformation. It highlights the need for more active, long-term-orientated and impact-focused investment strategies. By broadening ESG research to investigate non-financial corporations as significant equity holders, Rojahn and Zechser (2026) address a topic that has received limited attention. This is important given increasingly complex ownership structures, cross-shareholding and strategic alliances. The study demonstrates that capital providers' influence on ESG performance is not monolithic. It is contingent upon provider type, specific ESG dimension, institutional and regulatory context and strategic objectives of both provider and recipient firm.

These studies show that sustainable finance is not a monolithic construct. It is a complex, multi-layered ecosystem where institutional logics, regulatory frameworks, ethical foundations and strategic objectives of capital providers interact in nuanced ways. This has profound implications for sustainable finance policies, capital market regulation and strategic management of financial institutions in an era of accelerating sustainability transitions.

3.3 Incentive structures, accountability mechanisms and the prevention of irresponsibility

A third thematic pillar extends the sustainability discourse beyond positive performance and voluntary disclosure. It examines incentive structures and accountability mechanisms in preventing corporate misconduct and deterring irresponsible behaviour. Sustainability governance must encourage positive contributions while actively preventing actions that undermine stakeholder welfare, erode public trust and threaten long-term sustainability. This pillar, represented by a single contribution, offers a foundational and agenda-setting perspective. It shifts scholarly focus from the "bright side" of corporate sustainability to the prevention of corporate irresponsibility. This dimension is increasingly central to stakeholder expectations, regulatory scrutiny and the societal mandate for corporate accountability. Richter (2026) investigates whether linking management compensation to CSR criteria reduces corporate social irresponsibility (CSiR). This dimension has received limited empirical attention despite its profound implications for stakeholder trust, regulatory oversight and long-term firm value. The study analyses 1,763 US firms from 2011 to 2019 using fixed-effects regression models. This approach controls for unobserved firm-specific heterogeneity. Drawing on stakeholder-agency theory and resource dependence theory, the study reveals that CSR incentives are negatively associated with CSiR. Compensation structures designed to reward sustainability performance can deter harmful corporate behaviour, not merely promote positive outcomes. This distinction carries significant implications for governance reform, incentive design and theoretical understanding. The absence of harmful behaviour is a distinct dimension of corporate accountability. It requires separate theoretical attention, empirical investigation and policy intervention.

The research uncovers nuanced industry-level moderating effects. These illuminate the boundary conditions under which CSR incentives are most effective. The negative association between CSR incentives and CSiR is weaker in munificent industries. Resource abundance may reduce perceived urgency and create complacency. Yet the relationship is stronger in dynamic environments, where CSR incentives help firms adapt to shifting stakeholder demands and regulatory expectations.

Environmental complexity does not significantly moderate the relationship. Firms in complex industries may already integrate diverse stakeholder interests into strategic decision-making. This reduces the added impact of CSR incentives. In highly complex environments, stakeholder pressures and institutional norms may already serve as effective deterrents to misconduct.

By demonstrating that incentive structures can mitigate corporate misconduct, from environmental violations to governance lapses and by identifying environmental conditions that shape their effectiveness, Richter (2026) extends scholarly focus from promoting positive outcomes to preventing corporate irresponsibility. This study resonates with the special issue's central thesis. Sustainability accounting, sustainable finance and governance are inextricably linked in pursuing resilient and equitable ecosystems. Governance mechanisms, particularly executive compensation structures, can align managerial behaviour with stakeholder interests and societal expectations.

Crucially, the journey towards sustainable ecosystems requires a dual imperative. We must incentivise positive contributions to environmental and social well-being. We must also deter behaviours that undermine stakeholder welfare, erode public trust and threaten long-term sustainability. This demands integrated policy frameworks, robust monitoring mechanisms, incentive structures aligned with long-term societal goals and a comprehensive understanding of the conditions under which governance mechanisms prevent corporate misconduct.

The interdisciplinary nature of these contributions reflects the special issue's commitment to fostering dialogue across traditionally siloed disciplines. It bridges accounting, finance and governance scholarship. It generates insights that are theoretically rigorous and practically relevant for diverse stakeholders, corporate leaders, policymakers, regulators, investors, civil society and academics, navigating sustainability transformations in an era of unprecedented global challenges.

We trust this collection will catalyse further interdisciplinary inquiry. It will inspire continued innovation in the pursuit of a more just, sustainable and prosperous global future. It will contribute to developing governance frameworks, financial mechanisms and accountability structures capable of addressing climate change, social inequality, environmental degradation and the urgent need for systemic transformation towards sustainable, resilient and equitable ecosystems.

