



*Research article*

## **Sustainability disclosure in the Gulf Cooperation Council (GCC) countries: Opportunities and Challenges**

**Amr ElAlfy<sup>1,\*</sup>, Adel Elgharbawy<sup>2</sup>, Tia Rebecca Driver<sup>1</sup> and Abdul-Jalil Ibrahim<sup>3,4</sup>**

<sup>1</sup> School of Environment, Enterprise and Development (SEED), University of Waterloo, Waterloo, Canada

<sup>2</sup> College of Business and Economics, Qatar University, Doha, Qatar

<sup>3</sup> Department of Finance and Economics, College of Business and Economics, Qatar University, Doha, Qatar

<sup>4</sup> Banking and Finance Department, Faculty of Accounting and Finance, University of Professional Studies, Accra, Ghana

\* **Correspondence:** Email: [aelfy@uwaterloo.ca](mailto:aelfy@uwaterloo.ca).

**Abstract:** This study examined the Environmental, Social, and Governance (ESG) performance of 117 companies across Saudi Arabia, the United Arab Emirates (UAE), and Qatar from 2021 to 2022 (totaling 234 observations) from the institutional theory perspective using a mixed methods approach. The research is structured in two stages: First, we analyzed ESG scores from ESG Refinitiv data to measure ESG performance based on 186 comparable metrics across 10 categories; second, we conducted a directed content analysis of sustainability reports that utilized 27 ESG disclosure indicators from the GCC Exchanges Committee’s unified guidance. Integrating quantitative ESG scores with qualitative content analysis enables a deeper understanding of how companies in these Gulf countries respond to institutional pressures within their unique socio-political contexts. Our findings revealed that while ESG performance has generally improved across the three countries, the extent and nature of these improvements vary significantly. The UAE demonstrates the most substantial progress, particularly in environmental performance, driven by robust institutional frameworks and alignment with global sustainability standards. Saudi Arabia shows moderate improvements, reflecting the influence of Vision 2030 and ongoing reforms. In contrast, Qatar lags,

especially in governance and social performance, due to weaker regulatory frameworks and slower internalization of sustainability norms. We found that the effectiveness of ESG improvements are closely tied to the strength of institutional frameworks, the intensity of external pressures, and the degree of internalization of sustainability norms in each country. It underscores the role of coercive, normative, and mimetic pressures in driving corporate disclosure practices. It highlights the complexities of sustainability reporting across sectors and national contexts in the GCC region. The research contributes to understanding how institutional pressures shape corporate sustainability practices in the Gulf region, offering valuable insights for policymakers, practitioners, and scholars interested in the dynamics of ESG and sustainability in emerging markets.

**Keywords:** ESG; GCC; sustainability reporting; ESG disclosure; corporate environmental disclosure; institutional theory; mixed methods

**JEL Codes:** Q56, Q01, O20

---

## 1. Introduction

Sustainability reporting has increased significantly in the past few decades, which has been driven largely by stakeholder mandates for greater transparency and accountability in corporate performance. Concurrently, investors demand comprehensive insights into organizations' environmental, social, and governance (ESG) practices (Ben-Amar et al., 2017; Callery, 2023). This dual pressure underscores the growing importance of ESG reporting as a critical tool for ensuring corporate accountability and fostering informed investment decisions. The Gulf Cooperation Council (GCC) region has rapidly evolved ESG reporting (Macbeth & Otubu, 2023; PwC, 2024) and is driven by global trends and regional initiatives. Despite significant progress, the GCC faces numerous challenges in establishing a consistent and comprehensive sustainability reporting framework. Here, we aim to explore the landscape of sustainability reporting in the GCC, identify the gaps, and assess the readiness of these countries to adopt the latest ESG metrics set out by the GCC Exchanges Committee.

Literature on sustainability reporting in the GCC highlights several critical gaps. One prominent issue is the inconsistency in reporting practices across regional sectors and countries (Eljayash et al., 2012; Gerged et al., 2018). This inconsistency hampers stakeholders' ability to compare and evaluate ESG performance effectively. Moreover, Driver and ElAlfy (2023) emphasize that the absence of standardized frameworks leads to a lack of uniformity in the quality and comparability of the reported information, complicating stakeholders' efforts to assess sustainability performance across different industries.

Given the previous gaps in sustainability reporting and the high impact of fossil-based economies in the GCC, there is a pressing need to understand the reporting landscape in this region. The GCC countries, particularly Saudi Arabia, the UAE, and Qatar, heavily rely on fossil fuel industries, posing significant environmental and social challenges. This dependency shows the critical importance of robust ESG reporting to ensure transparency, accountability, and sustainable development. Despite advancements, the variability in reporting practices across sectors and the lack of a standardized

framework hinder the effectiveness of sustainability efforts (Driver & ElAlfy, 2023). Understanding the current state of ESG reporting in the GCC is essential for identifying areas that require improvement, fostering consistency, and ensuring these nations can meet global standards and investor expectations. This understanding will also enable the development of tailored strategies to enhance reporting practices, particularly in underperforming sectors, thereby contributing to the overall sustainability and resilience of the GCC economies.

We aim to fill these gaps by addressing three primary research questions from the institutional theory perspective: 1) How do the current ESG reporting frameworks in the GCC countries reflect and respond to institutional pressure? 2) What institutional challenges and opportunities influence the adoption and implementation of ESG reporting practices by companies in the GCC countries? 3) To what extent are GCC countries institutionally prepared to adopt the new GCC Exchanges Committee's unified ESG disclosure guidance, given the varying degrees of institutionalization of sustainability norms?

To address these research questions, we utilize ESG Refinitiv data and conduct content analysis of sustainability reports from 117 companies across Saudi Arabia, UAE, and Qatar from 2021–2022. The analysis involves two stages: First, examining ESG scores, which measure a company's performance based on publicly reported data across 186 comparable measures grouped into 10 categories, and second, using directed content analysis of sustainability reports based on the GCC Exchanges Committee's unified set of ESG disclosure indicators, modified to include 27 metrics. ESG scores provide a quantitative overview of a company's sustainability performance across dimensions, offering a standardized measure that is easily comparable across companies in the region and internationally. However, the content analysis of sustainability reports enable a deeper qualitative understanding of the context, motivations, and specific actions companies take (Assarroudi et al., 2018; Boiral et al., 2019; Clarke & Braun, 2017). It provides more details on the disclosure of specific metrics within each category of ESG performance according to the unified framework adopted by the GCC Exchanges Committee. Using mixed method analysis can identify not only where improvements are needed (through ESG scores) but also how companies are addressing (or failing to address) these issues (through content analysis).

The analysis of ESG performance in Qatar, Saudi Arabia, and the UAE from 2021 to 2022 highlights how institutional pressures shape sustainability practices in these countries. The UAE leads in ESG improvements, particularly in environmental performance, driven by strong institutional frameworks and alignment with global standards. Saudi Arabia shows moderate progress, especially in environmental areas, influenced by its Vision 2030 initiative, though social and governance improvements are slower due to traditional structures. Qatar lags, particularly in governance and social metrics, due to weaker regulatory frameworks and lower internalization of sustainability norms. Sector-specific trends reveal significant improvements in environmental performance across sectors, reflecting global emphasis on sustainability. However, governance and social performance show variability, with governance scores being the least consistent and social performance mixed, depending on the sector. The findings provide insights into how national policies, cultural norms, and international expectations influence sustainability in the GCC region, extending institutional theory by illustrating these pressures' impact on ESG performance.

## 2. Background and literature

### 2.1. Sustainability in the GCC region

The GCC region has been experiencing rapid economic growth and development over the past few decades (World Bank, 2022; Zaidan et al., 2019). However, this growth has come at the expense of environmental degradation and depletion of natural resources (Asif, 2016; Zaidan et al., 2019). The sustainability challenges faced by GCC in their development effort include urbanization (Abulibdeh et al., 2019), unsustainable natural resource depletion (Al-Saidi et al., 2019), and water stress (Pirani & Arafat, 2016), among others. With the energy sector accounting for over 70% of global carbon emissions (IEA, 2022), dependence on oil and gas has resulted in a high carbon footprint, making the region vulnerable to climate change and fluctuations in global oil prices. To address those challenges, there has been an increasing emphasis on sustainability practices in the region, which has motivated the region to incorporate sustainable solutions into its development policies. Several nations have set renewable energy targets and integrated measures to tackle unmitigated consumption and improve waste management within their national visions and strategic objectives (Bejjani et al., 2019).

The role of national institutions is important since these bodies can influence firms' social agendas (Mazboudi et al., 2020). For example, the Qatar National Vision 2030 (QNV2030) presents a roadmap for achieving sustainable economic and environmental development in the country (State of Qatar, n.d.). Likewise, the United Arab Emirates Vision 2021 sets ambitious targets for waste treatment, renewable energy development, and water recycling, all contributing to the transition towards sustainability (United Arab Emirates, 2024a). In alignment with sustainability goals, Saudi Arabia Vision 2030 focuses on enhancing waste management efficiency, implementing comprehensive recycling initiatives, and reducing various forms of waste (Kingdom of Saudi Arabia, n.d.-b).

The GCC countries have actively explored renewable energy sources to mitigate environmental impacts and enhance energy security. The establishment of the Saudi Green Initiative (Kingdom of Saudi Arabia, n.d.-a) and the UAE's Energy Strategy 2050 (United Arab Emirates, 2024b) are examples of ambitious energy transition policies aiming to increase the share of renewable energy in the energy mix.

Further, the GCC governments have implemented environmental management strategies and established regulatory frameworks to respond to the sustainability challenge. Moreover, ESG reporting and corporate sustainability practices are gaining traction in the region, with companies recognizing the importance of disclosing their environmental and social performance to investors and stakeholders (Abdelqader et al., 2021; Al-Qudah & Houcine, 2024).

### 2.2. Sustainability reporting frameworks

Many countries and stock exchanges globally have established sustainability reporting regulations and guidelines. Several sustainability reporting initiatives and frameworks have been issued, such as the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and Task Force on Climate-related Financial Disclosures (TCFD), which provide guidelines for sustainability reporting (Driver et al., 2023; ElAlfy & Weber, 2019). By complying with these

standards and regulations, businesses demonstrate their commitment to responsible business conduct and avoid potential legal and reputational risks. Yet, the absence of consistent frameworks for sustainability reporting results in a lack of uniformity in the quality, relevance, and comparability of the information reported (Driver et al., 2023). Companies may utilize distinct frameworks, indicators, and methodologies, which creates difficulties for stakeholders in evaluating and contrasting sustainability performance across industries and organizations. Companies can face challenges in measuring and reporting ESG performance due to a lack of standardized data collection practices and inconsistent data availability (Driver et al., 2023).

To move beyond the fragmented ESG disclosure landscape, which suffers from cohesion and contradictory concepts, the IFRS Foundation established the International Sustainability Standards Board (ISSB) in 2021 to develop a consistent global standard for sustainability-related financial disclosures (International Financial Reporting Standards Foundation, 2022c). The leading reporting frameworks, CDP, GRI, SASB, International Integrated Reporting Council (IIRC), and Climate Disclosures Standard Board (CDSB), have issued a joint statement to standardize sustainability reporting (International Financial Reporting Standards Foundation, 2022d). Building on market-led, investor-focused reporting initiatives, the ISSB issued the IFRS S1 and S2 in 2022, which lay out sustainability reporting responsibilities for businesses. The IFRS S1 provides recommendations on the general disclosures that businesses should consider when creating sustainability reports (International Financial Reporting Standards Foundation, 2022a). IFRS S2's Climate-related Disclosures provision mandates the disclosure of significant information about climate-related opportunities and risks (International Financial Reporting Standards Foundation, 2022b). Moreover, researchers have focused on the ISSB's alignment with existing frameworks. For instance, de Villiers et al. (2024) explored the convergence of the ISSB's standards with those of the TCFD, highlighting potential synergies and areas for improvement. Some researchers have investigated how investors perceive the value of standardized sustainability information, suggesting that consistent and comparable data could enhance investment decisions (Millar & Slack, 2024). However, other researchers have cautioned that the effectiveness of the ISSB standards will depend on the quality of implementation and assurance (Krivogorsky, 2024).

Sustainability reporting in the GCC region has gained momentum since 2010, but it is a relatively recent phenomenon (Eljayash et al., 2012; Gerged et al., 2020). In 2018, the UAE initiated legal amendments to require all listed firms to adhere to corporate environmental responsibility mandates (Zakaria, 2017). In 2017, Saudi Arabia inaugurated a forward-thinking strategy with high-reaching objectives to foster environmental development within the nation (Alhazmi, 2017). A cornerstone of this initiative is the commitment to preserving biodiversity and safeguarding wildlife, which are actions seen as pivotal in maintaining environmental balance. The Saudi government further reinforced this strategy by signing the International Convention on Biological Diversity (Alhazmi, 2017).

Qatar was the first country within the GCC to initiate a policy towards sustainability reporting. In 2009, the Sustainable Development Industry Reporting initiated a program to enhance sustainability reporting practices within the energy sector of Qatar (Kilani et al., 2020). In 2016, that initiative was followed by the release of the first ESG disclosure guidance in the GCC by the Qatar Stock Exchange (QSE) (Qatar Stock Exchange, n.d.-a, n.d.-b), encouraging listed companies to adopt the GRI standards for sustainability reporting.

The UAE and Saudi Arabia stock exchanges followed Qatar's lead and have issued guidance on ESG and sustainability reporting. The Saudi Stock Exchange's ESG disclosure guidance provides for voluntary disclosure of ESG materiality issues based on a company's operational and strategic direction (Saudi Exchange, 2021). In 2022, listed companies in the Abu Dhabi Securities Exchange and Dubai Financial Market were directed by the Securities and Commodities Authority (SCA) to report ESG data (Sustainable Stock Exchanges Initiative, n.d.). The Dubai Financial Market (DFM) issued their ESG disclosure guidance, which gives flexibility to listed companies to use the reporting framework of their choice.

