EDITORIAL: New frontiers in risk governance — From ESG disclosure to geopolitical risk

Dear readers!

This issue of *Risk Governance and Control: Financial Markets & Institutions* offers a comprehensive and timely contribution to key debates in the domains of corporate governance, sustainability disclosure, and institutional adaptation to risk. The selected articles adopt diverse perspectives — from behavioral to geopolitical, and from emerging to developed economies — converging on a shared urgency to rethink governance mechanisms in the face of growing complexity and volatility.

A major topic addressed is the advancement of environmental, social, and governance (ESG) disclosure practices. As highlighted in prior research (Debnath et al., 2024; Elsheikh et al., 2024; Manrique & Martí-Ballester, 2017; Nguyen & Hoang, 2025), ESG reporting has moved beyond voluntary symbolic communication and is increasingly seen as a strategic governance instrument. The paper by *Vu Thi Kim Oanh*, *Tran Phuong Thao*, *Nong Thi Anh*, *Nguyen Huyen Chi*, *Dinh Thi Yen Nhi*, and *Mai Thi Huyen Trang* provides empirical evidence from the banking sector, showing that ESG integration positively influences financial performance, risk management, and regulatory compliance. This finding aligns with the broader trend towards transparency and standardization in financial governance, as further supported by the international literature (Khan et al., 2016; Liang & Renneboog, 2017).

Geopolitical risk and financial decision-making emerge as another core area. As Onali and Mascia (2022) argue, companies must increasingly internalize political volatility in strategic planning. This view is reinforced by recent analyses of financial performance under uncertainty. Specifically, *Gentiana Mehmetaj* and *Vjosa Hajdari* explore how banks have managed investment, liquidity, and solvency risks during times of crisis, highlighting the importance of resilience strategies. Similarly, *David Umoru*, *Malachy Ashywel Ugbaka*, *Anake Fidelis Atseye*, *Mary Uyilowhoma Ojong-Ejoh*, *Hilary Ekpang Bisong*, *Scholastica Ashibebonye Abuh-Amasi*, *Chukwuedo Susan Oburota*, *Felix Awara Eke*, *Chikulirim Eke Ihuoma*, *Joseph Nsabe Ndome*, *Beauty Igbinovia*, *Georgina Asemota*, *Rose Utsubasha Abuokwen*, *Itam Eyo Eyo*, *Samuel Manyo Takon*, and *Affyrock Victor Eyibio* examine financial stability challenges in emerging markets, where institutional voids and volatility require proactive risk mitigation. These insights are further supported by the international literature on geopolitical risk and corporate resilience (Onali & Mascia, 2022; Khanna & Palepu, 2010).

The issue also emphasizes behavioral dimensions in governance. The literature also highlights how managerial overconfidence can influence disclosure quality, extending insights from behavioral economics (Camerer & Loewenstein, 2004). This perspective underscores the importance of integrating cognitive and behavioral factors into corporate governance frameworks, complementing the financial and institutional risk dimensions discussed throughout this issue.

The experiences of emerging economies are prominently featured in the issue. For example, *David Umoru*, *Malachy Ashywel Ugbaka*, *Anake Fidelis Atseye*, *Mary Uyilowhoma Ojong-Ejoh*, *Hilary Ekpang Bisong*, *Scholastica Ashibebonye Abuh-Amasi*, *Chukwuedo Susan Oburota*, *Felix Awara Eke*, *Chikulirim Eke Ihuoma*, *Joseph Nsabe Ndome*, *Beauty Igbinovia*, *Georgina Asemota*, *Rose Utsubasha Abuokwen*, *Itam Eyo Eyo*, *Samuel Manyo Takon*, and *Affyrock Victor Eyibio* investigate financial systems in countries with emerging markets, highlighting how institutional voids, financial instability, and macroeconomic constraints interact. These findings resonate with the earlier scholarship by Khanna and Palepu (2010), which stresses the importance of contextualized governance reforms in environments with weaker formal institutions.

Altogether, this issue provides a stimulating and multidisciplinary collection that reflects the complexity of modern risk governance challenges. The featured papers not only deepen academic understanding but also offer useful lenses for practitioners and policymakers navigating cross-jurisdictional and cross-sectoral risk environments.

As editorial board members, we are pleased to share this issue as a reflection of the journal's commitment to scholarly advancement and policy relevance.

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