4. Future research avenues

The financial and strategic outcomes of ESG integration remain a dynamic and contested field. While evidence suggests that specific governance mechanisms, particularly audit committee independence and its interaction with CEO duality, positively influence sustainability performance, broader questions persist. We still lack a clear understanding of the conditions under which ESG investments generate tangible, measurable value. Future research is urgently needed to explore the following directions:

- *Market, regulatory and institutional contexts*: Future research may examine the market, regulatory and institutional conditions under which ESG investments yield superior risk-adjusted returns. Comparative studies between developed economies and emerging markets are essential. The GCC region, where state-linked enterprises and family-owned firms dominate, offers a particularly valuable context. The long-term macroeconomic implications of large-scale capital flows into ESG funds warrant investigation. This is especially important in oil-exporting economies undergoing sustainability transitions. Researchers should explore how shifts in global investment preferences affect fiscal stability, employment and sectoral diversification in resource-dependent nations. The unintended consequences of ESG institutionalisation also require critical examination. Standardised frameworks may inadvertently reinforce inequalities, exclude diverse stakeholder perspectives or create barriers for smaller firms with limited reporting capacity. These potential drawbacks deserve scholarly attention.

- *Governance structures and board dynamics:* The interplay between governance characteristics and sustainability outcomes offers rich opportunities for inquiry. Studies should examine how regional contexts, ownership structures, board compositions and firm size moderate the ESG–performance relationship. The interactive and cumulative effects of multiple audit committee attributes merit investigation. These include independence, tenure, expertise, gender diversity and meeting frequency. Researchers should also explore how these attributes collectively shape sustainability outcomes. The joint effects of governance characteristics and CEO attributes represent another critical avenue. CEO duality, tenure, risk appetite, educational background and prior experience may interact with board structures to influence ESG strategies and implementation fidelity. Behavioural and psychological dimensions also warrant exploration. Cognitive biases, overconfidence, risk perception and ethical orientation among board members and executives may significantly influence ESG decision-making. Understanding how governance structures can mitigate detrimental behavioural influences while amplifying positive ones is an important research priority.
- *Technology, analytics and assurance:* The role of technology in transforming ESG measurement, reporting and assurance presents exciting research opportunities. AI-powered financial analytics, machine learning algorithms and natural language processing could enhance the prediction, evaluation and real-time monitoring of ESG investment outcomes. Scholars should explore how AI-enabled assurance, blockchain-based traceability and advanced audit analytics can differentiate genuine ESG performance from symbolic compliance or greenwashing. The influence of audit committee characteristics, including independence, expertise and access to technological resources, on the adoption and effectiveness of such verification tools also requires investigation. Further, future studies may examine how AI and big data technologies can enhance transparency, comparability and reliability of ESG disclosures. This is particularly important in developing markets with less mature regulatory frameworks, limited enforcement capacity and constrained technical expertise. Reducing information asymmetry in these contexts could significantly improve investor confidence and market efficiency.
- *Stakeholder engagement, legitimacy and collaboration:* The integration of diverse stakeholder perspectives into ESG frameworks remains underexplored. Future research may investigate how marginalised voices, including minority shareholders, employees, local communities and indigenous groups, can be meaningfully incorporated into sustainability governance. This is particularly important in hierarchical structures where decision-making power is concentrated. It is crucial to examine how governance structures, leadership configurations and institutional narratives shape stakeholder perceptions and organisational legitimacy. These

dynamics operate across different cultural, legal and regulatory environments. Understanding how they influence investor confidence, employee morale and community trust is essential. Cross-sector collaboration between government, private enterprise, civil society and international organisations also requires investigation. It is important to identify which governance models most effectively promote such collaboration. Future studies may examine which structural, cultural or regulatory factors enable or impede these efforts.

- *The complexity of the ESG–performance nexus demands theoretical integration:* Complementary frameworks, including stakeholder theory, agency theory, the resource-based view and legitimacy theory, offer distinct yet overlapping insights. Synthesising these perspectives provides a more holistic understanding of strategic investment decisions and investment appraisal techniques across diverse organisational and cultural contexts. Such theoretical integration enriches academic discourse and strengthens the conceptual foundations of sustainability governance research. Longitudinal and comparative studies offer valuable insights into the temporal dynamics of the governance–sustainability nexus. These studies track how governance effects evolve over time in response to regulatory changes, market shocks and corporate crises. Comparative analyses across GCC states or between the GCC and other emerging market blocs, reveal context-specific governance effectiveness. Cross-regional comparisons also illuminate how institutional environments shape sustainability outcomes. Policy mechanisms, regulatory incentives, tax structures and market-based interventions require careful evaluation. Evidence-based assessment identifies which mechanisms most effectively discourage superficial ESG compliance and foster substantive, measurable improvements in corporate sustainability performance. Tailoring these mechanisms to different governance contexts and firm sizes maximises their effectiveness. Policy design must account for the distinct characteristics of diverse institutional environments.

By addressing these interconnected avenues, future scholarship builds upon existing governance-focused contributions. It advances a more nuanced, context-sensitive, technologically informed and practically relevant understanding of the ESG–performance nexus. This research informs academic discourse, policy design, corporate strategy and stakeholder engagement practices. Such contributions are essential in an era of accelerating environmental and social challenges, where robust evidence and thoughtful analysis guide effective action.

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