The GRI is a reference point for sustainability reporting in the GCC region (Uyar et al., 2019). Several large corporations in the GCC, especially in the oil and gas sector, have adopted GRI guidelines for their sustainability reporting (Al-Bassam et al., 2018). The GCC countries have also embraced IFRS's SASB (Sustainable Stock Exchanges Initiative, 2023). Almost all of the countries in the GCC may adopt the IFRS standards when it becomes operational in 2024 (see Table 1). Other frameworks, such as the GRI, IIRC, and the CDP, have been adopted by Qatar, Saudi Arabia, and UAE as part of the guidance for preparing sustainability reports by listed companies (Ahmed et al., 2021; Uyar et al., 2019). The TCFD framework is also part of the ESG guidance of Saudi Arabia and UAE (Abu Dhabi Securities Exchange, n.d.-b; Saudi Exchange, n.d.).

In 2023, the GCC Exchanges Committee, chaired by the Saudi Exchange and including members like the Abu Dhabi Securities Exchange and Qatar Stock Exchange, introduced a unified set of ESG disclosure indicators for listed companies in the region (Noureldin, 2023; GCC Exchanges Committee, 2023). These indicators, while voluntary, signify a major step towards promoting sustainability and transparency in the Gulf. The 29 indicators align with global standards such as those from the World Federation of Exchanges and the Sustainable Stock Exchanges Initiative, reflecting a regional commitment to a green economy by addressing environmental, social, and governance pillars. The new guidance encourages listed entities to adopt these indicators, including GHG emissions, child labor, and board diversity metrics. Although they do not replace existing local guidelines, the indicators suggest a move towards harmonizing sustainability regulations across the GCC (Macbeth & Otubu, 2023).

**Table 1.** ESG Disclosure Guidelines of Qatar, Saudi Arabia and UAE.

	GRI	SASB	TCFD	IIRC	CDSB	CPD
Qatar	x	x		x	x	x
Saudi Arabia	x	x	x	x	x	x
UAE	x	x	x	x		x

Source: Compiled from the Sustainable Stock Exchange Initiative database (Sustainable Stock Exchanges Initiative, 2023).

### 2.3. A Critical review of sustainability reporting in the GCC countries

Two streams of research have entailed sustainability reporting in GCC countries. One group of researchers evaluated the extent of reporting by GCC companies. The second group identified factors influencing reporting practices. The first literature stream involved the sustainability reporting level in the GCC companies. For instance, Issa and Allyne (2018) examined how GCC

companies report on anti-corruption practices in their sustainability reports. The research uses content analysis of reports from 66 firms in 2014 to reveal a nascent stage of disclosure in the region (Issa & Allyne, 2018). Further, external pressures under coercive isomorphism influence disclosure practices. Interestingly, Qatar and UAE exhibit higher levels of detailed anti-corruption reporting. While the study highlights the influence of external factors on reporting practices (Issa & Allyne, 2018), it may underestimate the internal motivations of companies. The study's data is limited to 2014, which may not accurately reflect the current state of anti-corruption disclosures, particularly as newer studies provide suggestions to evolving dynamics in corporate governance and reporting standards in the GCC (Al-Qudah & Houcine, 2024).

Similarly, Uyar et al. (2019) examined sustainability reporting practices in the GCC from 1999 until 2015. They found that sustainability reporting has witnessed a significant rise in the GCC since 2010, highlighting growing awareness of its importance (Uyar et al., 2019). However, the use of a longitudinal study design, while valuable for observing trends over time, may not adequately account for more recent shifts in the global sustainability landscape, such as the increased focus on TCFD and the impact of digital transformation on reporting practices (Alojail & Khan, 2023).

Further, Farooq et al. (2021) assessed the quality of materiality disclosures in sustainability reports of the GCC companies by analyzing sustainability reports from 2013 to 2017 using content analysis. They found that sustainability reporting grew, but many GCC companies did not report or use recognized standards (Farooq et al., 2021). They also found that companies generally increased disclosures about their materiality assessments, but details on identifying material issues decreased (Farooq et al., 2021). Further, higher financial performance, lower debt, and better corporate governance led to better materiality disclosures (Farooq et al., 2021). However, their focus on the materiality assessment process could narrow the analysis, potentially neglecting other crucial aspects of sustainability reporting, such as environmental or social impacts. Researchers argue that the landscape of sustainability reporting in the GCC has diversified, with companies increasingly integrating global frameworks like the Sustainable Development Goals (SDGs) into their reporting practices (Ramadan et al., 2023), which may not have been fully captured in Farooq et al.'s analysis.

The second stream of literature assesses the determinants of sustainability reporting in GCC companies. For instance, Buallay and Al-Ajmi (2019) examined the impact of audit committee attributes on sustainability reporting through a cross-sectional and time series analysis. They found that, contrary to expectations, the financial expertise in audit committees discouraged sustainability reporting. While robust, the cross-sectional and time series analysis may not fully account for the evolving nature of sustainability reporting standards that have emerged post-2017.

Moreover, Arayssi and Jizi (2023) investigated the impact of royal family members serving on corporate boards on ESG disclosures. They focused on how certain firms benefit from political connections, enjoying tax exemptions and favorable treatment, reinforcing their economic resilience and performance in the GCC-listed firms from 2010 to 2018. The results highlighted that GCC boards with royal family directors tend to disclose fewer ESG-related activities. In contrast, board independence, gender diversity, and sustainability committees typically enhance ESG disclosures to reduce agency costs to stakeholders (Arayssi & Jizi, 2023).

Similarly, Al-Qudah and Houcine (2024) explored the factors influencing companies' adoption of new sustainability reporting practices and external assurance in the GCC region. They analyzed 99 companies that published sustainability reports focusing on Sustainable Development Goals (SDGs) in 2019. The results revealed that firm size, profitability, having Big 4 auditors, and government ownership significantly influence SDG alignment and economic performance. Moreover, companies in the manufacturing sector tend to show positive associations with SDGs and adoption of external assurance statements, and board independence has a positive correlation with SDGs and external assurance adoption (Al-Qudah & Houcine, 2024).

Finally, Gerged et al. (2023) investigated how country-level governance impacts corporate environmental disclosure (CED) within non-financial sectors. Analyzing data from 500 companies across the GCC region, their work revealed that CED is in its infancy. While environmental information in annual reports is increasing, suggesting growing momentum, significant disparities exist between GCC countries (Gerged et al., 2023). However, a positive influence emerges between government effectiveness and CED, indicating that strong governance structures promote environmental transparency (Gerged et al., 2023). While the study underscores the importance of government effectiveness, it may not fully account for the role of private sector initiatives and international pressures in driving environmental transparency, as highlighted in more recent literature (Aluchna et al., 2024).

In summary, studies have highlighted the effect of external pressures under coercive isomorphism on disclosure practices (Issa & Allyne, 2018). However, the role of mimetic isomorphism, especially how companies in the GCC may disclose ESG to enhance their legitimacy, is an area that requires deeper investigation. For example, the UAE's leadership in sustainability reporting might serve as a model for other GCC countries, but this dynamic is not thoroughly examined in the literature. There is also a gap in understanding the variability in sustainability reporting across sectors and countries within the GCC. While some researchers (Eljayash et al., 2012; Gerged et al., 2018) acknowledge disparities, they often treat the GCC region as a homogeneous entity, which overlooks the unique institutional contexts of individual countries and sectors. This approach fails to account for how different coercive, normative, and mimetic pressures might influence reporting practices in specific industries or national contexts.

### **3. Theoretical framework**

Several theories have involved sustainability disclosure and ESG reporting, highlighting the importance of these practices in modern business, including legitimacy theory and stakeholder theory. In the context of the GCC region, institutional theory becomes particularly pertinent, where the economic and regulatory environments create unique pressures and incentives for companies to adopt ESG reporting practices. Institutional theory offers a comprehensive lens for examining how organizational practices, including sustainability reporting and ESG disclosures, are shaped by the broader institutional environment. This theory emphasizes that organizations are not merely influenced by market forces but also by the social and cultural frameworks within which they operate (Di Maggio & Powell, 1983; Dunn & Jones, 2010). These frameworks include regulatory structures, normative pressures, and cultural-cognitive systems that collectively define what is considered



legitimate behavior within a context (Di Maggio & Powell, 1983; Ioannou & Serafeim, 2023; Nedopil et al., 2021). The concept of institutional isomorphism, central to institutional theory, helps explain the convergence of corporate practices across different sectors in the GCC. Isomorphism occurs through three mechanisms: Coercive, mimetic, and normative pressures (Di Maggio & Powell, 1983). Coercive isomorphism stems from regulatory requirements and government policies, which, in the context of the GCC, are often tied to national development goals and international commitments, such as reporting on the progress towards achieving the SDGs (Whittingham et al., 2023). For example, Saudi Arabia's Vision 2030 (Kingdom of Saudi Arabia, n.d.-b) and the UAE's Vision 2031 (United Arab Emirates, 2024) initiatives exert coercive pressures on organizations to align their ESG reporting practices with national sustainability objectives. These state-led initiatives are particularly significant in a region where governments play a dominant role in economic activities, often through state-owned enterprises in critical sectors like oil and gas (Garas & ElMassah, 2018). Consequently, the prominence of national oil companies (NOCs) in the GCC further amplifies these coercive pressures, leading to a distinct approach to sustainability disclosure that aligns with national and international sustainability agendas.

Further, mimetic isomorphism, another mechanism within institutional theory, is evident when organizations in the GCC imitate the ESG reporting practices of successful or leading companies within their sector or region. This imitation is often driven by uncertainty, where companies seek to enhance their legitimacy by adopting the reporting practices of more established firms (Di Maggio & Powell, 1983). In the GCC, mimetic pressures are particularly pronounced in sectors such as finance and real estate, where companies look to international peers for best practices in ESG reporting (Tsai & Mezher, 2020). The adoption of globally recognized frameworks, such as the GRI or SASB, reflects this mimetic behavior. These frameworks provide a universally accepted framework for companies in the GCC to structure their sustainability reports in a manner that meets regional and international expectations (Alazzani & Wan-Hussin, 2013).

Furthermore, normative isomorphism arises from professionalization and the spread of best practices through networks of professionals and organizations (Di Maggio & Powell, 1983). Professional networks and industry associations, such as the GCC Exchanges Committee, play a crucial role in setting norms and expectations for ESG disclosures across the region (Alazzani & Wan-Hussin, 2013; Nedopil et al., 2021). These normative pressures are particularly relevant in sectors like finance and energy, where adherence to internationally recognized ESG standards is increasingly seen as a marker of corporate credibility and responsibility (Garriga & Melé, 2004).

## **4. Methodology**

### *4.1. Research design*

Mixed methods designs have been used to examine corporate ESG or sustainability disclosures to understand the implications of dialogic accounting (Bellucci et al., 2019). Here, we adopt a convergence mixed methods design since this method adds several research values, including further

elaboration of the phenomena being examined, and enables the interpretation of intricate findings (Gibson, 2017).

Convergent mixed methods design consists of integrating quantitative and qualitative data related to a research topic or question(s) (Creswell & Plano Clark, 2006). Under this research design, quantitative and qualitative data are collected and analyzed separately but merged to compare and contrast the two datasets to develop novel insights regarding the topic being examined (Creswell & Creswell, 2018). The quantitative aspect is achieved through an analysis of ESG Refinitiv data, which aligns with the use of ESG score assessment by extant literature (El Khoury et al., 2023; Michael et al., 2023). The qualitative aspect consists of a directed content analysis (Assarroudi et al., 2018; Fifka & Drabble, 2012), which also aligns with research practices within the sustainability reporting and disclosure literature (Eng et al., 2024; Nicolò et al., 2023). Both methods are discussed in more detail in the subsequent section.

#### *4.2. Sample and data collection*

We analyzed the ESG Refinitiv data and the sustainability reports using content analysis for a sample of companies in Saudi Arabia, UAE, and Qatar to understand the sustainability reporting landscape in the GCC countries. These three countries were selected for investigation since they comprise the largest stock exchanges within the GCC countries regarding market capitalization (Mansy, 2018; Muzoriwa, 2023).

The sample of companies used in this project was identified based on the availability of ESG scores in the Refinitiv database and the sustainability reports of companies in these countries. The corporate sustainability reports of these companies were collected from the companies' official websites for the years 2021 and 2022. If sustainability reports were unavailable for one or both years, the corporate governance, annual report, or integrated report for the missing year(s) was used. The final sample used in the analysis consisted of 117 companies (30 from Qatar, 34 from Saudi Arabia, and 53 from the UAE) over two years, for a total of 234 observations.

Regarding the sampling procedure, the quantitative and qualitative datasets were designed to contain the same companies to enable easier comparison between the Refinitiv scores and the content analysis. Following the convergent method from Palinkas et al. (2015), purposeful sampling based on the availability of reports and Refinitiv data was employed. Although purposeful sampling provides an opportunity to align both datasets, it limits the number of companies that can be included in the sample since firms that do not meet the criteria requirements are excluded, thereby shrinking the size of the sample set.

We examined ESG scores from the Refinitiv database for the quantitative aspect. These scores assess a company's ESG performance using verifiable data found in the public domain. Refinitiv compiles and calculates over 500 ESG measures at the company level, selecting a subset of 186 as the most comparable and significant across industries. These measures are organized into 10 categories, which are then consolidated into three pillar scores and a final ESG score, indicating a company's ESG performance, commitment, and effectiveness based on publicly disclosed information. The category scores are divided into three pillars: Environmental, social, and corporate governance.

