

Special Issue on Corporate Governance and Sustainability Disclosure



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Special Issue Call for Papers

In the absence of mandatory public regulations embedded in, and reinforced by, a meaningful conceptual framework, corporate sustainability disclosure practices have been diverse (Clarkson et al., 2008; Tohang et al., 2024). The lack of a single generally accepted standard in which sustainability reports can be developed, like that of financial reporting principles, is one of the reasons for the discernible dissimilarity in sustainability reporting practices. However, many developed and developing countries have binding requirements for sustainability information disclosure. In response to these, the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), established in 2021, have recently issued foundational standards, which are International Financial Reporting Standards (IFRS) S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2, "Climate-related Disclosures" to guide corporate sustainability-related disclosures worldwide.

These standards were not developed from scratch but built upon earlier initiatives by the Taskforce for Climate-related Financial Disclosures (TCFD), the International Integrated Reporting Council (IIRC), the Climate Disclosure Standards Board (CDSB), and the Sustainability Accounting Standards Board (SASB).

In encouraging voluntary compliance by businesses with the standards, supra-national bodies have developed reporting guidelines, for example, the United Nations (UN) Global Compact (UN, 2010), Organization for Economic Co-Operation and Development (OECD) Guidelines for Multinational Enterprises (OECD, 2011), and the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines (GRI, 2016). This development aims to enrich both corporate environmental responsibility actions and the information disclosure of such actions. Given that there is a wide range of such voluntary disclosure encouragement, there has understandably been variations among these environmental reporting practices.

At a political level, the world's largest greenhouse gas emitter countries (China, the United States, the European Union (EU), and India) are considering making certain aspects of climate-related reporting mandatory for specified organizations (Wang & Azam, 2024). However, regulators in the USA have not adopted either S1 or S2. The European Union has mandated sustainability reporting more generally for affected organizations, but the sustainability reports will be formulated according to the "European Sustainability Reporting Standards" instead of those issued by the ISSB. It remains to be seen to what extent capital markets in South America, Asia, Australia, and Africa will adopt S1 and S2 or align their existing sustainability reporting guidelines with the positions outlined in the ISSB's standards.

In the United States, the landscape of sustainability disclosure is evolving rapidly. The Securities and Exchange Commission (SEC) adopted climate-related disclosure rules on March 6, 2024, after receiving an unprecedented 24,000 comment letters. However, the implementation of these rules has been voluntarily stayed by the SEC pending completion of judicial review, following multiple legal challenges. The ongoing litigation in the U.S. Court of Appeals for the Eighth Circuit has created uncertainty regarding the ultimate status of these rules, highlighting the complex interplay between regulatory efforts and legal challenges in shaping sustainability disclosure requirements in the U.S. The SEC's approach differs significantly from international standards in areas such as materiality assessment and the scope of required disclosures. This divergence creates a rich area for comparative research and analysis of the effectiveness of different regulatory approaches.

This requirement to voluntarily disclose sustainability reporting has generated an important new issue for corporate governance. Unlike voluntary sustainability reports, the nonfinancial statement must be audited by the supervisory board. As there is no content-wise mandatory external assurance, the supervisory board cannot rely on an external auditor's opinion as it does for financial statements and management reports. As the assurance of corporate reports is an essential mechanism to control firms, the new sustainability reporting requirements are closely embedded in the firms' corporate governance (Mathews, 1993; Christensen, 2016). Thus, the legislator underlines the important role of effective corporate governance to ensure the quality of nonfinancial statements (Michelon et al., 2015). Additionally, the EU legislator stresses the importance to make corporate governance sustainable to shift managers' focus from short-term financial performance to long-term development and sustainability aspects.

This special issue aims to complement the existing literature on corporate governance practices in the context of sustainability disclosure. It is essential to examine global markets for several reasons. First, in a voluntary setting, Clarkson et al. (2008) consider whether firms with high sustainability performance experience net benefits from disclosing information about their sustainability performance and thus publishing reports. By contrast, firms with poor sustainability performance may avoid publishing sustainability reports as managers fear negative consequences following the disclosure. As outlined by Christensen et al. (2021), voluntary sustainability reporting depends on a firm's voluntary sustainability activities and its choice to report these activities. As a result, it is important to debate the sustainability disclosure requirement and companies' decision to report or not to report., which is also influenced by corporate governance. However, in the mandatory setting, firms must prepare sustainability reports regardless of their sustainability performance. Therefore, a mandatory setting allows us better to analyse corporate governance's potential effects on disclosure. Second, as described above, the supervisory board's audit requirement makes the nonfinancial statement a distinct form of mandatory sustainability reporting clearly embedded in firms' corporate governance. Third, the relationship between corporate governance and the sustainability disclosure of mandatory sustainability reporting is largely unexplored. It is unclear which corporate governance mechanisms are explored and how they affect mandatory sustainability reports (Dalla et al., 2018; Gerwing et al., 2022). Fourth, the role of corporate governance in sustainability and the way that organizations support the UN SDGs have become a global priority (Ararat et al., 2021; Chindasombatcharoen et al., 2022), and there are accelerated efforts to meet the SDGs across the globe, including emerging economies (United Nations, 2023). Thus, research from developed and emerging markets will contribute to the debate on how corporate governance can enhance and accelerate sustainable development.

We call for research on corporate governance and sustainability disclosure, especially their impact on sustainable development, and to address pressing concerns around sustainability in global markets.

We invite submissions that use a range of methodological approaches, such as positivistic, interpretive, or critical perspectives. We consider both theoretical and empirical submissions and suggest topics such as those listed below:

- Corporate Governance, sustainability disclosure, and sustainable development.
- Board of directors, board committees (including risk, audit, sustainability, remuneration, and IT governance), innovation, and sustainability performance.
- Fintech board and sustainability disclosure
- The linkages between the disclosure by companies of sustainability information and their pursuit of sustainability practices.
- The link between corporate governance structures and mandatory reporting.
- The influence of sustainable development practices on decision-making and external corporate communications.
- Institutional investors, corporate governance, and sustainable development.
- Corporate Governance and sustainability reporting in global economies.
- Integration of Sustainable Development Goals (SDGs), global challenges, and perspectives into corporate management and communications practices.
- Barriers to good corporate governance practices and implications for sustainable development
- Corporate governance and sustainable development in different sectors (private companies, public sector, third sector) and hybrid perspectives
- Emerging issues within the corporate governance environment in developing economies.
- Stakeholders' reactions to sustainability-oriented management and disclosure.
- Comparative analysis of materiality assessments in sustainability reporting between international standards and U.S. requirements.
- The impact of political and regulatory landscapes on sustainability disclosure practices: A comparison between international approaches and the U.S. perspective.

Timeline and submission process

The submission system is now open for submissions to this special issue. The deadline for submission of full papers to the issue is **April 30, 2025**. Accepted manuscripts will be published online first as soon as they are ready.

Please submit your work using our online submission system. <https://www.editorialmanager.com/wspc-tija/default1.aspx> Select "Special Issue: Corporate Governance and Sustainability Disclosure (2024)" as the section/category. You could also include a note in your cover letter to be included in the author comments of the submission form, indicating that this paper should be considered for the Corporate Governance and Sustainability Disclosure special issue. Following submission, all manuscripts will be assigned to a handling editor and subject to peer review. Submission guidelines can be read here: <https://www.worldscientific.com/page/tija/submission-guidelines>

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