For the qualitative aspect, we used a directed content analysis to assess the sustainability reports. Directed content analysis uses a deductive approach to coding that relies on a predefined set of keywords, themes, or concepts to assess the documents (Assarroudi et al., 2018; Skjott Linneberg & Korsgaard, 2019). This analysis illustrated the use of counts- specifically frequencies, relative frequencies, and percentages- which is a plausible approach for this type of content analysis (Hsieh & Shannon, 2005; Morgan, 1993).

For the directed analysis, keywords were derived from the GCC Exchanges Committee's unified set of ESG disclosure indicators (Abu Dhabi Securities Exchange, n.d.-a). In this paper, the GCC Exchanges Committee's taxonomy was modified to use 27 metrics across three ESG categories in the analysis. We combined the two environmental oversight metrics (management and board of directors) into one metric. In addition, the sustainability reporting metric was removed under the governance metrics since all companies in the sample report sustainability. See Table 2 for the metrics and keywords used during the content analysis.

For the content analysis, two documents for each company, one from 2021 and the other from 2022, were imported into NVivo to conduct a text search for the identified keywords, as outlined in Table 2. The qualitative data was analyzed based on temporal, country, and sector levels. The sector for each company was assigned based on the North American Industry Classification System (NAICS) sector names from the Refinitiv data.

## **5. Analysis of results**

### *5.1. Analysis of Refinitiv ESG scores*

Of the 53 listed companies in Qatar, 30 have an ESG score, making the proportion approximately 57%. United Arab Emirates has 140 listed companies, with 53 having an ESG score, making the proportion approximately 38%. Saudi Arabia has the lowest proportion of listed companies with ESG scores with 34 of 316 companies, representing approximately 11%. The total number of listed companies across the sample is 509, with 117 companies having ESG scores representing approximately 23%. This analysis shows that Qatar has the highest proportion of listed companies reporting ESG scores, followed by the UAE. Saudi Arabia had the lowest proportion despite having the highest number of listed companies.

**Table 2. ESG Taxonomy.**

ESG Category	Metric	Description	Associated Search Terms
Environment	Greenhouse Gas (GHG) Emissions	The company's overall GHG emissions and/or disclosure of scope 1, 2, or 3 emissions	Total Greenhouse gas emissions, total GHG emissions, emissions, greenhouse gas, scope 1, scope 2, scope 3
	Emissions Intensity	The amount of GHG emissions per specific scaling factor or unit (e.g., employee headcount, size of physical floor space occupied, revenue or sales)	Emissions intensity, GHG intensity
	Energy Usage	The amount of energy, from all sources, by the company	Energy usage, electricity usage, fuel usage, energy consumption, electricity consumption
	Energy Intensity	The amount of energy used per specific scaling factor or unit (e.g., employee headcount, size of physical floor space occupied, revenue or sales)	Energy intensity, electricity intensity, fuel intensity
	Energy Mix	The amount (absolute value or percentage) of energy used per energy source directly used by the company	Renewable energy, electricity, diesel, petroleum, fuel, energy mix
	Water Usage	The total amount of water the company uses, recycles and/or reclaims	Water use, water usage, water consumption
	Environmental Operations	Disclosure of the process, policy, and/or guidelines used to manage the company's environmental impacts	ISO, environmental management system, EMS
	Environmental Oversight	How the company oversees the management of ESG issues	Environmental committee, sustainability committee, ESG committee, environment committee, CSR committee, corporate social responsibility committee
	Climate Risk Mitigation	The amount of money invested or provided for climate change-related research, climate change issues, or related R&D expenditures	Climate risk, climate mitigation, climate risk management, climate risk mitigation, climate funding, climate research

*Continued on next page*

ESG Category	Metric	Description	Associated Search Terms
Social	CEO Pay Ratio	The ratio between the CEO's salary and the median salary for full-time equivalent employees	CEO median, CEO pay, CEO pay ratio, CEO wage, CEO salary
	Gender Pay Ratio	The ratio between the median salary of male employees to the median salary of female employees	Gender median, median pay, pay equity, female pay, female wage, female salary, female compensation, Median male compensation to median female compensation
	Employee Turnover	The annual turnover amounts (in absolute values or percentages) of full-time and part-time employees	Turnover, employee turnover
	Gender Diversity	The breakdown of the workforce by gender	Gender diversity, female diversity, gender equity, female, women
	Temporary Worker Ratio	The number (in absolute values or percentage) of part-time employees	Part-time employees, part-time employees, temporary employees, temporary workers, part-time,
	Non-discrimination	Disclosure of the process, policy, and/or guidelines used to address discrimination and/or harassment in the workplace	Discrimination, harassment, workplace ethics, non-discrimination policy, discrimination policy
	Injury Rates	The number (in absolute values or percentage) of injuries and/or fatalities experienced by employees	Injuries rates, injury rate, injury rates, accidents, workplace accidents, injuries
	Global Health and Safety	Disclosure of the process, policy, and/or guidelines for ensuring worker safety and good health	Health and safety, environmental health and safety
	Child and Forced Labour	Disclosure of the process, policy, and/or guidelines used to address child labour and forced labour within the company and by suppliers and/or vendors	Child labour, child labor, forced labour, forced labor, child forced labour, child forced labor, forced child labour, forced child labor
Human Rights	Disclosure of the process, policy, and/or guidelines used to address human rights issues within the company and by suppliers and/or vendors	Human rights, code of conduct	

*Continued on next page*

ESG Category	Metric	Description	Associated Search Terms
Governance	Board Diversity	The number (in absolute values or percentage) of women on the company's board	Board diversity, female board member, female member
	Board Independence	The number (in absolute values or percentage) of board members that are independent of the organization	Board independence, independent member, independent board member
	Incentivized Pay	Disclosure of whether executive pay is associated with ESG metrics or the sustainability performance of the company	Incentivized pay, pay incentives, remuneration, incentivized, incentives
	Supplier Code of Conduct	Disclosure of the process, policy, and/or guidelines used to hold suppliers accountable for human rights and other ethical issues	Supplier ethics, supply chain policy, supplier code of conduct
	Ethics and Prevention of Corruption	Disclosure of the process, policy, and/or guidelines related to the company's expectation for ethical behaviour and anti-corruption practices	Anti-corruption, corruption, ethics
	Data Privacy	Disclosure of the process, policy, and/or guidelines used to ensure the privacy of employee's and customer's digital data	Data protection, data privacy, data policy
	Disclosure Practices	Disclosure of the reporting framework or guidance used to develop the report	GRI, SASB, CDP, TCFD, SDGS
External Assurance	Disclosure of whether an external third party was used to assure the ESG or non-financial information portions of the report	External audit, assurance, external assurance	

Source: Adapted from GCC Exchanges Committee (2023)

### 5.1.1. Temporal analysis

In the first part of this analysis, we considered the temporal changes in ESG scores between 2021 and 2022, all summarized in Table 3. This table shows overall improvements in sustainability performance across three categories (Environment, Social, and Governance) from 2021 to 2022, with an average increase of 9% in the Total ESG score. However, there are some interesting details and nuances to consider. The largest percentage increase (20%) is in environmental performance, but it has the lowest average score compared to other categories, indicating a growth potential. The second largest increase is in social performance (11%), suggesting positive steps towards social responsibility. The smallest percentage increase is in governance (4%), implying potential areas for improvement in governance practices. However, the governance dimension has the highest average score compared to other categories.

**Table 3.** Temporal Analysis of ESG Scores – Whole Sample.

Sustainability Category	2021	2022	Percent Change
Environment (Average Score)	20	24	20%
Social (Average Score)	28	31	11%
Governance (Average Score)	52	54	4%
Total ESG (Average Score)	34	37	9%
ESG Rating			
A	0	1	100%
A-	1	3	200%
B+	4	7	75%
B	8	6	-25%
B-	7	12	71%
C+	17	18	6%
C	15	14	-7%
C-	22	25	14%
D+	23	14	-39%
D	16	13	-19%
D-	4	4	0%

Further, Table 3 shows a mixed picture regarding the ESG rating for individual companies, with some entities improving their ratings at the highest levels (e.g., A, A-, B+, and B-) while others have declined in rating at the lowest levels (e.g., C, D+, and D). The upward shift in companies' ratings reflects the improvement in companies' ESG performance. However, the distribution of grades seems to be somewhat lopsided, with more entities falling in the C+ and D ranges, suggesting room for improvement in the ESG performance for most companies.

The substantial increase in sustainability reporting in the GCC aligns with earlier studies, such as those by Issa and Allyne (2018) and Uyar et al. (2019), emphasizing the growing recognition of its importance. The results are also consistent with research on institutional theory (Di Maggio & Powell, 1983). Despite having the lowest average score, the 20% increase in environmental performance suggests that companies are responding to increasing institutional pressures related to environmental sustainability, suggesting that governments, regulators, and stakeholders are placing growing importance on environmental issues such as climate change and carbon emissions (Bejjani et al., 2019; Ben-Amar et al., 2017; Callery, 2023; Zakaria, 2017). These insights align with the findings of Cormier et al. (2005), who argue that companies improve their environmental disclosures in response to these pressures to maintain legitimacy.

The 11% increase in social performance reflects growing societal expectations for companies to take responsibility for their social impact, including issues related to labor practices, community engagement, and diversity and inclusion. As societal norms evolve, companies are compelled to adapt their practices to maintain legitimacy (Deegan, 2002). The literature supports this view, as companies often adopt socially responsible practices to align with evolving societal values and expectations (Matten & Moon, 2008).

Governance practices showed the smallest increase (4%), but maintained the highest average score, which can be explained by the fact that governance structures are often well-established within

organizations, especially those operating in heavily regulated industries. Formal regulations, corporate governance codes, and the need for transparency and accountability strongly influence governance practices. The mixed results in individual company ESG ratings suggest that while institutional pressures are prompting improvements, the response varies across the corporate landscape, reflecting different levels of institutionalization of ESG practices within companies. These findings are consistent with the work of Aguilera et al. (2008), who suggest that governance improvements are often incremental, as they involve deeply embedded practices and structures.

### 5.1.2. Country-level analysis

Table 4 summarizes sustainability performance across three categories for the selected Gulf countries. Analyzing the data reveals some interesting trends and potential areas for further exploration. All three countries have improved their average ESG scores from 2021 to 2022. The UAE shows the highest increase (12%), followed by Saudi Arabia (10%) and Qatar (3%). However, there are significant variations between countries in their starting points and the rate of improvement.

**Table 4.** Analysis of ESG Scores by Country.

Sustainability Category	Qatar			Saudi Arabia			United Arab Emirates		
	2021	2022	Percent Change	2021	2022	Percent Change	2021	2022	Percent Change
Environment	11.47	13.48	18%	25.6	30.67	20%	20.61	26.54	29%
Social	21.12	22.30	6%	32.42	34.82	7%	30.1	33.18	10%
Governance	54.22	53.17	-2%	49.74	52.72	6%	51.84	55.86	8%
ESG Score	29.18	30.03	3%	36.47	39.96	10%	35.06	39.30	12%
ESG Rating									
A	0	0	0%	0	0	0%	0	1	100%
A-	0	0	0%	0	1	0%	1	2	100%
B+	0	2	200%	1	3	200%	3	2	-33%
B	2	1	-50%	4	3	-25%	2	2	0%
B-	2	0	-100%	2	5	150%	3	7	133%
C+	2	4	100%	8	5	-38%	6	9	50%
C	3	3	0%	5	4	-20%	8	7	-13%
C-	7	8	14%	2	4	100%	13	13	0%
D+	7	4	-43%	5	4	-20%	11	6	-45%
D	4	6	50%	6	3	-50%	6	4	-33%
D-	3	2	-33%	1	2	100%	0	0	0%

Qatar shows the lowest starting point in all categories and the smallest overall improvement. Environmental performance saw the most significant increase (18%), highlighting its challenges in fully integrating sustainability into its national agenda. The Governance score decreases slightly, suggesting potential institutional or regulatory challenges that could hinder progress. Qatar may be encountering difficulties adapting its governance structures and policies to align with global sustainability norms. However, governance has the highest score over the two years compared with



environmental and social performance. The challenges Qatar faces in improving governance, and the slower adoption of ESG practices, reflect the findings of studies such as those by Campbell (2007), which argue that institutional pressures are less effective in contexts where traditional practices are deeply entrenched.

In addition, Saudi Arabia has the highest starting point in several categories but sees moderate improvements. Environmental scores show the most significant increases (20%), while social and governance scores need stronger focus since they have smaller increases (7% and 6%, respectively). Improvements in environmental scores demonstrate responsiveness to institutional pressures but at a more moderate pace compared to the UAE. The country has been gradually shifting its economic model, as seen in the Vision 2030 initiative, which emphasizes diversification from oil dependency and includes sustainability goals. However, the smaller increases in social and governance scores suggest that while environmental sustainability is being prioritized, other aspects of ESG performance may face challenges in gaining traction. Institutional theory would suggest that the governance structures and cultural norms in Saudi Arabia, which have traditionally been more conservative, might slow the rate of change in these areas, even as the country responds to global and regional sustainability expectations (Greenwood et al., 2002).

Finally, the UAE starts with intermediate scores and achieves the highest overall improvement. All three categories see notable increases, with environment demonstrating the most significant progress (29%), while social and governance scores have a smaller increase (10% and 8%, respectively). The UAE's substantial overall improvement in ESG scores, with a notable 29% increase in environmental performance, can be seen as a response to domestic and international institutional pressures. The UAE has been positioning itself as a leader in sustainability within the Gulf region, driven by both international expectations and internal policy shifts toward more sustainable practices (Issa & Allyne, 2018). This progress can be attributed to the UAE's strategic initiatives, which are designed to align with global sustainability norms and standards. The UAE's focus on becoming a global hub for green energy and sustainable development reflects a desire to gain legitimacy on the world stage, reinforcing its commitment to international sustainability goals. The UAE's rapid improvement in ESG scores, particularly in environmental performance, echoes the findings of studies like those by Delmas and Toffel (2004), which suggest that organizations (or countries) facing stronger external pressures, especially from international norms, are more likely to adopt and institutionalize new practices quickly.

The distribution of grades for individual companies' ESG ratings varies across countries. Qatari companies are more concentrated within the C+ to C- range, suggesting that many organizations may be in the early stages of adopting ESG practices, reflecting slower institutionalization of these norms compared to neighboring countries. Saudi Arabia has a more balanced distribution with several B and B- grades suggesting moderate ESG integration, with some companies leading the way while others lag. However, the UAE has the most A, A- and B+ grades, indicating that its companies are more advanced in integrating ESG practices, likely due to more substantial institutional support and regulatory frameworks.

In summary, the analysis of ESG performance in Qatar, Saudi Arabia, and the UAE reveals how different levels of institutional pressure and varying degrees of institutionalization of sustainability

practices influence the pace and extent of improvements. The UAE's significant progress underscores the effectiveness of strong institutional frameworks and strategic initiatives, while Saudi Arabia's moderate gains reflect a gradual shift influenced by ongoing economic and social reforms. Qatar's more limited progress highlights the challenges of institutional adaptation in the face of weaker or less developed regulatory structures, lower external pressures, and possibly slower internalization of sustainability norms.

### 5.1.3. Sectoral analysis

Table 5 summarizes sustainability performance across three ESG categories for economic sectors. Some interesting trends and potential for further exploration emerge from this data. Most sectors show improvements in their average ESG scores from 2021 to 2022. Prominent improvements occur in professional services (26%), healthcare (24%), and transportation and warehousing (24%). The significant improvements in ESG scores for these sectors suggest that these sectors are responding effectively to institutional pressures. Organizations within these sectors may face intense coercive pressures from regulators, clients, and the public to improve their sustainability practices (Issa & Allyne, 2018). For example, the healthcare sector, driven by public health concerns and regulatory demands, has substantially improved environmental (60%) and social (50%) scores. These sectors may also be subject to normative pressures, where industry standards and professional ethics drive companies to adopt better ESG practices. The increase in governance scores in professional services (19%) further supports this, as these sectors may prioritize transparency and accountability to maintain legitimacy.

However, specific sectors experience declines, with the most significant occurring in educational services (-13%) and accommodation and food services (-5%). The declines in ESG scores in these sectors can be seen as a result of weaker institutional pressures or the challenges these sectors face in adapting to sustainability norms. Educational services, for instance, sees a significant decrease in governance (-40%) and social scores (-50%), which might indicate institutional resistance or a lack of resources and incentives to improve these areas. Without strong regulatory or normative pressures, sectors may struggle to integrate ESG practices effectively (Di Maggio & Powell, 1983; Ioannou & Serafeim, 2023). The challenges in these sectors may also stem from the difficulty in measuring and implementing governance practices compared to more tangible environmental improvements.

Breaking down the ESG scores indicates that environmental scores witnessed the highest and the most consistent improvements in all sectors except retail trade, such as health care (60%), education services (50%), real estate (50%), and utilities (42%). The consistent improvement in environmental scores across most sectors, except retail trade, aligns with global trends where environmental sustainability has become a focal point for regulatory bodies, investors, and consumers. This trend may result from coercive isomorphism, where sectors adopt similar environmental practices to comply with regulations and meet stakeholder expectations (Di Maggio & Powell, 1983). The substantial improvements in sectors like healthcare and utilities suggest that environmental performance has become a critical area of focus due to increasing pressure to address climate change and resource management.

Social scores notably increased for most sectors, such as health care (50%) and professional services (33%). Moreover, some sectors witness a significant decrease in their social scores, such as

art and entertainment (−50%). The variation in how different sectors prioritize ESG categories reflects the arguments of Scott (2008), who notes that different institutional logics can lead to diverse organizational responses to similar external pressures.

Finally, the governance category sees the least consistent change across sectors compared to “Environment” and “Social,” where variations were wider. For instance, there is an increase in the scores of professional services (19%), mining (13%), and finance and insurance (12%). However, there is a decrease in the social scores of education services (−40%) and accommodation and food services (−21%). This inconsistency reflects the different levels of institutionalization of governance practices.

Sectors that witness an increase in governance scores, such as professional services, mining, and finance and insurance, indicate a stronger emphasis on governance, likely driven by regulatory requirements and the need for transparency. However, the decrease in governance scores in education services, accommodation, and food services suggests that these sectors may not have fully institutionalized governance practices. Governance practices require strong normative and coercive pressures to become embedded within organizational structures (Martínez-Ferrero & García-Sánchez, 2017). The inconsistent governance scores across sectors are consistent with the work of Aguilera et al. (2007), which suggests that governance improvements are often incremental due to the deeply embedded nature of governance structures within organizations.

Additionally, some sectors have consistently witnessed an increase in sustainability performance across the three ESG categories: Finance and insurance, health care, professional services, real estate, transportation, and utilities. All three categories increase in the construction sector, except the governance score, which remains the same. Other sectors experience an increase in some categories with a greater percentage than the decrease in other categories with an increase in the overall score of ESG. For instance, the information, manufacturing, and wholesale trade sectors have an increase in environmental and social scores and a decrease in governance scores. Still, the overall score of ESG performance has increased. These results suggest that while these sectors are making strides in environmental and social areas, they may be facing challenges in governance, possibly due to the complexity of implementing governance frameworks or a lack of immediate regulatory pressure.

Similarly, both the mining and art and entertainment sectors show an increase in governance scores and a decrease in social scores with no change in environmental scores. Yet, the overall score of ESG performance increases, indicating a potential imbalance in how these sectors prioritize different aspects of ESG performance. Other sectors experience an increase in some categories with a smaller percentage than the increase in other categories, with a decrease in the overall score of ESG. For instance, both accommodation and educational services increase in environmental and social scores and a decrease in governance scores. However, the overall score of ESG performance has decreased.

The analysis of ESG performance across economic sectors from 2021 to 2022, viewed through the lens of institutional theory, reveals how different levels of institutional pressure influence the adoption and effectiveness of sustainability practices. The literature suggests that sectors with higher public visibility and regulatory scrutiny, such as healthcare and finance, are more likely to adopt comprehensive ESG practices due to stronger coercive pressures (Scott, 2001). Conversely, sectors like education and accommodation, which may have less direct regulatory oversight and weaker normative pressures, often lag in implementing robust ESG practices. Without strong external pressures or clear industry standards,

these sectors may struggle to prioritize governance and social aspects, leading to decreased ESG scores (Di Maggio & Powell, 1983). Further, the consistent focus on environmental performance reflects global trends and regulatory pressures, while the variability in governance scores underscores the challenges of fully institutionalizing governance practices across sectors.

**Table 5.** Sector analysis.

Sectors	Environment			Social			Governance			Total ESG		
	2021	2022	Percent Change	2021	2022	Percent Change	2021	2022	Percent Change	2021	2022	Percent Change
Accommodation and Food Services	35	38	9%	27	29	7%	61	48	-21%	39	37	-5%
Arts, Entertainment, and Recreation	0	0	0%	10	5	-50%	43	52	21%	17	18	5%
Construction	9	13	44%	14	16	14%	46	46	0%	21	23	10%
Educational Services	18	27	50%	51	55	8%	65	39	-40%	46	40	-13%
Finance and Insurance	18	23	28%	31	32	3%	52	58	12%	37	41	11%
Health Care and Social Assistance	5	8	60%	18	27	50%	49	52	6%	25	31	24%
Information	22	28	27%	43	47	9%	71	69	-3%	48	50	4%
Manufacturing	18	22	22%	23	26	13%	45	44	-2%	27	29	7%
Mining, Quarrying, and Oil and Gas Extraction	27	27	0%	45	44	-2%	54	61	13%	41	44	7%
Professional, Scientific, and Technical Services	46	57	24%	33	44	33%	58	69	19%	43	54	26%
Real Estate and Rental and Leasing	16	24	50%	31	34	10%	56	60	7%	34	39	15%
Retail Trade	27	26	-4%	31	30	-3%	61	63	3%	39	39	0%
Transportation and Warehousing	26	32	23%	25	28	12%	48	53	10%	32	37	16%
Utilities	19	27	42%	20	21	5%	48	52	8%	27	31	15%
Wholesale Trade	33	44	33%	36	36	0%	55	49	-11%	41	43	5%

## 5.2. Content analysis of sustainability reports

For the content analysis, we focus on understanding which sustainability topics are disclosed by companies in the GCC region. By using the metrics from the new GCC unified set of ESG disclosure indicators to represent sustainability topics of interest, we determine the degree to which each topic is discussed.

### 5.2.1. Country-level analysis

For the second part of this analysis, we explore the temporal changes at country-level differences for each metric, shown in Table 6. A negative value in the percent change column means the associated sustainability metric was reported less in 2022 than in 2021, while a positive value indicates it was reported more.

For the environmental category, there is variability in levels of disclosure both within and between countries. Qatar shows increased disclosure for the emission intensity, environmental operations, environmental oversight, and climate risk mitigation metrics. This insight aligns with coercive isomorphism, where organizations respond to external pressures, such as international agreements or regulations (Di Maggio & Powell, 1983). For Saudi Arabia, the disclosure of most metrics increases while the disclosure of energy intensity decreases. It should be noted that there are no instances of energy mix being reported for either year. This trend may be driven by the Saudi Vision 2030, a national strategic framework to reduce the country's dependence on oil and diversify its economy (Gerged et al., 2020; Kingdom of Saudi Arabia, n.d.-b). The decrease in energy intensity disclosures may indicate a strategic focus on other environmental metrics more aligned with the country's evolving economic goals. This reflects strategic responses to institutional pressures, where organizations prioritize disclosures that align with national strategic objectives (Deegan, 2002; DiMaggio & Powell, 1983). In the UAE, most metrics increase, with the energy mix metric showing a reduction in the number of disclosures, which might reflect the country's ongoing efforts to position itself as a leader in sustainability and innovation in the region (United Arab Emirates, 2024a; United Arab Emirates, 2024b). The reduction in energy mix disclosures could suggest a shift in focus toward other environmental performance aspects that support the UAE's sustainability goals. This behavior aligns with normative isomorphism, where organizations adopt practices that reflect the prevailing norms and values in their institutional environment (Di Maggio & Powell, 1983).

Under the social category, Qatar increases the number of disclosures for the non-discrimination metrics but declines for the remaining eight metrics. The decline in other social metrics may indicate selective reporting, where companies prioritize areas under greater external scrutiny (Coen et al., 2022; Farooq et al., 2021). In Saudi Arabia, there are increases in most metrics but a decline in the gender pay ratio and temporary worker ratio. The increases might reflect efforts to align with global standards and improve social outcomes as part of the Saudi Vision 2030 (Kingdom of Saudi Arabia, n.d.-b).

The decline in gender pay ratio disclosures may indicate challenges in addressing this issue or focusing on other areas deemed more critical to the national agenda. This reflects the selective adoption of institutional norms, where organizations focus on disclosures that align with their strategic goals (Allam, 2023; Deegan, 2002). The UAE shows only a reduction in gender diversity disclosures. All other metrics increase, except for the gender pay ratio and injury rates metrics, which stay the same. The reduction in gender diversity disclosures in the UAE might initially seem counterintuitive, especially given the global emphasis on gender equality, as seen in international policy and the development of SDG 5 (Eden & Wagstaff, 2021; Whittingham et al., 2023). However, this may be interpreted as a strategic response to institutional pressures, where organizations might feel they have already established a strong reputation in this area and are shifting focus to other emerging issues. The

UAE has positioned itself as a leader in the region regarding gender equality initiatives (United Arab Emirates, 2024c). Even after the reduction, gender diversity remains the most disclosed social metric in the UAE, and it is considerably higher than in Qatar and Saudi Arabia.

Regarding the governance category, Qatar witnesses an increase in the disclosure of most metrics in this section, with board diversity and supplier code of conduct indicating a decrease, which reflects an effort to enhance corporate governance practices in response to institutional pressures (Deegan, 2002). The decrease in board diversity disclosures may indicate challenges in achieving diversity, including cultural barriers to women's participation (Jizi et al., 2022). The data for Saudi Arabia show an increase in the disclosure for all eight metrics, suggesting a strong institutional push toward improving corporate governance as part of the broader economic reforms under Saudi Vision 2030. This uniform increase reflects coercive isomorphism, driven by regulatory reforms and societal expectations for greater transparency and accountability in corporate governance (Di Maggio & Powell, 1983). The UAE also sees an increase in all metrics, apart from ethics and prevention of corruption, which decreases by 0.85%. Despite the decrease, ethics and prevention of corruption remain the highest disclosed governance metric in the UAE, significantly surpassing similar disclosures in Qatar and Saudi Arabia. Companies might feel that they have already established a robust reputation in this area and are now focusing on enhancing disclosures in other governance metrics that are gaining attention from their stakeholders in an attempt to maintain or gain legitimacy (Allam, 2023).

### 5.2.2. Sectoral analysis

The two largest sectors are finance and insurance, with 42 companies in all three countries. However, most finance and insurance companies are in the UAE. Additionally, the manufacturing sector is well represented in the sample, with 27 companies in all three countries. The largest number of manufacturing companies is located in Saudi Arabia, with 11 companies.

Tables 7, 8, and 9 highlight the percentage of disclosures for each ESG metric for both years. These insights are based on the relative frequency percentage of observations for each metric compared to the number of firms classified within the sector.

Table 7 provides a comprehensive snapshot of the disclosure of environmental metrics across sectors for 2021 and 2022. A detailed analysis reveals several trends and patterns. First, sectors such as educational services, utilities, mining, quarrying, and oil and gas extraction demonstrate a commitment to environmental transparency, consistently disclosing a wide range of metrics at high percentages across both years, which can be attributed to coercive isomorphism. These sectors are typically subject to stringent environmental regulations (Tsai & Mezher, 2020). This trend aligns with the findings of Clarkson et al. (2008), which state that companies in environmentally sensitive industries often engage in more extensive environmental reporting to manage regulatory and reputational risks.

Conversely, sectors like arts, entertainment, and recreation exhibit a concerning lack of disclosure, which may reflect weaker coercive pressures and lower normative expectations regarding environmental transparency. These sectors might not face the same level of regulatory scrutiny as more environmentally impactful industries, leading to less emphasis on environmental reporting. These

insights align with institutional decoupling (Meyer & Rowan, 1977), where organizations in these sectors may perceive less need to align their practices with environmental norms due to lower stakeholder pressure. Organizations in less regulated or less scrutinized industries may adopt minimal compliance strategies, leading to lower levels of disclosure (Di Maggio & Powell, 1983).

Furthermore, there are noticeable disclosure rate fluctuations within certain sectors from 2021 to 2022. For instance, some sectors, like transportation and warehousing, show improvements in disclosure percentages for various environmental metrics, which may be a response to increasing normative isomorphism where industry standards and best practices evolve, prompting companies to enhance their reporting. As global concerns about climate change and sustainability grow, sectors that significantly contribute to environmental impacts, such as transportation, are likely to face rising stakeholder expectations to improve transparency (Hahn & Kühnen, 2013). However, other sectors, such as retail trade, witness declines in disclosure percentages for various environmental metrics. The decline might indicate shifting priorities or resource constraints, where companies reduce their focus on certain environmental metrics to allocate resources elsewhere. This could also reflect mimetic isomorphism, where companies in this sector follow the practices of peers that are deprioritizing environmental reporting, perhaps due to a perceived lack of immediate financial benefits.

Moreover, Table 7 highlights disparities among sectors in terms of their focus on specific environmental metrics. For example, while some sectors prioritize disclosing metrics related to greenhouse gas emissions and energy usage, others place less emphasis on these aspects and focus more on water usage or environmental oversight. The varying emphasis on specific environmental metrics across sectors reflects the diverse environmental challenges each sector faces and the tailored approaches they take to address these issues. This trend aligns with sector-specific normative isomorphism, where industry-specific norms and best practices drive the focus on particular environmental aspects. Simnett et al. (2009) support this notion by showing how industry-specific factors influence the scope and focus of sustainability reporting, leading to tailored disclosures that reflect sectoral priorities. The disparities among sectors in environmental disclosures highlight the need for reporting frameworks that are flexible enough to accommodate sector-specific priorities while ensuring a baseline of transparency across all industries. This approach is critical for addressing the unique environmental challenges sectors face (Kolk, 2004).

Table 8 presents the percentage of disclosure of social metrics across sectors for 2021 and 2022 and reveals several key insights. Sectors such as educational services consistently demonstrate high levels of disclosure across multiple social metrics, including CEO pay ratio, employee turnover, gender diversity, and child and forced labor. Being closely associated with social responsibility and public scrutiny, educational services may face stronger normative pressures to demonstrate accountability in areas like diversity and labor practices. This is consistent with the findings of Matten and Moon (2008), who argue that organizations in sectors closely tied to societal values often face greater expectations to adhere to social norms and disclose relevant information. Conversely, sectors like arts, entertainment, and recreation consistently exhibit low or zero percent disclosure across all social metrics. These sectors may not be subject to the same regulatory scrutiny or public expectation level as others, leading to minimal social reporting.

Specific sectors show improvements in disclosure rates from 2021 to 2022. For example, the construction and manufacturing sectors witness increased disclosure percentages for metrics such as employee turnover, gender diversity, and global health and safety, reflecting an enhanced focus on social reporting within these industries in response to rising normative and mimetic pressures. As societal awareness of labor practices and workplace safety grows, these sectors may face increased expectations to disclose metrics like employee turnover, gender diversity, and global health and safety.

Furthermore, different sectors prioritize disclosing specific social metrics over others. For instance, sectors like finance, insurance, real estate, rental, and leasing emphasize disclosing metrics related to CEO pay ratio, gender pay ratio, and employee turnover. This focus reflects the unique social challenges and stakeholder expectations within these industries, where issues like executive compensation and workplace equality are particularly scrutinized. Normative isomorphism plays a significant role here, as industry standards and stakeholder demand drive these sectors to prioritize transparency in areas that are most relevant to their operations and public image. Sectors like mining, quarrying, and oil and gas extraction prioritize disclosure of metrics related to gender diversity, temporary worker ratio, and non-discrimination, reflecting the unique social challenges these industries face, such as labor practices in remote or hazardous environments. Coercive isomorphism is particularly relevant for these sectors, as they are often subject to regulatory requirements and societal pressures related to labor rights and workplace diversity. This trend is consistent with Jenkins (2004), who found that industries with significant social and environmental impacts tend to prioritize disclosures that address their most pressing challenges, often in response to both regulatory pressures and stakeholder expectations.

Table 9 presents the percentage of disclosure of governance metrics across various sectors for the years 2021 and 2022 and reveals several noteworthy findings: Some sectors demonstrate consistent levels of disclosure across both years. For instance, sectors like accommodation, food services, arts and entertainment, and recreation maintain stable disclosure percentages for governance metrics such as board diversity, incentivized pay, and data privacy. This consistency suggests these industries have established norms and standards for governance and transparency that are maintained over time. The steady commitment to governance reporting, particularly in metrics like board diversity, incentivize pay, and data privacy indicates industry-specific standards influence these sectors and stakeholder expectations that emphasize stable governance practices.



**Table 6.** Relative frequency percentage of sustainability metrics by year at country level.

Sustainability Category	Sustainability Metric	Country								
		Qatar			Saudi Arabia			United Arab Emirates		
		2021	2022	Percent Change	2021	2022	Percent Change	2021	2022	Percent Change
Environment	GHG emissions	9.40%	8.55%	-0.85%	10.26%	11.97%	1.71%	30.77%	30.77%	0.00%
	Emissions Intensity	5.13%	5.98%	0.85%	5.98%	8.55%	2.56%	18.80%	23.08%	4.27%
	Energy usage	10.26%	8.55%	-1.71%	10.26%	11.11%	0.85%	28.21%	35.90%	7.69%
	energy intensity	8.55%	4.27%	-4.27%	7.69%	5.98%	-1.71%	18.80%	21.37%	2.56%
	energy mix	1.71%	0.00%	-1.71%	0.00%	0.00%	0.00%	10.26%	9.40%	-0.85%
	water usage	8.55%	8.55%	0.00%	7.69%	9.40%	1.71%	29.91%	32.48%	2.56%
	environmental operations	9.40%	10.26%	0.85%	10.26%	14.53%	4.27%	21.37%	21.37%	0.00%
	environmental oversight	4.27%	5.13%	0.85%	6.84%	8.55%	1.71%	12.82%	15.38%	2.56%
	Climate Risk Mitigation	0.00%	0.85%	0.85%	0.00%	0.85%	0.85%	5.13%	6.84%	1.71%
	Average	6.36%	5.79%	-0.57%	6.55%	7.88%	1.33%	19.56%	21.84%	2.28%
Social	CEO Pay Ratio	3.42%	2.56%	-0.85%	0.00%	0.00%	0.00%	6.84%	7.69%	0.85%
	Gender Pay Ratio	6.84%	5.98%	-0.85%	0.85%	0.00%	-0.85%	15.38%	15.38%	0.00%
	Employee Turnover	10.26%	9.40%	-0.85%	10.26%	11.97%	1.71%	23.93%	26.50%	2.56%
	Gender Diversity	11.11%	10.26%	-0.85%	17.95%	18.80%	0.85%	41.03%	38.46%	-2.56%
	Temporary Worker Ratio	4.27%	4.27%	0.00%	3.42%	2.56%	-0.85%	17.09%	18.80%	1.71%
	Non-discrimination	5.13%	6.84%	1.71%	6.84%	6.84%	0.00%	21.37%	28.21%	6.84%
	Injury Rates	9.40%	8.55%	-0.85%	9.40%	10.26%	0.85%	28.21%	28.21%	0.00%
	Global health & safety	11.11%	8.55%	-2.56%	14.53%	16.24%	1.71%	26.50%	28.21%	1.71%
	Child & forced labour	8.55%	5.98%	-2.56%	5.13%	5.13%	0.00%	15.38%	20.51%	5.13%

	Human rights	9.40%	7.69%	-1.71%	11.11%	9.40%	-1.71%	24.7%	27.35%	2.56%
	Average	7.95%	7.01%	-0.94%	7.95%	8.12%	0.17%	22.05%	23.93%	1.88%
Governance	Board diversity	5.98%	4.27%	-1.71%	0.00%	2.56%	2.56%	11.97%	17.09%	5.13%
	Board independence	8.55%	9.40%	0.85%	4.27%	7.69%	3.42%	16.24%	17.95%	1.71%
	Incentivized pay	2.56%	2.56%	0.00%	1.71%	3.42%	1.71%	9.40%	11.11%	1.71%
	Supplier code of conduct	6.84%	5.98%	-0.85%	3.42%	6.84%	3.42%	21.37%	24.79%	3.42%
	Ethics & prevention of corruption	19.66%	22.22%	2.56%	20.51%	23.08%	2.56%	39.32%	38.46%	-0.85%
	Data privacy	6.84%	8.55%	1.71%	8.55%	10.26%	1.71%	31.62%	33.33%	1.71%
	Disclosure practices	9.40%	11.97%	2.56%	15.38%	17.95%	2.56%	34.19%	37.61%	3.42%
	External assurance	5.98%	7.69%	1.71%	8.55%	9.40%	0.85%	22.2%	24.79%	2.56%
	Average	8.23%	9.08%	0.85%	7.80%	10.15%	2.35%	23.29%	25.64%	2.35%

**Table 7.** Relative Frequency Percentage of Disclosure of Environmental Metrics by Sector for 2021 and 2022.

Sector	Year	Environmental Metrics									
		GHG emissions	Emissions Intensity	Energy usage	Energy Intensity	Energy Mix	Water Usage	Environmental Operations	Environmental Oversight	Climate Risk Mitigation	Average Score
Accommodation and Food Services (n=2)	2021	50%	50%	100%	50%	50%	100%	100%	100%	50%	72%
	2022	50%	50%	100%	0%	0%	100%	100%	100%	0%	56%
Arts, Entertainment, and Recreation (n=1)	2021	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	2022	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Construction (n=5)	2021	40%	20%	20%	20%	0%	20%	80%	20%	0%	24%
	2022	40%	40%	40%	40%	0%	40%	80%	40%	0%	36%
Educational Services (n=1)	2021	100%	100%	100%	100%	100%	100%	100%	100%	0%	89%
	2022	100%	100%	100%	100%	100%	100%	100%	100%	0%	89%
Finance and Insurance (n=42)	2021	43%	19%	45%	31%	10%	43%	10%	19%	2%	25%
	2022	43%	33%	55%	29%	10%	50%	14%	33%	7%	30%
Health Care and Social Assistance (n=3)	2021	33%	33%	33%	33%	0%	33%	33%	0%	0%	22%
	2022	33%	33%	33%	33%	0%	33%	67%	33%	33%	33%
Information (n=8)	2021	50%	25%	63%	25%	0%	13%	75%	0%	0%	28%
	2022	50%	25%	63%	25%	0%	13%	75%	0%	0%	28%
Manufacturing (n=27)	2021	52%	37%	52%	44%	22%	56%	63%	26%	7%	40%
	2022	52%	37%	44%	30%	7%	44%	63%	11%	11%	33%
Mining, Quarrying, and Oil and Gas Extraction (n=3)	2021	100%	67%	67%	67%	0%	67%	33%	67%	0%	52%
	2022	100%	67%	67%	67%	0%	67%	100%	67%	0%	59%
Professional, Scientific, and Technical Services (n=2)	2021	50%	0%	50%	50%	0%	50%	50%	50%	0%	33%
	2022	50%	0%	50%	50%	0%	50%	50%	50%	0%	33%

Real Estate and Rental and Leasing (n=7)	2021	57%	14%	29%	0%	0%	43%	43%	0%	0%	21%
	2022	43%	29%	57%	14%	14%	57%	43%	14%	0%	30%
Retail Trade (n=3)	2021	67%	33%	67%	67%	0%	67%	0%	33%	0%	37%
	2022	33%	0%	33%	33%	0%	33%	0%	33%	0%	19%
Transportation and Warehousing (n=5)	2021	60%	40%	60%	40%	0%	60%	60%	20%	0%	38%
	2022	80%	60%	80%	60%	20%	80%	60%	20%	0%	51%
Utilities (n=5)	2021	80%	80%	60%	40%	40%	60%	80%	60%	20%	58%
	2022	100%	100%	100%	40%	40%	80%	100%	60%	20%	71%
Wholesale Trade (n=3)	2021	33%	33%	33%	33%	0%	33%	33%	33%	33%	30%
	2022	33%	33%	67%	33%	0%	67%	67%	33%	33%	41%

**Table 8.** Relative frequency percentage of disclosure of social metrics by sector for 2021 and 2022.

Sectors	Year	Social Metrics										
		CEO Pay Ratio	Gender Pay Ratio	Employee Turnover	Gender Diversity	Temporary Worker Ratio	Non-discrimination	Injury Rates	Global health & safety	Child & forced labour	Human Rights	Average Score
Accommodation and Food Services (n=2)	2021	0%	50%	0%	100%	50%	50%	50%	100%	50%	50%	50%
	2022	0%	0%	0%	100%	0%	50%	50%	100%	50%	50%	40%
Arts, Entertainment, and Recreation (n=1)	2021	0%	0%	0%	100%	0%	0%	0%	100%	0%	0%	20%
	2022	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Construction (n=5)	2021	0%	0%	40%	40%	20%	40%	60%	100%	20%	20%	34%
	2022	0%	0%	60%	60%	20%	40%	80%	80%	0%	20%	36%
Educational Services (n=1)	2021	100%	0%	100%	100%	0%	100%	0%	100%	0%	100%	60%
	2022	0%	0%	100%	100%	0%	100%	100%	100%	100%	100%	70%
Finance and Insurance (n=42)	2021	5%	24%	38%	81%	21%	31%	29%	19%	21%	38%	31%
	2022	5%	29%	52%	79%	26%	38%	26%	29%	26%	38%	35%
Health Care and Social Assistance (n=3)	2021	0%	0%	33%	33%	33%	33%	33%	33%	33%	33%	27%
	2022	0%	0%	33%	33%	0%	33%	33%	33%	33%	33%	23%
Information (n=8)	2021	0%	13%	63%	63%	50%	25%	50%	75%	25%	50%	41%
	2022	0%	13%	63%	63%	50%	25%	50%	75%	25%	50%	41%
Manufacturing (n=27)	2021	22%	30%	56%	56%	22%	30%	67%	67%	37%	52%	44%
	2022	19%	22%	44%	44%	19%	30%	52%	59%	30%	41%	36%
Mining, Quarrying, and Oil and Gas Extraction (n=3)	2021	0%	0%	67%	100%	33%	33%	100%	100%	33%	100%	57%
	2022	0%	0%	67%	100%	0%	67%	100%	100%	67%	100%	60%

Professional, Scientific, and Technical Services (n=2)	2021	0%	0%	50%	50%	0%	50%	50%	50%	50%	50%	35%
	2022	0%	0%	50%	50%	50%	50%	50%	50%	50%	50%	40%
Real Estate and Rental and Leasing (n=7)	2021	29%	43%	14%	71%	29%	43%	43%	43%	29%	43%	39%
	2022	29%	29%	14%	71%	43%	57%	57%	29%	29%	29%	39%
Retail Trade (n=3)	2021	0%	0%	33%	67%	0%	0%	0%	33%	0%	33%	17%
	2022	0%	0%	33%	33%	0%	0%	0%	33%	0%	33%	13%
Transportation and Warehousing (n=5)	2021	0%	40%	80%	80%	20%	60%	60%	80%	60%	60%	54%
	2022	0%	40%	80%	80%	20%	60%	80%	80%	60%	80%	58%
Utilities (n=5)	2021	0%	20%	40%	80%	40%	40%	80%	80%	60%	60%	50%
	2022	40%	40%	60%	100%	40%	60%	100%	100%	80%	60%	68%
Wholesale Trade (n=3)	2021	33%	33%	33%	67%	33%	33%	67%	100%	0%	33%	43%
	2022	33%	33%	67%	100%	67%	67%	100%	100%	0%	67%	63%

**Table 9.** Relative frequency percentage of disclosure of governance metrics by sector for 2021 and 2022.

Sectors	Year	Governance Metrics								Average Score
		Board diversity	Board independence	Incentivized pay	Supplier code of conduct	Ethics & prevention of corruption	Data privacy	Disclosure practices	External assurance	
Accommodation and Food Services (n=2)	2021	50%	0%	50%	50%	50%	50%	100%	50%	50%
	2022	50%	0%	50%	50%	50%	50%	100%	50%	50%
Arts, Entertainment, and Recreation (n=1)	2021	0%	0%	0%	0%	100%	0%	0%	0%	13%
	2022	0%	0%	0%	0%	100%	0%	0%	0%	13%
Construction (n=5)	2021	20%	40%	20%	40%	80%	20%	60%	20%	38%
	2022	0%	60%	0%	40%	80%	0%	80%	20%	35%
Educational Services (n=1)	2021	0%	100%	0%	100%	100%	100%	100%	100%	75%
	2022	100%	100%	0%	100%	100%	100%	100%	100%	88%
Finance and Insurance (n=42)	2021	19%	29%	17%	33%	81%	62%	60%	33%	42%
	2022	26%	36%	17%	33%	86%	71%	69%	33%	46%
Health Care and Social Assistance (n=3)	2021	33%	0%	0%	33%	67%	33%	33%	33%	29%
	2022	33%	0%	0%	33%	67%	33%	33%	33%	29%
Information (n=8)	2021	0%	25%	0%	13%	88%	75%	63%	38%	38%
	2022	0%	25%	0%	13%	88%	75%	63%	38%	38%
Manufacturing (n=27)	2021	26%	30%	11%	41%	78%	26%	52%	37%	38%
	2022	19%	26%	15%	37%	74%	30%	56%	41%	37%
Mining, Quarrying, and Oil and Gas Extraction (n=3)	2021	0%	0%	0%	33%	100%	33%	67%	33%	33%
	2022	33%	33%	67%	100%	100%	67%	100%	100%	75%
Professional, Scientific, and Technical Services (n=2)	2021	0%	0%	0%	0%	100%	50%	50%	50%	31%
	2022	0%	0%	0%	50%	100%	50%	50%	50%	38%

Real Estate and Rental and Leasing (n=7)	2021	0%	14%	14%	43%	71%	43%	57%	29%	34%
	2022	29%	57%	29%	43%	71%	43%	57%	43%	46%
Retail Trade (n=3)	2021	0%	33%	0%	0%	100%	33%	100%	33%	38%
	2022	33%	33%	0%	0%	100%	33%	67%	33%	38%
Transportation and Warehousing (n=5)	2021	20%	40%	0%	0%	60%	40%	40%	40%	30%
	2022	40%	60%	0%	60%	80%	60%	60%	60%	53%
Utilities (n=5)	2021	20%	60%	40%	20%	80%	60%	80%	60%	53%
	2022	20%	60%	60%	60%	100%	60%	100%	80%	68%
Wholesale Trade (n=3)	2021	33%	67%	33%	33%	67%	33%	67%	67%	50%
	2022	33%	33%	33%	33%	100%	67%	100%	100%	63%



Interestingly, different sectors prioritize disclosing specific governance metrics over others. For example, sectors like finance and insurance, and real estate, rental, and leasing emphasize disclosing metrics related to ethics and prevention of corruption and disclosure practices, reflecting the unique governance challenges in these industries. The financial sector, in particular, is subject to stringent regulatory oversight concerning ethical practices and anti-corruption measures (Camarate et al., n.d.; Ramady, 2015), which compels these industries to emphasize these metrics in their disclosures. Moreover, sectors like mining, quarrying, and oil and gas extraction prioritize disclosure of metrics related to the supplier code of conduct and external assurance, underscoring the sector-specific governance priorities and regulatory requirements. Coercive pressures from international regulations, environmental standards, and stakeholder demands for ethical supply chain practices drive these sectors to focus on governance areas that address these risks.

Some sectors show improvements in disclosure rates from 2021 to 2022. The construction, transportation and warehousing sectors witness increased disclosure percentages for metrics such as board independence and ethics and prevention of corruption, suggesting a growing awareness of governance issues and a response to normative and mimetic pressures. As these industries could be facing increasing scrutiny from regulators and stakeholders regarding their governance practices, meaning they are likely to enhance their disclosures to align with industry standards and maintain legitimacy. The improvement in these metrics also reflects a broader trend towards stronger governance practices across industries, as documented by Scott (2008), who notes that organizations often adopt more robust governance frameworks in response to evolving industry norms and best practices. Conversely, certain sectors, such as manufacturing and wholesale trade, witness fluctuations in disclosure rates, highlighting the dynamic nature of governance practices and the challenges in maintaining consistent transparency. These variations may be influenced by changing regulatory environments, shifts in stakeholder expectations, or internal organizational changes. The need for continuous monitoring and improvement in governance reporting practices is critical to ensuring that disclosures remain relevant and aligned with stakeholder demands. This aligns with Oliver (1991), who argues that organizational responses to institutional pressures can vary over time, leading to fluctuations in practices such as governance reporting.

## 6. Conclusions

The analysis of ESG performance in Qatar, Saudi Arabia, and the UAE from 2021 to 2022 highlights the varying impacts of institutional pressures on sustainability practices in these countries. Overall, there has been an improvement in ESG scores, with the UAE showing the most significant progress, followed by Saudi Arabia and Qatar, which aligns with the findings of Issa and Alleyne (2018), Uyar et al. (2019), and Farooq et al. (2021). The results underscore how different levels of institutional pressure and the degree of institutionalization of sustainability norms influence the pace and extent of these improvements (Di Maggio & Powell, 1983), thereby addressing the first research question on how reporting frameworks in the GCC countries respond to institutional pressure. In the UAE, substantial improvements in environmental performance, coupled with steady increases in social and governance metrics, reflect the country's proactive approach to aligning with global sustainability standards. Those improvements can be attributed to strong institutional frameworks, strategic initiatives, and a desire to

position itself as a leader in sustainability within the Gulf region. The UAE's progress demonstrates the effectiveness of combining domestic policies with international expectations to drive significant improvements in ESG performance. Saudi Arabia's moderate improvements suggest a more gradual adaptation to institutional pressures, influenced by the country's Vision 2030 initiative and ongoing economic and social reforms. Qatar's limited progress highlights the challenges of institutional adaptation in the face of weaker regulatory structures and slower internalization of sustainability norms, particularly in governance and social performance. These results are in line with the findings of Issa & Allyne (2018) who found that external pressures under coercive isomorphism influence disclosure practices in the GCC countries. Unlike researchers who have focused on the effect of external pressures under coercive isomorphism on disclosure practices, we extend the institutional perspective explaining the role of mimetic and normative isomorphism, particularly how companies in the GCC may disclose ESG to enhance their legitimacy (Di Maggio & Powell, 1983).

Further, for the second research question, we sought to understand the institutional challenges influencing the ESG reporting practices in the GCC countries. The insights gathered from this study highlight several challenges. For instance, while generally stable or improving slightly, governance scores show the least consistent change, indicating that the institutionalization of governance practices remains uneven. Sectors such as professional services and finance see moderate increases in governance scores, likely due to strong regulatory requirements and the need for transparency. However, declines in governance scores in sectors like educational services and accommodation suggest challenges in embedding governance practices where normative and coercive pressures are weaker. Similarly, social performance shows mixed results, with significant increases in sectors like healthcare and professional services, reflecting a growing societal expectation for corporate social responsibility. However, declines in sectors like art and entertainment and educational services underscore the challenges of maintaining social performance without strong institutional support. Additionally, the decline in gender diversity disclosures, despite its continued prominence, suggests companies might be shifting focus or perceiving that previous disclosures are sufficient. Unlike studies that highlight the disparities between different GCC countries in sustainability disclosure (Gerged et al., 2023), we extend the analysis by focusing on disparities in sustainability disclosure at the sector and metrics levels.

To answer the third research question regarding the extent to which GCC countries are institutionally prepared to adopt the new GCC Exchanges Committee's unified ESG disclosure guidance, the results indicate that the three countries are making strides in sustainability and the effectiveness and speed of these improvements are closely tied to the strength of institutional frameworks, the intensity of external pressures, and the degree to which sustainability practices have been internalized within each country. In the environmental category, most metrics see an increase in disclosure, particularly in emissions intensity and energy usage disclosures, suggesting that companies prioritize areas with immediate regulatory and reputational impacts. In the social category, disclosure patterns are more variable, with some metrics increasing and others decreasing, showing a fluctuating trend of increases and decreases at the sector level. The variation reflects heightened societal and regulatory focus on aspects such as equality and inclusion and growing societal expectations for corporate social responsibility. Governance scores, while generally stable or improving slightly, show

the least consistent change, indicating that the institutionalization of governance practices remains uneven across sectors and metrics.

This study contributes to the understanding of how institutional pressures influence ESG performance by highlighting how different institutional pressures—coercive, normative, and mimetic—interact with local contexts to shape corporate behavior and disclosure practices. The UAE's success in aligning with global sustainability standards illustrates the power of coercive pressures in shaping corporate behavior. In Saudi Arabia, the gradual progress in social and governance scores reflects the influence of normative pressures within the context of Vision 2030, where traditional values and modern reforms are intertwined. Unlike studies focusing on individual countries or regions, this study offers a comparative analysis of three Gulf countries. It also underscores how local contexts interact with global sustainability norms, offering insights not found in previous region-specific analyses. Our detailed examination of ESG performance across sectors and countries offers unique insights into how industries and local contexts shape sustainability practices. This nuanced analysis contributes a more comprehensive understanding of how institutional pressures manifest differently across sectors. Finally, combining quantitative ESG scores with qualitative content analysis provides a deeper insight into how companies in the GCC countries navigate institutional pressures within their distinct socio-political environments.

However, the study has some limitations, as we focus only on ESG scores from 2021 to 2022, limiting the ability to observe long-term trends and assess the sustainability of improvements. The study is also confined to these three Gulf countries, making it less generalizable to other regions with different political, economic, and cultural contexts. While we highlight sectoral differences, we do not show the specific challenges each sector faces. Variability in the availability and quality of ESG data in the region could also impact the reliability of the findings. Last, while institutional theory is used to explain differences in ESG performance, it may not fully capture the complexity of institutional dynamics in each country. Other frameworks, such as stakeholder or resource dependency theories, could provide additional perspectives.

Our findings have several important implications for policymakers in Qatar, Saudi Arabia, and the UAE. The UAE's significant progress in ESG scores, particularly in environmental performance, underscores the importance of robust institutional frameworks and strategic alignment with global norms. Policymakers in Qatar and Saudi Arabia can draw lessons from the UAE's approach, focusing on strengthening regulatory frameworks and aligning national strategies with international sustainability standards to accelerate ESG performance. The uneven progress in social and governance scores, especially in Qatar and sectors within Saudi Arabia, suggests a need for more targeted regulatory interventions. For instance, policymakers could introduce regulations or incentives to improve governance practices and social performance in sectors where progress has been slow. The variability in disclosure practices across sectors and countries highlights the need for enhanced transparency and consistency in ESG reporting. Policymakers could establish more explicit guidelines and mandatory disclosure requirements to ensure that companies provide comprehensive and comparable data across all ESG categories.

## Author contributions

All authors contributed to the work presented in this paper. Amr ElAlfy, Adel Elgharbawy, Tia Rebecca Driver, and Abdul-Jalil Ibrahim were involved in the conceptualization of the study, conducting the analysis, and writing the manuscript. All authors have read and approved the final version of the manuscript.

## Use of AI tools declaration

The authors declare they have not used artificial intelligence (AI) tools in the creation of this article.

## Conflict of interest

All authors declare no conflicts of interest in this paper.

## References

- Abdelqader M, Nimer K, Darwish TK (2021) IFRS compliance in GCC countries: Do corporate governance mechanisms make a difference? *Int J Discl Gov* 18: 411–425. <https://doi.org/10.1057/s41310-021-00123-3>
- Abu Dhabi Securities Exchange (n.d.-a) GCC ESG Metrics. Available from: <https://www.adx.ae/english/pages/aboutadx/sustainability/unified-gcc-esg.aspx#:~:text=The%20metrics%20comprise%2029%20standards,data%20privacy%2C%20ethics%20and%20more> (Accessed on 15 May, 2024).
- Abu Dhabi Securities Exchange (n.d.-b) Sustainability. Available from: <https://www.adx.ae/English/Pages/AboutADX/Sustainability/default.aspx> (Accessed on 10 May, 2024).
- Abulibdeh A, Al-Awadhi T, Al-Barwani M (2019) Comparative analysis of the driving forces and spatiotemporal patterns of urbanisation in Muscat, Doha, and Dubai. *Dev Pract* 29: 606–618. <https://doi.org/10.1080/09614524.2019.1598335>
- Aguilera RV, Filatotchev I, Gospel H, et al. (2008) An organizational approach to comparative corporate governance: Costs, contingencies, and complementarities. *Organ Sci* 19: 475–492.
- Aguilera RV, Rupp DE, Williams CA, et al. (2007) Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations. *Acad Manag Rev* 32: 836–863.
- Ahmed AH, Elmaghrabi ME, Dunne T, et al. (2021) Gaining momentum: Towards integrated reporting practices in Gulf Cooperation Council countries. *Bus Strategy Dev* 4: 78–93. <https://doi.org/10.1002/bsd2.130>
- Alazzani A, Wan-Hussin WN (2013) Global Reporting Initiative's environmental reporting: A study of oil and gas companies. *Ecol Indic* 32: 19–24. <https://doi.org/10.1016/j.ecolind.2013.02.019>

- Al-Bassam WM, Ntim CG, Opong KK, et al. (2018) Corporate boards and ownership structure as antecedents of corporate governance disclosure in Saudi Arabian publicly listed corporations. *Bus Soc* 57: 335–377. <https://doi.org/10.1177/0007650315610611>
- Alhazmi A (2017) *Exploring the factors and effects of corporate social responsibility disclosure in Saudi Arabia (in the area of accounting and finance)* (Order No. 27767353). ProQuest Dissertations & Theses Global; ProQuest Dissertations & Theses Global Closed Collection (2393156873). Available from: <https://www.proquest.com/dissertations-theses/exploring-factors-effects-corporate-social/docview/2393156873/se-2>.
- Allam MAF (2023) Staying Legitimate in a Changing Climate: A Framework for Studying Corporate Climate Change Communication, In: IG Arraiano, B Díaz, M Del Baldo, R Schmidpeter, SO Idowu (Eds.), *Corporate Social Responsibility in a Dynamic Global Environment*. Cham: Springer International Publishing, 65–88. [https://doi.org/10.1007/978-3-031-24647-0\\_4](https://doi.org/10.1007/978-3-031-24647-0_4)
- Alojail M, Khan SB (2023) Impact of digital transformation toward sustainable development. *Sustainability* 15: 14697. <https://doi.org/10.3390/su152014697>
- Al-Qudah AA, Houcine A (2024) Firms' characteristics, corporate governance, and the adoption of sustainability reporting: Evidence from Gulf Cooperation Council countries. *J Financ Rep Account* 22: 392–415. <https://doi.org/10.1108/JFRA-02-2023-0066>
- Al-Saidi M, Zaidan E, Hammad S (2019) Participation modes and diplomacy of Gulf Cooperation Council (GCC) countries towards the global sustainability agenda. *Dev Pract* 29: 545–558. <https://doi.org/10.1080/09614524.2019.1597017>
- Aluchna M, Roszkowska-Menkes M, Khan S (2024) Corporate governance perspective on environmental reporting: Literature review and future research agenda. *Corp Soc Responsib Environ Manag* 31: 1550–1577. <https://doi.org/10.1002/csr.2643>
- Arayssi M, Jizi M (2023) Royal family board directors and the level of ESG disclosures in GCC listed firms. *J Account Organ Change* 20: 58–83. <https://doi.org/10.1108/JAOC-08-2022-0123>
- Asif M (2016) Growth and sustainability trends in the buildings sector in the GCC region with particular reference to the KSA and UAE. *Renew Sustain Energy Rev* 55: 1267–1273. <https://doi.org/10.1016/j.rser.2015.05.042>
- Assarroudi A, Heshmati Nabavi F, Armat MR, et al. (2018) Directed qualitative content analysis: The description and elaboration of its underpinning methods and data analysis process. *J Res Nurs* 23: 42–55. <https://doi.org/10.1177/1744987117741667>
- Bejjani M, Anouti Y, Klat A, Batal J (2019) *Putting GCC cities in the loop: Sustainable growth in a circular economy*. World Government Summit. Available from: <https://www.worldgovernmentsummit.org/observer/reports/2019/detail/putting-gcc-cities-in-the-loop-sustainable-growth-in-a-circular-economy>.
- Bellucci M, Simoni L, Acuti D, et al. (2019) Stakeholder engagement and dialogic accounting: Empirical evidence in sustainability reporting. *Account Audit Account J* 32: 1467–1499. <https://doi.org/10.1108/AAAJ-09-2017-3158>
- Ben-Amar W, Chang M, McIlkenny P (2017) Board gender diversity and corporate response to sustainability initiatives: Evidence from the Carbon Disclosure Project. *J Bus Ethics* 142: 369–383. <https://doi.org/10.1007/s10551-015-2759-1>

- Boiral O, Heras-Saizarbitoria I, Brotherton MC (2019) Assessing and improving the quality of sustainability reports: The auditors' perspective. *J Bus Ethics* 155: 703–721. <https://doi.org/10.1007/s10551-017-3516-4>
- Buallay A, Al-Ajmi J (2019) The role of audit committee attributes in corporate sustainability reporting: Evidence from banks in the Gulf Cooperation Council. *J Appl Account* 21: 249–264. <https://doi.org/10.1108/JAAR-06-2018-0085>
- Callery PJ (2023) The influence of strategic disclosure on corporate climate performance ratings. *Bus Soc* 62: 950–988. <https://doi.org/10.1177/00076503221115715>
- Camarate J, Hedra C, Ignaciuk K, et al. (n.d.) *Three themes shaping GCC financial services*. Available from <https://www.strategyand.pwc.com/m1/en/articles/2020/three-themes-shaping-gcc-financial-services.html> (Accessed on September 28, 2024).
- Campbell JL (2007) Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility. *Acad Manag Rev* 32: 946–967. <https://doi.org/10.5465/amr.2007.25275684>
- Clarke V, Braun V (2017) Thematic analysis. *J Posit Psychol* 12: 297–298. <https://doi.org/10.1080/17439760.2016.1262613>
- Clarkson PM, Li Y, Richardson GD, et al. (2008) Revisiting the relation between environmental performance and environmental disclosure: An empirical analysis. *Account Organ Soc* 33: 303–327.
- Coen D, Herman K, Pegram T (2022) Are corporate climate efforts genuine? An empirical analysis of the climate 'talk-walk' hypothesis. *Bus Strategy Environ* 31: 3040–3059. <https://doi.org/10.1002/bse.3063>
- Cormier D, Magnan M, Van Velthoven B (2005) Environmental disclosure quality in large German companies: Economic incentives, public pressures or institutional conditions? *Eur Account Rev* 14: 3–39. <https://doi.org/10.1080/0963818042000339617>
- Creswell JW, Creswell JD (2018) *Research Design: Qualitative, quantitative and mixed methods approaches*, 5<sup>th</sup> eds., Thousand Oaks: SAGE Publications.
- Creswell JW, Plano Clark VL (2006) *Designing and Conducting Mixed Methods Research*. 3<sup>rd</sup> eds., Thousand Oaks: SAGE Publications.
- de Villiers C, Dimes R, La Torre M, et al. (2024) The International Sustainability Standards Board's (ISSB) past, present, and future: Critical reflections and a research agenda. *Pac Account Rev* 36: 255–273. <https://doi.org/10.1108/PAR-02-2024-0038>
- Delmas MA, Toffel MW (2008) Organizational responses to environmental demands: Opening the black box. *Strat Manage J* 29: 1027–1055. <https://doi.org/10.1002/smj.701>
- Deegan C (2002) Introduction: The legitimising effect of social and environmental disclosures – a theoretical foundation. *Auditing Accountability J* 15: 282–311. <https://doi.org/10.1108/09513570210435852>
- DiMaggio P, Powell W (1983) The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *Am Sociol Rev* 48: 147–160. <https://doi.org/10.2307/2095101>

- Driver T, ElAlfy A (2023) Double materiality: Why does it matter for sustainability reporting? In: O Lehner, T Harrer, H Silovla, O Weber (Eds.), *The Routledge Handbook of Green Finance*, 1<sup>st</sup> eds., Abingdon, Oxon: Routledge, 41–56.
- Driver T, ElAlfy A, Weber O (2023) *The Future of Standardized Sustainability Reporting* (CIGI Paper No. 275; CIGI Papers Series) Centre for International Governance Innovation. Available from: <https://www.cigionline.org/publications/the-future-of-standardized-sustainability-reporting/>.
- Dunn MB, Jones C (2010) Institutional logics and institutional pluralism: The contestation of care and science logics in medical education, 1967–2005. *Adm Sci Q* 55: 114–149. <https://doi.org/10.2189/asqu.2010.55.1.114>
- Eden L, Wagstaff MF (2021) Evidence-based policymaking and the wicked problem of SDG 5 Gender Equality. *J Int Bus Stud* 4: 28–57. <https://doi.org/10.1057/s42214-020-00054-w>
- El Khoury R, Nasrallah N, Alareeni B (2023) The determinants of ESG in the banking sector of MENA region: A trend or necessity? *Compet Rev* 33: 7–29. <https://doi.org/10.1108/CR-09-2021-0118>
- ElAlfy A, Weber O (2019) *Corporate sustainability reporting: The case of the banking industry* (CIGI Paper No. 211; CIGI Paper Series) Centre for International Governance Innovation. Available from: <https://www.cigionline.org/publications/corporate-sustainability-reporting-case-banking-industry/>.
- Eljayash KM, James K, Kong E (2012) The quantity and quality of environmental disclosure in annual report of national oil and gas companies in Middle East and North Africa. *Int J Finance Econ* 4: 201–217. <https://doi.org/10.5539/ijef.v4n10p201>
- Eng N, Troy CLC, Bortree DS (2024) Symbolic and substantive legitimation: Examining corporate commitments to sustainable development goal 12. *J Commun Manag* 28: 74–92. <https://doi.org/10.1108/JCOM-06-2022-0075>
- Farooq MB, Zaman R, Sarraj D, et al. (2021) Examining the extent of and drivers for materiality assessment disclosures in sustainability reports. *Sustain Account Manag Policy J* 12: 965–1002. <https://doi.org/10.1108/SAMPJ-04-2020-0113>
- Fifka MS, Drabble M (2012) Focus and standardization of sustainability reporting – A comparative study of the United Kingdom and Finland. *Bus Strategy Environ* 21: 455–474. <https://doi.org/10.1002/bse.1730>
- Garas S, ElMassah S (2018) Corporate governance and corporate social responsibility disclosures: The case of GCC countries. *Crit Perspect Int Bus* 14: 2–26. <https://doi.org/10.1108/cpoib-10-2016-0042>
- Garriga E, Melé D (2004) Corporate Social Responsibility Theories: Mapping the Territory. *J Bus Ethics* 53: 51–71. <https://doi.org/10.1023/B:BUSI.0000039399.90587.34>
- GCC Exchanges Committee (2023) ESG disclosure guidance for listed companies. Gulf Cooperation Council. Available from: <https://adxservices.adx.ae/WebServices/DataServices/contentDownload.aspx?doc=2693943> (Accessed on May 10, 2024).
- Gerged AM, Al-Haddad LM, Al-Hajri MO (2020) Is earnings management associated with corporate environmental disclosure?: Evidence from Kuwaiti listed firms. *Account Res J* 33: 167–185. <https://doi.org/10.1108/ARJ-05-2018-0082>
- Gerged AM, Beddewela ES, Cowton CJ (2023) Does the quality of country-level governance have an impact on corporate environmental disclosure? Evidence from Gulf Cooperation Council countries. *Int J Finance Econ* 28: 1179–1200. <https://doi.org/10.1002/ijfe.2469>

- Gerged AM, Cowton CJ, Beddewela ES (2018) Towards Sustainable Development in the Arab Middle East and North Africa region: A longitudinal analysis of environmental disclosure in corporate annual reports. *Bus Strategy Environ* 27: 572–587. <https://doi.org/10.1002/bse.2021>
- Gibson CB (2017) Elaboration, generalization, triangulation, and interpretation: On enhancing the value of mixed method research. *Organ Res Methods* 20: 193–223. <https://doi.org/10.1177/1094428116639133>
- Greenwood R, Suddaby R, Hinings CR (2002) Theorizing change: The role of professional associations in the transformation of institutionalized fields. *Acad Manag J* 45: 58–80. <https://doi.org/10.2307/3069285>
- Hahn R, Kühnen M (2013) Determinants of sustainability reporting: A review of results, trends, theory, and opportunities in an expanding field of research. *J Clean Prod* 59: 5–21. <https://doi.org/10.1016/j.jclepro.2013.07.005>
- Hsieh HF, Shannon SE (2005) Three approaches to qualitative content analysis. *Qual Health Res* 15: 1277–1288. <https://doi.org/10.1177/1049732305276687>
- IEA (2022) Global Energy and Climate Model: Documentation. IEA. Available from: <https://www.iea.org/reports/global-energy-and-climate-model> (Accessed on October 1, 2024).
- International Financial Reporting Standards Foundation (2022a) IFRS S1 general requirements for disclosure of sustainability-related financial information [Exposure Draft]. Available from: <https://www.ifrs.org/content/dam/ifrs/project/general-sustainability-related-disclosures/exposure-draft-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf>.
- International Financial Reporting Standards Foundation (2022b) IFRS S2 climate-related disclosures [Exposure Draft]. Available from: <https://www.ifrs.org/content/dam/ifrs/project/climate-related-disclosures/issb-exposure-draft-2022-2-climate-related-disclosures.pdf>.
- International Financial Reporting Standards Foundation (2022c) International Sustainability Standards Board. Available from: <https://www.ifrs.org/groups/international-sustainability-standards-board/> (Accessed on June 2, 2024).
- International Financial Reporting Standards Foundation (2022d) Statement of Intent to Work Together Towards Comprehensive Corporate Reporting. Available from: <https://www.integratedreporting.org/resource/statement-of-intent-to-work-together-towards-comprehensive-corporate-reporting/> (Accessed on May 3, 2024).
- Ioannou I, Serafeim G (2023) What drives corporate social performance? The role of nation-level institutions. *J Int Bus Stud* 54: 14–23. <https://doi.org/10.1057/s41267-022-00579-7>
- Issa A, Alleyne A (2018) Corporate disclosure on anti-corruption practice: A study of social responsible companies in the Gulf Cooperation Council. *J Financ Crime* 25: 1077–1093. <https://doi.org/10.1108/JFC-05-2017-0045>
- Jizi M, Nehme R, Melhem C (2022) Board gender diversity and firms' social engagement in the Gulf Cooperation Council (GCC) countries. *Equal Divers Incl* 41: 186–206. <https://doi.org/10.1108/EDI-02-2021-0041>
- Kilani A, Al-Qteishat A, Sawalha O (2020) Assessments of Qatar's education reforms under the influence of global education standards. *INTED 2020 Proceedings*, 9276–9281. <https://doi.org/10.21125/inted.2020.2559>



- Kingdom of Saudi Arabia (n.d.) Vision 2030. Available from: <https://www.vision2030.gov.sa/en/> (Accessed on June 1, 2024).
- Kingdom of Saudi Arabia (n.d.-a) Saudi Green Initiative: Vision 2030. Available from: <https://www.vision2030.gov.sa/en/projects/saudi-green-initiative/> (Accessed on June 1, 2024).
- Kingdom of Saudi Arabia (n.d.-b) Vision 2030. Available from: <https://www.vision2030.gov.sa/en/> (Accessed on June 1, 2024).
- Kolk A (2004) A decade of sustainability reporting: Developments and significance. *Int J Environ Sustain Dev* 3: 51–64. <https://doi.org/10.1504/IJESD.2004.004688>
- Krivogorsky V (2024) Sustainability reporting with two different voices: The European Union and the International Sustainability Standards Board. *J Int Account Audit Tax* 56: 100635. <https://doi.org/10.1016/j.intaccaudtax.2024.100635>
- Macbeth C, Otubu M (2023) GCC Launches Unified Sustainability Disclosure Metrics. Cleary Gottlieb. Online Article published on February 24, 2024. Available from: <https://www.clearygottlieb.com/news-and-insights/publication-listing/gcc-launches-unified-sustainability-disclosure-metrics> (Accessed on May 3, 2024).
- Mansy O (2018) Top 5 Arab Stock Markets. Forbes Middle East. Online Article published on February 1, 2018. Available from: <https://www.forbesmiddleeast.com/industry/business/top-5-arab-stock-markets> (Accessed on May 3, 2024).
- Martínez-Ferrero J, García-Sánchez IM (2017) Coercive, normative and mimetic isomorphism as determinants of the voluntary assurance of sustainability reports. *Int Bus Rev* 26: 102–118. <https://doi.org/10.1016/j.ibusrev.2016.05.009>
- Matten D, Moon J (2008) “Implicit” and “Explicit” CSR: A Conceptual Framework for a Comparative Understanding of Corporate Social Responsibility. *Acad Manag Rev* 33: 404–424. <https://doi.org/10.5465/amr.2008.31193458>
- Mazboudi M, Sidani YM, Al Ariss A (2020) Harmonization of firm CSR policies across national contexts: Evidence from Brazil & Sweden. *Int Bus Rev* 29: 101711. <https://doi.org/10.1016/j.ibusrev.2020.101711>
- Meyer JW, Rowan B (1977) Institutionalized organizations: Formal structure as myth and ceremony. *Am J Sociol* 83: 340–363.
- Michael J, Awad AB, Khalaf BA (2023) Exploring environmental, social, and governance and bank performance in the Gulf Cooperation Council region. *Corp Law Gov Rev* 5: 192–200. <https://doi.org/10.22495/clgrv5i2sip6>
- Millar J, Slack R (2024) Global investor responses to the International Sustainability Standards Board draft sustainability and climate-change standards: Sites of dissonance or consensus. *Sustain Account Manag Policy J* 15: 573–604. <https://doi.org/10.1108/SAMPJ-03-2023-0128>
- Morgan DL (1993) Qualitative content analysis: A guide to paths not taken. *Qual Health Res* 3: 112–121. <https://doi.org/10.1177/104973239300300107>
- Muzoriwa K (2023) GCC stock markets are hitting record highs. Here’s why. Gulf Business. Online Article published on July 29, 2023. Available from: <https://gulfbusiness.com/gcc-stock-markets-are-having-a-field-day/> (Accessed on June 1, 2024).

- Nedopil C, Dordi T, Weber O (2021) The nature of global green finance standards—Evolution, differences, and three models. *Sustainability* 13: 3723. <https://doi.org/10.3390/su13073723>
- Nicolò G, Zanellato G, Tiron-Tudor A, et al. (2023) Revealing the corporate contribution to sustainable development goals through integrated reporting: A worldwide perspective. *Soc Responsib J* 19: 829–857. <https://doi.org/10.1108/SRJ-09-2021-0373>
- Noureldin O (2023) Gulf Bourses’ Panel Announces Common ESG Metrics For GCC Listed Firms. *Forbes Middle East*. Online Article published on January 9, 2023. Available from: <https://www.forbesmiddleeast.com/industry/economy/gulf-exchanges-create-unified-esg-metrics-for-gcc-listed-firms> (Accessed on May 10, 2024).
- Oliver C (1991) Strategic responses to institutional processes. *Acad Manag Rev* 16: 145–179. <https://doi.org/10.2307/258610>
- Palinkas LA, Horwitz SM, Green CA, et al. (2015) Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Adm Policy Ment Health* 42: 533–544. <https://doi.org/10.1007/s10488-013-0528-y>
- Pirani SI, Arafat HA (2016) Interplay of food security, agriculture and tourism within GCC countries. *Glob Food Secur* 9: 1–9. <https://doi.org/10.1016/j.gfs.2016.05.002>
- PwC (2024) 2024 marks a break through for sustainability in the GCC, PwC report. Available from: <https://www.pwc.com/m1/en/media-centre/2024/2024-marks-a-break-through-for-sustainability-in-the-GCC-PwC-report.html> (Accessed on June 13, 2024).
- Qatar Stock Exchange (n.d.-a) ESG Initiative. Available from: <https://www.qe.com.qa/esg-del> (Accessed on May 10, 2024).
- Qatar Stock Exchange (n.d.-b) Sustainability and ESG. Available from: <https://www.qe.com.qa/sustainability-and-esg> (Accessed on May 11, 2024).
- Ramadan AH, Nassar M, Sharairi MH, et al. (2023) Sustainability reporting and assurance in Gulf Cooperation Council countries: What is missing? *Int J Bus Gov Ethics* 17: 355–392.
- Ramady MA (2015) Effective regulatory regimes: A comparative analysis of GCC financial regulators. *J Financ Regul Compliance* 23: 2–17. <https://doi.org/10.1108/JFRC-09-2013-0032>
- Saudi Exchange (2021) Saudi Exchange Issues ESG Disclosure Guidelines for Listed Companies. PR Newswire. Online Article published on October 28, 2021. Available from: <https://www.prnewswire.com/news-releases/saudi-exchange-issues-esg-disclosure-guidelines-for-listed-companies-301410935.html> (Accessed on April 28, 2024).
- Saudi Exchange (n.d.) *ESG Guidelines*. Available from: <https://www.saudiexchange.sa/wps/portal/saudiexchange/listing/issuer-guides/esg-guidelines> (Accessed on May 11, 2024).
- Scott WR (2001) *Institutions and Organizations*, 2<sup>nd</sup> eds., Thousand Oaks: SAGE Publications.
- Scott WR (2008) Approaching adulthood: The maturing of institutional theory. *Theory Soc* 37: 427–442. <https://www.jstor.org/stable/40345595>
- Simnett R, Vanstraelen A, Chua WF (2009) Assurance on sustainability reports: An international comparison. *Account Rev* 84: 937–967. <https://www.jstor.org/stable/27784199>
- Skjott Linneberg M, Korsgaard S (2019) Coding qualitative data: A synthesis guiding the novice. *Qual Res J* 19: 259–270. <https://doi.org/10.1108/QRJ-12-2018-0012>

- State of Qatar (n.d.) Qatar National Vision 2030. Government Communications Office. Available from: <https://www.gco.gov.qa/en/about-qatar/national-vision2030/> (Accessed on May 21, 2024).
- Sustainable Stock Exchanges Initiative (2023) ESG Guidance Database. Available from: <https://sseinitiative.org/esg-guidance-database/> (Accessed on May 21, 2024).
- Sustainable Stock Exchanges Initiative (n.d.) Abu Dhabi Securities Exchange. Available from: [https://sseinitiative.org/stock-exchange/adx#:~:text=ADX%20has%20launched%20its%20first, and%20governance%20\(ESG\)%20impacts](https://sseinitiative.org/stock-exchange/adx#:~:text=ADX%20has%20launched%20its%20first, and%20governance%20(ESG)%20impacts) (Accessed on May 10, 2024).
- Tsai IT, Mezher T (2020) Rationalizing energy policy reforms in the Gulf Cooperation Council: Implications from an institutional analysis. *Energy Policy* 142: 111545. <https://doi.org/10.1016/j.enpol.2020.111545>
- United Arab Emirates (2024a) Vision 2021. Available from: <https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/strategies-plans-and-visions-until-2021/vision-2021> (Accessed on May 14, 2024).
- United Arab Emirates (2024b) UAE Energy Strategy 2050. Available from: <https://u.ae/en/about-the-uae/strategies-initiatives-and-awards/strategies-plans-and-visions/environment-and-energy/uae-energy-strategy-2050> (Accessed on May 21, 2024).
- United Arab Emirates (2024c) National Agenda. Available from: <https://uaecabinet.ae/en/national-agenda> (Accessed on September 28, 2024).
- Uyar A, Ramadan A, Nimer K (2019) A critical evaluation of sustainability reporting in the Gulf Cooperation Council region. *Int J Sustain Dev* 22: 158–185. <https://doi.org/10.1504/IJSD.2019.105327>
- Whittingham KL, Earle AG, Leyva-de La Hiz DI, et al. (2023) The impact of the United Nations Sustainable Development Goals on corporate sustainability reporting. *BRQ Bus Res Q* 26: 45–61. <https://doi.org/10.1177/23409444221085585>
- World Bank (2022) Gulf Economic Update: Green growth opportunities in the GCC. Available from: <https://www.worldbank.org/en/country/gcc/publication/gulf-economic-update-october-2022>.
- Zaidan E, Al-Saidi M, Hammad SH (2019) Sustainable development in the Arab world—Is the Gulf Cooperation Council (GCC) region fit for the challenge? *Dev Pract* 29: 670–681. <https://doi.org/10.1080/09614524.2019.1628922>
- Zakaria S (2017) CSR to be compulsory for UAE companies. Khaleej Times. Online Article published June 13, 2017. Available from: <https://www.khaleejtimes.com/local-business/csr-to-be-compulsory-for-uae-companies> (Accessed on April 17, 2024).



AIMS Press

© 2025 the Author(s), licensee AIMS Press. This is an open-access article distributed under the terms of the Creative Commons Attribution License (<https://creativecommons.org/licenses/by/4.0>)